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SENATE—*Wednesday, January 28, 1976*

The Senate met at 9:30 a.m. and was called to order by Hon. DEWEY F. BARTLETT, a Senator from the State of Oklahoma.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O Thou who art from everlasting to everlasting, let Thy spirit be upon us this day.

May Thy spirit be in our hearts to cleanse them and renew them.

May Thy spirit be in our minds to guide our thoughts to truth and righteousness.

May Thy spirit be on our lips, to prevent wrong speaking and assist right speaking.

May Thy spirit be upon our hands that they may be faithful in work and eager in service.

May Thy spirit be upon our eyes that they may behold the Master as our guide.

May our lives be strong with Thy power, wise with Thy wisdom, and radiant with Thy love.

In the name of Him who is Lord of all life. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., January 28, 1976.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. DEWEY F. BARTLETT, a Senator from the State of Oklahoma, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. BARTLETT thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Tuesday, January 27, 1976, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the calendar.

There being no objection, the Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. The nominations will be stated.

DEPARTMENT OF STATE

The legislative clerk read the nominations of Deane R. Hinton, of Illinois, to be the representative of the United States of America to the European Communities, with the rank and status of Ambassador Extraordinary and Plenipotentiary; Joseph A. Greenwald, of Illinois, to be an Assistant Secretary of State; Robert Anderson, of the District of Columbia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Morocco; and Anne Legendre Armstrong, of Texas, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the United Kingdom of Great Britain and Northern Ireland.

Mr. MANSFIELD. I ask unanimous consent that the nominations be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered en bloc.

Mr. MANSFIELD. Mr. President, I note that the first three nominations—Messrs. Hinton, Greenwald, and Anderson—are career members of the Department of State Foreign Service. They have exemplary records, and will be excellent appointments.

I wish to pay special tribute to the fourth appointment, Anne Legendre Armstrong, to be our Ambassador to the Court of St. James. I think this is an excellent appointment. I have served on commissions with Mrs. Armstrong. I have great faith in her integrity and her understanding. I am delighted that this nomination, along with the others, is before the Senate at this time.

Mr. TOWER. Mr. President, I, too, would like to call the special attention of my colleagues to the high caliber nominee they have before them in Anne Armstrong.

As Ambassador to Great Britain and Northern Ireland, her great charm, erudition, poise, and solidity will reflect all that is best in America.

Quite rightly, no questions have been raised as to this appointment. I need not engage in lengthy oratory to convince anyone of the wisdom of supporting the nomination. Mrs. Armstrong's outstanding record and character has attracted that support. But for us to speed through this without note would not do merit to the importance of this occasion. Therefore, I ask unanimous consent to submit for the RECORD a copy of my statement in her behalf to the Senate Foreign Relations Committee as well as a sample of the enthusiastic press comments her nomination has evoked.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT BY MR. TOWER

Mr. Chairman and distinguished members of the committee, it has been an honor, during my 15 years in the Senate, to recommend many fine Texans nominated to serve in our national government.

Never has that task been easier than it is today in endorsing the nomination of Anne Legendre Armstrong as United States Ambassador to the United Kingdom of Great Britain and Northern Ireland.

Anne Armstrong is the finest Texas has to offer. I have had the opportunity over the years to value her as a friend, to lean on her as an adviser, to respect her as a dedicated public servant.

We Texans have seen Mrs. Armstrong rise from the banks of the Rio Grande where she started out, quite literally, at the grassroots of south Texas politics. Dispatching her duties at each level so effectively that she was time and again challenged to assume greater responsibilities, Mrs. Armstrong served as vice chairman of the Texas Republican Party, Republican National Committeewoman for Texas, co-chairman of the Republican National Committee, and counselor to

Presidents Nixon and Ford—the highest ranking woman on the government scene.

Here, on the banks of the Potomac, she proved herself well displaying a tough, analytical mind as she chaired the Federal Property Council, worked as a member of the Domestic Council and Cost of Living Council, and directed areas affecting women, youth and Hispanic Americans for the White House.

Now, Anne Armstrong is being called upon to apply her enormous energies on the banks of the River Thames.

Notwithstanding her spirited participation in Republican politics, this nomination should not be regarded as a mere reward for partisan service but rather as recognition of talents and abilities. The Court of St. James is not a give-away post. And Anne Armstrong is not a political paperweight.

Nor is she a neophyte in the world of foreign relations. In 1974, she represented the United States at the United Nation's International Food Conference in Rome. While at the White House, she was a member of the Commission on the Organization of the Government for the Conduct of Foreign Policy. As a member of the National Commission on the Observance of International Women's Year, she attended the I.W.Y. conference in Mexico City last summer. An intelligent, articulate, disciplined worker; while there may be a few things she doesn't yet know, I doubt there is anything she cannot learn.

Only because Anne Armstrong is such a proponent of women serving in top government posts does it not seem superfluous to stress that she would be the first woman to fill the prestigious London post. In ladies first through the door, she has been there before: As the first woman co-chairman of a major U.S. political party, the first woman to keynote a national political convention, the first woman of cabinet rank since the 1950's. And Anne Armstrong's successes in all those endeavors have kept the doors opened so that her personal contributions can be extrapolated to embrace the benefits our country will reap from the talented women to follow.

With grace befitting a member of royalty and the political acumen of a leader of the loyal opposition, Mrs. Armstrong should fit in well with ladies of London.

The British press has affectionately dubbed her "Auntie Sam." Yet I predict they'll soon find her more a "Sam" than an "Auntie." Though a natural diplomat; she is, at the same time, a tenacious straight-talker and an enthusiastic representative of causes she promotes.

Were this London ambassadorial nominee, like all those before her, male, praise might be given the wife's social charm and hosting abilities. Well, here too, we have quite a pair in the Armstrongs—albeit in different and more relevant roles.

Not to overlook Tobin Armstrong's social amenities, for I know well how he and Anne team to become the consummate hosts. And, indeed, he is certain to reinforce in the British mind all the myths about tall, rugged Texans . . . the cowboy sterotype . . . the Texas ranger mystique—such that should I have the opportunity to visit Regent's Park, I may have to pass as the Senator from Tennessee. Yet, Mr. Armstrong is also an agricultural leader—an acknowledged expert on ranching, cattle, food. Undoubtedly, he will find a useful and appropriate role of his own in this undertaking.

In calling on the committee and the Senate to move expeditiously on this nomination, I would point out the many areas of joint interests and concerns facing our two countries as well as the symbolism of our Bicentennial year. Among those who filled this ambassadorial post during our 200 years have been John Adams, James Monroe, John Quincy Adams, Martin Van Buren, and James Buchanan. I urge you to add Anne Armstrong to their ranks.

I noted in one of the many glowing news accounts which have followed the announcement of her nomination that Mrs. Armstrong's toughness was illustrated by a quote that "she was one person who would talk eyeball to eyeball with Senator Tower and tell him he was wrong." Well, this is one time I am certain I am right. I wholeheartedly endorse Anne Armstrong's nomination and urge her favorable consideration by this committee and confirmation by the Senate.

[From the Dallas Times Herald, Jan. 18, 1976]

Ambassador Armstrong

The appointment of Texan Anne Armstrong as United States ambassador to Great Britain honors her and her state.

Mrs. Armstrong, who is among a growing number of Texans in national leadership and prominence, takes on an assignment which traditionally has been reserved for sons of Eastern states.

She not only becomes the first woman to represent the U.S. in London but the first Texan as well.

Undoubtedly Britons will find her a refreshing change, bringing a Texas heritage of friendliness and openness towards people.

Mr. Armstrong, well educated and sophisticated in national and world affairs, will reflect favorably on Texans and help correct false images and myths about the character and abilities of Texans.

Frontier days are gone in Texas, although the British public still avidly watches old western movies as though they were news reels of Texas today.

But Texas is the only state which has three of the top ten largest cities in America. Texas is urbanized and industrialized. The state is an economic and political power within the American nation.

Mrs. Armstrong as ambassador to the United States' strongest ally emphasizes the role that Texans should have in the federal government today.

[From the Corpus Christi Caller, Jan. 11, 1976]

Anne Armstrong Going to London

(By Edward H. Harte)

Brittanic Majesty—The British pound may be tottering. London's clubs may be closing. England's trade deficits may be soaring. But London remains the most glamorous and prestigious post to which an American ambassador can be assigned.

It's the ultimate for a diplomat.

For that reason there is excitement throughout South Texas over the news that our neighbor Anne Armstrong will be ambassador to the Court of St. James's.

We Americans have had women ambassadors before. In 1949 President Truman furloughed Perle Mesta from her labors in behalf of a more convivial Washington, and sent her to be our ambassador to Luxembourg.

In the Eisenhower years Clare Booth Luce demonstrated to a male chauvinist world that a woman can represent the dignity of our republic in a major capital. She presided with distinction over our embassy in Rome (with, incidentally, the help of Mary Etta Kleberg Sugden, a member of the King Ranch family).

Nixon later crowned Shirley Temple Black's career with an appointment to Ghana. So we've had female ambassadors before. But never to London—until now.

London's different. Long aristocratic tradition, highly visible vestiges of England's past riches, and the ever-present monarchy give an extra dimension to service in that regal capital. The players have to hustle to live up to the scenery.

Living up to the scenery will present little difficulty to Anne Armstrong. She was practically born a Beautiful Person.

Her maiden name, Legendre, is known wherever the socially savvy meet in our country. Her education, at Foxcroft and Vassar, was as aristocratic as America can offer.

When Anne is finally presented to the Queen, the sovereign will find no occasion to condescend. Her Britannic Majesty may discover that she's in the company of a woman who personifies American Class.

Besides class, Anne Armstrong will take to the post these qualifications for success in diplomacy.

First, she is both disciplined and discreet. After she took high office in the Republican party and later in the Nixon cabinet, friends noticed that reserve and total self-control had replaced what once were easier and more spontaneous ways. The change was altogether appropriate and will be valuable in her new role.

Second, she is smart.

Third, she is hard working.

And finally, she has a husband who cannot fail to make a hit with the British. Handsome, confident, affable, he's at home in both city and country (very important in Britain) and with all orders of society (not so important in Britain).

Tobin Armstrong even plays polo, which must surely recommend him to Prince Philip and other lords of the realm.

The only mystery about the Anne Armstrong appointment is how President Ford figured he could do without her political support in Texas during an election year. Be that as it may, her appointment is a compliment to her and signals the rest of us that she is about the most important person in our part of the state.

Wouldn't a bi-partisan dinner for Anne Armstrong be an appropriate gesture of appreciation as she departs for Grosvenor Square?

[From the New York Times, Jan. 6, 1976]

Politician Branching Out—Anne Legendre Armstrong

Anne Legendre Armstrong, whom President Ford reportedly intends to name as Ambassador to Britain, is no stranger to the kind of gracious socializing that such a post requires.

Nor is she unfamiliar with the role of enthusiastic representative for the cause she chooses to espouse: When Watergate cast its pall across the Nixon White House it was Mrs. Armstrong, a counselor to the President, who often took up the defense.

Mrs. Armstrong, who would become the first woman American ambassador to Britain, served as counselor to two Republican Presidents, but began her life in politics working for a Democrat. At Vassar, she was a volunteer worker in the 1948 Presidential campaign for President Truman.

Mrs. Armstrong was born in New Orleans on Dec. 27, 1927, daughter of Armant Legendre, a coffee importer who belonged to a Creole family. She attended the Foxcroft School in Middleburg, Va., where she was president of the student body and valedictorian of her class.

WHEN THEY MET

After college, she worked as an assistant editor at Harper's Bazaar, but left the job to marry Tobin Armstrong, a tall and rugged Texan whose 18-square-mile ranch holds 3,000 head of Santa Gertrudis cattle. Their courtship—four months—began when she visited a classmate at the King Ranch, which adjoins the Armstrong property.

The Armstrongs have five children—two girls and three boys, including 19-year-old twins. According to Dorothy Hasty, Mrs. Armstrong's secretary at the ranch, the children would probably stay in this country if their mother's nomination was confirmed, because they are in college. But Mr. Armstrong would accompany his wife to London, the secretary said.

The Armstrongs are independently wealthy, traditionally a necessity in the London post because the costs of its maintenance and its social functions are so high.

The American Ambassador lives at Winfield House, a three-story, pink mansion on 12½ acres in Regent's Park, including greenhouses, a tennis court and swimming pool. In 1969, when Walter Annenberg was the official tenant there, Winfield House underwent $1 million of improvements at Mr. Annenberg's expense.

Life in London is not likely to provide the easy access to the rugged life that Mrs. Armstrong came to enjoy as the wife of a Texas rancher.

In Texas, where her great-grandfather, Leonidas Jefferson Storey, served as Lieutenant Governor in 1880, Mrs. Armstrong entered politics at the grassroots level, she says, and then "sort of branched out." She began with precinct work and became a Republican in the first Eisenhower campaign of 1952.

She became vice-chairman of the Texas Republican Party and a National Committeewoman. She was a delegate to the Republican National Conventions, of 1964 and '68, serving on the platform committee. In 1969, she was on the executive committee of the Republican National Committee and was elected co-chairman of the Republican Party in 1971.

"OPEN-DOOR POLICY"

According to a Republican Party profile of her a few years ago, her political philosophy "is one which parallels a stated objective of President Nixon—an open-door policy for the Republican party." The profile continued.

"She firmly believes that the G.O.P. must be open to all people, young and old, faiths and races. Another one of her strong convictions is that there should be more and more women in top government positions."

In 1972 Mrs. Armstrong went to the White House. As a counselor, with Cabinet-level status to Presidents Nixon and Ford, she acted in a liaison capacity in matters relating to the country's Spanish Americans, women, to youth and to the Bicentennial. She was a delegate to the United Nations food conference in Rome in 1974 and a member of the Commission on the Organization of Government for the Formulation of Foreign Policy.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are confirmed en bloc.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be notified of the confirmation of the nominations.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

ORDER OF BUSINESS

The PRESIDING OFFICER (Mr. MANSFIELD). Does the acting minority leader seek recognition?

Mr. McCLURE. No, Mr. President.

The PRESIDING OFFICER. Under the previous order, the Senator from Oklahoma (Mr. BARTLETT) is recognized for not to exceed 15 minutes.

ANGOLA

Mr. BARTLETT. Mr. President, I should like to turn for a moment to the tragic situation in Angola, the new African nation that went through years of guerrilla fighting against the Portuguese before winning independence this past November. Now Angola is ravaged by a civil war among three contending factions. I am afraid there has been a great deal of misunderstanding in this Chamber on the situation there and, most importantly, the role the U.S. Government is playing in trying to resolve the conflict. I would like for us to focus on what the United States seeks to achieve there, why we are doing it and what role this body can play in supporting a conclusion that serves the broad U.S. national interest.

We are aiding Angola simply because the Russians are there, to prevent a Soviet controlled puppet state in west Africa, to prevent additional expansion in Africa of Soviet military presence and capability. Why have we not asked ourselves what the Russians are doing in Angola? Why do they have warships off that coast? It is clear that we are witnessing a blatant attempt by the Soviets to establish themselves in an area where they have no business at all. Neighbors of Angola felt threatened by this massive Soviet buildup and asked us to assist them.

We responded to these pleas from our friends. We saw a potential threat to the broad interest of U.S. foreign policy in this Soviet expansionist venture. To have done otherwise would have been to signal to the Soviets that they not longer had to concern themselves with a possible reaction from the United States when they undertook to meddle around in someone else's affairs.

We are, of course, concerned when we see conflict in any country, but do not believe that outside military forces should shape the destiny of any nation. The Soviet leaders apparently were not sincere when they joined us in the call for "mutual restraint" in the declaration of principles we signed with them at Moscow in 1972. Yet it is precisely this lack of Soviet restraint in the highly volatile conditions of Angola which should be the real focus for our concern today.

It takes very little as we know, to upset the status quo in many countries of the third and fourth worlds where performance never seems to catch up with human expectations. We must ask ourselves whether, now that the Soviets have the capability to intervene with their fleet and AN–22 transports anywhere in the world, they will use this power responsibly with restraint, or mischievously to affect the status quo in unstable situations like Angola. When Soviet leaders talk of changing the "correlation of forces in the world" we are inclined to shrug our shoulders. We, too, have our domestic political rhetoric. I know the Soviets have been watching carefully the debate in this country about the meaning of détente. A similar sort of debate is apparently going on in the Soviet Union. In the context of Soviet behavior in the past year, I personally find some aspects of this debate in Moscow more than a little disturbing. Last September, a leading Central Committee adviser to Brezhnev went out of his way to prove that détente policy has contributed to "progressive" victories ranging from Vietnam to Guinea Bissau, Mozambique and Angola. Last December, another staff member of the Central Committee who has had many dealings with central African officials argued that détente is of special interest for all "progressive forces." We would be foolish to dismiss repeated Soviet claims that the "correlation of world forces" since Vietnam has shifted in favor of the Communist world and so weakened "imperialism"—which means the United States—and that we no longer have the strength to block "the march of progress."

I am afraid it is crystal clear that the Soviets do really believe that there is no contradiction between détente and what they are doing in Angola and that "mutual restraint" does not apply in the vulnerable conditions of the Third and Fourth Worlds. Détente, to the Soviets, is not a goal of relaxed world tensions, but the means to the expansion of Soviet prestige, power, and influence.

I am certain that Moscow considered the situation in Portugal and Angola over the past year to be one of revolutionary opportunity. The radical military leadership in Portugal, which was close to the Communist Party, strongly favored the MPLA in Angola. What is disturbing is that the Soviets did not show the restraint required of them as a great power in this moment of opportunity but, on the contrary, jumped at the opportunity to continue the internal strife in Angola.

The Soviets would have us believe that they came to the aid of the MPLA to save it from attacks by South Africa, but what does the record show? The U.S.S.R. resumed shipments of military material to the MPLA in the fall of 1974, and the loads of equipment which were funneled by air and sea into Angola in March 1975 took months of careful planning. Was all this equipment funneled to a national liberation movement fighting colonialism? Of course not. It was being sent to one of three liberation movements which had been fighting the Portuguese for years, and not the biggest one at that, at a time when independence was at hand. In fact, the South Africans were aiding the faction that controlled southern Angola, a fact hardly consistent with Soviet claims of aid to a national liberation movement aimed at fighting colonialism.

To avoid civil war of the sort experienced in neighboring Zaire, Portugal encouraged the conclusion of an agreement at Alvor, Portugal under which the three liberation movements would share power into the postindependence period. But the MPLA represented a minority in that coalition and knew it could never win undisputed power in any postindependence democratic election. If ever there was time for outside powers to show restraint, it was then; but the arrival of Soviet equipment and Cuban regulars inevitably upset the balance of power and led directly to the MPLA's decision in March to drive the FNLA out of Luanda. Later in the spring the MPLA turned its Soviet-supplied guns on UNITA and drove it, also, out of Luanda. This reminds me very much of Soviet-style colonialism in Czechoslovakia. The Angolan people had wanted and hoped for something better, but the Soviets said, "Nyet."

Do we have an interest in what has happened in Angola? Yes, I think we do. Within Africa, if the MPLA takes power with Soviet arms, our friends in neighboring Zaire and Zambia are directly in the line of fire. Their main rail line with the outside world runs through Angola. Pressure on them to change their orientation and line up with Moscow or be toppled will probably be quick in coming. And it seems only natural and essential that our Government should be very disturbed by what is happening and react to calls for help from friends.

I, for one, believe our policy has been moderate and balanced. The administration does not seek a victory—only a solution that ends all foreign interventions and returns the problem to the Africans to decide. Our support is hardly massive; it amounts to less than 10 percent of the cost we estimate the Soviets have expended—and it had been largely successful in achieving its goal of bolstering the two moderate Angolan factions against Cubans. It has been achieved without committing any Americans to train, advise, fly for or fight with the groups in Angola. It was an expenditure of some $30-odd million to demonstrate that the United States remains ready to help others fight to resist Soviet communistic domination.

We seek a solution that will bring to Angola a government that represents interests of three political parties — the MPLA, UNITA, and FNLA. All three parties agreed to such a government just 1 year ago. But, it was the MPLA that broke the agreement.

The United States did not escalate its assistance to the anti-MPLA factions before massive U.S.S.R. assistance.

Our policy paralleled that of the Portuguese Government—to remain impartial and to help bring about a government of national unity in which all three liberation movements would participate equally. Not until massive Soviet arms aid began flowing into Angola in March-April 1975 did the administration begin to think in terms of military assistance to FNLA/UNITA. Our concern was mirrored by African states whose Presidents appealed to the United States to stop the illegal takeover of Angola by the MPLA. The entry of South Africa into Angola came long after Soviet aid to MPLA had reached huge proportions and after MPLA forces occupied the entire coast of Angola and much of the southern regions of the country. Under a 1962 treaty with Portugal, South Africa is building two dams on or near the border with Namibia. None of the liberation groups could guarantee access by South African technicians to the dam sites, and the South African Government put its own forces on the sites to guard them. Later, a strike force composed of black and white troops led by Angolan and South African officers entered Angola and rolled the MPLA back several hundred miles, almost to Luanda, South Africa wants to withdraw them from Angola, but does not believe its legitimate interests will be protected unless other foreign powers leave the scene. Recent news reports indicate that South Africa will begin to withdraw its troops from Angola very soon. What will the Soviet Union's excuse be for continued aid to the MPLA then?

My understanding is that the U.S. Government did not consult with South Africa on the timing and nature of its intervention in Angola. We deplore the presence in Angola of South African troops, as we do the Soviet technicians and Cuban forces, but we cannot in good faith support their withdrawal while the U.S.S.R. and Cuba retain a presence in the country.

I am dismayed that some Members of this body have sought to cast the United States in the role of a villain in Angola. The facts show clearly that the administration has acted with restraint and only in the face of extreme provocation. I applaud the desire of many Senators to exercise the legislative prerogative in foreign affairs, but I deplore the handcuffs placed upon the Executive in a situation requiring flexibility and the ability to respond quickly to a changing situation. The unfortunate mania to publicize the most minute details of the administration's activities even while the problem continues has effectively hamstrung the administration and correspondingly improved the chance of the U.S.S.R. and Cuba to work their will in Angola, to the detriment of the people of that nation.

I submit that this body has done a disservice to American national interests by denying the administration the funds it needs to block yet another attempt by the Soviet Union to expand its influence against the will of a small nation.

Mr. President, I yield back the remainder of my time.

ROUTINE MORNING BUSINESS

The **PRESIDING OFFICER** (Mr. McClure). Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed beyond the hour of 10 a.m. with statements therein limited to 5 minutes.

ORDER OF PROCEDURE TODAY

Mr. **MANSFIELD**. Mr. President, I ask unanimous consent that it be in order for me to call up the rice bill at any time after the Magnuson bill covering the 200-mile fishing limit is disposed of.

Mr. **BARTLETT**. Reserving the right to object, has there been argeement on this?

Mr. **MANSFIELD**. Yes. I have made a commitment that this will happen, and I am only making sure that my word will be kept with the Members who engaged in a colloquy with me prior to the sine die adjournment of the first session.

The **PRESIDING OFFICER**. Is there objection? The Chair hears none, and it is so ordered.

ORDER REFERRING S. 2511 TO COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. **TALMADGE**. Mr. President, on October 9, 1975, S. 2511, a bill to authorize the Secretary of Agriculture to convey certain lands in the State of Idaho, was introduced and referred to the Committee on Agriculture and Forestry, S. 2511 relates to both land acquired by the United States and to forest reserves created from the public domain. The Committee on Agriculture and Forestry has jurisdiction over so-called acquired lands, while the Committee on Interior and Insular Affairs has jurisdiction over public domain lands. Since the greater part of the acreage dealt with in S. 2511 is acquired lands, S. 2511 was correctly referred to the Committee on Agriculture and Forestry. However, I have been contacted by the distinguished Senator from Idaho (Mr. McClure), who is a member of the Committee on Interior and Insular Affairs, and since the lands involved are in Idaho, this bill is of great interest to him and he has requested that the bill be referred to the Committee on Interior and Insular Affairs.

With the understanding that it does not in any way prejudice the jurisdiction of the Committee on Agriculture and Forestry, I am delighted to accommodate the distinguished Senator from Idaho. Therefore, I ask unanimous consent that the Committee on Agriculture and Forestry be discharged from further consideration of S. 2511, and that the bill be referred to the Committee on Interior and Insular Affairs.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **TALMADGE**. I yield the floor.

The **PRESIDING OFFICER**. (Mr. McClure). The Senator from West Virginia is recognized.

S. 2880—INTRODUCTION OF BOMBING PENALTIES BILL

(Referred to the Committee on the Judiciary.)

Mr. **ROBERT C. BYRD**. Mr. President, I am today introducing a bill which would apply a mandatory death penalty to those persons convicted of bombings in which a death ensues. The present law provides a penalty for any term of years, up to and including life imprisonment, but has no mandatory provisions for a convicted bomber whose act takes a human life. The present law also allows the death penalty to be administered, but that provision is almost certainly unconstitutional since the Supreme Court's decision in *Furman* v. *Georgia*, 408 U.S. 238 (1972), struck down a similar State statute which left the imposition of the death penalty to the unguided discretion of the jury.

My bill would impose mandatory life imprisonment, without suspension or parole, for those convicted of attempted bombings or those bombings where death does not ensue. The bill would also provide for a mandatory 1-year sentence, without suspension or parole, for a bomb threat.

The increasing worldwide use of terrorist bombing by extremist groups as a political act has numbed the sensibilities of persons formerly outraged by such wanton acts. The random manner of these atrocities makes any person—man, woman, or child—a potential victim at any time.

The incidence rate of these bombings within the United States is rising dramatically—with the danger of a still greater rate of increase as this country observes its Bicentennial. Political events or celebrations have served as the triggering mechanisms for many outbursts of terrorist activity.

Statistics from the National Bomb Data Center of the FBI for comparable periods of 1974 and 1975 show the increasing threat of bombings within the United States.

The period of January to June—inclusive—1974, showed 726 actual bombings and 182 attempted bombings compared to 828 actual bombings and 184 attempted bombings for the same period of 1975.

In January to June 1974, there were 75 injuries and 12 deaths reported to have occurred as a result of bombing incidents. The same period in 1975 resulted in 188 injuries and 25 deaths as a result of bombings.

In January to June 1974, there was $3,323,439.00 damage to property done by bombings. The same period in 1975 resulted in $21,151,389.00 damage to property.

The most recent terrorist bombing in the United States was the December 29, 1975, tragedy at New York City's LaGuardia Airport. Eleven persons died and 51 were injured in that single heinous act.

The present Federal Criminal Code—title 18 of the United States Code—covers crimes caused by explosives in section 844. The Federal criminal jurisdiction in this area is, of course, based on Congress power to regulate commerce among the States under article I, section 8, clause 3 of the U.S. Constitution, which has historically been an auxiliary criminal jurisdiction for Federal statutes.

By amending the penalty provisions of title 18, section 844 of the United States Code to provide for mandatory life imprisonment, without suspension or parole, for attempted bombings, and for bombings which do not cause death, and by providing a mandatory death penalty when a death ensues, the Congress would be making clear, as it did in the case of aircraft piracy, that this is a particularly heinous crime for commission of which the State will impose its highest penalties.

Mr. President, I ask unanimous consent that the complete text of the bill be printed at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2880

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 844(d) of title 18, United States Code, is amended by deleting "imprisoned for not more than ten years, or fined not more than $10,000, or both; and if personal injury results shall be imprisoned for not more than twenty years or fined not more than $20,000, or both; and if death results, shall be subject to imprisonment for any term of years, or to the death penalty or to life imprisonment as provided in section 34 of this title" and inserting in lieu thereof the following: "sentenced to life imprisonment, except that, if death results therefrom, the person so committing such offense shall be sentenced to death".

Sec. 2. Section 844(e) of title 18, United States Code, is amended by striking out "imprisoned for not more than five years or fined not more than $5,000, or both" and inserting in lieu thereof the following: "sentenced to a term of imprisonment which may not be less than one year and which may be up to five years, and may, in addition, be fined not more than $5,000".

Sec. 3. Section 844(f) of title 18, United States Code, is amended to read as follows:

"(f) Whoever maliciously damages or destroys, or attempts to damage or destroy, by means of an explosive, any building, vehicle, or other personal or real property in whole or in part owned, possessed, or used by, or leased to, the United States, any department or agency thereof, or any institution or organization receiving Federal financial assistance, shall be sentenced to life imprisonment, except that, if death results therefrom, the person so committing such offense shall be sentenced to death.".

Sec. 4. Section 844(h) of title 18, United States Code, is amended by deleting ", and, notwithstanding any other provision of law, the court shall not suspend the sentence of such person or give him a probationary sentence".

Sec. 5. Section 844 (i) of title 18, United States Code, is amended to read as follows:

"(i) Whoever maliciously damages or destroys, or attempts to damage or destroy, by means of an explosive, any building, vehicle, or other real or personal property used in interstate or foreign commerce or in any activity affecting interstate or foreign commerce shall be sentenced to life imprisonment, except that, if death results therefrom, the person so committing such offense shall be sentenced to death.".

Sec. 6. Section 844 of title 18, United States Code is amended by adding at the end thereof the following new subsections:

"(k) Notwithstanding the foregoing provisions of this subsection, no person shall be sentenced to death pursuant to this section if such person, at the time of the offense, was under the age of eighteen years, but shall, for such offense, be sentenced to life imprisonment.

"(l) The imposition or execution of any sentence pursuant to subsection (d), (e), (f), (h), (i), or (k) of this section shall not be suspended, probation shall not be granted, and section 4202 and chapters 309, 311, and 402 of this title shall not be applicable with respect to such sentence.".

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. Gravel). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BARTLETT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEAVE OF ABSENCE

Mr. BARTLETT. Mr. President, I ask unanimous consent that I be granted official leave of the Senate for a period from the afternoon of Thursday, January 29, until Friday, February 6.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Hathaway). Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. Bartlett) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the Committee on Labor and Public Welfare.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT ON AGRICULTURAL EXPORT ACTIVITIES CARRIED OUT UNDER PUBLIC LAW 480—FOOD FOR PEACE—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. Bartlett) laid before the Senate the following message from the President of the United States which, with the accompanying report, was referred to the Committee on Agriculture and Forestry:

To the Congress of the United States:

I am pleased to transmit to the Congress the 1974 annual report on agricultural export activities carried out under Public Law 480 (Food for Peace). This program has supported the foreign policy and humanitarian objectives of the United States, providing assistance to alleviate hunger and promoting economic progress in the developing nations.

Throughout the year, the Food for Peace program demonstrated its flexibility in a changing agricultural situation. Because of the continuing tightness of commodity supplies in the United States, shipments during the year were somewhat restricted. This was especially true of wheat and wheat product shipments. However, our food donations to the drought-stricken African countries remained substantial. In both East and West Africa, U.S. food aid represented about 40 percent of the total supplied by the international community. The level of U.S. contributions to the World Food Program and the U.S. voluntary agencies was maintained. Title I concessional sales programs were continued in such countries as Bangladesh, Israel, and Pakistan, and in Indochina. New Title I programs were started in Egypt, Syria, and Chile.

The Food for Peace program continues to be a major portion of the overall U.S. foreign aid effort. Concessional sales programs encourage recipient countries to establish self-help objectives, and provide valuable support to economic development. Most of these programs contain provisions for agricultural market development activities, which are being used as conditions warrant, although the need for such activities has lessened because of strong commercial demand. The Title II donation program continues its emphasis on improving the nutrition of preschool children.

As this report indicates, the Public Law 480 program completed its 20th year of operation continuing to perform its vital role in rendering humanitarian assistance to the disaster-stricken, promoting economic development in the poor nations, contributing to the development and expansion of foreign markets for U.S. agricultural commodities, and supporting our foreign policy objectives around the world. It remains a key element of our foreign assistance program and a vital link in the improving economic relations between this country and the developing world.

GERALD R. FORD.

THE WHITE HOUSE, *January 28, 1976.*

MESSAGES FROM THE HOUSE

At 2:55 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

H.R. 9861. An Act making appropriations for the Department of Defense for the fiscal year ending June 30, 1976, and the period beginning July 1, 1976, and ending September 30, 1976, and for other purposes; and

H.R. 11510. An Act to provide for starling and blackbird control in Kentucky and Tennessee.

The enrolled bills were subsequently signed by the President pro tempore.

At 4:04 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2718) to improve the quality of rail services in the United States through regulatory reform, coordination of rail services and facilities, and rehabilitation and improvement financing, and for other purposes.

The message also announced that the House insists upon its amendment to the bill (S. 1617) to clarify the authority of the Secretary of Agriculture to control and eradicate plant pests, and for other purposes, disagreed to by the Senate; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. DE LA GARZA, Mr. BROWN of California, Mr. RICHMOND, Mr. HARKIN, Mr. MCHUGH, Mr. D'AMOURS, Mr. BRECKINRIDGE, Mr. THONE, Mrs. HECKLER of Massachusetts and Mr. GRASSLEY were appointed managers of the conference on the part of the House.

The message further announced that the House has agreed to the concurrent resolution (H. Con. Res. 533) that in the enrollment of the bill (S. 2718) to improve the quality of rail services in the United States through regulatory reform, coordination of rail services and facilities, and rehabilitation and improvement financing and for other purposes, the Secretary shall make certain corrections, in which it requests the concurrence of the Senate.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CANNON, from the Committee on Rules and Administration, without amendment:

S. Res. 350. A resolution amending the amount of funds which may be used by the Committee on Aeronautical and Space Sciences for the procurement of consultants (Rept. No. 94–599).

S. Res. 358. An original resolution authorizing additional expenditures by the Committee on Rules and Administration for inquiries and investigations (Rept. No. 94–600).

S. Res. 355. A resolution authorizing supplemental expenditures by the Select Committee To Study Governmental Operations With Respect to Intelligence Activities for an inquiry and investigation relating to intelligence activities carried out by or on behalf of the Federal Government (Rept. No. 94–601).

S. Con. Res. 88. A concurrent resolution authorizing the printing of additional copies of the open hearings and the final report of the Senate Select Committee on Intelligence Activities (Rept. No. 94–602).

S. Res. 359. An original resolution to pay a gratuity to John Bell, Jr.

By Mr. CANNON, from the Committee on Rules and Administration, with an amendment:

S. Con. Res. 84. A concurrent resolution authorizing the printing of the report of the proceedings of the forty-seventh biennial meeting of the Convention of American Instructors of the Deaf as a Senate document (Rept. No. 94–598).

By Mr. JACKSON, from the Committee on Interior and Insular Affairs:

S. Res. 360. An original resolution authorizing additional expenditures by the Committee on Interior and Insular Affairs for inquiries and investigations. Referred to the Committee on Rules and Administration.

By Mr. WILLIAMS, from the Committee on Labor and Public Welfare:

S. Res. 361. An original resolution authorizing additional expenditures by the Committee on Labor and Public Welfare for inquiries and investigations. Referred to the Committee on Rules and Administration.

By Mr. RIBICOFF, from the Committee on Government Operations:

S. Res. 363. An original resolution authorizing additional expenditures by the Committee on Government Operations for inquiries and investigations. Referred to the Committee on Rules and Administration.

By Mr. MUSKIE, from the Committee on the Budget:

S. Res. 364. An original resolution authorizing additional expenditures by the Committee on the Budget for inquiries and investigations. Referred to the Committee on Rules and Administration.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. PROXMIRE, from the Committee on Banking, Housing and Urban Affairs:

Stephen S. Gardner, of Pennsylvania, to be a member of the Board of Governors of the Federal Reserve System.

(The above nomination was reported with the recommendation that the nomination be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. CANNON, from the Committee on Rules and Administration:

John D. Aikens, of Pennsylvania, to be a member of the Federal Election Commission.

By Mr. WILLIAMS, from the Committee on Labor and Public Welfare:

Willie J. Usery, Jr., of Georgia, to be Secretary of Labor.

(The above nomination was reported with the recommendation that the nomination be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. ROBERT C. BYRD:

S. 2880. A bill to require that the death penalty be imposed with respect to certain offenses, and for other purposes. Referred to the Committee on the Judiciary.

By Mr. FANNIN (for himself and Mr. GOLDWATER):

S. 2881. A bill to amend the Education Amendments of 1972 to provide that Boys State, Boys Nation, Girls State, and Girls Nation conferences conducted by the American Legion shall not be subject to title IX of such Act, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. PEARSON:

S. 2882. A bill to authorize certain financial assistance to Haskell Indian Junior College, Lawrence, Kansas. Referred to the Committee on Labor and Public Welfare.

By Mr. MOSS:

S. 2883. A bill to provide for per capita payments to persons of Southern Paiute lineal descent who were not participants under the Act of October 17, 1965 (82 Stat. 1147), providing for the disposition of funds appropriated to pay a judgment in favor of the Southern Paiute Nation of Indians in Indian Claims Commission Dockets numbered 88, 330, 330–A. Referred to the Committee on Interior and Insular Affairs.

By Mr. JACKSON:

S. 2884. A bill to amend the Equal Educational Opportunities Act of 1974 with respect to the transportation of students, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. BARTLETT:

S. 2885. A bill to amend the Internal Revenue Code of 1954 to increase the exemption for purposes of the Federal estate tax and to provide an alternate method of valuing certain real property for estate tax purposes. Referred to the Committee on Finance.

By Mr. INOUYE:

S. 2886. A bill to provide for a greater utilization of the professional services of licensed psychiatric nurses in the medicare and medicaid programs. Referred to the Committee on Finance.

By Mr. BURDICK:

S. 2887. A bill to amend title 28, United States Code, to provide that Bottineau, McHenry, Pierce, Sheridan and Wells Counties, North Dakota, shall be included in the Northwestern Division of the Judicial District of North Dakota. Referred to the Committee on the Judiciary.

By Mr. TAFT:

S. 2888. A bill to preserve railroad rights-of-way for recreational and other purposes. Referred to the Committee on Commerce.

By Mr. MATHIAS:

S. 2889. A bill for the relief of Kathleen Joyce Steeves. Referred to the Committee on the Judiciary.

By Mr. METCALF:

S. 2890. A bill to amend the Communications Act of 1934 in order to reorganize the Federal Communications Commission and revise its procedures so as to permit the Commission to more effectively perform its duties. Referred to the Committee on Commerce.

By Mr. METCALF:

S. 2891. A bill to amend the Mineral Leasing Act of 1920, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. HUMPHREY:

S. 2892. A bill to provide for Federal payment of State unemployment compensation benefits which are attributable to services performed by certain employees of State or local governments. Referred to the Committee on Labor and Public Welfare.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ROBERT C. BYRD:

S. 2880. A bill to require that the death penalty be imposed with respect to certain offenses, and for other purposes. Referred to the Committee on the Judiciary.

(The remarks of Mr. Robert C. Byrd when he introduced the above bill appear earlier in today's Record.)

By Mr. FANNIN (for himself and Mr. Goldwater):

S. 2881. A bill to amend the Education Amendments of 1972 to provide that Boys State, Boys Nation, Girls State, and Girls Nation conferences, conducted by the American Legion shall not be subject to title IX of such act, and for other purposes. Referred to the Committee on Labor and Public Welfare.

Mr. FANNIN. Mr. President, underlying the current debate over regulatory reform is the question of government domination of our individual as well as group interests and choices. The essence of freedom is our right to associate in the furtherance of our own freely chosen objectives and concerns without undue government interference. Unfortunately, Congress and the executive branch with its computerlike ability to enact legislation and regulations often produces results which inhibit such freedoms. A prime case in point is the recent decision by the Department of Health, Education, and Welfare that the Boys and Girls State American Legion program violates title IX which prohibits sex discrimination in federally funded programs. It is not the American Legion, however, that is being challenged since it does not receive Federal funds. Rather, it is the relationship of public schools to Boys and Girls State that is at issue here. As incredible as it may seem, a school participating in the program, and most do, by prompting, organizing, or administering Boys and Girls State may be in danger of losing Federal funds because in the opinion of HEW the American Legion program is discriminatory. To eliminate the potential threat of a loss of funds the schools must either end their association with the Boys and Girls State program or the American Legion must alter the traditional Boys and Girls State format. Neither approach is justifiable since to do either would alter this vital program beyond recognition and perhaps even end it.

But HEW is not to be blamed entirely for this incredible decision since it is Congress which enacted title IX without considering its ramifications. We have already had to pass legislation to exempt fraternities and sororities, as well as Boy and Girl Scout programs, from the effects of title IX. What this case demonstrates is that title IX has the capacity to reach far beyond its intent to directly prohibit sex discrimination in federally funded programs. If the American Legion can be so threatened by such an indirection I have great fears for other groups in society like Boys and Girls State. This decision lacks any degree of commonsense but it is the Congress which produced the condition for the unhappy result and it is the Congress that must bear the responsibility for resolving it. Perhaps in this regard it is well to recall the recent statement by the Governor of Colorado that "all too often we find that the Federal Government for all its sincerity is the problem."

I agree that certain customs or traditions that involve sex discrimination must be ended but there are some institutions, and Boys and Girls State are among them, that deserve to remain as presently constituted. There is nothing magical to be accomplished in ending the current separation and in view of the many values that this fine program produces there is more to be gained in allowing young men and women to meet separately in pursuit of their own talents and potential than otherwise. In response to this incredible decision I am introducing legislation that will exempt the American Legion and its Boys and Girls State programs from coverage under the provisions of title IX.

Similar legislation was introduced in the House by Congressman Steiger of Arizona and, because of his initiative in this regard, I ask unanimous consent to have his statement on this subject inserted in the Record. Mr. President, I earnestly hope that Congress will consider this legislation within the immediate future since without remedial legislation preparation for this year's program may be impaired.

Mr. President, I ask unanimous consent to have the bill printed in the Record.

There being no objection, the bill and statement were ordered to be printed in the Record, as follows:

S. 2881

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 901(a) of the Education Amendments of 1972 (20 U.S.C. 1681(a)) is amended—

(1) by striking out "and" at the end of paragraph (5);

(2) by striking out the period at the end of paragraph (6) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new paragraph:

"(7) this section shall not apply to—

"(A) any program or activity of the American Legion undertaken in connection with the organization or operation of any Boys State conference, Boys Nation conference, Girls State conference, or Girls Nation conference; or

"(B) any program or activity of any secondary school or educational institution undertaken in connection with (i) the promotion, organization, or operation of any Boys State conference, Boys Nation conference, Girls State conference, or Girls Nation conference; or (ii) the selection of students to attend any such conference."

Sec. 2. The amendments made by the first section of this Act shall apply to any Boys State, Boys Nation, Girls State, or Girls Nation conference conducted by the American Legion after the close of December 31, 1975.

CONGRESSIONAL REPORT BY SAM STEIGER

Anyone who has ever had the privilege of attending the American Legion's annual Boys' State or Girls' State conference, as teenage delegate, guest speaker, or adult counselor, would have no fears for the future of America. I have attended these June conferences, and the leadership potential, the intelligence, the spirit, and the progressive and democratic attitudes of the delegates is overwhelming.

Every Arizona high school has participated in the program since its inception in this state in 1946. It is one of the top honors of the school year for young men and women to be selected as delegates.

Now the whole marvelous project has been knocked into a cocked hat, temporarily at least, by a Department of Health, Education, and Welfare interpretation of the federal sex discrimination laws.

A HEW administrator has advised Ron Murphy, assistant superintendent of Glendale Union High School District, that schools may not participate in any way in the selection process. The schools cannot put up the American Legion posters, the student newspapers may not advertise the program, and the student annuals may not publish stories or pictures relating to Boys' State or Girls' State.

If the schools ignore the HEW interpretation, they could have federal funds cut off because of sex discrimination in education.

Mr. Murphy, who is also a former state commander of the American Legion and is presently chairman of the Legion's children and youth programs, is understandably disturbed.

"Being chosen to attend Boys' State and Girls' State has always been treated as an honor," Mr. Murphy told me. "It is a learning experience, and I've had kids tell me it was a week that shaped a lifetime. It is not partisan."

This HEW interpretation of the law is not yet generally known by the American Legion posts, and plans are well underway for the 1976 Boys' State and Girls' State conferences. Mr. Murphy says there is not time, nor are there facilities, to make the event co-educational and he isn't sure that would be a wise move if it could be done.

There is an ace-in-the-hole, however, and I intend to play it immediately. The final regulations in the educational amendments prohibiting sex discrimination in education incorporates congressional exemptions for membership practices of social fraternities and sororities at the college level, Boy Scouts and Girl Scouts, Campfire Girls, the YMCA and the YWCA and certain voluntary youth organizations.

I will introduce a bill which includes the American Legion's Boys' State and Girls' State program within this exemption, and I will work for its early enactment. I will urge my distinguished colleagues to support us on this.

By Mr. PEARSON:

S. 2882. A bill to authorize certain financial assistance to Haskell Indian Junior College, Lawrence, Kans. Referred to the Committee on Labor and Public Welfare.

Mr. PEARSON. Mr. President, Haskell Indian Junior College, located in Lawrence, Kans., is a unique institution. It serves 1,200 Indians from 33 States and represents approximately 110 tribes. At this time, it is the only fully accredited junior college designed to serve Native American Indians.

Haskell, founded in 1882, has evolved from an off-reservation boarding school for elementary students, into a high school, a combination high school and vocational school, and finally into a junior college. Through its long history of service to American Indians, Haskell has provided educational and vocational opportunities to thousands of students who otherwise would have remained outside the mainstream of American life. Today, as educational and technical requirements for employment opportunities increase, Haskell is more necessary than ever.

Under existing Federal law, appropriations for specific projects may not be augmented with funds of another appropriation or from other sources unless specifically authorized by law. This problem is further accentuated by a provision in the Higher Education Act of 1965 which prohibits Federal institutions from eligibility for assistance under its programs. For these reasons, Haskell, which is funded by the Bureau of Indian Affairs, is prevented from receiving Federal assistance from other sources.

The rationale for excluding Federal schools from the Higher Education Act was directed toward West Point, Annapolis, and other Federal institutions that are already provided with adequate sources of funds. Unfortunately, Haskell is in a different situation. The Bureau of Indian Affairs is simply not able to provide sufficient funds to meet all of its needs.

Haskell is in need of additional funds for buildings, vocational and educational programs, and health services. This bill would enable Haskell to receive essential funds from the Department of Health, Education, and Welfare for various vocational and education programs and for health services.

My bill would provide necessary relief for Haskell by specifically authorizing it to receive Federal financial assistance under the Higher Education Act of 1965 or any other applicable program for the benefit of higher education, community colleges, or postsecondary educational institutions.

I realize that, more than ever, Congress is faced with the problem of limited resources for unlimited demands. Nonetheless, certain priorities must be recognized by Congress. I do not believe that I am overstating the case to say that providing vital funds for our only native American Indian college should be one of these priorities.

Mr. President, I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2882

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding any other provision of law, Haskell Indian Junior College, Lawrence, Kansas, shall be eligible to receive Federal financial assistance under any program authorized by the Higher Education Act of 1965 or any other applicable program for the benefit of institutions of higher education, community colleges, or post-secondary educational institutions.

By Mr. JACKSON:

S. 2884. A bill to amend the Equal Educational Opportunities Act of 1974 with respect to the transportation of students, and for other purposes. Referred to the Committee on Labor and Public Welfare.

EQUAL EDUCATIONAL OPPORTUNITIES AMENDMENTS OF 1975

Mr. JACKSON. Mr. President, the effects of mandatory school busing to achieve racial balance remain the subject of great controversy among educators, sociologists, public officials, and parents. Recently, during the congressional recess, I announced a legislative plan addressed to the school busing controversy.

Today, I introduce that proposed legislation. With it, I submit for the record a detailed presentation of my views on "Educational Quality and School Desegregation," which discusses this complex issue in depth.

My proposal has four parts. First, it calls for further funding of the desegregation assistance program. Whatever one's views on the effects of forced busing, desegregation is clearly required both morally and constitutionally. This program gives Federal financial and technical help to school districts in their efforts to desegregate, and deserves further funding. I have proposed one change in the program: The law at present allocates desegregation assistance funds according to a rigid formula. My bill would allow greater flexibility to the Office of Education in distributing these funds to districts most badly in need of them.

Second, my bill calls for three-judge panels to rule on all busing orders. A single judge would no longer be empowered to order busing. My view is that the enormous controversy and complexity of the busing issue, and its potential for dividing a community, require the most careful deliberation before any busing order is issued. I believe that here, as in the reapportionment cases where three-judge panels are also required, the issue is worthy of the time and attention of a three-judge panel, to assure balanced, careful consideration of all relevant issues.

Third, my proposal restricts the scope of any busing order issued to the scope of the violation found. When courts find deliberate segregation of the public schools, they are empowered to order busing. But when they assume deliberate, pervasive segregation in a district based on a finding affecting only one school or one part of the district, it seems to me they go too far. I have, therefore, sought to match the scope of the remedy to the scope of the violation.

Finally, my bill calls for specific findings of fact by the panel on the adequacy or inadequacy of alternatives to forced busing, the probable effects of forced busing on the quality of education in the district, and on the probable effects of forced busing on resegregation through shifts in the racial composition of the school district.

Some have argued that no court can make such findings with perfect precision. I agree, of course, but mathematical precision is not my goal. My intention is, rather, to insist that the courts admit as relevant evidence, consider carefully, and give us their specific views on, these key questions relating to the effects of the proposed busing order. It is generally agreed that if busing can be avoided, it should be; if the court believes that it cannot be avoided because other remedies are inadequate, it seems fair to ask it to explain why. Similarly, since the hoped-for effects of busing are desegregation and better educational opportunities, it seems only sensible to ask the court to consider whether it will in fact have these effects. For example, if it can be predicted that, after busing, a school district will soon be all-black because all whites leave the district's public schools, and therefore that desegregation will be rendered forever impossible, should the court not consider this? Is it not senseless to issue, in the name of desegregation, an order which will assure permanent segregation? I think it is contradictory to logic, and harmful to our society.

My own children have attended the public schools of the District of Columbia, where the schools are 96 percent black. For most children, this means that an integrated education is impossible. This is a situation we must work hard to avoid. My bill does not tell the courts how to decide cases—and constitutionally, it could not. What it attempts to do is assure the careful consideration of all relevant evidence, and it accomplishes this by reforming a few points of procedure. This is clearly within the constitutional power of Congress, and is, I believe, good policy. The courts are faced, in these cases, with a choice among alternative remedies for school segregation. What I ask is that the courts consider carefully, on the basis of all the relevant evidence, what the effects of the various alternatives will be. This seems to me the only wise path, especially in so controversial and complex an area of law and social policy.

The legislation I propose is, I believe, a sensible plan. It recognizes how difficult and divisive an issue busing has become, and it seeks to assure that our judicial system applies all its resources to a careful and balanced deliberation of all the evidence relevant to the choice of a desegregation remedy. I hope, and I believe, that this plan will win widespread support.

Mr. President, I ask unanimous consent that the detailed presentation of my views on "Educational Quality and School Desegregation," which discusses this complex issue in depth, and the bill be printed in the RECORD.

There being no objection, the paper and the bill were ordered to be printed in the RECORD, as follows:

SENATOR HENRY M. JACKSON

POSITION PAPER ON EDUCATIONAL QUALITY AND SCHOOL DESEGREGATION

Since the founding of our country, public education and personal liberty have been issues of greatest public concern. The first generations of Americans saw the future of their country as resting largely on the new nation's success in educating its people. The schools were seen then as crucial to our democracy, and they remain so today. It is incumbent upon us, as we celebrate the nation's Bicentennial, to rededicate ourselves to providing equal opportunity for educational advancement to all children—regardless of race, religion or economic circumstance. To do so is not only a political necessity. It is a moral imperative.

In recent years, the discussion of equality of educational opportunity has often confused ends and means. Forced busing to achieve racial integration of schools—a means—has obscured the goal of providing all children a fine education—a noble and essential end.

There is no other domestic issue which arouses such explosive reactions. There is anger, alienation, confusion, and above all, bewilderment: bewilderment that in the name of justice, the traditional concepts of community, family and parental responsibility for children are being abused; bewilderment that in the name of equality, special burdens are being imposed on the poor and those of modest income; bewilderment that in the name of greater freedom for all, enormous restrictions on freedom are being imposed.

Bad laws, wrote Edmund Burke, are the worst kind of tyranny. Today large numbers of Americans feel they are victims of bad law: that they have been reduced to instruments for use by social engineers, raw materials in social experiments conceived in ignorance and executed in desperation.

My purpose in this paper is to outline my thoughts on this subject in as definitive a manner as I can. In doing so, I recognize the explosiveness of the issue. And I also recognize that what I have to say will mollify neither the extreme proponents of busing nor its equally extreme opponents. But I trust that a reasoned analysis of the issue can help renew a focus on the central concern—the education of our children.

At the outset, it is necessary that I make my own position clear. I am opposed to forced busing. Yet, as my record demonstrates, I am an ardent and dedicated supporter of civil rights and a lifelong opponent of segregation. I have supported every piece of civil rights legislation to pass Congress since World War II—and my record begins not in the 1970's or 1960's, but in the 1940's and 1950's when the civil rights struggle was first coming to life.

Opposition to forced busing and strong support of the civil rights struggle are in no way inconsistent positions. In fact, as I will show in this paper, they are entirely consistent. It is because of my concern for equal educational opportunity for all children that my opposition to forced school busing has grown in recent years. And I speak not from some isolated position of theory, but from a record of personal involvement, for my own children have been bused to school in the public school system of the District of Columbia.

Throughout my years in public life, I have sought to honor my belief that the purpose of government is to find workable solutions to problems, and not to deal merely in symbols. Unfortunately, busing has developed into something of a symbolic crusade. Dissatisfaction with the pace of progress has caused some politicians to adopt busing as the symbolic embodiment of the nation's two hundred year struggle for racial justice. In symbolic terms, then, someone who is for busing is praised as a supporter of civil rights and the Constitution; someone opposed is attacked as a racist and a subverter of the Constitution. This dealing in symbols and self-righteous accusations not only ignores the essential question, it is dangerous and inflammatory. If we seek only to win symbolic battles, we will lose the substantive victories.

We must face up to reality and ask ourselves the fundamental question: does forced busing work to the benefit of our society? More specifically, we can break our question down into three basic elements:

Has forced busing succeeded in reducing school segregation?

Has it resulted in an increased level of academic achievement for minority children?

Has it helped break down artificial social and racial barriers?

It is my view, based on the evidence that is so far available, that, in most cases, busing has failed in *all* these particulars. Rather than leading us toward a more harmonious society, it has in fact served to widen the gap between groups. Its positive results are scattered; its negative results large and growing.

Historical perspective

I wholeheartedly supported, and I believe the vast majority of Americans wholeheartedly supported, the Supreme Court's 1954 school desegregation decision. The essential thrust of that decision was to abrogate the 19th Century doctrine of "separate but equal" educational institutions for black and white children. Not only was that doctrine inherently discriminatory, the Court ruled, but its practical effect was to deny black schoolchildren educational opportunity equal to that afforded white children.

The black child, of course, had no choice in the matter. His parents were prohibited under the law from sending him to a better school if that school happened to be a white school. He was often bused to a poor school miles away from his home when a superior school, segregated to admit whites only, was the nearest school. Thus, the system had the effect of denying black children equal opportunities for advancement by means of education. And without equal educational opportunities, there can be no equality.

Certainly, in mandating an end to school segregation, the justices of the Supreme Court sought to achieve more than solely the striking down of the segregation laws. Important as it was to eliminate those state laws which prohibited black and white children from learning side-by-side, the Warren Court obviously was concerned with providing black children with a greater opportunity for educational advancement. Moreover, it undoubtedly was concerned with moving the entire nation in the direction of eliminating segregation so that the dangers inherent in a divided nation could be eliminated. An end to segregation was the goal of the Supreme Court, the goal required by our Constitution. Assuredly, the Justices did not contemplate pro forma desegregation measures which in practice result in more segregation rather than less. It is my contention that forced school busing has had that practical effect. It has become an unwitting tool for creating segregation, not for eliminating segregation.

I attempted to articulate my opposition to busing in my campaign for the Presidency in 1972. My principal argument was that busing would not work, that it would neither improve the educational opportunity afforded black children nor serve the cause of reuniting the American people. In my view at that time, busing would further exacerbate racial tensions rather than eliminate them. Subsequent events, I believe, have substantiated those conclusions. But what was unforeseeable then was the drastic extent to which busing would be counter-productive. Rather than helping us move toward a harmonious society, it has created new divisions. It is helping to destroy the public educational systems in our large cities and thus is becoming a major factor in the threatened decline of those cities.

Busing and desegregation

A careless reading of the statistics could justify the conclusion that a great deal of progress has been made towards school desegregation in all parts of the country since the Civil Rights Act of 1964. But the statistics are misleading.

For instance, an analysis by Professor James Coleman of the University of Chicago, the man recognized as the nation's preeminent authority on the subject, concludes that segregation within school districts dropped by almost half between 1968 and 1972.

But while Professor Coleman's statistics show that segregation within individual school districts dropped by almost half, his statistics also show that segregation between school districts actually increased.

Creating a greater balance of the races in the schools within a district hardly promotes the cause of desegregation if virtually all the white children either leave the district or are enrolled in private schools.

We who live in the District of Columbia can scarcely be proud of our "integrated" school system—a system in which only 3.5 percent of the students are white. Do we gain anything from racial balancing within a district if the public school population there is so greatly imbalanced?

A central philosophy behind the desire for racial integration in our schools is that if children of different races are placed together in a reasonable balance, they will learn to adjust to one another and learn to live together better in later life. It is this exposure of white and black youngsters to one another, and not the implementation of some arbitrary mathematical formula, which is a central objective of the integration process. But this will not occur in urban school districts where "white flight" to the suburbs is reducing a city's white school population out of all proportion to the white-black percentages in the total metropolitan area.

Any initial increase in school contact between the races that is produced by busing is often cancelled by a subsequent decline in the proportion of white children in the district. Forced busing has created a greater "balance" in Boston's schools—that is, there is more equal distribution of blacks and whites in the Boston schools now than there was when busing was ordered two years ago—but close to 20,000 white students have left the Boston public school system in those two years. In Atlanta, more than sixty percent of the white students left the school system after busing was ordered. In Memphis, thirty-five percent of the white students left in a single year.

This is the heart of the problem and explains why busing is so often counter-productive. Does it serve the cause of desegregation if we end up with cities that are all black and suburbs that are all white? Surely, it does not.

It is important to put what is happening in the right perspective. While there is far more integration in the schools today than ten years ago, much of this progress has been made in small cities and towns, most notably in the South, where children are sent to a consolidated school which is everyone's "neighborhood" school. The crisis which confronts us today is in our large cities, with their ever-increasing percentage of black population and decreasing percentage of whites. The schools themselves are not the only victims. The cities are literally crumbling, with their tax bases diminishing, crime increasing, jobs disappearing and business investment vanishing. Court-ordered busing only hastens and aggravates those tragic trends.

We have moved, in busing decrees, from the effort to dismantle dual school systems—clearly compelled by the Constitution—to a totally different undertaking, a form of social engineering and rigid mathematical race-balancing which the Constitution does not contemplate. Some courts seem to have decided that if there exists today any "racial imbalance" in the population of individual schools, busing will be required to remedy this supposed defect.

This is a strange theory in a pluralistic, multi-racial society such as ours. It is inevitable in a multi-racial and multi-ethnic society that people of different races and groups will settle in clusters rather than randomly. This clustering is not simply the result of discrimination, but of economic circumstance, culture and history. The concentrations of children of a given ethnic or racial background in schools of a given neighborhood because of this clustering are by no stretch of legal imagination a violation of the Constitution. In fact, mathematical race balancing is social engineering antithetical to traditional American views. As Dr. Nathan Glazer has written this kind of social engineering "makes impossible one kind of organization that a democratic society may wish to choose for its schools: the kind of organization in which the schools are the expression of a geographically defined community of small scale and regulated in accordance with the democratically expressed views of that community."

Often it is a neighborhood school that lies at the very heart of a neighborhood. And often, for community and family alike, it is the ability to influence the life of that school which is the sole, or a rare, opportunity for influence over an increasingly remote and insensitive government.

It is perfectly understandable why opposition to busing is growing in the large cities. Parents wonder why their children must be bused to faraway schools, negating the beneficial social effect of the neighborhood school and the sense of community, and expending school budgets on busing instead of on education. The resistance to busing is a reflection of legitimate parental concern, not incipient racism.

The opposition to forced busing among blacks as well as whites reflects similar concerns: black parents wonder why their children must be bused long distances to attend a school that is mostly white and controlled by whites when it has been shown that this will not in any way benefit the children's academic achievement.

The burden of busing

Busing does not affect everyone equally. The truth is that the rich and powerful are able to avoid the consequences. The courts exercise jurisdiction over the public schools in a district, but they obviously do not control the private schools. The well-to-do, of course, take advantage of this. Nowhere is the gulf between what people say and what they do greater than in the District of Columbia. I would give far more credence to the posturing of politicians who champion busing if they sent their *own* children to the public schools in the nation's capital. But they do not.

Even if busing were not an issue, it is demonstrably true that one of the root causes of the decline in the quality of public education has been the growing tendency of the so-called elite of particular communities to send their children to expensive private schools rather than to join in the battle to improve public education. If the rich and influential in Washington were to enroll their children in the public schools, you can be sure they would pay far greater attention to the plight of the public schools than they do today.

The burden of complying with busing orders falls on all but the affluent. One group in the society (those who can afford it) avoids busing for purposes of racial integration by either moving to the suburbs or sending their children to private schools. The other group (those who cannot afford it) is victimized by busing.

Those who are caught by the busing net are the people most important to us if we are to preserve the vitality of our cities and the value system which is essential to the preservation of our society. If we destroy the various ethnic neighborhoods in our cities, including black neighborhoods, we destroy not only a rich tradition in American life, but an anchor for stability in an increasingly unstable society.

Busing and educational achievement

A major hope of school desegregation was that the substantial gap in achievement between black and white children would be reduced by desegregation. The landmark study by Dr. Coleman in 1966, Equality of Educational Opportunity, gave promise of such a result, although the schools on which this theory was based were schools which had been integrated "naturally"—that is, through normal processes of residential change, rather than through formal public policies forcing desegregation, which had only begun at the time the data for Professor Coleman's report was being gathered.

While it is too early to pronounce a final verdict, it can be seen that progress so far in closing the gap has been disappointing. In most cases, it has been minimal or nonexistent. Dr. Nancy St. John, author of School Desegregation: Outcomes for Children, analyzed more than one hundred studies bearing on this subject and concluded sadly that the results in school district after school district are less than encouraging. A massive, five-year study done in Riverside, California, concluded flatly: "Minority students did not gain in achievement as a consequence of desegregation."

I do not suggest that we turn away from our commitment to desegregation and to equal educational opportunity. On the contrary, I suggest that we review the evidence about busing and face facts: in city after city, busing has not resulted in improvement in educational achievement levels for black children. It has, on the other hand, embittered race relations, increased social tensions and divided communities and families.

The solution lies not in forcing a racial balance in deteriorating schools, but in improving the schools and in providing fully for voluntary integration.

It is untrue that forced busing provides the only avenue for desegregating the schools. There are effective methods of desegregation which can be made to work on a national scale and which enrich, rather than ignore or reduce, the quality of education in the schools.

In many cities, open enrollment programs have had considerable success. Under such programs, students are permitted to transfer to any school in which their racial group is in a minority. In order to make such programs successful, the school district must be willing to pay transportation costs and to provide information and advice to parents and students. Under such circumstances, cities as varied as Chapel Hill, Little Rock, Rochester, Buffalo, Las Vegas and Portland, Oregon, achieved participation of up to a third or more of all black students in a voluntary program.

"Magnet schools" offer another alternative to forced busing. School districts all over America have experimented successfully with such programs, in which a school's curriculum is specially enriched in order to attract students of all races. The result is better education.

Similar results may be obtained with "alternative" or "special focus" schools. These offer curricula devoted to special programs such as aviation, automotive, or other trades, physical science, music, drama, art, or in fact any particular specialty. These offer the student and his family a choice of varying educational patterns, and serve also to provide an effective environment for non-segregated education.

In fact, in case after case, the difference between failure and success in voluntary programs depends on how hard the government works to make them succeed. All too often, parents and children have not been informed about voluntary integration programs, or have not been able to afford them. Or, the programs have been successful but ridiculously small in scope.

The Education Acts of 1972 and 1974 sought to define methods for implementing an effective desegregation program without resorting to the extreme remedy of involuntary busing. The Congress provided an authorization of $1,000,000,000 for school districts to implement such desegregation programs as open enrollment, magnet schools and school relocation. Unfortunately, the Nixon and Ford Administrations have sent budget requests to the Congress seeking appropriations for only a fraction of the total authorization available. In Fiscal Year 1975, the total appropriation for the Desegregation Assistance Program was only $241,000,000. Even this much funding was opposed by the Administration and adopted by the Congress only against the will of the President. For Fiscal Year 1976, President Ford reduced his request for appropriations down to $75,000,000. Again, for Fiscal Year 1976, the Congress has, once more over the objections of the President, appropriated another $241,000,000.

That the Administration's Desegregation Assistance Program is inadequate is clearly illustrated by the following example: the amount allocated to the entire State of Massachusetts is $1,040,000. Massachusetts cannot begin to undertake an effective comprehensive desegregation program utilizing powerful techniques such as the siting and construction of new schools or the establishment of magnet schools with such a small amount. This year, the entire $1,040,000 was allocated to Boston—leaving cities such as Springfield, which is desperate to obtain funding for its desegregation program, totally excluded. At a time when it costs approximately $5,000,000 to construct a single school, an allocation of $1,040,000 for the entire State of Massachusetts is a cruel joke. Unfortunately, this situation is repeated in state after state.

The task is clear: the federal government must offer much more assistance to local school districts in developing and financing their voluntary desegregation programs. Authority to do so now exists under the Elementary and Secondary Education Act. The Administration has not used that authority.

Moreover, general federal aid to education must be significantly increased. I believe we should increase the federal share of school budgets from the present seven percent to thirty-three percent.

It is time to move away from reliance on local property taxes for the support of our schools. This system unjustly burdens property owners, and it results in inadequate school budgets in districts where property values are low.

There is no escaping the need to provide the schools with adequate resources if we expect them to do their job. As their tasks increase, so must their resources. If Day Care is to be provided so that women who wish to work may do so; if job counselling is to be provided so that our youth unemployment rate can be reduced; if the basic skills, the "3Rs", are once again to be mastered by all students, then our schools will need resources which we are not giving them today.

Raising the educational achievement of disadvantaged children from non-white families is not a mysterious process, dependent somehow on seating them near children from wealthy white families. In Chicago, in New York, and in many other cities, programs based on small classes, concentration on basic skills, and involvement of parents in school activities, have succeeded in raising academic performance. What these programs require are more resources than are, at present, usually available. The solution is not mysterious: it is to provide these additional resources and make every public school in America an effective institution. In this context, it is senseless to expend scarce school funds on forced busing, rather than on education.

Today, our public schools are often ineffective—and they are getting worse. The chief danger in championing busing as the solution to our educational and racial problems is that it obscures the real need—improving education. Do we really serve the cause of integration if we perpetuate an education system whereby black children are not being educated, and because of this lack of education, end up as adults living in segregated ghettos? Anything which distracts us from the real objective—equal educational opportunities for everyone—negates the good deriving from the Supreme Court's 1954 decision.

Conclusions

The issue of school busing has revealed a disturbing imbalance in our institutions of government. The Congress and the Executive have failed to meet their responsibilities. As a result, the Judiciary has exercised administrative and legislative functions, in clear violation of John Adams' wise counsel that "the judicial power ought to be distinct from both the Legislative and the Executive, and independent upon both, so it may be a check upon both."

It is time for Congress—the only truly representative body in our federal scheme—to face up to its responsibilities in the matter of school busing.

It is time for Congress to act.

The public schools must be given the resources they need to achieve equality of educational opportunity and the assistance they need to achieve desegregation.

The courts must be required to face all the evidence related to busing, to deliberate carefully on this controversial and complex issue, and to limit their activities to eliminating school segregation rather than engaging in social engineering.

My proposed legislation is designed to meet these goals. This legislation contains seven elements:

1. Before any busing order is issued, the court would be required to determine the actual effect busing would have on the quality of education within the school district.
2. The court would further be required to show why other school desegregation remedies would not be effective—such as voluntary transfers, rezoning of schools, or magnet schools.
3. The court would also be required to determine whether the proposed busing order would lead to re-segregation.
4. Single judges would be forbidden from issuing a busing order. In the future, busing could be ordered only by a specially convened three-judge court.
5. Busing orders already in effect would be subject to review by a three-judge court.
6. Any busing orders issued by a court would be limited to remedying specific instances of segregation.

The Desegregation Assistance Program would be extended, with an authorization of $1,000,000,000 for the next two years, and with a more flexible allocation formula to allow the Office of Education to respond to particular needs in whatever state or city they arise.

This legislation will stand the test of constitutionality and will go a long way toward reducing tensions in our school systems.

Again, I would like to reiterate my view that workable solutions are what are important, not posturing on this or that side of an issue.

We must end the years of neglect of racial progress which have characterized recent Administrations. We must focus our attention, and our actions, on assuring that all students, black and white, are provided with an education which makes "equal opportunity" a reality and not simply a dream.

S. 2884

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Equal Educational Opportunities Amendments of 1976".

SEC. 2. The Congress, in exercise of its powers under the fourteenth amendment to insure the equal protection of the laws to all citizens, finds that, in many instances, the involuntary transportation of students to schools other than those closest to their homes has proved to be an ineffective and counterproductive remedy for vindicating rights guaranteed by either the fourteenth amendment to the Constitution or the Civil Rights Act of 1964. Contrary to the intentions of those who advocated them, such transfers have impeded the educational process, and resulted in ineffective utilization of scarce human and financial resources and emerging patterns of resegregation of public school populations caused by withdrawal from the public schools of large numbers of students. Such transportation is found by Congress to be, except in special and limited circumstances, an undesirable, unwise and counterproductive method of attempting to insure equal educational opportunity and equal protection of the laws to all students.

SEC. 3. Section 214 of the Equal Educational Opportunities Act of 1974 is amended by—

(1) inserting "(a)" immediately after the section designation;

(2) redesignating clauses (a), (b), (c), (d), (e), (f), and (g) as clauses (1), (2), (3), (4), (5), (6), and (7), respectively; and

(3) adding at the end thereof the following new subsection:

"(b) (1) Each such court to which this section applies shall include, as part of its order or decision and after hearing relevant evidence, specific findings of fact as to the effects upon the quality of education which the implementation of its order or decision may reasonably be expected to have, in view of available human and financial resources.

"(2) Such court shall include, as part of its order or decision, and after hearing relevant evidence, specific findings of fact as to whether reasonably stable integration of the schools of the local educational agency involved can be expected to result from that order or decision, and shall include in such findings of fact a review of existing and predicted future patterns and trends in the racial composition of the public school population of the school districts of the relevant local educational agency. In light of such findings, such court shall state what prospective effects its order or decision may reasonably be expected to have on such racial composition.

"(3) Such court shall, giving due consideration to the findings of fact required by subsection (b)(1) and (b)(2) of this section, include as part of its order or decision, and after hearing relevant evidence, specific findings of fact, explaining the selection of a particular remedy and the reasons for the rejection of remedies given earlier priority in this section, and describing the evidence upon which such selection is based.

"(4) Such court shall determine the extent to which the present racial composition of the public schools is attributable to violations of statutory or constitutional rights resulting in the assignment of students to public schools on the basis of race. Such court shall not order the involuntary transportation of students except to the extent that present patterns of assignment of students to public schools result from such violations and that the patterns thus resulting may be remedied in no other available way.".

SEC. 4. Part 4 of the Equal Educational Opportunities Act of 1974 is amended by adding at the end thereof the following new section:

"THREE JUDGE COURT FOR ACTIONS BROUGHT WITH RESPECT TO THE TRANSPORTATION OF STUDENTS

"SEC. 220. (a) Whenever—

"(1) a civil action is brought in which the relief sought involves or may involve the transportation of students, and

"(2) the district judge determines, on consideration of necessary remedies, that it is necessary to give serious consideration to ordering the involuntary transportation of students, he shall immediately notify the chief judge of the United States court of appeals for the circuit in which the district is located. The chief judge shall designate two other judges, who may be judges of any district within such circuit, or judges of the United States court of appeals for such circuit, who shall serve as members of the court and shall, after such hearing as may be necessary and on the record previously taken, determine the action de novo. No order requiring the involuntary transportation of students shall be issued other than by such panel and only after such panel has made the specific findings of fact required by subsection 3(b) of this Act. Any appealable order or decision by such three judge court shall be appealable to the United States court of appeals for the circuit in which such district is located. It shall be the duty of the chief judge of the circuit to assign the case for hearing at the earliest practicable time and to cause the case to be in every way expedited.

"(b) The supervision of any court order regarding the transportation of students in effect on or after the date of enactment of the Equal Educational Opportunities Amendments of 1975 shall be conducted by a panel of three judges, who shall be designated by the chief judge of the United States court of appeals for the circuit in which the action is brought, and who may be judges of any district within such circuit or judges of the United States court of appeals for such circuit. The provisions of this subsection shall apply to all such orders or decisions regardless of the date on which such orders or decisions were originally issued. No such order or decision shall be revised or extended in scope or in time other than by such panel. Orders and decisions issued by such panel in conjunction with the supervision of orders involving the involuntary transportation of students shall be issued only after it has made specific findings of fact required by subsection 3(b) of this Act. Any appealable order or decision by such three judge court shall be appealable to the United States court of appeals for the circuit in which such district is located. It shall be the duty of the chief judge of the circuit to assign the case for hearing at the earliest practicable time and to cause the case to be in every way expedited.".

EMERGENCY SCHOOL AID

Sec. 5. The second sentence of section 704 (a) of the Emergency School Aid Act is amended by striking out the word "and" after "1973," and by inserting before the period at the end thereof a comma and the following: "and $1,000,000,000 for the period beginning July 1, 1976, and ending September 30, 1978.".

Sec. 6.(a) Section 704(b) of the Emergency School Aid Act is amended to read as follows:

"(b)(1) From the sums appropriated pursuant to subsection (a) for any fiscal year or for any fiscal period, beginning after June 30, 1976, the Assistant Secretary shall reserve an amount equal to 5 per centum thereof for the purposes of section 706(a)(1) without regard to the provisions of section 705.

"(2) From the sums appropriated pursuant to subsection (a) for any fiscal year or for any fiscal period, beginning after June 30, 1976, the Assistant Secretary shall reserve an amount equal to 5 per centum thereof for the purposes of section 709.

"(3) From the sums appropriated pursuant to subsection (a) for any fiscal year or for any fiscal period, the Assistant Secretary shall reserve an amount equal to 13 per centum thereof for the purposes of sections 708 (a) and (c), 711, and 713, of which—

> "(A) not less than an amount equal to 4 percentum of such sums shall be for the purposes of section 708(c); and
>
> "(B) not less than an amount equal to 3 per centum of such sums shall be for the purposes of section 711."

(b) The matter preceding paragraph (1) of section 709(a) of such Act is amended to read as follows: "Sums reserved pursuant to section 704(b)(2) shall be available for the following purposes:".

By Mr. BARTLETT:

S. 2885. A bill to amend the Internal Revenue Code of 1954 to increase the exemption for purposes of the Federal estate tax and to provide an alternate method of valuing certain real property for estate tax purposes. Referred to the Committee on Finance.

ESTATE TAX BILL

Mr. BARTLETT. Mr. President, today I am introducing an amended version of my previous bill, S. 2038, to increase the Federal estate tax exemption.

The structure of this bill is identical to S. 2038. However, my new bill would raise the exemption from $60,000 to $400,000, instead of to $125,000.

It may seem that with recent increased interest and estate tax reform, that we are engaged in a "game of numbers." However, $400,000 is merely an approximation of the nominal value in 1976 dollars of the "real" $100,000 exemption voted by Congress in the 1939 Internal Revenue Service Code. This is the extent of the inflation since that time which has continually eroded the value of the American dollar.

I hope that this Congress will take this important step during the second session of the 94th Congress, for the presently unrealistically low level of the estate tax exemption hits hard at all Americans. I would like to emphasize, however, that it hits very hard at the family farmer. The surviving spouse or children of a farmer must often break up even a moderate size farm in order to pay the Federal estate taxes. This certainly was not the intent of Congress in enacting the $100,000 exemption in 1939 when prices were much lower. We can help to remedy the situation by enacting legislation to restore the real value of that exemption.

Mr. President, I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2885

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 2052 of the Internal Revenue Code of 1954 (relating to exemption for purposes of the Federal estate tax) is amended by striking out "$60,000" and inserting in lieu thereof "$400,000".

(b) Section 6018(a)(1) of such Code (relating to estate tax returns) is amended by striking out "$60,000" and inserting in lieu thereof "$400,000".

Sec. 2. The amendments made by the first section of this Act shall apply to the estates of decedents dying after the date of enactment of this Act.

ALTERNATE VALUATION OF CERTAIN REAL PROPERTY

Sec. 3. (a) Section 2031 of the Internal Revenue Code of 1954 (relating to definition of gross estate) is amended by adding at the end thereof the following new subsection:

"(c) Alternate Valuation of Certain Real Property.—

"(1) In general.—If the executor of an estate so elects, the value of any qualified real property included in the estate shall be determined by its value for the use under which it qualifies, under paragraph (2), as qualified real property.

"(2) Definition of qualified real property.—For the purposes of this subsection, the term 'qualified real property' means real property substantially all of which is, and, for the 60 months preceding the date of the decedent, has been, devoted to—

"(A) farming (including the production of agricultural commodities and the raising of livestock),

"(B) woodland involved in the commercial production of trees.

"(3) Election requirements.—An election under this subsection shall be filed with the Secretary or his delegate at such time and in such form and manner as he may prescribe and shall contain, in addition to any other matter, the name, address, and taxpayer identification number of the person to whom the property passes under the terms of the decedent's will or by operation of law.

"(4) Revocation of election.—If property valued under paragraph (1)—

"(A) is sold or transferred, by or on behalf of the person to whom the property passed, within 5 years after the date on which the return of the tax imposed under this chapter was filed, or

"(B) is converted substantially to a use not described in paragraph (2) within that 5-year period by that person, the election made under this subsection shall be revoked and the difference between the tax actually paid under this chapter on the transfer of the estate and the tax which would have been payable on that transfer had the property not been valued under paragraph (1) shall be a deficiency in the payment of the tax assessed under this chapter on that estate.".

(b) Section 1014 (a) of such Code (relating to basis of property acquired from a decedent) is amended by inserting before the period at the end thereof a comma and the following: "or, in the case of an election under section 2131 (c) (relating to alternative valuation of certain real property), the value thereof as determined under such action for the applicable valuation date".

Sec. 4. The amendments made by section 3 of this Act shall apply with respect to the estates of decedents dying after the date of enactment of this Act.

By Mr. INOUYE:

S. 2886. A bill to provide for a greater utilization of the professional services of licensed psychiatric nurses in the medicare and medicaid programs. Referred to the Committee on Finance.

Mr. INOUYE. Mr. President, today I am introducing legislation which would amend the Social Security Act in order to provide for the independent coverage of licensed psychiatric nurses under both our medicare and medicaid programs.

The nursing profession is a most honored one, and I am confident that without exception, every one of us has from time to time entrusted his life, and that of his loved ones, to their professional judgment and care.

During my early childhood, the public health nurse was my major contact with medical care. She knew each one of us personally. When we were ill, she would listen and then tell us what to do—whether we should go to a physician or simply stay in bed for the day.

Unfortunately, the more that I participate in our continuing dialog on National Health Insurance and in our efforts to insure the highest quality of health care for our citizens, the more I have become aware that all too often, we seem to be giving mere lipservice to the notion of a fully autonomous nursing profession. Perhaps it is because 98.7 percent of our nurses are women, or perhaps it is because our weekly television shows and our other mass media continually describe the nurse as being able to function adequately only when under the physician's direct supervision. In all candor, I really do not know.

The legislation which I am proposing today is rather modest in scope, and if passed as drafted, would only affect 500 of our Nation's 857,000 employed registered nurses. Yet, in specifically limiting the coverage of this bill to the services of licensed psychiatric nurses, I hope to highlight for my colleagues the underlying issue of whether we should finally act affirmatively and decide to actively reimburse the services of independent nurse practitioners.

In the delivery of mental health services, the psychiatric nurse is clearly on a par with each of the other professional disciplines. In our community mental health centers, psychiatric nurses are responsible for performing diagnostic evaluations, for providing the entire range of therapeutic interventions, and for designing and administering effective treatment programs. Individually, and as a profession, the psychiatric nurse has frequently been a forerunner in implementing such innovative programs as crisis intervention teams, psychiatric hot-lines, and supportive home services.

It has come to my attention that we are now witnessing an increasing number of these highly talented individuals beginning to open up their own private practices in which they provide both inpatient and outpatient services. As a layman, it would seem to me that the psychiatric nurse possesses a truly unique training background, one which should make him, or her, especially attentive to both the psychosocial and the possible medical components of their client's emotional symptoms.

Under the terms of my proposal, each of our States will be required to develop a specialty licensure in the field of psychiatric nursing which meets minimal national educational and experimental standards. The individual States, however, will continue to retain the ultimate responsibility for defining and regulating the scope of their psychiatric nurse practice acts.

My proposal also includes a provision whereby our medicare and State medicaid programs will provide for the direct reimbursement of independent psychiatric nursing services regardless of where they are delivered, whether it be in a general hospital, a psychiatric hospital, or on an outpatient basis. Further, all psychiatric hospitals will provide for psychiatric nurse staff privileges that are fully comparable to those presently held by physicians, including the responsibility for certifying whether continued inpatient treatment is still necessary.

Finally, I have specifically instructed that all intermediate care facilities and all skilled nursing facilities shall provide for the services of a licensed psychiatric nurse on at least a consultant basis, as a condition for receiving medicare or medicaid reimbursement. I have included this latter far-reaching provision specifically because of the recent findings by the Senate Special Committee on Aging as to the sparsity of such services in these facilities, and the Department of Health, Education, and Welfare's own estimate that 50 percent of the elderly in our nonpsychiatric institutions have significant mental disabilities. I personally do not like to suggest blameworthiness or culpability on the part of others, but I must admit that I have been deeply distressed and shocked by the continuing revelations of inadequate care and treatment for our elderly.

Mr. President, I request unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2886

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1861(j) (4) of the Social Security Act is amended by—

(1) striking out "and" at the end of clause (A) thereof, and

(2) inserting immediately before the semicolon at the end thereof the following: ", and (C) provides for having a licensed psychiatric nurse available, on at least a consultant basis, to assure that necessary psychiatric nursing services are furnished".

(b) Section 1861(r) of the Social Security Act is amended by—

(1) striking out "or" at the end of clause (4) thereof, and

(2) inserting immediately before the period at the end thereof the following: ", or (6) a psychiatric nurse who is licensed as such by the State in which such nurse performs such function or action, but only with respect to functions or actions which such nurse is legally authorized to perform as a psychiatric nurse by the State in which he or she performs them and, then, only for purposes of section 1861(s) (1), 1861(s) (2) (A), for purposes of making a certification of the type required by section 1814(a) (2) (A), and for purposes of the meeting of the requirement imposed with respect to psychiatric hospitals that each patient of such a hospital be under the care of a physician".

(c) The amendments made by this section shall be applicable only with respect to services furnished after the month which follows the month in which this Act is enacted.

SEC. 2. (a) Section 1902(a) of the Social Security Act is amended—

(1) by striking out "and" at the end of clause (35) thereof,

(2) by striking out the period at the end thereof and inserting in lieu thereof a semicolon, and

(3) by adding after clause (36) thereof the following new clauses:

"(37) provide that, with respect to mental health services which are covered under the State plan, payment will be made for professional services furnished by a licensed psychiatric nurse who is legally authorized to provide them;

"(38) provide that payment under the State plan will not be made for services furnished by any intermediate care facility or skilled nursing facility unless such facility provides for having a licensed psychiatric nurse available, on at least a consultant basis, to assure that necessary psychiatric nursing services are furnished to the patients in such facility; and

"(39) provide that payment under the State plan will not be made for inpatient services furnished by any psychiatric hospital unless, in the operation of such hospital, there is extended to licensed psychiatric nurses, with respect to professional services which both physicians and licensed psychiatric nurses are authorized to provide, the same staff and similar privileges as are extended to physicians caring for patients in such hospital."

(c) The amendments made by this section shall take effect on July 1, 1976.

SEC. 3. (a) Section 1902(a) of the Social Security Act (as amended by section 2 of this Act) is further amended—

(1) by striking out "and" at the end of clause (38) thereof,

(2) by striking out the period at the end thereof and by inserting in lieu thereof "; and", and

(3) by adding at the end thereof the following new clause:

"(40) include a State program which meets the requirements set forth in section 1911.".

(b) Title XIX of such Act is further amended by adding at the end thereof the following new section:

"STATE PROGRAMS FOR LICENSING OF PSYCHIATRIC NURSES

"SEC. 1911. (a) For purposes of section 1902(a) (40), a 'State program for licensing of psychiatric nurses' is a program which provides that no individual may be licensed by the State as a psychiatric nurse except as provided in this section.

"(b) Licensing of psychiatric nurses shall be carried out by the State agency having responsibility for regulating the practice of nursing within the State.

"(c) Such agency shall not issue to any individual a license as a psychiatric nurse unless such individual—

"(1) is a registered nurse,

"(2) holds a masters degree in psychiatric nursing of a related field from an accredited educational institution,

"(3) has had at least two years of supervised mental health related experience in an organized health care setting, and

"(4) agrees to meet such requirements, with respect to enrollment in appropriate programs of continuing professional education, as may be prescribed by the Secretary, after consultation with one or more appropriate nationally recognized nursing organizations.

"(d) Such agency shall institute procedures to assure that individuals having been issued licenses as psychiatric nurses meet the conditions imposed with respect to such licenses, and for suspending or revoking such licenses in appropriate cases.".

(c) The amendment made by subsection (a) shall take effect on July 1, 1976.

By Mr. TAFT:

S. 2388. A bill to preserve railroad rights-of-way for recreational and other purposes. Referred to the Committee on Commerce.

Mr. TAFT. Mr. President, there are few Members of Congress who are not aware of and concerned with the many problems of railroad branch line abandonments. The abandonment of any rail branch line almost inevitably has an impact on the surrounding communities. Conversely, the maintenance of an unprofitable branch line impacts on a railroad's profitability. Both impacts must be and are of concern to the Congress.

However, there is one additional aspect to branch line abandonment which, although perhaps not so visible as these other concerns, should rightfully be of interest to us. That is the fate of the land on which the rail line was built after the abandonment has taken place.

The rights-of-way of abandoned branch lines are often ideal for conversion into bikeways, walking paths, and linear parks. They often lead from urban to rural areas, traversing scenic countryside. As the report of the Outdoor Recreation Resources Review Commission, entitled "From Rails to Trails," notes:

> As our metropolitan areas swelled, the adjacent countryside most accessible to the population was developed without a sufficient number of trails. Now, however, we are being given a second chance as numerous abandoned rights-of-way became available (which . . . offer outstanding recreation op-

portunities at a relatively modest price. These new trails can fulfill many needs of the American people. Beyond their sheer recreational value, they will promote better health by offering a place to exercise. They are energy efficient, since petroleum is required only for the lubrication of bike gears, and they can give trail users a better understanding of our history and of our Nation's resources. The success of trails that have already been established along rights-of-way demonstrates the value of providing more such facilities.

I consider the opportunity to acquire these rights-of-way for public purposes so important as to justify congressional action. We once missed a similar opportunity, when we let the rights-of-way of the interurbans disappear. Today, these rights-of-way are now needed for many purposes, including, once again, light rail transit. We must not let the opportunity to acquire valuable rights-of-way slip by again.

This bill would preserve abandoned rail rights-of-way for use as recreational areas or for other potential public purposes. It would establish a National Land Bank of such rights-of-way, under the control of the Secretary of Transportation. It would be the Federal task only to preserve the land; development of parks, bikeways, or other useful public areas would be the responsibility of the localities. The local authorities would lease the land from the National Land Bank—with payment to the National Treasury—and put it to whatever use was deemed best by their community.

Mr. President, I believe this bill provides a useful and practical mechanism for taking advantage of an important opportunity, an opportunity that we will lose if we do not act soon. I hope that my colleagues will support me in acting expeditiously on this bill, in view of the many benefits which all of our constituents stand to gain from the public use of abandoned rail rights-of-way.

I ask unanimous consent that the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2888

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Transportation is authorized to acquire, other than by condemnation, title to railroad rights of way which are not being used to provide rail services. All such acquired rights of way shall be maintained by the Secretary in a National Transportation Right of Way Land Bank and may be made available on a lease basis to public or private entities to be used for public recreational purposes or other public purposes. Any such lease may provide for compensation to the Secretary and shall be subject to such conditions as are necessary to protect the public interest.

There are authorized to be appropriated such amounts as are necessary to carry out the provisions of this Act.

By Mr. HUMPHREY:

S. 2892. A bill to provide for Federal payment of State unemployment compensation benefits which are attributable to services performed by certain employees of State or local governments. Referred to the Committee on Labor and Public Welfare.

FEDERAL PAYMENT OF UNEMPLOYMENT COMPENSATION FOR FORMER CETA EMPLOYEES

Mr. HUMPHREY. Mr. President, with unemployment remaining at unacceptably high levels and with little prospect for a significant decline in the near future, we desperately need to maintain and improve existing programs to alleviate unemployment.

President Ford's budget proposal to drastically cut funding for public service employment under CETA is absolutely appalling. It shows a callous lack of concern for Americans who are unemployed as a direct consequence of the Nixon-Ford economic policies of the last 7 years. I am certain that Congress will not turn its back on the millions of Americans who are literally begging their Government for a chance at productive work.

We cannot afford to cut back on funding for public service jobs at this critical time. In fact, we should be looking for ways to expand an improve the jobs which have been provided under CETA in the last 2 years.

It has come to my attention that the job-creating potential of CETA funds is being diluted because a number of States have provided unemployment compensation contributions for CETA employees out of CETA funds. Providing unemployment insurance benefits for CETA workers is an admirable development; and I hope that more cities and States will move in this direction.

But CETA funds are so limited that they should be used exclusively for job creation and purchase of supplies. Therefore, I am today introducing legislation which would provide for Federal funding of unemployment insurance contributions for CETA workers. At my request, the Employment and Training Administration in the Department of Labor has prepared cost estimates for this legislation. In fiscal year 1977, the cost of Federal funding of UI benefits for CETA workers would run about $11 million. This $11 million Federal contribution to the operation of the CETA program would free up precious CETA funds for the creation of more jobs.

The consequences of continuing with the current system can be illustrated by the situation which now prevails in Minneapolis. The city of Minneapolis has had to lay off many CETA workers, and has had to draw increasingly from limited and declining CETA funds to meet unemployment insurance obligations. In time, this will change the character of CETA from a public employment program to an unemployment insurance program. I maintain that most Americans want jobs, and not a welfare check or an unemployment compensation check. We must reverse the trend in the CETA public employment program. At a relatively small cost to the Federal Government, this legislation will preserve the vital job-creating function of the CETA program. I urge its enactment.

Mr. President, I ask unanimous consent that the text of this bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2892

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DEFINITIONS.—

For purposes of this Act—

(1) "State" means the several States, the District of Columbia, the Commonwealth of Puerto Rico, and the Virgin Islands;

(2) "compensation" has the meaning given to such term when used in the Federal-State Extended Unemployment Compensation Act of 1970;

(3) "qualified public service job" means any public service job funded with assistance provided under the Comprehensive Employment and Training Act of 1973;

(4) "public service wages" means all pay and allowances, in cash and in kind, for services performed in a qualified public service job; and

(5) "base period" has the meaning given to such term by section 8501(8) of this title.

SEC. 2. PAYMENTS TO STATES.—

(a) Each State is entitled to be paid by the United States with respect to each individual whose base period wages included public service wages an amount which shall bear the same ratio to the total amount of compensation paid to such individual as the amount of his public service wages in his base period bears to the total amount of his base period wages.

(b) Each State shall be paid the amount to which it is entitled under subsection (a) in the manner prescribed by subsections (b) and (c) of section 8505 of the Federal-State Extended Unemployment Compensation Act of 1970.

(c) Money paid a State under this Act may be used solely for the purposes for which it is paid. Money so paid which is not used for these purposes shall be returned, at the time specified by the Secretary of Labor, to the Treasury of the United States and credited to current applicable appropriations, funds, or accounts from which payments to States under this Act may be made.

SEC. 3. CLERICAL AMENDMENT.—The chapter analysis of chapter 85 of title 5, United States Code, is amended by adding at the end thereof the following new subchapter analysis:

"Subchapter III—Certain Public Service Employees

"8531. Definitions.
"8532. Payments to States."

SEC. 4. EFFECTIVE DATE.—The provisions of this Act shall apply to compensation paid for weeks of unemployment ending after the date of the enactment of this Act.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 667

At the request of Mr. BEALL, the Senator from Tennessee (Mr. BROCK) was added as a cosponsor of the bill (S. 667) to amend the Internal Revenue Code of 1954 to encourage the preservation and rehabilitation of historic buildings and structures and the rehabilitation of other property, and for other purposes.

S. 1911

At the request of Mr. HARTKE, the Senator from Minnesota (Mr. HUMPHREY) was added as a cosponsor of the bill (S.

1911) to amend title 38, United States Code, to provide certain persons insured under servicemen's group life insurance, SGLI, with a choice of conversion to either an individual term or whole life insurance policy or veterans' group life insurance policy upon the expiration of their servicemen's group life insurance coverage, and for other purposes.

S. 2112

At the request of Mr. CHILES, the Senator from Alabama (Mr. ALLEN) was added as a cosponsor of the bill (S. 2112) to authorize the Secretary of the Interior to conduct a study with respect to the feasibility of establishing the Bartram Trail as a national scenic trail.

S. 2529

At the request of Mr. HARTKE, the Senator from Minnesota (Mr. HUMPHREY) was added as a cosponsor of the bill (S. 2529) to amend chapter 37 of title 38, United States Code, to increase the maximum Veterans' Administration's guarantee for mobile home loans from 30 to 50 percent, to make permanent the direct loan revolving fund, to extend entitlement under chapter 37 to those veterans who served exclusively between World War II and the Korean conflict, and for other purpose.

S. 2541

At the request of Mr. TUNNEY, the Senator from South Dakota (Mr. ABOUREZK) was added as a cosponsor of the bill (S. 2541) to provide for the establishment of model programs to foster equal opportunities for displaced homemakers.

S. 2795

At the request of Mr. BARTLETT, the Senator from Michigan (Mr. GRIFFIN) was added as a cosponsor of the bill (S. 2795) to amend the Hobbs Act to provide for penalties for the damages to employers.

S. 2854

At the request of Mr. PEARSON, the Senator from Indiana (Mr. HARTKE) was added as a cosponsor of the bill (S. 2854) to provide that crude oil production from stripper wells be exempt from price controls.

SENATE RESOLUTION 351

At the request of Mr. BARTLETT, the Senator from Florida (Mr. STONE) and the Senator from Virginia (Mr. WILLIAM L. SCOTT) were added as cosponsors of the resolution (S. Res. 351) to request that the President engage in negotiations with other nations to halt international terrorist activities.

SENATE RESOLUTION 353

Mr. HUMPHREY. Mr. President, on January 26, the Senate adopted my resolution honoring Clarence M. Mitchell, Jr., and expressing gratitude for his contributions to the enhancement of life in America.

Through an inadvertence, my distinguished colleague from Delaware (Mr. BIDEN) was not listed as a cosponsor of this resolution. I, therefore, ask unanimous consent that he be added and that his name appear as a cosponsor in any subsequent printing of this resolution.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SENATE JOINT RESOLUTION 127

At the request of Mr. BAYH, the Senator from Oregon (Mr. HATFIELD) was added as a cosponsor of the joint resolution (S.J. Res. 127) to restore posthumously full rights of citizenship to Eugene Victor Debs.

SENATE RESOLUTION 360—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

(Referred to the Committee on Rules and Administration.)

Mr. JACKSON, from the Committee on Interior and Insular Affairs, reported the following original resolution:

S. RES. 360

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Interior and Insular Affairs, or any subcommittee thereof, is authorized from March 1, 1976, through February 28, 1977, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration to use on a reimbursable basis the services of personnel of any such department or agency, and (4) to consent to the assignment of personnel of other committees of the Senate to assist in carrying out the purposes of section 3 of this resolution. Travel and other expenses other than salary of any personnel from other committees assigned to the committee pursuant to this paragraph for the purposes of section 3 of this resolution may be paid under this resolution.

SEC. 2. The expenses of the committee under this resolution shall not exceed $659,900, of which amount not to exceed $40,000 shall be available for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202 (i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. (a) The committee shall continue the study of national fuels and energy policy authorized pursuant to S. Res. 45, agreed to on May 3, 1971. In carrying out the purposes authorized by S. Res. 45, the committee shall make—

(i) a full and complete investigation and study (including the holding of public hearings in appropriate parts of the Nation) of the current and prospective fuel and energy resources and requirements of the United States and the present and probable future alternative procedures and methods for meeting anticipated requirements, consistent with achieving other national goals, including the high priorities—national security and environmental protection; and

(ii) a full and complete investigation and study of the existing and prospective governmental policies and laws affecting the fuels and energy industries with the view of determining what, if any, changes and implementation of these policies and laws may be advisable in order to simplify, coordinate, and provide effective and reasonable national policy to assure reliable and efficient sources of fuel and energy adequate for a balanced economy and for the security of the United States, taking into account: the Nation's environmental concerns, the investments by public and private enterprise for the maintenance of reliable, efficient, and adequate sources of energy and fuel and necessary related industries, and the need for maintenance of an adequate force of skilled workers.

(b) In carrying out the investigations set forth in S. Res. 45, agreed to on May 3, 1971, the committee shall, in addition to such other matters as it may deem necessary, give consideration to—

(i) the proved and predicted availabilities of our national fuel and energy resources in all forms and factors pertinent thereto, as well as to worldwide trends in consumption and supply;

(ii) projected national requirements for the utilization of these resources for energy production and other purposes, both to meet short-range needs and to provide for future demand for the years 2000 and 2020;

(iii) the interests of the consuming public, including the availability in all regions of the country of an adequate supply of energy and fuel at resonable prices and including the maintenance of a sound competitive structure in the supply and distribution of energy and fuel to both industry and the public;

(iv) technological developments affecting energy and fuel production, distribution, transportation, and/or transmission, in progress and in prospect, including desirable areas for further exploration and technological research, development, and demonstration;

(v) the effect that energy producing, transportation, upgrading, and utilization has upon conservation, environmental, and ecological factors, and vice versa;

(vi) the effect upon the public and private sectors of the economy of any recommendations made under this study, and of existing governmental programs and policies now in effect;

(vii) the effect of any recommendations made pursuant to this study on economic concentrations in industry, particularly as these recommendations may affect small business enterprises engaged in the production, processing, and distribution of energy and fuel;

(viii) governmental programs and policies now in operation, including not only their effect upon segments of the fuel and energy industries, but also their impact upon related and competing sources of energy and fuel and their interaction with other governmental goals, objectives, and programs; and

(ix) the need, if any, for legislation designed to effectuate recommendations in accordance with the above and other relevant considerations, including such proposed amendments to existing laws as necessary to integrate existing laws into an effective long-term fuels and energy program.

(c) In furtherance of the purposes of S. Res. 45, agreed to on May 3, 1971, the chairman and ranking minority member of each of the Committees on Aeronautical and Space Sciences, on Commerce, on Finance, on Foreign Relations, on Government Operations, on Labor and Public Welfare, and on Public Works, or members of such committees designated by such chairmen and ranking minority members to serve in their places, and the ranking majority and minority Senate members of the Joint Committee on Atomic Energy, or Senate members of such committee designated by such ranking majority and minority members to serve in their places, shall participate and shall serve as ex officio members of the Committee for the purpose of conducting the Senate's National Fuels and Energy Policy Study.

(d) The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1977.

Sec. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 361—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON LABOR AND PUBLIC WELFARE

(Referred to the Committee on Rules and Administration.)

Mr. WILLIAMS, from the Committee on Labor and Public Welfare, reported the following original resolution:

S. Res. 361

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134 (a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Labor and Public Welfare, or any subcommittee thereof, is authorized from March 1, 1976, through February 28, 1977, in its discretion (1) to make expenditures from the contingent fund to the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

Sec. 2. The expenses of the committee under this resolution shall not exceed $2,000,000, of which amount not to exceed $65,000 shall be available for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

Sec. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1977.

Sec. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

SENATE RESOLUTION 362—SUBMISSION OF A RESOLUTION AUTHORIZING ADDITIONAL EXPENDITURES BY THE SELECT COMMITTEE ON SMALL BUSINESS

(Referred to the Committee on Rules and Administration.)

Mr. NELSON (for himself and Mr. Javits) submitted the following resolution, which was referred to the Committee on Rules and Administration:

S. Res. 362

Resolved, That the Select Committee on Small Business, in carrying out the duties imposed upon it by S. Res. 58, Eighty-first Congress, agreed to February 20, 1950, as amended and supplemented, is authorized to examine, investigate, and make a complete study of the problems of American small and independent business and to make recommendations concerning those problems to the appropriate legislative committee of the Senate.

Sec. 2. For purposes of this resolution, the committee, or any subcommittee thereof, is authorized from March 1, 1976, through February 28, 1977, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency, (4) to procure the temporary services (not in excess of one year) or intermittent services of individual consultants, or organizations thereof, in the same manner and under the same conditions as a standing committee of the Senate may procure such services under section 202(i) of the Legislative Reorganization Act of 1946, and (5) to provide assistance for the members of its professional staff in obtaining specialized training, in the same manner and under the same conditions as any such standing committee may provide that assistance under section 202(j) of such Act.

Sec. 3. The expenses of the committee under this resolution shall not exceed $252,500, of which amount not to exceed $2,500 may be expended for the procurement of the services of individual consultants, or organizations thereof.

Sec. 4. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1977.

Sec. 5. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 363—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON GOVERNMENT OPERATIONS

(Referred to the Committee on Rules and Administration.)

Mr. RIBICOFF, from the Committee on Government Operations, submitted the following original resolution:

S. Res. 363

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Government Operations, or any subcommittee thereof, is authorized from March 1, 1976, through February 28, 1977, for the purposes stated and within the limitations imposed by the following sections, in its discretion (1) to make expenditures from the contingent funds of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

Sec. 2. The Committee on Government Operations, or any subcommittee thereof, is authorized from March 1, 1976, through February 28, 1977, to expend not to exceed $2,859,785 to examine, investigate, and make a complete study of any and all matters pertaining to each of the subjects set forth below in succeeding sections of this resolution, said funds to be allocated to the respective specific inquiries and to the procurement of the services of individual consultants or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended) in accordance with such succeeding sections of this resolution.

Sec. 3. Not to exceed $237,200 shall be available for a study or investigation of—

(1) budget and accounting measures, other than appropriations;

(2) reorganizations in the executive branch of the Government;

(3) reports of the Comptroller General of the United States and recommendations deemed necessary or desirable in connection with such reports;

(4) the operation of Government activities at all levels with a view to determining its economy and efficiency;

(5) the effects of laws enacted to reorganize the legislative and executive branches of the Government; and

(6) the intergovernmental relationships between the United States and the States, municipalities, and international organizations;

of which amount not to exceed $15,000 may be expended for the procurement of individual consultants or organizations thereof.

Sec. 4. Not to exceed $375,000 shall be available for the continuation of the study authorized under Senate Resolution 71, 94th Congress, agreed to July 26 (legislative day, July 21), 1975, of which amount not to exceed $95,000 may be expended for the procurement of consultants or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended). The date for submission of the joint report of the Committee on Commerce and the Committee on Government Operations on the findings of the study authorized by such Resolution is extended to February 28, 1977, and the authority conferred by section 3 of such resolution is extended through February 28, 1977.

Sec. 5. (a) Not to exceed $1,143,000 shall be available for a study or investigation of—

(1) the efficiency and economy of operations of all branches of the Government including the possible existence of fraud misfeasance, malfeasance, collusion, mismanagement, incompetence, corruption, or unethical practices, waste, extravagance, conflicts of interest, and the improper expenditure of Government funds in transactions, contracts, and activities of Government or of Government officials and employees and any and all such improper practices between Government personnel and corporations, individuals, companies, or persons affiliated therewith, doing business with the Government; and the compliance or noncompliance of such corporations, companies, or individuals or other entities with the rules, regulations, and laws governing the various governmental agencies and its relationships with the public: *Provided*, That, in carrying out the duties herein set forth, the inquiries of this committee or any subcommittee thereof shall not be deemed limited to the records, functions, and operations of the particular branch of the Government under inquiry, and may extend to the records and activities of persons, corporations, or other entities dealing with or affecting that particular branch of the Government;

(2) the extent to which criminal or other improper practices of activities are, or have been, engaged in the field of labor-manage-

ment relations or in groups or organizations of employees or employers, to the detriment of interests of the public, employers, or employees, and to determine whether any changes are required in the laws of the United States in order to protect such interests against the occurrence of such practices or activities;

(3) syndicated or organized crime which may operate in or otherwise utilize the facilities of interstate or international commerce in furtherance of any transactions which are in violation of the law of the United States or of the State in which the transactions occur, and, if so, the manner and extent to which, and the identity of the persons, firms, or corporations, or other entities by whom such utilization is being made, what facilities, devices, methods, techniques, and technicalities are being used or employed, and whether or not organized crime utilizes such interstate facilities or otherwise operates in interstate commerce for the development of corrupting influences in violation of the law of the United States or the laws of any State, and further, to study and investigate the manner in which and the extent to which persons engaged in organized criminal activities have infiltrated into lawful business enterprise; and to study the adequacy of Federal laws to prevent the operations of organized crime in interstate or international commerce; and to determine whether any changes are required in the laws of the United States in order to protect the public against the occurrences of such practices or activities;

(4) all other aspects of crime and lawlessness within the United States which have an impact upon or affect the national health, welfare, and safety;

(5) riots, violent disturbances of the peace, vandalism, civil and criminal disorder, insurrection, the commission of crimes in connection therewith, the immediate and longstanding causes, the extent and effects of such occurrences and crimes, and measure necessary for their immediate and long-range prevention and for the preservation of law and order and to insure domestic tranquility within the United States;

(6) the efficiency and economy of operations of all branches and functions of the Government with particular reference to—

(A) the effectiveness of present national security methods, staffing, and process as tested against the requirements imposed by the rapidly mounting complexity of national security problems;

(B) the capacity of present national security staffing, methods, and processes to make full use of the Nation's resources of knowledge, talents, and

(C) the adequacy of present intergovernmental relationships between the United States and international organizations principally concerned with national security of which the United States is a member; and

(D) legislative and other proposals to improve these methods, processes, and relationships;

(7) the efficiency, economy, and effectiveness of all agencies and departments of the Government involved in the control and management of energy shortages including, but not limited to, their performance with respect to—

(A) the collection and dissemination of accurate statistics on fuel demand and supply;

(B) the implementation of effective energy conservation measures;

(C) the pricing of energy in all forms;

(D) coordination of energy programs with State and local government;

(E) control of exports of scarce fuels;

(F) the management of tax, import, pricing, and other policies affecting energy supplies;

(G) maintenance of the independent sector of the petroleum industry as a strong competitive force;

(H) the allocation of fuels in short supply by public and private entities;

(I) the management of energy supplies owned or controlled by the Government;

(J) relations with other oil producing and consuming countries;

(K) the monitoring of compliance by governments, corporations, or individuals with the laws and regulations governing the allocation, conservation, or pricing of energy supplies; and

(L) research into the discovery and development of alternative energy supplies;

Provided, That, in carrying out the duties herein set forth, the inquiries of this committee or any subcommittee thereof shall not be deemed limited to the records, functions, and operations of the particular branch of the Government under inquiry, and may extend to the records and activities of persons, corporations, or other entities dealing with or affecting that particular branch of the Government;

of which amount not to exceed $20,000 may be expended for the procurement of the services of individual consultants or organizations thereof.

(b) Nothing contained in this section shall affect or impair the exercise by any other standing committee of the Senate of any power, or the discharge by such committee of any duty, conferred or imposed upon it by the Standing Rules of the Senate or by the Legislative Reorganization Act of 1946, as amended.

(c) For the purpose of this section the committee, or any duly authorized subcommittee thereof, or its chairman, or any other member of the committee or subcommittee designated by the chairman, from March 1, 1976, through February 28, 1977, is authorized, in its, his, or their discretion, (1) to require by subpena or otherwise the attendance of witnesses and production of correspondence, books, papers, and documents, (2) to hold hearings, (3) to sit and act at any time or place during the sessions, recesses, and adjournment periods of the Senate, (4) to administer oaths, and (5) to take testimony, either orally or by sworn statement.

Sec. 6. Not to exceed $407,500 shall be available for a study or investigation of intergovernmental relationships between the United States and the States and municipalities, including the fiscal interrelationship between the Federal Government and State and local governments and the manner in which Federal assistance is disbursed to State and local governments, and including an evaluation of studies, reports, and recommendations made thereon and submitted to the Congress by the Advisory Commission of Public Law 86-380, approved by the President on September 24, 1959, as amended by Public Law 89-733, approved by the President on November 2, 1966; of which amount not to exceed $15,000 may be expended for the procurement of the services of individual consultants or organizations thereof.

Sec. 7. Not to exceed $275,385 shall be available for a study or investigation of the efficiency and economy of operations of the Federal Government with respect to—

(1) policies, procedures, and activities affecting—

(A) the accounting, financial reporting, and auditing of government obligations and expenditures;

(B) the oversight of Federal agency and program performance and effectiveness;

(C) the development and effectiveness of fiscal, budgetary, and program information systems and controls; and

(D) the development and improvement of management capability and efficiency;

(2) policies, procedures, and activities affecting—

(A) preparation and submission of Federal regulatory agency budgets to Congress; and

(B) data collection and dissemination by Federal regulatory agencies; and

(3) review and evaluation of procedures and legislation with respect to Federal advisory committees, Federal reports, questionnaires, interrogatories;

of which amount not to exceed $15,000 may be expended for the procurement of services of individual consultants or organizations thereof.

Sec. 8. Not to exceed $296,700 shall be available for a study or investigation of the economy of operations of all branches of the Government with respect to—

(1) Federal spending practices, particularly Federal procurement, and the laws, regulations, and procedures governing Federal contracts, grants, transfer payments, and other spending arrangements; the Office of Federal Procurement Policy and other ex-executive branch organization responsible for Federal spending practices;

(2) the efficiency and economy of Federal spending practices, as applied and used to meet agency statutory charters and program objectives; and

(3) all measures relating to the open public conduct of the meetings of all branches of the Government;

of which amount not to exceed $15,000 may be expended for the procurement of the services of individual consultants or organizations thereof.

Sec. 9. Not to exceed $125,000 shall be available for a study or investigation of the economy, efficiency, and productivity of the operations of the Federal Government with respect to—

(1) the development of—

(A) methods and procedures to effectively oversee the operations of the executive branch; and

(B) methods by which Federal programs may be effectively reviewed and analyzed;

(2) budget measures, other than appropriations, or matters within the jurisdiction of the Committee on the Budget as provided in the Congressional Budget and Impoundment Control Act of 1974, including—

(A) the formulation and submission to Congress of budget recommendations by the President; and

(B) the review and authorization of budget requirements by the Congress; and

(C) the execution and control of authorized budget obligations and expenditures;

(3) the utilization and disposal of Federal property and administrative services, including the management of Federal records and archives; and

(4) the evaluation of efforts to reduce the volume of Federal paperwork;

of which amount not to exceed $4,000 may be expended for the procurement of services of individual consultants or organizations thereof.

Sec. 10. The committee shall report its findings, together with such recommendations for legislation as it deems advisable with respect to each study or investigation for which expenditure is authorized by this resolution, to the Senate at the earliest practicable date, but not later than February 29, 1976.

Sec. 11. Expenses of the committee under this resolution, which shall not exceed in the aggregate $2,859,765 shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for this disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 364—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON THE BUDGET

(Referred to the Committee on Rules and Administration.)

Mr. MUSKIE, from the Committee on the Budget, reported the following original resolution:

S. Res. 364

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by section 134(a) and 136 of the Legislative Reorganization Act of 146, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on the Budget, or any subcommittee thereof, is authorized from March 1, 1976, through February 28, 1977, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

Sec. 2. The expenses of the committee under this resolution shall not exceed $1,963,400, of which amount not to exceed $65,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

Sec. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1977.

Sec. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

SENATE CONCURRENT RESOLUTION 89—SUBMISSION OF A CONCURRENT RESOLUTION TO CLARIFY THE APPLICATION OF THE TRADE ACT OF 1974

(Referred to the Committee on Finance.)

Mr. RIBICOFF (for himself and Mr. Long) submitted the following concurrent resolution, which was referred to the Committee on Finance:

S. Con. Res. 89

Whereas Article I, Section 8, Clause 3 of the Constitution of the United States vests in the Congress the power to regulate trade with foreign nations,

Whereas commodity agreements between the United States and foreign nations are a regulation of trade with foreign nations,

Whereas commodity agreements may or may not be consistent with Congressional efforts to develop an open, nondiscriminatory, and fair world economic system and to stimulate fair and free competition between the United States and foreign nations, and

Whereas community agreements may or may not satisfactorily provide for the harmonization, reduction, or elimination of barriers to, or other distortions of, trade with foreign nations; Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring) That (a) Any commodity agreement between the United States and any foreign country, group of foreign countries, or instrumentality, shall be considered to be a trade agreement entered into under Section 102 of the Trade Act of 1974 and shall not enter into force with respect to the United States except in accordance with the provisions of that section.

(b) Any such commodity agreement shall be considered under the provisions of Section 151 of the Trade Act of 1974 and shall be referred to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate. Any such agreement shall also be referred to each committee of the Congress for consideration of those provisions of such agreement which are within their respective jurisdictions.

(c) For the purposes of this section, the term "commodity agreement" means any agreement, other than a treaty, entered into by the United States with any foreign country, group of foreign countries, or instrumentality which is intended to—

(1) assure access to supplies of a product or products;

(2) stabilize prices or quantities of a product or products in international trade or provide for buffer stocks or reserves;

(3) stabilize the earnings derived from the growth, production, or manufacture of any product or products from such country, group of countries, or instrumentality whether or not such country, group of countries, or instrumentality is party to such agreement; or

(4) achieve any combination of the objectives described in paragraphs (1), (2), or (3).

Mr. RIBICOFF. Mr. President, today Senator Long and I are submitting this concurrent resolution to clarify the application of the Trade Act of 1974, with special reference to the role of Congress and the industry, farm, consumer, and labor sectors which may be affected by U.S. negotiations with other governments.

The Constitution specifically provides that it is the Congress, and not the President, which shall regulate foreign commerce. This means that the Congress must provide any and all powers of implementation in this field. But it also means that Congress should concern itself with the ongoing management of trade policy by the executive branch, including ongoing negotiations with other governments.

Under the Trade Act of 1974, we provided for a close working relationship between the Congress and the Executive in connection with the trade negotiations now underway in Geneva. We also provided for many cross checks on day-to-day trade activities and official decisions at home by setting out congressional overide procedures. In addition, we established expedited congressional procedures for consideration of executive branch proposals that might result from international negotiation, so that the Executive would not have to wait indefinitely on congressional acceptance or rejection. The present administration welcomed the new elements of the Trade Act, when it was passed by us in late December 1974.

Since the passage of that act, there have been many pressures internationally to discuss and negotiate new understanding and agreements which would affect the commercial conditions of trade in various commodities. The developing nations have been urging new approaches to the stabilization of trade in many of the raw materials and primary products they export. And many of the industrialized nations, including the United States, have been calling for development of internationally agreed food stocks.

Internationally negotiated agreements which would affect the price, quantities, or general conditions of commerce are agreements affecting trade. This resolution states that negotiated agreements affecting the conditions of trade are trade agreements.

This is very important. Right now, the executive branch is talking about negotiations on world stocks of grain and negotiations on commodity agreements affecting cocoa, coffee, tin, sugar, and possibly copper and other products. Such agreements could take a variety of froms, but whatever they look like, they affect the conditions of trade, and as such they are trade agreements. Given the constitutional responsibilities of the Congress in these matters, I want to avoid prolonged arguments with the executive and possible disappointments which might result from inadequate congressional and private sector consultation. Rather than have the executive in the ambiguous position of not knowing how to proceed with such negotiations, this resolution explains that the procedures we have already laid down to deal with the constitutional difficulties be applied to negotiations affecting commodity trade just as any other kind of trade. This should be of assistance to the executive. The executive should understand the benefits, including the consultation procedures and the expedited legislative procedures. I know it is essential to us here in Congress, in dealing with the people in our economy who are affected by such agreements. It is imperative, too, that our farmers, businessmen, and workers have ample opportunity to be consulted on such agreements before they are set in concrete, and to give their advice.

This resolution should help us all to work together, and to avoid misunderstanding as negotiators return to Washington with agreements which we in Congress might find unacceptable. If we do not all work together, we shall be in trouble in this highly sensitive area of foreign trade. Given our constitutional responsibilities, and the great effort expanded in the drafting of the Trade Act to provide proper procedures for coping with our responsibilities, I urge every Senator to join in supporting this resolution. Agreements affecting trade in particular commodities should stand or fall on their own merits. We do not have to deal with any issue of principle, or give any philosophic advice in supporting this resolution. The resolution simply says "Let us work together rather than at cross-purposes, in the way Congress, and especially the Senate, has already laid down."

AMENDMENTS SUBMITTED FOR PRINTING

DESIGN PROTECTION ACT OF 1975—S. 22

AMENDMENT NO. 1353

(Ordered to be printed and to lie on the table.)

Mr. TUNNEY. Mr. President, I am today submitting an amendment to the copyright bill (S. 22). The purpose of this amendment can be be explained by the views which I expressed in the Judiciary Committee report.

I ask unanimous consent that my views be printed in the RECORD.

There being no objection, the views were ordered to be printed in the RECORD, as follows:

ADDITIONAL VIEWS OF SENATOR JOHN V. TUNNEY

I submit these additional views with respect to the amendment which lengthened the period in which the Royalty Tribunal may make rate adjustments.

In my view, the most inequitable amendment added to the bill by the Committee was the one which extended the period during which copyright rates would be frozen for long periods without adjustment. These bill changes to sections 802 (a) and (b) lengthened from six months to three years the period before which the Royalty Tribunal could make its initial copyright rate adjustment; and lengthened again from five years to ten years the period subsequent copyright rate adjustment might be made.

Those adversely affected by these lengthened time periods are copyright proprietors in four fields: film makers and networks who are copyright owners of films used by cable provided for in Section 111 of the bill; publishers, composers, and artists who secure royalties under section 115 of the bill; royalty recipients of copyrighted music played in jukeboxes under section 116 of the bill; and, broadcasters and copyright owners who are also affected by section 118 of the bill which grants certain rights for public television. It is obvious that the royalty income of many industries is critically controlled by the operations of the Royalty Tribunal.

Clearly, the move to freeze the cycle of rate adjustments for ten year periods is inequitable. It would result in artificially imposed compensation to copyright holders that has no relation to the marketplace or to shifting economic and financial conditions.

The views which I hold are not limited to me alone. The most authoritative voice on copyright matters, the Register of Copyrights, testified on October 30, 1975, before a House Judiciary Subcommittee on the copyright bill. She indicated that a ten-year cycle of review was "too long." I could not agree more.

I shall offer an amendment to reduce the ten-year extension to seven years.

FEDERAL EMPLOYEES' POLITICAL ACTIVITIES ACT OF 1975—H.R. 8617

AMENDMENT NO. 1354

(Ordered to be printed and to lie on the table.)

Mr. HATHAWAY submitted an amendment intended to be offered by him to the bill (H.R. 8617) to restore to Federal civilian and Postal Service employees their rights to participate voluntarily, as private citizens in the political process of the Nation, to protect such employees from improper political solicitations, and for other purposes.

ASSISTANCE IN MEETING FEDERAL CHILD CARE STANDARDS—H.R. 9803

AMENDMENTS NOS. 1355 AND 1356

(Ordered to be printed and to lie on the table.)

Mr. BARTLETT submitted two amendments intended to be proposed by him to the bill (H.R. 9803) to postpone for 6 months the effective date of the requirement that a child day care center meet specified staffing standards—for children between 6 weeks and 6 years old—in order to qualify for Federal payments for the services involved under title XX of the Social Security Act, so long as the standards actually being applied comply with State law and are no lower than those in effect in September 1975.

AMENDMENT NO. 1357

(Ordered to be printed and to lie on the table.)

Mr. PACKWOOD. Mr. President, I am submitting an amendment to H.R. 9803 to delete implementation of Federal day care staffing ratios. This amendment was defeated by a tie vote—9 to 9—in Finance Committee during consideration of H.R. 9803. The amendment I am introducing today also permits the States to use the increase in funding in the social services program of greatest need.

In light of the differing needs of the various States, and the lack of consensus among day care professionals, I am concerned that nationwide imposition of these standards could actually cause day care to deteriorate by interfering with the exercise of reasonable discretion by people responsible for providing high-quality care at the State and local level. For these reasons, I am submitting this amendment to H.R. 9803, to delete implementation of the staffing ratios, and the requirement that the additional funds be used exclusively for day care.

The Finance Committee, in agreeing to provide an additional $250 million for day care under title XX, demonstrated that it is prepared to accept responsibility for assuring that States provide high quality day care for children eligible for title XX benefits. However, in its tie vote on this amendment to return the decision over staffing ratios to the States, the committee showed that it could not agree on the question whether there should be immediate, nationwide implementation of one particular set of staffing ratios.

For years, we have heard day care professionals disagree over the optimum number of children per staff member. The only areas of general agreement are that fixed ratios alone cannot insure quality day care, and that they are at best difficult to determine, and at worst arbitrary.

Different staffing ratios have been proposed by Members of Congress and well-informed citizens. In an attempt to resolve this question, Congress, in title XX, instructed the Department of Health, Education and Welfare to study the question of appropriate staffing ratios, and to make recommendations to us no later than the first 6 months of 1977. At this time, however, the controversy over the numbers still exists.

In addition to the disagreement over which staffing ratios are the best, there are differences between States as to whether additional child care funding should be used to augment the staff at one facility to train present staff members, or to open a new facility at a different site to enable additional children to receive day care. The imposition of national standards at this time can only interfere with that type of decision making.

The arguments for revenue sharing are similar to the arguments for my amendment. I support revenue sharing because it enables people to fight local problems through the governments closest to them. The funds are used according to local needs in the areas of education, law enforcement, transportation, social services, health, the environment, and recreation. Revenue sharing money is distributed with a minimum of Federal "strings." Yet, I have heard no critiicism that day care centers, senior citizens centers, or other social services funded with revenue sharing are "low quality."

This amendment also gives States discretion to apply the $250 million increase in funding to any title XX program, and eliminates the H.R. 9803 restriction that the additional funds be used only for day care. This is consistent with the present title XX funding, which gives States discretion to set their own priorities for social services. In addition, some States, such as Oregon, have used a relatively high percent of their title XX funds for day care in an attempt to meet the 1968 standards, and these States should be permitted the choice of applying the funds to other areas of greater need.

For these reasons, I believe that H.R. 9803, which provides for an additional $250 million for title XX day care programs, should be amended to return the power to set staffing ratios to the States and to permit the States to use the increase in funding in the social services programs of greatest need. I am therefore submitting this amendment to H.R. 9803 to accomplish these goals.

Mr. President, I ask unanimous consent that the text of the amendment be printed in the RECORD, together with letters endorsing this amendment from Gov. Cecil B. Andrus, chairman of the Committee on Human Resources of The National Governors Conference; and Fred Segrest, administrator of the Children's Services Division of Oregon's Department of Human Resources.

There being no objection, the amendment and letters were ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1357

Strike out section 2 of the bill and insert in lieu thereof the following new section 2:

SEC. 2. (a) Section 2002(a)(9)(A) of the Social Security Act is amended—

(1) in clause (i) thereof, by inserting "(other than staffing ratio standards)" immediately after "recommended standards";

(2) in clause (ii) thereof—

(A) by striking out "and staffing standards for school age children in day care centers may be revised by the Secretary,", and

(B) by striking out "in the case of children under age 3" and all that follows, and inserting in lieu thereof "shall be recommended to the States and not required.".

(b) The amendments made by subsection (a) shall take effect February 1, 1976.

Strike out section 3(a) of the bill and insert in lieu thereof the following new section 3(a):

SEC. 3. (a) For purposes of title XX of the Social Security Act, the amount of the limitation (imposed by section 2002(a)(2) of such Act) which is applicable to any State for any fiscal year, shall be deemed to be equal to 110 per centum of such limitation for such year (as determined without regard to this section).

Section 3(b) of the bill is amended by striking out "in jobs related to the provision of child day care services".

Strike out subsection (e) of section 3 of the bill, and insert in lieu thereof the following:

(e) In applying the provisions of paragraph (1) of subsection (a) of this section with respect to the fiscal year ending June 30, 1976, the figure "110" (as contained in such paragraph) shall be deemed to be "10".

Strike out section 4 of the bill.

Strike out section 6 of the bill.

Section 5 of the bill is redesignated as section 3.

Section 7 of the bill is redesignated as section 4.

NATIONAL GOVERNORS' CONFERENCE,
Washington, D.C., January 26, 1976.

Hon. ROBERT PACKWOOD,
U.S. Senate,
Washington, D.C.

DEAR BOB: The possible forced compliance by the States with the Federal Interagency Day Care Requirements (FIDCR) ordered under Title XX of the Social Security Act poses serious problems for the Governors. For most States, compliance would result in either drastic cuts in day care services or increased expenses to maintain enrollment due to the low adult/child ratio called for in the FIDCR. Raising the nationwide funding ceiling for Title XX to pay for these increased costs would ease the pain. This would not resolve the basic problem of further federal regulation and bureaucratization of state programs—the basic problem of regulations that ignore the differences in needs among the 50 states.

I am, therefore, encouraged by and fully support your efforts to amend S. 2425 to return the authority for setting staffing ratios to the States. This approach offers an excellent solution to the major problems of increased staff levels by allowing each State to set its own standards based on assessed needs and available resources. While more effort and funds need to be focused on the provision of high quality care for our children, this is a national goal that is best carried out at the state and local levels.

At a meeting on December 18 between the President, the Cabinet and the chairman of the National Governors' Conference standing committees, I presented a series of issues of principle concern to me as chairman of the NGC Committee on Human Resources. In that statement I requested that the Administration continue the waiver provision of the FIDCR until a satisfactory solution can be found without increasing government expenditures. Your efforts, in my opinion, provide that solution.

Sincerely,

CECIL D. ANDRUS,
Chairman, Committee on Human Resources.

DEPARTMENT OF HUMAN RESOURCES,
Salem, Oreg., January 21, 1976.

Hon. ROBERT PACKWOOD,
U.S. Senator,
Washington, D.C.

DEAR SENATOR PACKWOOD: Mr. Colvin contacted me on Wednesday, January 21, regarding Committee action on S. 2425. Based on the information he provided, I support the position which you presented. Oregon would benefit from *any* relief of restrictive federal regulations in the field of social services. We are confident that our state government is fully competent and responsible to establish standards and regulations which are least oppressive to providers and clients while maintaining accountability to the public.

While I cannot at this time commit state matching funds, I am supportive of the proposed increases in federal funding for child care. We would prefer that the full $250 million be distributed by population apportionment. If this is not possible, I would urge you to carefully analyze the purposes of the supplemental "enrichment" funds. Unlike many states, Oregon has enforced the staffing requirements of the Federal Interagency Day Care Requirements. In doing so, limited federal financing has required us to minimize support of other essential sections of the Requirements. Provider and staff training, improved health services for children in day care and increased staff for monitoring and certification of facilities are all areas where Oregon would benefit from increased federal support.

If we can be of any further assistance in this matter, please let me know. We would appreciate receiving a copy of the current version of S. 2425 at your earliest convenience.

Sincerely,

FRED SEGREST,
Administrator.

RICE PRODUCTION ACT OF 1975—H.R. 8529

AMENDMENT NO. 1358

(Ordered to be printed and to lie on the table.)

Mr. BENTSEN submitted an amendment intended to be proposed by him to the bill (H.R. 8529) to establish improved programs for the benefit of producers and consumers of rice.

ADDITIONAL COSPONSORS OF AN AMENDMENT

AMENDMENT NO. 1330

At the request of Mr. PELL, the Senator from Montana (Mr. MANSFIELD) and the Senator from Idaho (Mr. CHURCH) were added as cosponsors of amendment No. 1330, intended to be proposed to the joint resolution (H.J. Res. 549) relating to the establishment of a Commonwealth of the Northern Mariana Islands.

NOTICE OF HEARINGS

Mr. ROBERT C. BYRD. Mr. President, I wish to announce that the Subcommittee on Standing Rules of the Senate of the Committee on Rules and Administration will hold hearings on Thursday, February 5, 1976, on the following two resolutions: Senate Resolution 109, to establish a temporary select committee to study the Senate committee system; and Senate Resolution 104, relative to Select Committee on Small Business. I make this announcement so that Senators concerned about these two resolutions might be on notice to appear in person or to submit statements. The public is also invited.

The hearings will be held on Thursday, February 5, 1976, at 9 a.m., in room 301 of the Russell Senate Office Building.

ANNOUNCEMENT OF HEARINGS ON FIRST CONCURRENT RESOLUTION ON THE BUDGET

Mr. MUSKIE. Mr. President, the Senate Budget Committee begins public hearings on the first concurrent resolution on the budget for fiscal 1977 next Tuesday, February 3.

These hearings will provide valuable information to the Budget Committee for making decisions on the first concurrent resolution on the budget, which must be reported by the committee to the Senate by April 15. This first concurrent resolution on the budget will set targets for total budget outlays and total new budget authority as well as targets for spending in each major functional category of the budget. The first resolution will also specify targets for revenues for the coming fiscal year as well as the surplus or deficit in the budget which is appropriate in light of economic conditions and all other relevant factors.

Our hearings next week will focus primarily on the administration's fiscal year 1977 budget proposals.

On Tuesday, February 3, OMB Director James T. Lynn will testify in room 318, Russell Senate Office Building.

On Wednesday, February 4, Congressional Budget Office Director Alice M. Rivlin will testify in room 357, Russell Senate Office Building.

On Thursday, February 5, Treasury Secretary William Simon and Council of Economic Advisers Chairman Alan Greenspan will testify in room 1114, Dirksen Senate Office Building.

All hearings will begin at 10 a.m. Further hearings on the first concurrent resolution will be announced next week.

NOTICE OF HEARING

Mr. SPARKMAN. Mr. President, I wish to anounce that the Subcommittee on Housing and Urban Affairs of the Committee on Banking, Housing and Urban Affairs, will hold a 2-day hearing, on February 17 and 18, 1976, on oversight of rural housing programs.

The hearings will be held in room 5302, Dirksen Senate Office Building, and will commence at 10 a.m. each morning.

I wish to announce further that the Honorable ROBERT MORGAN, Senator from North Carolina, will chair the 2-day hearing.

GOVERNMENT OPERATIONS COMMITTEE HEARINGS ON INTELLIGENCE OVERSIGHT

Mr. RIBICOFF. Mr. President, I wish to announce that the Government Operations Committee will continue hearings on S. 189, S. 317, S. 2865, and Senate Concurrent Resolution 4, proposals to create a new intelligence oversight committee, next week, February 2, 3, 5, and 6.

Those witnesses appearing February 2 will include Senator Stennis, Senator Cranston, Senator Nelson, Raymond S. Calamaro, executive director, Committee for Public Justice, and Morton Halperin, director, Project on National Security and Civil Liberties. Those witnesses appearing February 3 will include Senator Goldwater, Senator Hollings, Representative McClory, Representative Aspin, and Representative Harrington. The witness February 5 will be Dr. Henry Kissinger, Secretary of State. The witnesses February 6 will include Senator Huddleston and Attorney General Levi.

Hearings on the 2d and 3d will start each day at 10 a.m. in room 3302. The starting time and room number of the hearings on February 5 and 6 will be announced later.

NOTICE OF HEARINGS ON ALCOHOLISM

Mr. HATHAWAY. Mr. President, I wish to give notice that public hearings have been scheduled for Tuesday, Wednesday, and Thursday, February 3, 4, and 5 before the Subcommittee on Alcoholism and Narcotics of the Committee on Labor and Public Welfare. The hearings will be on the subject of oversight of federally funded alcoholism treatment, prevention, and research programs, and on the administration of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act.

Any persons desiring to offer testimony in regard to this matter shall file in writing with the committee a request to be heard and a statement of proposed testimony not later than 48 hours prior to such hearings.

For the information and guidance of witnesses, I am inserting in the Record at the conclusion of this announcement, a memo outlining a number of alcoholism issue areas. In the course of its hearings, the subcommittee expects to explore each of those areas vis-a-vis the administration of the current Federal alcoholism laws, as well as the possible need in each area for legislative or administrative changes.

Mr. President, I ask unanimous consent that this memo be printed in the Record at this point.

There being no objection, the memo was ordered to be printed in the Record, as follows:

Memorandum on Alcoholism Hearings

Witnesses at the forthcoming alcoholism hearings should plan to address the following issues, among others:

1. The operation of the Uniform State Alcoholism and Intoxication Treatment Act, and particularly its decriminalization provisions. Essentially, we need to know if decriminalization is working and if not, why not. Some of the specifics include the effect on the criminal justice system (policy, courts, jails, probation, etc.) and whether diversion of the problem of alcoholism from the criminal justice system places burdens on the health system, social services system and existing alcoholism treatment facilities. We should have some idea of what implementation of the Act has cost state and local governments. We need to know what has been required in terms of monies, personnel, new programs and changes in local administrative structure, and whether new federal incentives are necessary. The hearings should look at places where the implementation has worked to the satisfaction of citizens, public officials and law-making bodies, and places where it has not.

2. The Epidemiology of Alcoholism—The Subcommittee would like to find out who is most likely to become an alcoholic in America today, how the problem is distributed geographically and demographically, and what patterns of drinking related to alcoholism can be discerned. We need to know if these factors have changed since the passage of P.L. 91–616 and how and by whom changes in the epidemiology of alcohol abuse and alcoholism are being assessed for program development by the Institute:

3. The Planning and Evaluation of Alcohol Services—The Subcommittee should ask who is responsible for planning services and for allocating funds for alcoholism services at the state and local level, including whether recovering alcoholics and other consumers, providers, health officials, criminal justice officials, educators and others are or should be part of that planning process. In particular, we should consider the impact of Public Law 93–641, the National Health Resources and Planning Act, on alcoholism services, asking whether the treatment of alcoholism will be subsumed under the restrictions of the medical model on both local (HSA) and state (SHCC) levels.

Closely related to this issue is the responsibility for assurance of quality care in alcoholism programs. Under the provisions of P.L. 93–603, the role and effects of P.S.R.O.'s on alcoholism programs need to be considered.

The subcommittee should also ask how the National Institute on Alcohol Abuse and Alcoholism evaluates currently funded programs for the purpose of determining the level of federal support, and whether a greater emphasis on evaluation is required.

4. Funding of Alcoholism Services—The subcommittee should consider the adequacy and feasibility of third party coverage, the role of state insurance laws, the use of funds from Medicaid, Title XX, revenue sharing and other federal sources, and the problems associated with funding from multiple sources. We need to look at the effects on programs of increasing local matching requirements and the use of in-kind sources. Questions will be asked about the effect of the Administration's proposed bloc grant proposal on state and local alcoholism activities and on the treatment, prevention and rehabilitation of alcoholism.

5. The Prevention of Alcoholism—The subcommittee should attempt to ascertain an adequate definition of prevention, against which to assess the relative quality and effectiveness of current and potential prevention programs. Proper evaluation of the results of prevention programs should be discussed, and the relationship with such areas as public education, teacher training and health education should be explored.

6. Occupational Alcoholism Programs—The subcommittee should assess the effectiveness of such programs, the need and desirability for continued or expanded federal support, and the possible limitations of such programs.

7. Underserved Populations—Consideration should be given to the needs of underserved groups, including underserved ethnic groups, geographic areas and other specific client populations.

8. Technical Assistance to Programs—The Subcommittee shall explore the role of DHEW regional offices, state alcoholism authorities, NIAAA central office and federal contractors in providing technical assistance for alcoholism providers, including the adequacy of current assistance, the future needs in this area, and current or potential coordination among agencies.

9. Federal Coordination of Alcoholism Programs—The subcommittee will inquire into the status of the federal inter-agency task force required by P.L. 91–616. We are concerned as well with the general area of possible gaps and duplication in federal alcoholism efforts due to lack of coordination among federal agencies.

10. Confidentiality and Right to Privacy—We shall consider the impact of federal confidentiality requirements on alcoholism programs. We need to be concerned both with the assurance of a client's right to privacy and the possible impediments of confidentiality requirements, or the lack thereof, on alcoholism treatment, research and evaluation efforts.

11. Relationships to Drug Abuse and Mental Health—The subcommittee shall consider the effect of joint administration at the state and local level, including the advantages and problems encountered in such arrangements. We are interested in the potential impact of the Community Mental Health Centers Act. The feasibility of joint treatment approaches is also an issue of concern.

12. Manpower—We are concerned about the issues of accreditation, certification and licensure and issues of vertical and horizontal mobility, including the question of who will assume responsibility for the systems established to make determinations in these areas. We should also look at the training of health, social service and criminal justice personnel, examining the needs in each area, both for additional personnel and for further training for current personnel.

13. Research—New research findings since the passage of P.L. 91–616 should be considered, as well as the mix between biological and behavioral research, and between intramural and contract research. Other issues of import are fragmentation and duplication of alcoholism related research and coordination between NIAAA and other federal agencies doing related research.

14. Discrimination Against Alcoholics—The subcommittee shall examine discrimination against persons with a history of alcoholism in the health system, and especially in physicans' offices and hospitals, and the extent to which anti-discrimination provisions of existing law have been obeyed. We are concerned as well with discrimination against the alcoholic in employment, social service and other areas.

NOTICE OF CHANGE IN ROOM NUMBER IN HEARING ON JUDICIAL TENURE ACT (S. 1110)

Mr. BURDICK. Mr. President, as chairman of the Judiciary Subcommittee on Improvements in Judiciary Subcommittee on Improvements in Judicial Machinery, I wish to announce that the hearing for the consideration of S. 1110, the Judicial Tenure Act, scheduled for February 19, 1976, in room 6202, Dirksen Senate Office Building, has been moved to room 457, Russell Senate Office Building.

NOTICE OF SYMPOSIUM

Mr. GLENN. Mr. President, the Committee on Government Operations will hold a 3-day symposium entitled "Our Third Century: Directions" on February 4, 5, and 6. The symposium will consist of four public discussions concerning the development of long-range policy alternatives by Government and the private sector. Participants in the discussions will include present and former government officials, scholars of government, historians, scientists, and representatives of private foundations. The discussions will be held in room 3302 Dirksen Senate Office Building on February 4 at 10 a.m. and 2 p.m., on February 5 at 10 a.m. and on February 6 at 10 a.m. Chairman Ribicoff has designated me ad hoc chairman for the symposium. The public is invited.

ADDITIONAL STATEMENTS

S. 1—REFORM OF THE CRIMINAL LAWS

Mr. MANSFIELD. Mr. President, yesterday, I had intended to include in the Congressional Record the entire content of an article on S. 1 entitled "The Battle Over the Criminal Code" by Mr. Theodore Voorhees which appeared in the current issue of Judicature, the magazine of the American Judicature Society. The article explains very well I think the present posture of the issues contained in S. 1 and suggests what must be done to insure that certain defects of the proposal be corrected in order to warrant its approval by the Congress. The article did not appear in full, however, as I had intended.

Similarly, I noted the appeal in behalf of S. 1 in a letter printed in the New York Times from former Gov. Pat Brown, who served as the Chairman of the President's Commission on the Reform of the Criminal Laws.

Again, it should be observed that there do exist serious defects in the bill as it is now written. It is the purpose of the legislative process to remedy these defects and if reform of the criminal laws is to occur during this Congress, those defects must be remedied.

Mr. President, these materials are well worth reading on this issue and I ask unanimous consent, therefore, that the complete article by Mr. Voorhees, together with the letter from former Gov. Pat Brown, be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

It Could Decide the War on Crime—The Battle Over the Criminal Code

(By Theodore Voorhees)

There has been so much talk in recent years about crime prevention, penal reform, and law and order, and so little effective action, that the public is becoming convinced that nothing will ever be done to restore citizen safety from crime. Cynicism prevails, and any suggestion that legislation, whether federal or state, might promote justice and reduce crime is likely to be greeted with derision.

In the case of members of the bar, however, such a negative attitude is unjustified. The profession is well aware of the importance and efficacy of state adoption of the Model Penal Code. It should be equally supportive of revision of Title 18 of the United States Code, the massive compilation of all federal legislation dealing with crime. No excuse should be accepted for a lawyer's ignorance of the compelling necessity for an immediate rewriting of that wholly outdated and ineffective compilation of criminal law.

Many provisions within the title as it now stands are so unreasonable as to offend all sense of justice. There is gross disparity among the maximum sentences permitted for similar crimes; the provisions for probation are inadequate; the treatment of the problem of recidivism is thoughtless and unplanned; and the provisions governing infractions and minor offenses are as chaotic as the rest.

Related offenses are not gathered together in Title 18 alone but are scattered through fifty titles. Senator Roman Hruska (R. Neb.) has pointed out that there are in excess of seventy different provisions dealing with theft, and for the requisite state of mind for criminal offenses, seventy-eight different terms are employed. He adds that such imprecision of language increases the chances of the guilty going free and the innocent being convicted.

By revising the criminal code, we will gain an infinitely more effective system of combating crime and create an example for the states which should spur them toward criminal law reform. Federal crime is only the tip of the lawless iceberg, but until it is dealt with on an enlightened and effective basis, it will be useless to expect much advancement on the part of the states.

Unfortunately, a combination of circumstances has caused a sharp division of opinion on the pending federal revision legislation which may hinder or even block the adoption of a new federal code. The following simplified explanation of the background of the bills pending in the House and Senate presents the basic controversy which must be resolved if this much-needed legislation is to have any chance of passage.

THE BROWN REPORT

Both Senate bill S. 1 and H.R. 333 grew out of a Study Draft of a revised Title 18 prepared by the National Commission on Reform of Federal Criminal Laws, popularly known as the Brown Report after the commission chairman, former California Governor Edmund G. (Pat) Brown. That report, released in 1971, was the product of four years of study by the congressionally-established Commission after it had received the advice of many of the recognized criminal law experts of the country.

The Commission's recommendations were endorsed by all shades of political and professional opinion. By stating some alternatives in areas of major controversy (such as drugs, gun control, capital punishment and wire tapping) and leaving resolution of such problems to Congress, the Commission was able to present a unanimous report. While opinion among its members differed sharply with respect to those difficult issues, on ninety per cent of the provisions there was general agreement.

In the House, H.R. 333 was first introduced in 1973 by Representatives Kastenmeier (D. Wisc.) and Edwards (D. Cal.). It follows the Brown Report closely and incorporates the preference of a large majority of the members of the Commission on how the controversial issues could best be resolved.

The strength of H.R. 333 rests in the fact that every section of Title 18 had been carefully examined by the Commission, brought into harmony and revised to conform to the best thinking of the day, Specifically, the Commission report followed closely the recommendations of the American Law Institute, as set forth in the Model Penal Code, and the American Bar Association Standards Relating to the Administration of Criminal Justice.

The heart of the Brown Report, preserved in H.R. 333, is the creation of a sentencing structure which specifies maxima for certain classified grades of crimes and to which each specific federal offense is tied. Every felony sentence involving a maximum would have a mandatory parole component, reducing to that extent the period during which the prisoner could actually be detained under the sentence. The Commission took the position that the upper ranges within the ordinary maximum were to be reserved for the especially dangerous offenders. It also directed that in sentencing, prison should be resorted to only if the judge was satisfied that it was a more satisfactory disposition than probation.

H.R. 333, among its other key provisions, confines consecutive sentencing to cases where "exceptional features provide justification" and requires the court to set forth its reasons in detail; provides for appellate review of sentences; stiffens the government's burden of proof in conspiracy cases; relaxes the inordinate severity of prison penalties for hard drug offenses and rules out incarceration for petty marijuana offenses; bans production, marketing and possession of handguns except for military and police use; and provides curtailment of federal involvement in situations having "no substantial federal interest."

Under the existing American penal system, increases in violent crime and recidivism have become a part of our way of life. The Brown Report and H.R. 333 have accepted the thesis of modern penologists that constant increase in the severity of punishment is not an intelligent way to attain a reduction of crime.

THE SENATE BILL

In the Senate, Senator McClellan (D. Ark.) put together a bill which, again, was largely based upon the report of the Brown Commission. A number of the provisions of his draft, however, reflected his more conservative viewpoint and that of the Department of Justice under the Nixon administration.

S. 1 had 13 sponsors, including, in addition to Senators McClellan and Hruska, who were members of the Commission, such liberal backers as Senators Scott (R. Pa.) and Bayh (D. Ind.). Hearings were held on the bill over the course of a year, and the transcript ran to more than 8000 pages. (A counterpart to S. 1 is H.R. 3907.)

S. 1 seeks to restore capital punishment and make it mandatory in a narrow group of homicides. It is silent on any form of gun control but adds additional years of imprisonment to already heavy maxima when guns are used in connection with an offense or when organized crime is involved. It retains a prison penalty for non-commercial private possession of marijuana but reduces the present heavy punishment considerably. It provides severe penalties for traffic in hard drugs. It narrows the defense of insanity.

The foes of the Senate bill have concentrated much of their fire on provisions which have been interpreted as curtailing First Amendments rights. They foresee wiretapping on an expanded scale and protest the excuse of national security as its justification. The bill has met intensive opposition from the political left, to whom demonstration has become a right valued above almost all others. The liberal opponents of S. 1 have overlooked two factors of great importance. First, mere defeat of S. 1 would leave intact many of the provisions to which they are opposed since they are carry-overs from existing law. Second, and more important, the critics have been ignorant of, or have ignored, the fact that at least ninety percent of the provisions of the bill constitute law reform that is virtually beyond the realm of serious controversy. In consequence, while amendment may be essential, total rejection would be tragic. To vote S. 1 down would doom the country to a continuation of totally unsatisfactory criminal law at the federal level and a dearth of reform in many state and local jurisdictions.

It has taken a full decade from the launching of the effort to secure revision during the administration of President Johnson to bring the matter to a congressional vote. If a revised code goes down to defeat, it is highly unlikely that a new effort at revision can be consummated in less than another decade. Meanwhile, crime marches on, and civil liberties suffer as much under the present chaotic system as they would, in all likelihood, under the most extreme provision of S. 1.

THE KILLING OF S. 1

The Wall Street Journal editorialized on August 22, 1975, on the subject of S. 1 and condemned it roundly. In calling for the rejection of the bill, it stated, among other things, that "[t]he entire bill in its present form goes well beyond present law in restricting First Amendment rights, reducing public access to knowledge of the workings of government and revising civil rights precedents."

The following comment was offered in reply by Professor Louis B. Schwartz, Benjamin Franklin Professor of Law at the University of Pennsylvania and director of the National Commission on Reform of Federal Criminal Laws:

"On the other hand, 95 percent of S. 1 is a competent non-controversial ordering and modernizing of the antiquated arbitrary hodge-podge that is our present criminal justice system. If there ever was a counsel of despair, of throwing out the baby with the bath water, it is the suggestion in your editorial that S. 1 be abandoned rather than amended, as it easily can be to remedy its defects."

Is prison forever to be the only method of punishing crime?

He then gave a sampling of the numerous improvements incorporated in S. 1 which would be jettisoned if the Journal's counsel were followed:

"A rational scale of penalties under which like offenses are subject to like sentences;

"Systematic distinction between first offenders and multiple or professional criminals;

"Appellate review of abuse of discretion in sentencing;

"An improved basis for extraditing criminals who flee the country;

A system of compensation for victims of violent crime;

"The first democratically adopted statement of the aims of the criminal justice system for the guidance of courts, enforcement officials and correctional agencies."

Professor Schwartz concluded:

"In short, although there are a dozen specific amendments required to make S. 1 acceptable, the overall aim and substantial accomplishment of the bill is to promote respect for the law by making the law respectable. The reform of the federal criminal code should be rescued, not killed."

H.R. 10850

Belatedly, on November 20, 1975, Representatives Kastenmeier (D. Wisc.), Mikva (D. Ill.) and Edwards (D. Cal.) introduced H.R. 10850, a new bill to revise Title 18 which was prepared in large part by the American Civil Liberties Union. It tracks S. 1 closely, and departs materially from the bill only in the relatively few areas where major disagreement by the ACLU with the Senate bill was only to be expected. The provisions in question deal with: the insanity defense, treatment of classified material, marijuana, the sentencing structure, death sentence, obscenity and the like. It may be anticipated that the liberal view of the framers of H.R. 10850 may incite as violent opposition from conservative elements inside and outside of Congress as some of the repressive measures of S. 1 did from the liberals.

The introduction of the ACLU legislation is bound to increase the polarization among members of Congress and hurt the cause of revision, yet two points may be made in its favor. The bill follows the provision numbering of S. 1 and consequently makes easy an examination of the sections in which the sponsors of the two bills run at cross purposes. More importantly, a comparison should bring out forcefully how much agreement resides on each side with respect to the vast majority of the provisions of both bills. Only on a limited number of highly controversial issues does significant disagreement exist.

THE ABA CONTRIBUTION

At the 1975 annual meeting of the American Bar Association, the Section of Criminal Justice secured virtually unanimous approval by the House of Delegates of a resolution endorsing S. 1 in principle, subject to a series of thirty-eight suggested amendments. In a few instances the Section preferred the counterpart section of H.R. 333; in several it disapproved of the S. 1 provision in its entirety (treatment of the insanity defense, control of prostitution, crime in federal enclaves); but in most the S. 1 approach was approved, subject to amendments to make it conform to the Standards Relating to the Administration of Criminal Justice. Very few of the proposed amendments could be characterized as sweeping.

The Section of Criminal Justice studied the Brown Report and S. 1 over a period of four years. It is certainly to be commended for its recognition of the importance of pursuing federal criminal law revision, and unquestionably its proposed amendments would strengthen and improve the Senate bill. Yet its recommendations and the action of the House of Delegates are disappointing in several important respects.

The subject matter of S. 1 deserved something more than a mere legalistic analysis of the language of a complex bill. One may well wonder how helpful anyone could find the main paragraph of the long resolution of the House of Delegates. It reads in part as follows:

"Be it resolved . . . that the American Bar Association endorses in principle the provisions of S. 1 and its counterpart H.R. 3907, now pending in the 94th Congress, 1st Session, as a desirable basis for the reform of the federal criminal laws; noting however that the Commission on Correctional Facilities and Services urges the particular importance of amendments to reflect the general principles set out in Recommendations 28, 31, 33 and 34 in Appendix A hereto and the relevant sections of the ABA Standards Relating to the Administration of Criminal Justice. . . ."

Furthermore, the most criticized omissions or inclusions of S. 1 are almost ignored. The ABA taken no position on the absence of provision for gun control; it has ducked the question of capital punishment, taking refuge in the fact that it is *sub judice* in the Supreme Court; it has withheld recommendations on the S. 1 handling of the drug problem, pending a study by the association "in depth." In addition, the Section report, and consequently the House of Delegates' action, fails to call attention to the important fact that the vast majority of the bill provisions constitute law reform that is virtually beyond controversy. The ABA criticism and simultaneous support of S. 1 cannot be dismissed as uphelpful, but the Association has done considerably less than sound a tocsin summoning Congress to get on with essential legislation without further delay.

THE BAR'S RESPONSIBILITY

In light of the wreckage that crime is causing throughout the country (one family out of every four victimized); of the financial burden that crime and its prevention imposes upon us annually (around $100 billion, or a tenth of the gross national product); and of the unique capability of lawyers to provide leadership in a field in which they have more expertise than almost all others, the apparent lack of concern of the profession is difficult to explain.

We are apparently ready to stand by and allow Congress to resolve some of the most important criminal law issues of our times with scarcely a word of advice, support, or even opposition, from the organized bar. Within the framework of revision of Title 18 as a whole, rest among others the following great questions of the day:

Are sentences of imprisonment to be left, as heretofore, to the whim of a judge who may be guided entirely by the theory that only severity of punishment will block crime, or should sentencing be placed on a more uniform, scientific basis conforming to modern principles of penology?

Should we continue to fight drug abuse only with the savagery of heavy punishment, or with up-to-date principles of crime prevention and control?

Do victimless crimes and minor infractions of law deserve the inordinate share of police time and effort now devoted to them at the cost of serious diminution of the protection of society from crimes of violence?

Must we continue to suffer the present annual slaughter by homicide rather than give up the absolute right of everyone to bear all kinds of arms for whatever purpose?

Is prison forever to be the only method of punishing crime, or might a modern scientific effort be made to utilize probation as a supplementary method?

Must we accept recidivism as unconquerable rather than try to arrest it by a wholehearted system of rehabilitation?

The mere delineation of those issues should make clear how hopeless it would be to expect a single piece of legislation to resolve every one of them satisfactorily. It seems obvious that several of the questions demand separate legislation carefully drafted and followed by time for what may be prolonged debate. To attempt to package all the solutions in an omnibus treatment, as have the framers of S. 1 and H.R. 10850, simply invites the possible rejection by Congress of any revision whatever.

It is here that one might have expected the leadership of the profession to offer guidance to the Congress. Instead of being content to stand by and witness the crushing to death of this important legislation between the extremists of the right and those of the left, the American Bar Association might well have called for the elimination of the controversial provisions and the enactment of the portions of S. 1 on which nearly everyone can agree.

That is not to say that the provisions of the code governing wiretapping, drug abuse, capital punishment, obscenity and gun control should be ignored. Obviously, they are in great need of reexamination and revision. The bar should call for new legislation in those areas without delay. There is no persuasive reason, however, why the other portions of Title 18 should be hung up until agreement on the controversial portions is reached.

U.S. CRIMINAL CODE: THE IMPORTANCE OF S. 1

To the Editor:

As chairman of the National Commission for Reform of Federal Criminal Laws, I have watched with deep concern the efforts of some civil libertarians and representatives of the press to kill S. 1, the pending bill to recodify Title 18 of the U.S. Code. That bill incorporates a very substantial portion of the recommendations of our commission, and 95 percent of its provisions constitute a major improvement over existing Federal criminal law. Those provisions have been found acceptable by all who have studied the legislation and they are really beyond the realm of serious controversy.

I, of course, agree with some of the bill's critics that there are a few sections of S. 1 which may be characterized as repressive, but these are limited to a small number and in all likelihood will be taken care of in the Senate Judiciary Committee or by amendment on the Senate floor. The contention that the whole bill must be defeated because of these few sections is, in my opinion, without semblance of validity.

Recognizing the urgency of criminal code revision at this session of Congress, Senators McClellan and Hruska, the sponsors of S. 1, have informed me of their willingness to accept some modifications which would meet the objections of the press and other critics. With a similar sense of responsibility, Senators Kennedy and Hart are working toward securing the amendments necessary to make this bill perfectly acceptable to their liberal constituencies.

There are some areas of the criminal law which presently pose serious problems for the sponsors of code revision. The most obvious examples are national security, wire tapping, gun control, traffic in drugs and capital punishment. While Congress must eventually resolve these issues, it is certainly unnecessary for the whole code to be held up until total agreement can be reached. They might more properly be left to separate legislation to be introduced, debated and enacted at a later date.

A great deal of misinformation has been spread about S. 1. As the members of the Senate Judiciary Committee have studied this comprehensive and important legislation, the chances of its passage in somewhat modified form have been greatly enhanced. Defeat would be a severe blow to criminal law reform in this country.

EDMUND G. BROWN.

(P.S.—The writer is former Governor of California.)

SENATOR ABOUREZK ON "BREAKING UP THE OIL INDUSTRY"

Mr. PACKWOOD. Mr. President, this body is very familiar with the historic debate which many of us participated in last fall concerning the divestiture of the major vertically integrated oil companies. I argued in favor of this action, as did the distinguished Senator from South Dakota (Mr. ABOUREZK). In yesterday's New York Times, a critique of the Congress energy bill and the issue of divestiture by Senator ABOUREZK appeared. I believe the need to divest the major integrated oil companies has not diminished one bit since this body considered such legislation last fall, and that Senator ABOUREZK's critique reaffirms that need quite well.

I ask unanimous consent that the article, "Breaking up the Oil Industry," be printed in the RECORD for the benefit of my colleagues.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BREAKING UP THE OIL INDUSTRY

(By JAMES ABOUREZK)

WASHINGTON.—This country does not have an energy policy. The President wants a noncompetitive private sector to make basic energy decisions. The Congress supports Government regulation. Neither side has the power to impose its will. The result is the confused energy bill that passed Congress last year.

This bill sets no coherent policy. Government price controls create as many problems as they solve, but without Government regulation we open the door to control of supply and price by a handful of giant companies whose concern for profit and expansion far exceeds their concern for the public.

There is another way—a way that can bring market forces back into the energy industry, limit the need for Government intrusion, and serve the public far better than our present nonpolicy.

What I am talking about is simple competition and some new antitrust legislation to bring about that competition.

Last fall, 46 Senators voted to break up the largest oil companies (vertical divestiture). Thirty-nine Senators voted to stop oil firms from buying up alternative fuels (horizontal divestiture). Divestiture is a real possibility, and desperately needed.

Real competition does not exist in the energy industry. Twenty big oil companies control 94 percent of our domestic oil reserves. The fact that none of these companies controls more than 10 percent of the market misleads some people into believing that the industry is competitive. People do not realize that these oil companies operate through a complex web of crisscrossing business deals that tie them together at dozens of points.

Groups of companies join together to produce oil on leases they share. These "joint ventures" are common throughout the industry. Most companies participate in dozens of such groupings. They are likely to be partners of every other company in the business—in joint production or in joint ownership of pipelines.

The big companies have agreements to refine oil for one another, and no money changes hands. Their directors sit next to one another on the boards of the banks that finance the various joint ventures. Instead of the invisible hand of the competitive market, we have the gloved handshake of the gentleman's agreement. When one company does not know where its interests end and another's begin, real competition does not exist.

In addition to this, each of the biggest oil companies has producing, transporting, refining and retailing operations. They use this "integrated" structure to keep the price of crude oil high, by selling to their own refineries. Control over pipelines enables the companies to manipulate distribution. It is not the level of concentration, but ownership of crude oil, shared business deals, and vertical integration that permits monopoly control in the industry.

As if this "shared monopoly" in the oil industry is not reason enough to call forth antitrust action, we now find the integrated oil giants acting systematically to acquire their competition.

In the last twelve years, the major oil concerns have moved into all current and potential alternative fuels. The 18 largest oil companies produce 60 percent of our natural-gas supply. Sixteen of the 18 own oil-shale interests; 11 possess huge coal reserves; 16 have bought into uranium and many own uranium processes; three own solar-energy companies; and the only producing geothermal lands in the United States are held by an oil company.

Even without these indications, basic economic principles demand that, in a competitive market, fuels that substitute for one another not be controlled by one company. But eight oil companies already have across-the-board positions in every other fuel.

As "energy conglomerates," the oil companies can protect their investment in declining oil reserves by limiting competition from coal, or uranium, or geothermal steam.

The price of coal will depend on development decisions made by Exxon, Conoco, Mobil, etc. Oil companies already have over 44 percent of the country's privately held reserves. Since these acquisitions, coal revenues have risen by over 300 percent while output has risen around 13 percent. Island Creek Coal Company, as a division of Occidental Petroleum, increased its profits from 11 cents per ton in 1972 to $12.95 per ton in 1975—12,000 percent.

The process by which the oil companies control our energy picture is not hard to see. So we turn to governmental pricing despite its drawbacks. And with no guarantee that competition will keep the market working in the public interest we will continue to adopt regulations in a vain effort to treat the symptoms rather than the cause of the problem.

We can deal with the cause of the problem through antitrust legislation. Bills to end vertical integration and get the oil industry out of alternate fuels are pending before the Senate Judiciary Committee. When these bills appeared in the Senate as amendments to a natural-gas decontrol bill, they received substantial support.

Separating production from other functions will create a competitive market for crude oil. Competition among producers and refiners will be on the basis of price and efficiency rather than market power.

At the same time, we must prevent the oil companies from taking over our other fuels. We need separate and independent companies competing for our energy dollars, not a web of "energy conglomerates" controlling a whole spectrum of fuels. An energy conglomerate will not encourage its coal or geothermal subsidiary to undersell its oil unit.

Breaking up the oil industry into independently competing companies will cause some immediate shuffling. It may increase the value of stock in the new companies. Over a period of time, it will mean prices in line with efficient costs, and a mix of fuels that is cheapest and best suited to the needs of the country. Without competition or public control, all we have is self-interested planning by a few corporate managers whose job is to expand size and profits.

In the matter of energy, we are dealing with companies so large as to be beyond the reach of any fluctuations in behavior by energy consumers, so their decisions often do not fit our needs and we find ourselves in a constant argument over energy policy goals.

THE IMPORTANCE OF SMALL BUSINESS RESEARCH

Mr. HATHAWAY. Mr. President, on January 21, my good friend and colleague, Senator EDWARD M. KENNEDY of Massachusetts, delivered a speech at a conference on small business research held by the National Science Foundation. In that speech Senator KENNEDY aptly describes the problems that small entrepreneurs face when dealing with the Federal research and development agencies.

The role of small business in developing new technologies cannot be understated. It was strongly stressed in a series of hearings that I cochaired with Senators McINTYRE and NELSON through the Small Business Committee in May, October, and November 1975. As Senator KENNEDY notes, small business needs help. I hope the Members of this body will take time to read the Senator's fine statement.

I ask unanimous consent that Senator KENNEDY's speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

SPEECH PRESENTED BY SENATOR EDWARD M. KENNEDY AT SMALL BUSINESS MEETING, NATIONAL ACADEMY OF SCIENCES, JANUARY 21, 1976

Thank you Dr. Stever. It gives me great pleasure to be here with you this morning and I want to thank you for inviting me, and also to express my appreciation to Dr. Eggers of the RANN Directorate at NSF, and to Milton Stewart of the Research Council for Small Business and the Professions, for organizing this meeting. It is obvious that they have done their work well.

This meeting has been called to discuss the problems facing the small research and development firms trying to do business with the Federal government. It is not the first meeting on this topic, and it won't be the last. Some of these problems, as you know, are of very long standing, and progress in dealing with them has been painfully slow.

Yet it is essential that solutions be found, for in solving the problems of the small R&D companies we shall be taking a long step toward solving some of the critical problems facing the nation. Because this country must find realistic, imaginative, yet practical solutions to a long list of "crises"—environmental crises, energy crises, food crises—and that means that we must find ways to put science and technology to work more effectively, and to put the fruits of our research into the market place more rapidly.

And in this national effort the small research and development companies have a critical role to play. This is the sector of our economy which brought us the vacuum tube, the automobile, and the airplane—all within the span of a few decades. Without the imagination and drive of the small, innovative companies, this country and the world would be immeasurably poorer. So it is only fair for you to ask: "What has the Federal Government been doing for us?"

The Congress of the United States passed the Small Business Act over twenty years ago. There is a section in it which charges the Small Business Administration with three specific duties:

(1) To assist small businesses in obtaining R&D contracts from the Federal government

(2) To assist them to obtain the benefits of R&D performed by others, and

(3) To provide them with technical assistance.

In 1968, the Select Committee on Small Business of the House of Representatives held hearings and recommended that SBA "aggressively implement the statutory provisions" and report back by May 1, 1969. Follow-up hearings were held in 1972 and reported disappointing progress.

Just this past year the Senate Select Committee on Small Business held hearings—at which I had the privilege of testifying—on the role of small business in the development of solar energy. They found a situation distressingly similar to that of seven years ago.

Last month I chaired a workshop, similar to this one, in Massachusetts, co-sponsored by the Associated Industries of Massachuetts and the Smaller Business Association of New England. I came away from that meeting with a clearer understanding of some of the problems confronting all of you, let me be quite specific and give you a few case histories.

Item: A small, innovative company contracts the RANN Directorate of the National Science Foundation in February. They want help in developing a new electrical insulator which promises to save the utilities millions of dollars annually in power transmission costs. They are told that the review will be completed in four to six weeks. In May, they contact NSF again, and are told that their proposal has not yet been sent out for review. They call again in July. They call in August, in September, in October. Finally, in desperation, the following January, they request action in a formal letter, and follow this up with phone calls in February. A full year has now gone by. In March they learn that their proposal has been turned down. Fortunately, in the meantime, they have obtained private funding for a similar project. They develop the insulating material, which promptly receives an award as one of the most significant new technological products of the year.

Item: A small, research oriented firm submits a proposal to ERDA for the modeling of a particular process for coal gasification. After a long run-around and an expensive "competition", they are informed that ERDA is not interested in such models. Why weren't they told this in the first place?

Item: A company wants to use equipment originally bought on the NSF contract for work under contract with a private funding organization in the case of a university or non-profit institution, NSF normally will give title to equipment which has been purchased under a grant. They refuse to do this for a profit making concern. Instead, they propose to take the equipment away and give it, free of charge, to a university.

I could go on, but I am sure that I don't have to convince the people in this room that there are inequities and inefficiencies in our present system. Our task must be to improve the situation. And I cannot emphasize too strongly the importance of action—immediate action—on the part of the responsible agencies, to restore some measure of the confidence and good will necessary to revitalize the innovative research which this country so sorely needs.

The situation that we have today reminds me of one which arises annually, at the start of the football season, in the "Peanuts" comic strip. Every year Lucy offers to hold a football for Charlie Brown, and invites him to kick it. And every year she pulls it away at the last minute, and Charlie Brown takes a terrible flop and lands flat on his back. And every year Charlie Brown says: "Oh, no, not this year. Your're going to pull the ball away at the last minute and I'll land on my back."

And Lucy says: "This time I've changed, Charlie Brown. I wouldn't do a mean nasty thing like that! Have faith, Charlie Brown."

And he gives in and tries to kick that football one more time, and she yanks it away and he falls on his back.

Well, many of the smaller companies are still lying on their backs, and they're too tired and hurt to pick themselves up and try again. But there are others who are willing to give it another try, only they're going to be looking for some sign that this year Lucy means business. And that's going to take some positive action from some of the Federal agencies.

But there are deeply engrained institutional barriers that prevent the small business community from interacting successfully with many of these agencies. For example, there is the unwritten rule—and this is most clearly evident at NSF—that in the spectrum from research to development, industry does the development and universities and non-profits do the research. Now just where does that leave the small businesses? They are too small to do much of the development, and they've just been ruled out of order on doing the research.

This bias reflects the situation of 15 years ago, when universities were growing by leaps and bounds, and most of the research capability of the nation was to be found in them. But what has been happening more recently? That educational establishment which was built up during the 60's has continued to turn out scientists and engineers who for the most part have found jobs in industry. So the reality of the present situation is that a large fraction of our scientific and technical expertise is now to be found in small, innovative, and (when they can be) profit-making companies.

But the National Science Foundation has two very good features which I want to emphasize. One is that they are set up to handle large numbers of small proposals; the other is that they have no in-house research capability of their own.

The first of these is a very important aspect of an agency, which is too often overlooked. Because the job of a funding agency is to spend money, and it is only natural to look for ways to spend that money most efficiently. So if I can give a big contract to a giant corporation and spend 6 million dollars, why should I go through the same amount of paper work, and maybe five times the bother, to spend 50 thousand dollars on some small company I never heard of that thinks it has a bright idea? Well, NSF manages, somehow, to spend its money this way, and maybe the other agencies have something to learn.

The second feature of the NSF—the absence of any in-house research—makes it unique among the government agencies funding R&D—and this too is a very important difference. With other agencies, the story is all too familiar: A company comes up with a clever idea, and applies to ERDA, say, for funding. The proposal will be reviewed by the individuals at ERDA who are the most knowledgeable on the subject. But these reviewers are then also competitors for whatever limited funds are available (and funds are always limited—even at ERDA!). Is it reasonable under these circumstances to expect them to render an unbiased verdict? Is it reasonable to expect a company to divulge its clever idea—and ideas are often all these companies have going for them—to an agency which has a stake in keeping its own facilities at top potential?

I think it's clear that we've got our work cut out for us. But there is an important and vital role that the Congress can and must play in this process, and I want to share with you some of my thoughts on that score.

My good friend and colleague in the United States Senate, Tom McIntyre, has sponsored—and I have been happy to co-sponsor—legislation designed to assist small businesses to participate in the nation's energy R&D programs, particularly in solar energy. This bill would establish the position of Assistant Administrator for Small Business at ERDA, who would be charged with encouraging small business participation in ERDA's programs. It would insure that Federal funding of energy R&D would not result in a decrease of competition or in increased barriers to the entry of new companies into the energy industries. It would set aside 20% of ERDA's funding dollars for small business.

These are necessary and useful provisions, and I hope we will pass this legislation in time for its impact to be felt during the present budget cycle.

At the same time, I believe that there is more that we can and should be doing. The SBA could be doing more to carry out its Congressional mandate to assist small businesses in obtaining R&D grants. One difficulty is that SBA lacks the trained technical personnel to do this job adequately. This can and should be corrected by the Congress. But there is a real need in many small companies for good financial advice, and for assistance in preparing financial statements that will communicate effectively to members of the banking community. SBA can and should provide such assistance.

Several years ago, SBA had a program which provided loans to high risk, technically oriented firms. This program was stopped after three years, and is presently being evaluated. I hope it will be started up again in the near future.

I believe that a careful study should be made of the existing tax laws to determine whether tax writeoffs applicable to R. & D. are equitable in their application to the small business community and to make recommendations if they are not.

In addition, we should explore ways of assisting small companies to weather the "blackout" period that often occurs between the end of a contract and the start of its follow-on.

In closing, I would like to make some general remarks which apply to the RANN program at NSF and to many other agencies, as well. Through these programs the Federal government is subsidizing a substantial portion of the applied research being performed in this country. And in many cases, the application is supposed to take place very rapidly, and the taxpayer is going to expect to see an immediate payoff of the research he has sponsored. So two things have to happen: It goes without saying that the R. & D. effort must be competently performed—and it is not always an easy matter to find people who can do this. But it is even more important—and more difficult, in many cases—to take into account the market pressures, tax laws, regulatory procedures, and so on, into which the end product of the research must fit. The ultimate practical use of the research does not happen automatically, and the relevant Federal agencies still have much to learn about how to make it happen.

But this is precisely the sort of problem that confronts the industrial R. & D. firm daily. They don't always do it well—they can make mistakes, miss opportunities, bungle the job in a variety of ways. But when they do, the results are all too obvious—and the ones that fail too often don't survive. And this is why the role of small business is so crucial. Because the aim of every business is to be successful, and one of the best ways to do this is to come up with a clever idea, do the research necessary to put it into practice, and then make sure it gets into the marketplace. Failure at any stage of this process is tantamount to overall failure.

It is precisely because you people have learned that lesson that I am optimistic that some important changes will come out of this meeting—changes that will nurture the relations between you and your government, and will enable you to make the essential contributions that you alone can, toward the furtherance of our national goals.

NATIONAL ECONOMIC PLANNING

Mr. JAVITS. Mr. President, in Sunday's New York Times Magazine, Prof. Robert L. Heilbroner, of the New School for Social Research in New York, wrote an article on national economic planning the United States. Professor Heilbroner's thesis is that planning is coming to the United States because the business community will soon demand economic planning as an instrument to save the private enterprise system.

Professor Heilbroner makes it clear that planning is no panacea, as I have said repeatedly. To quote Professor Heilbroner:

> We cannot plan better than we can govern. Planning will force us to discover how well that is.

Professor Heilbroner makes it clear that as the scale of private enterprise changes, business becomes even more enmeshed in social problems, and thus the cry for regulation grows. He regards the slogan "that the solution is not for more Government direction but less" as a prescription for a world that does not exist. This explains why every capitalist economy has a growing core of economic planning.

This point was clearly brought home to me on my recent trip to Latin America, during which I met with the Minister of Planning in Brazil, Panama, and Colombia. All three of these economies are among the least regulated in Latin America, especially Brazil. Nevertheless, the planning process is important to government and business in Brazil and helps the Government to establish the priorities under which the free enterprise system functions so efficiently. Planning does not mean regimentation. It does mean giving serious and coordinated thought to our future course.

I feel that it is most important for American businessmen to study the favorable relationship between planning and business in such countries as Brazil and France. Professor Heilbroner's article is an outstanding contribution to the current debate on national economic planning. Representative HARRINGTON has already put this article in the RECORD in two parts under Extensions of Remarks. For the convenience of Members, Mr. President, I ask unanimous consent that Professor Heilbroner's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times Magazine, Jan. 25, 1976]

THE AMERICAN PLAN

(By Robert L. Heilbroner)

America is drifting into economic planning. One may deplore the fact—Herbert Stein, chairman of the Council of Economic Advisers under President Nixon, tells us that planning will make the economy "more inflationary, less free, and less efficient." One may denounce it—Thomas Murphy, chairman of General Motors, predicts that national chaos, or, at best, national stagnation." One may dread it—Walter Wriston, chairman of First National City Bank, warns us that planning will destroy our personal liberties.

But I do not think one can any longer deny it. Senator Hubert Humphrey and Jacob Javits have joined forces to introduce a bill (called by Humphrey his "single most important piece of legislation") establishing a national planning agency. A roster of eminent economists led by John Kenneth Galbraith and Nobel Prize winner Wassily Leontief have endorsed the bill. So have many labor leaders, following the lead of Leonard Woodcock of the United Automobile Workers. Most surprising of all, a small but growing number of influential businessmen, such as Felix Rohatyn of Lazard Frères and Henry Ford, have spoken out for the establishment of some form of national economic planning.

Thus, for better or worse, whether we welcome it or not, under the Humphrey-Javits bill or another, I expect that within five years, perhaps much sooner, we will be officially embarked on something called National Economic Planning.

What will that planning be like? What changes would it bring to the American economy? In what follows I shall try to give plausible and realistic answers to some of the main questions that planning will force us to confront.

WHO GETS PLANNED IN A PLANNED ECONOMY?

Quite properly, the first question that people ask is how national economic planning will affect their lives.

This is not an easy question to answer, because the impact of planning may be large or small, depending on what our planning effort is trying to achieve. National planning may mean an attempt to reach ambitious but narrowly defined goals—for example, converting the economy entirely to solar energy in, say, 20 years. Such a plan would have an immense impact on a limited number of people. It would do away with jobs in oil refining or coal mining. It might bring bankruptcy to innumerable businesses hitched to coal or oil and unable to find another berth. On the other side, of course, it would mean a bonanza for everyone connected with the development of solar energy. So far as the majority of households is concerned, however, it would probably mean little, until it came time to change over from gasoline-powered to electric-powered automobiles or from home furnaces to heat pumps.

But not all national planning will be narrowly targeted, and the wider and more general its goals, the larger the number of individuals who will be affected. Planning to limit inflation, for example, is likely to exert its impact on nearly everyone—perhaps only mildly, if the anti-inflation plan is limited to taxes; probably much more sharply if it includes controls over wages and salaries and profits and prices. So, too, planning to avoid dangerous economic growth might brush lightly over our lives if it required no more than slight curtailments in our use of energy (smaller cars, or higher electricity charges), or it might interfere with life very significantly if a plan sought to bring industrial growth to a virtual halt because of the actions of a world-wide cartel such as OPEC or because of a very serious danger of atmospheric pollution.

Thus, one cannot give bland assurances that, planning will be painless, any more than one is warranted in issuing pronouncements that it will be traumatic. What determines the extent of planning is the need for it, but that selfsame need may diminish the psychological impact of planning. For example, we are not likely to impose wage, price and profit controls unless inflation continues its ravages, in which case we are apt to welcome intrusive planning, not object to it. We will certainly not plan for a low rate of economic growth unless considerations of national survival are involved. In that case, too, planning will more likely be felt as a form of collective guidance than as an invasion of our freedom.

WHAT GETS PLANNED IN A PLANNED ECONOMY

It must already be clear that there is no preordained size or shape to the activity we call "national planning." It is possible to plan for very clearly defined objectives. But we can also plan on a much broader scale. A national economic plan will probably be a coordinated set of general economic targets; say; a 50 percent reduction in unemployment plus a reduction of the rate of inflation to 5 percent, plus an expansion of economic growth to 6 percent. Needless to say, these economic targets are not picked at random. In fact, one of the main purposes of planning is to discover what combinations of such general goals are compatible.

It follows that planning is by no means a wholly foreign kind of economic activity.

Every deliberate effort to bring about an outcome of the economic process different from that which would emerge spontaneously from the market system is a form of planning. Unemployment compensation, Social Security and Medicare are forms of planning just as much as wage and price controls. The anti-inflationary actions of the Federal Reserve Board are efforts to plan the outcome of the economic process just as much as the designation of a national target of, say, 4 percent growth. What we mean by national economic planning, in its broadest sense, is thus an effort to coordinate existing plans, quite as much as an effort to extend the reach of our control over the economy.

HOW IS THE PLANNING DONE?

This brings us to a consideration of the planning mechanism itself. Here a basic misconception must first be put down. It is the idea that planning means the creation of an enormous blueprint of production, specifying the size and number and quality of buttons on every shirt.

There have been efforts at such total planning, notably in the Soviet Union, and they have been largely adjudged as failures. Useful for mobilizing an economy on a war basis (and the early Soviet planning efforts were a kind of war mobilization for economic growth), they have proved cumbersome and harmful once an economy has attained the complexity of a fully industrial system.

Only the advent of another conventional war or an environmental threat of warlike proportions would cause national economic planning in the United States to assume this kind of exacting specification. Rather, planning would almost certainly take the form of a series of steps of a very different nature.

The initial step in planning would necessarily be an effort to expand the amount and accuracy of the economic information at our disposal. Although we possess the largest and probably the best statistical service in the world, we are still woefully ignorant of many of the essential facts about our economy. When the Arab oil embargo struck, for example, we did not possess information about the size of our stocks of gasoline.

Although we pretend that we have 8 percent unemployment, it is common knowledge that the unemployment "count" is extremely inaccurate, especially for the black and Puerto Rican minorities, and to this very day we do not possess an inventory of the numbers or kinds of job openings in the economy. Our estimates for many important economic magnitudes—our stock of money, our balance of payments, our Gross National Product—are all much too unreliable.

The first step in national planning must, therefore, be an exemption and improvement of our fund of economic information. The next step is to use this information to create a bigger and better flow-chart for the economy. We call such a flow-chart an input-output matrix. An input-output matrix is a kind of recipe book for production. Developed by Wassily Leontief, it enables us to ascertain (albeit only very roughly) how much steel, rubber, copper, cloth, etc., it takes to "cook" an automobile, a steel girder, or a billion dollars' worth of G.N.P. of a given kind. This is a much more complicated calculation than it might at first appear, because the ingredients for a given menu of output are larger in number and more diverse in kind than one could divine by looking at the final products. Input-output may show us that an attractive-looking menu of output cannot be produced without expanding our facilities for production, or it may reveal an unexpected bottleneck that would abort a seemingly feasible plan for expansion.

Nevertheless, input-output, indispensable though it may be, is not planning itself. The act of planning consists of the selection and realization of goals for the economy. These may be narrow, specific "micro" targets, such as an energy program, or broad "macro" goals, such as a reduction of unemployment, or both. (Needless to say, this brings up the question of who selects our goals, but I will defer this problem momentarily.)

Goal-setting, as it is envisaged in the Humphrey-Javits bill or in any variant of this bill that is likely to become law, does not consist of the designation by a planning agency of one set of targets known as "the national plan." Rather, the procedure in goal-setting is to work up a number of alternative planning possibilities. These may be a series of specific microprograms—housing, urban rehabilitation, mass transit—any one of which could be undertaken singly, but all of which could not be mounted simultaneously because of the strain on our labor or material capacities. Or the alternative plans might consist of different combinations of macro-targets. Plan A might suggest 5 percent inflation and 6 percent unemployment. Plan B might suggest 8 percent inflation and only 4 percent unemployment. Plan C might offer 4 percent inflation and 3 percent unemployment—a more attractive combination, but one that would require much stiffer controls than Plans A and B.

The job of the planning agency, working with its statistical information and input-output "recipes," is to concoct a number of such feasible alternative plans or scenarios.

But a number of feasible plans having been hatched, the full-fledged public debate now begins. This debate may be limited to Congress, or might possibly be extended to the public, especially if Plan A were endorsed by one party and Plan C by another. Eventually one or another set of plans is decided on—housing is given preference to mass transit, or vice versa; Plan D is arrived at by a process of compromise. The final plans are given the approval of Congress and the President and become the official economic goals of the nation.

How are the various goals to be reached? Written into each plan is a series of stimuli and sanctions designed to bring the objective into actuality. These may be nothing more than an appropriation of funds, comparable to the plans that once built the Union Pacific Railway or the Panama Canal. Or the necessary measures may be of a broader kind, such as a general injunction to use "all monetary and fiscal means" to achieve such and such a level of inflation and employment. It is also entirely possible that a given plan will include tax changes as part of its means-ends machinery: tax incentives for industries to invest in ways that are congenial to the plan; tax penalties for industries that do not; tax inducements for consumers to use their purchasing power in consonance with the objective of speeding up economic expansion, or slowing it down, or changing the composition of output.

If the plan is of the highest importance for national survival, it will surely contain coercive measures of various kinds. Materials may have to be allocated to industries deemed to be of the highest priority; crash programs of investment may have to be mounted, perhaps by the creation of a Government effort such as the Manhattan Project; very stringent controls or prohibitions might have to be imposed on industry and household alike if we had to execute an abrupt aboutface in our economic direction as a consequence of a very serious external threat.

WHO MAKES THE PLANS IN A PLANNED ECONOMY?

A vast amount of alarm and confusion surrounds the problem of decision-making. Conservatives warn us of faceless experts who will substitute their judgment for the "democracy" of the market. Business fears a paralyzing bureaucracy. The left is suspicious of a corporate take-over of the planning apparatus.

None of these warnings are to be lightly disregarded, and I shall return to them. But I think it is best to begin with a more positive approach. I envisage the planning process as closely resembling the legislative process. This means that at every stage of planning—information gathering (what information?), input-output model-building (under what assumptions?), alternative planning goals (for what ends?)—there will be a struggle to insinuate many views. Corporate élites, charismatic individuals, powerful politicans, labor unions, regional and other lobbies, public groups of many sorts will be writing letters, taking people out to lunch or trying to pull strings to get some portion of the plan to represent their interests or points of view.

Hence I suspect that the goals presented for debate and deliberation will already reflect the untidy, adversary, influence-peddling ways by which a democratic system runs. I also suspect the final plans will be as good and as bad as outrageous and as sensible, as reactionary or as radical as the mass of legislation that today emerges in roughly the same way. In a word, if one has faith that a democracy can govern itself, there is no reason to believe that it cannot plan for itself.

Of course, it is possible to harbor severe doubts about the self-governing abilities of a democracy; and for the same reason it is possible to harbor serious doubts about planning. There is a danger that the planning options may be usurped by faceless experts who will try to apply to the national economy the same masterminding that they applied to the conduct of the Vietnam War. It is certainly possible that the planning agency will become bureaucratic.

And I would assuredly not dismiss the fears of the left that planning may become an instrument of corporate capitalism. Indeed, it seems very plain that the main purpose of planning will be to shore up and underpin, not to weaken or undo, the business system. Nevertheless I do not think that business interests must dominate planning even though the business interest is served by it. Labor and consumer groups will probably have more power and influence under a planning arrangement than they have today.

HOW MUCH MARKET WILL BE LEFT IN A PLANNED ECONOMY?

The great hue and cry of those who oppose planning is that it will replace the market—that vast, flexible, democratic instrument by which a "free" economy makes its collective decisions about the kinds of goods it will produce.

I have no desire to deprecate the usefulness of the market, whose capabilities have been reluctantly recognized even within the Soviet bloc. But it is necessary to view the market with the same degree of skeptical criticism that we apply to planning. First, we should recognize that what we call "the market" is not a single great current of economic activity against which no institution can assert its independent will. This may be true for the individual farmer, retailer, or small businessman, but it is emphatically not the case with large companies that dominate their fields and that can assert their wills to a very considerable extent. As American Telephone and Telegraph states in a series of recent advertisements, "The telephone system didn't just happen. It was planned, right from the start."

In fact, the big corporations in all industrial areas act like private planning agencies, a point eloquently expounded by Galbraith. To a very great degree, the big companies hold the market at bay, raising or lowering prices when they want to, not when an oceanic flood of competition forces them to. So, too, they expand (or contract) their enterprises according to long-range forecasts that ignore the immediate press of business conditions.

Second, we must realize that the market is far from the democratic institution that is popularly projected. The market is a kind of continually recurring economic election, in which households vote with their dollars for the kinds of goods they want. That would be democratic indeed, if all households had equal votes. But of course they do not. The top 20 percent of households have 40 percent of the economic "voting" power; the bottom 20 percent only 5 percent of the purchasing power. A family like the Rockefellers cast as many votes as ten thousand families at the poverty line. Is this democracy?

Last, the market surely serves very well to express the collective, albeit lopsided, appetites of its constituency for commodities, but it has no means of giving voice to objectives that are not themselves given the status of commodities. For example, the market brings forth an assemblage of cars—big cars for big pocketbooks, small cars for small pocketbooks. Even if we accept this distribution of output as "right," we must not forget that in addition to automobiles, the market process has also brought forth traffic congestion, pollution, risk to life and limb. But the market place is blind to these "externalities"—that is, to these side-effects of production.

Perhaps the planning-market controversy can best be summed up by saying that the market is a poor goal-setting mechanism. The "goals" it establishes reflect the buying power of the rich far more than that of the poor, are distorted by powerful aggregates of massed corporate wealth, and are without recognition of any end-result of economic activity that bears no price tag. Planning is an effort to remedy this distorted or missing goal-setting ability along the messy but workable ways we have described.

On the other hand, the market is a remarkable administrative mechanism, even in those areas where private power is most evident. Far better than any corps of planning inspectors, it oversees the quick adaption of new techniques; it provides factories and stores with opportunities to deal with efficient suppliers; and it offers customers the ultimate weapon of choice. Planning does all these things badly, if at all. Therefore, any national economic plan, save one designed to implement a crash program of vital importance, would lean heavily on the market system. The flow of goods from plant to plant or from plant to customer; the entry of labor and capital into industries or their exit from those industries; the organization of production, will all be largely entrusted to the profit-seeking, competitive ways of the accustomed market mechanism. Planning may have to intervene in nonmarket ways, such as by control over prices and wages or by direct materials allocations, but only if milder techniques for influencing inflation or output are ineffective. The preferred ways of making a plan work will be by techniques that work through the market, rather than against it.

IS THERE NO ALTERNATIVE TO PLANNING?

I began by saying that America was drifting into planning. But is this drift inevitable? Is it not possible to go on as we are, or even to dismantle some of the planning that is already embedded in our system?

Whether they say it explicitly or not, the opponents of planning maintain that things can go on as they are. This is not an irresponsible position. Social inertia is always a powerful force. Inertia may hold together cities that have lost their fiscal soundness. It may permit 10 percent unemployment and 10 percent inflation to persist for years with little more than grumbling.

I might myself incline to the view that we could go on without national planning—even though I think that planning could greatly improve economic conditions—were it not for the fact that there are forces at work that will probably make things worse. To begin with the mildest of these, our population is still increasing, bringing strains that are particularly felt in the underfinanced cities: the pressure in the ghetto is building. Meanwhile, technology is relentlessly invading the social order with products whose destructive potential continues to take us by surprise and to fill us with alarm: nuclear wastes, chemical wastes, thermal wastes all press on the life-carrying capacity of the environment, and threaten to overwhelm it in the foreseeable future.

At the same time, the process of economic growth continues its ravenous progress, reaching further and further into the earth's crust for the materials essential for its continuance. Many of the easily reached pockets of resources will be exhausted within a generation or so, requiring much larger applications of energy to maintain the snowball of mounting production. And the underdeveloped areas, now coming into possession of nuclear arms, and hence in a better position to make their views count, no longer regard the export of their mineral wealth to the rich industrial nations with the indifference or unalloyed pleasure that was once the case. The clear necessity, in a word, is for an ever more vigilant monitoring of the pace and pattern of economic growth—a monitoring that cannot be attained without economic planning.

And, not least, there is the change in the scale of private enterprise. The reach of business enterprise continues to grow. Big corporations now extend their operations around the world. As the scope of enterprise grows, business becomes ever more enmeshed in social problems. The cry for regulation grows, as much engendered by the increasing prominence of big business as by the growing acuity of the problems themselves.

Thus I doubt very much that things can go on as they are. The present situation is unstable, and the forces of technology, environment, and sheer growth in size and complexity make a return to a simpler—or at any rate, less planned—economy impossible. When we are told by Thomas Murphy of General Motors, and by others, that "the solution is not for more government direction, but less," we are hearing a prescription for a world that does not exist.

That is why there is no capitalist economy in the world today that does not have a growing core of economic planning. In some countries, such as our own, that planning is piecemeal, cross-purposed, inadequate. In others it is institutionally elaborate. France, for example, has a Planning Commission that regularly draws up national plans of roughly five years' duration specifying many objectives for the French economy. The plans are drawn only after lengthy consultations with industry and the guiding idea behind the scheme is that the consultative process is that the consultative process itself will bring about a voluntary adoption by industry of the very actions needed to make the national plan come true.

This "indicative planning" effort leans heavily on the French organization of industry and its long tradition of *dirigiste* policies. But every nation's planning mechanism adapts to prevailing traditions. Japan has a high-level, large "unofficial" coordination of national and private policies that has been popularly dubbed Japan, Inc. Norway and the Netherlands have small planning apparatuses that put to good use the traditions of consensus prominent in both countries. Sweden works through its employers and union federations; Germany through its banks.

Probably none of these techniques of planning could be imported directly into this country. We are larger and more diversified than our European or Japanese counterparts; perhaps more important, we are less accustomed to authority, less respectful of government. Planning in America will have to make its peace with regional differences, political realities, national temperament. Thus the Humphrey-Javits bill, the most likely measure to be passed, is careful to include provisions for regional consultation and for Congressional involvement, and tactfully omits any mention of enforcement mechanisms.

The Humphrey-Javits bill proposes a number of institutional departures. It would establish a small Economic Planning Board in the Executive Office of the President. The board would be charged with a number of technical functions, including the preparation of a proposed "economic-growth plan." This proposed plan would then be reviewed by a Council on Economic Planning comprised of the Cabinet and other chief economic officials, and also by an Advisory Committe made up of representatives of business, labor and the public, appointed in part by the President and in part by Congress. The plan that emerged from the executive branch would then be referred to the Joint Economic Committee of Congress. Here, further hearings would be held, and the plan would be revised or amended as Congress wished. Ultimately, the plan would be passed by a concurrent resolution of the Congress and sent back to the President.

Of course the actual advent of planning will depend on political events. If the Democrats win the next election, some form of national economic planning is likely to become a reality in the next President's first term. If the Republicans win, planning will be postponed. But only postponed, not permanently shelved. As Leontief has said, planning will come not when the radicals want it, but when businessmen demand it. And demand it they will, for without more planning it is difficult to believe that capitalism can last out the century.

WILL PLANNING SAVE U.S. CAPITALISM?

It may not. We do not know if the best-drawn plans can iron out the sheerly economic problems of a business system—its tendencies to instability, inflation, economic waste. We do not know if planning can overcome political and social rigidities that have locked us into a tradition of malign neglect of minorities, or if it can reverse a corrosive commercialization of life. Not least, we do not know if planning can be made to work effectively. We cannot plan better than we can govern. Planning will force us to discover how well that is.

Certainly, then, planning is no panacea. It is an option, an alternative, an opportunity—the only opportunity, I think, to arrest the course of slow self-destruction on which we now seem to be embarked. It would be foolish to deny that planning carries great risks, including that of a grave constriction of freedom as the consequence of a reckless proliferation of controls. But it would be even more foolish to ignore the risks associated with a refusal to move into national planning, including the danger of a rush to political extremism as a consequence of economic frustration or failure.

In the end, I believe that planning offers hope. In part it is the hope that a restored economic society can regenerate a high sense of social and political morale. In still greater part it is the hope that we can once again experience a sense of mastery over events. We will need such an assertion of purpose to prepare for a future full of disquieting portents.

THE VETERANS' COST OF INSTRUCTION PROGRAM

Mr. BENTSEN. Mr. President, last week I became a cosponsor of S. 2651, to extend for 3 years the authorization for the veterans' cost of instruction program.

VCOI employs a somewhat different approach in attempting to help our youngest veterans. It provides assistance directly to institutions of higher learning which maintain full-time offices of veterans' affairs. These offices are charged with the responsibility of informing veterans in nearby communities of their GI education benefits and encouraging them to use that assistance, of providing special counseling services, and of helping to place the vet in a good job upon his graduation.

VCOI has amassed a rather remarkable record during its rather brief history. This school year alone, some 845,642 veterans are attending the 1,206 colleges and universities which are receiving assistance under the program. I was pleased last summer to join Senator CRANSTON and several of our colleagues in obtaining an additional $7.5 million for the program. That extra assistance was vitally needed since the number of veterans enrolled this past semester at these schools was up more than 306,177, or 56.8 percent, from the previous year.

Of course, one of the most important reasons for the increased enrollment this year is the continuing high rate of unemployment among our youngest veterans. In December, no less than 196,000, or 20.8 percent, of our veterans age 20 to 24 were jobless, a figure more than twice as high as the national rate.

Numerous programs to help these veterans obtain a job have been tried during the past decade. The problem has proven to be far more difficult than most of us had imagined. I remain convinced, however, that good training, proper counseling, and job placement are the keys to reducing that unemployment rate. These are precisely the strengths of the VCOI program and the reasons why I believe its continued operation is so vitally needed.

I regret that the support which the Congress has given the veterans' cost of instruction program has yet to receive a White House endorsement. Since the program's inception in June 1972, the Nixon-Ford administrations have initiated at least four different assaults against it. The latest of these occurred late last year when the President requested authority to rescind the $23.7 million appropriated for this coming year. I was most pleased that the House Appropriations Committee denied that request before the close of the last session.

Work is proceeding on the Higher Education Amendments of 1976, and this year's VCOI legislation will no doubt be offered as one of them. I hope the Congress will again rally to the support of this much needed program. I will certainly be doing all that I can to insure its continuation.

MARGARET CHASE SMITH

Mr. STENNIS. Mr. President, all who really know Margaret Chase Smith knew that she would not become idle and inactive when she left the U.S. Senate. On the contrary our distinguished and charming former colleague has maintained the same pace and productivity as she did when she was a Member of this body. I had the privilege of serving with her in many capacities on both the Senate Armed Services and Appropriations Committee. From my work with her I know that Mrs. Smith was a very exceptional Senator and is a very special person, and I am sure that all of her former colleagues are interested in her recent activities and achievements as a private citizen.

Therefore, Mr. President, I ask unanimous consent to have printed in the RECORD the year end review of the 1975 activities of the former Senator from Maine—Margaret Chase Smith. I know that we will all be impressed by the scope and breadth of her activities and accomplishments. She continues to be a true servant of the people and continues to expound and personify the great principles of our American Government.

There being no objection, the review was ordered to be printed in the RECORD, as follows:

YEAR END REVIEW—1975 ACTIVITIES—MARGARET CHASE SMITH

The vigorous pace of 1973 and 1974 for Margaret Chase Smith was more than matched in 1975. Most gratifying of all aspects was the fact that she was able to sandwich in six months in Maine at Skowhegan and Cundys Harbor between her commitments and activities from coast to coast and throughout the nation. Most of the time in Maine was spent on work on the Margaret Chase Smith Library in the compiling and organization work on her papers and records. The remaining six months were divided throughout the nation from Palm Beach to Seattle to Boston to Texas to Washington in a variety of pursuits.

FREEDOM HOUSE

As Chairman of the Board of Freedom House, she was in New York City for several board meetings and for the formulation of position papers and statements of that organization on matters of international and domestic concern. As a "citizens' watchdog" on detente and the status of freedom in nations throughout the world, Freedom House in 1975 drew repeated commendation in Congress. Added to the membership of the Board this year was our United Nations Ambassador Daniel P. Moynihan, who repeatedly cited studies, findings and statements of Freedom House in U.N. debate.

On February 21–22, 1976, Freedom House will convene and conduct at Tarrytown House (Tarrytown, N.Y.) a Consultation on Regenerating the American Will and Applying It to Public Policy. Participants will be some 30 distinguished Americans (and several foreign observers)—specialists both academic and nonacademic, in the fields of labor, management, government, the military, communications and the law—and the Moderator of the Consultation will be Ambassador Moynihan.

WOODROW WILSON VISITING PROFESSOR

Weekly academic visits as a Visiting Professor of the Woodrow Wilson National Fellowship Foundation took her to universities and colleges throughout the nation. Typical day of the five-day visits would include two classes plus two seminars plus a workshop or lecture and one-on-one dialogue with students topped off in the evening with dinner conferences with faculty members.

Indications of the ratings of her performance ranged from that of students at Dana College (Nebraska), where she made her last visit, in a letter to the Woodrow Wilson Foundation stating:

"Thank you for allowing Sen. Smith and Gen. Lewis to visit our campus . . . They are two *wonderful* people . . . they did a great job of restoring confidence in politics (something that is definitely needed today)."

To that of the President of Lilly Endowment, Inc., funder of the program and third only to Ford and Rockefeller as the largest foundation in the United States, who wrote:

". . . my gratitude to you for the extraordinary contribution you have made to the Woodrow Wilson Visiting Fellow program. Wherever you have gone as a visiting lecturer you have charmed, delighted, informed and inspired your audiences. You have abundantly accomplished what we hoped would result from this program."

Perhaps most moving to her was the coverage of pictures and praise in this year's Augustana College (South Dakota) Yearbook, which said of her:

"All who came in contact with the Senator felt a warm feeling of affection . . . The Senator and Major General spoke at classes, discussion groups, and chapel. They both showed exhaustive honesty and outstanding integrity, and overwhelmed the students with their capability and energy."

OTHER ACADEMIC ACTIVITY

During 1975 she received honorary doctorates from Centenary College in Louisiana, Southeastern Massachusetts University, and Rivier College in New Hampshire, bringing her total to 80 honorary doctorates and her honorary masters from Colby.

The New York University Law School honored her with its Distinguished Political Leader Award. The Golden Slipper Club of Philadelphia gave her its Woman of Distinction Award—twenty years earlier in 1955 this same group honored her with an award at the same time that it did the late Perle Mesta. The Salvation Army bestowed its Helping Hand Award on her.

Among the activities offered to her but which she was unable to accept because of other commitments were (1) a residency professorship at the University of Florida in Gainesville, Florida and (2) heading up a Citizens Committee on the C.I.A.

HEALTH

Despite travelling some 25,000 miles by all modes of transportation, she had no illness or discomforts in 1975. Perhaps this was because she enjoyed so much of the travel in her car satisfying her post-Senate desire to see more of the United States in this way.

In early December she had her annual medical examination, the extremely thorough and exhaustive Executive type examination. She was found to be in very excellent health in all respects except some difficulty with her eyes. Overall the doctors said she was amazingly younger than her chronological age. Her blood pressure and heart were found to be normal and strong. Her hips, on which surgery was performed in 1968, 1970 and 1971, were found to be in excellent condition. This was no surprise to those who have seen her and tried to keep up with her fast walking pace.

THE COMING YEAR

In all probability, 1976 will be as active a year for her as have been 1973, 1974 and 1975, but there will possibly be a change in the area of that activity. While she will continue her activity in Freedom House leadership starting with the February meeting in Tarrytown, she will discontinue her activity for the Woodrow Wilson program. In the past three years she has given first priority in the academic field to Woodrow Wilson although doing several colleges and universities outside of that program. In 1976 she will do all of her academic activity outside of that program.

A considerable portion of the winter and early spring will be occupied at universities and colleges in the south. Commencements and honorary degrees will come in the late spring. Foreign travel is tentatively scheduled for the summer.

She has not decided whether she will resume the academic circuit in the fall as she is considering turning at that time to more concentrated activity on writing. Presently she has book commitments with publishers in New York, Massachusetts, Pennsylvania and

Illinois on subjects ranging from biographical to commentary to fiction, which her academic commitments in the past have not left her time to keep. In August a book about her (not by her) is scheduled for publication in paperback form.

Her overall hope and goal (as regards herself) is that 1976 will prove to be as happy and productive for her as was 1975, easily one of the very best years of her life.

MARIHUANA DECRIMINALIZATION

Mr. JAVITS. Mr. President, during my period of service as a member of the National Commission on Marihuana and Drug Abuse, I was consistently impressed with the hard work and the high standards of excellence achieved by the staff of the Commission.

Richard J. Bonnie, formerly an associate director of the Commission and currently an associate professor of law at the University of Virginia, played a key role in the planning and execution of the Commission's mandate from Congress. His intellecutual capabilities and counsel were highly valued by the members of the Commission.

Mr. Bonnie had written a lucid and persuasive article which appeared in the Washington Post of January 24 on the subject of marihuana decriminalization. As the Senate knows, I have introduced with the Senator from Maine (Mr. HATHAWAY) S. 1450, which would implement the Commission's recommendation to decriminalize small amounts of marihuana for personal use. I have also urged the Attorney General to support such a new policy direction within the administration.

Mr. President, I ask unanimous consent that Mr. Bonnie's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LOOSENING THE LAWS ON MARIJUANA

(By Richard J. Bonnie)

A few months ago the administration's Domestic Council, in its White Paper on Drug Abuse, explicitly acknowledged that the Justice Department does not enforce the federal phohibition against possession of marijuana. Apparently believing that this was news, the press, including The Post, gave this statement front page coverage. But the nation's top drug law enforcement official had told the National Commission on Marijuana and Drug Abuse the same think back in 1971.

In any event, the White Paper goes even further, explicitly ranking marijuana at the bottom of a scale of priorities among illicit drugs. In contrast to heroin, barbituates and amphetamines, for example, the White Paper notes that marijuana, as now used, poses little risk to the user or society.

Unfortunately, state and local police nevertheless arrest each year some half million persons, mostly between 18 and 25 years of age, for possession of small amounts of marijuana. In response, six states and many legislators in the other states are aiming to redirect local enforcement resources in accord with national priorities by withdrawing the criminal sanction from possession of marijuana. One would think that the administration would welcome such efforts.

But not only has the administration failed to endorse decriminalization at the state level; it has also failed to endorse repeal of the meaningless federal prohibition. This is no small point. The drug laws of virtually every state are modeled after the federal law. As long as marijuana possession remains a crime (up to one year in jail and-or a $5,000 fine) under federal law, many state legislators who might otherwise vote for reform will be hesitant to depart from apparent national policy.

Attorney General Edward Levi recently stated to the Chicago Tribune that the administration would continue to resist the decriminalization of the possession of marijuana for personal use on grounds of "symbolism," arguing that these reforms could cause other countries—Mexico in particular—to question the seriousness of this nation's commitment to prevent traffic in drugs. In turn, his argument goes, Mexico and other countries might be less forthcoming in our bilateral efforts to "clamp down" on the production of illicit drugs, especially heroin, and their importation into this country.

This argument is apparently the administration's last line of defense against what has become an overwhelming case for decriminalization. Evidently the federal government no longer contends—as it did when enacting marijuana prohibition in 1937—that cannabis use represents a serious threat to the public health, safety and welfare. Nor does the administration continue to espouse the escalation hypothesis so popular in the 1950s and 1960s—that marijuana use might lead to the use of drugs which do present such harm.

In 1972 and 1973, when scientific authority weighed in against exaggerated descriptions of marijuana's harmfulness, defenders of the status quo, including President Nixon, began to assert that changing the marijuana laws might have a domino effect, and over time would poison the attitudes of the American people toward the use of all psychoactive substances. Where there was certainly—all illicit drugs are bad—there now would be ambiguity. "The line against the use of dangerous drugs is now drawn on this side of marijuana," said Mr. Nixon in March 1973. "If we move the line to the other side and accept the use of this drug, how can we draw the line against other illegal drugs?" Or will we side into an acceptance of their use, as well?"

The Ford administration apparently recognizes the limitations of this symbolic argument as indeed it must in light of this nation's ambivalence toward use of alcohol—an intoxicating drug more harmful than marijuana by any criterion, and in light of the fact that some 15 million Americans use marijuana recreationally without harm to themselves or others. But now the Attorney General has concocted a new symbolic argument; he simply asserts that ameliorating a domestic law under which some five hundred thousand young Americans are arrested every year, will somehow have a deleterious effect on the behavior of the governments of other nations. Mr. Levi apparently believes that Mexico and Turkey will doubt the seriousness of our efforts to curb the international traffic in illicit drugs, especially heroin, just because we refuse any longer to stigmatize our young people as criminals for possesion of a joint.

I do not mean to ridicule the diplomatic aspects of domestic drug policy. But the Attorney General cannot be serious when he maintains that decriminalization can reasonably be regarded as a significant shift in our policy. The position recommended by the National Commission on Marijuana and Drug Abuse in 1972 and being so fervently sought by representatives of the organized bar, organized medicine, Consumers Union, the National Educational Association, the National Council of Churches and so on, is not that this nation adopt a policy of encouraging or approving the use of marijuana; indeed the reformers continually stipulate, as did the National Commission, that the appropriate policy is to discourage the use of marijuana. Nor do the reformers seek any modification of the essentially prohibitory approach toward the availability of marijuana; "decriminalization" does not, for example, refer to any modification of the laws against the commercial production, importation and distribution of marijuana, all of which are felonies under both state and federal law.

Changes in our domestic policy toward supply might have international repercussions; we are, after all, a signatory of the single convention on narcotic drugs. But the issue now on the public agenda—and the one to which Attorney General Levi was referring—is the wisdom of making criminals out of marijuana users, not marijuana traffickers.

The policy of criminalizing marijuana users has severely wounded the legal system, has eroded public confidence in criminal justice and has made mockery of respect for law. These laws are both unjust and inefficient. The case for decriminalization is overwhelming. And this is true for the same compelling reasons that convinced all but four of the United States not to go so far as to prohibit the possession of alcohol for personal use during the decade of alcohol prohibition.

Even if marijuana use is decriminalized, the U.S. government could continue to attempt to reduce the flow of illicit drugs into this country and to reduce trafficking in these substances within the borders of the United States; and the administration could devote to these tasks those law enforcement dollars commensurate with the priority which it attaches to supply-reduction. But it is not only ludicrous, but also disingenuous, to argue that the arrest and prosecution of an individual for possession of marijuana for his own use is an essential ingredient of this nation's anti-narcotics policy. To the contrary, the price that this nation pays by arresting five hundred thousand individuals each year for possession of marijuana for their own use is exhorbitant. To refuse to pay it any longer would not signal a retreat from current policy but would rather reinvigorate this nation's commitment to reduce the social cost of drug abuse.

Mr. Levi probably knows this. Even if we do not view the criminalization of marijuana use as an integral part of our anti-narcotics strategy, he would respond, the Mexicans do—or at least they say they do. Here we reach the bottom line. If the Mexicans really do view marijuana use and heroin trafficking as being of a piece, it is only because this nation convinced them, fallaciously, of this connection in the 1950s and early 1960s. Moreover, whether the Mexicans translate this misguided attitude into their domestic law is certainly none of our concern; is Mr. Levi really saying that we should permit the Mexicans to impose their imprudent politics on us? It does seem ironic that a criminal prohibition rooted in this nation's post-World War I prejudice against Mexican immigrants is now being perpetuated because of the Mexican government's objection to its repeal.

PROPOSED ARMS SALE

Mr. SPARKMAN. Mr. President, section 36(b) of the Foreign Military Sales Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million. Upon such notification, the Congress has 20 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is immediately available to the full Senate, I ask unanimous consent to have printed in the Record the notification I have just received. A portion of the notification, which is classified information, has been deleted for this public publication.

There being no objection, the notification was ordered to be printed in the Record, as follows:

Office of the Director Defense
Security Assistance Agency,
and Deputy Assistant Secretary (Security Assistance),
OASD/ISA,
Washington, D.C.

Hon. John J. Sparkman,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: Pursuant to the reporting requirements of Section 36(b) of the Foreign Military Sales Act, as amended, we are forwarding under separate cover Transmittal No. 76–37, concerning the Department of the Army's proposed Letter of Offer to the Republic of China for an estimated cost of $84.4 million.

Sincerely,

H. M. Fish.

Transmittal No. 76–37

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Foreign Military Sales Act, as amended.

a. Prospective Purchaser: Republic of China.

b. Total Estimated Value: $84.4 million.

c. Description of Articles or Services Offered: [deleted].

d. Military Department: Army.

e. Date Report Delivered to Congress: 23 Jan. 1976.

MEET JODY GUMLIA

Mr. YOUNG. Mr. President, Exclusively Yours, a Minneapolis publication, recently carried an outstanding feature story by Bunnie Cassell about Jody Gumlia, a native of my State of North Dakota, who now lives in Minneapolis, which I call to the attention of my colleagues.

This story about Jody Gumlia is an example of what one person can accomplish in life. Frankly, she is the most unusual and unforgettable person I think I have ever known.

Along with her warm, outgoing personality, everything she undertakes she does exceedingly well. She is a wonderful wife and mother, a champion golfer, and now a very accomplished tennis player. She is also an extremely good businesswoman and was a very successful potato producer and potato broker. She literally sells trainloads of potatoes by telephone because of the fine reputation she has with her customers.

Mr. President, this feature story about Mrs. Gumlia is very glowing but, unlike most articles of its kind, it is very accurate and even understates her tremendous qualities.

After losing her brother through alcoholism, she has been very active in the fight to combat alcoholism and serves on the board of directors of a prominent institute in this field. This great health problem could not have a better ally than Jody Gumlia. Knowing her as I do, her ability and personality will aid immeasurably in developing effective programs to combat alcoholism and other forms of chemistry dependency. This is so typical of her desire to be helpful to others.

Mr. President, I ask unanimous consent that this feature story be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Meet Jody Gumlia

(By Bunnie Cassell)

Jody Gumlia resembles a cross between Doris Day and little Shirley Temple. Petite and sweet, with a headful of blonde curls, she looks as if she would need the assistance of a strong man to place her tee in the ground. Actually, she is a champion golfer, a serious farmer, and exceedingly successful potato broker and an indefatigable fighter in the war against alcoholism and all forms of chemical dependency.

She is also a loving wife and mother. Sports pages at one time inferred that Jody was giving up golf to devote more time to her family and thus was reducing her chances of a winning game. Jody disputes this. "I didn't give up golf for my family. I brought my family to golf. We found that it's difficult to have generation gap trouble when each little pair of hands is clutching a golf club. Fortunately, my children loved the game and did well."

The "Golfing Gumlias" moved to Minneapolis from Crookston, Minnesota on Labor Day of 1975. They are, husband Glen, former mechanical contractor, presently potato broker and busy athletic referee. He was an outstanding college athlete and is in the Hamline University Hall of Fame. Glen is a weekend golfer and those who know say he could be outstanding if he had the time. Len, nineteen, is a sophomore at St. Olaf and a straight A student. He is perhaps the best golfer in the family with the fewest trophies because men's tournaments are always tougher than the women's. Julie beat Patty Berg's record by winning the prestigious Minnesota Women's Golf Association trophy when she was only fourteen years old. She is reigning Amateur Champion this year and is currently on the girl's golf team at the University of Minnesota, where she is a Freshman. Eighteen year old Julie is probably the most famous Gumlia on the golf circuit. Roxie, age fourteen, has a nine handicap and was a member of the Edina West golf team this year.

In 1969, Jody won the Minnesota Women's Golf Association trophy and the same year her daughter, Julie, age 12, was first flight.

A sports page article informs me of things that Jody modestly deleted. She was an outstanding athlete during her high school days in Grand Forks, North Dakota, in basketball and softball. The writer felt that had the rules included the girls, that Jody could have brought glory to the high school football team as well.

When I first met Jody, she was assigned to be my partner at tennis camp where she came as a beginner to learn and I came to polish up an eight-year-old game. As soon as she had played a set I knew exactly what was wrong with me. I should have stayed in bed! And, so should everyone else but the pro, who wore an expression seldom seen on the faces of teaching pros—joy! To be mercifully brief, one sport *does* carry over to another. Hand-eye coordination is very important and not shared by all, and a Champ is a Champ, is a Champ is a Champ!

As Jody moved toward the upper echelons we stopped playing together and I discovered that I like her. I also began to learn about her interesting championship life.

Since moving to Minneapolis, Jody has leased a 2,500 acre farm that she had been managing and now handles only the potatoes raised on her own farm. In addition to her tennis ("Sports will always be an important part of my life." and "I'm like a kid with a new toy with this tennis!") she is far from idle.

"There was once another athlete in my life," said Jody, "a handsome talented young man who was my brother and lost his life to alcoholism at the age of thirty-two." Jody reacted to this tragedy typically. She set out to see what she could do about alcoholism. She was instrumental in developing and improving the treatment center Glenmore in Crookston, Minnesota. Since moving to Minneapolis, Jody serves on the Board of the Johnson Institute for the chemically dependent. The Johnson Institute is concerned with counseling, referrals, research, training and intervention. They like to work with whole-family units.

However, the most pressing matter having to do with chemical dependency, that which lays claim to most of Jody's time in this field is the Freedom Fest, '76. This is the brain child of Irene and Wheelock Whitney (Mr. Whitney is Chairman of the Board of Johnson Institute). They, in turn, say that their inspiration came from the Founding Fathers, themselves, who searched for a way to leave a legacy of freedom to the nation. Freedom Fest seeks to leave a legacy of freedom from chemical dependency. A gigantic task, a beautiful goal! Freedom Fest aspires to make its gift to the Bicentennial. They would like to fill the Metropolitan Stadium on June 26, 1976 with recovering chemical dependents, their families and other concerned people. A speaker would be recovering alcoholic, Dick Van Dyke. When speaking of the chemically dependent, one never uses the word "recovered." It is always "recovering."

I've always been interested in champions. What made them tick, I wondered. I wondered, but I had a preconceived idea, competitive spirit. It had to be good old cutthroat competition. Since Jody Gumlia seemed to be an acknowledged champion at everything she touched, I was eager to discover when this trait made its appearance. Did she outcompete the other toddlers at the sandbox?

"No," said Jody, "I have never been competitive. The nearest thing I have ever felt to competitive spirit is in the tennis I've played these last few months." How, then did she account for her achievements? "Well," said Jody shyly, "I suppose it might sound strange but I have always tried to live my life according to the parable of the talents from St. Matthew verse 25. I feel one should make the best possible use of the gifts that God has given him."

How did she get into farming and agricultural brokerage? There was a rich agricultural tradition in the family. In 1905, Jody's grandfather hauled the first wagon load of potatoes out of the Red River Valley. Jody's father died in 1952 and that combined with her brother's illness and subsequent death soon brought the 2,500 acre farm in the lush Red River Valley to the brink of bankruptcy. Jody took over.

"I didn"t know much about farming. I hardly knew a potato from a tomato, so I set about finding out. When I was twelve years old, my father did let me manage the payroll for the farm one year, and that was a big job, but that was as close as I have ever come to being a farmer. I read everything I could get my hands on, took short courses and listened to anybody who would talk to me and soon we were in production."

Jody had graduated from the University of Minnesota, Phi Beta Kappa. I wondered if the same parable of the talents had been her guide at that time. "Yes, I can barely remember when I learned it or when it took hold of my life, because that is what it has done. Did you ever glue two pages of a theme together when you were in school just to see if the the teacher really read all those things? Well, sometimes I get tired and I'd like to glue together those pages of the Bible. I hope that is not sacrilegious!" Jody had just told me that on December 13th she is flying to Crookston, Minnesota on a private plane of the University of Minnesota to be honored along with President J. G. McGrath and Regent LuAnn Thrane and three other people for their outstanding devotion and service to the University of Minnesota, Crookston.

I told Jody that I thought the Lord would forgive her if she occasionally glued a page of the Bible. Then I went home to read the parable of the talents.

GRAIN INSPECTION EFFORT STEPPED UP

Mr. HUMPHREY. Mr. President, I wish to bring to the attention of my colleagues an announcement by the Department of Agriculture that Federal supervisors would be conducting more unannounced visits to sample grain both during and after loading as a part of an effort to reduce violations under the U.S. Grain Standards Act.

The release states "work schedules will be juggled to provide night and weekend supervision, as well as during the regular 40-hour work week."

There have been repeated reports that many of the problems which have arisen took place late at night or during weekend loadings, and this step is not only needed but long overdue.

In addition, the Department is in the process of hiring 210 new employees to enlarge the Federal grain supervision staff in the field. This increase in staff was initiated as a result of the work of our Committee on Agriculture and Forestry.

Mr. President, I ask unanimous consent that the release of the Department be printed in the Record.

There being no objection, the release was ordered to be printed in the Record, as follows:

USDA To Increase Supervision of Grain Exports

Washington, January 23.—Federal supervisors will board more ships unannounced and sample grain both during and after loading as part of new efforts to reduce apparent continuing violations of the U.S. Grain Standards Act, Secretary of Agriculture Earl L. Butz announced today.

Work schedules will be juggled to provide night and weekend supervision, as well as during the regular 40-hour work week. In addition, 210 new employees will be hired to enlarge the federal grain supervision staff in the field, the Secretary said.

Secretary Butz said particular attention will be given to supervising the inspection of grain being loaded on board vessels for shipment overseas.

Normally in export cases, grain samples are obtained during loading through the use of mechanical samplers located in the export elevators, according to officials in the U.S. Department of Agriculture's Agricultural Marketing Service (AMS).

Recently USDA employees were authorized to board ships unannounced and also sample grain both during and after loading. Use of this procedure is being stepped up to protect the integrity of the nation's grain inspection system, the officials said.

Repeated instances of misgrading and shortweight of export grain have been uncovered in a wide-ranging, 2-year-long federal investigation into corruption in the U.S. grain trade.

Secretary Butz said the increased supervision will be carried out by employees of the grain division of AMS, the agency responsible for administering the grain inspection system established under the U.S. Grain Standards Act.

By adjusting individual work schedules of the employees assigned to the grain division's 32 field offices across the country, federal supervision may be provided at night and on week-ends as during the regular 40-hour work week.

AMS officials are hiring and training 210 new employees to enlarge the grain division field office staff. The first group of trainees are being dispatched to their new assignments this week.

Under the provisions of the U.S. Grain Standards Act, all U.S. grain sold by grade for export must be officially inspected before leaving the country. Inspection of grain destined for domestic markets is available on a voluntary basis.

The act does not provide for original federal inspection of grain. Original inspection is performed by USDA-licensed inspection personnel who work for private or state grain inspection agencies designated by USDA to inspect grain in specific geographic areas.

USDA employees supervise the inspection activities of the licensed samplers and inspectors and perform appeal inspections when requested to do so by the buyer or seller of a lot which has been inspected by licensed inspection personnel.

OSHA NEEDS MORE LIGHT

Mr. WEICKER. Mr. President, as my colleagues are well aware, my support for the Occupational Safety and Health Administration has been unswerving. I voted for its creation in 1970, because I believed then, as I do today, in the need for the maximum protection of the working men and women of this Nation. Since 1970, I have opposed every effort to restrict the scope of OSHA legislation, or to limit its application to some companies but not others.

Because I believe in the high ideals of this legislation, I wish to see these ideals realized in the fairest possible way. Therefore, Mr. President, I bring to the attention of the Senate a recent editorial from the Hartford Courant, which discusses the decision of the Occupational Safety and Health Review Commission to cease publication of their rulings. This cannot but adversely affect the fair administration of the law. It will hamper well-intentioned employers in interpreting the meaning of numerous and complex regulations.

Mr. President, I ask unanimous consent that the editorial from the Hartford Courant of December 4, entitled "OSHA Needs More Light," be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

OSHA Needs More Light

When it enacted the Occupational Safety and Health Act of 1970, Congress created a law with which it is uncommonly difficult to comply. The OSHA hierarchy is making it more difficult, even as Congress tries to correct its mistakes.

Under the provisions of OSHA, the Labor Department has compiled, and enforces, a mountainous heap of intricate, complex industrial safety regulations. Employers have long complained that they cannot understand, much less comply with, all these rules, yet they are subject to penalties should violations be found in the department's unannounced inspections.

The House has just approved a long sought amendment that would create a consulting service to inspect businesses at their request and to give penalty-free advice. This would be a particular boon to small businesses which cannot afford to hire their own safety experts.

The amendment's future, though, is still uncertain. Critics point to the extra cost of a consulting service, and labor leaders fear the advice would be given at the expense of enforcement activities.

Meanwhile, Frank R. Barnako, newly appointed chairman of the OSHA Review Commission, has directed that commission decisions will no longer be published either as news releases or formal reports—both have been done in the past.

The Review Commission is the "supreme court" of a vast quasi-judicial system established to interpret OSHA regulations. Publication of its precedent-setting decisions, usually in business and technical journals, can offer useful guidance to confused employers.

Mr. Barnako should reverse his no-news decision. And Congress might consider this less costly alternative to a new consulting service: Remove the present requirement that OSHA inspectors impose penalties for every violation they find.

Except for the most serious hazards the law would be best served by requiring, as inspectors already do, that the defects be corrected.

The object of the laws is, after all, to avoid and correct dangerous situations, not merely to exact penalties for them. The complexity of the regulations, and the manner in which they are now administered, do more to inhibit than to promote that purpose.

WYOMING WOMAN STRONG VOICE FOR AGRICULTURE

Mr. McGEE. Mr. President, the latest issue of IH Farm Forum has an article on Mrs. Waldo Forbes, owner and operator of the Beckton Stock Farm, near Sheridan, Wyo.

Sally Forbes is an energetic, intelligent, and active rancher. Her interests, as the article illustrates, are not limited to raising fine Red Angus cattle, however.

Mrs. Forbes is a strong voice in defense of agriculture and the environment and she has strong opinions on several other issues as well.

Mr. President, I ask unanimous consent that this article, entitled "Aim for the Moon, Or You Can't Expect To Make It Even Halfway There," be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

"Aim for the Moon, Or You Can't Expect To Make It Even Halfway There"

(By Doug Holthaus)

It's not easy to capture the enthusiasm, involvement and determination of Wyoming rancher Sally Forbes. Active in her own ranching operation—plus a common figure at cattle symposiums and agricultural and environmental hearings—Sally Forbes is a person to be reckoned with, a person to take seriously.

Perhaps one of the best indicators of Sally's imagination and foresight is the very nature of the business she's in—breeding and producing top-notch, production-tested cattle on her 13,000-acre ranch (Beckton Stock Farm). That in itself is not necessarily unique these days, but 30 to 40 years ago it was a different story—especially when you consider the circumstances.

Back in the mid-1930's, Beckton Stock Farm (named for George Beck, who sold the ranch to the Forbes family in 1898), entered the commercial cattle business with a herd of Herefords. But in the mid-1940's Waldo Forbes and his wife Sally decided to tackle a project which many thought unattainable—establish a purebred herd of *red* Angus. It was a daring move because the Forbes' herd was based on the red strain of Aberdeen Angus that had been outlawed from registry by the Aberdeen Angus Association only because of its red color.

"In a sense, they were a purebred product whose only difference was their red color," explains Sally. "We built our herd from 18 red heifers and bulls obtained from registered black herds across the country in 1945. Then we bred in our own standards, trying to build an efficient beef cattle herd and make them sort of a model of everything research could tell us. We felt it was essential to measure efficiency, evaluate growth patterns and weaning weights, especially in a protein-hungry world.

"We believe cattle (that are, after all, *meat* for human survival) should be bred for performance, top carcass quality, rapid growth—not cattle that just looked pretty in the show ring."

A DREAM BECOMES REALITY

And when the Red Angus Association of America was founded in 1954, the Forbeses were one of its seven charter members. The Forbeses, with the imaginative support of the George Chigas of Guthrie, Oklahoma, were its progressive pacesetters, incorporating compulsory performance as an integral part of registry for the first time into a beef program. Also included were industry membership for commercial cattlemen from the start, as well as no restrictions on artificial insemination.

Today, the organization boasts a membership of some 900 producers with 50,000 registered Red Angus cattle.

Less than two years after the association was formed, however, Sally's husband Waldo died after serving as the association's first president.

Seeing the need for someone to carry on the principles of the breed, Sally became an even more familiar figure at beef industry seminars and conventions. You can imagine the kind of response Sally first generated in some people when she appeared. Who was this "crazy lady rancher" who raised eyebrows with talk of Red Angus cattle and performance records?

"Our own breed of Red Angus, I suppose, is something that is partly history. We were always told that the breed program couldn't succeed, that it was much too idealistic, that we were aiming at the moon. But we kept saying, 'It sure won't happen if you don't try. If you don't aim for the moon, you can't expect to make it even halfway there.' "

"Shooting for the moon" may be a key to knowing Sally Forbes. Her drive and determination not only are reflected by her active involvement in the breeding and production of Red Angus, but she's also vitally concerned with the future of agriculture and the environment. Quick, intelligent, articulate, Sally is a no-nonsense sort of person who is not afraid to say what she thinks.

"I have always tried to act and speak as an independent individual, not afraid to act and speak as an independent individual, not afraid to become involved where involvement was needed," explains Sally. "I have a fairly sharp tongue, and occasionally I'm not terribly polite. But sometimes I think a sharp tongue *needs* to be used or nobody understands you. You can't make an impression on some people unless you can generate a reaction.

"I guess my thinking has changed over the years, and I have become a little more impatient and frustrated. I think we need badly to encourage persons, and especially leaders, to find the guts to stand up and say what they think. I have sort of given up hope on most agricultural *group* spokesmen.

She's vitally concerned about many issues. As a result, Sally Forbes is a familiar sight at hearings and meetings on agriculture, environment, land and water use and strip mining. One might wonder how Sally has time available to work for the ideals she believes in, as well as to manage a large cattle operation.

About five years ago, Sally shifted overall management responsibility of the ranch to her oldest son, Waldo, Jr. ("Spike"). In addition to coordinating total ranch responsibilities, Spike supervises haying and irrigation activities. He also uses a "mini" computer to evaluate most of the Beckton Farm's research and production. Working under Spike is Ed McGough, who has managed the registered cow herd for 14 years, and Jim Hessinger, who recently joined the Forbes operation. As for Sally, she is still actively involved in the ranch, handling a major portion of the selling, public events and public relations.

"The last three years I've spent a lot of time, with Spike's blessing, working for the future of agriculture," says Sally. "Of all the work I've done on the environment, the strip mining bill, industrial 'mining' of water—it's basically agriculture future that's worrying me. People take food and water supply far too much for granted.

"Only by foresight and aggressive unified action can grassroots agriculture, as we know it, survive.

"One of the problems is a lack of understanding on the consumer's part about where food comes from. There seems to be the feeling that farmers are 'nice guys' but the supermarkets are all we need. We're so darned urbanized, we haven't any idea that we really are critically dependent on basics like foodstuffs, clean water and air."

Without food producers of all kinds, the people in the cities can't survive. "I suppose the critical thing that will decide how much agriculture survives is whether the rest of the population can see soon enough that agriculture is essential to their own personal survival. And it's up to us as farmers to help them realize that they are totally dependent on basic food production—that *only* farmers raise the 'food' they eat.

"If agriculture is going to survive in any of the terms most of us know it, we're going to have to fight for it. I don't exactly mean *fight* for its as much as I mean really *work* for it.

"I think it's very important, somehow, that those of us in agriculture make it real to people. There have to be at least some people in basic food production, unless they want all food produced by large corporations.

"If the large corporations take over farming, I hate to think what food will really cost. Because they'll take their expenses and then add on their 8% or 20% profit or whatever they want. Period. You'll have to pay the price, or you don't get out of the store with food.

"And you know it won't be cheap. They'll be having to pay overtime. They won't have all the dedicated family labor that's helping us out today. And they can't computerize rainfall and getting live calves on the ground. Put raising food on that kind of scale, and it will make the oil crisis look like nothing. So far corporations have shied away from these critical kinds of unrewarded risks that farm people have always lived with."

Grassroots agriculture builds good citizenship. Although she was reared on a moderate-sized farm in the northeastern part of the country, Sally says she is a Westerner by choice, not chance.

"I came out to Wyoming when I was married, because my husband Waldo and I believed in raising a family in what we hoped would be an atmosphere of practicing democracy. We wanted the family to grow up in a climate where they could do real work and feel useful and needed. And our family of seven had a chance to do just that—whatever it is they're interested in, you can always use it on a ranch. I do think a family unit has unbelievable strength. I know it's been a tremendous strength for us."

One of the advantages of being a rancher or farmer, as Sally sees it, is being your own boss of a "family team" and being able to maintain your integrity and independence to a unique degree.

"Anyone is lucky to be a farmer now—even though it has its many trials—at least farmers haven't sold their souls. They're obligated to nobody but themselves in most instances (except maybe the bank, I guess).

"Most of all, their words are their own. Farmers must realize the privileges they have, for there are very few lines of work where people are free to say what they feel and then act on it."

Drive and determination are essential. There's no doubt that Sally Forbes is a woman who has made a mark—and who is continuing to forge ahead with "bulldog determination."

Says Ed McGough, manager of Beckton's registered cow herd: "Sally not only is strong and dynamic, but she thinks ahead. And she's not just interested in cattle. She's interested in this whole damned country."

"Often it's easy to become disillusioned," says Sally. "But don't get discouraged—think big. Just remember, the mosquitoes have a lot of power against the elephants."

DAY-SURGERY CENTERS

Mr. FANNIN. Mr. President, one of the greatest challenges we face in America today is finding ways to provide adequate health care and ways to cut the cost of such service.

One very promising approach has been developed in Phoenix by Dr. Wallace Reed and Dr. John Ford who founded Surgicenter in 1970. This facility handles minor operations at a greatly reduced cost, and it has had an amazing record of success.

From time to time during the past 5 years I have addressed the Senate or various committees regarding the advantages of this innovation. It was a pleasure to find that Surgicenter was featured Friday in a front page article of the Wall Street Journal.

Mr. President, I ask unanimous consent to have this article printed in the Record for the benefit of my colleagues who share my concern over the need to develop the best possible medical care for our citizens.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DAY-SURGERY CENTERS SNIP AWAY RED TAPE, PUT CLAMP ON COSTS

(By Ron Cooper)

PHOENIX, ARIZ.—Peggy Stansbury entered the unimposing brick building at 8:15 a.m. for a female sterilization procedure. After preparation for surgery, the 19-minute operation and an hour or so in a recovery room, her husband picked her up and took her home shortly after noon.

Mrs. Stansbury, a mother of two and a registered nurse, is one of about 33,000 patients who have passed through Surgicenter, an innovative medical facility opened in 1970 by two local anesthesiologists. Dealing only in minor surgery, it has six operating rooms, two recovery rooms and 20 nurses. The pace is brisk, to say the least—a slice of the scalpel, a flick of the forceps, and a patient is out within hours.

The efficiency of Surgicenter and the idea of convalescing at home appealed to Mrs. Stansbury, who could have had the same operation at the hospital where she works. But there were other considerations too. "At my hospital we have a lot of sick, sick people," she says, "and I didn't think I ought to take up a bed for this type of operation. Besides, this is less expensive."

Exclusive of the surgeon's fees, which would be about the same at the hospital, Mrs. Stansbury paid $157. As an inpatient at a local hospital, she would ordinarily have stayed two days and run up a hospital tab of about $380, apart from the surgeon's fee. If all of Surgicenter's patients over its six years of operation, had gone to hospitals instead, its founders claim, they would have paid $4.3 million more than they did.

LURE OF LOW COSTS

Low cost has proved a powerful lure. When Drs. Wallace Reed and John Ford "hocked everything we had" to start Surgicenter, they met rough going at first. After starting up in February 1970, the Phoenix Surgicenter had revenue that year of only $250,000 and a sizable deficit. Last year, revenue topped $1 million, and the center was comfortably in the black. The center handles about 30 patients a day.

A new Surgicenter has just opened in Kentucky, and four more are planned in California. They will be joint ventures with local doctors, who will first train at the Phoenix facility. A nationwide string of Surgicenters is planned, Drs. Reed and Ford say.

Other physicians are already in the business; and the number of similar surgery centers is believed to be between 25 and 45, excluding units devoted to plastic surgery alone. "They're springing up all across the country," says Dr. Herbert Avery, a gynecologist who is building one in Los Angeles.

Some, like the Surgicenter here, are relatively spartan and functional, but others are plush. The Out-Patient Surgery Center in Huntington Beach, Calif., has a lavishly furnished waiting room and a doctors' lounge that includes a whirlpool bath and a racketball court.

Day-surgery centers are open during normal business hours and closed on weekends. Doctors affiliated with local hospitals use them to schedule minor surgery, generally including some gynecological works, tonsillectomies; certain orthopedic surgery, hernia repair, and some eye, ear, nose and throat surgery. Some centers also perform abortions, where they're legal, but many won't. "Once you start doing them, you're going to do nothing but abortions," one doctor says.

NO MORE LOST PATIENTS

Physicians who operate at day-surgery centers generally praise their efficiency. Dr. David Pent, the gynecologist who performed Mrs. Stanbury's operation, says he can do three such procedures an hour at Surgicenter. "At my own hospital," he adds ruefully, "it would take me an hour just to *find* the second patient."

Hospitals, however, question the adequacy of postoperative care of patients who go to the centers and grumble about the economic effects of such competition on their own revenues. But some hospitals have added their own day-surgery programs. A 1973 survey showed that 1,427 of 7,000 hospitals queried offered some form of one-day minor-surgery procedures, and the number has grown considerably since then.

Naturally, these operations cost less than if the patient had to occupy a room for a night or two, but they are generally more expensive than the rate charged at the independent day-surgery centers. That's because the hospital units have costly items of general overhead and equipment that aren't needed at the centers, which have limited services and staff, low administrative costs and restricted hours.

Some critics contend that the independent centers are skimming the cream off the top by taking away from hospitals many minor surgical cases that can be quite profitable to the hospitals. These profits can be used to offset some costs of more complex surgery at the hospitals. Ultimately, the critics suggest, a heavy loss of hospitals' minor surgery would mean even higher costs for major surgery and postoperative care in hospitals.

Proponents of the independent centers scoff at these charges. Dr. Neil Friedman, founder of the Huntington Beach center says: "The bulk of large hospitals' revenue comes from people who stay four or more days. We aren't robbing anybody of anything." Others suggest that some hospitals keep patients in bed unnecessarily long after minor surgery.

Hospitals also argue, however, that the quality of care at the independent centers isn't regulated sufficiently. "We're interested in quality control," says Cortland Newman, an official of the American Hospital Association. "A hospital has to conform to certain rigid standards. I'm not sure what these places have to conform to. They're profit-making organizations, and they might be tempted to cut costs."

A spokesman for the California Hospital Association suggests another possible drawback: "We have a gut feeling people may be rushed out too fast after surgery and that their cases won't be followed by trained medical personnel."

But Surgicenter, for instance, hasn't had a single fatality among its 33,000 patients, although a few would be expected statistically. A new trade group, the Society for the Advance of Freestanding Ambulatory Surgical Care, has just arrived at standards for member centers. (The Joint Commission on Accreditation of hospitals has been meeting to determine its own requirements.)

Whatever their merits, the centers' future seems bright, mainly because both doctors and patients like them. "There's no dreary hospital atmosphere, with the miles of red tape and solemnity and constant reminders of death," one surgeon says.

A 51-year-old textile executive, who went to the Huntington Beach center for removal of benign growths on his chest, agrees. "You aren't a number lost among other numbers, as in a big hospital. I got such personalized service that by the time I left the place was built just for me." He also was charged $150, excluding the surgeon's fee, about $350 less than he estimates he would have paid as a hospital inpatient.

GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, in 1950 President Truman said:

> By the leading part the United States has taken in the United Nations in producing an effective international instrument outlawing the world-shocking crime of genocide, we have established before the world our firm and clear policy toward that crime.

It is ironic that, 26 years later, President Truman's remarks have not yet come to fruition. While the United States was one of the United Nations' foremost proponents of the International Convention on the Prevention and Punishment of the Crime of Genocide, and fought vigorously to gain the Assembly's approval of the treaty, we have still not ratified the Convention. Not only is this inconsistent with our prior actions, it also contravenes our most basic beliefs in human rights. Eighty-three nations have ratified the Genocide Convention thus far. The United States should delay no longer.

As the foremost democratic nation in the world, the United States has a major role to play in promoting universal adherence to international law based on concrete guarantees of freedom and justice. Our failure to ratify the Genocide Convention has compromised our leadership among the nations of the world and exposed us to charges of hypocrisy. Ratification would be consistent with our national purpose and would serve as a major step forward in reasserting ourselves as a leader in the United Nations.

Americans have been outraged recently by our relative impotence in the United Nations. Eliminating our hypocritical behavior by ratifying the Convention would bolster our importance as a leader in the organization.

Mr. President, I am gratified that the Senate has ratified the United Nations Convention on the Political Rights of Women after a similar lengthy delay. Let us now show that we are indeed a strong leader in the field of human rights by also ratifying this all-important Convention on Genocide.

THE MOST IMPORTANT EVENT OF 1975

Mr. MATHIAS. Mr. President, nowhere in the world, I suspect, is the sense of being a participant in the process of history stronger than it is in the Congress. As Members of the legislative body of the most powerful Nation on Earth, we are tempted to think that decisions we make—decisions which quite literally affect the lives of billions of people—to be of enormous historical significance. Occasionally, of course, they are, but not frequently. Nonetheless, the attention the media gives even our most inconsequential deliberations promotes in us a tendency to see ourselves as front and center on the stage of history.

To preserve a sense of proportion it is well to remind ourselves, from time to time, that the broader canvass of history stretches to the farthest ends of the Earth and more often than not, its most momentous events unfold quietly in someplace where men have come together to think.

An eloquent statement of this fact was given us by George F. Will just before Christmas. In a column in the Washington Post, December 22, 1975, entitled "The Most Consequential Event of the Year," Mr. Will points to the construction of a mammalian gene, a unit of the DNA molecule, by four Harvard scientists as the most historically significant event of the year 1975. Mr. Will's arresting presentation weighs in retrospect the historic significance of some leading political events of the past four decades against contemporaneous achievements in the arts and sciences. In each case, the importance of the artistic or scientific event now far outweighs that of the political event which at the time dominated the news. So, too, will it be with the construction of the mammalian gene.

But quite apart from the obvious biomedical applications of this discovery for cancer, birth defects and other crippling human diseases, there are social implications that raise deep moral and ethical questions.

Almost as inspiring as the discovery itself, it seems to me, has been the initiative taken by the scientific and intellectual community to begin discussions of the social and political implications of their discovery.

During 1975 the scientific community has held substantive discussions of these questions at various places throughout the country from Palo Alto to NIH in Bethesda. These talks have covered, among other topics, the ethics of eugenics, the social effects of research in human reproduction and genetics, the implications of recombinant gene studies on the plant and animal worlds, and the short- and long-term possibility of applying molecular genetic technology to human life problems including pharmacology, immunology, and agriculture. These discussions are designed to formulate guidelines for safe and judicial exploration of future avenues of research in genetic engineering. In other words, the scientific community is seeking to identify and deal with the problem areas posed by its momentous discovery before, rather than after, the problems become a reality.

I believe that years from now when we ask ourselves what was the "most consequential event" of 1975 the answer will not simply be the production in a laboratory of the mammalian gene but also, and equally, the historic initiative taken by the scientists concerned with this discovery to plumb to the depths the social implications of their discovery—and to insure its future development within a moral and ethical framework. The practical and historical importance of this effort can be appreciated best when one reflects on how little impact our atomic scientists' many warnings about nuclear destruction have had on the arms race.

I now ask unanimous consent that the article from the Washington Post by George F. Will be printed in the Record.

There being no objection, the article was ordered to be printed in the Record as follows:

[From the Washington Post, Dec. 22, 1975]

The Most Consequential Event of the Year

(By George F. Will)

There are unmistakable signs that this Pilgrim nation is about to celebrate the Savior's birth: half the nation is out buying Uncle Sid a digital watch, and the other half is home watching Catherine Deneuve sell scents on television.

'Tis the season to smell good, of course. But it also is the season for intelligent retrospection. It is time to test one's sense of history, which is, in large measure, a sense of proportion in events. The test is to identify what lucid historians, a century hence, will consider the most consequential event of the year.

Journalists, whose job is to report and interpret news events, usually produce end-of-year lists of the year's major stories. But journalists are, understandably, blinkered by their professional focus.

For news purposes, an "event" usually is a public episode that commands the interest of a wide reading public of busy laymen. There is nothing wrong with this. But much gets missed when you equate the most newsworthy with the most consequential events. What gets missed is the life of ideas, in the arts and sciences.

It is arguable that the major news event of 1922 was Mussolini's "march on Rome." But in 1922 a small, bespectacled man, rather different from Mussolini physically and spiritually, published a book. The publication of James Joyce's "Ulysses" was not a news event (until the New York Post Office seized 500 copies). But it, much more than Mussolini's march, left a profound and lasting impression on the way we think and feel, and hence on the way we live.

A decade later, in 1932, the news event of the year was the election of Franklin Roosevelt. It put "paid" to the Republican era. It was, as is deplorably said, a "watershed."

Also in 1932, at Cambridge University in England, James Chadwick discovered the neutron, the microphysical particle that can penetrate the atomic nucleus. It was the key to atomic fission, but it was not "news." It was to make a big noise, and big news, 13 years later.

In 1953 the big news was that Dwight Eisenhower became President, an armistice was negotiated in Korea, Konrad Adenauer was Time Magazine's "man of the year."

But also in 1953, at Cavendish Laboratory at Cambridge University, James Watson and Francis Crick published a paper that began: "We wish to suggest a structure for the salt of deoxyribonucleic acid (DNA). This structure has novel features which are of considerable biological interest."

They had discovered the structure of DNA, the fundamental genetic material that occurs in the chromosomes of all cells. Watson recalls feeling "slightly queasy" when, at lunch on the day of their breakthrough, Crick rushed "to tell everyone within hearing distance that we had found the secret of life." But it was not much of a news story.

This year the big news events concern the fall of Saigon and the near fall of New York, the CIA and the FBI. Also this year four Harvard scientists constructed a mammalian gene, a unit of the DNA molecule that transmits an inherited trait. Specifically, they copied the gene that makes hemoglobin in rabbits.

So 109 years after an Austrian monk, Gregor Mendel, postulated the existence of a "unit of heredity" in living beings, and 22 years after Watson and Crick identified the structure of the unit, a member of the Harvard team described the significance of what the team did:

"Every cell in the body contains the same genes, the same DNA. But every cell is different. How does that come about? How does one become a liver cell and another a brain cell? That's what this should help us find out. People should now be able to synthesize a great many genes."

The reverberations of new departures in the arts, like Joyce's, are next to impossible to anticipate. But there is something like a "logic of events" in scientific discovery—which is, in a sense, the most profound art of this century.

Events in the arts and sciences usually do not have large "publics," so they often are not news. But I suspect that a century from now historians will identify the achievement of the Harvard scientists as the most consequential event of 1975.

MRS. SYLVIA WOOD HANSEN

Mr. McGEE. Mr. President, the entire State of Wyoming as well as the Senate join me in expressing deepest sympathy to my distinguished colleague and friend Senator Clifford P. Hansen and his family whose beloved mother passed away last week in Jackson, Wyo.

Mrs. Sylvia Wood Hansen lived in Wyoming for 83 of her 90 years of life, a life that was a symbol of the American dream; she and her husband toiled as pioneer ranchers. They helped organize Teton County, Wyo., where the Hansen family grew to become and continue to be one of the leading voices of leadership at the State and National levels.

I am sure, Mr. President, that Senator Hansen would agree, as would we all, that if it had not for for Mom . . .

MRS. SYLVIA WOOD HANSEN

Mr. FANNIN. Mr. President, I was deeply saddened to learn of the death Saturday of Mrs. Sylvia Wood Hansen, the mother of the distinguished Senator from Wyoming. She was a pioneer whose courage and hard work helped develop Wyoming.

Mrs. Hansen was born in Rockland, Idaho, in 1885, and moved to Wyoming with her parents when she was 7. Since her mother died when she was very young, she had to assume the responsibilities of pioneer ranch life at a very early age.

She married Peter C. Hansen in 1906, and in 1909 they moved to the Spring Gulch Ranch near Jackson where they raised six children, including our colleague, Clifford P. Hansen. The other surviving children are Parthenia Stinnett, of Jackson; Geraldine Franis, of Salida, Colo.; Helen Miller, of Idaho Falls, Idaho; Ordeen Yeary, of Boise, Idaho, and Robert E. Hansen, of Santa Ana, Calif.

Funeral services were held yesterdav in Jackson.

Mr. President, the Senator from Wyoming has a marvelous record of achievement in representing the people of Wyoming and in helping preserve and improve our Nation. I know that his mother was very proud of her son, and of the accomplishments of her other children.

As a close personal friend of the Senator, I also know of the great love and respect that he has for his mother, and for the wonderful home his parents provided.

Mr. President, Mrs. Fannin and I extend our deepest sympathy to Senator Hansen and his family.

THE URBAN RAT CONTROL PROGRAM

Mr. BAYH. Mr. President, I take this opportunity to address myself to the urban rat control program. This is an issue of considerable importance to the health and safety of our urban populations. It is not, however, a large program in terms of Federal dollars.

A $40 million program was first proposed to the Congress by President Johnson in July 1967. Gerald R. Ford, then a Michigan Congressman, led the fight against the national program, saying that it would benefit only a small percentage of the population.

Mr. President, our urban residents are American citizens. They pay taxes to the Federal Government. It is an ingenious argument that they are not entitled to receive some benefits in return.

It is the type of argument which divides city and rural residents and sets region against region. It is the politics of divisiveness.

In 1967, President Johnson called the House decision not to enact the program a "cruel blow to the poor children of America." Nelson Rockefeller, then the Governor of New York, quickly announced a $4.5 million "total war on rats" in his State, saying that he acted because of the House decision.

In November 1969 the House reconsidered and an urban rat control program was enacted. The program, initially administered by HEW's Health Services and Mental Health Administration, became the administrative responsibility of HEW's Center for Disease Control in July 1973.

From fiscal year 1969, when the initial rat control grants were awarded, through fiscal year 1975, Government and private agencies have received slightly less than $100 million in "seed" money to initiate or continue comprehensive rat control programs.

For the fiscal year 1976, President Ford requested a mere $5.4 million for the program. The House of Representatives increased that request to $10.4 million. As a member of the Labor-Health, Education and Welfare Appropriations Subcommittee, I offered an amendment to further increase the appropriation by an additional $3 million, which would maintain funding at the 1975 level.

The amendment was accepted. The first supplemental appropriations bill, which contained funding for this program, provided a $13.1 million appropriation for the fiscal year 1976.

However, on January 23, 1976, President Ford sent to the Congress 16 proposed rescissions totaling $924 million. Among the massive cutbacks in Federal spending, he included a proposed rescission of $7.7 million on the rat control program: in other words, a return to the President's proposed budget estimate, which Congress, in the appropriations process, had already rejected.

The rat control program represented about one-tenth of 1 percent of the appropriations contained in the first supplemental bill—hardly a budget-busting item.

But I do not think that Federal profligacy is the real issue. It is a phony issue.

The real issue is the continued need for this program.

That need is easily demonstrated.

In 1969, when the program began, statistics indicated that there were 45,000 rat bites in urban slums each year, as well as 20,000 cases of rat-associated diseases, including plague, typhus, rat-bite fever, leptospirosis and Salmonella food poisoning.

Since that time, the urban rat control has made some progress, but it is in trouble.

According to a September 1975 report issued by the General Accounting Office entitled "The Urban Rat Control Program is in Trouble," the following progress has been recorded:

A 54 percent reduction in the annual number of confirmed rat bites in areas originally covered by the program;

A steady increase in the number of city blocks—about 20,000 as of June 1974—where rat control was considered effective; and

Greater public and local government understanding of the rat problem and actions needed to solve it.

But the report concluded that problems affecting the program not only impede further advances, but may also negate some of the earlier gains. The report warned that plague, rat-borne disease that at various times has devastated Europe, Asia, and Africa, is "well established in the rural rodent population of the western United States."

Plague has not appeared in this country to any great degree since 1924. But the GAO report noted that rats bearing plague-carrying fleas "were trapped on the outskirts of a major western city" in 1971—evidence of the potential hazard. And, if "the diseased rodents came in contact with urban rodents, the possibility exists that plague could be transmitted to populated areas."

Today, there are 100 million rats in the United States, almost one for every two persons. They are a symbol of America's urban blight. They contaminate food with the filth they carry about, damage buildings with their gnawings, may attack the young and the aged, and transmit serious diseases.

The goal of the Federal urban rat control program is to reduce rat populations and alter living conditions conducive to rats so that they no longer significantly affect the health and economy of the target area.

To achieve this goal, the Federal Government supplies "seed money" in the form of grants to State or local governments, which also provide non-Federal funding of their own.

Grantees are expected to increase the proportion of support from non-Federal funds each year, and it is expected that they become self-supporting after a maximum of 8 years of Federal funding.

In this period of severe inflation and unemployment, when the country is just emerging from its worst recession in 40 years, the financial resources of State and local governments are stretched to the limit. At the very time when State and local tax revenues are diminished because of unemployment, these jurisdictions are called upon to extend increased social services—such as unemployment compensation and welfare.

It is precisely this type of situation which calls for a greater Federal effort in programs such as the urban rat control program.

Mr. President, I call upon my colleagues in the Congress not to accept the President's proposal to rescind over $7 million needed for rat control. I am confident that they will not do so.

WASTE IN THE SCHOOL LUNCH PROGRAM

Mr. HUMPHREY. Mr. President, one of my constituents who is a senior in Northfield Senior High School, Northfield, Minn., recently wrote to me concerning the problem of waste in the school lunch program.

I, too, have been concerned over this problem and I wrote to the Comptroller General urging that a detailed study be undertaken concerning this problem.

At the time H.R. 4222, the child nutrition bill, was being considered last fall, we had intensive discussions on this subject. While the matter will be given further review, the legislation was changed to allow students to avoid accepting a full portion or foods that they did not want. But they will still have to pay the full amount.

This is an important problem, and I certainly wish to commend this student for her very effective discussion of the issue.

Mr. President, in order to bring this issue to the attention of my colleagues I ask unanimous consent that this letter and my communication to the Comptroller General be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

> Dear Senator Humphrey: I am not a regular participant in my school's hot lunch program but in the six years that I've lived in Northfield I have noticed a considerable amount of waste left on trays of many students. At first I wondered why they took so much food if they couldn't finish it. I found out later though, that students couldn't request smaller portions of food and that even if they told the dieticians that they would not eat a certain food that food would be served to them anyway. This bothered me so much that I went to the head dietician of my school district and talked with her about this problem.
>
> She told me that it was a federal law that full portions of every food on the menu must be served, whether the student wants it or not. She also told me that food waste averages over 20%. Even though she hates to see all that food go to waste, there is nothing she can do about it because if she didn't comply with the law the government sub-

sidy would be cut off and lunch prices would go up 30%.

We talked about this for a while and came to the conclusion that while it was a good idea to put the different varieties of food on the trays of the grade school children, in hopes that they would then try the food, it was foolish to put unwanted food on the trays of students in junior and senior high schools because they have most likely tried the food, and if they say they don't want it they won't eat it.

I hope you will consider what I've said and look into the problem because I hate to think that over 20% of every lunch served by schools all over the country is being wasted.

Sincerely,

JODY LEE.

COMMITTEE ON AGRICULTURE
AND FORESTRY,
Washington, D.C., December 15, 1975.

Hon. ELMER B. STAATS,
Comptroller General of the United States,
The General Accounting Office,
Washington, D.C.

DEAR MR. STAATS: I wish to bring to your attention an Associated Press article entitled "Huge Waste Found in Lunch Program."

This article repeats some of the discussion which took place during our debate over H.R. 4222, the Child Nutrition bill. At that time, we gave school administrators new flexibility in terms of not forcing students to accept food which they had no intention of eating. Because of the obvious possible problems regarding payment to states, however, the student will still be charged the full amount for his lunch.

While the U.S.D.A. has been charged with looking into this matter, I would like to have the G.A.O. develop, on a priority basis, recommendations on ways of reducing waste in the school lunch program. Obviously, innovative school administrators may find solutions which make sense or work in a particular setting, but we also must look for approaches which make sense and will be applicable throughout the program.

Should additional information be needed on this matter, Nelson Denlinger (224-3244) will be the staff contact. I am not asking for an in depth study, and I would hope that the work could be completed by early in 1976.

Sincerely,

HUBERT H. HUMPHREY.

UKRAINIAN INDEPENDENCE DAY

Mr. BAYH. Mr. President, as America celebrates its Bicentennial year, it seems particularly fitting to remember the plight of the many peoples in the world who do not enjoy the liberty and independence which we, too often, take for granted. On January 22, 1976, one of the largest such national groups, the Ukrainians, commemorated the 58th anniversary of its own revolution.

Of all the captive nations, this proud people has suffered perhaps the longest under the oppression of a larger neighbor. Yet, it was not always the Ukraine's fate to live in the shadow of a more powerful nation. There were three remarkable periods in Ukrainian history, during which the country was able to grow and prosper as an independent nation. From the 9th to the 14th centuries, the Ukraine then called Kievan Rus, made its imprint on history as one of the largest and most influential nations of Eastern Europe. The Kozak period, lasting from the middle of the 17th through the 18th century, brought further great achievements until the Ukraine was again subjugated by Russia.

When Czarist Russia collapsed in 1917, the aspirations of the Ukrainian people bore fruit through their own courage. Let us remember that the revolution which ousted the Russians from the Ukraine in 1917 had many similarities with our American Revolution. Both were dedicated to the principles of liberty, justice, and freedom from foreign tyranny. In December 1917, the new Communist Government of Russia recognized "without any limits or conditions, and in all respects, the national rights and independence of the Ukrainian Republic." These words proved to be an empty promise. Soviet troops crushed the Ukraine in the summer of 1920.

The Ukraine was formally incorporated into the Soviet Union in 1923, nominally as an "equal and sovereign constituent republic." As such, it became a charter member of the United Nations in 1945. In practice, however, the central Soviet Government controlled every aspect of the Ukraine's domestic and foreign affairs. Since 1923, the so-called Ukrainian Soviet Socialist Republic has existed without any army, without a foreign policy and without an independent economic or financial policy. While Ukrainian has remained the official language of the country, Russian has been imposed as the language of "greater international significance." At the same time, a campaign of cultural "Russification" has been waged by Soviet authorities.

Let us take this occasion, also, to honor the many brave Ukrainians who have dared to speak out against Soviet injustice. Most have been dealt with brutally by the Soviet secret police. While some have been left to languish in prisons and psychiatric hospitals, others have been forced out of their homeland to live in distant corners of the Soviet Union. Nor has Soviet terror against Ukrainians been confined within the borders of the Soviet Union. There are documented cases, showing that the long arm of the secret police has reached out to murder exiled Ukrainian patriots in France and West Germany.

We Americans commemorate this important anniversary and join with the world's 55 million ethnic Ukrainians in demanding an end to Soviet oppression and injustice.

USDA KEEPS AND BREAKS PROMISE TO ADD CONSUMER REPRESENTATIVE TO NITRITES-NITROSAMINES PANEL

Mr. METCALF. Mr. President, the Federal Advisory Committee Act requires that committee membership "be fairly balanced in terms of the points of view represented and the functions to be performed by the advisory committee." The Department of Agriculture has found a way both to accept and reject my proposal—pursuant to the quoted section—that it appoint a consumer-oriented member to its expert panel on nitrites and nitroamines.

By way of acceptance, Assistant Secretary of Agriculture Richard L. Feltner informs me that the Animal and Plant Health Inspection Service intends to establish a formal agencywide Consumer Advisory Committee and ask one or more of the members of this committee to participate with the expert panel.

However, the APHIS consumer representation plan, which appeared in the Federal Register of November 26, 1975, at page 55109, declared in part:

> Advisory Committee: APHIS has a number of Advisory Committees which provide input on various technical problems faced by our programs. Program officials are in the process of adding consumer representatives to these Committees. The completion of this process will enhance the actions taken by these Committees.

Letting one or more members of a Consumer Advisory Committee participate with the expert panel may be better than nothing, but it retreats from what APHIS said just 2 months ago it would do. Consider:

First. According to that consumer representation plan, APHIS was going to add consumer representatives to its advisory committees on technical problems and establish a separate Consumer Advisory Committee. Now it proposes to do only one of these things.

Second. That plan said the purpose of the Consumer Advisory Committee was:

> To foster a three-way dialogue among consumer representatives, industry, and APHIS officials. The dialogues will take place on significant policy issues.

This was quite different from the purpose of adding consumer representatives to its advisory committees on technical problems, which was to enhance the actions taken by these committees.

Third. Under the substitute proposal, as explained by Feltner, one or more of the Consumer Advisory Committee members would be asked to participate with the expert panel on nitrites an nitrosamines. He continues:

> In addition to making their input into the Panel's deliberations, these individuals would also be responsible for reporting back to the Consumer Advisory Committee. If an issue arose on which it was felt that the Expert Panel did not give enough consideration to consumer concerns, it would be the responsibility of the entire Consumer Advisory Committee to independently discuss the issue and make its own recommendations.

This seems to foresee that the one or more members of the Consumer Advisory Committee participating with the expert panel will function as a kind of consumer counterweight. That strikes me as a lesser role than would be played by a qualified consumer representative sharing the task of providing input on various technical problems.

My point is that APHIS is offering this consumer umbrella concept as a substitute for what it proposed in November after 8 months of consideration, and in the process fuzzing the distinction between technical advisory committees and policy advisory committees. APHIS is offering one form of consumer participation instead of two. The only way consumer participation can be achieved without real loss is if the member or members of this future Consumer Advisory Committee participating with the expert panel on nitrites and nitrosamines would be qualified to serve on the expert panel in their own right.

Mr. President, I ask unanimous consent that Assistant Secretary Feltner's letter, and an article, "Nitrosamines: Scientists on the Trail of Prime Suspect in Urban Cancer," from the January 23 issue of the journal, Science, be printed in the Record.

There being no objection, the letter and article were ordered to be printed in the Record, as follows:

Department of Agriculture,
Office of the Secretary,
Washington, D.C., January 16, 1976.
Hon. Lee Metcalf,
U.S. Senate,
Washington, D.C.

Dear Senator Metcalf: Secretary Butz has asked me to reply to your letter of December 23, in which you proposed that the Department appoint a "consumer-oriented" member to our Expert Panel on Nitrates and Nitrosamines.

As I'm sure you are aware, this suggestion has been made at various times since the Expert Panel was first created in September 1973. Each time that it has come up, we have carefully reviewed the merits of this suggestion. Each time, we have concluded that our original rationale was sound in seeking well-qualified scientists who represented a balance between the various scientific and medical disciplines considered most important to a thorough evaluation of the problem.

I want to assure you that we have given careful consideration to the specific question of "balance" between the professional affiliations of the Panel members—in view of the point made by some critics that one member is affiliated with industry but none represent the "consumer." It is our view that the professional affiliations of at least two members of the panel do represent a broad spectrum of consumer interests. One member, Dr. Keating, has spent virtually his entire medical career directly associated with the delivery of medical services to consumers; of particular interest to him in recent years has been the toxicity of nitrites and nitrates in children. Another member, Dr. Edwards, has spent most of her professional career in the field of home economics education and research—specifically oriented to human nutrition.

I would like to point out, also, that all meetings of the Panel to date have been publicized in advance ... have been open to the public ... have been attended by many persons from the press, research community, consumer organizations, and the industry ... and an opportunity has been given to everyone to ask questions and participate in the Panel's deliberations. Further, in inviting outside persons to present papers before the Panel, a conscientious effort has been made to obtain a balance of viewpoints on all sides of the issue.

In light of your letter—and its specific reference to the Animal and Plant Health Inspection Service's "Consumer Representation Plan" proposal to include consumer representation on its advisory committees—we have again reviewed our position carefully. I'm sure you also noted in the APHIS Plan that it proposed to establish a formal agency-wide Consumer Advisory Committee.

In implementing this part of its Plan APHIS is proposing a mechanism—subject to approval by the Office of Management and Budget, in accordance with the Federal Advisory Committee Act—which we sincerely believe would provide consumers not only with additional representation on the Expert Panel, but also would be more effective than adding one person to the Panel at this stage in its deliberations.

As now conceived by APHIS, one or more individual members of such a Consumer Advisory Committee would be asked to participate in an *ex officio* capacity on each of the existing or future other APHIS advisory committees. I should emphasize that this approach does not preclude the appointment of specific consumer representatives to other individual advisory committees where special needs are identified.

Specifically, under this concept, one or more of the Consumer Advisory Committee members would be asked to participate with the Expert Panel on Nitrites and Nitrosamines. In addition to making their input into the Panel's deliberations, these individuals would also be responsible for reporting back to the Consumer Advisory Committee. If an issue arose on which it was felt that the Expert Panel did not give enough consideration to consumer concerns, it would be the responsibility of the entire Consumer Advisory Committee to independently discuss the issue and make its own recommendations.

We feel this concept has considerable merit. First, it would provide for a broader representation of consumer viewpoints on all APHIS advisory committees than could be achieved by having just one or two persons serve on each individual committee. Likewise, we believe it would deal with a concern of consumer leaders that, when they are appointed to an advisory committee, they frequently are in a minority and are often outvoted in a committee's decisions; we believe this approach would provide for consumer representation with a more direct and effective voice in making independent recommendations. Lastly, we feel this approach would give consumers a stronger means by which to exercise a coordinated "oversight" function into all aspects of APHIS programs.

Thank you for giving us this opportunity to explain our intentions for implementing the APHIS Plan as it relates to advisory committees in general, and to the Expert Panel on Nitrites and Nitrosamines, specifically.

Sincerely,

Richard L. Feltner,
Assistant Secretary.

Nitrosamines: Scientists on the Trail of Prime Suspect in Urban Cancer

(By Deborah Shapley)

In the last few months an increasing number of scientists and public interest activists have become disturbed by one of the most potent—and baffling—of all chemical carcinogens: nitrosamines. Nitrosamines, a well-established class of animal carcinogens, are already regulated in food by the federal government. But since last summer they have been discovered in urban air, soil, and water, and sewage treatment wastes, in places ranging from New York City to the Kanawha Valley of West Virginia.

Scientists are saying that the possible threat to human health from this apparently widespread pollutant is of "grave concern"—but no one is sure what to do about it. Unlike other pollutants, such as vinyl chloride, which comes from a limited number of sources, nitrosamines are generated from other chemicals found almost everywhere in the environment. Control of these so-called "precursor" chemicals, to prevent spontaneous formation of nitrosamines in the environment, could pose a regulatory nightmare—forcing the government to set new standards for the chemical and automobile industries, for public utilities, for the tobacco industry, and others. An investigation of the way the Air Force transports and stores fuel for its strategic missiles may also be needed.

The discovery could have even broader significance in unraveling one of the mysteries of cancer epidemiology. For several years, epidemiologists have been baffled by the observed statistical correlation between high levels of nitrogen dioxide (NO_2) and the high incidence of cancer in many urban areas. Yet neither NO_2 nor nitric oxide (NO), for which NO_2 is an indicator, have been demonstrated to cause cancer. However, combined with water under certain conditions, both NO and NO_2 can form nitrous acid, which then combines with amines to form nitrosamines.

Thus, it could be that the nitrosamines, and not the NO_2 itself, are the culprits responsible for some urban cancers. Says Richard J. Hickey, one scientist who has established such correlations:

> Nitrosamines are a possible route by which a fruitful explanation could be developed to explain the significant correlation we and others have found between atmospheric levels of NO_2 and urban cancers.

One reason that nitrosamines may be a special environmental problem is that they are formed from amines that are found almost everywhere. Amines, which are substitution products of ammonia, are produced in the decomposition of proteins. They are present in pesticides, drugs, and foods and are used in industrial processes. Amines react with nitrous acid to form nitrosamines. The reaction can take place under many circumstances, including those in the human digestive system and in the atmosphere.

The other precursor, nitrous acid, is formed from nitrites, which are in meats and in fertilizers, and from nitrates. It is also formed from NO_2 and NO, both of which are principal products of oil, coal, and gas combustion, including motor vehicle exhausts.

For years, government research and regulation has focused on nitrosamines in food. Nitrites and nitrates are used to give color to preserve fish and meat; both have been limited by the U.S. Department of Agriculture for many years, partly because of their potential as carcinogens. For example, when nitrite-cured bacon is cooked, the nitrite changes to nitrous acid and reacts with amines in the meat to form the potently carcinogenic nitrosamine dimethyl nitrosamine, or DMN.

In 1973, the USDA convened a panel of outside experts to review the nitrosamine problem. Last November, following the group's recommendations, USDA proposed more stringent standards for nitrite in meats and proposed banning nitrates entirely.

Nitrosamines in the environment did not come to public attention until last summer, when Ralph Nader's Public Interest Research Group asked Thermo Electron Corporation, a Waltham, Mass., instrument manufacturer, to take atmospheric nitrosamine measurements in several places, including a missile fuel plant in Baltimore, Md. Thermo Electron had developed a new instrument that reduces the time for nitrosamine detection from 10 hours to approximately 1 hour, and which is capable of detecting all of the 50 or so common nitrosamine compounds in far smaller amounts than was previously possible. The instrument had been developed as an aid to cancer research; recently, however, scientists at the Environmental Protection Agency (EPA) have confirmed that it can also measure nitrosamines in air, water, and soil.

Thermo Electron found quantities of DMN [0.3 microgram per cubic meter ($\mu g/m^3$)] in its initial readings of the air on the property of the FMC Corporation, which uses nitrosamines in the manufacture of fuel for Air Force Minuteman missiles. Subsequently, even higher levels, in the range of 1 to 10 $\mu g/m^3$, were found in readings taken by Thermo Electron, the EPA, and FMC itself—alarming local residents, FMC workers, state and city health officials, and even the Maryland congressional delegation. The Air Force has decided simply to shut the plant down as of 1 April and to make the Minuteman fuel by another method in which nitrosamines are not used. Nonetheless, the FMC fuel is still stored and transported by the Air Force around the country, and, of course, is located in the missiles in their silos in the upper Midwest.

The FMC situation was a special case since it seems to be the only place in the country where nitrosamines are emitted directly. More alarming, from a national public health standpoint, was the discovery of DMN and other nitrosamines in areas where there are no known sources of nitrosamines. These include Baltimore, upwind of the FMC plant (0.02 to 0.1 $\mu g/m^3$); the Kanawha Valley towns of Charleston and Belle (trace levels to 0.07 $\mu g/m^3$; and even on the Cross Bronx Expressway in New York City (0.8 $\mu g/m^3$). Water samples at some of these locations also confirm the presence of nitrosamines, as do samples of the discharge taken from sewage treatment plants.

The findings have aroused skepticism, to be sure. One question, largely laid to rest by recent tests, has been whether Thermo Electron's instrument was producing the nitrosamines it measured. Another question came from laboratory tests showing that sunlight breaks down atmospheric nitrosamines in a few hours. Some argue, however, that this would not occur in the real, urban atmosphere.

"Great potential for harm to the public health exists," concluded Ralph Nader and Samuel Epstein, the Case Western Reserve University environmental toxicologist, in a letter to EPA Administrator Russell E. Train last summer. Thermo Electron's principal investigator, David Fine, concluded a recent presentation of his latest measurements—including the one in New York City—with the remarks: "The rcent finding of nitrosamines in the air, water, and soil of urban environments . . . may present an unacceptable health hazard and is therefore of grave importance."

Scientists are still trying to work out just how grave the problem is. One nongovernment calculation shows that a person ingests 0.5 μg of DMN if he eats four slices of cooked bacon (with the nitrite level permitted by the old standard). He inhales 0.8 μg after smoking a pack of cigarettes (it is well established that nitrosamines form in cigarette smoke). Fine has calculated that, by comparison, a person breathing air containing 1 $\mu g/m^3$ of DMN for 24 hours will inhale 10 to 14 μg of DMN.

On a clear day in Belle, West Virginia, where DMN levels of 0.1 $\mu g/m^3$ were measured, a person would inhale 1 to 1.4 μg of DMN—still more than the amount he would have taken in after eating the bacon or smoking the pack of cigarettes. James Smith, an EPA scientist who has reviewed calculations of relative exposures to nitrosamines, says that exposures of humans to atmospheric nitrosamines are probably "in the same ball park" as exposures from food and cigarettes.

An important missing piece of information, however, is how nitrosamines behave in the human respiratory system. Jean French, an EPA epidemiologist, says that while nitrosamines have been shown to form from precursors in the digestive system, "a counterpart of such a demonstration in the respiratory system hasn't been tried. . . . This is a bad void in the research." If indeed they form there, nitrosamine exposure in the population may be more than that even now supposed.

Cancer researchers have tested nitrosamines on dogs, monkeys, parakeets, rats, mice, hamsters, guinea pigs, and even on rainbow trout. Each group has contracted a significant number of cancers. Moreover, each has developed a variety of kinds of cancer—suggesting that nitrosamines do not limit their harmful effects to one organ.

Animal studies have also shown that, in low doses, nitrosamines seem to activate other, weak carcinogens, such as benzo(*a*)-pyrene, to act more potently. Reviewing this and the other evidence of its harmfulness, an EPA report in 1974 concluded, "as a family of carcinogens, the nitrosamines have no equals."

But relating all this evidence in animals to the likely human experience is another matter. At present there is no data linking nitrosamines to cancer in humans. Establishing that it does or does not cause human cancers would be a formidable research task. Nonetheless, some researchers say they should be considered a public health menace on the basis of animal data alone. Says one:

> There is no evidence linking nitrosamines to cancer in man, but that may be because the cancers they produce are so common that they don't stand out as unusual. Vinyl chloride was easy to track down because it produces such an odd cancer. With the nitrosamines, however, it is reasonable to assume that man is not a god and that if every animal group tested has succumbed to it then man will succumb as well.

Nitrosamines are also prime suspects in the quest for what one scientist calls "the defining factor in urban cancers." William Lijinsky, a well-known nitrosamine researcher at Oak Ridge National Laboratory, along with Epstein, pointed a finger at this possibility in a 1970 article in *Nature*. "In our view, any group of chemical carcinogens significantly implicated in human cancer must be both widespread and multipotent. Such chemicals are the nitrosamines. . . ."

Hickey, in a 1970 study cross-checking disease rates in 38 U.S. urban areas with a host of environmental chemicals, found that NO_2 cross-correlated with seven out of eight categories of cancer and with heart disease. (Sulfur dioxide, sulfates, and heavy metals also correlated with several cancers.) In his paper, published by the Regional Science Research Institute in Philadelphia, Hickey speculated that this might be due to nitrous acid's role as a mutagen, which could make the population more susceptible to disease. However, now that nitrosamines have been found in the urban atmospheres, Hickey agrees that they could form part of the explanation.

However, French, the EPA epidemiologist, doubts that nitrosamines by themselves—or any single compound—will prove the missing link in explaining the urban cancer rate. She suggests that urban air may contain other substances, such as benzo(*a*)pyrene, that may act along with nitrosamines in a harmful manner. "If you eliminated nitrosamines entirely, you'd still have cancer. They are only one of the possible causes."

It is too early to predict what kind of action the government might take on the issue of environmentally occurring nitrosamines. Clearly, since USDA has concluded that certain amounts in food are unacceptable, it would be hard for the EPA not to take action. Epstein, who has often prodded federal agencies over environmental and occupational health issues, complains: "It's absurd for the government to have entirely different policies for the same compound, based on the fact that it happens to occur at several different places in the ecosystem."

Nader and Epstein, in their summer letter to Train, argued that the key factor in nitrosamine occurrence in the atmosphere could turn out to be nitrogen oxides and argued strongly that therefore EPA should not go through with a proposed relaxing of emission standards of these oxides for automobiles. Clarence Ditlow, of the Nader group, goes further and charges that the EPA has tried to downplay the nitrosamine issue because EPA is already politically committed to relaxing these standards.

However, other people who have examined the potential regulatory problems posed by environmental nitrosamines argue that standards limiting the amines—which come by and large from industrial sources—may be the easier method of control.

Clearly, much more research and study will have to be done before anyone knows for certain what levels of nitrosamines are in the environment, how they behave there, and where they come from. But however complicated this knowledge turns out to be, it may help to cut the Gordian knot faced by research scientists who are trying to figure out the probable causes of urban cancers.

NATIONAL ASSOCIATION OF MANUFACTURERS ADDRESSES FUTURE FISCAL POLICY

Mr. FANNIN. Mr. President, the National Association of Manufacturers recently issued an informative document entitled "A Fiscal Policy for the Future." This report is an excellent source of information concerning the financial needs of the private sector and how Federal fiscal policy affects those needs.

As my colleagues know, I have expressed a growing concern for the continued vitality of our Nation's private sector. Inflation and unemployment have been viewed in recent years as our principal economic problems. Among other actions taken, Congress has reacted to them by enacting wage and price control legislation to cure inflation and various massive spending programs to provide temporary jobs for the unemployed. Inflation and high unemployment are bothersome symptoms of a more serious problem; one which could prove to be devastating for the quality of life we Americans have developed through hard work and a series of fortunate circumstances. That underlying problem is the financial weakness of the private sector of our economy.

In October 1975, there was a total of 86,023,000 persons working in the civilian labor force either as self-employed workers, on wages and salaries, or as unpaid family members in both the nonagricultural and agricultural sectors. Of that total, 71,411,000—or 83 percent—were employed in the private sector. The remaining 14,612,000—or 17 percent—were working for either the Federal Government—2,716,000—or for State and local governments—11,896,000. These figures clearly illustrate the value of the private sector in our economy.

Several reputable studies on private sector financial needs were published during 1975. Most studies concluded that the capital needs of the private sector during the next 10 years will not be met given present economic conditions and Federal policies.

Mr. President, Federal policies have led to this weakening of the private sector. The heart of the problem is that the Nation's financial resources have been directed by Government toward nonproductive activities and, thereby away from productive activities. This trend must be reversed immediately. To do otherwise would assure the continued deterioration of the private sector, thereby resulting in higher unemployment and financial instability.

Mr. President, I ask unanimous consent that portions of the NAM's report entitled "A Fiscal Policy for the Future" be printed in the RECORD.

There being no objection, the portions of the report were ordered to be printed in the RECORD, as follows:

NATIONAL ASSOCIATION OF MANUFACTURERS— A FISCAL POLICY FOR THE FUTURE

(The following is a report of the Budget Control Task Force of the Government Operations/Expenditures Committee. It contains a discussion of, and the Task Force's recommendations on, long-term fiscal policy as related to the investment sector and real economic performance:)

I. INTRODUCTION AND OVERVIEW

The existence of relatively high levels of both *inflation* and *unemployment* over the next few years is now almost taken for granted. Yet the long-run repercussions of this situation on our economic growth and stability have not received enough attention.

The business community believes the ability of the private sector to create and sustain productive employment is demonstrably superior to public "make work" programs. But there must be a stable environment for business to perform its function of providng goods, services, and employment.

The source of improved standards of living is productivity, which in turn is largely dependent on capital formation and the capacity of the private sector to generate it. The most rational means of encouraging capital formation is for the public sector to refrain from "crowding out" the private sector from the capital markets—to create through stable monetary and fiscal policies the right climate for renewed productivity and economic growth.

We emphasize *renewed* because the U.S. productivity performance in recent years has been distinctly subpar. This has been due in part to the current economic recession, but the groundwork was laid over the past decade. The figures below indicate this trend:

TABLE 1.—*Average annual growth rate in productivity, private nonfarm sector*

[Output/man hour]

Three-year period ending in:	
1950	4.3
1955	3.2
1960	2.4
1965	3.2
1970	1.0
1974	1.1

Source: Date from *Economic Report of the President*, Feb. 1975, Table C–33, p. 287.

From 1947–1965 productivity grew at an annual average of 2.9% but from 1965–1974 it declined to 1.7 growth. It is quite likely that this latter figure may be overstated due to outdated (1958) weights, and the increasing portion of output and investment mandated by environmental and personal safety requirements which do not produce an economic return. A decline in the proportion of GNP devoted to research and development since 1968 has been a contributing factor. But the single greatest factor is the trend in real investment. The decline of constant volumes of nonresidential capital formation per person added to the civilian labor force has been steadily decreasing to a level in the past four years which is about 22% below that of the 1956–1965 period as the table below illustrates.

TABLE 2.—*Gross nonresidential fixed investment per person added to civilian labor force*

[In 1958 dollars]

Period:	*Amount*
1956–60	$49,500
1961–65	55,300
1966–70	46,400
1971–74	*41,000

*Estimate based on incomplete date for 1974.

Source: Statement of Paul W. McCracken before the House Ways and Means Committee, January 29, 1975, based on data from Labor and Commerce Departments.

The relationship between productivity increase and investment also can be found by comparing fixed capital formation as a percentage of GNP in the U.S. with our major industrial competitors. The following table illustrates a near perfect correlation between the two factors. (The figures are based on the average for the years 1960–1973.)

TABLE 3.—

[In percent]

	Investment as a percentage of GNP	*Percent increase in productivity*
United States	14.5	3.3
United Kingdom	18.1	4.2
Canada	22.3	4.3
France	23.9	5.6
Germany	24.9	5.7
Netherlands	25.0	7.0
Japan	34.2	10.0

Source: *International Financial Statistics*, IMF 1964–1973.

Thus, the goals of increased productivity, rising real wages, and stable prices will depend importantly on a shifting of the economic shares toward saving and investment away from consumption and/or government.

If past is prologue, we are in deep difficulty controlling the growth of government. The vast expansion of both federal, state and local expenditure programs cannot continue unabated without draining productive private resources. In the long run these programs are only possible if the private sector is viable. The federal budget, including both direct expenditures and credit programs, both on and off-budget, needs to be continually evaluated as to its potentially retarding effect upon capital formation and job creation. The average annual growth of 10.7% in federal spending and net lending between 1965 and 1975 must be checked. Failure to do so will lead directly to a massive capital shortage in the late 1970's, with the high probability of an even more severe recession than the one we are now emerging from.

II. THE FEDERAL BUDGET

The one certainty of federal expenditures in the past has been their continual increase relative to the rest of the U.S. economy and personal income. Official statistics show the following pattern:

TABLE 4.—FEDERAL SPENDING AND PERSONAL INCOME 1930–70

Fiscal year:	I. Federal expenditures (unified budget) (billions of dollars)	II. Personal income	I. As percent of II.
1930	$3.3	$76.9	4.3
1940	9.4	78.7	11.9
1950	42.6	227.6	18.7
1960	92.2	401.0	22.9
1970	196.6	808.3	24.3
1975	324.6	[1] 1,244.1	26.1

[1] Estimated.

Source: The U.S. Budget in Brief, fiscal year 1976, U.S. Department of Commerce, Bureau of the Census, Statistical Abstract of the U.S., 1974, and Bureau of Economic Analysis data.

Tax collections of the federal sector totalled an equivalent of over $3900 per household in fiscal year 1975, up from $1750 per household in 1969.[1] Over the years it has taken the average U.S. worker longer and longer to pay his share of government's costs before he begins working for himself, to the point where currently he must toil from January 1 to April 1 just to pay his federal taxes alone.

For a number of years defense spending was cited as the primary reason for huge budgets. Seven years ago defense comprised about 44% of federal spending but presently composes only about 25%. Obviously, other priorities and particularly income security programs have supplanted defense spending. Today the proportion of spending between the two categories has exactly reversed—income security almost doubles that of defense—and the gap is widening.

Most of these domestic expenditures are termed "relatively uncontrollable." "Uncontrollable" is simply defined as that spending which has already been committed by prior legislation and, therefore, cannot be altered by Congress or the President except by new legislation—a difficult, but *not* impossible, task in light of the built-in tendency to maintain and even expand public programs. Studies show that "uncontrollables" account for nearly 75% of current federal spending, compared to about 60% in 1968.[2] The majority of these are income security programs that include benefits for the following: veterans, the unemployed, railroad and government retirees, recipients of social security, food stamps, Medicare, Medicaid, categorical welfare aid, and social services. In fiscal year 1976, spending on these programs is estimated to exceed $155 billion, triple that of 1968. This figure is far in excess of that of any other budget grouping or category. In this process immense funds are flowing from the largely productive, saving sector of the economy to the consuming sector with the government taking its share to administer the transfer of funds.

Former Director of the Office of Management and Budget Roy L. Ash recently wrote that in the past 25 years the growth of all transfer payments, including income security programs, has equalled an annual compounded rate of 9% in constant dollars while real Gross National Product has risen only 3.5%. If these two rates hold steady and all other federal spending expands at only 1% annual growth for the next 25 years, total federal budget expenditures would quadruple and equal about 40% of GNP.[3] When state and local expenditures are projected ahead 25 years, too, at their past growth rate, the size of total government would increase from about a third of GNP today to over 50% by the year 2000.

V. CAPITAL FORMATION

As with the federal budget, forecasting of investment needs of the private sector and the pool of available savings to finance them is not a simple matter. Perhaps too much has been made of some *specific* forecasts indicating a serious capital shortage for the private sector ahead.

But the basic point remains that all known forecasts agree that there will be very substantial capital requirements in the coming decade—not only to keep up some semblance of productivity growth, but to account for mandated environmental and personal safety standards and at least get a start on energy self sufficiency. We can take as given that growth in investment demands over the next decade will be *at least* as large as the average annual increase in the 1965–1970 period. To our knowledge, no authoritative source has come to any different conclusion.

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[1] Based on data from OMB, *The U.S. Budget in Brief*, FY 1976, U. S. Dept. of Commerce, Bureau of the Census.

[2] "Uncontrollable Federal Budget Outlays," Tax Foundation, 1975, p. 7.

[3] Roy L. Ash, "Looking Beyond the Budget Deficit," *The Wall Street Journal*, July 28, 1975.

Financial constraints on private sector investment

Unfortunately, in the past twenty years there has been a dramatic deterioration in the financial structure of business that raises serious doubts about the ability of major portions of the corporate sector to finance their future capital requirements. This is a "known" fact, not a fuzzy statistical exercise as to the future. While there has been considerable documentation offered by other services, the point bears reemphasis in some detail.

The change in private sector financial structure can be summarized by three phenomena: a sharp reduction in business liquidity, a substantial rise in the cost of borrowing, and a growing difficulty in equity financing.

Non-financial corporate business has sharply increased the proportion of external funds in its financing operations. The ratio of external funds to internally-generated funds had increased steadily from 29% in 1950 to 85% in 1974. A similar trend is also seen in the declining ratio of internal funds to investment expenditures. In 1960 the ratio was 88.9% and in 1974, it was 64.7%.

TABLE 7.—INTERNAL FUNDS AS A PERCENT OF INVESTMENT EXPENDITURES—NONFINANCIAL CORPORATIONS

[Billions of current dollars]

	Internal funds	Investment expenditures	Percent
1960	$34.4	$38.7	88.9
1961	35.6	36.3	98.1
1962	41.8	43.6	95.9
1963	43.9	45.2	97.1
1964	50.5	51.6	97.9
1965	56.6	62.3	90.0
1966	61.2	76.5	80.0
1967	61.4	71.4	86.0
1968	61.7	75.0	82.3
1969	60.7	83.7	72.5
1970	59.4	84.0	70.7
1971	68.0	87.2	78.0
1972	78.7	102.5	76.8
1973	84.6	121.5	69.6
1974	81.4	125.8	64.7

Source: The New York Stock Exchange, Demand and Supply of Equity Capital, June 1975, taken from Flow of Funds, Board of Governors of the Federal Reserve System.

As shown in Table 7 during the first half of the 1960's internal funds had financed on the average 94.6% of the capital expenditures. (It was also during this period that plant and equipment expenditures had grown most rapidly.) Since then, the percentage of investment expenditures financed by borrowing for the period 1970–1974 had increased more than six times over that for the period 1960–1965.

In raising external capital, there has been increasing reliance upon debt. Debt-equity ratios for manufacturing companies have risen sharply since 1964. For example, for all manufacturing corporations in 1964, debt-equity ratios averaged 25.4% and only four industry groups of the twenty groups had ratios over 40%. By 1973, the average had increased to 44% and sixteen of the twenty industry groups had ratios over 40%. An increase in corporate illiquidity is also seen in the ratio of total liabilities to net worth for nonfinancial corporations. In 1955, this ratio was .91. By 1974, the ratio had risen to 1.89. Furthermore, the proportion of liquid assets—that is, cash plus selected security holdings—to all corporate assest dropped from 15% to 9% between 1955 and 1974.

The cost of borrowing also has risen substantially with the increasing need for external funds. In the 1947–1966 period, corporate borrowing rates on average remained under 5% and the after-tax return on invested capital was about 12% on average. Thus, a substantial additional return was offered for investing in risk situations. Now interest rates have risen to 10% and the return on capital remains at about 12%. If the opportunity cost of capital expenditures is a 10% return with virtually no risk, why spend money to increase plant and equipment to earn an uncertain 2% additional return?

The increase in interest rates without a corresponding gain in the rate of return has resulted in the evaporation of the market for new equity issues. As interest rates rise, investors become more attracted to debt instruments, which guarantee fixed interest payments, than equity shares which offer no such certain return. Consequently, an increase in interest rates relative to the rate of return on equity constrains a firm's ability to sell new equity issues.

During the five years from 1968—1972, new equity issues ranged from a low of 778 to a record high in 1969 of 1,792. Even in 1972, 1,400 issues were brought to market. For all of 1974, there were only 154 new issues. Moreover, for the last six months of 1974, there were only ten new issues which raised over $1 million, and only six of these were for over $3 million. The total amount of new equity funds raised for the year was $3.1 billion compared with over $13 billion in 1972.

A study by the New York Stock Exchange reports that, at current price-earnings ratios, a corporation must earn approximately 14% on new capital in order to maintain the earnings of existing shareholders. Chase Econometrics also predicts that the total return on equities would have to be in excess of 15% if new issues are to be competitive with other forms of financial instruments. Such high returns may not be attainable. Thus, many companies cannot issue new stock without diluting the earnings of existing shareholders.

The increase in corporate illiquidity and rising capital costs have resulted in a sluggish growth in plant and equipment spending since the mid-sixties. As shown in Table 8, the period of 1960–1965 marked the highest growth in plant and equipment spending (7.3% per year); but for the ensuing five years, the growth rate fell to 3.2%. In the seventies, the rate increased to 5.2%; but, if the estimated spending to meet environmental and safety standards is removed, which are nonproductive expenditures as far as output of goods is concerned, the annual growth rate of productive capital for this period is about 3.6%.

TABLE 8.—PLANT AND EQUIPMENT SPENDING

	Billions of 1958 dollars	Average annual growth rates
1955	43.9	
1956	47.3	
1957	47.4	1.7 (1955–60)
1958	41.6	
1959	44.1	
1960	47.1	
1961	45.5	
1962	49.7	7.3 (1960–65)
1963	51.9	
1964	57.8	
1965	66.3	
1966	74.1	
1967	73.2	3.2 (1965–70)
1968	75.6	
1969	80.1	
1970	77.2	
1971	76.7	
1972	83.7	5.2 (1970–74)
1973	94.4	
1974	94.1	

Source: The Economic Report of the Preisdent, February 1975 Table C–2, p. 250.

With the national goal of energy self-sufficiency and clean environment, investment requirements in the future will be enormous by any measure. Unfortunately, with internal liquidity at such a low level, with bond yields at a historically high level, and with equity financing virtually nonexistent, there is a real question whether business has the means and the incentive to meet the capital requirements of the future.

Capital needs and savings potential

The New York Stock Exchange has estimated that capital requirements in the private sector for the period 1974–1985 will amount to $4.5 trillion and that, in the absence of any major new stimulus to saving, a capital gap of $500 billion will be inevitable over the next decade. Several other organizations have launched similar investigations and have come up with the same conclusion as the NYSE. According to a General Electric study, the capital requirements of nonfinancial corporations will average $312 billion a year during the years 1977 through 1980, compared with $183 billion in 1974. If there is no change in the present tax regulations governing the rate of capital cost recovery and other aspects of federal tax policy, the GE economists predict a capital gap of $50 billion a year, unless industry is to go even deeper into debt.

Chase Econometrics has estimated that it would require a total of $4.6 trillion investment over the next decade to return the rate of increase in productivity to the levels which were obtained in the 1947–1966 period. Chase also estimated that, given the present tax regulations and policy, the total amount of savings will be around $4.2 trillion. This results in a gap of $400 billion, which coincidentally is the size of the additional revenues accruing to the government sector under a higher growth of GNP. Thus, if the federal government is willing to return this extra $400 billion in revenues to the corporations, the economy will be able to generate enough investment to regain a level of growth in productivity of 3% per year.

As noted before, the estimates of gross private domestic investment needed over the next decade have generated lively debate and skepticism about the validity of the forecasts. In order to assess whether these numbers are realistic, we take simple trend extrapolations of constant-dollar investment using an annual growth of 3.5% for real investment and a rate of inflation of 5% per year, and obtain $3.9 trillion. When we assume higher rates of real growth (4%) and inflation (6%), the total amount of investment reaches $4.5 trillion. Based on these extrapolations, it is not unreasonable to state that the capital requirements over the next decade will be about $4–4.5 trillion. Similar to the studies cited above, most estimates fall in this range.

Of the more than $4 trillion of estimated investment requirements, the broad energy sector (petroleum, gas, coal, electric utilities, synthetic fuels, and nuclear) will require the largest bulk outside of the housing and agricultural sector. The energy sector's cumulative investment requirements amount to $824 billion, or 18.3% of the total according to the NYSE study. A detailed breakdown of total investment requirements by each industry group is shown in the table below. The importance of the energy sector can be found not only in terms of absolute dollar amounts but also in the annual rate of growth of its investment needs. Capital spending in the energy industry is expected to increase 13% per annum, while the overall average for all other industries will be 10%. In view of the nation's desire for energy self-sufficiency through increased supply of fossil fuels and the development of alternative sources, a vigorous investment demand by the energy industry is both expected and necessary. In fact, taking into consideration these large energy capital needs as well as the capital required to meet environmental goals, capital requirements for the future may be well above the simple trend extrapolation estimates cited above.

TABLE 9.—PROJECTIONS OF CAPITAL SPENDING BY SECTOR, 1974–85

	Billions of current dollars	Percent of total
Plant and equipment spending	$2,568	57.0
Petroleum, gas, coal, synthetic, fuels, and nuclear	424	9.4
Electric utilities	400	8.9
Basic materials (iron and steel, nonferrous metals, stone clay, glass, rubber, paper, and chemicals)	328	7.3
Transportation and transportation equipment	225	5.0
Communications and service	772	17.1
Other	419	9.3
Residential construction	1,085	24.1
Agriculture and change in inventories	850	18.9
Total private and domestic investment	4,503	100.0

Source: The New York Stock Exchange, the Capital Needs and Savings Potential of the U.S. Economy, September 1974.

While agreeing on the importance of capital formation, some economists contend that the economy will not be faced with a capital shortage. They acknowledge that our capital requirements will indeed be large, but argue that the amounts are not out of line with past saving and investment ratios in periods of high employment. Data Resources Inc. has estimated the rates of interest that will be required to finance a $4.4 trillion investment for the period 1975–1985. They predict the cost of financing will be high in 1980 to 1985, but conclude that the projected capital expenditures can be met without a shortage crisis. Several highly optimistic assumptions are critical to their conclusion: a moderate speed of recovery to generate large flows of saving, a stable monetary policy, a reduction in the government deficits, and no severe inflation.

Similarly, according to a recent study by the Brookings Institution, capital formation needs through 1980 could be met if the federal government reversed its persistent budget deficits and shifted to a surplus position as the economy regained strength. The amount of the surplus needed was estimated to be about 1% of GNP if unemployment were reduced to 5%. They argue that, since this surplus is within the capabilities of our present fiscal system, special efforts to revise the present tax system would not be necessary to induce more saving in a high-employment economy.

This argument ignores how much business has been financially weakened by the events of the past decade and how this predicament hampers future business growth. Even if it could be shown that the future investment requirements are in accordance with the past rates of investment, these numbers themselves say nothing of possible difficulties in meeting these investment requirements.

VI. "CROWDING OUT"

We have alluded to the much discussed matter of the federal government's potential for pre-empting resources that otherwise would flow to the private sector—"crowding out," as it is known. It is our contention that this is not only a present danger but an established fact. In this connection:

1. Inflationary federal deficits and a more-often-than not accommodating monetary policy are largely responsible for the strains on the capital and money markets over the past five years.

2. Only through assumption of a massive debt burden has the private sector been able to maintain non-residential fixed investment as a relatively constant share of Gross National Product through 1974.

3. The structure of corporate balance sheets clearly shows that this debt burden is unsustainable and business cannot finance the future growth in capital investment through this means in anywhere near the proportions of the past decade.

Thus, "crowding out" is beginning right now, and assorted budget projections—both for the budget itself and off-budget federally supported lending—offer scant—if any—hope of relief from it. If nothing occurs to change either the investment/consumption relationship or the investment/government spending and lending relationship, the following scenario is the most likely:

1. Continued economic recovery for a year to eighteen months;

2. An increasingly severe capital shortage as this recovery matures;

3. The distinct possibility of a severe recession in 1978–1979 as private investment is choked off; and

4. From about 1977 into the 1980's low or negative rates of productivity growth and the same pattern for real wages.

REVENUE SHARING IN MARYLAND

Mr. BEALL. Mr. President, as a strong supporter of Federal revenue sharing, I am deeply disappointed that the Congress has not moved more expeditiously on renewing this essential legislation. Last week, those of us in the Maryland delegation in the Congress met with many local officials from the State of Maryland, and they emphasized to us in no uncertain terms the necessity for the Congress to pass revenue sharing legislation as early as possible this spring.

This timetable is critical in order to assist local governments in finalizing their budgets for the 1977 fiscal year. As my colleagues know, revenue sharing will expire on December 31, 1976. Without early reenactment, recipients will be unable to include any revenue sharing in their fiscal year 1977 budgets, which are now being prepared. In short, the discontinuity of revenue sharing funds resulting from the failure of Congress to reenact this program will only serve to compound the fiscal problems now facing the local government in the country.

In order to evaluate the impact that this discontinuance of revenue sharing would mean to municipalities in my State. The Maryland municipal league recently conducted a survey of municipal officials. I ask unanimous consent that a copy of their survey be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered. (See exhibit 1.)

Mr. BEALL. Mr. President, 96 percent of the responses indicated that the termination of revenue sharing would mean either an increase in local taxes or a cut-back in municipal services. In order to maintain current services without revenue sharing, property tax increases of up to 10 cents would be needed in 29 percent of the municipalities. 11 cent-25 cents in 41 percent of the municipalities, and tax increases of over 25 cents in 25 percent of the municipalities. If municipalities maintain their current tax rates while revenue sharing was ended. Most municipalities would need to reduce or eliminate a combination of services, especially in public works, capital improvements and public safety. A number of cities would also be forced to cut more specialized services, such as recreation, community library facilities and health and environmental protection.

Mr. President, although this survey was confined to the State of Maryland, I am sure that it is typical of the plight of municipalities throughout the Nation if revenue sharing is not promptly reenacted. Many bills are now pending in the Congress to renew revenue sharing. I happen to be a cosponsor of both S. 1625, the administration's provisions to extend revenue sharing, and also, S. 11, which would make revenue sharing permanent with automatic funding, "inflation-proofing" of funding by making entitlements a percentage of Federal adjusted gross income, and giving greater flexibility to local governments. In any case, it is absolutely imperative that we in the Congress move immediately on revenue sharing.

EXHIBIT 1

GENERAL REVENUE SHARING SURVEY OF MARYLAND MUNICIPALITIES

(Prepared by the Maryland Municipal League)

SUMMARY *

1. "If Federal Revenue Sharing were not reenacted by Congress, what would be the fiscal impact on your municipality?"

a. Increase Taxes: 22 cities.
b. Cutback Services: 25 cities.
c. Increase Taxes and/or Cutback Services (undecided): 23 cities; 96%.
d. Minor Impact: 3 cities; 4%.

2. "If you tried to maintain current services, how much would your property tax need to be increased to make up the revenue shortfall?"

a. 0: 3 cities; 5%.
b. 1–10¢: 18 cities; 29%.
c. 11–25¢: 26 cities; 41%.
d. over 25¢: 16 cities; 25%.

3. "If you tried to maintain the current tax rate, what services would have to be reduced or eliminated?"

a. Combination of Services: 23 cities; 34%.
b. Public Works: 17 cities; 25%.
c. Capital Improvements: 13 cities; 19%.
d. Public Safety: 8 cities; 12%.
e. None: 4 cities; 6%.
f. Other Services: 3 cities; 4%.

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* NOTE.—All survey responses should be considered tentative since no formal budgetary decisions have been made by municipal governments. Nonetheless, this survey should still provide a useful insight into the impact of the failure to reenact Revenue Sharing.

It should also be noted that the impact of Revenue Sharing can be more readily identified in smaller municipalities, since these governments generally have fewer options in the manner which they raise and allocate their revenues.

EXHIBIT 1

GENERAL REVENUE SHARING SURVEY OF MARYLAND MUNICIPALITIES

Municipality	Current annual revenue sharing allocation (E.P. 6)	Question 1: Impact if not reenacted	Question 2: Tax increase needed to maintain services	Question 3: Service to be reduced if current tax is maintained
Allegany County:				
Cumberland	$631,800	City would need additional revenue	$0.50	Not determined.
Frostburg	77,100	Disastrous, all services would be drastically cut or eliminated	.43	Planning, community promotion, maintenance, purchases, garbage.
Luke	12,700	Minor		Basic services would continue with fewer repairs and purchases
Westernport	25,600		.10	Capital improvements.
Anne Arundel: Annapolis	537,000	City would need additional revenue	.50	Across the board cuts.
Baltimore City	26,270,900	Service cutbacks likely	.92	Not yet determined.
Caroline County: Federalsburg	24,600	Cutback in street repairs and capital improvements expenditures	.50	Capital improvements, streets, sewers, vehicles.
Carroll County:				
Hampstead	7,200	Defer capital improvements	.11	Restrict water usage and place a moratorium on new services.
Manchester	8,400	Town taxpayers would have to fund capital improvements		
New Windsor	4,500	Increase water bills to pay water indebtedness	.15	
Sykesville	9,200	Decrease services	.16	Police is the only service which could be reduced.
Union Bridge	8,500	Very bad. Services would be eliminated	.25	Reduced community center activities, public safety, and health.
Westminster	74,400	Reduction of capital improvements		Capital projects foregone, but normal services still provided.
Cecil County:				
Charlestown	3,200	Decrease in police protection	.20	Police protection reduced.
Elkton	90,300	Financial crisis due to the need for a tax increase	.40	Reduced police patrol, street repairs, public works, and less frequent trash collection.
North East	17,900	Tax increase or reduced services	.25	Police protection (3 officers) would be eliminated.
Perryville	26,700	The impact would be great		Reduced street repairs.
Rising Sun	8,200	Tax increase which would cause a hardship for those on fixed incomes.	.15	Reduced police.
Charles County:				
Indian Head	12,600	Water service charges would increase 5 to 10 percent	Service charge.	Affects only water.
La Plata	27,700	Raise taxes	.30	Police, code enforcement, and road maintenance.
Dorchester County:				
Cambridge	222,900	Disastrous—revenue sharing finances capital improvement and allows city to balance budget.	.19	Reduced trash and garbage collection.
Hurlock	10,300		.25	Capital improvements reduced.
Vienna	3,100	Discontinue some present services	.30	Possibly reduce some street lighting.
Frederick County:				
Brunswick	66,800	Minor	None	None.
Frederick	512,400	Raise taxes or cut services	.34	Reductions in general government, public safety, streets, recreation, sanitation, and waste removal.
Middletown	7,000	None	None	None.
Thurmont	33,100	Tax increase or else capital improvements cut out	.22	Capital programs reduced.
Garrett County:				
Grantsville	2,900	Tax increase or reduced services	.15	Reduced garbage collection or street maintenance.
Oakland	35,300	Tax increase would be necessary	.30	All services would be reduced.
Harford County:				
Aberdeen	106,300	Tax increase or reduced services probably both	.25	Public works reduced.
Bel Air	63,300	Devastating	.07	Reduction in police, public works, planning and administration.
Havre de Grace	76,100	Would be unable to meet current budget	.30	Reduced street and police work.
Kent County:				
Betterton	4,500	Increase water and sewer rates by 20 percent	.10	Reduced street maintenance.
Millington	6,200	Increase taxes	.35	Sewer plant operator.
Rock Hall	10,000	Revenue shortfall	.25	Reduce police by one man.
Montgomery County:				
Brookville	600	Serious-Revenue sharing provides 6.7 percent of total revenues	.10	Reduction in maintenance and snow removal.
Chevy Chase Village	9,400	Would raise taxes	.10	Decrease in police.
Gaithersburg	63,200	Some capital improvement reductions		Cut capital improvements.
Garrett Park	5,300	Tax increase	.10	Street leaf pickup cut.
Laytonsville	1,300	Tax increase	.03	Garbage collection reduced.
Poolesville	1,500	Reduced parklands	.03	Drastic reduction in parks and playgrounds.
Rockville	315,400	Loss of revenues	.04	
Somerset	5,400	Tax increase	.04	Street maintenance cut.
Washington Grove	3,000	Cutback, capital improvements	.05	Less capital improvements.
Prince Georges County:				
Berwyn Heights	16,200	Belt tightening		Reduced recreation and road maintenance.
Bladensburg	32,400	Tax increase	.08	Decreased public safety and public works.
Bowie	156,600	Loss of revenue		
Brentwood	19,900	Would halt the sidewalk and street improvement program	.14	Would curtail street, sidewalk and curb improvement programs, also refuse collection and recreation equipment program.
Capitol Heights	26,500	Disaster	.25	All services would be reduced.
Cheverly	29,000	Defer capital improvements		Defer capital improvements.
College Park	128,600	Very serious—would result in a tax increase	.14	Eliminate capital equipment replacement program, curtail refuse.
Colmar Manor	7,500	We cannot increase taxes due to current heavy load	.20	Decreased sanitation and public safety.
District Heights	33,500	Decrease services	.14	Decreased public safety and capital improvements.
Eagle Harbor	350	Decrease services	.12	Less street repairs.
Forest Heights	14,900	Decrease services	.15	Street work curtailed—operate with inadequate number of employees.
Greenbelt	81,300	Cutback or tax increase	.15	Reduction in police, parks, recreation, streets.
Hyattsville	76,300	Revenue loss	.10	Unknown.
Landover Hills	10,400	Revenue loss would be disastrous	.15	All services would suffer.
Laurel	98,500	Revenue loss	.14	Unknown.
Mount Rainier	33,900	Raise taxes to maintain services	.05	Reduced curb and sidewalk repair and less police equipment.
New Carrollton	59,100	Possible tax increase	.09	Fewer street repairs.
Riverdale	28,500	Revenue shortfall	.20	Decreased police.
Seat Pleasant	32,600	Catastrophic	.17	Less for administration, public works and maintenance of parks.
University Park	12,700	Increase in property tax	.10	Reduced police, sanitation and health services—which are at minimum levels.
Queen Annes County:				
Centreville	11,800	Increase water and sewer charges	(1)	Affects only water and sewer.
Sudlersville	2,200	Reduction in services and increased property tax	.10	Reduced library services.
Talbot County:				
Easton	76,300	Reduced services		Reduced public safety and public works.
St. Michaels	30,000	Elimination of planned projects		Cancellation of plans to improve streets and sewer plant.
Washington County: Hagerstown	585,000	Tax increase or drastic cutback in services	.45	Decreased fire, streets, police, parks and planning.
Wicomico County:				
Delmar	17,500	Increased taxes	.50	Police would be cut greatly.
Fruitland	20,000	Reduced services	.05	Loss of 1 policeman and reduced storm drainage work.
Pittsville	2,100	None	None	None.
Salisbury	416,500	Cease most capital improvements and either raise taxes 40 percent or lay off 10 percent of city's work force.	.40	Reduce garbage collection, street repairs, police and fire.
Worcester County:				
Berlin	31,200	Unbalanced budget, decrease in capital expenditures, increase in taxes and hardship on all citizens.	.41	Reduce operating and capital expenditures in public safety and recreation.
Ocean City	63,800	Possible cutback in capital improvement		Some capital improvement.
Pocomoke City	80,500	Tax increase-revenue sharing represents over 15 percent of regular budget.	.60	Decreases in street repairs, fire department equipment capital improvement and new vehicles.

LEADERSHIP CONFERENCE ON CIVIL RIGHTS HONORS SEN. PHIL HART

Mr. MUSKIE. Mr. President, last Monday night, our colleague and my good friend, Senator Phil Hart, was honored by the Leadership Conference on Civil Rights as part of that organization's 27th annual board meeting.

I had the good fortune to attend and to hear the senior Senator from Massachusetts, Ted Kennedy, give eloquent tribute to Senator Hart for his tireless efforts to advance the cause of civil rights in this country.

It was proper that the Leadership Conference on Civil Rights give special recognition to Phil Hart. The organization is made up of 135 national civil rights, labor, religious and civic groups, pledged to work for the enactment of civil rights and social welfare legislation. For his part, the senior Senator from Michigan has not only shared those goals, but worked tirelessly to see them achieved. As Ted Kennedy put it, "he has spoken for the finest reams of the human spirit."

Mr. President, with congratulations to my friend from Michigan, I ask unanimous consent that Senator Kennedy's remarks be printed in the Record.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

Address by Senator Edward M. Kennedy at the Testimonial Dinner for Senator Philip Hart of the Leadership Conference on Civil Rights

I am pleased to join with so many distinguished Americans this evening to pay tribute and to express our deep personal regard for Phil Hart.

First let me thank Roy Wilkins for his kind words of introduction. For so many years and through so many battles, Roy Wilkins has stood above the crowd leading both black and white America toward the vision of a just society. The NAACP and the Leadership Conference will miss his guidance and inspiration. And the nation can never repay him for a lifetime of dedication and commitment to equality in this land.

Those who have spoken before me—Andy Biemiller, Clarence Mitchell, Joe Rauh and Leonard Woodcock—already have expressed the admiration, the respect, and the affection that we feel toward Phil Hart.

Many of them, and many of the people in this room walked with him as Lieutenant Governor and have known his courage. Many of you in this room have walked with him as U.S. Attorney and have known his commitment to justice. And many of you were at his side in the Senate before I came to Washington and have known his determination to awaken this land to its own ideals.

But I yield to no one in affection and respect for Phil Hart and the mark he has made on the conscience of the Senate and the conscience of America.

The poet Keats wrote of those "who feel the giant agony of the world, and more, like slaves of poor humanity, Labor for mortal good . . ."

And that has been the labor of Phil Hart for 18 years in the Senate and throughout his career of public service.

So many times and in so many ways, Phil Hart has called out to the best within us. He has not spoken for his state alone. He has not spoken for his nation alone. He has spoken for the finest dreams of the human spirit.

While Phil Hart led the struggle to enact the great civil rights landmarks of the past decade—the Civil Rights Act of 1964, the Voting Rights Act of 1965, and the Open Housing Act of 1968—he was not doing it only for black America. He was doing it because he believes that this nation cannot fulfill its destiny divided against itself.

He felt the deep hurt within this land—the searing wound on America's conscience of segregation, the bitter contradiction between the Fourteenth Amendment and Jim Crow laws and the distortion of our nation's ideals by racism.

Those who rode the buses into the South, those who were being arrested marching into Birmingham, those who walked hand-in-hand before armed troopers in Selma—they were the true descendants of Jefferson, the bearers of our heritage and our future.

I remember how Phil Hart spoke in the Senate. He spoke for the young men and women who dared to challenge a system of fear. He spoke for Medgar Evers, for four young girls in Birmingham, whose names never made the front pages or the nightly news programs.

He said, "This is not a proposal to take basic rights away from anybody; but, it is to insure that basic rights are accorded to those, who, for a hundred years, have been promised them and to this moment find themselves denied . . ."

President Kennedy had turned to Phil Hart to help manage the drive for the first Omnibus Civil Rights Act and Lyndon Johnson turned to him to complete that work in 1964. And he turned again to Phil Hart to direct the struggle that yielded the Voting Rights Act of 1965.

We cannot forget those years and the revolution they marked in this land.

More than any one person in Congress in those years, Phil Hart was a missionary for Civil Rights. And he fulfilled his mission well. Phil Hart was the one to interpret those years to his colleagues, to help us understand the depth of unrest in this land, to translate the demand of President Kennedy that "the time has come for this nation to fulfill its promise," to bring us nearer to the cry of the Reverend Martin Luther King "free at last, free at last . . ."

He understood too that passing a law was not the final answer. Just before the first major bill was passed in the Senate, he said: ". . . the verdict ultimately is with the people of this country. It is the day-to-day conduct of each of us which will write the final chapter to the Civil Rights Act of 1964.

"Every American should be judged as an individual, by our individual merits—and not, while we are still 50 feet away, by the color God gave us."

And so Phil Hart helped lead the march to help black Americans check into this country's hotels. But that's not all he did. Since then, he has kept us marching, to make sure that black Americans have enough in their pocketbooks when its time to check out of those hotels.

Phil knows it makes no sense to enact laws to safeguard personal and civil rights unless we also move vigorously to enforce those laws.

What sense does it make to have affirmative action programs on equal job opportunities, when there are no jobs for blacks, and when the skills for those jobs lie far outside their reach.

Phil Hart quietly demanded of his colleagues that they look at the nation, that they look and that they ask themselves, "Is it fair?"

Is it fair that a child growing up black in the ghettos of our cities is more likely to drop out of high school than to graduate from college?

Is it fair that any young child should know no home except the next migrant camp?

Is it fair that a child born on an Indian reservation may not see a doctor for the first six years of his life?

Is it fair that a white child's future in Appalachia is limited to the hollows his father, and his father before him, have struggled to escape?

Is it fair that any child's future should be limited by the color of his skin, or a Spanish lilt to his name or to the sharing of an Indian heritage?

Phil Hart asks those questions. He asks them softly. But he asks them with irresistable logic and persistance. And he asks them with quiet force, with understanding and with compassion. And more than any other Senator in my time, he has been listened to.

For two centuries, civil rights in America rested on the elimination of laws and policies that were deliberately engineered to discriminate, to oppress and to deprive. For the third century of American history, civil rights for the minority will be the only way to guarantee protection of human rights for everyone in this nation.

America's heritage rests upon the noble vision that all men are created equal.

Historians of the future will wonder about the years we have just passed through. They will ask how it could be, a century after the Civil War, that black and white had not yet learned to live together in the promise of this land. They will ask, what sort of country was it, that drove a great and sensitive black American named Paul Robeson, to think he could find greater freedom in the Soviet Union than in the nation of his birth?

Phil Hart has carried high the banner of civil rights throughout his long tenure in the Senate. He has carried equally high the banner of civil liberties.

This is a nation of dissenters—from the earliest religious outcasts our security and our freedom depend on how well we protect the right of individual dissent.

Phil Hart understood that cause. He would be found on the mall in Washington listening to the Viet Nam veterans who protested a country engaged in an immoral war and therefore at war with itself.

His was a voice calling for an end to the war before it was the popular course. His was a voice calling for recognition of conscientious objection to that war—so that an individual could be true to himself and his beliefs. His was a voice asking that those who suffered from a decade of war—veterans and exiles alike—be enabled to contribute to this society. For, they are all victims.

Phil Hart has challenged those who would use the instruments of illegal force, even though they wear the uniforms of the law. FBI and CIA illegal excesses endanger the liberty of us all. Phil Hart knows it, and he is working now to defend the individual against the unbridled use of state power.

Young Blacks in the South and Chicanos in the Southwest who will go to the polls this November—and many of the several thousand black elected officials and the several hundred Latino-elected officials—let them know the debt owed to Phil Hart.

Others who break through the barriers of housing discrimination—let them know the debt.

Children who obtain a decent education they could never have had before—let them know the debt as well.

The advances for black and brown Americans over the years that Phil Hart was in the Senate are large. They are the product of tears and suffering and pain—men and women and children who each gave of themselves—sometimes giving their lives—in the struggle for freedom and equality.

Phil Hart was there too. Not alone and not by his efforts unassisted, but Phil Hart was there. And it was important that he was there, because he was irreplaceable.

However, while we can see landmarks along the course of the civil rights struggle and the great distance travelled, we have not yet reached our destination.

There is a continuing crisis in America today, a crisis measured by the gulf between the minorities and the majority culture in education, in jobs, in housing, in health, in income.

We cannot fail the challenge to provide economic security to 8 million jobless workers, 12 million welfare mothers and their children and hundreds of thousands of inner city youngsters who have never had a decent job.

We cannot turn away from the challenge for equal education and quality education. Phil Hart did not turn away when that challenge came to Detroit. I will not turn away in Boston. Nor can we turn from that commitment anywhere in this land.

In an early draft of the Declaration of Independence, Thomas Jefferson wrote a section condemning the violation of liberty and human dignity of persons captured in the slave trade—the ancestors of black Americans. The Continental Congress struck this section from the final draft.

And so those words were not proclaimed on July 4, two hundred years ago. But now we can put it back, at least in practice, and in our hearts, as we celebrate the document that began our Revolution.

For if we seek justice for ourselves, then we must demand it for others. If we seek equality for ourselves, then we must demand it for others. For none of us shall enjoy those precious fruits of our heritage in the future—unless all of us enjoy them together.

Carl Sandburg wrote: "To the question, What will the story be of the Family of Man across the near or far future? Some would reply . . .

"There is only one man in the world, and his name is All Men.

"There is only one woman in the world, and her name is All Women.

"There is only one child in the world, and the child's name is All Children."

Phil Hart understood those words. He has lived them in the Senate for the past 18 years. I know he will live them in private life as well. And we stand in his shadow and in gratitude for the vision of justice he has given us. For all that and much more, we honor him this evening.

SALUTE TO THE PEOPLE OF THE UKRAINE

Mr. ROTH. Mr. President, our Bicentennial year is also the 58th anniversary of the independence of the Ukraine. This anniversary can be celebrated openly in the United States by thousands of Americans of Ukrainian descent. Tragically, it can be remembered only secretly in the Ukraine because after 3 short years of freedom, the brave Ukrainians were overwhelmed by invading Soviet forces.

With nearly 50 million people, the Ukraine is one of Europe's largest nations. It has a rich cultural legacy as a cradle of civilization in Eastern Europe. For more than a half century, Soviet authorities have sought to eradicate the Ukrainians' sense of a separate history and their aspirations for freedom. But, as recent trials of Ukrainian intellectuals only confirm, the spirit of the Ukrainians remains strong.

Beginning a hundred years ago, the Ukraine has contributed many thousands of emigrants to the United States. There are Ukrainian communities in all 50 States, and Ukrainian Americans have made unique and important contributions to American society.

On the 58th anniversary of the Ukraine, I join the many Ukrainian Americans in Delaware in saluting the proud people of the Ukraine. I am confident that their aspirations will one day be reality.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, January 22, the Senate ratified the United Nations convention on the political rights of women. It is indeed gratifying to see approval of such an important guarantee of basic human rights, and I applaud this action.

However the Senate continues, after 27 years, on its course of inaction with regard to the United Nations Genocide Convention. Genocide is not a currently visible topic of discussion, yet its denouncement is certainly no less important to the cause of human rights than the equality of women.

Genocide is perhaps the most heinous of all crimes. Its perpetrators have been responsible for the wanton death of millions of persons in the 20th century alone. This Body's continued refusal to ratify the Convention shows indifference toward the rights of human beings to exist—a right too basic to deny anyone. Our failure to act upon this treaty after we fought for its approval in the United Nations 27 years ago contravenes the spirit of our Constitution and its commitment to equal rights and opportunities for all.

We stand aloof from this international treaty. And yet this Nation assisted in the drafting of it. This course of inaction gives ammunition to our detractors, and is completely incomprehensible to our friends. We have denounced the crime of genocide, and we wish that it may never again occur. Yet we continually decline to ratify this Convention which would put into action the very concepts that we favor as a Nation.

Mr. President, in order to give credibility to this Nation's strength of conviction and leadership in insuring the equal rights and opportunities of all people, it is of great domestic and international importance that we ratify the United Nations Genocide Convention. We cannot delay this action any longer, and there is no more appropriate a time to do so than during our Bicentennial year, when we are attempting to renew our country's freedom-loving spirit.

FHA/HERO WEEK

Mr. MUSKIE. Mr. President, Ms. Leora Mitchell, State president of the Maine Future Homemakers of America, wrote recently to inform me that the week of February 8–11 has been designated National FHA-HERO Week. In her letter, Ms. Mitchell sets forth the purposes and benefits of this organization, and to share this with my colleagues, I ask unanimous consent that her letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JANUARY 13, 1976.

Hon. EDMUND S. MUSKIE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MUSKIE: The week of February 8 through 11, 1976 has been designated National FHA/HERO WEEK. Since one of the primary goals of Future Homemakers of America is to explore the multiple roles individuals play in family, community and career life, we have selected the theme REACHING OUT THROUGH VOCATIONAL EDUCATION.

There are 850 FHA and HERO members in 45 chapters in Maine.

We would appreciate it if you could find an opportunity to call attention to NATIONAL FHA/HERO WEEK in any radio or television broadcasts, newsletters or speeches you may be making during these dates.

We observe NATIONAL FHA/HERO WEEK because we are proud of our organization and wish to develop a public awareness of its value to young people. As a part of the home economics education program, FHA makes learning mean something tangible and affords us opportunities to make direct contributions to society. Belonging to the organization keeps us involved in activities which benefit us not only as individuals but as family and community members, serving as a bridge between the classroom, the home and the community.

Very truly yours,
LEORA MITCHELL,
FHA State President of Maine.

FOREIGN POLICY VIEWS FROM CITY HALL

Mr. PERCY. Mr. President, this morning two very distinguished mayors stepped aside from the firing line of local government to provide the Senate Foreign Relations Committee valuable viewpoints concerning the U.S. role in the world today.

Mayor Abraham Beame of New York City and Mayor Moon Landrieu of New Orleans, along with Mayor Richard Hatcher of Gary, Ind., who was unable to attend at the last minute, but who submitted a written statement, appeared in one of a continuing and important series of Foreign Relations Committee hearings titled, "Foreign Policy Choices for the 70's and 80's."

I sincerely commend committee Chairman JOHN SPARKMAN, under whose aegis the hearings are being conducted, and his close associate in this series Senator CLIFFORD CASE, the committee's ranking minority member. We are also indebted to George Kroloff, a member of the staff of the Foreign Relations Committee, for his constructive role in organizing these hearings. They conceived these hearings as an attempt to step back from the daily rises, emergencies and issues of immediate urgency and take a long-range look at the issues before us. They are asking, "What kind of a Nation and a people do we want to be?"

I am pleased to hear that Secretary of State Kissinger is scheduled to be a witness in this series on March 3 to lay out his blueprint for America's future foreign policy. His statement will be important to the people of our country and the people of the world.

In the questioning that followed the Mayor's formal presentations we were able to clearly point out the inter-relationships of domestic and foreign policies as well as the interdependence of the world.

For instance, even though I was a firm opponent of the development of an SST by the United States, I am an equally firm believer that the French/British Concorde should, on a trial basis and under very strict environmental monitoring, at least be able to land in this country. Concorde is a symbol in many ways of a "concorde" that has developed between Great Britain and France. I think we, as a Nation, would be very upset if European nations were to deny landing rights to an important new airplane development of ours. It is an important foreign policy matter.

Mayor Beame noted the serious problem Concorde presents to areas of dense population but he thought it would be neither unwise nor unfair to allow the landings, if there were firm standards. Also speaking for proper standards, Mayor Landrieu said he thought it would be a mistake to deny Great Britain and France their request.

I bring this one point, of several made during the hearings, to the attention of the Senate because today's hearing once again highlighted the fact that all the best ideas about foreign policy do not necessarily emanate from Washington.

The view from city hall is indeed enlightening.

With that in mind, I ask unanimous-consent that the useful and worthwhile statements of Mayors Beame, Landrieu and Hatcher be printed in the Record.

There being no objection, the statements were ordered to be printed in the Record, as follows:

Statement by the Hon. Moon Landrieu

Mr. Chairman, I am Moon Landrieu, Mayor of the City of New Orleans and President of the United States Conference of Mayors. I thank you for your invitation to participate in this unusual hearing which is part of an unusual series of hearings wherein you are seeking views of foreign policy from leaders who are not included in the traditional foreign affairs "establishment."

I join those who have preceded me in this series in applauding your underlying rationale, and I even suggest that you take innovation one step further. In addition to exposing yourselves to "non-establishment" views by holding hearings here in Washington, why not expose the public to "establishment" views by holding field hearings around the country? There is a great deal of confusion among Americans as to what our current foreign policy is. Field hearings by this committee would give local opinion makers a little better insight into our foreign policy objectives.

So much for my suggestion. Permit me now to turn to the context within which I see this current series of hearings. At this point in our history this Committee has a rare opportunity to assert its role in foreign policy—much as the Congressional Budget Committees are already doing in the budget field. The input which you are getting from Mayors, Governors, church leaders, labor leaders, business leaders will all be for naught if the result is not policy that informs, guides, even controls, what really goes on in our relations with the rest of the world. Programs, projects, and tactics should form from policy; *not the other way around.*

I can illustrate the sad result of what happens when this sequence is not followed by using a domestic illustration which is very familiar to the distinguished Chairman of this Committee. For many years Senator Sparkman served with distinction as the Chairman of the Committee on Banking, Housing and Urban Development. He well knows that throughout these years Mayors were talking themselves hoarse calling for a National Urban Policy. In the absence of a National Urban Policy the Congressional Committees charged with responsibility for urban development discovered that they really had little to say about urban development. Instead, urban development was and still is shaped and controlled by factors such as highway programs, agriculture programs, water projects, and defense plant locations. Thus, by default we end up with an accidental, inadvertent, anti-urban, non-policy. It appears to me that we have a comparable phenomenon in the field of foreign affairs. Foreign policy seems to flow from international trade programs, military programs, foreign investment projects instead of the programs flowing from an over-all, comprehensive policy. Doesn't our government, for example, have determined for it what regimes to defend in what countries by where multi-national corporations have chosen to invest? (Presumably in the absence of any foreign policy guidance.) I am not a military expert, but could it be that outdated military programs are distorting foreign relations just as outdated highway programs are misshaping urban development? I don't have to be a military expert to know that they are distorting our national budget, and if it were also found that some of them are inappropriate instruments for a 1970's and 80's foreign policy, there would be no justification for them—either foreign or domestic.

Not surprisingly I find myself in agreement with Mayor Tom Bradley of Los Angeles. At the Pacem in Terris IV Convocation here in Washington in December, Mayor Bradley gave an outstanding address. In it he said, "An indelible domestic element should become the foundation of our foreign policy." When placing the Bradley address in the Congressional Record, Senator Kennedy said, ". . . to have a strong and effective foreign policy, we must also have a strong and effective domestic economy."

I realize how self-serving it must sound to you gentlemen to have a Mayor come before you and say that for our country to be healthy internationally it must first be healthy domestically. Or to say that we cannot be strong when our cities are sick. The validity of such statements is not dependent on what Mayors think. They are valid for two reasons—one is public opinion and the other is history. First, I have read what the public opinion analysts reported to this committee. I don't think any of them disagree with my observation that unless Americans have economic and personal security they tend to be isolationist. So if you expect the people to take an interest in and support whatever course you chart in foreign relations, you had better see that their domestic needs have been met. Second, I observe a close connection between domestic and foreign affairs in our country's history. When were we the most admired, the most respected, the most influential in the world? Wasn't it when our economy was growing, and government was popular and respectful of individual rights, and the quality of life of our people was improving with each generation and our cities were the hallmarks of our civilization? And haven't we lost that admiration, respect and influence as we have appeared unable to sustain prosperity and destroyed public confidence in government, and ignored the unemployed and failed to provide equal education for all races and mishandled the fiscal plight of New York City?

Mr. Chairman, in your letter inviting me to participate in these hearings, you asked me to answer a number of questions some of which I have already addressed. One of the remaining questions is, "What kind of a nation should we be among the family of nations?" My answer to that is: a nation that leads by example. We should be an example that the people and the leaders of the people in other nations want to follow. Not because of our war machine. Not because of espionage and intrigue. But because they appreciate our values and can see convincing evidence that a society based on such values can succeed. Values such as: An open society; a pluralistic society; popularly elected governments restrained by a Bill of Rights; civilian control of the military.

Convincing evidence such as success in solving problems of: Unemployment; degradation of the environment; recycling of cities; honesty and efficiency in government; Racism and sexism; Energy shortages.

If we were this kind of nation in the family of nations how would we behave? Because we understood the need for reform in our own economy, we would understand the need for changes such as land reform in other countries. Since we became a developed country partially through exploiting the natural resources of a virgin continent, we would understand a developing country's charging dearly for its natural resources and commodities in order to provide itself development capital. I realize that there are nations which have neither development nor valuable natural resources. I have no solution for these nations except that that is where a country which leads by example would concentrate its foreign aid program.

Mr. Chairman, in your letter of invitation you also asked what the important issues are for the future. I would list three:

1. The persistence and pervasiveness of hunger in the world.
2. The depletion of mineral resources.
3. The world-wide phenomenon of urbanization.

Secretary Butz in his testimony before this Committee was appropriately laudatory of the ability of American farmers to produce food. He was satisfied that given favorable economic and weather conditions, American "agri-power" can meet the commercial demand. It should be noted, however, that the poorest of the poor nations are in no position to generate commercial demand. With income increasing $900 per person per year over the next decade in the developed countries and only $3 in some of the developing countries, customers such as Russia and Japan will be able to afford food at market prices but some of the southern hemisphere nations will not. The Secretary of Agriculture proposes continued and increased emphasis on aiding developing countries through agricultural development. Certainly this approach must be pursued, but it may not provide results soon enough. In the short range I think we may have to provide food below market value. Americans need to reconsider our use of scarce fertilizer to grow crab grass on our lawns. We also need to consider whether grain shouldn't be used to feed people rather than cattle and hogs. In the family of nations do we want to be known as the nation that places a higher priority on its ability to eat steak and bacon than it does on the ability of Asians and Africans to eat at all?

The second issue for the future is how the world will manage its shrinking and finite supply of mineral resources. In using ⅓ of the world's energy for 6% of the world's population, the United States may have gone too far in substituting fossil fuel for manpower. The world has to get into a mode of determining the highest and best use for raw materials. If we are to lead by example we would not insist that use for our luxuries takes precedence over other nations' necessities. Other steps which would reverse our image as mindless exploiters would lie in the areas of conservation and recycling.

The third issue for the future is the worldwide phenomenon of urbanization. From the standpoint of American local elected officials, a very important event will take place in the middle of this year. On May 31–June 11, the United Nations is convening in Vancouver, Canada, the UN Conference on Human Settlement, also known as *Habitat*. Why have the nations of the world, acting through the UN, agreed to come together in a massive effort, with years of preparation, to talk about cities and their future? The reason is not complicated or hidden. Cities are the focal points of civilization. They are the centers of political, economic, social and cultural life. Over the 10,000 years of mankind's civilized experience, the most important single socio-economic force has been man's shift from the rural-agricultural way of life to the urban-industrial society. We are all familiar with the term urbanization, the flow of population from the farm to the city. It has had major impact in the U.S. At the time of the establishment of our republic, our population was 95% rural and 5% urban. In our 200 years as a nation we have moved from 5% urban to 75% urban. We may be nearing the close of our large-scale farm to city migration. In a large part of the world, in the developing countries, their urbanization is still in full swing. Their cities are choked with migrants from rural areas.

The United States will have a delegation at Vancouver. I think leaders of American cities can learn a great deal at *Habitat* from other developed countries as to how they handle urban problems such as pollution, transportation, housing rehabilitation, open space, unemployment, municipal financing, and so forth. Of course, if we had a National Urban Policy, which I mentioned earlier in my statement, we could go to Vancouver with considerably more pride and in the role of teacher rather than student.

Again, I thank you for inviting me to be with you this morning.

TESTIMONY FOR SENATE FOREIGN RELATIONS COMMITTEE

(By Mayor Richard G. Hatcher)

Chairman Sparkman, distinguished members of the Senate Committee on Foreign Relations, I am grateful for the opportunity to speak to you this morning. You are to be commended for commissioning this 10-month study and for attempting to take the pulse of the Nation, via representatives from Government, business, labor, education, and America's religious and urban communities. One need not be a foreign affairs expert to realize that the conduct of United States foreign policy affects each American citizen. You do well to consult them.

I address the committee today as a representative not only of urban America, but of black America. In many respects, the two are becoming increasingly synonymous. Keeping these two hats in mind, I have chosen to address myself to the relationship between this country and Africa, in particular, the African nations of Rhodesia, South Africa, and Angola.

Today, both Rhodesia and South Africa are ruled by white minorities. Whites comprise only 4% of the otherwise all-black population of Rhodesia. In South Africa, 18% of the population is white and 70% is black. The remainder is made up of Asians and various other national groups.

In both nations, black Africans are denied any voice in government. They are isolated—culturally, economically and physically—while an avaricious and tyrannical white minority controls their lives. Support of either regime, whether formal or through convoluted, back-door diplomatic channels, is support for racism.

In the late 1960's, sanctions were imposed by the United Nations on Rhodesia. The effect of these sanctions was to isolate that nation economically. Most countries observed and continue to observe these sanctions.

The Byrd amendment, passed by Congress in 1971, put a large crack in the cordon sanitaire that had been built around Rhodesia. That amendment allows the United States to purchase vital materials from Rhodesia.

In the first 10 months of 1973, this country purchased over $14 million worth of chrome, nickel, asbestos and other mineral products from Rhodesia. In the first 10 months of 1974, we purchased $45 million worth of like materials, a three-fold increase. Figures from 1975 are not yet available, but there is little doubt that the figures will be even higher. To me, this does not sound like an economic boycott. Instead, it sounds like an alliance with one of the most obviously oppressive and anti-black nations on this planet.

The flow of American dollars to and from South Africa is even greater. In 1974, this country sold some $1.2 billion worth of goods to South Africa. In the same year, we imported over $609 million worth of chrome, manganese, platinum, vanadium, and other mineral products.

In 1974, the level of United States investment in South Africa had grown to approximately $5 billion. The major American corporations with substantial operations there reads like the Fortune 500 list.

All the major oil companies, with the exception of Gulf, are present in South Africa, as are the Ford, General Motors, American Motors, and Chrysler Motor Companies. Others who have chosen to operate in South Africa include: Union Carbide, Westinghouse, General Electric, American Metals Climax, Honeywell, International Business Machines, Control Data, Minnesota Mining and Manufacturing, Park-Davis, Pepsico, Coca Cola, Playtex, Caterpillar Tractors, Colgate-Palmolive and the Dow Chemical Company. Overall, some three hundred large American corporations are present in South Africa today. These companies serve the same purpose the Krupp family served for Germany's Fuhrer—to bolster the economy of a racist, totalitarian regime.

According to members of the U.S. State Department, South Africa's Government intends, at some undetermined point in the future, to grant independence to various all-black sections of the country, while not formally a part of South Africa, these new states will retain close economic ties with their parent nation. South Africa itself, however, will not cast off its apartheid form of government. Racial justice there, is not to be accomplished. A new colonialism is instead the goal.

The United States, and its corporate empire, professes support for freedom and equality. Little more than lip-service is given to this concept. In truth, the economic might of this nation is used to strengthen the rotted pillars of South African society. Is it any wonder then, that in the United Nations we find ourselves confronted by a united anti-American third world bloc?

Is it any wonder that black Americans reasonably question this country's commitment to ending racism when they see American representatives joining the oppressor of their African brethren?

Foreign policy, as it relates to South Africa and Rhodesia, tells all people in this country—not just black or brown or poor—that Government talks of one set values and practices another. Credibility cannot and will not be restored until our actions and policies across the oceans coincide with our words and promises here on the American continent.

Of late, much attention, both international and domestic, has been focused on Angola. It is unclear at this point exactly how much money the U.S. Government has already spent backing the FNLA and UNITA factions in Angola. I have heard estimates ranging from $35 million to $50 million. The President and Secretary of State have not, as far as I know, made a public disclosure of the exact dollar amount. Regardless, one American tax dollar sent to Angola for war is one dollar too many.

The ease with which this administration, and the one that preceded it, sends American dollars overseas for foreign adventures is remarkable. This spendthrift foreign policy borders on the criminal when seen in the context of the administration's tight-fisted attitude toward allocating funds for American cities and the urban poor.

While the situations are not completely analogous, a parallel between Angola and the Southeast Asian conflict does exist. Both started out as civil wars. Both attracted the attention and commitment on the globe's two greatest superpowers. Both began with the promise of limited foreign involvement. The course that conflict now takes will in large part depend upon this committee and the full Congress.

The administration asks that more money be appropriated to aid the pro-U.S. Angolan factions. The administration asserts that such assistance will enable the UNITA and FNLA Angolans to overcome their adversaries. Just prior to the days when Americans were being air-lifted out of Danang and Saigon, this administration asked for an additional $700 million for Vietnam. I submit that another $700 billion would not have prevented the fall of Vietnam. I also submit that more American aid to Angola will not significantly change the course of history in that country either.

Neither Cuba nor the Soviet Union has denied a deep involvement in the Angolan civil war. It is no secret that Cuban soldiers are in the ranks of Angola's MPLA forces. Time may reveal, however, that in this instance, the tables have been turned.

Cuba and the Soviet Union may find themselves in a struggle that bleeds their citizens of much needed resources and commodities; that gives rise to domestic discord; that leaves pools of Cuban blood on foreign soil. That others choose to pursue a course of grasping expansionism, however, is not sufficient rationale for us to do the same.

No nation—neither the United States, Cuba, the Soviet Union, South Africa, nor the People's Republic of China—should involve itself in the Angolan conflict. It is a civil war and as such should be resolved by Angolan nationals. The United States, using detente or any other diplomatic means, should press for the immediate military and financial withdrawal of all foreign powers.

For the first time in 500 years, Angolans are free of white European rule.

For the first time in 500 years, Angolans have the opportunity to determine their own destiny.

For the first time in half a millennium, Angola belongs to Angolans.

We have no right, nor does any other nation, to forecably steal from them what they have had so fleetingly—true independence.

I do not advocate all-out isolationism. Nor do I think this country should shrink from its legitimate alliances and commitments. I do, however, think that our nation must employ more discretion, judgment and moral character than it has in the past when committing our national resources to foreign states.

We have no business supporting governments that are synonyms for racism and oppression.

We have no business providing U.S. technology and money to practitioners of apartheid.

We have no business involving ourselves in struggles that cannot possibly serve the larger interests of this Nation.

Foreign policy reflects the character of our country. Or, in simple language, we will be known, abroad and at home, by the government we support and the company we keep.

Testimony by Mayor Abraham D. Beam

I want to thank you for this unique opportunity to appear here today. By seeking out the views of a number of spokesmen not usually consulted on foreign affairs, you have helped encourage the enlightened view that the foreign and domestic issues confronting the American people are closely related.

Having spent my public career wholly in local government, my personal contribution on foreign affairs matters can be very modest indeed. Nevertheless, by virtue of my office as Mayor of the City of New York, perhaps I am well-qualified to stress these points:

First, no city is more internationally oriented than New York, both in the makeup of its population and the thrust of its economic activity. No distant famine or Third World revolution—or international soccer match, for that matter—takes place anywhere without arousing the emotions of at least some of our New Yorkers.

If there is an epidemic of isolationism sweeping this nation, my city has been immune to its effects. New Yorkers of every nationality would agree that the best interests of all their homelands require—more than ever—a positive and progressive American role in world affairs.

Second, the recent New York City financial crisis, and the worldwide attention it aroused, has underscored more clearly than any other recent national development the inseparable relationship between American policies at home and our image in the world community. Throughout the past year, we have been made acutely aware that foreign observers regard Washington's response to our financial crisis as a major test of the viability of the American system of government.

In the past year, I have spoken with scores of foreign journalists and diplomats in New York about the City's financial difficulties. Virtually all of them, regardless of their country of origin, felt that the New York fiscal dilemma was not an isolated accident, but an early and ominous expression of a deepening domestic crisis in America.

The threat of financial and social catastrophe in the nation's largest city provided a vivid lesson concerning the need for a coherent national urban policy.

Furthermore, I am convinced that the reluctance of many Americans to support federal assistance to New York stemmed from a sense of confusion and indecision about the role of the nation's troubled cities in the years ahead.

Similarly, public skepticism towards United States involvement in specific foreign developments—such as the Angola conflict or the pursuit of detente—stems largely from the inability of the American people to fathom any consistent U.S. approach to foreign affairs.

My hope is that New York City's brush with disaster is dramatically demonstrating that the nation cannot afford to put off any longer the implementation of comprehensive and adequately-funded programs to reverse the decline of our cities and tackle head-on the chronic problems of unemployment and economic instability.

Today, our domestic policy is our foreign policy. If this nation fails to solve its social and economic problems at home, it cannot succeed in winning its aims abroad.

Indeed, every one of the major world powers faces serious domestic problems, and the success of their foreign policies will depend on their successes at home.

This is so because the ascending ideology in the world today—the new "ism," so to speak—is pragmatism. Most national leaders, faced with enormous problems in their home countries, are watching intensely the domestic programs of the leading communist and non-communist countries. The superpowers will be judged less by their diplomatic initiatives than by their relative success at home in achieving the universal aims of national development, economic stability, and social justice.

The United States, the world's richest and most democratic nation, is nevertheless perceived abroad as a land of persistent and disturbing inequities. If we cannot demonstrate our ability to overcome our chronic economic and social problems, few nations will remain allied with us, and fewer still will emulate our form of government.

In its domestic and foreign initiatives, the government of the United States is perceived both at home and abroad as lacking in direction and purpose. Increasingly, the American people are realizing that the economic costs of such a vacuum of policy in our national and international life cannot be tolerated.

As is true of most public policy discussions, the most fundamental questions involve economics. Just as we in New York have learned through painful experience, the American public is also learning that there is a limit to our resources and that unlimited spending cannot continue.

The relationship between our domestic aspirations and our foreign commitments is clearly shown by the dollar impact that foreign policy decisions have on the Federal budget and the national economy.

Defense spending, which is shaped in large measure by diplomatic objectives, constitutes approximately one-quarter of the Federal budget. I might note that in the President's proposed budget, defense is the only major program in which he asks for increases to reflect inflationary trends.

In an era of pressing domestic needs, defense spending has come under increasing scrutiny by this and other Committees of the Congress and the full House and Senate. Even so, the defense budget is not adequately debated across the country and the effectiveness of recent Congressional cuts in achieving long-term economies in defense spending has been questioned.

According to a recent *Foreign Affairs* article entitled "Controlling the Defense Budget"—which I submit for the record—the author explains:

(The Congress) seeks short-term economies by reducing the number of weapons purchased in a single year, without changing the total number in the program. It slows down development programs without killing the proposed new weapons altogether.

If present budgetary strategies continue, such a realignment (of priorities and costs) will take place not as part of an orderly and gradual reassessment of defense priorities, but as a slashing and largely indiscriminate response to fiscal pressures.

Perhaps I can put it one other way, in terms of the experience we mayors have had lobbying in Washington for aid to our urban areas. When the annual debate arises in Congress over defense spending, the Administration's request is usually the assumed level, and opponents have to start from the top down with the burden of proof for cuts. Yet with many urban assistance programs, we must start from zero, and we have the burden to prove we need or deserve anything.

I would like to cite one other area of foreign policy with a little-understood impact on the domestic economy: U.S. tax policies towards overseas private investments by American firms.

A recent *Washington Post* article disclosed that large American banks are paying smaller amounts in U.S. taxes and increasing amounts in foreign taxes. A study compiled by Congressman Charles Vanik shows the effective tax rate paid by the largest banks was 11.7% for 1974. First National City Bank derived 62% of its 1974 profits from overseas investments while Chase Manhattan derived 49% of its profits overseas. As a result, First National paid $161 million in taxes to foreign governments and only $48.4 million to the United States; Chase paid $61.7 million and $5 million respectively.

The problem here is not the actions of these banks, but our tax laws which encourage outflow of investment capital. This country provides one-third of all international capital funds, and naturally this has a significant effect on foreign relations.

Nevertheless, we should give greater weight to the domestic impact of this capital outflow, particularly when we hear complaints from the business community, the federal administration, and local government officials that we have a capital shortage. It is estimated that of the approximately $140 billion invested by U.S. companies in 1975, $27 billion was made abroad.

Our tax laws encourage such investment strategies. The so-called DISC (Domestic International Sales Corporation) law, enacted in 1971, provides a tax deferral of up to 50% of the DISC's export income. The expected revenue loss from this provision is $1.3 billion in 1975. Taxpayers subject to U.S. taxes on foreign source income are allowed to deduct, dollar for dollar, foreign taxes paid from U.S. taxes owed. Other provisions allow for certain deferrals until the income is brought back to this country, if ever.

According to statistics provided by the House Ways and Means Committee during its discussions on tax reform, losses to the U.S. government from such tax benefits amounted to nearly $18 billion in 1974.

While the tax reform legislation passed by the House in December rectifies some of these inequities, it does not go far enough. I do not mean to say that all incentives to invest overseas should be eliminated—I understand the serious foreign policy ramifications such a position would create.

However, the reforms should include incentives to return some of those funds to domestic investments, particularly in our central cities. As the House-passed bill now stands, it would provide for greater federal tax revenues without taking steps to encourage the return of U.S. capital invested overseas to domestic activities.

If it is true that the American people are confused about America's conduct in the world, the lack of a cohesive policy and a national dialogue on foreign affairs are largely to blame. But, increasingly, Americans do know this: that major economic or political initiatives taken by the United States anywhere in the world have potential effects for good or ill on their communities, their family incomes, and their futures.

And if it is true that the actions of the United States are regarded with increasing concern by other nations, there too the lack of well-planned policies—foreign *and domestic*—bear much of the blame.

Defense spending, détente, and diplomacy notwithstanding, the greatest and most lasting influence that the United States can have in shaping the future of the world's nations would be to show by example that our democratic form of government can overcome the universal problems of meeting basic human needs, building a strong economy, and maintaining a just society.

Thank you.

THE REGIONAL PRIMARY IDEA

Mr. MONDALE. Mr. President, when I introduced S. 2741, a bill to create a system of regional Presidential primaries, I indicated I hoped it would help stimulate a national debate on ways in which we might improve the chaotic means by which we presently nominate our Presidential candidates. I am very pleased that that has been the case; a number of editorialists and commentators have focused on the problem and suggested a variety of ways in which we might improve the system.

I have also been greatly encouraged by the voluntary actions of a number of States in promoting the regional primary concept. Vermont recently decided to hold its Presidential primary on March 2, the same day as the Massachusetts primary and only 1 week after New Hampshire's, thereby creating a limited New England regional primary. Also, the States of Oregon, Idaho, and Nevada will hold their primaries on May 25, creating the same thing in the Pacific Northwest. I am confident that both of these regional experiences—even though they are limited in scope—will add impetus to the growing national awareness that we must fundamentally reform our present system and that the regional concept offers the best hope of bringing order and rationality out of chaos and irrationality. I hope my colleagues will join me in watching with interest these new political phenomena on the American political scene.

Mr. President, I ask unanimous consent that the following editorials on the regional primary idea be printed in the Record.

There being no objection, the editorials were ordered to be printed in the Record, as follows:

[From the Cincinnati Enquirer]

Too Many Primaries

Long before the 1976 season for presidential primaries has run its course, a dozen or more Americans are likely to be on the brink of exhaustion—physical, psychological, financial and perhaps even political.

For by the sheerest coincidence, the year in which we have a record number of active, avowed candidates for the two presidential nominations is also the year in which we have a record number of presidential primaries.

Beginning in late February and concluding in June, the primary season will challenge the 1976 presidential aspirants in a way that politicians have rarely been challenged before.

Not every candidate, of course, is going to enter every primary. Most will pick the states in which their prospects look rosiest. But very nearly all will come to the end of the primary season with the conclusion that something needs to be done about the primaries.

Sen. Walter F. Mondale (D-Minn.), a prospective candidate for the Democratic presidential nomination who was frankly scared out by the primary route, is proposing that Congress act to consolidate the primaries into a series of regional contests.

Such a consolidation would have some obvious advantages. It would still test the candidates as they relate to various issues of local interest and concern; it would still afford people in every part of the country to become acquainted with the candidates and the issues. But those goals would be accomplished without the exhausting ritual that is close to making a charade out of the entire electoral process.

There have been some intimations that neighboring states themselves might get together to synchronize their primaries—a kind of collaboration that ought to be encouraged. The urge to do so may be considerably greater by the time the primary season is over.

What the federal government does ought to be limited, however, to persuasion. Primaries are, after all, a matter of state concern. The states ought to be free to determine how and when they choose their convention delegates with a minimum of direction from the top.

The candidates themselves, when all is said and done, are likely to be the foremost salesmen for regional primaries. They will have learned the hard way.

[From the New Prague (Minn.) Times, Dec. 29, 1975]

Uniformity Needed in State Primary Dates

Over-emphasis has been given to those state presidential primaries held in late winter and early spring months,—out of all proportion to their ultimate bearing on the outcome of the conventions and election.

For more than a dozen years, the Times has urged that a federal presidential primary election law be adopted providing that in all states holding preferential primaries, the elections be held on the same date and under the same ground rules, nationwide.

Now, Senator Walter F. Mondale of Minnesota has proposed legislation providing for a regional system with the country divided into five regions, and the primaries to be held on six successive Tuesdays in May and June of each election year. Date for each region would be determined by lot. The reason for designating the regions and the five successive weeks of election is to give the candidates an opportunity to present their cause.

While we have advocated the one date nationwide, we assume that Senator Mondale and his staff have given the matter considerable research and study, so we willingly go along with their proposal,—just so something is done about the present somewhat ridiculous situation.

[From the Detroit Lakes (Minn.) Record, Dec. 22, 1975]

Regional Primaries Are a Good Idea

One of the best political ideas so far as we get into the upcoming Presidential election year is Senator Mondale's plan for a regional system of Presidential primaries.

The current system of primary elections in the states which hold them (Minnesota doesn't) is at best hodge-podge and time consuming for the candidates and at worst, misleading and confusing to the voter, such as in states where you vote for a slate of delegates without knowing what Presidential candidates the delegates are committed to, a practice which wouldn't be allowed under Mondale's proposal.

Before the states' rights people get worried, though, we should emphasize that Mondale's bill would still leave it up to the individual states as to whether or not to hold a Presidential primary. But, those states which want to hold one would have to hold it on the date assigned to that region.

Under the proposal, the nation would be divided geographically into six regions, with each region holding its primary on a designated Tuesday between late March and mid-June of Presidential election years. The election dates would be two-weeks apart and would be assigned to the regions by lot.

Considering many Americans' disillustionment with politics nowadays, an extremely long and dragged out Presidential primary battle beginning in the February snows in New Hampshire is unwise as well as unnecessary, and we hope the Congress and President Ford heed Mondale's advice in time for the 1980 elections.—K.T.

[From the Washington Star, Jan. 10, 1976]

Primary Reform Needed

The presidential primary season is getting into swing, and a more tortuous, exhausting, irrational system—for candidates and voters alike—could hardly be devised. Congress could make an important contribution in this Bicentennial year by finding a fairer and more orderly method of selecting nominees.

An argument could be made for eliminating primaries altogether. There is no proof that primaries produce better candidates; in fact, they sometimes advance the least publicly acceptable candidates, as in 1972 when Senator George McGovern won the Democratic nomination via the primary route. The primaries place a premium on endurance, financing and ability to organize supporters rather than on intelligence, familiarity with the issues, common sense and capacity to lead the country.

But the primary seems here to stay. The demand for "participatory democracy" has spawned primaries to the extent that 29 states and the District of Columbia are using that method to select 1976 convention delegates. That not many more than one-fourth of the eligible voters take advantage of the opportunity to participate in these grass-roots exercises doesn't seem to make much difference.

Since primaries seem to be the wave of the present and the future, it seems appropriate to reform the primary system rather than try to abolish it. A system of regional primaries might be the best answer; at least it is worth serious exploration.

It makes no sense, for example, that New Hampshire should have such an inappropriately large influence in the nomination process simply because it holds the first primary. Its population is hardly representative of the country in social or political outlook, and its news media are among the most biased to be found anywhere.

Nor does it make sense for candidates to have to shuttle from one end of the Eastern seaboard to the other—from New Hampshire to Florida—to participate in primary elections held two weeks apart. Other illustrations of this helter-skelter system are Pennsylvania and Texas primaries scheduled a week apart; and Rhode Island and California, also a week apart. Candidates must either stay out of some primaries or engage in cross-country campaigning that not only is physically exhausting but wasteful of money.

Several proposals for regional primaries have been made, the latest by Senator Walter Mondale of Minnesota. Mr. Mondale probably would have been a candidate for the Democratic nomination this year had he not been faced with going through what he called the "mindless process" of the primaries.

Senator Mondale's legislation would divide the country into six regions, each of which would hold its presidential primary on one of six designated Tuesdays between late March and mid-June. The six election dates would be assigned by lot by the Federal Elections Commission. States would not be required to hold a primary but if they elected to do so they would have to hold it on the date set for their region.

The bill would require candidates to enter the primaries in at least one state of each region in order to receive federal matching campaign funds. A candidate who is serious about winning the nomination should not view this as an unreasonable requirement.

Other than abolishing cross-over" voting—a process by which voters of one party can cross over and vote in the primary of another party—the Mondale bill appears to have a minimal impact on state prerogatives to choose the method by which national convention delegates shall be selected.

Perhaps there are better plans than Mr. Mondale's for reforming the nomination process. The important thing is for Congress to get busy on this matter. It is too late to do anything about 1976 but surely something can be done before another presidential election year rolls around.

[From the St. Peter (Minn.) Herald, Dec. 8, 1975]

A REGIONAL PRIMARY. . .

We do not often agree with Senator Walter Mondale with regard to almost any subject . . . but we think he is on the right track with the legislation he offered in Congress this past week to create a regional system of presidential primary selections.

There may be some specific objections to the details of his proposal, but we fully agree with him that the proliferation of state primaries from less than a dozen in 1960 to 30 in next year's election has become "a malignant growth that has this country around the neck."

Coupled with the suggestion that President Ford appoint a broadbased bipartisan citizen's commission to study all aspects of selecting presidential nominees, including party rules, campaign financing and candidates' relationships with the media as well as primaries, the regional primary system would, in our view, produce some sensible order to what has become a sort of senseless rat-race for both candidates and voters.

Moreover, it would reduce what is now an even greater danger than ever before the likelihood that presidential nominations will simply be "brokered" at party conventions by power blocs within the political parties . . . with little or no public input into the selections.

Under Mondale's bill the nation would be divided into six regions. States holding primaries in a given region would have to vote on the same day. Each region would be assigned a different date, by lot, at the direction of the Federal Election Commission. Dates would be two weeks apart, between late March and mid-June.

Cross-over voting by members of opposing parties would be restricted. Ballots would have to show the candidate preference, if any, for persons running for national convention delegate.

Each presidential candidate seeking federal matching funds for a campaign would have to enter at least one primary in each region.

Minnesota, for instance, would be included in a region with Montana, North Dakota, South Dakota, Iowa, Wisconsin, Michigan and Illinois.

The Minnesota senator, in explaining his proposal, used his own experience in his own sort of "test run" a year or so ago. He termed the present system of selecting nominees as a "mindless process from the candidates' perspective, too often a self-defeating one for the parties and frequently an ineffective one for the nation."

Equally as important, in our view, is the obvious fact that while voters may be able to hear what candidates are saying as they roar around the country trying to take part in what amount to a man-killing schedule of individual elections . . . none of which is scheduled with any regard to any other across the land . . . the candidates themselves simply are unable to sit still and concentrate long enough to hear what the voters are saying.

Mondale termed it the "geography of running" in a press conference last week.

We think a good many things need to be changed in our elective system if it is to survive as the basis for our representative system . . . if it is going to have anything to do with reflecting the mood and the thinking of the public.

Some form of regional presidential primaries is one step toward returning elections to the people, in our view.

In a similar vein, we are leaning toward some form of public financing of national office election campaigns.

It has been demonstrated to the point of boredom that "money talks" in our present election campaign system.

It may bore us to hear it again, but because it is a basic truth of the system, it becomes absolutely necessary that controls and limitations on campaign donations and spending and public revelation of campaign fund sources be systemized.

We are coming to believe that only through a system of public financing . . . quite likely through an income tax check-off system, as the most likely possibility so far attempted . . . can such controls and limitations be imposed.

[From the Coon Rapids (Minn.) Herald, Dec. 15, 1975]

PRESIDENTIAL PRIMARIES

Minnesota Senator Walter Mondale has introduced a bill to create a system of regional Presidential primaries which he hopes will bring "order, fairness and rationality" to the nation's Presidential nominating process.

Mondale described the present primary system as chaotic. "It is too often a mindless process from the candidates' perspective, too often a self-defeating one for the parties and frequently an ineffective one for the nation."

Mondale's bill would divide the nation into six regions, each of which would hold its Presidential primaries on one of six designated Tuesdays between late March and mid-June of Presidential election years. The six dates, with the two-week intervals, would be assigned by lot to the six regions by the Federal Election Commission five months before the first primary.

The bill would still leave it up to state whether or not they want to hold a primary, but if they do it must be on the date assigned to that state's region.

Mondale hopes his bill will end the "disproportionate and unfair advantage" some states have in the nominating process; compress the primary period into a shorter time; and conserve the candidate's energies and resources, as well as enabling the public to focus the candidate's attention on regional concerns.

Mondale's bill is worth considering very closely, and it is to be hoped Congress will act on it with some haste. Frankly the present system leaves a lot to be desired, not least the fact that the Presidential election race starts some 18 months before the actual election, which is ridiculous.

Primaries, too, are dragged out over a long period of time, which is unnecessary. Packing them into three-month periods two weeks apart will enable the candidate to focus his attention on one part of the country at a time, rather than jet-hopping from one primary to another thousands of miles apart.

Not least one of the benefits that might be realized from this plan is a savings in money for candidates, some of which now comes out of the taxpayers' pockets.

Whether or not it would shorten the election race remains to be seen. Candidates might still declare themselves 18 months in advance, but at least the meat of the campaign is compressed into three months before the nominating convention.

Howard K. Smith of ABC News has frequently commended the British parliamentary election system where an election is called only three weeks before election day, and all the campaigning is restricted to those three weeks.

That works well in Britain, but the size of the United States would probably preclude it from working well here. But at least Mondale's bill goes some way to achieving this desirable goal.—Peter Bodley.

[From the Forum Fargo-Moorhead, Dec. 13, 1975]

SEN. MONDALE PROPOSAL FOR REGIONAL PRIMARIES PROBABLY SOUND IDEA

The bill offered by Sen. Walter Mondale, D-Minn., to establish regional primary elections is a starting point in the effort to make more sense out of how the nation's president is chosen.

Sen. Mondale says his bill is "modest in approach and simple in its design" but that he is submitting it as a contribution to the national debate from which he hopes a sound structure for electing the president will emerge.

He has asked President Ford to appoint a bipartisan commission to undertake a review of every aspect of the nominating process, to evaluate alternatives, and to report back soon after the 1976 election. It is too late for anything of substance to be done before the 1976 election.

Sen. Mondale's bill would divide the nation into six regions, each of which would hold its presidential primary on one of six designated Tuesdays between late March and mid-June of presidential election years. The six election dates would be assigned by lot to the six regions by the Federal Election Commission five months before the first primary.

It would be up to each state to decide whether it will hold a presidential primary. But if a state decides to hold one, it must be held on the date assigned to the state's region. States would retain the right to determine the type of primary they want, as well as to decide other matters traditionally left to the state, except that "crossover voting" would be eliminated. In other words, voters would be allowed to cast ballots only in the party of their registered affiliation. This would make the process an authentic party function, just as precinct caucuses and party conventions are party functions.

The idea is probably sound but would force some states, such as North Dakota, to institute voter registration by party preference. North Dakota lawmakers have always avoided this type of registration. They could still avoid it by not joining the presidential primary parade.

Sen. Mondale's proposal would compress the primary period into a shorter time and conserve the candidates' energies and resources. It would also offer a greater opportunity for public attention to be focused on regional concerns.

As of now, a helter-skelter schedule of state primaries and delegate selection systems mystifies, frustrates and debilitates candidates and their backers.

Sen. Mondale does not go along with the opinion of some that there is a kind of accidental genius inherent in the present nominating process, which he calls "chaotic."

Incidentally, his proposal would have Minnesota and North Dakota in the same region as Montana, Iowa, Wisconsin, Illinois and Michigan. This is a homogenous region that could focus attention on mutual problems within it.

[From the Pioneer, Bemidji, Minn., Dec. 16, 1975]

SENSIBLE PRIMARIES

Sen. Walter Mondale has introduced a bill to create a system of regional Presidential primaries by dividing the nation into six regions, each of which would hold a Presidential primary on one of six designated Tuesdays between late March and mid-June of election years. His bill would call for six primary election dates, separated from one another by two-week intervals. The dates would be assigned by lot to the six regions by the Federal Elections Commission five months before the first primary.

The idea behind Mondale's bill is a good one. If there is any method to the madness of the present primary setup, it is pretty hard to define. Mondale was a contender for the Democratic nomination earlier this year, but withdrew convinced by his experience that the entire Presidential election process was badly in need of "fundamental and comprehensive review."

We would agree with that and add that Mondale's proposal is a step in the right direction. In our case, Minnesota would be included in an eight-state north central region where candidates could concentrate their efforts for a two-week period prior to the regional election. They would no longer need to jet across the country to hit whatever primary that happens to fall on a given Tuesday.

Under Mondale's plan, good candidates should not be discouraged from running by the cumbersome and expensive election machinery. Instead, regional primaries would make it easier for candidates to withstand the emotional, physical and financial stress of campaigning.

On the other hand, regional primaries should not take away from the states any of their inherent rights over their own affairs. Mondale claims his bill will accomplish that, with each state retaining the right to determine if it will have a primary and what type of primary will be held.

Unfortunately, Mondale's bill also mandates that "crossover voting" would not be allowed. Here our agreement with Mr. Mondale ends. Right or wrong, cross-over voting and other voting mechanics of each state are sovereign matters. They are not the property of the federal government.

Mondale states the regional proposal is only one aspect of the nominating process which he believes needs attention. Other elements include party rules, financing of Presidential campaigns, and the relationship of the candidates to the media. He said he was offering the primary proposal in hopes of contributing to a national debate on the issue.

We hope he is successful in that goal and that some reorganization of the process is accomplished. But in that process, the individual sovereignty of the state should not be forgotten.

COMMUNITY DEVELOPMENT PLAN FOR WATERVILLE, MAINE

Mr. MUSKIE. Mr. President, the city of Waterville, in my home State of Maine, has been, I believe, among the most successful communities in the country in taking advantage of Federal programs to revitalize urban areas.

This record of past success is being built upon today, under the leadership of Mayor Richard Carey and a large number of active, energetic business leaders and concerned citizens.

Last April, the city of Waterville was the first community in New England and one of the first 15 in the Nation to receive approval from HUD for its community development plan under the Housing and Community Development Act of 1974.

In a recent report to his constituents, Mayor Carey said:

> Credit for this must be shared with all concerned, from HUD to committees to the general public. The City and HUD have formed yet another partnership in the reshaping of Waterville's future.

Mr. President, I add my personal congratulations to those whose hard work brought Waterville so far in such a short time.

To share the city's community development progress with our colleagues, I ask unanimous consent that the First Annual Report on the city's project be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

THE COMMUNITY DEVELOPMENT ACT OF 1974—WATERVILLE-HUD, A PARTNERSHIP FOR PROGRESS, FIRST ANNUAL REPORT TO THE CITIZENS OF WATERVILLE, NOVEMBER 17, 1975

CITY OF WATERVILLE,
Waterville, Maine, November 12, 1975.

To the citizens of Waterville:

I could find no better way than this to report to you on my stewardship of the Community Development Program for the past year.

True, we have not officially had a full year of operation, since we were approved by HUD only on the 28th of April 1975, but much activity preceded that approval. While my first contact with the CD program dates back to my involvement in 1972 as a member of the Community Development Committee of the National League of Cities, the City of Waterville was fully committed on November 7, 1974 when I named an Action Committee to gather data for consideration of program development. This was followed by the naming of a Citizens Advisory Committee on December 7, 1974. The Citizens Committee was charged with evaluation of data, formulation of program, citizen involvement and general supervision of the program after Council acceptance. The Citizens Advisory Committee has very ably carried out its function to date.

After 28 meetings, involving the Action Committee, the Advisory Committee, area agencies, HUD, specialist, the general public, two public hearings, public readings before the City Council and several interviews, the City submitted to HUD on February 21, 1975 its CD program application. We were one of the very first in the nation. On February 24, 1975 President Gerald Ford wrote to me announcing his approval of our application. Final HUD approval was received April 28, 1975. Waterville's program was the first in New England and one of the first 15 nationwide approved.

Credit for this must be shared with all concerned, from HUD to committees to the general public. The City and HUD had formed yet another partnership in the reshaping of Waterville's future.

During the six months that have passed since HUD approval was received the City has purchased 15 of the 18 parcels of land scheduled for first year acquisition. As of this date three parcels have been cleared of buildings. Several tenants have been relocated, as have former property owners.

In the area of acquisitions, appraisals have been higher than expected and budgeted for. We will have to adjust our budget figures in succeeding years to reflect this. We did shift some properties from later years to the first year to accommodate the property owners with special problems. The flexibility of this program has allowed us to be of immediate service to these property owners. In two cases, businesses were involved and moving them ahead saved self found new locations for them.

Demolition is underway and improvements on Carrean Street and Carey Lane have already been noted We hope to clear the house at 9 Carey Lane shortly to afford better fire protection and snow plowing for the people on Liberty Court, located behind this building.

The rehabing of the Boys-Girls Club has started and the contractors are working within the guidelines as established by HUD for this project. This was only the second such project funded by HUD nationally.

We have paid out some monies for relocation with still more committed. We are really just swinging into the relocation phase of the program. Mr. Leonard Dow has been retained by the City to do this work and he has been well received by the citizens of the area.

Bids were sought and a contractor awarded a contract for the Hayden Brook sewer work. Since the bids came in higher than budgeted for, the City Council weighed the total cost and its benefits versus cutbacks to live within the bid and found that benefits far exceeded the cost. Therefore the council appropriated additional funds to match CD funds for a complete project. This council action ratifies the wisdom shown by the Advisory Committee in having this project funded with CD funds.

We have gone as far as we can trying to get matching funds for the Nutritional Program as required by HUD. There being no other funds available, we have turned to the Central Senior Citizens Association for the operations of a meals program within the target area. And I am pleased to report that only last Monday I received official approval from HUD for this approach.

This meeting tonight is the 67th involving the Community Development Program since we started. Some have been longer than others but all have been a contributing factor in our reaching this point. We are far and away ahead of all other communities and our thoroughness and fairness have placed us in the enviable position of serving as a model for others.

I am extremely proud of my crew both in and out of City Hall.

We have been able to proceed up to this point with a small outlay of CD funds in the area of administrative cost. I must confess that it has been done with some degree of hardship placed upon my office, the Administrator's and that of the City Solicitor's, but we are in hopes that in the long run we will be able to effect savings enough in that area to offset rising cost in others. We have hired no full time help and only a part time relocationsman, a part time draftsman and a part time surveyor. The work of the latter two is now completed.

As can be seen, much has been done in a short time. I strongly believe this to be a major purpose of the CD Act. We are pleased, HUD is pleased and I hope that you take some pleasure in having been and continuing to be, a part of this change in our City. A change that touches the lives of us all.

Respectfully submitted,
Mayor RICHARD J. CAREY.

THE WHITE HOUSE,
Washington, D.C., February 24, 1795.

Hon. RICHARD J. CAREY,
Mayor of Waterville,
Waterville, Me.

DEAR MAYOR CAREY: Last August, I had the honor of signing into law the Housing and Community Development Act of 1974.

This historic legislation was passed by the Congress to change the old, helter-skelter system of helping our cities grow. The new act is designed to let the cities and counties of our Nation set their own priorities and make their own plans—with only very broad Federal guidelines.

I am pleased and delighted that your City has completed its own plan—and that it has been approved by the Department of Housing and Urban Development.

That is only the first step. I urge that you enlist all your citizens in helping to carry out this plan. This is a new direction in Federal policy and requires total public participation if it is to succeed.

Congress has passed an excellent law. The Department of Housing and Urban Development has completed its task.

Now it is up to you.

Sincerely,

GERALD R. FORD.

DEPARTMENT OF HOUSING AND
URBAN DEVELOPMENT,
Manchester, N.H., April 28, 1975.

Hon. RICHARD J. CAREY,
Mayor of Waterville,
Waterville, Me.

DEAR MAYOR CAREY: We are pleased to announce the approval of your Community Development Block Grant Entitlement Application. Waterville's entitlement amount is $778,000. This transmittal reflects approval in the amount of $778,000.

You are advised to immediately execute the three enclosed Forms HUD–7082 with attached standard contract provisions and return two copies of each to the Manchester Area Office and retain one copy for your files.

The following is a list of conditional approval items bearing upon your application:

Environmental Clearance: The following activities are conditionally approved and funds may not be expended on these activities until applicable environmental clearance requirements have been satisfied.

Activity:	*Estimated Cost*
Acquisition	$170,000
Demolition	36,000
Rehabilitation: Boys and Girls Club	125,000
Relocation	137,000
Site Improvements	240,000
Funding Nutritional Program for the elderly	5,000
Administrative Costs	40,000
Contingencies applicable to the above activities	25,000
Total	778,000

The above activities must be cleared in accordance with Title I Environmental Clearance Procedures. It should be noted that the release of funds for any of the above projects may not be made until 15 days have elapsed from the receipt of the request for release of funds and certification pertaining thereto and subsequent HUD approval of these documents per CFR 58.30 dated January 7, 1975.

In addition the funding of the Nutritional Program for the elderly which is eligible under CFR 570.200(A)(8) dated November 13, 1974, states in part:

"Provision of public services not otherwise available in areas or serving residents of areas in which the recipient is undertaking or will undertake other activities described in CFR 570.303(b) where such services are determined to be necessary or appropriate to support such other activities and where assistance in providing or securing such services under other federal laws or programs has been applied for and denied or not made available pursuant to the provisions of 570.607."

The requirements of 570.607 must be satisfied prior to HUD's release of the funds for this activity.

Your letter of credit in the approved amount will be issued upon receipt of the executed grant agreement and will require approximately 15 working days to process. You are hereby notified that the Community Development program year is effective with this letter.

We have enclosed comments applicable to your application for your consideration.

In conclusion we wish Waterville well as it embarks upon the first year effort as outlined in this Community Development Block Grant Application. Should you require our assistance, please do not hesitate to contact this office. Your Community Planning and Development Representative (General) is Mr. Norman J. Denton, who may be reached at 603 669-7011, extension 7641.

We look forward to working with Waterville in the years ahead.

Sincerely,

CREELEY S. BUCHANAN,
Area Director.

City of Waterville Community Development Program—Acquisition Policies and Procedures

This memorandum is to be provided to each owner of a separately held compensable interest in property to be acquired by the City of Waterville under the Community Development Program. This statement provides information regarding acquisition policies, procedures, and other related information for each person whose property is to be acquired under the Community Development Project.

a. The City of Waterville derives its authority to acquire property under the State's enabling legislation identified as H.P. 641–LD813 *An Act to facilitate municipalities in undertaking activities pursuant to the Housing and Community Development Act of 1974.* The program that is presently being undertaken by the City was determined after numerous meetings and public hearings prior to the approval of the particular project by the city council. The primary purpose of the particular project was the elimination of a substantial number of substandard buildings, the creation of open space, the construction of new playgrounds, and the provision of adequate land for new housing for low and moderate income families.

b. The City of Waterville will make every effort to purchase the property it intends acquiring through negotiation. The City will in no way coerce a property owner to settle for less than the Fair Market Value of the property either through any action or inaction or through any misleading information. In the event an owner is not satisfied with the purchase offer, there is another remedy which may be taken and which will be explained in greater detail in this memorandum.

c. Any person having a compensable interest in the property to be acquired or their designated representative may accompany the City's appraiser(s) and review appraiser at the time they inspect the property on behalf of the City in determining the Fair Market Value of the property. Any information an owner may have which would be of value to the appraiser in arriving at the Fair Market Value would be greatly appreciated.

d. The Fair Market Value of the property will be determined by the appraiser(s) and review appraiser. The amount of just compensation to be offered by the City to all compensable owners will not be less than the approved appraisal of the Fair Market Value of the property, and after the determination of just compensation, the City will submit to each owner an offer to acquire the property for the full amount together with a summary of the basis of such an amount.

e. In the event of a partial taking of property by the City, the owner will be paid for the loss in value to the remaining property. The damages suffered will be evaluated by the appraiser(s) and if the acquisition of any part of the real property leaves the owner with an uneconomic remnant, the City will offer to acquire the entire property.

f. If the owner of the property does not feel the City's offer of just compensation is adequate, he may refuse to accept the offer. If the owner has information which may alter the appraisal, he may submit this information and an adjustment will be made accordingly if deemed necessary. If all negotiations fail in the acquisition of the property, the City will institute a formal condemnation procedure against the property, depositing in the court the City's amount of just compensation.

If the City fails to acquire property through negotiations and, therefore, institutes condemnation proceedings, the City will deposit with the court the amount previously determined to be the Fair Market Value. Such amount may be withdrawn (less costs for outstanding liens, loans or other encumbrances) by the owner(s) without prejudice to his right to obtain a subsequent determination of value for his property by the court.

g. If any owner(s) desires to retain any fixtures, shrubbery, or other improvements scheduled for acquisition by the City, he should contact the City as soon as possible in order that all feasible methods of handling the transaction can be considered by the City's appraisers and relocation and acquisition personnel.

h. All settlement costs including preparation of deed, title search and evidence of assurance of title will be paid by the City. No owner will be required to pay any sales commission when the property is purchased by the City either through negotiation or condemnation. All outstanding loans and liens on the property must be satisfied prior to or at the time of settlement and when the City's negotiator discusses the acquisition of the property with the owner he or she will discuss the details of such arrangements.

i. If owner has a GI Loan on the property to be acquired, he should check with the nearest VA office and advise them of the circumstances regarding his sale of his property. The Veterans Administration will generally recognize the circumstances of the sale and restore his loan privileges so that he may use them to purchase another property.

j. In most instances, the sale of privately owned property to the City for public purposes is considered "involuntary conversion" by the Internal Revenue Service, and the owner may not have to pay capital gains tax on any profit from the sale of the property to the City if the money is reinvested in similar property within two years. Internal Revenue Service Publication 549, entitled "Condemnations of Private Property for Public Use", is available from the IRS. It explains how the Federal income tax applies to gains or losses resulting from the condemnation of property or its sale under the threat of condemnation, for public purposes. It would be advisable for the owner of the property being acquired to discuss his particular instance with his personal tax advisor or local IRS office as regards his State and Federal income tax or any other taxes that may be due, due to the particular transaction.

k. The City will provide all owners and tenants residing in the properties to be acquired with information covering relocation advisory assistance, services and payments for which an owner-occupant may be eligible. This information is contained in a separate memorandum entitled "Relocation Assistance" and will be provided all occupants residing in properties to be acquired. To the greatest extent practicable, no lawful occupant will be displaced without notification in writing at least 90 days in advance of the date by which the move is required. The owner should keep the City informed about his relocation plans.

l. If, after acquisition by the City, an owner continues to remain in the property acquired, he must pay rent beginning 30 days after the date of acquisition. Tenants occupying acquired property will be advised separately as to the City's rental procedures. An owner whose property has been acquired and rents for a short term, which will be defined as one year or less, or for a period subject to termination by the City on short notice, the rental will not exceed the least of, 1) The Fair Rental Value of the property to a short term occupier, 2) the pro rata portion of the Fair Rental Value for a typical rental period, or 3) if the owner or his tenant is an occupant of the property as a dwelling, twenty-five (25) percent of his income.

Budget—Expenditures thru November 10, 1975

Account:	*Budget*	*Expended*
Acquisitions	$170,000	$168,200
Demolition	36,000	3,600
Rehabilitation Boys-Girls Club	125,000	0
Relocation	137,000	55,011
Site improvement	240,000	0
Nutritional Program Edlerly	5,000	0
Administrative cost	40,000	17,454
Contingencies	25,000	0
Totals	778,000	244,625

City of Waterville's Citizens Advisory Committee to The Community Development Project Statement for Annual Report 1975

The Citizens Advisory Committee was appointed by Mayor Richard J. Carey on December 8, 1974. The committee membership consisted of people from the Project Area, a member of the Planning Board, an Attorney, and a Housewife who were citizens-at-large representatives. None were elected officials.

The Committee's mission was outlined by the Mayor. Mayor Carey then gave the Committee a free hand to do its job, and the staff support to accomplish the job of providing input to the Community Development Plan. The Community Action Agency also joined with the Mayor's office to provide staff support to the Committee.

The next three pages of this report list the numerous events and accomplishments since the Committee's inception. Yet no listing of activities could ever show the enthusiasm and effectiveness of the Committee's response to its responsibilities. Credit is given to all members of the Committee equally in gaining citizen input into the plan in the interest of the citizens of Waterville.

There is still much to be done. Yet there is a climate of openness and communication in which the goals of the Project can be met. The ultimate goal of the Citizens Advisory Committee is to assist the Mayor in improving the quality of life in the Community through the Project.

Respectfully submitted,

Joseph Ezhaya,
Chairman, Citizens Advisory Committee.

Members of the Citizens Advisory Committee Community Development

Joseph B. Ezhaya, 82 Elm Street, Chairman.
Ann Bombardier, 7 Barnett Avenue, Vice-Chairman.
Anne Boulette, 2 Oxford Street.
Herman Clapprood, 236 Water Street.
Carolyn Chayer, 2 Gray Avenue.
Mary Dionne, 138 Water Street.
Priscilla Feix, 148 Water Street.
Marilyn Mavrinac, 47 Winter Street.
Ronald Raymond, 142 Water Street.

Waterville Community Development Project—Highlights of Citizens Participation

I. Appointment of Members of the Committee—Sunday, December 8, 1974.

II. First Meeting—Monday, December 9, 1974.

Accomplishments:

(1) Organizational Meeting, members assignments.

(2) Obtained information from Mayor on Purpose.

(3) Suggested neighborhood study of human needs.

(4) Selected date for tour of target area.

(5) Set date for next meeting.

III. Second Meeting—December 16, 1974.

Accomplishments:

(1) Progress Report on Project from Mayor.

(2) Established cut-off date for receipt of relocation funds.

(3) Committee decided to hold a public hearing in the neighborhood on December 30th.

(4) Discussed how to use funds reserved for services.

IV. Tour of Neighborhood—December 18, 1974 by members of the Citizens Advisory Committee.

V. Third Meeting—December 26, 1974.

Accomplishments:

(1) Final preparation for Public Hearing.

(2) Handout materials for public developed including a list of available human service.

(3) Adoption of human services goals for Community Development Project:

VI. First Public Hearing—December 30, 1974—at Senior Citizens Center on Water Street.

Accomplishments:

(1) Explanation of role of Citizens Advisory Committee (CAC)

(2) Explanation of Project by Technical Staff:

(3) Comments and suggestions by public were offered;

(4) C.A.C. met after public hearing and evaluated public hearing and set date for next meeting.

VII. Fourth Meeting of C.A.C.—January 22, 1975

Accomplishments:

(1) Committee decided to prepare a statement on social needs.

(2) Committee decided to request figures for acquisition of neighborhood night club, considered a public nuisance, for inclusion in the project.

(3) Technical staff related fundings of neighborhood survey.

(4) Committee formed sub-committees to deal with certain areas.

(5) Committee began forming short-term and long-term community goals.

(6) Formation of plans for next public hearing for cosponsorship with city.

VIII. Fifth meeting of C.A.C.—January 10, 1975.

Accomplishments:

(1) Formulation if inclusion of Boys Club-Girls Club into plan in order to meet community recreational needs;

(2) Formulation of inclusion of a nutritional program for the elderly to meet a human need;

(3) Technical committee provided data on costs of Chez Paree Night Club and overall impact on plan;

(4) Preparation of next Public Hearing.

IX. Second Public Hearing—January 15, 1975.

Accomplishments:

(1) Handouts of information to public included:

a. Maps

b. List of Social Services available in area

(2) Large crowd of over 200 people in attendance.

(3) Costs of Chez Paree and impact on project discussed.

(4) Costs of assisting Boys Club-Girls Club voice. Public, by show of hands, supported spending Project money for purpose. (Public Divided on this question).

(5) Technical committee presented Hayden-Book sewage system to Public.

X. Sixth Meeting of C.A.C.—January 15, 1975.

Accomplishments:

(1) Conference with owner of Chez Paree.

(2) Setting priorities for the Community Development Project Proposal (Item #2 was the most important and difficult task of the committee).

XI. Letter of Committee Priorities to Mayor, dated January 20, 1975.

XII. Mayor's Letter to City Council on Advisory Committee Report dated January 21, 1975.

XIII. Seventh Meeting of C.A.C.—March 17, 1975.

Accomplishments:

(1) Mayor requests committee to serve in "Watchdog" role for Project Residents.

(2) Bc-GC representatives advise on recreation program they will now launch in Project Area.

XIV. Invitation to Committee to attend ceremony of Grant application Approval—April 30, 1975.

XV. Eighth Meeting of C.A.C.—September 8, 1975.

Accomplishments:

(1) Reports by technical staff on progress of Project.

(2) Discussion of Committee's role in second year.

XVI. Ninth Meeting of C.A.C.—October 9, 1975.

Accomplishments:

(1) Discussion of Project Area Residents concerns about acquisition.

(2) Request for methods of operation of technical/staff in the Project's second year.

XVII. Tenth Meeting of C.A.C.—October 17, 1975.

Accomplishments:

(1) Report by Mayor on progress of acquisition, demolition and relocation.

(2) Request for meeting with Waterville Housing Authority Staff and their role.

XVIII. Eleventh Meeting of C.A.C.—November 7, 1975.

Accomplishments:

(1) Report by Waterville Housing Authority Executive Director, and committee to future participation.

(2) Request for preparation of an Annual Report to show progress.

(3) Final preparations for Public hearing scheduled for November 17, 1975.

Waterville, Me.,
November 17, 1975.

Statement of the Action Committee—Community Development Program

The Action Committee was formed to coordinate and develop all of the recommended needs received from the Mayor's office, the municipal departments, the Citizens' Advisory Committee, the citizens in general, and the many public and private agencies in the Greater Waterville Area. The Action Committee finalized all of the various requests of needs into a Community Development Program Proposal for submission to the Mayor, the City Council and the citizens of Waterville. This enabled the Mayor and City Council to hold a public hearing, in addition to the many preliminary hearings, in order to air the entire proposal which was then submitted to the Department of Housing and Urban Development.

The Action Committee Membership was formed for the purpose of utilizing the expertise and experience of individuals from the City's departments and from private, public and regional agencies. The City's administration coordinated this activity in forming a plan that was developed by and for the people it would serve. In using this technique, the City was able to save a great deal of administrative and planning costs while utilizing the services of these people in developing an "in-house" plan. The final result was a Comprehensive Community Development Program.

The elements of the program primarily consist of three goals:

(1) The Boys-Girls Club Rehabilitation Program will enable more youths of the City of Waterville to be better served, and will increase the services to the youths of the target area.

(2) Hayden Brook Storm Separation Project: Upon completion at a cost of $557,000.00, this project will save the taxpayers of the City of Waterville in excess of $125,000.00 annually. As a result of this project, the Sanitary Treatment Plant will have an added capacity for sewerage treatment of two and one-half million (2,500,000) gallons per day.

(3) The third goal of the program and the most comprehensive is the concentration of efforts to improve the quality of life in the concentrated target area by improving the streets, utilities, housing, and open space development. Through demolition of dilapidated structures, additional land will be made available for public housing.

Members of the Action Committee Community Development

Richard J. Carey, Mayor, City of Waterville.

Robert W. Palmer, Administrator, City of Waterville.

Elery Keene, Planning Director, North Kennebec Regional Planning Commission, 16½ Benton Ave., Winslow.

David Blair, Superintendent-Engineer, Waterville Sewerage District, 255 Main Street.

Larry W. Seymour, City Engineer, City of Waterville.

Arlene Abrams, Housing Authority Comm., 13 Sanger Avenue.

Perley Beane, Executive Director, Waterville Housing Authority, 60 Elm Street.

Raymond Richard, Executive Director, Community Action Council, 101 Water Street.

Paul Mitchell, Executive Director, Urban Renewal Authority, 173 Main Street.

J. Fred Prescott, Codes Enforcement Officer, City of Waterville.

Frederic Vigue, Building Inspector, City of Waterville.

Cynthia Schacht, Assistant Planner, North Kennebec Regional Planning Commission, 16½ Benton Ave., Winslow.

Judy Kany, Rep. to Legislature, 18 West Street.

Marilyn S. Mavrinac, Member of Planning Board, 47 Winter Street.

John J. Jabar, City Solicitor, 86 Silver Street.

List of Properties Acquired the First Year Under the Waterville Community Development

Owner, address, and lot number

1. Pease, Richard, 14 Carey Lane, 42-3-54.
2. Breard, Clement, 9 Carey Lane, 42-3-56.
3. Y. Mitchell, 3 Dunton Court, 42-3-18.
4. Rouleau, A., 8 Dunton Court, 48-3-15.
5. MacDonald, F., 10 Dunton Court, 48-3-63A.
6. LaCroix, Y., 4 Green Street, 48-3-52.
7. Poulin, E., 13½ Green Street, 48-3-78.
8. Poulin, E., 15 Green Street, 48-3-77.
9. Poulin, E., 21 Green Street, 48-3-76.
10. Poulin, E., 16 Green Street, 48-3-76.

*11. Breton, D., 10, 12, 14 Kennebec Street, 48-3-19.

*12. Breton, D., 10, 12, 14 Kennebec Street, 48-3-20.

*13. Maheu, R., 18 Kennebec Street, 48-3-21.

14. Totman, V., 27 Sherwin Street, 48-3-50.
15. Carey, A., 33 Water Street, 48-3-104.
16. Giguere, Y & V, 84 Water Street, 42-4-14.
17. Krueger, H., 18 Carrean Street, 36-2-23.
18. Hallee, R., 11 Green Street, 48-3-80.

Relocation Report, November 17, 1975

The following families have been relocated in the first year (through November 12, 1975) in the Waterville Community Development Project:

1. Mr. Clement Breard:
From: 9 Varey Lane, Waterville.
To: 37 May Street, Waterville.
The owner occupant purchased a replacement home.

2. Mr. and Mrs. Thomas Russell:
From: 8 Dunton Court, Waterville.
To: 66 Summer Street, Waterville.
The tenant moved to another apartment.

3. Ms. Diane Greenlaw:
From: 4 Green Street, Waterville.
To: 276 Main Street, Waterville.
The tenant moved to another apartment.

4. Mr. and Mrs. Adrien Deschaine:
From: 15 Green Street, Waterville.
To: 5 Swan Street, Waterville.
The tenant moved to another apartment.

5. Mrs. Erma McKinley:
From: 21 Green Street, Waterville.
To: 293 Fairfield Street, Waterville.
The tenant purchased a home.

6. Breton's Garage:
From: 14 Kennebec Street, Waterville.
To: 71-75 Bay Street, Winslow.
The owner moved his business.

7. Maheu Brothers:
From: 18 Kennebec Street, Waterville.
To: Marston Road, Oakland.
The owner moved his business.

8. Gran Pa's Tavern:
From: 33 Water Street, Waterville.
To: 50 Court Street, Skowhegan.
The owner moved his business.

9. Mr. and Mrs. Robert Hallee:
From: 11 Green Street, Waterville.
To: 50 Oakland Street, Waterville.
The owner occupant purchased a replacement home.

10. Mr. and Mrs. Roland Pennell:
From: 21 Green Street, Waterville.
To: 106 Halifax Street, Winslow.
The tenant moved to another apartment.

11. Mr. and Mrs. Merton Ellis:
From: 4 Green Street, Waterville.
To: Davis Trailer Park, Oakland.
The tenant moved to a trailer.

Waterville Housing Authority Report

SECTION A—RELOCATION

In accordance with its basic policy, the Waterville Housing Authority will give, within its existing stock regarding vacancies, first preference to families displaced by low rent housing projects, urban renewal projects or through action of a public body or court. The Waterville Housing Authority has every intention of working closely with the relocation officer and will consider relocation families prior to any occupancies.

SECTION B—SECTION #8—WATERVILLE HOUSING AUTHORITY APPLICATION FOR 40 UNITS (EXISTING)

The Waterville Housing Authority has submitted an application to HUD for 40 units (10 one bedroom, 20 two bedroom and 10 three bedroom) under the existing housing section of the HAP for the first year. Upon acceptance by HUD, the Waterville Housing Authority will begin the process of certifying eligible families to find housing under the criteria of the rules and regulations pertaining to Section No. 8 Housing. Priority for certification will be given to families that are being displaced because of the Community Development Program.

SECTION C—CONSTRUCTION OF 28 NEW UNITS

In accordance with the first year goal there is to be 28 units of new construction within the designated area. The procedure of new construction does not directly involve the Waterville Housing Authority but rather is handled by the Department of HUD in Manchester, New Hampshire. Sometime between January and March of 1976, the Department of HUD will accept proposals for construction by private developers (Waterville Housing Authority can also submit proposal as private developer) in accordance with the Housing Assistance Program. All proposals must comply with the total Community Development Plan and the specific requirements of the HAP. The city will have an opportunity to review and comment on each proposal submitted prior to final selection by HUD. After the selection of the Developer is made, all local procedures and requirements must be followed in accordance with local standards.

Waterville Boys' Club, Main Place, Waterville, Maine

To: Ray Richard.
From: Michael Gallagher.

BOYS' CLUB/GIRLS' CLUB BUILDING PROGRAM

A visit to the Waterville Boys' Club will be sufficient to see that progress is being made on the construction of the addition to the existing building. The addition, which will be shared with the Kennebec Valley Girls' Club, is approximately 60% completed.

Community Development funds are allocated to cover costs of those areas of construction which connect the new addition to the existing building and to cover any work which replaces existing facilities with new ones. Examples of these are the construction of locker rooms and replacement of the boiler system.

Completion of the project is looked for early in the summer of 1976. The major component of the addition, the new and larger swimming pool, will hopefully be in use for the hot days of summer.

Upon completion of the addition, CDA funds allocated for further rehabilitation will be used to renovate parts of the existing building. Specifically, areas to be developed will be: the gym, which will get a new floor and insulation; the basement, which will be converted into a complete arts and crafts center; and the east wing of the building, where a kitchen facility will be added. Completion of this part of the building project should be sometime early in the fall of 1976.

SUMMER FUN PROGRAM

The Waterville Boys' Club, at the request of the Citizens' Advisory Committee, instituted a summer program of games, arts and crafts, trips and special events in the area of the South Grammar School.

The daily program, Monday through Friday, was conducted by three supervisors using the facilities of the school playground and all-purpose room. Highlights of the program included the Halloween party (held in July), the Penny Carnival, trips to Reid's Wild Animal Farm, Lake St. George, and Reid State Park.

Attendance at the daily sessions averaged 35 boys. The boys also were taken by car to the Boys' Club building to make use of the pool and gym facilities.

In addition to the morning program, the Farm League baseball program was conducted three times weekly in the afternoon at Lockwood Park. Four teams of potential major leagues participated in the baseball schedule.

Kennebec Valley Girls Club Report

Summer Program, 1975, Child Development Center, Waterville, Me.

GENERAL PROGRAM OBJECTIVE

To provide a wholesome atmosphere through which girls' participation in offered activities will boost their growth toward developing positive self-images, motor skills, clear senses of responsibility, and health interpersonal relationships.

PROGRAM

Activities started July 1, after publication of the program in the newspaper, through store posters, and school flyers. Girls attended from 9:00-12:00 five days a week. The staff was successful in designing a program that allowed for the freedom of choice of any of the activities offered during the time period.

Each day a different major art and craft project was presented, and supplemented with smaller projects. Supplies and project making were prepared and directed by the staff of four counselors. Each project was designed to enable a good bit of creativity on the girl's part.

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*Not acquired as of 11/13/75.

Sports and games were also a large part of the program. Different games and activities were planned both for the girls' enjoyment, and to introduce unfamiliar or better familiar motor co-ordination movements.

Every Tuesday and Thursday the girls were transported to the Boys Club for swimming, gym activities, and art.

To supplement the main areas of arts/crafts, and sports in the program, the children had the opportunity to play board games with each other, just have free time, or help plan and participate in special parties.

Also, field trips comprised a favorite supplement in the program. Averaging one a week, museums, a greenhouse, an animal farm. Burger King, and Rummels were visited and toured. The program ended with a trip to Reid State Park, surely the climax of the summer.

ACCOMPLISHMENTS

A total of 38 girls were enrolled in and served by the summer program. All of the listed activities, including arts and crafts, and the field trips were offered to members at no cost. An average of 15 girls attended per session in July, with an average of 21 attending in August. Many children were out of town for days or parts of the summer, took swimming lessons in the mornings, or had other activities to attend which affected the numbers in attendance. All those registered for the summer program attended regularly, according to their schedule.

Specific measurements in relation to the growths outlined in the objective were not made, however, through observations made by the staff, it was clearly seen that skills in all areas outlined were improved. Very favorable reactions to all aspects of the program were recorded from the participants and their parents. Almost all summer members are regularly attending present programs.

LOOKING AHEAD

Expansions in the program are being made, and as a result, more activities are being offered to the children. The Girls Club looks forward to continuing their service at the C.D.C.

Respectfully submitted,
MARTHA BREUNIG,
Executive Director.

HAYDEN BROOK SEWER

Bids were sought and the Seward Construction Company of Kittery, Maine, was awarded the contract for $557,000.

Construction was started in October, and should continue through next summer. To date Oak Street is complete with May Street under construction. Construction is scheduled to continue throughout the winter.

SOUTH END CONSTRUCTION

The basic field survey for the reconstruction of streets and sidewalks in the South End was completed during the year. Design work for the streets should be completed by the first of the year.

Streets involved include Silver Street (Spring Street to Elm Street), Silver Place, Summer Street, and an outlet for Summer Street.

No planning has been started for utilities in the project area. It will not begin until a final layout of the housing is completed.

ALTERNATIVE FOOD POLICY CHOICES

Mr. HUMPHREY. Mr. President. I am concerned that we need to modernize and improve our food and agricultural policies to deal with alternating periods of scarcities and surpluses. On December 10, 1975, I chaired a Technology Assessment Board hearing on the information requirements for U.S. food policy, at which papers were presented by a distinguished group of professional agriculturists. These papers discussed a number of issues of concern to all Members of Congress, and for this reason I inserted them in the December 10 RECORD. Last week I chaired hearings for the Senate Committee on Agriculture and Forestry, Subcommittee on Foreign Agriculture Policy, where we reviewed the need to coordinate policy more effectively in light of several recent Government interventions in the export market.

I am delighted to find that John Schnittker, formerly Under Secretary of Agriculture, presented a well-reasoned paper on "Alternative Food and Agriculture Policies for the United States" at an agricultural policy workshop in Washington last week. He identifies four key areas where more or less Government action may be called for in the years ahead.

First. Agricultural price support;

Second. Agricultural production adjustment;

Third. Food price stabilization; and

Fourth. International marketing.

He finds that it is in the U.S. interest to establish, maintain, and periodically use a reserve of grains, oilseeds, and some other commodities. It is his conclusion that the Government should own a fraction of the reserves and should help farmers and the trade carry the balance.

He also outlines two alternative approaches to an international food marketing policy. It is not my intention to advocate or recommend these views but to help assemble the various alternatives that exist to develop policy options. Over the next few months Congress Office of Technology Assessment will make a rigorous analysis of these various alternatives so that the Members of Congress can clearly see the pros and cons of specific policy options. I look forward to the results, and I will, as they progress, make them available to my colleagues.

Mr. President, I ask unanimous consent that this well-reasoned paper be printed in the RECORD.

There being no objection, the paper was ordered to be printed in the RECORD, as follows:

ALTERNATIVE FOOD AND AGRICULTURE POLICIES FOR THE UNITED STATES WITH EMPHASIS ON GOVERNMENT INVOLVEMENT[*]

To be candid, the space on this program for the topic assigned to me is a narrow one. "The 1973 Act" (the first topic) is government involvement; "A Market Orientation" allows it; "Stability of Prices and Producers' Income" (a third topic) requires government involvement. What is yet to be said on government after all.

Equally important, circumstances dictate policy and set the tone for prosperity or hard times in the farm sector far more than is generally admitted. The existence of massive grain stocks in 1961, and the recent failure of world grain production to continue its once inexorable climb were far more important to the 1960's and 1970's, respectively, than the policy preconceptions of the agricultural administrators of those eras or the political party in power. Thus, there is a time for "market orientation" and a time for "government involvement". To pursue either approach in defiance of the economic and climatic context of the times will discredit both the market and the government.

Perhaps my assignment is meant to deal with the situation in which the need for government involvement to achieve national food and agriculture objectives is openly admitted—where the rhetoric and the reality of farm and food policy are closely coordinated. The other approaches cited above imply attitudes ranging from apologetic to apoplectic about future federal farm and food programs. It is essential, however, that we emphasize the results of farm and food policy decisions and actions, not in the instruments. My assignment reads as though "government involvement" were an end itself.

There is a school of thought, or at least a line of rhetoric in U.S. agricultural policy which insists that federal farm or food programs arise from the interventionist tendencies of liberal Congressmen, administrators, or professors. In fact, federal agricultural (and related) programs arise out of objectives with respect to farm and rural people, domestic food consumption, price stability, trade, and foreign food assistance. These objectives have not always been achieved adequately, or may not be in the future, through unguided operations of the grain market, the job market, or the world monetary system. It is economic and social objectives—not intervention for its own sake—which encourage government action.

I will identify four key areas in which more or less government action may be called for, depending on objectives and circumstances.

1. Agricultural price support.
2. Agricultural production adjustment.
3. Food price stabilization.
4. International marketing.

I trust one need not apologize for not speaking to problems of small farmers in a conference so obviously directed toward commercial agriculture. Other areas deserve attention, especially (a) intervention peculiar to the milk sector, (b) marketing orders, (c) contracts, (d) food assistance and nutrition, (e) farm ownership and structure, (f) import policies, (g) tax reforms, etc. Yet, for most people and cases, policy in respect to grains and oilseeds still dominates the debate, and still has the most leverage on food prices.

1. AGRICULTURAL PRICE SUPPORT

No one seriously proposes a U.S. or world agricultural system without price supports for important commodities. On this subject, the distinction among policy approaches must be made on grounds other than the validity of minimum price and income guarantees in a world which wants and needs to encourage food production. It is level (and, to a lesser degree, method) of price support which sparks the debate. Thus, an approach which supported 1976 farm prices for:

Wheat (bu.) $3.00 instead of $2.30.

Corn (bu.) $2.25 instead of $1.75.

Soybeans (bu.) $4.75 instead of (no support).

Milk (cwt. mfg.) $7.75 instead of $7.00.

Will lead to earlier intervention under given circumstances;

Will generate higher farm incomes when supports are effective;

Will insure farmers a return approximately equal to, or slightly above average cost of production;

Will cost the Treasury more money;

Will limit occasional processor windfall profits which usually accompany sharp farm commodity price declines; and

Will reduce the capacity of declining farm prices to slow the overall rate of inflation (it is wrong to argue that price supports in 1976 at levels cited above would be inflationary, since the guarantees are either lower, or no higher than current prices, and are well below 1973–75 average prices.)

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[*] *Assigned topic;* Agricultural Policy Research Workshop, Washington, D.C., January 15, 1976: John Schnittker.

Method of price support is also a valid distinction among various approaches to federal intervention. Loans rather than deficiency payments would be more acceptable under an approach allowing greater government intervention than under other approaches. Direct purchases to support prices would also be acceptable under this philosophy of farm policy, since purchases would help carry out the duty of government to establish a food reserve system, and to own some part of the reserve (as I argue later). It is ironic that the only recent large-scale grain purchases by the U.S. Government (in 1971–72) were carried out by an Administration whose rhetoric was and is irrevocably opposed to its own action. Such is the power of circumstances.

2. AGRICULTURAL PRODUCTION ADJUSTMENT

It is unfashionable to talk about agricultural production or marketing restrictions in a time of short supplies. Yet production adjustment schemes (like price supports) are still in the kit of tools of most approaches to federal farm programs. Market-oriented folks may ridicule production adjustment, but in the end they prefer it to surplus accumulation after reserves are adequate; the 1973 Act includes elaborate acreage-reducing machinery, now mothballed; any approach to agricultural price stabilization must consider production or marketing restrictions. Distinctions among different approaches to production adjustment must be made in the method or the frequency of intervention.

There is no longer any distinction to be made among practical methods of production adjustment for major U.S. crops. The U.S. Congress long ago decreed the end of mandatory acreage programs, and the experience of 15 years has shown the workability and acceptability of voluntary, payment-supported, production (acreage) adjustment, although equitable administrative procedures require further work. Barring a major change in our system (to limit marketings rather than production), that is what we will have if circumstances again require it.

Federal intervention to limit agricultural production will not be more frequent under administrators more attuned to intervention than under a practical market-oriented policy (short of a full federal withdrawal). Higher farm price objectives may force earlier resort to acreage controls to limit stocks than lower price supports, since higher prices would reduce consumption. But on the other hand, dogmatic attachment to maintenance of the appearance of free market operations, and to avoiding reserves or surpluses, would also dictate early use of production adjustment as a system of intervention, to avoid accumulation of stocks via price support activity.

It is axiomatic that, for any year, the federal costs of production adjustment will be approximately proportional to the level of support prices being defended, whether these are announced or implicit.

Agricultural production in the U.S. will probably not be limited before 1978, and it may not be limited again in this century. But there is not quite enough experience with food shortages or climatic variation to permit abandonment of this farm policy tool.

3. FOOD RESERVES

It is in the U.S. interest to establish, maintain, and periodically use a reserve of grains, oilseeds, and some other commodities.

Such a reserve will:

Stabilize food prices by setting a practical upper limit to commodity price fluctuations during a marketing year (or at least keeping prices lower than they would have been without a reserve);

Insure our ability to fulfill the export commitments we have made and the normal import requirements of our customers, thus supporting our payments balance and

Avoid or postpone the use of export controls after disastrous crop seasons, for export controls are going to be used again and again if there are no reserves.

The U.S. should make continuing efforts to get other nations to carry reserves. But we should not undermine our own credibility by saying that what we do in regard to a food reserve will be determined by what others do. Nor should we risk undermining our own economic stability and our export capability by delivering on such a foolish pledge.

The level of price support is especially important once we become committed to reserves. If price supports are too low, everything will be consumed before reserves can be acquired, and the reserve objective will not be met. Further, our only experience with food reserves was actually an experience with massive and chronic surpluses. Prices fell to support levels, not because the surplus (reserve) existed, but because it was being shoved into the market at prices barely above support levels, whenever the opportunity arose. Farmers fear that the price support level will inevitably become the price level, once reserves are sizable. Thus, the support level may become a negotiating instrument in the effort to get farmer support for a reserve program.

The upper band of the price stabilization corridor should be protected by a high resale price for the reserve, as carefully as the lower band should be protected by a cost-of-production-based support level. Since producers will not trust any Secretary of Agriculture to set these levels, Congress should fix support levels and resale prices (including escalators for both).

I repeat my earlier suggestion (*Foreign Policy*, September, 1975) that reserves should not be marketed until prices reach approximately 150 percent of support levels. Thus (referring back to my price support levels in section 1), 1976 resale prices (the practical upper limit of any price advance) would be:

[Per bushel]

Wheat	$4.50
Corn	3.38
Soybeans	7.13

The Government should own a fraction (20–40%) of the grain and oilseed reserve. It should help farmers and the trade carry the balance, being careful to preserve the ability to encourage or require delivery of the reserves into the market system when prices reach the resale level.

4. INTERNATIONAL MARKETING

I present two approaches to international marketing policy, both designed to achieve economic stabilization objectives:

A. Regulatory intervention in the export market system, using existing law, especially the CCC Charter Act, and the Export Administration Act.

B. Operation of the U.S. export marketing system by a board analogous to the Canadian Wheat Board.

The objective of each approach is to maintain relatively stable domestic food prices, while earning as much as possible via agricultural exports. As indicated earlier, it is essential to limit farm and food price increases, as a matter of determined policy, in a stabilized economy. The latter term implies, of course, a fair degree of success in limiting all wage and price increases.

Such a policy in respect to food price stabilization now bears impeccable credentials, for it is the policy of the incumbent conservative Administration.

The sporadic export control decisions of 1973 and 1974 matured into a food price stabilization policy in 1975. This will continue in 1976 and beyond, although the election may influence implementation of the policy. Most countries of the world which export food also have such a policy.

Food reserves represent a benign approach to carrying out this policy during periods following a bad harvest; export controls represent the meat-ax, or emergency approach.

A. *Regulatory Intervention.* When circumstances indicate that export restrictions may be used, they should be:

Announced internationally as early as possible, and negotiated with our customers;

Applied as softly as possible consistent with the upper limit of food price tolerance in the immediate period; and

Administered so as to have minimum effects on world market prices, by gearing the degree of export limitation to the degree of the grain or oilseed shortage in the world; any substantial differential between U.S. and world prices should be returned to farmers.

A policy of food price stabilization at levels just tolerable to the economy, and farm price stabilization at levels attractive to farmers is consistent with an effective economic policy.

B. *Direct Government Marketing.* It is possible to conceive establishment of a quasi-Government Board for Export of Agricultural Products. I consider this politically impractical, and administratively unnecessary; food prices can be stabilized well short of this step.

Such a Board would:

Conduct all export sales of designated commodities, using the existing domestic and international trade as agents, and the established channels of trade (as CCC is required to do):

Accept delivery from producers for a pooled account, or purchase export supplies in the U.S domestic market just as exporters now do (leaving that market to function about as it does now);

Pool its proceeds (if any) for the account of producers, especially those who delivered commodities directly to the Board, and conduct its operations in world markets so as to realize net proceeds, on average; and

Conduct (or relate to) federal price support, income insurance, production adjustment, and reserve stock policies in cooperation with USDA, in a manner compatible with the Board's own charter.

INCOMES, COSTS, ETC.

The policies and programs described above, carefully coordinated, can be operated at various levels of farmers income, consumer benefit, federal cost, and administrative difficulty. It is not interesting to produce numbers to illustrate the obvious. I can conceive net realized farm income averaging 20 billion or 30 billion 1976 dollars over the next five years under such policies.

NEEDED RESEARCH

The conduct of farm and food price stabilization policies under conditions of chronic or occasional food shortages badly needs research. This condition is now at least as likely as a return to plentiful supplies. We cannot wait, however, for the research results before plunging in. The agricultural circumstances are with us, and the food price stabilization policy has been established (although its existence is not yet officially admitted).

New research should include the question of a Grain Board, even though it now seems impractical. Land Grant University economists and USDA are not likely to pick up this hot potato, so others, perhaps in private universities or institutes must do so.

AMERICAN ARBITRATION ASSOCIATION SUPPORTS GEORGE WASHINGTON PEACE ACADEMY BILL

Mr. HARTKE. Mr. President, I bring to the attention of our colleagues a letter which I received from Mr. Robert Coulson, president of the American Arbitration Association, in support of my bill, S. 1976, to establish the George Washington Peace Academy during our Nation's Bicentennial celebration.

As our colleagues will note in Mr. Coulson's letter, the experience of the association has testified to the beneficial effect of instructing individuals in the skills of negotiation, arbitration, mediation, and conciliation. These techniques may be utilized for transnational controversy. More important is the study of these techniques with a transnational emphasis to determine whether new techniques may be drawn from existing techniques demonstrating further resolution capability.

Such transnational understanding and development or refinement of existing techniques will benefit mankind in other conflict situations. Already community service officers are encouraging enactment of S. 1976 as a necessary and appropriate institution to further understanding of conflict resolution for community situations. While the academy shall place major emphasis on international or transnational understanding of conflict situations, the techniques and methods which the students will learn are applicable to community conflict resolution.

The introduction of S. 1976 has generated significant discussion throughout the country. Many individuals from many disciplines are now preparing articles which elucidate the role of the academy in relation to existing institutions with international affairs or diplomatic and peace studies training. There are very real and distinct differences between the function of the George Washington Peace Academy and foreign affairs or diplomatic schools.

Many of these differences are now being discussed and will be articulated when thoroughly reviewed. But one major distinction which my colleagues should be aware of as the Senate Subcommittee on Education prepares for hearings on my bill is the formulation of the premises, questions which need to be asked and methodologies which are utilized to arrive at answers and techniques which may be employed to resolve conflict situations.

This does not imply that the Department of State or any other Federal agency does not desire peaceful relations among nations. However, with the training and discussion that the George Washington Peace Academy will provide, people are now indicating that the academy is an institution which is needed now—today—as we begin the last quarter of the 20th century and our third century as a nation to further understanding, develop new techniques, and train students and officials in conflict resolution.

Mr. President, I ask unanimous consent to have printed in the Record the letter I received from Mr. Robert Coulson, president of the American Arbitration Association.

There being no objection, the letter was ordered to be printed in the Record, as follows:

American Arbitration Association,
New York, N.Y., January 6, 1976.

Hon. Vance Hartke,
U.S. Senate,
The Capitol,
Washington, D.C.

Dear Senator Hartke: I am writing to express support for the concept behind Senate Bill 1976, which relates to the establishment of a Peace Academy. The experience of this Association has testified to the beneficial effect of instructing individuals in the skills of negotiation, arbitration, mediation and conciliation. These techniques, which are well understood by American businessmen and attorneys, need to be appreciated by the many community and institutional leaders who do not yet appreciate the need for resolving disputes without expensive litigation or destructive confrontations. These processes should be encouraged for settling all manner of domestic disputes. They are even more essential for transnational controversy. I would be eager to testify to this effect, in support of your proposal; or to help in any other way that would be appropriate.

Yours truly,

Robert Coulson,
President.

YOU CAN GET THERE FROM HERE

Mr. MUSKIE. Mr. President, in the November 1975, issue of Yankee magazine, Douglas McVicar proves that you can get to Vanceboro, Maine, by train from New York, if you do not mind traveling via Montreal. It is much more difficult to travel by rail from New York to Portland, Maine, unless you are wrapped for shipment.

The trip to Vanceboro sounds like a most enjoyable one. Amtrak, I hope, will soon be making this pleasant, fuel-efficient form of transportation available to other areas of Maine.

Mr. President, I ask unanimous consent that Mr. McVicar's article in the November 1975 issue of Yankee be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From Yankee magazine, November 1975]

How I Took the Train From New York City to Vanceboro, Maine, in 1975—Just To Show It Could Be Done

(By Douglas McVicar)

Yes, it's true. On the way I passed through five of the six New England states and rode 836 miles. You could do it too, all on regular scheduled passenger trains.

"But," I hear the shrewd reader asking, "why would a levelheaded fellow like me want to do a thing like that?"

Well, it's the principle of the thing. Railroading is a grand tradition. America's first major rail line hoisted its sails in 1830. Draft horses were always kept in reserve in case the train got becalmed. Six years later the steam train made its debut in Maine. In the next few years farsighted Mainers such as General Sam Veazie and John A. Poor pushed their lines through the wilderness, and towns sprouted up behind them like trees in the wake of Johnny Appleseed. By the turn of the century there were 21 separate roads crisscrossing the state for a grand total of 1626 miles. Over five million passengers rode the rails in Maine that year. Even today you will hear dreamy recollections of journeys on such trains as the Gull, the Bar Harbor Express, the Aroostook Flyer, the Flying Yankee, the Kennebec, the Pine Tree Limited and the Potatoland Special.

But as the century ripened, an automobile became the thing to have. Eventually highways grew into interstates and anyone could see that passenger railroading was doomed. The day after Labor Day in 1960 the Canadian National (C.N.) suspended service on its Portland-to-Montreal route for the winter. On the same day the Maine Central permanently dropped all its passenger runs. A story in the New York Times about the casualties was cleverly but snidely titled "Sick Transit." The State of Maine Express, a night train between New York and Portland via Worcester, made its last run on October 30.

A railroad spokesman explained that the cut was necessitated by the demise of Maine Central service out of Portland. In 1961 Portland's imposing Union Station on St. John Street was demolished because of decreased use. On September 4, 1961, the Bangor and Aroostook, which had grudgingly been dragging a single dilapidated coach behind a mail train from Northern Maine Junction (outside Bangor) to Caribou, received permission to eliminate this train, its last passenger service, and did so instantly.

By 1962 the C.N. was operating its Portland-Montreal train on summer weekends only. In 1965 the Boston and Maine scratched the single Budd car that had been running from Boston to Portland. The remnants of the C.N.'s service finally bit the dust in May of 1968.

Then into the nationwide railroad void came Amtrak. With new energy, new uniforms, and over 500 passenger stations, Amtrak rekindled hope—at least in most parts of the country. Of the continental 48 states, only three are presently excluded from Amtrak's master scheme: South Dakota, New Hampshire, and Maine. Such neglect of northern New England left me and most train-lovers treading water in a vast ocean of nostalgia.

Then one dazzling fall morning a year ago I discovered Canadian Pacific No. 42 out of Montreal transecting Maine at the waistline with stops at Jackman, Greenville Junction, Brownville Junction, Mattawamkeag, Danforth, and Vanceboro. I blinked my eyes in disbelief—and vowed that someday I would ride that train.

When the moment finally came I called Amtrak. The ticket agent disavowed any knowledge of my train: "We don't have service up to Maine. You'd have to ... (long pause) ... you'd have to take a bus." There was no point in telling her that no bus passes within 30 miles of Vanceboro.

Nevertheless, when the northbound Montrealer pulled into Pennsylvania Station that evening, I was waiting to board. A few hours later we were nearing Greenfield, Massachusetts, and everyone in my car was sound asleep, so I went back to the rear platform to see what sort of country we were passing through.

The night was crisp and black, and sparks flew in our wake. On either side of the track darkened farmhouses and factories emerged from the shadows and marched past in time with the wild rhythm that our wheels were beating against the cold steel rails. After a long time I stepped back in and ran into the flagman on his way out.

"We're taking the ditch for a freight train," he said hurriedly. "Now we'll be even later."

As I drifted off to sleep we stopped on a siding and another train flashed past. But not a freight train: it was our sister ship, the southbound Montrealer.

On awakening I recognized White River Junction, Vermont. But the sun was up already; we were at least an hour and a half late. Hurrah! There would be daylight as we climbed into the spectacular highlands.

Forward in the dining car I had railroad French toast for breakfast, each slice mahogany brown and a full inch plump—perfect with sausages, juice and milk. Just as I polished off the last syrupy morsel we rolled into St. Albans and the flagman came looking for me. We stepped off the train and he made dramatic arm gestures to show how a monumental train shed used to span four trains at once, each as large as our Montrealer.

Back on the train I stopped by the conductor's improvised office in the coach, where he had spread out his paperwork on some empty seats. I asked him why we had waited to let the southbound Montrealer pass, and not vice versa. He replied, "Southbound trains are superior—unless the dispatcher has a friend going the other way."

We were now cruising along the ridges that flank Lake Champlain. The panorama of the sparkling water below us flickered through the trees every now and then to reward those who were keeping their eyes open. The tracks across the lake at East Alburg are on a wooden trestle laid over stone piers. The engineer held his speed to a safe 5 mph and we were across in eight minutes.

After a quick check by Canadian customs officers we sailed through the Quebec flatlands and entered Montreal.

While waiting to board C.P. No. 42 at Montreal's Windsor Station that evening, I encountered an old man distinguished by his erect posture, Stetson hat, and walking stick. Like other Canadians he was incredulous when I mentioned that only this one passenger train survived in all of Maine. He called his wife over and told her impressively, "This fellow is going to Maine. He says that No. 42 is the only passenger train in the state!"

She scrutinized me carefully, probably wondering whether my honest face made such a story any more believable. "Well, think of that," she said.

Our train paused at a few commuter stations east of Montreal and then passed into farm and woodland country where it began to roll in earnest. Connecting Montreal with Saint John and Halifax, this line is an important eastern arm of Canada's transcontinental system.

After watching the sun set, I slipped back to the combination dining, lounge and dome car. There at the first table I found my friend the distinguished gentleman, who turned out to be A. W. Carter, a World War I ace aviator, with his wife, and their new friend Walter McGinn, a ragtime band leader. I ordered a sandwich, then sat down and remarked on the pleasantness of the car.

"Well! It *certainly* isn't what it used to be," declared A. W. Carter.

"Oh no," said Mrs. Carter, "they had sterling silverware and fine china."

"Yes, also beautiful tablecloths, and napkins as big as a bed sheet."

"Real Irish linen," added Walter McGinn.

"In the center of each table they had a rose floating in a silver bowl."

"I especially loved the seafood—oysters by the crate, salmon and Maine lobster."

"Why the railroad even had a farm on this line where they made a special stop to load fresh butter, milk and eggs."

Jackman, a frontier outpost famous for its 118" average yearly rainfall, was our first stop in Maine. Only one passenger got on. The customs officer who also came aboard didn't count, of course, since he got off again as soon as the flagman has taken him through the train introducing each passenger as if he were an old acquaintance.

I found the lone train-taker, a positive-minded young fellow, sitting alertly in the dome car although there was nothing to see except a few drops of drizzle on the windows and a background of utter blackness. This was his second train trip in a week, and the second in his life. He proclaimed train riding great fun and a lot better than driving the 120 lonely miles from his house to Jackman, especially since he broke the crankshaft of his jalopy.

Somewhere in the wilderness between Jackman and Greenville Junction we roared by westbound No. 41. As the brakeman beamed the all-clear signal through the gloom to the man at the rear of the other train, he explained that eastbound trains are superior to westbound. Fair's fair, I thought.

At Greenville Junction, on the southern antler of Moosehead Lake, I went out with the brakeman to watch for a flag. Would-be passengers arriving at the dark and empty Greenville Junction depot in time for the 2:48 train post a large green and white flag which alerts the train crew. A few passengers don't realize they have to flag the train, or don't know where to look for the flag, so the engineer always stops whether the flag is out or not if he sees a person near the station. We peered into the shadows around the lonely station but not a soul was to be seen.

At Brownville Junction a new crew came aboard, and so did a couple of passengers who immediately stretched out and went to sleep. In the hour and a quarter between Brownville Junction and Mattawamkeag an overcast day broke. We were passing through mile after mile of dense forest checkered with bogs, unbroken by settlements or roads. From Mattawamkeag on we would be using the route of the old European & North American Railway which was opened from Bangor to the Maritimes via Vanceboro in 1871. For the inauguration of this new link between New York and London, a jubilee was held in Bangor. Among the guests were President Grant and Canadian Governor-General Lord Lizgar. The celebration included torchlight processions, a military review, a regatta, a trail of fire engines, and 600 marching lumberjacks in their working clothes. For three days the festivities in Bangor shared the front page of America's newspapers with the Chicago fire. Finally the host of dignitaries boarded a train and rode up to Vanceboro.

I asked the conductor if he knew of any other historical incidents. He said, "No, but a lot of interesting things happen along this line. Somebody sees a moose just about every week, and I've seen bears too. Of course the old freight trains were even more fun. Sometimes they put us in a siding next to one of these ponds." He pointed out the window at a lonesome pool where raindrops were pecking at the surface and bending the reeds. "Some haven't been fished much, and we grabbed some beauties." He showed me how long they were.

The village of Danforth was once a booming lumber town. As the train slowed down we went out to look for a flag. For some years now a quiet man who visits relatives in Saint John every month or two has been the only one to get on the train in Danforth.

We halted the Vanceboro station within 15 seconds of schedule (by my watch). Elapsed time from Pennsylvania Station was 33 hours and 20 minutes. Vanceboro, with two general stores, two churches, and several houses, seemed like a metropolis full of hurly-burly rising out of the forest. I wished all the trainmen and the cook goodbye, and sadly watched No. 42—the locomotive, the empty baggage car, the single coach, our merry dome car, and finally the sleeper—clatter out of the station, slip back into Canada, and disappear.

I went inside the station to escape the rain and met Vanceboro Operator Dan J. Shay, a colorful and witty realist who pronounces train orders with the fleet tongue of a Yankee auctioneer. When I asked him how business was he started off on a discourse about the staggering tonnage that passes by his window. "This line is so important," he announced, "that in 1914 the Germans sent a saboteur to Maine to cut it. He bombed our bridge over the St. Croix River. You can see the end of it right down the tracks there." Shay waved his pen. "He wasn't a very good saboteur—it took only one morning to patch up the bridge. But he wasn't a bad fellow either—he made sure no train was coming before he set the thing off. I don't remember personally, but my father used to tell the story. It was way below zero and the poor guy got so frostbitten he had to turn himself in. I think after the war he became a U.S. citizen."

The trip had gone pretty well, all things considered. Believe it or not, if I had been available to do the same thing 75 years ago during the heyday of railroading, it would have taken nearly eight hours longer. Modern trains run faster. Of course in 1900 I would have had the option of shooting directly up via Boston, Portland, and Bangor in just 24½ hours.

Now the shrewd reader must be wondering, "Isn't there some better way to get to Vanceboro? Perhaps by car?"

Certainly not! On the train every travel hour is available for reading, sleeping, thinking, meeting interesting characters, and getting lost in the scenery (a rail line corrupts the neighboring environment far less than a highway does).

"Yes, but," the reader will here protest, "the extra comfort, leisure and luxury of train travel aren't free. Your fare was $49 and let's face it, nowadays money ain't hay."

Using mileage figures candidly provided by the Federal Highway Administration, the cost of driving to Vanceboro by the shortest route is $84. If you use toll roads, that's extra.

More important still: an auto trip doesn't have the *romance* of a train ride, although the Federal Highway Administration has not dared to release figures on this. It is safe to say few would pay any attention if I reported that "I drove a car from New York City to Vanceboro, Maine, in 1975 (just to show it could be done)."

Yes, it speaks well for our society that the most friction-free, fuel-saving and poetic means of transportation is still at our service in Maine.

Of course, the reader might say, "But I don't know anyone in Vanceboro. What if I want to visit my Aunt Martha in Portland?"

If the shrewd reader said that, then he'd have me.

FORMER DEFENSE BRASS FLOCK TO DEFENSE INDUSTRY

Mr. PROXMIRE. Mr. President, under the provisions of section 410 of Public Law 91–121, all former military employees in the rank of Major/Lt. Commander or higher and all civilians in grades of GS–13 or higher must report their employment in defense industry for a 3-year period after leaving the Defense Department.

This year the number of former senior Defense Department officials reported working in defense industry has skyrocketed 65 percent from 433 to 715—a sure sign of increasing conflict of interest.

It is not surprising that the contractors with the biggest share of the defense budget have shown the largest increases in hiring, former Defense officials.

The Northrop Corp., winner of the multibillion-dollar F–18 contract, and the 12th ranked defense contractor in the Nation employs the largest number of reporting former Defense employees—70, up from 59 in fiscal year 1974.

Boeing, the second ranking defense contractor, reported an increase in former defense employees from 20 to 38. Boeing is the prime contractor for the airborne warning and control aircraft, the Minuteman II and III missiles systems, and certain bombers and tankers. In fiscal year 1974 Boeing ranked as the sixth largest contractor but rose to second in fiscal year 1975 on the basis of an increase in contract awards of $485 million.

The builder of the B-1 bomber, Rockwell International, the Nation's 10th largest contractor, reported an 89-percent increase in former Defense employees, from 20 to 36.

The ninth ranked Hughes Corp. reported an increase of 16 to 30. Hughes makes guided missile control systems for the F-14 Tomcat, the Maverick, Phoenix and TOW missiles.

Other contractors showing large gains are the sixth ranked General Dynamics, going from none reported to 10; seventh ranked General Electric with an increase of 3 to 10; 15th ranked Sperry Rand, from 4 to 17; and 24th ranked TRW, from 5 to 18.

No. 1 and 2 ranked Lockheed and Boeing recevied 9.2 percent of all defense contracts in fiscal year 1975. Not surprisingly, these two firms showed dramatic increases in the number of high ranking former Defense officials. Lockheed rose from 12 to 19; Boeing from 20 to 38.

The message is quite clear. The old buddy system, wherein contractors hire former high ranking defense officials for their inside contacts, is working with a vengeance. And it is paying off for the giant firms.

Many of these former officials are operating in a conflict of interest atmosphere with the taxpayer picking up the tab for increased defense costs due to behind the scene pressures.

The biggest influx of senior defense officials has come from the Navy which registered a 107 percent increase from 127 employees reporting in fiscal year 1974 to 204 in fiscal year 1975. The Air Force followed closely with an increase of 58 percent from 212 to 335. Army statistics declined from 64 to 59.

It is also startling to note that the number of senior officials reported in defense industry that have come from the Secretary of Defense's office and the staff of the Joint Chiefs of Staff has increased 108 percent from 23 to 48.

The number of former high level contractor personnel who were reported working in the Defense Department rose 56 percent from 109 in fiscal year 1974 to 170 in fiscal year 1975. This indicates that the buddy system is a two-way street.

It should be noted that even these alarming statistics understate the influence of former defense employees on the procurement system. Since the reporting requirement exists for only 3 years, the total number of former defense employees in defense industry is much larger. Furthermore, there are many errors in this system which tend to deflate the number of reporting persons.

I have introduced a bill, S. 1329, which would put a stop to this system of rewards and discrete payoffs. For a period of 2 years, it would prohibit a procurement officer from accepting employment with a contractor he supervised or awarded a contract to.

Mr. President, I ask unanimous consent that the annual Defense Department summary of these statistics be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

ASSISTANT SECRETARY OF DEFENSE,
Washington, D.C., December 22, 1975.
Hon. NELSON A. ROCKEFELLER,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: In accordance with the provisions of Section 410(d) of Public Law 91-121 (83 Sta. 212) there is enclosed a listing of names of persons who have filed the reports for FY 1975 required by section 410(b) of that law.

The listings are arranged alphabetically by defense contractor and by military department and defense agency within that alphabetical arrangement. The reporting categories A, B, C and D referred to in those listings are:

A. Retired military officer—Maj/Lt. Cmdr or above.

B. Former military officer—Maj/Lt. Cmdr or above.

C. Former civilian employee whose salary was equal to or above the minimum GS-13, salary level.

D. Former employee of or consultant to defense contractor who during last fiscal year was employed by DoD at salary equal to or above minimum GS-13 salary.

Copies of the reports submitted by the present or former officers or employees are also attached, grouped according to the Department or Agency with which affiliated and arranged alphabetically by last name of the officer or employee.

In accordance with section 410(f) of Public Law 91-121 a copy of these listings and reports will be available for public inspection in the Office of the Assistant Secretary of Defense (Manpower and Reserve Affairs).

Sincerely,

JOHN G. FINNERAN,
Vice Admiral, USN.

CONSOLIDATED, FISCAL YEAR 1975

SUMMARY OF REPORT SUBMITTED UNDER SEC. 410 PUBLIC LAW 91-121

[Number of reports by category, submitted by departments and agencies]

	A	B	C	D	Total
Air Force	312	2	21	17	352
Army	57	0	2	8	67
Navy	235	1	28	30	294
OSD/JCS	13	0	35	74	122
Defense Communications Agency	0	0	0	26	26
Defense Contract Audit Agency	0	0	3	0	3
Defense Intelligence Agency	0	0	2	2	4
Defense Nuclear Agency	0	0	0	0	0
Defense Supply Agency	0	0	1	1	2
National Security Agency	0	0	0	10	10
Defense Civil Preparedness Agency	0	0	1	0	1
Defense Mapping Agency	0	0	2	2	4
Total	617	3	95	170	885

STATISTICAL SUMMARY OF REPORTS OF CORPORATIONS RECEIVED BY OSD PURSUANT TO SEC. 410, PUBLIC LAW 91-121

	A	B	C	D	Total
1. Aerojet Electrosystems Co	3	0	0	0	3
2. Aerojet General Corp	0	0	1	0	1
3. Aeronutronic Ford Corp	4	0	0	2	6
4. Aerospace Corp	0	0	0	4	4
5. AiResearch Manufacturing Co	1	0	0	0	1
6. Automation Industries, Inc	25	0	1	1	27
7. AVCO Corp	0	0	0	2	2
8. Bath Iron Works	1	0	0	0	1
9. Battelle Memorial Institute	3	0	0	1	4
10. BDM Corp	1	0	0	0	1
11. Beech Aircraft Corp	2	0	1	0	3
12. Bell Aerospace Co	3	0	0	0	3
13. Bendix Corp	0	0	0	1	1
14. Boeing Co	34	0	4	5	43
15. Boeing Aerospace Co	7	0	0	0	7
16. Boeing Vertol Co	3	0	0	0	3
17. Booz, Allen & Hamilton, Inc	20	0	1	1	22
18. Bunker Ramo	1	0	0	0	1
19. California, University of	4	0	0	0	4
20. Calspan Corp	0	0	0	3	3
21. Caterpillar Tractor Co	0	0	1	0	1
22. Chamberlain Manufacturing Co	1	0	0	0	1
23. Charles Stark Draper Lab., Inc	1	0	0	0	1
24. Cincinnati Electronics Corp	1				1
25. Computer Sciences Corp	30	0	2	11	43
26. Control Data Corp	8	0	0	0	8
27. Cubic Corp	2	0	0	0	2
28. Day & Zimmerman, Inc	2	0	1	0	3
29. DeLaval Turbine, Inc	1	0	0	0	1
30. Douglas Aircraft Co	0	0	1	0	1
31. Dupont	0	0	0	1	1
32. Dynalectron	2	0	0	0	2
33. E Systems, Inc	9	0	1	1	11
34. Eastman Kodak Co	1	0	0	0	1
35. Edo Corp	0	0	1	0	1
36. Electronic Communications	1	0	0	0	1
37. ESL Inc	1	0	0	0	1
38. Exxon Corp	0	0	1	1	2
39. Fairchild Industries, Inc	2	0	0	0	2
40. Federal Electric Corp	1	0	0	0	1
41. FMC Corp	1	0	0	0	1
42. Garrett Corp	2	0	0	0	2
43. General Dynamics Corp	10	0	0	2	12
44. General Electric Co	8	0	2	6	16
45. General Motors Corp	2	0	1	2	5
46. General Research Corp	13	0	1	5	19
47. Global Associates	5	0	0	0	5
48. Gould, Inc	2	0	0	0	2
49. Grumman Aerospace Corp	8	0	0	1	9
50. Grumman Aircraft Corp	1	0	0	0	1
51. GTE Sylvania Inc	9	0	0	1	10
52. Gulf Oil Corp	1	0	0	0	1
53. Hawaiian Independent Refinery, Inc	1	0	0	0	1
54. Hayes International Corp	1	0	0	0	1
55. Hewlett-Packard Co	1	0	2	0	3
56. HITCO	0	0	0	1	1
57. Hoffman Electronics Corp	0	0	0	1	1
58. Honeywell Inc	6	0	0	4	10
59. Honeywell Info Systems Inc	3	0	0	4	7
60. Hughes Aircraft Co	22	0	6	2	30
61. Hughes Helicopter	2	0	0	0	2
62. Hydrospace	1	0	1	0	2
63. IBM Corp	3	0	3	2	8
64. ICI, United States Inc	1	0	0	0	1
65. Illinois Institute of Technology	1	0	0	0	1
66. Informatics Corp	0	0	0	1	1
67. Institute for Defense Analyses	0	0	0	1	1
68. Interstate Electronics Corp	1	0	0	0	1
69. International Telephone & Telegraph	2	0	0	1	3
70. ITT Defense Communications Division	1	0	0	0	1
71. ITT Gilfillan	1	0	0	1	2
72. ITT Research Institute	0	0	0	4	4
73. Johns Hopkins University	0	0	1	0	1
74. Kaman Aerospace Corp	2	0	0	0	2
75. KMS Technology Center	0	0	0	1	1
76. Lear Siegler Inc	5	0	0	0	5
77. Litton Industries Inc	10	0	0	8	18
78. Litton Systems Inc	2	0	0	1	3

STATISTICAL SUMMARY OF REPORTS OF CORPORATIONS RECEIVED BY OSD PURSUANT TO SEC. 410, PUBLIC LAW 91-121—Cont.

	A	B	C	D	Total
79. Lockheed Aircraft Corp	4	0	0	5	9
80. Lockheed Electronics Co., Inc	1	0	0	0	1
81. Lockheed Missiles & Space Co., Inc	11	0	3	3	17
72. Locus, Inc	0	0	0	1	1
83. Logicon Inc	5	0	0	0	5
84. LTV Aerospace, Inc	3	0	2	3	8
85. Magnavox	1	0	0	2	3
86. Martin Marietta Aerospace Corp	4	0	0	0	4
87. Martin Marietta Aluminum Inc	2	0	2	1	5
88. Martin Marietta Corp., Communications and Electronic Division	0	0	0	1	1
89. Massachusetts Institute of Technology	0	0	0	3	3
90. McDonnell Douglas Corp	5	0	2	3	10
91. McLaughlin Research Corp	0	0	1	0	1
92. MITRE Corp	0	0	4	5	9
93. Mobil Oil Corp	1	0	0	0	1
94. Motorola Inc	2	0	0	0	2
95. National Steel & Shipbuilding Co	1	0	0	0	1
96. Northrop Corp	53	1	8	2	64
97. Northrop Services Inc	2	0	0	0	2
98. Northrop Worldwide Aircraft Service	6	0	0	0	6
99. Olin Corp	1	0	0	0	1
100. Oshkosh Motor Truck Inc	1	0	0	0	1
101. Pan American World Airways Inc	0	0	0	1	1
102. Page Communications Engineers Inc	0	0	0	1	1
103. Perkin-Elmer Corp	1	0	1	0	2
104. Philco Ford	0	0	0	1	1
105. Planning Research Corp	24	0	4	2	30
106. Powerine Oil Co	0	0	1	0	1
107. PRD Electronics, Inc	4	0	0	0	4
108. RAND Corp	2	0	1	10	13
109. Raytheon Co	23	0	4	1	28
110. RCA Corp	11	0	0	2	13
111. Riker-Maxson Corp	0	0	0	1	1
112. Rochester, University of	2	0	0	0	2
113. Rockwell International Corp	32	2	2	3	39
114. Sanders Associates Inc	3	0	0	2	5
115. Science Applications, Inc	10	0	3	3	16
116. SDC Integrated Services, Inc	3	0	0	0	3
117. Serv-Air, Inc	1	0	0	0	1
118. Sierra Research Corp	3	0	0	0	3
119. Singer Co	1	0	1	1	3
120. Sperry Flight System	1	0	0	0	1
121. Sperry Rand Corp	14	0	1	1	16
122. Sperry Rand Univac	0	0	0	1	1
123. Sperry Systems Management Division and McDonnell Aircraft Co	0	0	1	0	1
124. Sperry Systems Management	0	0	0	1	1
125. Stanford Research Institute	9	0	4	7	20
126. Systems Consultants, Inc	11	0	4	1	16
127. Systems Development Corp	10	0	0	3	13
128. Systems Research Lab., Inc	1	0	0	0	1
129. Summa Corp	1	0	0	0	1
130. Susquehanna Corp	0	0	0	1	1
131. Technomics	0	0	0	1	1
132. Teledyne, Inc	2	0	2	0	4
133. Texaco Corp	1	0	0	0	1
134. Texas Instruments, Inc	1	0	0	2	3
135. Textron, Inc. (Homelite)	1	0	0	0	1
136. Tracor, Inc	3	0	2	0	5
137. TRW	16	0	2	8	26
138. TWA	1	0	0	0	1
139. Union Carbide Corp	1	0	0	0	1
140. United Technologies Corp	6	0	0	0	6
141. Veda, Inc	0	0	2	0	2
142. Vitro	0	0	0	3	3
143. Vought Systems Division, of LTV Aerospace Corp	0	0	2	0	2
144. Waterman Steamship Corp	0	0	1	0	1
145. Watkins-Johnson, Inc	1	0	0	0	1
146. Western Electric Co	1	0	0	0	1
147. Western Union Telegraph Co	2	0	0	0	2
148. Westinghouse Electric Corp	8	0	2	0	10
149. Whittaker Corp. (Bermite Division)	0	0	0	1	1
Total	617	3	95	170	885

NOTES

A=Retired military officer, major/lieutenant commander or above.

B=Former military officer, major/lieutenant commander or above.

C=Former civilian employee whose salary was equal to or above minimum GS–13 during 3 years preceeding termination of service with DOD.

D=Former employee of, or consultant to, defense contractor who during last fiscal year was employed by DOD at salary equal, to or above minimum GS–13 salary.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

MAGNUSON FISHERIES MANAGEMENT AND CONSERVATION ACT OF 1976

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of the unfinished business, S. 961, which the clerk will state.

The legislative clerk read as follows:

A bill (S. 961), to extend, pending international agreement, the fisheries management responsibility and authority of the United States over the fish in certain ocean areas in order to conserve and protect such fish from depletion, and for other purposes.

The PRESIDING OFFICER. The pending question is the amendment by the Senator from California (Mr. CRANSTON). Debate on this amendment is limited to 1 hour, the vote thereon to occur no later than 11:15 a.m., no further amendments to the amendment being in order at that time.

Who yields time?

If neither side yields time, the time runs equally against both sides.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. FORD). There is no quorum call in progress. The time is being divided equally. Who yields time?

Mr. KENNEDY. Will the Senator from Washington give me 6 minutes?

Mr. MAGNUSON. I yield to the Senator from Massachusetts.

The PRESIDING OFFICER. The Senator may proceed.

Mr. KENNEDY. Mr. President, the Senate today has the opportunity to act on the most important conservation bill affecting our coastal resources—the extension of our fishing zone to 200 miles.

It is important, Mr. President, that we all understand what is at stake, both for the quantities of fish off our shores and for our fishing industry, if we fail to find a way to manage and protect our fish resources. The National Marine Fisheries Service has given us the list of stocks which are overfished under existing fishing practices and under existing fishing agreements. That list includes yellowfin sole, Alaska pollock, Atlantic and Pacific halibut, haddock, yellowfin flounder, Atlantic sea scallops, northwest Atlantic shrimp, and Atlantic bluefin tuna.

While these stocks continue to be depleted, the number of foreign fishing vessels off our coast increases each year, and the American fishing industry continues to decline. Massachusetts fishermen in 75-foot fishing vessels are watching 400 foot factory-trawlers from other nations take 70 percent of the fish within 200 miles of the North Atlantic coast.

Against this background of grim facts, progress at the last meeting of the International Commission for the Northwest Atlantic Fisheries in Montreal was encouraging. Fishing quotas were reduced, and a more cooperative attitude was perceived. But it is not enough. It is not enough to replenish the stocks. It is not enough to give New England fishermen hope of an equitable share of the take. Poor enforcement or no enforcement means that there is little chance the agreed-to quotas will be taken seriously by all the foreign fishermen plying the waters of the North Atlantic.

Dr. David Wallace, associate administrator of the National Oceanic and Atmospheric Administration and chief U.S. negotiator in ICNAF said earlier this year:

> Insofar as ICNAF is concerned, it is perhaps the most sophisticated of our international regimes. Yet despite some accomplishments, ICNAF has been unable to prevent serious overfishing in the Northwestern Atlantic Ocean, and it has been unable to resolve the serious conflicts among the fishermen of carious nations. In the future, ICNAF and such other organizations will be even less able to cope with increasing numbers of entrants and increased fishing pressure, because they are (1) unable to ensure optimum production of the resource, (2) increasingly ineffective in allocating or controlling catch and effort, (3) incapable of resolving major issues among user groups, (4) unable to make the timely management decisions required to achieve conservation goals, (5) unable to assure full compliance with negotiated agreements, and (6) not constituted to deal with major social and economic considerations.

Mr. President, we all agree that our fish resources are in trouble. And we know that existing agreements are inadequate to protect these resources. We need the extension of the fishing zone to provide a clear jurisdictional basis for management of our resources. Under this mangement framework, U.S. fishermen will be given preferential rights over coastal fish stocks; maximum limits will be set for all fishing effort on a particular stock; and foreign fishing nations will be allowed to catch the excess, allocating that excess on the basis of historical fishing practices.

Time is running out for the 25 percent of the world's marine protein resources that lie within 200 miles of our coast. Technology has given us the means to fish these stocks to extinction. We must not forget that the billion and a half people in the world depending on fish for more than half their daily average supply of protein are depending on us to assure that the fish resources are protected.

Mr. President, this bill would conserve and protect our fish and marine resources; but what it does not do is equally important for those who have expressed concerns about unilateral action in this area. The extension of our fishing zone to 200 miles does not abrogate existing treaties; it does not violate international law; and, it does not lessen the chances of reaching agreement at the Law of the Sea Conference.

Section 103(b) of this bill is clear: All existing treaties will remain in effect while negotiations are begun with respect to inconsistent agreements for the purpose of either phasing out our phasing down foreign fishing activities to meet acceptable levels. Only after these negotiations are completed may the Secretary of State make any decision to terminate U.S. participation, a step permissible under such agreements.

Nor will the extension of the fishing limit violate international law. Two previous Law of the Sea conferences failed to agree on the permissible extent of coastal nation fishery jurisdiction. There are no international treaty provisions which circumscribe fishery limits. In regard to customary international law, five members of the International Court of Justice said in the Iceland fisheries decision that—

> No firm rule can be deduced from state practice as being sufficiently general and uniform to be accepted as a rule of customary law fixing the maximum extent of the coastal state jurisdiction with regard to fisheries.

If we can deduce anything from the current state of flux in international law on this subject, it is that the consensus among nations supports extended fisheries jurisdiction. Forty coastal States have already extended their exclusive fishery jurisdiction; and the single negotiating text to emerge from the 1975 Geneva sessions of the Law of the Sea Conference reflect, almost word-for-word the provisions of the legislation we act on today. We are not alone in seeking a 200-mile fishing zone to protect endangered species of fish. During my visit to Canada last week, for example, I gained new evidence of that country's deep concern about conservation, and its preparedness to follow our lead on the 200-mile fishing zone.

The suggestion that extension of our fishing zone will weaken or scuttle the chances of reaching a successful Law of the Sea Treaty is not realistic. The effective date in the legislation we act on today will be January 1, 1977, providing enough time for participants of Law of the Sea to complete their 1976 negotiations. Of course, we would all prefer that this problem be resolved by the Law of the Sea Conference. So far that has not happened. And even if negotiations are completed this year, many people who have participated in the sessions predict that it will be 5 to 10 years before any treaty is ratified. By extending our fishing zone now, we therefore recognize that 5 to 10 years will be too late for many of our fish stocks. Yet at the same time, by providing in this legislation that the extended fishing zone will cease to have effect as soon as international agreement is reached, we recognize that international agreement is the most effective way to insure conservation of the world's fish resources.

The legislation we act on today is not designed to take the place of international negotiation, but to encourage effective and enforceable agreement. It is not designed to hamper relations between nations, but rather to end tensions between American and foreign fishermen, and to foster good will among all maritime nations which participate in the world fishing industry. It is not designed to build a seawall around our country, but rather to encourage a reasoned and sensible approach to the conservation of marine resources which are vital to all people around the world. It is not designed to be a permanent solution to a difficult problem, but rather a temporary measure which will assure that, when all the negotiations are finished, there will be fish and marine resources left for the world to share. In extending our fishing zone, we ask all nations of the world to join with us as responsible custodians of the ocean's resources for all generations to come.

Mr. President, in just a few hours the Senate of the United States will be deciding an extremely important question; an issue that has enormous implications not only up in my part of the country, the State of Massachusetts which I represent and the New England area, but also in many coastal areas of this country and really in many other parts of the world.

There are about a billion and a half people of the world's population who depend upon fish products for their very sustenance and existence. In fact, 25 percent of all the fishery resources of this world are adjacent to the coasts of this great Nation of ours, the United States. In spite of extraordinary efforts that have been made by the fishermen and those in positions of responsibility in administration after administration, Democratic and Republican administrations alike, we have seen the greatest intrusion in our history upon these resources by many other countries of the world, resulting in an enormous depletion of fish species. In my part of the country we have seen the virtual elimination of some species which had existed plentifully off those coastal areas ever since this Nation's creation.

Make no mistake about it, Mr. President: The extraordinary technology perfected in the last 5 to 7 years has made possible today what could not have happened for the first 195 years of this Nation's history; the possibility of fishing to extinction the fishery resources which exist off the coasts of this Nation. What we are seeing at the present time is a continual depletion of those resources, with all its implications, not only in limiting opportunities for the fishermen who have been going to sea all their lives and whose livelihood depends upon them, but as a very serious and I think impending threat to the resources of this Nation and the ability of this country to feed its own people from the resources of the sea, as well as our ability to help provide humanitarian assistance in filling the stomachs of other peoples who are today living on the very edge of survival in so many areas of the world.

The efforts that have been made to date in seeking to conserve the resources of this country have been a failure. And there can be no misunderstanding about that matter; no matter how much the issue is debated and discussed on the floor of the U.S. Senate, as it has been during the last 10 days. All you have to do is talk to the people who go to sea, the people of Gloucester, New Bedford, and so many other areas along the coasts of my State and other States of this Nation. Talk to the people who have gone to the international conferences; talk with those who have been involved in the negotiations, and you will find that the only action that will be understood by those nations which continue to deplete the fishing resources of this country will be the passage of this legislation here today. Only when we pass this bill will we be able to get the kind of protection of those resources which is in the interest of our people and of people around the world.

I am tired of listening to the voices of those who say here in the Senate that this is just a chauvinistic, xenophobic effort by those who support this program. Mr. President, its support comes from those who believe deeply not only in our responsibility to the fishery industries which have served this Nation well for so many years, but also from those who want to maintain our Nation as a food producer and exporter with continuing, ongoing responsibilities around the world to feed the hungry people.

The effect of the Gravel-Cranston amendment would be virtually to gut this responsible legislative program to try to meet what is, I believe, an important national objective and a national need. It has been considered, debated, and discussed by not only the chariman of the committee, the Senator from Washington, but also the Senator from Alaska, Mr. STEVENS, and the other members of the committee. There should be no mistake made about it, Mr. President: The adoption of this amendment would virtually turn the back of the United States on a serious effort in the area of conservation and the protection of one of our most important natural resources.

I hear a great deal of debate and discussion by some Members of this body about the importance of our natural resources. It is interesting to note what kind of response we get from this body when we talk about the oil in some parts of our Nation, or about our coal resources. Where are those voices when we talk about fisheries, which in so many instances can mean the difference between life and death, not only for the people of this Nation but for people around the world?

The PRESIDING OFFICER. The Senator's 6 minutes have expired.

Mr. KENNEDY. May I have 1 more minute?

Mr. MAGNUSON. I yield the Senator 1 additional minute.

Mr. KENNEDY. I would certainly hope the Senators who indicate such concern about those conservation measures will recognize the importance and the consequences of this particular effort. Mr. President, the time is running out. It is running out on the fishermen of my State and along all the coastal areas of this country. It is running out on those who are concerned, from all parts of this Nation, with the question of the conservation of this natural resource. The time has run out on our negotiators who have been attempting to resolve this particular problem; and the time is running out here in the U.S. Senate. I certainly hope that the Gravel-Cranston amendment will be soundly defeated, and that the Senate will pass this legislation, which can mean so much to our country, the people of this Nation, and the people of the world.

Mr. President, I reserve the remainder of my time.

Mr. GRAVEL. Mr. President, Mr. President, Mr. President——

The PRESIDING OFFICER. The Senator from Alaska is recognized.

Mr. GRAVEL. I yield myself 5 minutes.

Mr. President, there is no doubt that between 1.5 and 2 billion people on this Earth go to bed hungry and live under the shadow of starvation. There is no question that we in the United States of America have been richly blessed, not only by the abundance of our natural resources on land but also by having 25 percent of the world's fishery resources off our shores.

Mr. President, there is no question, and it has been brought out in debate, that we Americans have no reason to hold ourselves above all others. When we took the chart put forth by the Senator from Washington and we looked at the species that are overfished, after the colloquy in this Chamber, we agreed that there were 16 species of fish that were overfished, that were endangered and something should be done about it.

When we began to assess the blame as to who brought this problem about, we came to the conclusion that of these 16 species 6 were depleted by foreign fisheries, 6 were depleted by United States fisheries, and 4 were depleted by United States and foreign fisheries.

So now we can stand here—and it is very convenient to stand here and point a finger at the foreigners and say it is all their problem—and give ourselves total jurisdiction, and we will solve the problem.

Where does the blame come here? If a goodly number of the problems of fisheries that are in trouble today are caused by ourselves, will giving ourselves great jurisdiction solve the problem? I say not.

To those proponents of this bill who have said repeatedly that this is a conservation bill, let me simply say that this article 7 amendment, the Cranston-Griffin amendment, does exactly that to this legislation. It makes it a conservation piece of legislation.

The reason why the proponents of this legislation are disturbed is that, with the adoption of this amendment, they will no longer be able to go out and get physical jurisdiction of the 200 miles. If they only wished to have conservation, if they really believe their argument, and if they seek to conserve the species, they can do it through this amendment. But no, that is not what they want.

What really is sought is what was stated by the Senator from Washington in this Chamber, and that is: "We want to drive out every single foreign fisherman within 200 miles off our shores."

Well, that is fine. We can do that unilaterally. We can do it. We are the strongest nation on Earth. It is going to take billions of dollars of defense moneys to do it. We are going to have to put a destroyer beside every fishing vessel.

I submit the American people will not tolerate it because, first, it is not moral; it is not moral in this sense: As the distinguished Senator from Massachusetts stated, there are 1.5 billion people on Earth who are hungry. We are the wealthiest nation in the world. We have 25 percent of the fisheries off our coast. Now we are going to take that 25 percent to the exclusion of all other foreign fishing.

That kind of arrogance and that kind of chauvinism I do not think can be tolerated by American morality sensitivity.

So, if those proponents say they really want to do something about the conservation of fish and the resources that are in jeopardy, they have the vehicle to do it and to do it through this amendment.

Why do some of us oppose the legislation without this amendment? It is for the very simple reason that we take 200 miles, unilaterally, saying we seek to conserve our fish, when there are other ways of doing it. If we do that unilaterally, then why cannot Spain take the Straits of Gilbraltar or Indonesia take the Straits of Malacca and present the same argument? If supertankers were to go through those straits, run afoul, break up, pollute those shores, and ruin their fishery, why would they not have the same logical argument, as we have in protecting our fishery, by taking 200 miles and then wishing to control those straits?

We pooh-pooh that argument. We say that is not going to happen. Canada did it. Canada did it, and we did not as much as blink an eyelash.

When we were trying to figure out ways of getting the oil out of Alaska, one of the major oil companies sent a tanker through the Northwest Passage to make a determination whether or not that route was feasible to bring oil to Massachusetts, Rhode Island, and New York. Do Senators know something? While that experimentation was going on, Canada went out and took a 200-mile pollution zone unilaterally. Do Senators know something else? There is no vessel plying the Northwest Passage today, because of that unilateral action.

So I say that if Senators wish to set in motion a chain reaction around the world which will bring anarchy to our fisheries and thwart the only real way we can get 200 miles, then this bill will do it. Let us not misunderstand on that score. I am for a 200-mile zone.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. GRAVEL. I yield myself 1 additional minute.

The PRESIDING OFFICER. The Senator from Alaska is recognized for 1 additional minute.

Mr. GRAVEL. I am for the 200-mile zone that will not cost billions of dollars in the defense budget to enforce. I am for a 200-mile zone that will be a consensus agreement in the world, where it will cost but a pittance to enforce, because it will be agreed to by consensus. I am for a program that will protect Alaska's anadromous fish throughout their range, which this legislation does not do.

Mr. President, I hope Senators will see that, if the proponents of the bill are true and wish conservation, they can get it through article 7 of the 1958 Geneva Convention. But I submit that is not what they want. They want unilateral, total control of the 200-mile ribbon around this Nation so that they can exclude all foreign fishing.

I submit that will not be morally tolerated by this great Nation of ours, nor will it be tolerated in the world today.

The PRESIDING OFFICER. The Senator's time has expired.

Who yields time?

Mr. MUSKIE addressed the Chair.

Mr. MAGNUSON. Mr. President, I yield the Senator from Maine such time as he requires.

Mr. MUSKIE. Mr. President, I think the issues have been laid out yesterday and this morning by the distinguished Senator from Massachusetts (Mr. KENNEDY). As I listened to the closing remarks of the Senator from Alaska I have not heard a more serious misdescription of the purpose of the pending bill and the purposes of the sponsors of this bill than the Senator from Alaska has just stated.

What we are trying to establish is the protection of the fisheries resources off our continental shelves, not only for our benefit, but for the benefit of all mankind.

Coastal States, on the record, are the only States which have demonstrated any responsibility for the conservation and management of those resources. We have tried the diplomatic route, over and over again, including the one which is covered by the Cranston amendment.

This one has been floating around here since 1958. It has not worked. It has been specifically rejected by committees in both Houses within the last 3 years.

Mr. GRAVEL. Mr. President, will the Senator yield on that point?

Mr. MUSKIE. I am afraid I have only 4 minutes, and the Senator has had his time.

Mr. CRANSTON. On our time.

Mr. GRAVEL. Will the Senator yield for a question on my time?

Mr. MUSKIE. All right.

Mr. GRAVEL. The first question is: Can the Senator tell us when this article 7 effort was tried and, second, can he explain the fact that the House bill has an article 7 in it for anadromous fish?

Mr. MUSKIE. With respect to the first point, my argument is not that it has been used and failed but that it has not been used. Notwithstanding the fact that it was ratified by several nations, not including the major fishing nations of the world, it has not been used because obviously it was not an effective protective device.

That is the answer to the Senator.

With respect to the provision on anadromous fish, anadromous fish are a special problem. Everyone recognizes that, including the Law of the Sea Conference.

Let me return to my theme in the limited time which I have.

Mr. President, what we are trying to do is to establish some interim protections while the Law of the Sea Conference continues its negotiations, in the hope that it will achieve an international agreement.

The indications are that, if other issues can be resolved, the 200-mile fishing zone is a viable idea in the Law of the Sea Conference. So we say, if that is a fact, let us in the meantime put it in place, prepare ourselves hopefully for a successful resolution of the Law of the Sea Conference, but enable us in the meantime to protect those species which are now under threat of depletion and deterioration.

What this amendment proposes to do is to divert us from that course and to put our reliance upon a treaty that was negotiated and ratified by a few nations but not the major fishing nations of the world. It would involve time-consuming negotiations, which would eliminate the protections from 3 to 12 miles we have now given to our fishermen under international agreements as well as the law, which have been in effect some 18 years. Why? Because the proponents of the proposed legislation will resort to any parliamentary device to defeat our purpose.

Mr. President, I cannot offer an amendment between now and 11 o'clock, but at 11 o'clock, on behalf of the principal sponsors of the pending bill, I shall offer an amendment to the Cranston amendment to strike out everything except the findings. I shall indicate then, as I indicate now, that so far as we are concerned, we will also accept the Thurmond amendment, which would add another 6 months to the negotiating period available to the Law of the Sea Conference—in other words, until July 1, 1977.

I say to the sponsors of the Cranston amendment and to the distinguished Senator from Alaska that if they really are interested in pursuing international negotiations as a way to resolve this problem, that is the way to do it.

We have been told over and over in the last 2 or 3 or 5 years that the Law of the Sea Conference is the international vehicle to pursue for an international resolution; but, instead, the sponsors of the Cranston amendment say to us, "No, we would prefer to rely on the Geneva Convention that was negotiated in 1958," which was not ratified by enough nations to implement until the mid-1960's and which never has been used, never resorted to, by any nation because it was conceded to be an ineffective protective device.

So I shall offer this amendment between 11 and 11:15, which I understand parliamentarily is the only time it may be offered. When we offer that amendment, I will move to strike everything in the Cranston amendment except the findings. Second, I indicate, on behalf of all the principal sponsors of the pending legislation, that we will accept the Thurmond amendment, which would set July 1, 1977, as the date to which we can move in negotiations before the pending legislation would be enforced.

With that, I yield for the time being.

Mr. GRAVEL. Mr. President, I wish to address a few brief points. I yield myself 3 minutes to do that.

If the Senator from Maine really wants to protect the species, he can do it through the Cranston amendment, and he can do it on the basis of a treaty. What he is proposing is to do it on the basis of force of arms, to go out and grab 200 miles, kick everybody out, and think he can make that work. No way in this world can it be made to work. We are all interdependent in the world.

We are saying that if one really wants to conserve fish, this is the vehicle to do it.

Second, the Senator suggests that this is a time-consuming method, and in the same breath he says he is prepared to put back the effective date of implementation of this bill until July 1, 1977.

They make the argument that these resources are going to be depleted. They may well be gone by then. We have heard that argument made by the proponents of this legislation over and over.

I suggest to the Senator from Maine that he join us on this amendment, because this amendment would set in motion immediate conservation, and negotiations would begin. If those negotiations were not fruitful in 6 months, a conservation plan would be put into motion. It would be laid right on the line unilaterally. Regardless of what happened at the Law of the Sea Conference, regardless of any nation, there would be a plan of conservation unilaterally.

The difference—and this is why it is legal under this proposal and not legal under the proposal of the Senator from Maine—is that this makes it apply fairly to domestic and foreigner alike, and that is the essence of its legality under international law.

When my colleague says that this amendment will set back fisheries 17 years, all I can say is that a distinguished bevy of individuals differ. I refer to people such as Professor Henkin, Professor Sohn, Professor Baxter, and an international jurist, Mr. Jessup, who said that the statement that this would impair our existing fisheries was utterly specious.

I can explain it from a lay point of view, without going into the semantics of law. The proponents of this bill say that it is legal to grab 200 miles and do what they want. Under this amendment, you do it through a treaty; and if you do anything, you must do it fairly to foreigner and domestic alike. I leave it to any reasonable person to judge what is the more legal course of action in international law.

I should like to add one more point with respect to the Senator from Maine's comment.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. GRAVEL. I yield myself 1 additional minute.

The Senator from Maine really underscored something that should be discussed a little more—that this bill does nothing for anadromous fish. There are a few political statements in the bill, a little political cosmetics, but it does not do anything for the anadromous fish. The House was considerably more honest, because they at least tried to implement article 7 to get to anadromous fish. But there is no way you can touch anadromous fish, unless you are prepared to go to war with every nation in the world that might covet these fish, hundreds of miles from our shores.

Mr. PASTORE. Mr. President, we are not trying to grab anything from anybody. Let us have an understanding on that. This is no grab legislation. This is conservation legislation.

As I had occasion to say the other day, you have to get hurt to understand the hurt. In my State, we are hurt.

I do not care about statistics. Let us leave out all this hocus-pocus strategy—how we are going to emasculate and kill this bill. Let us understand the bill. Let us understand the motivation behind this bill. Let us understand the purpose of this bill.

We want an international agreement. We have been trying to get an international agreement. But the trouble is that those who are invading our waters, destroying our pots, cleaning up our fish, do not want an agreement. That is what this thing is all about.

We are not saying that this becomes effective the minute it is enacted. We are saying that it becomes effective in July of 1977. Why? Because we want the parties to work out an international agreement. If they come back and say it is 50 miles, that is it. That is how badly we want it.

As to all these crocodile tears about what we are doing to navigation, sometimes I have to go upstairs and get my rubbers, because those tears really flood this floor. We are not impeding navigation in the least. It has nothing to do with navigation. If they want to sail their ships within the 200-mile limit and not destroy our fisheries, they can do so. Nobody is going to stop them. We are not putting them out. We are just saying, "If you come in, let's have some rules to go by."

The haddock is all gone. Our lobster pots are being destroyed so badly that I had to appeal to Mr. Wilmer Mizell, the Administrator of EDA, to come up with a loan of $250,000. Why? Because they crucified our fishermen in Rhode Island. They destroyed all their pots.

They are little people—one man with one helper out there. Do Senators know what happened? These enormous trawlers came along and plowed right through and said: "This is our right. This is our right under international law." When was plunder anybody's right under any law? That is what has been happening and that is what this is all about.

If the Senator is against a 200-mile limit, why does he not vote against the bill? Why all this strategy in the cloakroom, in somebody's office, to see what someone can come up with in order to emasculate the bill? That is what this is all about.

As to the idea of going back to 1958, if there was a binding treaty in 1958, those pots in Rhode Island would not have been destroyed. But they were. We have pictures of the foreign boats that did that, and then their governments denied it.

They said, "You go fish." There was no place else for us to go and fish, because these countries were cleaning it out. That is what they have been doing.

Let me tell you, if we allow this, we are up against what Teddy Roosevelt was up against when they began to plow down our forests, when they began to ruin all our natural resources. They come in here with these big, big, factory ships. They have their canneries on board. Did the Senator know that? They have facilities on there to can, right on the ship. Then they take it back home. Then they try to sell it to us.

Here we are, we have our own fishermen going around begging.

If the Senator wants to do something to help Americans, this is his chance. We are not precluding an international agreement. We want one. If they come back and say 15 miles, that is the end of this bill. That is how fair we are. But unless we prod, unless we act unilaterally in this matter now, we will never get a multilateral agreement. That is what we want.

We go to these conferences and we get the razzmatazz: Everybody is for this, everybody is for that. But when we put the paper in front of them and ask them to sign, they say, "I cannot write my name." They will not sign it. They will not make anything of it.

They will give a lot of talk. They will talk us deaf, dumb, and blind. They will get up there and beat their breasts about how holy they are. Then the next thing we know, they have their ships over here, destroying everything that is precious to us.

We want them to come in. We want to give them a fair share. But we want our fisheries to come under some management, some kind of orderly control. That is the reason we brought out this bill—not to hurt anybody, but, for once in our lifetime, to help Americans.

What is so bad about that? We bleed for the Russians, we bleed for the Chinese, we bleed for the Japanese. We bleed for everybody under the sun. Down there in the State Department, they have an Asian desk, they have an African desk, they have a European desk, but they do not have an American desk.

Is it not about time we had an American desk? This is what this is all about. All I am saying is, give us a chance. Do not give us the hocus-pocus of this strategy, this treaty, that treaty. We have been trying that for years. And every time we try, we end up behind the eight-ball.

So I say to my friend, give us a chance. Give us a chance. We have been hurt. We understand the hurt. We have been hurt badly. And the fish are not there any longer.

If we kill off propagation, that sea will be barren, and that is what we are trying to avoid.

We want something there for everybody. But we do not want the greedy ones to come in and take it all, not when it belongs to us.

I thank the Chair.

Mr. GRAVEL. Mr. President, I yield myself 3 minutes to respond to the distinguished Senator from Rhode Island.

I wish to tell the Senator from Rhode Island that everything he said, I subscribe to. The only thing I would add, to correct a slight misunderstanding or misrepresentation of fact, is that the Russians have paid for damages by vessels that have run over pots. So the statement made that "these foreigners have never paid for any damage they have done" is not entirely accurate.

Second, I have seen charts, when I was in Rhode Island, I have had people show me charts of how the Russian fleet would move around precisely to avoid those pots.

Mr. PASTORE. Will the Senator yield?

Mr. GRAVEL. If I may just finish one point.

Mr. PASTORE. All right, I shall let the Senator finish.

Mr. GRAVEL. We do make statements, when carried away by enthusiasm, that may not be entirely accurate. The facts are that a check has been written and given to our people, and it has been done by foreigners.

Mr. PASTORE. Will the Senator yield at that point?

Mr. GRAVEL. I am happy to yield.

Mr. PASTORE. The Senator tells me he went to Rhode Island. Is that correct?

Mr. GRAVEL. Yes.

Mr. PASTORE. He went to Newport, is that correct?

Mr. GRAVEL. Right.

Mr. PASTORE. Did the Senator talk to the fishermen?

Mr. GRAVEL. Yes, I talked to the fishermen.

Mr. PASTORE. What sort of reception did they give him?

Mr. GRAVEL. They were opposed to my position.

Mr. PASTORE. They ran him out of the hall, did they not?

Mr. GRAVEL. They did not run me out of the hall. His people are fine citizens. His fishermen treated me with courtesy.

Mr. PASTORE. That is not the way it read in the newspaper, my friend. [Laughter.]

Mr. GRAVEL. Sometimes we see exaggerations occur, not only on the floor of the Senate, but also occasionally in the press.

But let me ask my colleague: He makes the statement that it is "those foreigners." Certainly, there are no votes for me in defending foreigners. What I am trying to do is defend the truth.

We had a list. My colleague from Rhode Island was not on the floor when I made the statement earlier. We had a list put forth here by the Senator from Washington as to what the depleted stocks were. We arrived at an agreement in colloquy that there were two more than shown on his chart. There were 16 stocks altogether.

The Senator talks about the haddock being gone. The haddock is gone because of foreign fishing and U.S. fishing. Of the 16 stocks endangered, 6 of them have been overfished by Americans. We are not without sin. When the Senator stands here and says we have to take this action to protect the stocks, he would be entitled to make that statement if we were without sin. But we have sinned like anybody else.

The tally is very simple. Of the 16 stocks depleted, 6 were depleted by Americans, 6 by foreigners, and 4 by Americans and foreigners. All this amendment does is say, if we want to protect the stocks, we can do it under the treaty.

The problem is, the Senator wants more than just conservation: he wants to be able to have a monopoly. When he does that, he sets in motion a reaction around the world that will bring anarchy to the seas and destroy the Law of the Sea Conference.

If the Senator's goal is just conservation, he has it here. If he wants to protect his fishpots, he has it in this amendment. He has it under article 7. The problem is, though the argument has always been made that this is a conservation bill, it is not a conservation bill. That is only one facet of it. The Senator wants more than that. He wants to drive all the foreigners out of that 200-mile area. Fine. That is good politics. He can get a lot of votes, a lot of applause. But that is not good policy in today's world of interdependence. It is not moral.

We are the wealthiest nation in the world. Now we want to get 25 percent of the world's protein in our own little hands. That will not work in this world of nuclear proliferation. If the Senator wants endless fish stocks for his people, he can vote for this amendment. That is the only way we can get conservation, because I submit that if we place in motion a chain reaction where other nations can act unilaterally, as we act unilaterally, they will follow our suit like a brush fire with the wind behind it, and everybody will act unilaterally in an interest that they perceive to be their own. That will produce anarchy in the seas and will produce a run on the fisheries of Alaska and a run on the fisheries of the east coast of the United States.

Then the Senator's fishermen will come back to him and say, "Well, Senator, how is it that it did not happen the way you said it was going to happen? How is it we cannot pay for the gasoline for our boats now, after we got this supposed 200 miles?" Then he will come back to the Senate for appropriations to send the gunboats out to drive the foreigners out.

If we want to do that, then we can exempt this legislation, have the honesty and integrity to exempt this legislation from the War Powers Act. Because we are saying, "Mr. President, we are taking 200 miles; now you go defend it and you go take it."

If the President does not do that, then the Senator has not given anything to his fishermen and has not brought about conservation.

This amendment will permit conservation to take place. If that is all the proponents want, they have it in this amendment.

Mr. PACKWOOD. Mr. President, will the Senator from Washington yield me some time?

Mr. MAGNUSON. I yield a minute to the Senator from Oregon.

Mr. PACKWOOD. We talk about immorality. The situation is that the immorality is not on our side. Before I came to this body, I can remember someone in Oregon telling me not to be hasty; if we wait, we can get satisfaction. Those doubledealing, doublecrossing, pinstriped diplomats have been selling us down the river. They have done everything but advise the fishermen to cast their nets on the other side of the boat, and I think some of them think they have the right to tell them to do that.

It will not work. We have waited 10 years. All we are asking in this bill, and we do not want it gutted with this amendment, is give us a chance to protect our own fishing industry. There is going to be a problem. Once we get this limitation, we are going to have a conservation problem and we are going to have to set some standards so our fishermen do not overfish. We understand that. But, at least, give us a chance to have some jurisdiction over the very resource that is now being fished dry. We cannot wait any longer.

As far as morality is concerned, the most moral people in the world are the fishermen, who have waited and waited, on the coasts of our shores. Unpaid fishermen, I say, with claims for nets that Russian trawlers have run over unpaid that they are entitled to have paid. We have never gotten a cent in Oregon out of the Russians.

I yield back my time.

The PRESIDING OFFICER. Who yields time?

Mr. GRAVEL. Mr. President, I yield myself 2 minutes.

If you want jurisdiction to save the fish, this will permit it, and will give it to you in a very legal fashion under a treaty. If we pass it, it will require unilateral action, but it will do so legally.

We want to conserve the fish; we want to do something about these stocks. We want to do something on an interim basis until the Law of the Sea comes into being, but we want to see the Law of the Sea come into being and not see that negotiation destroyed.

So if it is the stocks you want to protect, the Cranston-Griffin amendment does exactly that. It does not do more. It is the "more" that is the dangerous part of the action, because then we take unilateral action, and other nations will exercise the same right.

If we, the most powerful nation on Earth, can do something unilaterally, why cannot other nations do it? And, of course, they will. The difference is they will exercise a unilateralism as they perceive it, and they may not perceive it the way we perceive it. This, of course, will be the beginning of the end.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. Mr. President, just one additional point. As we have listened to the debate and discussion——

The PRESIDING OFFICER. Who yields time?

Mr. MAGNUSON. I yield time to the Senator from Massachusetts.

The PRESIDING OFFICER. One minute.

Mr. KENNEDY. Mr. President, as we have listened to the debate and discussion about the proposal of the extension of the 200-mile limit, it is said that it is a unilateral proposal, and that the article 7 proposal is not unilateral. Well, that argument, I think, has been addressed by the distinguished Senator from Rhode Island. We all understand the commitment and the interest of those who are supporters of this proposal to the operation of international law and a willingness to abide by the Conference on the Law of the Sea.

But the interesting point of the matter that the Senator from Alaska has left out is when this proposal of article 7 was submitted to the various countries, what was the response of the Soviet Union? They said, "nyet," no, and they turned it down.

What was the response of the eastern bloc countries? They said, "No." They turned it down.

Poland, Bulgaria, East Germany, and the Soviet Union have all turned it down. So, sure, some countries have approved it, Tobago has approved it, Cambodia has approved it, Switzerland has approved it. But that does not happen to be the problem we are facing today; they are not fishing off our shores.

So I fail to understand the logic of the reasoning of the Senator from Alaska (Mr. GRAVEL) and the Senator from California (Mr. CRANSTON) when they say the extension of the 200-mile limit is unilateral. Quite obviously it is not, because those who are supporting it are committed to the process of international law. You and I know what is going to happen. Any time any proposal is going to be made on the issue of conservation; and we ask the Soviet Union or the East bloc countries to abide by it, they are going to give us the same answer that was given to the United States when they were asked to be signatories. The answer is going to be "No," make no mistake about it.

Mr. MAGNUSON. Mr. President, I yield a half-minute or 1 minute to the Senator from Maine.

The PRESIDING OFFICER (Mr. EAGLETON). The Senator from Maine is recognized.

Mr. HATHAWAY. I thank the Senator for yielding.

Most of the points made yesterday or today in debate have been discussed, and I will not impose upon the Senate by reiterating those points, but I just wanted to say, in answer to this argument made by the Senator from Alaska (Mr. GRAVEL) that this will set up a chain reaction where we are going to get other countries unilaterally imposing limits such as this, I say if that does happen, that will be a good thing; that will hasten a Law of the Sea agreement because our own strong bargaining position, which will start this chain reaction, will force all of the countries involved to come to an agreement much more quickly than if we adopt the amendment of the Senator from California and the Senator from Alaska which puts us in a very poor bargaining position which will not be any inducement whatsoever to enter into a Law of the Sea Conference and then come to some agreement on this matter.

So I would like to say simply, in conclusion, if we are going to bargain in this matter, we have got to bargain from strength, and if we should bargain from strength, we should retain the 200-mile limit, and if it does set up a chain reaction in the world, it is in our favor, and it is going to hasten the time when we can enter into an agreement that will be acceptable to all of us.

Mr. MAGNUSON. Mr. President, I yield to the Senator from Maine and, as I understand the parliamentary situation—and I make this inquiry—the Senator from Maine has an amendment, which is cosponsored by several of us, to the Cranston-Griffin amendment, and he cannot present it, under the unanimous-consent request, until 11 o'clock, but I want to yield such time——

The PRESIDING OFFICER. The Senator is correct.

Mr. MAGNUSON. To the Senator from Maine to explain it ahead of time before he presents it at such time as he wishes.

The PRESIDING OFFICER. The Senator from Washington has 1 minute remaining on his time. He yields that 1 minute to the Senator from Maine.

Mr. MUSKIE. Mr. President, as I indicated earlier, after 11 o'clock, the time to which I am restricted, I will offer an amendment which, in effect, will strike everything from the Cranston amendment except the findings. That is a rough description, but I think it is accurate. I think, in addition, in behalf of the cosponsors, who include Senators MAGNUSON, STEVENS, KENNEDY, HATHAWAY, PASTORE, PACKWOOD, BROOKE, HOLLINGS, MCINTYRE, WILLIAMS, JACKSON, and myself, we have agreed that we would accept the Thurmond amendment which would postpone enforcement of the coming legislation until July 1, 1977, in order to stretch out the negotiating time available on the Law of the Sea Conference.

I shall offer this amendment, Mr. President, when I am ordered to do so after 11 o'clock.

Mr. CRANSTON. Mr. President, I would like briefly to summarize the situation in two ways:

First, the amendment I have offered with Senator GRIFFIN is a compromise, not a device to kill the purposes of the bill of the distinguished Senator from Washington.

The fishing conservation measures are the same in the amendment and in the bill.

The objective of the 200-mile conservation zone is the same.

There is agreement that unilateral action by the United States is or may be necessary to protect fish stocks.

The difference is that the amendment offered is a method recognized by international law.

The amendment provides a way to achieve management conservation controls more swiftly than the original bill.

Second, I would now like to touch on the arguments made against the amendment.

The statement has been made against it that by relying on article 7 of the 1958 Geneva Convention on Fishing, it would force the United States to surrender its exclusive fishing rights in the 9-mile zone beyond our territorial limit of 3 miles.

Answer: The amendment applies article 7 only to "the high seas adjacent to the fisheries zone." "Fisheries zone" is defined in the amendment to mean the 12-mile exclusive fishing zone established in 1966 by Congress. Nothing in article 7 forces the United States to open its 12-mile exclusive fishing zone to foreigners. That is confirmed by the State Department Legal Adviser.

Article 7 does require that U.S. conservation measures be applied outside the exclusive zone in a nondiscriminatory way.

Charge against the amendment: The Cranston-Griffin amendment denies preferential fishing rights to U.S. fishermen.

Answer: Preferential fishing rights, according to the World Court, cannot be asserted unilaterally without negotiations. Preferential fishing rights, which the World Court has recognized, are an issue to be considered in applying the nondiscriminatory standards as required under article 7. It would not be nondiscriminatory to accord greater weight to American preferential rights in fishing on high seas beyond our 12-mile contiguous zone.

The final charge: The major foreign nations fishing off our shores, the Soviet Union, Japan, and Poland, are not parties to the Convention on Fishing and Conservation of the Living Resources of the High Seas. Therefore, it is argued, these nations would not be subject to any enforcement procedures.

The answer: The most authoritative response on this question is the letter from the Legal Adviser of the State Department to me which appears in yesterday's RECORD. It is a full answer to that charge.

In addition, the Convention on the Continental Shelf has been applied successfully to limit lobstering by nonparty or nonsignatory nations.

Mr. President, I am prepared to yield back time—no, I yield 1 minute to the Senator from Alaska.

Mr. GRAVEL. Mr. President, just to respond as to the amendment, the amendment the Senator from Maine will pose, there will not be a distinction made by the foreigners as they view the legislative action of the Senate. So if we push back again another 6 months to supposedly accommodate the Law of the Sea, it will not be perceived as having any effect at all from the foreign point of view.

Example: All the House did was pass a bill, and the Mexican Government initiated their whole 200-mile patrimonial seas situation as a constitutional amendment.

So the mere fact we act unilaterally, regardless of the enforcement date—that will be perceived as a unilateral vote by the world, and will set in motion a chain reaction.

I hope our colleagues will not vote for the Muskie gutting of the Cranston amendment.

I hope we will proceed with the Cranston amendment using article 7 so that it can initiate the proper legal conservation programs that are necessary to save our fish stocks pending enactment of a Law of the Sea Agreement, which is somewhat imminent in the world today.

Mr. TUNNEY. Mr. President, I am a cosponsor of Senator CRANSTON's amendment, and with its inclusion I would be very pleased to join my distinguished chairman, Senator MAGNUSON, in support of this legislation which I know is so important to him.

Mr. President, from the time of its introduction I strongly opposed S. 961 because it unilaterally extended the U.S. territorial waters. I have repeatedly asked my colleagues to reject this legislation and instead instruct the President to push for prompt and appropriate action by the participants in the Third Law of the Sea Conference. The United States must lead the other nations of the world to the realization that efficient allocation of scarce resources and materials can only be achieved by international accord.

Senator CRANSTON's amendment retains the fisheries management provisions of S. 961, while striking the assertions of unilateral 200-mile jurisdiction from the bill. In lieu of unilateral expansion the amendment invokes article 7 of the 1958 Geneva Convention on Fishing and Conservation of the Living Resources of the High Seas as a proper way to establish emergency conservation procedures.

This amendment is very important because it addresses international resource management problems through established international channels. Furthermore, Senator NELSON's perfecting amendment implements the concern for speedy promulgation of conservation measures by directing the Secretaries of State and Commerce to institute negotiations under article 7 within 30 days of enactment.

Mr. President, I share the view that if Congress enacts legislation unilaterally claiming a 200-mile jurisdiction off our shores, that the Law of the Sea Conference will be adversely impacted to a critical degree.

However, if the Congress and the President were to initiate an action under article 7 of the 1958 Geneva Convention on Fishing and Conservation of the Living Resources of the High Seas, I believe that the fishery conservation goals sought by the advocates of unilateral 200-mile legislation would be legally and more efficiently secured.

I call on my colleagues to vote in favor of Senator CRANSTON's amendment to S. 961.

Mr. GRIFFIN. Mr. President, in the past 2 months I have written and spoken at great length about the dangers inherent in S. 961, and the many advantages of relying instead on true conservation measures following the principles set forth in article 7 of the 1958 Geneva Convention on Fishing.

Now we have come to the final day of debate. Although both sides have been argued ably during this long and tiring dialog, I find myself this morning more convinced than ever that this amendment sets forth the best procedure for protecting our endangered fishery resources.

Before we vote, I want to respond briefly to a major objection that has been raised by opponents of this amendment.

The critics of this amendment have contended that it would be doomed to failure because many of the nations presently fishing off our shores have not formally ratified the 1958 convention on fishing. It is argued that states like Japan and the Soviet Union, which have not ratified the convention, would not recognize such conservation measures if unilaterally imposed.

To begin with, I find a certain irony in this new found concern that other nations might not accept our unilateral claims. The claims inserted by S. 961, as it now stands, are many times more objectionable from the standpoint of foreign nations and foreign fishermen, that the steps proposed in accordance with article 7. Those who now argue that we would have difficulty enforcing conservation measures under article 7 should give more thought to the infinitely greater problems that will confront us in trying to enforce S. 961 if this amendment is rejected.

Furthermore, there is reason to believe that other nations—including both Japan and the Soviet Union—would be much more willing to cooperate by recognizing conservation measures based on article 7. For example:

Arthur H. Dean, who was America's chief negotiator at both the 1958 and 1960 U.N. Conferences on the Law of the Sea in Geneva, has observed that "while Japan and Russia did not sign (the) treaty, it is my understanding that they have agreed to it in practice."

Donald McKernan—former Special Assistant to the Secretary of State for Fisheries and Wildlife—has testified before a subcommittee of the House Merchant Marine and Fisheries Committee concerning article 7 that—

> [M]y own judgment is that all nations fishing off our coasts would make certain that negotiations were successful and . . . with respect to the major fishermen—that is, the Soviets, West Germany, and the Poles—I feel confident after my discussions with people from those countries that we could reach agreement and we would, in fact, not be obliged to apply any unilateral action against these fishermen . . .

Ambassador John Norton Moore—currently the Deputy U.S. Special Representative to the Third U.N. Law of the Sea Conference—is of the view that both the Russians and the Japanese would be more receptive to conservation measures along the lines set forth in article 7—whereas they would strongly oppose the approach taken by S. 961.

Finally, Mr. President, there is significant legal opinion that nondiscriminatory conservation measures, based on appropriate scientific findings, and implemented following 6 months of negotiations in the manner set forth in article 7 of the Geneva Convention on Fishing, would be recognized under international law, even as against states which are not parties to the convention.

Pursuing this question, my staff has been in contact by telephone with a number of this Nation's foremost legal scholars—people like Professors Louis Sohn and Richard Baxter, of Harvard Law

School, and Prof. Myers McDougal of Yale.

The majority of those we were able to reach expressed the view that for the United States to implement conservation measures in accordance with the procedures set forth in article 7 would be consistent with our obligations under international law. Further, they indicated that such measures could be applicable under international law, even as against states which are not parties of the convention.

Perhaps typical were the comments of Professor Sohn, who provided me with a detailed letter responding to these questions. Among his conclusions were: There can be no question that the United States is entitled to adopt unilateral measures of conservation in accordance with article 7 of the 1958 Convention on Fishing and Conservation of the Living Resources of the High Seas. The Convention was in some respects declaratory of international law and, in particular, its provisions relating to conservation were considered by the 1958 Conference as declaratory of the basic requirements of international law. Consequently, any conservation measures enacted by the United States in good faith under article 7 would be applicable to states which are not party to the Convention, including the Soviet Union and Japan.

Professor Sohn concludes by contrasting the article 7 procedure with "the original S. 961 which goes beyond conservation needs—violating various rules of international law." Mr. President, I shall ask unanimous consent that the complete text of Professor Sohn's letter be printed in the RECORD at the conclusion of my remarks.

Of course, I do recognize that not all legal scholars agree that the article 7 approach can be validly enforced as against states which are not parties to the Convention. The law is complex. But I have been unable to find a single international legal scholar who does not agree that the approach set forth in this amendment is much more likely to be found consistent with international law than the alternative proposed in S. 961 as it now stands.

Mr. President, the third U.N. Conference on the Law of the Sea will reconvene in New York City just 2 months from tomorrow.

The action we take today on this amendment and this bill will send a message to the delegates to that Conference.

Rejection of this amendment and passage of S. 961 will speak for unilateral claims, for disregard of international law, and for survival of the strongest.

Passage of this amendment will send a different message—a message of responsible respect for the resources of the oceans; a message of international cooperation through international law; and a message of peaceful settlement of international disputes.

I urge my colleagues to join with me in supporting and passing this amendment.

I ask unanimous consent to have printed in the RECORD a letter from Professor Sohn.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

HARVARD LAW SCHOOL,
Cambridge, Mass., January 27, 1976.

Hon. ROBERT P. GRIFFIN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR GRIFFIN: As requested, here are the answers to your questions.

There can be no question that the United States is entitled to adopt unilateral measures of conservation in accordance with Article 7 of the 1958 Convention on Fishing and Conservation of the Living Resources of the High Seas. The only condition is a requirement for negotiations in good faith for a period of six months. If the amended S. 961 is enacted in the near future and if negotiations start immediately, the relevant six-month period will expire long before 1 January 1977 (the proposed operative date for S. 961).

The right of the United States to take such action has been expressly recognized by the more than thirty parties to the 1958 Convention. In addition, that Convention was in some respects declaratory of international law and, in particular, its provisions relating to conservation were considered by the 1958 Conference as declaratory of a basic requirement of international law. For instance, Article 1(2) speaks of the duty of all States to adopt such measures "as may be necessary for the conservation of the living resources of the sea." According to Article 4(1) when nationals of two or more States are engaged in fishing the same stock, these States shall, at the request of any of them, enter into negotiations with a view of prescribing by agreement "the necessary measures for the conservation of the living resources affected." As was pointed out by Judge Dillard in the Icelandic Fisheries Case (I.C.J. Reports, 1974, p. 3, at 69), "in the light of the practice of States and the widespread and insistent recognition of the need for conservation measures" this principle "may qualify as a norm of customary international law."

The 1958 and 1960 Conferences disagreed on the extent of the jurisdiction of the coastal State, but there was no real disagreement on the adoption, by one means or another, of all the necessary conservation measures. While the 1958 Convention expressed a preference for achieving a solution in each instance by negotiation, it authorized also unilateral action. In case of a dispute whether a particular action was necessary for conservation purposes, the Convention provides for settlement of this question by a special commission, thus ensuring against any arbitrary action.

Consequently, any conservation measures enacted by the United States in good faith under Article 7 of the 1958 Convention would be applicable to States which are not parties to that Convention, including the Soviet Union and Japan. Like the parties to the Convention, they can contest the necessity of any particular measures but not the right of the United States to take them. To equalize the rights of non-parties with those of parties, the United States should be willing to accept the jurisdiction of the international commission under Article 9 of the Convention with respect to non-parties as well.

The use of the procedure provided for under Article 7 has thus the advantage of enforcing a generally accepted rule of international law, unlike the original S. 961 which goes beyond conservation needs and tries to establish a unilateral claim to broad fisheries jurisdiction in a 200-mile zone, violating various rules of international law which for years were the basis of strong United States complaints against unilateral actions by other States. Action under Article 7 is completely different in character and its basic legality from the action proposed by S. 961.

Sincerely yours,
LOUIS B. SOHN,
Bemis Professor of International Law.

Mr. MUSKIE addressed the Chair.

The PRESIDING OFFICER (Mr. HATHAWAY). All time has expired.

The Senator from Maine.

Mr. MUSKIE. Mr. President, I call up my amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk proceeded to read the amendment.

Mr. MUSKIE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Page 2, line 12, strike the comma and insert a period and strike the words after the period through line 19.

Page 2, line 20, delete "(11)" and insert "(10)".

Page 2, strike line 25 through line 13, page 12.

Mr. MUSKIE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. MUSKIE. Mr. President, it is interesting that the distinguished Senator from Alaska refers to my amendment as a gutting amendment.

If that is an accurate description, then I say it can be made more accurate by describing it as a gutting amendment to a gutting amendment because that is exactly what the Cranston amendment is designed to do.

This restores——

Mr. CRANSTON. I would like to say that I am not in the gutter.

Mr. GRAVEL. I second the motion.

Mr. MUSKIE. The amendment makes it possible for Senators to focus on the bill itself and that, I think, is what we should do.

In effect, it is an up and down vote on the bill with one modification. Unfortunately, the Parliamentarian advises me we could not include in this amendment the extension of the enforcement date to July 1977, or I would have included it. But the managers of the bill and the cosponsors of this amendment have indicated their support for the Thurmond amendment which would extend the enforcement date to July 1, 1977. That is our commitment, and I would want the Senate to understand it.

I yield to my good friend from Alaska.

Mr. STEVENS. Mr. President, I want to compliment the Senator for his move in taking the findings from the pending amendment and adding them to the bill.

The interesting thing about those findings is that they support intent, the intent of our bill.

I wish to compliment our good friend from Rhode Island for his fine words of support. He has demonstrated again what a great loss its will be when he is no longer on this floor.

He has, I think better than any of the rest of us, described the need for this legislation.

Make no mistakes about it, the genesis of the amendment that Senator **Muskie** is trying to correct was, in fact, the State Department and the Defense Department, we know that. They made the same statement before during consideration of the 12-mile zone that they are making now about the 200-mile zone. They are afraid of confrontation. What my colleague from Alaska fails to see is that the confrontation would come sooner under the article 7 procedure than under our bill.

Our bill specifically says to negotiate if there is any conflict. The problem with the article 7 procedure is that only 34 nations in the world have agreed to that convention, none of whom have major fishing fleets off our coasts. We would be out trying to enforce a convention that the parties negotiating it in the whole period of negotiation refused to accept.

It would be the same as foreign nations trying to enforce compulsory supplements protocol against us. We know that would not work, with due respect to some of the legal eagles that the State Department has corraled. By the way, they corral them when they agree with them. I do not find they let anybody in that disagrees with them.

But when it comes down to it, with all due respect, I would be happy if one of them had ever tried a case, or ran for dog catcher, or sheriff, even, any activity that had given them some commonsense in dealing with American problems first.

I wholeheartedly agree with what Senator **Packwood** said. The problem really is that we continue to be sold down the river.

If those were American boats out there, were American business boats, fishing business boats, analogous to the agribusiness, that large U.S. corporations out there vacuuming and cleaning the bottoms of the sea off our shores, I ask the Senator from California, what would he do about them?

The Senator knows what he would do. Just what we are trying to do here.

We are trying to say that regulations apply to both Americans and foreigners alike, but we get preference.

The difference, really, is in our approach in the Magnuson Act, and I want everyone to recognize what this is. This is a signal to the world that we are going to impose conservation concepts on the oceans off our shores. It is right that it be called the Magnuson Act.

If we had American business out there doing this, the Congress would rise up in righteous indignation; and Congress is rising up in righteous indignation about this. Who has been protecting the foreigners? It is the State Department that has protected them all along.

They go to these international meetings where quotas for the foreign fishermen are discussed first.

Thank God that is changing. I have indications that the attitude of the State Department may be changing. In the past, regarding pollack for example, if the Russians and the Japanese wanted to take 2 million metric tons, the State Department would negotiate them down to 1.3 million metric tons when the sustained yield was only 1 million tons or less. We have negotiated away our position to the point that nothing is left for American bottom fishermen.

I would say in all due respect to those people who are offering this basic amendment, that Senator **Muskie** is trying to correct, that they know what they are doing. They have put us on a treadmill, like white mice in a little cage.

Under the Cranston amendment not only would we have a confrontation that would be far worse, but we would be right where we are today, with no Law of the Sea Conference.

It took 8 years to ratify the basic convention that they are trying to impose on us now, and in that 8 years, only 34 nations agreed to it. If we can get the Law of the Sea Conference to complete its work next year, it would be at least 8 years before we have enough nations of the world ratify that treaty to make it become law and the chances are that the Japanese and Russians would not sign a blasted thing anyway. So we would be worse off than now.

I know in the interest of comity, this is sort of an uncontrolled 15 minutes that we maneuvered last night—and that is the word for it.

Mr. MAGNUSON. Mr. President, if I may have 10 seconds, it has not been brought out in this long debate here that one other country, the People's Republic of China, is building and probably will have one of the greatest fishing fleets in the whole Pacific in this period of time.

Of course, they are not going to sign any agreement, any agreement on fishing

Mr. STEVENS. I wholeheartedly agree.

Mr. MUSKIE. Mr. President, just another 30 seconds, and then I will yield to the Senator from California. This time is not controlled. I do not want to take advantage of my position. I am sure the Senator would like to have time to reply.

I add this thought. I get the implication from the Senator from Alaska—and I doubt very much he believes it—that unilateral action by the United States in its own interests is never justified

We defend ourselves through our Military Establishment unilaterally at the same time that we seek to negotiate international agreements to bring the arms race under control. Unilateral action at the same time we use the world forum to work toward peace.

In this instance, we are doing the same thing. That is the purpose of this amendment, to assert our unilateral interests, to prod an international forum into recognition of those interests.

As a matter of fact, the formula contained in this bill is the very formula that seems highly likely to be included in an international agreement if it is negotiated.

So with the proposal that I have offered the Senate, which will take two actions: First, approval of my amendment; second, the approval of the Thurmond amendment in this proposal, what we will do is assert our interests as a country in these resources off our shores and, at the same time, provide another 6 months, until July 1, 1977, to pursue international negotiations of the Law of the Sea Conference.

The Cranston amendment would simply be for that objective.

Mr. CRANSTON. Mr. President, let me first say that I am glad the Senator from Alaska has acknowledged that the State Department and DOD are behind this amendment. I stated yesterday that, in effect, the administration was for it. Whether what the Senior Senator from Alaska has said means "the administration is for it," I do not know. But rather plainly the State Department and the Department of Defense, for reasons related to diplomacy and national defense, are supporting informally, if not formally, the Griffin-Cranston amendment.

All arguments have basically been covered in regard to this measure in the rather long debate that we have had.

I would like to excuse myself from the gutter, to use the terminology of the senior Senator from Maine, because the amendment that we have offered is not designed to gut the Magnuson bill. The amendment is designed to achieve the objectives of the Magnuson bill by resorting to approaches covered by international law. Our objective is to avoid a unilateral leap 200 miles out without first negotiating. If necessary, we would have the right, after negotiations, to proceed to establish conservation measures exactly like those called for in the Magnuson bill.

Fifteen minutes were allotted for this amendment. About 10 minutes were used by the proponents of the substitute. We do not need all of our time. All the arguments have been made. I, therefore, move to table the Muskie amendment.

Mr. MUSKIE. I ask for the yeas and nays.

The PRESIDING OFFICER. (Mr. **Bumpers**). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Maine. Oh this question the yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. The clerk will suspend. May we have order in the Chamber? The clerk will suspend until we have order. We are on a very tight schedule this morning. Will the Senate please be in order?

The assistant legislative clerk resumed the call of the roll.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Chair has announced before that we have a very tight schedule this morning. The sooner we can complete this rollcall the sooner we can get on to other business. Will the Senators please take their seats?

The assistant legislative clerk resumed and concluded the call of the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH) and the Senator from Louisiana (Mr. JOHNSTON) are necessarily absent.

I also announce that the Senator from Missouri (Mr. SYMINGTON) is absent because of illness.

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER) and the Senator from Nebraska (Mr. CURTIS) are necessarily absent.

The result was announced—yeas 31, nays 64, as follows:

[Rollcall Vote No. 11 Leg.]

YEAS—31

Bartlett
Brock
Chiles
Clark
Cranston
Culver
Fannin
Fong
Garn
Glenn
Goldwater
Gravel
Griffin
Hansen
Hart, Gary
Hartke
Haskell
Hruska
Huddleston
Javits
McGee
Nunn
Percy
Proxmire
Scott, Hugh
Stafford
Stevenson
Stone
Thurmond
Tower
Tunney

NAYS—64

Abourezk
Allen
Beall
Bellmon
Bentsen
Biden
Brooke
Buckley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Church
Dole
Domenici
Durkin
Eagleton
Eastland
Ford
Hart, Philip A.
Hatfield
Hathaway
Helms
Hollings
Humphrey
Inouye
Jackson
Kennedy
Laxalt
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McClure
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Randolph
Ribicoff
Roth
Schweiker
Scott, William L.
Sparkman
Stennis
Stevens
Taft
Talmadge
Weicker
Williams
Young

NOT VOTING—5

Baker
Bayh
Curtis
Johnston
Symington

So the motion to lay on the table was rejected.

The PRESIDING OFFICER. The question occurs on agreeing to the amendment of the Senator from Maine.

The yeas and nays were ordered.

Mr. GRAVEL. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GRAVEL. Will the Chair state very clearly——

Mr. PASTORE. Use the microphone.

Mr. GRAVEL. Mr. President, will the Chair state very clearly what the vote is going to be about, because I think there was some degree of confusion. Will the Chair state for the edification of the body what the vote is to be about?

The PRESIDING OFFICER. The vote now occurs on the amendment of the Senator from Maine, which is an amendment to the amendment of the Senator from California.

Mr. GRAVEL. Those two actions are opposed to each other. Senators will vote "yea" if they wish the Muskie proposal and "nay" if they wish the Cranston proposal. Is that the understanding of the Senator?

Mr. PASTORE. Not necessarily.

The PRESIDING OFFICER. The Chair will not attempt to interpret the vote. The vote is on the Muskie amendment.

Mr. MUSKIE. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MUSKIE. To clarify the parliamentary situation, as I understand it, the Thurmond amendment, which is part of my proposal, will be a separate vote and not included in this vote.

The PRESIDING OFFICER. The Senator is correct.

Debate is not in order.

The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH) and the Senator from Louisiana (Mr. JOHNSTON) are necessarily absent.

I also announce that the Senator from Missouri (Mr. SYMINGTON) is absent because of illness.

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER) and the Senator from Nebraska (Mr. CURTIS) are necessarily absent.

The result was announced—yeas 58, nays 37, as follows:

[Rollcall Vote No. 12 Leg.]

YEAS—58

Abourezk
Allen
Beall
Bellmon
Bentsen
Biden
Brooke
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Dole
Durkin
Eagleton
Eastland
Ford
Hart, Philip A.
Hatfield
Hathaway
Hollings
Huddleston
Inouye
Jackson
Kennedy
Laxalt
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McGovern
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Randolph
Ribicoff
Roth
Schweiker
Scott, William L.
Sparkman
Stennis
Stevens
Taft
Talmadge
Weicker
Williams
Young

NAYS—37

Bartlett
Brock
Buckley
Chiles
Church
Clark
Cranston
Culver
Domenici
Fannin
Fong
Garn
Glenn
Goldwater
Gravel
Griffin
Hansen
Hart, Gary
Hartke
Haskell
Helms
Hruska
Humphrey
Javits
McClure
McGee
Morgan
Nunn
Percy
Proxmire
Scott, Hugh
Stafford
Stevenson
Stone
Thurmond
Tower
Tunney

NOT VOTING—5

Baker
Bayh
Curtis
Johnston
Symington

So Mr. MUSKIE's amendment was agreed to.

Mr. CRANSTON. Mr. President, having recognized defeat when it has been sustained; having learned anew of the great strength of the Senator from Washington, the Senator from Maine, and their allies; and having suffered through my worst vote count in my time in the Senate; and in the interest of saving 15 minutes for the Senate at a very busy moment, I ask unanimous consent that I may withdraw my amendment so that we do not have to vote on it.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. THURMOND. Mr. President, I call up my unprinted amendment which is at the desk.

The PRESIDING OFFICER. Under the previous order, the Senator from South Carolina is recognized to call up an amendment.

The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from South Carolina (Mr. THURMOND) proposes an amendment:

On page 70, on line 7 of amendment No. 1187, as modified, strike "January 1, 1977" and insert in lieu thereof "July 1, 1977".

The PRESIDING OFFICER. Debate on this amendment is limited to 10 minutes. Who yields time?

Mr. THURMOND. I yield myself such time as I may require.

Mr. STENNIS. Mr. President, may we have order?

The PRESIDING OFFICER. Debate is limited to only 10 minutes on this amendment. The Senator from South Carolina is entitled to be heard. Will Senators please retire to the cloakroom if they wish to converse; and if not, will they please take their seats?

Mr. THURMOND. Mr. President, this amendment would simply extend the enforcement date of the Fisheries Management and Conservation Act until July 1, 1977.

Under the Stevens amendment passed last week the bill was changed to permit the effective date to occur on the date of enactment and the enforcement date was placed on January 1, 1977.

My amendment would not affect the date of enactment, but would simply extend the enforcement date 6 months to July 1, 1977.

The purpose of this extension is to permit the President to have another Law of the Sea Conference in order to hopefully achieve a Law of the Sea Treaty. It is envisioned that such a treaty would meet the serious problems addressed by the current bill, S. 961, so ably managed and sponsored by the distinguished senior Senator from Washington, Mr. MAGNUSON and the distinguished senior Senator from Alaska, Mr. STEVENS.

At present, a Law of the Sea Conference is scheduled to take place this March. Great progress has been made to date, but in the event the matter cannot be fully resolved this March, my amendment would permit the President one final option next spring to achieve a treaty prior to enforcement of the provisions of this bill.

Mr. President, it should be pointed out that the two nations representing the largest fishing interests off the west coast, Japan and the Soviet Union, would hopefully be a party to such a treaty.

Thus, while my amendment does not interfere with the establishment of the commissions and machinery to put the fisheries bill into effect, it would allow a little extra time to achieve a treaty prior to enforcement.

We have seen in the cod war between Iceland and Great Britain the serious problems which can arise between nations when unilateral action is taken. Iceland is actually unable to enforce its fishing claims effectively because Great

Britain has a stronger naval contingent. Iceland is threatening to leave NATO and is demanding help from the United States in this unfortunate situation.

My amendment would simply give us a little more time to achieve a Law of the Sea Treaty, the goal supported by all Members of this body prior to bringing enforcement provisions of this legislation into effect.

Mr. President, all this amendment does is to delay the enforcement date of this bill from January 1, 1977, until July 1, 1977. If this is done, it will give the opportunity for another sea conference.

I talked to the President last Thursday about this matter, and he has agreed that if this amendment is adopted and the bill passes Congress that way, he will sign the bill.

Mr. President, I urge favorable action on my amendment.

I have talked to the managers of the bill, and they are willing to accept it.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MAGNUSON. Mr. President, I yield back the remainder of my time.

Mr. THURMOND. I yield back the remainder of my time.

Mr. MAGNUSON. The Senator from Alaska and I shall go to the conference and we accept this amendment.

The PRESIDING OFFICER. The Senator from Washington has stated that he will accept the amendment.

The question is on agreeing to the amendment. The yeas and nays have been ordered.

Mr. ROBERT C. BYRD. Mr. President, is there any inclination to call off the yeas and nays?

Mr. THURMOND. Mr. President, I think it is better to have the yeas and nays, because the President may not sign this bill unless this amendment is adopted. This will give our conferees strength in the House.

Mr. ROBERT C. BYRD. Mr. President, the order for the 10-minute rollcall has already been entered.

SEVERAL SENATORS. Vote!

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH) and the Senator from Louisiana (Mr. JOHNSTON) are necessarily absent.

I also announce that the Senator from Missouri (Mr. SYMINGTON) is absent because of illness.

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER) and the Senator from Nebraska (Mr. CURTIS) are necessarily absent.

The result was announced—yeas 93, nays 2, as follows:

[Rollcall Vote No. 13 Leg.]

YEAS—93

Abourezk
Allen
Bartlett
Beall
Bellmon
Bentsen
Biden
Brock
Buckley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Dole
Domenici
Durkin
Eagleton
Eastland
Fannin
Fong
Ford
Garn
Glenn
Goldwater
Gravel
Griffin
Hansen
Hart, Gary
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Javits
Laxalt
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McClure
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—2

Brooke
Kennedy

NOT VOTING—5

Baker
Bayh
Curtis
Johnston
Symington

So Mr. THURMOND's amendment was agreed to.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ADDITIONAL STATEMENTS SUBMITTED ON S. 961

Mr. BENTSEN. Mr. President, last week I introduced an amendment to the pending bill, S. 961 which, in brief, would provide for the negotiation of fisheries agreements to insure access for our distant-water fishers to the fishing grounds of other nations. That amendment was approved by the Senate by a vote of 71 to 16. Although the amendment was thoroughly debated, I believe it is appropriate at this time to develop some legislative history for the guidance of those who will be charged with the administration of my amendment. Therefore, Mr. President, I would like to restate my understanding of specific provisions of the amendment and their application.

Paragraph one of the amendment stated:

> If, after a reasonable period of time, the Secretary of State is unable to achieve an agreement affording vessels of the United States an appropriate portion of fish stocks found in areas subject to the fishery management jurisdiction of any foreign nation, in accordance with traditional fishing practices of such vessels and under conditions equal to those established under Section 102 of this Act, . . .

My understanding of the language which states "under conditions equal to those established under section 102 of this act" is that this language would require that other nations should utilize the same standards and guidelines when determining whether to permit our fishing vessels to fish within their fishery management jurisdiction as we would use to allow foreign fishing vessels within our fishery zone. That is, the country in question, using the best scientific evidence available—including evidence provided by other nations—should determine the optimum yield of that particular stock of fish; then that country, utilizing the best evidence available including catch statistics, should determine the amount of the fish stock its vessels can harvest and the surplus—that is, the difference between optimum yield and the coastal nation's vessels harvesting capacity. That surplus must be made available for foreign fishing.

In determining the allowance level of fishing for any particular nation with respect to any specific stock of fish, the coastal nation shall consider whether, and to what extent, the vessels of that particular nation have previously fished in such fishery, or for such stock.

Paragraph two of my amendment provides:

> If any United States vessels, while fishing in waters beyond 12 nautical miles from the baseline from which a foreign nation's territorial sea is measured, is seized by such nation—(A) as a consequence of a claim of jurisdiction which is not recognized by the United States.

My understanding of the language "a claim of jurisdiction which is not recognized by the United States" refers to instances where the nation in question has claimed an extended jurisdiction—for whatever purpose and under whatever descriptive name—and within that extended jurisdiction does not afford U.S. fishing vessels an appropriate portion of the fish stocks under terms and guidelines consistent with those we apply such as I have just enumerated. In that event, the United States shall not recognize such claim of jurisdiction. Therefore, any seizure of a U.S. fishing vessel by that nation would fall within the provision I have just stated.

Mr. President, as you know there was some concern expressed in the early discussions on this amendment that this country may be in the midst of negotiating an agreement with a friendly nation and through mistake of fact or faulty judgement by that nation's navy, a U.S. fishing vessel should be seized beyond 12 miles, it could trigger this import prohibition and damage the negotiations in progress. It is the intent of the amendment that paragraph four, provision C of the amendment, which would permit the lifting of the prohibition on imports upon release of the vessel and catch, specifically provides for such erroneous seizure. In other words, where it is clear that the nation in question has made an unintentional seizure under the claim of jurisdiction and immediately releases the vessel, the import prohibition would be immediately lifted—or more than likely never come into being.

I hope that these remarks will provide clearer guidelines for those charged with the ultimate administrative responsibility for this act.

Mr. BUCKLEY. Mr. Presdent, I fear this is the sort of bill where I will be unhappy either way to vote. Disparate interests are involved, and there is merit to the arguments advanced on both sides.

I was a sponsor of the previous bill to declare that the United States would assert full responsibility for the protection of coastal fisheries pending the negotiation and enactment of a Law of the Sea Treaty. At the time, the massive incursion of foreign fishing fleets off the Atlantic coast resulted in the taking of such huge catches that both our fishing stocks and the livelihood of American fishermen were being endangered. I felt then, as I do now, that coastal States have a moral obligation to protect the species living in adjacent waters against reckless exploitation. We also have the right to keep our own fishermen from being crowded out of their traditional fishing grounds. Under the circumstances, then existing, it would have been irresponsible for us not to assert the responsibilities of a trustee for the protection of our basic biological resources and to regulate fishing, especially in what then appeared to be the highly unlikely prospect that the deliberations on a Law of the Sea Treaty would ever come to a timely conclusion.

Subsequently, and I believe as a specific result of the unilateral action that the Congress demonstrated it was willing to take, we have seen once moribund multinational commissions designed to regulate fishing suddenly spring to life. By way of specific example, the International Commission for Northwestern Atlantic Fisheries has in the recent past taken full cognizance of the need to restore badly depleted fishing stocks, has ruled some species totally off limits, has mandated reductions in catches that if observed will serve over a period of time to restore the fish populations to optimal levels, and has agreed to succeeding reductions in allocations to the Soviet Union and Eastern European fishing fleets with concurrent increases in allocations to American fishermen.

Thus, on the face of it, it appears that the immediate dangers that sparked the legislation to establish a 200-mile zone are now being met through multinational action. This in turn lends new force to the arguments that the immediate dangers to the biota having been averted, we should not risk jeopardizing negotiations at the forthcoming conferences for the Law of the Sea or give other nations an excuse for asserting on a permanent basis unilateral rights far in excess of those that we would be asserting on a temporary basis. I find these arguments appealing, but on balance and with some hesitation, I will be voting in support of the bill for the following reasons:

First. Although ICNAF has charted a desirable course, as far as Atlantic fishing is concerned, it is less certain that in other areas important to American fishermen equivalent progress has been made. Furthermore, there is the problem of enforcement. While the Coast Guard is permitted to spot check catches, when it finds violations of ICNAF limitations it can do no more than report them to the nation in question. This leaves a very great deal to be desired, and this shortcoming no doubt explains the number of incidents in which foreign trawlers violate our 12-mile limit or harass American fishermen. The shortcomings of the various multinational arrangements are detailed by Donald L. McKennan, former U.S. Ambassador for Fisheries and currently Director of the Institute for Marine Studies, in his letter of December 4, 1975, to the chairman of the Commerce Committee.

Second. Because the legislation before us will be, by its own terms, superseded by the terms of a Law of the Sea Treaty, the fact that the United States is acting unilaterally in order to assure the protection of coastal fisheries ought not, in a reasonable world, justify unilateral action on the part of others designed to assert territorial jurisdiction on a permanent basis beyond the outer limits traditionally accepted by the community of nations. I am, however, well aware that nations, like individuals, do not always act on a rational basis, and I find myself, quite frankly, very sympathetic with some of the fears expressed by the State Department. Nor do I underestimate the importance of the need to preserve undiminished the traditional rights of passage of our naval and merchant vessels.

Mr. President, I have learned the hard way that an apparent change of position dictated by changed circumstances is the most difficult thing in the world to explain. The reasons why one might change his view as to the prudence of a particular piece of legislation at a particular time, however valid, never catch up with the perception that the person in question has abandoned his original objectives. As my objectives and concerns are unchanged, I do not want my vote to in effect misinform the public as to my commitment to the protection of our coastal resources.

I believe the bill is inherently reasonable and appropriate, and the possible diplomatic reverberations inherently unreasonable and inappropriate. If on the other hand, it should be the judgment of the President that the action taken by the Congress would in fact jeopardize vital American objectives in negotiating a Law of the Sea, and if I am at the same time satisfied that a delay will not jeopardize our fishing stocks, then I am prepared to reconsider the matter and vote to sustain a veto.

Mr. HATFIELD. Mr. President, I will cast my vote in favor of this bill, and this year I do so without reluctance.

It is no secret to those of us who live on the Oregon coast that the rights of American fishermen have been ignored while foreign fleets have increased their catches and depleted our fisheries resource. Congressional initiatives to improve the management and conservation of fisheries resources have been thwarted time and time again. For years, the Law of the Sea Conference has dragged on with no successful resolution of the intricate issues involved, and for all those years our fish stocks have suffered from poor management and foreign catches.

This bill will protect our resources until such time as an effective treaty can be negotiated. I hope one is, and I hope passage of this legislation will expedite negotiations at the conference, scheduled to meet in March and April. But we cannot wait forever for an international treaty, and that is why I vote for this bill today. We have heard arguments in the past few days that if we will delay action on this legislation for just a while longer, a treaty will be negotiated at the conference that will resolve the fisheries and other issues. Not only have we heard that argument before, but the "just a while" is longer than it may seem. Not only is there absolutely no certainty that a treaty can be drafted at the next conference session, there is also the matter of ratification, which will take some time. Even if all the issues could be resolved, including the very difficult problems of deep seabed mining, the most optimistic observers believe it would take 3 years before an effective treaty could be ratified and in force. More pessimistic estimates range up to 7 years.

Mr. President, we cannot wait that long. The following fish stocks have already been overfished: Yellowfin sole, Alaska pollock, Pacific Ocean perch, Pacific halibut, Atlantic halibut, Bering Sea herring, Bering Sea shrimp, haddock, yellowtail flounder, California sardine, Pacific mackerel, Atlantic sea scallop, northwest Atlantic shrimp, and Atlantic bluefin tuna. It has been contended in this body that this pillaging of our seas, which everyone recognizes as devastating, can be handled best through bilateral agreements. Yet, our bilateral agreements with Japan and the Soviet Union, while reducing the total catch, still have set the quota above the level of maximum sustainable yield.

The Cranston-Griffin amendment, Mr. President, would not have provided relief in this situation. First, since Japan and the Soviet Union are not signatories to the 1958 Geneva Convention, conservation measures implemented under article 7 of that convention could have no tangible effect upon the fishing operations of those nations. Second, article 7 allows only for nondiscriminatory conservation measures outside of our territorial waters, which only extend for 3 miles off our coasts. Thus, any article 7 arrangement would mean that we would lose our exclusive, discriminatory fishing rights between 3 miles and 12 miles.

I am not insensitive to the arguments of those who contend that passage of this legislation will damage international relations. I do not believe, however, that the repercussions of passage will be as serious as we are led to believe. Certainly if the State Department and our representatives at Law of the Sea correctly represent the purpose and effect of this bill, then I do not envision the dissolution of the conference itself.

Therefore, Mr. President, I gladly cast my vote in favor of passing S. 961, and urge my colleagues to do likewise.

Mr. WEICKER. Mr. President, on December 11, 1974, the Senate first passed a marine fisheries protection bill. Since that time, the need for this legislation grows as the reckless harvesting of our valuable fishery resources continues unabated off our Nation's coastline.

Present international fishing agreements and current negotiations between the United States and other countries have contributed to ineffective regulation and control of foreign fishing efforts.

The administration espouses empty promises based on wishful thinking that all will be well with our fish conservation problems if we only wait until the conclusion of the next session of the Law of the Sea Conference. Although I fully support the efforts of the Conference, I suspect that if we wait any longer for the expected final treaty, our already sorely depleted fishery stocks will be exhausted to the brink of extinction.

The purposes of the bill to protect and conserve our fishery resources are twofold. First, it would extend a 200-mile "fishery conservation zone" from the Nation's coastline. Within this zone the United States would have management jurisdiction over anadromous species that spawn in U.S. rivers and streams and over the U.S. Continental Shelf. Second, S. 961 sets out to establish and enforce a national fishery management program.

By establishing management authority at 200 miles, the United States will be able to control the massive foreign fishing effort that now severely depresses a vital protein-rich food source for the whole world.

Expanding the fishing limit to 200 miles would help revitalize the American fishing industry, especially in Connecticut and New England. We only have to look at the foreign fishing efforts along the southern New England coastline, that includes Connecticut, to see how they are dangerously overfishing our valuable fish resources to the detriment of the U.S. fishing industry.

Since foreign fleets began their massive operations off southern New England in 1960, the catch of American fishermen has dropped from 100 percent to an alarming 11.8 percent. By 1965, the Soviet Union was scouring over half a million tons of fish per year from New England's rich Georges Bank area—far exceeding the American catch. By 1970, the total yearly catch by the entire foreign fleet had grown to more than a million tons.

It is expected that this bill establishing a 200-mile zone and a fishery management and conservation mechanism could result in a threefold domestic fish catch from the northwest Atlantic area. The resulting increase could generate revenues totalling $750 million for the New England area alone. Of that amount, $296 million would be personal income. This is income that would create new jobs in New England for shipbuilders, fishermen, processors, suppliers, and retailers.

It must be emphasized that this measure is interim in nature. The bill will provide an immediate remedy for a dangerous situation until an agreement is codified by the Law of the Sea Conference.

I see no other alternative but to take this emergency action to manage our fishing stocks within the 200-mile conservation limit. I urge my colleagues to support S. 961 as the quickest and best method to halt foreign rape of our offshore resources so that American waters will not become another Dead Sea area.

Mr. BEALL. Mr. President, I wish to join my distinguished colleagues from the States of Washington and Alaska in support of S. 961, the Magnuson Fisheries Management and Conservation Act of 1976. This much needed piece of legislation would enable our Nation to protect and conserve its enormously rich fishery resources.

While my colleagues are undoubtedly familiar with much of the statistical information concerning the plight of our domestic fishing industry and the depleted state of many of our fishery resources, it is instructive to briefly review this data so that we may fully appreciate the need for S. 961 to be enacted into law.

World fish landings have tripled since 1938, while U.S. fish landings rose only slightly. Similarly, while the volume of fish harvested off the U.S. coast has increased dramatically from a level of approximately 4.4 billion pounds in 1948 to 11.6 billion pounds in 1973, landings by U.S. fishermen have remained virtually constant throughout that 25-year period. At the same time, the fish catch by foreign vessels in U.S. coastal waters rose astronomically. By 1973, this foreign harvest amounted to 7.9 billion pounds and represented 70 percent of the commercial fish harvest in U.S. coastal waters.

Since 1938, consumption of fish products within the United States more than doubled to 7 billion pounds in 1973. Unfortunately, most of this increase has been supplied by imports. Currently, the United States imports over 60 percent of its fish product needs; in 1974, the U.S. balance-of-trade deficit in fishery products alone amounted to nearly $1.5 billion. It has been estimated that if fishery product imports, much of which I might add are harvested by foreign fishing vessels in U.S. coastal waters, were replaced by domestic production, the U.S. economy would be bolstered by nearly $3 billion and 200,000 man-years in U.S. employment would result. At a time when we are striving to increase domestic employment, reduce our balance-of-trade deficit, and strengthen the U.S. economy, such considerations are in themselves rather significant benefits that would result from passage of S. 961.

Recent technological advances, coupled with the high priority many foreign nations have placed on fishery operations, have enabled foreign fleets to literally vacuum the ocean clean of its living resources. As the data above suggests, much of this new fishing activity has been centered in waters adjacent to our coasts. The National Marine Fisheries Service has identified at least 14 economically important fish species located in U.S. coastal waters that have been overfished. The depletion of such resources has largely been a result of the virtually unrestrained activities of massive scale foreign fleets that often harvest enormous quantities of U.S. coastal fishery resources just beyond the existing U.S. 12-mile fisheries jurisdiction.

Mr. President, we can no longer wait before we act to conserve our fishery resources. It has been estimated that upwards of 20 percent of all the fish resources of the world are located within 200 miles of our coastline. In a world that desperately needs to increase its food production to adequately feed its ever growing population, we can no longer afford to abuse the living resources of the seas. The fish resources adjacent to our coasts represent a valuable, and potentially renewable, resource that I feel must be protected and conserved. S. 961 provides a vehicle to carry out these objectives.

Opponents of S. 961 maintain that passage of this bill would adversely affect progress at the Third U.N. Law of the Sea Conference. As my colleagues are well aware, I strongly support U.S. efforts to achieve a viable and effective international treaty dealing with all segments of the law of the sea. I am concerned however that any acceptable agreement resulting from the LOS conference, which involves upwards of 150 nations addressing over 100 separate issues, may not be forthcoming for several additional years. Further, the process of ratifying such an agreement may consume an additional lengthy time span. In this regard, it should be noted that the four separate 1958 Geneva LOS Conventions required 4 to 6 years before they became effective.

Clearly, Mr. President, this country cannot delay and longer before it acts to conserve and protect its fishery resources. S. 961 would provide, on an interim basis pending further implementation of an acceptable LOS treaty, the means by which this country could conserve, manage, and protect its fishery resources for present and future generations. I strongly urge my colleagues to support this critically needed legislation.

OUR AMERICAN HERITAGE

Mr. HOLLINGS. Mr. President, while more than 140 heirs to the world's "common heritage" are fighting over the spoils of deep sea resources, the people of the United States—heirs to some of the richest fisheries resources in the world—find their own heritage being rapidly depleted by foreign fishing fleets.

In 1960, for example, the United States harvested about 477,000 tons of fish off the New England coast, and the foreign catch was almost nonexistent. Today, foreign fleets are harvesting some 420,000 tons in that area, and our fishermen have to be satisfied with 230,000 tons, or 35 percent of the total area catch. The foreign onslaught began in the early 1960's on a relatively small scale, but it expanded so rapidly that species after species in the Atlantic as well as the Pacific, have either become seriously overfished, or have reached a level of heavy exploitation.

In the area from 0 to 12 miles from the coast, the area where the United States has sole jurisdiction over fisheries, U.S. fishermen caught 3.9 billion pounds last year. In the area from 12 to 200 nautical miles, however, foreign fishermen took 6.4 out of a total of 7 billion pounds. The foreign fishing would not be all that bad if their fleets did not interfere with our efforts, and if total effort had been kept at the maximum sustainable yield of the resources. But, unfortunately, the foreign fishing effort in the rich area between 12 and 200 nautical miles has been the primary cause of the serious depletion of many of our coastal species.

In the Northeast Atlantic, yellowtail flounder has been seriously overfished, and the haddock has been fished almost to extinction. Cod and halibut are also substantially overfished, and herring and mackerel are being fully exploited. Only in recent years, has the Department of

State negotiated total and species quotas for the fisheries off the coasts of the Northeastern States—ICNAF, and in view of serious overfishing, quotas have been reduced significantly. The Department of State tells us that we are not in a hurry to establish extended national jurisdiction over coastal fisheries because the multilateral agreement—ICNAF—and bilateral agreements with a number of countries—U.S.S.R., Poland, Romania, and others—cover almost all foreign fishing, and those agreements in fact do what extended national jurisdiction is supposed to do.

However, in spite of the lower ICNAF quotas—which were agreed upon to a large extent under the threat of unilateral action by the United States—overfishing by foreign fleets in the Northeast is continuing at an embarrasing rate. Take, for example, the current situation in the mackerel fisheries in the Northeast Atlantic. In the three winter months from January through March, when the U.S. coastal mackerel fishery is at its teaming peak, a foreign armada of up to 300 vessels can be observed fishing off the East Coast. Last year the Soviet Union was allocated a mackerel quota of 100,000 metric tons. Mr. Charles Philbrook, an enforcement officer at the National Marine Fisheries Service Center in Gloucester, Mass., estimated that the Soviet fleet had overfished its 1975 mackerel quota by about 70,000 tons.

The Russians, however, have admitted that they may have overcaught their mackerel quota by as much as 100,000 tons, or 100 percent, according to Mr. Philbrook. Ironically, the Soviets, who are trying to get U.S. companies to supply them with the latest American computers, claim that their overfishing was caused by "computer error". We are well aware that their computers are not as good as ours, but an "error" of 100 percent is a little bit too much to believe. If their computers guiding intercontinental ballistic missiles are as inaccurate as the ones they use to add up their fisheries catch, we have little to worry about in this country.

In the Pacific, where overfishing off the U.S. coast was not as much a problem until recent years, the situation is getting desperately out of hand. According to Lee Alverson, Director of the Northwest Fisheries Center of the National Marine Fisheries Service, and generally recognized as the top U.S. expert on West Coast fisheries, "every stock of fish in the North Pacific range is overfished." Take, for example, Pacific perch. In the early 1960's, when the first Soviet and Japanese travelers appeared off the Northwest, U.S. fishermen were catching 500,000 metric tons of perch a year. The Soviet and Japanese fishing armada entered the scene in a wholesale way, practically wiping out the stocks before the United States could even negotiate a quota limit with them. By 1975, the total catch of perch had dropped to 67,000 tons, and the share of the total catch caught by U.S. fishermen off Oregon and Washington had dropped to 1,000 tons.

It will take up to 10 years to restore the damage caused primarily by foreign fishing efforts, that is, if we totally suspend all efforts immediately. If we reduce total catch quotas to 40,000 tons, it will take up to 15 years before the stocks will rebuild. Other stocks are undergoing a similar, equally dismal, fate. The Pacific halibut, for more than 50 years the livelihood of a great many fishermen in the Northwest, has been seriously reduced by foreign fishing fleets. Although foreigners are not fishing for halibut per se, they catch large volumes of this species while harvesting Pacific perch and pollack. Consequently, the halibut harvest has declined from 70 million pounds in 1965 to 21 million in 1974. Pacific hake, almost exclusively harvested by foreign fleets, has also been seriously overfished.

The Department of State has worked out one of its frequently praised bilateral agreements with foreign nations fishing off the northwest coasts. They settled for a hake quota with the Soviet Union alone of 150,000 tons. According to Dr. Alverson, the maximum sustainable yield of the species is only 50,000 tons a year. Even if this year's hake quota were set at one-half of last year's catch—being 100,000 tons—it will take between 3 and 5 years to rebuild the stocks, according to Dr. Alverson. Sable fish or black cod is yet another on the list of the overfished species. And again, if this year's quota would be set at one-half of last year's catch of 41,000 tons, it will still take 8 to 12 years before the stocks are rebuilt. In view of the desperate situation in our Northwest fisheries, Dr. Alverson, who cannot be accused of being a narrow nationalist says:

> I am in favor of extended jurisdiction (to 200 miles). I would like to see it come about as a result of the Law of the Sea Conference, but that will take a considerable amount of time, which we haven't got.

The Department of State tells us that we have bilateral agreements covering the important species, and herald those agreements as great accomplishments of international diplomacy obtained after months and months of hard bargaining. The scientists say that quotas were set much too high, and that our scientific investigations indicate that stocks are at a much lower level than Soviet scientists maintain. Moreover, all restrictions are on a self-regulating basis. Our scientists report what they consider violations of the agreements to the Department of State in Washington. Washington, in turn, does not take any action. In the name of détente and international cooperation our own fishermen are sacrificed to foreign interests.

Let us finally take a look at Alaska, our northernmost State, with by far the longest coastline, and coastal waters of unbelievable biological productivity. Even Alaska's fisheries are suffering from serious overfishing. Both Alaskan pollack and yellowfin sole have been seriously overfished by foreign fleets, and the Pandalid shrimp has all but disappeared from the Bering Sea. Even if the pollack catch is reduced by some 40 percent over last year's catch, it will take about 5 to 7 years to rebuild. The flounder harvest which is down 80 percent from peak years to 100,000 tons in 1975 in the Bering Sea, is also in need of drastic regulations. It will take from 10 to 20 years for the flounder stocks to rebuild if present levels of fishing are continued any longer. Even salmon, which spawns in the clean rivers of Alaska, are being fished heavily by foreign fleets in certain locations. Japanese fishermen caught more than twice as many salmon last year in the North Pacific than American fishermen. In summary, the State which has as its motto "North to the Future," will not have as much a future in fisheries, if we don't take measures now to protect Alaskan fisheries from further depletion.

The Department of State has been opposed to unilateral action which would extend jurisdiction over coastal fisheries, primarily for two reasons: First, bilateral and multilateral agreements concluded in recent years in fact accomplish the same results as extended jurisdiction for fisheries purposes, and second, if the United States were to extend its national jurisdiction over fisheries, many coastal States would follow, and the future of a Law of the Sea agreement would be impaired. We have already shown the clear fallacy of their first premise. Bilateral and multilateral fisheries agreements are not working. Stocks are still heavily overfished, and several stocks continue to be subject to serious overfishing by foreign fleets.

Because of the intense exploitation of valuable fish stocks within 200 miles of the U.S. coast, and of the endangered state of many stocks, it is vital that the United States implement a management regime that will conserve the stocks.

The States presently manage coastal fisheries within 3 nautical miles—9 nautical miles or 3 marine leagues off of the gulf coast of Florida and Texas—which is the extent of their territorial seas. Although the Federal Government has paramount jurisdiction offshore from 3 to 12 nautical miles—the 9-mile contiguous zone, there are currently no Federal fisheries laws in effect.

The U.S. 200-mile fisheries jurisdiction in conjunction with a management regime would permit fish stocks to be regulated on a broad regional basis—taking into account the natural migration of fishes through artificial jurisdictional boundaries—cooperatively by the States and the Federal Government through the creation of regional compacts.

By effective control of foreign and domestic users of fish stocks, the United States will be able to apply sound management procedures involving collection of data, assessment of stocks, the determination of realistic maximum sustained yields, and the allocation of such stocks among the several users.

Effective management and conservation of fish stocks will result in greater economic stability within the fishing industry. As a consequence of the increased stability within the fishing industry, investment capital will be attracted, enabling the industry to sustain itself in a healthy condition.

It has been suggested that 200-mile fisheries jurisdiction by the United States will result in discrimination against U.S.

fishermen by the governments of other countries. Shrimp and tuna are the only species of major economic significance which are caught by U.S. fishermen off of foreign shores. Only 15 percent of the total U.S. shrimp catch comes from foreign waters, and the United States already pays for the right to catch approximately one-half—7 percent—of that amount off of Brazil, which already has a 200-mile limit. The other 8 percent is caught off of Mexico, where Congress has just passed 200-mile legislation.

Tuna are regulated by international agreements. The current 200-mile bill under consideration by the U.S. Senate exempts tuna from U.S. regulation in deference to their current effective regulation by international management regimes.

The bill under consideration states that if the upcoming Law of the Sea negotiations are successful in providing for protection of coastal fisheries by treaty, those sections of the bill which are inconsistent with the treaty will be abrogated by the treaty. Let us now look at what the Department of State has been telling us for years about the Law of the Sea Conference.

The initial attempt by Ambassador Pardo of Malta, a man who deserves great credit for his service to the world's ocean community, was to prevent a disorderly race for deep seabed resources by the technologically powerful of this world. A study committee was established by the United Nations in 1967, but its task was soon widened to include a search for the views of member states on the issue of convening a new Law of the Sea Conference. In 1970, the General Assembly decided to convene a Conference on the Law of the Sea in 1973, which would deal not only with an international solution to deep seabed development, but a whole range of other issues, including the regime on the high seas, territorial sea and contiguous zone, the Continental Shelf, fishing conservation, pollution prevention and the promotion of scientific research. A Seabed Committee of 42—later 86—members was formed and instructed by the General Assembly to hold two sessions in order to prepare draft articles for a new Law of the Sea Conference.

Ever since then the world community has been discussing the myriad of ocean problems to be solved in New York, Geneva, and Caracas, Venezuela. As far as fisheries jurisdiction is conconcerned, most coastal states are in favor of national jurisdiction out to 200 miles. However, many states want a great deal more than just jurisdiction of deep seabed resources. At the very beginning of the conference it was decided that the conference would not agree on separate conventions dealing with particular issues, such as the limits of the territorial sea or the resources zone, but would settle only for a "package deal" comprising a compromise on the many ocean problems by the almost 150 participants. This has so far proven to be a total failure.

At the Caracas session, in June 1974, it was decided that on substantive issues, decisions can only be taken when two-thirds of the states are present and voting, provided the affirmative votes constitute at least a simple majority of the participating states. That is to say, if 150 states participate, a minimum of 100 must be in the hall for action to be taken; however, two-thirds of 100 votes are insufficient because at least 76 affirmative votes—simple majority of the 150 participants—are required. If every nation shows up it would take 100 yes votes to carry a substantive motion. Under yet another rule, the conference agreed to defer voting until all substantive efforts at compromise have been used, and voting is to take place when a large majority of states believe that further negotiations will be fruitless. How on earth can one expect to get 150 nations representing as many different national interests, completely opposing ideologies, representing the very rich and the very poor, the nations with very significant and diverse maritime interests and those with only coastal resources interests, and so on, to agree on such a myriad of issues in normal times? And these are not normal times.

The world's living marine resources are under severe stress of overfishing by distant water fleets; oil and natural gas, said to be the most important seabed resources, are in short supply in many parts of the world; significant differences exist over ancient maritime rights of "innocent passage" and freedom to conduct scientific research at sea. But, on top of all this, the developing raw-material supplying nations of this world want a complete change of the world economic order. Issues at stake are so important, and difference in positions so diverse, that no early solution can be expected from the nations gathering in March in New York to further discuss the future law of the sea.

But, every year, the eternal optimists representing our State Department come up to Capitol Hill to testify on the "progress" made in Caracas, or Geneva, or some other exotic place where professional delegates meet and eat. This meeting and eating has been going on now for 9 years, making next year an appropriate time for a decennial celebration. Our delegation to the "meet and eat society" at whatever place it may be will have something to look forward to after this year's Bicentennial at home. But, we are quite sure that if we were to wait while they are looking for the last French restaurant in town, our fishermen in Alaska, the Northwest Pacific and the Atlantic will have little cause for celebration. Overfishing will continue to cause more and more damage to stocks, and the time to rebuild depleted stocks will continue to go up. This means a serious loss to our fishermen and higher prices for fish to the consumer. The simple law of supply and demand tells us that when less fish is available, prices will go up.

Every year the State Department has been telling us that next year is really going to be the last year of negotiations, and prospects seem to look better at each concluding session. High level independent observers of the Law of the Sea Conference have told us recently that it will take at least until 1978 at the earliest that a "package deal" agreement on the issues can be achieved. It is very well possible, they maintain, that even by that time no agreement can be reached, and nations may instead opt for a series of conventions of manageable proportions. The State Department may be able to wait that long. Their bureaucrats will still be around in 1978 and after. Unfortunately, much of our fisheries and with it the livelihood of a great many Americans, will by then have disappeared or be damaged almost beyond repair. We believe that this Bicentennial Year is not only the best year to think about our national heritage, but to protect whatever is left of it.

Mr. DURKIN. Mr. President, I want to take this opportunity to commend my colleagues, particularly the chairman of the Commerce Committee (Mr. MAGNUSON), who has fought so hard for so many years for passage of S. 961, the Fisheries Management Act, with its provisions for a 200-mile fish conservation zone.

I am now hopeful that by next spring, New England fishermen will no longer suffer the insult of standing by as Soviet and Japanese trawlers vacuum American livelihoods off the ocean floor.

And I am now hopeful that long before next spring, we will see affirmative action toward meaningful conservation of our national fishing resources, so that fishermen of all countries may continue to harvest the fruits of the sea for centuries to come. I challenge the administration, which has opposed this bill, to move forward upon passage with aggressive and enthusiastic implementation of the congressional intent.

The Magnuson Fisheries Management Act did not come easy. I commend Senator MAGNUSON for his staunch efforts in support of the ultimate passage of a meaningful bill. Legitimate concern has been expressed by many Senators, and necessary compromises have been made to tailor the bill to the needs of fishermen along the west and gulf coasts. I am gratified that other amendments designed to seriously weaken provisions of law have been turned aside.

Those nations participating in the current Law of the Sea Conference must now know that time is of the essence in establishing worldwide conservation measures. There will be no trade war as a result of our actions today. Any responsible nation must see it for exactly what it is—a positive first step to protect vital self-interests and the existence of entire species of fish.

I welcome the opportunity to incorporate our action today into a large international agreement at some time in the near future.

Mr. STEVENSON. Mr. President, the debate in this body has shown that we are all deeply concerned over the problem of overfishing by foreign fleets off the coasts of our country. Modern fishing methods employed by the Soviet Union, Poland, and other countries have not only endangered the livelihood of American fishermen but the future of certain species upon which many depend for protein. Something must be done. The vacuum cleaning of the American

Continental Shelf by foreign factory-ship fleets cannot continue unregulated. The bill introduced by my distinguished colleague from Washington is in most respects an admirable effort to bring this alarming situation under control. I am fully in accord with the conservation measures called for in this legislation which will prevent dangerous depletion of stocks from overfishing, not only by foreigners but by our own fleets. I have supported such legislation in the past.

I cannot, however, now support a bill which includes a unilateral U.S. assertion of 200-mile fisheries jurisdiction for the following reasons:

First, it is not clear to me that from an economic point of view this bill will yield the greatest good to the greatest number of our citizens. Benefits to New England fishermen may be more than offset by injury to tuna, shrimp, and other American fishing conducted within 200 miles of other nations. We will scarcely be in a position to protect the interests of these American fishermen if we insist upon asserting 200-mile jurisdiction of our own.

Second, the successes of the International Commission for Northwest Atlantic Fisheries in September and the bilateral agreements we have concluded with the Soviet Union, Poland and Japan have materially reduced the size of the allowable catch of many important species and have greatly increased the United States share of the total catch. With the hasty passage of this legislation we are not giving these agreements even the minimum time in which to assess the effectiveness which is claimed for them.

Third, and to me most important, passage of this legislation in its present form would be in flagrant disregard of solemn international commitments entered into by the United States and ratified by this body. This issue goes to the heart of much that concerns me about the role we play in the world. What do we stand for? Are we committed to the rule of law? Or do we look upon treaties, conventions, and other international undertakings as mere scraps of paper when they do not suit our present interests? This bill would violate the 1958 Geneva Convention on the High Seas, the 1958 Geneva Convention on Fishing and Conservation of the Living Resource of the High Seas, and the Northwest Atlantic Fisheries Convention, to which we are a party. I know of not one respected legal authority who would claim that a unilateral extension of a 200-mile fisheries zone would be in accordance with international law.

We are living in an imperfect world in which the economic and political interests of many nations have always been and will always be in conflict. We have prided ourselves in our commitment to the principle that these conflicts should be resolved by negotiation and by the rule of law, not by force. When it comes to the Law of the Sea, we have a duty to lead by example. We are a great maritime power. Lesser powers, I understand as many as 15, have asserted 200-mile fisheries jurisdiction, but none has had the impact which a country like ours would have. Let us not behave like some third-rate power engaged in the pursuit of narrow national interest. Let us show that we are worthy of the mantle of world leadership by devoting our efforts to the establishment of a Law of the Sea under which all maritime nations may live in harmony with one another.

Mr. President, I repeat that I am in favor of the conservation aspects of this bill, but I cannot vote for it if it asserts unilateral jurisdiction in violation of our international commitments.

AUTHORIZATION FOR APPOINTMENT OF COMMITTEE OF SENATORS TO ESCORT THE PRIME MINISTER OF ISRAEL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President of the Senate be authorized to appoint a committee of Senators on the part of the Senate to join with the committee on the part of the House of Representatives to escort the Prime Minister of Israel into the House Chamber.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, the Senate will meet in a body to proceed to the House Chamber between the hour of 12:15 p.m. and 12:20 p.m.

MAGNUSON FISHERIES MANAGEMENT AND CONSERVATION ACT OF 1976

The Senate continued with the consideration of the bill (S. 961) to extend, pending international agreement, the fisheries management responsibility and authority of the United States over the fish in certain ocean areas in order to conserve and protect such fish from depletion, and for other purposes.

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to vote on the committee amendment in the nature of a substitute, as amended.

The question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be read a third time, and was read a third time.

The PRESIDING OFFICER. Under the previous order, the Committee on Commerce, is discharged from the further consideration of H.R. 200, and the Senate will proceed to its immediate consideration. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill H.R. 200, to provide for the conservation and management of the fisheries, and for other purposes.

The PRESIDING OFFICER. Under the previous order, all after the enacting clause is stricken, and the text of S. 961, as amended by the Senate, is substituted therefor.

The question is on the engrossment of the amendment and third reading of the bill.

The bill was ordered to be read a third time, and was read the third time.

The PRESIDING OFFICER. Under the previous order, the question is, Shall the bill pass?

Mr. STEVENS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH) is necessarily absent.

I also announce that the Senator from Missouri (Mr. SYMINGTON) is absent because of illness.

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER) and the Senator from Nebraska (Mr. CURTIS) are necessarily absent.

The result was announced—yeas 77, nays 19, as follows:

[Rollcall Vote No. 14 Leg.]

YEAS—77

Abourezk
Allen
Beall
Bellmon
Bentsen
Biden
Brock
Brooke
Buckley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Church
Dole
Domenici
Durkin
Eagleton
Eastland
Fannin
Ford
Garn
Goldwater
Hansen
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Huddleston
Humphrey
Inouye
Jackson
Johnston
Kennedy
Laxalt
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Randolph
Ribicoff
Roth
Schweiker
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Taft
Talmadge
Thurmond
Weicker
Williams
Young

NAYS—19

Bartlett
Chiles
Clark
Cranston
Culver
Fong
Glenn
Gravel
Griffin
Hart, Gary
Hruska
Javits
McClure
Proxmire
Scott, Hugh
Stevenson
Stone
Tower
Tunney

NOT VOTING—4

Baker
Bayh
Curtis
Symington

So the bill (H.R. 200), as amended, was passed as follows:

Strike out all after the enacting clause and insert:

That this Act may be cited as the "Magnuson Fisheries Management and Conservation Act".

DECLARATION OF POLICY

SEC. 2. (a) FINDINGS.—The Congress finds and declares that—

(1) The coastal species of fish which inhabit the waters off the coasts of the United States, the highly migratory species of the high seas, the species which dwell on or in the Continental Shelf, and the anadromous species which spawn in United States rivers and estuaries, constitute a valuable and renewable natural resource. This resource contributes to the food supply and economy of

the Nation as well as to health and recreation.

(2) As a consequence of increased fishing pressure and because of the absence of adequate fishing management prac'ices and controls, (A) certain stocks of such fish have been overfished to the point where their survival is threatened, and (B) other such stocks have been so substantially reduced in number that they could become similarly threatened.

(3) International agreements have not always prevented or terminated overfishing, nor have they halted the unnecessary reduction of this valuable resource. There is danger that further overfishing will occur before an effective international agreement on fishery management and jurisdiction can be negotiated, signed, ratified, and implemented.

(4) Commercial and recreational fishing constitutes a major source of employment and contributes significantly to the economy of the Nation. Many coastal areas are dependent upon fishing and related activities, and their economies have been badly damaged by the overfishing of fishery resources at an ever-increasing rate over the past decade.

(5) Management of fisheries as common property resources has led to the use of excessive amounts of capital and labor in many fisheries. As a result, the profits earned by individual fishermen are low, potential economic benefits to the Nation are lost, and the fisheries are depressed industries.

(6) Fishery resources are finite but renewable. If placed under sound management before overfishing has caused irreversible effects, the fisheries can be restored and maintained so as to provide optimum yields.

(7) A national program for management and conservation of the fishery resources subject to the jurisdiction of the United States is necessary to prevent overfishing, to rebuild overfished stocks, to insure conservation, and to realize the full potential of the Nation's fishery resources.

(8) A national program for the development of a United States fishery for bottomfish off Alaska and our other States is necessary to assure that our citizens benefit from the employment, food supply, and revenue which could be generated thereby.

(b) PURPOSES.—It is therefore declared to be the purpose of the Congress in this Act—

(1) to take immediate action to protect and conserve the fishery resources of the Nation by declaring management and conservation authority over such resources in a 200 nautical mile zone off the coasts of the United States;

(2) to extend the exlusive management jurisdiction of the United States over the fishery resources of the Continental Shelf and over anadromous species of fish which spawn in the rivers and estuaries of the United States; and

(3) to establish a national fishery management program to prevent overfishing, to rebuild overfished stocks, to insure conservation, to realize the full potential of the Nation's fishery resources, and to encourage the development of a domestic capability to harvest and process fishery resources which are currently underutilized or unutilized by United States fishermen, particularly the bottom fishery of the North Pacific and Bering Sea and other bottom fishery potential off our coasts.

(c) POLICY.—It is further declared to be the policy of the Congress in this Act—

(1) to maintain without change the existing territorial or other ocean jurisdiction of the United States for all purposes other than the management and conservation of fishery resources, as provided in this Act;

(2) to authorize no impediment to, or interference with, recognized legitimate uses of the high seas, other than that necessary for the management and conservation of fishery resources, as provided in this Act;

(3) to support and encourage international agreements for the management of highly migratory species of fish and to manage such species when found within the 200-mile zone on the basis of regulations adopted pursuant to such agreements; and

(4) to assure that the national fishery management program (A) utilizes, and is based upon, the best scientific information available; (B) involves, and is responsive to the needs of, interested and affected citizens; (C) promotes efficiency; (D) minimizes the costs of research, administration, management, and enforcement; and (E) is workable and effective.

DEFINITIONS

SEC. 3. As used in this Act, unless the context otherwise requires, the term—

(1) "anadromous species" means those species of fish which spawn in fresh and estuarine waters of the United States and which migrate to ocean waters;

(2) "Board" means the Fishery Management Review Board established under section 204 of this Act;

(3) "coastal species" means all species of fish, other than highly migratory and anadromous species which inhabit the waters off the coasts of the United States;

(4) "conservation" refers to all of the rules, regulations, conditions, methods, and other measures (A) which are required to rebuild and maintain, and useful in rebuilding and maintaining fishery resources and the marine environment; and (B) which are designed to assure that—

(i) a supply of food, and other products, and recreational benefits, may be taken or obtained therefrom on a continuing basis;

(ii) irreversible or long-term adverse effects on fishery resources, or on the marine ecosystem as a whole are highly unlikely; and

(iii) there will be a multiplicity of options available with respect to future use of these resources;

(5) "Continental Shelf fishery resources" means living organisms of sedentary species which, at the harvestable stage, are either (A) immobile, (B) in the seabed, or (C) unable to move except in constant physical contact with the seabed or subsoil of the Continental Shelf; including, but not limited to, the following species:

COLENTERATA

Bamboo Coral—Acarella spp.;
Black Coral—Antipathes spp.;
Gold Coral—Callogorgia spp.;
Precious Red Coral—Corallium spp.;
Bamboo Coral—Keratoisis spp.; and
Gold Coral—Parazoanthus spp.

CRUSTACEA

Tanner Crab—Chionecetes tanneri;
Tanner Crab—Chionocetes opilio;
Tanner Crab—Chionoecetes angulatus;
Tanner Crab—Chionoecetes bairdi;
King Crab—Paralithodes camtschatica;
King Crab—Paralithodes platypus;
King Crab—Paralithodes brevipes;
Lobster—Homarus americanus;
Dungeness Crab—Cancer magister;
California King Crab—Paralithodes californiensis;
California King Crab—Paralithodes rathbuni;
Golden King Crab—Lithodes aesquispinus;
Northern Stone Crab—Lithodes maia;
Stone Crab—Menippe mercenaria; and
Deep-sea Red Crab—Geryon quinquedens.

MOLLUSKS

Red Abalone—Haliotis rufescens;
Pink Abalone—Haliotis corrugata;
Japanese Abalone—Haliotis kamtschatkana;
Queen Conch—Strombus gigas;
Surf Clam—Spisula solidissima; and
Ocean Quahog—Artica islandica.

SPONGES

Glove Sponge—Hippiospongia canaliculata;
Sheepswool Sponge—Hippiospongia lachne;
Grass Spongea—Spongia graminea; and
Yellow Sponge—Spongia barbera.

The Secretary, in consultation with the Secretary of State, may add to the foregoing list the name of any other species of living organism which he determines to be such a resource, upon publication of a notice to such effect in the Federal Register, and such species shall thereafter be considered to be included in the term.

(6) "Council" means a Regional Fishery Management Council established under section 202 of this Act;

(7) "fish" means all living marine organisms, including, but limited to, finfish, mollusks, crustaceans, marine mammals, and all other forms of marine animal and plant life (but not including birds);

(8) "fishery" means—

(A) one or more stocks of fish which can be managed as a unit for purposes of management and conservation and which are identified by the appropriate Council and the Secretary on the basis of geographic, scientific, technical, recreational, and economic characteristics; and

(B) the business, organized activity, or act of fishing for such stocks;

(9) "fishery conservation zone" means a zone contiguous to the territorial sea of the United States within which the United States exercises exclusive fishery management and conservation authority;

(10) "fishing" means the catching, taking, harvesting, or attempted catching, taking, or harvesting, of any fish for any purpose other than scientific research, and any activity at sea in support of such actual or attempted catching, taking, or harvesting;

(11) "fishing vessel" means any vessel, boat, ship, contrivance, or other craft which is used for, equipped to be used for, or of a type normally used for, fishing;

(12) "fishing-support vessel" means any vessel, boat, ship, contrivance, or other craft which is used for, equipped to be used for, or of a type which is normally used for, aiding or assisting one or more fishing vessels at sea in the performance of any support activity (except a scientific research vessel), including, but not limited to, supply, storage, refrigeration, or processing;

(13) "foreign fishing" means fishing by a vessel other than a vessel of the United States;

(14) "high seas" means waters beyond the territorial sea or the fishery conservation zone (or the equivalent thereof) of any nation;

(15) "highly migratory species" means species of the tuna which, in the course of their life cycle, spawn and migrate in waters of the ocean;

(16) "international fishery agreement" means any bilateral or multilateral treaty, convention, or agreement which relates to fishing and to which the United States is a party;

(17) "national standards" means the national standards for fishery management and conservation set forth in section 201(a) of this Act;

(18) "optimum", with respect to the yield from a fishery, means the amount of fish—

(A) which, if produced, will provide the greatest benefit to the Nation; and

(B) which is prescribed as such by the appropriate Council and the Secretary on the basis of the maximum sustainable yield from such fishery as modified by any relevant economic, social, and/or ecological factors;

(19) "person" has the meaning set forth in section 1 of title I, United States Code, and, in addition, includes any government, including a foreign government, any entity of a government, and a citizen of a foreign nation;

(20) "Secretary" means the Secretary of Commerce, or his delegate;

(21) "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, the Virgin Islands, Guam, and any other territories and possessions of the United States;

(22) "stock", with respect to any fish, means a type, species, or other category capable of management as a unit;

(23) "United States", when used in the geographical context, includes all States; and

(24) "vessel of the United States" means any boat, ship, contrivance, or other craft, however propelled or moved, which is—

(A) designed, used, or capable of being used for navigation on or under water; and

(B) documented under the laws of the United States or which is registered under the laws of any State.

TITLE I—FISHERY MANAGEMENT JURISDICTION OF THE UNITED STATES

EXTENT OF JURISDICTION

Sec. 101. (a) Fishery Conservation Zone.—(1) There is established a zone contiguous to the territorial sea of the United States to be known as the fishery conservation zone. Within such zone the United States shall, except as provided in subsection (d) of this section, exercise exclusive fishery management authority in the manner provided for in title II of this Act. The inner boundary of this zone is a line formed by the seaward boundaries of the coastal States, and the outer boundary of this zone is a line drawn in such manner that each point on it is 200 nautical miles from the baseline which the territorial sea is measured.

(b) Anadromous Species.—The United States shall exercise, throughout the migratory range of each applicable species, exclusive fishery management authority over anadromous species of fish spawned in the fresh and estuarine waters of the United States in the manner provided for in title II of this Act. *Provided*, That such management authority shall not extend to such species during the time they are found within the territorial sea or the fishery conservation zone (or the equivalent thereof) of any other nation, as recognized by the United States.

(c) Continental Shelf Fishery Resources.—The United States shall exercise exclusive fishery management authority over Continental Shelf fishery resources to the depth at which such resources can be exploited.

(d) Highly Migratory Species.—The exclusive fishery management authority of the United States shall not include or be construed to extend to highly migratory species of fish. Such species shall be managed solely pursuant to international fishery agreements established for such purpose.

FOREIGN FISHING

Sec. 102. (a) General.—The Secretary and the Secretary of State, after consultation with the Secretary of the Treasury, may authorize foreign fishing within the fishery conservation zone, for anadromous species, or for Continental Shelf fishery resources, in accordance with the provisions of this section and subject, where appropriate, to (1) title II of this Act, and regulations promulgated under such title, and (2) sections 301 and 302 of this Act.

(b) Allowable Level.—(1) The allowable level of total foreign fishing, if any, shall be set upon the basis of the portion of the allowable catch of any fishery or stock of fish which cannot or will not be harvested by vessels of the United States. Annual allowed foreign fishing and annual fishing by vessels of the United States shall not, for any fishery or stock of fish, exceed the optimum yield thereof. For purposes of this subsection, the term "allowable catch" means the surplus, from any fishery or stock of fish, which can be taken without exceeding the applicable optimum yield.

(2) In determining the allowable level of total foreign fishing with respect to any particular fishery or stock of fish, the Secretary and the Secretary of State shall utilize the best available scientific information, including, but not limited to, catch and effort statistics and relevant data compiled and made available by any foreign nation.

(3) In determining the allowable level of foreign fishing for any particular nation, with respect to any fishery or stock of fish subject to the exclusive fishery management authority of the United States, the Secretary and the Secretary of State shall consider whether, and to what extent, the vessels of such nation have traditionally fished in such fishery or for such stock.

(c) Reciprocity.—Foreign fishing shall not be authorized for any foreign nation unless such nation satisfies the Secretary and the Secretary of State that it extends substantially the same fishing privileges to vessels of the United States, with respect to an equivalent fishery or stock of fish within its fishery conservation zone, or its equivalent, or for such nation's anadromous species or Continental Shelf fishery resources, if any.

(d) Conditions.—The Secretary and the Secretary of State shall establish appropriate conditions on foreign fishing, which shall be complied with by any foreign-flag fishing or fishing-support vessel of any nation which is authorized to fish pursuant to subsection (a) of this section. Such conditions shall be consistent with the national standards, the fishery management plans, and the management regulations under title II of this Act.

(e) Miscellaneous.—(1) The Secretary, through the National Oceanic and Atmospheric Administration shall verify the authenticity of foreign catch statistics and any other relevant data furnished for purposes of this section. The Secretary may require that observers be placed aboard foreign-flag fishing and fishing-support vessels authorized to fish pursuant to subsection (a) of this section, to the extent deemed necessary by the Secretary to ensure that accurate catch statistics are reported and that the applicable allowable level is not exceeded.

(2) The Secretary shall establish a schedule of reasonable fees which shall be paid to the Secretary by any foreign-flag fishing or fishing-support vessel authorized to fish pursuant to subsection (a) of this section. In determining the level of such fees, the Secretary may take into account the cost of management, research, administration, enforcement, the value of the fishing privilege, and other relevant factors. The fees charged may vary for different categories of fishermen, to the extent deemed reasonable and appropriate.

(3) All pertinent information relating to foreign fishing, including that which is authorized to be collected by the Secretary, shall be made available publicly and shall be published, in summary from where appropriate in the Federal Register.

(4) No vessel of a foreign nation authorized to fish pursuant to subsection (a) of this section shall engage in such fishing unless and until the owner or operator thereof establishes and maintains a place of business in the United States and names an agent in a State who is authorized to receive legal process.

(f) Prohibition.—Except as provided pursuant to this Act, it shall be unlawful for any vessel, or for any master or other person in charge of any vessel, except a vessel of the United States, to engage in fishing in the internal waters, the territorial sea, or the fishery conservation zone of the United States, or to engage in fishing for anadromous species or Continental Shelf fishery resources.

INTERNATIONAL FISHERY AGREEMENTS

Sec. 103. (a) General.—(1) The Secretary of State, in cooperation with the Secretary, shall initiate and conduct negotiations with any foreign nation which, prior to the date of enactment of this Act, has been engaged in, or whose citizens have been engaged in, or wish to engage in, fishing within the fishery conservation zone of the United States, or for anadromous species or Continental Shelf fishery resources. The Secretary of State, upon the request of and in cooperation with the Secretary, shall, in addition, initiate and conduct negotiations with any foreign nation in whose fishery conservation zone, or its equivalent, vessels of the United States are engaged, or wish to be engaged, in fishing, or with respect to anadromous species or Continental Shelf fishery resources as to which such nation asserts management authority and for which vessels of the United States fish, or wish to fish. The Secretary of State, upon the request of and in cooperation with the Secretary, shall, in addition, initiate and conduct negotiations with any foreign nation in whose fishery conservation zone or its equivalent, anadromous species spawned of fish spawned in the fresh and estuarine waters of the United States are found for the conservation of such species of fish. The purpose of such negotiations shall be to conclude international fishery agreements to effectuate the purpose, policy, and provisions of this Act.

(2) Such agreements may include, but need not be limited to, agreements to provide for the management and conservation of—

(A) coastal species which are found both in the fishery conservation zone of the United States and in an adjacent foreign nation's equivalent of such zone;

(B) anadromous species which are found, during the course of their migration, in ocean areas subject to the fishery management authority of more than one nation, or which intermingle on the high seas with anadromous species originating in the rivers and estuaries of other nations;

(C) highly migratory species which may be covered by international fishery agreements; and

(D) coastal species or Continental Shelf fishery resources which are found in areas subject to the fishery management authority of any foreign nation, through measures which allow vessels of the United States to harvest an appropriate portion of such species in accordance with traditional fishing by vessels of the United States.

(b) Review.—The Secretary of State shall immediately review, in cooperation with the Secretary, each treaty, convention, and other international agreement to determine whether the provisions of such agreements, are consistent with the purposes, policy, and provisions of this Act. If any provision or terms of any such agreement are not so consistent, the Secretary of State shall initiate negotiations to amend or terminate such agreements by not later than January 1, 1977.

(c) Boundary Agreements.—The Secretary of State is authorized and directed to initiate and conduct negotiations with adjacent foreign nations to establish the boundaries of the fishery conservation zone of the United States in relation to any such nation.

(d) Nonrecognition.—It is the sense of the Congress that the United States Government shall not recognize the claim of any foreign nation to a fishery conservation zone, or its equivalent, beyond 12 nautical miles from the baseline from which the territorial sea is measured, if such nation—

(1) fails to recognize traditional fishing activity of vessels of the United States, if any, within such zone;

(2) fails to recognize traditional fishing activity of vessels of the United States with respect to anadromous species or Continental

Shelf fishery resources as to which such nation asserts management authority; or

(3) fails to recognize and accept that highly migratory species are to be managed by applicable international fishery agreements, whether or not such nation is a party to any such agreement.

(c) IMPORT PROHIBITION.—(1) If after a reasonable period of time the Secretary of State is unable to achieve an agreement affording vessels of the United States an appropriate portion of fish stocks found in areas subject to the fishery management jurisdiction of any foreign nation, in accordance with traditional fishing practices of such vessels and under conditions equal to those established under section 102 of this Act, and determines that such nation—

(A) has refused to commence negotiations;

(B) has failed to negotiate in good faith; or

(C) is not complying with its obligations under any existing agreement concerning fishing by United States vessels for fish stocks subject to such nation's fishery management jurisdiction,

he shall certify such determination to the Secretary of the Treasury.

(2) If any United States vessel, while fishing in waters beyond twelve nautical miles from the baseline from which a foreign nation's territorial sea is measured, is seized by such nation—

(A) as a consequence of a claim of jurisdiction which is not recognized by the United States; or

(B) such seizure is in violation of an existing international agreement or is not permitted by an agreement between the United States and such nation, the Secretary of State shall certify such action to the Secretary of the Treasury.

(3) Upon receipt of any such certification from the Secretary of State under paragraph (1) or (2) of this subsection, the Secretary of the Treasury shall immediately take such action as may be necessary and appropriate to prohibit the importation into the customs territory of the United States of any fish or fish products from the fishery involved.

(4) Any import prohibition imposed under this subsection shall remain in effect (A) until an agreement is achieved, (B) until such nation complies with its obligations under such existing agreement, or (C) until the seized vessel and its catch are released, as appropriate.

(5) For the purposes of this section, the term "fish" or "fish products" means any fish, or any article which is the product of or which is composed in whole or part of such fish, caught by vessels other than vessels of the United States.

TERMINATION OF TITLE

SEC. 104. The provisions of this title shall expire and cease to be of any legal effect on such date as a law of the sea treaty (or other comprehensive treaty, convention, or agreement with respect to fishery jurisdiction, which the United States has signed or is a party to) shall come into force or be provisionally applied by the United States.

TITLE II—NATIONAL FISHERY MANAGEMENT PROGRAM

NATIONAL STANDARDS

SEC. 201. (a) GENERAL.—Fishery management plans developed by the Councils, and management regulations promulgated by the Secretary, pursuant to this title, shall conform to the following national standards for fishery management and conservation:

(1) Management and conservation measures shall prevent overfishing and assure on a continuing basis, the optimum yield for each fishery.

(2) Management and conservation measures shall be based upon the best scientific information available.

(3) To the extent possible, an individual stock of fish shall be managed as a unit throughout its range and interrelated stocks of fish shall be managed as a unit or in close coordination.

(4) Management and conservation measures shall not discriminate between residents of different States. If it becomes necessary to allocate or assign fishing privileges among various United States fishermen, such allocation shall be (A) fair and equitable to all such fishermen; (B) reasonably calculated to promote conservation; and (C) carried out in such manner that no particular individual, corporation, or other entity acquires an excessive share of such privileges.

(5) Management and conservation measures shall, where appropriate, promote efficiency in the utilization of fishery resources, except that any such measures shall not have economic allocation as its sole purpose.

(6) Management and conservation measures shall allow for unpredicted variations in fishery resources and their environment and for contingencies and possible delays in application.

(7) Management and conservation measures shall, where appropriate, minimize research, administration, and enforcement costs and shall avoid unnecessary duplication.

(b) GUIDELINES.—The Secretary shall establish guidelines, based on the national standards, for the Councils to follow in developing fishery management plans and in developing recommended regulations for the management and conservation of fisheries.

REGIONAL FISHERY MANAGEMENT COUNCILS

SEC. 202. (a) ESTABLISHMENT.—There shall be established within 120 days after the date of enactment of this Act, seven Regional Fishery Management Councils, as follows—

(1) The North Atlantic Fishery Management Council (hereafter in this title referred to as the "North Atlantic Council"). The North Atlantic Council, which shall consist of the States of Maine, New Hampshire, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland, and Virginia, shall be concerned with the fisheries in the Atlantic Ocean seaward of such States.

(2) The South Atlantic Fishery Management Council (hereafter in this title referred to as the "South Atlantic Council"). The South Atlantic Council, which shall consist of the States of North Carolina, South Carolina, Georgia, and Florida, shall be concerned with the fisheries in the Atlantic Ocean seaward of such States.

(3) The Gulf of Mexico Fishery Management Council (hereafter in this title referred to as the "Gulf Council"). The Gulf Council, which shall consist of the States of Texas, Louisiana, Mississippi, Alabama, and Florida, shall be concerned with the fisheries in the Gulf of Mexico seaward of such States.

(4) The Pacific Fishery Management Council (hereafter in this title referred to as the "Pacific Council"). The Pacific Council, which shall consist of the States of California, Oregon, Washington, Idaho, and Alaska, shall be concerned with the fisheries in the Pacific Ocean seaward of California, Oregon, and Washington.

(5) The Caribbean Fishery Management Council (hereafter in this title referred to as the "Caribbean Council"). The Caribbean Council, which shall consist of the Virgin Islands and the Commonwealth of Puerto Rico, shall be concerned with the fisheries in the Caribbean seaward of such States.

(6) The North Pacific Fishery Management Council (hereafter in this title referred to as the "North Pacific Council"). The North Pacific Council, which shall consist of the States of Alaska, Oregon, and Washington, shall be concerned with the fisheries in the northern Pacific Ocean seaward of Alaska.

(7) The Outer Pacific Fishery Management Council (hereafter in this title referred to as the "Outer Pacific Council"). The Outer Pacific Council, which shall consist of the States of Hawaii, American Samoa, Guam, and the Trust Territories of the Pacific, shall be concerned with the fisheries seaward of such States.

(b) REPRESENTATION OF STATES.—Each Regional Fishery Management Council shall reflect the expertise and interests of the several identified States in the ocean area over which such Council is granted authority. Each identified State is entitled to three members on each applicable Council, except that in the case of the Caribbean Council, the Virgin Islands and Puerto Rico are entitled to four members each, and in the case of the North Pacific Council, Alaska is entitled to five members, and Oregon is entitled to one member.

(c) APPOINTMENTS.—(1) The Governor of each State entitled to membership on a Council may submit to the President a list setting forth the names of individuals qualified to be appointed as members of such Council as representatives of each such State. The President shall appoint, by and with the advice and consent of the Senate, the members to represent each State in the number set forth in subsection (b) of this section at least one of whom shall be a State official with expertise in fishery management. The terms of office of the members first taking office shall expire as designated by the President at the time of nomination—one at the end of the second year, one at the end of the fourth year, and one at the end of the sixth year. Successors to such members shall be appointed in the same manner as the original members, except that members who have faithfully attended and effectively contributed, in the public interest, to the functioning of such Council are eligible for reappointment. The terms of office of successor to such members shall expire 6 years from the date of expiration of the terms for which their predecessors were appointed. Any individual appointed to fill a vacancy occurring prior to the expiration of any term of office shall be appointed for the remainder of such term. As used in this paragraph, a "qualified" individual is one who is knowledgeable and capable of making sound judgments in the public interest with respect to the management and conservation of fishery resources.

(2) The President shall appoint, upon the recommendation of the Secretary, a Federal Government employee to serve as a nonvoting member on each Council as the representative of the Secretary.

(3) Members of a Council, who are not otherwise employed in any capacity by the Federal or any State or local government, shall receive compensation at the daily rate for GS-18 of the General Schedule, when engaged in the actual performance of duties for such Council, and all members shall be reimbursed for actual expenses incurred in the performance of such duties.

(4)(a) the Governor of each State entitled to membership on a Council wishing to submit to the President, pursuant to this subsection, a list of names setting forth the individuals qualified to be appointed as members of such Council as representatives of each such State shall submit such a list to the President not later than 45 days after the date of enactment of this Act.

(b) Presidential appointments pursuant to this subsection shall be sent to the Senate for confirmation no later than 90 days after the date of enactment of this Act.

(c) POWERS AND FUNCTIONS.—In addition to any other function assigned under any other provision of this Act, each Council, in accordance with the provisions of this title—

(1) shall select a chairman;

(2) may appoint, and assign duties to, an

executive director and such other full- and part-time employees as are necessary to conduct business, and persons to committees as provided in subsection (e) of this section;

(3) shall identify fisheries in need of conservation within its geographic area of authority;

(4) shall develop, and submit to the Secretary, an overall fishery management plan, including separate programs for each fishery, within its respective geographic area of authority, which is in need of management and conservation;

(5) shall develop, and submit to the Secretary, recommended regulations for the management and conservation of fish within its geographic area of authority;

(6) shall monitor fishing activity and review the impact of management regulations within its geographic area of authority and may recommend to the Secretary any appropriate amendments or changes therein;

(7) shall conduct public hearings, at appropriate times and in appropriate locations, so as to allow all interested persons an opportunity to be heard on (A) the overall fishery management plan; (B) any separate management program; (C) recommended regulations; and (D) any amendments to regulations;

(8) may otherwise carry out such other functions as are necessary and appropriate for the effective management and conservation of fishery resources within its geographic area of authority; and

(9) shall report to the Secretary on its activities, plans, programs, findings, and such other matters as are requested.

(d) Support.—The Secretary shall provide to each Council such administrative support as is necessary for effective functioning.

(e) Committees.—(1) Each Council shall establish, maintain, and appoint the members of, a scientific and statistical committee to assist it in the development, collection, and evaluation of such statistical, biological, economic, social, and other scientific information as is relevant to management plans or recommended regulations. Each such committee shall be composed of (A) not more than six fisheries scientists and experts, and (B) the director of the appropriate regional research center of the National Marine Fisheries Service, who shall serve as the Chairman.

(2) Each Council shall establish and maintain ad hoc or standing committees for each individual fishery identified by it as in need of conservation, to the extent necessary to assist such Council in the preparation of (A) management programs, (B) recommended regulations, and/or (C) changes or amendments to existing plans or regulations. The members of such committees shall be appointed by the respective Councils, and they shall be selected to represent persons who are actually engaged in the fishery involved and to include other persons knowledgable and interested in the conservation of such fishery.

(3) Members of the committees established pursuant to paragraphs (1) and (2) of this subsection shall be reimbursed for travel expenses, including per diem in lieu of subsistence, as provided in section 5703 of title 5, United States Code, for persons in Government service intermittently.

(f) Miscellaneous Provisions.—(1) No Council shall have any authority to develop a fishery management plan, or to recommend regulations, with respect to fisheries which are principally located in waters within the boundaries of a single State.

(2) Whenever a fishery extends beyond the geographic area of authority of a single Council, the appropriate Councils shall coordinate or combine their efforts as necessary.

(3) To the extent practicable and consistent with the national standards, the Councils shall incorporate, in its management plans and recommended regulations, the relevant fishery management measures of the coastal State or States nearest the fishery involved.

(4) To the extent practicable fishery management regulations shall be put into effect in a manner which does not disrupt the regular fishing season for any fishery.

MANAGEMENT REGULATIONS

Sec. 203. (a) General.—As soon as practicable, each Council, or the Secretary, shall identify fisheries in need of conservation. The appropriate Council shall develop (1) a fishery management plan for each such fishery in the order needed; and (2) recommended management regulations as required for the implementation and maintenance of each such plan. Such Council shall initiate action on the formulation of such management plans and recommended regulations not later than 60 days after the first day on which all initial members of the Council have been appointed and taken office, and shall submit each such plan and recommended regulations to the Secretary as soon as practicable. Such a plan shall include—

(A) a description of the fishery, including, but not necessarily limited to, the number of vessels involved; the type of gear used; the species of fish involved and their location; the costs likely to be incurred in management; the potential revenue from the fishery; the recreational interests in the fishery; and the nature and extent of foreign fishing and Indian treaty fishing rights, if any;

(B) a summary of the best scientific information available with respect to the present and probable future condition of, and the maximum sustainable yield from, the fishery;

(C) an assessment of (i) the capacity and desire of vessels of the United States to harvest the optimum yield from the fishery, and (ii) the surplus in the fishery which can be made available for foreign fishing without risk of overfishing; and

(D) any other relevant and appropriate information, data, and evaluations.

(b) Type of Regulations.—Recommended management regulations developed under subsection (a) of this section may—

(1) designate zones where, and designate periods when, fishing shall be limited to, or shall not be permitted, or shall be permitted only as to specified vessels or gear;

(2) establish a system which shall, directly or indirectly, limit access to a fishery on a basis which shall recognize, among other considerations, present participation in the fishery, historical fishery practices and dependence on the fishery, the value of existing investments in vessels and gear, the value of the fishing privilege, capability of existing vessels to direct their efforts to other fisheries, State limited access systems, history of compliance with applicable fishing regulations, the optimum yield of the fishery, and the cultural and social framework in which the fishery is conducted;

(3) establish limitations on the catch of fish in any fishery, based on area, species, size, number, weight, sex, incidental catch, total biomass or quotas, and other factors which are necessary for the conservation of such fish;

(4) prohibit, limit, condition, or require the use of specified types of fishing gear, vessels, or equipment for such vessels including devices which may be required solely or partially to facilitate enforcement of this title or the regulations issued hereunder;

(5) require a license or permit to be issued by the Secretary as a condition to engaging in any fishery, upon such terms as may be prescribed, including the payment of fees appropriate to the value of the fishing license or permit;

(6) require catch and other appropriate statistics from fishermen and processors; and

(7) mandate or encourage such other management and conservation measures as are necessary or appropriate to carry out the purposes of this Act.

(c) Review.—(1) The Secretary shall review each management regulation which is recommended and submitted to him by Council to determine whether it is consistent with (A) the national standards and (B) the provisions and requirements of this Act and any other applicable law, before he issues a notice of proposed rulemaking regarding management regulations for the applicable fishery. If such remommended regulations are determined to be so consistent, the Secretary shall adopt them and shall publish, immediately thereafter a notice of proposed rulemaking with regard thereto. If the recommended regulations are determined not to be so consistent, the Secretary shall notify the applicable Council of such inconsistency and shall indicate the changes that are necessary to make such recommended regulations so consistent. Such Council may change the recommended regulations to make them consistent: *Provided,* That if the Council does not make the necessary changes with 60 days after it receives notice from the Secretary, the Secretary shall make the necessary changes and shall, thereupon, issue the notice of proposed rulemaking.

(2) The Secretary shall have no authority to promulgate management regulations establishing a limited access system under subsection (b)(1) of this section unless such regulations have been approved by a majority of the membership of the Council involved.

(3) If any recommended management regulations involve methods and procedures for enforcement at sea, the Secretary shall consult with the Secretary of the department in which the Coast Guard is operating.

(4) If any recommended management regulations would apply to foreign fishing, the Secretary shall consult with the Secretary of State.

(d) Proposed Rulemaking.—The Secretary shall publish, in the Federal Register, any management regulations which he proposes to promulgate pursuant to this Act. Each such notice (1) shall request comment thereon; (2) shall designate the fishery or fisheries to which they apply; and (3) shall summarize the recommendations of the applicable Council or Councils, including, where appropriate, an explanation of how the proposed regulations differ from those so recommended and the reasons therefor.

(e) Regulations.—The Secretary is authorized to promulgate regulations, in accordance with the provisions of this title and section 553 of title 5, United States Code, without regard to subsection (a) thereof, to govern fishing by vessels of the United States and foreign fishing (1) within the fishery conservation zone (and vessels of the United States fishing for coastal species beyond such zone), (2) for anadromous species, and (3) Continental Shelf fishery resources. In addition, such regulations shall pertain to, but need not be limited to, the operation of the Councils, the setting of fees, procedures for obtaining data and statistics relating to fishing, and other matters relating to the purposes of this Act. Such regulations shall provide for full consultation and cooperation with all other interested Federal agencies and departments, with any coastal State, and with any foreign nation, through the Secretary of State, and for consideration of the views of any interested member of the general public. The Secretary is further authorized, consistent with the purposes and provisions of this title, to amend or rescind any such regulations.

(f) Emergency Action.—If the Secretary

determines that an emergency situation exists requiring immediate action in the national interest to protect any fishery resources, he shall prepare and promulgate emergency management regulations as soon as practicable. Such regulations shall be issued in accordance with the provisions of section 553 of title 5, United States Code, without regard to subsection (a) thereof.

(g) ACTION BY GENERAL PUBLIC.—Any coastal State, or any interested member of the general public, may nominate a fishery as a fishery in need of regulation, by submitting a written statement to the Secretary identifying such fishery and describing the reasons why it should be managed. The Secretary shall promptly forward each such nomination to the appropriate Council for action.

(h) OVERVIEW.—The Secretary shall from time to time review the actions of the Councils to determine whether the Councils are acting in timely fashion. If the Secretary determines that a Council has failed to recommend management regulations for any fishery within a reasonable time, he shall prepare management regulations and submit them to such Council. Such Council may make changes in such regulations consistent with the national standards: Provided, That if such Council does not make such changes within 45 days after it receives such a submission from the Secretary, the regulations shall stand, and the Secretary shall issue a notice of proposed rulemaking with regard to such regulation.

(i) FISHERIES RESEARCH.—The Secretary shall initiate and maintain a program of fisheries research designed to acquire knowledge and information, including statistics, on fishery management and conservation including, but not limited to, biological research concerning interdependence of species, the impact of pollution, the impact of wetland and estuarine degradation, and other factors bearing upon the abundance and availability of fish.

FISHERY MANAGEMENT REVIEW BOARD

SEC. 204. (a) ESTABLISHMENT.—There is established an independent instrumentality to be known as the Fishery Management Review Board. The Board shall have exclusive and original jurisdiction to hear the appeals described in subsection (c) of this section.

(b) MEMBERSHIP.—(1) The Board shall be composed of five members who shall be appointed by the President, by and with the advice and consent of the Senate. Of such members at least three shall be individuals who shall be appointed by the President from a list of qualified individuals submitted to the President by the National Governor's Conference, such list to consist of not less than three such individuals for each vacancy. Members of the Board shall not engage in any other business, vocation, or profession during their term of office. As used in this paragraph, a "qualified" individual is one who is knowledgeable and capable of making sound judgments with respect to appeals before the Board.

(2) The members of the Board shall be appointed for a term of 3 years, except that (A) the terms of office of the member first taking office shall expire as designated by the President at the time of nomination; and (B) any individual appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term and in the same manner in which such predecessor was appointed. Successors to the members of the Board first taking office shall be appointed in the same manner as the original members. Each member of the Board shall be eligible for reappointment.

(3) The members of the Board shall select one of their number to serve as Chairman.

(4) The Board is authorized to appoint an executive secretary and such administrative law judges and other employees as are necessary for the proper performance of its duties.

(c) APPEALS TO THE BOARD.—(1) Any person who is adversely affected or aggrieved by, or who suffers legal wrong through, (A) any final management regulation promulgated by the Secretary pursuant to this title, or (B) a decision by the Secretary to issue, transfer, revoke, suspend, modify or renew a license or permit may obtain review of such action by the Board if he files a request therefor with the Board not later than 60 days after the date of publication of such final regulation or decision.

(2) Any Council whose recommended management regulations were determined by the Secretary to be not consistent with the national standards may obtain review of the Secretary's action by the Board if it files a request therefor with the Board not later than 60 days after the date of publication of any final management regulation involved.

(3) In any action under this section, the Secretary or any affected Council, if not a party, may intervene as a matter of right.

(4) Review proceedings under this section shall be in accordance with the provisions of section 554 of title 5, United States Code. To the extent possible, such proceedings shall be held in the locality closest to the fishery involved. If the Board finds that justice so requires, it may issue an order (A) postponing the effective date of an action of the Secretary or (B) preserving the status or rights of any person, pending the outcome of such review proceedings.

(d) REVIEW STANDARD.—(1) In any review requested by a Council relating to any management regulation, the Board shall uphold the action of the Secretary unless it finds that his action—

(A) was not consistent (i) with the national fishery standards or (ii) with the provisions and requirements of this Act or any other applicable law;

(B) was arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law;

(C) was contrary to constitutional right, privilege, power or immunity;

(D) was clearly not supported by the facts and record available to the Secretary; or

(E) did not observe the procedure required by this Act or other law.

If the Board does not uphold the action of Secretary, it shall enter a final decision declaring such action invalid together with the reasons therefor; remanding the matter to the Secretary; and directing the Secretary to take, after consultation with the affected Council, appropriate action.

(2) In an appeal relating to any other matter, the scope of review shall be as set forth in section 706 of title 5, United States Code.

(e) POWERS.—(1) The Board or any member thereof may, for the purpose of carrying out the provisions of this section, hold such hearings, sit and act at such times and places, administer such oaths, and require by subpena or other order the attendance and testimony of such witnesses and the production of such evidence as the Board or member deems advisable. Subpenas may be issued under the signature of the Chairman of the Board, or that of any duly designated member of the Board, and may be served by any person designated for such purpose by such Chairman. Witnesses summoned shall be paid the same fees and milege that are paid witnesses in the courts of the United States. Such attendance of witnesses and production may be required from any place in the United States to any place designated for such hearing.

(2) In case of refusal to obey a subpena or other order, issued under paragraph (1) of this subsection, by any person who resides, is found, or transacts business within any judicial district of the United States, the district court of the United States for any such district shall have jurisdiction and shall, upon the request of the Chairman of the Board, issue to such person an order to appear and produce evidence. Any failure to obey such an order shall be punishable by such court as a contempt of court.

(3) The Administrator of General Services shall furnish the Board with such offices, equipment, supplies, and services as he is authorized to furnish to any other agency or instrumentality of the United States.

(f) COMPENSATION.—Members of the Board shall be compensated at the rate provided for level V of the Executive Schedule (5 U.S.C. 5316), and shall be reimbursed for travel expenses, including per diem in lieu of subsistence.

(g) JUDICIAL REVIEW.—Any person who is adversely affected or aggrieved by, or who suffers legal wrong through, a decision of the Board may, not later than 60 days after the date of any such decision, seek judicial review of such decision in the United States Court of Appeals for the circuit nearest to the fishery involved.

RELATIONSHIP TO STATE LAWS

SEC. 205. Nothing in this Act shall be construed to extend the jurisdiction of any State over any natural resources beneath and in the waters beyond its seaward boundaries, or to diminish the jurisdiction of any State over any natural resource beneath and in the waters within its boundaries.

INTERSTATE COOPERATION AND UNIFORM LAWS

SEC. 206. The Secretary shall encourage cooperative action by the States and Councils for the management and conservation of coastal and anadromous species of fish and Continental Shelf fishery resources, and shall encourage, insofar as practicable, the enactment of improved and uniform State laws relating to the management and conservation of such fish.

TITLE III—MISCELLANEOUS PROVISIONS

PROHIBITED ACTS AND PENALTIES

SEC. 301. (a) PROHIBITED ACTS.—(1) It is unlawful for any person to—

(A) violate any provision of this Act, or any regulation issued hereunder, regarding fishing within the fishery conservation zone or with respect to anadromous species or Continental Shelf fishery resources;

(B) violate any provision of any international fishery agreement to which the United States is a party and which is negotiated or reviewed pursuant to this Act, to the extent that such agreement applies to or covers fishing within the fishery conservation zone;

(C) ship, transport, purchase, sell or offer for sale, import, export, possess, control, or maintain in his custody any fish taken in violation of paragraphs (A) or (B) of this subsection, if such person knew or had reason to know that such taking was not lawful;

(D) refuse to permit a duly authorized representative of the Secretary, or of the Secretary of the department in which the Coast Guard is operating, to board a fishing vessel or fishing-support vessel subject to his control, if the purpose of such requested boarding is to inspect the catch, fishing gear, ship's log, or other records or materials aboard such vessel; or

(E) fail to cooperate with a duly authorized representative of the Secretary, or of the Secretary of the department in which the Coast Guard is operating, engaged in a reasonable inspection pursuant to paragraph (D) of this subsection, or to resist any lawful arrest.

(2) For the purposes of this section, it shall be a rebuttable presumption that all

fish found on board a vessel seized in connection with an act prohibited under this section were taken or retained in violation of this Act.

(b) Criminal Penalties.—Any person who willfully commits an act prohibited by subsection (a) of this section shall, upon conviction, be fined not more than $100,000 or imprisoned for not more than 1 year, or both.

(c) Civil Forfeiture.—(1) Any district court of the United States shall have jurisdiction, upon application by the Secretary or the Attorney General, to order forfeited to the United States any fish or fishing gear, used, intended for use, or acquired by, activity in violation of any provision of subsection (a) of this section. In any such proceeding, such court may at any time enter such restraining orders or prohibitions or take such other actions as are in the interest of justice, including the acceptance of satisfactory performance bonds in connection with any property subject to civil forfeiture.

(2) If a judgment is entered for the United States under this subsection, the Attorney General is authorized to seize all property or other interest declared forfeited upon such terms and conditions as are in the interest of justice. All provisions of law relating to the disposition of forfeited property, the proceeds from the sale of such property, the remission or mitigation of forfeitures for violation of the customs laws, and the compromise of claims, shall apply to civil forfeitures incurred, or alleged to have been incurred, under this subsection, insofar as applicable and not inconsistent with the provisions of this section. Such duties as are imposed upon the collector of customs or any other person with respect to seizure, forfeiture, or disposition of property under the customs laws shall be performed with respect to property used, intended for use, or acquired by activity in violation of any provision of subsection (a) of this section by such officers or other persons as may be designated for that purpose by the Secretary.

ENFORCEMENT

Sec. 302. (a) General.—The provisions of this Act shall be enforced, together with regulations issued hereunder, by the Secretary and the Secretary of the department in which the Coast Guard is operating. Such Secretaries may, by agreement, on a reimbursable basis or otherwise, utilize the personnel, services, equipment (including aircraft and vessels, and facilities of any other Federal agency, or any State agency, in the performance of such duties.

(b) Powers.—Any person, duly authorized pursuant to subsection (a) of this section, may—

(1) board and inspect any fishing vessel or fishing-support vessel which is within the fishery conservation zone, or which he has reason to believe is fishing for anadromous species of Continental Shelf fishery resources;

(2) arrest any person, with or without a warrant, if he has reasonable cause to believe that such person has committed an act prohibited by section 301(a) of this title;

(3) execute any warrant or other process issued by an officer or court of competent jurisdiction; and

(4) seize all fish and fishing gear found aboard any fishing vessel or fishing-support vessel which is engaged in any act prohibited by section 301(a) of this title.

(c) Courts.—The district courts of the United States shall have exclusive jurisdiction over all cases or controversies arising under this Act, except as provided in section 204 of this Act. Such courts may issue all warrants or other process, to the extent necessary or appropriate. In the case of Guam, actions may be brought and process may be issued by the District Court of Guam; in the case of the Virgin Islands, by the District Court of the Virgin Islands; and in the case of American Samoa, by the District Court for the District of Hawaii. The aforesaid courts shall have jurisdiction over all such case and controversies without regard to the amount in controversy or the citizenship of the parties.

(d) Effective Date.—Except as provided in this subsection, the effective date of this Act shall be the date of enactment, but the provisions of this Act with respect to fishing within the fishery conservation zone and for anadromus species shall not be effective for enforcement as to violations before July 1, 1977.

REPEAL

Sec. 303. (a) The Act of October 14, 1966 (16 U.S.C. 1091–1094), is repealed.

(b) The Act of May 20, 1964 (16 U.S.C. 1081–1086), as amended by the Act of July 26, 1968 (82 Stat. 445), is repealed.

AUTHORIZATION FOR APPROPRIATIONS

Sec. 304. There are authorized to be appropriated for the purposes of this Act—

(1) to the Secretary such sums as are necessary, not to exceed $2,000,000 for the fiscal year ending June 30, 1976; not to exceed $5,500,000 for the transitional fiscal quarter ending September 30, 1976; and not to exceed $22,000,000 for the fiscal year ending September 30, 1977; and

(2) to the Secretary of the department in which the Coast Guard is operating such sums as are necessary, not to exceed $13,000,000 for the fiscal year ending June 30, 1976; not to exceed $3,250,000 for the transitional fiscal quarter ending September 30, 1976; and not to exceed $13,000,000 for the fiscal year ending September 30, 1977.

Amend the title so as to read: "An Act to extend, pending international agreement, the fishery management and conservation authority of the United States, and for other purposes.

The title was amended so as to read: "A bill to extend, pending international agreement, the fishery management and conservation authority of the United States, and for other purposes.".

Mr. MAGNUSON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MANSFIELD addressed the Chair.

The PRESIDING OFFICER (Mr. Gary Hart). The Senator from Montana.

Mr. MANSFIELD. Mr. President, I yield to the Senator from Washington without losing my right to the floor.

The PRESIDING OFFICER. The Senator from Washington.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that S. 961 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make such technical and clerical corrections in the engrossment of the Senate amendments to H.R. 200.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. MAGNUSON. Mr. President, I think we should tell Senators, it is my understanding that the override on the HEW veto will be 1 hour after we are through with the joint conference.

JOINT MEETING OF THE TWO HOUSES—ADDRESS BY THE PRIME MINISTER OF THE STATE OF ISRAEL

Mr. MANSFIELD. Mr. President, the Senate is due to proceed in a body in about 3 minutes to the other Chamber, so I ask unanimous consent that the Senate stand in recess subject to the call of the majority leader until the conclusion of the remarks of the Prime Minister of the State of Israel.

The PRESIDING OFFICER. Without objection, in accordance with the previous notice, the Senate will now stand in recess subject to the call of the majority leader, for the purpose of attending a joint meeting with the House of Representatives to hear the very distinguished Prime Minister of the State of Israel, Yitzhak Rabin.

Thereupon, the Senate, at 12:17 p.m., took a recess, subject to the call of the majority leader, and the Senate, preceded by its Secretary, Francis F. Valeo, and its Sergeant at Arms, Frank N. Hoffmann, proceeded to the Hall of the House of Representatives to hear an address delivered by the Prime Minister of the State of Israel, Yitzhak Rabin.

(For the address delivered by the Prime Minister of the State of Israel see today's proceedings in the House of Representatives.)

At 1:20 p.m., the Senate, having returned to its Chamber, reassembled, and was called to order by the Presiding Officer (Mr. Culver).

Mr. MANSFIELD addressed the Chair.

The PRESIDING OFFICER. The Senate will be in order.

LABOR-HEW APPROPRIATIONS 1976—VETO

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of the President's veto message on H.R. 8069, which the clerk will state.

The assistant legislative clerk read as follows:

> Veto message on H.R. 8069 entitled "An act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes."

The message from the President to the House of Representatives is printed in the Senate proceedings of the Congressional Record of yesterday, January 27, 1976, at pages 1173 and 1174.

The Senate proceeded to reconsider the bill (H.R. 8069), making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1976, and for the period ending September 30, 1976, and for other purposes, returned to the House by the President on December 19, 1975, with his objections, and passed by the House of Representatives, on reconsideration, on January 27, 1976.

The PRESIDING OFFICER. The question is, Shall the bill pass, the objection of the President of the United States to the contrary notwithstanding?

Mr. ROBERT C. BYRD addressed the Chair.

Mr. MANSFIELD. Mr. President, I yield the Senator 2 minutes.

The PRESIDING OFFICER (Mr. CULVER). Debate on the veto message is limited to 1 hour to be divided and controlled by the Senator from Washington (Mr. MAGNUSON) and the Senator from Massachusetts (Mr. BROOKE).

TIME LIMITATION AGREEMENT—H.R. 9803

Mr. ROBERT C. BYRD. Mr. President, I have cleared the following request on both sides of the aisle.

I ask unanimous consent that at such time as H.R. 9803, the child day care bill, is called up and made the pending business before the Senate, there be a time limitation thereon of 3 hours to be equally divided between Mr. LONG and Mr. FANNIN, that there be a time limitation of 1 hour on any amendment, a time limitation of 20 minutes on any debatable motion or appeal or point of order, if such point of order is submitted to the Senate for discussion, and that the agreement be in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of the unanimous-consent agreement is as follows:

Ordered, That during the consideration of H.R. 9803 (Order No. 568), an act to postpone for 6 months the effective date of the requirement that a child day care center meet specified staffing standards (for children between 6 weeks and 6 years old) in order to qualify for Federal payments for the services involved under title XX of the Social Security Act, so long as the standards actually being applied comply with State law and are no lower than those in effect in September 1975, debate on any amendment shall be limited to 1 hour, to be equally divided and controlled by the mover of such and the manager of the bill, and that debate on any debatable motion, appeal, or point of order which is submitted or on which the Presiding Officer entertains debate shall be limited to 20 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided,* That in the event the manager of the bill is in favor of any such amendment, motion, or point of order, the time in opposition thereto shall be controlled by the Minority Leader or his designee: *Provided further,* That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill, debate shall be limited to 3 hours, to be equally divided and controlled, respectively, by the Senator from Louisiana (Mr. Long) and the Senator from Arizona (Mr. Fannin): *Provided,* That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, appeal, or point of order.

Ordered further, That the vote on final passage of the bill occur at not later than 2:00 p.m. Thursday, January 29, 1976.

LABOR-HEW APPROPRIATIONS, 1976—VETO

The Senate continued with the consideration of the bill (H.R. 8069) an act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum with the time taken out of both sides.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MAGNUSON. Mr. President, I have a brief statement. I am certain my distinguished colleague from Massachusetts also has a statement.

Mr. President, I would like to say just a few words at this point about the President's veto of the Labor-HEW bill. The time for a speech is well past.

First of all, I wish I did not have to be here doing this at all. It seems that every time the Congress works its will on domestic programs—people programs—we hear a resounding "no" from the other end of Pennsylvania Avenue. In this case they are mainly health programs, welfare programs, and unemployment programs.

I know I am not the only one who feels this way. My feeling is shared by those who labored so hard on this bill on both sides of the aisle—those who helped achieve a reasonable, constructive set of priorities within the scarce budget resources we have. And, by the way, I hope everyone is clear on the fact that this bill is only 2.6 percent over the President's own budget request, and it is below Congress own budget ceiling.

I do not like doing this any more than our senior citizens like going without hot, nutritious meals. I do not like the idea that cancer, heart, and other research on killer diseases are left hanging.

Here we are in the Bicentennial Year. Why do I have to stand here and tell my colleagues that this great Nation ranks, at least, 14th in the world when it comes to infant mortality.

There is no shortage on rhetoric about the economy. Remember, though, this economy runs on people—human resources. We cannot talk about guiding the economic growth of this country while we ignore the reasonable programs that help our people.

A few months ago, I stood here with my colleague from Massachusetts and others as the Senate overrode the President's veto of the education appropriations bill. Now the House has voiced its will on the Labor-HEW bill. Let us not make the people wait any longer.

There is not a person in the United States who is not affected directly or indirectly, by the programs in this bill. We should quickly vote to override this veto and let both the people and the President know we have not changed our minds about the priorities involved in the bill.

There are numerous priorities. There are scores of line items. They go all the way from cancer research to mental health, to infant mortality, to all the other vital human resources programs designed to meet the needs of our people.

We have heard from hundreds of witnesses, both from the administration and outside the Government, all experts in their field.

In the field of health we heard from many of the great minds in the field, Nobel Prize winners, people who are doing a yeoman's job to improve the health of this Nation's citizenry.

I wish to present the following facts on the Labor-HEW bill.

The bill as passed by the Congress totaled $36,073,748,318.

By comparison, this is under the Senate bill by $198,774,000; over the House bill by $94,107,318; over the President's budget by $915,839,318; and under the 1975 appropriation to the tune of $7,117,301,682.

The veto override in the House was 310 to 113. The final passage vote in the Senate was 60 to 18, with 22 not present.

There are noncontrollable programs in this bill. Approximately $27 billion—or 75 percent—of the total bill is required by law for noncontrollable programs, such as welfare and social security.

Again, with all this, the percentage increase over the President's budget that was sent up here over a year ago is only 2.6 percent.

A lot of things have happened in the meantime. We passed a lot of laws placing more burdens upon HEW to enforce and finance. Even the President's budget people have changed their minds because they have constantly sent up revisions to the budget.

I also want to mention, so it will be clear, that in both the House and the Senate we are under the congressional budgets.

With that, I yield to my friend from Massachusetts.

Mr. BROOKE. Mr. President, I join with my distinguished chairman (Mr. MAGNUSON) in urging the Senate to follow the action of the House and override the veto of H.R. 8069, the fiscal year 1976 Labor-Health, Education, and Welfare appropriations bill.

H.R. 8069 is only about 2.6 percent over the administration's budget requests—requests which were unrealistically low to begin with. If the Senate cannot override the veto, these vital programs may have to operate for the remainder of the fiscal year under the constraints of a continuing resolution, a measure which provides for continuation of programs, but for no progress.

More specifically, what does the Nation lose if H.R. 8069 is not enacted into law?

In Labor, the Occupational Safety and Health Administration, OSHA, will not get the additional 333 compliance officers and support staff Congress voted. The agency's present cadre of compliance officers is spread so thin that, at best, it can inspect only about 5 percent of the

Nation's businesses. The additional personnel are clearly needed.

In Health, the important biomedical research carried out by the National Institutes of Health will be impeded. The Congressional Research Service of the Library of Congress reports that if NIH is forced to operate under a continuing resolution it will have difficulty staying abreast of inflation now estimated to be between 8 and 10 percent a year. Such a setback would come when for the first time this Nation is seeing a decline in deaths from its biggest killer—heart disease.

If the vetoed Labor-HEW bill is not enacted, the maternal and child health program will lose some $31 million. This is not acceptable when the U.S. infant mortality rate at 15 percent, still is one of the highest in the world. Further, assistance to mental retardation centers will be reduced and there will be no new effort to combat sudden infant death syndrome, a mysterious killer of infants.

The Nation's eight Public Health Service hospitals, located in Boston and other cities, will be prevented from complying with a law which requires that each provide a level and range of services equal to those provided in 1973.

The training of mental health professionals, a field in which more rather than fewer people are needed, would be reduced by $10 million and 800 trainees, according to CRS.

On the other hand, a program to cut costs by having Professional Standards Review Organizations—PSRO's—review hospital admissions under medicaid and medicare will remain at a virtual standstill. It appears that some 1.2 million hospital admissions will not be reviewed if the veto is sustained. This is particularly significant in view of the recent House committee report that half of the operations paid for by medicaid and medicare are unnecessary.

Other effects if the veto holds:

The lag in wages among Head Start employees will continue.

The Community Services Administration will not be able to strengthen its program to help the poor meet emergency energy needs such as patching up old homes and avoiding utility shut-offs. The proposed fiscal year 1976 winterization program is $11 million higher than last year's.

The essential nutrition for the elderly program will, according to CRS, serve 60,000 fewer hot meals daily than would be possible under H.R. 8069.

The vetoed bill provides $3 million for the rural housing program which is designed to assist low-income families in rural areas obtain adequate housing, or rehabilitate existing substandard units. Under the continuing resolution, the $3 million will not be available.

I could go on and on, but this provides some idea of the effects of the veto if it is not overridden.

Initially I had planned to vote against H.R. 8069 because of the inclusion of a retrogressive busing amendment in the bill. I strongly opposed that amendment and regret my efforts to defeat it were not successful. The battle for equal educational opportunity must continue and will, but I recognize the futility of further opposition to the particular amendment at this time. On the other hand, the funds in this bill are essential to the social progress of our Nation and must be made available without further delay.

H.R. 8069 deserved to be signed into law when it was approved by Congress.

The distinguished chairman and I and members of our committee worked long and hard, with the arduous work of our very dedicated staff, particularly Mr. Dirks and Mr. Kaganowich, and we tried to come up with a bill that would meet the Nation's social needs within the constraints of its fiscal problems. We believe that we did this. The House obviously believed we had jointly accomplished this goal.

As I have said, Mr. President, the administration's complaint against this particular appropriations bill is that it is beyond the budget which was requested by the administration; but the fact is, Mr. President, I repeat, that the budget request of the administration was woefully inadequate in the first instance; therefore, we feel that we have acted with restraint, that this is a barebones appropriations bill and one that cries out for passage because the need for this money is so great.

So, Mr. President, I hope that the Senate will do as the House has already done, that this bill will become law, and that the Senate will see to it that it does become law by decisively overriding the veto.

I yield 3 minutes to the distinguished Senator from Maryland.

Mr. BEALL. Mr. President, both as a member of the Senate Labor and Public Welfare Committee, which has jurisdiction over many of the programs funded in the Labor-HEW appropriations bill, and as a member of the Senate Budget Committee, I urge the Senate to override the President's veto.

This measure is not a budget busting bill. It is a bill providing modest increases to some of our most important human services programs.

The facts are that this bill is $25 million under the budget authority established by the second concurrent resolution on the budget and also it is under the outlay targets in that resolution. It does reflect somewhat different priorities than the administration's budget, but that is one of the functions of the new budget process which seeks not only to provide fiscal discipline for the Congress, but also to make Congress a full partner in determining national priorities.

This bill does represent a sizable increase, approximately $3.6 billion over the fiscal year 1975 appropriations bill. But approximately $3 billion of that amount is accounted for by so-called uncontrollables. This would include medicaid, public assistance, the supplemental security income program, and others. Although these can be changed, it would take legislative action to do so.

The remaining sum of $632 million goes for many of the programs which I have worked for and believe are vital to our citizens, programs such as—

Increased funding for the National Institutes of Health to enable the world-renowned Biomedical Research center to continue to search for ways of combating dreaded disease which afflict our people;

Nutritional and community service programs for the elderly which I have helped to shape as the ranking minority member of the Aging Subcommittee;

The funding for maternal child health programs which have been so successful in my State;

Funding for vocational rehabilitation programs to aid the handicapped which have always had a very high cost-benefit ratio;

Appropriations for the emergency medical services program which I cosponsored in 1973 and which have meant so much to my State in the developing of emergency medical systems; and

Support for mental health programs.

Mr. President, in urging this veto override I want to also make it clear that we do have some problems, particularly as they relate to the so-called in controllables. We simply must get a handle on some of these programs. Food stamp reform, which can save us in excess of $1 billion must be enacted. Welfare reform has been talked about long enough and it is imperative that Congress proceed to act. It is logical and desirable that we immediately consider legislation that will bring about the consolidation of duplicative and wasteful categorical programs.

In the meantime, however, we must provide a reasonable level of support for on-going programs, pending congressional action that changes the way in which we deliver these services to the public.

Therefore, Mr. President, I believe the Senate of the United States should again support its Budget Committee and its priorities by overriding this veto. It is very late in the year and this program should have been enacted much earlier. Delay will just further compound problems of various levels of government and deny services to our citizens.

So, Mr. President, I urge that the Senate join the House of Representatives in overriding the President's veto, and I thank the Senator from Massachusetts for yielding.

Mr. MAGNUSON. Mr. President, I yield 3 minutes to the Senator from Rhode Island (Mr. PASTORE).

Mr. PASTORE. Mr. President, I associate myself with the remarks of the distinguished chairman of the Labor-HEW subcommittee (Mr. MAGNUSON) who has put so much effort into processing this bill—the people's bill. I share the Senator's indignation regarding the necessity to vote to override the veto of the Labor-HEW appropriations bill. This bill is the result of a bipartisan effort of the Congress to address some of our most pressing problems. This bill should have been signed by the President.

After all, we have this new budget process now. This bill is under that ceiling. This is a responsible bill. The President knew that. As the Senator has indicated, the bill is only 2.6 percent over the President's own anemic budget. All we are doing in most cases is restoring administration proposed cuts in programs that fund such activities as providing health care to the sick and hot meals to the elderly.

For example, we are No. 14 in infant mortality. This is a rich nation. We should be No. 1 in protecting the health of our infants. But the stark facts are that infants born in 13 other countries have a better chance for life than if they are born in the United States. This is really a national disgrace. Yet the President's burget proposes drastic cuts in the maternal and child health program which is the principal Federal program directed at the problem of infant mortality. This bill recognizes that our children are our most precious resources and increases the budget for infant mortality.

What it all comes down to is priorities.

The President's budget was submitted to Congress last week. For fiscal year 1976—the year covered by this bill—the budget proposes outlays of $374 billion, an increase of $49 billion over fiscal year 1975. Now ask yourself, with an increase like that, why can not a little of it go for maternal and child health; a little for cancer and heart disease research. The President's budget wants us to appropriate $49 billion more, but not a penny of it for child health, cancer research, heart disease research, and other such activities. In fact, he wants us to agree to cut these programs back by $200 million and approve increases for other programs amounting to $49 billion. I must confess, Mr. President, that I cannot understand what logic—if any—that prompts the administration to even submit such proposals to Congress.

The House has recognized these twisted priorities and has voted to override the veto. I hope my colleagues will vote overwhelmingly to override this veto and let the President and the people know where the U.S. Senate stands on this issue.

The PRESIDING OFFICER. Are there additional requests for time?

Mr. MAGNUSON. Mr. President, I have no more further requests for time on this side.

Mr. BROOKE. I know of no further requests on my side, Mr. President.

The PRESIDING OFFICER. Is the remaining time yielded back?

Mr. MAGNUSON. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BROOKE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. PACKWOOD). Without objection, it is so ordered.

Mr. BROOKE. Mr. President, I yield to the distinguished Senator from Maine (Mr. MUSKIE).

Mr. MUSKIE. Mr. President, the Senate today will vote on whether to override the President's veto on H.R. 8069, the Labor, Health, Education and Welfare Appropriation Bill for 1976, which recommends $36.1 billion in budget authority and estimated outlays of $28.5 billion for fiscal year 1976.

Passage of this bill was assumed in the second concurrent budget resolution. H.R. 8069 funds programs found in six functional categories of the budget: Community and regional development; education, manpower and social services; health; income security; veterans benefits and services; and law enforcement and justice. Four of these functional categories are clearly under their target levels and would remain so with passage of this bill. Two of the categories, however, are threatened with spending beyond their targets, although not necessarily by this bill. Let me provide you with details.

First, the four categories that are clearly safe at this time. For community and regional development the budget authority amount in this bill is $.6 billion, and the outlay amount is $.5 billion. Even with enactment of this bill, the category will remain $4 billion below target in budget authority and $1 billion below target in outlays. If my colleagues will turn to page 31 of the Senate Budget Committee scorekeeping report for January 26, 1976, they will be able to see this remainder listed under "current status."

For education, manpower and social services the Labor-HEW appropriation bill contains $6.8 billion in budget authority and $5 billion in outlays. If my colleagues will turn to page 33 of the scorekeeping report they will see that this is compatible with the target for this function, and, in fact, leaves a margin of $2.8 billion in budget authority and $1.3 billion in outlays.

The bill before us contains $16 million in budget authority and $15 million in outlays for veterans' benefits and services. Page 41 of the scorekeeping report shows a margin remaining in this function after enactment of this bill.

H.R. 8069 contains $25 million in budget authority and $22 million in outlays in the law enforcement and justice function. Page 43 of the scorekeeping report shows that, once again, a margin will remain with passage of this bill.

In two functional categories, income security and health, there are some threats of overspending, though not necessarily by this bill.

Let us consider health first. The Labor-HEW bill would commit $15.4 billion in budget authority and $11.2 billion in outlays in health. The scorekeeping report includes $.8 billion in both budget authority and outlays in fiscal year 1976 for the pending health benefits for the unemployed legislation. So far, this has not been enacted. If these amounts are deleted from that spent so far, $.3 billion in budget authority and $.1 billion in outlays would remain, even after enactment of H.R. 8069. The budget summary for this function can be seen on page 35 of the scorekeeping report.

In the income security function this bill would spend $13.2 billion in budget authority and $11.7 billion in outlays. If my colleagues will turn to page 39 of the scorekeeping report they can follow me as I discuss the budget status of this function. In the second concurrent resolution on the budget it was assumed that food stamp legislation would save $0.1 billion in fiscal year 1976. This has not yet happened. In addition, $0.7 billion in anticipated Presidential spending requests in this function have not yet been reported in the Senate. At this time, then, the dollar amounts contained in H.R. 8069 would not push beyond the target in this function. However, the possibility remains for overspending in this function before the fiscal year is over. Much of the spending in this function is required by law and is the result of the current recession. If present estimates of spending needs in this function prove to be low, and further spending is mandated, we either will have to tighten the spending reins of those programs that are controllable, or amend the budget resolution.

I intend to vote in the affirmative, to override the President's veto. It is in agreement with the priorities established by Congress in our own budget process.

When the country is told by the President that a bill such as this exceeds the budget, Congress and the country should always bear in mind that the President is speaking of his budget. The congressional budget, as we demonstrated over the past few months, represents a different set of priorities. The result of the two budgets, in terms of deficit, is virtually the same for this fiscal year, but the priorities under it are different. This bill is a reflection of congressional priorities which are different in a significant way from those of the President.

The second point I wish to make is this: We have adopted a second concurrent resolution on the budget for fiscal year 1976, but there are still 6 months left in this fiscal year. As we approach the end of fiscal year 1976 the margins left in the various functions are going to close. Our options are going to become tighter and tighter. I have advised the Senate on where we stand if this bill is enacted, and we are going to have to continue to look much more closely upon the options and the margins that are left to us.

Mr. BROOKE. Mr. President, will the Senator yield?

Mr. MUSKIE. I yield.

Mr. BROOKE. Mr. President, I am very pleased that the distinguished chairman of the Senate Budget Committee has explained that when the administration says that we are over the budget, we are talking about the administration's budget; that it reflects the administration's priorities and not our priorities, and that they conceivably and understandably could be quite different.

Can the distinguished chairman inform us again as to how our bill for $36 billion plus compares both as to budget authority and outlays with the congressional budget?

Mr. MUSKIE. Overall, with respect to the six functions that are covered by the bill, we are under the overall total.

Mr. BROOKE. We are under the overall total?

Mr. MUSKIE. Yes.

Mr. BROOKE. Both in outlays——

Mr. MUSKIE. And budget authority. With respect to a single function, that is more difficult to evaluate, because there are pending bills that will affect these individual functions. We have to make guesses as to what is coming down the pike. Four of the six functions affected by this bill are clearly under the congressional assumptions, and they, too, are going to be tight from now on. But we are still under at this point.

Mr. BROOKE. I thank the distinguished chairman.

Mr. President, I yield to the distinguished ranking minority Member of the Committee on Appropriations.

Mr. YOUNG. Mr. President, I am deeply concerned about the public debt of over $500 billion. I am equally concerned about the deficit for fiscal year 1976 and the transition quarter that some have estimated may reach $70 billion or higher. I believe that it is in this context that we should consider our action today in sustaining or overriding the President's veto of the Labor–HEW bill which is $915 million over the fiscal year 1976 budget estimate and almost $20 million over the transition quarter estimate.

In addition to the funds appropriated over the budget estimate contained in the Labor-HEW bill, the education bill was $1.3 billion over the budget estimate for fiscal year 1976 and $196 million over the budget estimate for the transition quarter. These very sizeable appropriations over the budget estimates were also reflected in $565 million over the budget estimate for the HUD-Space-Science bill; $237 million over for the State-Justice-Commerce-Judiciary bill; and $140 million over for the Public Works bill.

These large increases over the budget estimates are offset to some extent by the $7.3 billion cut from the Defense budget request and the fact that the Congress has not considered a foreign operations bill or District of Columbia bill for fiscal year 1976 or an anticipated second supplemental for fiscal year 1976.

Mr. President, overriding the President's veto of the Labor–HEW bill; and the passage of a foreign operations bill, even though it may be substantially reduced; and a District of Columbia bill; and a second supplemental bill can only mean greater expenditures for fiscal year 1976 and the transition quarter. These greater expenditures will increase the deficit and debt which are already too high.

Mr. President, this bill contains money for operating some of the most important functions of government. I am very reluctant to vote not to override, but I feel I must because of the tremendous deficit we are facing and the inflation that goes with it. We will have to take some drastic steps if we are ever again to have a balanced budget.

Also, it is more difficult to not vote to override because the chairman of the Labor-HEW Subcommittee, the distinguished Senator from Washington (Mr. MAGNUSON) and the ranking member of the Subcommittee the distinguished Senator from Massachusetts (Mr. BROOKE) have done an excellent job. They had urgent requests which they have turned down for many good program requests. I still have to vote reluctantly to sustain the President's veto.

Mr. THURMOND. Mr. President, I feel that it is necessary that I vote to sustain the President's veto on the Labor-HEW Appropriations Bill, H.R. 8069. The total cost of this bill for 1976 and the 3-month transition period is over $45 billion. As of November 30, 1975, the National debt was $566.8 billion. The expected deficit for fiscal year 1976 will be approximately $74.1 billion. This is excessive and irresponsible spending.

I have long been an advocate of balancing the Federal budget. I, along with Senator CURTIS of Nebraska and others, have introduced a resolution calling for a constitutional amendment to require a balanced budget. It is unfortunate that a constitutional amendment would be necessary to restore fiscal responsibility to the Congress, but, if this bill and other irresponsible actions taken by Congress over the last few years are any indication of the trend of Congress, such a measure is necessary.

Much of the spending in this bill is duplicative and wasteful. In fact, H.R. 8069 would increase Federal employment by some 8,000 people. The size of Government should be reduced rather than expanded. Also, this bill is about $1 billion over the administration's budget request.

I favor increasing employment, but I believe it should be done in private enterprise rather than Government. I also realize that funding for many worthwhile programs is included in this bill. However, I feel that if the veto is upheld, another bill can be worked out which will still provide sufficient funds for deserving programs, but will be more in line with reason and the budget.

For these reasons, I am voting to sustain President Ford's veto of this bill. I would also like to commend the President for his courageous action in vetoing this bill.

Mr. MAGNUSON. I yield such time as he may wish to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I rise in support of the position which has been expressed by the distinguished Senator from Washington and my colleague from Massachusetts (Mr. BROOKE) in urging upon this body the override of this Presidential veto.

Mr. President, there is probably no section of the country which has been more impacted by what I consider to be the mismanagement of our economic policies than my section of the country and Massachusetts, primarily. We have the highest sustained unemployment, probably, of the country. We have had, along with other parts of the country, high interest rates, and we have experienced perhaps a higher inflation rate than any other section of the country because of the enormous increases in the cost of energy.

We rely on these programs and we need their services continued.

Yesterday, the House of Representatives examined the issue, recognized that the total figures are within the congressional budget resolution ceiling, understood the human needs that these programs address, and voted 310 to 113 to override the veto.

I believe the Senate should do the same today.

This bill is not a partisan measure. It has bipartisan support and across the country it has the support of individuals who are served by these programs and by the communities in which it operates.

Yesterday I met with the representatives of the Massachusetts school boards association from communities across my State. They urged an override because they see the value of programs in vital areas of education—basic reading programs, vocational education, Head Start education for the handicapped.

They urge the override.

And in reality, what is at stake is our commitment to meeting the human needs of our people—nutrition for the elderly, maternal and child care, community health centers, research in cancer and heart disease.

This bill reflects a measured response to those programs—far less than adequate to serve the needs in reality—but as much the congressional budget resolution permits this year.

Let me also note that the President's veto message emphasized the additional number of employees called for in this bill. What he failed to say was 6000 of those employees are for the Social Security Administration to prevent the overpayments, the delays in eligibility determination and the endless disability proceedings in the SSI program.

I chaired hearings into this subject last May. The current Social Security Administration Director admitted that much of the failure—a failure which has cost us some $500 million in overpayments—stems from the administration rejection of the original requests for manpower, for training and for computer facilities from the Social Security Administration.

They knew they would need additional employees to deal with the complex supplemental security income program—SSI. They were denied those employees.

Now 6,000 of those employees are provided in this bill. And although the President originally used that fact as a reason for his veto, he has changed his mind.

I repeat, the administration now not only want to hire those 6,000 but it is planning to hire an additional 2,000 permanent employees on top of it.

And so a major argument of the President to support his veto has been dropped by the administration.

Hiring these additional employees will produce substantial savings for the American taxpayer by permitting us to end the SSI administrative failures.

In fact, Secretary of HEW David Mathews reportedly said he was told by President Ford "he can put on as many people as he needs to clear up the SSI problem." I ask unanimous consent that the article published in the Washington Star on January 21, 1976, reporting that conversation be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HEW GETS BLANK CHECK: FORD ACTS TO CUT SSI ERRORS

(By John Fialka)

According to the budget, the Ford administration is planning "extensive steps" to reduce the proliferation of errors in Social

Security's Supplemental Security Income (SSI) program, which gives aid to the nation's adult blind, elderly and disabled welfare clients.

The exact nature of the steps has not been spelled out because President Ford has apparently given HEW officials a blank check in terms of manpower needed to cure what the budget calls "a substantial number of payment errors."

According to one high HEW official, Secretary David Mathews was recently told by President Ford "he can put on as many people as he needs to clear up the SSI problem."

James Cardwell, Social Security Commissioner, put it another way yesterday, during a briefing on the budget. "We have told him (the President) of our needs and he has kept it open-ended and said let's keep in touch."

SSI problems include $547 million in overpayments in two years since the program federalized the states' adult welfare roles. The agency's struggles to patch the program together have caused a slowdown in Social Security training programs and have absorbed massive amounts of overtime.

Mathews said HEW will begin to apply what he called Ford's "very generous and broad commitment" by converting 6,500 temporary Social Security positions to full-time jobs and adding 2,000 additional permanent positions.

The HEW budget also includes $117 million to allow SSI to settle payment error claims raised against it by various states which supplement SSI payments through Social Security's computerized payment system.

Mr. KENNEDY. Mr. President, in addition to this clear argument for a veto override, let me emphasize the importance of this measure in the area of health.

The programs involved are vital to health of all Americans and neither the overall amounts appropriated nor the sums provided to individual programs are unreasonably large.

H.R. 8069 is fiscally responsible—unduly so, some would contend. In spite of a 7-percent increase in the cost of living, it provides no increase for many important health programs. Over a dozen programs are provided less support in 1976 than in 1975. Programs which will incur an actual reduction in activity include community health centers, HMO's, rat control, community mental health centers, and community alcoholism programs.

Even for programs for which H.R. 8069 provides increases, the additional funds are most modest. In the Health Services Administration, the total increase amounts to less than $7 million over a fiscal year 1975 expenditure of over $1.3 billion, an increase of less than 1 percent. The Center for Disease Control's budget is increased by only $10 million. At the National Institutes of Health, the increase from $1.93 billion to $2.10 billion amounts to $248 million, a total of only 13 percent. The overall conclusion must be then that this appropriations bill is one of restraint and realism. The increases are modest, expansions few. Maintenance or even reduction of programs are frequent.

In contrast to this general budgetary restraint with reductions for some programs and no expansion for many programs, the President's proposal would cut deeply into almost all programs. Community health centers would be cut by one-quarter. Maternal and child health programs would be cut by nearly one-third. Family planning programs would be reduced by 20 percent. Programs to improve the health of migrant workers would be cut by 20 percent. The program to control venereal disease would be cut by one-third. The rat control program would be reduced by more than 60 percent. The community mental health center program would be reduced by 20 percent. Project grants for drug abuse would be cut by over $100 million.

All in all, the President's 1976 program would reduce revenues for health services programs by $1 billion from the fiscal year 1975 level. Including a 7 percent increase in the cost of living, the President proposes a 27 percent reduction in health services program activity.

It is these reductions that are unjustified and unwise. The President would reduce funding for community health centers which provide the only medical services for thousands of poor and elderly citizens. He would reduce support for maternal and child health programs at a time when the United States ranks 17th in the world in terms of infant mortality. He would reduce programs to control venereal disease when epidemics rage among our young people. He would reduce support for the control of rats when the infestation of our cities continues unabated. He would reduce funding for community mental health centers which provide efficient and effective outpatient services for our mentally ill. He would reduce research training, and community programs for drug abuse at a time when the numbers of individuals using drugs has again begun to increase. And the President's program would provide less funds for health resources planning when inflation in the hospital industry runs at almost twice that of the general economy.

If the veto is sustained, we must expect to see many of those health centers in Boston and Springfield, Lowell and Lawrence, New Bedford and Fall River, the child care and maternal health centers as well—they are going to have a sign hung out in front of them, "Closed" because we do not have the resources to do it.

We are going to find many of the community mental health centers closed, and many of the centers dealing with alcoholism or drug addiction are also going to be terminated.

It seems to me, Mr. President, that, at a time when so many of the people are facing the critical and cruel problems of unemployment, underemployment, and lack of income, to put on them the additional burden of closing down so many of these human service programs would be cruel and callous.

I have often felt, Mr. President, that when we are having a national recession, the burden ought to be felt equitably across our society, not impacting with unequal force against the poor. What we have seen, however, Mr. President, is that it is generally the unskilled and the poor in our society who have felt the additional penalty of being on the unemployment rolls.

They are the ones who benefit the most from these programs. Unless we are successful in overriding this veto, there are going to be millions and millions of people—not only in my State and not only in New England and older communities, but all over this country, who are going to be denied vital services.

Mr. President, I am very hopeful that this veto will be overridden. I commend my colleagues on the Committee on Appropriations for the case that they have made here. We have found that the administration has sought to scuttle these programs through vetoes, through rescissions, through increasing copayments to make our elderly pay more for decent health care, and through budget cutbacks. We have an opportunity to do something about it here this afternoon by overriding this Presidential veto.

What is at stake here is trying to support what I consider to be a basic, responsible position which has been worked out by the Committee on Appropriations and has been supported by the great majority of Members of the Senate and the Congress of the United States. It is fiscally responsible, Mr. President. It is in keeping with the congressional budget resolution.

I think this veto should be overridden, Mr. President. I join with my colleagues in urging the Senate to do so.

I yield the floor.

ADDITIONAL STATEMENTS SUBMITTED ON H.R. 8069

Mr. BELLMON. Mr. President, on December 19, 1975, President Ford vetoed H.R. 8069, the Labor-HEW appropriations bill, fiscal year 1976. The President based his veto upon the fact the recommended level of funding contained in this measure exceeded his budget requests by $915.8 million. While this bill exceeded the President's budget requests for many agencies of the Departments of Labor and HEW, it is necessary to point out that many of the budget figures requested by the President were totally unrealistic. This is particularly visible in the area of such major national health problems as cancer, heart, lung, eye diseases, and diabetes. In total, the budget estimates sent to Congress by the President for Labor-HEW were approximately $5.5 billion below the level of appropriations for the previous fiscal year. The $36 billion recommended in this bill represents a decrease of $4.6 billion under the fiscal year 1975 appropriations. This bill is the product of a responsible Congress aimed at dealing with high priority national problems.

There has been much discussion as to whether or not H.R. 8069 is within the budget ceilings as agreed upon by Congress in the second concurrent resolution. This matter was discussed on the Senate floor when this bill was first reported from the Appropriations Committee. It was suggested at that time there were some potential problems in this bill with relation to certain targets set by the Senate Budget Committee. The conferees on this measure were urged to reduce the level of appropriation in this bill so that the budget targets set by the Congress were not exceeded. Following the conference committee, the conferees were commended for bringing a bill back to the Senate which was completely within the congressional budget ceilings. The conference report subsequently passed the Senate and House, and as we know, was ultimately vetoed by the President.

Mr. President, this bill's relation to the budget ceilings has not been altered in the 30-plus days since its veto. The level of appropriations contained in H.R. 8069 are securely within the second concurrent resolution, and for this reason, I will vote to override the President's veto of this measure.

A situation exists between the Congress and the executive branch upon which I would like to comment. This situation involves not only Presidential vetoes, but rescissions, deferrals, and supplemental appropriation requests. It is inconceivable to me for the President to veto an appropriation bill such as H.R. 8069, which will undoubtedly be overridden, and then for the President to send recommendations for rescission or deferral of the funds in order to meet his original objective. Coupled with this is the executive's continuing policy of submitting supplemental appropriation requests to the Congress for funds which were originally appropriated. Why cannot the President, along with OMB, send the Congress one budget request which will cover an agency's spending requirements for the entire fiscal year? Admittedly, there will always be a need for emergency supplementals. However, the practice of vetoing a measure, submitting rescissions and deferrals, and then requesting supplemental appropriations, has reached the point of absurdity. This cat and mouse game between the Executive and Congress over budgetary levels during the fiscal year should cease, and a more objective approach should be instigated by the President.

In summary, President Ford's criticism of Congress for voting modest increases in H.R. 8069 over the President's budget for cancer research, maternal and child health, drug abuse, alcoholism, nutrition for the aged, and mental illness is unfounded. I believe the President is wrong. Congress, as I am hopeful the President will one day fully understand, now has its own budgetary process. It is a good budgetary process. It is working. H.R. 8069, is within the limits of this budgetary process, and it is sound reasoning for overriding the President's veto of this bill.

Mr. BAYH. Mr. President, I urge my colleagues to vote to override President Ford's veto of the fiscal year 1976 Labor-Health, Education, and Welfare appropriations bill.

That veto of December 19 was the 42d issued by President Ford since he took office on August 12, 1974. Since then, there have been two more. That is an average of two vetoes for every month in office.

In vetoing the Labor-HEW appropriations bill, the President said that the increases included by the Congress were "unjustified, unnecessary, and unwise." Yet the bill exceeded the administration's budget request by a mere 2½ percent, and is $300 million below the congressional budget ceiling. Most programs were simply maintained at 1975 levels of spending.

The bill contains funding for vital health programs, child care for the poor, job training, nutrition and employment services for the elderly. It is a "peoples' bill" which embodies our compassionate instincts as a nation.

The veto represents but another instance of this administration's insensitivity to the needs of the sick, the poor, the elderly, the unemployed.

The administration objects to extending meaningful assistance to such worthwhile programs as the senior opportunities and services program, funded by the Community Services Administration. This program is designed to identify and meet the needs of the elderly poor by developing new employment, volunteer, and referral services. The programs currently serves approximately 800,000 elderly people.

Congress appropriated $10 million for this program. The administration requested not a single dollar for it.

The administration objects to the community services employment for older Americans program, which provides part-time work opportunities in community service activities for the unemployed low-income elderly.

Congress appropriated $42 million for these jobs for the elderly program. The administration has sought to abolish it every year for the past 3 years.

In the area of health, this bill provides necessary increases for health research in important areas. With inflation running as high as 16 percent in health research costs, the increases simply insure against cutbacks.

I find it particularly ironic that we are fighting the battle of health research today, when on February 1, a Presidential proclamation will be issued for American Heart Month.

Heart disease and stroke, together with cancer, cause 71 percent of all deaths in this country due to disease. More than 1 million Americans die each year from major cardiovascular diseases—more deaths than from all other diseases combined.

The work of the Heart and Lung Institute has shown results. Deaths due to stroke declined by 5 percent from 1973 to 1974—for the first time ever. This is a tribute to the medical and public information campaign about high blood pressure mounted by the Institute.

The administration requested only $271 million for fiscal year 1976 funding for the Institute—a sharp cutback compared to the previous year. This totally inadequate request was increased in the House bill, and also in the Senate bill as a result of an amendment which I offered. The final bill provided for a fiscal year 1976 funding level of $349 million—which will, I hope, prevent cutbacks due to inflation.

The administration requested only $586 million in fiscal year 1976 funding for the National Cancer Institute. This request is nothing short of incredible, in view of estimates that there will be more than 650,000 new cases of cancer in the United States this year.

The House increased the administration request for NCI, and I offered an amendment to further increase it. The bill contains $743 million for the fiscal year.

The cancer program has shown positive results.

One NCI experimental treatment program for bone cancer has, with surgery and chemotherapy, produced a 95-percent 2-year survival rate and a 75-percent disease-free survival. These figures compare to a historic 2-year survival rate of 20 to 25 percent.

Investment in medical research is, I believe, mandated by our concern for the suffering of countless victims and their families. In the past, such investment has led to cures for polio, measles, and treatments for eye disorders.

This is certainly one of the most cost-effective ways to spend health funds—by preventing disease and illness, rather than waiting for people to become afflicted and providing expensive medical services.

The bill which I am confident the Senate will vote to enact today is important in other ways. It will create job opportunities, reducing reliance on unemployment benefits and welfare, and increasing tax revenues.

It will save fuel through winterization of homes for the rural poor.

It will assist Headstart programs serving more than 350,000 preschool children.

It will provide aid to the handicapped.

This is a bill which the people support and which this country needs. It reflects priorities which will put people to work, protect their health, their dignity and welfare.

These priorities—not the false economies represented by the veto—are the ones which I believe my colleagues in the Senate share.

It is time for those at OMB who figure the cost-effectiveness of Federal programs to work into their computations a cost which is persistently ignored by the present administration—the human cost of failing to meet our responsibilities to the elderly, the children, the unemployed, the ill, and all the others of our fellow citizens who need the programs funded in this bill.

Mr. MATHIAS. Mr. President, as a member of the Appropriations Committee, I rise to urge my colleagues in the Senate to join with the House of Representatives in overriding the President's veto of H.R. 8069, the Labor-HEW appropriations bill for fiscal year 1976. Yesterday's 310 to 113 vote in the other body in support of H.R. 8069 was an affirmation of the conviction that the Nation's security most truly depends on the health, on the education, and on the welfare of its people. That view must prevail in the Senate, also.

H.R. 8069 represents a victory for the new congressional budget process which I strongly support. As was brought out in yesterday's debate in the other body, this bill contains budget authority which is $25 million below the second concurrent resolution which we adopted on December 12, 1975. Moreover, we have brought in a bill which is $70 million beneath the outlay ceilings which the Congress set for those functional categories encompassed by Labor-HEW. Unlike in previous years, this Labor-HEW appropriations bill does not provide a large increase over earlier appropriations. In fact, this bill is $7,117,301,682 under the fiscal year 1975 Labor-HEW appropriations measure and only 2.6 percent over the President's budget request.

Clearly the Congress has exercised fiscal restraint in its approach to spending for the Departments of Labor and Health, Education, and Welfare this year. We did not, however, concur with the President's request that we reduce below current levels those programs which support adequate nutrition for senior citizens, decent health care for expectant mothers and infants, treatment centers for victims of alcoholism and drug abuse, preschool activities like Head Start, rehabilitation services for the handicapped or research for better methods to prevent disease, disability or research for premature death due to heart disease, stroke, and cancer.

Once again, the Congress is being called upon to demonstrate its commitment to those Americans, whose needs are for various reasons, unmet by all levels of Government. This veto, therefore, most be overridden. Our responsibility to the American people will not end with the disposition of this bill. The President's 1977 fiscal year budget request for Labor-HEW is now pending before the Appropriations Committee, and so today is an appropriate time to look ahead to the decisions demanded by the President's pending requests for the year ahead.

President Ford's fiscal 1977 budget proposals for the Department of Health, Education and Welfare present a paradox: They are both more of the same thing and less of the same thing.

Many of the ideas are not new. The White House has simply revived the put the money on the stump and run approach of 2 years ago. These ideas were largely rejected by the Congress then and they have not gained much luster in the meantime.

Nor is the fiscal legerdemain contained in the 41-page press release that accompanies the HEW budget proposal now. Like its predecessor this document seeks to convince us that less is more, that this budget would make more health and education funds available in fiscal year 1977 than in 1976. A careful look at the proposals reveals that the reverse is true.

We need not take time to analyze the shades of difference between the latest transfer scheme with that of Ronald Reagan. Nor need we examine the motives behind the consolidation and transfer proposals. What concerns us is the simple question: Will President Ford's proposal improve and enhance the lives of the American people, and will it enable the States, cities, and counties to better serve the needs of these people? Or, will it not? This is the central question which Congress and the people themselves must answer.

The administration bases its proposal on the assumption that, by consolidating 45 programs which now provide assistance to State and local governments into three major grants to States for health, education, and social services, Federal and State program administration will be simplified. A further assumption is that, with State and local authorities determining their own costs, the Federal Government's resources can be focused on the poor.

The idea of consolidation is not without merit. There is no doubt that the proliferating redtape of the Federal bureaucracy breeds and feeds people's feeling of alienation from and mistrust of Government. But close examination of the funding and programs proposed by the administration to achieve these goals, suggests they may have an opposite effect.

For example, President Ford's major health proposal would consolidate 16 health services now provided to State and local grant programs, including medicaid and developmental disabilities into a single $10 billion bloc grant to the States. Some of the widely varying programs to be consolidated under this scheme are maternal and child health, emergency medical services, alcoholism, mental health, health planning, venereal disease, and immunization programs for polio, TB, and measles. While admittedly not all the details of the proposal are available yet, this much seems clear: The $10 billion sum is inadequate and unrealistic.

Here we encounter some of the fiscal sleight of hand proferred by the HEW budget press release to sell its program proposals.

The HEW budget seems unnecessarily misleading when it implies that the bloc grant proposal would increase the health budget by $1 billion in fiscal year 1977. This would be true only if both the 1976 supplemental appropriations bill which the President signed into law and the vetoed HEW appropriations bill for 1975 which awaits further congressional action were ignored.

But, a comparison of the Ford budget with these two bills reveals that in fiscal year 1977, the Federal Government will actually be asking the States to pick up the tab on health programs—excluding medicaid—for which the Federal contribution will have been reduced by 33 percent. Thus, instead of a health budget increase of $1 billion in fiscal year 1977, the increase will be $600 million, which is not enough to cover the usual yearly increase in cost of the medicaid program.

In view of continuing inflation and other economic problems facing the States and the very limited Federal funds earmarked for health in 1977, it is uncertain that the States will be able to ante up the funds necessary to maintain health programs at acceptable levels. In the past year alone at least 20 States were forced to reduce medicaid services to save costs. This could prove a tragic harbinger for health services generally unless great care is taken now to discern the meaning, in human terms, of these budget proposals.

The formula devised for distribution of the bloc grant also should be closely scrutinized by Congress and the public. Based on what is known so far, it seems the larger States such as New York, California, and Massachusetts might be the big losers initially. But they will not suffer alone for long. Notwithstanding any "hold harmless" provision now on the HEW drawing boards, the low rate of fiscal growth projected in the bloc grant for each of the next two fiscal years certainly will have its effect on all the States, not just on the larger ones—which lost funds the first year.

While the States are left to struggle with the looming question of whether to absorb their losses, reduce services or cut down on the number of people served, the administration proposes to require the elderly to share more of the costs of medical services covered by medicare, to close public health service hospitals, and even transfer the Federal Government's own mental health institution, St. Elizabeth's, to the financially beleaguered District of Columbia. St. Elizabeth's comes as no bargain, having lost its accreditation last year. And, while a very limited form of catastrophic health insurance is proposed for those either age 65 or over or disabled who are now covered by medicare, the President can only envision the day when the 25 million Americans without any health insurance and the 20 million more with meager private health insurance policies will achieve access to comprehensive affordable medical care. So much for progress on the health front.

If we turn to the Ford administration's arguments in support of the education bloc grant proposal, we find them also reminiscent of the Nixon era: That aid would be focused on the disadvantaged and handicapped; that States and localities would have greater flexibility in the use of Federal aid, and that additional funding would become available upon enactment of the Ford proposal.

Fiscal prestidigitation is again used to urge the proposition that the Ford education proposals for 1977 would increase funds. But as we saw with the health package, if the Ford funding level for education is compared with the fiscal 1976 appropriations already enacted, the administration's claim simply is not true. The President did request only $2.9 billion for education in fiscal year 1976, later revised to $3.30 billion education in fiscal year 1977. This is hardly an increase, unless the administration by some black magic caused Congress and all its works to disappear.

This administration does depart from the Nixon approach in one respect. Instead of merely trying to cut impact aid programs, Ford suggests zero funding for school districts with children whose parents are federally connected or who live in low rent public housing.

It is hard to imagine how this proposal would simplify matters for the States since approximately 4,600 school districts currently receiving such funding would simply be eliminated from the program. To compensate for this lost revenue, the school districts affected will either have to raise local taxes, appear for more State aid or reduce educational services. In my own State of Maryland alone, this proposal would affect more than 123,000 schoolchildren and deny the State over $20 million.

In support of this measure, HEW officials state that "successive studies over the past 10 years have concluded that much of the Federal aid provided under this program cannot be justified." In fact, few studies of any significance dealing with the impact aid program have been undertaken in recent years and, while such studies have criticized aspects of the program, no major study, including a staff report by the Congressional Joint Economic Committee which HEW refers to, has recommended such a drastic solution as total elimination of funding for civilian or military children whose parents work on Government installations. The JEC staff report merely projects the budgetary impact of a phaseout of certain agencies or programs, of which impact aid was one.

Despite recent disclosures of the high rate of functional illiteracy among adults, the Ford administration's higher education budget reiterates Nixon administration proposals to phaseout or reduce aid for institutional programs such as land-grant funds, and community service and continuing education programs. Funding for several traditional college student aid programs, such as national direct student loans, also would be dropped. This latter proposal was advanced by the Nixon administration.

It is commendable that the President has addressed the question of the short and long term fiscal solvency of the social security system in this budget proposal. Whether the administration's revision in the way social security benefits are computed and the planned changes in future cost of living benefit increases will reduce the long term actuarial deficit remains to be proved. But the Congress, certainly must join with the administration in seeking a definitive solution to this problem to prevent the program from running short of funds in the early 1980's as current projections forecast.

Without engaging in sophistry, it is hard to see how the President's program can simplify administration for States and localities. Naturally, if programs are cut back, there will be less to administer. But this plays games with people's lives. And how can the administration's reduction in support for child welfare services to a level below that enacted in 1975 assist the States or serve the children for whom such support is intended? What right have we to think that the proposed substantial cut in funding for the WIN program—which will eliminate job training for welfare mothers and reduce available child care so recipients can prepare for jobs—will lead to any reduction in the size of the welfare caseload now totaling over 11 million people? These are questions the Congress must ask itself as it weighs the merits of the HEW budget proposal.

This year the Congress will rconsider the Federal budget within the rational framework laid down in the 1974 Budget Control and Impoundment Act. We will begin by setting both a fixed limit on spending and a target for revenues. Then, after all authorizations and appropriations bills have been passed, the law required that we review our work and bring spending and revenues into line with the levels previously established. The new budgetary process places responsibility for the result of congressional action on the Congress where it belongs. I believe it will result in wiser spending and smaller deficits.

But, there are difficult questions to be asked and hard choices to be made. The Congress must weight the President's optimism against the recent staff report by the Joint Economic Committee which concludes that a $395 billion spending ceiling and an extension of the current tax cuts in calendar 1977 will cause:

A rise in unemployment to an average of 8.7 percent;

The rate of real economic growth to fall below 2 percent; and

A higher rate of inflation.

Reducing Federal expenditures, particularly through the elimination of waste and duplicative programs and the enactment of progresive tax reform measures could add much needed resources to the Federal Treasury. Obviously, since our resources are not infinite, some sacrifices must also be made. Our job will be to insure that the sacrifices we impose are borne equally. And, as we grapple with the problem of establishing spending priorities, we cannot ignore the claims of the future.

President Ford is wise, I believe, to provide for increased investment in research for the National Science Foundation and for biomedical research. But should we not also up our investment in some social programs where present inadequacies constitute a costly drain on the economy Crime related to inadequate education, for instance, costs this country an estimated $3 billion a year and these costs are rising.

Surely we must question the wisdom of leadership that spends millions abroad clandestinely in the name of national security, while at home it juggles figures and pinches pennies in the very areas on which the Nation's security most truly depends—on. The health, on the education, and on the welfare of its people.

Mr. MORGAN. Mr. President, although I am greatly concerned about the huge Federal deficit, I am nevertheless going to vote today to override the veto of H.R. 8069.

No one in this body is more concerned about the level of Federal spending than I am. I can appreciate the President's position in vetoing the bill since it exceeds his budget request by almost $1 billion. However, I recognize that in holding down Federal spending, we must be selective, choose our priorities carefully, and carry them out consistently. In this particular case, the funds provided are simply too necessary to deny. The bill contains appropriations which are urgently needed, especially in the area of health, which we simply cannot let lapse. I know the value of these programs especially to my home State of North Carolina.

In due time, however, we in the Congress must begin to reevaluate our spending and our programs. We must look carefully at how this money is spent and at the total good that is being achieved by these programs. For instance, although unemployment benefits in this bill perhaps exceed those which under ordinary circumstances I would recognize as desirable, the way to cut unemployment benefits is to cut unemployment. We cannot afford to be callous to those in need. But we must not be overly beneficient either, for we must encourage productive work. But we too are the ones who must, in the long run, be fiscally responsible. The President's concerns alone will not be enough to right the wrongs of our economy.

Mr. PERCY. Mr. President, I am voting to override the President's veto of the appropriations bill now before us. Although there is much in this bill that deserves our support, I am particularly pleased about the increase in the size of the nutrition program for the elderly that is accomplished through this bill. That program, which was enacted only a few years ago, has proven to be a valuable source of nutrition and social and for malnourished senior citizens throughout the country.

Many people seeking program services, however, have been unable to obtain them. This is because the demand for the program was very heavy and insufficient funds have been made available to meet fast rising needs for program aid; in my State of Illinois, as an example, 16,598 senior citizens are receiving program aid but an additional 3,000 have been placed on waiting lists. Little if any criticism for abuse has been leveled against this program, unlike others.

The appropriations bill seeks to remedy this situation by appropriating $125 million for this fiscal year and by directing "that the level of operations for the nutrition services for the elderly program shall be $187,500,000 per annum." This clear directive requires HEW and State agencies to spend $187.5 million during fiscal year 1976, the additional money coming from funds appropriated in previous years and "forward funded" into this fiscal year.

It is our expectation that HEW will comply, in full good faith, with the statutory directive to spend $187.5 million for program services in fiscal 1976. To accomplish this, HEW should immediately increase the program's annualized rate of expenditures to whatever amount is necessary so that the $187.5 million is spent during the present fiscal year. We expect that this increase will occur without delay so that increased services can be provided to the many people needing—but not getting—food aid through the nutrition program to the elderly. If necessary, HEW should reposition program funds among the different States so that the $187.5 million expenditure directive is followed.

I hope that the Senate's action today on this appropriations bill will permit the waiting lists in my State, and in others, to decrease in size. Similarly, I expect that the bill's mandate to spend $187.5 million on program services by the end of this June will allow new feeding sites to be established in areas not now serving elderly citizens.

Mr. JAVITS. Mr. President, today, the

Senate must determine if the Nation will be provided with adequate Federal funding for vitally needed health care, social services, and labor programs. I feel I must vote to override this unfortunate veto and to continue these human services. H.R. 8069 as already passed by the Congress represents no more than an adequate level for the programs operated by the Departments of Labor, and Health, Education, and Welfare. I feel it is congressional intent not to abandon Federal responsibility and we cannot really shift the burden of support to our already overspent State and local governments.

However, there is one Senate-added provision of H.R. 8069 which causes me great concern, the so-called antibusing amendment. I vigorously opposed this and similar amendments when they were proposed in the Senate. I believe that the existing legislation in the Education Amendments of 1974 (Public Law 93-380) provide the correct priority of remedies for dealing with school desegregation problems. Subpart 4, title II A of this law states seven potential remedies for eliminating school segregation in priority order and places restrictions on all Federal courts, agencies, and departments in implementing these remedies. I ask unanimous consent that this subpart 4 be printed in its entirety at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. JAVITS. These include as priorities to transportation plans the following: Realinement of school districts, pairing school districts, restructuring grade level grouping at several schools, construction of new schools or closing inferior ones and establishing magnet schools. However, in a case that all these solutions have been examined and determined by the responsible agency or court with competent jurisdiction to be incapable of delivering a required remedy to illegal segregation, the court or agency is permitted to grant other remedies, including transportation of students.

Mr. President, in spite of this strong safeguard against so-called capricious and arbitrary busing orders, the Senate last September spent many days in debate over additional antibusing amendments to the Labor-HEW appropriation bill, H.R. 8069. Unfortunately, the Senate accepted two ill-advised restrictions on the legitimate and necessary civil rights activities of the Department of HEW. While the Senate-House conferees dropped the more restrictive Biden amendment, it retained the Byrd amendment which essentially prohibits HEW from requiring transportation to a school other than the nearest school in order to comply with the Civil Rights Act. I remain opposed to restricting Federal courts or agencies from carrying out their legitimate responsibilities in eliminating vestiges of unconstitutional school segregation.

Mr. President, I believe the restrictions included in H.R. 8069 will have a limited impact because the provision of Public Law 93-380 have already limited the imposition of transportation solutions in the manner I have described. In addition, the major school busing plans which have been ordered are the results of Federal Courts acting to protect the constitutional rights of children to an equal educational opportunity. Of course, the provisions of H.R. 8069 cannot alter these constitutional rights. Because the antibusing provision may restrict civil rights enforcement, even in a limited way, I oppose the provisions.

In casting my vote, I must point out to my colleagues the added ill-advised antibusing provisions which will restrict the proper and necessary activities of the Federal Government in insuring the civil rights of all Americans.

EXHIBIT 1

PL 93-380—TITLE II—EQUAL EDUCATIONAL OPPORTUNITIES AND THE TRANSPORTATION OF STUDENTS

PART A—EQUAL EDUCATIONAL OPPORTUNITIES

Subpart 4—Remedies

Formulating remedies; applicability

SEC. 213. In formulating a remedy for a denial of equal educational opportunity for a denial of the equal protection of the laws, a court, department, or agency of the United States shall seek or impose only such remedies as are essential to correct particular denials of equal educational opportunity or equal protection of the laws.

(20 U.S.C. 1712) Enacted August 21, 1974, P.L. 93-380, sec. 213, 88 Stat. 516.

Priority of remedies

SEC. 214. In formulating a remedy for a denial of equal educational opportunity or a denial of the equal protection of the laws, which may involve directly or indirectly the transportation of students, a court, department, or agency of the United States shall consider and make specific findings on the efficacy in correcting such denial of the following remedies and shall require implementation of the first of the remedies set out below, or of the first combination thereof which would remedy such denial:

(a) assigning students to the schools closest to their places of residence which provide the appropriate grade level and type of education for such students, taking into account school capacities and natural physical barriers;

(b) assigning students to the schools closest to their places of residence which provide the appropriate grade level and type of education for such students, taking into account only school capacities;

(c) permitting students to transfer from a school in which a majority of the students are of their race, color, or national origin to a school in which a minority of the students are of their race, color, or national origin;

(d) the creation or revision of attendance zones or grade structures without requiring transportation beyond that described in section 215;

(e) the construction of new schools or the closing of inferior schools;

(f) the construction or establishment of magnet schools; or

(g) the development and implementation of any other plan which is educationally sound and administratively feasible, subject to the provisions of sections 215 and 216 of this part.

(20 U.S.C. 1713) Enacted August 21, 1974, P.L. 93-380, sec. 214, 88 Stat. 517.

Transportation of Students

SEC. 215. (a) No court, department, or agency of the United States shall, pursuant to section 214, order the implementation of a plan that would require the transportation of any student to a school other than the school closest or next closest to his place of residence which provides the appropriate grade level and type of education for such student.

(b) No court, department, or agency of the United States shall require directly or indirectly the transportation of any student if such transportation poses a risk to the health of such student or constitutes a significant impingement on the educational process with respect to such student.

(c) When a court of competent jurisdiction determines that a school system is desegregated, or that it meets the constitutional requirements, or that it is a unitary system, or that it has no vestiges of a duel system, and thereafter residential shifts in population occur which result in school population changes in any school within such a desegregated school system, no educational agency because of such shifts shall be required by any court, department, or agency of the United States to formulate, or implement any new desegregation plan, or modify or implement any modification of the court approved desegregation plan, which would require transportation of students to compensate wholly or in part for such shifts in school population so occurring.

(20 U.S.C. 1714) Enacted August 21, 1974, P.L. 93-380, sec. 215, 88 Stat. 517.

District Lines

SEC. 216. In the formulation of remedies under section 213 or 214 of this part the lines drawn by a State, subdividing its territory into separate school districts, shall not be ignored or altered except where it is established that the lines were drawn for the purpose, and had the effect, of segregating children among public schools on the basis of race, color, sex, or national origin.

(20 U.S.C. 1715) Enacted August 21, 1974, P.L. 93-380, sec. 216, 88 Stat. 518.

Voluntary Adoption of Remedies

SEC. 217. Nothing in this part prohibits an eductional agency from proposing, adopting, requiring, or implementing any plan of desegregation, otherwise lawful, that is at variance with the standards set out in this part nor shall any court, department, or agency of the United States be prohibited from approving implementation of a plan which goes beyond what can be required under this part, if such plan is voluntarily proposed by the appropriate educational agency.

(20 U.S.C. 1716) Enacted August 21, 1974, P.L. 93-380, sec. 217, 88 Stat. 518.

Reopening Proceedings

SEC. 218. A parent or guardian of a child, or parents or guardians of children similarly situated, transported to a public school in accordance with a court order, or an educational agency subject to a court order or a desegregation plan under title VI of the Civil Rights Act of 1964 in effect on the date of the enactment of this part and intended to end segregation of students on the basis of race, color, or national origin, may seek to reopen or intervene in the further implementation of such court order, currently in effect, if the time or distance of travel is so great as to risk the health of the student or significantly impinge on his or her educational process.

(20 U.S.C. 1717) Enacted August 21, 1974, P.L. 93-380, sec. 218, 88 Stat. 518.

Limitation on Orders

SEC. 219. Any court order requiring, directly or indirectly, the transportation of students for the purpose of remedying a denial of the equal protection of the laws may, to the extent of such transportation, be terminated if the court finds the defendant educational agency has satisfied the requirements of the fifth or fourteenth amendments to the Constitution, whichever is applicable, and will continue to be in compliance with the requirements thereof. The court of initial jurisdiction shall state in its order the basis for any decision to terminate an order pursuant to this section, and the termination of any order pursuant to this section shall be stayed pending a final appeal or, in the event no appeal is taken, until the time for any such appeal has expired. No additional order requiring such educational agency to transport students for such purposes shall be entered unless such agency is found not to have satisfied the requirements of the fifth or fourteenth amendments to the Constitution, whichever is applicable.

(20 U.S.C. 1718) Enacted August 21, 1974, P.L. 93-380, sec. 219, 88 Stat. 518.

Subpart 5—Definitions

SEC. 221. For the purposes of this part—

(a) The term "educational agency" means a local educational agency or a "State educational agency" as defined by section 801 (k) of the Elementary and Secondary Education Act of 1965.

(b) The term "local educational agency" means a local educational agency as defined by section 801(f) of the Elementary and Secondary Education Act of 1965.

(c) The term "segregation" means the operation of a school system in which students are wholly or substantially separated among the schools of an educational agency on the basis of race, color, sex, or national origin or within a school on the basis of race, color, or national origin.

(d) The term "desegregation" means desegregation as defined by section 401(b) of the Civil Rights Acts of 1964.

(e) An educational agency shall be deemed to transport a student if any part of the cost of such student's transportation is paid by such agency.

(20 U.S.C. 1720) Enacted August 21, 1974, P.L. 94-380, sec. 221, 88 Stat. 518, 519.

Subpart 6—Miscellaneous provisions

Repealer

SEC. 222. Section 709(a)(3) of the Emergency School Aid Act is hereby repealed.

Separability of Provisions

SEC. 223. If any provision of this part or of any amendment made by this part, or the application of any such provision to any person or circumstance, is held invalid, the remainder of the provisions of this part and the amendments made by this part and the application of such provision to other persons or circumstances shall not be affected thereby.

(20 U.S.C. 1721) Enacted August 21, 1974, P.L. 93-380, sec. 223, 88 Stat. 519.

PART B—OTHER PROVISIONS RELATING TO THE ASSIGNMENT AND TRANSPORTATION OF STUDENTS

Prohibition against assignment or transportation of students to overcome racial imbalance

SEC. 251. No provision of this Act shall be construed to require the assignment or transportation of students or teachers in order to overcome racial imbalance.

(20 U.S.C. 1751) Enacted August 21, 1974, P.L. 93-380, sec. 251, 88 Stat. 519.

(Sec. 252 is an amendment to sec. 420 of the General Education Provisions Act, 20 U.S.C. 1228).

Mr. HRUSKA. Mr. President, I will vote to sustain the President's veto of H.R. 8069, the Labor-Health, Education, and Welfare appropriation bill.

The bill exceeds by $915 million the President's budget request for fiscal year 1976 and by $19.9 million the request for the transition period of July 1 to September 30, 1976.

The President has clearly indicated in his veto message of December 19, 1975, and in his fiscal 1977 budget message of January 21, the need to reduce both spending and taxes. We simply cannot continue in this Nation on a course which will lead to increases in both the rate of inflation and the size of the Federal deficit.

In this bill totaling $36.1 billion for fiscal year 1976 and $8.9 billion for the transition period, it is inconceivable to me that the Congress cannot obtain a reduction of approximately 2 percent without injury.

The President's budget request for fiscal 1976 is scarcely an unattainable goal. Nor is it a sacred number. It does square, though, with the realities of the fiscal and budgetary situations confronting us.

Only by steadfastly and systematically making small reductions in the majority of Federal spending programs can we deal fairly and responsibly with the true interests of the American taxpayers whom we represent. They want reduced Federal spending. But they want to avoid sudden and drastic cuts in effective programs which respond to their needs or those of less fortunate citizens. This means, as I have suggested, careful scrutiny of each program to wring out waste and to secure by better management more results for each dollar appropriated.

If the Senate sustains the President's veto, the Appropriations Committees of the House and Senate will have a second opportunity to make a reasonable and fairly distributed reduction of approximately $1 billion.

Should the bill become law over the President's veto, I hope that he will make full use of the budget rescission and deferral powers authorized by the Budget Reform Act of 1974 to prevent the Congress from avoiding the basic and pressing issue of spending reduction.

Mr. President, the report contains a provision which seeks to limit the busing of students in order to achieve racial balance. I voted for this provision when it was originally offered by Senator BYRD of West Virginia as an amendment to this bill. It is a constructive step, although limited, in the direction of reducing the practice of forced busing of schoolchildren.

While I would like to see this provision enacted, I do not believe that its potential usefulness outweighs the inflationary impact which the bill in its entirety would have if enacted.

Despite its somewhat limited scope, this provision represents substantial legislative progress. It reflects the increasingly strong conviction of the American people that busing to achieve racial balance and the resulting social turmoil are squarely at odds with the urgent need to make rapid progress in providing quality education for all Americans.

Mr. PACKWOOD. Mr. President, today I supported an important piece of legislation which I had previously opposed. I voted to override President Ford's veto of Labor/HEW appropriations for 1976. I voted against the original bill because I wanted to make clear the need for tight controls on appropriations. I did not doubt the bill would pass, but I had hoped that with a large enough expression of dissent, the House-Senate conference committee would be persuaded to make cuts in the funding levels. And, in fact, these appropriations were dropped.

In terms of the final vote today, it is important to remember that appropriation levels in the original bill were $400 million under congressional budget estimates, and $600 million under these estimates after conference. While final appropriation levels still remained over President Ford's budget request, we must consider that the administration's estimates were often 20 to 40 percent below 1975 appropriations, particularly in the health area.

I do not doubt that further significant cuts could and should have been made in these Labor/HEW appropriations. I am convinced that too many crucial programs were involved such as emergency medical services, funding for maternal and child care and the Center for Disease Control, however, to not support the last and final passage of these appropriations. But I want to emphasize that we have made our choice. Our resources are finite. We have allocated generously here, and it will limit our ability to fund further Labor and HEW-related bills that come along during the course of the year. We must remember this and continue to pursue fiscal restraint and responsibility.

Mr. HANSEN. Mr. President, today, we shall vote to sustain or override President Ford's veto of H.R. 8069, the Labor-HEW appropriations bill. I shall vote to sustain the President's veto.

Mr. President, there are programs in H.R. 8069 which have great merit. Such programs are health services; preventive health services; Alcohol, Drug Abuse and Mental Health Administration; nutrition services for the elderly; and the President's Committee on Employment of the Handicapped. However, the funding of these programs is only part of the bill.

The total cost of this bill for fiscal year 1976 and the 3-month transition period is over $45 billion. In my opinion, this is excessive spending. As of December 31, 1975, the national debt was $577.7 billion. The expected deficit for fiscal year 1976 will be approximately $74.1 billion.

Mr. President, this bill is $1 billion over the administration's budget request.

Further, it must be noted that the total fiscal year 1976 appropriations for HEW exceed the administration's budget by a startling $2.5 billion. H.R. 8069 will add to the Federal deficit approximately $380 million in fiscal year 1976 and an additional $370 million in fiscal year 1977.

Mr. President, I have long been an advocate of balancing the Federal budget by cutting down on Government spending. Much of the spending is duplicative and wasteful. In fact, H.R. 8069 would increase Federal employment by some 8,000 people. The size of Government should be reduced rather than expanded.

H.R. 8069, in my opinion, would contribute to a presently unacceptable Federal deficit. This bill will contribute to the inflationary pressures which threaten the financial structure of the country.

With double digit inflation a familiar experience, I have supported cutting all budgets which seem excessive. Only in this way, can we bring rising costs under control.

For these reasons, I shall vote to support President Ford on this issue. With few exceptions, I have voted to sustain the President in his quest to halt irresponsible spending by the Congress.

Mr. MAGNUSON. Mr. President, I understand that we are going to vote on this matter at 2:30 instead of 2:20. Unless there is someone else who wants to speak, I suggest the absence of quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MAGNUSON. Mr. President, I know of no one here who wishes to speak.

The PRESIDING OFFICER. The question is; Shall the bill (H.R. 8069) pass, the objections of the President of the United States to the country notwithstanding? The yeas and nays are mandatory under the Constitution. The clerk will call the roll.

The legislative clerk called the roll.

Mr. TALMADGE (after having voted in the negative). On this vote I have already voted in the negative. I have a pair with the senior Senator from Missouri (Mr. SYMINGTON) and the senior Senator from Michigan (Mr. PHILIP A. HART). If Mr. SYMINGTON were present, he would vote "aye." If the Senator from Michigan (Mr. PHILIP A. HART) were present, he would vote "aye." I therefore withdraw my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Michigan (Mr. PHILIP A. HART) is necessarily absent.

I also announce that the Senator from Missouri (Mr. SYMINGTON) is absent because of illness.

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Nebraska (Mr. CURTIS), the Senator from Kansas (Mr. DOLE) are necessarily absent.

The yeas and nays resulted—yeas 70, nays 24, as follows:

[Rollcall Vote No. 15 Leg.]

YEAS—70

Abourezk
Bayh
Beall
Bellmon
Bentsen
Biden
Brooke
Bumpers
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Durkin
Eagleton
Fong
Ford
Glenn
Gravel
Hart, Gary
Hartke
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
Mathias
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Sparkman
Stafford
Stevens
Stevenson
Stone
Taft
Tunney
Weicker
Williams

NAYS—24

Allen
Bartlett
Brock
Buckley
Byrd, Harry F., Jr.
Domenici
Eastland
Fannin
Garn
Goldwater
Griffin
Hansen
Helms
Hruska
Laxalt
McClellan
McClure
Nunn
Roth
Scott, William L.
Stennis
Thurmond
Tower
Young

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Talmadge, against.

NOT VOTING—5

Baker
Curtis
Dole
Hart, Philip A.
Symington

The PRESIDING OFFICER. On this vote the yeas are 70, the nays are 24. Two-thirds of the Senators present and voting having voted in the affirmative, the bill, on reconsideration, is passed, the objections of the President of the United States to the contrary notwithstanding.

The PRESIDING OFFICER. May we have order in the Senate, please?

The Senator from Montana.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, it is my understanding that the House was in recess today until the hour of 2:30, at which time they turned to the conference report on the ConRail bill. It is anticipated that that bill will be taken up later this afternoon.

THE RICE PRODUCTION ACT OF 1975

Mr. MANSFIELD. Mr. President, as promised, I ask unanimous consent that the Senate turn to the consideration of Calendar No. 545, H.R. 8529, and that it be laid before the Senate and made the pending business.

The PRESIDING OFFICER. The bill will be stated by title. The legislative clerk read as follows:

A bill (H.R. 8529) to establish improved programs for the benefit of producers and consumers of rice.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I wish to notify the Senate that when the ConRail report comes over here which is a privileged matter, I ask that at that time the pending business be temporarily laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I yield to the assistant majority leader.

The PRESIDING OFFICER. Will the Senate please be in order?

The Senator from West Virginia.

ORDER FOR ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 10 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE TOMORROW—REQUEST FOR CONSIDERATION OF H.R. 9803

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the hour of 10:30 a.m. tomorrow, the Senate proceed to the consideration of H.R. 9803, an act to postpone for 6 months the effective date of the requirement that a child day-care center meet specified staffing standards—for children between 6 weeks and 6 years old—in order to qualify for Federal payments for the services involved under title XX of the Social Security Act, so long as the standards actually being applied comply with State law and are no lower than those in effect in September 1975, on which there is a time limitation, and that the rice bill be temporarily laid aside, with the understanding that it, being the unfinished business, will come back before the Senate upon the disposition of H.R. 9803, and no later than the close of business tomorrow evening.

Mr. McCLELLAN. Reserving the right to object——

Mr. ROBERT C. BYRD. May I say, Mr. President, the reason for calling up the child day-care center bill is, according to my understanding, there is an expiration deadline at the end of this month on that measure.

Mr. McCLELLAN. Reserving the right to object, Mr. President, will the distinguished assistant leader again state his request so that we may understand it?

Mr. ROBERT C. BYRD. Yes.

Mr. President, in view of the fact that there is an expiration deadline on the child day care matter, I have been informed by the chairman of the Finance Committee (Mr. LONG) and others that it is necessary that action be taken on that bill before the last day of this month of January.

A time limitation agreement has been entered into on that bill, H.R. 9803, and my request was that at the hour of 10:30 tomorrow morning that bill be taken up, with a time limitation on it.

Mr. McCLELLAN. What is the time limit?

Mr. ROBERT C. BYRD. Three hours on the bill and 1 hour on any amendment.

Mr. McCLELLAN. All right.

Mr. ROBERT C. BYRD. And that upon the disposition of that bill, the Senate would resume the consideration of the unfinished business, which at that time would be the rice bill.

It is only because of the time deadline

that the leadership felt constrained to take it up tomorrow.

Mr. McCLELLAN. That means we are losing more and more time on this rice bill, which was scheduled to come up as the third bill when we came back.

This is operating, I do not mind saying, to the disadvantage of the proponents of this bill, and those who have supported the bill. This is the second year we have had it out on the calendar. These rice farmers have some rights, too, and they have problems about knowing how to arrange for their crops, as I understand. This bill is being crowded out and pushed off, all of which is militating very much, in my judgment, against their interests.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. MANSFIELD. We had discussed coming in at 9 o'clock tomorrow morning to consider this child day-care center bill, which expires at the end of this week if no action is taken. We set the time back because tomorrow is the National Prayer Breakfast. Otherwise, we would not have infringed so much on the time which we would like to have allocated to the rice bill.

Mr. McCLELLAN. Well, I think we ought to just let the record reflect that this bill will be debated this afternoon, and we will not get to it any more until another day. With 3 hours of debate on the bill and 1 hour on the amendments, the other bill will take all of tomorrow; would the Senator not think so?

Mr. MANSFIELD. I would not assume so. Let me say I anounced last week that we would take up the rice bill on Thursday of this week, and we were able to take it up a little ahead of time.

Mr. BUMPERS. Mr. President, may I ask the assistant majority leader if he has any idea how many amendments are pending on this bill? I refer to the day-care center bill.

Mr. ROBERT C. BYRD. I am advised that there are about three amendments, only one of which may take the full 1 hour allocated to each amendment.

Mr. BUMPERS. Would the assistant majority leader consider adding to his unanimous-consent request a request for a time certain on the final vote to be taken on that bill? We have a great many thousands of constituents to respond to on this matter, who have been waiting very anxiously ever since the House passed the rice bill by a vote of better than 3 to 1. We have been very anxious and apprehensive about getting it up.

Of course, that bill is now the pending business, and there has been no debate on it; we appreciate that. But so there may be some certainty about when we will get back to the bill, and we can arrange the debate, which will go through tomorrow and probably into next week, if we are coming in at 9 in the morning—is that correct?

Mr. ROBERT C. BYRD. The Senate is coming in at 10, and under the agreement it would begin the consideration of the child day-care center bill at 10:30.

Mr. BUMPERS. If we could determine that there is only going to be possibly one amendment to the bill, and perhaps the whole hour would not be used, would it be possible to agree to no later than, say, 3 o'clock tomorrow afternoon on that bill?

Mr. ROBERT C. BYRD. I would have to check my bases on that. I would not be in a position at this time——

Mr. McGEE. Mr. President, will the Senator yield on that point?

Mr. ROBERT C. BYRD. Yes.

Mr. McGEE. May I inquire, on behalf of nine Senators, as to what that schedule is likely to be? I am chairman of the Canadian - American Parliamentary Group, and we are leaving tomorrow, shortly after lunch, if possible, to meet our Canadian counterparts. I would like to know what that schedule looks like, because we will lose our entire delegation if we get out of the time frame. Is there any way possible that we could minimize that impact?

Mr. ROBERT C. BYRD. Yes, I think if we could get an agreement to vote on passage of the child day-care center measure at, say, 2 o'clock or 3 o'clock as the distinguished Senator from Arkansas has suggested, that might meet the convenience of the Senators to whom the distinguished Senator from Wyoming has referred.

Mr. McGEE. Our departure time right now is 1 o'clock. That is the reason I needed to know whether we could still save that, because we are meeting the Canadians in order to arrive at that.

I do not want to cut off anyone's opportunity to have his full day in court, but I wondered whether we could open court at a different time of day, if possible, to protect everyone.

Mr. ROBERT C. BYRD. It would be difficult to begin earlier tomorrow because of the National Prayer Breakfast, which has been scheduled for 7:30, I believe, tomorrow morning. Otherwise the Senate would have come in at 9 o'clock. But I have been asked by various Senators, because of their desire to attend the National Prayer Breakfast, not to begin work tomorrow before 10 o'clock. But for that, the Senate would have started at 9.

Let us see if we can get an agreement.

UNANIMOUS-CONSENT AGREEMENT—H.R. 9803

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a vote on passage of the child day-care center measure occur tomorrow no later than 3 p.m.

The PRESIDING OFFICER. Is there objection?

Mr. MUSKIE. Mr. President, reserving the right to object, I interject not so much for the purpose of commenting on the request as for the purpose of alerting the Senate that there is a problem in connection with section 401(b)(1) of the Budget Act, a problem which I am in the process of resolving, in connection with the Day-Care Center Act. So that no one may be surprised if that problem is raised tomorrow, I take this occasion to mention that point. I do not object to the unanimous-consent request.

The PRESIDING OFFICER. Is there objection?

Several Senators addressed the Chair.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Taft). Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I modify my previous request by adding the provision that the vote on final passage of the bill be at not later than the hour of 2 p.m. tomorrow, with paragraph 3 of rule XII of the Senate Standing Rules being waived.

The PRESIDING OFFICER. Is there objection?

Mr. JOHNSTON. Mr. President, is that the child day-care bill?

Mr. ROBERT C. BYRD. Yes.

Final vote will occur no later than 2 p.m., and then the Senate would go immediately back to the rice bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank all Senators.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE RICE PRODUCTION ACT OF 1975

The Senate continued with the consideration of the bill (H.R. 8529) to establish improved programs for the benefit of producers and consumers of rice.

Mr. ROBERT C. BYRD. Mr. President, what is the pending matter before the Senate?

The PRESIDING OFFICER. The pending matter in H.R. 8529.

Mr. ROBERT C. BYRD. I thank the Chair.

Mr. President, there will be no other matter before the Senate this afternoon, with the one exception, that is, the ConRail conference report. When that message comes over from the House of Representatives, the Senate will take up that conference report, that being a privileged matter.

Then the Senate will resume consideration of the rice bill for the remainder of the afternoon. When business is completed today, the Senate will adjourn until the hour of 10 a.m. tomorrow morning.

There is one special order for tomorrow morning, that being for the recognition of Mr. Morgan.

ORDER FOR RECOGNITION OF SENATOR BARTLETT TOMORROW AND FOR CONSIDERATION OF H.R. 9803, THE CHILD DAY-CARE CENTER BILL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following Mr. MORGAN tomorrow, Mr. BARTLETT be recognized for not to exceed 15 minutes, and that immediately upon the conclusion of the remarks of Mr. BARTLETT tomorrow, without morning business, the Senate proceed to the consideration of the child day-care center bill, H.R. 9803.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE RICE PRODUCTION ACT OF 1975

The Senate continued with the consideration of the bill (H.R. 8529) to establish improved programs for the benefit of producers and consumers of rice.

Mr. HUDDLESTON. Mr. President, the Senate has before it S. 2260, a bill designed to improve the rice program for the benefit of producers and consumers.

Mr. BUMPERS. Mr. President, there was a slight change made in the absence of the distinguished Senator from Kentucky, because it had originally been contemplated that S. 2260 would be the bill. The leader brought up the House bill which has a different number. It does not change the validity of what the Senator is about to say. I know he would wish to be informed of that.

Mr. HUDDLESTON. The Senator stands corrected.

Mr. President, what is the pending bill?

The PRESIDING OFFICER. H.R. 8529.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that the following staff members of the Committee on Agriculture and Forestry be permitted to be present on the floor during consideration of H.R. 8529, including all rollcall votes thereon: Michael R. McLeod, Henry J. Casso, Carl P. Rose, Steven A. Storch, William A. Taggart, and Roy Frederick.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUDDLESTON. Mr. President, this bill is designed to improve and does improve the rice program for the benefit of both producers and consumers.

In effect, it amends existing law only for the 1976 and 1977 crops of rice so as to provide a program similar to that already in effect for wheat, feed grains, and cotton.

Legislative consideration of this new program concept for rice began last year, when on December 3, 1974 the Subcommittee on Agricultural Production, Marketing and Stabilization of Prices held hearings on S. 4121, the Rice Act of 1974.

In general, that bill was similar to the legislation that we are considering today.

At that time, testimony was received from about 45 witnesses, including producers, producer organization representatives, all segments of the trade, commercial users, and consumer representatives, as well as the Department of Agriculture and Members of Congress.

In December of last year, after a thorough discussion of the provisions of S. 4121, it was approved by the Committee on Agriculture and Forestry without amendment.

It was reported to the Senate on December 19, 1974. However, this was to late for it to be considered by the Senate during the 93d Congress, which adjourned sine die on December 20, 1974.

This year, on July 31, 1975, an almost identical bill, S. 2260, was introduced. Hearings on this and other bills before the committee were held on November 14, 1975, by the Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices. The subcommittee again heard from about 45 witnesses, many of whom had appeared at the earlier hearing on S. 4121, including Members of Congress, producers, producer organization representatives, commercial users, consumer representatives, and the Department of Agriculture.

On December 10, 1975, the committee ordered S. 2260, identical to the bill we have before us, reported to the Senate without amendment.

Mr. President, I repeat this history only to show that the bill now before the Senate, H.R. 8529, has received extensive study and consideration so necessary in the legislative process.

The bill would:

First. Be effective for the 1976 and 1977 crops of rice.

Second. Provide for an established price of $8 per hundredweight for the 1976 crops, adjusted to reflect changes in the index of prices paid by farmers for production items, interest, taxes, and wage rates during the period beginning on the date of enactment and ending July 31, 1976. The 1977 established price would be the 1976 price adjusted to reflect changes in the index during the 12-month period beginning August 1, 1976 and ending July 31, 1977.

Established prices could be further adjusted to reflect any changes in average yields.

Third. Provide for a 1976 loan rate of $6 per hundred-weight adjusted to reflect index changes during the period beginning on date of enactment and ending July 31, 1976, which would be further adjusted to reflect the same percentage changes as the target price change from 1976 to 1977.

Fourth. Authorize payments to cooperators equal to the amount by which the target price exceeds the higher of first, the loan rate or second, the national average market price received by farmers during the first 5 months of the marketing year. Payments would be calculated by multiplying the farm allotment by the payment yield for the farm, which is the actual harvested yield for the preceding 3 years.

Fifth. Authorize disaster payments for producers who are prevented from planting or if losses are suffered after planting.

Sixth. Authorize the Secretary to provide for a set-aside of cropland when the projected ending stocks of the marketing year for which the decisions are being made exceeds 15 percent of the total supply. The set-aside could not exceed 30 percent of the farm acreage allotment. Diversion payments are provided for land taken out of production if authorized in excess of the required set-aside.

Seventh. Limit payments for rice for a person to $55,000. The Secretary would issue regulations defining a person.

Eighth. Establish a national acreage allotment of 1.8 million acres for each of the 2 years.

Ninth. Apportion the national allotment to farmers and producers on the basis of the allotment established for the 1975 crop.

Tenth. Reserve not to exceed 1 percent of the national allotment for apportionment to new farms and producers who meet certain conditions and for adjustments and corrections in allotments.

Eleventh. Provide that if less than 90 percent of the allotted acreage is planted (or regarded as planted) to rice, the base allotment for the following year would be reduced accordingly, but not to exceed 20 percent of the allotment.

Twelfth. Provide that if no acreage is planted (or regarded as planted) to rice for 2 consecutive years, the allotment would be lost. However, no allotment would be reduced or lost if the cooperator elects not to receive payments for that portion of the allotment not planted.

Substitution of certain crops would be permitted subject to the Secretary's determination.

Thirteenth. Provide authority for disaster condition transfers of allotments within the same administrative area.

Fourteenth. Authorize sales, leases, and transfers of allotments within the same administrative area.

Fifteenth. Provide authority to promulgate rules and regulations for the withdrawal from production of rice and the transfer of the allotment and history of producer allotments.

Sixteenth. Prohibit acreage planted in excess of the allotment from being taken into account in establishing future allotments, and

Seventeenth. Provide for an annual $1,000,000 rice research program.

This bill is designed to replace the present rice program with a new type program that will provide all rice producers—new, as well as old—with the same freedom and flexibility that is enjoyed by producers of other commodities under the Agricultural Acts of 1970 and 1973.

We are now at the critical time when decisions must be reached as to the direction the United States will take on the rice program.

The bill presently under consideration will provide a sound base for growth of an industry in line with the world's needs.

Rice is the most widely used food in the world. It is used as the "staff of life" by nearly 66 percent of the world's population. And in those areas where rice is the "staff of life," population has been increasing at fantastic rates. As a result, greater and greater pressure is placed on local supplies. So, over a period of time, the United States has entered into that void—first, through subsidized Public Law 480 programs and, second, by increasing the normal cash export trade. For example, commercial foreign exports in 1960–61 were 9.9 million hundredweight. In 1974–75, such foreign exports amounted to 44.4 million hundredweight—a growth of almost five times in just 15 years.

Public Law 480 was at 19.6 million hundredweight in 1961, which was twice as much as our commercial exports. However, while Public Law 480 has also grown to 25 million hundredweight, this year the situation has nearly reversed itself. Nearly twice as much rice was exported commercially as was subsidized by Public Law 480 sales.

This, then, is clearly the direction we should be going. Increased population means increased exports—but we must provide an environment which permits sales and growth.

The present 65 percent of parity support price for rice is $8.52 per hundredweight. The 1976 estimate is about $9, and for 1977 the estimate is about $9.35. The latter two estimates are above present world market prices.

The use of subsidies to move our food grains is undesirable—yet, no other alternative exists for the future, unless the rice program is changed.

A major argument by opponents of new rice legislation is that we currently have a large surplus of rice and, consequently, current legislation is working well in meeting the supply requirements of consumers. They say that the need now is to bring rice supplies back into balance with demand through the mechanism of marketing quota controls and subsequently maintain such balance with production restraints if necessary.

Opponents to change are, in effect, using current and past results of present legislation as a basis for perpetuating such legislation. They deliberately confuse the issue by ignoring what might be in the best, longer-term interest of the rice industry and consumers.

First, where is the rice industry headed in the absence of new legislation? A number of serious consequences can be expected if no changes are enacted. Major disadvantages of such a policy include:

First. Continuation of an approach basically oriented to production restraint.

Second. Rice production based on Government directive rather than farmer decisions influenced by market signals. Suspension of marketing quotas for 1974 and 1975 crops were unique, since those were the only years without quotas since 1955.

Third. Production frozen into historical cropping patterns.

Fourth. Rapid escalation in required support prices which will render U.S. rice noncompetitive in world markets in most years probably beginning with the upcoming 1976 crop.

Fifth. Pressure would mount for reinstitution of export subsidy payments, as an aid to market U.S. rice in world markets, with all of its inherent drawbacks. These drawbacks include:

A. Increased cost to taxpayers.

B. Increased industry dependence on U.S. Treasury.

C. Increased industry dependence on bureaucratic decisions in a program area which historically the Government performance has been poor.

D. Direct food subsidy for foreign consumers.

Sixth. And, finally, continuation of the existing program would lead to a generally less efficient industry heavily dependent on Government edict.

Conversely, where might the rice industry be headed with proposed new legislation as would be authorized by S. 2260 or H.R. 8529?

First. Production would become responsive to market requirements.

Second. Some production would shift to new production areas, resulting in greater efficiency.

Third. U.S. rice could aggressively seek world markets based on competitive factors rather than on Government intervention.

Fourth. U.S. rice trade competition would not enjoy the U.S. price umbrella that would prevail under current legislation, thus might not encourage their production to the extent they otherwise would.

Fifth. Rice farmers would make longer range production plans based on their personal assessment of the future than is permitted under current legislation.

Sixth. New producers could enter and small allotment holders could expand based on their own management decisions.

Seventh. New legislation would encourage an efficient, viable rice industry based on competition and market expansion.

In retrospect, it appears that many traditional rice producers are experiencing some of the apprehensions of change that cotton producers underwent several years ago when cotton production restraints were removed. Yet, cotton production today is highly efficient. For instance, last year cotton producers made a substantial reduction in production in response to market signals. The result has been a significant improvement in market prices for the 1975 crop. In contrast, when cotton supplies were heavy during the 1960's, it required several years for Government decisionmakers to achieve similar results under program regulations at great cost to the Government.

The proposed legislation, which would apply to only the 1976 and 1977 crops of rice, would provide rice producers with the same management flexibility that cotton producers enjoy. After 2 years, the results could be reviewed and the legislation improved as necessary. In the meantime, however, rice producers would be given the opportunity to demonstrate that they, too, can act responsibly and responsively to the demands of modern agriculture—and reap the benefits they will have earned.

Mr. President, we feel that this new program will ultimately result in a stronger and much more viable rice industry.

We also feel that the present opponents of the program will come to understand and support it.

Farmers will still be protected, particularly the old producers. These are the only growers who, under the bill, are eligible for the benefits of the program.

Any new producers will have to proceed at their own risk.

But all producers, old as well as new, will be able to produce any acreage of rice either desired or found to be economical.

This will be good for the growers, good for the industry, and good for the country.

Mr. President, I hope the Senate approves this measure expeditiously.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. HUDDLESTON. If the Senator will give me just one moment.

I have a letter from the Department of Agriculture in support of this legislation, signed by the Secretary of Agriculture, the Honorable Earl Butz. I ask unanimous consent to have it printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
Washington, D.C., January 19, 1975.

Hon. WALTER D. HUDDLESTON,
Chairman, Subcommittee on Agricultural Production, Marketing and Stabilization of Prices, Committee on Agriculture and Forestry, U.S. Senate

DEAR MR. CHAIRMAN: I want to make absolutely clear the Administration's position on bill S. 2260, Rice Production Act.

The bill S. 2260 was reported out unanimously by the Senate Committee on Agriculture and Forestry in December. An identical bill was passed a few weeks earlier by the House of Representatives by a vote of three to one.

The Administration unequivocally supports S. 2260.

The current rice law is outdated to the point of being antiquated. It was enacted by the Congress more than 20 years ago.

Since its enactment the United States has emerged as the world's leading rice exporter. The United States supplied more than 25 percent of all rice moving in world trade during the past marketing year. The world needs and has come to depend on U.S. rice.

Under the current law, the Administration has been forced to drastically curtail rice production in the United States in 1976.

At present, export sales of rice are slow due to a large rice crop recently harvested in Asia. This situation could be substantially changed by the time the 1976 U.S. rice crop is being marketed 8 to 20 months from now.

The United States can ill afford to have an official policy of curtailed production of rice when world food demand may call for larger supplies.

Therefore, I urge the Senate's prompt consideration and passage of S. 2260.

Sincerely,

EARL L. BUTZ.

Mr. HUDDLESTON. I yield to the Senator from Arkansas at this time.

Mr. McCLELLAN. I asked the Senator to yield for a question. I appreciate the remarks he has made, and I followed them with great interest. I think he has pretty well stated the real issues that this bill raises. I have a question or two.

What was the acreage planted last year, if the Senator knows?

Mr. HUDDLESTON. 2,800,000 acres.

Mr. McCLELLAN. That has been reduced, has it not, for this year? In other words, if this legislation is not enacted, under the present law, that acreage has been cut back by the Secretary of Agriculture?

Mr. HUDDLESTON. It has been cut back to 1.6 million acres.

Mr. McCLELLAN. That is 1,200,000 acres——

Mr. HUDDLESTON. That is correct, sir.

Mr. McCLELLAN. That would not be in production in 1976?

Mr. HUDDLESTON. That is correct.

Mr. McCLELLAN. It was in production legally in 1975.

Mr. HUDDLESTON. That is correct, under the present law.

Mr. McCLELLAN. Assuming, then, that same ratio of production to acreage in 1976 as the yield in 1975, what percentage of the yield for 1976 would we get as compared to 1975?

Mr. HUDDLESTON. That represents a substantial reduction. I am not certain that I have the percentage figure.

Mr. McCLELLAN. When we figure out the percentage, it is 40 or 45 percent, something in that neighborhood, is it not?

Mr. HUDDLESTON. It would depend on the production results.

Mr. McCLELLAN. I say assuming the acreage produced the same in ratio this year as it did last year.

Mr. HUDDLESTON. It would be a substantial reduction.

Mr. McCLELLAN. If the Senator could insert those figures, I would appreciate it.

Mr. HUDDLESTON. We will figure them out and have them printed in the RECORD.

Mr. McCLELLAN. I will get the figures sometime during the course of the discussion on this bill and have them printed in the RECORD. As I recall, the way it affects my State is that it would reduce our acreage in production by about 60 percent. That would be larger in our State, possibly, than in other States, because some of the other States have——

Mr. HUDDLESTON. That would be pretty close. I have the correct figure. It would reduce the State of Arkansas from 885,000 acres to 399,000 acres.

Mr. McCLELLAN. Roughly 60 percent, the acreage that we would lose?

Mr. HUDDLESTON. I think that the percentage of production cut, if it runs proportional to the——

Mr. McCLELLAN. That is, the yield this year runs proportional to what it did last year?

Mr. HUDDLESTON. That is right. It would be about a 40-percent reduction in the total production.

Mr. McCLELLAN. One of the reasons the production is so great in my State is that other States have pretty well developed their potential acreage. In other words, they have it under allotment to other States, whereas the potential rice production acreage in Arkansas had not been expanded to its full potential by any means, and there was an expansion just last year, a considerable expansion. But what is significant here—and I ask the distinguished chairman of the committee if he has those figures, or if his staff has them, to make them available—is the increase in production in 1975 over 1974, the number of acres put into cultivation in excess of allotments, was considerable. Was it not?

Mr. HUDDLESTON. I believe we have those figures, Mr. President.

In 1975, the production was 127 million hundredweight; in 1974, it was 112 million hundredweight.

Mr. McCLELLAN. That is some 15 million hundredweight increase.

Mr. HUDDLESTON. Yes.

Mr. McCLELLAN. Increase in production.

I should like to ask the Senator, if he has the acreage, how much additional acreage over the allotment acreage was put into cultivation?

Mr. HUDDLESTON. In 1974, it looks like 2.5 million versus 2.8 million for 1975.

Mr. McCLELLAN. Is that in acres?

Mr. HUDDLESTON. That is in acres.

Mr. McCLELLAN. I think there may be some error in there.

What I am moving toward is how much of the excess rice—how much of the rice that was produced on unallocated acreage was produced by those having an allotment, as compared to rice that is produced by those not having an allotment in 1975?

What I am getting at is, taking the allotted acreage and what it produced and the production that was made off of lands not under allotment, what that total is, what percent of that was produced by people who exceeded their allotment acreage, planted over their allotment, in order to get production.

Mr. HUDDLESTON. We shall have to calculate that. We do not have a breakdown of allotment versus nonallotment production.

Mr. McCLELLAN. My recollection is that it is something like nearly three-fourths of the production that is now surplus, that was actually produced by those having allotments, who extended their acreage beyond their allotments, and thus contributed about three-fourths of this surplus rice. In other words, only about one-fourth of it was produced by people having no allotment of acreage.

I should like for the Senator, if he will, to have his staff examine into this and see if they can give us some accurate information about it.

Mr. HUDDLESTON. I am sure we can do that. We have the nonallotment farms by number, but not the production from those farms. I am sure that is available to us.

Mr. McCLELLAN. I think I may have it somewhere in my files.

Mr. HUDDLESTON. I could point out to the Senator——

Mr. McCLELLAN. Yes.

Mr. HUDDLESTON. I could point out to the Senator that 63 percent of the farms with allotments did exceed their allotments. I think the Senator's point is apparent that a major portion of the excess was produced by those farms holding allotments.

Mr. McCLELLAN. Sixty-three percent of the farmers having allotments——

Mr. HUDDLESTON. Exceeded their allotments.

Mr. McCLELLAN. Exceeded their allotments, which contributed certainly to any excess rice that may be on hand temporarily, it would appear.

Mr. HUDDLESTON. I think that is an accurate statement.

Mr. McCLELLAN. I think I have those figures with some exactness, in my office and I will get them possibly for the RECORD tomorrow.

That is all I wished to ask the Senator at the moment.

Mr. HUDDLESTON. The Senator from Louisiana may have some questions.

Mr. JOHNSTON. Is the Senator yielding the floor? I did want to ask some questions.

Mr. HUDDLESTON. I will yield the floor or yield it for some questions.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Mr. JOHNSTON. Mr. President, the distinguished Senator from Kentucky stated, as I recall, that there were five basic reasons why we ought to have this new law, and one effect, I think, of this new law is the basic centrality of this whole dispute. He said, "We will shift it to new production areas. We are going to shift from those people who are growing rice to those who are not growing rice or those who are the traditional rice growers to those who are not the traditional rice growers." That is the central issue. The central issue is really not supply, it is not price, so much, but it is who grows rice.

I would like to focus very sharply and very finely on that one issue because basically the average size rice farm is 58 acres. They are doing reasonably well on 58 acres. They are fairly small farmers. They are the backbone of the community. They are not wealthy farmers. They are not the corporate combines, but they are reasonably sized farmers.

I suspect—and I think it is really very clear—that the effect of this law would be to run the little 58-acre farms out of business in favor of the big corporate combine. I do not say that idly, Mr. President, and I think the questions I will ask shortly will show that.

I got a call 2 days ago from a man in my State—we have some on both sides of the question in my State—and, as some of these callers are wont to do, he spoke in rather threatening terms. I do not blame him for that because when you are talking to your Senator about a bill that affects your economic interest you use most any language you can that you think will be effective, as long as it is not illegal.

This man said, "Look, 3 years ago we did not have any rice, and now we have got 7,500 acres of rice"—7,500 acres of rice—that is enough to support, considering the average size of 58 acres, 123 farmers down in southwest Louisiana.

But we questioned this fellow a little further, and we found out he is the manager—he is not the owner, he is the manager—for some Texas oil men who went into the business for the first time.

I do not know whether this is entirely typical, and I can tell you their names, but I do not want to spread it on the record here. There is nothing wrong with it. It is legal and all that, but I think that is what this whole dispute is all about. Maybe these Texas oilmen, with their 7,500 acres of rice, can produce them economically, I guess they can. They made that economic judgment, and they went into the business. But what they are going to do is run out of business, I believe, something like 123 farmers who are now growing rice and are now providing a living for their families. I think it is just as simple as that.

I would like to ask the distinguished Senator from Kentucky if he knows—we have got some 1.2 million acres planted beyond present allotments; is that not correct?

Mr. HUDDLESTON. Just 200,000, I believe, is the correct figure of present allotments.

Mr. JOHNSTON. Well, do we not have 2.8 million acres presently planted in rice nationwide?

Mr. HUDDLESTON. 2.8 million last year.

Mr. JOHNSTON. Right.

What is the total allotment?

Mr. HUDDLESTON. The new bill——

Mr. JOHNSTON. I mean under the present law.

Mr. HUDDLESTON. Under the present law 1.6 million acres.

Mr. JOHNSTON. Right. So that would leave you 1.2 million acres now planted beyond the allotment.

Mr. HUDDLESTON. That is correct.

Mr. JOHNSTON. Is it not a fact that most of that 1.2 million acres are planted by what we would generally call large farmers with large tracts?

Mr. HUDDLESTON. I do not know that we have that information. We know that 63 percent of those holding allotments planted beyond their allotments.

Mr. JOHNSTON. Correct. But I am talking about percentagewise of that 1.2 million acres, are there any figures anywhere by which we can determine how that is made up? I know there are many small farmers who have planted a few acres beyond their allotments.

Mr. HUDDLESTON. I am not sure those figures are available but we will try to get them.

Mr. JOHNSTON. But I am advised the greater portion of it is taken up by farmers like this one who called me, the manager for the corporate combine of the Texas oilmen. I really do not mean to be drawing, you know, the oil business—which is not terribly popular around this body—into the argument, but that just happened to occur to me.

Mr. HUDDLESTON. If the Senator will permit me to respond to the first comment he made, extending rice production to new areas, new farmers, the program itself, in the bill that we are considering, would protect all the present producers. They would receive the benefits of the program. This would merely open up new production possibilities for other individual farmers who might want to at their own risk go into the production of rice.

Mr. JOHNSTON. Mr. President, if the Senator will yield at that point, he says it will protect them. They have a loan level now that is about $8 a hundredweight; is it not?

Mr. HUDDLESTON. $8.50.

Mr. JOHNSTON. Right. Under this bill the loan level is $6. How does it protect the farmer to reduce the rate from $8.50 to $6?

Mr. HUDDLESTON. Well, you have the target price which comes into play.

Mr. JOHNSTON. The target price is $8. That is lower than the present loan level; is it not?

Mr. HUDDLESTON. If the target price is above the loan level, you do not have any problem. He is getting his money for his crop and, presumably, at a profit-making level, the same as the other commodities under our new agricultural programs.

Mr. JOHNSTON. What I am talking about is under the present law farmers have a loan level of $8.50, roughly.

Mr. HUDDLESTON. That is correct.

Mr. JOHNSTON. And they can, in effect, sell their rice for the $8.50 loan level now?

Mr. HUDDLESTON. That is correct, at the cost to the U.S. Government.

Mr. JOHNSTON. Right.

So this law gives them the generous protection of lowering the price they can receive from the Government from $8.50 to $8.

Mr. HUDDLESTON. This is the target price concept that applies to the other commodities. It does have an escalation clause in it based on the cost of production.

It is designed not to offer the farmer an opportunity to make a big profit off the Government. It is designed to protect him against economic loss if the market price should drop below the break-even level, the same as other producers have.

Mr. JOHNSTON. I take it the answer to my question is that his protection lies in the fact that his price is being reduced from $8.50 to $8, with an escalation on the $8, to be sure, in future years but, nevertheless, that is wherein his protection lies?

Mr. HUDDLESTON. Well, yes. It lies in the fact he has a floor under his crop and he is going to at least get back his cost of production regardless of how much is produced.

Mr. JOHNSTON. Will the Senator agree with me that there is an unusual surplus in rice of some 32 million hundredweight right now?

Mr. HUDDLESTON. There is a surplus of rice.

Mr. JOHNSTON. And the average surplus, say, in the last 4 years has averaged about 7.5 million hundredweight; has it not?

Mr. HUDDLESTON. That is reasonably close to being accurate.

Mr. JOHNSTON. All right.

So that the surplus in rice now is more than, what is that, four times, about four times, what the average for the past 4 years has been; is that correct?

Mr. HUDDLESTON. That is approximately correct.

Mr. JOHNSTON. What were the conditions in the world, the world market for rice this year, I mean the world supply of rice?

Mr. HUDDLESTON. The world supply of rice is up this year. Production has been good in various other places around the world.

Mr. JOHNSTON. As a matter of fact, we had a bumper crop in the world this year; did we not?

Mr. HUDDLESTON. Yes, I think you could call it, a bumper crop.

Mr. JOHNSTON. Do we not have some traditional areas, areas where we are selling rice to right now under Public Law 480, that are under great pressure to do away with American subsidies because there are surpluses in other parts of the world? For example, do not the Thais complain a great deal about the fact that we are selling rice to Indonesia under Public Law 480, and they want to get that market back because they too have a surplus?

Mr. HUDDLESTON. The Senator is arguing against his own proposition of a moment ago because if we are going to be able to compete at all, we must compete at a more reasonable world market rate.

Mr. JOHNSTON. I understand. I am just trying to get the facts straight.

Mr. HUDDLESTON. Talking about protection and eliminating us from the world markets.

Mr. JOHNSTON. I want to get the facts straight first, then we can proceed to argue what those facts are.

Mr. HUDDLESTON. Certainly, there is competition among the various rice-producing countries.

Mr. JOHNSTON. There is not only a world bumper crop this year, but a world surplus; is that not correct?

Mr. HUDDLESTON. That is true at the present time.

Mr. JOHNSTON. That is right.

Now, what percentage of the world market is the U.S. production, it is a very small percent; is it not?

Mr. HUDDLESTON. About 2 percent.

Mr. JOHNSTON. Total American production is only 2 percent of the world production?

Mr. HUDDLESTON. Yes. 2 percent production, 25 percent exported.

Mr. JOHNSTON. Very well.

I ask the Senator if it is not true that this law would probably result in an increase in production?

Mr. HUDDLESTON. I do not think we can necessarily say that is true. It certainly could result in an increase in production. It could also result in a considerable decrease in production.

Mr. JOHNSTON. That is always true.

Mr. HUDDLESTON. The decision is left with the individual farmer.

Mr. JOHNSTON. Right. But then, for example, the brewers would not be in here lobbying for a bill that would provide for less rice at a higher price, would they?

Mr. HUDDLESTON. We will have to ask them. They have not talked with me.

Mr. JOHNSTON. I hate to say anything bad about the brewers because they produce a good product, but they are, as a matter of fact, in here lobbying very hard for this bill because they recognize the probability that it is going to result in a greater supply and, therefore, a lower price, and they can come in and snap up that low-priced rice.

Mr. HUDDLESTON. It will not result in a price lower than the $6 provided now, plus whatever escalations are necessary to meet the cost of production.

Mr. JOHNSTON. The price goes just as low as the market will take it; does it not?

Mr. HUDDLESTON. Yes. We have the lower level here we were talking about a moment ago, $6 plus the escalating instances as the cost of production would fluctuate.

Mr. JOHNSTON. That is only for those who hold an allotment. For the rest of the people, they produce the rice and sell it for whatever they can get.

Mr. HUDDLESTON. Those are the ones we want to protect.

Mr. JOHNSTON. I am just talking about, as a matter of fact, just to get the facts straight——

Mr. HUDDLESTON. The nonquota farmer, if he is not going to get that price, probably will not grow it.

Mr. JOHNSTON. Yes, but there is no price floor on the sale to the consumer, or to the middleman, or the rice miller, or the brewer, or anybody else.

Mr. HUDDLESTON. What this does, as well as the other agricultural bills that have been passed, is attempt to use a free market to the fullest extent possible with the provision that the farmer will not be at the total mercy of the market that is declining to the extent it goes below his cost of production.

So we are going to use the free market to establish the price. If that market falls below the target level, it comes into play and the producer then is compensated at that rate.

He knows those that are protected. Those now producing under the allotment program have the allotments, those in Louisiana. He knows he is going to get that much but he might get considerably more.

With other commodities, mostly they have been getting more. The target price has not come into play very often.

Mr. JOHNSTON. To get back to my point at the moment, though, if we have a U.S. surplus now four times the size of the average surplus, and if we now have a world surplus of rice, then it follows, I think, that the Senator will admit the purpose of this bill is not to get more surplus on the line, not to produce more rice, because the present legislation is providing very adequately for that; would the Senator not agree with that?

Mr. HUDDLESTON. The Senator is talking about a transitory, immediate situation. Next year we could have a reverse in weather conditions around the world, we could have a reverse of conditions affecting other crops used as foodstuff.

Even with the increased production that we may contemplate from this bill, plus the surplus we are carrying over, we might have tremendous shortages throughout the world of rice and other foodstuffs.

Mr. JOHNSTON. We have not had any great world shortages in rice in the last number of years, have we?

Mr. HUDDLESTON. It is always a possibility.

Mr. JOHNSTON. Is that the purpose of this bill, the possibility——

Mr. HUDDLESTON. Besides, in this legislation, the Secretary has the authority that if the carryover is as much as 15 percent of the stocks he can institute a production restraint program.

I point out that on the question of the fluctuation of supply and demand, in July of 1962 we had 863 million bushels of wheat on hand and the very next year prices were skyrocketing in the face of a shortage. So we went from a considerable surplus to a shortage in 1 year's time.

Mr. JOHNSTON. Then I take it the Senator, in this little lull, has not been able to find any year, at least any recent year, in which there has been anything but an oversupply of rice, and so we are using wheat as an example.

In looking for the answer to that question, may I suggest that the world production in rice has gone up steadily for the last 5 years.

In 1971 and 1972, it was 295 million metric tons. Now it is up to 344 million metric tons, and from all indications there is no real shortage of rice.

Our exports have been picking up steadily, but not dramatically, and there is no great area for our experts to go in and fill the gap because right now, instead, they are being told that we need our rice.

People are trying to say, "Keep your rice out."

I suggest to the Senator, I was in Thailand not 3 weeks ago and the Foreign Minister there was complaining to me about American rice, and particularly Louisiana rice.

He said, "Keep it out of here. We want to supply that market over in Indonesia ourselves, our farmers want to sell it because we have got an excess of rice.

The question, then, is: There is no historic basis to say that what might happen or what this bill is apparently designed to protect against will happen, is there?

Mr. HUDDLESTON. There is probably none in the other agricultural commodities and the acts have been passed to move away from a total controlled production to one of utilizing the market price and utilizing full and total production, or at least leaving it with the individual farmers to determine what they are going to produce. If we are going to compete in the world markets we have to compete at world prices.

Mr. JOHNSTON. I believe we have established that the purpose of this bill is not to produce more supply, because we have steadily increasing American supplies, steadily increasing carryover that is four times what the average is, and a glut on the world market.

Let us talk about free market a minute, that wonderful word of free enterprisers. I use it myself at times. Let me ask a couple of questions.

How much is this program costing the American taxpayer at present?

Mr. HUDDLESTON. The present program, according to the department, is not costing anything in 1975. It is not anticipated to cost anything in 1976.

Mr. JOHNSTON. The present program costs the taxpayers zero dollars?

Mr. HUDDLESTON. Except for Public Law 480.

Mr. JOHNSTON. Public Law 480 is not mentioned anywhere in this bill, is it?

Mr. HUDDLESTON. No.

Mr. JOHNSTON. The present program costs zero dollars. Under this so-called free market target price bill, what is it going to cost the American taxpayers?

Mr. HUDDLESTON. It is anticipated that it might cost as much as $36 million, depending, of course, on the fluctuation of the prices.

Mr. JOHNSTON. What is the lowest the price rise has been in the last 3 or 4 years?

Mr. HUDDLESTON. I see an $8.86 figure in 1975. It has been down to as low as $5.03 in 1968.

Mr. JOHNSTON. Three years ago was it down to $5 as well?

Mr. HUDDLESTON. In 1972 it was $7.05 and then went to $14.80.

Mr. JOHNSTON. I would suggest to the Senator that just some 3 years ago it was down to $5. At least we know it was $5 in 1968.

Let us suppose it goes down to $5. I do not think it is a ridiculous supposition because the price has been down that low and we have an over-supply now. Is it not true that this bill would cost the American taxpayers $168 million each and every year?

Mr. HUDDLESTON. It cannot go to $5 as far as the producer is concerned.

Mr. JOHNSTON. I am talking about what the taxpayer pays.

Mr. HUDDLESTON. The taxpayer would pick up the difference between $5 and the loan rate of $6, if the market price was $5.

Mr. JOHNSTON. Actually, the taxpayer would pick up the difference between the $5 and the $8; would he not? They are entitled to get the $8 price; are they not?

Mr. HUDDLESTON. If the new program is enacted, they get the target price.

Mr. JOHNSTON. Right. And if the target is $8 and if the Government can only sell the rice for $5 and the Government picks up the $3 difference, at that rate it would amount to $168 million.

Mr. HUDDLESTON. Those are speculative figures, of course, because in many cases the Government sells the commodity in some cases at a profit in subsequent years. The taxpayer may make money.

Mr. JOHNSTON. At $6 per hundredweight it would be $168 million a year, too; would it not?

Mr. HUDDLESTON. I have not calculated those figures.

Mr. JOHNSTON. This bill will not be

voted on today so these figures will be available for tomorrow in the RECORD. I would like to suggest what the figures would be. At $7.50 per hundredweight, it would cost the American taxpayer $78 million a year. That is beginning in 1976.

Mr. HUDDLESTON. That is a loan, not a direct cost.

Mr. JOHNSTON. These are projected deficiency payments.

Mr. HUDDLESTON. It is a loan that might be recovered even at a profit.

Mr. JOHNSTON. These are projected deficiency payments. These are direct costs to the taxpayer.

Mr. HUDDLESTON. That is not exactly an accurate statement. It is a loan that is made by the taxpayer that might well be returned.

Mr. JOHNSTON. It is a deficiency payment between the target price and the market value.

Mr. BUMPERS. Will the Senator yield for a question on that observation?

Mr. JOHNSTON. Yes.

Mr. BUMPERS. Did the Senator say $78 million in cost?

Mr. JOHNSTON. That is correct, $78 million at $7.50 per hundredweight.

Mr. BUMPERS. Is that not an arbitrary figure based on what is the market situation?

Mr. JOHNSTON. The deficiency payment is based upon the difference between the market and what the Government pays out.

Mr. BUMPERS. How can the Senator anticipate what the cost will be in 1976 when we do not know what the market price will be in 1976?

Mr. JOHNSTON. I assumed the market price of $7.50 per hundredweight. The projected deficiency depends upon two things: First, the market price and, second, the cost escalator factor. We start at an $8 target price and a $6 loan value. Each of those rises with escalating costs. If we start out in the 1976–77 crop year with a $7.50 per hundredweight price, then we have a projected deficiency payment of $78 million.

Mr. HUDDLESTON. Why not assume a $9 market price?

Mr. JOHNSTON. That is correct. If the Senator can give us a price rise by this increase in production we are going to have as a result of this bill, I will agree that the price will rise.

Mr. BUMPERS. Will the floor manager permit me to make one other observation?

Mr. JOHNSTON. I believe I have the floor, but I will be glad to yield for a question.

Mr. BUMPERS. On the target price of $8 in this bill and what the Government has to pay is computed on this basis: The Secretary takes the first 5 months of sales of rice and he takes that average price. If that average price is $7.50, as the Senator from Louisiana has assumed, anybody who has sold his rice for less than $8 will be entitled to the difference—or even if he sold his rice for more than $8—is entitled to 50 cents. In other words, the point I am trying to make is some farmers, under the assumption of the Senator, could conceivably get more than $8. If I sell my rice at any time during the year, whether it is in the first 5 months or later, for $8, even though the actual average price received by all farmers during the first 5 months was $7.50, I am still entitled to 50 cents for my rice, which would give me a total price of $8.50 a hundredweight.

Mr. JOHNSTON. Is the Senator saying my figures on the cost to the Government are too low? Have I failed to take into account still another factor of cost to the taxpayer?

Mr. BUMPERS. No, I think the Senator's figures are correct. If he is assuming that the average prices of all sales for the first 5 months is $7.50, and if he multiplies 50 cents times what the Senator projects the yield will be for that year and he arrives at that figure, then I think his computation may be correct.

Mr. JOHNSTON. I think this is just a mathematical computation. I really do not think it is one that we can argue with. That is why I want to read it into the RECORD at this point.

If we are going to have a price of $7.50 per hundredweight, and the Senator from Arkansas is correct about his 5 months' price calculation, then the projected deficiency payment, based upon the $8 target price, is $78 million a year. If the price falls to $7, it is $119 million a year.

If it falls to $6.50, it is $155 million a year. At $6, it is $168 million every year.

Now, that $6 per hundredweight price is higher than it has been in recent years. And those are just starting prices. With the escalation in the cost, it will go up to $189 million a year under this free market proposal that we are considering at the present time.

I do not know very much about economics, but I do know that with a program that at present is not costing the American taxpayer any dollars at all, that is free to the taxpayer, and that produces a surplus, it is not very good economics to say, "Let us replace that program with one that may produce a higher surplus and a cost to the taxpayer that may rise to $189 million a year."

That does not make very good economic sense to me; and to do it under the name of shifting to new production areas, I believe is the language, to do it to shift to new production areas, which is a euphemism for saying that we are going to take the rice away from these farms the average size of which, in my State, in southwestern Louisiana, is 58 acres a farmer, and give it to what I understand to be the big corporate combines, is neither economic sense, economic justice, or proper American policy, and it is certainly not the free market.

I would like to hear my distinguished friend from Kentucky, for whose judgment ordinarily I have almost limitless regard, answer that question. I think it is literally unanswerable.

Mr. HUDDLESTON. First of all, of course, we can assume anything. We can cite figures relating to costs, relating to prices and what they might be, but that is something in the realm of the unknown.

We do know that the other commodity programs are working well, that producers are producing virtually at full production, that they are not costing the taxpayers any money, that we are meeting the needs of this country and of the world, and that we are improving our export position, in all of the other crops that have gone under the target price concept program.

Mr. JOHNSTON. And the same can be said of the rice program as it is presently working; can it not?

Mr. HUDDLESTON. I do not know that that is true, because we are denying the right to produce to many farmers who want to produce.

I would point out again that the proposed legislation does provide a measure of protection to those who now are holding allotments.

Mr. President, I ask unanimous consent that Mr. W. E. Seale of my staff be accorded the privilege of the floor during the debate and voting on the rice bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that Walter Clawson of my staff be accorded the privilege of the floor during the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNIFORMITY FOR RICE PROGRAM

Mr. DOLE. Mr. President, I support passage of this rice bill (H.R. 8529). I introduced the Department's original proposal in the early days of the first session of this Congress.

The Department has indicated strong support for this committee-reported bill which is patterned after the method developed by our Agriculture and Forestry Committee in the Agriculture and Consumer Protection Act of 1973, Public Law 93–86. Thus, all of the major commodity support programs will now have a common philosophy. This philosophy of farm policy is based on the premise that production decisions should be made by farmers on the basis of market demands—not by the Secretary's decisions.

This program change will strengthen the hand and voice of the United States in fulfilling its responsibility to a world whose population regularly uses rice as the staff of life.

This bill really does only one thing for new producers. It removes the penalty for production and marketing without an allotment. Thus, this bill permits new producers to enter the field where in the past it has been closed.

In deference to the values and fixed costs of established growers, it extends the benefits of loans and deficiency or disaster payments, if needed, to only allotment holders.

However, it does represent a change in direction and it is a compromise on the part of the department. I urge support for this bill.

Mr. HUDDLESTON. Mr. President, if Senators will permit, at this point the majority leader has suggested that we take up a message from the House of Representatives. I yield to the majority leader.

The PRESIDING OFFICER. The Senate will receive a message from the House of Representatives.

MESSAGE FROM THE HOUSE

At 4:04 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2718) to improve the quality of rail services in the United States through regulatory reform, coordination of rail services and facilities, and rehabilitation and improvement financing, and for other purposes.

RAILROAD REVITALIZATION AND REGULATORY REFORM ACT OF 1976—CONFERENCE REPORT

Mr. MANSFIELD. Mr. President, in accordance with a request I made earlier in the day, I ask for the immediate consideration of the conference report on ConRail at this time.

The PRESIDING OFFICER (Mr. Mathias). The report will be stated by title.

The legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2718) to improve the quality of rail services in the United States through regulatory reform, coordination of rail services and facilities, and rehabilitation and improvement financing, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

The Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the Record of January 23, 1976, at p. 804.)

Mr. ALLEN. Mr. President, I call for the yeas and nays on the conference report.

The PRESIDING OFFICER. Is there a sufficient second? There does not appear to be a sufficient second.

The yeas and nays were not ordered.

Mr. ALLEN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I ask uanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. I renew my request for the yeas and nays on the conference report.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HARTKE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARTKE. Mr. President, is the conference report before the Senate?

The PRESIDING OFFICER. The pending business is the conference report on S. 2718, the Railroad Revitalization and Regulatory Reform Act of 1976.

Mr. HARTKE. Mr. President, this situation has developed with a rather unusual parliamentary situation in which the conference report is coming to the floor of the Senate. Inasmuch as the conference report heretofore had been adopted by both Houses, under normal procedures the bill would have been sent to the President for signature. It has developed that there was an indication from the President that he intended to veto the measure unless some type of arrangement could be made whereby the differences, which were not very substantial in nature, could be accommodated.

After a series of negotiations with Members of the House and the Senate and the administration, a bill which was acceptable and agreeable to the President to sign was worked out. As a result of that, the conference agreement was vitiated, and the new measure has been agreed to by the conference committee and has been passed by the House of Representatives. The only necessary action remaining at this time is the action of the Senate, so that this bill can be forwarded to the President for signature.

I have just talked with the President, and he is agreeable that this bill is in a form which he can sign and which he will sign. There were some last-minute concerns; but they, at this moment, have been eliminated with the conversation with the President.

Briefly, this bill provides for reorganization of the bankrupt railroads in the Midwest and Northeast. It provides for a system of revitalization based upon a private enterprise approach. It provides for some outright grants of money, for some direct loans, and for some guaranteed loans.

The rationalization of the railway industry also includes participation by the Chesapeake & Ohio, the B. & O., and the Norfolk & Western. To my knowledge, this measure not only has received the overall acceptance of a majority and minority in both bodies but also is a bill which is going to provide for a change of course of the railroads.

There has been some disagreement about the participation of the Northeast Corridor, but the basic ideas and outlines there, which were suggested primarily by Senators who live in the area, have been adopted.

In that connection, foremost has been the distinguished Senator from Connecticut (Mr. Weicker), who believes that we should look to the future in rail transportation and not look to the past, nor should we feel that in any way we have to be content with something that was merely acceptable, say, 10 years ago.

Also in this regard, the distinguished Senator from Rhode Island (Mr. Pastore) was very helpful in helping us come to an agreement on the Northeast Corridor. He was insistent that we have an upgraded rail system in that area, improved service, and improved ontime performance.

By and large, this bill does not deal in its primary elements with passenger service. This bill primarily deals with revitalization of the rail service which is necessary to the continued operation of the Nation in its totality. Not a single part of the United States of America, in the land base, does not in some way or other use the railroads which are involved in this reorganized structure, and that means every State in the Union from the West and the South, as well as those in the Midwest and the Northeast.

This is a very constructive piece of legislation. It has been well worked out. It protects the interests of the Government first. The public is assured of a revitalized transportation system, and it does not do violence to any of the participating roads.

The conference report on S. 2718 reflects basic agreement between the administration and the appropriate congressional committees on broad omnibus legislation dealing with the rail needs of not only the Northwest and Midwest but also the entire Nation.

Many items were at issue during the negotiations, including funding for the Northeast Corridor. However, one particular matter consumed many days of discussion. This involved the role of a Finance Committee of the Board of Directors of USRA consisting of the chairman of USRA and the Secretaries of Transportation and Treasury. It was the administration's position that such a committee should have the power to set jointly with the USRA Board the terms and conditions governing the purchase of ConRail securities and to have the exclusive authority to decide whether such terms and conditions were being met. On the other hand, the original conference report on S. 2718 did not provide for any type of Finance Committee. Instead, it left all powers regarding the terms and conditions of the ConRail securities with the entire USRA Board.

During our negotiations, USRA went on record as reaffirming its endorsement of a Finance Committee in conjunction with a set of principles, approved at the same time by the Board of USRA, regarding the terms and conditions of the ConRail securities. These principles, we were assured, would not permit USRA or its Finance Committee to involve itself in the operational decisions of ConRail or to use covenants and conditions of the financial agreements with ConRail to automatically find that ConRail's operating or financial results did not follow projections of the final system plan.

With this background, the conferees agreed to a modified Finance Committee. However, the USRA Board, and not the Finance Committee, is to set the terms and conditions of the securities to be purchased from ConRail. The primary role of the Finance Committee is to make certain findings before there can be any cutoff of ConRail's ability to obtain the $2.1 billion authorized for the purchase of

ConRail securities under the provisions of the conference report.

These affirmative findings are that ConRail:

First, committed and left uncorrected a material violation of any covenants or undertakings made to the association;

Second, has failed to a substantial degree to obtain the overall operation—including rehabilitation—and financial results projected in the final system plan; or

Third, cannot achieve the overall operating—including rehabilitation—and financial results without requiring Federal assistance substantially in excess of the $2.1 billion authorized.

In the event any of these findings are made and the Finance Committee directs USRA to cut off the ConRail funding, Congress will review the issue and either House has an opportunity to reverse the decision.

With regard to the specific finding of the Finance Committee regarding "overall operating and financial results" it is noted in the statement of managers that as to specific strategies, priorities, and projects set forth in the final system plan, the Finance Committee cannot freeze the Corporation's own business plan.

This statement reflects the conferees' understanding of the USRA Board's approach to the basic terms and conditions of ConRail funding dealing with all of the financial and operating projections in the final system plan. That understanding is that ConRail would not be tied in the finance agreements to covenants and conditions which would permit the Finance Committee to automatically find that ConRail had failed to comply with such covenants and conditions or that there would be any specific operating and financial tests regarding the meeting of overall and financal results.

The intention of the conference in this matter of the Finance Committee of the USRA Board is clear. We intend that the Finance Committee act with regard to its findings as a matter of discretion. Relying on the basic thrust of the USRA Board's position on the terms and conditions of any financing agreement with ConRail, the Finance Committee is not to be aided by provisions in those documents which permit such a finding to be automatic. ConRail is a private sector company and must have great flexibility in its operations. It cannot be forced into default on an adverse Finance Committee finding by failing to meet rigid standards set at this time.

The financial agreement between USRA and ConRail is not to be a normal commercial loan agreement requiring specific operating and financial results. Instead, it is the vehicle to assist ConRail in becoming a viable private sector railroad. Unlike a normal loan arrangement, USRA has the power to name 6 of the 13 members of the Board or 6 of the 11 other than the two officers who cannot vote on their jobs. If USRA is not satisfied with the operating and financial results being achieved by ConRail, it can name directors who will change the ConRail management.

The other major change in the legislation that we have agreed to with the administration is the changes in the Northeast Corridor project. The funding has been reduced for the initial stage of this project, and will be funded through the Department of Transportation rather than the USRA; the actual implementation of the work itself will be accomplished by Amtrak and funded by DOT. These changes have been agreed to by the administration.

Mr. President, I have been personally assured by the President of the United States that he will sign the legislation in its current form and that there are no further conditions to that approval. This is important in view of the meeting tomorrow of the Board of the USRA. Tomorrow the Board will vote on the terms and conditions of the securities of the new company—this is a matter that has been agreed to be within the exclusive jurisdiction of that Board, and is not within the power of the DOT to change.

I can recommend that the Members of the Senate approve this legislation in its present form and would urge that approval.

Mr. WEICKER. Mr. President, I thank the distinguished chairman of the subcommittee, Mr. HARTKE, for his efforts in this matter. More particularly, I think they are more notable for the simple reason that a good portion of the thrust of the bill relates to the Northeast. The Senator does not represent that section of the country; but I think he understands, as do I, the necessity to start where the cancer is the worst—that is where it is—and hopefully reconstruct an entirely new rail system for the United States of America.

Mr. President, first, I commend my distinguished colleague, and subcommittee chairman, Mr. HARTKE, for his outstanding leadership in guiding this omnibus rail legislation through the Senate and not one, but two conferences with the House.

Mr. President, this bill marks the beginning of a new era in rail transportation and promises improved rail services to local communities across the Nation.

The progress of this landmark legislation has not been without frustration and delay, however. For nearly 7 years in the House and Senate, I have introduced and championed bills to revitalize our railroads as a viable, competitive transportation mode with a future. Recently, an increased recognition by Congress and the administration that our rail system as a national resource has resulted in this first opportunity for the enactment of important, comprehensive legislation to deal with chronic problems facing the rail industry today.

After intensive negotiations over the Christmas holidays between representatives of the House and Senate and the administration, a second conference on S. 2718 was convened and concluded last week. It was in a new and encouraging spirit of compromise and consultation that the present bill was fostered and ratified in conference, with the promise of Presidential support once enacted. I applaud this cooperative and productive process, and hope that it augurs well for future legislative action on transportation issues.

Mr. President, I urge my colleagues to vote for this second conference report, with the understanding that it represents a fiscally responsible, forward looking approach to railroad revitalization. I wish to again impress upon my colleagues the fact that this bill is a begininng, not an end—that with passage of this bill, we may not expect to be rid of the "rail problem" for the foreseeable future. Rather it signals an important step toward a truly balanced national transportation system.

Mr. President, all the arguments for this bill have been proferred many times on the floor of the Senate and in conference and in the other body.

The fact remains that the funding envisioned here is really less than 2 years' worth of highway funding. That gives a good idea as to the misplaced priorities when it comes to creating a balanced transportation system. I do not want to give the impression that this bill is "it." Insofar as the systems are concerned, I think this is "it." This is no longer bailing out anybody. This is an actual construction job on behalf of the people of this country. It is not bailing out Penn Central. It is not bailing out Rock Island. It is not bailing out any railroad line. It is the beginning of the building process.

However, I also want to alert not just my colleagues on the floor of the Senate but the Nation as well that the cost of this building is going to be considerably more than is contained in the bill. In fact, we have spent nothing during 20 years, and during the same time have spent more than $100 billion in creating a highway system. I think that gives a good idea of what needs to be done if our rail systems are to be fully equivalent with the highway systems of this Nation.

I urge my colleagues to vote for this measure. If, indeed, what is proposed here seems to be weighted on the side of the Northeast, it is only a matter of time before the technology and the systems developed there will be utilized in the Midwest and then, hopefully, in those areas of the country where the railroads are strong and will remain strong by virtue of allowing them to put their money and their efforts into maintaining a modern system.

So, Mr. President, I urge my colleagues to vote for the bill. I hope they can see the difference between this type of legislation and that with which we have been coming to the floor consistently during the past several years.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. WEICKER. I yield.

Mr. ALLEN. Mr. President, will the Senator kindly give an explanation as to why the railroads in the South, serving an area with smaller population, less industrial activity, are able to stay in the black and prosper, whereas the railroads in the Northeast and apparently in the Midwest, serving a more populous area, with greater industrial activity—I believe it was pointed out that the industrial activity in the area served by these railroads is nearly 50 percent of the industrial activity of the entire Nation—why is it that those roads in the Northeast and Midwest cannot prosper and have to be bailed out by the American taxpayer to the tune of billions of dollars?

Mr. WEICKER. I am delighted to respond to the distinguished Senator from Alabama. First, when the distinguished Senator refers to the railroads of the South as prospering, I think it is important to point out that they are only prospering when set side by side with the railroads of the Northeast and the Midwest. If the Senator takes the railroad industry in the South as a private enterprise and sets it against any other industry in this country, believe me, even the railroads of the South are not in that good shape.

I think the principles we are setting forth here are very definitely intended not just to bail out the railroads of the East, but to make sure that the railroads of the South still stay healthy. The return on equity, even of the most prosperous railroads in the South, and they are prosperous, is lower than that of any industry in the United States.

What I am saying to the Senator from Alabama is if we extrapolate those figures and put them out in the future and do not do anything to help them, it is only a matter of time before those railroads go under.

Mr. ALLEN. There is no help in this bill for them, is there?

Mr. WEICKER. Indeed, there is.

Mr. ALLEN. In what way?

Mr. WEICKER. May I finish responding? Then I shall allow the distinguished Senator from Indiana to explain what help there is for other sections of the country. This is not just a Northeast bill.

First of all, let us start right out with mismanagement by private enterprise. I do not have the exact figures here, but I remember standing on the floor several months ago, I think on the Penn Central bailout, and I think I stated the fact that that railroad, for 2 years running, paid dividends twice the amount of their earnings. It was a clear case of corporate mismanagement. That is No. 1.

No. 2, the highway systems in the Northeast were built very rapidly, since it is such a small area, and they are running side by side in competition with these railroads. Our building of a superb highway system in the Northeast was also responsible for putting the railroads out of business through competition, and it was competition subsidized by the American taxpayers, if you will, whereas the railroads were not.

I can go down a list of reasons, and I am not excusing anyone, whether it is our transportation policies, or mismanagement by private enterprise. The fact is that for the first time, we are trying to come forth with a comprehensive solution that is not intended as a subsidy but, rather, to create a system which will be able to stand on its own two feet. If we ran the same railroads over the same tracks in the same way, the Senator is right, it would be the same situation, except it would be dumped in the laps of the taxpayers instead of being in the hands of private enterprise.

I would like to have a response by the Senator from Indiana as to what railroads are helped outside of the Northeast, and why.

Mr. HARTKE. There is help outside the Northeast. In the first place, there is $1 billion in loan guarantees, which are loans which can be made to railroads outside the region and, as far as we are concerned, would be guaranteed with the full faith and credit of the United States.

In addition to that, there is an authorization for $800 million in loans, outright Government loans, to these areas.

In addition to that, there are certain reforms of regulations which have been the cause of a lot of difficulties outside the region as well as inside the region, where there will be simplification and allowances for the railroads to move their rates without going through all the procedures they have to go through at the present time.

In addition to that, there is elimination of the discriminatory taxation which exists, with certain exceptions, I think, just for Tennessee, which is the so-called Baker amendment. What happens here is that there are discriminatory taxes against some of the railroads.

In addition to that, there is a feature in the bill which provides for speeding up of ICC procedures. What I mean by that is that at the present time, some of the ICC procedures, quite honestly, are quite expensive to the railroads themselves. If there is a merger proceeding which is coming, there are new procedures which speed up the entire merger operation.

A lot of people have talked about the Rock Island case and have blamed the ICC for that. It really was wrong to blame the ICC, because all they did was follow the law.

Mr. ALLEN. How many billions are involved in actual appropriations and in grants and loans?

Mr. HARTKE. In the total bill?

Mr. ALLEN. Yes.

Mr. HARTKE. About $6.4 billion.

Mr. ALLEN. The Senator from Connecticut serves notice that this is just a partial downpayment. How much more is involved?

Mr. HARTKE. No, that is not true. Basically, in new money, there is $5.1 billion in this bill. Part of it has already been authorized. Out of that 5.1, part of it is grants, part of it is loans, and part of it is loan guarantees.

I do point out something which I think is very important: The original holder in due course becomes the Government itself. In other words, the Government has the first claim. We are starting here with bankrupt railroads, trying to make them viable, and putting Federal money and Federal authority into them to make them viable. In the event that should fail—and I want the Senator to know that Senator WEICKER and I have always consistently said that we do not guarantee success. This is a problem to which the Senator from Alabama is addressing himself. If it does fail, by virtue of default, the Government would become the first holder and have first claim to all of its money. So if there really would come nationalization down the road, the Government would have all of this money that it is now authorizing. The Government would be protected in those rights.

Mr. ALLEN. It would be protected with some rails and locomotives.

Mr. HARTKE. That is right.

Mr. ALLEN. And another bankrupt system.

Mr. WEICKER. Of course, it is better, if I may interject, than just taking money and handing it over to bail out these bankrupt corporations. Here, at least, we are constructing something that belongs to the people of the United States. We are not giving it to someone else.

Mr. ALLEN. Well, a rose by any other name would smell just as sweet, or just as bad as this particular piece of legislation smells.

Mr. HASKELL. Will the Senator from Alabama yield for about 2 minutes?

Mr. ALLEN. I do not have the floor.

Mr. WEICKER. I yield.

Mr. HARTKE. Let me just say something to the Senator from Alabama.

What is being done at the present time, keeping the Penn Central afloat, and what will continue to be done unless we do this, is exactly—I would complain about it as what the Senator from Alabama is complaining about. That is what the Senator from Connecticut is talking about, handing the money out to them at the present time in order to keep this system going, without having any material change in the operation.

Mr. ALLEN. The Senator speaks of taking over the bankrupt roads. Is it not a fact that some of the stockholders in these bankrupt roads are saying that they are not being treated fairly and they have claims for hundreds of millions of dollars in damages against the Government?

Mr. HARTKE. Yes.

Mr. ALLEN. And here we are, bailing out these stockholders, offering them a little something when they have no value at all, and they are complaining and are going to make claim against the Government for hundreds of millions of dollars. Is that not correct?

Mr. HARTKE. What this is, basically, is a reorganization. What they are getting, the present creditors of the bankrupt systems are, in turn, not receiving the credit now in the new corporation, but they are getting stock in the new corporation. Here is what happens in the line of procedures, how people can ultimately get money.

If this is a successful venture, which we believe it can be, if it can make a profit, which we believe it can, then all the moneys that Uncle Sam has put into it will come to them first.

The second group of people will be the stockholders. That is the present creditors. They have a claim at this moment and they can go ahead into liquidation and claim, as they could in any bankruptcy proceeding, and try to get their money. Beyond that are the stockholders of these other operations. The only way they are going to get any money whatsoever is if this whole operation is a financial success.

Mr. WEICKER. I think that I cannot fault in any way the suspicions of the distinguished Senator from Alabama.

The track record is miserable, there is no question about it. But I do want to draw the line between what we have done in the past here, which the Senator from Alabama is opposed to—and I respect him for it. As I said, I cannot fault his feelings. But there is a considerable difference between that, bailing out these railroads, and building a railroad system for the United States of America, which is what is going on in this bill.

Those are two entirely different propositions.

I made the statement to the distinguished Senator from Alabama that I am not coming out here to bail out anybody. I am not going to do that.

Mr. ALLEN. I understand the Senator's position.

To what extent have the same factors, the same conditions, that caused the bankruptcy of these some 18 or 20 roads, I believe, counting subsidiary roads, to what extent have practices that brought about their bankruptcy been frozen in to the new system?

Mr. HARTKE. Basically we hope we have eliminated most of the factors.

Mr. ALLEN. What about that particular item where an employee who had worked for 5 years with the railroad, and who lost his job in the merger, would be allowed to continue to receive his compensation until he reached 65 even though he was only 25 at the time he lost the job, and that any raises in the compensation of that employee during that 40-year period would be passed on to him? Is that provision still in the arrangement?

Mr. HARTKE. No.

I am not sure the Senator from Alabama is going to like what I am going to say, but I want to tell him exactly what the truth is. The situation is in this bill, in the labor protection sections, there is an allocation of $250 million, up to $250 million. That obligation is not an obligation of the railroad; that is an obligation of the Government. It is one of the things the Government is picking up that much of the tab for in order to make sure they do not put an insurmountable burden on this new rail operation.

As far as those employees are concerned, generally speaking, what the Senator from Alabama said is correct as far as what happens. But what is really going to happen in fact is that there are not going to be very many individuals who are going to be in the position where they are going to receive any bonanza.

In the first place, attrition, that is, normal retirement, is going to take care of a lot of people. Secondarily, by virtue of the fact that we are going to require an upgrading of the system, you take the maintenance-of-way people, in my judgment, every maintenance-of-way man who is presently out of work in the region is probably going to have a job there waiting for him.

There is a provision in here which was not necessarily to the liking of some of the labor people, and that is if there is a job in the system which is available, they can force him to move to take that job.

Mr. ALLEN. Well, the Government then is forking over $250 million to pay for unbusinesslike agreements and practices that the railroads have been guilty of; is that correct?

Mr. HARTKE. Yes; but that is not in this bill.

Mr. ALLEN. That has already been done, I recognize that.

Mr. HARTKE. It has already been done.

Mr. ALLEN. It is part of the total, not in the bill here.

Mr. HARTKE. I think it is fair to say it is part of the total package. I think it is wrong for us to say, to try to get out on a technicality, but what the Senator is talking about is right, we have provided for those employees a method whereby they themselves are given, first, a chance at a job and, if not, we are not going to go ahead and force a system down their throats which would have taken away their jobs and not given them a chance to participate.

Mr. ALLEN. I thank the distinguished Senator for this exchange, but I have to say I still remain unconvinced.

Mr. WEICKER. I would agree with the distinguished Senator from Alabama. I would not expect him to change his position until he had something tangible in front of him that warranted support for this legislation. I hope he will have that in the years ahead.

Mr. HARTKE. I yield the floor to the Senator unless he wants to ask questions.

Mr. HASKELL. I thank the Senator from Indiana.

What I have to say, in brief, is I intend to vote against this bill not because of what is in it or not because of what may not be in it, but merely as a protest against the procedure of bringing a major piece of legislation, such as this, to the floor without adequate time for Members or their staffs to examine the substance of the legislation; and, furthermore, and equally importantly, without adequate time for various people in various parts of the country to consider a complex, admittedly expensive, maybe necessary, piece of legislation.

The conference report was filed Friday, which meant it was available to Members and their staffs and to interested members of the public Monday.

The Senator from Alabama has asked several questions as to what is in the bill. I do not blame him. There must have been a considerable rewrite—at least the verbiage of the amendment is long, and I can see reasons at the end of a session for this type of scheduling under the exigencies of the then situation.

But I am going to cast my vote merely as a protest to the procedure, and I hope that the Culver Commission, so-called, headed by Senator Hughes of Iowa, would address itself to the scheduling problem, because I think it is important to the efficient operation of the Senate and to the Nation as a whole. I thank the Senator.

Mr. BEALL. Mr. President, I rise, first of all, to congratulate the managers of the bill for bringing this matter to the floor. I believe we have successfully worked out with the House and with the administration an acceptable compromise, which allows us to meet the very important February deadline in having this legislation enacted into law so that we can preserve rail service in the northeastern part of the United States.

I want to congratulate the manager of the bill, Senator HARTKE and the ranking minority member, Senator WEICKER, for having done a herculean job in working out the differences and bringing the matter through the conference and to the floor for final consideration.

Second, I would like to point out I think it is important to note that the conference-reported bill still contains sections of the bill I helped shape and which are vital to commuters and shippers in my State. For instance, the deficiency judgment section, which I urged during committee considerations, is still part of the bill. This allows certain profitable railroads to take over sections of the Penn Central line and to preserve service into important regions, into the northeastern part of the United States. This will enable Southern Railroad to acquire the lines on Maryland's Eastern Shore.

The compromise bill also contains the important local rail services continuation provision which is very important for the preservation of services to the smaller communities in the area. These provisions had their origins in the Pearson-Beall substitute in the previous Congress.

Also, an acceptable compromise has been worked out for the Northeast corridor so we can, indeed, have improved passenger traffic for that part of our country. And finally, it is important to note that the emergency operating assistance provisions of the bill are still preserved and attached. In that regard, Mr. President, I had some concern about the rail commuter service that was going to be available to commuters who must use this means of surface transportation, particularly those riding from Baltimore to Washington, and it was clearly our intent at the time the legislation passed through the Senate originally and through the original conference that the present service provided between Baltimore and Washington would be eligible for the kind of assistance that is provided for in this bill.

Subsequent to the passage of the initial conference report, we heard disquieting rumors indicating that DOT might place a narrow and contrary interpretation on the act, which might preclude eligibility for subsidy of this Maryland line. To make certain such could not result, I wrote a letter to the Secretary of Transportation asking for the Department's interpretation. I was gratified to receive a reply from the Secretary indicating that their interpretation was the same as the committee's and as mine, and the commuter service now provided between Baltimore and Washington is covered under the provisions of section 808, the emergency operating assistance provisions of this legislation.

Mr. President, so that no further doubt will or can exist on this matter, I ask unanimous consent that my exchange of correspondence with the Department of Transportation and my letter to them raising the question about these rumors, and their answer to me removing any fears, be printed at this point in the Record.

There being no objection, the correspondence was ordered to be printed in the Record, as follows:

January 13, 1976.

Hon. William T. Coleman,
Department of Transportation,
Washington, D.C.

Dear Secretary Coleman: As you may know, I am most interested in and a strong supporter of the Emergency Commuter Rail Service provisions of S. 2718.

I have been most disturbed to hear that there may be differences with respect to the interpretation regarding the eligibility of the commuters riding the Baltimore-Washington Penn Central line. I believe that this section covers the Baltimore-Washington commuters and would like to have an interpretation on this matter by the Department.

During the markup Committee counsel assured me that the Baltimore-Washington commuters were included and this has been reconfirmed in subsequent conversations with the Committee staff. Until this matter is clarified, or amended if necessary, I cannot allow a solution or a bill to be cleared by the Senate.

I would appreciate an immediate response on this matter.

With best wishes, I am
Sincerely yours,
J. Glenn Beall, Jr.

The Deputy Secretary
of Transportation,
Washington, D.C., January 16, 1976.

Hon. J. Glenn Beall, Jr.,
U.S. Senate,
Washington, D.C.

Dear Senator Beall: As requested in your letter of January 13, 1976, we have examined the provisions of Section 808 of the Railroad Revitalization and Regulatory Reform Act of 1976 concerning emergency operating assistance for commuter rail service in order to determine whether commuter service presently operated between Baltimore and Washington over the Penn Central tracks is eligible to receive financial assistance after conveyance of these properties under the Regional Rail Reorganization Act of 1973, as amended. According to our interpretation of the legislation, any costs incurred by the State for operation of this service may be reimbursed to the extent of the authorized Federal share of such costs for the period assistance is available under this section.

Because the State of Maryland does not at present subsidize the Baltimore-Washington commuter service, your staff questions whether Maryland would be covered by the language of the new section 17(a)(2) of the Urban Mass Transportation Act which states:

"Sec. 17 (a) The Secretary shall provide financial assistance for the purpose of reimbursing—

* * * * *

"(2) States and local bodies and agencies thereof for *additional* costs incurred by such States, bodies, and agencies with respect to rail passenger service, for the payment of rail passenger service *continuation* payments authorized by Section 304 of the Regional Rail Reorganization Act of 1973, as amended (45 U.S.C. 744)." [Emphasis added.] Railroad Revitalization and Regulatory Reform Act of 1976, Section 808.

The words "additional" and "continuation" do not imply that in order to be eligible for assistance a State must have subsidized commuter service prior to conveyance date; instead, they limit aid so that if a State is now helping to pay the costs of commuter rail service, it may be reimbursed solely for the incremental costs it incurs as a result of a rail service continuation payment pursuant to section 304(c)(2)(A) as amended by S. 2718. Therefore, Maryland may receive aid for any new costs it might incur to reimburse the rail carrier which provides its commuter service.

If you have any other concerns as to the Department of Transportation's interpretation of the commuter operating assistance provisions, I will be happy to examine the legislation further.

Sincerely,
John W. Barnum.

Mr. BEALL. I thank the Senator for yielding.

Mr. ALLEN. Mr. President, I shall not seek to unduly delay the approval of this conference report because I know it will be approved.

I do object, though, to the way in which this bill from its very start, this railroad bailout bill, has been railroaded through the Senate.

The history of the legislation is that it came to the floor late in the afternoon. The distinguished Senator from Indiana and the distinguished Senator from Connecticut made brief statements in regard to the bill. Then a cloture motion was filed and soon after that the Senate recessed for the day.

The following day, however, instead of going back to the railroad bailout bill, the maneuver had been such that we were debating still another bill and had no opportunity on the following day to debate this bill and offer amendments to it.

The Secretary of Transportation, Mr. Coleman, pointed out 25 defects in the bill as he saw it, and despite the claims of the proponents of the bill that it carried much less on appropriations and grants and loans, the Secretary of Transportation said that it involved up to a possible $14.4 billion.

So the administration was opposed to the bill. The Secretary of Transportation was opposed to the bill.

There was no opportunity to discuss the bill, to offer amendments to it, because on the second day after the cloture motion was filed, the vote for cloture came up and then, of course, every Senator was limited to 1 hour and he was limited in discussion to the amendments that had been filed at the desk.

No opportunity to debate it, no opportunity to file amendments as the different situation unfolded. Nobody knew anything about the bill. It had come in only a day or so before it was brought up.

So cloture was invoked the very first vote by a pretty big margin. Debate was cut off by cloture. No opportunity to amend it, no bona fide opportunity to amend it.

Now it comes back to us in the form of a conference report. It is still a bailout. The effect is that, no matter what we call it. It freezes in many of the very conditions that brought about the bankruptcy of all these railroads in the first place.

Now we still have no chance to come in. What good would that do if we have no chance to amend, with the die already cast?

If they invoked cloture on a $14.4 billion bill, obviously, they will get cloture on a bill somewhat less.

I feel that these bills involving bililons of dollars of the taxpayers' money ought to be subject to an opportunity to have meaningful debate and a real opportunity to amend.

The distinguished Senator from Connecticut said that this is not the whole bill. I do not want to disabuse the minds of my colleagues, he said that this is not all it is going to cost.

Well, how much is all? Nobody knows. It is billions more, we can rest assured.

But what alternative does the Senator from Alabama suggest?

I believe a private railroad, an investor-owned railroad, occupying all this territory.

While I am not on the committee, I have had an interest in this bill ever since the days of the Penn Central bailout, I say to the distinguished Senator from Connecticut. We have had considerable discussion on that, and with the distinguished Senator from Indiana, about the Penn Central bailout; of course, that is mixed up in this, too. But an investor-owned railroad, in my judgment, could make a go of it in the Northeast and the Midwest.

I believe the best thing to happen in this area would have been to allow these roads to go on through the bankruptcy wringer that they were already in.

This bill more or less reaches in there and snatches them out of bankruptcy and then offers this solution of ConRail, Government loans, Government grants, Government guarantee.

If they had been left where they were, I believe that the ingenuity of the business leaders of this country in the railroad field would have been equal to the task of forming a company to take over these bankrupt roads, squeeze out the unbusinesslike practices and contracts that have been entered into, start from the beginning.

I believe that such a road could have well served this area, could have made money for its investors.

Mr. President, we have just made the downpayment on what this is ultimately going to cost the American taxpayer. Over $6 billion, the distinguished Senator from Indiana says, and I would not be surprised by what methods of squeezing more out of it in the form of loans and guarantees.

I doubt if the guarantee aspect of it is figured in this $6 billion plus, but just a start. It was just a start and we can look for more.

I am not sure just what the distinguished Senator from Connecticut has said about his future activity on legislation of this sort, he may have said he is not coming back to ask for more, I am not quite sure, but he did say it is going to cost more. Well, everyone knows that.

So I anticipate this conference report will be approved by an overwhelming vote. There probably will not be a dozen votes against it. But still, I think the word of caution ought to be issued and given.

I forget how many pages this has, a

couple of hundred as I recall, tossed out to the Senate where Senators not on the committee had no idea of what was involved and many, I dare say, on the committee had no idea of what was involved.

I pay tribute to the distinguished Senator from Connecticut and I pay tribute to the distinguished Senator from Indiana for their vast knowledge of just what is happening here, but I dare say there are not five Senators who would be able to outline just what this bill does do.

Certainly, there was not a thing in the world that could be done to head it off with the majority ramming cloture down the throats of the Senate, and then maneuvering in such a way that the day following the filing of cloture, which should have been a time for a discussion of the bill, it was preempted by another bill. A cloture motion had been filed on that bill. I believe it was the situs picketing bill. So that was under debate and time was running on the railroad bailout bill.

It is appropriate that the question be, what has happened on this bill? It has been railroaded through the Senate, with very few understanding the ripoff of the American taxpayer that is involved here.

I say and I predict that it is a continuing rip-off. The very practices that caused the bankruptcy of these roads in the main have been frozen into this. We are going to have litigation by the stockholders of the bankrupt roads. I daresay the stock in those roads is worth nothing, with all of the bonded indebtedness coming ahead of the stock. Yet when the Government comes in and takes it over, naturally they can argue, "Oh my, we are not getting a fair price. We are not getting sufficient stock. We want money for our stock. We are being bilked by the Government." So we are going to have hundreds of millions of dollars in claims against Uncle Sucker for coming in and taking over these roads.

No such claim could have arisen if the suggestion made by the Senator from Alabama had been followed to leave these roads in the bankruptcy courts, apply the bankruptcy wringer to these systems, sell off the systems to a new company that would not be burdened down with the old practices, the old contracts, and start anew.

That is too simple. The Government has to come in and play Santa Claus, and continue playing Santa Claus.

I believe the bill constitutes a rip-off of the American taxpayer at a time when we should not be throwing these billions of dollars away.

I would be glad to discuss this thing ad infinitum if I thought there was any chance of killing the report. But obviously there is no chance since they voted cloture on the original bill without any debate whatsoever.

I will be one of a handful who will vote against this bill.

I yield the floor, Mr. President.

Mr. HARRY F. BYRD, JR., assumed the Chair at this point.

Mr. LONG. Mr. President, I wish to congratulate the distinguished Senator from Indiana for the diligent work he has done in trying to keep the railroads rolling. It is my privilege to serve with the Senator on his subcommittee. No Senator has put in more hours and spent more time trying to find answers to these very difficult problems that plague this Nation and the railroad industry in particular.

I know that the bill is not everything that the Senator from Indiana and some of us would like for it to be, but I really do not think we can blame the distinguished Senator that that is not the case. He has made some compromises. He has tried to accommodate the administration and others to try to pass a bill that had the best chance of becoming law.

I very much hope that when this bill becomes law, as I believe it will, the President and his Secretary of Transportation, as well as those in the Department, will carry out the intent of this bill as it has been drawn. In my judgment, there is the potential of doing some very substantial and meaningful things in this bill which would make the railroad industry better serve the public.

I hope we can find better answers to these problems as time goes by. The railroads are all plagued with outdated practices which should be modernized. I do realize that some of their procedures are outdated and need to be improved. It is hard to persuade those who feel that they might lose jobs if that happened to accommodate themselves to the way of the future. In time I believe they are going to find it necessary to do so.

Neither the Senator nor any of us here made this world. We were born here. We do the best we can with a difficult situation as we find it.

I believe the Senator deserves the thanks of every Member of this body, as well as those interested in transportation, for the diligent and time-consuming effort that the Senator has devoted toward trying to improve our transportation system. I want to extend my thanks. I believe I express the overwhelming view of this body when we extend to the Senator our gratitude for the months he has put in trying to make order out of chaos in a very difficult situation.

Mr. HARTKE. I thank my distinguished friend from Louisiana. It is my pleasure not only to serve with him on this subcommittee but to serve with him under his able chairmanship on the Finance Committee.

We have tried to do a good job and with the help of the Senator from Louisiana I think we will come up with far more than most people anticipate. I believe it will be a bigger success story than some people feel it may be.

Mr. LONG. I thank the distinguished Senator.

Mr. ALLEN. Did the Senator say the Senator from Louisiana was on the subcommittee of the Senator who brought out the bill?

Mr. HARTKE. I did.

Mr. ALLEN. I thank the Senator.

ADDITIONAL STATEMENTS SUBMITTED ON S. 2718

Mr. HUMPHREY. Mr. President, I am pleased to support the conference report on the Railroad Revitalization and Regulatory Reform Act of 1976 which we are considering today. Enactment will improve the quality of rail services in the United States through regulatory reform, coordination of rail services and facilities, rehabilitation and improvement financing, and the creation of a national branch line policy.

Many of my distinguished colleagues know of my continuing concern about the transportation services in rural America, particularly those which bring our agricultural commodities from the farm to the market. American agriculture is the most productive and efficient in the world, but without adequate and reliable means to transport these products to market, this abundance is wasted.

It has been my expectation that this legislation can help to bring under control what has too often been a practice, with ICC concurrence, of hasty abandonment by railroads of tracks deemed marginal in their profitmaking calculations, but which farmers believe are essential in moving their produce because of the high costs of other transportation modes.

Congress has declared that the purpose of this legislation is to provide the means to rehabilitate and maintain the physical facilities, improve the operations and structure, and restore the financial stability of the railway system of the United States, and to promote its revitalization.

Whether that purpose can be achieved is very much dependent on the development of a good working relationship between all parties—the railroads, the States, and the Federal Government.

Railroads, under provisions of title V of this act, will be eligible for rehabilitation assistance of their rail lines depending on the degree to which they are essential to a rail transportation system. The Secretary of Transportation and the railroads, in determining essential services, and thus lines eligible for assistance, must consider the important and oftentimes unique services the railroads provide in transporting produce, raw materials and manufactured goods from place of origin to market.

States must take an active role in this process by establishing a comprehensive plan of essential rail services. They must seek and obtain necessary support from the Interstate Commerce Commission and the railroads to assure that these services are, in fact, maintained. De facto abandonment by the railroads of lines considered essential to the economy of the State or the Nation will not be tolerated.

The Department of Transportation and the Interstate Commerce Commission must be cognizant of their responsibilities in facilitating and promoting essential transportation services consistent with the public convenience and necessity. In determining whether a service meets this criteria, the impact of discontinuance on rural and community development must also be considered, as provided in my amendment which was incorporated in this legislation.

As with all programs, there will be a continuing need for Congress to monitor closely the implementation of the Railroad Revitalization and Regulatory Reform Act to see that these objectives are met. Effective oversight is an important aspect of assuring those who presently depend on rail service of fair and equitable treatment as we move ahead in developing a national transportation policy.

Mr. MOSS. Mr. President, today, as we take up the conference report on the Railroad Revitalization and Regulatory Reform Act of 1976, I would like to point out an important provision which will serve us well in our efforts to preserve natural resources and the environment. I refer here to section 204 which is concerned with discriminatory freight rates for the transportation of recyclable or recycled materials. What we have done is required the Interstate Commerce Commission to investigate the rate structure for transportation of recyclable or recycled materials. After public hearings, the Commission is to determine whether the discriminatory rates against recyclable and recycled materials are justified. If the rates are, either in whole or in part unjustly discriminatory or unreasonable, and they certainly appear that way to me, then the ICC is to issue orders requiring the removal from the rate structure of these unjust or unreasonable rates and report annually to the Congress and the President on its actions.

In order to insure that these investigations are appropriately broad enough to bring in the environmental aspects of the recyclable and recycled materials rate structure, the Administrator of the Environmental Protection Agency is granted authority to participate fully in the ICC investigations.

Mr. President, recycled and recyclable materials transportation rates have unduly burdened an industry whose very being helps to conserve our precious natural resources and protect the environment. I thank those who have worked with me on this issue for so long for their assistance in seeing our success in finally legislating removal of these unjust rate structures which only serve to accelerate the depletion of our virgin resources.

Mr. DURKIN. Mr. President, hopefully the President will recognize the hard work and long hours which have gone into the Rail Revitalization Act by signing it tonight or tomorrow when it reaches his desk.

What makes it imperative that he sign the legislation is the state of the railroads in this country. The entire northern rail system, which encompasses 17 States in the industrial and agricultural heartland of the Nation, hangs at this moment by a slender thread. The private/public effort to prevent the collapse of the Eastern railroads, and with them 125,000 miles of profitable lines throughout the Nation that connect with them, is coming to a head in exactly 1 month. On February 28, a private, State-chartered corporation named "ConRail" will assume the responsibility for the rebuilding and operation of the seven major bankrupt railroads east of the Mississippi and north of the Mason-Dixon line. To restore our necessary but decrepit rail transportation to a paying proposition in this region will require massive infusions of capital totaling around $16 billion in the next decade. Even after a steady decline over three decades, railroads still carry 40 percent of the intercity freight of the country, yet they return only 20 percent of the revenue.

Continued reliable service is as essential to the Nation today as it was during the transcontinental expansion era of the Golden Spike. Over 100,000 jobs are directly at stake in the industry, with millions more throughout the Nation financially dependent upon the economical and efficient connections rail transport provides between raw resources, industry, and the marketplace. More than 12 percent of the entire New Hampshire work force, some 38,000 employees, work in jobs which are touched by the tracks in a direct way, shipping either finished products or raw materials.

The bill is vital to the interests of both consumers and industry. It is supported by labor and management. For this reason, the subcommittee, chaired by Senator HARTKE, and the Commerce Committee guided by Chairman MAGNUSON, worked hard to forge a bill that would put the railroads back on their feet without putting a Federal monkey on their back.

When the Penn Central began to fail in the early 1970's, many reasoned that the only option left to the bankrupt railroads was subsidization by the Federal Government or outright nationalization of the railroads to insure service.

Instead the Surface Transportation Subcommittee, under the leadership of Chairman HARTKE, has forged a hard-nosed program by which the railroad industry can "bootstrap" itself back into shape with a modicum of Federal assistance.

For too long the railroad industry has been the forgotten and neglected stepchild of the transportation industry, except when it came to oppressive Federal regulation.

Every mode of transportation has had tax dollar support in recent years, and every mode has had more than the railroads. Since 1970, the Federal Government has annually appropriated some $20 billion in Federal aid to highways and motor carriers, $16 billion to waterways and barge shippers, $1 billion for mass transit and passenger conveyance, $500 million for air carriers and airports and half a billion in maritime subsidies. During the same 5-year period, the sum of Federal assistance to railroads came to barely $300 million a year, which includes the emergency Penn Central Railroad bailout.

On the other hand, the railroads have consistently been the most overregulated sector of transportation.

The Interstate Commerce Commission has consistently kept the rate of return on investment in the railroad industry well below the cost of capital. Average earnings by the Nation's railroads presently equal 1 percent, yet the interest on capital loans is presently near 12 percent. As a result of ICC regulations, U.S. railroads operate approximately 22,500 miles of unprofitable low density track which lose about $144 million annually.

For these reasons, reasons of equity as well as sound national policy, the Senate Surface Transportation Sub-Committee has attempted to draft a bill providing a fiscally stable, unfettered rail system for the Northeast. ICC meddling in rate proceedings has been decreased. Antitrust problems have been avoided by providing a competitive structure within the region. ConRail, with the backing of the Treasury, will assume the ownership of 15,000 miles of bankrupt lines and provide rehabilitation for the tracks and facilities for these essential intercity corridors.

The bill provides $6.5 billion for start-up money for the most massive corporate reorganization in U.S. history. The new public entity, ConRail, will allow the railroads to be run by railroad men, not lawyers and financiers. The funds will flow to ConRail to buy new rolling stock and to straighten its dilapidated track. They will flow to Amtrak to provide 110 miles per hour passenger service from Boston to the District of Columbia. They will flow to the Department of Transportation and the U.S. Railway Association to fund the first comprehensive studies of the rail needs of the Nation.

But most important, Mr. President, are the funds that will flow to the States to allow the continued service along the low density lines which the railroads have abandoned as unprofitable. Included in the bill are $180 million to cover the costs of subsidizing, improving or flat-out buying and operating lightly trafficked lines over a 2-year period. This funding will allow the State of New Hampshire to purchase and maintain, or repair and lease the operation of such essential lines as the Concord-to-Lincoln route, to insure safe, environmentally acceptable, energy efficient freight service along the State's central industrial axis.

The inclusion of this mechanism to return Federal money to the States who have their own ideas about what rail service is necessary for the local economy is what I consider to be a key achievement of the bill. The theory that the lowest level of government which can deal with a problem ought to be the highest level of government to get the responsibility has been adhered to admirably in this case, and I strongly support this Federal cost-sharing with New Hampshire.

Mr. President, our railroads have been our strength as an industrial nation and a world power for a century. They remain an essential, if neglected, part of America's remarkable economic capacity. The challenge to rebuild the crippled lifeline is a great one; but I believe the need is present and the spirit that built the transcontinental railroads can still be summoned. I am proud to have had a hand in the drafting of this bill, and I urge the Senate and the President to add their approval and set our railroads on the track to recovery.

Let me end, however, with a word of caution. This is a big first step we are being asked today, but only the first of many commitments the Congress will be asked to make on behalf of railroad rejuvenation. A nationwide system of fast, clean, efficient passenger and rail service is far in the future. The railroads did not decay overnight, and they will not be rebuilt overnight, either.

Mr. WILLIAMS. Mr. President, will the Senator yield for a question?

Mr. HARTKE. I yield to the Senator from New Jersey.

Mr. WILLIAMS. I wonder if the distinguished chairman of the Senate Subcommittee on Surface Transportation would clarify for the record the amendments to section 402 of the Regional Rail Reorganization Act as contained in this bill. My understanding of paragraph (c) (5) is that the States will be allowed to use their entitlement funds to acquire any rail commuter property which feeds, or could in the future feed, rail passenger traffic into the Northeast Corridor or any other route served by Amtrak.

Mr. HARTKE. The Senator is correct. The State's entitlement funds under section 402 may be used for the acquisition of any rail property to be used for intercity or commuter passenger service, as long as such a property is ancillary to a route served by Amtrak, as you described.

Mr. WILLIAMS. I thank the Senator.

Mr. HARTKE. With respect to the rate bureau regulation provision of this bill, I wish to make it clear that the Interstate Commerce Commission will have the responsibility of approving only those rate bureau arrangements which are drawn in accord with the congressional intent that the defined types of rates will in fact be made competitively. Some types of discussions will not be prohibited by this new law. However discussions which amount to, or are in essence agreements of the kind prohibited would not be permissible, and could be subject to both the prohibitions of the Interstate Commerce Act and the antitrust laws. Whether any given set of discussions or given type of discussion is of the sort which would amount to an agreement of the kind prohibited would be a question of fact to be determined by courts and commissions.

Mr. President, I want to correct one misimpression which may occur as a result of the language in the summary and description of this bill on page 138 of the report of the committee of conference. The summary states that:

> In the case of railroads in reorganization under section 77 of the Bankruptcy Act, the Secretary may purchase redeemable preference shares or trustee certificates as part of a court-approved plan of reorganization.

This summary would leave the impression that the Secretary could purchase such shares or certificates only as a part of a court-approved plan of reorganization. This is certainly not the intention of the conference committee or of the legislative language in the bill. The bill is specifically designed to assure that railroads in section 77 of the Bankruptcy Act will have equal access to Federal funding with all other railroads. Since I understand that the average length of time between original bankruptcy and final reorganization under a court approved plan is approximately 10 years, it is clear that funds must be made available during the period of bankruptcy and before the issuance of an actual reorganization if these railroads are to have equal access with all other railroads.

It is certainly the intention of the conference committee, and of the Congress, that funds be made available to the bankrupt carriers to assist them in the improvement of their facilities, equipment, and service. Indeed, in the comparison of the House, Senate, and conference bills, the report expands on the question of trustee certificates for the bankrupt carriers on page 186 and makes it clear that such certificates may, at a later time, be converted to redeemable preference shares as a part of a court-approved reorganization.

The specific language in the summary was an unintentional drafting misstatement and I am glad to have an opportunity to insure that it will not be misinterpdetel in future discussion of this legislation.

Mr. PACKWOOD. Mr. President, S. 2718, the Rail Services Act of 1975, is a most significant piece of legislation for the future of the Nation's railroads. Twice I have reluctantly opposed the bill on the Senate floor for budgetary reasons. The original price tag on S. 2718 was in excess of $8 billion, an expenditure this country can hardly afford at the present time. The $7.4 billion authorization contained in the conference report of December 1975 was also excessive in my estimation.

Now, with an expenditure of $6.37 billion proposed for this massive rail rehabilitation and reorganization effort, I am prepared to support this bill. The conferees have taken appropriate steps in reducing outlays for improvements in the Northeast Corridor. Instead of providing interest-free loans of $2.4 billion, we will now offer Federal grants totaling $1.6 billion. I believe that the critical health of the Federal budget over the next few years will be better served in this manner. It is also significant that the administration is prepared to accept and implement this legislation.

Mr. KENNEDY. Mr. President, I support the adoption of the conference report on the rail services bill—but with great reluctance and concern.

The initial measure passed by the Senate and the original conference report were far more adequate, far more realistic, and far more likely to meet the transportation needs of New England and the Nation.

Unfortunately, the administration threat of a veto, conveyed directly by the Secretary of Transportation, indicated a dangerous willingness on the part of the administration to risk the economic security of our region of the country. For it was clear that without passage of the legislation authorizing the necessary funds to implement the final system plan, our rail system would have ground to a halt next month, and our economy with it.

It was with that club over the heads of the conferees that the current second conference report has been drafted. The result is a movement away from the recommendations of the Secretary of Transportation in 1971 and of the Senate in favor of a high-speed passenger rail system in the Northeast Corridor.

While there are basic improvements in the corridor service contained in this bill, they are far less than adequate to the future passenger needs of this densely populated region. Ultimately, it will mean that a lower level of service could propel further expansion of air and highway traffic within the corridor. Both of these alternate modes of transportation are more wasteful in terms of energy and more dangerous in terms of pollution.

However, I do want to commend the conferees for insuring that there will be an early study on future passenger demand in the corridor which will provide another opportunity to discover what we know already—that a true high-speed rail passenger service is the most efficient and rational way to plan for increasing travel within the corridor.

In addition, the bill does maintain the branch line protections which are so essential to our region and my State. Without these protections, some 150 miles of rail lines and thousands of jobs would have been lost.

Finally, I believe it is essential that we provide an emergency appropriation to move forward with the implementation of the final system plan, funding of the branch line subsidy program and start-up costs for the development of the corridor rail passenger program.

COMMENDATION TO PRESIDENT FORD, WHITE HOUSE STAFF, AND CONFEREES ON RAIL SERVICES ACT

Mr. PERCY. Mr. President, when the Senate passed the conference report on S. 2718, the Rail Service Act, on December 19 of last year, I voted against it for three reasons.

First, the bill authorized expenditures beyond what I believed to be prudent for improvement of Amtrak service. Second, I opposed giving authority to the U.S. Railway Association which I believed properly belonged in the Department of Transportation. Finally, I believed that the conference report language relating to certificates of deposit would deter financial institutions from making capital available to our railroads.

Because of the subsequent efforts of the administration and the Senate and House conferees to work out their differences on this legislation, the conference report presented to the Senate today meets two of these objections. While I still believe that the language with respect to certificates of value is unwise, and that it will be regretted, I am pleased to be able to support the revised conference report.

The revision of the original conference report is an excellent example of the benefits that derive from cooperation between the legislative and executive branches and I commend the President, the conferees and all staff members of the White House and Congress who took part.

Mr. President, I ask unanimous consent that in the next printing of the Report No. 94–781 and accompanying Statement of Managers the following clerical corrections to the Statement of Managers be made, and that the corrections be printed in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerical corrections are as follows:

(Page references refer to the page on the Statement of Managers accompanying the Report 94–781 of the committee of conference on S. 2718.)

On page 189, in the Conference substitute for "Obligations of the Association", delete the numerals "235,000,000" and insert in lieu thereof "275,000,000".

On page 199 insert the word "annually" after the words "(2) interest is to be compounded".

On page 140, in the second sentence of the section entitled "ConRail", strike the word "represent" each time it appears, and insert in lieu thereof "be elected by".

On page 140, in the last sentence of the section entitled "ConRail", insert after "Membership on the Board" the following: "of those directors elected by the debentures and series A preferred holders".

On page 193, before the first sentence of the Conference substitute for "Capitalization of the Corporation", insert the following sentences: "The Conference substitute retains the authorization for debentures, series A preferred, series B preferred, and common stock. In addition, issuance of contingent interest notes is authorized."

On page 199 after paragraph (4) insert the following:

"(5) The base value of the certificates is to be increased by whatever amount, if any, of compensable unconstitutional erosion the special court finds to have occurred in the estate of the railroad transferor of rail properties holding the particular series of certificates during the period of the bankruptcy proceeding of such estate."

On page 205, in the first clause of paragraph (19), strike the words "caused by operation of the Rail Act in performing its duties under section 303(c) of the Rail Act" and insert in lieu thereof the following: "in the estate of a railroad transferor of rail properties which the special court finds to have occurred during the course of the bankruptcy proceeding of such railroad estate".

On page 205–206, in paragraph (19) delete in their entirety the sentence beginning "We also note that there is now . . ." and the sentence beginning "in line with the same goal of judicial economy, it . . .", and insert in lieu thereof the following: "There is no intention even remotely to imply that there may be merit in a claim for pre-Act erosion, or indeed for any erosion. However, we are interested in simplifying the litigation, and take note of the fact that there is now pending in the Court of Claims an action alleging both pre-Act and post-Act erosion. In line with the same goal, it is our intention that all actions for unconstitutional erosion now pending or subsequently filed in the Court of Claims be stayed until the Special Court has ordered the distribution of the securities and the certificates of value pursuant to section 303(c)(4) of this Act."

On page 211, at the end of the second sentence of paragraph (4), insert the following: "Among other changes, section 508 is amended to require that an acquiring railroad is required to offer employment, subject to such rules and working conditions, and afford such employment protection to employees of a railroad from which it acquires properties or facilities (including operating rights) pursuant to the Rail Act."

On page 189 in the statement of manager, substitute for "Finance Committee" delete "." at the end of the first sentence and insert in lieu thereof "has the power to sets its own rules and procedures independent of the Association's Board and with its membership fixed by statute."

The PRESIDING OFFICER (Mr. Leahy). The question is on agreeing to the conference report. The yeas and nays have been ordered and the clerk will call the roll.

Mr. DOMENICI (when his name was called). Mr. President, on this vote I have a pair with the Senator from Rhode Island (Mr. Pastore). If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." Therefore, I withhold my vote.

Mr. MANSFIELD (after having voted in the negative). Mr. President, on this vote I have a pair with the Senator from Washington (Mr. Jackson). If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." Therefore, I withdraw my vote.

Mr. McGEE. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order, so that Senators may hear their names. Senators will clear the well.

The clerk may proceed.

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. Abourezk), the Senator from Indiana (Mr. Bayh), the Senator from Idaho (Mr. Church), the Senator from Michigan (Mr. Hart), the Senator from Washington (Mr. Jackson), the Senator from Rhode Island (Mr. Pastore), and the Senator from California (Mr. Tunney) are necessarily absent.

I also announce that the Senator from Missouri (Mr. Symington) is absent because of illness.

I futher announce that, if present and voting, the Senator from Missouri (Mr. Symington) would vote "aye."

Mr. HUGH SCOTT. I announce that the Senator from Tennessee (Mr. Baker), the Senator from Nebraska (Mr. Curtis), the Senator from Kansas (Mr. Dole), the Senator from Arizona (Mr. Goldwater) the Senator from Michigan (Mr. Griffin), and the Senator from Nevada (Mr. Laxalt) are necessarily absent.

I further announce that, if present and voting, the Senator from Tennessee (Mr. Baker) would vote "nay."

The result was announced—yeas 58, nays 26, as follows:

[Rollcall Vote No. 16 Leg.]

YEAS—58

Beall
Bentsen
Biden
Brooke
Buckley
Bumpers
Burdick
Case
Chiles
Clark
Cranston
Culver
Durkin
Eagleton
Eastland
Fong
Ford
Glenn
Gravel
Hartke
Hatfield
Hathaway
Hollings
Hruska
Huddleston
Humphrey
Inouye
Javits
Kennedy
Leahy
Long
Magnuson
Mathias
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Packwood
Pearson
Pell
Percy
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Sparkman
Stafford
Stevens
Stevenson
Weicker
Williams

NAYS—26

Allen
Bartlett
Bellmon
Brock
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Fannin
Garn
Hansen
Hart, Gary
Haskell
Helms
Johnston
McClellan
McClure
Nunn
Proxmire
Scott, William L.
Stennis
Stone
Taft
Talmadge
Thurmond
Tower
Young

PRESENT AND GIVING LIVE PAIRS, AS PREVIOUSLY RECORDED—2

Domenici, against.
Mansfield, against.

NOT VOTING—14

Abourezk
Baker
Bayh
Church
Curtis
Dole
Goldwater
Griffin
Hart, Philip A.
Jackson
Laxalt
Pastore
Symington
Tunney

So the conference report was agreed to.

Mr. HARTKE. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. WEICKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

HOUSE CONCURRENT RESOLUTION 533 DIRECTING THE SECRETARY OF THE SENATE TO MAKE CORRECTIONS IN THE ENROLLMENT OF S. 2718

Mr. HARTKE. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on House Concurrent Resolution No. 533.

The PRESIDING OFFICER. The Chair lays before the Senate House Concurrent Resolution 533, which will be stated.

The assistant legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 533) directing the Secretary of the Senate to make corrections in the enrollment of S. 2718.

The concurrent resolution is as follows:

H. Con. Res. 533

Resolved by the House of Representatives (the Senate concurring), That in the enrollment of the bill (S. 2718) to improve the quality of rail services in the United States through regulatory reform, coordination of rail services and facilities, and rehabilitation and improvement financing and for other purposes, the Secretary of the Senate shall make the following corrections:

(1) In section 15(8)(b) of the Interstate Commerce Act (as amended by section 202(e) of the bill)—

(A) in clause (i) thereof, strike out "is below" and insert in lieu thereof "exceeds"; and

(B) in clause (ii) thereof, strike out "is it" and insert in lieu thereof "it is".

(2) In section 211 of the bill, strike out "(a)" immediately after "Sec. 211."

(3) In section 212(b) of the bill, strike out "freight".

(4) In section 205(d)(5)(A) of the Regional Rail Reorganization Act of 1973 (as amended by section 309 of the bill), strike out "562(a))," and insert in lieu thereof "562(a)))".

(5) In section 205(d)(6) of the Regional Rail Reorganization Act of 1973 (as amended by section 309 of the bill), strike out the comma immediately after "determining".

(6) In section 5(3)(e)(iii) of the Interstate Commerce Act (as amended by sec-

tion 403(a) of the bill), insert a comma immediately after "Labor".

(7) In section 502(b) of the bill, strike out "financing" and insert in lieu thereof "financial needs".

(8) In section 503(a) of the bill, strike out "180" and insert in lieu thereof "90".

(9) In section 503(b) of the bill, strike out "270" and insert in lieu thereof "180".

(10) In section 504(b) of the bill, strike out "480" and insert in lieu thereof "360".

(11) In section 504(b)(3)(B), strike out "Corporation" and insert in lieu thereof "Congress".

(12) Strike out section 505(a) of the bill and insert in lieu thereof the following:

"Sec. 505. (a) Timing.—Any railroad may apply to the Secretary following the date of enactment of this Act, in accordance with regulations promulgated by the Secretary—

"(1) for such financial assistance as may be approved by the Secretary; and

"(2) for financial assistance for facilities rehabilitation and improvement financing, except that the Secretary shall not act finally on any such application until the date of publication of the final standards and designations under section 503(e) of this title.".

(13) In section 505(b)(2), insert ", except as otherwise provided in subsection (a)(2) of this section" immediately before the period at the end of the first sentence.

(14) In section 505(d)(3) of the bill, strike out "fund" and insert in lieu thereof "Fund".

(15) In paragraphs (1) and (2) of section 505(e) of the bill, strike out "fund" each place it appears and insert in lieu thereof "Fund".

(16) In section 508(c)(3) of the bill, strike out "fund" and insert in lieu thereof "Fund".

(17) In section 505(e) of the bill, strike out "December 31, 1977" and insert in lieu thereof "September 30, 1978".

(18) In section 507(a) of the bill, strike out "December 31, 1977" and insert in lieu thereof "September 30, 1978".

(19) In section 508(b) of the bill, insert "(g)" immediately after "502".

(20) In section 508(e)(5) of the bill, strike out "fund" and insert in lieu thereof "Fund".

(21) In section 511(e)(2) of the bill, strike out "1974" and insert in lieu thereof "1973" and strike out "and improve" and insert in lieu thereof "and improve".

(22) In the last sentence of section 512(b) of the bill, strike out "presentation" and insert in lieu thereof "misrepresentation".

(23) In section 209(e)(1)(A) of the Regional Rail Reorganization Act of 1973 (as amended by section 602(b) of the bill), insert "conferred or" immediately after "authority".

(24) In section 210(b)(1) of the Regional Rail Reorganization Act of 1973 (as amended by section 604 of the bill), strike out "(except that such January 1, 1976 date shall not apply to loans made in accordance with section 211(g) of this Act)".

(25) In the last sentence of section 216(c)(3) of the Regional Rail Reorganization Act of 1973 (as amended by section 605 of the bill), strike out "funding" and insert in lieu thereof "finding".

(26) In section 216(d)(5) of the Regional Rail Reorganization Act of 1973 (as amended by section 605 of the bill), insert "occurring" immediately before "prior".

(27) In section 607(s) of the bill, strike out "in lieu thereof" the second place it appears.

(28) Strike out subsection (t) of section 607 of the bill and insert in lieu thereof the following:

"(t) Section 102(12) of such Act (45 U.S.C. 702(12)), as redesignated by this Act, is amended (1) by inserting immediately before 'which are used or useful' the following: '(or a person owned, leased, or otherwise controlled by a railroad)'; and (2) by striking out 'phase' and inserting in lieu thereof 'phrase'.".

(29) In section 608 of the bill, add "'." at the end thereof.

(30) In the first sentence of section 305(d)(2) of the Regional Rail Reorganization Act of 1973 (as amended by section 610(b) of the bill), insert a comma immediately after "this subsection".

(31) In section 306(c)(4)(C) of the Regional Rail Reorganization Act of 1973 (as amended by section 610(b) of the bill)—

(A) insert immediately after "reorganization" the following: ", or of a railroad leased, operated, or controlled by such a railroad,"; and

(B) strike out "as a result of this Act" at the end thereof.

(32) In paragraph (5) of section 303(c) of the Regional Rail Reorganization Act of 1973 (as added by section 612(f) of the bill—

(A) insert "to the National Railroad Passenger Corporation," immediately before "to a profitable railroad",

(B) insert "the National Railroad Passenger Corporation," immediately before "such profitable railroad," and "any profitable railroad" each time such phrases appear.

(33) In section 303(b)(5) of the Regional Rail Reorganization Act of 1973 (as amended by section 612(l) of the bill) strike out the quotation marks at the end thereof.

(34) In clauses (i) and (ii) of section 303(c)(1)(A) of the Regional Rail Reorganization Act of 1973 (as amended by section 612(q)(1) and (2) of the bill), strike out or person".

(35) In paragraph (2) of section 303(c) of the Regional Rail Reorganization Act of 1973 (as amended by section 612(q)(3) of the bill), strike out "or person".

(36) In paragraph (3) of section 303(c) of the Regional Rail Reorganization Act of 1973 (as amended by section 612(q)(4) of the bill), strike out "person" and insert in lieu thereof "railroad".

(37) In the first sentence of section 301(h) of the Regional Rail Reorganization Act of 1973 (as amended by section 612(m) of the bill)—

(A) insert "Liability of Directors.—" immediately after "(h)"; and

(B) strike out "Association" and insert in lieu thereof "Corporation".

(38) In section 303(c)(3) of the Regional Rail Reorganization Act of 1973 (as amended by section 612(q)(4) of the bill), insert a comma immediately after "operated".

(39) In section 613(2) of the bill—

(A) strike out "in paragraph (2)(A), by" and insert in lieu thereof "in paragraph (2) thereof (A) by"; and

(B) strike out "Corporation" the second place it appears.

(40) In section 504(g) of the Regional Rail Reorganization Act of 1973 (as amended by section 615 of the bill), insert "Assumption of Personal Injury Claims.—" immediately after "(g)".

(41) In section 505(a) of the Regional Rail Reorganization Act of 1973 (as amended by section 616(a) of the bill), strike out "such plan." and insert in lieu thereof "such plan, including noncontract employees.".

(42) In section 601(b) of the Regional Rail Reorganization Act of 1973 (as amended by section 618(b) of the bill)—

(A) insert quotation marks before "(b) Commerce,";

(B) in paragraph (1), insert "205" immediately after "11 U.S.C.";

(C) in paragraph (4), strike out "duty of the trustee or trustees of such a railroad to file a reorganization plan" and insert in lieu thereof "requirement that plans of reorganization be filed"; and

(D) in the last sentence of paragraph (4), strike out "if" and insert in lieu thereof "only to the extent that".

(43) In section 703(1)(A)(i) of the bill, strike out "stops; regularly" and insert in lieu thereof "stops; and regularly".

(44) In section 704(d) of the bill, insert "of 1973" immediately after "Act" the second time it appears.

(45) In section 705(i) of the bill, insert a period immediately after "additions.'".

(46) In section 1a(6)(a)(ii)(A) of the Interstate Commerce Act (as amended by section 802 of the bill), insert a comma immediately before "together".

(47) In section 1a(10)(a) of the Interstate Commerce Act (as amended by section 802 of the bill), strike out "include, (i)" and insert in lieu thereof "include (i)".

(48) In section 304(a)(1) of the Regional Rail Reorganization Act of 1973 (as amended by section 804 of the bill), strike out "title 1," and insert in lieu thereof "title,".

(49) In section 304(c)(2)(A) of the Regional Rail Reorganization Act of 1973 (as amended by section 804 of the bill), insert a comma immediately before "together".

(50) In section 304(d)(1) of the Regional Rail Reorganization Act of 1973 (as amended by section 804 of the bill), strike out "agreement, (i)" and insert in lieu thereof "agreement (i)".

(51) In section 304 of the Regional Rail Reorganization Act of 1973 (as amended by section 804 of the bill), strike the quotation marks at the end of subsection (i).

(52) In section 304(e)(4) of the Regional Rail Reorganization Act of 1973 (as amended by section 804 of the bill)—

(A) insert "or" immediately after "local";

(B) in subparagraph (B) thereof, strike out "for operations conducted at a loss" and insert in lieu thereof ", pursuant to paragraph (2) of this subsection, for operations conducted".

(53) In section 804 of the bill, add a period at the end thereof.

(54) In section 402(c)(5) of the Regional Rail Reorganization Act of 1973 (as amended by section 805(a) of the bill), strike out "acquired, (i)" and insert in lieu thereof "acquired (i)".

(55) In section 402(f)(1) of the Regional Rail Reorganization Act of 1973 (as amended by section 805(a) of the bill), insert after the last sentence thereof the following: "Such records shall be maintained for 3 years after the completion of such a project or undertaking.".

(56) In section 402(f)(2) of the Regional Rail Reorganization Act of 1973 (as amended by section 805(a) of the bill), strike out ", until the expiration of 3 years after the completion of the project or undertaking referred to in paragraph (1) of this subsection,".

(57) In subsection (f) of section 17 of the Urban Mass Transportation Act of 1964 (as added by section 808 of the bill), strike out "as follows:" and all that follows through "expended.", and insert in lieu thereof a period and the following new sentence: "There are authorized to be appropriated for liquidation of the obligations incurred under this section not to exceed $40,000,000 by September 30, 1976, $95,000,000 by September 30, 1977, and $125,000,000 by September 30, 1978, such sums to remain available until expended.".

(58) In section 809(c) of the bill, insert a comma immediately after "Act" the second time it appears.

(59) In section 901(8) of the bill, insert a comma immediately after "rolling stock".

(60) In section 905(b)(2)(C) of the bill, insert a semicolon immediately after "(42 U.S.C. 2000d et seq.)".

(61) In the first sentence of section 5(c) of the Department of Transportation Act (as amended by section 401 of the bill), strike out "traffic" each place it appears and insert in lieu thereof "trackage".

(62) In section 209(e)(1) of the Regional Rail Reorganization Act of 1973 (as amended by section 602(b) of the bill), strike out "or" at the end of subparagraph (D).

(63) In section 210(b) of the Regional

Rail Reorganization Act of 1973 (as amended by section 604 of the bill), strike out "$275,000,000, and no additional obligations or proceeds thereof shall be issued or made available" and insert in lieu thereof "$275,000,000. No obligations or proceeds thereof shall be issued or made available after the date of enactment of the Railroad Revitalization and Regulatory Reform Act of 1976".

(64) In the first sentence of section 216 (c)(2) of the Regional Rail Reorganization Act of 1973 (as amended by section 605 of the bill), insert "each" immediately before "direction made".

(65) In section 209(c) of the Regional Rail Reorganization Act of 1973 (as amended by section 607(r) of the bill), strike out "March 11," and insert in lieu thereof "March 12,".

(66) In section 301(e)(1) of the Regional Rail Reorganization Act of 1973 (as amended by section 608 of the bill), insert ", contingent interest notes," immediately after "common stock,".

(67) In section 102(18) of the Regional Rail Reorganization Act of 1973 (as amended by section 610(a)(3) of the bill), add "and" immediately after the semicolon.

(68) In the first sentence of section 306 (b) of the Regional Rail Reorganization Act of 1973 (as amended by section 610(b) of the bill), strike out the comma immediately after "certificates".

(69) In section 306(c)(2) of the Regional Rail Reorganization Act of 1973 (as added by section 610(b) of the bill), strike out "basis" and insert in lieu thereof "date".

(70) In section 306(c)(2)(B) of the Regional Rail Reorganization Act of 1973 (as added by section 610(b) of the bill) strike out "the" the first time it appears and insert in lieu thereof "any".

(71) In section 301(d)(2) of the Regional Rail Reorganization Act of 1973 (as amended by section 611(b) of the bill) strike out "holder" in the third sentence and insert in lieu thereof "holders".

(72) In clauses (i) and (ii) of section 303 (c)(1)(A) of the Regional Rail Reorganization Act of 1973 (as amended by section 612 (q)(1) and (2) of the bill), strike out "a bankruptcy" and insert in lieu thereof "the bankruptcy".

(73) In paragraphs (2) and (3) of section 303(c) of the Regional Rail Reorganization Act of 1973 (as amended by section 612(q) (3) and (4) of the bill), strike out "a bankruptcy" and insert in lieu thereof "the bankruptcy".

Mr. HARTKE. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the concurrent resolution.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. HARTKE. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. HARTKE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of page 15, add the following:

(74) In section 1a(3) of the Interstate Commerce Act (as added by section 802 of the bill) strike out ", but in no event shall exceed 90 days".

Mr. HARTKE. Mr. President, the purpose of this concurrent resolution is to make technical corrections in the enrollment of S. 2718 and send it back to the House, so that it will be corrected appropriately.

Mr. ROBERT C. BYRD. Mr. President, what does the amendment do?

Mr. HARTKE. It deals with changing some wording and striking some wording that should be in the original bill.

Mr. ROBERT C. BYRD. So that it will then carry out the intent of the Senate?

Mr. HARTKE. This was an an inadvertent omission of some language in the House-passed bill.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Without objection, the concurrent resolution is agreed to.

BACKGROUND INFORMATION ON THE 1968 FEDERAL INTERAGENCY DAY CARE REQUIREMENTS

Mr. PACKWOOD. Mr. President, the Congressional Research Service has provided background information on the 1968 Federal Interagency Day Care Requirements. The information provided by them deals particularly with the subject of the staffing ratios.

Mr. President, I request unanimous consent that the CRS study be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE LIBRARY OF CONGRESS,
CONGRESSIONAL RESEARCH SERVICE,
Washington, D.C., January 27, 1976

To: Honorable Robert Packwood.

From: Education and Public Welfare Division.

Subject: Background Information on the 1968 Federal Interagency Day Care Requirements.

The following information is in response to your questions relating to the 1968 Federal Interagency Day Care Requirements.

The Federal Interagency Day Care Requirements were issued in September 1968 with the approval of the Department of Health, Education, and Welfare, the Office of Economic Opportunity and the Department of Labor.

Jule Sugarman, who was head of the Office of Child Development, commented in a statement which was printed with the Requirements that "The Requirements will be supplemented from time to time by Interagency Recommendations issued through the Federal Panel on Early Childhood." He stated further: "The Panel is responsible for revising Standards from time to time and for issuing interpretations of the Standards whenever required."

Thus, in response to our question, these statements would seem to indicate that the writers of the Requirements expected that they would need elucidation and that they would be subject to review by the Panel for possible revisions. These specific procedures apparently were not followed, and no changes in the Requirements have ever been made.

The Requiremnets themselves are broad in scope. They cover all types of day care facilities and include requirements relating to child staff ratios, maximum group sizes, location and suitability of facilities, safety and sanitation, educational services, social services, health and nutrition service, staff training, parent involvement and administration and coordination.

Although other aspects of the Requirements have been the subject of some controversy, the major point of disagreement has been the child-staff ratios required in various types of facilities.

As to your question regarding whether the child-staff ratios which are specified in the Requirements have been the subject of any major study to determine their validity as a measure of quality in child care provided on a nationwide basis, to our knowledge they have not. As you are aware, the Department of Health, Education, and Welfare currently has underway a cost effects study which has as one of its objectives "To determine the effects of different caregiver/child ratios on behavior and development of children in day care centers." The Department has indicated that this study will be the basis for regulations which it may issue as a result of the evaluation of child care standards called for under the social services legislation.

Most persons who have commented on the issue of child-staff ratios have maintained that some requirement is necessary to assure quality child care. However, there has been controversy as to whether the ratios specified in the 1968 Requirements should be universally applied. The following comments relating to the child-staff ratio have been assembled at your request.

ITEM No. 1

[From the CONGRESSIONAL RECORD, Nov. 28, 1973, p. 38400]

STATEMENT BY MS. GWEN MORGAN, CHILD CARE CONSULTANT FOR THE STATE OF MASSACHUSETTS

"Traditional approaches have been to use an arbitrary figure for the staff-child ratio for an age peer group. This does not take into account a number of factors which would affect the staff-child ratio upward or downward in writing requirements. For example, the needed adult-child ratio is affected by (1) the fact that children are not necessarily going to be in groups all the same age; (2) the time of day and type of activity; (3) the size of the center. It is easier to do a good job in a small center where everybody knows each other well, with fewer staff than might be needed in a center of more than 100 children; (4) the number of children in the program who have some special need; (5) the type of program; for example, drop-in centers may require more staff; (6) the involvement of parents and the community.

"In addition to all of those variables which might affect staff-child ratio, and more important than any of the others, is the abilities of the staff. The staff-child ratio needed varies with the experience and skills of the teacher. A skillful teacher can create an atmosphere in which the children themselves are encouraged to relate well to one another and contribute to one another's growth. One good teacher can create this kind of group with ten children, if the center is organized well. Superior teachers might even go beyond this. Some programs will wish to use all skilled teachers, and licensing requirements should not inhibit them from doing this."

A look at the present State licensing requirements should give some indication of the lack of consensus that exists in this area—they presently vary a great deal in what is required for licensing of programs within the various States.

"Perhaps some day the experts can agree on what the perfect adult-child ratio is, but in the meantime there should be room both for experimentation and responsiveness to local needs and situations."

ITEM NO. 2

STATEMENT OF THE HONORABLE STEPHEN KURZMAN, ASSISTANT SECRETARY FOR LEGISLATION, DEPARTMENT OF HEALTH, EDUCATION AND WELFARE, BEFORE THE SENATE FINANCE COMMITTEE, OCTOBER 8, 1975, ON CHILD CARE STAFFING REQUIREMENTS

Since their inception, these standards have evoked controversy among child care professionals and service providers, with shades of opinion ranging across a broad spectrum. There are those who believe that these standards are not strict enough and thus deny children in day care the opportunity to receive effective, quality, safe, and productive services.

And there are those who believe that these standards are far too rigid, are not demonstrably effective, and, if fully enforced, would be counterproductive in that the cost of full compliance would price day care out of the market for significant numbers of the working parents for whom day care services are made available.

As for the Department, while we share the Congress concern that any federally aided day care service be of as good quality and of as reasonable cost as possible, we have long believed that the 1968 FIDCR standards should be reexamined to determine whether they are the most appropriate means to those ends. Thus we argued in 1972, when for the first time Congress insisted that those standards actually be made a matter of law and wrote them into the Economic Opportunity Amendments, and again we argued prior to the enactment of title XX, at the end of last year, 1974, that these standards should not be incorporated into the law, but instead be left open to regulatory amendment following a reasoned study of their effectiveness, their appropriateness and their cost.

We oppose any such measure because we do not believe that either the Department or the Congress has, at this point, sufficient data to decide once and for all what day care staffing ratios and related standards would be most appropriate. Indeed, it was this very uncertainty that lead us and the Congress to agree to authorize the 18-month study of these standards under title XX.

Moreover, we strongly believe, as I noted earlier, that detailed day care standards should not be written into the law, but should instead be left to the Department's regulatory discretion so that adjustments may be made promptly whenever new data and changing conditions indicate that changes would be appropriate.

Mr. KURZMAN. We are saying we are troubled by the complaints on both sides. We are troubled by the fact that States have put up enormous resistance on this, even when offered enormous amounts of money to come into compliance. Great, great infusions of Federal funds were added to this program, so we are troubled by the resistance.

Mr. KURZMAN. Absolutely, Senator. In fact, I might add here, back in 1971, 1972, the Department became very concerned about this, just the point you are raising, that maybe the skill and the interest of the care giver might be relevant to how many you need for how many children. It was because of that, as I see it, the 1972 provision was adopted, freezing us into having the 1968 standards and nothing else. So the Congress has kind of prevented us, up until now, to do the thinking we think is necessary along these lines, and finally, in title XX, did give us the authority to run a study and look into it in a rational, reasonable way, to collect the kind of information we cannot collect, had not been able to collect in the past, to come to some kind of a reasoned judgment.

Mr. KURZMAN. Well, Senator, it is hard to know in advance of doing a study what its outcome will be. We certainly think it is going to help. We will be in a better position than we are today to give you advice on what to do about a problem which obviously, has taken years and years of controversy, and still there is no agreement about what ought to be done. We hope it will lead to some better answers.

You say it is conceivable it will lead to the answers that the Federal Government cannot have a single answer. But until we see what comes back, it is a little difficult to predict.

ITEM NO. 3

AMERICAN ACADEMY OF PEDIATRICS, RECOMMENDATIONS FOR DAY CARE CENTERS OF INFANTS AND CHILDREN, CHAPTER FIVE, STAFFING

"The number and types of adult staff members needed will depend on the kind of program and the child population served (small group, mixed-age grouping, mixed cultural group, or peerage group), on the age range of the children, and on the inclusion of handicapped children. Nearly all written 'standards,' recommendations, or guidelines refer to 'staff-child ratios' and specify these by ages of the children in care. Such arbitrary measuring sticks, translated downward from present practice in public schools and nursery schools, make no allowance for program differences, for staff fatigue in daily 8-hour contact with small children, for different requirements of various kinds of age groupings, or for the necessity to release staff members for 'breaks,' staff conferences, personal sick leave, or in-service training.

"Attention must also be paid to high-intensity or peak-load periods: lunch time or infant-feeding time when more hands and laps are needed, and admitting and going-home times when parent-staff communication is important, contrasted with outdoor play periods or nap time, when a small number of adults can provide supervision for a large number of children.

" 'Overstaffing' should be avoided because of the obvious added cost factor and the fact that adults—especially those with little to do—will tend to talk to each other rather than to the children.

"Experimental and demonstration programs now underway throughout the country will help clarify the complex questions of staff needs. At the present time, rather than prescribe specific child-staff 'ratios,' the Committee recommends that the needs of the children in each center, and especially in newly opened centers, should be defined in relation to the planned program goals through the use of consultation.

"Staff training goals should be carefully planned, implemented, and evaluated. They should include a thorough, consistent approach to the child. These goals should further provide for a sharing of the special skills of each staff member so all the children can profit from the variety of skills available. There should be release time for in-service training, for visiting other centers, for attending community meetings and training sessions, and for attending special courses and regional and national meetings. . . ."

ITEM NO. 4

STATEMENT BY MOZELL HAUSER, DIRECTOR OF THE VILLAGE PLAY SCHOOL IN OKLAHOMA CITY, INTRODUCED TO THE SENATE FINANCE COMMITTEE BY SENATOR BARTLETT

(Before the Senate Finance Committee, October 8, 1975, on child care staffing requirements)

". . . I opened my nursery school in my home with two or three neighbor children who gladly came to play each morning. But, I soon realized that giving my undivided attention to four or five children was not good for them. It made them too dependent on me. I found myself doing things for them when, in fact, they should have been learning by "doing" things themselves. After enrolling more children we found the association was much more challenging and stimulating for all the children and they did not compete for adult attention."

ITEM NO. 5

STATEMENT BY FRANK NUGENT, ADMINISTRATOR, DIVISION OF FAMILY SERVICES, WISCONSIN DEPARTMENT OF HEALTH AND SOCIAL SERVICES

(Before the Senate Finance Committee, October 8, 1975, on child care staffing requirements)

"There must be recognition that added adults do not necessarily result in better programs. Are we playing a numbers game that says if we put more warm bodies in a classroom we will have good care for children, or will we look at personal characteristics, training and experience in selection of staff for day care under Title XX?"

ITEM NO. 6

STATEMENT OF RAYMOND W. VOWELL, COMMISSIONER STATE DEPARTMENT OF PUBLIC WELFARE, TEXAS

(Before the Senate Finance Committee, October 8, 1975, on child care staffing requirements)

"I would contend, and others would join me in claiming, that competence of staff is of equal or greater importance than staff-to-children ratios."

CORRECTION OF THE JOURNAL

Mr. CANNON. Mr. President, I ask unanimous consent that the permanent Journal of the Senate for December 4, 1975, be corrected to show that the proposed regulation of the Federal Election Commission, concerning disclosure, was received by the Senate on December 4, 1975.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT UNTIL 9:15 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 9:15 tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATORS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized tomorrow morning under the standing order, Mr. TOWER, Mr. BAKER, and Mr. CHURCH be recognized, each for not to exceed 15 minutes, with the understanding that they may determine the order in which each of them will be recognized.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION TOMORROW OF THE UNFINISHED BUSINESS, H.R. 8529

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of the orders for the recognition of Senators on tomorrow, the Senate resume consideration of the then unfinished business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, will the Senator kindly include the request that when the unfinished business is laid before the Senate, there be a quorum call?

Mr. ROBERT C. BYRD. Yes.

Mr. President, I ask unanimous consent that when the Senate resumes consideration of the then unfinished business on tomorrow, H.R. 8529, it be determined that a quorum is present.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR MORGAN ON TOMORROW TRANSFERRED TO FRIDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the recognition of Mr. MORGAN be vitiated and that it be transferred to Friday.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 9:15 a.m. tomorrow.

After the two leaders or their designees have been recognized under the standing order, Mr. TOWER, Mr. BAKER, and Mr. CHURCH will be recognized, each for not to exceed 15 minutes, the order of recognition to be determined by those Senators themselves.

Mr. BARTLETT then will be recognized for not to exceed 15 minutes, after which the Senate will proceed to the consideration of H.R. 9803, the child day care center measure.

There is a time agreement on that bill, with a vote on final passage to occur not later than 2 p.m.

Upon the disposition of H.R. 9803 tomorrow, the Senate will resume consideration of the then unfinished business, H.R. 8529, whereupon the Chair will ascertain the presence of a quorum of Senators before the Senate proceeds further.

Rollcall votes may occur during the afternoon and certainly will occur on passage of the child day care center bill, and perhaps on motions and amendments relating to the same.

ADJOURNMENT UNTIL 9:15 A.M. TOMMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 9:15 a.m. tomorrow.

The motion was agreed to; and at 5:36 p.m. the Senate adjourned until tomorrow, Thursday, January 29, 1976, at 9:15 a.m.

NOMINATIONS

Executive nominations received by the Senate January 28, 1976:

NATIONAL COUNCIL ON EDUCATIONAL RESEARCH

The following-named persons to be Members of the National Council on Educational Research for terms expiring June 11, 1978:

Tomas A. Arciniega, of California, vice William O. Baker, term expired.

Chester E. Finn, Jr., of Ohio, vice W. Allen Wallis, term expired.

D. J. Guzzetta, of Ohio (reappointment).

Robert G. Heyer, of Minnesota, vice Charles A. LeMaistre, term expired.

Charles A. Nelson, of New York, vice T. H. Bell, term expired.

CONFIRMATIONS

Executive nominations confirmed by the Senate January 28, 1976:

DEPARTMENT OF STATE

Deane R. Hinton, of Illinois, a Foreign Service officer of the class of Career Minister, to be the representative of the United States of America to the European Communities, with the rank and status of Ambassador Extraordinary and Plenipotentiary.

Joseph A. Greenwald, of Illinois, a Foreign Service officer of the class of Career Minister, to be an Assistant Secretary of State.

Robert Anderson, of the District of Columbia, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Morocco.

Anne Legendre Armstrong, of Texas, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the United Kingdom of Great Britain and Northern Ireland.

(The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before a duly constituted committee of the Senate.)

HOUSE OF REPRESENTATIVES—*Wednesday, January 28, 1976*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Lead me, O Lord, in Thy righteousness because of mine enemies; make Thy way straight before my face.—Psalms 5: 8.

Almighty and Merciful God, who dost reveal Thyself in many ways, deepen within us the sense of Thy presence as we worship Thee in spirit and in truth. Thou art God, the Creator of the world, the Sustainer of life, and the Father of all people. Grant us Thy blessing as we wait upon Thee. Give us courage to continue our struggle for justice, sustain us in our efforts for freedom, and strengthen us that we may never grow weary in our endeavors for peace.

Bless the land of Israel whose leader visits us today. May we join with them and they with us in obeying Thy laws, in keeping Thy Commandments, and in living by Thy Word.

Direct us in all our doings that we may walk firmly in Thy truth until peace shall come and good will live in the hearts of all. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Heiting, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 11510. An act to provide for starling and blackbird control in Kentucky and Tennessee.

The message also announced that the Vice President, pursuant to Public Law 86–42, appointed Mr. HOLLINGS to attend, on the part of the Senate, the Canada-United States Interparliamentary Conference, to be held in Key Biscayne, Fla., January 29 to February 2, 1976.

WELCOME TO ISRAELI PRIME MINISTER YITZHAK RABIN

(Mr. OTTINGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OTTINGER. Mr. Speaker, today it is our honor and privilege to have a joint meeting of the Congress addressed by the Prime Minister of Israel, the Honorable Yitzhak Rabin. This is certainly a historical event as this marks the first time that an Israeli Government official has appeared before both Houses of Congress in the almost 28 years of that valiant nation's history.

It is an interesting fact, Mr. Speaker, that had the Prime Minister's father, Nehemiah Rabin, not left the United States after residing here for 15 years to serve in the Jewish Legion in Palestine during World War I, Mr. Rabin might have addressed this body as a Member rather than as a visitor.

Prime Minister Rabin's career has been marked by many notable achievements. A member of the Haganah at the age of 19, Mr. Rabin served in the elite strike force known as the Palmach. He served with distinction in the Middle East during the Second World War and later fought to defend his nation from the attacks by neighboring Arab States which have continued to the present. For some 26 years Prime Minister Rabin remained in active military service, even though he was an honor graduate of the Kadouri Agricultural Training School and aspired to be an agronomist. Early in his military career he was recognized as one of the best field officers in the new Israeli Army and he has been described as a "brilliant tactician and a great leader of men." This was amply borne out when he led Israel to victory in the 6-day war of 1967. Many of us got to know him personally and learned to respect him when he served with great distinction as Israel's Ambassador to the United States.

With his election as Prime Minister in April 1974, Mr. Rabin became not only the youngest Premier in Israel's history but also the first sabra or native-born Israeli chosen to lead his Government. Since that time Prime Minister Rabin has had to govern during particularly difficult times, confronted by the continuous hostility of the Arab nations and endeavoring to maintain Israel's territorial integrity and its very existence.

I am proud to join in welcoming Prime Minister Rabin this afternoon and in assuring him of the continued support of the American people for the State of Israel, especially during these very troubled times.

CALL OF THE HOUSE

Mr. OTTINGER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McFALL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 22]

Andrews, N.C.
Badillo
Baucus
Boggs
Brown, Mich.
Brown, Ohio
Conyers
Derwinski
Diggs
Dingell
Esch
Eshleman
Findley
Foley
Frey
Giaimo
Gibbons
Goldwater
Hammerschmidt
Harsha
Hawkins
Hébert
Heckler, Mass.
Heinz
Hinshaw
Jarman
Jones, Ala.
Karth
Kastenmeier
Kindness
Leggett
McEwen
McKinney
Madigan
Metcalfe
Michel
Mills
Murphy, N.Y.
Nichols
Patman, Tex.
Patten, N.J.
Quie
Railsback
Rangel
Risenhoover
St Germain
Scheuer
Shriver
Steiger, Ariz.
Studds
Teague
Udall
Wilson, Bob
Winn
Young, Alaska

The SPEAKER. On this rollcall 377 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

RECESS

The SPEAKER. Pursuant to a previous order of the House, the Chair declares a recess subject to the call of the Chair.

Accordingly (at 12 o'clock and 21 minutes p.m.), the House stood in recess subject to the call of the Chair.

JOINT MEETING OF THE HOUSE AND SENATE TO HEAR AN ADDRESS BY THE PRIME MINISTER OF ISRAEL

The SPEAKER of the House presided.

The Doorkeeper (Hon. James T. Molloy) announced the Vice President and Members of the U.S. Senate, who entered the Hall of the House of Representatives, the Vice President taking the chair at the right of the Speaker, and the Members of the Senate the seats reserved for them.

The SPEAKER. The Chair appoints as members of the committee on the part of the House to escort the Prime Minister of Israel into the Chamber the gentleman from Massachusetts (Mr. O'NEILL), the gentleman from California (Mr. McFALL), the gentleman from California (Mr. PHILLIP BURTON), the gentleman from Pennsylvania (Mr. MORGAN), the gentleman from Arizona (Mr. RHODES), the gentleman from Illinois (Mr. MICHEL), and the gentleman from Michigan (Mr. BROOMFIELD).

The VICE PRESIDENT. Pursuant to the order of the Senate, the Chair appoints as members of the committee on the part of the Senate to escort the Prime Minister of Israel into the Chamber the Senator from Mississippi (Mr. EASTLAND), the Senator from Montana (Mr. MANSFIELD), the Senator from West Virginia (Mr. ROBERT C. BYRD), the Senator from Utah (Mr. MOSS), the Senator from Alabama (Mr. SPARKMAN), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Florida (Mr. STONE), the Senator from North Dakota (Mr. YOUNG), the Senator from Pennsylvania (Mr. HUGH SCOTT), the Senator from Michigan (Mr. GRIFFIN), the Senator from Texas (Mr. TOWER), the Senator from Vermont (Mr. STAFFORD), the Senator from New Jersey (Mr. CASE), and the Senator from New York (Mr. JAVITS).

The Doorkeeper announced the Ambassadors, Ministers, and Chargés d'Affaires of foreign governments.

The Ambassadors, Ministers, and Chargés d'Affaires of foreign governments entered the Hall of the House of Representatives and took the seats reserved for them.

The Doorkeeper announced the Cabinet of the President of the United States.

The members of the Cabinet of the President of the United States entered the Hall of the House of Representatives and took the seats reserved for them in front of the Speaker's rostrum.

At 12 o'clock and 35 minutes p.m., the Doorkeeper announced the Prime Minister of Israel, His Excellency, Yitzhak Rabin.

The Prime Minister of Israel, escorted by the committee of Senators and Representatives, entered the Hall of the House of Representatives, and stood at the Clerk's desk.

[Applause, the Members rising.]

The SPEAKER. Members of Congress, it is my great privilege, and I deem it a high personal honor and a pleasure, to present to you His Excellency Yitzhak Rabin, Prime Minister of the State of Israel.

[Applause, the Members rising.]

ADDRESS BY THE PRIME MINISTER OF ISRAEL

Prime Minister RABIN. Mr. Vice President, Mr. Speaker, distinguished Members of Congress, I come to you from Jerusalem with the greetings of my people in this, your Bicentennial Year.

Two days ago, I stood before Independence Hall to pay tribute, in the name of Israel, to the Fathers of the American Revolution. There, I saw the Biblical inscription on the Liberty Bell which is so familiar to me in its original Hebrew:

וקראתם דרור בארץ לכל ישביה

"Proclaim Liberty Throughout All the Land Unto All the Inhabitants Thereof." We, Israel, celebrate with you that great message America proclaimed 200 years ago.

Mr. Vice President, Mr. Speaker, I thank you all for the invitation that has brought me here today, and I appreciate your expressions of welcome.

Standing here, in this great Hall, I am aware that you are the heirs of a two century-old tradition of free government by the people. Free people everywhere acknowledge their debt to your Declaration of Independence which emphasizes the natural right of all peoples to establish governments of their own choosing.

Our declaration of independence, building on that right, adds to it the principle that the Jewish people shall preserve its integrity and restore its national existence in its own land, despite the holocausts of history.

The first principle reflects the essence of the American Revolution, the second the essence of the Zionist Revolution.

The War of 1776 and the War of 1958 were both battles of liberation. What made them into revolutions was the human vision that fired them. It was a vision not only to win freedom, but also to construct new societies in freedom. In our case, it was the revolt of an ancient nation to put an end, once and for all, to homelessness, helplessness, and holocaust. It was the assertion of our right to self-determination, to return to Zion, to reclaim it of the desolation of 20 centuries, to gather in the oppressed of our scattered sons and daughters, and to build there a new society inspired by the values of the old.

This is the Zionist vision.

From the days when John Adams expressed his hope for the return of Jewish independence; from the days when Mark Twain first saw the land of Israel as "a land of ruin;" to the present day—the United States has shown sympathy for this vision. Congress, as the expression of America, has consistently acted to give that sympathy substance. For this, I extend to you the gratitude of the people of Israel.

Israel could well say of itself what Thomas Jefferson said of America:

> Our ancestors possessed a right which nature has given to all men, of departing from the country in which chance—not choice—has placed them, on going in quest of new habitations and of their establishing new societies . . .

When these words were spoken, America was in the midst of its nation building through immigration. It was to continue for another 150 years. We are a century into ours. Our Statue of Liberty is a refugee immigrant barge.

For both of our new societies, immigration became pioneering. Israel's contemporary folk-heroes, like yours, are those

who mastered wastelands and went out to build communities in empty places.

In a society of pioneering, democracy springs from the frontier itself. Our common heritage—founded upon the Biblical ethic—gave the democratic experience its unique expression. It proclaimed the dignity and worth of every individual. Though different in form, our respective institutions share this common objective.

There are all too few nations in the world that uphold these democratic forms and objectives. We are a rather small family. We did not expect to be so a generation ago.

A generation ago, the world was engulfed in a great war. In the contest between nations, it was, perhaps, the greatest of battles between the forces of good against the forces of evil. When it was over, a conscious effort was made to extend the principles of international justice and decency to all peoples, large and small. Its concrete expression was the Charter of the United Nations.

At the generation's end, the United Nations finds itself in crisis. The words of its charter have been abused and devalued. Israel has learned that it can expect no justice from the United Nations in its present form. Its moral resources have been eroded by extortion and appeasement which, again, intrude upon the international scene. None of us in the free world have fared well in this climate.

The present combination of circumstances has placed my own people in the front line. But I believe that the consequences extend to the whole democratic family and, ultimately, to the peace and welfare of mankind. Given the acute political, economic, and social stresses of our times, never has the interdependence of our democratic community been greater.

Benjamin Franklin might well have been speaking of us when he said:

> We must all hang together or we will all hang separately.

I say this as a representative of a small democracy to the representatives of the biggest and strongest of us all. President Ford's leadership is making a crucial contribution to the peace of the world and to the cause of peace in the Middle East. His efforts hold out the hope for a more secure and stable world and a better place for people to live in.

There is no freedom, nor shall there be peace in this world, without a United States, strong and confident in its purpose. World peace rests upon your fortitude. Upon it rests the hope that honest dialog can move forward with societies having other systems of rule. We welcome any form of international dialog to reduce the suspicions and tensions between nations. For in the end, our common cause as democracies is a struggle for mankind and not against any portion of it.

Mr. Vice President, Mr. Speaker, from this rostrum I declare that, however difficult the road, however hard the challenge, and however complex the process, Israel will strive with all its being to contribute to the peace of the world by pressing ahead with its effort for peace **with the Arab countries. This is the driving goal of all our policies.**

We know of your concern and national interest in the stability of our area, and I wish to say to you that we seek to be sensitive to them. I believe that certain steps we have pursued have also contributed to that interest. We see the expression of that interest—through the advancement of the human and economic welfare of the peoples of our region—as a positive development and as a hope for progress toward peace itself.

We express our confidence that such developing ties need not be, and must not be, at the cost of Israel's vital interest of liberty and security. And if, in the pursuit of our shared goals, differences do arise from time to time, then let us recall Jefferson's wisdom that "every difference of opinion is not a difference of principle."

The principle of which I speak is the resolution of a conflict that has lasted too long. Let me share with you my thinking on what has, thus far, stood in the way of a solution to it.

If I were to be asked to state in a word, what is the heart and the core of the Arab-Israeli conflict, I would say this: It is the refusal of the Arab countries to reconcile themselves to the right of existence of one, small, viable, sovereign Jewish State in the land of our people's birth; by Jewish State I mean an independent, democratic society, secular in the equality of all its citizens, Jew and non-Jew alike, before the law, and founded upon historic Jewish values.

By stating this, I am saying that the question of territory, the matter of boundaries, the issue of maps, were not, and are not, the true obstacles to peace.

Twenty-nine years ago, in 1947, we accepted a very truncated, partitioned territory upon which to rebuild our Jewish statehood. It was not because of its shape or size that the Arab leaders rejected that United Nations partition plan. They went to war against us because they rejected our very right to freedom as an independent people.

Against great odds and with much sacrifice, we won our war of independence. The stakes were incredibly high. Defeat would have meant national holocaust and the eclipse of the Jewish people in history.

And just as every war reaps its inevitable tragic crop of refugees, so did the Arab war against Israel produce two refugee problems of almost equal size—an Arab one, and a Jewish one from Arab countries.

After our war of independence, in 1949, we signed armistice agreements with our neighbors. We believed, naively, that these would soon lead to a negotiated peace. They did not. We were ready to settle for the fragile armistice lines as peace boundaries. But, as a matter of principle, the Arabs would not negotiate the end of the conflict because they refused to reconcile themselves to a Jewish independent state.

So, in 1956, another war was imposed upon us. Again we won it. At its end, we agreed to evacuate the Sinai Peninsula. Did Israel's withdrawal from all the territories occupied in the war lead to **peace? It did not even lead to a negotiation.**

So, in 1967, Arab armies again massed along those fragile frontiers that had invited past aggression. Again we won a victory in a war we did not seek.

Then came 1973. Again we were attacked—this time a surprise attack. But this time we were not exposed to those weak armistice lines which our neighbors had recognized only as targets of invasion. Israel now had defensive depth.

Mr. Vice President, Mr. Speaker, until 1967, Israel did not hold an inch of the Sinai Peninsula, the West Bank, the Gaza Strip or the Golan Heights. Israel held not an acre of what is considered disputed territory. And yet we enjoyed no peace. Year after year Israel called for—pleaded for—a negotiated peace with the Arab governments. Their answer was a blank refusal and more war.

The reason was not a conflict over territorial claims. The reason was, and remains, the fact that a free Jewish state sits on territory at all.

It is in this context that the Palestinian issue must be appraised. That issue is not the obstacle to peace as some would suggest. Certainly, it has to be solved in the context of the final peace. But to assert that this is the key to peace, the formula for peace, or the breakthrough to peace, is to misread the realities. It is to put the legendary cart before the horse.

The Palestinian issue began with, and is a product of, the overall Arab posture on the legitimacy of a Jewish State of Israel. Only when that posture changes will the Palestinian issue be constructively and finally tackled.

The clock of history cannot be put back. It was not Israel that prevented the establishment of a Palestinian state in 1947, as the partition plan had proposed. What did prevent it, was the Arab declaration of war on the plan itself, because it called for the creation of a Jewish State.

For 19 years no Arab government saw fit to establish a Palestinian State, even though the west bank and the Gaza Strip were under Arab control. Neither was there a Palestinian demand to do so. In January 1964, the organization that calls itself the PLO was established by the Arab heads of state. Yet, even then, statehood in those territories, then held by Jordan and Egypt, was never the objective. We know what the objective is. It is written large into the Palestinian covenant which is their binding constitution. Every paragraph of it spits out the venom calling for Israel's destruction.

These are the truths that lie at the heart and the core of the Arab-Israel conflict. And, since, to date, the Arab version of peace does not depart from these truths, no honest being can blame us for refusing to cooperate in our own national suicide.

Peace will come when the Arab leaders finally cross the Rubicon from aggressive confrontation to harmonious reconciliation. Then, there is no problem between us that cannot be solved in negotiation. That includes, too, the Palestinian issue, within the geographic and political context of peace with Jordan.

When I say Jordan, I do not discount Palestinian representation in the peace delegation of that country. And when I say geography, I do not discount a negotiation concerning the future final peace boundaries of the territories involved.

For the genuine peace we seek, Israel is ready to give up much and to compromise much on territory. In a negotiation whose sincere shared goal is final reconciliation, we shall go more than half way to assure its success.

Mr. Vice President, Mr. Speaker, a short time ago, from this very rostrum, President Sadat wisely declared: "there is no substitute for direct person-to-person contacts that go deep into the heart of all the problems which invoke our common concern and capture our imagination." I wish that he would direct those words to me as well as to you, the Congress of the United States. I would then know that the work of true peacemaking has finally begun.

I today declare: I am ready to meet with any Arab head of government, at any time and at any place, for the purpose of peace talks.

I do not know when peace will finally come. But of this I am certain: It will be our future strength that will largely determine the resources of peace in our region. Weakness is no prescription for negotiation. If it be perceived that Israel is not weak, so shall our neighbors perceive the wisdom of mutual compromise, reconciliation, and peace.

What, therefore, does Israel propose as the next step in the effort for peace? Israel proposes the reconvening of the Geneva Peace Conference in accordance with the letter of invitation from the U.N. Secretary General to the parties to the conference.

The basis for the conference has to be founded on two fundamental principles—on Security Counsel Resolutions 242 and 338 as they were accepted by Israel and by the other parties and powers concerned. The second principle is that the parties to the conflict must be the parties to the peacemaking process. The negotiations for peace must be conducted between ourselves—the Government of Israel and the neighboring Arab governments.

There are some who tell us that—here and there—a change toward realism is perhaps slowly evolving. I pray there is some truth to this.

Israel is determined to encourage whatever symptoms there may be to move that process along. This is why we entered into the interim agreement with Egypt. We did so to encourage the trend toward greater realism. Our aim in the agreement is to promote conditions of stability and trust which, we hope, will produce, in time, a climate for genuine peace negotiations.

In the light of what I said and under the given conditions of regional tension, the pursuit of this policy calls for taking risks. It has required our making tangible concessions for concessions far less tangible. We have done so because we believe it is necessary to take measured risks not only in case of war but also for the sake of peace.

Thus, in a very few weeks time, the defense forces of Israel will carry out a withdrawal in Sinai. We have already handed to Egypt proper the oilfields on the Gulf of Suez and the coastal link to them. With that, Israel has given up its single oil resource. We have agreed to these measures not in return for peace, not even in return for an end to the state of war. We did what we did in the hope that it will move us some steps closer to peace.

Congress, I know, is familiar with these measures. They are major elements of the recent Israel-Egypt agreement, negotiated through the good offices of the United States. May I say that the limited American civilian technical presence—requested by both parties—and which Congress authorized in the context of this agreement, is a contribution toward the cause of peace. That presence has no function or responsibility in case of war. And I wish to add with emphasis that if a condition of hostilities does arise, I will be the first to call for its removal. This is a matter of fundamental doctrine for Israel. We alone are responsible for our own defense. This is how it has been; this is how it must be. I believe it to be the essence of our political relationship.

Mr. Vice President, Mr. Speaker, throughout the years, we have found here, in Congress, a wisdom and deep understanding of our Nation—building and defense needs and the economic burdens arising from them. But as a people, we turn to ourselves before we turn to others.

The Government of Israel is engaged in a tough program of economic measures.

Last year we reduced private consumption by almost 5 percent, and we will reduce it by another 5 percent this year. We have put on ourselves a heavy burden of taxation. This year the Government will collect in taxes some 70 percent of all our national income. I am told this is almost twice as much as it is in America.

I mention these as only a few of the many examples within a comprehensive economic policy inducing more austerity and higher production. We shall continue this policy—difficult though it be—for this is what we require of ourselves to do.

We, the people of our region, are destined to live together for all time. For never again shall there be a Middle East without the State of Israel.

We shall continue this policy—difficult it be—for this is what we require of ourselves to do.

Peace, not war, is our tradition. We see no glory in battle. I was once a soldier, not by choice but by necessity. I know the horrors of war, the waste, and the agony. I know what peace can bring to all the peoples of our region through open boundaries, projection of economic cooperation, the conquest of disease and the free flow of ideas, people, and products.

Even now, before peace, we declare our readiness to promote its climate by unilaterally opening our ports for the free passage of goods to and from our immediate neighbors.

We open our hospitals to our neighboring sick. We declare open our institutions of research for all the countries in the Middle East, wishing to share knowledge in the fields or agriculture and water development. We, the people of our region, are destined to live together for all time, for never again shall there be a Middle East without a State of Israel.

The going has not been easy and the challenge ahead will not be easy. But we are an old people and there is no sacrifice too great to protect the freedom we have won and the new society we have created. I believe Americans, above all, can understand this truth.

Three hundred years ago, celebrating their first years of survival after much suffering, your pilgrim fathers wrote these lines:

> We have made a clearing in the wilderness; and another year will see a broader clearing, a better garnering. We have made a good beginning in a hostile world.

So do we, the first generation of free Israel, descendants of 2,000 years of unhappy wandering, declare—we have made a good beginning in a rather hostile world.

America has helped us greatly. In loyalty to its founding fathers, this republic of the United States has given tangible meaning to human values in the charting of its policies. By virtue of this, Israel pays you tribute as you enter into the third century of independence.

Permit me to express that tribute to the Congress through the words of an American Jew, a soldier in the Revolutionary War. Jonas Phillips, in 1787, wrote this payer:

> May the almighty God of our fathers Abraham, Isaac and Jacob, imbue this noble assembly with wisdom . . . and may they have the satisfaction to see that their present toil and labor for the welfare of the United States be approved throughout all the world and particularly by the United States of America.

This is the sincere sentiment of friendship Israel brings you this day.

[Applause, the Members rising.]

At 1 o'clock and 9 minutes p.m., the Prime Minister of Israel, accompanied by the committee of escort, retired from the Hall of the House of Representatives.

The Doorkeeper [Hon. James T. Molloy] escorted the invited guests from the Chamber in the following order:

The Members of the President's Cabinet.

The Ambassadors, Ministers and Chargés d'Affaires of foreign governments.

JOINT MEETING DISSOLVED

The SPEAKER. The purpose of the joint meeting having been completed, the Chair declares the joint meeting of the two Houses now dissolved.

Accordingly, at 1 o'clock and 12 minutes p.m., the joint meeting of the two Houses was dissolved.

The Members of the Senate retired to their Chamber.

The SPEAKER. The House will continue in recess until 2 o'clock and 30 minutes p.m. today.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 2 o'clock and 30 minutes p.m.

THE 1974 ANNUAL REPORT ON AGRICULTURAL EXPORT ACTIVITIES UNDER PUBLIC LAW 480 (FOOD FOR PEACE)—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94–352)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on International Relations and ordered to be printed with illustrations:

To the Congress of the United States:

I am pleased to transmit to the Congress the 1974 annual report on agricultural export activities carried out under Public Law 480 (Food for Peace). This program has supported the foreign policy and humanitarian objectives of the United States, providing assistance to alleviate hunger and promoting economic progress in the developing nations.

Throughout the year, the Food for Peace program demonstrated its flexibility in a changing agricultural situation. Because of the continuing tightness of commodity supplies in the United States, shipments during the year were somewhat restricted. This was especially true of wheat and wheat product shipments. However, our food donations to the drought-stricken African countries remained substantial. In both East and West Africa, U.S. food aid represented about 40 percent of the total supplied by the international community. The level of U.S. contributions to the World Food Program and the U.S. voluntary agencies was maintained. Title I concessional sales programs were continued in such countries as Bangladesh, Israel, and Pakistan, and in Indochina. New title I programs were started in Egypt, Syria, and Chile.

The Food for Peace program continues to be a major portion of the overall U.S. foreign aid effort. Concessional sales programs encourage recipient countries to establish self-help objectives, and provide valuable support to economic development. Most of these programs contain provisions for agricultural market development activities, which are being used as conditions warrant, although the need for such activities has lessened because of strong commercial demand. The title II donation program continues its emphasis on improving the nutrition of pregnant and nursing mothers, babies, and preschool children.

As this report indicates, the Public Law 480 program completed its 20th year of operation continuing to perform its vital role in rendering humanitarian assistance to the disaster-stricken, promoting economic development in the poor nations, contributing to the development and expansion of foreign markets for U.S. agricultural commodities, and supporting our foreign policy objectives around the world. It remains a key element of our foreign assistance program and a vital link in the improving economic relations between this country and the developing world.

GERALD R. FORD.

THE WHITE HOUSE, *January 28, 1976.*

CALL OF THE HOUSE

Mr. HALEY. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Without objection, a call of the House is ordered.

There was no objection.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 23]

Adams
Ambro
Andrews, N.C.
Badillo
Bergland
Burke, Calif.
Byron
Chisholm
Clay
Cochran
Conyers
Crane
Diggs
Dingell
Drinan
Eckhardt
Edwards, Calif.
Esch
Forsythe
Fuqua
Gibbons
Goldwater
Hall
Hanley
Harsha
Hébert
Heckler, Mass.
Heinz
Hinshaw
Jarman
Johnson, Pa.
Karth
Kindness
Koch
Landrum
Leggett
Long, Md.
McEwen
Madigan
Meeds
Metcalfe
Mezvinsky
Mitchell, Md.
Moorhead, Pa.
Murphy, N.Y.
Patman, Tex.
Pritchard
Rees
Reuss
Rhodes
Riegle
Rose
Rosenthal
Ruppe
St Germain
Scheuer
Schneebeli
Shriver
Stanton, James V.
Steiger, Ariz.
Symington
Teague
Thornton
Treen
Udall
Waxman
Wiggins
Wilson, C. H.
Winn

The SPEAKER. On this rollcall 363 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PERSONAL EXPLANATION

Mr. SEIBERLING. Mr. Speaker, I wish to make a personal explanation. I missed the vote on the override of the veto of H.R. 8069, the Labor-Health, Education, and Welfare Appropriation Act, 1976, yesterday because I was at a meeting on the Senate side and I did not receive notice that the vote was going on. Otherwise I would have voted to override the veto.

PRINTING OF PROCEEDINGS HAD DURING THE RECESS

Mr. FOLEY. Mr. Speaker, on behalf of the majority leader, I ask unanimous consent that the proceedings had during the recess be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

APPOINTMENT OF CONFEREES ON S. 1617 TO CLARIFY AUTHORITY OF SECRETARY OF AGRICULTURE TO CONTROL AND ERADICATE PLANT PESTS

Mr. FOLEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1617), to clarify the authority of the Secretary of Agriculture to control and eradicate plant pests, and for other purposes, together with the House amendment thereto, insist on the House amendment, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Washington? The Chair hears none and appoints the following conferees: Messrs. DE LA GARZA, BROWN of California, RICHMOND, HARKIN, MCHUGH, D'AMOURS, BRECKINRIDGE, and THONE, Mrs. HECKLER of Massachusetts, and Mr. GRASSLEY.

PERMISSION FOR COMMITTEE ON AGRICULTURE TO FILE REPORT ON H.R. 5808

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until midnight tonight to file a report on the bill (H.R. 5808), Animal Welfare Act Amendments, 1976.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

CONFERENCE REPORT ON S. 2718, RAILROAD REVITALIZATION AND REGULATORY REFORM ACT OF 1976

Mr. STAGGERS. Mr. Speaker, I call up the conference report on the Senate bill (S. 2718) to improve the quality of rail services in the United States through regulatory reform, coordination of rail services and facilities, and rehabilitation and improvement financing and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of January 23, 1976.)

Mr. STAGGERS (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. STAGGERS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this conference report is the result of agreements reached in prolonged negotiations between the House, the Senate, and the administration. I might add that this agreement has been possible only because of the tireless efforts of many Members on both sides of the aisle in both Houses, as well as representatives of the administration all of whom recognized the importance of this legislation to the country as a whole and to the Northeastern United States in particular. This may well be the most important piece of transportation legislation in recent years.

I want to commend all those who participated in the strenuous efforts which were necessary to enable us to bring an acceptable version of this vital legislation to the floor today.

Many of the changes in this report merely correct technical errors made in the rush of adjournment. Many of the substantive changes bring this conference bill closer to the bill passed by the House. For example, the money is substantially reduced, particularly the funds available for the Northeast corridor. This bill also includes a Government Finance Committee, similar to the Government Banking Committee included in the House-passed bill, to exercise some control over the financing of ConRail.

The total money authorized in this conference bill is approximately $6.1 billion. This is a $1 billion reduction from the $7.1 billion authorized in the conference agreement passed in December. That total is broken down as follows:

ConRail, $2.1 billion—same as earlier agreement.

United States Railway Association Loan Authority, $235 million—reduced from $400 million in the earlier bill.

Rehabilitation money, $1.6 billion—this includes $600 million for the purchase of redeemable preference shares under the new trust fund proposal and $1 billion in loan guarantees. This amount is the same as in the earlier bill, except that $200 million for rail passenger service improvement outside the Northeast corridor are included within the $600 million rather than being in addition thereto.

Northeast corridor, $1.6 billion—reduced from $2.4 billion in earlier bill.

Rail continuation subsidies, $360 million—reduced from $400 million in earlier bill. This amount is in addition to $180 million already authorized by the 1973 act.

Subsidies for commuter service, $125 million—same as earlier bill.

Right-of-way conversion projects, $20 million—reduced from $75 million in earlier bill.

Fossil fuel and agricultural rail bank, $6 million—same as earlier bill.

Expenses for Department of Transportation, U.S. Railway Association, Public Counsel, Rail Services Planning Office, $23 million.

Other substantive changes agreed to in this conference bill include the following:

Supplemental transactions. The ICC provides an expedited review of the transactions and ConRail can go to the special court if it objects to the transaction. The earlier bill gave ConRail an absolute veto over any such transaction affecting its properties.

Government Finance Committee. This committee is composed of Secretaries of Transportation and the Treasury and the President of the Board of the U.S. Railway Association and is similar to the Government Banking Committee originally proposed by the House. It has the power to terminate further funding of ConRail, but either House of Congress may disapprove such action within 30 days of continuous session.

Accumulation of interest. Accumulation is permitted only on ConRail debentures and the Government Finance Committee has the power to forgive such interest.

Minority Resource Center. The Center is included in the new bill.

Mr. Speaker, I urge the adoption of this conference report. This is a matter of great economic importance to the country. Every day that we postpone action on this matter means another day of poor transportation in the Northeast and, of course, it affects transportation service in the rest of the country. This bill is a substantial step toward assuring the vitality of U.S. railroads, and will have an enormous impact on the vitality of our entire economy.

Mr. SKUBITZ. Mr. Speaker, I yield 3 minutes to my colleague, the gentleman from Ohio (Mr. DEVINE), the ranking minority member of the committee.

Mr. DEVINE. Mr. Speaker, I want to congratulate all those in this body, in the Senate, and in the administration who have worked long hours under difficult circumstances to produce the bill we have before us today. The Railroad Revitalization and Regulatory Reform Act of 1976 is, in its present form, a piece of legislation which we can all support.

For the first time in many years we have taken the time and expended the courage necessary to completely revamp the regulatory framework for railroads. That act alone would be considered by most students of this field as sufficient for making this piece of legislation of landmark quality.

Under this bill railroads may lower their rates as long as the lowered rate does not affect going concern value. The bill specifically provides that a rate which equals or exceeds variable costs is automatically deemed to have added to going concern value. This rate flexibility on the downside is the greatest given to railroads during this century and for all practical purposes every price decrease will be found to be just and reasonable, unless it violates sections 2, 3, or 4 of the Interstate Commerce Act. Those sections were left untouched by this legislation and have as their purpose the prevention of discriminatory or predatory pricing.

Stated simply, railroads are given the freedom to compete with motor carriers and water carriers, but they are not given the freedom to destroy their competition.

With respect to rate increases, Mr. Speaker, this legislation applies basic economic theory to the practice of railroad ratemaking. Specifically it provides that where a railroad does not have market dominance, it may raise it prices based solely upon market conditions. Where a railroad does have market dominance, which simply means that it has no effective competition, the ICC will continue to regulate rate increases.

In addition to the long-term changes in rate regulation, there is a 2-year experiment which prevents the Commission for all practical purposes from suspending a rate decrease which is less than 7 percent for either of the 2 years. That same provision prevents the Commission from suspending a rate increase which is not a general rate increase if it does not exceed 7 percent during the 6-month period that it takes the Commission to promulgate standards with respect to market dominance.

To insure that regulatory reform is responsive, the bill makes a number of changes in the procedures used by the Interstate Commerce Commission. First of all it makes permanent the Rail Services Planning Office so that the Commission for the first time in its history will have available a permanent planning policy and evaluation unit. Second, the bill creates the Office of Public Rail Counsel. This provision is viewed with some apprehension by many of us, but it is hoped that the functioning of the public counsel will be done in a way that enhances more responsive regulatory reform rather than harassment, delay, or headline hunting. Third, the Commission is directed to modernize its rules of practice and submit them to Congress for approval. The rules of practice and another provision relating to the abandonment process contain definite time limits so that the ICC will no longer be the object of ridicule because of excessive delay.

Not all of the regulatory problems presently affecting the railroad industry can or should be laid at the feet of the ICC. Industry cooperation is needed if a regulatory system is to be truly responsive. With that in mind the committee included a provision in the bill which establishes a uniform accounting system which all railroads must follow. This accounting system becomes essential now that we are entering the era of direct Federal assistance to railroads. In addition, the committee amended the law so as to require that railroads file with the Securities Exchange Commission with respect to the registration or issuance of new securities. Equipment trusts are exempt from this requirement because there are so many of them, and motor carriers continue to be under the regulations of the Interstate Commerce Commission rather than the SEC.

Mr. Speaker, this bill also prohibits discriminatory taxation of railroad property. It is my understanding that some 17 States tax railroad property on a different standard than other property. Some $50 million to $60 million should be realized by the railroad industry as a result of this provision.

Mr. Speaker, today we have 62 class I railroads crisscrossing the country. None of us are sure of the number of railroads which are really needed, nor are we certain of the best structure for possible combinations of railroads. We do know, however, that existing merger procedures are cumbersome, often lack sufficient planning, and generally take too long. The Rock Island merger, for instance, was before the ICC for 12 long years, and by the time the ICC dismissed it, the Rock Island was bankrupt. Title IV of this bill not only improves existing merger procedure but institutes an expedited merger procedure which will be in effect for 6 years. Under the expedited merger procedure two or more railroads can get assistance in planning the mergers from the Secretary of Transportation, and if the Secretary approves, he can intercede in their behalf before the

Commission which must dispose of the case in no less than 2 years.

Mr. Speaker, the most chronic need for the railroad industry is money. As of today there is nearly $9 billion of deferred maintenance of right-of-way. Capital investment in the rail industry is at an all-time low, and many of the innovations which could take place because of technological advance are not undertaken because they cannot be afforded. The money available for rehabilitation and improvement of rail facilities is not as great as it should be in this bill, but it is all we can afford considering our huge Federal deficit; $1 billion is provided for loan guarantees and $600 million is provided as the seed money for a new rail trust fund. The new rail trust fund will purchase preferential shares from railroads, and those preferential shares will have to be repurchased by the railroad over a 30-year period. In effect, this provides 2½ percent money for railroads. I do not know at this time if the rail trust fund concept will be an outstanding success. However, during the next 2 years we will be able to watch it in operation, and it may well become the basis for a permanent method of financing railroad improvements.

Title VI relates to the massive reorganization of the Penn Central and the other bankrupt railroads in the Northeast. As I had previously mentioned on the floor, the differences which had existed between the administration and Congress have been worked out. The bankrupts are reorganized into a new corporation called ConRail. Considerable Federal assistance, including $2.1 billion, and abandonment of many branch lines, give ConRail a good chance for financial success.

The creditors and the stockholders of the bankrupt railroads are guaranteed a return on their investment in the new corporation with certificates of value.

The bill also contains $1.86 billion to develop the Northeast rail passenger corridor, and money is authorized to purchase that corridor should that be necessary. I might add, however, that Amtrak could simply lease the lines which in many ways would benefit ConRail and require less capital investment by Amtrak.

Local service continuation subsidies are provided both for the Northeast and the rest of the country. In my State of Ohio we have a number of lines which will be abandoned. The bill clearly provides that the rail continuation subsidy money may be paid to a responsible person as well as to State agencies. This will enable the continuation of service on many of the lines in my home State. Such money may also be used for the purchase or acquisition of some of those lines, and in some cases that may be the best solution. All of us on the committee were determined that communities served by passenger lines should not be adversely affected by the provisions of this bill. Therefore, the subsidy provisions are designed to ease any impact on local communities.

Mr. Speaker, I am convinced that this bill will represent landmark legislation. It is a comprehensive bill because the problems addressed by it required comprehensive remedies. It is a costly bill because there is no inexpensive, easy solution to the problems facing our Nation's railroads. In the long run, every penny spent in this bill will be returned a hundredfold by the establishment of a financially sound and functionally reliable railroad system.

In the form prior to recommital, I did not sign the conference report and voted against the bill. Now, however, I feel we have worked out the bugs, reduced the dollar amount by over $1 billion, and have assurances it is now acceptable to the President as well as the Secretary of Transportation.

I urge the adoption of the report of the conferees.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. DEVINE. I yield to my colleague from Ohio.

Mr. ASHBROOK. Mr. Speaker, the bill before us is an improvement over the original conference report which included parts that I supported but had an overall price tag that was too high.

This was particularly true for the Washington-Boston Northeast corridor passenger service. This second conference agreement provides $1.9 billion for the corridor instead of the $2.9 billion of the previous bill. The $1.9 billion is still more than is necessary to improve service on this area but at least is a substantial reduction from the previous figure.

With proper management sufficient funds should be authorized by this bill to implement ConRail and thereby to maintain and improve existing service. One of these improvements is the USRA's proposal for a major new block-transfer terminal at Crestline, Ohio. Crestline is a major railroad center which plays an important role in ConRail.

This bill also authorizes funds for continuing service on those lines which were not recommended for inclusion in the final system plan. Many of these lines serve our more rural areas which depend on this service. Many of these areas have encouraged industry to enter their area due in part to available railroad service.

In Ohio there are a number of such areas. The railroad line that serves the area from Howard to Holmesville plays an important role in the economic life of the region. The people in this area have attracted new industry and are continuing to attract it. There is very little alternative to continued rail service.

The subsidization that is authorized by this bill gives the rural areas an opportunity to continue needed rail service. ConRail has the opportunity and responsibility to bring good management and a fresh approach to the whole region.

Mr. STAGGERS. Mr. Speaker, I yield such time as he may consume to the subcommittee chairman, the gentleman from Pennsylvania (Mr. ROONEY).

Mr. ROONEY. Mr. Speaker, the legislation before you is a symbol of the cooperation between the Congress and the Executive that can occur when legislation is necessary for this Nation's well-being. The Congress did not get every provision exactly as it wanted, nor did the executive. However, this legislation represents an excellent piece of rational, well-constructed legislation which will change the transportation policy of this Nation for the remainder of the century.

This legislation is a first in many areas. Those sections concerning the regulation of the rail industry are the culmination of 12 years of work by the Congress. This reform represents basic changes in the 19th century system of Federal regulatory policy. The change is basically from a structure protecting cartels to one providing competition and eventually providing for the development of additional services for the public.

The second area of this reform addresses the Interstate Commerce Commission which is our oldest, and many think our slowest agency. The bill places strict time limits on procedures so we do not have 12-year mergers like the Rock Island that eventually fail; so that we do not have procedures so cumbersome and time lags so great that they cost the rail industry billions of dollars and bring the railroads to collective bankruptcy.

The changes in law to affect the reorganization are significant. The funds which will be infused to make the system work are massive. This action is needed because if the Penn Central and the other bankrupt railroads of the Northeast which comprise ConRail were to stop, almost $80 billion of our gross national product would be affected in a matter of months. ConRail will not only keep the goods moving, it will help reduce unemployment whose cost in welfare checks or unemployment compensation continually increases.

Fourth, the bill provides for the rational development of the Northeast corridor from Boston to Washington.

This is not some high-speed glamour route to be used by only a few people. It will save us the development of new airports in the Boston and New York area. It will reduce our need for building additional highways which take up 26 to 35 times more land space than rail tracks and it will be less degrading to the environment in the Northeast which is already seriously damaged by heavy industry and massive slabs of concrete stretching from Washington to Boston. Corridor trains will help reduce air pollution as they transport billions of people that would normally travel by car on congested highways.

The fifth, and last area of concern for this bill is our assistance for branch lines and commuter service. By maintaining branch lines through Federal subsidy for a period of years, we do not damage the towns and small communities along these lines. We would not force massive social dislocations or create economic disasters, but rather we give the communities a period of years in which either to phase out their rail service or to shift the burden of paying for the cost of the rail service from the Federal Government to the local community that wishes to benefit from continued local service.

This bill not only continues the existing transportation of freight and goods in interstate commerce, but it also develops our most energy-efficient means of freight transportation. The second economic point is that it will reduce unemployment through the creation of a substantial number of jobs. And third, it will save a means of transportation, which in the future will be essential, if the energy and environmental crises continue to threaten the destruction of our fuel supply, air, and land. From an environmental point of view, this is an excellent bill. It is a perfect land use planning bill. The tracks are already there. Nothing has to be done.

The last and probably the most complex theory behind the bill is that because the U.S. Government has entered into a forced conveyance of rail properties to continue this important means of transportation, it must protect the creditors from being deprived of their property without just compensation. ConRail is an income-based reorganization. The Federal Government is putting in $2.1 billion to attempt to save the system. Further, the stock of the corporation still remains with the creditors of the corporation who are present owners. This bill protects the creditors and provides the best hope to revitalize the rail system and avoid nationalization.

Last, there is one point that I would like to discuss in detail.

A critical and essential element of the agreement reached between the Congress and the administration on this historic bill is the well defined distinction between the powers of the Finance Committee and the Board of Directors of the Association.

The administration insisted, and the conferees agreed, that the Finance Committee, subject to congressional review, would have the authority to terminate Federal funding for ConRail under certain specified conditions. The conferees and the administration agreed that the responsibility for setting the terms and conditions for the purchase of ConRail securities was to be held by USRA.

What is at stake here is the assurance that the goals of a private sector solution and an income-based reorganization will not be jeopardized by overly detailed Government interference with the operation of the railroad. For instance, the statement of managers makes clear that the powers given the Finance Committee cannot be construed in such a way as to impose on ConRail any specific operating or rehabilitation plan. The conferees believe that ConRail must be given the flexibility needed to achieve the purposes of the act and the goals of the final system plan.

Part and parcel of the understandings between the conferees and the administration which led to the successful conclusion of the negotiations on the conference report was the fact that the USRA Board of Directors has already approved the basic principles that will guide the Association in determining the more precise terms and conditions for the purchase of ConRail securities. As represented to the conferees by the Department of Transportation and USRA, these basic principles are in accord with the conferees desire that ConRail be given the flexibility in its operations and planning needed to achieve the purposes of the act and the goals of the final system plan. Those basic principles eliminate the possibility that the Government might "run" the railroad, and also reduce the risk that ConRail could be forced into technical bankruptcy caused by the normal variations in business. The conferees feel strongly that the conference report before the House along with the already agreed to basic principles on the terms and conditions for the purchase of ConRail securities strike the proper and appropriate balance between the protection of the Government's interest and the need for a private sector solution based on a successful income-based reorganization.

I urge my colleagues to support this legislation.

Mr. J. WILLIAM STANTON. Mr. Speaker, will the gentleman yield?

Mr. ROONEY. I yield to the gentleman from Ohio.

Mr. J. WILLIAM STANTON. Mr. Speaker, I thank my friend for yielding to me. I take this opportunity to ask the chairman a question concerning a matter in my congressional district.

Mr. Speaker, it is my understanding that the bill contains a provision that we refer to as the P. & L.E. amendment.

Mr. Speaker, during the recess it was brought to my personal attention for the first time that potentially this would have an effect on my friends in the Brotherhood of Locomotive Engineers and others in the railroad industry in Ashtabula, Ohio, if this particular amendment could possibly be construed to mean that the entire operation of this line would be taken over by the P. & L.E.

Mr. Speaker, my friends in the railroad industry up in Ashtabula have been assured verbally that this is not the intention of the P. & L.E. I have pledged to help them to get this in writing. But I wonder if the gentleman would at this time give me some assurance for my friends that this bill will not have a disastrous effect upon them.

Mr. ROONEY. Mr. Speaker, I want the gentleman to know that this amendment was thoroughly considered by the subcommittee, the full committee, and the conference committee. It was concluded that the amendment was necessary for the survival of the P. & L.E. Railroad. I do not believe there should be any adverse effect on the railroad employees. In the event that the P. & L.E. operations necessitate the reduction of ConRail employees, these employees will be fully protected by the terms of this bill.

On the other hand, if the P. & L.E. railroad were not to survive, the employees of this railroad will have no protection.

I therefore believe that the amendment preserving the P. & L.E. Railroad is very worthwhile, and I can assure the gentleman from Ohio that the employees living in that area are protected by this legislation.

Mr. J. WILLIAM STANTON. I thank the gentleman.

Mr. GREEN. Mr. Speaker, will the gentleman yield?

Mr. ROONEY. I yield to the gentleman from Pennsylvania (Mr. Green).

Mr. GREEN. I thank the gentleman for yielding.

The bill as originally adopted by the House would have provided in the new section 303(c)(5) of the Railroad Reorganization Act of 1973 that any State, local, or regional transportation authority was entitled to deficiency judgment protection.

The conference report that we are considering today contains different language. It extends such protection to any "State or responsible person, including a government entity."

Am I correct that the conference committee simply broadened the House language and that "responsible person" is intended to include local and regional transportation authorities?

Mr. ROONEY. Yes, this is correct. Local or regional transportation authorities would be entitled to deficiency judgment protection if such purchase is made pursuant to the final systems plan.

Mr. GREEN. I thank the chairman for both his answer and all of his work on this bill.

Mr. FLOOD. Mr. Speaker, will the gentleman yield?

Mr. ROONEY. I yield to the gentleman from Pennsylvania (Mr. Flood).

Mr. FLOOD. I thank the gentleman for yielding.

Mr. Speaker, the action of the House today in passing the conference report to accompany the railroad revitalization bill is of extreme importance to my congressional district, and is, without doubt, critical to the health of the economy nationwide.

The conference report is being hailed as a "compromise" between the Congress and the President. But one thing I can say without hesitation is that there has been no compromise on the principle of providing a viable and competitive railroad system for the Northeast.

There has been no compromise in providing sufficient funding to allow the proper upgrading of trackage and facilities which will bring new life to freight hauling systems which too long have labored under speed restrictions, scheduling impossibilities, and other noncompetitive burdens. And there has been no compromise in the preservation of the branch lines which service so many communities which would otherwise wither and die from lack of rail service. And there has been no compromise in the retention of the critical rail spurs which service the coal-producing Northeast and which are playing a frontline role in the battle to make our country totally independent in energy. And there has been no compromise in the principle that ConRail should be self sustaining and viable in the years to come.

In principle, then, there has been no compromise.

Why is this so? It is a distinct tribute to the fine leadership and dedication of the chairman of the Transportation Committee, my colleague and friend from Pennsylvania (Mr. Rooney). His foresight and his expertise—in combination with his fellow members of the Interstate and Foreign Commerce Committee—have led this Congress to the point where it has laid the foundation for a new era in rail transportation in the Northeast.

There is much work yet to be done, this we all know. Appropriations, oversight, fine tuning, and so on. But the first steps have been taken, Mr. Speaker, and I believe we are on the right track—figuratively and literally.

Mr. ROONEY. Mr. Speaker, I would like to say that, although the gentleman from Pennsylvania (Mr. Flood) has not served on this committee, he does a very able job on the Committee on Appropriations. He took considerable time and effort to make sure that the committee considered and passed this branch line appropriation that we are going to give to the local governments. I appreciate the gentleman's help.

Mr. MACDONALD of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. ROONEY. I yield to the gentleman from Massachusetts (Mr. Macdonald).

Mr. MACDONALD of Massachusetts. I thank the gentleman for yielding.

Mr. Speaker, I would like to call to the attention of the House the fantastic amount of work that the chairman and the other members of this committee had to put in to come out with this bill. While the bill does not do all of the things that I personally would like to see it do, I would like to compliment our chairman, the gentleman from Pennsylvania (Mr. Rooney) and the subcommittee and its members for having done such a good job.

Mr. SHUSTER. Mr. Speaker, will the gentleman yield?

Mr. ROONEY. I yield to the gentleman from Pennsylvania (Mr. Shuster).

Mr. SHUSTER. I thank the gentleman for yielding.

Mr. Speaker, I rise to compliment the distinguished chairman of the full committee and the ranking minority members for an outstanding job, particularly for their spirit of compromise in bringing this back to the floor. We do have a vital piece of legislation. I think the gentleman is to be highly commended.

Mr. MIKVA. Mr. Speaker, will the gentleman yield?

Mr. ROONEY. I yield to the gentleman from Illinois.

Mr. MIKVA. Mr. Speaker, the Railroad Revitalization and Regulatory Reform Act of 1975 has been described as the last stage of the effort to solve the chronic problems facing the railroad industry. I am unable to agree with this hopeful prognosis. Until we recognize that the difficulties facing the railroads were not caused simply by the relative paucity of Federal rail subsidies, there can be no solution to the industry's ills. The mere injection of huge doses of Federal money which this legislation accomplishes will do no more for the railroads than the innumerable regulations adopted by the Interstate Commerce Commission over the years.

The title of this bill provides the real answer for the rail industry—unfortunately, the bill does not go far enough in reforming the regulatory process or in revitalizing the industry. The primary factor in the decline of the railroad has been the counterproductive regulations adopted by the ICC. The economic future of railroads is in long-range hauling; however, the ICC has persistently adopted regulations that force rail lines into short-range hauling by emphasizing the intraregional market. The rail industry will never be able to develop its capacity as a long-range hauler until the ICC permits railroads to operate on an interregional basis.

The Railroad Revitalization and Regulatory Reform Act of 1975 only contributes to the intraregional focus of the industry. ConRail is no more than an expensive, subsidized version of the type of railroad service which has been demonstrated to be economically unfeasible. Rather than establish another Penn Central, Congress should free the railroads from the policies of the ICC. I was extremely disheartened to read in a recent newspaper story that the ICC is looking forward to renewed activity as a result of the Railroad Revitalization and Regulatory Reform Act. If this prediction is correct, the death knell has been sounded for this legislation. I know of no better proof of the need for much more exhaustive regulatory reform than the balance sheet of the majority of the Nation's railroads. A look at these books reveals declining profitability, increasing bankruptcies, and an astounding record of deferred maintenance.

Although railroad management deserves a considerable portion of the blame for the present sorry state of the industry, it is important to remember that railroads are a regulated industry and the regulatory agency with supervisory power must bear the ultimate responsibility.

I urge the Members of the House of Representatives to consider the past history of railroads under the ICC and imagine what the future will be like so long as the ICC retains its authority. A vote against this measure is not a vote against revitalizing the railroads, it is a vote for true regulatory reform. Money alone cannot cure the industry so long as it is "business as usual" in the Interstate Commerce Commission.

Mr. ENGLISH. Mr. Speaker, will the gentleman yield for a question?

Mr. ROONEY. I will be very happy to yield to the gentleman from Oklahoma.

Mr. ENGLISH. Mr. Speaker, I thank the distinguished gentleman from Pennsylvania.

In the past month or so there has been some confusion about exactly what railroads are covered by the financial assistance provisions of this bill. I know that the gentleman has been in contact with the distinguished Speaker of the House of Representatives concerning the question of how this measure would affect railroads in reorganization.

My understanding is that section 505 of the conference report has been changed to allow railroads currently in reorganization to be eligible for assistance under this act by authorizing the Secretary of Transportation to purchase trustee certificates from a railroad in reorganization. Am I correctly stating the situation?

Mr. ROONEY. Mr. Speaker, the gentleman is correct. As a matter of fact, I wrote to the Speaker on January 20, 1976, and directed my remarks to that question. I include at this point the letter I have just referred to, as follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C. January 20, 1976.

Hon. CARL ALBERT,
Speaker, U.S. House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Thank you for your letter of January 3, 1976, regarding your concern over the eligibility of the Rock Island Railroad to receive financial assistance under Section 505 of S. 2718.

The Subcommittee is aware of the confusion over this section of the bill, and we are planning to clarify the language in the new conference report on S. 2718. For your information, I am enclosing a copy of the redrafted version of Section 505.

I hope this information will be helpful to you. It certainly has never been the intention of the committee to exclude railroads in bankruptcy from obtaining vitally-needed financial assistance. In fact, the whole purpose of the "Railroad Revitalization and Regulatory Reform Act of 1975" is to protect and preserve the interstate rail system.

Please let me know if you have additional questions regarding the conference report on S. 2718.

With kind personal regards,
Sincerely,

FRED B. ROONEY,
Chairman, Subcommittee on Transportation and Commerce.

Mr. ENGLISH. Mr. Speaker, if the gentleman will yield further, many of us in Oklahoma are concerned over the eligibility of the Rock Island Railroad for this assistance. The Rock Island performs vital service, as well as making possible the shipment of hazardous materials to and from the Navy depot in the district of the Honorable Speaker of the House.

Is it the gentleman's understanding that the change made in section 505 will make the Rock Island and other railroads in reorganization eligible for assistance prior to a court-approved reorganization?

Mr. ROONEY. Yes, that is correct.

Mr. ENGLISH. Mr. Speaker, I thank the gentleman very much.

Mr. ROONEY. In conclusion, Mr. Speaker, I would like to commend the very distinguished gentleman from Kansas (Mr. Skubitz) and the gentleman from Ohio (Mr. Devine), along with the chairman of the full committee and all the members of the subcommittee and the conferees, for all the help they have given me in bringing out what I hope today will be a landmark piece of legislation in this country.

I think we must decide today whether or not we are going to rationalize the railroads by passing this legislation or whether in 1980 we are going to nationalize the railroads. Therefore, I urge Members to agree to this conference report.

Mr. SKUBITZ. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina (Mr. Broyhill).

Mr. BROYHILL. Mr. Speaker, I rise in support of this conference report.

As the Members know, I did not vote for the bill which was passed last year. I commend the leadership of the committee and the members of the conference committee for the spirit of compromise they have exhibited in going back to conference and working out a bill which is far more moderate and one which has the assurance of becoming law and of becoming a permanent program.

Mr. Speaker, I am still concerned about one section of this bill, title VIII of the Railroad Revitalization and Regulatory Reform Act of 1976 authorizes a total of $540 million for a 5-year program of rail freight service continuation subsidies for unprofitable rail branch lines that would otherwise be abandoned. This program will be nationwide, with the Federal share of such rail branch line assistance set at 100 percent for the first year, 90 percent for the second, 80 percent for the third, and 70 percent for the fourth and fifth years of the subsidy program. In addition to providing Federal funds for these branch line operating subsidies, title VIII authorizes Federal assistance to be provided for the acquisition and rehabilitation of branch lines by State and local governments, and for the banking of rail lines for future use. It also allows Federal funds to be used for improvements to existing rural roads and bridges in those cases where truck transportation is less economically and environmentally costly than the continuation of rail freight service.

I would like to point out that this program of rail freight service continuation assistance which we are about to approve goes substantially beyond the local rail service assistance program which we passed in title IV of the Regional Rail Reorganization Act of 1973. In title IV, we authorized $180 million for a 2-year program of Federal assistance for branch line operating subsidies for the 17 States in the Northeast and Midwest that comprise the region. The Federal share for each of the 2 years was set at 70 percent. In addition to the Federal grant funds for the operating subsidies, title IV provided Federal loans to cover 70 percent of the cost of acquisition and modernization of rail branch lines by State and local governments.

The $180 million authorized in 1973 plus the $360 million authorized in this bill totals $540 million. Thus the nationwide, 5-year $540 million program of local rail freight service assistance which we are about to approve is quite an expansion of the 2-year, $180 million program for the region which we passed just 2 years ago.

My intent in calling these details to the attention of my colleagues is not to provide a history of the various local rail service assistance programs that we have passed. Rather, I have provided this information to demonstrate that we have responded fully to the problem of branch line abandonment throughout the Nation, and that the fullness of our response poses a serious risk that this 5-year program will become a permanent one.

As all of you know, and I am sure have seen in many instances, once the door is open to Federal assistance for money-losing enterprises it is terribly hard to close, even when there is a clear statutory deadline for that closing. I am sure that you will agree with me that there will be tremendous pressure from the State and local governments and the rail users themselves to continue this subsidy program indefinitely. Such pressure is almost guaranteed by virtue of the fact that the Federal share of the program drops to only 70 percent in the 5th year.

It is thus my purpose today to state clearly for the record that it is not the intent of this body to legislate a permanent subsidy for rail freight services that are not financially viable in the private sector. Such an open-ended subsidy program would represent a serious misallocation of scarce Federal funds, a misallocation which we dare not allow when there are so many other urgent transportation and nontransportation needs before us. The provisions of title VIII of the Railroad Revitalization and Regulatory Reform Act of 1976 represent a nonpermanent program of Federal assistance to enable local rail users to more easily make the transition from uneconomic rail branch line operations to viable local transportation alternatives. The Federal funds which we are providing for the local rail freight service continuation program will be effective only insofar as these funds encourage a shift to economically healthy transportation alternatives, and such shifts can only be encouraged by Federal subsidies that are transitional, not permanent.

Mr. SKUBITZ. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am going to urge the adoption of the report of the conference committee, but before I do, I want my colleagues to clearly understand the somewhat confusing development process attached to this legislation.

As you will recall, an earlier conference report on this same bill was presented to this body prior to the Christmas recess.

At that time I had not signed the conference report, and I urged this body to return the report to conference for additional work.

My suggestion was defeated in this body by a vote of 205 to 155. However, following the acceptance of the earlier conference report by both the House and Senate, the President made it clear that he would veto the bill as written.

Simply stated, the cost was too high. The President was opposed to spending any more money than was necessary for the development of the Northeast Corridor.

Second, he wanted to make certain that the money and structure which was to be used for the establishment of ConRail, be subject to responsible Government oversight.

Third, the President was anxious to have enough flexibility retained so that parts of ConRail could be sold to profitable railroads if such profitable railroads wanted to make the purchase and such rates would be in the public interest.

To prevent a veto the House and the Senate, at the request of our respective Commerce Committees passed a joint resolution which, in effect, returned the conference report to the committee so they could complete their homework.

The result of those negotiations is that the new conference report before you today is vastly superior to the bill presented to this body prior to Christmas.

Not only have accommodations been reached between the views of the President and the views of the conferees, but also numerous errors in the bill, which naturally happened because of the rush for adjournment, now have been corrected.

Mr. Speaker, make no mistake, this is primarily a money bill for the railroads in the Northeast. Most of the money contained in this bill will be used in the Northeast. More than $2 out of every $3 will go to the Northeast. As a Representative from outside the Northeast, I could take a parochial attitude and lament that fact. However, I realize, as I am sure most Members of this body realize, that the greatest problem with railroads in this country exists in the Northeast section of the United States. That problem must be corrected if the railroads and the rest of the country are to enjoy prosperity.

Mr. Speaker, this conference report provides new authorizations for Federal assistance to the railroads totaling $6.4 billion. This amount is substantially less than the $7.6 billion authorized in the earlier conference report.

One of the greatest stumbling blocks in the conference, both before Christmas and during the negotiations following Christmas, was the amount of money which should be invested in the Northeast Corridor. Some have called the Corridor project, "the golden, glorified commuter service of the Northeast."

The administration had originally proposed a $1.1 billion program to upgrade the rail service in the Corridor. This body had recommended $900 million but the conference report of December 18, 1975 contained more than $2.4 billion as a downpayment on a program that could reach $6 to $8 billion to develop a 150 miles per hour rail service in the corridor.

An important compromise has been reached; it provides authorizations of $1.6 billion to achieve reliable rail trip times of 2 hours, 40 minutes between Washington and New York City; and 3 hours, 40 minutes between New York City and Boston.

In committee, on the floor, and in conference I had fought hard for three provisions which are now included in the conference report.

First, I had fought for supplementary transactions. Under the original conference report, the ICC and ConRail could veto action taken by the Secretary to implement a supplementary transaction, thereby eliminating any opportunity to enhance ConRail's profitability.

In this conference report, ConRail no longer has the power to veto supplementary transactions. Now, the Secretary of transportation—or USRA—may initiate additional sales of ConRail property to willing, profitable railroads.

In some cases, ConRail will certainly agree with that transaction and it will immediately take place.

In those cases, however, where ConRail does not agree with a recommended transaction, the matter is referred to the Interstate Commerce Commission, which is given 90 days for review and evaluation of the transfer.

Following the ICC review, the matter is turned over to the special court, and before the special court, ConRail is given full opportunity to voice its objections to the transaction.

If the special court finds that the

transaction is fair, equitable, and in the public interest, it must permit the transaction.

Now, Mr. Speaker, the reason for supplementary transaction is not to dismantle ConRail. On the contrary, it is to insure that ConRail be shaped in a manner so as to maximize its chances for success.

In addition to the disagreement between Congress and the administration over the levels of funding in the first conference report, there was also a seriout dispute over whether the executive branch should control the Federal aid to the railroads.

One subject of controversy was the administration-backed Government Banking Committee, which the administration wanted to oversee the flow of the $2.1 billion in Federal funds to ConRail.

The conference report of December 18 did not adequately create this committee. Moreover, the initial conference report gave to USRA—an independent planning organization, rather than the Government Banking Committee—the authority to forgive repayment of principal and payment of interest and dividends on the Government's investment in ConRail.

The conference report of January 22, now before us, contains a provision for the Finance Committee which the administration views as essential to its acceptance of the bill, but provides for a 30-day review period in which either House of Congress may overturn major decisions which the Finance Committee takes.

Another subject of serious dispute was over who should both control the funding for, and implement, the Northeast Corridor improvement project. Under the original conference report, USRA, and Amtrak, respectively, were given these responsibilities, but under the new report the Secretary of Transportation is given the authority both to fund and to implement the improvements to the northeast corridor.

In this regard it should be pointed out that the joint explanatory statement of the conference committee is incorrect and in obvious conflict with the conference report itself when it states that the National Railroad Passenger Corporation—Amtrak—is to implement the Northeast Corridor improvement project.

Under the statute itself, the Secretary of Transportation is clearly given the responsibility for implementing the project.

The largest single expenditure in the bill, $2.1 billion, involves ConRail. ConRail is to be a new corporation made up of all, or part, of the seven bankrupt railroads in the Northeast. This new corporation is the result of an income-based reorganization.

It was of great debate in the committee as to what, if any, interest should be charged ConRail for the use of this money. I believe the committee on conference has resolved the matter nicely by providing an 8-percent accumulation of interest on debentures and instituting contingent interest notes which are to be paid if ConRail cannot pay the interest. The contingent interest notes would have value only if ConRail should go bankrupt, an eventuality all of us hope does not occur.

Mr. Speaker, the bill contains numerous other provisions which strengthen the Nation's railroad system and provide a better framework for ConRail to operate in. Of particular concern to me was the adoption of a nationwide rail continuation subsidy program so that abandoned railroad lines anywhere in the country could receive the same benefits as those abandoned in the Northeast. There is $360 million new money provided in the bill to provide operating subsidies for rail continuation in the 33 States outside the Northeast. The subsidies are 100 percent for the first year, 90 percent for the second year, 80 percent for the third, and 70 percent for the last two. The authorization is a 3-year authorization, which means we may need to come back to authorize more money later on.

I was also pleased, Mr. Speaker, to see that my proposal for a study related to the effect of conglomerates in the railroad industry on rail transportation itself, is included and the Secretary is directed to report to Congress. It is time that we stop another Penn Central fiasco so that holding companies cannot drain profits for other enterprises at the expense of railroads and their maintenances.

To sum up, Mr. Speaker, the Railroad Revitalization and Regulatory Reform Act of 1976, is now a good bill. I signed the conference report, and will vote for its acceptance. I urge my colleagues to vote for its acceptance also, and I am confident that the President will sign this measure into law.

Furthermore, Mr. Speaker, I want to commend my colleague, the gentleman from Pennsylvania (Mr. Rooney), for the outstanding job that he did in handling this difficult piece of legislation, not only through the subcommittee and the full committee, but on the floor. I am very pleased to be associated with him in this great work.

I do think that we have a good bill; and as I said at one time, one that I do not think is entitled to be treated lightly, and at the same time I do not think that the President ought to kick this one aside.

Mr. STAGGERS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in concluding, I would just like to pay a compliment to the gentleman from Kansas (Mr. Skubitz) for the very conscientious work that he has done on this bill. He has cooperated and worked fully with the majority in trying to work out the differences that we had with the administration. By virtue of the fact that we all worked together, we have been able to work out a bill that is satisfactory, I think, to all parties.

Mr. Speaker, I would also like to compliment the gentleman from Kansas (Mr. Skubitz), the gentleman from Ohio (Mr. Devine), and the gentleman from North Carolina (Mr. Broyhill), because in working together, they have shown us what we can do as a unit for the best interests of the people, and I think that the bill that has been brought to the floor is for the best interests of America.

Mr. SKUBITZ. Mr. Speaker, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from Kansas.

Mr. SKUBITZ. Mr. Speaker, I want to thank the gentleman from West Virginia (Mr. Staggers) for his kind remarks.

I want to assure him that in the work on all legislative matters in the committee, the gentleman has been fair, not only in this instance, but in the consideration of every bill.

Mr. STAGGERS. Mr. Speaker, I thank the gentleman from Kansas (Mr. Skubitz) for his comments.

Just in conclusion, I would say that the whole committee has worked out a bill that is important to America. I believe it is one of the greatest transportation bills that ever came out of the House of Representatives.

Mr. FISHER. Mr. Speaker, the present conference report on the Railroad Revitaliaztion and Regulatory Reform Act of 1975—S. 2718—is a distinct improvement on the earlier conference report. The principal improvement lies in a reduction of $1.2 billion in total funds authorized. This means that certain expenditures to upgrade passenger service will have to be postponed. Much of the additional expenditures, however, would have gone for marginal upgrading especially in train speeds in the Northeast corridor and elsewhere. The importance of cutting expenditures far outweigh these marginal gains in service.

With the continuing recovery from the worst of the economic recession, it is imperative that all proposed bills entailing Government spending and guarantees be scrutinized most carefully so that the Federal deficit can be brought under control. An affirmative vote on this conference report will help in this effort.

Mr. HOWARD. Mr. Speaker, my colleagues on the Committee on Interstate and Foreign Commerce are to be congratulated for the excellent job they have completed on this comprehensive piece of legislation. It has been a long and arduous task.

I am obliged to point out, however, that certain provisions of the bill will have an effect on modes of transportation subject to the jurisdiction of the Committee on Public Works and Transportation. This result has occurred despite the cooperative efforts of both my committee and the Committee on Interstate and Foreign Commerce to rid the bill of effects on transportation modes other than railroads.

Because of the importance of the bill and the need to implement quickly some of its provisions, the Committee on Public Works and Transportation will not object to any of its provisions on jurisdictional grounds. The absence of any such objections, however, is not to be construed as any waiver of its jurisdiction over either nonrailroad modes of transportation or the Interstate Commerce Commission.

Mr. CONTE. Mr. Speaker, it is with extreme pleasure that I rise in support of the conference report to the Railroad Revitalization and Regulatory Reform

Act of 1975 (S. 2718). This legislation represents the formal commitment of the U.S. Government toward rebuilding and restoring this Nation's once thriving rail system. It is so appropriate that this will be done in two distinct manners: First, financial assistance, and second, regulatory reform. It is only a combination of the two which can achieve the desired end. It is most significant that this bill also includes the authorization to begin the monumental startup of ConRail. This bill provides a funding level of $2.1 billion to reorganize seven bankrupt Northeast railroads into one viable corporate status.

I should like to mention that the implementation of ConRail is a matter which affects our national transportation system and not just one geographical area. More efficient, economical and reliable rail freight service in and out of the Northeastern United States can only prove to supplement the efficiency of our whole transportation policy. I should like to point out that the House Appropriations Subcommittee on Transportation has already held hearings on the funding level for ConRail and is prepared to mark up as soon as this legislation is passed.

As ranking minority member of that subcommittee, I pledge to channel all my efforts to see that the funding level provided will assure maximum financial stability for the operation of ConRail. I feel it is the opinion of my colleagues on the subcommittee that ConRail must feel secure in the fact that requests for additional assistance will always be well received.

The projected startup date for ConRail is March 11, 1976. On that date the largest corporate reorganization in the history of finance will take place. It is indeed monumental.

My remarks describing the remainder of the highlights of this legislation are located in the December 17, 1975, Record on pages 41345–41346, and 41396–41397. In these remarks I describe the scheme of loan guarantee and financing available to the bankrupt lines outside ConRail. I wish to reemphasize my desire that they be considered by the Department of Transportation as a clear manifestation of the manner in which the Congress has intended to aid these faltering lines.

During consideration of the House version (H.R. 10979) my amendment to alter ratemaking considerations by the Interstate Commerce Commission was adopted. I am delighted to note that the committee of conference agreed to my amendment and enhanced it further by language to emphasize its intent. Since I was the original author, I should like to clearly restate my interpretation of its effect.

The Conte amendment as modified by the committee is located on page 10 of the conference report:

(b) Section 15a of the Interstate Commerce Act (49 U.S.C. 15a) is amended by adding at the end thereof the following new paragraph:

"(5) The Commission shall, in any proceeding which involves a proposed increase or decrease in railroad rates, specifically consider allegations that such increase or decrease would change the rate relationship between commodities, ports, points, regions, territories, or other particular descriptions of traffic (whether or not such relationships were previously considered or approved by the Commission) and allegations that such increase or decrease would have a significantly adverse effect of the competitive position of shippers or consignees served by the railroad proposing such increase or decrease. If the Commission finds that such allegations as to change or effect are substantially supported on the record, it shall take such steps as are necessary, either before or after such proposed increase or decrease becomes effective and either within or outside such proceeding, to investigate the lawfulness of such change or effect."

As I stated on the floor in support of this amendment originally, this change in the ratemaking criteria at the Interstate Commerce Commission should avoid any future fiasco such as the 3-year-old feed grain case which has been pending before the Commission for over 3 years.

This amendment provides that in a ratemaking proceeding, the Commission, in addition to considering allegations that a rate change would affect the relationship between commodities, ports, and regions, must also consider allegations that the rate change would affect the competitive positions of shippers and consignees.

It is important to note that the Conte amendment would not change any existing law. The provisions of 49 U.S.C. 1(5), 2, 3(1) of the Interstate Commerce Act already mandate that rates shall be just and reasonable; that discrimination of rates between various ports shall be prohibited; and that no carrier or shipper shall receive a preferential advantage over another carrier or shipper with regard to rate structures. The Conte amendment simply clarifies the spirit of these sections of the Interstate Commerce Act. The problem we have today is that these discrimination criteria are only considered when a party to a ratemaking proceeding appeals the propriety of the rate to the Commission. The Conte amendment would require that these discrimination criteria are considered initially by the Interstate Commerce Commission in a ratemaking proceeding, rather than after the fact.

As I stated originally, the Interstate Commerce Commission can only be as effective as the Interstate Commerce Act allows. It is my intention that this clear intent on the part of the Congress to change the ratemaking criteria in 49 United States Code 15(a) of the Interstate Commerce Act will supplement the meaning of 49 United States Code 1(5), 2, and 3(1) and require discriminatory considerations to be considered at the beginning of a ratemaking proceeding instead of "after the fact" by appeal to the full Commission.

It is clear that this is a landmark piece of legislation which is surpassed by no measure ever adopted by any Congress affecting our Nation's transportation system. I am proud to have taken part in its enactment. At this time I should like to commend the gentlemen from Pennsylvania (Mr. Rooney) and Kansas (Mr. Skubitz) who serve respectively as the chairman and ranking minority member of the Interstate and Foreign Commerce Subcommittee on Transportation and their colleagues on that subcommittee for their long efforts which have resulted in the legislation before us today. My appreciation also extends to the distinguished chairman, Mr. Staggers, and all the members of the full committee for a job well done.

Our job is not over, it has merely begun. We must now follow the progress of ConRail with a careful eye to insure that its stability is evermost important.

Thank you, Mr. Speaker.

Mr. METCALFE. Mr. Speaker, I rise in strong support of the conference report to accompany S. 2718, the Railroad Revitalization and Regulatory Reform Act of 1976.

I want to commend the subcommittee chairman, Mr. Rooney, who has worked long and hard to bring this report to the floor. I also want to commend the conferees and the staff.

The conference report deals in a very realistic manner with the railroad crisis which faces this country. This legislative initiative grew out of the realization that the railroads in this country are in bad shape. The bankruptcy of several railroads in the Northeast section of this country was the cataylst which led to the bill before us today. The conditions in the Northeast made us reassess the financial situation of the railroads.

The railroads have been hindered by outmoded regulatory control which permitted, to some extent, the malaise, which existed, to grow. The energy crisis made us focus our attention on the various modes of transportation and on our dependence on foreign sources of energy for some modes of transportation. The realization that the railroads have the potential to be a fast, economical form of transportation in certain areas, forced us to move.

I am especially pleased with section 905, nondiscrimination; and section 906, minority resource center. The Equal Employment Opportunity Commission in its 1973 report on occupational employment patterns in private industry clearly indicates that the hiring practices of the railroad industry leave much to be desired.

Mr. Speaker, at this point I would like to include a letter which I have received from the Chairman of the U.S. Civil Rights Commission concerning this section:

JANUARY 22, 1976.

Hon. RALPH METCALFE,
House of Representatives, Cannon House Office Building, Washington, D.C.

DEAR REPRESENTATIVE METCALFE: I am pleased to respond to your request for my views on the nondiscrimination section (905) of S. 2718 as reported by the Committee of Conference on December 19, 1975. This nondiscrimination provision, in my view, will help to insure that all Americans receive the full benefits of the multibillion dollar program of federal railway assistance authorized by the legislation.

Although Section 905 of S. 2718 generally parallels the prohibition against discrimination set out in Title VI of the Civil Rights Act of 1964, it provides protection in three areas that are not covered by Title VI. First, Title VI of the Civil Rights Act of 1964 does not prohibit discrimination on the basis of sex in federally assisted activities. Second, the protection against discrimination afforded by Title VI does not extend to federal financial assistance in the form of a "contract of insurance or guarantee." Third, Title VI does not apply to employment discrimination except where "a primary objective of the federal financial assistance is to provide employment." Given the potential for sex discrimination in the Railroad Revitalization and Regulatory Reform Act of 1975, given the fact that employment is not the primary objective of the act, and given the fact that loan guarantees constitute a substantial part of the federal assistance authorized by the legislation, a nondiscrimination provision such as the one set out in Section 905 is essential.

Finally, I would simply note that the potential effectiveness of Section 905, like all other statutory prohibitions against discrimination, depends largely upon the manner of its enforcement by the Executive Branch. Given the inadequacies of federal civil rights enforcement which have been documented in the past by the U.S. Commission on Civil Rights, Congress may wish to employ its oversight powers to insure that the nondiscrimination provision of S. 2718 is faithfully and vigorously executed.

Sincerely,

ARTHUR S. FLEMING,
Chairman.

Section 906 establishes a minority resource center within the Department of Transportation. The center will serve as a focal point for an exchange between minority entrepreneurs and businesses and the U.S. Railway Association, the Consolidated Rail Corporation, and the Department of Transportation. Section 906(e) clearly indicates that the term minority includes women.

I would also like to dwell briefly on another point.

Title IV of the Rail Reorganization Act of 1973 has been amended to increase the level of Federal participation in rail service continuation payments to 100 percent in the first year and 90 percent in the succeeding year. The planning responsibilities of the U.S. Railway Association have also been extended.

The clear intent of these changes is to forestall discontinuance of rail service to give the association an opportunity to more fully evaluate, under actual operating conditions, the viability of lines excluded from the basic system. If they are to be properly evaluated, these lines must be given a chance to operate in a fair and nondiscriminating manner.

Arguments negotiated between ConRail and the States with respect to routing of traffic, operating arrangements, service levels, and rehabilitation should reflect this fundamental principle.

Many lines that will be subsidized have historically carried overhead traffic. Such traffic has made up an important portion of the revenue base of these lines and would, under RSPO formulas, continue to contribute to revenues attributed to these lines. In many cases these historical routings have been chosen by shippers because they are most efficient. These routings should remain available to shippers and should not be closed simply because they were not included in the basic system.

With regard to rehabilitation, the act authorizes the States to use portions of their basic entitlement funds to upgrade and maintain subsidized lines. Additional discretionary funds are also available for these purposes. A State choosing to apply those funds in this manner must not be precluded from doing so by administrative action of ConRail. The viability of these lines cannot be tested without upgrading them to track standards which are appropriate to service needs.

Mr. Speaker, I urge adoption of this conference report.

Mr. RHODES. Mr. Speaker, I support the conference report on S. 2718, the Railroad Revitalization and Regulatory Reform Act. I recall that on the final day of the last session, it was necessary for me to report to the House that the President could not accept the previous version of the bill. It has been worked over, constructively, and is now in suitable form to fulfill its purpose of rejuvenating an important segment of our Nation's railroad industry.

The President has indicated that he will sign the measure, which, through dint of hard work by the committee, has been improved in its fiscal and policy provisions. Reorganization of the bankrupt railroads of the Northeast and Midwest involves many highly technical aspects. It is a job that must be approached with care and caution. The new version of the bill has been improved and made more effective.

This is landmark legislation. I would like to commend those who worked on it, Chairman Staggers; ranking minority member on the Commerce Committee, Mr. Devine; and the Chairman and ranking member of the Transportation Subcommittee, Mr. Rooney and Mr. Skubitz. They persevered in the face of exceedingly difficult and complex challenges. This legislation because of its complicated nature, is a compromise, and one that will be pragmatic and do a job for both the public and the railroads involved.

The measure will assure continuation of rail freight service in the northeast and midwest region. Rehabilitation of the railroads will strengthen the economies of the States involved and most importantly will provide opportunity for creation of thousands of jobs for the unemployed and underemployed. It is another step toward development of a balanced transportation policy, a key factor in growth and progress in our economic future.

It will help improve passenger service along the eastern seaboard, an area that needs more convenient and rapid transit between major cities.

Perhaps the greatest achievement has been the spirit of compromise and willingness to serve the public interest. Commonsense and practicality prevailed. Neither the Congress nor the Executive have insisted upon all the provisions that they might have desired in the legislation. Instead of confrontation, the task was approached in a spirit of cooperation. The net result was advancement of the public interest by creating the means for Federal assistance aimed at betterment of rail service. I am hopeful that, as we approach other areas of leigslation, we can continue to work together with the executive branch for the good of the American people.

Mr. STAGGERS. Mr. Speaker, we have no further requests for time, and I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. SKUBITZ. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

Mr. Speaker, I do this because I do feel that a number of Members to whom this bill is important ought to be able to express their views about it through their vote.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 353, nays 62, not voting 17, as follows:

[Roll No. 24]

YEAS—353

Abdnor
Abzug
Addabbo
Alexander
Ambro
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Ashbrook
Ashley
Aspin
AuCoin
Badillo
Baldus
Barrett
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bergland
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burke, Calif.
Burke, Mass.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Cederberg
Chisholm
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conable
Conlan
Conte
Corman
Cornell
Cotter
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
Delaney
Dellums
Dent
Derrick
Derwinski
Devine
Dickinson
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Esch
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Forsythe
Fountain
Fraser
Frenzel
Fuqua
Gaydos
Giaimo
Gilman
Ginn
Gonzalez
Goodling
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hanley
Hannaford
Harkin
Harrington
Harris
Harsha
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Hechler, W. Va.
Heckler, Mass.
Hefner
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Jeffords
Jenrette
Johnson, Calif.
Jones, Ala.
Jones, Okla.
Jordan
Kastenmeier
Kemp
Ketchum
Keys
Koch
Krebs
Krueger
LaFalce
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Long, La.
Long, Md.
Lott
McClory

McCloskey
McCollister
McCormack
McDade
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mann
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Meyner
Mezvinsky
Michel
Miller, Calif.
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reuss
Richmond
Riegle
Rinaldo
Risenhoover
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shuster
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Talcott
Teague
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Whalen
White
Whitehurst
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wright
Wydler
Wylie
Yatron
Young, Alaska
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—62

Allen
Anderson, Calif.
Archer
Armstrong
Bafalis
Bennett
Bevill
Brooks
Burgener
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Chappell
Clancy
Clawson, Del
Collins, Tex.
Conyers
Coughlin
Crane
de la Garza
Ford, Tenn.
Frey
Gibbons
Goldwater
Gradison
Hammerschmidt
Hansen
Ichord
Jacobs
Jarman
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Kasten
Kazen
Kelly
Lagomarsino
Latta
Lloyd, Tenn.
Lujan
McDonald
Mahon
Martin
Mikva
Milford
Miller, Ohio
Montgomery
Mottl
Neal
Nichols
Poage
Roberts
Runnels
Sikes
Snyder
Steiger, Ariz.
Symms
Taylor, Mo.
Taylor, N.C.
Whitten
Yates
Young, Fla.

NOT VOTING—17

Adams
Diggs
Heinz
Hinshaw
Johnson, Pa.
Karth
Kindness
Landrum
McEwen
Metcalfe
Murphy, N.Y.
Rhodes
Rose
Shriver
Udall
Weaver
Winn

The Clerk announced the following pairs:

Mr. Adams with Mr. Heinz.
Mr. Udall with Mr. Karth.
Mr. Diggs with Mr. Winn.
Mr. Rose with Mr. Johnson of Pennsylvania.
Mr. Murphy of New York with Mr. McEwen.
Mr. Metcalfe with Mr. Shriver.
Mr. Landrum with Mr. Kindness.
Mr. Weaver with Mr. Hinshaw.

Mr. DEL CLAWSON and Mr. TAYLOR of North Carolina changed their votes from "yea" to "nay."

Mr. MEZVINSKY changed his vote from "nay" to "yea."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. COUGHLIN. Mr. Speaker, on the above rollcall on the conference report on the Railroad Revitalization and Regulatory Reform Act of 1976, I intended to vote "yea" and thought I had voted "yea." I am, however, recorded as having voted "nay." I ask unanimous consent that this statement be printed at this point in the permanent RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

MAKING TECHNICAL CORRECTIONS IN ENROLLMENT OF S. 2718, RAILROAD REVITALIZATION AND REGULATORY REFORM ACT OF 1976

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the concurrent resolution of the concurrent resolution (H. Con. Res. 533) authorizing the Secretary of the Senate to make corrections in the enrollment of S. 2718.

The Clerk read the concurrent resolution as follows:

H. CON. RES. 533

Resolved by the House of Representatives (*the Senate concurring*), That in the enrollment of the bill (S. 2718) to improve the quality of rail services in the United States through regulatory reform, coordination of rail services and facilities, and rehabilitation and improvement financing and for other purposes, the Secretary of the Senate shall make the following corrections:

(1) In section 15(8)(b) of the Interstate Commerce Act (as amended by section 202 (e) of the bill)—

(A) in clause (i) thereof, strike out "is below" and insert in lieu thereof "exceeds"; and

(B) in clause (ii) thereof, strike out "is it" and insert in lieu thereof "it is".

(2) In section 211 of the bill, strike out "(a)" immediately after "SEC. 211."

(3) In section 212(b) of the bill, strike out "freight".

(4) In section 205(d)(5)(A) of the Regional Rail Reorganization Act of 1973 (as amended by section 309 of the bill), strike out "562(a))," and insert in lieu thereof "562(a)))，".

(5) In section 205(d)(6) of the Regional Rail Reorganization Act of 1973 (as amended by section 309 of the bill), strike out the comma immediately after "determining".

(6) In section 5(3)(e)(iii) of the Interstate Commerce Act (as amended by section 403(a) of the bill), insert a comma immediately after "Labor".

(7) In section 502(b) of the bill, strike out "financing" and insert in lieu thereof "financial needs".

(8) In section 503(a) of the bill, strike out "180" and insert in lieu thereof "90".

(9) In section 503(b) of the bill, strike out "270" and insert in lieu thereof "180".

(10) In section 504(b) of the bill, strike out "480" and insert in lieu thereof "360".

(11) In section 504(b)(3)(B), strike out "Corporation" and insert in lieu thereof "Congress".

(12) Strike out section 505(a) of the bill and insert in lieu thereof the following:

"SEC. 505. (a) TIMING.—Any railroad may apply to the Secretary following the date of enactment of this Act, in accordance with regulations promulgated by the Secretary—

"(1) for such financial assistance as may be approved by the Secretary; and

"(2) for financial assistance for facilities rehabilitation and improvement financing, except that the Secretary shall not act finally on any such application until the date of publication of the final standards and designations under section 503(e) of this title.".

(13) In section 505(b)(2), insert ", except as otherwise provided in subsection (a)(2) of this section" immediately before the period at the end of the first sentence.

(14) In section 505(d)(3) of the bill, strike out "fund" and insert in lieu thereof "Fund".

(15) In paragraphs (1) and (2) of section 505(e) of the bill, strike out "fund" each place it appears and insert in lieu thereof "Fund".

(16) In section 508(c)(3) of the bill, strike out "fund" and insert in lieu thereof "Fund".

(17) In section 505(e) of the bill, strike out "December 31, 1977" and insert in lieu thereof "September 30, 1978".

(18) In section 507(a) of the bill, strike out "December 31, 1977" and insert in lieu thereof "September 30, 1978".

(19) In section 508(b) of the bill, insert "(g)" immediately after "502".

(20) In section 508(e)(5) of the bill, strike out "fund" and insert in lieu thereof "Fund".

(21) In section 511(e)(2) of the bill, strike out "1974" and insert in lieu thereof "1973" and strike out "an dimprove" and insert in lieu thereof "and improve".

(22) In the last sentence of section 512(b) of the bill, strike out "presentation" and insert in lieu thereof "misrepresentation".

(23) In section 209(e)(1)(A) of the Regional Rail Reorganization Act of 1973 (as amended by section 602(b) of the bill), insert "conferred or" immediately after "authority".

(24) In section 210(b)(1) of the Regional Rail Reorganization Act of 1973 (as amended by section 604 of the bill), strike out "(except that such January 1, 1976 date shall not apply to loans made in accordance with section 211(g) of this Act)".

(25) In the last sentence of section 216 (c)(3) of the Regional Rail Reorganization Act of 1973 (as amended by section 605 of the bill), strike out "funding" and insert in lieu thereof "finding".

(26) In section 216(d)(5) of the Regional Rail Reorganization Act of 1973 (as amended by section 605 of the bill), insert "occurring" immediately before "prior".

(27) In section 607(s) of the bill, strike out "in lieu thereof" the second place it appears.

(28) Strike out subsection (t) of section 607 of the bill and insert in lieu thereof the following:

"(t) Section 102(12) of such Act (45 U.S.C. 702(12)), as redesignated by this Act, is amended (1) by inserting immediately before 'which are used or useful' the following: '(or a person owned, leased, or otherwise controlled by a railroad)'; and (2) striking out 'phase' and inserting in lieu thereof 'phrase'.".

(29) In section 603 of the bill, add "'." at the end thereof.

(30) In the first sentence of section 305 (d)(2) of the Regional Rail Reorganization Act of 1973 (as amended by section 610(b) of the bill), insert a comma immediately after "this subsection".

(31) In section 306(c)(4)(C) of the Regional Rail Reorganization Act of 1973 (as amended by section 610(b) of the bill)—

(A) insert immediately after "reorganization" the following: ", or of a railroad leased, operated, or controlled by such a railroad,"; and

(B) strike out "as a result of this Act" at the end thereof.

(32) In paragraph (5) of section 303(c) of the Regional Rail Reorganization Act of 1973 (as added by section 612(f) of the bill)—

(A) insert "to the National Railroad Passenger Corporation," immediately before "to a profitable railroad",

(B) insert "the National Railroad Passenger Corporation," immediately before "such profitable railroad," and "any profitable railroad" each time such phrases appear.

(33) In section 303(b)(5) of the Regional Rail Reorganization Act of 1973 (as amended by section 612(l) of the bill) strike out the quotation marks at the end thereof.

(34) In clauses (i) and (ii) of section 303(c)(1)(A) of the Regional Rail Reorganization Act of 1973 (as amended by section 612(q)(1) and (2) of the bill), strike out "or person".

(35) In paragraph (2) of section 303(c) of the Regional Rail Reorganization Act of 1973 (as amended by section 612(q)(3) of the bill), strike out "or person".

(36) In paragraph (3) of section 303(c) of the Regional Rail Reorganization Act of 1973 (as amended by section 612(q)(4) of the bill), strike out "person" and insert in lieu thereof "railroad".

(37) In the first sentence of section 301(h) of the Regional Rail Reorganization Act of 1973 (as amended by section 612(m) of the bill)—

(A) insert "Liability of Directors.—" immediately after "(h)"; and

(B) strike out "Association" and insert in lieu thereof "Corporation".

(38) In section 303(c)(3) of the Regional Rail Reorganization Act of 1973 (as amended by section 612(q)(4) of the bill), insert a comma immediately after "operated".

(39) In section 613(2) of the bill—

(A) strike out "in paragraph (2)(A), by" and insert in lieu thereof "in paragraph (2) thereof (A) by"; and

(B) strike out "Corporation" the second place it appears.

(40) In section 504(g) of the Regional Rail Reorganization Act of 1973 (as amended by section 615 of the bill), insert "Assumption of Personal Injury Claims.—" immediately after "(g)".

(41) In section 505(a) of the Regional Rail Reorganization Act of 1973 (as amended by section 616(a) of the bill), strike out "such plan." and insert in lieu thereof "such plan, including noncontract employees.".

(42) In section 601(b) of the Regional Rail Reorganization Act of 1973 (as amended by section 618(b) of the bill)—

(A) insert quotation marks before "(b) Commerce,";

(B) in paragraph (1), insert "205" immediately after "11 U.S.C.";

(C) in paragraph (4), strike out "duty of the trustee or trustees of such a railroad to file a reorganization plan" and insert in lieu thereof "requirement that plans of reorganization be filed"; and

(D) in the last sentence of paragraph (4), strike out "if" and insert in lieu thereof "only to the extent that".

(43) In section 703(1)(A)(i) of the bill, strike out "stops; regularly" and insert in lieu thereof "stops; and regularly".

(44) In section 704(d) of the bill, insert "of 1973" immediately after "Act" the second time it appears.

(45) In section 705(i) of the bill, insert a period immediately after "additions.'".

(46) In section 1a(6)(a)(ii)(A) of the Interstate Commerce Act (as amended by section 802 of the bill), insert a comma immediately before "together".

(47) In section 1a(10)(a) of the Interstate Commerce Act (as amended by section 802 of the bill), strike out "include, (i)" and insert in lieu thereof "include (i)".

(48) In section 304(a)(1) of the Regional Rail Reorganization Act of 1973 (as amended by section 804 of the bill), strike out "title 1," and insert in lieu thereof "title,".

(49) In section 304(c)(2)(A) of the Regional Rail Reorganization Act of 1973 (as amended by section 804 of the bill), insert a comma immediately before "together".

(50) In section 304(d)(1) of the Regional Rail Reorganization Act of 1973 (as amended by section 804 of the bill), strike out "agreement, (i)" and insert in lieu thereof "agreement (i)".

(51) In section 304 of the Regional Rail Reorganization Act of 1973 (as amended by section 804 of the bill), strike the quotation marks at the end of subsection (i).

(52) In section 304(e)(4) of the Regional Rail Reorganization Act of 1973 (as amended by section 804 of the bill)—

(A) insert "or" immediately after "local";

(B) in subparagraph (B) thereof, strike out "for operations conducted at a loss" and insert in lieu thereof ", pursuant to paragraph (2) of this subsection, for operations conducted".

(53) In section 804 of the bill, add a period at the end thereof.

(54) In section 402(c)(5) of the Regional Rail Reorganization Act of 1973 (as amended by section 805(a) of the bill), strike out "acquired, (i)" and insert in lieu thereof "acquired (i)".

(55) In section 402(f)(1) of the Regional Rail Reorganization Act of 1973 (as amended by section 805(a) of the bill), insert after the last sentence thereof the following: "Such records shall be maintained for 3 years after the completion of such a project or undertaking.".

(56) In section 402(f)(2) of the Regional Rail Reorganization Act of 1973 (as amended by section 805(a) of the bill), strike out ", until the expiration of 3 years after the completion of the project or undertaking referred to in paragraph (1) of this subsection,".

(57) In subsection (f) of section 17 of the Urban Mass Transportation Act of 1964 (as added by section 808 of the bill), strike out "as follows:" and all that follows through "expanded.", and insert in lieu thereof a period and the following new sentence: "There are authorized to be appropriated for liquidation of the obligations incurred under this section not to exceed $40,000,000 by September 30, 1976, $95,000,000 by September 30, 1977, and $125,000,000 by September 30, 1978, such sums to remain available until expended.".

(58) In section 809(c) of the bill, insert a comma immediately after "Act" the second time it appears.

(59) In section 901(8) of the bill, insert a comma immediately after "rolling stock".

(60) In section 905(b)(2)(C) of the bill, insert a semicolon immediately after "(42 U.S.C. 2000d et seq.)".

(61) In the first sentence of section 5(c) of the Department of Transportation Act (as amended by section 401 of the bill), strike out "traffic" each place it appears and insert in lieu thereof "trackage".

(62) In section 209(e)(1) of the Regional Rail Reorganization Act of 1973 (as amended by section 602(b) of the bill), strike out "or" at the end of subparagraph (D).

(63) In section 210(b) of the Regional Rail Reorganization Act of 1973 (as amended by section 604 of the bill) strike out "$275,000,000, and no additional obligations or proceeds thereof shall be issued or made available" and insert in lieu thereof "$275,000,000. No obligations or proceeds thereof shall be issued or made available after the date of enactment of the Railroad Revitalization and Regulatory Reform Act of 1976".

(64) In the first sentence of section 216(c)(2) of the Regional Rail Reorganization Act of 1973 (as amended by section 605 of the bill), insert "each" immediately before "direction made".

(65) In section 209(c) of the Regional Rail Reorganization Act of 1973 (as amended by section 607(r) of the bill), strike out "March 11," and insert in lieu thereof "March 12,".

(66) In section 301(e)(1) of the Regional Rail Reorganization Act of 1973 (as amended by section 608 of the bill), insert ", contingent interest notes," immediately after "common stock,".

(67) In section 102(18) of the Regional Rail Reorganization Act of 1973 (as amended by section 610(a)(3) of the bill), add "and" immediately after the semicolon.

(68) In the first sentence of section 306(b) of the Regional Rail Reorganization Act of 1973 (as amended by section 610(b) of the bill), strike out the comma immediately after "certificates".

(69) In section 306(c)(2) of the Regional Rail Reorganization Act of 1973 (as added by section 610(b) of the bill) strike out "basis" and insert in lieu thereof "date".

(70) In section 306(c)(2)(B) of the Regional Rail Reorganization Act of 1973 (as added by section 610(b) of the bill) strike out "the" the first time it appears and insert in lieu thereof "any".

(71) In section 301(d)(2) of the Regional Rail Reorganization Act of 1973 (as amended by section 611(b) of the bill) strike out "holder" in the third sentence and insert in lieu thereof "holders".

(72) In clauses (i) and (ii) of section 303(c)(1)(A) of the Regional Rail Reorganization Act of 1973 (as amended by section 612(q)(1) and (2) of the bill), strike out "a bankruptcy" and insert in lieu thereof "the bankruptcy".

(73) In paragraphs (2) and (3) of section 303(c) of the Regional Rail Reorganization Act of 1973 (as amended by section 612(q)(3) and (4) of the bill), strike out "a bankruptcy" and insert in lieu thereof "the bankruptcy".

Mr. STAGGERS (during the reading). Mr. Speaker, I ask unanimous consent that the concurrent resolution be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia for the immediate consideration of the concurrent resolution?

There was no objection.

Mr. STAGGERS. Mr. Speaker, this concurrent resolution merely directs the Senate Enrolling Clerk to make corrections in the enrollment of the Senate bill (S. 2718), to correct clerical and typographical errors in the printed conference report. This is just to make sure that the public law is printed correctly.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report previously agreed to.

The SPEAKER. Is there objection to

the request of the gentleman from West Virginia?

There was no objection.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. **SISK**. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain priviliged reports.

The **SPEAKER**. Is there objection to the request of the gentleman from California?

There was no objection.

RENEGOTIATION ACT AMENDMENTS OF 1975

Mr. **SISK**. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 966 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 966

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 10680) to revise and extend the Renegotiation Act of 1951. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking, Currency and Housing, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The **SPEAKER**. The gentleman from California is recognized for 1 hour.

Mr. **SISK**. Mr. Speaker, I yield 30 minutes to the gentleman from California (Mr. Del Clawson), pending which I yield myself such time as I may consume.

Mr. **SISK**. Mr. Speaker, House Resolution 966 provides for consideration of H.R. 10680 the Renegotiation Act Amendments of 1975.

This resolution provides for an open rule with 2 hours of general debate. It is a simple rule which provides for maximum flexibility in the consideration of this important and complex legislation.

The Renegotiation Act of 1951 has been amended and extended 12 times in the past 24 years. In December, the law was again extended to June 30, 1976. H.R. 10680 would make the Renegotiation Board a permanent agency with increased authority including subpena power and requirements for auditing all filings. Board members are to to appointed for 5-year terms and the administrative authority of the chairman is increased. The bill provides for changes in renegotiation procedures including product line review and accounting methods. Certain exemptions are eliminated and requirements for others are increased. Penalties are stipulated for noncompliance and willfully filing false information. Interest on excessive profits are charged from an earlier date. Changes in the review procedure before the U.S. Court of Claims would presume the Board to be correct in its judgments and puts the burden of proof on contractors who appeal the Board's decisions.

Some of these provisions are considered controversial. As my colleagues are aware, I am sure, this resolution allows amendments to specific provisions of the bill as well as amendments in the nature of a substitute.

Therefore, Mr. Speaker, I urge the adoption of House Resolution 966 in order that H.R. 10680 may be considered.

Mr. **DEL CLAWSON**. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this rule should be defeated even though unencumbered with waivers and, as explained, open to all germane amendments. The basic question is whether the House should consider a bill surrounded with so much controversy. In the last days of the first session of this Congress, the House passed a 9 months' extension of the Renegotiation Act, making it unnecessary to effect changes in the act without a serious attempt to design a bill that does not face the possibility of a Presidential veto.

Mr. Speaker, since I oppose the rule because of the substance of the legislation and not the character of the resolution, there are several questions which were raised in the hearing before the Committee on Rules that I would like to briefly review with Members of the House.

It is my understanding that Public Law 87-653 which became law on September 10, 1962, amends the Armed Forces Procurement Act of 1947 and was supposed to negate the need for the Renegotiation Act itself, yet this bill before us today makes permanent the Renegotiation Board as a Federal Agency.

One controversial section of this bill, section 4, requires renegotiation to be conducted by division and by major product line within a division. A major problem posed in this section seems to be an interpretive problem, a matter of definition and identity of what a product line or division should be. Another is that renegotiating by product line is inherently unfair because it permits the Government to recapture excessive profits on individual product lines while ignoring losses on other lines altogether. The question is appropriately raised that if the Government shares in the profits, should it not also proportionately share in the losses? It is apparent that such a provision is punitive to small business in that small business will be penalized when not allowed to balance losses in one product against profits in another.

Mr. Speaker, the section that shifts the burden of proof upon the contractor is an area of special concern. Why should a contractor, and how should he be expected to, prove his innocence without full knowledge of the manner, method and how the Board determined his guilt?

Section 7 of the bill also requires that contractors pay interest on the so-called excessive profits from the first day of the fiscal year following the year in which they were earned. Past experience reveals that the renegotiation process has been extremely slow, and a contractor never knows until the examination and investigation are completed whether an excess profit exists. Most of these cases have lasted anywhere from 3 to 5 years. Where is equity in such a punitive provision of law?

Mr. Speaker, this is only a partial list of some of my reservations regarding this bill. The exemptions, the audit requirements and other sections are equally in need of revision. Frankly, to entrust all of these necessary changes to the amending procedure of the Committee of the Whole House on the State of the Union, even under an open rule, is a risk and a hazard that is better avoided. The bill should be returned to the Committee for further deliberation and refinement. As I pointed out earlier, with the recent 9 months' extension of the Renegotiation Act already in effect, there is no urgency.

In the event that the House does not defeat the rule, Mr. Speaker, I urge the Members to vote for the Hansen substitute which I understand will be offered. During the amending procedure. As the Republican policy committee has stated in its report:

> This measure contains none of these troublesome provisions. Like the Committee bill, it restructures the Board to make it more efficient and free from political influence, and encourages necessary staffing increases and upgrading. It extends the Board for five years to December 31, 1980, a tenure sufficient to allow better planning and efficiency than its present day-to-day existence.

Mr. Speaker, I urge a "no" vote on the resolution.

Mr. Speaker, I yield 5 minutes to the gentleman from Idaho (Mr. Hansen).

Mr. **HANSEN**. Mr. Speaker, I am unalterably opposed to H.R. 10680 on the grounds that it is both unwise and untimely. It would be desirable if this committee would return this bill to the House Committee on Banking, Currency and Housing for further consideration.

I will not take time to recite our many objections to specific sections of the bill as these are clearly set forth in the minority views in the committee report. However, I urge your attention to these views.

Let me point out, Mr. Speaker, that we have already enacted a 9-month extension of the existing law, which the President has just signed, to enable us to have more time to consider what must be done about this Board.

Mr. Speaker, during our recent recess period, we received the Board's annual report for 1975. All of us who have looked into the Board's activity were aware that it was hopelessly bogged down, but this new report demonstrates that the situation is getting worse.

For example, in 1975 the Board received 3,708 filings but only screened 2,545 cases. In other words, their backlog of unscreened cases increased by 1,163 cases. The backlog of cases in field offices—that is, cases where an excessive profit is thought to be present, increased by 267 cases to a total of 1,309. Mr. Speaker, that is a 25 percent increase in the backlog. It is estimated that filings in the backlog of the Board as of June 30, 1975, represented renegotiable sales of approximately $100 billion.

Mr. Speaker, in fiscal year 1975, not only did the Board fail to make any ground against this tremendous backlog of cases, it made only 52 determinations of excessive profits involving only $27,673,724 before adjustments for Federal taxes. In fact, after adjustments for Federal taxes, the figure drops to $16,797,361.

The backlog problem becomes even more glaring when you recognize that all but 3 of the 52 cases involved fiscal year earnings prior to 1971. In other words, all but 3 of these cases were more than 5 years old.

With a record like this, I think it is time for some action. Instead of heaping more work on the Board which will only increase the backlog, as H.R. 10680 would do, let us provide a means to help it get current and protect the taxpayers of this Nation in the way it was intended.

To this end, Mr. Speaker, you will note in our views on H.R. 10680 that we have supported certain of its provisions designed to improve the functioning of the Board. We have isolated these provisions and reintroduced them as H.R. 10674. If this rule is approved, we intend to offer H.R. 10674 as a substitute. I strongly recommend that we restrict ourselves to the principle of enacting only legislation which will assist the Board in reorganizing and catching up with that massive backlog. During this period, we can and should involve ourselves in a wise and timely consideration of the need for other changes in the renegotiation process such as those proposed in the controversial sections of H.R. 10680.

Mr. DEL CLAWSON. Mr. Speaker, I have no further requests for time, and I reserve the balance of my time.

Mr. SISK. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania (Mr. Flood).

(By unanimous consent, Mr. Flood was allowed to speak out of order.)

VETO OVERRIDE

Mr. FLOOD. Mr. Speaker, I think the Members of the House would like to know that the Members of the other body voted to override the President's veto of the appropriation bill that this House voted to override yesterday.

Mr. SISK. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. MINISH. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 10680) to revise and extend the Renegotiation Act of 1951.

The SPEAKER. The question is on the motion offered by the gentleman from New Jersey (Mr. Minish).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 10680, with Mr. Danielson in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from New Jersey (Mr. Minish) will be recognized for 1 hour, and the gentleman from Idaho (Mr. Hansen) will be recognized for 1 hour.

The Chair recognizes the gentleman from New Jersey (Mr. Minish).

Mr. MINISH. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, during the first session of the 94th Congress, the Subcommittee on General Oversight and Renegotiation of the Committee on Banking, Currency and Housing conducted an indepth analysis of the Renegotiation Act of 1951. We held 7 days of hearings which resulted in over 1,000 pages of published testimony. I introduced H.R. 10680, the Renegotiation Act Amendments of 1975, on November 11 and it was cosponsored by the chairman of the full committee (Mr. Reuss) and the chairman of the Government Operations Committee (Mr. Brooks)—who incidentally had conducted his own inquiry into the Renegotiation Act during the 92d Congress. It was also cosponsored by every member of the majority side of our subcommittee as well as Mr. McKinney from the minority site. H.R. 10680 passed the full committee on December 3, 1975, by a vote of 20 to 7.

For those of you who are unfamiliar with the renegotiation process, let me define and briefly discuss renegotiation. Renegotiation is a process whereby an independent Government agency in the executive branch, known as the Renegotiation Board, reviews certain specified Government contracts in order to determine whether or not a contractor has made an excessive profit. The provisions of the Renegotiation Act apply to all contracts with the Department of Defense, the Departments of the Army, Navy, and Air Force, the Federal Aviation Administration, NASA, and other defense related agencies of the Federal Government.

The basic concept behind the Renegotiation Act is that contractors doing business with defense and defense-related agencies of the Government are not entitled to reap an excessive profit on contracts which relate to the national interest and national security of our country. In determining what constitutes an excessive profit, the Renegotiation Board must consider, and give favorable recognition to:

First. The efficiency of a contractor.

Second. The reasonableness of costs and profits.

Third. The extent of risk assumed.

Fourth. The nature of contribution to the defense effort.

Fifth. Such other factors to insure contractors are treated fairly and equitably.

I would like to now give you a little background on statutory renegotiation. The original Renegotiation Act was enacted in 1942 for a period of 2 years. It was extended in 1944 for 1 year by Presidential proclamation. It expired in 1945 but it was revised in 1948 and extended annually until 1951 when the present Renegotiation Act was passed.

The Renegotiation Act of 1951 was initially passed for only 2 years; however, it has been amended and extended 13 times over the past 25 years. It had been scheduled to expire on December 31, 1975, but during the closing days of the first session we passed a 9-month extension of the act in order to give both this body and the Senate adequate time to consider this comprehensive and much needed reform of the Renegotiation Act of 1951.

Since the Renegotiation Board annually reviews approximately $40 billion in contracts, a great majority of which are awarded on either a sole source or a competitive negotiated procurement basis, it is clear that there is a continuing need to closely analyze those defense-related contracts to insure that the American taxpayer is not overcharged in his investment in our Nation's defense.

Although it is our conclusion that the act of 1951 does not give the Renegotiation Board the basic tools in which to adequately carry out its responsibilities, the Board nevertheless has made excessive profit determinations in excess of $230 million over the past 5 years. Since the inception of the act in 1951, the Board has made excessive profit determinations in excess of $1 billion. It appears to me that it would be unconscionable to allow the act to lapse. Furthermore, it is important that the act become permanent. H.R. 10680 removes the termination date of the Renegotiation Act of 1951, thereby making the Renegotiation Board a permanent agency of the Federal Government. As I stated previously, the act has been amended and extended 13 times since 1951 and we have found that such short-term extensions adversely affect the efficacy of the Renegotiation Board. Frequent short-term extensions of the act have discouraged the development of long-range planning and long-range programs. A temporary Board, whose very existence is scheduled to expire within a relatively short period of time, offers little encouragement for the codification of opinions, and also makes recruiting a professional staff extremely difficult. By making the Renegotiation Board permanent, we believe it will be a much more effective governmental tool in recouping excessive profits in defense-related areas for the Federal Treasury.

I will now briefly summarize the provisions contained in H.R. 10680 and then I will deal in detail with the six most important changes in the act.

H.R. 10680 grants subpena power to the Renegotiation Board and the Regional Boards. This will insure that the Board will have sufficient and adequate information on which to base their decisions. The bill provides for the auditing of information submitted to the Board and it prohibits contractors from estimating profits by using the percentage-of-completion method of accounting. It provides that renegotiation will be conducted by division and major product lines within a division. It provides for staggered and fixed terms for Board members.

In addition, the bill provides civil sanctions for contractors who fail or refuse to file required statements with the Renegotiation Board. The bill requires the GAO to conduct an annual review of the Renegotiation Board. The bill modifies the standard commercial articles exemption and repeals the oil and gas exemption. The bill further provides that in the event of judicial review of a decision by the Renegotiation Board, the burden of proof shall rest with the plaintiff.

I will now explain in detail some of the major provisions of H.R. 10680.

SUBPENA POWER

The Renegotiation Act of 1951 does not provide subpena power for the Board. In testifying before the General Oversight and Renegotiation Subcommittee on July 29, the Chairman of the Renegotiation Board, Mr. Richard Holmquist, submitted the following statement concerning the Board:

> Although the authority to impose a civil penalty for failure to provide information to the Board will be of considerable help in expediting renegotiation proceedings, the Board believes that, in order to guarantee timely access for the Board to all necessary information in the custody of contractors, the power to issue subpenas would be most useful.

We pointed out that in 1974, the Board, with OMB approval, recommended to the Congress that it be granted the power of issuing subpenas enforceable in the district courts of the United States, and that—

> Upon reconsideration, the Board again wished to make the same recommendation.

After closely analyzing the operation of the Board, our subcommittee has concluded that data necessary to properly evaluate whether or not a contractor has made an excessive profit has frequently not been available to the Board. Moreover, the General Accounting Office's study, entitled "The Operations and Activities of the Renegotiation Board," dated May 9, 1975, clearly demonstrated that information provided to the Board was often inaccurate.

We agree with the 1974 and 1975 recommendations of the Renegotiation Board, and the current recommendation of the Joint Committee on Internal Revenue Taxation, that the Renegotiation Board needs subpena power in order to fulfill its legal mandate.

PRODUCT LINE RENEGOTIATION

Section 4(a)(2) of H.R. 10680 provides for renegotiation to be conducted by division and by major product lines within a division. At the present time, the Board reviews the total renegotiable sales of a defense contractor to determine whether an excessive profit had been made. This allows conglomerates or multidivisional companies to escape repaying their excessive profits by merely offsetting excessive profits in one division or product line with lower profits made in a totally different division or totally unrelated product line.

Thus, since the Renegotiation Act allows contractors to average their profits on all renegotiable sales, a contractor can reap excessive profits in one product line and then average its profits with a lower profit in another product line and its resulting average will appear reasonable to the Board. It is obvious to me that the Board cannot operate effectively until profit averaging among unrelated product lines is eliminated. Furthermore, the present system discriminates against the smaller contractors who operate only one product line and who may have only one or two contracts a year with the Government. A single-line small contractor is unable to offset his excessive profits like multidivisionals or conglomerates; thus, the smaller contractor will be subject to the renegotiation process and the multidivisional or conglomerate contractor will avoid the process altogether.

To illustrate the effect "profit averaging" has on renegotiation, we only have to analyze the size of the companies which have been subject to renegotiation determination since 1966. In 1966, of the 100 largest defense contractors, none was subject to renegotiation determinations. In 1967, there was only one subject to renegotiation; 1968, four; 1969, two; 1971, three; 1973, seven; 1974, four.

The Comptroller General stated to us in an October 30 letter that divisional and product line reporting "is a much needed reform in the Renegotiation Act." He further stated that:

> We do not believe the requirement for divisional and product line reporting will create an administrative burden. Most contractors maintain their accounting records on a divisional basis and the incidence of multiple product lines within divisions is not high. Thus, the current wording most closely matches the availability of data. While the Renegotiation Board may wish to issue regulations defining "division" and "major product line within a division," both the FTC and the SEC have already issued regulations in developing its own.

KNOWINGLY FAILING TO FILE AND KNOWINGLY SUBMITTING FALSE INFORMATION

The Renegotiation Act of 1951 does not provide civil sanctions for contractors who fail or refuse to file required statements with the Renegotiation Board. During our hearings, we heard testimony from GAO that over one-half of the refund determinations made by the Board in 1972 involved late filers. GAO pointed out that the Government would have recovered almost one-half million dollars if late filers were charged interest on the period of time they failed or refused to file.

We also had statistics submitted to us from the Board which revealed that over 60 percent of the contractor filings in 1974 were submitted late. It is very clear to me that the filing requirements must be strengthened to insure that contractors' filings are timely. Therefore, we have provided in H.R. 10680 for the imposition of civil penalities on contractors who knowingly fail to file required information. We believe this is necessary in order to insure that defense contractors will comply with the act's filing provision. We have also concluded that the civil sanctions imposed pursuant to the Renegotiation Act should be consistent with the penalties imposed for failing to furnish required information to other Federal agencies.

Based upon a review of numerous other regulatory schemes, we have concluded that a penalty of $100 each day, with a maximum of $100,000, is appropriate for persons who knowingly fail to file any statement, information, records or data with the Renegotiation Board on the required date.

BURDEN OF PROOF

Section 10a provides that defense contractors shall have the burden of proof in appealing renegotiation determinations to the U.S. Court of Claims. From 1951 to 1971, the contractors did have the burden of proof before the U.S. Tax Court. In 1971, however, when jurisdiction of appeals was switched from the Tax Court to the Court of Claims, the Court of Claims rendered a decision which placed the burden of proof on the Government. In rendering this decision, the Court emphasized that Congress had not directed it to follow the 20 years of precedent established in the Tax Court. H.R. 10680 does direct the Court of Claims to follow the precedent set by the Tax Court so that the Government does not have the onerous burden of establishing the existence of excessive profits subsequent to the administrative decision. Once a decision has been made by the Renegotiation Board, there should be a presumption that the decision is correct.

STANDARD COMMERCIAL ARTICLES EXEMPTION

The Renegotiation Act of 1951 presently exempts from the renegotiation process, articles sold by contractors to defense and defense-related agencies of the Government when 55 percent of those articles are sold either to Government agencies not covered under the act or are sold on the commercial market. This exemption involves over $1 billion in renegotiable sales every year.

The rational for this exemption is based on the belief that the price of articles sold on the commercial market will be freely and reasonably established by the competitive free market system. However, in a market where large scale Government procurement is involved, the function of the market along competitive lines is often significantly affected and distorted. Prior to 1968, a contractor had to have 35 percent of his sales as nonrenegotiable in order to qualify for this exemption. In 1968, this percentage was increased to 55 percent. On account of the numerous abuses associated with this exemption, the Joint Committee on Internal Revenue Taxation, the House Committee on Government Operations report, and the Renegotiation Board recommendations of May 27, 1975, all were in favor of repealing the commercial articles and services exemption.

However, after carefully studying this exemption, we have concluded that we should eliminate the abuses rather than repeal the exemption.

In order to remedy the abuses of the commercial articles exemption, H.R. 10680 has:

First, increased the percentage which may be sold commercially to 75 percent.

Second, eliminated the commercial class exemption which allows those articles which are merely of the same class to be exempted.

Third, eliminate from the computation of the 75-percent threshold, any sale to Federal Government agencies which are exempted from renegotiation.

Further, we have concluded that the

Board should study the exemption to ascertain whether or not our method of tightening the exemption will, in fact, eliminate the abuses and will insure that sales to the Government will be properly set by the competitive free market pricing mechanism.

STRUCTURE OF THE RENEGOTIATION BOARD

The Renegotiation Board is presently structured so that each Board member shares equal authority and responsibility in administrative and executive matters. Thus, even though one member has been designated as Chairman by the President, the administrative responsibilities are shared coequally by all five members of the Board. This organizational structure, known as a "plural executive method of management," has been universally acclaimed as inefficient since it does not provide for individual accountability for carrying out executive and administrative functions. In testifying before the Oversight Subcommittee on June 10, Mr. Norman Houston, Board member of the Renegotiation Board, stated that the Board "presently lacks a sense of organizational stability." H.R. 10680 makes the Chairman of the Board the "chief executive officer" of the Renegotiation Board. We found that it was necessary to vest specific administrative responsibilities in the Chairman in order to insure individual accountability. We also concluded that the preparation and revisions of budget estimates and the determinations of the distribution of appropriated moneys according to major programs are such vital duties that they should continue to be shared by the entire Board.

At the present time, the Chairman and each Board member of the Renegotiation Board serves at the pleasure of the President, section 107 of the act provides that:

> The President shall, at the time of appointment, designate one member to serve as Chairman.

In deleting the phrase, "at the time of appointment," we have insured that the President has the authority to designate the Chairman at any time. The legislation further provides that each member shall be appointed for a term of office of 5 years and that not more than three members of the Renegotiation Board may be members of the same party. It is our intention, in providing fixed terms and bipartisan membership, to insure that the Board members have the requisite independence to make decisions unhampered by, and without regard to, outside influences.

In conclusion, I would like to add that the Renegotiation Board is one of the few agencies in the entire Federal Government which actually adds money to the U.S. Treasury. The net effect of H.R. 10680, in terms of revenue and cost, is that millions of dollars in revenue will be returned to the Government. President Ford stated on November 29, 1974, that he wanted to "reinvigorate the Board so as to expand its role in the fight against inflation." H.R. 10680 does, in fact, reinvigorate the Board. It assures contractors who are doing business with defense and defense-related agencies that they will be equitably and equally treated and it also guarantees to the American taxpayer that he is not paying excessively for the purchase of products which relate to the country's national security and national interest.

Mr. HANSEN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am opposed to the passage of H.R. 10680. The gentleman from New Jersey enlists support by setting up big companies as strawmen but his bill will knock off the little guys. There are so many problems with the bill I hardly know where to begin.

We have argued against four or five provisions of this bill since the outset, citing a few major points I would like to review briefly this afternoon.

First, the need for and the thrust of the Renegotiation Act is questionable.

Second, the major impact of the renegotiation process falls heaviest on small business.

Third, the Board's major problems are organizational.

Fourth, H.R. 10680 contains a number of provisions which, no matter how well intentioned, have not been thought out sufficiently and are likely to be more costly and counterproductive than existing provisions of law.

Let me review these items in a little more depth:

Mr. Chairman, there are many of us who feel that the time for the Renegotiation Act which was born during wartime mobilization has passed.

With the numerous new laws such as truth in negotiation which have been passed to safeguard against waste in purchasing, with tax laws that recapture half of any profit, and with the return of peacetime competition, the need for renegotiation is greatly diminished, if not gone.

Be that as it may, we are supporting a limited extension of the act. Still we are concerned about the mandate this Congress gives to the Board. In a recent report, December 31, 1975, the GAO points out that military purchase regulations are concerned with "reasonableness of price" while the Renegotiation Board is concerned with "reasonableness of profits." What actually happens is that the military agrees to a contract at a price they know is reasonable and the Renegotiation Board turns right around and takes some of that profit away. The effect of this kind of foolishness is to penalize efficient producers, driving them out of Government competition and, ultimately, it increases costs and reduces the quality of goods for the Government.

Mr. Chairman, do you realize we do not even define excessive profits in the law? It is impossible for a contractor to know what is expected of him. If you review the list of companies against whom excessive profits determinations are made, you will see that most are against smaller companies producing fairly routine items such as clothing, hardware, wooden boxes, et cetera.

I am convinced that our concern should be that the Government receives these items at fair competitive prices. So long as it does, there is no waste of taxpayers' money. Unfortunately, under the mandate the Board currently has, an efficient producer who can meet competitive prices and still make a good profit must renegotiate and see some of that profit confiscated. I regret to say that our committee has declined to get involved in clarifying this problem, but I am unalterably opposed to broadening the Board's authority, as H.R. 10680 would do, until we clarify the Board's mission.

Mr. Chairman, I think it is important that we avoid demagoguery and view this issue in a proper perspective We hear a lot about massive profits of large corporations in the industrial military complex. You are asked to vote for the committee bill to correct this problem. Unfortunately, there is no relationship between these stories and the facts. Let me quote you what the GAO has to say.

On pages 41 and 42 of the committee report, we quote a GAO study of profits of defense contractors. These show clearly that profits are lower on defense contracts than on comparable commercial business—9.9 percent on regular business but only 4.3 percent on DOD business.

We now have a new GAO report dated December 31, 1975 that shows clearly that the major impact of renegotiation falls heaviest on smaller companies.

GAO has just completed a review of 526 rulings on excessive profits covering the determinations made during fiscal years 1970–73. Seventy-six percent involved contractors with annual sales below $10 million, 74 percent had sales below $5 million. More amazing is the fact that 63 percent had renegotiable profits of less than $800,000.

Mr. Chairman, most of these companies are just not in a position to cope with the onerous provisions of H.R. 10680. If you pass this bill, you are going to be putting a lot of small businesses out of business. I think we need these companies and they, in turn, need profits to grow. With everyone concerned about unemployment, this is sure not the time for this kind of legislation.

As we have previously noted, this Board is in trouble. What it needs is bailout legislation, not burying legislation. I am pleased the administration has agreed and supports our substitute which is designed to assist the Board to do a better job. I think it is important to recognize that when Mr. Holmquist, the Board Chairman, testified on the committee proposal that many of his objections referred to the unnecessary extra work it would require.

For example, in discussing his objections to product line reporting, he concluded by saying:

> Finally, the proposal would undoubtedly increase by a significant factor the work of both the Board and contractors subject to the Act.

In discussing the proposal for interest on excessive profits, he stated:

> Should the pending proposal be enacted, the Board would at least recommend that it be enacted with a delayed starting date in order to give the Board time to clean up its sizable backlog. In the absence of such a delayed effective date, all contractors involved in a refund determination within the next several years would be unfairly penalized by the inability of the Board to process their cases expeditiously.

I quote this passage to emphasize that

this is no time to give the Board extra work, but I would note that our committee chose to ignore this plea for equity.

But going on about the work added by the bill, the Board had this to say about the requirement for audits of all financial statements:

> To require that every financial statement be subjected to a detailed audit is . . . unnecessary, impractical, immensely burdensome, and contrary to accepted administrative practice. . . . The Board cannot now visualize all the difficulties that would be entailed in a detailed audit of some 3,000 to 4,000 financial statements and supporting materials on an annual basis.

Of course, your committee also ignored this sensible advice and now presents you with a bill which heaps mountains of additional work on a Board already 5 years behind in its deliberations.

Mr. Chairman, our substitute bill contains none of the provisions which increase the Board's workload. It does contain those provisions we all agree are necessary to restructure the Board and improve its functions. We are not suggesting that there should not be some changes in the Board's basic authorities. We do think they are broad enough that a properly structured and properly functioning Board can do a far more effective job than it is now doing. Given the tremendous backlog of work now on hand, we strongly recommend adoption of our substitute. There is ample time to consider other changes while the Board is catching up.

Our real concern with H.R. 10680 is that it makes major changes in renegotiation procedures and imposes such onerous requirements and penalties on defense contractors that we believe it will be counterproductive. We are convinced these provisions, if enacted, will actually make it more difficult and costly for the Government to obtain the goods and services it needs.

We are also concerned that while the bill's proponents seek to limit the profits of large diversified defense contractors, the effects will fall heaviest on small businesses and with devastating results.

We would like to discuss some of these concerns in more detail.

Section 4 of H.R. 10680 rewrites section 105(a) of the Renegotiation Act. This section sets forth the procedures for carrying out renegotiation. The general rule set forth in existing law makes it clear that the determination of "excessive profits" will be made through a process of negotiation and renegotiation between the contractor and the Renegotiation Board. While the Board has the right in the final analysis to make a decision with which the contractor disagrees, it is clear that Congress intended that every effort should be made to negotiate, as equals, a decision which is mutually agreeable.

The proposed bill changes this general rule. While still granting the contractor the right to be heard, the concept of negotiating an agreement is abandoned. In fact, the Board is implicitly encouraged to make a decision and get it over with. To make things worse, section 11 of the bill states that any such decision will be presumed to be correct and that the burden of proof will be on the contractor should he seek to appeal it in the Court of Claims.

These provisions clearly put the Board in a position to coerce any contractor it chooses. The effect on small contractors who cannot afford prolonged legal fights will be devastating.

Section 4 also requires renegotiation to be conducted "by division and by major product line within a division." As we have pointed out repeatedly, this would be costly and counterproductive if it is workable at all. Certainly, it is unfair to take away profits from the profitable contracts and make no adjustments on unprofitable contracts.

The majority makes the argument that renegotiating by product line is a protection for small businesses. We submit that their reasoning is incorrect.

Furthermore, if there is a need for the kind of protection they seek it would be better achieved through the antitrust laws than by imposing this burden on all business.

Of course, we do not attempt to define what a product line is. This we leave to the much maligned Board. And with good reason—we do not know how to define it.

Section 4 also prohibits use of the "percentage of completion" method of accounting while permitting the "ship and bill" method. As the Board points out, either one can result in variability in the rate of profit from year to year and that these variances can occur under a conservative but acceptable accounting policy. It is also pointed out that IRS permits the "percentage of completion" method, hence it is used by many contractors. Prohibiting its use for renegotiation will result in many contractors having to institute new accounting procedures merely for renegotiation.

All in all, Mr. Chairman, we think section 4 is seriously deficient. The problems it addresses do not merit the costly and confusing remedy it purposes. We seek its defeat and have omitted it from our substitute.

Section 5 repeals or modifies a number of standard exemptions. We are frank to say that we are not convinced by any testimony we heard that these changes are needed. They will increase the Board's workload and subject a number of firms to renegotiation who have previously been exempt.

To repeal the exemption for standard commercial services is like admitting that our purchasing agents are totally inept or, worse yet, to suggest that our free enterprise system is a failure. Personally, I reject these notions and return to my contention that if the Government gets what it needs at a fair competitive price, there is no excess profit.

Section 7 would require that contractors pay interest on excessive profits from the first day of the fiscal year following the year in which they were earned. This is just another example of the excesses of this bill. I know that others intend to speak about the inequities of this provision so I will only say that I left it out of our substitute.

Section 10(c) provides that every financial statement submitted to the Board either for the purpose of renegotiation or to establish an exemption from renegotiation shall be verified by an audit performed by the Board. This is duplicative, unnecessary, expensive and is destined to have explosive results. It should be recognized that the Board presently has the authority to require an audit when it deems it necessary, and exercises that authority. It does not need or want this provision.

Mr. Chairman, I could comment on a couple more provisions of H.R. 10680 that the Board/or other agencies feel are unnecessary and undesirable. However, I think I have said enough to make it clear why we have urged more study of some of the provisions of H.R. 10680.

For the benefit of Members who are not on our committee, I would like to point out that we made a strenuous effort to amend this bill in committee but were continuously voted down. Much of our concern stems from the fact that there were only 2 days of hearings on the actual bill and these took place within 2 weeks of its introduction. It has become increasingly obvious that there are many legitimate concerns about the provisions we have discussed here today. The issues are complex and we cannot rewrite this legislation here on the floor. For this reason, we are offering our substitute bill. We are in agreement with the majority on the provisions of the substitute. We ask your support of it. The other sections we would like to see go back to the Committee on Banking, Currency and Housing to be studied for some future action.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield on that point?

Mr. HANSEN. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, is it not true, to follow the gentleman's point, that we have no real definition either in this law that is proposed, or in the present law, of "excessive profits," as the gentleman has stated; but further than that, when we tried to cope with this issue in the committee, a majority of the committee saw fit to turn down an attempt to really try to provide some guidelines to a determination of what an "excessive profits" really is. Yet under this legislation, the Renegotiation Board is required to make a determination of what "excessive profits" are when we really do not have a definition.

Does not the gentleman think it is unfortunate that our committee did not accept this responsibility to at least try to find better guidelines for "excessive profits?"

Mr. HANSEN. Mr. Chairman, I agree with the gentleman from California. The definition is unclear. The bill originally included in the title the words "excess profits", and because of confusion or inability to define it, it was dropped.

Mr. ROUSSELOT. The gentleman is correct. I want to compliment my colleague, who has been the ranking Member of this subcommittee, for the time and effort that I know both the gentleman from Idaho and the chairman of the subcommittee, the gentleman from New Jersey (Mr. MINISH), were devoted to making sure we had some hearings on the subject.

Mr. Chairman, I want to compliment

both the gentleman from Idaho and the gentleman from New Jersey for the time they gave to making sure that all Members of the committee had a chance to bring people in to testify on the various ramifications.

Mr. HANSEN. I thank the gentleman from California.

Mr. MINISH. Mr. Chairman, I yield such time as he may consume to the gentleman from Maryland (Mr. MITCHELL).

Mr. MITCHELL of Maryland. Mr. Chairman and my colleagues, I think we need to get some facts straight about this act. If we were to put any Government agency on a scale to rate it from zero to 100, any fair, just, equitable rating of the Renegotiation Board would, at best, place it at about 10 points.

We have had an ineffective instrumentality of Government insofar as the Renegotiation Board is concerned. There are reasons for that, of course. I think the Congress must take part of the blame. All we did was year after year to simply extend the act, and we did that 10 or 12 times, as far as I know. I think the Board must take a part of the responsibility. I think that the Executive branch must take a part of the responsibility for the dismal performance turned in by the Renegotiation Board.

But let us forget now about placing the burden and assessing the blame for what went wrong in the past. I think we must consider how we can take an ineffective board and make it an effective instrumentality of government.

Mr. Chairman, that is exactly what our bill is intended to do. If we doubt that the Board has been ineffective in the past, let us examine just this one fact: that according to testimony from the Board before our committee, there is a grand total of in excess of $90 billion in contracts, most of them defense contracts, dating back to 1967, that have never been examined by the Board in terms of whether there were any excess profits. Is that any indication of the effectiveness of the Board?

If the Members doubt that my charges that the Board has been ineffective are correct, let us just bear in mind the facts presented before our committee and before our subcommittee, namely, that a disproportionate burden fell on the small businesses, as far as the Board was concerned, and the big companies, the big defense contractors, remained practically immune from any kind of consideration by the Board as to any kind of determination as to whether excess profits have been made.

The question has been raised about the lack of a definition of "excess profits" in our legislation.

I would suggest that this area is treated, and I would further suggest that the members of the committee who raise a question about the definition of excess profits perhaps should have fashioned a definition that would have made good sense and which could have been acted on by all the members of the committee. I say that because I know their sagacity and wisdom and ability to handle words well. However, to the best of my knowledge, this did not transpire.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. Not just at this point, Mr. Chairman. I will yield to the gentleman in just a moment, because I know he has some enlightening statements to make about the defining of excess profits.

However, we do deal in our bill with a definition of excess profits.

H.R. 10680 does not provide for any substantive change in the definition of what constitutes excess profits. Section 103(e) of the Renegotiation Act provides a very general definition of excess profits, and it was the opinion of the majority of the members of the committee that that definition should remain general.

The Supreme Court in its landmark decision in Lichter against United States which upheld the constitutionality of the Renegotiation Act agrees with us. The court in that case stated as follows:

> It is not necessary that Congress supply administrative officials with a specific formula for their guidance in a field where flexibility and the adaptation of the congressional policy to infinitely variable conditions constitute the essence of the program.

That is exactly what we have in terms of renegotiation. All of the variables that must be taken into account obviously constitute the essense of the work of the Renegotiation Board. In determining excess profits, the Board must consider and give favorable recognition to several factors, and those are as follows:

First. The efficiency of the contractor;

Second. The reasonableness of costs and profits;

Third. The extent of the risk assumed;

Fourth. The nature of the contribution to the defense effort; and

Fifth. Such other factors to insure contractors are treated fairly and equitably.

I would suggest, Mr. Chairman, that that is enough at this stage for the Board to do its job and do it well.

It is a very curious thing to me that so many agencies of Government in the long, drawn-out testimony on this matter, hammered away at the idea and hammered away at the theme that the Board must be reinvigorated. The President has said so; the Attorney General's office has been in on the act.

Everybody who has been in on the act was concerned about reinvigoration of this important board. However, all of a sudden, there has been a turnaround on the part of some governmental agencies; and there is a big press on right now just to accept a watered-down, relatively meaningless kind of legislation as a substitute for a significant bill that would get to the very problems of the Renegotiation Board.

I do not understand it except that this is a very political year in which we now find ourselves.

I would like to deal with the idea that has been set forth, and wrongly, in my opinion, about the length of time that would be required for auditing under the provisions of our bill.

Originally we did have in the bill that there should be a detailed audit. To the best of my knowledge, during the long period of time when we discussed this bill back and forth, we removed the language that called for a detailed audit and substituted therefor an audit.

I think it is wrong to suggest that we are calling for a detailed audit. We retreated on that. We changed the language. Therefore, indeed, something has been, unwittingly perhaps, misrepresented to this body.

In conclusion, I would like to just speak to the matter of hearings. There were 5 days of hearings on this bill. All elements were permitted to come in and out, to testify pro or con. Then it was assumed that this was not enough, and an additional 2 days were given for hearings, all-day-long hearings.

This bill has been more than adequately treated in terms of the hearing process.

Mr. Chairman, I would respectfully suggest that we need the bill. No. 1, if we pass the bill, we will be complying with the President's first thoughts about reinvigorating the board. No. 2, we will be looking at a mechanism by means of which we can retrieve moneys due and owing to the Federal Government at a time when the Committee on the Budget that this House set up is very interested in the amount of revenue coming back into Government.

Mr. Chairman, this is a good bill. It is going to hurt some people because they are going to be required to abide by the law. They are going to be required to be exact. It is going to hurt because they are going to scream and yell about unfair burdens being placed upon them simply because we are asking an agency, a board, to do the job that it was originally set up to do and that it has never done.

Mr. Chairman, I would hope that our bill will pass and pass overwhelmingly. Not only is it good for the board itself, but it is also good for the entire economy of this Nation.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate my colleague's yielding.

On the issue to which the gentleman addressed himself, with respect to which my colleague, the gentleman from Idaho (Mr. HANSEN) and I spoke a moment ago relating to a better definition of "excessive profits," as my colleague, the gentleman from Maryland (Mr. MITCHELL), will recall, there was an amendment offered—I offered it—to try to provide some guidelines to the definition of "excessive profits" by saying in an amendment—and I may offer it again—that the Renegotiation Board would be required to look at the profits on an average basis in comparison with the profits which the Board finds would have been earned under normal, competitive conditions. If the profit exceeded 110 percent of that normal profit in that type of industry, that, in fact, would become a guideline, and the Board would then consider that an "excessive profit."

I am sorry that the committee turned that amendment down because at least it would have given an indication on the part of the House, and we may still do it, of how "excessive profits" should be determined, and the Board would be allowed to set up guidelines and rules relating to such a provision.

Therefore, there was an attempt to get some type of definition into the bill. I am not saying that that concept was perfect.

Mr. MITCHELL of Maryland. Mr. Chairman, I recall very well the gentleman's valued efforts to give us a workable definition of "excessive profits." I recall also that it was voted down.

Mr. ROUSSELOT. Yes, it was.

Mr. MITCHELL of Maryland. In the voting down of it, apparently, if my memory is correct, there had been some consultation with members of the Board who felt that that definition did not give them sufficient flexibility.

May I just comment a bit further?

Mr. ROUSSELOT. Certainly.

Mr. MITCHELL of Maryland. I agree with my colleague, the gentleman from California, that in the committee that we sought to try to make a valiant effort to come up with a tight definition of excess profits. We did not do it. Although we strained mightily, we did not come up with one. Therefore, the best recourse was to fall back on what we had, the kind of language which is presently in the bill.

Perhaps—and I repeat—perhaps that the gentleman in introducing his definition on the floor during the amending process, it may well be that between now and tomorrow morning the gentleman may find some other methods of tightening it up even further. My problem is that I do not want to try to deal with a definition that somehow or other straitjackets the operation of the board.

Mr. ROUSSELOT. Mr. Chairman, if the gentleman will yield further, the reason I believe that our definition would be very acceptable, I believe that the gentleman from Maryland will recall that during the hearings—and we did have 7 days of hearings, and I have already complimented the chairman for giving us 2 extra days so that others could testify as to what the impact of this legislation is likely to be upon contractors and taxpayers—in the findings and conclusions given us by the General Accounting Office, there is a report of an extensive survey on profits by contracts let by the Department of Defense, and in one of their more recent reports, that of March 17, 1971, they had this to say:

> Profit before Federal income taxes, on defense work, measured as a percentage of sales, was significantly lower than on comparable commercial work for 74 large DOD contractors included in the GAO study. For example, profits on DOD contracts averaged 4.3 percent of sales over the 4 years, 1966 through 1969, but profits on comparable commercial work of the 74 contractors averaged 9.9 percent of sales for the same period.

The point I am trying to make is that I think that the formula I suggested of 110 percent of the normal profit in industry is a reasonable position to take, and it would give the Board the flexibility to make the recommendations and guidelines that would be needed to apply this standard and the Board would base its findings on the marketplace. A clearer standard is needed because we have really not defined what "excessive profits" are, and that is what this bill is all about.

Mr. MITCHELL of Maryland. If the gentleman from California will let me recapture my time?

Mr. ROUSSELOT. Certainly.

Mr. MITCHELL of Maryland. I think this is a matter that must obviously be fully debated tomorrow, and I am certain some of the Members will, even though other Members may not be able to be here.

Mr. ROUSSELOT. Yes, that is right, some of the Members have to get out of here Thursday night.

Mr. MITCHELL of Maryland. However, that has never been a problem for this gentleman, who is always prepared to stay until 2 a.m.

But, be that as it may, might I suggest with reference to the gentleman's statement, and the example of the defense contracts, that I think that is a marvelous example of what is indeed transpiring; and I will not yield further to the gentleman from California. However, I want to know whether or not they included an example of those contractors whose gross value are in excess of $90 billion who have never even been examined by the Renegotiation Board dating back to 1967.

Again I thank the gentleman for yielding me this time.

Mr. MINISH. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Texas (Mr. PATMAN).

Mr. PATMAN. Mr. Chairman, there is no question in my mind that the Renegotiation Board is one of the most important safeguards of the public interest today. Everyday we hear more reports of corporate mismanagement, excessive profit-taking, massive cost overruns, and even conflicts of interest involving corporation officials and Government contractors. The people of this country seriously doubt the wisdom of the Government and this Board can help restore that lost confidence. It should use every possible means to perform that task. And through the splendid efforts of our colleague JOE MINISH, the chairman of the General Oversight and Renegotiation Subcommittee of the Banking Committee, the Renegotiation Board will have those means. He fought hard and long to move this bill through the committee.

The Renegotiation Act is a safeguard against unconscionable corporate rip-offs and windfall profits. It is not the ascertainable dollar savings that really count here. It is the fact that the Board exists. The very existence of the Renegotation Board has saved untold millions of dollars. Neither this nor any other country can survive in the world of competitive armaments if it does not produce efficiently and without malfeasance. The Renegotiation Act is our strong and best line of internal protection against the avarice of giant corporations and multinational firms.

Mr. HANSEN. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois (Mr. HYDE).

Mr. HYDE. Mr. Chairman, no Member of Congress, including me, is for excessive profit at the expense of the taxpayer.

But, if the taxpayer's interests are to be served, a Board or an Agency must have something more than a lofty and noble purpose. It must produce results.

There is not much doubt that the Renegotiation Board has failed to produce results. In fact, it is clear that its recent activity has actually lost money for the taxpayers.

One witness at the Banking and Currency Committee hearings on this bill estimated that the cost to a company of preparing for and submitting to renegotiation is 0.10 of 1 percent of renegotiable sales. This cost, which was obviously added to the price the Government paid, was almost exactly the amount of excessive profit determination for the fiscal year 1973.

Thus all the gain from renegotiation was wiped out by increased prices. But that is not all.

Industries are allowed a 48-percent tax credit on the excess profit determinations. This amounted to $13,440,000 in fiscal year 1973. Now add the expenses of the Board for that year of $4,859,000 and it is easy to see that in fiscal year 1973 the net loss to the taxpayers from renegotiation was at least $18.3 million.

When the Renegotiation Board was asked to comment on the estimate of 0.10 of 1 percent of sales as the cost of preparing for renegotiation, the answer was that they did not know what the cost was but considered 0.10 of 1 percent as "too high."

Most business sources believe the figure is not too high. But to be conservative, let us cut it in half. This shows that the Board still lost better than $4 million for the taxpayers in fiscal year 1973.

In fiscal year 1975 only $16.8 million was recovered from 52 companies after adjustment for tax credits—clearly another losing year for the taxpayers.

But if you think these losses are bad, imagine how they will mushroom if H.R. 10680 becomes law.

The Board now has a $100 billion backlog. With mandatory audits and product line reporting this backlog will grow from a molehill to a mountain.

What we should do is help the Board with its present backlog—not heap additional burdens upon it. The Hansen bill will strengthen the Board and improve its ability to perform its job. Let the Board walk before it leaps or is pushed. The Hansen bill is a proper first step and should be supported if we really want to accomplish something in this area rather than exacerbate an already distressed situation.

Mr. HANSEN. Mr. Chairman, I yield 10 minutes to the gentleman from Connecticut (Mr. MCKINNEY).

Mr. MCKINNEY. Mr. Chairman, since the beginning of the investigation of the entire renegotiation system, I think the subcommittee and the chairman have done an extremely responsible and comprehensive job. Unfortunately, we have found out consistently that there are tremendous irregularities in the past history of the Renegotiation Board and its operation. I do not say that the blame and the responsibility for these inconsistencies and failures remain with the Board itself. I certainly think that a great deal of the blame can be put on the part of a total lack of congressional oversight in the past.

In addition, however, we have found an unwillingness on the part of the administrations of both political sides of the aisle through the past to give this Board any meaningful cooperation in staff or in the help it needs to do a job.

We have had very long deliberations, as previously stated by several speakers, on the necessity of extending the Renegotiation Act. The subcommittee has attempted to determine how the administration of the act could be improved. Not all of the members of the subcommittee—and I think that is an understatement—agreed on every specific part of this particular bill. I believe that the provisions in it have come forth from compromise, hard work, and are probably the best that we could get, and will bring about in the future more efficient operations and a more meaningful Renegotiation Board.

An analysis of Renegotiation Board data and a review of the Board's activities clearly indicated to the subcommittee and to this Congressman that something had to be done. My personal study of the Board's actions over the last 5 years reveals what I consider to be a policy of limited renegotiation. It was incredible to learn that the Board has for years functioned with an inconceivably small staff. This small staff is responsible for a yearly review of Defense contracts totaling more than $40 billion of the taxpayers' dollars. However, the total authorized staff for the Board in fiscal year 1974 is a mere 200 employees. Of these 200 employees, only 48 are accountants and 9 are lawyers.

Thus, it has been estimated that a staff accountant is responsible for the evaluation of $15 million of Defense spending every single hour of the working day. My rhetorical question has to be: How much do the American taxpayers lose because of the inefficient and ineffective manpower policies of the Board? My answer: There presently exists a backlog of cases which are due for review by the Renegotiation Board of more than 5 years. This represents a loss of more than $5 million just on the interest which possible renegotiated funds could yield to the U.S. Treasury.

It is interesting to note that this $5 million loss of interest is very close to the cost of the entire Renegotiation Board's budget.

H.R. 10680 has, in my opinion, made improvements on the act which for far too long has been a stepchild of this Congress and its oversight responsibilities. We have permitted a system, once envisioned as a means of protecting the taxpayers' money, to turn into a sham agency which has consistently permitted our large corporations to reap excessive profits while bringing an undue burden upon those small corporations doing business with the Government.

May I suggest that before we accept any amendments or substitutes which may weaken the provisions of this bill, that we consider this example of the Renegotiation Board's malfeasance or, more importantly, nonfeasance in the performance of its congressionally-mandated responsibilities.

My studies of the renegotiation system have revealed startling information relating to the continuing rip off by the major oil companies in the Middle East. Aramco is owned by Exxon, Texaco, SoCal, and Mobil. Aramco lifts the oil, transfers it by pipelines to its refineries, and processes the oil into various different petroleum products. The U.S. Navy is a multimillion dollar customer of oil, of J. P. 4 and 5 fuel for its aircraft and its ships.

The Navy does not buy the fuel from Aramco as Aramco will sell only to its owners: Exxon, Texaco, Southern California, or Mobil. They in turn sell the fuel to the U.S. Navy with a paper transaction. The Navy ships pick up the fuel at Aramco refineries, right at the Aramco docks. The price paid by the Navy is the posted price in the area subject to escalation on delivery. If the price paid is $12.50 a barrel, the profit per barrel for the companies is approximately $5 or 67-percent profit on cost. A 67-percent profit on cost it would seem to me is an inconceivable amount of profit by any standards. These figures, should the Members wish to check them, have been taken from the 1974 hearings before the Subcommittee on Multinational Corporations of the Committee on Foreign Relations, U.S. Senate.

Millions of dollars are being lost each year due to a weak ineffective Renegotiation Board operating under a law that favors the conglomerates and multinational oil corporations. The Department of Defense, with all of its people and with all of its contractual agencies, with the contractual estimates and planning and oversight and auditing of the contracts, had a budget 2 years ago in the Defense Department alone which was bigger than the entire legislative budget of the United States of America.

If with all of these aspects the excessive profits have not been properly policed, I say it is time to change. In my opinion we cannot allow it to continue and I am sure most of the Members of this body would agree with me when we are confronted with an organization which returns a profit to the Government and which guards the taxpayers' dollars, we must support it.

We have heard a lot of complaints about this bill. We have heard that the auditing is a difficult proposition. This is not a detailed audit. That was changed.

We have heard complaints about the authority of this bill to carry it on as a permanent Board. Yet I would suggest with defense spending being one-third of the budget of the United States of America there is very little chance that the need for this board is ever going to go away and there is a great deal of cost and time and effort to the Congress and others as a result of inefficient operation in not giving the Board permanent authorization.

We have heard complaints about the product line parts of the bill, but I suggest to the Members this is probably the vital nub of the bill. Millions of dollars of renegotiated funds slip through the hands of the Board through a procedure which allows the Board to review profits earned by the different product lines. This means corporations may offset profits in one product line against losses in another product line. The result is a determination by the Board that excessive profits were not made and thus the corporation escapes having to make a refund to the Government.

In addition this procedure builds into the renegotiation system as at present an indiscriminate factor which adversely affects all small businesses trying to do business with the Government. For example, while a large corporation will be permitted to offset its profits against losses in a subsidiary's lines, the small contractor with one line is unable to hide profits and thus bears the burden of refunding profits.

It would seem to me when all is considered the committee has gone a long way in proceeding from a bill which I originally considered to be outrageous and totally antibusiness to a bill which I now consider to be a moderate sensible plan for looking for excess profits and negotiating for and receiving and getting back to the taxpayer excessive profits.

There are two other points I would like to mention very briefly. I disagree totally with the burden of proof being on the corporation. It seems to me that the Government is making the charges and the Government can, if it wants to, withhold information. The whole process is starting de novo and no one in the United States of America should have to prove his innocence. The rule of law thereby becomes: You are guilty until your innocence is proven.

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

Mr. HANSEN. Mr. Chairman, I yield an additional 2 minutes to the gentleman.

Mr. HAYES of Indiana. Mr. Chairman, will the gentleman yield?

Mr. McKINNEY. I yield to the gentleman from Indiana.

Mr. HAYES of Indiana. Mr. Chairman, the gentleman's statement was excellent. I agree with most of the points the gentleman has made. I want to compliment the gentleman for an extremely good job.

Mr. McKINNEY. I have an extremely limited amount of time, so the gentleman can limit his compliments.

Mr. HAYES of Indiana. The matter of burden of proof, I think, ought to be clarified, that we are not attempting to establish, I do not believe, guilt or innocence and without regard to how that issue falls on this floor I think it ought to be clarified to the gentleman and others who are attentive to this bill and to this process that the claim, in fact, is a claim on the part of the party being renegotiated. He is the one who claims an additional amount owed to him by this Government and if the Board, in fact, says he is to be renegotiated down, anything he has to prove is the justification for his original claim against the U.S. Government. This is the burden of proof, but it is not quite as odious as the gentleman may believe it to be.

Mr. McKINNEY. Well, I think this is one of the reasons salesmen like me come to brilliant lawyers like the gentleman from Indiana.

Mr. HAYES of Indiana. The gentleman should not demean himself. The gentleman is an excellent lawyer, too.

Mr. McKINNEY. I think they are saying to pay up or else and it is the Government's job to say why they have to pay up.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. McKINNEY. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate the gentleman from Indiana bringing up the question of burden of proof. As my colleague, the gentleman from Indiana, has tried to explain, the present provision may not be as bad as it seems. I know my colleague, the gentleman from Connecticut (Mr. McKINNEY) offered an amendment to eliminate this portion of the bill, and I think properly so. It was a very close vote.

It surprises me greatly that my colleagues on the other side of the aisle, who are champions of civil rights, would not have accepted my colleague's fine amendment to strike this section from the bill.

The CHAIRMAN. The time of the gentleman from Connecticut has again expired.

Mr. HANSEN. Mr. Chairman, I yield the gentleman an additional 3 minutes.

Mr. McKINNEY. Mr. Chairman, if the gentleman from California would allow me to continue further, I will yield to him.

I would say that the attitude has changed. I have offered this amendment many times, I think about five or six times. I think one of these days we will check up the Internal Revenue Service and its assumptions, so why set up another corruption of our system?

Mr. ROUSSELOT. Mr. Chairman, if the gentleman will yield further, I want to compliment the gentleman on his efforts on this issue. I agree with my colleague, the gentleman from Indiana, that the gentleman is a good lawyer and does understand constitutional law from the standpoint of writing good law. I think the gentleman is right to eliminate this section.

Mr. McKINNEY. Mr. Chairman, if I am a good lawyer, the American Bar Association does not know it.

Mr. Chairman, if I may touch on another point, I will offer an amendment tomorrow, an amendment on penalties. With the Renegotiation Board presently taking up to 5 years to determine a case, with the unwillingness of OMB to staff this agency so it can do a proper job, it appears to me that to fine or penalize a corporation from the date of profit when the determination may not be made for 3 to 5 years is just inconceivably unfair.

I would suggest to all of the Members that since we have put very strong penalties in this bill for promptly filing, since we have put very strong penalties in this bill to require that the information that is given is correct, that it is only fair to start the penalties and the interest sign at such time as the Board makes its determination; because even though this may be an excessive profit which was unjustly earned, one could assume after years of silence on the part of this Board which has been dilatory in its activities and its processes, that one was, so to speak, home free. It seems to me unfair suddenly after 5 years to say, "All right, boys, pay up for the last 60 months compounded," when they did not realize at that point they were in violation, when the Board itself, as the gentleman from California (Mr. ROUSSELOT) points out, did not define excessive profits.

Mr. MINISH. Mr. Chairman, I yield as much time as he may consume to the gentleman from Texas (Mr. BROOKS), but before the gentleman starts to speak, I would like to say that the gentleman from Texas wrote the report on renegotiation and pointed out the very problems we are seeking to remedy in H.R. 10680. He also testified before our subcommittee and is a co-sponsor of the bill.

For myself and the Members of this side of the aisle, I want to thank him for all his help.

Mr. BROOKS. Mr. Chairman, I want to thank my distinguished friend for the more than gracious comments he has made, and I will say that I will not take a lot of time.

Mr. Chairman, I congratulate the members of the Committee on Banking, Currency and Housing, particularly those on the Subcommittee on General Oversight and Renegotiation, for bringing before us a bill making long overdue changes in the operations of the Renegotiation Board.

The Committee on Government Operations has conducted a number of oversight hearings and issued several reports during recent years that underscored the glaring weaknesses in the Board as it presently operates. We made a number of recommendations for improving it, and I am pleased that many of them have been incorporated in H.R. 10680.

Those provisions that would strengthen the Board in its dealings with defense contractors are particularly welcome. The Board is just plain overwhelmed by the competition. Making the Board permanent, giving it subpena powers and increasing the penalties for violations of the filing requirements will put it in a much better position to carry out its responsibilities.

So will the removal of some of the exemptions that now permit billions of dollars of sales to escape review entirely. One of the most disturbing findings that came out of my committee's hearings was the fact that hardly any of the 100 largest defense contractors have been subjected to renegotiation at all.

Two of the principal causes of this are the exemption from renegotiation of contractors who sell a large part of their output in the commercial market, and the practice of basing renegotiation on a company's total sales rather than on a contract-by-contract, or product-by-product basis.

The commercial sales exemption is based on the theory that if a company is competing in the marketplace the price of its articles to the Government will be fair. But we all know that in markets dominated by a few big companies price competition is less than intense, and affords little protection for the Government against excessive profits.

This has been a troublesome provision for some time. Before 1968 a contractor had to sell only 35 percent of his goods commercially in order to qualify for the exemption. Then it was raised to 55 percent. The bill before us raises it to 75 percent. I, personally, would favor total elimination of this exemption. Certainly, narrowing it, as this bill would, is justified.

Placing renegotiation on a product line basis instead of on total company sales will make the process much fairer than it is now. A big company with a number of divisions can make an unconscionable profit on the sale of one product to the Government and not be subject to renegotiation at all because of losses or lower profits in other divisions. They are allowed to average it all out, and the gouging of the Government is hidden.

This practice is especially unfair to small companies that have only one line of business. They are subject to renegotiation if their profits look a little high, while the big conglomerates get away untouched as long as their total sales from all divisions show only a reasonable profit.

I do not think that is right and I am pleased the Banking, Currency and Housing Committee is recommending this change.

All the Board's problems cannot be cured by statute or by Congress, however. One thing that is urgently needed is a larger staff. It is up to the administration to remove a personnel ceiling it has placed on the Board so more lawyers and accountants can be hired. The Board is trying to review $40 billion worth of defense contracts each year with a total of 200 people, only 48 of whom are accountants. It just cannot be done.

Mr. Chairman, if we are to have a Renegotiation Board it is clearly in the public interest that it be the strongest, most effective we can devise. Anything less than that not only permits contractors to pocket millions of dollars in excessive profits, but creates a false impression that the public is being protected against such gouging when, in fact, it is not.

H.R. 10680 will not do everything I think needs to be done to make the Renegotiation Board truly effective. I regret that the committee did not accept my recommendation that the name of the Board be changed to the excess Profits Recovery Board. But the bill certainly moves in the right direction, and I am pleased to give it my wholehearted support.

Mr. HANSEN. Mr. Chairman, I yield 7 minutes to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Chairman, there are several points that I would like to make, but I will reserve them until tomorrow when we get into amendments. However, I do again want to compliment the chairman of the subcommittee and the ranking minority Member, the gentleman from Idaho (Mr. HANSEN) for their willingness to extend the hearings and to make sure that we had an adequate discussion of problems that could exist had we passed the original draft of the bill that came before our subcommittee. I am very grateful to our chairman, the gentleman from New Jersey (Mr. Minish), and our ranking minority Member, the gentleman from Idaho (Mr. Hansen) for making sure that we did extend the hearings so that others who had a different point of view could be heard. I wish to compliment both my colleagues for making sure that these hearings took place.

Mr. Chairman, I rise in opposition to H.R. 10680, a bill to amend and extend the Renegotiation Act of 1951, and in support of the substitute offered by my distinguished colleague from Idaho (Mr. Hansen). The Renegotiation Act had its last major overhaul during the Korean War. This statute was designed to deal with a specific problem which had occurred in procurement for previous wars. Emergency conditions of wartime had made it necessary for the Government to procure goods and services with much less regard for price and much more concern for time than it would do in peacetime. The result was that unusually large profits were made by some contractors, and it was therefore argued—plausibly enough—that a mechanism was needed for retrospective review of defense contracts and for recapture of "excessive profits" by the Government.

Perhaps the renegotiation process has a place in wartime, but there is no reason why in peacetime the Government cannot conduct its procurement in an orderly manner which provides for proper negotiation of the contract and for effective auditing and adjustment under the original agreement. If the negotiation is properly conducted, and if the contract is properly administered, there should be no need for renegotiation.

Moreover, there are several important flaws in the renegotiation process which further limit what little utility it could otherwise have in peacetime:

First. Cost. It is sometimes argued that renegotiation is surely a beneficial activity because it recovers money for the Government. However, this argument ignores the cost of renegotiation, which witnesses before the Renegotiation Subcommittee have estimated at 1 to 10 percent of contract costs, which is roughly equal to the amount which has been recovered through renegotiation. The costs of compliance are, of course, included by contractors in their costs of doing business and are passed on to the Government, so that the net effect is approximately zero, and a great deal of effort and expense is wasted.

Second. Failure to define "excessive profits." The most fundamental term in renegotiation, "excessive profits," is defined only as profits which are determined by the Renegotiation Board to be "excessive" in accordance with a number of statutory factors set forth in the act.

Mr. Holmquist, Chairman of the Renegotiation Board, has stated that:

> Excessive profits occur when the forces of a free competitive market are thwarted by monopoilstic practices or are rendered inoperative becaues of other abnormal economic or natural causes. In such instances, unreasonable prices result in excessive profits. (Vol. I, p. 157, Hearings before the Subcommittee on General Oversight and Renegotiation.)

This statement would seem to indicate that the best guarantee of a fair deal for the government and for the taxpayer is the free market and that renegotiation should not be necessary except in abnormal circumstances which give rise to higher profits than the free market would bear. It is also relevant to observe that the focus of our efforts to hold down the costs of defense contracts should be on prices, rather than on profits. The fact that a firm's costs may be so high as to result in no profit, or even in a loss, does not necessarily mean that that firm is an efficient supplier. An efficient firm may be able to contract at a cheaper price than its less efficient competitor and still earn a profit. A firm should be permitted to keep a substantial portion of savings which result from efficiency, as long as the price paid by the Government is reasonable in light of market conditions.

Third. Impact on small business. The Renegotiation Board has been subjected to frequent criticism because the bulk of its activity has been directed at relatively small businesses. According to a recent report by the General Accounting Office,

> Most of the determinations involved contractors with total annual sales below $10 million (76 percent), renegotiable sales below $5 million (74 percent), renegotiable profits below $800,000 (63 percent), and total capital below $5 million (80 percent). In 74 percent of the determinations the contractors did the bulk of their business with the Government and in 18 percent the contractors' entire sales were subject to renegotiation. (Causes Of Excessive Profits On Defense and Space Contracts, p. 7.)

[Although the GAO report concludes that, "Because good procurement procedures will not necessarily prevent excessive profits, renegotiation is needed if the Congress intends to recover these profits," it contains no cost/benefit analysis of the utility of renegotiation.]

The concentration of the impact of renegotiation upon relatively small contractors is generally attributed to a lack of adequate staff to process renegotiation filings. However, despite the substantial increase in staff which has been projected for the Board, the onerous requirements of product line accounting, and of an audit of every contract, will add tremendously to the burden of the Board, and these provisions will have a greater impact on small businesses because these firms are at a disadvantage, compared to their larger competitors, in their ability to afford extremely sophisticated accounting systems.

Given the stupendous 4-year backlog of the Renegotiation Board and the general recognition in the Congress of the need to get rid of obsolete wartime emergency legislation, the most appropriate action for Congress to take would be to permit the Board to finish its Vietnam war cases and to wind down until another period of emergency procurement conditions should arise.

Failing this, the Hansen substitute is a constructive bill which gives the Chairman of the Renegotiation Board the augmented powers which he needs to be more effective, and it eliminates the provisions of the committee bill which are unnecessarily burdensome, punitive, or counterproductive. These provisions include section 4, which requires product line accounting, regardless of whether this difficult and expensive method contributes to clarity of analysis; section 9 (b), which requires an audit of every financial statement submitted to the Board, and section 5(b), which would raise the threshold for exemption of standard commercial articles from 55 to 75 percent and prohibit inclusion of nonrenegotiable sales to the government in the denominator for purposes of this computation. Deletion of this provision is consistent with my belief that where there is an established market price in a competitive market, that price should normally be acceptable as a standard of fairness.

One of the punitive provisions which would be eliminated by the Hansen substitute is section 7(a)(2)(A), which requires that interest on amounts determined to be owing to the Government be calculated from the end of the fiscal year of the contract to the date of payment, despite the fact that the Board typically takes 4 years to make is determination and that until the determination has been made, a firm may have little or no basis to determine the amount which should be set aside for this purpose. Also eliminated would be section 10(a), which shifts the burden of proof in the process of review by the Court of Claims from the Government to the contractor, despite the fact that the Government has already had a sufficient opportunity to limit the contractor's profits during the negotiation and contract administration stages. Fundamental fairness, as well as concern for judicial and administrative economy, requires that the Government bear the burden of proving its case in the Court of Claims.

For all of the reasons stated above, it is my belief that the Hansen substitute is the more sensible way to reform the Renegotiation Board, and I strongly urge my colleagues to support the Hansen bill.

Mr. HANSEN. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to my colleague, the gentleman from Idaho (Mr. Hansen).

Mr. HANSEN. I thank the gentleman for yielding.

Mr. Chairman, I would like to commend the gentleman in the well (Mr. Rousselot) for his excellent work that he has done in the committee and all through the development and debate on this particular piece of legislation. He has been very, very helpful as a member of the minority and also as a member of the subcommittee and the committee itself.

Mr. Chairman, I think it is in order to compliment the gentleman on this.

Mr. ROUSSELOT. I thank my colleague for his comments.

Mr. MINISH. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to my colleague, the gentleman from New Jersey (Mr. Minish).

Mr. MINISH. I thank the gentleman for yielding.

Mr. Chairman, I want to commend my friend, the gentleman from California (Mr. ROUSSELOT). He is a very, very important man on the committee and very persuasive.

I was just wondering if someone should offer a substitute on the burden of proof tomorrow and it is passed, would the gentleman feel inclined to support the bill?

Mr. ROUSSELOT. Mr. Chairman, I would feel much more inclined than I am now. I do have, as the gentleman knows, a couple of amendments that relate to a better definition of "excessive profits" which I think will be important.

I know my colleague, the gentleman from Idaho (Mr. HANSEN) has some other amendments that he intends to offer.

The CHAIRMAN. The time of the gentleman from California (Mr. ROUSSELOT) has expired.

Mr. HANSEN. Mr. Chairman, I yield 1 additional minute to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. I thank my colleague, the gentleman from Idaho, for yielding because I do want to be responsive.

Mr. Chairman, I would feel clearly much more inclined to support the bill with that provision eliminated, as my colleague from Connecticut tried to do in committee. I appreciate the question. I do think we would like to make the attempt on these other amendments, and I think we can take a look at it at that time. But with the burden of proof section taken out, putting the burden back on the Government to prove the case, I think we would take a major step in the right direction.

Mr. MINISH. Mr. Chairman, I yield such time as he may consume to the gentleman from Indiana (Mr. HAYES).

Mr. HAYES of Indiana. Mr. Chairman, I would like very briefly to read into the RECORD what I consider to be an excellent statement, as presented to the subcommittee by Robert A. Trevisani. Mr. Trevisani has some experience, and I am pleased that I can direct the attention of the body to his remarks, which are found at page 242 in the volume of hearings before the Subcommittee on General Oversight and Renegotiation on this bill. I think that perhaps his words were better phrased than mine would be in talking about what the penalty section needed to have in it in order to be fair and what kind of incentives the Renegotiation Act needed prior to being substantially rewritten through the efforts of this committee and through the efforts of all the Members who have spoken here today. He points out what was contained in it that caused what he called those incentives to be all wrong.

I think this also to some degree answers some of the criticisms of the present bill that the gentleman from California (Mr. ROUSSELOT) talked about when he previously spoke on the bill. Perhaps this might help relieve his mind and my mind and the minds of those constituents who are concerned about any problems that might arise from this.

If I may, I want to read to the Members what Mr. Trevisani had to say in the committee hearing. He stated as follows:

> There are no civil penalties for failure to file timely returns with the Board. Further, interest does not begin to run from the due date of the return, but commences only after issuance by the Board of its unilateral order in a disputed case.
>
> The incentives are all wrong. The Act's provisions do not encourage the filing of timely returns, but instead, are conductive to delay * * *.

He says that a contractor with potential excess profits for current and past years who, through inadvertence or otherwise, has not filed appropriate forms, has a couple of choices. He says that one of two events will transpire:

> 1. His failure to file will go unnoticed and he will never be placed in jeopardy of refunding excess profits; or
>
> 2. At some later date, when required by the Board, he will file returns and two years or more thereafter, when a unilateral order issues or agreement is effected, interest on any refund will begin to accrue.
>
> As can be seen from the example, the recalcitrant contractor with potential excessive profits has, at the very least, obtained an interest-free, no-risk loan from the government by failing to file a timely return.

Mr. Chairman, I will not continue to bore the Members of the body by reading verbatim what is already available, but I think it is important to note that we have attempted by this committee's action and by the draft which is now before the Members and which will be voted on tomorrow to correct that kind of an abuse. We have intended not to be oppressive to the small, independent contractor. In fact, I think we have tried to encourage his participation in providing materials to the Government, and I think this bill will go a long way toward doing that.

So I urge on that basis that we concentrate on what we have eliminated by way of the traps into which not only the Government can fall but into which the contractor can fall. I think we have made a case for a more explicit and a more carefully drawn statute, and I would urge its support on that basis, if on no other.

Mr. FRENZEL. Mr. Chairman.

Mr. HANSEN. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Chairman, I rise today in opposition to H.R. 10680, the Renegotiation Act Amendments of 1975.

Mr. Chairman, the passage of these amendments will take us one giant step backward in our efforts toward regulatory reform. At a time when the President and the American people are calling for less Government regulation and involvement, we, their elected representatives, are considering legislation which will provide increased authority for a regulatory agency and allow it to make even further demands on those whose lives it affects.

This Congress has been faced with the task of reforming a number of regulatory agencies which are having severe problems carrying out their duties. The Renegotiation Board is one of them. At the present time, it is burdened with the job of reviewing some 4,000 separate Government contracts each year in an effort to determine if excess profits are being made. And, I assert, this agency is hopelessly overburdened. The proof is the $105 billion backlog of sales that is now awaiting their examination.

If anything, Mr. Chairman, we should be streamlining the reviewal process so that the Board can efficiently examine the vast number of contracts it is assigned each year, and determine if any "excess profits" are being made. Providing the Board with a definition or a formula for determining what excess profits are, might be a good start. As it stands now there is no definition of excess profits.

But no, Mr. Chairman, this is not the path we have chosen. Instead of streamlining the reporting process so that companies will find it possible to report their earnings immediately and accurately, we have made the whole process even more complicated and burdensome. And added to the powers of a Board already unable to carry out present duties. But worst of all, we have placed this new burden on the contractor, not on the regulatory agency.

These amendments direct the Renegotiation Board to analyze contractors' performances by product line. I oppose this section of the bill for two reasons: First, because the complexity of product line accounting will place an unnecessary burden on the contractor, and second, because I believe the final judgments on excess profits should be made on an aggregate basis, allowing losses in one area to offset the gains in another.

Another new and unnecessary burden is the requirement that contractors pay interest from the time excess profits are made. Given the long delays before determinations are made, and the fact that there is no formula to allow the contractor to tell if he will be charged with making excess profits, how can we expect a contractor to set aside the money to provide for these future interest payments. This provision could cause severe cash flow problems for our smaller contractors. It is a typically absurb congresssional blunder for which its authors will later blame "the bureaucrats" when the small contractors begin to howl.

Mr. Chairman, these amendments are not the answer to our problems with the Renegotiation Board and the renegotiation process. Too many times we attempt to correct our ineffective regulatory agencies, not by streamlining them, but by burdening them with additional regulations.

And the worst part of this matter is that while we are doing it, the American people are crying for "Big Government" to get off their backs.

At a time when the renegotiation process is already so complicated that 60 percent of all filings are late, we are asking our Government contractors to bear the additional burdens of product line accounting and in interest payment fines. All we are really doing is limiting the number of contractors who will be willing to do business with us, and thereby raising the ultimate costs to the taxpayers.

The Renegotiation Board is a throwback, or perhaps a hangover from emergency wartime buying practices. It should have little authority now. It cannot replace, or atone for sloppy purchasing procedures. This bill ought to be defeated.

Mr. Chairman, I have just a couple of observations in addition to make about the bill that is now pending before the committee.

The basis for the Renegotiation Board and the Renegotiation Act, as I understand it, was to take care of the problems of emergency wartime purchasing in the Defense Department at a time when it was thought that because of the need to gear up quickly for a military effort the Defense Department and other agencies might be guilty of sloppy purchasing practices.

The Board itself has never been any guarantee or any safeguard against sloppy purchasing practices and, in fact, may have been some sort of incentive for the agencies involved to indulge in such practices.

Mr. Chairman, it seems to me that the rationale for this board has long since expired and that if we are really looking for defense of the taxpayers' money, we ought to look to the agencies which are negotiating the contracts, and buying the services, and expect them to act like intelligent buyers in our marketplace.

I noticed that one of our speakers, the gentleman from Connecticut, talked about certain companies engaging in some terrible "ripoffs;" but as I look at the bill, it seems to me that those same companies could indulge with impunity in any kind of ripoff as long as they were selling to public service hospitals or HEW or to HUD, the country's largest landlord. In those sorts of ventures, they would not be governed by the act at all.

Therefore, Mr. Chairman, all we have here in the Renegotiation Act is the statement of our uncertainty about the purchasing procedures of a couple of units of Government, notably the Pentagon.

Mr. MINISH. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the distinguished gentleman from New Jersey (Mr. MINISH), the subcommittee chairman.

Mr. MINISH. Is the gentleman from Minnesota (Mr. FRENZEL) suggesting that we add other agencies of the Government to the renegotiation bill through this bill?

Mr. FRENZEL. I am simply indicating to the gentleman from New Jersey (Mr. MINISH) and others that in this bill we have a wonderful double standard.

We could have, for instance, the Litton corporation building a submarine and being subject to renegotiation, but maybe it would also have a large contract to run a job corps center not subject to renegotiation.

It strikes me as being kind of silly. I would like to have good purchasing procedures to determine the best price for the Government.

Mr. HAYES of Indiana. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from Indiana.

Mr. HAYES of Indiana. Mr. Chairman, the point the gentleman from Minnesota (Mr. FRENZEL) is making is very interesting. It was covered in some detail during the hearings.

Specifically, when Admiral Rickover was testifying, I might simply state what was presented to us and then perhaps ask a question as to whether or not we could work something out.

Mr. FRENZEL. Mr. Chairman, I might say to the gentleman that I have little time, perhaps 3 minutes, left.

Mr. HAYES of Indiana. I understand. If the gentleman will yield further, I asked Admiral Rickover during the course of the hearings if there was not an alternative so as not to use the renegotiation process, but to allow various procurement agencies to proceed on their own, giving the example in which the Navy could go ahead and sue if it felt it was being overcharged.

Admiral Rickover said:

> The reason we have a Renegotiation Board is because the Executive Branch has done such a poor job in protecting the Government.

At that point, I felt I had an adequate response.

My question to the gentleman from Minnesota (Mr. FRENZEL) is: Do the various agencies not already have the power to file suit and to claim that excess profits are being made?

The CHAIRMAN. The time of the gentleman from Minnesota (Mr. FRENZEL) has expired.

Mr. HANSEN. Mr. Chairman, I yield 2 additional minutes to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Chairman, I thank the gentleman.

I really do not know the answer to that question.

I think it would be a wonderful thing if they all had that power. Then we would not need to turn to the Renegotiation Board. I think it would be a far preferable way to operate.

The Renegotiation Board, it seems to me, has to review a whole bunch of contracts that it probably need not review, a fact which has developed the $100 billion backlog. I would like that alternative process through the courts established.

Mr. HAYES of Indiana. If the gentleman will yield further, it might have developed a backlog, but it is still the only agency in Government that does recover that kind of money, and it pays for itself.

Mr. FRENZEL. Mr. Chairman, I thank the gentleman for his contribution.

I would say with respect to recovery that it has a great deal of difficulty in recovering its overhead costs each year. If the extra costs incurred by contractors in complying with this act are counted, I believe it does not recover its costs.

In addition, the recoveries all seem to come from small corporations.

I believe that previous debate here indicated that something like three-quarters of the renegotiated amounts come from what we would probably describe as small businesses, which seems to me to be a fairly lousy record.

However, Mr. Chairman, I would like to come to another point. Somebody said here that this bill was carefully drawn. It is, of course, carefully drawn to prove that the Government contractors are guilty until proved innocent. I think the burden of proof provision is a scandalous outrage. I cannot imagine what the committee was thinking of when it drew that up. I feel the same is true with respect to the question of interest. I think that is about the silliest thing I ever heard of.

I cannot imagine any businessman unless that businessman was forced to do so, doing business under these kind of circumstances.

The line of business or line of product reporting, in my judgment, is simply going to cause endless debate between bean counters and country lawyers as to the allocation of overhead, administration, and general expenses, which I think is a senseless, and needless, bit of argumentation. It will only serve to increase the backlog.

If we want to get rid of some of the regulations which I think the people of the United States are now seeking to get rid of, then I think we could well support the substitute, or maybe we should send the whole mess back into committee and see if we need it at all.

The CHAIRMAN. Does the gentleman from Idaho have further requests for time?

Mr. HANSEN. Mr. Chairman, I yield myself 5 minutes.

The CHAIRMAN. The Chair will state the gentleman from Idaho has 14 minutes remaining.

Mr. HANSEN. I thank the Chairman.

Mr. Chairman, everybody is concerned about big ripoffs of the taxpayer by big industry but the overburdened Board has never been able to get into the major areas where problems may exist and have primarily concentrated on the small businessman who is the least problem and who is least able to defend himself against the Board. To support this contention, it should be noted that last year the Board made excessive profit determinations involving only $27.7 million which amounted to only $16.8 million after Federal taxes. The total cost to all parties of the renegotiation process, according to the best obtainable estimates, is $77 million per year including some $5 million charged to operate the Board. This forcefully illustrates the need for enabling the Board to actually do its job and not nibble around the edges.

Currently, however, the Renegotiation Board is in serious difficulty. With only 48 accountants and 9 lawyers on its small staff of 200 employees to screen more than $40 billion in contract annually, the Board fell 1,000 cases further behind in initial screening in 1975. The backlog of cases involving possible excessive profit increased in 1975 by 267 cases to a total of 1,308 representing approximately $100 billion of renegotiable sales. Republicans favor legislation to help the Board expedite consideration of this backlog, but we feel that the committee bill is the wrong way to proceed.

The sense of urgency now rests in enabling the Board to get current in its review of a scandalous $100 billion backlog of cases—some of which are over 5 years old. This can effectively be done by passage of H.R. 10674—the Hansen substitute—in lieu of the controversial, costly, and confusing committee bill, H.R. 10680, which threatens to more hopelessly bury the Board beyond any possibility of repair. There is ample time, while the Board is reorganizing, for us to give further study for changes in the renegotiation process.

Briefly, the difference between the committe bill and the substitute is that both almost identically attack the problem of the backlog, but the committee bill goes on to substantially alter the whole renegotiation process and the Board's method of operation which can only create chaos in the face of the Board's current dilemma.

It is appropriate also to warn you that that there is a strong effort being made by proponents of the committe bill, which seems to be in deep trouble, to save it by some tradeoffs. Unfortunately, these tradeoffs, while on the surface may appear to be substantial, do not deal with the heart of the matter which is a proposed massive shift of emphasis in the renegotiation process. They could prevent the Board from availing itself of the opportunity to become current and effective and could deal them a fatal blow. Do not be misled by any such compromise effort which would give a little to gain a lot.

The administration is opposed to enactment of H.R. 10680 as reported. The bill contains a number of objectionable features including:

Changes the basis of renegotiation from renegotiating on aggregate business done during a fiscal year to business done during a fiscal year by division and major product line; and excludes the percentage of completion method of renegotiation.

Requires an audit verification of every financial statement submitted to the Board and an annual GAO review of the Board's operations.

Establishes a permanent authorization for the Renegotiation Act.

Eliminates various exemptions granted for commercial products and services.

Changes the interest rate and period for the charging of interest on excessive profits determinations.

Changes the burden of proof in the Court of Claims from the Government to the contractor.

H.R. 10674 (Mr. Hansen): The administration would support the enactment of this substitute proposal. The bill contains none of the above objectionable features of the Minish bill (H.R. 10680). The bill (H.R. 10674) would extend the Renegotiation Act for 5 years and provide for strengthening the Board's operation through the provision of civil penalties, subpena power, and increased administrative authority for the chairman.

Your support of the substitute (H.R. 10674) is the real way to prevent ripoffs by Government contractors by expediting an effective and efficient operation. The taxpayers and the consumers will thank you and those affected will be grateful for a proper and fair operation.

Mr. Chairman, I have no further requests for time.

Mr. MINISH. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas (Mr. GONZALEZ).

Mr. GONZALEZ. Mr. Chairman, it seems kind of fateful that the jurisdiction of the Renegotiation Board should now be in the Committee on Banking and Currency's hands. When I first became interested in the Renegotiation Board 10 years ago, very few people even knew of the existence of this Board.

It is very amusing to me to hear the same arguments now that I heard in 1966 as to whether there was a need for anything resembling the Renegotiation Board. We had the same old numbers game. At that time it was under the jurisdiction of the Committee on Ways and Means. But even then the very, very strong enemies of any kind of accountability in this very heavy type of procurement—where we are perhaps in the most complex and sensitive area of procurement of all—were almost successful. Finally, just on the eve of the Board's expiration, the act was extended. At that time the Committee on Ways and Means announced that sometime in the future it would have hearings in order to determined whether the act should be strengthened. Actually, I think that those who have seen fit to fight this blindly would be better advised to think twice and be a little bit more selective in some of the arguments that they have raised, and reach the conclusion that whether it is the Renegotiation Board or something even stronger, the country has to have and will continue to have, as long as the level of procurement remains at the level that it is at today—such a Board. The facts are that the Board has justified its existence.

Since 1966 we have had three other committees and subcommittees look into the matter. We heard the very able and distinguished gentleman from Texas (Mr. BROOKS). The Committee on Government Operations looked into it. They had several recommendations. There was a lot of criticism, but it seems that the criticism that borne any kind of resemblance to the truth was the criticism that said that the Board was so weakened by congressional action that it was unable to do that which it properly should and that, therefore, the regulated had in turn ended up regulating the Board, and not the Board regulating them.

We can have all kinds of figures and numbers and enjoy this numbers game. The fact is that Board's own expenses on overhead are minimal compared to what, through their determinations as limited as they have been by the Congress, they have brought back into the Treasury.

Here again we get into these numbers, but there is no way we can explain these numbers away, we can say this is before or after taxes and so what? In fiscal year 1975 the determinations were $27.6 million in excessive profits. The total expenses of the Board for that same fiscal year were in the neighborhood of $5 million. That went mostly for 194 employees and their salaries.

In the past 10 years I have made recommendations about changing the renegotiation process. Some of these recommendations have since found acceptability. They have been made ever since the Ways and Means Committee had jurisdiction. I have continually supported the Renegotiation Board, because it remains effective as a safeguard against the misuse of the public funds and fulfills a trust placed in us, the Congress, by the American people to expend their tax dollars to the benefit of the national interest and not to the enrichment of the few, no matter in what patriotic works those unjust profits are enshrouded.

In these times there is so much concern about tax money and that it be spent wisely that I think if this legislation were properly understood we would have a thundering and overwhelming approval of some of the very, very mild reforms that are encased in the present legislation.

The bill that has come out of Chairman MINISH's subcommittee is indeed very mild and it is rooted in and anchored on extensive hearings where all the contending forces have had a chance to present and display their arguments. I think we should congratulate the gentleman from New Jersey, Chairman MINISH. I know exactly what it is he has had to put up with, but I think he has done a tremendous job and we owe him a very deep vote of gratitude for being very, very efficient and loyal to this cause. It might have some negative political values. I doubt that the gentleman from New Jersey, Congressman MINISH, is going to find too many people offering contributions, because of his defense of special interests, but, on the other hand, I think that, truly understood, every Member of this House will support the bill presented to us by the gentleman from New Jersey (Mr. MINISH).

I have enjoyed my membership on the subcommittee very much. The chairman has concentrated on this job and I am delighted that I can rise in support of the truth of his efforts and his leadership.

Mr. MICHEL. Mr. Chairman, I would like to alert my colleagues to the further expansion of our bureaucratic maze which faces us this afternoon in the form of H.R. 10680, the Renegotiation Act Amendments of 1975. You may recall we passed a 9-month extension of this act late in the last session, in order to provide sufficient time for the Banking, Currency and Housing Committee to prepare the complex legislation which we have before us today.

The Banking, Currency and Housing Committee inherited this legislative responsibility from the Ways and Means Committee this year, and it was my earnest hope that this transfer of authority would result in a simple and dignified death for the Renegotiation Board. I was obviously too optimistic. The committee not only has not dissolved the Renegotiation Board, nor even given it a simple extension of life, they have proposed that the Board become a permanent Federal fixture. And to rub salt in an open wound, they have further recommended that its 200-member staff be beefed up by another 85 or 90 positions.

The Renegotiation Board was established in 1951 to review Government contracts to make sure we were not being fleeced by excess profittaking. But procurement regulations, profit limitations, and cost analyses have undergone enormous change since 1951.

In today's contractual environment, a Renegotiation Board is obsolete. The likelihood of a small businessman making an extra buck from a Defense Department contract today is remote. The GAO has stated that profit on defense work, before taxes, is significantly lower than on comparable commercial work.

The simple fact is that the Renegotiation Board costs more than it saves, not only in terms of its own budget, but also for the added paperwork for firms and agencies alike. As the minority report points out, conservative estimates indicate that some $72 million a year is added to product cost by this now outmoded renegotiation process. Are we simply giving lipservice to the Nation's pleas for cutting down on redtape and regulations, for increasing capital formation, for decreasing Federal regulatory restrictions, for protecting the small businessman from bureaucratic harrassment? Or do we mean what we preach? For if we do, we cannot, from any conceivable angle, turn the Renegotiation Board into a permanent agency.

I have a lot of specific objections to this bill—subpena powers for the Board, exposure of confidential business information through the proposed mandatory audits, a continuing lack of a specific definition for "excess profits," product line reporting without classification or identification, saddling our businessmen with the burden of proof in court—I could extend the litany an nauseum. But it all comes down to this. Because one fine day, my friends, if we continue to water and fertilize these little agencies, they will all grow up to be HEW's. I suggest to my colleagues that what we need instead is a little weedkiller, and I urge both the defeat of H.R. 10680 and the dissolution of the Renegotiation Board.

Mr. MINISH. Mr. Chairman, I have no further requests for time and I yield back the balance of my time.

Mr. HANSEN. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Renegotiation Act Amendments of 1975".

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. HANSEN

Mr. HANSEN. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. HANSEN: Strike everything after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Renegotiation Act Amendments of 1975".

SEC. 2. EXTENSION OF TERMINATION DATE, DEFINITION OF DEPARTMENT.

(a) EXTENSION OF TERMINATION DATE.—Section 102(c)(1) of the Renegotiation Act of 1951 (50 U.S.C. App. 1212(c)(1)) is amended by striking "December 31, 1975" in the last sentence thereof and inserting "December 31, 1980".

(b) DEFINITION OF DEPARTMENT.—Section 103(a) of the Renegotiation Act of 1951 (50 U.S.C. App. 1213(a)) is amended by striking out "the Atomic Energy Commission," and inserting in lieu thereof the following: "the Nuclear Regulatory Commission, the Energy Research and Development Administration,".

SEC. 3. TERMS OF OFFICE AND POLITICAL AFFILIATION OF MEMBERS OF RENEGOTIATION BOARD.

(a) GENERAL RULE.—Section 107(a) of the Renegotiation Act of 1951 (50 U.S.C. App. 1217(a)) is amended by striking out "at the time of appointment" in the third sentence thereof and by adding at the end thereof the following new sentences: "The term of office of each member of the Board shall be 5 years; except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term. Not more than 3 members of the Board may be members of the same political party.".

(b) EFFECTIVE DATE AND TRANSITIONAL RULE.—

(1) IN GENERAL.—The amendment made by this section shall only apply to members appointed to the Renegotiation Board on or after January 1, 1976. The President shall make appointments to the Renegotiation Board on or after January 1, 1976, in a manner which will permit the composition of the Renegotiation Board to meet the requirements of the last sentence of section 107(a) of the Renegotiation Act of 1951 (as amended by subsection (a)) in the shortest possible time.

(2) TRANSITIONAL RULE.—Of the individuals who are members of the Renegotiation Board on December 31, 1975—

(A) one shall be deemed to have been appointed for a term ending December 31, 1976;

(B) one shall be deemed to have been appointed for a term ending December 31, 1977;

(C) one shall be deemed to have been appointed for a term ending December 31, 1978;

(D) one shall be deemed to have been appointed for a term ending December 31, 1979; and

(E) one shall be deemed to have been appointed for a term ending December 31, 1980; as designated by the President on December 31, 1975. For purposes of this paragraph, any individual who is appointed on or before December 31, 1975, to the Renegotiation Board and who has not been confirmed by the Senate on or before such date shall be treated as a member of such Board on such date.

SEC. 4. PENALTIES FOR FAILURE TO FILE CERTAIN STATEMENTS OR FOR FILING MISLEADING INFORMATION

(a) GENERAL RULE.—Section 105(e) of the Renegotiation Act of 1951 (50 U.S.C. App. 1215(e)) is amended by striking out the last sentence of paragraph (1) and by adding at the end of such subsection the following new paragraph:

"(3) PENALTIES.—

"(A) FAILURE TO FILE.—Any person who knowingly fails or refuses to file or furnish any statement, information, records, or data on or before the date on which such person is required under paragraph (1) to file or furnish such statement, information, records, or data shall be subject to a civil penalty (not to exceed $100,000 for any such failure) of $100 for each day thereafter occurring before the day on which such person files or furnishes such statement, information, records, or data in accordance with paragraph (1). Such penalty shall be assessed by the Board and may be collected in a civil action brought by the United States in a United States district court under section 1355 of title 28, United States Code.

"(B) FALSE OR MISLEADING INFORMATION.—Any person who knowingly furnishes any statement, information, records, or data pursuant to paragraph (1) containing information which is false or misleading in any material respect shall, upon conviction thereof, be punished by a fine of not more than $5,000 or imprisonment for not more than one year, or both.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on January 1, 1976.

SEC. 5. AMENDMENTS RELATING TO AUTHORITY AND FUNCTIONS OF THE CHAIRMAN.

(a) APPOINTMENT OF PERSONNEL BY THE CHAIRMAN.—

(1) The second sentence of section 107(c) of the Renegotiation Act of 1951 (50 U.S.C. App. 1217(c)) is amended by striking out "The Board" and inserting in lieu thereof the following: "Subject to such rules as may be adopted by the Board, the Chairman".

(2) The third sentence of section 107(c) of the Renegotiation Act of 1951 (50 U.S.C. App. 1217(c)) is amended by striking out "The Board" and inserting in lieu thereof the following: "Subject to such rules as may be adopted by the Board, the Chairman".

(b) AUTHORITY AND FUNCTIONS OF THE CHAIRMAN.—Section 107 of the Renegotiation Act of 1951 (50 U.S.C. App. 1217) is amended by adding at the end thereof the following new subsection:

"(e) AUTHORITY AND FUNCTIONS OF THE CHAIRMAN.—

"(1) IN GENERAL.—The Chairman of the Board shall be its chief executive officer and shall direct the executive functions of the Board, which include but are not limited to the supervision of personnel, the distribution of business among such personnel and among the administrative units of the Board, and the distribution of funds. The Chairman may delegate to any officer or officers of the Board any function or power granted to the Chairman under this Act.

"(2) SPECIFIC LIMITATIONS.—The preparation and revision of budget estimates and the determination of the distribution of appropriated moneys according to major programs and purposes shall be carried out by the Board.".

(c) PAY OF THE CHAIRMAN AND OTHER MEMBERS OF THE BOARD.—The fourth sentence of section 197(a) of the Renegotiation Act of 1951 (50 U.S.C. App. 1217(a)) is amended to read as follows: "The Chairman shall receive compensation at the rate of basic pay in effect for level IV of the Executive Schedule, and the other members shall receive compensation at the rate in effect for level V of the Executive Schedule.".

SEC. 6. AMENDMENTS RELATING TO ADMINISTRATION AND POWERS OF RENEGOTIATION BOARD

(a) GRANT OF SUBPENA POWER.—Section 107 of the Renegotiation Act of 1951 (50 U.S.C. App. 1217) is amended by adding at the end thereof the following new subsection:

"(g) ISSUANCE OF SUBPENAS.—

"(1) IN GENERAL.—A majority of the full membership of the Board shall have the power to issue subpenas requiring the production of any records, books, or other documents relating to the Board's functions under this title.

"(2) ENFORCEMENT OF SUBPENA.—If a person issued a subpena under paragraph (1) refuses to obey such subpena or is guilty of contumacy, any United States district court of the United States or its territories within the judicial district within which such person is found or resides or transacts business may (upon application by the Board) order such person to produce the records, books, or other documents required to be produced under such subpena. Any failure to obey such order of the court may be punished by such court as a contempt thereof.

"(3) MANNER OF SERVICE.—The subpenas of the Board shall be served in the manner provided for subpenas issued by a United States district court under the Federal Rules of Civil Procedure for the United States district courts.

"(4) WHERE SERVED.—All process of any United States district court to which application may be made under this subsection may be served in the judicial district wherein the person required to be served resides or may be found.".

SEC. 7. TECHNICAL AMENDMENTS.

(a) REPEAL OF PAYMENT OF WITNESS FEES.—The fifth sentence of section 108 of the Renegotiation Act of 1951 (50 U.S.C. App. 1218) is repealed.

(b) REFUNDING OF OVERCOLLECTIONS.—Section 108 of the Renegotiation Act of 1951 (50 U.S.C. App. 1218) is amended by adding at the end thereof the following: "Any such refund shall be paid to the contractor or subcontractor in the manner prescribed by section 724a of title 31, United States Code for payment of any other final judgments rendered by the Court of Claims against the United States—

"(1) Refunds (not in excess of $100,000 in any one case) shall be paid out of any general appropriation therefor, on presentation to the General Accounting Office of a certification of the judgment pursuant to section 2517 of title 28, United States Code; and

"(2) Refunds (in excess of $100,000 in any one case) shall be paid by the Treasury Department upon application and presentation of original transcripts of judgments for certification to Congress for appropriation pursuant to section 2518 of title 28, United States Code.".

(c) Paragraph 5 of section 114 of the Renegotiation Act of 1951 (50 U.S.C. App. 1224(5)) is amended by striking out the comma which appears immediately after "Court of Claims" and by striking out "the United States Tax Court, each United States Court of Appeals,".

(d) Section 106(a)(6) of the Renegotiation Act of 1951 (50 U.S.C. App. 1216(a)(6)) is amended by adding "and subcontract(s)" immediately after "contract(s)" each time it appears therein.

(e) The first sentence of section 114 of the Renegotiation Act of 1951 is amended by striking out "January" the second time it appears therein and inserting in lieu thereof "April" and by striking out "June" and inserting in lieu thereof "September".

(f) Section 105(f)(2) and section 105(f)(3) of the Renegotiation Act of 1951 are amended by striking out "$25,000" each time it appears herein and inserting in lieu thereof "$50,000".

SEC. 8. AUTHORIZATION.

There are hereby authorized to be appropriated such funds as may be necessary to carry out the purposes of this Act.

Mr. MINISH. Mr. Chairman, I ask unanimous consent that further reading of the amendment in the nature of a substitute be dispensed with and that it be printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. MINISH. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. O'NEILL) having assumed the chair, Mr. DANIELSON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 10680) to revise and extend the Renegotiation Act of 1951, had come to no resolution thereon.

GENERAL LEAVE

Mr. HANSEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill (H.R. 10680).

The SPEAKER pro tempore (Mr. O'NEILL). Is there objection to the request of the gentleman from Idaho?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. O'NEILL asked and was given permission to address the House for one minute.)

Mr. O'NEILL. Mr. Speaker, I rise to announce the program for tomorrow. It will be in the following order.

One. Conference report on H.R. 5247, Local Public Works Capital Development and Investment Act of 1975.

Two. H.R. 10680, Renegotiation Act amendments upon which we will conclude consideration.

Three. House Resolution 982, Relative to the Select Committee on Intelligence.

NATURAL GAS

(Mr. DICKINSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DICKINSON. Mr. Speaker, I am most concerned about the natural gas supply situation facing this country, and I believe it is the duty of the 94th Congress to act quickly to pass legislation which offers a long-term solution to the problem.

I am particularly concerned for the farmers in my district who depend on a continuous and adequate supply of natural gas for two purposes. The first is for the manufacture of fertilizer, and the second is for drying peanuts.

Fertilizer plants are always among the first users to have their natural gas supplies cut in case of a shortage, and in order to insure a sufficient supply for fertilizer for the level of crop production needed over the next year, and beyond, to maintain U.S. food stocks and feed the Nation, it is necessary to deregulate natural gas for fertilizer companies. I introduced a bill last year to amend the Natural Gas Act to permit fertilizer manufacturers to make voluntary purchasers or exchange of rights with any other end user of natural gas or producer with uncommitted supplies at an unregulated price. No action was taken on the measure and therefore, it remains vital that legislation be passed at this time to alleviate this problem.

The second problem facing many of the farmers in my district is that of having an adequate supply of natural gas to dry their peanut crops. If there is not a sufficient supply for this purpose, it will be disastrous for those peanut farmers and for the economic well-being of the Second District of Alabama.

I believe the Krueger substitute to the Dingell Natural Gas Emergency Act is the means by which we can solve these problems and see that adequate supplies of natural gas are made available to the Nation. Residential users as well as farmers and businessmen must be assured of an uninterrupted supply, and these consumers are willing to pay a higher price in order to have that assurance.

Should the Congress pass H.R. 9464 as it was reported, my constituents will be penalized because the pipeline which supplies my district followed sound business policies and does not qualify under the bill as a "distressed" pipeline. I urge my colleagues to support the economic expedient of deregulation in order to assure consumers throughout the Nation of an adequate supply of the cleanest and still least costly fuel available to us—natural gas.

A CAPITAL IDEA FOR HOMEOWNERS' RELIEF

The SPEAKER pro tempore (Mr. DANIELSON). Under a previous order of the House, the gentleman from Connecticut (Mr. MCKINNEY) is recognized for 5 minutes.

Mr. McKINNEY. Mr. Speaker, today I am pleased to introduce a bill to amend the Internal Revenue Code to allow an individual to exclude from gross income the gain realized from the sale of a taxpayer's principal residence.

Currently many areas of the economy are crying out for stimulation from the Federal Government. Meanwhile the people are struggling under the impact of incessant inflationary forces that are stifling individual spending decisions: actions such as buying and selling homes, consumer purchases, and capital investments. The interrelationships between the consuming public and the corporate sector are so vital that any action to relieve the one must necessarily have some effect on the other. However, when amending our tax laws in the past, we rarely had the opportunity to make a revision that would provide much needed relief to private citizens and would also have an immediate beneficial effect on the business community while continuing to provide tax revenues.

I propose to expand the tax exclusion currently allowed to those over 65 who have sold a home at a profit. First, this exclusion would be extended to any taxpayer who satisfies the other existing provisions without an age restriction. Second, there would no longer be a limitation on the amount of the sales price that could be excluded. I emphasize, however, that any taxpayer who chooses to use this provision would be allowed to use it only once in his lifetime, as expressly stated in the bill. This last provision insures that the tax exclusion would be limited to those individuals for whose benefit it is intended and not abused or usurped by speculators.

The primary beneficiaries of such a measure would be that large group of middle- and low-income Americans who find that their economic and tax situations, aggravated by inflation, preclude or prevent profitable resale of a home that is no longer suitable for their circumstances. An artificially high selling price is usually offset by an equally inflated replacement cost, despite a sizable capital gains tax. In the case of a seller choosing not to buy another home, the gain on the transaction is taxed at the regular capital gains rate.

When a home has been held for a long period of years and is sold by those approaching retirement, the proceeds from this sale are intended to supplement social security, pension, or other retirement income sources. To generate this supplemental income, the funds might be invested in bonds, stocks, savings accounts, or other media. Taking a substantial portion of the proceeds in the form of a gains tax not only reduces the income-producing base and the amount available for consumer spending, but also limits this potential source of investment capital at a time when the leadership of both parties agree that capital formation should be receiving high priority as a means of reducing unemployment, strengthening the economic recovery, and meeting the demands of our public assistance commitments.

Although the Federal Government would lose the revenues that normally result from taxing these gains, there would be revenue generated from taxes on income from the productive, private use of the money. Additionally, such an economic stimulant as the influx of some of these dollars for consumer items would result in more demand and more jobs. For those not concerned with the human factor of unemployment, the latter can be interpreted as more taxable income. The cumulative effect could far outweigh the tax revenues lost directly through these provisions. In fact, that should be quickly recouped through other taxes with additional side benefits to the whole country that are not so easily quantified.

The time has come for Congress to modify the practice of taxing the public after the pressures of inflation have already exacted the tax of lost buying power. Federal spending itself provides so much of the base for this inflationary force that we should examine closely any proposal that could in the long run help reduce such public assistance expenditures as supplemental income for aged and retired citizens, food stamps, and unemployment compensation—expenditures which necessarily have had to soar to keep pace with inflation. If we can reduce the number of people who must rely on these programs, we can reduce Federal spending. My proposal would help the country to reach those goals.

It may not make sense to some to suggest that we cut taxes first to reduce inflation, but the sensible economic policies that have been advocated—if not always followed—in recent years have been abject failures in meeting the needs of the people and the economy. It is time for the U.S. Government, especially the Congress, to strike out in new directions to find practical, far-reaching and long-range solutions to the problems which threaten the very existence of our democracy.

CONGRESS, THE PRESIDENT, AND THE MEDIA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANDERSON) is recognized for 15 minutes.

Mr. ANDERSON of Illinois. Mr. Speaker, on Tuesday, January 20, 1976, the distinguished deputy majority whip of the House (Mr. BRADEMAS) inserted in the CONGRESSIONAL RECORD, page 295, a study prepared by the Congressional Research Service, at the request of the Speaker, on television network coverage of Presidential addresses. The CRS study, prepared by Denis S. Rutkus, American National Government Analyst, contains the following finding:

> From January 1966 through December 1975, Presidents Johnson, Nixon and Ford sought simultaneous television network time to address the Nation on 45 identifiable occasions and received it 44 of those times from all three networks.

Thus, the report concludes that it has become a routine practice for networks to make airtime available to a President when he requests it on the presumption that any Presidential address prepared solely for television will be sufficiently newsworthy to justify preemption of regular network programing and that, regardless of the substance of the address, it has a unique inherent news value because of the importance of the Presidential Office. The report questions whether the networks "fully exercise their news judgment" when such a Presidential request is made and answers the question by concluding that it appears that the President rather than the networks decides whether the address merits network coverage. The report suggests that:

> The best remedy would be for network news executives to exercise rigorous judgment on every Presidential attempt to use the airwaves and to reject all such attempts that in their news judgment are unworthy.

Mr. Speaker, as the CRS study points out, Presidential addresses carried during prime viewing hours, and most are, reach between 40 to 80 million Americans. The report goes on, and I quote:

> Though not the only opinion-shaping factor at work, it is implausible to argue that the nationwide television of the Presidential viewpoint, unrebutted in comparable fashion, is without substantial effect on the opinion polls.

To buttress this, the report quotes pollster Lou Harris who has found a distinct linkage between a Presidential television appeal and increased public support for the position espoused in that appeal. Says Harris:

> The pattern is so consistent with so few exceptions that is is probably fair to conclude that Presidential use of television almost automatically gives him an important advantage.

Mr. Speaker, I think the CRS study you commissioned does raise some very important issues and questions. I only regret that a more comprehensive and comparative study was not requested to indicate the extent to which networks have endeavored to present opposing points of view to those expressed by a President, whether from congressional spokesmen or others. How many times, for instance, over the 109-year span, have Members of Congress participated in followup discussions of a Presidential address? How many times have Members of Congress appeared on network documentaries, talk shows and newscasts, to discuss the same issues covered in a Presidential address? While the CRS study does not cover these questions, a New York Times article on the study carries the following, without attribution to source:

> In contrast, the Democratic Congressional leadership had requested access to the air 11 times in the last seven years, but had received it only three times.

Unfortunately, this bit of information does not tell us how many times the networks offered time to congressional spokesmen, without being asked, and how many times it was used or refused. For example, another CRS study prepared by John G. Stewart in 1974, at the request of the Joint Committee on Congressional Operations, entitled, "Congress and Mass Communications: An Institutional Perspective," carries the following information for 1970:

> Two networks, ABC and NBC, subsequently offered broadcast time to Congress for a year-end program, to be divided equally between the majority and minority parties. These offers were never acted upon by the congressional leadership.

Mr. Speaker, in raising these questions about the CRS report, I do not mean to imply that the Congress has necessarily been given a fair shake by the media in presenting its side of an issue raised in a Presidential address. In fact, I have long held that Congress as an institution has had nowhere near comparable exposure to the Presidency in the broadcast media. But it is certainly not fair to blame this all on the media. For too long, the doors to our committee hearings were closed to the broadcast media. We changed that with the 1970 Legislative Reorganization Act. But even today, our two Chambers remain closed to the electronic media.

Another problem, of course, is that while the President can speak with one voice, the Congress cannot. We are 535 voices, with perhaps as many different views. This was brought out as recently as last Wednesday when Senator MUSKIE was tapped by the Democratic leadership to present a response to the President's state of the Union message. In Senator MUSKIE's words:

> The Democratic leadership of the Congress in which I serve has asked me . . . to present another point of view. It is not the opinion of Congress or of its Democratic majority. For I am only qualified to speak as the senior

Senator from Maine, a Democrat, and as Chairman of the Senate Committee on the Budget.

Senator Muskie is to be commended for conceding that he could not possibly speak for all congressional Democrats, let alone for the Congress as an institution. In so doing, he has put his finger on the central issue in this debate: "Who speaks for Congress?" So much of the debate in recent times has been framed in terms of the imbalance between the legislative and executive branches of Government, with a large part of the imbalance attributed to Presidential domination of the airwaves. But, to quote again from the 1974 CRS report written by John G. Stewart:

> . . . although demands for broadcast access are often couched in "institutional" terms, the message to be broadcast is, in most instances, a partisan one as defined by the congressional members not of the President's party. This is especially true in times of divided government when the majority in Congress is out of power in the White House. Democrats in Congress want broadcast time when there is a Republican President and vice versa. But it is also true that all Democrats do not necessarily agree with their party leaders, nor do all Republicans. Even when the White House and Congress are controlled by the same party, there usually is a minority of the President's party in Congress that disagrees with the President on a given issue.

Mr. Speaker, I think the above statement perhaps more accurately pinpoints what is at issue here. It is not so much the institutional imbalance, but rather the concern of congressional Democrats in an election year that they have more access to the media. In fact, in your press statement accompanying the release of the CRS report, you indicated that you requested the study be done, "because of my growing concern with the disparity between simultaneous network coverage of Presidential television addresses and addresses by the Democratic majority in the Congress." You have called attention to what you perceive as the double standard between "the rigorous news judgment applied by the networks to requests by the Democratic leadership for air time," and the finding that "the networks have exercised little or no news judgment when considering Presidential requests for air time for television addresses."

The problem with attempting to put these two on the same plane is that while the President, as chief executive officer of the Federal Government, can speak for the entire executive branch on matters of foreign and domestic policy, the Democratic leadership of the Congress cannot speak for the entire Congress. While the networks may be obligated under the equal time doctrine to grant time to the Democratic opponent in a general election campaign when the President speaks as a candidate, they are under no obligation to grant such equal time to the Democratic leadership in Congress, which, as far as I know, is not running for President. While the networks may be obligated under the fairness doctrine to air opposing points of view to a position taken by the President in a television address, they are under no obligation to grant that time to the Democratic leadership in Congress. While the networks may be obligated under the fairness doctrine to give time to congressional spokesmen when the President attacks the Congress in a broadcast address, they are under no obligation to limit that opportunity to the majority party in the Congress.

The criticism may be valid that the networks have not exercised rigorous news judgment in determining which presidential addresses are newsworthy. Yet, it is still their judgment, not ours, to make. Even if it were found that the networks had aired only newsworthy Presidential addresses, this would in no way alleviate the complaint of the Democratic Leadership that they had not been given equal opportunities. The more likely and important it would be in terms of influencing public opinion, which is, after all, a responsibility of a government leader, not an abuse of power.

Mr. Speaker, I am disturbed by reports carried in both the Post and New York Times articles on the CRS study that serious consideration is being given to pushing for legislation which would require the networks to carry congressional responses to every Presidential address, the presumption apparently being that Congress somehow has an automatic "right of reply." I frankly do not understand how such a bill could be squared with the first amendment which states that "Congress shall make no law * * * abridging the freedom * * * of the press." Granted, a legal distinction has been made between the printed press and the electronic media in justifying many FCC regulations on the latter. But at a time when we are beginning to move away from so many Government regulations which are inhibiting our freedoms, even in the area of broadcasting, I fail to comprehend how such a bill could be seriously contemplated.

It should be recalled that similar legislation was considered by the Senate Committee on Commerce's Subcommittee on Communications back in 1970. The measure under consideration was Senate Joint Resolution 209 introduced by Senator Fulbright. It would have amended the Communications Act to require broadcast licensees, as a public service, to provide a reasonable amount of broadcast time to "authorized representatives" of the House and Senate to present views of the two Houses on issues of public importance, at least four times a year.

While many of the witnesses during the course of the 3 days of hearings agreed that Congress had a right comparable to the President to present its side of controversial issues, the hearings bogged down over how to implement this right of equal access. The point was made that the President was granted television time as a matter of courtesy, not law, to which Senator Fulbright suggested that the networks be required to carry both presidential and congressional addresses as a matter of law. There was considerable discussion of how congressional spokesmen would be chosen. Senator McGovern suggested a bipartisan committee to work out the details.

As the Fulbright resolution died in NBC News president, said that the study gested an alternative, and I quote:

> The broadcast media should be brought into the Senate, just as the newspapermen, when that bell rings and the prayer is given, the press is there in the gallery. . . . And the electronic media should be in that gallery, and they should stay there until we adjourn or recess. And let them choose what should go on and then if they don't live up to their responsibility, then the people would react toward them.

Mr. Speaker, I agree with Senator Pastore that broadcasting the House and Senate floor proceedings is the only reasonable answer to redressing the media imbalance between the two branches. This same conclusion was reached by the Joint Committee on Congressional Operations after extensive hearings and study in the last Congress. To quote from the report of the Joint Committee, "Broadcasting House and Senate Proceedings" (H. Rept. 93–1458):

> In effect, Congress—the "great commanding theater of the Nation"—has provided reserved seating only, even as all Americans have been invited to tour the White House, live and in color, and to sit in while the President signs a veto message or conducts a televised summit meeting on the economy.
>
> * * * * *
>
> But, considering the increasing use of Presidential television and revolutionary changes in the communications process over the past two decades, Congress continues to debate and legislate in relative seclusion.
>
> Today, Americans rely most on television, newspapers, and radio—in that order—for information about government and public affairs. They have every right to expect to see Congress—as an institution—at work through the medium, television, on which they rely most heavily and to which they turn most frequently for such information.

Mr. Speaker, on the basis of the work, findings, and recommendations of the Joint Committee on Congressional Operations, the House Committee on Rules last year appointed an ad hoc Subcommittee on Broadcasting to further explore and refine a proposal for broadcasting House floor proceedings. I am proud to be a member of that panel under the distinguished leadership of the gentleman from California (Mr. Sisk). Our subcommittee is about to report a resolution, House Resolution 875, to the full committee. We are hopeful the full Rules Committee will clear this measure for floor consideration in early February so that broadcasting could begin by midsession. I commend this proposal to my colleagues as the most sensible approach to insuring more congressional access to the media and correcting the existing White House domination of the airwaves vis-a-vis the Congress. To quote from a Washington Star editorial of last Monday:

> If Congress is serious about increasing its television exposure, it has a ready opportunity. Opening Senate and House floors to the cameras, as the networks have been urging for years, would get congressional speechmakers more TV time than all the complaining about presidential access to the medium.

Mr. Speaker, at this point in the Record I include the Washington Post and New York Times articles on the CRS study of presidential television time, as well as the full text of the Washington

Star editorial to which I have just referred:

[From the Washington Post, Jan. 18, 1976]

TV NEWS JUDGMENT ASSAILED

(By Sander Vanocur and John Carmody)

House Speaker Carl Albert (D-Okla.) accuses the three commercial TV networks of exercising "little or no news judgment" when they consider presidential requests for television time.

Albert made the charge in a statement released today accompanying a report he commissioned from the Congressional Research Service of the Library of Congress on the history of TV coverage of presidential addresses.

The study found that from January, 1966, through December, 1975, Presidents Johnson, Nixon and Ford sought simultaneous time from the three networks for addresses to the nation on 45 occasions and received it on 44.

The exception was Oct. 6, 1975, when President Ford requested air time to discuss a tax cut. ABC gave him the time, CBS and NBC did not.

Albert charges that Presidents have far greater access to air time than the opposition party.

Rep. Torbert H. Macdonald (D-Mass.), who has written a bill that would allow Congress a "right of reply" to presidential messages, said he will expand pending hearings on the Federal Communications Commission's equal-time rule to include issues raised by the study.

President Ford's State of the Union address will be carried live by all three networks Monday night. A Democratic reply by Sen. Edmund S. Muskie (Maine) will be carried live Thursday night.

The report, written by Denis S. Rutkus, an analyst with the Congressional Research Service, notes that the networks began their pattern of granting Presidents almost unlimited access to free television time on Jan. 31, 1966, when President Johnson announced he was resuming the bombing of North Vietnam.

Prior to that time, according to the study, the networks had exercised their news judgment to decide whether a presidential request for television time would be granted.

It notes that Johnson requested television coverage eight times from January, 1964 through 1965.

The three networks declined to provide simultaneous coverage on three of those occasions. The other times, the networks refused to cover Johnson live when he would not disclose beforehand the subject of his address.

That changed with the Jan. 31, 1966, address. From that time until he left office in January, 1969, Johnson made seven television addresses, all of which were carried by the three networks. Richard M. Nixon in 5½ years in office sought television time for 32 speeches to the nation. All were televised by the three networks.

The report claims that the "networks" presumptions about the high news value of a presidential address . . . appear to take the place of their rigorous exercise of news judgment," a charge network officials quoted in the report denied.

On the report's publicaton, Richard Wald, NBC News president, said that the study did not include the "significant" network use of public affairs documentaries and news and talk shows for views of "the loyal opposition."

A CBS spokesman suggested that Albert's main concern is that the opposition did not get "simultaneous" coverage in response to the White House and agreed it needed study.

ABC Washington bureau chief Bill Lord said there was "an imbalance of views on regularly scheduled newscasts" but said that Albert himself frequently turns down requests to appear when asked to speak for the opposition.

Most industry sources, however, characterized the report as an expected move in a presidential election year.

[From the New York Times, Jan. 18, 1976]

ALBERT SAYS TV FAVORS PRESIDENTS

(By Les Brown)

House Speaker Carl Albert charged yesterday that the television networks regularly abdicate their news judgment when a President requests air time.

The Oklahoma Democrat said that the networks "leave themselves vulnerable to manipulation" and in effect trust the White House to determine whether a speech has news value.

Representative Albert made the comment in connection with a report on Presidential access to television prepared at his request by the Congressional Research Service and released by the Library of Congress.

He noted that only once in the last 10 years had CBS, NBC or ABC denied air time in the 45 times Presidents had asked for it. In contrast, the Democratic Congressional leadership had requested access to the air 11 times in the last seven years, but had received it only three times.

Both Richard S. Salant, president of CBS News, and Richard C. Wald, president of NBC News, said they had exercised news judgment in granting air time to Presidents.

TO MOBILIZE SUPPORT

The report observes that Presidents have successfully used their access to television "to mobilize support for controversial policies, sometimes with dramatic results."

In being permitted also to control the telecast time for their speeches Presidents have been able to control the sizes of their audience, because almost invariably they have scheduled them in the peak viewing hours of the evening.

Tracing a pattern of presidential access, the report noted that from January 1966 on, the three TV networks granted 44 consecutive requests by Presidents Johnson, Nixon and Ford for simultaneous coverage of addresses to the nation.

The series ended Oct. 6, 1975, when CBS and NBC declined to carry President Ford's address on his tax-cut proposals, leaving ABC to televise it alone. This denial to Mr. Ford, however, was not made as a news judgment but out of concern by the networks for their equal-time obligations. Mr. Ford was by then a declared candidate for the Republican Presidential nomination.

Therefore, the report observes, the network policies of giving a President routine access to television are probably still in effect.

REMEDIAL ACTION SOUGHT

The report has stirred certain legislators to seek "remedial action."

Representative Torbert Macdonald, Democrat of Massachusetts and head of the House Subcommittee on Communications, said that he planned to meet with Representative Albert to discuss the possibility for rapid Congressional action on legislation he has already introduced. Mr. Macdonald's bill seeks to establish a "right of reply" by Congress to televised speeches by Presidents.

The report, prepared by Denis S. Rutkus for the Congressional Research Service, carries the full title "A Report on Simultaneous Television Network Coverage of Presidential Addresses to the Nation." Summarizing a number of interviews with network executives, the report states:

"The networks apparently take the position that the unappealing possibility of appearing slavishly accommodating to Presidential requests for air time is outweighed by their need to make sure that the live coverage is provided of important presidential addresses."

Later the report states: "It would appear that Presidential requests for air time somehow * * * relationship between the President and the press for, in such instances, the President rather than the networks appears to decide when he merits network coverage."

POLLS ARE CITED

A section of the report documents instances in which Presidents Johnson, Nixon and Ford were able "to rally public opinion to their points of view" by citing public-opinion polls before and after a President's speech.

In the summer of 1964, for example, the Louis Harris Survey found that 42 percent of persons polled supported the Vietnam policies of the Johnson Administration. But after an Aug. 4 television address by President Johnson, announcing that he had ordered retaliatory air strikes against attacks by the North Vietnamese, support for his policies rose to 72 percent in the Harris Survey.

Similarly traced were the shifts in public support of the Nixon Administration policies after President Nixon's addresses.

Mr. Harris is quoted in the report as saying, after having examined his survey data from 1963 to 1970, that they show "a definite and distinct pattern of increasing support for a President after he has taken to television to appeal for his position."

"The pattern is so consistent, with so few exceptions," Mr. Harris went on, "that it is probably fair to conclude that Presidential use of television almost automatically gives him an important advantage."

[From the Washington Star, Jan. 26, 1976]

TV AND THE CONGRESS

A Library of Congress research report, compiled at the behest of House Speaker Carl Albert, attempts to show that the networks are biased in favor of the President in competition between the White House and Congress for television coverage.

According to the report, and an accompanying statement by Mr. Albert, the networks are patsies for presidential requests for air time while members of Congress usually get a fast shuffle when they put in a bid for special time.

Mere statistics on pre-emptions of air time for presidential addresses, messages and press conferences versus the same for spokesmen for the Democratic congressional majority would indicate Mr. Albert has a point. But statistics are not the only factor in this dispute.

The overriding issue is news value. Network officials seldom turn down a presidential request for air time because a presidential address is almost per se a newsworthy event. The public has a right to be made aware of the thoughts and judgments of the President on matters of national and world importance. He has, after all, been put there to provide leadership and preside over the nation's affairs; he is the single most important official in the free world.

That is not to say that Congress is unimportant. But it is, after all, a collection of 535 House and Senate members, none of whom as individuals can be compared to the President. Moreover, these 535 individuals have opinions and political outlooks that vary. Although the Democrats have a large majority in both houses, members of that party possess widely disparate views.

Senator Edward Kennedy's position on a given issue is highly unlikely, for instance, to tally with that of Senator James Allen of Alabama. Nor, for that matter, are Mr. Albert and the leader of the House Democratic Caucus, Phillip Burton, likely to see eye to eye on all issues; nor Senate Majority Leader Mike Mansfield and his assistant, Senator Robert Byrd.

So it is difficult to present a consensus view of Democratic congressional opinion. Yet the television networks have made attempts to give the party out of the White House a chance to speak its piece. For example, Senator Edmund Muskie, on behalf of the Democrats, last week answered President Ford's State of the Union address. But it is unreasonable to expect congressional Democrats to be given air time every time the President is on.

The argument over presidential access to television is largely political. Democrats on Capitol Hill don't complain when a Democrat is in the White House. Likewise, the Republicans don't complain about it when a Republican is in the White House but do when a Democrat is.

If Congress is serious about increasing its television exposure, it has a ready opportunity. Opening Senate and House floors to the cameras, as the networks have been urging for years, would get congressional speechmakers more TV time than all the complaining about presidential access to the medium.

PRIME MINISTER YITZHAK RABIN OF ISRAEL

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Massachusetts (Mrs. HECKLER) is recognized for 5 minutes.

Mrs. HECKLER of Massachusetts. Mr. Speaker, we had the occasion this afternoon to hear the distinguished Prime Minister of Israel, Yitzhak Rabin, as he so eloquently discussed the concerns and aspirations of his great nation, our ally in the Middle East.

The Prime Minister echoed my thoughts when he said of the United Nations:

> The words of its charter have been abused and devalued. Its moral resources have been eroded by extortion and appeasement. None of us in the free world have fared well in this climate.

What he said, and what I have been saying for many months, is that Israel is not the sole target of those nations who would make the U.N. a forum for invective and hate. They have another target in mind, my colleagues. They are trying to reach us through our ally.

Daniel Moynihan, our forceful spokesman at the U.N., has recognized this, as have many of us who have followed the Arab-Israeli conflict closely.

Mr. Speaker, we must continue to maintain our strong support for Israel. Failure to do so would weaken our position with our other allies throughout the world. It is not only in our best interest, but in the best interest of world peace that Israeli-American cooperation continue unabated.

Only when the Arab nations recognize Israel and reconcile themselves to the country's right to exist can there be a meaningful effort toward a permanent peace in the Middle East. As Prime Minister Rabin said:

> The Palestinian issue began with the overall Arab posture on the legitimacy of the Jewish State of Israel. Only when that posture changes will the Palestinian issue be constructively and finally tackled.

We in the United States desire peace in the Middle East. Certainly the Jewish people who have fought for centuries, against all manner of barbarisms, to preserve themselves, want peace.

But as long as the hate mongers continue their warlike policies in whatever forum is available to them, there will be no peace. And though our common desire for peace in the Mid-East is not the only bond which joins us to Israel it is an important one. I intend to continue my support for the State of Israel. We dare not back away from our obligation to this country.

THE LATE PAUL ROBESON, SR.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. CONYERS) is recognized for 60 minutes.

(Mr. CONYERS asked and was given permission to revise and extend his remarks.)

Mr. CONYERS. Mr. Speaker, Paul Robeson, that great scholar, singer, actor, and fighter for human dignity, died last Friday at the age of 77, after an extended illness. Mr. Robeson, born in 1898, the son of an escaped slave, was during the first half of the 20th century one of the most celebrated artists and influential political figures to emerge from black America. Lauded internationally for his abilities, he was frequently denounced in his own country because he stood for the rights of all people, at a time when racism and political paranoia were at their heights.

That Paul Robeson was talented and versatile, no one would dispute. A Phi Beta Kappa and football all-American at Rutgers University, he later starred in 11 films. He toured America and Europe performing highly praised concerts of black music sung in a rich baritone voice. During the years 1925 to 1950, he became one of the foremost American performers.

However, Paul Robeson did not separate art from politics.

"The artist must elect to fight for freedom or for slavery," he stated. "I have made my choice. I had no alternative."

The choice made by Robeson showed a strength of character which did not allow him to sell his convictions to reap personal benefits. He spoke openly of police brutality, lynchings, denial of civil rights, and labor exploitation against blacks and the poor in this country. He used his great talent as a speaker at rallies and demonstrations and sang at benefits for victims of oppression. He placed himself at the forefront in the struggle for freedom and justice in America.

Because of his outspoken support in the struggles for human rights, he traveled Europe, and his outspoken support of Third World anticolonial movements, his career as a performing artist was destroyed. During the era of McCarthyism, he was brought before the Senate Judiciary Committee and asked whether he was a Communist. Though privately denying he was a member of the Communist Party, he refused to answer the committee on the grounds that to do so would allow the invasion of his rights as a citizen. He believed that his political affiliations were his business. Mr. Robeson was branded a Communist and a danger to national security. His passport was seized to prevent him from traveling internationally. Opponents disrupted his concerts, causing concert hall managers to refuse him bookings. In 5 years his income plummeted from $100,000 to $6,000 a year. Prints of some of his early films were destroyed. His name was removed from library records.

Mr. Robeson made few public appearances from 1950 to 1958 when his passport was returned. That year he made a triumphant return to Carnegie Hall after an 11-year absence. He then went abroad where he continued to perform until falling ill. He returned to the United States in quiet retirement in 1963 and remained here until his death last Friday.

Paul Robeson stands as a monument to the capacity of the human spirit to achieve excellence in the face of adversity. His talent and courage fused to manifest personal greatness despite the conditions under which he lived. Mr. Robeson gave of himself, whether on the concert stage or the picket line. He sang, struggled, suffered, and died for the cause of human dignity. We could ask no more of him.

Mr. DELLUMS. Mr. Speaker, will the gentleman yield?

Mr. CONYERS. I yield to my colleague from California.

Mr. DELLUMS. Mr. Speaker, I thank the distinguished gentleman from Michigan for yielding to me. I applaud him for taking this special order to pay tribute to a brilliant and great black man.

Paul Robeson, Sr., was an extraordinary multitalented human being, a superb athlete, an exceptional scholar, a brilliant actor, an accomplished singer, and a gifted writer. But, these were among his most obvious qualities. What stands out even more vividly to me was the integrity of Paul Robeson, Sr. I have always been overwhelmed and deeply respectful of his decision to speak out against oppression and for his beliefs, in the face of extraordinary personal adversity.

I have always applauded the courage and integrity of human beings who have a conviction and who assume the risk and burden and responsibility of leadership.

I thank my distinguished colleague for taking this special order. I join with him in celebrating the life of Paul Robeson, and join with the tens of thousands of human beings who will mourn his death.

Mr. CONYERS. I appreciate that expression from my dear friend from California.

Mr. O'NEILL. Mr. Speaker, will the gentleman yield?

Mr. CONYERS. I yield to the distinguished majority leader of the House.

Mr. O'NEILL. Mr. Speaker, may I say that I have in my hand a beautiful obituary written by Dorothy Gilliam in the Washington Post. I was talking with the distinguished gentleman from Michigan (Mr. CONYERS) earlier about Paul Robeson, and I was amazed to learn that he had never seen any of Robeson's great movies. When I was a boy, of course, he was the first black all-American football player at Rutgers University. I was only 6 or 7 years of age at the time.

I remember his career in the theater. I remember his great voice and outstanding acting performance in "All God's Children Got Wings," the Eugene O'Neill play, and Shakespeare's "Othello."

I remember the tragedy that he actually had along the line. He was a great American athlete, a great American actor, possessed of one of the most beautiful voices God has ever given man, a fighter for the rights of all people, including himself. He was a victim during the years of the dull brush of political innuendo.

I quote from the article:

> In his major political statement, "Here I Stand," published in 1957, Robeson commented on the popularly held belief that he was politically naive and courted by the Communists so they could gain through him a foothold among American blacks.
>
> "It has been alleged that I am part of some kind of 'international conspiracy.'
>
> "The truth is I am not and never have been involved in any international conspiracy or any other kind, and do not know anyone who is . . .
>
> ". . . In 1946, at a legislative hearing in California, I testified under oath that I was not a member of the Communist Party, but since that I have refused to give testimony or to sign affidavits as to that fact. There is no mystery involved in this refusal . . . I have made it a matter of principle . . . (because that) infringes upon the constitutional rights of all Americans . . ."

Mr. Speaker, this article is really a beautiful tribute to a man who truly is going to be recognized for what he was, fighting for the rights of people, a great actor, a man whose athletic prowess was tremendous and whose voice was so brilliant.

Mr. DIGGS. Mr. Speaker, I rise today to join my colleagues in salute to a giant in the artistic world and a tireless worker for human rights, Mr. Paul Robeson. Mr. Robeson's death last week robs us of the enormous talents, experience, and compassion of a man who dedicated himself to bettering the lot of others—whether through his world-acclaimed theatrical talents or through his efforts to insure civil liberties for all men and women.

Mr. Robeson suffered from discrimination all his life—as a black man, under the blacklist of the 1950's, as a performer whose talents were ignored. Yet he inspired thousands with his courage and his tenacity in the face of obstacles. Fortunately, record of his achievements remain—in the civil rights legislation he championed, in the written records of his struggle against injustice, and in the filmed records of his performances.

In later years, Paul Robeson's genius has finally been recognized by the world. His talents have been acclaimed, and his contributions to the cause of brotherhood and world peace have been subjugated. Those who scorned him because of his color or his politics have finally looked beyond their own prejudices and seen the creative imagination behind his talents.

The Congressional Black Caucus has championed this renewed interest and appreciation of Paul Robeson's contributions. At the last Congressional Black Caucus annual dinner, Mr. Robeson was given a special award for his service to the cause of blacks and all people.

Mr. Speaker, it grieves me that this marvelous man will no longer lend his eloquence and dignity to our civilization. In a world where patience is in short supply, Paul Robeson was a model of patient idealism. In a world of tokens, he was a pioneer in making true brotherhood and peace realities. In a world hungry for creative endeavors, he gave his talents and his genius freely. He will be sorely missed.

Mr. METCALFE. Mr. Speaker, I commend my colleague and good friend, the gentleman from Michigan (Mr. CONYERS), for arranging this special order in tribute to one of the greatest figures in American history, Paul Robeson. I associate myself completely with my colleague's comments and ask for unanimous consent to revise and extend my remarks.

Paul Robeson was one of the most important and influential figures of the 20th century. During his more active years, he quite possibly could have been the best known, and for many the most beloved, of Americans, both here and abroad. His impressive accomplishments and great commitment to the cause of human rights has assured him a special place in our hearts and in our minds.

Paul Robeson reached the pinnacle of acclaim in every field in which he participated. He was a superb athlete, winning varsity letters at Rutgers University in football, basketball, baseball, and track. He was a two-time football all-American, Rutgers' first, and considered by most to be the finest football player of his era.

Paul Robeson was also a noted scholar. As only the third black admitted to Rutgers, he received Phi Beta Kappa honors in his junior year and graduated as valedictorian of his class. He went on to earn a law degree from Columbia University. Most importantly, he developed into a major cultural theorist, ranking with Dr. W. E. B. DuBois as a major recorder and exponent of black cultural accomplishments. He was also an accomplished linquist, having mastered over 20 languages, including Russian, Chinese, Arabic, and eight African languages.

Finally, Paul Robeson was an incomparable artist. He was the finest bass/baritone in the world during his 35-year singing career. Both on the stage and in films, he was also one of the world's great actors, his Othello being the definitive portrayal of that role, a portrayal which still holds the record as the longest-running Shakesperean play on Broadway.

Paul Robeson had a heart as big as his talent. His fight for human rights, a fight which ruined his career and probably his health, it at once an example of the best and the worst things about America. It is an example of the best because his commitment to freedom and equality was totally consistent with the ideals upon which this country was founded. It is an example of the worst because America could not accept and appreciate such commitment.

Many news stories are referring to Paul Robeson as a tragic hero. They imply that he was forced, or out of naivete tricked, into embracing unpopular issues, thus allowing his career to self-destruct. Nothing could be further from the truth. If Paul Robeson was forced into anything, it was into wholeheartedly embracing the cause of freedom and equality because, upon seeing and experiencing the oppression and injustice suffered by his people at the hands of this racist society, he could not in good conscience do any less. There must be no mistake about it, the Government destroyed Paul Robeson, destroyed him for the seemingly unforgivable crime of speaking the truth.

For people unfamiliar with the sincerity and honesty of this 20th century giant, unfamiliar because they were denied knowledge of him, Paul Robeson's death last Friday afternoon at the age of 77 will pass unnoticed. But for those of us who knew him and deeply appreciated his contributions to American life, he will be greatly missed. We know that America in general and black America in particular have lost a true champion of human rights for all. Such a great loss will be difficult to overcome.

Mr. YOUNG of Georgia. Mr. Speaker, I, among many of my countrymen, am saddened by the loss of a truly great black American, Paul Robeson. He was a hero of my youth, an inspirer of an era which we too easily forget. When I was young and Paul Robeson was in his prime, our country had not yet decided that black people would have the same rights as other Americans. Second-class citizenship was a heavy burden for our community to bear. Institutional and personal racism caused us grief and hardship.

Times have changed significantly in our country, especially in how black people are treated and regarded. But I can never forget then the magnificent voice that helped to sooth our collective sorrow. I can never forget the melodious words that helped to sweep away our bitter tears. I can never forget the strength of conviction that helped to stiffen our backs and set our feet in the path of self-liberation as a people.

Paul Robeson loved us. He loved people of all colors and of many nations. He loved justice, freedom, compassion. He hated injustice, oppression, tyranny.

Very few men in their lifetime bequeath a legacy to the living. Paul Robeson did so. To the young of my generation and to those who have followed after, he was a giant among men.

This is why John Lewis, now director of the voter education project in Atlanta, then chairman of the Student Non-Violent Coordinating Committee, could say the words below in 1965. "Paul Robeson—inspirer of youth."

Can this great man not be here? Though he was often silent in recent years, his presence was felt, his influence pervasive. There will be no other like him, his spirit and intellect a unique and solitary creation. Proud of his manhood, proud of his race, Paul Robeson cannot be forgotten. He lifted our national soul to unequalled heights and tested our love of liberty for decades.

Paul Robeson cannot be dead. He is the memory of my youth. This world is strange and uprooted without him. "Go Down Moses."

The article by Mr. Lewis follows:

PAUL ROBESON—INSPIRER OF YOUTH

(By John Lewis)

Ladies and gentlemen, I should say my fellow freedom fighters, let me begin by congratulating Freedomways and all of you tonight for having this affair to honor Paul Robeson at such a fitting moment in our history and its critical juncture in the Civil Rights Movement. For two generations of Americans, Paul Robeson represented the entire Negro people of this country. He was a spectacular hero who seemed to have been born lucky: first, an All-American football star, a Phi Beta Kappa scholar, and, in the twenties and thirties, an internationally famous actor and singer.

Paul Robeson was a tall, suave, handsome, rich man who was actually chosen to represent all America in a CBS production of "A Ballad for Americans." But then he began to emerge as not just America's favorite Negro artist. During his years of life and travel in London, he met African leaders in exile, such as Kenyatta and Nkrumah. He went to the Soviet Union. He began to speak for Negro rights—for human rights. He talked and listened to the representatives of the Communist Party. He called for direct action to solve our problems at a time when it was not popular, even extremely "unfashionable." Some white people seemed to think that Paul Robeson betrayed them. Some began to say, "Now look, he's being ungrateful, look what we've done for you, and you've turned against us."

He also scared away the so-called responsible Negro leadership. Robeson was ostracized, unable to sing or travel. This man, who had made people happy throughout the world, and was everybody's favorite Negro, was soon a hated man. And then began years of persecution by Senator Eastland, and the House Un-American Activities Committee. Yet, Robeson didn't waver. For him, being a Negro, meant no compromising of important principles. It meant taking unpopular stands despite the opposition of the responsible Negro leadership and "white liberal" friends. He might have kept quiet as so many other Negro celebrities have done; he might have taken it easier, and kept his friends happy, but he couldn't. Tonight, as we salute Paul Robeson, we salute more than a man, we salute a cause. We salute the dreams and aspirations and the hopes of an oppressed people whether they be in Selma, Alabama, in Jackson, Mississippi, or in Vietnam.

In many ways, we of SNCC are Paul Robeson's spiritual children. We, too, have rejected gradualism and moderation. We, too, have called for nationwide protests and massive organizing of ordinary people. We, too, have met African leaders, and we, too, have made enemies of some of our erstwhile supporters. We, too, have been told to wait, "be patient," go slow, and be a little more moderate. We, too, have been accused of being radicals, and of "Communist influence" and for the same reasons as Robeson. Such accusations are inevitable when you speak out independently and radically. Such accusations are an attempt to discredit an organization by those who fear they can no linger control that group or pocket the revolution.

They are part of a program to isolate one element in this great struggle, in this great revolution (in this case the Student Non-Violent Coordinating Committee), from the other respectable groups of our society. We recognize this program as such, and reject it as such. We will maintain our independence of any political party or influence, but this includes The Establishment also. Why and what was so dangerous about Paul Robeson? What is so dangerous about SNCC? It is our faith in the numberless poor and uneducated black people in the South, our belief they must be free and decide their own political destiny. This belief was manifested when we of SNCC helped to establish the Mississippi Freedom Democratic Party, which has now challenged the right of the five segregationist Congressmen from Mississippi who were "elected" last fall, not by all of the people of Mississippi, but by a relatively few people. You will remember that 68 delegates of the Mississippi Freedom Democratic Party came to Atlantic City last August to challenge the regular Democratic delegation.

You may remember last January 4 when the right of the five Mississippi Congressmen to be seated was challenged. And 149 other Congressmen cast votes which indicated their support of that challenge. But many people do not know that the challenge has continued. Hundreds of sworn depositions have been taken in Mississippi supporting the Mississippi Freedom Democratic Party, and showing that Negroes are prevented from registering to vote in Mississippi by varied forms of intimidation, harassment, and discriminatory testing devices. These depositions are now being reviewed and soon they will go to a Congressional sub-committee for consideration. That committee is scheduled to make a report to Congress this summer and a decision taken on whether or not to recommend that Congress aid the fight for representative government for all the people of that state.

In the struggle for justice, freedom, fair play, and human dignity, nothing is more important than this Mississippi challenge. And I urge all you people to support it in every way possible. I can think of no more fitting way to pay homage to Paul Robeson than by supporting the Mississippi Freedom Democratic Party and its challenge.

Meanwhile, we are continuing our program in the deep south—in Arkansas, in Southwest Georgia, in Mississippi, and Alabama. These are the programs organizing the people, the black oppressed people in the south around the vote, freedom schools, community centers and public school boycotts for equal education. In Alabama we are now working in several new counties—all of them rural, all of them areas of great intimidation and harassment. In Lowndes County, for example, not a single Negro was registered to vote as of last month, but there are 12,000 Negroes and 3,000 whites living there. It was in Lowndes County that Mrs. Viola Liuzzo was shot-gunned to death. And we know that the Klan is increasing its supply of arms there and elsewhere in the south. Alabama students are still being arrested by the hundreds.

Whatever kind of voting bill is passed (and we hope it will be strong), whatever kind it is, we know that life ahead for the Negroes who seek to vote in Mississippi, Alabama, in southwest Georgia, and in Louisiana will be hard. We need a bill, a strong voting bill that will provide guarantees for "free elections" in the South. If our government can demand "free elections" in Saigon, we can demand free elections in Selma, Alabama; Jackson, Mississippi and throughout this country! They tell us to be afraid of "Communist infiltration," that we are too radical, that we are irresponsible and "destructive." I think I know what Paul Robeson would have said to them—"No," he would say. And I would like to quote some of his words, from his book, *Here I Stand*. These words seem prophetic, when he said:

"We have the power to achieve our goal; what we, ourselves, do will be decisive. It is easy for the folks on the top to take a calm, philosophical view, to tell those who bear the burden to restrain themselves and wait for justice to come. And Lord knows, my people have been patient and long-suffering, but patience can wear out. The plain fact is that a great many Negroes are thinking in terms of now, and I maintain that the goal of 'Equal Rights Now' can be achieved. I say that the Negro action can be decisive. I said that we ourselves have the power to end the terror and to win for ourselves peace and security throughout this land. We ask for nothing that is not ours by right, and here lies the great moral power of our demand. It is the admitted rightness of our claim which has earned for us the moral support of the majority of white America. We have the right, and above all, we have the duty to bring the strength and support of our entire community to defend our lives and property of each individual. Indeed, the war, itself, will move a hundred times quicker whenever it is apparent that the power of our numbers has been called forth. The time for pussyfooting is long gone. Positive direct action will develop in the grass roots and spread from community to community, and the building of that unity is a task which each of us can undertake wherever we are."

Mr. Robeson, we hope to honor you best by performing that task. Tonight we honor a man. Tonight we salute and honor a great cause which is personified in the person of Paul Robeson.

Mr. STOKES. Mr. Speaker, I want to commend the gentleman from Michigan (Mr. CONYERS) for taking this special order and I want to associate myself with his remarks.

Mr. Speaker, Paul Leroy Robeson passed from this life on Friday the 23d of January. Ill health and advanced age drew to a close the saga of one of the most remarkable human beings to live in this or any century.

Yet, Mr. Speaker, I would be remiss if I did not add that death was not the only spector to silence that great intellect. From the beginning of his career as an artist and spokesman for black equality, America brutalized and vilified this giant of a man, similar to their actions against another great American, W. E. B. DuBois. No matter how high Robeson rose, the vicious barbs of racism and political accusation sought to destroy him.

Paul Robeson was born in Princeton, N.J., on April 9, 1898, into a large, warm, and loving black family. His father, the Reverend William Drew Robeson, demanded excellence and high achievement from his youngest child, somehow sensing that young Paul was destined for greatness.

In the fall of 1915, Paul Robeson entered Rutgers University in New Jersey, where even today, no student has paralleled the outstanding academic and athletic record he compiled. He distinguished himself as an all-American football player, despite the fact that his teammates broke his nose, dislocated his shoulder, and stripped his fingernails when he tried out for the team. He was a member of the student council, the debating society, Class Day speaker, valedictorian, and Phi Beta Kappa, to name but a few.

In 1919, after graduation, young Paul moved to New York City's black community, Harlem, at the height of the "Renaissance" to attend Columbia University School of Law. After graduation, the young attorney felt drawn toward other avenues of expression, and embarked on a career as a performing artist. His first starring roles in "Taboo" and Eugene O'Neill's "All God's Children Got Wings" and "Emperor Jones" established him as an actor of rare insight and ability.

According to one of his biographers;

Virginia Hamilton, Robeson always knew he would be outstanding. His father always taught him that in order to remain simply equal, black people would have to perform better than whites.

Simultaneous to his acting career, Robeson embarked on a singing career which was to distinguish him further in the eyes of his people and the world. Whether he was more famous as an actor or for his rolling basso voice, is purely an academic question. Everything he did, he did superbly.

There followed the triumph of "Showboat" and its moving song "Old Man River," Shakespeare's Othello which astounded audiences at home and abroad, and numerous plays and motion pictures. He gave stirring vocal recitals in the major music capitals of the world and at home, his ready support of wartime rallies and gatherings and outspoken indictment of fascism made him a great celebrity.

All of this he did in spite of the oppressive climate for black people in this country. For example, Robeson portrayed his first Othello on the London stage to enormous critical acclaim. On that momentous occasion, the New York Times carried the review headlined "Negro kisses white girl on London stage."

In his travels, Robeson became an outspoken admirer of the Soviet Union, a country which greeted him with warmth and respect. The U.S. Government did not take his opinions highly, and began a relentless campaign to discredit him and bring this great patriot to his knees. "His days were limited," Virginia Hamilton wrote, "and his very real concern for black and poor people became confused in the mind of the public with communism * * * Slander would tighten like a noose around his neck."

In 1950, the State Department under Secretary Dean Acheson revoked his passport and he became a virtual prisoner in this country, a move which also rendered him unemployed. The House Intelligence Committee on Un-American Activities—HUAC—tried their best to make him say that he was a Communist, which, in his own words, he was not. Also, earlier in his career, he developed a keen interest in African liberation and spoke frequently against colonial repression and racism. He became cofounder of the Council on African Affairs, later disbanded because of conflicts with the U.S. Government. He became close friends with Third World leaders such as Kenyatta, Nehru, Nkrumah, and Azikiwe. His autobiography, published in 1958, "Here I Stand," was a credo on his commitment to black people the world over.

Since 1965, after the death of his wife, Eslanda, Robeson lived in quiet isolation with his sister in Philadelphia. In the last several years, a number of prestigious groups have presented this great humanitarian with awards: The National Urban League's Whitney M. Young Award, the Black Psychiatrists Association's 1972 Award, and Ebony magazine proclaimed Robeson as one of the 10 most important black men in American history. In 1975, the Congressional Black Caucus honored him at their annual dinner.

Mr. Speaker, the wrongs done to Paul Robeson can never be taken back. It is too late. But we in the U.S. House of Representatives can commit ourselves to the final eradication of racial injustices which poisoned the lives of so many great black men and women. It is most proper and fitting that in this Bicentennial Year, we join in honoring this great fallen humanitarian and performing artist. His magnificent presence has changed America and you and I for the better.

Mr. RANGEL. Mr. Speaker, I rise today with profound sadness in my heart and ask that my colleagues join with me in tribute to a giant among men, the late Paul Robeson.

Paul Robeson the man, was in fact Paul Robeson the concert artist, stage and screen actor, scholar, and athlete. Few of us can claim such versatility and simultaneous excellence in each field.

As a concert artist, Paul Robeson took the Negro spirtual and transformed it into an art form. His magnificant voice thrilled audiences everywhere and made Robeson one of the world's leading concert singers and it was in 1939 that Robeson made the famous recording of "Ballad for Americans," which became the rallying cry for Americans and made them proud of their heritage. As an actor, Robeson is vividly remembered for his haunting portrayal of Brutus Jones in Eugene O'Neill's "The Emperor Jones." As an athlete, Robeson while attending Rutgers University was selected as first team all-American end for 2 years—1917 and 1918. As a scholar, Robeson was elected to Phi Beta Kappa, was class valedictorian, debating champion, and later went on to Columbia Law School.

However, as we pay tribute to Paul Robeson, we must not forget that he was an early victim of the Communist "purging" of the 1950's, which was headed by Senator Joseph McCarthy, chairman of the House Un-American Activities Committee. Robeson's victimization stemmed from his belief that every American, regardless of skin complexion, had the right, not privilege, to speak freely on any issue, controversial or not. Standing firm on this belief Robeson experienced a series of events which made him an exile within this country and tarnished a brilliant career until recognition of his contribution began to resurface complete with renewed appreciation in the early 1970's.

There are a few of us who would prefer to negate Paul Robeson's significant influence on American culture based on personal predictions, yet, I believe we can proudly remember Paul Robeson by a statement he made in 1937, which is surely a befitting epitah: "The artist must elect to fight for freedom or for slavery. I have made my choice. I had no alternative."

Mrs. BURKE of California. Mr. Speaker, my esteemed colleagues have already enumerated the varied and monumental attainments of the late Paul Leroy Robeson, Sr.—his matriculation at Rutgers University as only the third black student in the school's history, his selection to two consecutive all-American football teams, his graduation as class valedictorian, and later completion of legal study at Columbia University, his highly acclaimed performance in the longest-running Broadway re-creation of a Shakespearean drama and his virtually unprecedented international singing fame. His artistic, academic, and athletic accomplishments benefit those of a 20th century Renaissance man. One would naturally expect that a man of such profound talent and ability would enjoy uncompromised national renown, and be a source of pride for all Americans. That, to the great misfortune of all Americans, was not the case with Paul Robeson.

Paul Robeson was yet another victim of the political myopia of cold war America. Robeson, for daring to espouse such now commonly accepted concepts as the abolition of colonial rule, active resistance to segregation and discrimination, and unremitting opposition to both fascism and imperialism, was labelled disloyal, traitorous, a Communist. His subjection to constant political inquisition and public opprobrium eventually resulted in his virtual exile from the United States. Ironically, the ideas supported by Robeson can now be expounded with impunity. Unfortunately, however, we cannot compensate Paul Robeson or the American populace deprived and cheated of his genius for the potentially productive years so tragically stripped from his life.

The fate of Paul Robeson, though, is not unusual but is exemplary of our regrettable tendency to alienate those who dare raise their voices in expressions of idealism and optimism. Historically, our tragic flaw has been our propensity to estrange our social visionaries who care, perhaps more than any, that the American utopia reaches fruition. Amidst us today are many of the alienated, the disaffected—minorities, youth, the elderly, and women—whose pleas are construed as unbridled defiance rather than voices of genuine concern.

Paul Robeson was one so misinterpreted. He was called un-American for declaring friendship for the Soviet Union, but if one simply examines the fundamental tenet of his amity, the speciousness of such a characterization is readily apparent. Said Robeson during his initial visit to Russia:

> I feel like a human being for the first time since I grew up . . . Here I am not a Negro but a human being . . . Here for the first time in my life I walk in full human dignity.

This is not the utterance of an anti-American, but that of one of the many disenfranchised seeking the fulfillment of the promises of American democracy. That Paul Robeson—who recruited and entertained U.S. troops during World II, sang with all his soul in celebration of the average American, and asked no more of America than what he, as a human being, was entitled to—could be seen as seditious is a pathetic commentary on our system of values.

Prior to departing from America on

his torturous self-declared, but exogenously imposed exile, Robeson stated:

> I care . . . less than nothing about what the lords of the land, the big white folks, think of me and my ideas . . . But I do care and care deeply—about the America of the common people.

How could we have so misunderstood his cries? How could we have driven from our land—his land—and attempted to erase from our minds the admonishments of one declaring love for the common man, the guiding precept of any democracy? Perhaps the sole answer, albeit a woefully weak one, is that America is governed by men, and man is fallible. But man does possess the capability to learn from his previous mistakes as egregious as they may be. I can only hope that in the future we will have the courage to heed the words of the prophets and cries of the estranged. If so, we will have erected the only fitting memorial to the life of Paul Robeson.

Mr. FAUNTROY. Mr. Speaker, Paul Robeson was a black man and a true champion, who was unyielding in his principles even though adherence to them would affect his life and his friends.

As a champion, he was the valedictorian Phi Beta Kappa graduate of Rutgers University and a twice named All-American football player. Most remember Paul Robeson, however, not for these achievements or for his legal skills as a lawyer, but as an actor and a vocalist. His strong deep voice still sings in the minds and the hearts of many Americans, even though they disagreed with so much of what he chose to believe.

Whether or not we believe as Paul Robeson believed, we should recognize his achievements, and we should remember and take heart his strong adherence to principle.

When he took the strong stands for justice for black Americans, it was neither fashionable nor secure to do so. As he was rejected by our society for his stand, he looked elsewhere for support, which he reciprocated and for which he was made to suffer dearly in his later years by many of us. He was man, however, of great principle and never did he waver in his support for those who helped to support him at an earlier time.

In this Bicentennial Year, I think it is important for us to take note that this man has suffered to bring to each of us a better understanding of what and of how we should perfect our liberal democracy. He has made us better able to understand the reasons that we must bring unto all of our people the fruits of our society. It is too late for us to thank Paul Robeson personally; it is not, however, too late to use his memory and his lessons to make us better Americans.

GENERAL LEAVE

Mr. CONYERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

HEARING OF SUBCOMMITTEE ON MONOPOLIES AND COMMERCIAL LAW OF THE COMMITTEE ON THE JUDICIARY, U.S. HOUSE OF REPRESENTATIVES, ON FEBRUARY 11, 1976

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. RODINO) is recognized for 5 minutes.

Mr. RODINO. Mr. Speaker, the Subcommittee on Monopolies and Commercial Law of the Committee on the Judiciary, of which I am chairman, announces that it will hold a hearing on the possible anticompetitive impacts of joint venture bidding by petroleum companies, on Wednesday, February 11, 1976, at 10 a.m. in committee room 2141 of the Rayburn House Office Building.

DISCRIMINATION AGAINST HUNGARIANS IN ROMANIA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. PATTEN) is recognized for 5 minutes.

Mr. PATTEN. Mr. Speaker, it gives me great pleasure to join my distinguished colleague from New Jersey (Mr. HELSTOSKI) in discussing the continual abridgment of the human and civil rights of the 2.5 million Hungarian minority in Romania.

On my part, I would like to deal not with the domestic aspects of the discrimination that led to the appeal of the National Councils of Hungarian and German Workers to the Government requesting action, but with the activities of my good friend, Bishop Zoltan Beky, D.D., National President of the American Hungarian Federation, in defense of the human and religious rights of these people at the recent Fifth World Congress of the World Council of Churches at Nairobi, Kenya.

In the summer of 1975 I already reported the unanimous resolution of the Bishop's Council and General Assembly of the American Hungarian Reformed Church, a resolution to which later on the Calvin Synod of the United Church of Christ also acceded, about the ongoing oppression of Hungarian Protestants in Transylvania in particular, and the Hungarian national minority in general. My distinguished colleague from New Jersey (Mr. HELSTOSKI) also reported on Bishop Beky's trip to Geneva on July 30, 1975 where he had submitted in person the resolution of the American Hungarian Reformed Church and the Memorandum of the American Hungarian Federation to the Secretary General of the World Council of Churches and to the Human Rights Officer of the U.N. Human Rights Commission. At that time he was promised that the matter would be put on the agenda of the appropriate committee at the coming World Congress of the World Council of Churches.

Bishop Beky represented his denomination which is one of the 271 member denominations of the World Council of Churches at the Nairobi World Congress between November 20 and December 11, 1975, in Nairobi, Kenya.

He sent the material on the ongoing suppression of religious freedom in Rumania, particularly for the Protestant and Catholic communities—Romanians, except for the national minorities are Greek Orthodox—to the key members of the Executive Committee and his action resulted in immediate Romanian reaction. Obviously at the request of the Communist Government, the Bishop of the Hungarian Reformed Church in Oradea (Nagyvárad), Rt. Rev. Laszlo Papp submitted an "article" to the members of the committee entitled "Foreign Policy—Domestic Policy" which praised the Law on National Cultural Treasures which, in reality, was confiscating or making inaccessible the written traces of the 1000 years of Hungarian past of Transylvania.

Bishop Beky had replied to the "article" in an in-depth analysis of the law, pointing out its shortcomings which were not covered by Bishop Papp and also the arbitrary and discriminatory implementation of the law in practice which damaged the Hungarian Protestant church archives, baptismal records, libraries, and even chalices over 30 years old. The analysis was then presented to the members of the committee by Bishop Beky.

Bishop Beky joined the Lithuanian Lutheran Archbishop in Sweden, Konrad Veen in a major committee and parliamentary fight for a resolution which had recognized the oppression of the churches in the Soviet Union, Lithuania and Romania. He received strong support from several of the American and Scottish clergymen and their Western European counterparts. The end result was, as we know by the reports of the media, a resolution which was first passed by the overwhelming majority of the delegates denouncing the suppression of human and church rights in the above countries, but because of the threats of the Russian delegation to walk out, was later rescinded on a technicality. A new resolution had been adopted which denounces the evils without mentioning the names of the countries and only asks the signatories to the Helsinki Declaration to respect articles 7 and 8 of the Declaration relating to the above matters.

Yet this was the first instance that the World Council of Churches, not known for its foursquare attitude in case of Communist abridgement of human and civil rights of the churches, has taken up the cause of the churches in Communist states.

In the committee, long discussions preceded the resolution, some of it focusing on the Romanian issue. Bishop Beky eloquently elaborated the manifold suppression and discrimination which the Hungarian and German Protestant churches experience in Rumania and his words had great impact on the members.

Bishop Beky also met with President Kenyatta of Kenya who remembered the Hungarians, as we do, as "the people of Kossuth, of the great liberator."

Bishop Beky thus succeeded in having the question of the Hungarian minority being discussed at an international forum representing over 400 million Christians in the world and won a great moral victory when Romania was mentioned in the original resolution.

However, even after the modification, the question of oppression of religious rights was transferred to the Secretary General to be investigated and he is required to report back within the next 12 months to the executive committee. Thus, a new leverage exists for further informing the Secretary General on the true situation of the church in Romania and we are sure that Bishop Beky, the American Hungarian Reformed Church and the American Hungarian Federation will try to utilize it in favor of the oppressed Hungarians in Rumania who now themselves are voicing their discontent.

At this point I want to congratulate Bishop Beky for a job well done and greet him as a staunch and tireless defender of human rights. I also insert into the Record Bishop Beky's analysis of the Law on National Cultural Treasures:

Reply to Bishop Laszlo Papp's Article by Bishop Zoltan Beky (Emeritus) Addenda to the Rumanian Decree Law on National Cultural Treasures of December 10, 1974

The Decree Law promulgated on December 10, 1974 in the Boletin Official of the Socialist Republic of Romania aroused international attention both because of its purported aims and its manner of implementation. Widely criticized in the West, the Law found a defender in the Hungarian Reformed Bishop of Oradea (Nagyvárad), László Papp, in whose diocese the first transfer of church archives into State property had taken place on the basis of the original Decree Law 472 of 1971 even before the promulgation of the law.

The American Hungarian Federation thereby submits a detailed analysis of the law and its implementation and its probable effects on the availability of research material on the Hungarian churches of Transylvania in particular and the Hungarian history of Transylvania in general.

The Law establishes a National Archives Foundation and provides that all historical documents (i.e., those over 30 years old) "created by State organs, organizations or persons exercising responsible functions or mission in the life of the State or who played some important role in the political life of the country's history, its political, economic, cultural or social progress" are "whoever their possessor is" the property, and fall under the protection of the National Archives Foundation." (Article 1).

Thus, the Law provides at least for a de jure nationalization of all historical documents as even for those documents not directly transferred to the State administration duties are established and guidelines set, bounding the owners. So much for Bishop Papp's argument that the law does not use the term nationalization.

The objectionable features of the Law are, however, not the "preservation and protection of historical documents," a practice generally used in east and west alike. They include rather the scope and particular the manner of implementation of the law.

It must be mentioned that the Law has a sweeping scope. It includes "all official and private correspondence, memoirs, manuscripts, maps, films, tape recordings, diaries, posters, drawings, engravings, rubber stamps, signet rings, etc. The Law also covers devotional church objects like ikons, chalices, albs, etc.

The scope of the Law and its implications will become clearer if we realize the close interrelationship between the history of Transylvanian churches and the history of the province during the past millennium and the prevalent freedom of religion in the province since its first enactment at the Diet of Torda in 1557 a promulgation preceding the Edict of Nantes by about forty years.

The churches were the depositories for many of the historical documents over the centuries and therefore the parishes not only possess baptismal records and local memorabilia, but historically irreplacable archives and libraries reaching back many generations. Some of the best known documents include the Founding Letter of the church (now a Hungarian Reformed Church) at Cluj (Kolozsvar) in 1464 and the archival material amassed ever since by that parish, the Papal Certificate to the St. Michael Church to grant indulgences, dated 1440, the Letter of King Mathias Corvinus of Hungary to the Chief Judge of Cluj (Kolozsvar), etc.

As we mentioned in our original Memorandum even if the aims of the Law were laudatory, the unavailability of competent personnel speaking or reading Hungarian, Latin and Classical Greek would be a tremendous handicap in cataloguing the confiscated documents. Bishop Papp hints that few of these documents are actually transferred to State and county archives. Unfortunately, he should know better. The Swiss German paper, Neue Zürcher Zeitung known worldwide for its factual reporting and objectivity, published on February 6, 1975 an article "Bürokratische Schikanen gegen die Kirchen Rumäniens," (Bureaucratic Chicaneries against the Churches of Rumania) which relates that in 200 parishes of the Dioceses in the counties of Orad ea, Satu Mare, Baia Mare and Zalau state archival officials had appeared during the summer of 1974 in the company of the representatives of the Ministry of Cults and of the Diocesan Office and confiscated the church archives. "The material was put on trucks, often without a receipt, and was transported away. The historical order of the documents was completely upset, and this manner of "preserving the documents" will make historical research on these documents impossible for decades." The paper adds: "The Rumanian Government has obviously begun a more intensive struggle against the Hungarian Reformed Church and against the Hungarian nationality." Bishop Papp remains silent about these events despite our reference to the same in our original Memorandum. Rather he emphasizes that the objective of the Decree Law is to "assure the optimum conditions for scientific research."

It is true that not all church archives have yet been confiscated and that in some instances the parishes were allowed to retain some or all the documents in certain areas. However, the events of the summer of 1974 were not an isolated incident. According to people who had returned from Transylvania as late as October 1975 transfer into State property continues in the Diocese of Cluj (Kolozsvar), the other citadel of Hungarian Reformed Protestants.

Therefore, it is important to determine who, under the Law, can and will make the decision of confiscation or retaining the documents and devotional objects.

The original decision on confiscation is made by a three member commission, consisting of representation of the State Archives, the Ministry of Cults and of the Diocese. The second one is eo ipso a political representative of the Rumanian Government, the first one is a professional State official and the third one represents the church. The spirit of these representatives may be gauged by the article of their spiritual leader, the Bishop of Oradea. Thus, nothing, except perhaps the professional opinion of the archivist, stands in the way of confiscation of important documents by the State under the Law. If no agreement is reached by the commission, the Appeals Board consists of 11 members, selected from government ministries, the Rumanian National Academy and is chaired by the presentative of the Rumanian Ministry of the Interior which runs the police functions of the state. Its decision is final.

We believe that if the Rumanian Government is serious about that "preservation" of the historical documents, and about centralizing the archives, it could do so simply by leaving the originals of the archival materials with the collections of the parishes and provide for the acquisition of a copy of the same by the State and county archives. This approach has not been followed in the past.

May we end by repeating the probable impact of the Decree Law 63 of December 10, 1974 for the history of the Hungarian Reformed Church, the Unitarian Church, the Lutheran Church and the Roman Catholic Church in Transylvania. The Law provides for absolute control of the historical documents and is increasingly used to transfer directly into State property the written relics of the Hungarian church and political history of Transylvania.

Even where local goodwill might exist, the lack of qualified archival personnel will prevent cataloguization and thereby render inaccessible to scholastic researchers the rich materials. Even Louis Takacs, a member of the CC of the Rumanian Communist Party pointed this out in the Grand National Assembly in Bucarest during the debate of the law in October 1974. The real purposes of the Rumanian Government becomes, therefore, obvious, it is not to "protect and preserve" the documents of the Hungarian history of Transylvania but to "render them inaccessible to readers, and especially to researchers" in order to facilitate the continuing policy of denationalization of the 2.5 million Hungarians in Rumania.

SOLID WASTE ENERGY AND RESOURCE RECOVERY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. Drinan) is recognized for 20 minutes.

Mr. DRINAN. Mr. Speaker, I appreciate this opportunity to direct the attention of my colleagues to the Solid Waste Energy and Resource Recovery Act of 1975, H.R. 9438, which I initially introduced in July of this year. This legislation, which has already attracted 63 cosponsors in the House, would facilitate the recovery of both energy and recyclable materials from the more than 135 million tons of solid wastes disposed of by our cities and towns each year.

By 1980, advanced solid waste processing could potentially provide between 2 and 3 percent of our projected national energy requirements, or the eqiuvalent of between 250 and 400 million barrels of crude oil per year. This energy level amounts to about 30 percent of all U.S. crude imports at the start of the Arab oil embargo of 1973. Recovery of glass, aluminum, and ferrous materials from trash—ancillary to the advanced processing of solid waste—will not only curtail demand for our limited virgin materials, but will result in substantial energy savings as well. Additionally, progressive solid waste management will free our cities and towns of many of the fiscal and environmental difficulties inherent in landfills and trash incineration, and will generally do so at a greatly reduced net cost.

The development of highly advanced solid waste technologies in the past several years has made such energy- and cost-efficient process a genuine possibility. The Solid Waste Energy and Resource Recovery Act will promote rapid evaluation and implementation of these promising new technologies—establishing a rigorous program of research, development, and demonstration of advanced energy recovery processes.

The following is a list of the current cosponsors of this legislation, arranged by State:

Arizona: Morris K. Udall.

California: Yvonne B. Burke, Phillip Burton, Don Edwards, Mark W. Hannaford, John J. McFall, John E. Moss, Fortney H. Stark, and Henry A. Waxman.

Connecticut: Ronald A. Sarasin.

Florida: Dante B. Fascell and Claude Pepper.

Illinois: Ralph H. Metcalfe, Abner J. Mikva, and Paul Simon.

Indiana: John Brademas and Philip H. Hayes.

Iowa: Berkley Bedell and Michael T. Blouin.

Kansas: Martha Keys.

Maryland: Gilbert Gude, Paul S. Sarbanes, and Gladys Noon Spellman.

Massachusetts: Silvio O. Conte, Michael Harrington, Margaret M. Heckler, Joe Moakley, and Gerry E. Studds.

Michigan: John Conyers, Jr.

Minnesota: Donald M. Fraser and James L. Oberstar.

Missouri: James W. Symington.

New Hampshire: Norman E. D'Amours.

New Jersey: Dominick V. Daniels, James J. Florio, Henry Helstoski, Helen S. Meyner, Robert A. Roe, and Frank Thompson, Jr.

New York: Bella S. Abzug, Jerome A. Ambro, Herman Badillo, Jonathan B. Bingham, Thomas J. Downey, Elizabeth Holtzman, John J. LaFalce, Matthew F. McHugh, Richard L. Ottinger, Edward W. Pattison, James H. Scheuer, and Lester L. Wolff.

Ohio: Charles J. Carney, Charles A. Mosher, John F. Seiberling, and Charles W. Whalen, Jr.

Oregon: James Weaver.

Pennsylvania: Joshua Eilberg.

Rhode Island: Edward P. Beard.

Tennessee: Harold E. Ford.

Texas: Bob Eckhardt and Henry B. Gonzales.

Vermont: James M. Jeffords.

Wisconsin: Robert W. Kastenmeier.

Mr. Speaker, the purpose of the Solid Waste Energy and Resource Recovery Act is to accelerate the development and implementation of energy-efficient processing of solid wastes. The bill provides for a stepped-up program of research and development, as well as funding and support for the construction, operation, and evaluation of pilot and demonstration facilities. H.R. 9438 also mandates an EPA program for the collection and dissemination of related technical and management information to cities and towns which are interested in installing advanced processes for waste recovery. Finally, the legislation provides funding to municipalities for management planning and interlocal cooperation, and direct grants and loan guarantees for the construction and operation of solid-waste energy and resource recovery facilities at the local level.

THE PROBLEM, AND THE RISE OF LOCAL INTEREST IN RESOURCE RECOVERY

Mr. Speaker, in the last decade, our cities and towns have become hard-pressed to meet the prohibitive expense and inconvenience of disposing of their abundant garbage and trash. The escalating cost of landfill sites, combined with the advent of clean air standards and local restrictions on open dumping and burning, have combined to create a fiscal and administrative headache for our local governments. In fact, the cost of trash disposal ranges from about $2 per ton for uncontrolled dumping, to $12 to $15 per ton for incineration with air-pollution controls. These figures do not reflect the $10 to $30 collection costs for each ton of solid waste, which brings total expenses to several billion dollars per year nationwide.

On top of these already considerable local expenses, the Environmental Protection Agency projects a 20- or 30-percent increase in solid-waste disposal costs by 1985, not including the effects of inflation during that period. Additionally, the generation of municipal wastes is expected to increase by about 30 percent in the next 10 years, rising from about 140 million tons to more than 200 million tons per year by 1985. With the probability of further legal restrictions on land use, open burning, and air pollution, and the growing shortage of suitable landfill locations, it is reasonable to expect that the cost of solid-waste disposal will exceed $10 billion per year in the coming decade.

A number of communities that invested in the most advanced and cost-effective waste treatment plants 8 or 10 years ago now find their modern incinerators shut down, because of unlawful levels of air pollution emissions. Other localities find their open-air dumps to be in violation of State or Federal law, and are actively seeking the least expensive and most environmentally acceptable alternatives for the treatment of their solid wastes. In increasing numbers, cities and towns are turning their attention to recent methods of energy recovery from solid waste, in the hope of defraying the enormous expense of trash disposal, and to assure compliance with environmental law.

As an indication of the flurry of local interest in advanced solid waste management, the number of applications for grants under a relatively small EPA demonstration program was most revealing. An impressive total of 70 communities or interlocal groups had expressed either a serious interest, were engaged in serious planning, or were proceeding with the construction and operation of modern energy recovery facilities as of August 1975. Additionally, due to the recent proliferation of land use and clean air standards at both the State and Federal level, many States have become active in providing for the planning and implementation of environmentally sound energy and resource recovery facilities. As of March of this year, 10 States had established their own grant or loan programs, 12 were involved either in the planning or regulation of waste treatment facilities, and 5 States had established a statutory operating authority for waste management.

As an excellent example of the transformation of attitudes toward municipal waste management, and the development of comprehensive State policy, I direct your attention to the experience of my own State of Massachusetts.

In 1972, the Massachusetts Department of Public Health adopted air pollution control regulations which effectively outlawed the open burning of municipal trash, and which strictly limited particulate emissions from local incinerators. In combination with Federal clean air standards, these regulations faced many cities and towns with the prospect of either shutting down incinerator operations or investing in pollution control equipment. Similarly, the ban on widespread burning of trash forced many small towns to establish sanitary landfill sites for the disposal of their local wastes. In view of the amount of municipal wastes generated in the Commonwealth, and limited local perspectives toward waste management, these policy changes posed some serious adjustment problems.

Currently, more than 5 million tons of trash are disposed of each year in Massachusetts—approximately 15,000 tons per day—and this figure is expected to reach about 8.2 million tons by 1980. Realizing that traditional trash disposal methods were becoming rapidly outmoded, and that a lack of cooperative, interlocal planning would result in substantially higher disposal costs, the Department of Public Works contracted in 1973 for a cost-benefit study of alternative approaches to recycling and overall waste management.

The resulting report called for establishment of about a dozen "regional planning centers" in the State, and the eventual construction of 12 energy-recovery facilities with a combined daily capacity of 32,000 tons. This system would process all municipal wastes in Massachusetts, by separating glass, aluminum, and ferrous metals from trash, and by shredding and marketing the remaining combustible portion as an alternative fuel source. As projected in 1973, revenues from energy-recovery and recycling would total more than $40 million per year and would pay for 55 percent of the operating costs of the system by 1980, though due to subsequent energy price increases this percentage would in all posibility be substantially higher. Capital costs for this complete statewide system were estimated at about $342 million.

A statewide waste disposal system was not implemented as a result of the 1973 study, but work proceeded at two energy recovery facilities—one public, one private—with a combined capacity of 840 tons per day. The two plants, which had been operational since 1971 and 1973 respectively, were encountering great difficulty in marketing their energy byproducts, a possible reflection on the economic disadvantages of small-scale operations.

More recently, two full size energy recovery facilities have been considered in the Commonwealth, one of which is a privately owned 1,200 tons per day plant in Saugus, which was constructed in 1975 and is practically operational at this time. This facility will actually produce a net profit from municipal trash, by selling byproduct steam in bulk to a nearby industrial plant. The economic aspects of the Saugus project will be considered later in my statement, Mr. Speaker.

Under a State planning program, an even larger energy recovery facility was proposed in 1975. Located in Lawrence, an industrial city in the northeast corner of the State, the plant would process 3,000 tons of municipal waste each day, and would provide for the trash disposal needs of more than 50 surrounding communities in two States. Although the costs and benefits of such a facility were carefully considered and demonstrated, and though a contractor was actually selected, the city of Lawrence eventually pulled out of the project, because of an unwillingness to commit the amount of equality capital necessary for construction.

Mr. Speaker, I cannot stress strongly enough that this is an instructive example of a situation where, despite State assistance, the most meticulous outside study, and almost certain long-term cost savings, cities and towns hesitate to float bonds and risk their limited capital resources in modern waste management.

Finally, as an excellent example of both a continuing and serious local interest in energy recovery and a commendable degree of interlocal cooperation, I bring to your attention the Route 128 West Refuse Council. This Massachusetts group is composed of 21 communities to the west of Boston—such as Newton, Waltham, Lincoln, and Weston—with a mutual interest in the construction and operation of an advanced, full-scale waste management facility.

The council is presently reviewing technological alternatives, and laying the groundwork for a comprehensive regional system for energy recovery from its towns' combined municipal wastes. Even so, in addition to the enormous cost of feasibility and related studies, the council will eventually be faced with the prospect of securing long-term capital financing from participating cities and towns, for construction costs that may run in the neighborhood of $70 to $130 million. In spite of excellent organization, planning and commitment, and in spite of the enormous potential for cost savings and energy recovery from advanced waste management, assistance of this type is just not available—at the State or Federal level.

The Massachusetts statewide solid waste management plan was revised in 1975, with the regional approach to waste planning remaining essentially intact, and the Commonwealth stands ready to assist in coordinating the implementation of energy recovery systems and facilities. Nevertheless, the State is not currently in a fiscal position from which it can provide either comprehensive technical assistance or capital for the construction of resource recovery facilities.

It is clear from the Massachusetts experience that as citizens becomes more aware of the economic and environmental implications of public policy decisions, the treatment of municipal solid wastes becomes significantly more than a "local problem," and gives rise to comprehensive planning programs at the regional and State level. As another excellent example of such an approach to waste management, I cite the State of Connecticut, which has established a plan to ultimately reduce statewide land use for waste disposal by as much as 95 percent. This ambitious approach, enacted by the State general assembly in 1971, called for a comprehensive solid waste management plan to be developed and drafted by 1973. The resulting plan called for a regionalized approach to waste processing, encompassing 10 administrative sectors within the State. Each sector will contain a processing plant capable of separating waste materials for both resource recovery and energy production, as well as transfer stations for the effective tranmission of solid wastes to the centrally located processing facilities.

Currently, the Connecticut Resources Recovery Authority has three major shredded-fuel plants under development, with a combined capacity of 5,100 tons per day, and capital costs projected at about $73 million. Besides recovering recyclables, these plants will generate supplementary fuel with a heating value equivalent to more than 8,400 barrels of fuel oil per day. Though only one of these plants is currently under construction, the State authority projects that 85 percent of the State's municipal wastes will be processed through this regional system by 1985, for a potential fuel saving of almost 5 million barrels of oil per year.

Mr. Speaker, having described some of the local and State initiatives in the area of energy recovery, and having cited the great economic and energy saving potential of advanced waste management, I would like to outline several of the recent technological developments which have made such cost savings possible. In this way, we can see exactly where we stand with respect to the future implementation of advanced technologies.

ADVANCED SOLID WASTE MANAGEMENT: EMERGENCE OF A NEW TECHNOLOGY

Mr. Speaker, recovery of energy from municipal solid waste is not a new concept. "Waterwall incineration"—or the use of waste heat from conventional trash combustion to create steam—has been in successful practice in Europe and Japan for more than 20 years. The steam produced through this process has been utilized primarily for industrial processes or the direct generation of electricity.

More recently, an advanced plant of this type has been constructed in Saugus, Mass., which will handle the trash of as many as 20 surrounding communities on contract for a disposal fee of about $8.77 per ton. The 1,200 ton-per-day privately owned and built facility has contracted to sell all steam produced to an adjacent General Electric plant, and will do so on a cost-competitive basis.

Although waterwall incineration is one of the few proven solid waste technologies available for immediate implementation, it is not without serious limitations, and is not always the ideal solution to our serious waste management problems. In many situations, such as the full-scale waterwall incinerators operating in Chicago and Harrisburg, Pa., the steam produced through this process has gone entirely unsold. Though the revenues from steam production are absolutely essential to the economic viability of these projects, the market for steam is limited for all practical purposes to large-scale heating plants, industry, and electric utilities. When facilities are constructed without thorough consideration of this matter, and without previous contractual agreements specifying conditions of the delivery and purchase of steam, this energy recovery process is economically unsound.

Another limitation of the waterwall incineration process is the air pollution problem associated with conventional trash combustion, which requires considerable investment in pollution control equipment to comply with State and Federal emission standards. Of the capital costs for constructing these facilities, which are considerably higher than those for other solid waste systems—about 10 percent is attributable to gas scrubbers and other pollution control equipment. Additionally, waste water from both pollution control and the incineration process will often require treatment before discharge.

A recent improvement over simple trash combustion is the use of dried, finely shredded solid waste as a supplement to coal in conventional steam boilers. This process has been successfully demonstrated as a means of generating electricity, as part of an EPA-sponsored project in St. Louis, Mo., in a cooperative effort between the city and the Union Electric Co. Net costs for solid waste processing at this 650 ton-per-day facility amounted to $1.98 per ton in 1972, an amount significantly below the current trash disposal costs borne by most municipalities. For a total cost of $12.29 in 1972, the St. Louis plant could produce and deliver an amount of prepared fuel with heating value equivalent to a ton of coal, and recover about $2 worth of ferrous metal. With coal prices between $8 and $12 per ton at the time, the fuel and byproducts of this process were shown to be clearly cost-competitive, and overall process costs could definitely be reduced in a full-scale operation.

Mr. Speaker, while the shredded-fuel process is more energy-efficient than waterwall incineration, the prepared fuel is bulky, must be transported to the combustion site, and presents many of the same complex marketing problems as steam. The fuel has not been successfully cofired with coal at a ratio higher than 15 percent, and cocombustion in oil-fired boilers is only in the earlier stages of development. The prepared fuel process, although immediately availabel for implementation, is only a viable solid waste alternative when localized logistical and marketing problems are carefully considered and overcome.

A recent and extremely promising solid waste technology is "pyrolysis," the use of extreme heat in the absence of oxygen to decompose trash into a liquid or gaseous fuel. A full-scale, 1,000 tons-per-day EPA demonstration facility in Baltimore, Md., has been designed to process solid wastes at an astounding $0.02 net cost per ton, using gas from pyrolysis to generate steam for commercial heating, and recovering ferrous and other materials for resale.

The Baltimore project has been an economic success, saving approximately 46,000 gallons of fuel oil per day. However, though the process of gas pyrolysis is theoretically ready for commercialization, no full-scale plants of this type are currently planned for construction. Because of the considerable capital costs of these plans, $10 to $20 million per 1,000 tons of daily capacity, and because many of the marketing and logistical problems associated with plant operations are extremely localized, communities interested in advance waste management are understandably reluctant to proceed with this process the Baltimore facility was contracted on a "turnkey" or guaranteed-performance basis with a private company, and short of this kind of assurance, the risks of new plant construction and operation are considered great.

TABLE I.—EVALUATION OF ENERGY RECOVERY TECHNOLOGIES [1]

Technology	Energy added or conserved by 1980, trillion BTU [2]	Capital cost, 1,000 TPD plant [3]	Waste type flexibility	Confidence	Years to commercialization
Waterwall furnace incineration with steam recovery	140	High	Many	High	0
Dry shredded fuel preparation systems:					
Combustion with coal	960	Low	Few	High	0
Combustion with oil	960	Low	Few	High	5+
Pyrolysis:					
Gas	750	Moderate	Many	High	0-3
Oil	520	Moderate	Many	High	3
Methanol and ammonia recovery.	440	High	Many	Moderate	5+
Fluid bed combustion/gas turbine systems:					
Gas turbine systems	290	High	Many	High	5+
Fluid bed combustion	290	High	Many	Low	5+
Anaerobic digestion:					
Possible	6	High	Many	High	5+
Probable	36	High	Many	High	5+
Hydrogenation	780	High to Low	Many	Moderate	10+
Materials recovery systems	270	Low	Few	High	0
Ferrous metals	(95)				
Aluminum	(164)				
Glass	(15)				

[1] Source: "Energy Conservation Waste Utilization Research and Development Plan," prepared for ERDA by the MITRE Corp., July 1975.

[2] Assumes that all municipal wastes—a conservative figure of 121,000,000 tons by 1980—are handled through each technology.

[3] High=more than $20,000 per ton of daily capacity; moderate=between $10,000 and $20,000 per ton of daily capacity; low=less than $10,000 per ton of daily capacity.

There are several advanced solid waste processes under development that have not been demonstrated on a large scale, and will not be ready for commercial implementation for several more years. One such process, Mr. Speaker, is "fluid bed combustion," which is currently being tested in a project in Menlo Park, Calif. This process essentially involves the incineration of prepared waste in a preheated, fluid bed of sand, and the use of the hot byproduct gases to drive gas turbines for the generation of electricity. Though there are still a great many technical problems that must be overcome before this system is commercially viable, especially with regard to gas cleaning devices and the design of gas turbines, the fluid bed combustion process may be environmentally attractive, because of the potential for greatly reduced emissions of hydrocarbons and other air pollutants.

Because of the highly efficient combustion of wastes in the fluid bed incineration process, this technology might be implemented as a variation on gas pyrolysis, with refined end-product gases tapped as a marketable fuel source. Since this process has only been demonstrated in a small, 80-ton-per-day plant, and because of the many technical and hardware-oriented obstacles that have arisen, it is difficult to effectively predict the system's economics and energy-recovery potential from fluid bed combustion and turboelectric generation. Though some preliminary energy estimates have been relatively low, this is clearly a process that must be seriously explored.

Another waste conversion process under active development is "anaerobic digestion," the biological decomposition of prepared wastes into methane gas, carbon dioxide, and solid residue. Basically, such a system involves separating heavy and recyclable materials from municipal waste, shredding the remaining "light" portion, and mixing it with sewage sludge in an oxygen-free digestor over a period of several days. Ideally, the byproducts include recycled materials, saleable carbon dioxide, and methane gas that may be processed to conform to commercial standards. Although this process is currently undergoing extensive investigation at the laboratory level, and though the digestive process has been successfully utilized for the treatment of sewage sludge, it has never been used to handle municipal solid waste on anything but a very small scale.

The technical limitations of anaerobic digestion that must be evaluated and overcome are determination of optimum temperature, particle size, and loading rates for effective decomposition, and the best means of scrubbing end-product gases to bring them up to commercial standards. Though most of these technological options can only be explored through a carefully monitored, full-scale demonstration facility, anaerobic digestion is considered a "high risk" technology, and private capital is not currently available in amounts sufficient to provide for the construction and operation of such a plant.

Finally, one of the most promising of the experimental solid waste technologies is "hydrogenation," or the conversion of cellulose in wastes into a high-quality oil through reaction with water, carbon monoxide, and a chemical catalyst. Though this process will probably not become viable for at least a decade, and all economic and environmental factors must be carefully tested and considered in the interim, preliminary estimates of energy-recovery potential have been very encouraging, in the neighborhood of 135 million barrels of oil equivalent per year. Hydrogenation is by no means ready for a full-scale demonstration project, but it nonetheless appears deserving of intensive research and development over the next several years.

A summary and evaluation of current energy and resource recovery technologies appears in table 1, which gives an indication of the technical alternatives open to cities and towns interested in advanced waste management.

Also, while I will not attempt a complete discussion of the economic aspects of energy recovery from solid waste, it is important to note that substantial cost savings have actually been realized through implementation of waterwall incineration, dry-shredded fuel, and gas pyrolysis. In table 2, the net costs of facilities incorporating each of these technologies are compared to "conventional" trash disposal costs, highlighting the economic viability of energy and resource recovery from municipal waste.

TABLE 2.—ECONOMICS OF SELECTED ENERGY RECOVERY SYSTEMS

	Waterwall incineration Saugus Ma. (projected)[1]	Shredded fuel St. Louis, Mo. (1972 costs)[2]	Gas pyrolysis Baltimore, Md. (1974 costs)[3]	Conventional trash incineration (estimated)[4]
Daily operating capacity, in tons	1,200	650	1,000	
Daily energy recovery, barrels of oil equivalent	1,738	1,076	959	
Operating costs, per ton of input waste	$9.00	$3.78	$7.60	
Capital costs, per ton of input waste	$10.99	$2.05	$5.55	
Energy recovery revenues, per input ton	$15.75	$3.36	$11.18	
Material recovery revenues, per input ton	$2.32	$1.00	$1.95	
Net cost per ton of input solid waste	[5] $1.92	[6] $1.47	$.02	$12–$15

[1] Source: "The Boston North Shore Resources-From-Refuse Facility", Wheelabrator-Frye, Inc., 1975.

[2] Source: "Resource Recovery and Source Reduction", EPA, 1974.

[3] Source: "Baltimore Demonstrates Gas Pryolysis", EPA, 1975.

[4] Source: "Resource Recovery and Waste Reduction", EPA, 1975.

[5] Since the Saugus facility is a privately owned, profit-making venture, the owners will charge an $8.77 per ton trash disposal fee, and will realize a net profit of $6.85 per ton.

[6] After EPA evaluation of 1972 costs at the St. Louis plant, the price of oil and other conventional energy supplies rose dramatically. Judging from the experience of the EPA Baltimore plant over the same period, it would be reasonable to expect a current net feturn of several dollars per ton of processed waste.

H.R. 9438: THE NEED FOR FEDERAL INVOLVEMENT

Mr. Speaker, it is very interesting to note that the Environmental Protection Agency projects the construction and operation of about 36 full-scale energy-recovery facilities by 1980, with a combined capacity of roughly 36,000 tons of solid waste per day. This represents conversion of only about 10 percent of available municipal wastes, with a total energy-recovery level at only 4 percent of estimated potential. It is clear that Federal policy in this field must strike a careful balance in emphasis between R. & D. and demonstration and implementation, but it is also of critical importance to note how much energy goes unrecovered for every year that we do not aggressively develop the technology for conversion of municipal wastes. Advanced waste management on such a small scale by 1980 would fall short of estimated energy-recovery potential by 200 or 300 million barrels of oil equivalent per year—an amount of energy that could power all American industry for a period of 3 weeks.

It is my firm conviction, Mr. Speaker, that the Solid Waste Energy and Resource Recovery Act will accelerate the development of cost-efficient energy recovery systems, will promote a balanced EPA program of R. & D., demonstration and implementation, and will help to expedite and maximize the recovery of energy from our municipal wastes. I want to stress that the Environmental Protection Agency has made excellent and substantial progress in the development of advanced waste management over the past several years, and has successfully demonstrated several very promising energy-recovery technologies. Even so, the EPA has been operating with very limited fiscal resources in this area, and has not been able to proceed with the kind of concerned solid waste program that seems clearly indicated as a matter of sensible and forward-thinking public policy.

The Solid Waste Energy and Resource Recovery Act should reverse the present situation. H.R. 9438 amends the Solid Waste Disposal Act to specifically include energy and resource recovery as a criterion and priority of waste-related research and development. Additionally, the bill redefines and provides more considerable funding for an existing waste treatment demonstration program, to place special emphasis on fuel, energy, and resource recovery, and to provide for the careful testing and evaluation of new concepts and processes under differing circumstances and environments.

One of the essential aspects of the Act is a provision which establishes a comprehensive program of technological and management assistance within the EPA, to help cities and towns in planning, implementing, and operating advanced waste management systems. Mr. Speaker, the reluctance of many cities and regional groups to proceed with actual planning and construction of waste conversion facilities can be attributed to the complexity and "interdisciplinary" nature of modern waste management. Competent and professional advice on the technical, financial, and administration aspects of solid waste systems has only been available from the private sector, and this has usually been at considerable expense. A public program of information and assistance will pool the collective resources of both Government agencies and participating localities, and assure cities and towns that they will not have to "go it alone" when they commit themselves to energy conversion from solid waste.

To encourage the comprehensive evaluation of local waste options, H.R. 9438 also provides grants for up to 85 percent of the cost of State, interstate, and local solid waste management planning, with particular attention to energy and resource recovery. Among the activities included under this program are the development of interlocal and regional agencies, analysis of financial and marketing problems, and the study and selection of appropriate waste disposal and conversion technologies.

Finally, the Solid Waste Energy and Resource Recovery Act provides authority to the EPA to award both loan guarantees and direct grants for the construction of facilities for energy and resource recovery from solid wastes, subject to such conditions and criterion that may be proscribed by the Administrator of the Agency. Mr. Speaker, this section of H.R. 9438 provides a unique opportunity not only to provide financial support for local efforts to establish progressive waste management, but especially to provide for the ongoing and continual evaluation of waste conversion technologies, on an operating scale and in many different local environments. This section of the legislation reflects the fact that improvement of solid waste technology will only result from actual operating experience, and that more rapid implementation of existing technologies will provide proven cost savings to our cities and towns, and proven energy savings to our Nation as a whole.

Concluding my remarks, Mr. Speaker, in municipal solid waste we have a reliable energy resource that, unlike fossil fuels, actually grows both in quantity and energy potential each year. Recent experience clearly demonstrates that progressive waste management not only reduces net trash disposal costs for our municipalities, but provides alternative energy supplies in a marketable form and at generally competitive prices. Though the full development of solid waste energy conversion has become economically inevitable, due to the continually escalating costs of conventional energy supplies, it should be the responsibility of Congress to recognize the great energy potential inherent in solid waste. It is now time to take affirmative action to provide for the most effective and immediate application of this promising technology.

HEARINGS ON FEDERAL GRAND JURIES

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. EILBERG) is recognized for 5 minutes.

Mr. **EILBERG**. Mr. Speaker, I wish to advise the House that my Subcommittee on Immigration, Citizenship, and International Law has scheduled 1 day of public hearings on February 5, 1976 to consider my proposals House Joint Resolution 46 and H.R. 1277 and various related bills which would substantially revise the operation of Federal grand juries. The hearing will commence at 10 a.m. in room 2141 Rayburn House Office Building.

On February 5 testimony will be received from officials of the Department of Justice and representatives from the Judical Conference of the United States.

At a later date testimony will be received from Members of Congress and from organizations and individuals who have expressed an interest in testifying before the subcommittee on this matter.

LEGISLATION TO REQUIRE FOREIGN NONRESIDENTS TO HAVE AUTOMOBILE LIABILITY INSURANCE FOR CARS BROUGHT INTO THE UNITED STATES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KOCH) is recognized for 5 minutes.

Mr. KOCH. Mr. Speaker, today I am introducing legislation which will amend the Tariff Schedules of the United States in order to require nonresidents who bring automobiles into the United States for personal use to provide evidence that they have the liability insurance required by the State or States in which they will travel.

In addition, any nonresident, including foreign military personnel, diplomats, foreign correspondents, or students, bringing a personal auto into the United States, for more than 30 days would be required to register the vehicle with U.S. Customs, giving his or her name, address, and passport number—if a passport is required for the person's entry into the United States—showing the person's license tag number, the company insuring the car, and the name of the State in which the car will principally be garaged. A copy of this registration form would be forwarded to the Department of Transportation in Washington and to the State motor vehicle department where the auto will be kept. For short-term tourists, only proof of insurance will be required.

Last year 260 million people and 76 million vehicles were cleared by Customs to enter the United States. You may be surprised to learn, as I was, that the United States is the only major country in the world not requiring autos to carry liability insurance as a condition of their entering the country. Canada and Mexico both require automobiles brought in by nonresidents to have liability insurance in effect. All Western European nations today require liability insurance to be in effect on all cars brought into their country, whether driven by tourists, businessmen, military, or even diplomats. And, as you might imaggine, the Soviet Union and all the Eastern bloc countries require automobiles brought within their borders to have liability insurance in force, usually for an unlimited amount.

Although the impetus for this bill comes from some problems we are having in New York City, I have asked the insurance industry for their advice, and much useful information has been supplied to me by John M. Phair, an assistant vice president of American Underwriters Corp. in New York City.

For example, West Germany requires American tourists, U.S. military personnel, U.S. civilians serving with the Armed Forces, and State Department personnel to have the same compulsory insurance coverage as their residents—a minimum coverage of $140,000 per person for injuries, $275,000 total for bodily injuries, and $38,000 in property damages. France requires $100,000 for all three. Figures are based on latest exchange rates. For most European countries, Americans traveling by car need only show a "Green Card," showing that a company is insuring the car and driver for the required insurance in each and every country in Europe. My bill would simply require the same evidence that the driver will be insured according to the laws in force in any U.S. State.

As a Congressman from the great port city of New York, home for international business, communications, and finances as well as the United Nations, I am particularly concerned about uninsured or improperly licensed motor vehicles which are brought into the city of New York.

Under the laws in effect today, the U.S. Customs does not check whether the owner of an automobile brought into the United States for personal use has liability insurance in effect, nor does Customs keep a record of the license tags and owners of these vehicles. With my bill, Customs would make sure the insurance required by the States in which the car would travel was in effect, and for a car staying 30 days, would record the owner's address, name, and tag number for forwarding to the U.S. Department of Transportation and the office.

In my district, numerous cars with foreign license tags violate the parking laws. Some are involved in moving violations or have accidents. The New York City police have no means of identifying these cars, unless they catch the driver. Customs keeps no record of the driver's address or passport number. Customs does not check for valid liability insurance.

Confusion exists as to the immunity conferred by foreign license tags. The fact is, foreign country automobiles have no more rights in New York State than automobiles from New Jersey, unless the driver can claim diplomatic immunity. But while New Jersey automobiles are nearby and can be contacted, foreign countries are not so accessible. Under international agreement, foreign nonresident license plates of many nations must be honored for 1 year. After that, except for diplomatic cars, the car must be registered in the United States.

In my bill, I am not revoking diplomatic immunity. I am only requiring what other countries require—that liability insurance be in effect and that a record be kept of license numbers and owners of cars remaining 30 days or more.

Recently, a car with fake foreign license tags parked illegally over 100 times in my district. Because the tags said "CTV–DPL," it appears that the owner, a West German freelance journalist, created the impression with the police that he had a right to diplomatic immunity for himself and a permanent parking place for his car at a fire hydrant near his home. The police twice towed the car to a more appropriate parking place in our city—the West Side Wharf—the site of the city's pound. The first time the owner reclaimed his car without penalty by creating the impression the car was protected by diplomatic immunity.

The car then reappeared bearing new foreign license tags. After extensive inquiries by the readers and reporters of a local paper and my staff, the license tags were discovered not to be valid, but were expired West German plates issued only for purposes of exporting the car to the United States. In the process, we discovered that Customs keeps no records of such cars, does not notify the New York authorities, and does not check for insurance coverage. Thus, an auto can be involved in a serious accident or illegal activity and no effective means exists to find the owner and hold him accountable. Recently, a child died in a New York City fire, when firemen were hampered by a car parked by a hydrant.

The second towing of the car was a more successful outing for New York's men in blue. For lack of payment of over 100 parking tickets, the car was sold at auction. But, in the trunk the police found a collection of nearly 100 parking tickets and the CTV–DPL license tag.

Only through the persistence of a dedicated New York weekly newspaper, Our Town, its editor, Ed Kayatt, New York City's "Scofflaw" Marshall Angelo Ortiz, and my staff aide, Victor Botnick, had these nonresident, anonymous parking ticket crooks been foiled. Like James Bond's Aston Martin automobile shown to us in the movie "Goldfinger," this Mercedes-Benz was changing its identity to suit the crime.

To be perfectly serious, I am surprised that the Federal law does not make it possible for the local police to identify the owner of a car brought from abroad, and that no attempt is made to exclude uninsured automobiles. We should not permit foreign motorists who come to America to act irresponsibly. Americans who travel abroad do not expect nor receive such privileges.

There is a crying need to approve legislation which will protect Americans against uninsured, improperly licensed motor vehicles. According to figures provided by the Library of Congress, last year 260 million people and 76 million vehicles were cleared by Customs to enter the United States. Many of these vehicles were inadequately insured, many of these vehicles remain in the country with expired license plates. The time has come to put a stop to this situation and adopt the needed legislation. I recommend that my colleagues read the article I am appending and consider the bill I am introducing. The article and bill follow:

[From Our Town, Dec. 19, 1975]

MYSTERY SCOFFLAW FOUND FOILED AGAIN

In two separate articles in this newspaper during the month of May, details were published about the mysterious circumstances surrounding the ownership and registration of scofflaw CTV–DPL, resulting in the disappearance of the vehicle until only recently.

At that time, an exhaustive search was conducted with the city's Parking Violations Bureau, the United Nations, and the U.S. Customs Service to determine the vintage Mercedes' ownership, but to no avail.

Apparently no records of the automoblie existed; although it had been ticketed for illegally parking, including numerous fire-hydrant violations, over 100 times since last October, according to reliable police sources.

The owner's identity was discovered only after the car was towed away from another fire-hydrant on the East Side by the police this summer. His name: Christian T. Viertel, a German journalist and student whose address was listed as 525 East 82nd Street.

It also was discovered at that time that the license plate was a home made phony, Viertel having no affiliation with the diplomatic community, according to UN officials. Shortly thereafter, the vehicle disappeared.

Over a month ago, the very same Mercedes reappeared on the Upper East Side, parked illegally as usual (on at least two occasions next to a hydrant), but sporting a new foreign registration, 161 Z 2133.

After an endless series of phone calls to the police last weekend, the car again was towed away from a hydrant outside Viertel's resident at 525 East 82nd Street.

In a telephone conversation on Monday, an unidentified friend of Viertel stated that the vehicle in question was owned by the Star Agency, which employs the young German. (Viertel apparently is the Star Agency, since they share the same address and mailbox.)

The friend also reported that Viertel was out of town until January. Given some recent developments, he may also be out of luck and possibly in quite a bit of trouble.

Congressman Edward I. Koch presently is investigating the matter, and his local office has succeeded in having restraining orders placed on the impounded vehicle by the Police Department and the FVB while the legality of the new registration is determined.

In addition, the State Department of Motor Vehicles is investigating the possibility of moving violations attached to the car, and city scofflaw expert Marshal Angelo Ortiz has been assigned to look into the problem.

The implications of this case are considerable and involve more than just uncollected parking tickets, according to Victor Botnick, an aide to Koch.

Foreign nationals residing in New York are permitted by reciprocal international treaties to operate a foreign registered vehicle for one year after its date of entry into the country.

After that time, the vehicle must be reregistered in the state, but there is no enforcement procedure to ensure that this is done, either by state or federal authorities. The various records are simply not maintained, said Botnick.

Subsequently, a foreign registered vehicle can avoid carrying the prescribed amount of insurance, paying parking tickets, or answering to laws governing moving violations.

In response to this administrative oversight, Koch is preparing to introduce federal legislation which would require the necessary registration and insurance records for foreign vehicles owned by foreign residents along the lines of the "green cards" used throughout Europe.

H.R. 11560

A bill to amend the Tariff Schedules of the United States in order to require proof of liability insurance for automobiles entered into the United States for personal use by non-residents and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the headnotes to subpart A of part 2 of schedule 8 of the Tariff Schedules of the United States (19 U.S.C. 1202) are amended by adding at the end thereof the following new headnote:

"4. (a) No automobile exempted from duty under item 812.30 may be entered unless at the time of entry the importer provides to the customs officer concerned documentation in such form as shall be approved by the Secretary of the Treasury, which verifies that there is in force and effect with respect to the automobile property and personal injury liability insurance in an amount equal to the minimum amount of motor vehicle property and personal injury liability insurance required by law in any State (including the District of Columbia) in which such automobile will be operated. At the time of entry, the importer shall specify the estimated time the automobile will be within the United States, those States in which the automobile is intended to be operated, and, if applicable, the State in which the automobile will be principally garaged.

"(b) In the case of any importer who specifies pursuant to (a) of this headnote that the automobile entered by him will be within the United States for more than 30 days, the Secretary of the Treasury shall forward to the Secretary of Transportation the following information with respect to that automobile:

"(i) The date of entry and port of entry.

"(ii) The make, model, year, engine, serial number, and body serial number (if any).

"(iii) The registration, license, or other identification number.

"(iv) The name, nationality, passport number (if any), foreign address, and United States address (if any) of the importer.

"(v) If applicable, the State in which the automobile will be principally garaged.

"(vi) The name and address of the insurance carrier.

In any case in which an importer of any automobile to which this paragraph applies specifies that the automobile will be principally garaged in any State, the Secretary of Transportation shall forward to the agency responsible for motor vehicle registration in that State the information set forth in clauses (i) through (vi) of this paragraph.

"(c) Any importer who does not specify pursuant to (a) of this headnote that the automobile entered by him will be within the United States for more than 30 days shall, if the automobile is within the United States at the close of the 40-day period beginning on the date of entry, forward to the nearest customs officer concerned the information required under (b) of this headnote before the close of such 40-day period.

"(d) Any individual who fails to report as provided for by (c) of this headnote may be assessed a civil penalty by the Secretary of the Treasury of not more than $5,000. No penalty shall be assessed unless such individual is given notice and opportunity for a hearing with respect to such failure. Any such civil penalty may be remitted or mitigated by the Secretary for good cause shown. Upon any failure to pay a penalty assessed under this paragraph, the Secretary may request the Attorney General to institute a civil action in a district court of the United States for any district in which such individual is found, resides, or transacts business to collect the penalty and such court shall have jurisdiction to hear and decide any such action.

"(e) Any individual who knowingly fails to report as provided by (c) of this headnote shall, upon conviction, be fined not more than $5,000, or imprisoned for not more than one year, or both."

SEC. 2. The headnotes to subpart C of part 2 of schedule 8 of the Tariff Schedules of the United States (19 U.S.C. 1202) are amended by adding at the end thereof the following new headnote:

"5. (a) No automobile exempted from duty under any of items 820.10 through 820.60, inclusive, or items 822.10 through 822.40, inclusive, may be entered unless at the time of entry the importer provides to the customs officer concerned, documentation in such form as shall be approved by the Secretary of the Treasury, which verifies that there is in force and effect with respect to the automobile property and personal injury liability insurance in an amount equal to the minimum amount of motor vehicle property and personal injury liability insurance required by law in the State (including the District of Columbia) in which such automobile will be principally garaged. At the time of entry the importer shall specify the State in which the automobile will be principally garaged.

"(b) The Secretary of the Treasury shall forward to the Secretary of Transportation the following information with respect to any automobile to which this headnote applies:

"(i) The date of entry and port of entry.

"(ii) The make, model, year, engine, serial number, and body serial number (if any).

"(iii) The registration, license, or other identification number.

"(iv) The name, nationality, passport number, foreign address, and United States address of the importer.

"(v) The State in which the automobile will be principally garaged.

"(vi) The name and address of the insurance carrier.

The Secretary of Transportation shall forward to the agency responsible for motor vehicle registration in the State in which the automobile will be principally garaged the information set forth in clauses (i) through (vi) of this paragraph."

SEC. 3. The amendment made by the first section of this Act shall apply with respect to articles entered on or after the date of the enactment of this Act.

REV. SUN MYUNG MOON

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. CHARLES H. WILSON) is recognized for 5 minutes.

Mr. CHARLES H. WILSON of California. Mr. Speaker, on this occasion I should like to say a few words, and introduce into the RECORD some material regarding the controversial religious leader, the Reverend Sun Myung Moon, a man who has induced thousands of our young people to join his cult.

America, as it has been said many times before, is a land of opportunity and many of the people from other lands who have come here have worked hard, earned their rewards, become good citizens and have, in fact, made this country the shining example of democracy and opportunity that it is today. To be sure, the ancestors of most Americans, unless they were Indians, came here from somewhere else, either in the recent past or long ago.

Unfortunately, there are always those who would take advantage of the American system, people who would take advantage of our laws safeguarding civil rights, and our laws insuring religious freedom. Such a person, in my estimation, is the Reverend Moon, who not only preaches a strange brand of hocus-pocus all his own, but who also seems to profit by it himself enormously while his converts, our youngsters, are begging for him in the streets.

Reverend Moon is from South Korea. He is 54 and he arrived here in 1972. He now has a 22-acre estate, which includes an $850,000 mansion, in Tarrytown, N.Y.

The Republic of Korea itself is embarrassed by what Reverend Moon is doing in this country. In fact, the Korean Embassy here would like it made known that the Reverend Moon is in no way associated with the Korean Government and is not, in any way, representing Korea in this country. He does not speak for Korea. As for his religion, if that is what it is, it is regarded as being as weird in Korea as it is here.

Last week, the National Enquirer newspaper, the largest weekly newspaper in the United States, ran two articles on Reverend Moon. These two articles, one of which was written by a bold young reporter who actually pretended to join one of Moon's cells, show the shameful way that youngsters who do join up are treated.

The articles also show the fabulous lifestyle that this charlatan has built on the beggings of his disciples. I enter these articles now for your perusal because I think they tell anyone who is interested all one needs to know about Reverend Moon. In fact, they tell you even more than you want to know about Moon, if you are easily disgusted.

The articles follow:

Inside the Frightening World of Fanatical "Brainwashing" Moon Sect

(By Malcome Boyes)

It was a voice I couldn't escape because it spoke to me from deep inside my throbbing head—"You're losing your mind, you're losing your mind, you're losing your mind . . . "

Three days and three nights of the most intense indoctrination—a torturous regimen of chanting, singing, shouting, praying and relentless brainwashing by the fanatical Moon sect—had pushed me to the breaking point.

"Fight it, you've got to fight it!" I kept telling myself.

I'm not particularly religious, but I was raised by Christian parents to believe in God and the teachings of Jesus. Yet I found myself struggling to maintain a grip on my faith under an unceasing bombardment of absolutely absurd religious and historical mumbo jumbo concocted by the sect's zealous founder, Korean evangelist Sun Myung Moon.

I knew that what I was being asked to believe was rubbish—but there were fleeting moments toward the end of my stay with his trained followers, called Moonies—when I began questioning my own beliefs.

"If what the Moonies say is true, then everything you believe is wrong," the frightening voice in my head would tell me.

It was then—in panic and confusion—that I slipped away to a telephone and called my editor.

"Don't send me back! For God's sake, don't make me go back. I just can't take it anymore. I'm losing my mind."

My incredible ordeal began when I posed as a footloose traveler and was approached by Moonie recruiter Tony O'Neill outside the New York City Public Library.

"Today could be the turning point of your life," he said with a disarming smile as he invited me to join a Moonie workshop.

It was night when I entered the three-story house on a tree-lined street in Forest Hills, N.Y. It was also Halloween, an appropriate day for what was to follow.

Several other recruits and I were greeted by smartly-dressed Moonies with fixed smiles and blank eyes. We were ushered to our sleeping quarters in the basement—a windowless, badly ventilated room in which sleeping bags filled every inch of floor space.

After depositing our belongings, we were ushered back upstairs to a small room with orange carpeting and bare, yellow walls.

We were a mixed group that included Roy, a 26-year-old cowboy from Tulsa who called himself a "half-breed"; Don, a 17-year-old Brooklyn kid whose parents had just split up; and Jim, a 30-year-old Wall Street financial analyst who was undergoing psychiatric treatment. In all, there were 17 young men and women, many of whom would pledge at the end of their indoctrination period to abandon their pasts and dedicate their lives to the Rev. Moon.

In this oppressive yellow room they would be brain-washed to believe in Rev. Moon's "Divine Principle." They would come to accept him as a Prophet of God . . . "as the only person who can pull our crumbling world together."

Many would end up back on the streets begging money for Moon's multimillion-dollar organization, as many Moonies spend their days doing.

Hirachi Ikoma, a converted Buddhist from Japan, our workshop leader, stood in the front of the room next to a big, green chalkboard.

"You will find much love, much emotion here," he said as we sat cross-legged on the floor.

One by one, he asked each member of the group to introduce himself. And after each person spoke, Moonies in the room would lead a round of wild applause.

The events of that Friday night took off like a whirlwind, setting a terrifying pace for the days ahead. We linked arms, sat in a circle and sang songs while one of the Moonies pounded a piano. We swayed back and forth chanting prayers which were almost impossible to follow. Moonies pray by blurting out anything that comes to mind and punctuating virtually every sentence by shouting "Father!"

The assault on our brains continued without letup. Over and over we repeated, "Please, Father, I pray that our brothers will open their hearts and accept what they have been told." Then the prayers would go straight into a song: "Father, make me a rainbow to bridge old and new. Father, make me a gateway for many to come through . . . Father, make me a prism held in your hand."

I felt myself being gripped by strange tensions. Everywhere I looked, I saw Moonies watching us with those fixed smiles and blank eyes.

When we finally turned in at midnight I was exhausted and upset.

I felt like I had just drifted off to sleep when a Moonie switched on the bright ceiling lights. It was 7 a.m. Saturday. "Good morning everybody, good morning. Time to get up, time to get up."

He was wearing that same ridiculous smile that I would come to hate. Our 17-hour day had begun.

At 7:30, Ikoma rushed into the yellow room literally screaming "Good morning!" Then we plunged into 30 minutes of furious exercise "to clear our heads and open our hearts for the spirit of the Divine Principle." At 8 o'clock we charged into 15 minutes of prayer and song, followed by a cornflakes breakfast.

At 9:45 we received our first lecture by 26-year-old John Raucci, an ex-Catholic brother with a psychology degree who joined the Moon sect nearly two years ago.

"The Rev. Moon has discovered secrets unknown to men for all time," he said, as he proceeded to blitz us with incredible statements.

We were told, for example, that Satan's number was 6. Therefore, World War 2 was Satan's war because it started in "1941" and if you add 1, 9, 4, 1 you get 15 and 1 plus 5 is 6.

Whenever I raised my hand to ask a question or to challenge a point I was told, "perhaps we'll have time for questions later." But we never did.

The lecture was followed by more songs and prayers, games and exercises, followed by another lecture, followed by more songs and prayers—and so it went throughout the day and into the night.

By Sunday my head was swimming in the non-stop verbal barrage, my nerves were shot, my muscles ached. I began to realize the meaning of brainwashing.

And as the incessant drumming of the Divine Principle continued, the yellow room seemed to get smaller and smaller until I feared it would crush me.

I sat there rigidly, in a cold sweat. "No, no, no!" the voice inside my head screamed. "Push the walls back. I'll do anything you want."

I couldn't take it anymore. I feared that if I remained one day longer I might succumb in this crazy mental pressure cooker—might even start to swallow the Moonie line. That's when I managed to slip away and call my editor.

My immense relief at having broken free from the sect's influence was marred only by the pity I felt for those I left behind.

Multimillionaire Minister Woos Children From Their Families To Beg for Him on the Streets

(By Jan Goodwin)

Brainwashings . . . abductions . . . beatings . . . a suicide.

Controversy has swirled around the Unification Church and its founder, multimillionaire religious leader Rev. Sun Myung Moon ever since he arrived in the U.S. in 1972 and began converting tens of thousands of young people into devoted disciples called "Moonies."

The 54-year-old Moon set himself up in an $850,000, 25-room mansion on a 22-acre estate in Tarrytown, N.Y. He is chauffeured around in a new Lincoln Continental limousine—a gift from his followers who sell candy, flowers and actually beg for money on the street for Rev. Moon and his Unification Church.

Swayed by the gruelling, non-stop preachings by his followers, new members have left their families and joined the movement in the fervent belief that Rev. Moon—a Korean industrialist—is the new prophet.

"It's frightening what these Moonies can do to the family unit," said Rabbi Maurice Davis of White Plains, N.Y. He has formed a national anti-Moon organization called Citizens Engaged in Reuniting Families. It has a membership of 500 families who have "lost" their children to Rev. Moon.

"I get letters from parents all over the country telling me the same story," said Rabbi Davis. "The kids are swept along by his outfit and then taken away for a few days to a 'workshop.' By the time the parents see their kids again—if they can manage to see them—the kids are starry-eyed and ready to take on anyone who disagrees with them. It's a form of hypnotism.

"There is something very unhealthy going on."

New Jersey insurance commissioner James Sheeran lost three daughters to Moon's church. When Sheeran tried to get them to return home, he said, he was beaten up by Moonies.

"These Moon people are bent on breaking up the institution of family and my daughters have been brainwashed into believing them," Sheeran declared.

"They used to be normal, happy girls and now they want nothing whatever to do with their family.

"These Moonies even resort to violence to keep the kids there."

A former Moonie named Steve attests to the violence—he says he spent six weeks in the hospital with four broken bones in his face after Moonies attacked him.

"I just couldn't believe their teachings any longer," he told The Enquirer, fearful that allowing his last name to be used would result in reprisals against him.

"I realized that what they were telling me was not true and I got outspoken. One day while outside one of their centers, a group of them beat me up. I'm just glad I got away with my mind."

William Daly, 23, of Long Island, N.Y., wasn't so lucky. He was a Moonie for five months when he threw himself in front of a train last April.

Daly's heartbroken mother told Rabbi Davis, "I just don't know what those people did to my son."

New York psychiatrist Dr. Ernest Giovanoli, who has helped straighten out the minds of ex-Moonies, said that one young man committed suicide because he didn't consider himself worthy of the Moon cause.

"Many young people exposed to the sect's incredible influence had to be literally 'deprogrammed' over a period of days before they were capable of resuming normal life in the outside world," the psychiatrist said.

Despite these shocking reports, the Moonies' influence is spreading across the country at a startling rate.

"We are the most controversial movement in the U.S. today, but our numbers have swelled to 30,000 in America in just three years," boasted Mike Runyon, secretary-treasurer of the Unification Church in New York.

"We have at least one center in every state and in 50 other countries, too. And our worldwide membership is over 3 million.

"Rev. Moon realized his mission in life after Jesus Christ appeared to him in a vision on a Korean mountainside in 1936.

"Through prayer and meditation he put together the 'Divine Principle' which gives new meaning to the teachings of the Bible and to history. He began to spread word of his Divine Principle in 1948. He took his teachings to Japan and started a world tour in 1965 and then came to the U.S. to live in 1972."

IMPLEMENTING A NATIONAL ENERGY POLICY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. BROWN) is recognized for 5 minutes.

Mr. BROWN of California. Mr. Speaker, as we begin a new legislative session, and our committees review legislation within our respective jurisdictions, I would hope that we would all have some time to consider one of the major cross-cutting issues before the Nation. That issue is energy policy and programs.

The last few years have seen the enactment of several major pieces of legislation that could, if properly administered, significantly reduce our wasteful use of precious fossil fuels. The Congress established the Energy Research and Development Administration, and gave it a strong, pro-energy conservation charter with the "Federal Nonnuclear Energy R. & D. Act of 1974," for exactly this reason. The recently enacted "Energy Policy and Conservation Act" similarly established a strong, proenergy conservation policy, and gave the Administrator of the Federal Energy Administration significant authority to encourage energy conservation.

Even with these landmark acts, I sense a feeling that the Congress has failed in the area of energy conservation. There are some areas where the Congress has failed to take advantage of an opportunity to mandate energy conservation measures, such as in the area of home insulation standards, but while the Congress has had some failures, the administration has failed in many more areas to vigorously use the authority already granted to it.

An example that I am most familiar with is the Energy Research and Development Administration. This agency has clear and specific legislative authority, I would call it a mandate, to engage in a vigorous energy conservation program. While this year's budget is better than last year's budget in this regard, the conservation program is still only 4 percent of the total budget, compared to about 3 percent in last year's budget. Even this would not matter if it were not for the fact that the major potential near-term improvements in the national energy budget can come from energy conservation research, development, demonstration and implementation programs. This is not all ERDA's job, to be sure, but ERDA cannot even begin to help the FEA carry out the requirements of the "Energy Policy and Conservation Act" without a larger, and more diversified energy conservation program. Besides this lack of linkage between laws, there are several other fundamental problems with the ERDA approach to energy programs. These issues were perhaps best summarized in testimony by the Congressional Office of Technology Assessment to the Committee on Science and Technology as follows:

1. Inadequate provision is made for cooperation and coordination between ERDA and other Federal agencies and state and local governments.

2. Little attention is devoted to near-term (next ten years) energy problems.

3. Only limited attention is given to socioeconomic research and analysis in addressing the nation's energy problems.

4. ERDA's program overemphasizes energy supply technology relative to consumption.

5. The development of effective commercialization policies is not adequately addressed in the ERDA Plan.

6. Careful attention should be given to assessing energy resources.

7. Physical, institutional, and social constraints may limit the progress of the ERDA Energy Plan.

8. The Plan appears to overemphasize electrification.

9. The ERDA Plan relies on assumptions which appear to bias its priorities toward high technology, capital intensive energy supply alternatives.

10. Application and questions with respect to net energy analysis receive little attention.

There are many areas of the administration's energy program budget that require congressional alterations. My hope is that this Congress will look at the programs currently on the books, and the programs the administration intends to fund, and decide to fund those programs which maximize energy conservation while creating many thousands of new jobs.

ABZUG WELCOMES RABIN'S OFFER TO NEGOTIATE PEACE WITH ARABS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. ABZUG) is recognized for 20 minutes.

Ms. ABZUG. Mr. Speaker, Israeli Prime Minister Rabin has made a new and courageous offer in his address to the joint session of Congress today. It represents a significant step forward on the long road to peace in the Middle East.

Now it is up to the Arab bloc to respond with equally significant concessions. Are its leaders prepared to meet with the Israelis "at any time, at any place," as offered by Mr. Rabin? There can be no doubt that it is time to end the maneuverings that have given unwarranted recognition and prominence to the PLO and which have turned the U.N. Assembly into an anti-Israeli forum and move matters toward a Geneva Peace Conference, as Prime Minister Rabin proposes. It is certainly time for face to face talks between the leaders of Israel and the Arab nations. Is it too much to ask the Arab nation leaders to take this "risk" for peace?

Under the Rabin plan, all of Israel's Arab neighbors would participate in the peace conference, the aim of which is the full and complete settlement of Israel's borders and the absolute acceptance by all participants of Israel's legitimacy and permanence. Prime Minister Rabin's offer is not predicated on any unyielding territorial claims by Israel. It is not predicated on exclusion of any of the parties to the conflict, including the Palestinians.

What is essential is that the Arab bloc, including the Palestinians, once and for all accept the fact of the existence of Israel. The survival of a militarily secure Israel is the key to a settlement and Israel must be equipped with the means to guarantee that survival. As Prime Minister Rabin says—

> We alone are responsible for our own defense. This is how it has been; this is how it must be.

I am disturbed by the proposed reduction in the amount of U.S. aid requested by the Ford administration for Israel, because only a militarily strong Israel can have a strong negotiating position at Geneva or anywhere else.

The United States, whose friendship has been crucial to the survival of Israel, must continue and extend its military support for Israel, and assure that there is no interruption of the necessary supply of materiel to that tiny nation.

It must also work toward a peace settlement for the Middle East that can realize for the Jewish nation the continuance of an independent democratic society, secular in the equality of all its citizens, Jew and non-Jew alike, before the law, and founded upon the historic Jewish values of which Prime Minister Rabin spoke.

Prime Minister Rabin has held out an olive branch. Let us hope that it will not be shot down by the PLO.

ANOTHER BANKING DISASTER?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. PATMAN) is recognized for 15 minutes.

Mr. PATMAN. Mr. Speaker, on January 10, 1976, the Washington Post stated that the Comptroller of the Currency had placed the country's second and third largest banks—First National City ("Citibank") and Chase Manhattan—on a top secret problem list.

On January 22, 1976, the New York Times expanded the story to reveal that the Federal Reserve had placed a total of 35 banks on its problem list including 12 of the Nation's largest bank holding companies, Chase Manhattan, Marine Midland, and Bankers Trust.

On January 24, 1976, the Federal Deposit Insurance Corporation disclosed it has close to 350 banks on a problem list about half of which post "serious" problems.

As these articles point out, many of these banks are heavily involved in foreign operations. Fully two-thirds of the deposits in Citibank and Chase are said to come from overseas sources. Kuwait, alone, has $1.7 billion on deposit in Citibank. This represents $1 of every $25 of Citibank's total deposits. Moreover, the phenomenal growth of Citibank and Chase Manhattan in recent years has been due primarily to their foreign operations. Both earn more abroad than at home.

The investment house of Loeb, Rhoades & Co. in a bank study published in November 1975 concludes that:

> Among the largest banks in the country, those with the best records have the heaviest concentrations of overseas loans and have derived most or all of their considerable total earnings growth since 1970 from their foreign operations.

This is a very serious situation, Mr. Speaker. As the Loeb report points out, less than 1 percent of the banks in this country have overseas operations, yet this tiny fraction accounts for about one-half the industry's gross income. Defaults in their loans to foreign countries could drag down the entire banking structure.

The banks are refusing to disclose their loans to foreign countries.

However, the Federal Deposit Insurance Corporation holds $500 million of loans that the Franklin National Bank made to some 45 different countries. To date, the FDIC has been unable to sell these except at a substantial discount.

If little Franklin held $500 million in foreign loans, our big banks must hold billions.

Of course, loans to foreign countries, and to corporations who do business there, is but one facet of a vast array of serious problems facing the banking industry today.

Not to mention New York City bonds which by comparison look pretty good, the banks have loans on their books to corporations such as W. T. Grant which must be written down, and a potential liability running into billions because of unwise loans to Real Estate Investment Trusts—"REITS".

Their troubles are such that Loeb, Rhoades, after its study, was obliged to tell its customers that—

> We view the purchase of shares of these large banks as an act of faith.

What the country needs today, Mr. Speaker, is a banking investigation by one committee of the Congress as thorough, fair, and impartial as the banking investigation conducted in 1933 by the late Judge Ferdinand Pecora for a subcommittee of Senate Banking.

At the present time there are investigations scheduled by House Banking and Currency, Senate Banking, and the Government Operations Committee of the House.

This is an election year, Mr. Speaker, and there will not be time for any one of these committees to do the monumental job the present situation requires.

The sensible approach, is for the Democratic leadership to agree upon one committee, provide it with special counsel and funds, and order it to investigate and report to the 95th Congress.

TOXIC SUBSTANCES AND THE TOXIC SUBSTANCES CONTROL LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. ECKHARDT) is recognized for 5 minutes.

Mr. ECKHARDT. Mr. Speaker, the present lack of adequate authority to regulate the manufacture, distribution, and use of chemical substances has resulted in the American public being used as guinea pigs and our environment becoming a testing laboratory for discovering the adverse effects of toxic chemicals. Already human beings have been the "experimental animals" for discovering the adverse effects of vinyl chloride, polychlorinated biphenyls—PCB's—mercury, asbestos, and numerous other chemicals.

Several hundred new chemical substances are introduced into commercial use every year; oftentimes such chemicals have not been tested by the manufacturer to determine their long-term impact upon health and the environment. Instead, it may only be after there has been substantial human and environmental exposure to a chemical that we discover that it has irreparable health or environmental effects, perhaps even cause cancer, birth defects, or gene mutations. By this time, the chemical may have become a significant factor in our economy, and we find ourselves in an extremely difficult and drawn out struggle to protect the public from a hazard to which it has already been exposed while at the same time trying to avoid putting people out of business or out of work.

The practice of relying on the population at large for clues as to the health hazards of chemicals is immoral and impractical. And it is unnecessary. Our capabilities for testing chemicals to predict their long-term effects on health and environment are sufficiently developed that we need no longer use ourselves as guinea pigs. While such testing may in some instances be time consuming or costly, we cannot afford to wait 20 or 30 years until the insidious effects of a chemical become painfully clear. The costs of such a wait-and-see policy are too great.

It is now estimated that approximately 90 percent of all cancer is caused by environmental factors, and hence could ultimately be prevented. There were approximately 665,000 new cancer cases diagnosed in the United States in 1975, and it is estimated that 365,000 people died of cancer in the United States during that same year. Alarmingly, the cancer death rate is increasing despite advances in the diagnosis and cure of cancer. The cost to society from cancer is enormous. It is estimated that in 1969 the direct costs for hospitalization and medical care for the disease exceeded $500 million, while direct and indirect costs of cancer, including loss of earnings, is estimated at a staggering $15 billion for 1971. In 1968, approximately 1.7 million work-years were lost to cancer.

Statistics from the National Foundation March of Dimes indicate that about 20 percent of all birth defects are believed due to environmental factors such as drugs and chemicals, and another 60 percent are believed due to an interaction of environmental and hereditary factors. Approximately 7 percent of all live births, or more than 200,000 babies are born each year with either a mental or physical defect. Each year, approximately 1,200,000 persons are hospitalized for treatment of birth defects.

Cancer and birth defects are only two examples of the irreparable health effects which can be due to long-term low-level exposure to toxic chemicals. We have learned through human experience that chemicals can cause severe lung disease, nervous and neurological disorders, liver damage, and on and on. The environmental effects can be equally adverse. Toxic chemicals released into the environment have upset delicate balances in our rivers and streams, contaminating fish and other aquatic life. Birds and other wildlife populations have been threatened by exposure to toxic chemicals.

In addition to the costs resulting from adverse health and environmental effects, toxic chemicals can cause substantial indirect costs. Oftentimes small businesses suffer severe financial loss because of the environmental and health effects of dangerous chemicals. The commercial fishermen and the canners who suffered millions of dollars of losses when mercury-contaminated fish in Lake St. Clair were banned in 1970, the fishermen in the Great Lakes and Hudson River who have lost their livelihood because of contamination by polychlorinated biphenyls, and the James River fishermen who have lost their jobs to kepone are all innocent victims of toxic chemicals. So too are the owners of office buildings across the country who may have to install costly filter systems or replace parts of the building to protect office workers from cancer-causing levels of asbestos being shaken loose from construction materials used in the buildings.

These are just a few examples of the costs society is being forced to bear because manufacturers of chemicals are not required to test their products for safety prior to exposing the public and the environment to the chemical. If such costs are to be avoided, we must enact effective toxic substances control legislation. Such legislation must contain certain basic features. It must contain authority to require testing of potentially harmful chemicals to determine their effects before human and environmental exposure becomes widespread. It must require manufacturers to provide advance notice before manufacturing a totally new chemical substance so that dangerous chemicals can be kept off the market and so that testing can be required of suspect chemicals. A third basic part of such legislation is authority to take action to prohibit or limit the manufacture and use of a chemical found to be dangerous after marketing has begun. And, fourth, such legislation must provide a means for collecting information on the manufacture, use, and disposal of chemicals so that decisionmaking can be based on knowledge of the total exposure to chemicals.

H.R. 10318, the Toxic Substances Control Act, contains these elements. The bill, authorized by Congressmen Van Deerlin, Brodhead, and me has been approved by the Consumer Protection and Finance Subcommittee and is now awaiting action by the full Interstate and Foreign Commerce Committee. Because a number of our colleagues have expressed interest in cosponsoring the legislation, we are reintroducing the legislation today with cosponsors.

I am convinced that this legislation is one of the most important health and environmental bills to be considered by Congress, and I am hopeful that it will receive prompt and positive action by this body.

TRIBUTE TO HON. THOMAS E. MORGAN

(Mr. GAYDOS asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. GAYDOS. Mr. Speaker, when I first heard the announcement of the retirement of our colleague, and my close friend, the Honorable Thomas E. Morgan, the Dean of the Pennsylvania Delegation, my immediate reaction was one of sadness. The sadness that comes from the thoughts of terminating a day-to-day working relationship with a great man.

But my feelings quickly turned to pride, when I realized how fortunate I have been to serve in the U.S. Congress with such a great legislator as Doc Morgan. Since I was first elected to this House, Chairman Morgan has been a constant source of inspiration to me. For the many hours he has spent in sharing with me the experiences and advice of his long and distinguished career in the U.S. Congress, I will be forever indebted to him.

Doc brought to Congress two qualifications that uniquely prepared him to serve in a most distinguished manner. He was born of immigrant Welsh parents, his father being a coal miner who settled in western Pennsylvania. During his childhood and youth, Doc Morgan was acutely aware of the day-to-day trials and tribulations of the immigrant workingman. These experiences kindled the spark in his heart to dedicate his life to easing the intolerable burdens endured by those he lived with. This resulted in the pursuit of a career in medicine.

But while Doc's profession was that of a medical doctor, he was equally dedicated to the legislative process, and he entered the U.S. Congress in 1945. From the beginning of his service right down to today, he has been a member of the Committee on Foreign Affairs, which in 1975, as a result of Doc's efforts was renamed the Committee on International Relations. From early in his career when he supported the Marshall Plan which allowed Europe to regain its fleet after a devastating war until today, he has given unsparingly of himself in an attempt to establish and preserve the world peace that is so indispensable to the future progress of mankind.

Chairman Morgan has served in Congress during the terms of seven different Presidents. He has always been a strong supporter of bipartisnship in foreign policy. For the last 16 years he has been chairman of the prestigious House Committee on Foreign Affairs, a term longer than that served by any of the prior chairmen of that committee.

Doc's service in Congress coincided with the tumultuous period following the end of World War II. During that time, he has met and associated with all the leaders of the world, the infamous as well as the famous. But despite all this, he retains that quiet dignity of a person who has dedicated his life to the betterment of mankind.

So often have the Members of this House risen to pay tribute to one of our colleagues who has passed away.

But today, this is not such a somber occasion, because the man of whom we speak so affectionately and respectfully is still with us. Indeed, it is a happy occasion to witness a great statesman concluding an illustrious career in the Congress and looking forward to a richly deserved retirement with his lovely wife, Winnie.

Chairman Morgan stood tall amongst us, both in physical stature as well as in integrity and humanity. Perhaps our feelings about him are best summed up in an old Bible passage:

> The noble acts which he did, and his greatness, they are not written, for they were so many.

THE NATIONAL SCIENCE FOUNDATION CAUGHT IN MISREPRESENTATION AND MANIPULATION OF MULTIMILLION-DOLLAR GRANT AWARDS

(Mr. CONLAN asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. CONLAN. Mr. Speaker, a major scandal has developed within the National Science Foundation.

It involves deliberate misuse by the Foundation of its important peer review system, used to judge the scientific merit of all grant proposals submitted to the foundation before funding decisions for grant awards totaling more than $700 million a year are made by NSF.

It also involves repeated misrepresentations of peer evaluations and the way they are handled by NSF officials to the National Science Board and to the Congress, and an apparent willful attempt by top NSF management to cover up the facts of this serious matter and sidetrack congressional review of NSF grant management practices.

The central point at issue is administration of the NSF curriculum project "Individualized Science Instructional System"—ISIS—particularly the manner in which 11 peer reviewer evaluations were seriously misrepresented to the National Science Board by NSF staff on two occasions in 1972 and 1974 in order to push through $3.35 million of NSF funding to date for development, promotion, and marketing of the controversial ISIS curriculum.

The proposal to develop the multimillion-dollar ISIS high school program came from Florida State University, following an NSF-funded conference of 34 educators selected and invited by grant applicant Earnest Burkman, and held at Callaway Gardens, Ga., in October 1971.

The ISIS proposal called for development of 80 to 125 issue-oriented and value-laden "minicourses" for 10th and 11th grade students, covering the full range of the physical and social sciences.

These 2- to 3-week minicourses—with such titles as "Too Many People," "Learning and Changing Behavior," "Sex Differences," "Packaging Humans"—were designed to replace longer traditional courses in chemistry, physics, biology, economics, and so forth, in high schools across America.

This proposal to replace the objective factual teaching of physical science subjects for most students with a fragmented assortment of issue-oriented, value-infused short courses were bound to result in tremendous controversy among educators and citizens.

This controversy and doubt about the ISIS proposal was reflected in the 11 peer review evaluations solicited by NSF program officer, Mary M. Kohlerman, who also attended the Callaway Gardens conference. All reviewers raised serious critical doubts about the ISIS proposal, many questioning its scope, feasibility, cost, and ultimate affect on education generally.

GAO FINDINGS

But according to the report of the General Accounting Office study[*] requested by Chairman James W. Symington last October, after I first brought this matter before his House Subcommittee on Science, Research, and Technology 10 weeks earlier, NSF staff summaries for the National Science Board purporting to accurately reflect the evaluations of the 11 scientists and educators who reviewed the ISIS proposal in 1972 presented only the reviewers' positive comments, substantially out of context, and with none of the serious criticisms and concerns that all reviewers had raised about deficiencies in the proposal.

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[*] *Representation of Peer Review Comments for the National Science Foundation's "Individualized Science Instructional System" Project*, to the Chairman, House Subcommittee on Science, Research, and Technology, Released Jan. 16, B-133183, Jan. 12, 1976.

Carefully omitted from NSF staff summaries to the Board, according to the GAO report, were at least 45 serious criticisms and concerns of nine reviewers in key areas involving: First, lack of need for the proposed curriculum; second, unreasonableness of the proposed ISIS budget; third, lack of diversity among project personnel; fourth, potential learning problems for students posed by the proposed curriculum's disorganized framework; fifth, inefficiency in the curriculum development method and instructional management scheme; and sixth, doubted marketability of the finished curriculum.

The GAO report states:

> The [Sept. 5, 1972] recommendation memorandum contained 33 quoted excerpts from the 11 peer reviews. The quoted passages reflected the reviewers' favorable comments, but contained none of their concerns or criticisms.

In addition to this misrepresentation by omission of all critical comments about the ISIS proposal in the memorandum prepared for the National Science Board, the NSF staff also further distorted at least five reviewer excerpts by deliberately changing the thoughts that reviewers intended to convey, according to the GAO report.

These excerpts, states the GAO, "did not accurately or completely convey the entire thoughts of the passages from which they were taken."

Typical of the misrepresentations documented by the GAO are these two examples from the five cited in the GAO report:

> Comment as appearing in recommendation memorandum ...I am sympathetic to many of the objectives that lie beneath this proposal.
>
> Comment within relevant review passage—while *I am sympathetic to many of the objectives that lie beneath this proposal,* I find myself drawing back from certain essential aspects of it. My objections are partly philosophical and partly pragmatic. Because of these, I count it a serious weakness of the proposal that no discussion of some of these matters was included in the presentation. [Italics added]
>
> Comment as appearing in recommendation memorandum—...I would recommend that the project be initiated.
>
> Comment within the relevant passage—"Assuming the questions and concerns expressed above can be satisfactorily responded to by the proposal writers, including a large reduction of the budget, *I would recommend that the project be initiated.*" [Italics added]

Mr. Speaker, it is apparent from these documented GAO examples of peer reviewer statements concerning the ISIS proposal, as they were represented to the National Science Board when ISIS was first funded in 1972, that the NSF staff badly misrepresented true reviewer feelings and concerns.

As the GAO report later states:

> The positive tone of the first excerpt does not reflect the overall critical tone of the sentence. In addition, the main idea of the sentence—the reviewer's doubts about certain aspects of the proposal—is excluded.

The GAO report also notes that—

> Although the second excerpt would appear to imply an unqualified recommendation for funding the proposal, the sentence in its entirety qualifies the recommendation.

The GAO also found that, while the NSF staff recommendation told the Board that all peer reviewers had recommended funding the ISIS proposal at some level, three reviewers had not explicitly recommended any funding at all. This was a further misrepresentation to the Board.

Since the Board had to approve funding for the multi-million-dollar ISIS project at each stage of development, NSF staff summaries presenting only broad general positive statements on the concept of ISIS, but carefully omitting all adverse critical comments about the scope and details of the proposal, constitute clear manipulation of the Board to obtain approval for a proposal that would otherwise go unfunded.

NSF VIOLATES "CONFIDENTIALITY"

This wholesale misrepresentation of peer reviews by the NSF staff raises serious questions, in my own mind, and I am sure in the minds of many of my colleagues, as to why any group of NSF officials would be willing to go so far to abuse and discredit the Foundation's grant management system for one questionable program, when so many other grant applications with much more favorable peer reviewer evaluations are rejected every day.

Such questions are compounded in the ISIS case, because Dr. Kohlerman, the NSF program manager who attended the Callaway Gardens Conference and was later assigned administration of the ISIS proposel, was somehow encouraged or persuaded by her superiors or others outside NSF to violate all NSF policies at that time concerning the release of complete verbatim peer review evaluations outside the Foundation by putting aside her opposition to the proposal and allowing the grant applicant a chance to rebut the peer review evaluations.

Burkman responded to the peer reviews of his ISIS proposal in a letter to Dr. Lawrence O. Binder, Kohlerman's superior at the time in the NSF Education Directorate. Burkman's letter was dated July 19, 1972. In his 10-page response, Burkman rejected on various grounds all of the criticisms, and offered to make no changes in the proposal as submitted.

NSF brought Burkman and Clifford Swartz, a staff aide, to Washington on July 24 for a meeting with Binder and Kohlerman at NSF headquarters, where Burkman renewed his case for funding of the curriculum scheme, as submitted, with no changes. No changes or revisions were made in the curriculum development plan.

After Burkman had received a formal commitment from NSF officials that they would push for National Science Board approval of the ISIS project, slight alterations were made in the budget with modest reductions in personnel salaries and consultant fees, bringing the original 22-month $1.25 million budget for the 7-year project down to $1.13 million.

The National Science Board was ultimately presented data from an eight-page September 5, 1972, NSF staff summary recommending almost full funding for the ISIS curriculum project, as originally proposed by Burkman.

The eight-page NSF memorandum, reviewed by the GAO, contained three full pages of expurgated peer reviewer quotations containing none of the reviewer criticisms or concerns about the ISIS proposal.

The NSF staff memorandum contained no explanation that the peer reviewer criticisms and the initially strong reaction against the proposal by Kohlerman, the NSF program manager, were handled simply by having Dr. Ernest Burkman, the grant applicant, reject them out of hand.

THE MORRISON REVIEW

The NSF staff came before the National Science Board again 2 years later for a continuation grant for ISIS in the amount of $2.17 million, in July 1974.

The original 11 reviews submitted to the Foundation in 1972 were again represented to the Board, without any of their initial criticisms and concerns about the ISIS proposal, as being current reviews in 1974.

And there is no evidence that the NSF staff had conducted a thorough evaluation of ISIS development and materials produced during the 2-year feasibility stage to determine whether the ignored peer reviewer criticisms and concerns were valid, or whether continued funding was warranted.

The 1974 NSF staff recommendation for continued ISIS funding contained only one quote from a peer reviewer—Dr. Philip Morrison of Massachusetts Institute of Technology—this time falsely stating that the single quoted extract accurately represented the evaluations of all reviewers.

And as the GAO has determined was the case in the 1972 NSF staff recommendation memorandum, the quotation completely distorted and misrepresented the real meaning of thoughts actually conveyed by the reviewer in his evaluation.

The 1974 NSF staff summary prefaced the quoted peer review extract with an introductory sentence, followed by the quoted portion:

> Comment as appearing in recommendation memorandum—"Representative of the overall tone of the reviewers' comments is this excerpt from Dr. Morrison's review:
>
> "The general scheme proposed—the system foreseen—has natural and conspicuous appeal. The flexibility and freedom of use are clear advantages. . . . The personnel and advisors are excellent. . . . The idea is good. . . ."
>
> Comment within relevant review passage: *"The general scheme proposed—the system foreseen—has natural and conspicuous appeal. The flexibility and freedom of use are clear advantages.* So much is clear. But when I read the detailed descriptions—which seem to me very preliminary indeed for so grand a scheme—I grew much less enthusiastic. . . . It seems to me this whole grand scheme goes too far ahead. *The personnel and advisors are excellent,* but they have done very little work to date. I would grant enough to assemble a team able to produce a sample of mini-course topics and a few prototypes. Fifty topic headings, over a wide range of disciplines and levels, and two prototype courses would seem to me a minimum basis for the grant beyond Phase I. Nor would I approve the remaining phases without a strong sample of six months work at least on the Phase I issues. They determine all: *the idea is good,* but its execution determines its utility." [Italic added]

Again, it is most disturbing to me—and

I am sure it is disturbing to the tens of thousands of honest, hard-working, conscientious scientists, and educators who write peer reviews for the National Science Foundation, without compensation—to know that peer review evaluations of grant proposals submitted to NSF could be so badly misrepresented and misused to suit the purposes of the NSF program staff.

Dr. Morrison's quoted extract, as presented to the National Science Board in 1974, in support of the $2.17 million ISIS continuation grant, was not even an accurate representation of what Dr. Morrison really said about the original ISIS proposal when he reviewed it 2 years earlier.

The purported Morrison quotation was certainly not "representative of the overall tone of all the reviewers' comments," as the 1974 NSF staff summary to the Board in support of continued ISIS funding falsely claimed that it was.

One wonders how often this same kind of deception and abuse of the NSF peer review system has occurred in other cases that we have not yet learned about—because of the cloak of secrecy thrown up by NSF officials around the Foundation's grants management system that makes it almost impenetrable by Members of Congress who want to investigate this kind of management irresponsibility and breach of trust.

NSF COVERUP

Mr. Speaker, I first learned of the ISIS curriculum shortly after March 17, 1975, when NSF Director H. Guyford Stever had promised Chairman Olin E. Teague and members of the House Committee on Science and Technology by letter that he was suspending all NSF support for curriculum development, promotion, and marketing because of concerns raised by myself and others on behalf of citizens who objected to many of the Foundation's school programs.

Another NSF curriculum project, "Man: A Course of Study," MACOS, was the principal focus of concern at that time. Stever promised the Congress that, regardless what action Congress took on disputed NSF curriculum activities, NSF would obligate no more funds for development or implementation of any curriculum program until a thorough review of all active programs had been conducted by the Foundation, and a report had been submitted to the National Science Board and to the Congress.

A week or so following that promise from Stever to Chairman Teague and our committee, I received complaints from Atlanta citizens that NSF was still spending taxpayer funds to train 90 additional teachers to further implement the MACOS curriculum in Atlanta public schools.

I investigated, and they were correct.

These citizens also complained that another objectionable NSF course called "Individualized Science Instructional System" (ISIS) was being pilot-tested with NSF funds in Atlanta, and that their children were guinea pigs for this course.

This was all made possible because the Foundation had obligated all its fiscal year 1975 funds for curriculum programs before Stever's March 17 letter was sent to Chaiman Teague. Several universities had been funded contracts of 18 to 20 months so their curriculum activities could continue uninterrupted if Congress stopped NSF promotion and marketing activities.

After making some initial inquiries about the content and funding history of ISIS, I learned of the value-bias being injected into the teaching of the physical sciences through the ISIS program, and about some of the highly objectionable sex material contained in the curriculum.

Aroused citizens in Tallahassee, Fla., familiar with the course provided me additional information, including the fact that a "super sex" program called "Human Sexuality" was developed as part of the ISIS curriculum. Despite repeated requests, I have been unable to obtain copies of this material from NSF, even though it was developed with taxpayer dollars.

I was able to learn the names of peer reviewers of the original ISIS proposal, and the quotation attributed to Dr. Morrison in the 1974 NSF staff recommendation to the National Science Board for continued funding of the multi-million-dollar project.

I checked with Dr. Morrison during the first week of May 1975, to see if the quoted paragraph from his review reflecting unqualified support for the ISIS proposal was accurate. He said it definitely was not, and agreed to send me a letter stating that he had no objection to my obtaining the entire review from NSF since he had not retained a copy.

NSF Director Stever refused my repeated requests for the Morrison review on gounds that peer reviews were solicited under "an implied promise of confidentiality," and could not be released in their verbatim form to anyone, including grant applicants, outside the Foundation.

Stever did not inform me, as I was later to learn, that the Morrison review along with other ISIS peer reviews had several years earlier been sent by NSF management to Dr. Ernest Burkman, the ISIS grant applicant, for his rebuttal.

Stever continued to refuse my requests for verbatim copies of the ISIS peer reviews so that I could compare the Morrison quote in the NSF staff summary with Morrison's and other reviews, since several other reviewers had told me by this time that the quotation badly misrepresented their evaluations also.

EVASIVE NSF REPORT

ISIS was one of five curriculum programs selected as a "case study" for indepth review by the NSF Science Curriculum Review Team headed by Dr. Robert Hughes.

Concerns expressed in our committee about NSF's use of taxpayer dollars to develop, promote, and market questionable curriculum products in competition with others from the private sector had prompted this NSF internal review, along with two other studies of the MACOS curriculum by the GAO and by a special Science Curriculum Implementation Review Group appointed by Chairman Teague.

I hoped that when the NSF curriculum report was submitted to the committee we would glean some forthright and honest assessment of what I then knew to be a serious misrepresentation of peer reviewer evaluations in the administration of ISIS.

I was again disappointed.

Even though these facts must have been discovered by the NSF review team, they were covered up and skillfully evaded in the NSF's comprehensive two-volume official Hughes report submitted to Congress in late May, 1975.

Last July, Chairman Symington's Subcommittee on Science, Research, and Technology held 2 weeks of hearings concerning the NSF's peer review system. I testified about my findings and concerns relating to misrepresentation and mishandling of peer reviews by Foundation officials, in both the research and education directorates. Included in my testimony was all that I then knew about misrepresentation of the ISIS peer reviews, with proposals for appropriate reforms to prevent such abuses from recurring.

Dr. Stever testified the following day, and opened with a statement of unequivocal support for NSF program officers and the way NSF's peer review system has been handled. He rejected all possibilities of wrongdoing on the part of the NSF staff.

Dr. Hughes stated that the ISIS proposal had been "seriously revised" following receipt of the peer review evaluations, and that this justified the way those reviews were handled and represented to the National Science Board by NSF management.

This statement by Hughes was false, since the ISIS proposal was not revised or rewritten in any way. Burkman had rejected all peer review criticisms and concerns out of hand with his response to NSF. Minor adjustments in the proposed ISIS budget, unrelated to the main areas of reviewer concerns and criticisms, were the only changes made in the entire ISIS package from the time it was first submitted to NSF.

Mr. Speaker, it was only when the overwhelming weight of evidence concerning NSF mismanagement and abuse of its own peer review system closed in around the Foundation, and Dr. Stever was under direct threat of court action over his refusal to cooperate with Congress, that the Director finally released to me the verbatim ISIS peer reviews so that I could examine the full extent of NSF's duplicity in this matter.

I have asked Dr. Stever to terminate all NSF support for the ISIS project, and to recover all unspent Federal funds in the pipeline for ISIS, since the National Science Board was led to approve funding for this questionable program in 1972 and 1974 on the basis of false and misleading documentation provided by NSF management.

The law specifically requires National Science Board approval for grants of this magnitude.

I have also requested Chairman Symington to fully investigate the apparent coverup by top NSF management in the ISIS matter, and to support proposed reforms of NSF's peer review and grants management system contained in my bill (H.R. 9892) which will protect peer reviewers, grant applicants, and taxpayers from the outrageous negligence and management irresponsibility that Director Stever has condoned at NSF.

In view of Dr. Stever's repeated public statements denying any possibility of wrongdoing in this ISIS case, it is clear that investigation of a coverup must be conducted by a top-flight congressional or GAO investigative team.

Mr. Speaker, I would like to include the correspondence to Dr. Stever at this point in the Record:

House of Representatives,
Washington, D.C., January 26, 1976.
Dr. H. Guyford Stever,
Director, National Science Foundation,
Washington, D.C.

Dear Dr. Stever: As you know, the General Accounting Office report concerning administration of the "Individualized Science Instructional System" (ISIS) curriculum program, submitted to Chairman James W. Symington on January 12, verifies the mismanagement and abuse of the peer review system by your staff, as outlined in my testimony before the House Subcommittee on Science, Research, and Technology last July.

Particularly, the General Accounting Office report documents that the National Science Board was deliberately misled on two occasions when it approved funds for the ISIS project totalling $3.35 million. NSF staff summaries purporting to accurately reflect evaluations of 11 peer reviewers of the ISIS proposal misrepresented the peer reviewers by presenting to the Board only their positive comments about the proposal, and omitting at least 45 criticisms and concerns in key areas involving reasonableness of the proposed budget, diversity of personnel working on the project, treatment of curriculum material at the introductory level, and the transition problem students may face in further study or in work.

Had the National Science Board received a full accounting of these criticisms from peer reviewers, and the fact that most of them were ignored by the grant applicant and NSF staff in finalizing the ISIS proposal for presentation to the Board, it is doubtful indeed that funding would have been approved.

It is unbelievable to me that your National Science Foundation internal curriculum review team headed by Dr. Robert Hughes did not discover this misrepresentation of peer reviews on the ISIS project, and acknowledge such findings fully and forthrightly in its two-volume printed report last May to the House Science and Technology Committee.

It is also of great concern to me that neither of you nor Dr. Hughes acknowledged the great seriousness of this situation, as I had described it in testimony a day earlier, during your statements before Chairman Symington's Subcommittee on July 23, 1975. Instead, you attempted to cast aspersions on my findings now verified by the GAO. Moreover, Dr. Hughes made further false statements before the Subcommittee about the ISIS proposal having been "seriously revised" to accommodate peer reviewer criticisms and concerns before it was sent to the National Science Board for funding—which your staff knew was not the case.

Since you have now seen fit to release to me the verbatim ISIS peer reviews and other materials that I first requested long before the July peer review hearings, the magnitude of your NSF staff's misrepresentations and abuse of the peer review system is fully apparent.

Also apparent is a willful attempt at some level of National Science Foundation management to keep the full facts from the National Science Board, the peer reviewers involved, the scientific community, Members of Congress, and the general public.

I have asked Chairman Symington to fully investigate this latter development of apparent cover-up in the ISIS matter. Please secure all working papers and draft materials prepared by your ISIS "case study" team and others involved in the NSF internal curriculum review under Dr. Hughes, as well as all memoranda and other documentation concerning your NSF staff and management's work in the ISIS matter.

I hope you will instruct all those involved to fully cooperate so that we can get to the bottom of this entire matter.

Since it is now clear that the National Science Board was given false and misleading information by the NSF staff to approve its recommendation to fund the ISIS project in 1972 in the amount of $1.17 million, and again in 1974 in the amount of $2.17 million, you should stop all further funding for ISIS and de-obligate all unspent NSF funds for the project.

In view of the charges I made last July in connection with ISIS, and the evidence now made public by Chairman Symington verifying those charges, I urge you to implement the cancellation clause in the ISIS grant and recover whatever unspent Federal funds are still available.

This would clearly be in the best interests of the government and the general public, and it should be done immediately.

Sincerely,

John B. Conlan,
Member of Congress.

FISCAL PLIGHT OF THREE OF DISTRICT OF COLUMBIA'S RETIREMENT PROGRAMS

(Mr. GUDE asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. GUDE. Mr. Speaker, just recently I called to the attention of the distinguished members of this august body the fiscal plight of three of the District of Columbia's retirement programs. Disturbingly, the District's retirement programs for police officers and firemen, public school teachers, and judges now have an unfunded liability in excess of $1.5 billion. As I have pointed out previously, the Congress and the Congress alone is responsible for this situation. It was the Congress which mandated the creation of these generous retirement programs before home rule and it was the Congress which did not provide the necessary funding for them. That, Mr. Speaker, was an exercise in fiscal irresponsibility which the Congress should undo.

To achieve this end, I am introducing legislation which would guarantee to all District employees presently covered by the unfunded pensions the benefits which we promised and for which I feel we have a legal and moral obligation to honor. At a time when we all are seeking to restore the people's confidence in government, I am firmly committed to the proposition that we in the Congress cannot renege on pension promises we made to the District's policemen, firemen, teachers, and judges. This is no time to talk about reducing the retirement benefits to which retired employees are clearly entitled.

I am proposing that we appropriate $65 million to meet the District's retirement and pension obligations for fiscal year 1977; and at the same time authorize an actuarial study to determine exactly what is the District's unfunded pension liability for former employees as well as present employees who would be on the District's payroll at the close of fiscal 1977. Once this determination is made, I propose that the Congress, in recognition of its responsibility, fully fund only that liability, with the District then responsible for funding pension and retirement benefits for all future policemen, firemen, teachers, and judges beginning in fiscal 1978.

By this action, Mr. Speaker, we in the Congress have fully honored our obligation and have kept faith with the people of the District of Columbia. To do otherwise would only compound the mistakes of the past and represent a step backward in our continued efforts to foster a healthy partnership between the District and the Federal Government as home rule is further implemented.

GEN. JACKSON GRAHAM

(Mr. GUDE asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. GUDE. Mr. Speaker, on January 31, 1976, Gen. Jackson Graham will retire from his post as general manager of the Washington Metropolitan Area Transit Authority. I would like to take this opportunity to thank General Graham for all his dedicated efforts.

Jackson Graham has served as Metro's general manager since March 17, 1967, which year marked the creation of WMATA. When General Graham took on this task, the obstacles he faced were enormous. The Washington area wanted to build a transit system. At that time, plans called for a system 95.6 miles long, which has since been extended somewhat to the present 98.6 mile adopted regional system. Thus, the general took the managerial rein of one of the largest public works projects in history at a time when not a spade of earth had been turned, and when little money was available for construction.

In the nearly 9 years since the general took charge, Metro has come a very long way indeed. Today, there are some 45 miles of track and 39 transit stations which are either completed or under construction. The first phase of revenue operations is scheduled to open in March of this year.

The success of this extraordinary venture is in no small measure due to the efforts of Jackson Graham. The general set his sights on a goal—building the finest transit system in the Nation. Despite enormous financial problems caused largely by inflation and funding delays, the general never once lost sight of the goal. It is due largely to his determination that Metro has come along as far as it has.

Under Jackson Graham's leadership, WMATA assumed ownership of the region's deteriorating bus companies. Under the prior private ownership, the buses were in very bad shape and were getting worse. No new buses had been added for years. Existing buses were being cannabalized to keep others operating. Fares were constantly on the increases, and ridership was just as consistently decreasing. Since taking over operation of the buses, Metro, under General Graham, has turned five dilapidated bus companies into a true regional system. Some 600 new buses have been added to the fleet, and more are on the way. Routes have been realined in order to better serve the public. Metro has made some major innovations in the transit industry in improving information services to the public. The results speak for themselves—ridership has been steadily increasing on the bus system.

Again, we owe our thanks to General Graham for these successes. Through his nearly superhuman dedication to Metro, General Graham has set a standard which will test any successor.

Jackson Graham will surely be missed at Metro. I know that my colleagues in the House will join with me in offering General Graham our warmest and best wishes for the future.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. SKUBITZ, for Thursday, January 29, 1976, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. HANSEN) to revise and extend their remarks and include extraneous material:)

Mr. MCKINNEY, for 5 minutes, today.

Mr. ANDERSON of Illinois, for 15 minutes, today.

Mr. MILLER of Ohio, for 15 minutes, today.

Mrs. HECKLER of Massachusetts, for 5 minutes, today.

(The following Members (at the request of Mr. HAYES of Indiana), to revise and extend their remarks and include extraneous matter:)

Mr. CONYERS, for 60 minutes, today.

Mr. WOLFF, for 60 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. RODINO, for 5 minutes, today.

Mr. PATTEN, for 5 minutes, today.

Mr. BRADEMAS, for 5 minutes, today.

Mr. DRINAN, for 20 minutes, today.

Mr. EILBERG, for 5 minutes, today.

Mr. HELSTOSKI, for 30 minutes, today.

Mr. KOCH, for 5 minutes, today.

Mr. CHARLES H. WILSON of California, for 5 minutes, today.

Mr. DODD, for 5 minutes, today.

Mr. BROWN of California, for 5 minutes, today.

Ms. ABZUG, for 20 minutes, today.

Mr. PATMAN, for 15 minutes, today.

Mr. ECKHARDT, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. CONLAN and to include extraneous matter notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $965.

Mr. O'NEILL to revise and extend his remarks and include extraneous matter after the special order of Mr. CONYERS, today.

(The following Members (at the request of Mr. HANSEN) and to include extraneous matter:)

Mr. ANDREWS of North Dakota.

Mrs. PETTIS in five instances.

Mr. STEELMAN.

Mr. COUGHLIN.

Mr. BROOMFIELD.

Mr. HEINZ.

Mr. FRENZEL in three instances.

Mr. BROWN of Ohio in three instances.

Mr. BELL in two instances.

Mr. ARMSTRONG in two instances.

Mr. CONLAN in five instances.

Mr. JEFFORDS in two instances.

Mr. COHEN in two instances.

Mr. SHUSTER.

Mr. BAUMAN in 10 instances.

Mr. MCCOLLISTER.

Mr. PEYSER in five instances.

(The following Members (at the request of Mr. HAYES of Indiana) and to include extraneous matter:)

Mr. GONZALEZ in three instances.

Mr. ANDERSON of California in three instances.

Mr. PREYER.

Mr. ALEXANDER.

Mr. RUSSO.

Mr. MOAKLEY.

Mr. BARRETT.

Mr. CHARLES H. WILSON of California in 12 instances.

Mr. MURTHA.

Mr. MURPHY of Illinois.

Mr. EVINS of Tennessee.

Mr. ROGERS in five instances.

Mr. O'HARA in two instances.

Mr. MATSUNAGA.

Mr. LLOYD of California.

Mr. MILFORD in two instances.

Mr. EDWARDS of California.

Mr. PATTERSON of California in three instances.

Mr. ROYBAL in two instances.

Mrs. SCHROEDER.

Mr. DOMINICK V. DANIELS.

Mr. BRADEMAS in six instances.

Mr. REES.

Mr. MIKVA.

Mr. REUSS.

Mr. LAFALCE in six instances.

Mr. HENDERSON.

Mr. HAYES of Indiana.

Mr. FISHER.

Mr. MCDONALD of Georgia in two instances.

Mr. ROUSH in three instances.

Mr. RANGEL.

Mr. NEAL.

Mr. YOUNG of Georgia.

Mr. PERKINS.

Ms. ABZUG.

Mr. HARRINGTON in two instances.

Mr. ROSENTHAL.

Mr. PATMAN.

Mr. ZABLOCKI in two instances.

Mr. WON PAT.

ENROLLED BILLS SIGNED

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 9861. An act making appropriations for the Department of Defense for the fiscal year ending June 30, 1976, and the period beginning July 1, 1976, and ending September 30, 1976, and for other purposes; and

H.R. 11510. An act to provide for starling and blackbird control in Kentucky and Tennessee.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee did on January 27, 1976 present to the President, for his approval, a joint resolution of the House of the following title:

H.J. Res. 406. Joint resolution to provide for the presentation by the United States to Israel of a statue of Abraham Lincoln to be donated by Leon and Ruth Gildesgame, of Mount Kisco, New York.

ADJOURNMENT

Mr. HAYES of Indiana. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 47 minutes p.m.), the House adjourned until tomorrow, Thursday, January 29, 1976, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, INC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2396. A letter from the Secretary of Defense, transmitting the annual report of the Department of Defense for fiscal year 1977; to the Committee on Armed Services.

2397. A letter from the Secretary of Labor, transmitting a report on the number of cases reviewed and the number of exemplary rehabilitation certificates issued during 1975, pursuant to section 6(f) of Public Law 90-83; to the Committee on Education and Labor.

2398. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting proposed amendments to the regulations governing the guaranteed student loan program, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

2399. A letter from the Executive Director, National Commission on Libraries and Information Science; transmitting the fourth annual report of the Commission, pursuant to section 5(a)(7) of Public Law 91-345, as amended; to the Committee on Education and Labor.

2400. A letter from the Assistant Secretary of the Interior, transmitting a report on the status of the saline water conversion programs, pursuant to section 8 of Public Law 92-60; to the Committee on Interior and Insular Affairs.

2401. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the intention of the Department of State to consent to a request by the Government of Belgium for permission to transfer certain defense articles to the Government of Iran, pursuant to section 3 (a) of the Foreign Military Sales Act, as amended; to the Committee on International Relations.

2402. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by James W. Hargrove, Ambassador-designate to Australia and Nauru, and his family, pursuant to section 6 of Public Law 93-126; to the Committee on International Relations.

2403. A letter from the president, Gorgas Memorial Institute of Tropical and Preventive Medicine, Inc., transmitting the annual report of the Institute and the Comptroller General's report on the examination of its financial statements for fiscal year 1975, pursuant to section 3 of the act of May 7, 1928, as amended, together with annual report on the research activities of the Gorgas Memorial Institute-Middle American Research Unit (H. Doc. 94-353); to the Committee on International Relations and ordered to be printed.

2404. A letter from the Executive Director, Federal Communications Commission, transmitting a report on the backlog of pending applications and hearing cases in the Commission as of November 30, 1975, pursuant to section 5(e) of the Communications Act, as amended; to the Committee on Interstate and Foreign Commerce.

2405. A letter from the Acting Chairman, Council on Environmental Quality, Executive Office of the President, transmitting a draft of proposed legislation to authorize further appropriations for the Office of Environmental Quality, and for other purposes; to the Committee on Merchant Marine and Fisheries.

2406. A letter from the Chairman, U.S. Nuclear Regulatory Commission, transmitting a draft of proposed legislation to authorize appropriations to the Nuclear Regulatory Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended and section 305 of the Energy Reorganization Act of 1974, as amended, and for other purposes; to the Joint Committee on Atomic Energy.

Received From the Comptroller General

2407. A letter from the Comptroller General of the United States, transmitting a report on the examination of the financial statements of the Rural Telephone Bank, Department of Agriculture, for fiscal years 1975 and 1974, pursuant to section 106 of the Government Corporation Control Act, as amended (H. Doc. 94-354); jointly, to the Committees on Government Operations, and Agriculture, and ordered to be printed with illustrations.

2408. A letter from the Comptroller General of the United States, transmitting a report on fuel savings and other benefits achieved by diverting Department of Defense passengers from chartered to scheduled overseas flights; jointly, to the Committees on Government Operations, Armed Services, and Public Works and Transportation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BROOKS: Committee on Government Operations. Report on the use of polygraphs and similar devices by Federal agencies; (Rept. No. 94-795). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Texas: Committee on Rules. House Resolution 982. Resolution authorizing the Select Committee on Intelligence to file its report by midnight, January 30, 1976, and for other purposes; with amendment (Rept. No. 94-796). Referred to the House Calendar.

Mr. PEPPER: Committee on Rules. House Resolution 999. Resolution providing for the consideration of the conference report on H.R. 5247, a bill to authorize a local public works capital development and investment program (Rept. No. 94-797). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HAYS of Ohio:

H.R. 11552. A bill to establish a Voter Registration Administration within the Federal Election Commission for the purpose of administering a voter registration program through the Postal Service, and for other purposes; to the Committee on House Administration.

By Mr. ANDREWS of North Dakota:

H.R. 11553. A bill to amend section 4481 of the Internal Revenue Code of 1954 to exempt single unit trucks from the highway use tax; to the Committee on Ways and Means.

By Mr. PHILLIP BURTON:

H.R. 11554. A bill to amend the National Labor Relations Act; to the Committee on Education and Labor.

By Mr. CONLAN:

H.R. 11555. A bill to amend title II of the Social Security Act to repeal the earnings limitation, to provide benefits for husbands, widowers, and fathers on the same basis as wives, widows, and mothers, to eliminate the 5-month waiting period for disability benefits, to provide for the payment of benefits to an individual through the month of his or her death, to provide an optional exemption from coverage for individuals 65 years of age and over, and to provide that a beneficiary's marriage or remarriage will not affect his or her benefits; and to amend title XVIII of such act to authorize direct payments to physicians and other providers at their option under the supplementary medical insurance programs; to the Committee on Ways and Means.

By Mr. DANIELSON:

H.R. 11556. A bill to amend the Housing and Community Development Act of 1974 to provide that a combination of cities having an aggregate population of 50,000 or more shall be eligible to be an applicant; to the Committee on Banking, Currency and Housing.

By Mr. EILBERG:

H.R. 11557. A bill to establish a Select Commission on Territorial Immigration Policy; to the Committee on the Judiciary.

By Mr. FITHIAN (for himself, Mr. Melcher, Mr. Badillo, Mr. Riegle, Mr. Blanchard, Mr. Studds, Mr. Moorhead of Pennsylvania, Mr. Ashley, and Mr. Pattison of New York):

H.R. 11558. A bill to amend the act establishing the Indiana Dunes National Lakeshore to provide for the expansion of the lakeshore, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. JOHNSON of California (for himself, Mr. Lujan, Mr. Runnels, Mr. Kazen, Mr. Weaver, Mr. Don H. Clausen, Mrs. Pettis, and Mr. Tsongas):

H.R. 11559. A bill to authorize appropriations for the saline water conversion program for fiscal year 1977; to the Committee on Interior and Insular Affairs.

By Mr. KOCH:

H.R. 11560. A bill to amend the Tariff Schedules of the United States in order to require proof of liability insurance for automobiles entered into the United States for personal use by nonresidents and foreign government personnel, and for other purposes; to the Committee on Ways and Means.

By Mr. LITTON (for himself and Mr. Harrington):

H.R. 11561. A bill to provide that the terms of office of the Director of Central Intelligence and the Director of the Federal Bureau of Investigation shall be 10 years and that no individual shall hold either such office more than once; jointly, to the Committees on Armed Service, and the Judiciary.

By Mr. LOTT:

H.R. 11562. A bill to amend the Federal Trade Commission Act to provide that exclusive territorial arrangements used in the distribution or sale of a trademarked soft drink product or a trademarked private label food product shall not be deemed unlawful per se and may be judged on any basis other than a per se basis; to the Committee on Interstate and Foreign Commerce.

By Mr. McKINNEY:

H.R. 11563. A bill to amend the Internal Revenue Code of 1954 to allow an individual to exclude from gross income the gain from the sale or exchange of the individual's principal residence; to the Committee on Ways and Means.

By Mr. MICHEL (for himself, and Mr. Brown of Ohio):

H.R. 11564. A bill to amend the Food Stamp Act of 1964 to insure a proper level of accountability on the part of food stamp vendors; to the Committee on Agriculture.

By Mr. MURTHA:

H.R. 11565. A bill to amend the Tariff Schedules of the United States to repeal the special tariff treatment accorded to articles assembled abroad with components produced in the United States; to the Committee on Ways and Means.

By Mr. RINALDO:

H.R. 11566. A bill to amend title 18 of the United States Code to make it a Federal crime to identify publicly any U.S. undercover agent; to the Committee on the Judiciary.

By Mr. ROE:

H.R. 11567. A bill to amend section 121 of the Internal Revenue Code of 1954 to increase from $20,000 to $40,000 the amount to which the adjusted sales price of a residence of an individual over age 65 is compared for purposes of determining the amount to be excluded from gross income; to the Committee on Ways and Means.

By Mr. ROUSH:

H.R. 11568. A bill to terminate the authorization of the navigation study and survey of the Wabash River, Ind.; to the Committee on Public Works and Transportation.

By Mr. STAGGERS (for himself and Mr. Devine):

H.R. 11569. A bill to amend the International Travel Act of 1961, as amended, to authorize the use of travel grants for foreign participants in familiarization tours to the United States; to the Committee on Interstate and Foreign Commerce.

H.R. 11570. A bill to authorize appropriations of the Department of Commerce to be available until expended or for periods in excess of 1 year; to the Committee on Interstate and Foreign Commerce.

By Mrs. SULLIVAN (by request):

H.R. 11571. A bill to facilitate the coordination of programs for the protection, management and control of wild free-roaming horses and burros, and other resources and for other purposes; jointly to the Committees on Interior and Insular Affairs, and Merchant Marine and Fisheries.

By Mr. TEAGUE (for himself and Mr. Mosher):

H.R. 11572. A bill authorizing appropriations to the National Science Foundation for fiscal year 1977; to the Committee on Science and Technology.

H.R. 11573. A bill to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes; to the Committee on Science and Technology.

By Mr. YATRON:

H.R. 11574. A bill to amend the Tariff Schedules of the United States; to the Committee on Ways and Means.

By Mr. PHILLIP BURTON:

H.R. 11575. A bill to create a national system of health security; to the Committee on Ways and Means.

By Mr. ECKHARDT (for himself, Mr. Van Deerlin, Mr. Brodhead, Mr. Metcalfe, Mr. Scheuer, Mr. Ottinger, Mr. Edgar, Mr. Edwards of California, Mr. Eilberg, Mr. Harrington, Mr. Hechler of West Virginia, Ms. Holtzman, Mr. Koch, Mr. Nix, Mr. Richmond, Mr. Studds, and Mr. Zeferetti):

H.R. 11576. A bill to regulate commerce and protect health and the environment by requiring testing and necessary restrictions on certain chemical substances and mixtures, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HELSTOSKI (for himself, Mr. Roe, Mr. Florio, Mr. Howard, Mr. Thompson, Mr. Rodino, and Mr. Hughes):

H.R. 11577. A bill to amend the Tariff Schedules of the United States by repealing item 807 of schedule 8, part 1, subpart B; to the Committee on Ways and Means.

By Mr. KARTH (for himself and Mr. Hayes of Indiana):

H.R. 11578. A bill to terminate the Airlines Mutual Aid Agreement; to the Committee on Public Works and Transportation.

By Mr. McKINNEY:

H.R. 11579. A bill to amend the District of Columbia Income and Franchise Tax Act of 1947 to impose an income tax on certain income derived from sources within the District of Columbia by individuals who are not residents of the District of Columbia and to remove the franchise tax on the income of unincorporated businesses; to the Committee on the District of Columbia.

By Mr. MATSUNAGA:

H.R. 11580. A bill to amend title 5, United States Code, to provide that certain air traffic specialists be considered as air traffic controllers for retirement and certain other purposes; to the Committee on Post Office and Civil Service.

By Mr. WHITEHURST:

H.R. 11581. A bill to require the Secretary of the Interior to make a comprehensive study of the wolf for the purpose of developing adequate conservation measures, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. O'HARA:

H.J. Res. 783. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. REES:

H.J. Res. 784. Joint resolution to amend the effective date of certain provisions of the Defense Production Act Amendments of 1975; to the Committee on Banking, Currency and Housing.

By Mr. BRADEMAS:

H. Con. Res. 534. Concurrent resolution to express congressional opposition to proposals to increase out-of-pocket payments by medicare beneficiaries; to the Committee on Ways and Means.

By Mr. CEDERBERG:

H. Res. 996. Resolution to provide that statements be included in legislative reports of committees regarding the rights of individuals; to the Committee on Rules.

By Mr. TEAGUE:

H. Res. 997. Resolution to provide for the expenses of investigations, and studies to be conducted by the Committee on Science and Technology; to the Committee on House Administration.

By Mr. THONE (for himself, Mr. Bowen, Mr. Jenrette, Mr. Hubbard, Mr. Sebelius, Mr. Stark, Mr. Beard of Rhode Island, Mr. Clay, Mr. Carney, Mr. Mazzoli, Mr. Kastenmeier, Mr. Madigan, Mr. Goodling, Mr. Jeffords, Mr. Emery, Mr. Cleveland, Mr. Rostenkowski, Mr. Traxler, and Mr. Blanchard):

H. Res. 998. Resolution to insure that the quality and quantity of free broadcasting service not be impaired; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BREAUX:

H.R. 11582. A bill for the relief of Dorothea Margaret Hernandez Boquer; to the Committee on the Judiciary.

By Mr. PHILLIP BURTON:

H.R. 11583. A bill for the relief of Rita Nepomuceno (a.k.a Jemma Nepomuceno); to the Committee on the Judiciary.

H.R. 11584. A bill for the relief of Rosario Imelda Seiler (a.k.a. Rosario Imelda Torres Quino); to the Committee on the Judiciary.

By Mr. FRASER:

H.R. 11585. A bill for the relief of Raul S. Manglapus; to the Committee on the Judiciary.

By Mr. HARRINGTON:

H.R. 11586. A bill for the relief of David St. Loon Bok; to the Committee on the Judiciary.

H.R. 11587. A bill for the relief of K. C. Chan; to the Committee on the Judiciary.

By Mr. LAGOMARSINO:

H.R. 11588. A bill for the relief of Robert E. Smith, U.S. Navy (Retired); to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

282. By the SPEAKER: Memorial of the General Assembly of the State of South Caroline, relative to federally imposed mandates on automobiles; to the Committee on Interstate and Foreign Commerce.

283. Also, memorial of the Legislature of the State of Indiana, relative to an amendment to the Constitution of the United States concerning Federal expenditures and revenues; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

377. By the SPEAKER: Petition of Patrick J. Farrell, Brooklyn, N.Y.; relative to redress of grievances; to the Committee on Education and Labor.

378. Also, petition of the city council, Pembroke Pines, Fla., relative to the United Nation's resolution equating Zionism with racism; to the Committee on International Relations.

379. Also, petition of the Wayne County Board of Commissioners, Detroit, Mich., relative to reopening the investigation of the assassination of Dr. Martin Luther King, Jr.; to the Committee on the Judiciary.

380. Also, petition of G. Michael Steelman, M.D., Holdenville, Okla., relative to redress of grievances; to the Committee on Ways and Means.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 9464

By Mr. ECKHARDT:

(An amendment to Mr. Krueger's amendment published in the Congressional Record of December 8, 1975, on pages 39152–39156.)

Strike subsections (a) and (b) of Section 107 and insert in lieu of the following:

(a) Sections 104, 105, and 106 of this title shall expire on midnight April 4, 1976.

(b) Expiration of sections 104, 105 and 106 shall not affect any action or pending proceedings, civil or criminal, not finally determined on such date, nor any action or proceeding based upon any act committed prior to midnight April 4, 1976.

In Section 208, new section 25 of the Natural Gas Act is amended by striking "or food packaging" wherever it occurs and place an "or" between "agricultural," and "food processing" where those words appear together.

By Mr. ANDREWS of North Dakota:

(Amendment to Krueger amendment.)

Following section 26, add an additional section, to be titled section 27, which reads as follows:

"COMMISSION JURISDICTION OVER SYNTHETIC GAS USED IN INTERSTATE COMMERCE"

"Sec. 27. With respect to liquefied, regasified, or synthetic natural gas from feedstocks other than petroleum products or natural gas liquids, for use in interstate commerce, any plant for the production or regasification of such synthetic natural gas, any sales or transportation of such synthetic natural gas, and any person owning and/or operating such plant shall be subject to the jurisdiction and authority of the Commission under the Natural Gas Act of 1938 to the same extent as if it were a natural gas company: *Provided*, That such jurisdiction shall not include the feedstock of such plant or facilities for the production of such feedstock, unless the feedstock is natural or manufactured gas: *And provided further*, That such jurisdiction shall not preempt State laws, rules, and regulations regarding natural resource development, conservation, and environmental protection, or any other proper exercise of State police powers."

(Conforming amendments.)

I. Amendment to section 204 of the Krueger amendment by adding the following new paragraph (12):

"(12) 'synthetic natural gas' means gas manufactured from coal or hydrocarbon containing materials other than petroleum products or natural gas liquids which is sold or transported in interstate commerce."

II. Section 2 of the Natural Gas Act (15 USC 717) is amended at paragraph (5) by inserting after the word "natural" and before "and" the word "synthetic."

EXTENSIONS OF REMARKS

HARVEY BOYNTON: A KINGFIELD LEGEND

HON. WILLIAM S. COHEN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mr. COHEN. Mr. Speaker, I was extremely saddened recently to learn of the death of Harvey Boynton of Kingfield, Maine—a man who was an institution at one of Maine's best known ski areas, Sugarloaf Mountain.

Prior to his sudden death earlier this month, Mr. Boynton ran a ski shop at Sugarloaf for 20 years, and he was a familiar figure to all who visited the ski area.

He was a leading business and civic leader in Kingfield, and his unselfish service to others won him the 1973 Man of the Year Award of the Sugarloaf Area Association, an organization he helped found.

The extent of Mr. Boynton's service to his community is detailed in the following article for a recent issue of the Central Maine Morning Sentinel. Mr. Boynton will be sorely missed by his family and friends, and by all of us who came to know him through their love of skiing.

The article follows:

HARVEY BOYNTON: A KINGFIELD LEGEND

(By Laura Dunham)

Harvey Boynton, who died earlier this month, was virtually a legendary figure to Kingfield folks and visitors to Sugarloaf, USA, where he had maintained a ski shop for 20 years.

It all started when Graydon Erickson was teaching school in Kingfield, and the Boynton's son David became interested in skiing and jumping on a small ski jump just north of town. About that time, Amos Winter and a group of young men were cutting the first trails to Sugarloaf and establishing a small rope tow. Mr. Boynton who had a clothing store, which he had operated since 1945 saw a need for ski apparel and equipment and started to stock supplies for the local children who were getting hooked on the new sport

As the mountain grew and the first small base lodge was erected, Harvey and Laura Boynton opened a store in the lodge and started a business which grew so much in three years that it was necessary to move into a single building across from the base lodge. They remained there until the present base lodge was built. About three years ago, the ski shop was torn down and a new shop in the valley crossing complex was opened.

Mr. Boynton's association with the region also grew. He helped organize the Sugarloaf Area Association to promote business in the area. He also served as president of the organization and on its board of directors.

In 1973, he was named Man of the Year for his many contributions to the Sugarloaf region.

Mr. Boynton loved the outdoors and was always ready to go off on a snowmobile safari on a Sunday afternoon. He, along with four other persons had leased Round Mountain Pond Camps, which reportedly was one of his favorite spots. Surrounded by five mountains, he would spend days hunting, fishing, or relaxing. An enthusiastic fisherman, Mr. Boynton once caught the second largest trout ever to be landed in Newfoundland.

During World War II, Mr. Boynton served as a second Lieutenant in the 91st Infantry, 361 Regiment in Italy, where he was wounded. He received the Purple Heart, Bronze Star and the Distinguished Service Award. In 1969, the Boynton's went to Italy and traveled along the same route where he had been with the army. On Tuesday of this week, Laura Boynton received a letter from the president of the 91st Infantry Association, stating that a notice of Mr. Boynton's death would be placed in the Stars and Stripes paper in Washington for national publication. Mr. Boynton was vice president of that organization. He was the first commander of the Norton-Wouri American Legion Post in Kingfield in 1946.

On Sunday, a memorial service will be held at the Dick Bell Interfaith Chapel at Sugarloaf at 1 p.m.

MRS. AGNES KOWALSKI: GOOD CITIZEN, VALUABLE NEIGHBOR

HON. JAMES G. O'HARA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mr. O'HARA. Mr. Speaker, on Sunday, February 1, Mrs. Anges Kowalski of Hamtramck, Mich., will observe her 85th birthday. On that date, a host of her friends, neighbors and admirers will be paying their tribute to this woman of indomitable courage and vision. I would like to take this opportunity today, Mr. Speaker, to express publicly the admiration in which we hold Mrs. Kowalski for the contribution she has made to the community in which she lives.

Mrs. Kowalski was born in a small village south of Krakow, Poland, in 1891. She was a young girl of only 13 when her family emigrated to the United States and settled in New York. It was there that she met the late Zygmund Kowalski, they were married, and in 1912 they moved to the Detroit, Mich. area.

In 1920, Mr. and Mrs. Kowalski opened a smal grocery store in Hamtramck. It was a humble beginning, Mr. Speaker; a small grocery store in Hamtramck. It many newly arrived American citizens make for themselves here in this country. But the Kowalskis were a particularly hardy breed. They worked hard and they prospered.

As a sideline at that small grocery store in Hamtramck, the Kowalskis began making sausage in a backroom of the grocery store. They worked hard and they put in long hours, and slowly but steadily, they built the sausage-making operation into the main part of their business. Today, Mr. Speaker, it is a multi-million-dollar-a-year food processing business—the Kowalski Sausage Co., which is so well known in southeastern Michigan. That business now employs several hundred persons, and several generations of residents of southeastern Michigan owe their economic livelihood to the fact that Mr. and Mrs. Kowalski had the vision and the foresight to add sausage-making to their little Hamtramck grocery business.

We sometimes forget, Mr. Speaker, that this is still the land of opportunity; we sometimes forget, too, that opportunity comes disguised as a challenge to do a good job at whatever it is that we tackle, and to work hard if we want to succeed. We sometimes forget, and then along comes someone like Agnes Kowalski to help us remember this priceless part of our American heritage.

It is a genuine pleasure for me, Mr. Speaker, to pay tribute to the matriach of the Kowalski family as she celebrates her 85th birthday—still strong, still in good health, still concerned about the family business and its role in bolstering the area's economy, still involved in social activities in the Polish-American community, still a pillar of financial support for parish charities.

My wish for Agnes Kowalski is that she enjoy many more years of good health in which to continue her role as good citizen and valuable neighbor.

JIM McHALE—A DEFENDER OF RURAL LIFE

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mr. BROWN of California. Mr. Speaker, I wish to draw the attention of my distinguished colleagues to the changes we are witnessing in farming and to the progressive steps which one man has taken in this field.

In the last few decades the small family farm has been replaced by an ever growing number of large, mechanically oriented agribusinesses. We have seen our farm population decline rapidly and our number of farms decrease by 50 percent since 1950. These are not just statistics, but a demonstration of an alteration in our past view of farming as a way for a family to provide for itself and others while living in tune with nature—a life filled with the creation of abundant food products—a good, simple life—to the present view so aptly described by our Secretary of Agriculture, Mr. Butz, and I quote:

> Farming isn't a way of life, it's a way to make a living.

Pennsylvania's Secretary of Agriculture, Jim McHale, does not see the life of farming in such businesslike terms. His past struggles to encourage rural development through better health plans, farmer-to-consumer marketing, and the spread of knowledge on self-sufficient farming practices have given may people, old and young, the impetus to begin, or return to, farming as a way of life. He feels, as I do, that farming presents a means for many to remove themselves and their children from the dependent, fast-paced, cement life of the city and that every possible incentive should be provided to those who have the urge to become self-sufficient off the land. I commend his strong efforts to move his State toward this ideal. I was very saddened to hear that Jim McHale relinquished his post as secretary of agriculture on December 31, 1975. It seems that the Republican members of the State government of Pennsylvania disagree with Mr. McHale's perception of agricultural priorities and could not muster a majority to approve his remaining in the position of secretary. His service will be remembered by many. I wish him well in any tasks he undertakes in the future and hope that his many projects will still remain intact and financially supported by the State.

The following article which I wish to insert in the Record summarizes one of these projects which I am particularly in favor of as an exemplary model of the ideals of self-sufficiency and environmental preservation through a return to organic, small-scale farming. Hopefully, other States will follow suit upon realizing the many benefits of training our young to live off the land once again.

The article follows:

Farm Training Program Nears Reality

A plan to lease a farm at nominal cost to train young people to become energy efficient farmers is nearing reality, it was disclosed by Pennsylvania Agriculture Secretary Jim McHale.

"For four years we have worked on a plan to train young farmers through a living experience rather than the usual classroom-textbook approach," said McHale. "And now we are ready to act on that plan."

Earlier this week, McHale and staff members of the Agriculture Department and the Department of Community Affairs visited Springton Manor Farm, a 300-acre farm in Chester County owned by Forward Lands Inc. Accompanying McHale was Jim Pierce, executive director of the National Sharecropper Fund which solicits private contributions to operate the Frank Porter Graham Experimental Farm and Training Center in North Carolina.

McHale had visited the Graham Center last month and was impressed with its program to provide people with the skills and knowledge to remain in rural areas as farmers. Pierce was invited to consult with state officials in setting up a similar program in Pennsylvania.

Besides visiting Springton Manor Farm, McHale, Community Affairs Secretary William Wilcox and staff members from the Department of Welfare also visited state-owned farms at hospitals in eastern and western Pennsylvania.

McHale felt the Springton Manor Farm was the best site to launch a farm training program. The owner, Forward Land Inc., is a nonprofit corporation that acquires land for open space use. It reportedly would lease the farm to the state on a long-term basis at minimal cost.

"We want to develop a comprehensive training program," said McHale, "similar to the one operating in North Carolina. This would consist of learning through doing courses in such diverse subjects as land use, grading, farm management care and conservation, methods, accounting, carpentry, masonry, welding, electricity and food processing."

As envisioned now, the project would be a joint venture between the Agriculture Department and the Department of Community Affairs. Possible sources for funding would include nonprofit corporations and Comprehensive Employment Training Act monies. Wilcox has expressed a desire to get the Community Action Program agencies involved.

McHale added that much of the farm training would incorporate research findings from projects now underway at Penn State. Specifically, powering some machinery with methane gas produced from manure, fertilizing fields with sludge—both projects at Penn State—would be techniques employed at the farm.

"We want to encourage a labor-intensive agriculture that can depend on varied energy sources," said McHale. "This is the type of agriculture that may be best suited for family farming."

MRS. CORETTA SCOTT KING TESTIFIES FOR FULL EMPLOYMENT

HON. ANDREW YOUNG

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mr. YOUNG of Georgia. Mr. Speaker, on December 8, 1975, the Joint Economic Committee of the U.S. Congress, chaired by Senator Hubert Humphrey, held its regional hearings in Atlanta, Ga. During these hearings, Mrs. Coretta Scott King, president of the Martin Luther King, Jr. Center for Social Change, testified expressing her concerns and views regarding the dilemma of unemployment which America now faces. During her testimony, Mrs. King told the committee:

> The problem of unemployment is at base a political problem. We are suffering the highest unemployment since the great depression, basically because of conscious, politically motivated decisions. The poor, minorities, and average workingman, have been deliberately chosen by the current administration to bear the brunt of our economic policy.

Mrs. King has presented many points of consideration which I hope my colleagues will take time to evaluate:

Testimony of Mrs. Coretta Scott King Before the Joint Economic Committee

I wish I could join in the discussion of the economic recovery and how it is progressing, but, in honesty I cannot. For the millions of unemployed it must be said that the notion of "recovery" is little more than a cruel joke. For the 43,000 officially unemployed Atlantans and the tens of thousands of others excluded from that category, there has been no recovery, nor is one in sight. Even in the profoundly inadequate definitions we use, the number of jobless people in Atlanta has recently risen. Once again the official unemployment for September stood at 9.3%, up a tenth of a percent from August, and up 4 full percentage points from September 1974.

And this masks an even more vicious and socially explosive reality. In neighborhoods like my own, the unemployment rate is not 9 or 10%, but perhaps twice that figure. In 1970, when the average rate for Fulton County was 3.0%, unemployment was 7.1% in the area near my home. One out of every four families in that tract was living below the government's official poverty income, and there is little doubt that conditions have become substantially worse since then. For young people, and especially young blacks, unemployment may be as high as five times the overall rate. The hard truth is that a whole generation has been cast into economic limbo, and will remain permanent exiles from prosperity unless our policies are changed.

The human meaning of the current level of joblessness in Atlanta can be seen in just a few startling facts:

One, for the first time in decades there are now soup kitchens being operated by several churches in the Atlanta area. For hundreds of people, this is a vital supplement to their diet. For many it is the only meal of the day.

Two, on a number of streetcorners in this city, men are lined up at 7 o'clock in the morning seeking temporary jobs that pay as little as $1.50 an hour. According to one estimate there are well over 10,000 such men—men so desperate for work that they will spend 10 or 11 hours to earn 10 or 12 dollars.

Three, when a painfully small number of public service jobs were advertised under the CETA program, over 3,000 people appeared at the Civic Center in downtown Atlanta. Some waited all night just for the chance to apply for a job.

Finally, in several Atlanta neighborhoods there is now the sorry spectacle of elderly men and women going from door to door, literally begging for work. When a staff member of my organization told one such woman that he had no work to offer she burst into tears to plead for 15 cents. She did not even have the bus fare to return home.

Against this tragic background I think it is simply wrong to speak of a real recovery or to debate its pace. On the national level, unemployment has not only increased massively in the last years, but most projections do not even suggest a return to previous levels until the 1980s. We are not actually talking about a recovery from high levels of unemployment, but an acceptance of high unemployment as a permanent part of American life. Whatever the trends of industrial production or the GNP may be, they will have little human meaning if they ignore the literally millions of Americans, black and white, who are now suffering under the impact of the current recession.

And, let me speak just of black America for a moment, although unemployment cuts across the lines of race and tortures the spirit of every worker, especially the poor and unskilled.

But, for black Americans, in particular, the economic policies and actions of the past few years have been nothing less than a frontal assault on all the gains and victories of the '60s. Even the slow and often inadequate progress of that decade has turned into absolute reverse in the '70s. The legislation we black Americans struggled for and at times died for is now being literally undermined. To my mind, current policies amount to nothing less than the repeal of the 1964 Civil Rights Act and the gutting of its promise of justice. What good is the legal right to sit in a restaurant if one cannot afford the price of its food. And what good is the promise of fair employment when there is no employment. For black Americans, the deliberate creation of high unemployment has meant nothing less than the denial of the basic human right to live as full fledged members of the American system.

But are there really economic policies which can insure decent jobs for all Americans?

I believe there are, and I am proud to serve with Mr. Murray Finley, President of the Amalgamated Clothing Workers, as co-chairperson of the Full Employment Action Council, a broad coalition of labor, minority, church, and business groups dedicated to supporting legislation which will insure decent jobs for every American. I know Senator Humphrey and others on this committee are familiar with the work of the Action Council, so I will simply place these council documents in the written record.

Senator Humphrey, in fact, is co-sponsor of two measures I believe are major contributions to the struggle for genuine full employment. One, the "Economic Planning and Balanced Growth Act" proposes nothing more dramatic than that we seek to plan ahead and try to anticipate problems, rather than allowing them to catch us unprepared. The chronic poverty and unemployment in Appalachia stands as a sad monument to the effects of not planning ahead. And black Americans, perhaps more than any other group, are all too aware of the effects of industrial relocation, or rapid automation on the economy of urban areas. Black people were drawn to central cities of our country by the promise of jobs.

But, even as they were arriving, the jobs were passing them in the other direction, moving to far-out areas and are now even being "exported" to other countries. I suppose we are now to believe that the jobless should migrate to Singapore or Taiwan to compete for their former jobs. Clearly, no one who has examined the problems first-hand can doubt that America as a country ought to do what every American business does to plan ahead to deal with the employment problems which the future will hold.

The other bill, the "Full Employment and Equal Opportunities Act" is even more central to the issue at hand. Introduced by Representative Augustus Hawkins, the bill seeks to force the government to fulfill the promise of full employment that it made thirty years ago, in the 1946 Employment Act. The bill's central thrust is the clear, uncompromised right of every American to a job. It commits the Federal Government to follow all the particular fiscal, monetary, and other measures needed to insure that such job opportunities are provided. This bill has been criticized by some as unworkable and unrealistic. But if a government commitment to full employment is unrealistic, then someone must explain how France, Sweden and many other European countries have done the job. The men and women who lose their jobs in those countries do not end up forgotten and deprived, but reemployed in new industries, new construction and the provision of health, education and other services that are frequently far better than our own. In short, the opponents of full employment want us to believe that what is possible for less wealthy countries is impossible in America. I, for one, cannot accept such a view.

These measures would make a substantial impact on our current unemployment. But I would like to end by stressing one point.

The problem of unemployment is at base a political problem. We are suffering the highest unemployment since the great depression, basically because of conscious, politically motivated decisions. The poor, minorities, and average workingman, have been deliberately chosen by the current administration to bear the brunt of our economic policy.

It is time we put a stop to this anti-social and anti-human strategy. The unemployed are not pawns to be sacrificed in some economic chess game, but American citizens whom our leaders are elected to serve. We have the economic tools and methods to create full employment today. What we need above all else is leadership with the courage and compassion to take the needed steps.

SLANTING THE NEWS

HON. WILLIAM L. ARMSTRONG

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mr. ARMSTRONG. Mr. Speaker, during the last several years thoughtful observers have become increasingly concerned about the emergence of so-called advocacy journalism in the national media and the decline in the old-fashioned journalistic virtues of impartiality, objectivity, and fairness.

While some of the attacks on TV networks are undoubtedly excessive, in my opinion, many of the concerns which have been expressed are valid and deserve serious consideration. I, therefore, commend the following article, published by Conservative Digest, to the attention of my colleagues:

[From the Conservative Digest, February 1976]

HOW THE TV NETWORKS MANIPULATE YOU

(By Bruce Herschensohn)

News does not simply occur and is then simply reported on television. Events occur. Someone decides if a particular event is worth reporting. Someone decides how it should be reported. Someone decides what the narrative should be. Someone decides how the narrative should be read. Someone decides what moving visuals or graphics should be used.

There is a whole slate of decisions to be made. Within those decisions, the techniques employed can influence the audience's receptivity to a particular event. These techniques are the "fine print" of television that pass by virtually unnoticed and unchallenged. Some are used by instinct. Some are used by design.

It is time to itemize some of the "fine print" in use by the newest and most influential mass medium of communication. It is time to list some of those techniques that can discredit ideas and people and can also be used to advance other ideas and other people.

The truth but not the whole truth: Although the whole truth is known to the reporter or commentator, only a portion is told, which casts an invalid impression by intent.

Examples: 1. Dan Rather reported a story that had appeared in The Wall Street Journal that alleged President Nixon had "soundly slapped" a man in Orlando, Florida. Rather stressed the fine professional reputation of the reporter who wrote the story.

Dan Rather did not report the follow-up story that also had appeared in The Wall Street Journal that the day before Rather's newscast in which the man who purportedly had been slapped stated: "I wasn't slapped. I was affectionately tapped on the cheek. It's the greatest thing that ever happened to me."

2. Senator Barry Goldwater's criticism of President Nixon was given wide network coverage, but when Senator Goldwater also accused the press of being "hounds of destruction," his statement was given no network news coverage.

3. When the President visited Huntsville, Alabama on February 18, 1974, Tom Brokaw of NBC News commented that thousands of federal workers in Huntsville were given the day off to greet the President. It was true that the federal workers of Huntsville were given the day off, but NBC failed to say that it was the national observance of George Washington's birthday and federal workers throughout the United States were given the day off as they had always been in observance of that holiday.

(Ken Clawson, Director of Communications of the White House, telephoned Tom Brokaw that evening and asked that the item be corrected. Tom Brokaw admitted the error but there was no retraction on NBC until three months later, on May 31, 1974, after the NBC error was cited by a White House spokesman and reported by the wire services.)

Catch phrases: With unnoticed and unattributed bias, an editorialized catch-phrase is added to the nation's vocabulary, by force of habit. Catch phrasing is a printed-word and audio technique that has been streamlined by television with the use of "Anti-War Movement," "Peace Movement," "The Saturday Night Massacre " "The Mysterious Alert," and "The Christmas Bombing" (and the word "Watergate" itself, used to house all charges of the period). The streamlining was applied by using catch phrases as matter-of-fact routine and by repetition as "fact phrases," making them appear to be non-biased actualities.

Examples: 1. The terms "Anti-War" and "Peace Movement" suggested that those who opposed the movement were "Pro-War" and/or "Anti-Peace." The "Anti-War" and "Peace Movement" was, in actuality, the Anti-U.S. Policy Movement and, for the sake of accuracy, it should have been referred to in that manner.

As the years progressed, it became more and more apparent that some within the movement were opposed not only to U.S. policy, but advocated the victory of the North Vietnamese, the Viet Cong, and the Khmer Rouge, though they were never referred to as Pro-Communist, but only as "Anti-War" and "Peace" advocates.

2. "The Saturday Night Massacre" became the phrase used for the discharge of Archibald Cox and the resignations of Elliot Richardson and William Ruckelshaus. "Massacre" conjures images of murder in the old West or the murders of St. Valentine's day.

"The Monday Night Massacre" was not used for the April 30, 1973 White House termination of Bob Haldeman, John Ehrlichman and John Dean. That night was not selected for stigmatization, since the national media were pleased to see them go.

There was an awkward, repeated attempt to label President Ford's pardon of President Nixon as "The Sunday Morning Massacre," but it met with no success.

Pretense balancing: The motive is to show that the presentation is showing all sides of a particular story when, in fact, the balance is tilted.

Example: On Vietnam Veteran's Day of 1974, there were three segments to CBS's news coverage of that event. The first segment was the ceremony at Arlington Cemetery, the second was a story of Vietnam veterans who were demonstrating on Capitol Hill, and the third was the story of a veteran whose face had been blown to bits in the Vietnam conflict and who had terrible and unjust problems with the Veteran's Administration. This left the audience with three stories "regrading Vietnam Veteran's Day," one favorable and two unfavorable.

The favorable story and the first unfavorable story (the dissenters on Capitol Hill) were truly news stories of activities performed in recognition of Vietnam Veteran's Day. The third story, which tilted the balance, was not a news story, but a story that had been reported months previously on the network news.

Selectivity of interviewees: The meaning of a news event can be given a decided tilt by those selected to be interviewed.

Example: 1. On the Monday following Archibald Cox's discharge, the networks ran 19 congressional attacks on President Nixon and two defenses, though this was not a representative sampling of the Congress.

2. Within days of Cox's discharge, Walter Cronkite gave Archibald Cox 11 minutes of network news time in a single interview, without any defender of the President. It was the longest single interview ever given on a nightly network news presentation. Prior to the Cox interview, the only other two special interviews Cronkite had conducted on the CBS Evening News were with John Dean and Daniel Ellsberg.

Treatment and respect given an interviewee: The audience is immediately given an impression about the person being interviewed by the questions he is asked and by the manner in which he is addressed by the reporter conducting the interview.

Example: Shortly after the announcement of President Ford's amnesty plan, Dan Schorr of CBS interviewed a draft evader with a display of courtesy one would think would have been reserved for Pope Paul VI. Although Schorr had asked questions of those in the Nixon administration as though he were volleying cannon balls, his questions to the draft evader were delivered with the tap and impact of a beach ball.

Using the license reserved only for journalists, Schorr participated in the cover-up of the name and face of the evader as well as the locale in which he was hiding. The obvious questions, such as asking what the evader thought of those who served or those who were wounded or those who were killed or those who were jailed because they didn't hide, were not asked.

Neither Schorr nor any other nationally televised interviewer chose to interview any returned prisoner of war to ask their opinions of the amnesty proposals.

Crediting and discrediting: This newswriting technique is designed to give credit to an editorial factor of the writer's choosing.

Example: The National Citizens' Committee for Fairness to the Presidency was referred to both by NBC and CBS as "a group that calls itself The National Citizens' Committee for Fairness to the Presidency." "A group that calls itself" sounds as though it might not *really* be what its name implies.

But the organization was truly national; with people representing every state of the Union, it was certainly a committee composed of citizens, and its purpose was surely to advocate fairness to the Presidency.

Yet the term "a group that calls itself" was never fixed by NBC or CBS to the American Civil Liberties Union or Common Cause or Americans for Democratic Action or, for that matter, the Symbionese Liberation Army, though it was hardly liberating anyone, was not an army, and had a membership of seven people. The name persisted even after its membership had declined to three (CBS, April 18, 1975). The group was further distinguished by the networks and others within the national media by their reference to it as the S.L.A.

Creation of news: Sometimes there is on event during the day relating to a continuing story that the network wants to sustain. Creating a related event is no real problem.

One method is for the network to send a newsman and a camera crew over to the Capitol to talk to a senator or congressman about "the story." If the congressman or senator is willing, he or she can make news in an instant. Many are willing, since it is an opportunity to be seen and heard by millions.

Networks generally recognize a particular senator's or congressman's point of view before an interview is filmed. If it doesn't turn out as they want, it can be discarded. Other methods of creating news are to give an unimportant item and extended story length, to have reporters quote other reporters, or to emphasize the fact that there is no news regarding a "continuing story."

Tragedy and comedy reporting: There is no hiding of passions within this type of reporting. The commentator comes right out with it.

Example: John Chancellor, usually one of the most responsible commentators, gave a chilling example of dramatic tragedy reporting on the night of Archibald Cox's discharge and the resignations of Elliot Richardson and William Ruckelshaus. When televised passion exceeds the immediate magnitude of the event, such excess can sometimes create its ultimate importance. The following are excerpts from John Chancellor's report:

"The country, tonight, is in the midst of what may be the most serious constitutional crisis in its history . . . That is a stunning development, and nothing even remotely like it has happened in all of our history . . . You are watching a special NBC Report of another event this year that we never believed would have happened in the history of this Republic . . . A constitutional situation that is without precedent in the history of this Republic . . . In my career as a correspondent, I never thought I would be announcing these things . . ."

Obviously, dramatic reporting is human, understandable, and often valuable, as in the case of the death of a national figure or in the event of a natural disaster. But when it involves an element of political or partisan controversy, or both, it can be destructive.

Oblique emphasis reporting: This is the most important and most often used technique of network news. Seemingly straight reports are very often subtle editorializations. The use of words and phrases gives transient and subliminal points of view to the audience, most often without audience knowledge.

Example: On October 1, 1974, CBS reported the opening of the trial of Bob Haldeman, John Ehrlichman, John Mitchell, Robert Mardian, and Kenneth Parkinson. CBS' Fred Graham opened the report with:

"A central issue of the case is whether the passions and publicity of Watergate will prevent a fair trial, yet only a handful of protestors showed up as the once-powerful Nixon High Command came to court. Somebody spat on John Ehrlichman's coat, but Kenneth Parkinson passed almost unnoticed. John Mitchell showed he still has enough clout to wheel in through the judge's entrance, and H. R. Haldeman and Robert Mardian slipped through a back door into the courtroom."

An examination of that paragraph gives five illustrations of point-of-view reporting:

1. "A central issue of the case is whether the passions and publicity of Watergate will prevent a fair trial, yet only a handful of protestors showed up . . ." The word "yet" suggests a disqualification of preceding phrase.

2. ". . . as the once powerful Nixon High Command came to court . . ." "High Command" is a military term, not the term used for presidential appointees.

3. ". . . Somebody spat on John Ehrlichman's coat, but Kenneth Parkinson passed almost unnoticed . . ." The word "but," just as the word "yet," is a disqualifier, which in this case suggests that spitting on John Ehrlichman may only have been a fluke.

4. ". . . John Mitchell showed he still has enough clout to wheel in through the judge's entrance . . ." It was not because of clout, but because none of the other defendants requested permission to park within the building.

5. ". . . and H. R. Haldeman and Robert Mardian slipped through a back door into the courtroom." Did they "slip through" the back door or did they "walk in"?

Ignoring follow-up stories: Follow-up stories are often ignored when their usage would be beneficial to those the networks oppose or harmful to those the networks endorse. This technique is similar to, but not quite the same as, a total disregard of an important story.

Examples: 1. Howard Hunt testified before the Senate Select Committee about spy work that was conducted against Senator Barry Goldwater in 1964. The story died the next day.

2. In October 1974 the NBC and CBS networks carried a "source" report that Richard A. Moore, special counsel to the President, had been named as an additional unindicted coconspirator. *The New York Times* carried the same "source" story on the front page. The special prosecutor's office immediately issued a formal denial of the story.

The next day, *The New York Times* mentioned the special prosecutor's correction on page 14. However, CBS and NBC never referred to the prosecutor's denial in any way.

Mr. Moore asked NBC reporter Carl Stern, who had broken the original incorrect story, whether NBC would at least mention the correction as the *Times* had done. Carl Stern replied, "I would like to, but as a television man you should know that's not the nature of the beast." Mr. Moore never was named a coconspirator, unindicted or otherwise, or even called as a witness, but the damaging story remains extant, staining in the public record a man otherwise known for the highest integrity.

Acceptance of editorials: It has become an accepted fact that network news will have an editorial. But why? Why should an editorial view be placed on a *news* program? Why is it not possible for the audience to find out the news *without* hearing an editorial?

Repetition: This is the simplest and oldest technique of any medium that wishes to propagandize a point of view. It was inherited from ages past and has never been used more strikingly or more effectively than it has in television newscasts.

When a story appears night after night with little added to the account, or if a continuing story is repeatedly given precedence over news items that are obviously more urgent in the context of the day's events, it is a safe bet that the network is setting up its own emphasis to maintain an objective, which is usually met. The creation of the most important story today, with repetition tomorrow, can truly make it important the day after tomorrow.

Examples: 1. Our atrocities committed in Vietnam.

2. Charges against the Nixon administration.

3. Bad news regarding the economy.

4. Charges against the intelligence-gathering community.

In a country that deserves to rely upon free communications and must retain them at all costs, irresponsibility has been bred by a national free press that betrays its name and achieves distortion from the privileged sanctuary of an evening newscast.

From that sanctuary, newsmen cannot be called to account. They cannot be made to reveal their source, though that source may be inflicting damage upon the innocent. They do not have to face a press conference, for they are the press. They are not subject to investigative reporting, for they are the reporters.

Walter Cronkite ends the CBS Evening News with the phrase, "And that's the way it is." After the techniques of the trade have been used, some probably believe "that's the way it is." Only sometimes. More often it is the way the network has made the day's events appear. Too often, that's the way it isn't.

TERRY SANFORD

HON. RICHARDSON PREYER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mr. PREYER. Mr. Speaker, this past weekend the former Governor of North Carolina Terry Sanford announced his withdrawal from the race for President of the United States. Governor Sanford now returns to his duties as president of Duke University, a role he distinguishes as he has his past service as a combat paratrooper officer, attorney, State senator, and Governor. I am certain he will continue to speak out on important issues as he has in recent months. The kind of message he has for our country is exemplified by the following statement printed in the Raleigh, N.C., News and Observer some weeks ago. It is an appeal not so much for the election of a candidate as for the election of reason and faith in our pursuit of national goals. It is a message that is strong with North Carolina good sense and I commend it to all candidates in the coming year and to my colleagues in this House in particular:

TERRY SANFORD

General Robert E. Lee gave North Carolinians the "Tar Heel" nickname. After one of the fiercest conflicts of the Civil War, according to Creecy's "Grandfather Tales of North Carolina," the North Carolina troops were taunted by soldiers from another state whom they felt had folded under pressure during the attack. In derision, because North Carolina was a big producer of tar, pitch and turpentine, they yelled, "Any more tar down in the Old North State, boys?"

"Not a bit," retorted a battle-weary North Carolinian. "Jeff Davis brought it all up. He's going to put it on your heels to make you stick better in the next fight."

General Lee, hearing of the incident, remarked, "God bless the Tar Heel boys."

I have been asked by The News and Observer to state my political platform, but I cannot do this adequately without starting where I began. I have always felt there was something special about North Carolina. I admit to prejudice.

I grew up in Laurinburg on dusty Caledonia Road before Kerr Scott's road bonds. We lived in a rented house. In the summer we suckered and handed tobacco on Jack Roper's farm and picked cotton for Thad Peel, and worked daily in our own big garden to keep desperately ahead of the nut grass. The cotton mill behind our garden ran two twelve-hour shifts. The whistle blew at six and six, starting the choir of crowing-roosters, city limits in those days being no bar to chickens.

Herbert Hoover was elected President, Gene Tunney beat Jack Dempsey, Jack Murphy went off to college at Chapel Hill, Wherever that was, and Jennings King and Lauder Gibson went to a college Mr. Duke was building at Durham, which my father, being a Methodist, thought was wonderful.

What has all this to do with my running for president? It has a lot to do with it. It also has a lot to do with a "Tar Heel," and being from North Carolina.

My father and grandfather had a hardware store. It went broke when Herbert Hoover was president. Jobs that people worked at just disappeared in those bleak years. The mills slowed down so much the weekly pay averaged $5. Cars sat idle for lack of gasoline and license plates, either jacked up waiting for a better day, or gathering dust until the tires leaked flat.

Farms and homes were foreclosed. Electricity beyond the city limit was a novelty. The "New Town" was a deplorable slum. Schools were eight months and even years, and more dropped out than stayed in. One of the banks in town went broke and the one that kept open didn't seem to mean much to the average citizen. Many schools paid teachers in "script" to keep from closing. The merchants accepted the script, and the teachers kept teaching.

All of these conditions were totally beyond the control of the people who were most benighted. It was as if some god on Mount Mitchell had decreed a blight on the land. It had nothing to do with willingness to work hard. The forces of Wall Street and the bank panic and the paralysis of Washington were beyond the reach of ordinary mortals.

Out of this I saw citizens of a little North Carolina town show the grit Robert E. Lee talked about. The rations were short, but the cheer was good. There was never any question of giving up. They would work out of it. Self reliance and concern for others not so lucky marked their lives. The tar on the heels stuck.

Off in Raleigh a governor was saying the state must have a sales tax. To keep our schools open, he said, the state must pay the bills. A tax on food and clothes and medicine, when we could hardly buy them in the first place! To critics, Governor Ehringhaus said, "If it is a choice between a sales tax on the one hand and a decent school on the other, I stand for the school." I understood that. That was my kind of platform.

In Washington, Franklin D. Roosevelt was starting Social Security to do away with "county homes" and abject poverty for older people. He was putting people back to work, understanding that the working man and woman came first, and that the prime purpose of government was to help people to help themselves. A lot of fat cats objected, but President Roosevelt insisted that such was the purpose of government. That is why the American settlers fled Europe. Individual opportunity. The right to make the most of your own life, regardless of birth or rank. The government ought to help, not hinder. I understand that. That was my kind of platform.

I admired the governor with political guts and I admired the President with vision and faith and creative action. I began to think about maybe running for governor when I came of age, and that I would have political courage, and I would be creative to make things better.

As I observed these lasting political lessons, I was in high school. I might not have gone to college except Presbyterian Junior College was only six miles away and there were not any jobs anyhow, and then word filtered back to Laurinburg that at the state university they would give you a job and lend you money to pay your way through college.

Some years later, when I was governor, all of this was an indelible part of my attitudes. For one example, I knew we must have the tools for building people. The Community College system with technical institutes within reach of every citizen of the state is, I contend, one of the most far-reaching accomplishments of my term as governor of North Carolina. Almost 60 institutions, with almost 200,000 enrolled today, came into being, and maybe already a million North Carolina people have been enriched and given the opportunity to advance their lives. We paid for them too, and a lot of other things that have helped people. Some leaders with vision would only have dreamed and talked, but it takes political courage, a willingness to risk unpopularity, in order to serve best.

Somehow after Ehringhaus, legislatures had nibbled away at the sales tax, with exemption after exemption added, until we had a tax both hard to administer and one that failed to meet the needs of the citizens of North Carolina. Some of my closest advisors urged great dreams and little action, that I would have no political future if I removed the sales tax exemptions. My answer was that I did not come to the Governor's Office to build a political future.

It is not my nature to brag, but the political guts to pay for what we get, demonstrated by Governor Ehringhaus, and the political vision to put our faith in people, demonstrated by President Roosevelt, were high school lessons I learned well and have not forgotten.

The problem in America today is not so much that we need a political platform of things to do. We need the spirit and the will and the self-reliance. We need leadership with guts and vision.

One chief reason I am running is that I feel so strongly that it is outrageous that we have a government policy that tightens money to create unemployment. A man's job is his right, if he does it well and properly. Our policy is wrong. It is like the old Hoover days. I would put into effect immediately a full employment policy, which means that government will be using its efforts to promote productive jobs in private enterprise. We do not need forced unemployment to stop inflation. We can handle both by the full use of our productive capacity, by a balanced federal budget in ordinary times, by lower interest rates, to name a few of the paths the government can follow.

This country has never had a full employment policy. Our economic policy has never put people first. It can be done. We can work toward the time when every person who wants to work can get a job.

Full employment will reduce some of the causes of crime. Full employment will help stop drug abuse. Full employment will help eliminate slums and ghettos. Full employment will reduce discrimination. Full employment will give us a chance to reform the welfare program. All this can be done with proper leadership.

Big Washington government needs to be shaken and jolted. I'm capable of doing that. We are over-regulated. One agency will threaten to close your business if you do something, and another is likely to threaten a fine if you do not. Washington is regulation gone wild. They spy, investigate, prepare needless guidelines, and forget all about the taxpayers who pay them. We need someone to take charge of Washington that is not a part of Washington. That is one reason I think a former Governor or North Carolina ought to be running for President.

Our President could have helped keep down the cost of electricity, gas, heating oil, and gasoline. He didn't have to follow the Arab states. But he did. If I were President, I would want to be the champion of the people. I would have left on the lids to keep down the price of lights and fuel.

I am not in favor of taking guns away from ordinary citizens who do not commit crimes, and I am in favor of leaving the regulation of handguns to the states and cities according to their needs and dangers. There should be no national law, which would only require the creation of another regulatory agency, although the federal government must regulate and control interstate sale and transportation of handguns.

I would spread out the responsibility to people through their cities and towns and states. This is "working federalism." This country is too vast and diverse to work under one set of guidelines set up for both southern California and Vermont, to apply equally in North Carolina and North Dakota. I'd use the states more to cut through the Washington bureaucracy, to get their sticky fingers out of our lives. President Ford promises he will do this, but he is President now, and he hasn't. I would.

There is waste and waste and waste in government. The military budget is extremely wasteful. We have as many generals as we did in World War II. The waste actually hurts our effective defense. When one talks of cutting the military budget he is likely to be attacked as being soft on defense, but I am not. I quit a draft free job to volunteer for parachute combat duty, and my American Legion comrades know as I do, that there is tremendous waste in the Armed Forces. We can cut that budget. I would.

The welfare program is wasteful, both of money and lives. I would abolish the welfare program and start over. I am in favor of a program that puts emphasis on training and jobs, a program that appreciates people and gives purpose to life.

I am not in favor of court ordered busing because it does not work to the advantage of the school child. Neither am I in favor of promoting a constitutional amendment to prohibit school busing. That is like standing in the school door to prevent integration. It was a dishonest grandstand play designed to fool the people and it did not work and never had a chance of working. If you count the states that are concerned about busing, you can see right away that there are not enough states to ratify such an amendment. The common sense approach is to look at the cause of busing in the first place, and do something about that. Disadvantaged schools in disadvantaged neighborhoods stay disadvantaged because no one in authority does much of anything about improving them. We need to improve these schools. It will take bold and creative leadership, but it is the only permanent solution.

Racial discrimination has not disappeared from American life, and it is not going to be reduced much more by additional laws. We need leadership with sensitivity, with an urge to call on the best instincts that are within us, to treat all people, officially and unofficially, with the sense of human dignity and worth that caused this nation to be founded. The same applies to the inexcusable discrimination against women in jobs and pay and other opportunities.

We lack vision and courage in international affairs. We do not live up to our responsibility in the world as the leader of free people and people who dream of freedom.

In Angola, the most recent example of our blind and stumbling foreign policy, we rush arms to one side of a little civil war, not because we know much about our side, not because it is of any earthy concern to us who runs Angola, but solely because Russia and Cuba are helping the other side. Never mind that Red China and South Africa are helping our side.

We need the kind of national leadership that will stand above this foolish kind of schoolyard scuffling. It would have been great had we simply condemned the Soviet Union in the eyes of the world, and especially in the eyes of the African nations, for their intervention and imperialism, instead of joining in and becoming part of the petty mess. Where is our moral strength and self-confidence that a great free nation should be exerting in international affairs?

I close my case with a familiar quotation from a sturdy North Carolina mountain man, Thomas Wolfe: "I believe we are lost here in America, but I believe we shall be found . . . I think the true discovery of America is before us. I think the true fulfillment of our spirit, our people, of our mighty and immortal land, is yet to come. I think the true discovery of our own democracy is still before us."

TEXAS MAYOR "ONE-UPS" HUD

HON. DALE MILFORD

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mr. MILFORD. Mr. Speaker, distinguished colleagues, I would like to call your attention to a delightful mockery of the Federal bureaucratic system by a Texas mayor.

The article ran in the Fort Worth Star Telegram, Sunday, January 25.

And if it does not capture the frustration of local politicians, businessmen and people on the street, I do not know what would.

The article follows:

KEEP CIRCLING THE BLOCK, MIDLAND TELLS UNCLE SAM

MIDLAND.—When the Department of Housing and Urban Development asked Midland for a reserved parking space at the municipal airport it got a dose of its own bureaucratic medicine.

Mayor Ernest Angelo said it took Midland eight months to get its application for HUD funds through the government's red tape. So when HUD's regional office in Dallas asked Midland to set aside a parking space at the airport for a HUD field employe, Mayor Angelo wrote HUD's Dallas office:

"You must submit three executed and 14 confirmed copies of this application.

"Submit the make and model of the proposed vehicle (to be parked in the space) together with certified assurances that everyone connected with manufacture, servicing and operation of same were paid according to a wage scale that complies with requirements of the Davis-Bacon Act.

"Submit a genealogical table from everyone who will operate said vehicle so that we can ascertain that there will be an exact equal percentage of whites, blacks and other minorities as well as women and the elderly.

"Submit certified assurances that all operators of said vehicle and any filling station personnel that service same will be equipped with steel-toed boots, safety goggles and crash helmets and that the vehicle will be equipped with safety belts and air bag to show compliance with the occupational safety and health act.

"Submit environmental impact statements. You will probably want to hire an expensive consultant for this item as you probably have no one on your staff with the expertise to prepare it. The statement should show the number of times the vehicle will be operated, time of day, etc. etc., and conclusion as to the effect this will have on the atmosphere in West Texas.

"To obtain approval of a negative impact statement you will not be able to operate the car on gasoline produced from domestic oil because that would require someone discover it, process and deliver it and it is possible that some private person, firm or corporation might realize a profit. However, if the gasoline is produced from foreign oil this will be acceptable. (You will) not be able to operate the car from energy produced from coal because this might require digging a hole in the ground; not operate the car by solar energy because this is the most abundant energy available and is too practical to justify any expenditure for research and development."

Angelo's postscript noted the city would be happy to dispense with the red tape and grant a parking space.

Copies were sent to President Ford and other government leaders.

SECRETARY KISSINGER: CHOU EN-LAI, THE LONG MARCH, THE MYTH, AND THE REALITY

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mr. McDONALD of Georgia. Mr. Speaker, in all the recent attention paid officially and unofficially, to the death of Chou En-Lai, it is important to recall the background of some of the people and events. When Secretary Kissinger was in Communist China last fall he made the following statement in a toast:

> I understand that today is the 40th anniversary of the end of the Long March. This occasion therefore has profound meaning for the People's Republic of China and those here tonight—including the Vice Premier and Ambassador Huang—who made that epic March. That event was testimony to the world as well of the courage and the vision of those who set out on a path whose length and contours they could not know. Their success was a triumph of spirit as much as exertion. And it demonstrates that faith is even more important than material circumstances in achieving great things.

I can only wonder if the Secretary had been poorly advised or whether he purposely chose to make this statement. Undoubtedly, the fervor poured into obituaries in the weeks ahead will provide sources of material for articles and school books glorifying even further the late Premier of China and the march that has ceased to be pictured as anything but heroic.

John Gunther, whose "Inside Asia" became authoritative because it was popular, is filled with enthusiasm for China's Reds who, according to Gunther, "are not very red by our standards."

When Chiang Kai-shek drove the Communist wing of the Kuomintang out of Hankow, the great city up the Yangtse, in 1927, the survivors gathered in Kiangsi and set up their own Red Government. They were hard to weed out because in emergencies they hid their arms and took on civilian anonymity. For 7 years they held out in Kiangsi and one of the stories never written of that period, nor ever likely to be, is the story of the treatment China's peasants received in the path of the Red horde's wanderings.

Gen. Baron von Falkenhausen was Chiang chief military adviser and architect of the plan to draw an iron ring around the lair in Kiangsi, southwest of Shanghai and separated from the sea by Fukien Province. The aim was to starve the Communists out. On the night of October 16, 1934, Mao and his followers slipped through a breach in Chiang's ring of fortifications, and began the 6,000-mile march that was to last a year and take them across 12 provinces, to Yenan, in Shensi, below the Great Wall in the north.

Some non-Communist sources have given the figure as 20,000 for those who left Kiangsi. Gunther, the superficial reader's authority, wrote that 100,000 took off and some 50,000 arrived. Edgar

Snow, one of Mao's greatest propagandists, set the length of the march at 5,000 miles. Han Su-yin, in her book "The Morning Deluge" shot it up to 7,500 and excused the massacres, the terrorism, the cruelty by writing, "He (Mao) has the defects attendant on his qualities. He is absolutely ruthless because he is dedicated." Thus each crime is overridden by the virtue from which Mao's admirers claim it sprang. An indulgence no non-Communist repressor of terrorism has ever enjoyed.

It was Mao's custom when on the move to encourage peasants to kill their landlords, to rob their granaries, and sleep in their beds. Landowners seized by Mao's men were paraded through villages in tall hats proclaiming their crimes as a means of playing on the envy of the population. "Revolution," Mao wrote, "cannot be refined." Because of the ease with which Mao's Reds became unarmed farmers, punishment for atrocities committed by the Communists often fell on the heads of those they pointed out, which helped in directing anger against the Government.

The survival of the red networks which crisscrossed China was undeniably due to the intelligence system they were able to build up through subversion. At a stop at Tsunyi, in January 1935, Mao broke the last resistance to one-man rule in the party, and from that moment the blind cruelty of the marching horde increased. No one has ever written or even touched on the story of the bloody swath of death and destruction the marchers left behind them in their path through central China.

In Anhwei Province two young American missionaries, the Reverend John Stam and his wife, were seized and beheaded to provide a recruiting spectacle for a crowd of country people whipped into a fury of xenophobia in the village square. The executioners explained that they were killing the "foreign devils" because their country had sold airplanes to Chiang Kai-shek.

The march itself was not the heroic trek through hostile territory it has been described as being. Red pockets in eight provinces protected the marchers' flanks and covered the countryside, confiscating food from the peasants like a swarm of locusts while the column made its way through a wide corridor, from the old base in Kiangsi, south of the Yangtse, then across the river into Hupeh and on to the northwest.

Mao buried most of his machinery and rifles, knowing that when they were needed the network he was leaving behind would dig them up. Whether 20,000 or a hundred thousand started the trek, Mao's total army, counting the thousands of militia roaming the countryside, amounted to at least 300,000. Only the largest garrison towns were safe from attack and these were mined through and through with subversion. It was the age-old story which politicians have found infallible: the have-nots were incited against those who had.

It is interesting to note that Mao's chief lieutenant in the Hankow area was Ho Lung, an illiterate bandit who murdered Chinese peasants and foreign missionaries without discrimination. John Gunther wrote on page 219 of his book, published by Harper and Brothers in 1939:

> A terrific fellow is General Ho Lung, the most Robin Hood-like of all.

China had had one of its most catastrophic floods in 1931. Seventy-thousand square miles of fertile land was inundated between the Yangtse, the Yellow River and the Han when ancient dikes collapsed before a 200-foot torrent, swept down through the Yangtse gorges from the Tibetan mountains. Twenty-five million Chinese were affected and 140,000 drowned. The Government put a million and a half people to work on dikes to preserve a cultivable area, some of which was in Communist-held territory and consequently essential to the existence of Mao's movement. A dozen engineers were killed by the Reds while struggling to preserve the breadbasket on which the Reds themselves depended. Where Red bands were powerful the Government was blackmailed before the fight against the flood could continue.

Though only between 8,000 and 10,000 of the men, women and children who had started from Kiangsi remained when the horde reached Shensi Province in October 1935, Mao was by no means the leader of the derisory band slanted historians have given him. Red armies from all over China were making their way to join him. One aspect deliberately omitted by creators of the Mao legend is how many deserted along the way because they had been forced to join the Red column.

The first thing Mao did on reaching Shensi was despoil the land-owners and distribute their estates. Propagandists played on peasant hatred of those a rung of the ladder above them, debtors' hatred of those who had loaned them money, and everyone's hatred of landlords and officials. The booty Mao confiscated en route and in Shensi was sufficient to keep his "government" running for 20 years.

He had come a long way since the day he left his native Changsha with $7 in his pocket to see the world. His career followed a familiar Communist pattern since he had started as a socialist. Chou En-lai, who was to become Mao's right hand in the years to come, also followed a well-trodden path. Being the son of a wealthy mandarin, he was sent to Paris to study in the early 1920's. There, with the aid of French Communists who had been with Ho chi Minh when the French Communist Party was born as an offshoot from socialism in December 1920, young Chou helped organize the Chinese branch of the Communist Party. There he learned the role of labor unions in revolution. In April 1927 he was back in Shanghai, grouping workers in preparation for a takeover of the great coastal city from within, a plan that was frustrated when Chiang Kai-shek turned against the Communists and gave China another 20 years of grace.

As Life magazine stated on page 116 of its June 28, 1954 issue:

> Chou En-lai's urbane facade has been fooling people for some 20 years. In the middle 1930s journalists who sought him hidden out in the caves of Yenan, the Communist headquarters, were impressed by a bearded man, with an $80,000 price on his head, who spoke excellent English and French and who seemed a "reasonable" Communist. In the days following World War II, when the tragedy of China was sealed in Yenan and Chungking; Chou's charm beguiled many Americans who had conditioned themselves to believe the Chinese Reds were harmless agrarian reformers. Even General Marshall, anything but a Communist sympathizer, thought Chou a man of his word. There were rumors that Chou had killed men with his own hands but, says a U.S. newsman who knew him then in Chungking, "One could only suspect by the chilling glint in his eye that they were true."
>
> The rumors were true. The evidence, in the form of Shanghai police records nearly 23 years old, has never before been published. Vouched for by sources Life considers absolutely trustworthy, the documents name Chou as the man responsible for a spectacularly gruesome mass murder which in 1931 wiped out the entire family of a political enemy."

Thus, it appears that the Secretary of State and his staff are in the process of "revising" history and attempting to whitewash Chou En-Lai and the Chinese Communists.

ENERGY CLAPTRAP

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mr. BAUMAN. Mr. Speaker, after the adjournment of the first session of the 94th Congress, the President of the United States signed the so-called energy bill. Quite frankly, I am disappointed that he made this decision. This legislation, which I opposed along with a great many of our colleagues, will not in any way solve the energy problem which continues in this country.

The present 46 percent imports of foreign oil and gas will grow and with it our dependence on foreign sources. At anytime we again could be subject to international blackmail.

There are politicians who believe that this legislation will be sufficient to hoodwink the American people into thinking that we in the Congress have done something to solve the energy issue. As proof that the American people are not to be taken in, I submit an editorial from the Banner of Cambridge and Easton, Md. entitled "Energy Claptrap" which was written prior to the veto:

ENERGY CLAPTRAP

> A few days ago we commented that in our opinion the country was no nearer to having a rational energy policy than it was back in September, when Congress was given yet another extension of time to come up with a plan acceptable to the President.
>
> Now comes word that House and Senate conferees have agreed on legislation the President is said to be ready to sign. The legislation would roll back the price of gasoline and home-heating oil about 3.5 cents per gallon until our statesmen are safely past next year's elections—assuming of course, that OPEC doesn't decide in the interim to raise the price of crude oil again.
>
> Other portions of the bill will require auto manufacturers to build more economical cars

and encourage states to enforce energy conservation plans.

Little is done, in our view, to stimulate domestic oil production and develop alternative sources of energy. In other words the country can expect its dependence on foreign energy supplies to grow in the months ahead, as it has grown in the two years during which the administration and the Congress have been arguing over how best to forestall the disastrous consequences of another Arab oil embargo.

The compromise energy bill, if signed into law by the President, will be seen by most thoughtful citizens for what it is—shameful political claptrap. Even supporters of the bill acknowledge that after a brief hiatus for the elections, energy prices will resume their upward climb. Well, enjoy your 3.5 cent per gallon discount while you may, and on election day remember who made it all possible.

TAX INDEXING REFORM SUPPORTED

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mr. COUGHLIN. Mr. Speaker, the Wall Street Journal announced today in its lead editorial that the time for Congress to enact tax indexing legislation has come, calling it "the one reform that would do wonders for the long-term stability of the economy." As the principal House sponsor of the Cost-of-Living Adjustment Act (H.R. 231) which embodies the tax indexing concept, I agree wholeheartedly with this view. Not only has the time come for action on tax indexing, it is, in fact, long overdue.

Tax indexing, in its simplest terms, is the concept of tying income taxes to real income rather than to inflated dollar incomes. My bill would require annual automatic adjustments in the income tax rates, the amount of standard deduction, personal exemption, depreciation, capital gains, and interest on certain U.S. obligations and their redemption value to reflect changes in the cost of living as measured by the Consumer Price Index. The result would be a tax structure which prevents taxpayers from being pushed into higher and higher tax brackets due to rising wages which provide them with no additional purchasing power in real terms because of inflation.

Already taxpayers are perceiving the inequities and discrimination which Congress piecemeal attempts at tax reform are having for them as they begin to fill out their 1975 tax returns. For example, while the standard deduction has been increased apparently to reflect the rising cost of living, the only benefit to those itemizing deductions is the $30 tax credit for an individual exemption. This situation unfairly penalizes those who itemize since their tax tables remain unchanged. Tax indexing would eliminate inequities such as this discrimination against individuals who itemize by establishing permanent automatic machinery for adjusting the basic tax rates to reflect the eroding effect of inflation.

Once again I urge the Ways and Means Committee to give serious consideration to tax indexing which reflects not only the views of noted economists, labor and financial leaders but an increasing number of average taxpaying Americans as well.

I commend the Wall Street Journal editorial to my colleagues:

TIME TO DE-INDEX

In his economic message and budget, President Ford comes ever so close to proposing the one reform that would do wonders for the long-term stability of the economy. But at the last minute he pulls back.

We refer to what we have called "de-indexing" the federal government. Since tax rates are expressed in nominal dollars and since tax schedules are progressive, inflation tends to push everyone into higher and higher tax brackets. Taxes increase in real terms, and the government is provided a larger share of GNP. This provides all sorts of perverse economic and political incentives. Canada has already taken the step of adjusting its tax schedules so that inflation does not push people into higher brackets, and both in fairness and prudence, the U.S. ought to do the same.

With the President's economic message predicting and advocating a slow but long-lasting recovery, this would seem the ideal moment to take up the subject. And how close the President comes is seen in the economic-message remarks, "Provided the growth in federal outlays becomes more moderate than in the years just past, occasional discretionary adjustments of the income tax schedules are called for in order to prevent excessive growth in federal taxes. In fact these changes may have to be more frequent if the rate of inflation continues at a somewhat higher average level than at comparable levels of economic activity in the past."

As an example of the magnitude of the problem, consider the President's budget message: "The projected 67% growth in receipts between 1977 and 1981 reflects growth in tax bases, and an increase in the average effective tax rate on personal income as rising real incomes and inflation move people into higher tax brackets. This increase in effective tax rates, which is implicit in a progressive income tax system, accounts for about $50 billion of the total increase in individual income tax receipts between 1977 and 1981."

In other words, the government is going to inflate us into higher tax brackets and thereby get an extra $50 billion out of our hides. Without raising taxes, the politicians will have another $50 billion to play with. Naturally the spenders in Congress will want to spend the $50 billion; in fact they will want to do it now, not waiting till 1981. President Ford can see this developing, so he proposes instead to use up some of the $50 billion by cutting taxes, not now but in 1979.

The problem is that whether the $50 billion is used for spending or tax reduction, it will be used in the way that buys the most votes, with concomitant attention to the short run. For the long run, it would be far preferable to index the schedules, not giving the politicians the extra $50 billion to play with.

Making this adjustment automatically has several great virtues. For one thing, the taxpayer would be sure to get an adjustment, rather than depending on the caprice of politicians. More philosophically, an automatic adjustment would be neutral among taxpayers and between capital and labor. The extra tax resulting from inflation rests disproportionately on the poor; once you are in the highest bracket it makes no difference. If Congress chooses a tax cut to offset the increase in real taxation, the cut will favor low-income persons, which is fair enough but often comes in ways that have especially damaging effects on capital formation.

The distribution of income and the problem of capital formation are topics that badly need to be debated, but they should be debated and decide forthrightly, not as a side-effect of repeated effort to offset the extra boost federal revenues get from inflation. Probably Congress can hold no such debate until the day tax schedules are changed to make the impact of inflation neutral.

Since in an inflationary recession the current tax schedules cause steady *de facto* tax increases, our recent economic experiences have been made far more painful by failure to de-index taxes. With the worst of those experiences at least temporarily over, the President should not be so timid. The time to de-index is now.

REVENUE SHARING DELAYS CAUSE PROBLEMS IN VERMONT

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mr. JEFFORDS. Mr. Speaker, we are faced with a serious problem in the timing of the revenue sharing legislation now before the Subcommittee on Intergovernmental Relations of the Government Operations Committee. It is clear that there is overwhelming support for this program in the House. It is unclear why it has taken so long for this legislation to get moving.

The timing problem is apparent in my home State of Vermont. Vermont's cities and towns by law must vote their annual budgets on a fiscal year basis, and the vote takes place on Town Meeting Day in early March. These budgets must be firmed up in mid-February. As it currently stands, neither the tax rate nor the level of tax receipts can be altered after Town Meeting Day. The average Vermont municipality relies on revenue sharing money for about 10 percent of its annual budget.

My original understanding was that subcommittee markup would occur in November. It is now nearly February. It goes without saying that this delay will cause a substantial disruption in the budget-making process for Vermont municipalities. It could mean that each municipality would have to alter its budget and then receive concurrence from the voters.

I recognize that under the provisions of the 1974 Congressional Budget and Impoundment Act, money bills cannot be passed until after passage of the spring budget resolution, and that the resolution will not be available until around the May 15 deadline. Nevertheless, if we had a final bill out of the full committee, then at least our town managers and other municipal officials would have a good idea of what figure they could reasonably expect, and plan their budgets on a contingency basis.

I wish to express my hope that the progress of this legislation be expedited so that at least the basic configuration of the revenue sharing program for 1977 be concluded at the earliest possible time. In addition, I hope consideration will be given to a waiver of the requirements of the 1974 Budget Act so that we may pass this money bill without waiting for the May deadline.

Mr. Speaker, this is not just a problem for Vermont. Over half the cities and counties of the United States have fiscal years beginning on July 1, and many of these, like Vermont, are required to adopt a budget for the full fiscal year prior to that date.

I appreciate your attention to this matter.

EDWARD L. MACHULAK—MILWAUKEE BUSINESS LEADER

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mr. REUSS. Mr. Speaker, I want to place in the CONGRESSIONAL RECORD the excellent article which appeared in the January 17, 1976, Milwaukee Journal, on the career and accomplishments of Edward L. Machulak, president of Commerce Group Corp. in Milwaukee. The article, by Alex P. Dobish, is part of the Milwaukee Journal's series entitled "They Set the Pace," on outstanding business and civil leaders in the Milwaukee area. The text of the article follows:

BUSY EXECUTIVE LOVES WORK

(By Alex P. Dobish)

All work and no play did not make Edward L. Machulak a dull boy.

Machulak, 49, son of Polish immigrants, took an economics professor's advice. He borrowed money and went into business for himself.

Today Machulak typifies a new breed of businessman. He is chairman of the board of Commerce Group Corp., a diversified firm that supplies capital and management skills to small businesses, manages and develops Wisconsin and Colorado real estate, leases computers and owns a gold mine in El Salvador, among other ventures.

"If it doesn't make money, he isn't interested," equipped his older brother, Julius, 55, president of General Lumber Supply Co.

A two week vacation in Poland last year was his longest vacation, Machulak recalled—"actually the only vacation except for Sundays."

As an adult he never has caught a fish, took a swim, hunted, rolled a bowling ball, attended a baseball or football game or participated in other everyday relaxations, he said.

"My life may sound boring but it isn't," Machulak said. "Why do I work so? Because I like what I am doing. My work keeps me interested, thinking, motivated. Why do some people enjoy a football game?"

AN ALGER LIKENESS

Is the man who heads a company that invested or made commitments of $24 million in other companies in 13 years a millionaire himself?

After a trifle of a pause, Machulak replied "no", adding he was "comfortably situated."

Machulak's story is the Horatio Alger type. It proves there is money to be made in business these days—that the good old days when you could become wealthy are still with us.

His father, Frank, died when Edward Machulak was 2. Young Machulak spent his first 18 years on a farm south of St. Martins in what is now Franklin.

It was a 50 acre farm for the four sons and daughter of the Machulaks. There were 10 to 20 pigs, perhaps 25 dairy cows and several hundred chickens. "I remember it was difficult to sell milk sometimes in those days," Machulak recalled. "There was no one with money to sell to."

The Army, he said, proved to be the turning point in his career. He was drafted in 1944 and discharged two years later, spending much time on Governor's Island in New York.

"Without the Army, I wouldn't have had the financial means to go to school," he said.

At the University of Wisconsin—Madison he studied economics under the GI Bill, graduating in accounting in 1949.

FOUR WAYS TO SUCCEED

"Prof. Helmuth Doring—I'll never forget what he told us," Machulak said. "He said there were four ways to be successful in business—be born into it, marry into it, invent something or go into business for yourself by borrowing money."

Machulak had to begin modestly. He was in real estate and insurance, and then spending more and more time in the lumber business. The firm became General Lumber & Supply. But, Machulak said, he wanted some business with a minimum of employes.

"I wanted to avoid a high employe ratio business and its problems," he said. "Everlasting changes are taking place with employes. I did go into some real estate activities—built some houses—but what really happened was that I became involved in Commerce Capital Corp. in 1962."

Originally this business started as an investment club, financed with $167,000 by 17 persons. But the federal Small Business Investment Act changed that.

Under the act, the federal government provided a matching grant for locally raised money to allow the investment corporation to finance small businesses. Essentially the financing firm hoped to get back its investment and additional profits from stock it would hold in the company it helped finance.

FIRM CHANGED IN 1971

"Our first investment had to do with a man who said he had a unique way of wrapping baked chicken," Machulak said. "The chicken spoiled and the whole thing didn't work out.

"Another man was anxious for a loan to get going in an organic fertilizer business. He was really anxious. He said he needed the money right away, tomorrow. I asked why so soon. 'I'm 78 years old', he replied. 'How long do you expect me to last?'

"I said no money."

Backing new projects and endeavors proved successful in the changing business world. Machulak reconstructed his company in 1971 into Commerce Group Corp., which allows it to hold more equity in companies it backs or develops and permits the parent firm to exercise a greater degree of control in management of the satellite.

There are 65 businesses ranging from a 1,000 shareholder firm to a company with one stock holder, involved now with Commerce Group.

Machulak said he had no preference among the companies to which Commerce Group is committed.

"I have no pets, really," he said. "I look at them as to which is the most profitable, able to achieve the highest on the investment."

But his spacious, modern office at 6001 N. 91st St. belies some of his words. There is evidence that perhaps the gold mine got the nod in popularity. There are rocks laden with gold around.

The mine—San Sebastian Gold Mines Inc—is 62% owned by Commerce Group. It is providing an average of 300 to 350 ounces of gold monthly with a goal of 1,000 ounces a month, according to Commerce Group's latest financial report.

The El Salvador mine has brought in a tidy sum since Commerce Group acquired a controlling interest in 1973. That year $228,000 went into Commerce's coffers. The next year the mine provided $527,000 and last year the sum was $627,000.

And, the financial report says the known gold reserves in the mine are estimated at 300,000 tons with an average gold content of .3 to .35 ounces per ton. Gold was $185.50 an ounce early last year but was dropped to a present range of about $135.

Machulak loves his business, although it takes a lot of time, he said.

"This is not an operation doing the same thing continuously," he said. "It is not unusual for me to be called out Sunday morning because of time differences. It doesn't get boring."

TV A GOOD SEDATIVE

If he had to do it all over again, he wouldn't change, he said, except benefit from hindsight.

Machulak said there is money to be made in mainly two fields—services areas such as consulting and counseling and in the creaative, inventive and design sectors.

On prodding, Machulak admitted he went to the Milwaukee Symphony concerts once a month and occasionally to a movie, where, he said, he often falls asleep.

"TV is a good sedative too," he said, chuckling." Before the picture appears in the tube, I'm sleeping."

He lives in a large home in River Hills with his younger children and wife, Sylvia, who works closely with him in business. They have five children, ranging in age from 24 to 12.

Needless to say, his mother, Mary, now 81, is proud of her son. Mighty proud.

A SALUTE TO WILLIAM E. COLBY

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mr. BROOMFIELD. Mr. Speaker, the changing of the watch today at the Central Intelligence Agency marks the conclusion of an intelligence career that is best characterized as professional, dedicated, conscientious and uncommonly unselfish. Never in the nearly 30-year history of that beleaguered agency has there been a director who served under more trying circumstances than William Colby.

To fully appreciate Mr. Colby's performance, one must look back and recall the atmosphere surrounding his appointment in September, 1973. Just 1 month before the President of the United States—in an unprecedented move—had resigned amidst charges that, among other things, he had manipulated the CIA to serve sinister political ends. This turn of events forced the CIA into an unwanted limelight from which it has been unable to retreat.

In assuming the directorship of the CIA, William Colby knew what lay ahead as the furor created by the Watergate revelations provoked a public clamor for a catharsis of the intelligence community that could only be achieved through a long and painful congressional investigative process. Moreover, he may well have foreseen the possibility that the final chapter in such a scenario could include a call for his own removal.

We have watched the scenario unfold. As it was being played out, Mr. Colby spent more than half his time keeping this Congress apprised of the CIA's activities, both past and present. The record will show that his testimony was startlingly candid and proved most helpful to those in Congress who have been charged with the task of making recommendations for reform of the intelligence community. Somehow, he also managed to discharge his many other responsibilities in his dual role as head of the CIA and the intelligence community.

Mr. Speaker, I would like to express my appreciation for the talent, dedication and selfless public service of William Colby and wish him the very best in his future endeavors. I am most confident that history will adjudge him to have been the right man, for the right job, at the right time.

BEEF REGRADING

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mr. PEYSER. Mr. Speaker, I would like to bring to the attention of my colleagues the recent ruling by the Department of Agriculture concerning the revision of beef grading standards. This has become a major source of discontent among consumers. The new standards, to become effective February 23, 1976, will reduce the minimum degree of marbling required for various beef grades: prime, choice, and good. In this system prime is the best cut. The new system, however, would allow much of the meat under choice grade to become prime and much categorized as good would become choice. As a result, consumers will end up paying higher prices for lower quality beef. There is no question that this is an outright injustice to the consumer. As an example of the public's opposition to this plan I would like to submit an editorial that appeared in the Yonkers Herald Statesman on January 19, 1976:

CONSUMER BEEF

Having survived all legal challenges so far, the new federal standards for grading beef are to take effect Feb. 23—and it still looks like nothing but a disservice to consumers and a bonanza for the cattle industry.

The effect will be to upgrade much beef from "good" to "choice." Agriculture Department officials say that permitting meat with less marbling, or flecks of fat, to be upgraded will encourage producers to raise leaner meat by range-feeding the critters or by using less grain feed.

Consumer groups say it merely means charging higher prices for lower quality meat. Well, both sides appear to be right. The gimmick is that growing cattle becomes cheaper—but the saving isn't passed along to the consumer, who will be paying "choice" prices for less tender, less juicy meat that now is classified only as "good."

It's a variation on the carrot-and-stick technique. The cattle grower gets the carrot and the consumer gets the stick.

911—HOT LINE FOR EMERGENCIES

HON. J. EDWARD ROUSH

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mr. ROUSH. Mr. Speaker, the following list of cities on the "911" emergency number continues my program of finally including all the cities throughout the United States in the pages of the CONGRESSIONAL RECORD:

Systems location	Date		Population served (thousands)
	In service	Scheduled	
Massachusetts:			
Amherst	November 1970		10.3
Auburn	March 1973		16.0
Bellingham		June 1975	13.8
Boston	November 1972		800.0
Brookline	November 1972		52.8
Clinton	October 1972		13.4
Dalton	June 1971		7.8
East Longmeadow		April 1975	13.2
Easton	April 1972		12.0
Framingham	September 1971		63.1
Georgetown		December 1975	5.6
Grafton		March 1976	11.5
Hamilton	May 1973		10.1
Holliston		September 1975	11.8
Marshfield		May 1975	16.6
Mattapoisett	March 1971		4.9
Medfield	May 1973		7.6
Merrimac		August 1975	4.5
Middleboro	June 1973		13.6
Millbury	December 1973		17.1
Millis		September 1975	8.4
Newton	November 1973		91.0
Northampton	November 1972		29.6
Quincy	August 1971		89.2
Randolph	August 1971		31.2
Revere	September 1974		43.1
Southbridge	December 1971		19.3
Southwick	February 1971		6.3
Springfield	April 1969		174.5
Topsfield	May 1973		5.4
Tyngsboro	October 1974		4.1
Westboro	March 1973		19.2
Westfield	February 1970		31.4
Woburn	August 1972		35.1
Worcester	August 1970		186.2
Wrentham	January 1972		7.2
Michigan:			
Algonac		June 1977	12.0
Clinton Township	September 1973	April 1975	64.0
Detroit			1,511.0
Grand Rapids	October 1970	May 1976	196.7
Monroe	October 1970		24.0
Oak Park			30.0
Pontiac	September 1973	March 1976	86.0
Southfield	April 1972		73.0
Sterling Heights			61.4
Wayne		March 1975	23.0
Independent telephone companies:			
Michigan: Muskegon	February 1972		125.0

U.S. INVOLVEMENT IN ANGOLA

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mr. FISHER. Mr. Speaker, the House has approved the Tunney amendment—offered in the House by Congressman GIAIMO—to the fiscal year defense appropriations bill. The amendment approved by the Senate last December prohibits the use of funds in the bill for U.S. activities involving Angola, other than intelligence gathering. The Tunney amendment is not so much a judgment as to whether the U.S. involvement in Angola is right or wrong—instead it reflects a determination on the part of the Congress to obtain from the administration a clarification of the reasons why it judges our involvement to be correct and in the best interests of the United States.

It also reflects serious misgivings in Congress about the nature of U.S. involvement in Angola. Until very recently, our activities were covert. This concerns me. The extent of our involvement in Angola has been clearly known for some time to the Soviet Union and the warring factions in the African nation; the American people also have the right to know this information.

Congress has an important role in the formulation and implementation of U.S. foreign policy. It cannot cope on a day-to-day basis with the decisions necessary to carry out our policies and I do not believe Congress is demanding this kind of participation. However, major policy directions, especially when they involve active military conflict, are proper subjects for congressional debate and approval. It is important to make this point. Passage of the Tunney amendment does not necessarily signal an end to the U.S. involvement in Angola. Continued assistance by the United States to one of the factions within Angola can and should be debated on its own merits.

The position of the House and Senate on the Tunney amendment sends a message to the administration that Congress and the American public demand to know the basis for the policy decision to participate in the Angolan civil war. The message is clear and in this instance the amendment is largely symbolic. On this basis I supported the House approval of the Tunney amendment.

MODEL JUVENILE DELINQUENCY PROGRAM

HON. PHILIP H. HAYES

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mr. HAYES of Indiana. Mr. Speaker, leaders of the city of Huntingburg in my congressional district have developed a program that has significantly reduced its juvenile delinquency rate and might well serve as a model for other medium-sized communities facing a similar problem.

The program has two primary components. In May of 1974, the city received a grant from the Indiana Criminal Justice Planning Agency to hire a youth counselor. And the city has opened a local, privately funded youth center which is operated under the counselor's direction.

Although the hiring of a counselor and the opening of a youth center have not made Huntingburg's juvenile delinquency problem disappear, police records show a significant reduction in crime by young people over the past 2 years.

According to Mayor Dale Helmerich—

> Fewer juveniles are being apprehended by police, and the number being formally processed through juvenile court has drastically decreased. The vandalism that was once a common expectation is now an infrequent occurrence.

A key factor in this success is a diversion program in which first-time juvenile offenders are referred to the youth counselor rather than to court. The counselor also works with young people referred from local schools, parents, police, and the juveniles themselves.

The center is open 35 hours a week and provides a relaxed atmosphere for games, dances, and other recreation. The center also serves as a clearinghouse for jobs. And workshops are held for parents to help them understand and deal with their problem children.

Mayor Helmerich says establishment of a counselor's office and a youth center is a positive example of what can be accomplished when a community bands together to assist and develop its most valuable of resources: Its young people.

AMERICA'S FIRST SECTION 8 HOUSING PROJECT

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mr. FRENZEL. Mr. Speaker, on the morning of January 21, there occurred what is believed to be the Nation's first closing on a new section 8 housing project to be located in the city of Robbinsdale, Minn.

On Friday, January 30, the city of Robbinsdale will mark the beginning of the project with a special ground-breaking ceremony. The ground is pretty hard in Minnesota in January but, indeed it is a special occasion.

After the passage of the Housing Act of 1974, it has taken much time to prepare regulations and procedures under which our totally new national housing program will be operated. After the regulations and procedures were in place, it has taken much additional time to evaluate proposals, set priority on the proposals, and finally to put out bids. The new procedures are complex, and it is extremely difficult for local housing authorities, local councils, developers, and finance agencies to begin to make effective use of the new section 8 program.

Robbinsdale was the first community to get the job done because the people of Robbinsdale wanted these housing units very badly, and because the local elected and appointed officials of Robbinsdale were especially alert to carry out the wishes of the people. In addition, it took the willing and enthusiastic cooperation of a number of other State and area agencies to do the job.

It has often been said that no matter how difficult a Federal program may be, people in Minnesota will find a way to make it work. This has certainly been true of the Robbinsdale experience. I am particularly proud of Mayor Jim McDonald, the Robbinsdale Council, and its housing authority. They deserve congratulations for their excellent work.

An unusual feature of this particular closing was that it involved the cooperation of a large number of other people and agencies. It is one thing to do a job personally; quite another to successfully organize other independent agenies and personnel to assist in the completion of a task.

First, a rental subsidy is being provided by the Federal Government under section 8. But, in this case, the priority was assigned from an allocation granted by HUD to the Minnesota Housing Finance Agency. This, of course, took close cooperation and hard work by the area HUD office in St. Paul and the MHFA.

Second, mortgage money for the facility was obtained through the Minnesota Housing Finance Agency by the sale of tax exempt bonds. Minnesota's Housing Finance Agency was not the first institution of its kind in the United States, but it is one of the most aggressive and successful promoters of housing.

Third, the city of Robbinsdale made an important local effort itself. It dedicated this year's Community Development Revenue Sharing moneys to help in absorbing land costs. In addition, the city used tax increment financing to absorb another large portion of land costs. Further, the city vacated a portion of a street to add to the parcel of land.

Fourth, there was a donation by local private interests of another small parcel of land to fill out the parcel to provide the necessary square footage to cover the density requirements.

The citizens of Robbinsdale can indeed be proud of the work done by a variety of agencies and people in their behalf. I surely am proud of what the city has done.

The Robbinsdale closing occurred only 1 day prior to another closing in Blackduck, Minn., a small rural community not far from the Canadian border. Other Minnesota projects have been closed since and it is my hope that there may be many other candidates for first closing, because certainly we needed to get the section 8 program into high gear as soon as possible.

However, until another community presents a documented case, I am going to consider the city of Robbinsdale as the winner in the section 8 derby. Since the city is within my congressional district, I consider it a winner in any case.

SUPPORT OF AID TO ISRAEL

HON. H. JOHN HEINZ III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mr. HEINZ. Mr. Speaker, I join today with the millions of Americans in welcoming Prime Minister Yitzhak Rabin of Israel to the United States. His visit, I believe, underscores once again the unique ties that bind our Nation to his.

It also serves to underscore the imperiled existence of Israel against a backdrop of bloodshed, hypocrisy, and deceit, and the vital role the United States has played in helping her to overcome these forces that would have crippled lesser nations long ago.

This backdrop has become increasingly darker for Israel. We have seen the PLO invade Lebanon from Syria while pretending to pursue diplomacy in good faith at the United Nations. We have seen an increase in the concentration of economic and military power in the Middle East which threatens and further isolates Israel.

And we have seen Israel continue to survive.

Yet I am distressed, Mr. Speaker, that while the United States continues to strive for a negotiated settlement to end the differences between Israel and her Arab neighbors—and to seek a solution to the agonies of the Palestinian Arabs—it threatens to undermine its own intentions by reducing economic assistance to Israel by some $440 million over the coming fiscal year.

Such a drastic cut in our aid to Israel offers her enemies a blueprint for increased terror, intimidation, and terrorism. Without our full support, Israel's ability to defend itself is reduced.

With this awful truth in my mind, Mr. Speaker, I strongly urge the House International Affairs Committee to complete action on the Security Assistance authorization to Israel for fiscal year 1976, and to begin immediately consideration of legislation for the coming year.

To strengthen the substance of that consideration, I am today introducing a resolution to maintain aid to Israel in fiscal year 1977 at the same level as that for fiscal year 1976. The effect of this is to increase the administration budget request by about $500 million for fiscal year 1977.

Mr. Speaker, Israel needs our full economic support. More importantly, she needs the assurance that the United States will continue to stand beside her as she struggles for survival and peace in the Middle East.

WEST COVINA, CALIF.—53D ANNIVERSARY

HON. JIM LLOYD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mr. LLOYD of California. Mr. Speaker, I would like to share with my colleagues in the Congress an occasion and achievement of which I am truly proud—the 53d anniversary of incorporation of West Covina, Calif.

West Covina is the city in which I live, and where I served as mayor and city councilman. It is therefore with a great deal of community pride that I share in the celebration of West Covina's 53d birthday.

In the 53 years since West Covina became a city, its growth and development have been remarkable. Only 535 persons lived in the citrus and walnut groves which became known as West Covina in 1923. In the 1920's, West Covina was also known for being a huge flower garden with hundreds of acres planted in blossoms grown for seed and market.

The city remained a small and quiet community within the San Gabriel Valley until 1955, when Garvey Avenue was enlarged and transformed into the San Bernardino Freeway. In that same year, West Covina was named the fastest-growing city in the United States. Today, about 73,000 persons make West Covina their home, and commercial and recreational development has kept pace with the population.

Regional shopping centers and county offices have earned West Covina the nickname of "Headquarters City of the San Gabriel Valley." It is also the city of beautiful homes, with an environment conducive to family living.

West Covina's physical attributes are many, but I believe that the reason that it has flourished, prospered, and grown these past 53 years is because of its people—our main community resource.

West Covinans take pride in their city. They take an active interest in their schools and in the recreational opportunities in the community. They are also active in their city government and board of education.

Fifty-three years have gone by since municipal incorporation and many changes have taken place. But, just as the past has been rich and fulfilling, the city of West Covina and its people are continually working to insure a better future for the next generation of West Covinans.

On behalf of my colleagues in the Congress, I salute West Covina on its 53d anniversary of cityhood.

THE URGENT NEED FOR FINAL ACTION ON ELK HILLS LEGISLATION

HON. ALPHONZO BELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mr. BELL. Mr. Speaker, I wish to call to the attention of my colleagues an editorial from yesterday's Los Angeles Times speaking to the need for final action by the Congress on legislation to open the Naval Petroleum Reserve at Elk Hills in California to production.

Although I do not necessarily fully concur with the writer's comments concerning strategic storage, I wholeheartedly concur with his call for prompt final action by the conferees on the Elk Hills bill.

The complete text of the editorial follows:

PUTTING OIL IN THE BANK

The United States, virtually alone among the industrialized nations, does not have any significant stored reserve of petroleum to fall back on should imported oil supplies be interrupted.

Last month, more than two years after the Arab oil embargo demonstrated the need, Congress finally approved legislation to establish such a strategic oil reserve. It is essential now that Congress and the Ford Administration give this program the priority that it so clearly requires.

The congressional plan provides for a seven-year program to accumulate about 500 million barrels of crude oil and petroleum products that are to be stored around the country. The goal is to have a reserve equal to 90 days of imports, based on 1975 figures. The petroleum would be stored in salt domes, tanks and possibly mines. Site studies are already under way.

In practice, the 90-day reserve could be stretched further. The assumption in Congress was that a new oil embargo would interrupt imports by no more than half. The 1973 Arab embargo reduced imports by about a third, though since then the percentage of imports from Arab producers has increased.

The chances are that the stored reserve, when completed, could substitute for Arab oil for about 180 days. In addition, the President has standby authority to take a variety of conservation actions, up to rationing, that would extend available supplies still more.

Congress has not sought a crash program to build up the strategic reserve. Its timetable calls for 10% of the total supply goal to be acquired and stored within 18 months, 25% within three years, 65% within five years, and the full amount at the end of seven years, by the beginning of 1983. This phased approach provides for orderly site acquisition and nondisruptive petroleum purchases. The only trouble is that the whole program is years late in getting started.

It is not really launched yet. One big problem is assuring adequate and continuing funding to pay for the project. At present prices, the 50 million barrels that are supposed to be in storage by mid-1977 would cost about $650 million. Added to that are the costs of acquiring and developing storage sites.

President Ford's budget, as it now stands, all but ignores the strategic-reserve program. Fortunately, however, Congress does not have to look far to find the means for meeting most of the program's costs.

Legislation to greatly expand production from the Elks Hills Naval Petroleum Reserve in Kern County cleared both houses of Congress as long ago as last July, and now awaits action by a joint conference committee. Elk Hills production could eventually total 300,000 barrels a day—worth, on an annual basis, about $1 billion to the government. The Elk Hills conferees have before them a provision to earmark at least part of that production—either in the form of oil or sales revenue—for the strategic reserve. They should not fail to approve this priority need.

Prompt action is necessary. The long delay on the Elk Hills legislation, the long delay in establishing a strategic oil reserve have been American reliance on imported oil grow, and American vulnerability to any interruption of supplies increase.

Further delay, either in enacting requisite legislation or in carrying it out, would be unacceptable.

MORE DEBT AND INFLATION

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mr. BAUMAN. Mr. Speaker, as we all recall shortly before our adjournment on December 19, the House of Representatives and the other body were locked in a battle over language regarding a spending limitation. Finally on the last day before we adjourned, a lengthy paragraph or two promising a spending limitation was added to the tax cut extension bill. Many of us in the Congress will be watching to see whether the majority party stands by what I believe should be a firm commitment to hold down spending in the face of this tax cut extension.

I include in my remarks at this point an editorial from the Daily Times of Salisbury, Md., which expresses the fact that a great many Americans will also be watching us to see whether or not we are sincere in our expressed position to hold down spending in the year 1976:

MORE DEBT AND INFLATION

The 1975 tax cuts will be extended into at least half of 1976, and while the American taxpayer may be the short-range winner, the compromise worked out between Congress and President Ford spells only one thing—more deficit financing.

The President's attitude was initially one which called on a spending ceiling to correspond with the tax cut extension. Congress defied him on that point and sent up a bill which lacked that provision. He vetoed it.

His veto message asserted that there could still be a tax cut. All Congress had to do was get on the stick as regards spending reductions to match the income loss. Then the big compromise began. Both the President and Congress can claim victory.

The face-saving compromise is vaguely worded anti-spending verbiage. It says something like Congress is determined to control spending. And, it promised to reduce spending equal to any additional reduction in taxes. But there's nothing binding about it.

There certainly are good reasons for continuing the tax cut mainly as a primer of the recession pump. The restoration of the older taxes would have hit the poor the hardest. But is it not possible to reduce spending in the bloated federal government?

This is the problem—reducing spending. And with elections coming up now in less than a year, don't look for much, if anything, to happen in either tax cuts or reduced spending. The safer forecast is more debt and more inflation, while politicians posture and promise.

THE FUNERAL INDUSTRY AND PROPOSED FEDERAL REGULATIONS

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mr. ZABLOCKI. Mr. Speaker, over the last few years we have become more aware of the potential for overregulation by the Federal Government, which I believe is a step in the right direction. Certainly there are areas which need regulation to some degree, and at times that regulation must come from the Federal Government. However, at the same time, we must avoid overregulation at the Federal level by carefully considering all aspects of any proposed regulations.

These considerations must include the purpose of the regulations, the need for regulation, and the overall effect of the implementation of the proposed regulations. Accordingly, I would like to call attention to testimony given to the U.S.

Federal Trade Commission by Wisconsin's Lieutenant Governor, the Honorable Martin J. Schreiber, on proposed trade regulation rules affecting funeral industry practices. Mr. Schreiber's testimony as chairman of the Governor's Council for Consumer Affairs reflects the concern of responsible citizens, businessmen, and Government officials over the potential of counterproductive, unnecessary, and ineffective Federal regulations.

In this respect, I commend to the attention of my colleagues Lieutenant Governor Schreiber's testimony which questions the basic intent and necessity of adopting Federal regulations affecting the funeral industry:

Comments on the Promulgation of a Federal Trade Commission Trade Regulation Rule Concerning Funeral Industry Practices

I appreciate having this opportunity to comment on the proposed Federal Trade Commission trade regulation concerning funeral practices. The Governor's Council for Wisconsin by distribuitng the survey developed by the FTC to all funeral directors. I would like to convey to you our findings and observations as they relate to this proposed rule.

In my opinion, the FTC is dealing with two different issues in this proposed rule dealing with funeral practices: one, the actual trade practices of funeral directors; and secondly, the disclosure of information about the funeral services to the public.

The first is an area which can be dealt with simply by specifying certain prohibited practices, such as the removal of bodies without authorization. Many states, including Wisconsin, already have statutes and administrative rules dealing with these and other potential abuses by unethical funeral directors. Since there are no significant number of complaints on file with any of Wisconsin's enforcement agencies, it appears that the Wisconsin law has been effective in preventing unethical practices.

With respect to other potential abuses, such as those listed in the first question accompanying the proposed FTC rule, our survey results indicate that most funeral directors in Wisconsin have made no attempt to limit the availability of consumer information. In parts of the country where there is insufficient protection against unethical funeral directors and where there is a documented record of abuse, the FTC proposed rule would provide valuable consumer protection; however, in Wisconsin the proposed rule would add little to our disclosure requirements.

The receptiveness of the public to the disclosure portion of the proposed rule must be given careful consideration. While I agree that consumers should be provided with more complete information on which to base a buying decision, I am not convinced that the public is ready for detailed disclosures, especially the kind of information covered in Sec. 453.3 of the proposed rule. In developing these proposed rules, the FTC may be assuming a level of interest in the details of funeral arrangements which may not now exist. For most people the loss of a member of the family and the emotional ordeal of a funeral is very difficult; needless to say, it is difficult to think of the experience in terms of a typical consumer transaction. It is one thing for the FTC to establish disclosure requirements for buying a mobile home and quite another to require comprehensive disclosure on the details of funeral arrangements.

Rather, the public must be educated to care about the facts and figures in funeral arrangements in advance. But I do not believe that this education can be accomplished through statute or administrative rules at any level of government.

We have all been socialized to avoid discussions of death and we have been insulated from the normal supply and demand market forces for funeral services due to the subject matter. It will be a slow process to condition people to be more realistic about funeral services—to ask about itemized costs of funeral services, the differences between cremation and regular burial, the cost differences and utility of a more expensive casket, and the reasons for having embalming and burial vaults. Few people could discuss these matters rationally immediately following a death in the family, even though they are all factors in the cost of the funeral services provided. I might add that our survey results showed that, with the exception of the casket, the burial vault and possibly long distance transportation, the cost of no single item exceeded $100; however, collectively, they add up to an expensive funeral package.

People need to be encouraged to make advance arrangements, or at least discuss arrangements with their families in advance. This is an area which the FTC rule should address in some detail. Here in Wisconsin, the procedure is set up in the statutes for pre-arranged funeral (Sec. 156.125). Payment for the services is made in advance; however, the money draws interest in a bank or trust company and can be withdrawn at any time. The individual's investment is protected and the family is spared the ordeal of making the arrangements at the last minute. One of the greatest problems, in my opinion, is that people make elaborate funeral arrangements for a relative based either on what they think that person would have wanted or on what they feel is their obligation to have only the best—and therefore the most expensive. Obviously, when people have this doubt or sense of obligation, they can easily be led into unnecessary and overly expensive arrangements by an unethical funeral director. While it may help the situation to establish rules and regulations on proper disclosure of information and what is acceptable conduct for a funeral director, the root problem will not have been eliminated—a refusal to make rational, unemotional decisions about funeral arrangements before a death in the family occurs.

To the extent that the proposed FTC rules help in this socialization process, I support its provisions. Key elements in creating public awareness include itemization of costs, advertising of funeral services, and the encouragement of inquiries about the cost of funeral services. It is essential, in my opinion, that the actual costs of funeral services be revealed. Many would argue that this kind of itemization will only drive all funeral prices higher, since the higher priced funerals will no longer be able to subsidize the losses on cheaper funerals, Initially, itemization may force the price of services up to the lower end of the scale; however, in the long run prices should adjust to the free market forces of supply and demand. There will always be people for whom cost is not a factor who will want more elaborate funerals; and there will always be people at the lower end of the economic scale who cannot afford even the least expensive funeral. If package prices were established for the lower end of the scale, for funerals under $500, these two extreme cases could offset each other. The greatest number of people fall in the middle price range of funerals. If these consumers were made aware of the actual costs of items in the funeral services through itemization, they might select a lower cost funeral package. Until people are made to pay the actual costs of services they receive, there will be no incentive for consumers to consider costs and there will be no opportunity for free market forces of supply and demand to operate.

Advertising of funeral services could bring about more competitive prices and it could actually trigger discussions within a family as to individual preferences for funeral services. Advertising need not be unprofessional, unethical, or result in unfair competition. Unfair or deceptive advertising is clearly prohibited by law; here in Wisconsin there is no other prohibition against advertising. In spite of this, advertising, other than in the yellow pages, is not common.

In my opinion, any and all inquiries about funeral services should be encouraged. Funeral directors should certainly not be expected to give highly detailed price information over the telephone. Our survey results showed that funeral directors have somewhat standard prices for most of their services—such as cost per mile for transportation, standard cash advance item costs, fees for viewing room, embalming, and caskets. Therefore, it would be difficult for them to at least provide basic price information on request. In a more competitive market, it would be to their advantage to have information available to answer inquiries.

One of the questions accompanying the proposed rule asked what I consider to be the essential question: what impact would this rule have on consumers? Using the context of existing Wisconsin law and current funeral practices in Wisconsin, I would say the impact would be negligible. Many consumers would be offended by the explicit disclosures; others would choose to ignore them; and funeral directors would, in the end, have more paperwork. However, what is important is that I doubt it would lead to more rational, unemotional decisions in the purchase of funeral services. Until the groundwork has been laid to make people receptive to this kind of information and to a businesslike approach to funeral services, this kind of rule will have little impact on people's lives.

I appreciate this opportunity to have commented on the proposed FTC rule. If you have any further questions, please do not hesitate to contact this office.

DÉTENTE: A LOOK FORWARD

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mr. MURTHA. Mr. Speaker, in 1969 the current phase in our relations with the Soviet Union began when President Nixon declared that—

> After a period of confrontation, we are now entering an era of negotiation.

Last week marked the seventh anniversary of that statement. It should also mark a time when the American Government and people resolve to take a careful, thoughtful look at U.S. policy toward Russia.

Certainly no one can disagree with the remarks of Secretary of State Henry Kissinger that—

> In the thermonuclear age, there is no alternative to coexistence. Rhetoric cannot remove the Soviet nuclear arsenal or reduce the risk of needless confrontation.

But there are many paths to that coexistence. Increasingly the reaction to American policy—usually termed "détente"—is that it simply is not working. The behavior of the Soviet Union has left a tremendous gap between American expectations for détente and international realities.

In the January 26 edition of U.S. News & World Report, the growing concern of the American people about the development of détente was reflected in this statement:

> PLAYING BY TWO SETS OF RULES
>
> Americans often define détente as a live-and-let-live relationship between the superpowers. Moscow's definition is quite different. There it is interpreted as a process that—
>
> Enables the Kremlin to secure important advantages from the U.S. in the way of technology, credits, grain and parity in strategic weapons.
>
> Permits Moscow to support "wars of national liberation" in the "third world" and to back Communist bids for power in Western Europe—so long as the risk of nuclear war is avoided.
>
> Prohibits the U.S. from supporting democratic forces in Communist Eastern Europe or inside Russia.

I would add these observations of my own:

There is no doubt Soviet military forces are on the increase while U.S. forces are decreasing. Total Soviets under arms total between 3.5 and 4.2 million men, while U.S. troop strength is at 2.1 million;

The Soviet Navy is rapidly increasing at a time when U.S. naval ship strength is at its lowest point in 30 years, and our future building policy remains unclear; and

We are at a vital juncture in the SALT talks that will tell us a great deal about the future arms course of the world; these negotiations are a key to the future defense posture of both countries.

In 1974 when I served as one of three members on the Subcommittee of the Armed Forces Committee overseeing the SALT talks, negotiators stressed one point to us continually: pay attention to Russian actions, not Russian words.

The thrust of the Soviet defense policy—the buildup of conventional forces—is clear from the facts. I am hopeful the President's budget request for defense will stimulate the kind of cool, respectful, intelligent congressional, and national debate that is sorely needed on American defense policy. I believe such a debate is essential to the future of the United States.

We do not have to abandon "détente" or peaceful coexistence for this debate to be a success. But neither can we blindly persevere with a key defense and foreign relations policy without being certain of our goals and policy development. We have to set a clear national course that recognizes the Soviet Union's goals and responds in a way that will keep us No. 1 in defense and stabilize our foreign policy for the years ahead.

AMERICAN COLLEGE OF NUCLEAR PHYSICIANS

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mr. PATTERSON of California. Mr. Speaker, I am pleased to call to my colleagues' attention a relatively new discipline of medicine and one of the organizations dedicated to helping us make certain that Government regulations do not hamper the safety and speedy delivery of this health care.

I am now speaking of the field of nuclear medicine and the 2-year-old American College of Nuclear Physicians.

Nuclear medicine is the clinical field concerned with the diagnostic and therapeutic use of radioactive materials called radiopharmaceuticals. It is a vigorous, dynamic field that has had a phenomenal growth over the past few years and will continue to grow rapidly in the future given the proper conditions.

Nuclear medicine not only is an infant compared to the basic practice of medicine, but the fearful images sparked by thoughts of nuclear reaction make it more difficult to deliver the benefits of this discipline to our Nation.

The newness of the discipline was underlined recently in the action of the American Medical Association which only in November of last year voted to establish a special section of nuclear medicine although a number of other special sections had existed for a long time.

Speaking on the issue at the annual convention of the AMA in Atlantic City last year, Dr. Gerald DeNardo, president of the American College of Nuclear Physicians, noted:

> The College respectfully urges the establishment of a Section on Nuclear Medicine. There is a special urgency for action at this time.
>
> The pressure of current social crises, while affecting all medical practice, are especially pressing in the area of nuclear medicine. The air transportation of radiopharmaceuticals is just one area in which we have been active recently. This, and the resolution of other matters, would be more effectively enhanced by the establishment of a section.
>
> Until such a section exists, the practitioners of nuclear medicine cannot properly contribute to organized medicine and the health care delivery system.

This is the principal purpose of the college. It grew out of the society of nuclear medicine which is devoted principally to the scientific progress of the discipline.

The founders of the college felt that an organization was needed to deal with the problems of a more ordinary nature which were hampering or threatening to hamper the safe and economical delivery of this health care service.

The college listed among the problems encountered in the field the following:

Public fear, lack of understanding, and misinformation about nuclear medicine;

Unnecessary and costly regulations and restrictions;

Complex State and Federal regulations;

Transportation difficulties involving nuclear medicine supplies; and

The previous lack of a cohesive effort in attacking such problems.

The thrust of the new organization's effort have been in the direction of fostering activities which will help practitioners deliver this health care to the public safely and at minimal cost.

For instance, the college has been in close contact with the House of Representatives Subcommittee on Government Activities and Transportation and its recent oversight hearings on the implementation of the Hazardous Transportation Act by the Department of Transportation and the Federal Aviation Administration.

It found itself in agreement with the members of the House subcommittee on the necessity for the safe transportation of hazardous materials—including nuclear supplies—without the disruption of speedy delivery of medical supplies.

Both the subcommittee staff and the Air Line Pilots Association reaffirmed the necessity for fast and efficient air shipment of radiopharmaceuticals—subject to proper packaging and quantity safeguards.

The organization also is vitally interested in the proposed congressional amendment to the Public Health Service Act and has made its input to the Senate Subcommittee on Health in this area of health care.

The college also was one of the organizations filing comments on proposed Federal Aviation Administration regulations on the monitoring of radioactive materials by aircraft operators. A number of organizations felt the emphasis in the regulations was wrong, and the college felt the proposed rules could hamper the speedy delivery of medical supplies.

As a result of comments, the Department of Transportation revoked the rules and proposed new ones.

The college also is working with the Food and Drug Administration and other Government organizations in promoting programs which will benefit the Nation in the field of nuclear medicine.

The activities in this area are too numerous to recount here. The principal purpose I had in mind today was to draw attention to just one of the many efforts being made to cooperate with the Federal Government to facilitate the delivery of health care to our people.

The college also is active in encouraging State organizations of nuclear medicine to work on that level to give us a more consistent nationwide program in this area.

I would like to mention that the college is closing its second year with its convention in Miami Beach, Fla., beginning January 28. During this convention, the members will discuss ways of building on cooperative efforts to foster the safe and economical delivery of nuclear medicine.

OMNIBUS RAIL LEGISLATION: A GOOD BEGINNING

HON. H. JOHN HEINZ III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mr. HEINZ. Mr. Speaker, I would like to express my admiration and respect to all those who have worked long and hard to bring S. 2718, the Rail Revitalization and Regulatory Reform Act of 1975, through the legislative process.

I particularly wish to congratulate

those who have worked, successfully I believe, to resolve the differences between the administration and Congress on this important bill. The act indicates at last that we in Congress recognize the important role that railroads can play in the future of this country.

As a Member of Congress from the 17-State region affected by the Regional Rail Reorganization Act of 1973, I had been anxious about the economic effect the reorganization would have on the State of Pennsylvania. I think the bill we have worked so hard to come up with is a good beginning.

This bill has been designed to eliminate those problems that drove seven railroads into bankruptcy in the Northeast. We have done this by providing a funding structure for ConRail, and by reforming the administrative procedures and regulatory policies under which our railroads operate. In doing so, we have swept away many of the outmoded restrictions that prohibited railroads from competing with other transportation modes, and have made it possible for railroads to borrow funds in the private market.

Unfortunately, ConRail will not be able to encompass all the lines in the 17-State region, including about 1,200 miles of track in Pennsylvania. I am pleased, however, to note that the final version of the omnibus rail bill includes my amendment to establish a Fossil Fuel Rail Bank through which potentially 800 additional miles of Pennsylvania rail lines could be preserved.

Also, the conference report incorporates most of my original proposal to continue the operation of "contested branch lines" serving vital industries with no feasible transportation alternative. While not quite as strong as the legislation I introduced on October 2, the conference report provides for a 5-year decreasing subsidy program for lines scheduled for abandonment, including a 100-percent subsidy for the first year. This will assure the continuation of rail service and allow the States or users of rail service the time they need to raise revenue to meet their share of the subsidy for the following 4 years.

This legislation will not solve all of the problems facing the rail industry in this country. And, the organization we have created, ConRail, must be closely scrutinized so that we can assure the American people that their tax dollars are being wisely spent and that in the long run rail service and transportation will be improved.

However, this legislation is a much needed start toward the revitalization of an industry important to our country and vital to our Nation's future. A rehabilitated and strong railroad industry means economical transportation of our much-needed energy resources, efficient delivery of bulk commodities, speedy delivery of agricultural goods to the marketplace, stronger competition in the international market and cheaper goods for American consumers.

I hope that Congress will continue to evaluate and correct those Government regulations and policies that have encumbered the economic growth of this country in the past.

NEW YORK CITY'S NEW BUDGET DIRECTOR

HON. WILLIAM A. BARRETT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mr. BARRETT. Mr. Speaker, on January 26, Mayor Abraham Beame of New York City named as the city's new budget director, Mr. Donald D. Kummerfeld. Don has served as an adviser and a consultant for over the past 6 years to the Subcommittee on Housing and Community Development of which I am privileged to chair. He participated very actively in our subcommittee's wide-ranging review of alternative solutions for our Federal housing policies back in 1971 as a consultant to the subcommittee, and served the subcommittee extremely well, along with his able colleague who was then special counsel to my subcommittee, John E. Zuccotti, who is now the deputy mayor of New York City.

Since that time, Don Kummerfeld has served as an adviser to my subcommittee on matters pertaining to long-term financing problems of the housing industry. I congratulate Mayor Beame on another excellent appointment to a most crucial agency in the New York City government. I am sure that Don Kummerfeld will serve his mayor and the city of New York with the highest standard.

Mr. Speaker, I include following my remarks an article that appeared in the Tuesday, January 27, edition of the New York Times on Mr. Kummerfeld:

City's New Budget Director—Donald David Kummerfeld

(By Fred Ferretti)

Donald David Kummerfeld, already confirmed as the city's newest Budget Director, was preparing for his obligatory City Hall news conference yesterday when, according to mayoral aides, he asked: "What should I wear? I don't want to look like a banker."

He was told, "We don't care what you wear, just don't talk like a banker."

Mr. Kummerfeld, until his city appointment was a $100,000-a-year vice president of the First Boston Corporation, laughed over the incident, discounted most of it and said: "There was remarkably little coaching. They really totally trust me."

Perhaps that will be so, but within that preparatory banter rests the realities that Mr. Kummerfeld will be faced with almost immediately. Will he be perceived as another bankers' man at City Hall? Will he be trusted?

AN ADVANTAGE CITED

He said yesterday that he had been deeply into the banking and financial communities professionally, that "I know people in this community," and that that would be an advantage to him. As for the trust, that will come with his performance, he said.

"I can't think of a more challenging job," he said. "Helping restore the city's fiscal health might be looked upon as almost impossible to achieve, but with that high level of challenge goes a high level of reward.

"Reward? To be part of the historical contribution that will be made if we are successful. It's that challenge that turns me on."

It was this call to challenge as well as a long-time association with First Deputy Mayor John E. Zuccotti that brought Mr. Kummerfeld to the city government. In the late 1960's when Mr. Kummerfeld was with the United States Bureau of the Budget he and Mr. Zuccotti was with the Department of Housing and Urban Development, the men first met. Mr. Kummerfeld as a consultant to Mr. Zuccotti, when the latter was chairman of the City Planning Commission, on a task force studying alternatives to city housing.

It is this association, too that he could be one of a group of men perhaps overly loyal to Mr. Zuccotti, that will be watched by politicians and City Hall observers. For in what has come to be a highly sensitive city position, Mr. Kummerfeld will be watched for his political and professional performance.

TWICE IN WASHINGTON

But politics will not be entirely new to the 41-year-old specialist in urban housing and municipal financing. He was a member of the Federal budget staff twice, first in 1959 and again following a fellowship at the London School of conomics from 1961 to 1968. He served as staff assistant to two Budget Directors, David Bell and Kermit Gordon.

Donald Kummerfeld was born in Gilroy, Calif., on June 11, 1934. He attended Stanford University, earning a B.A. in philosophy in 1956 and a master's in political science two years later. From 1958 to 1960 he was a university scholar at Harvard and received a master's in public administration. In 1968 and 1969, he was staff director of the Urban Institute, a nonprofit research group in Washington; and in 1969 co-founded Government Research Company, a consultant concern to businesses dealing with the Federal Government.

Mr. Kummerfeld joined the First Boston Corporation in 1971 as a vice president in the public finance department, where he gave advice on urban housing and development and long-term bond borrowing to the District of Columbia, Puerto Rico, Broward County, Fla. and the Hackensack Meadlowlands Commission in New Jersey. He has served as an adviser to the House Banking and Currency Committee and the House Budget Committee.

Mr. Kummerfeld is the author of "The Housing Subsidy System: A Critical Analysis," and co-author of a study in municipal financing, not the sort of short-term financing the city has been involved in recent years, but long-term bonds. He said that he had not been involved in selling or advising on New York City securities while with First Boston.

He visits a cottage on Cape Cod in East Erewster with his wife, Elizabeth Kubota Miller, and their daughter, Theodosia, 14, golfs and plays tennis. "But my passion is gardening. On my terrace I grow tomatoes, lettuce, peppers, cucumbers. I spend whole weekends diddling in my garden. I don't know if I'll have any chance for that now."

VA BURIED UNDER PAPERS—STACKED, STREWN, JUMBLED

HON. MARTIN A. RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mr. RUSSO. Mr. Speaker, today I want to share with my colleagues part IV of the Chicago Tribune's excellent series on the Veterans' Administration. To find out if this $16 billion a year agency is doing its job, four Tribune reporters interviewed hundreds of veterans and VA officials and employees, and examined scores of documents and records for the report. I commend them for their investigative efforts: Pamela Zekman, William

Gaines, Jay Branegan, William Crawford, and James Coates:

VA Buried Under Papers—Stacked, Strewn, Jumbled

"We're nothing but a giant papermill here,". Edward Kelly said as he stood in a work area of the Veterans Administration's Chicago regional office, where the cases of hundreds of veterans are handled daily.

A look around confirms his opinion. Veterans' file folders are everywhere.

They are stacked two feet high on clerks' desks. They are piled on window ledges. Strewn on tables. Balanced on open file drawers. Jumbled onto carts being pushed by scurrying file clerks. Resting on empty chairs.

The Tribune asked for a tour of the regional office at 2030 W. Taylor St. to see why veterans' files get lost, their letters misplaced, their checks delayed, and their cases persistently rejected by VA computers.

It happens often, Kelly, assistant to the regional director, said his study of delays showed 40 per cent of the cases had some sort of error, made either by the veteran, the VA, or some school or employer.

Congressional offices report they get more complaints about VA red tape than about almost any other agency.

What mistakes can mean for a veteran who is counting on his VA money is summed up by Jerry Thomas, a student at Chicago State University, who was depending on his VA check to feed his family. It had been hopelessly ensnarled somewhere in the bureaucracy.

"I've borrowed money up to here," he told The Tribune, drawing his hand across his chin. "I don't have anything except carfare in my pocket. I'm scrimping and saving and borrowing to feed my kids."

But so overwhelming is the avalanche of forms and documents that the VA often is unable to do much to speed help for veterans like Jerry Thomas.

"Our business is processing paper. We get it by the baleful every day," Kelly said as he led a reporter past a long table stacked high with the folders of veterans seeking education benefits, compensation, pension, or any one of a dozen other VA services.

"We probably get 4,000 pieces of mail a day, plus all the internal memoes and reports. And the mail is filled with applications and correspondence and documents like marriage licenses, birth certificates, death certificates, discharge papers, doctors' reports, a myriad of items," he continued.

Most of the documents are destined for one of the 600,000 active-case folders kept on file at the Chicago office, part of the cumbersome, antiquated manual system used here and in most of the 58 VA regional offices.

The VA hopes eventually to replace the endless drawers of files—drawers that must be searched every time a veteran writes the agency—with an ultra-modern computer system called TARGET, which will give clerks instant access to any veteran's file through small computer terminals at each desk.

Implementation of the TARGET system was begun in 1973, and it was expected to be in full operation by 1978, VA officials say. Now it looks like 1981.

In the meantime, the VA and the veteran must put up with the manual system that, Kelly said, has 25,000 folders out of the file drawers at any given time for some type of processing, and 3,000 folders lost, misplaced, or misfiled. Carelessness is a big problem, he said.

"There are a lot of people walking around with these pieces of paper," Kelly explained. "They are low men on the totem pole and sometimes they don't know what the pieces of paper mean and how important they may be to a man's life."

So fraught with errors is the system that the VA regional office here employs 10 "searchers," whose full-time job is to cruise the six floors of the building looking for missing files.

"They take these folders and drop them anywhere," said Joan Parker, a "super searcher" who is assigned the most stubborn cases. "You can really get frustrated with the system. I call California, Washington, and New York looking for folders. You have these nonchalant people who just don't care because it is not them waiting for a check."

The paperwork problem is not limited to big offices like Chicago. An agencywide study of the VA by the General Services Administration concluded, "More than most agencies, paperwork is the lifeblood of the Veterans Administration."

The VA uses 10,000 different form letters, pushes out 75 million pieces of mass mail annually, gets 90 million pieces back, and spends $11 million on notes to itself, the GSA found.

The mountain of VA paperwork is growing at the rate of 10 per cent a year, VA officials estimate. The GSA itself keeps 14 million inactive files for the VA, according to H. D. Thomas of the VA's record management division.

"They are stored in buildings once used to keep munitions," he said. "Each one is bigger than a football field." Thomas estimated the VA has 1.3 million cubic feet of paper—enough to fill more than a quarter-million filing cabinets, each five drawers high.

To be sure, the VA does do a lot of its work with computers, but The Tribune discovered that most of the machines are woefully behind the times.

Since the first computers became popular in the late 1950s, there have been several revolutions in computer technology, resulting in successive "generations" of computers, each faster, more powerful, and more versatile than its predecessors.

When the VA began to computerize its operations in the early 1960s, it bought computer equipment outright, instead of leasing it, in an effort to save money, an official statement notes. It concludes: "The result—the VA is the owner of first-generation systems unable to function in the third-generation atmosphere of the 1970s."

Another problem is that the VA's 33 computers are scattered haphazardly all over the country at Hines, Ill., Austin, Tex., Philadelphia, Los Angeles, and St. Paul, Minn. While most government agencies with decentralized computers assign one to handle all the needs of a specific geographic region, each VA computer serves the entire country with a different VA program.

Thus, a veteran getting education benefits is paid by Hines with checks mailed from a Treasury Department computer in Kansas City. If he's overpaid, he is dunned by St. Paul. If he has insurance, Philadelphia handles that. And the computer in Austin is supposed to keep track of what's in all the other computers.

Each computer must store much of the same information, and each extra computer means one more chance for something to go wrong.

"There is certainly very little consistency in the organization [of our computers] as we know it today," VA computer expert Ralph E. Smith conceded.

The Tribune found that the veterans having the most problems with the VA's endless stream of red tape were those getting—or trying to get—education assistance checks under the GI Bill. Some examples:

Ernest Kunst, 34, of East Moline, had only a trickle of income for six months while he battled to get payments due him for an apprenticeship program. "One time the VA in Chicago kept me on hold for an hour until it was their quitting time. Then a tape recording came on and said, 'I'm sorry, we're closed,'" he said. The problem: for seven years his initials were listed incorrectly in the computers.

Thomas Gaucius, 22 Villa Park, didn't get his checks for attending the College of Du Page because the VA sent them to Germany, where he had been stationed briefly several years ago. And although the VA finally corrected his address, it won't reissue new checks until the originals are returned from overseas. "Those are the regulations," the VA insisted.

When Stanley K. applied for GI benefits to take a physical therapy training program last January, the VA replied with a letter saying he owed the government $5,938. He hadn't received any VA checks since he had graduated from Loyola in 1972. Nonetheless, when one VA computer would issue him a check for his new courses, another would take it away to pay off his supposed "debt."

David Sachnoff, 29, of Hazelcrest, personally took his application for GI benefits to the VA regional office. The VA lost it. A counselor at the Illinois Institute of Technology took another application to the VA for him. Six weeks later, the VA said it had lost that one, too.

Robert Jefferson, 25, of Carthage, Ill., three times sent in the certification for his apprenticeship program, and still didn't get any checks for six months. The VA did not tell him the problem was that the computer still thought he was enrolled in a correspondence course he had told them he'd finished.

William E. Harp, 27, of Melrose Park, moved to the Chicago area two years ago from Florida, but from May to October of last year he could not get VA benefits for his courses at Triton Junior College, River Grove. It took the VA that long to get his file from St. Petersburg to Chicago.

One VA response to this chronic problem in check delays for a $25 million a year "veterans representative" program hastily set up over the summer of 1974 to place about 1,300 counselors ["vet-reps"] full- or part-time on all college campuses.

The vet-reps were supposed to help the veteran fight the paperwork problems, "but it was a failure," said Ronald Owens, a veterans counselor at the University of Illinois Chicago Circle Campus. "It didn't do anything for the students. They put poorly trained people out here."

Moreover, the vet-rep program duplicated a Health, Education, and Welfare operation called the Veterans Cost of Instruction Program [VCIP], that had begun several years earlier. Owens is a Circle employe paid with VCIP funds. He said the two VA vet-reps sent to Circle were kicked off campus because he felt they were incompetent.

Proponents of the VCIPs say they do a better job than vet-reps because they are independent of the VA, and thus do not have to go through channels. They say they can be more aggressive in helping the veteran.

"All the vet-reps can do is pick up the phone and make an inquiry," said Gerald Dennis, a VCIP counselor at the College of Du Page. "They are dealing with other people in the VA who are their superiors. They can't put the pressure on. They can't demand action. They can't raise any trouble. So all they do is come back to the veteran and tell him to wait. And wait.

"The veterans representatives are as frustrated about the Veterans Administration as I am, but they can't do or say anything about it."

But the VA regional director, Claude Gillam, says the vet-rep program is needed. "There were a lot of the VCIPs who were doing the vet-rep function very well, and some who did it not so well, but they also had a lot of other duties," he said.

"The vet-rep gives the veteran a live person from the VA to actually see. They seem to serve a good purpose out there."

Several vet-reps told The Tribune that when they can't find a way to help a veteran get his check through normal bureaucratic channels, they tell the vet to go to the top—call his congressman.

Gillam was appalled. "I can't fathom anyone condoning that. We have a system for processing difficult cases and I think people should use it."

GI Bill Marked by Fraud, Foulups

(By Jay Branegan)

Paperwork and computer foulups plague the Veterans Administration and fall most heavily on the 1.8 million veterans getting education benefits.

But that isn't the only problem facing the $3.9 billion GI Bill program. A big problem is fraud.

In Chicago, for instance, the Veterans Administration found that four beauty and barber colleges were carrying far more veterans on their rolls than their authorized limit At Tyler Barber College, 6531 S. Cottage Grove Av., 1,500 veterans were getting benefits while the school was only accredited for 50, the VA found.

Nearly every one of the Tyler students sent the VA falsified class attendance cards and collected standard monthly GI Bill payments—at least $270 for a single person, $321 for a couple—that they didn't deserve, according to the VA regional director Claude Gillam. The money is sent directly to the veteran and is intended to cover both tuition and living expenses.

"We could find no evidence that any of them ever attended classes," Gillam said. Some veterans insisted that they were in class, he said, but their explanations to local officials "sounded like they were coming out of a Xerox machine."

When the fraud at the four schools was discovered by the Illinois Veterans Commission, it withdrew VA approval making those students ineligible for GI benefits.

Other cases of fraud have popped up around the country, including several at a school in Maryland, where 16 per cent of the ex-GI's getting benefits for a full class load during one recent term did not complete a single course, the VA said.

The VA says it does not know how widespread is the fraud at residential schools and colleges. But, an official said, "If it could happen in Maryland, it could happen anywhere." The trouble is the VA now has no way to tell if its students veterans are really going to school.

This type of fraud is coupled with abuses in correspondence courses, documented in a previous Tribune Task Force series. The VA pays 90 per cent of the cost of these expensive home-study lessons, which often are worthless.

Another problem with today's GI Bill programs is that the Viet Nam veteran's "real ability to purchase post-secondary education has diminished with respect to his World War counterpart," according to a congressionally-commissioned study by the Educational Testing Service.

World War II veterans got enough money to cover the cost of any college, public or private, plus a living allowance, the report noted. But today's $270-a-month base educational allowance does not even cover tuition at most private, four-year colleges, according to the report.

U.S. Rep. Lester Wolff, [D., N.Y.], who has introduced legislation to boost GI benefits, complains, "The way the program is set up now there is a basic limitation as to how many soldiers can afford to participate in the GI Bill."

STRANGLING IN REDTAPE

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mr. ALEXANDER. Mr. Speaker, I would like to share with my colleagues an article from the Wall Street Journal this past October which depicts the losing battle American small businesses are fighting to keep pace with rising paperwork.

Secretary Dunlop has left the Department of Labor. I hope his successor views increased "redtape" with an even greater abhorrence:

Strangling in Redtape

(By James C. Hyatt)

Washington.—A glass-covered, ornately lettered motto hangs on a wall of Labor Secretary John Dunlop's private office.

He calls it his bronze rule:

"Regulate unto others as you would have them regulate unto you."

His staff recently had the slogan framed after hearing another of his many lectures on what he views as a deeply ingrained Washington problem—the "natural arrogance of regulators."

Such pronouncements blasting the bureaucracy suddenly are common in Washington. President Ford wows a convention of businessmen by promising to remove the government's foot from their necks. Congress debates how to deregulate huge industries. The heads of many federal agencies are summoned to the White House to hear an appeal to eliminate redtape and become more efficient. The town is full of talk about the need for less government interference.

Meanwhile, Secretary Dunlop is backing up his views with some studies that vividly illustrate the gap between regulators in Washington and the small employer. President Ford thought so much of the studies that he had them distributed to the entire Cabinet.

When Secretary Dunlop distributed the studies to his subordinates in July, he attached this statement:

"It is vital, in my view, that those who write regulations or design enforcement and compliance programs in the department more fully appreciate the point of view, perspective and experience of those who are faced with the obligation to live under often complex statutes and regulations."

Included in the material he distributed were summaries of interviews which Labor Department researchers had conducted a few months earlier with four concerns employing fewer than 1,000 workers apiece. "These case studies," he wrote, "provide us with an opportunity to view the department through the eyes of those whose daily conduct at the work place is, in varying degrees, constrained by the department's regulations. We thus are able to experience vicariously some of their problems and frustrations."

A REMINDER TO BUREAUCRATS

Mr. Dunlop adds in an interview that federal employes should seek, wherever possible, to obtain "voluntary compliance" with regulations, and that he hopes the survey of attitudes toward the Labor Department will remind bureaucrats that they haven't been "given some kind of lash to use on the electorate."

Here, in a shortened form and edited to preserve the anonymity of the companies and individuals involved, are summaries of the case studies:

Acme Corp, as a family-owned electronics component manufacturer with 150 workers and $3 million in annual sales. Its vice president for manufacturing and marketing, identified as Mr. Farr, has an "extremely limited" knowledge of Labor Department programs, the interviewers report. Mr. Farr's information was acquired mainly from conversations with a federal job-safety inspector who had visited the plant and from reading requests for data from the Bureau of Labor Statistics.

Mr. Farr "has considerable difficulty in disentangling Labor Department activities from those of other federal and state agencies," the report declares. "His firm is operating at best on the fringe of awareness."

Acme was inspected by federal safety officials in 1974, cited for general housekeeping violations, and fined $300. Mr. Farr couldn't rule out the possibility of another citation—"particularly in light of his minimal knowledge of established standards" in the job safety law.

Mr. Farr hasn't returned any forms under the welfare and pension plan disclosure act since 1967 because "of the time and effort required." He hasn't ever received a complaint about his failure to file, and thus has concluded that the reports aren't mandatory. (In fact, they are.) The firm has no pension plan and so far hasn't received any descriptive information about the new pension law signed by President Ford on Labor Day, 1974.

Recently the department's contract compliance office sent a letter addressed to "Plant Contract Compliance Office," asking for various reports. Mr. Farr "displayed considerable irritation with the compliance officer's request for data," the interviewers report, because he'd recently filed an annual report to the Equal Employment Opportunity Commission. The department's form, moreover, contained no instructions for filling it out.

The interviewers urged Mr. Farr to call the department on the spot for clarification. During the call "it became clear that the agency representative was expressing considerable uncertainty that Acme should have received the reporting requests. . . . Farr's reaction was a combination of incredulity and extreme irritation."

Ironworks Castings Inc. is a 50-year-old, family-owned metal foundry and plating company supplying parts to the auto industry; it has 25 employes, one of whom works full time on government records and reports.

H. R. Alger, president, tries to keep track of federal safety programs by reading the Federal Register. He hasn't seen any Labor Department safety literature. Mr. Alger reads business and trade publications rather than wading through "the detailed, and to him, often uninterpretable materials prepared by the government itself," the interviewers report.

Mr. Alger declares that "there is no way you can keep up with all the regulations and run a business at the same time." He concedes there are "bound to be some laws that we're not following because they may not have filtered down to this level."

The firm has been cited for a health violation because of an excessive concentration of zinc at its plant. Ironworks received a $120,000 Small Business Administration loan to help correct the problem, but Mr. Alger figures he needs to spend another $200,000 for pollution control related to this problem. "He laments the need to make capital investments of this kind," the study reports, "much preferring to have spent such money in ways that might have improved productivity and the firm's competitive position."

Asked what he'd like to tell Secretary Dunlop, President Alger says:

"I feel like an awful lot of people do. We need less meddling from the government.

We should get back to the good old solid ways of supply and demand, and let business regulate itself. Competition will make necessary a lot of the improvements that are required, without regulation by Washington."

Enterprise Oil Co. is a wholly owned subsidiary, with 200 employees, of a medium-sized petroleum processing and distributing company.

Enterprise "has to reply on outside sources of information to clarify their legal obligations" to comply with federal laws, the interviewers report. Jack Brown, president, says, 'I'll bet it would cost us $100,000 a year (to do the job internally). A businessman must have an interpreter of regulations."

He says the firm's insurance company has sent him enough material on the new pension law "to keep us busy for 10 years, telling us in a cover letter that you have to read this or you're liable for not knowing about the new pension act. It would take a lawyer 10 years to read it."

The firm recently, and unknowingly, became subject to minimum wage laws when price increases raised sales volume to the levels at which minimum-wage coverage takes effect. "How many more of these little tidbits are in the law?" Mr. Brown asks. "I don't know. You're not aware of them until you violate the law."

WHY INCRIMINATE YOURSELF?

Enterprise Oil has never asked the Labor Department for information or legal guidance. "The government bureaucracy is so inefficient that you're not guaranteed anything." Mr. Brown says. "Why blow the whistle on yourself? At the beginning of the Federal Energy Administration we were terrified to call up. We didn't even want them to know we were located here. They would send over an inspector."

The firm responds to federal requests for statistical information, but one of its officials says, "I've never seen any benefit from them." Government forms should carry a statement, he says, that indicates whether each information request is mandatory.

A few years ago, Enterprise had "everything fixed up so that we could get a clean bill of health," says Mr. Brown. It then asked the department's safety inspectors to call. They refused.

Capital Manufacturing Co. employs 250 workers to make machine parts on the fringe of a big city.

Donald McGregor, the company's industrial relations manager, consults a law firm on legal questions involving the government and he consults an insurance company on pension questions. On safety issues, he consults officials of other companies with similar problems.

Mr. McGregor has never visited the Labor Department's regional office near his plant. "Most businessmen are scared to death of coming to the attention of the government," he asserts. "There's a fear that if you ask a question, you're implying that you're doing something wrong and asking for an investigator to come in. You just don't want your name on a list."

In deciding whether to fill out forms from the Labor Department, Mr. McGregor says he checks each one to see if it contains a number that he believes indicates the form originated at the White House Office of Management and Budget.

"Ninety-nine percent of the time the number means that it is a mandatory report," he explains. So he fills out such forms. The company spends between $12,000 and $15,000 a year answering government questions and surveys, he says.

Mr. McGregor is still unhappy about a job discrimination case he encountered while employed elsewhere; in that instance, he says, the federal compliance officer was told that if the company paid the settlement proposed by the government it could "wipe out" the firm. According to Mr. McGregor, the compliance officer replied: "If you go bankrupt, you deserve it. You're going to pay for the sins of discrimination you've committed over the years."

Mr. McGregor worries that under the new pension law every word he says to an employee "could result in some kind of subsequent legal action." As a result, he has become highly reluctant to give employees any advice on pension matters.

Small businessmen, he concludes, feel "they are being hemmed in on all sides by big labor, big management and big government."

REVIEWING OUR FOREIGN POLICY

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mr. HARRINGTON. Mr. Speaker, when our clients in Saigon and Phnom Penh collapsed last spring, there was a widespread fear here in Washington that the failure of U.S. policy in Southeast Asia would lead to a firestorm of bitterness and recrimination between Americans. That prospect has clearly failed to materialize—in fact, the exact opposite seems to have occurred. The subject of Indochina has been consigned to silence, both by the general public and by those most responsible for our long involvement there.

A sense of relief and a desire to move on to other matters are certainly understandable after a decade of violence, frustration, and division, but we do ourselves a great disservice, I think, if we fail to examine the meaning of this tragic experience. Unless we pause to reflect on Indochina and to adjust our world view in accordance with its teachings, we run the serious risk of repeating such blunders in the future. Although the cases are not exactly parallel, the recent covert commitment of U.S. aid in Angola seems to indicate that top administration officials, and particularly the Secretary of State, have learned very little from the past. Third world countries are still perceived as squares on the superpowers' chessboard, and Congress and the American public are still perceived as avoidable nuisances when foreign policy is formulated.

Clearly the time has come for a national debate on the most fundamental goals and assumptions of U.S. foreign policy, a debate that can give us a global posture based on consensus instead of furtive decree. Nobody has called for such a debate more eloquently than Richard Barnet, whose article in the January 17 issue of the New Republic deserves to be read by every Member of Congress. Because of its length, I am inserting this excellent article in the Record in two installments. The first segment follows:

The Great Foreign Policy Debate We Ought to Be Having

(By Richard J. Barnet)

Six months after the worst defeat in American history the great debate on what went wrong in Indochina has yet to happen. Like the "bloodbath" in Vietnam, the "orgy of recrimination" in America has turned out to be official hyperbole. Instead of the "wave of McCarthyism" so widely predicted by administration officials, there is a bipartisan silence. Vietnam is "behind us," President Ford proclaims, and no one wants to look back.

In most countries a 20-year war costing over $150 billion, 55,000 battlefield deaths, and lasting damage to the economy would not be written off so easily. Ordinarily generals who lose battles are dismissed. In parliamentary democracies governments that lose wars expect to fall. In the US the architects of the final disaster are still in power. Far from reexamining the world view that led a generation of American leaders, and the rest of us with them, into the famous quagmire, they have rededicated themselves—and us—to that same world view. There is an eerie quality of deja vu to the major post-Vietnam national security initiatives. Mayaguez (echoes of the Gulf of Tonkin); nuclear threats in Korea (shades of Gen. MacArthur); a proposed military spending program that locks the country into five years of escalating budgets (a replay of the Kennedy buildup of the early 1960s); renewed threats of military intervention in the Persian Gulf (memories of the Dominican Republic and Vietnam).

The official lesson of Vietnam, it seems, is that America's global defense perimeter must be redrawn, alliances cemented and the threat of American military power, including nuclear weapons, made more credible. The foreign policy debate, to the extent there is one at all, is about where to draw the new defense line and what weapons to use? Should Turkey keep its honorary membership in the free world? How much pressure should be put on Portugal? How fast should the US stand in Korea? But there is no challenge to either the vision of American or the vision of international politics that inspired five American Presidents to risk and lose in Indochina.

The discussion on foreign policy is taking place within narrow limits because the participants on all sides basically accept the same world view. There is a tacit agreement as to the goals America should be pursuing in international politics, shared assumptions about what is happening in the world, and a common faith about what American power can do.

Basically the discussion of current American foreign policy since the debate in Indochina accepts uncritically the cold war model of reality. America's goal remains as President Johnson stated it: "We are the number one nation and we are going to stay the number one nation." Despite détente, the central threat to the peace is still the Soviet Union. Soviet power must be contained by maintaining superior nuclear forces and projecting conventional military might through alliances, military aid arrangements and foreign bases. The world must be made as safe as possible for American economic growth by discouraging or aborting anti-capitalist revolutions wherever possible. American economic power must be employed to counter efforts of the nonindustrialized countries to alter the present international economic system.

The most fundamental assumptions of American foreign policy are beyond debate within government because the bureaucracies charged with making policy depend upon them for their survival. It is not for the air force to question whether "national security" requires keeping the foreign bases acquired in the 1950s or for the CIA to question whether American interests must be served by clandestine or paramilitary operations in the Third World. Bureaucracies keep doing what they do. To overcome bureaucratic inertia requires deliberate choices to move in a different direction and political support for alternative policies.

But politicians do not like to question the basic assumptions of foreign policy either. Indeed the last time the United States had a "great debate" on fundamental issues of foreign policy was the eve of World War II when the country was divided on what to do about Hitler. Henry Wallace and Robert Taft, each in his own way, tried to start a debate about America's role in shaping the postwar world, but the Truman administration and the "internationalist wing" of the Republican party fashioned a bipartisan consensus on foreign policy that held firm until the final years of the Vietnam war. Even the celebrated Great Debate of 1951 over the right of the President to station divisions in Europe in peacetime was more a debate about the limits of presidential power and the choice of military strategy (*Fortress America* v. *Forward Strategy*) than a debate about goals and purposes.

In the years of the bipartisan consensus political leaders have avoided clear-cut debate on the most fundamental issues, preferring instead to use foreign policy as political mood music: posturing about "rolling back" Soviet power from Eastern Europe (1952); a fictitious "missile gap" (1960); Nixon's "secret plan" (1968).

The one thing on which the "best and the brightest" and their critics agree is that the disaster in Indochina was a consequence of miscalculation. The strength of the revolutionary forces in Vietnam was underestimated, the passivity of the American people was overestimated (Dean Rusk calls it a lack of patience), and the serious political and economic implications of fighting a protracted colonial war were virtually ignored. At crucial moments Lyndon Johnson, Richard Nixon and Henry Kissinger lost touch with reality because they did not understand what was happening either in Vietnam or in the United States.

The best hope of restoring a sense of reality to foreign policy is to challenge and test official wisdom through democratic debate. In *Democracy in America* Tocqueville pinpointed the difficulties. Since the public does not like secrecy and quickly loses patience, he said, democracies are "decidedly inferior to other governments" in the conduct of their foreign relations. What he meant was that it is harder for a nation in which policy is debated to act decisively and consistently. More recently Dean Acheson lamented "the limitation imposed by democratic political practices," which makes it difficult to "conduct our foreign affairs in the national interest." Debate is supposed to embarrass the executive and hamper his style. The argument for "stopping politics at the water's edge" is that dissension exposes weakness to potential enemies. Others argue that since ordinary citizens cannot understand the subtleties of foreign policy, debate leads to jingoism. This notion flatly contradicts democratic theory, which holds that the testing of ideas in the political marketplace is the best way to avoid the catastrophic errors caused by the distorted vision of isolated leaders.

There is an obvious difficulty in carrying on a serious debate on foreign policy; the issues are complex, remote and emotionally charged. But it is doubtful that national security issues are inherently more complex than most domestic problems of advanced industrial societies. Foreign policy issues are, nevertheless, remote from most people's immediate concern. To get public attention when it is needed—it is usually not desired—statesmen resort to oversell and scare tactics, making points, in Dean Acheson's words, "clearer than truth."

Over the last generation code words have been developed that are designed to elicit an almost automatic approval of what the President wishes to do—"commitment," "credibility," "isolationist," "responsibility," and of course "national security" itself. As a first step to a more serious debate on foreign policy we should examine the extent to which we are trapped by the peculiar language George Orwell predicted would dominate 20th-century politics. A moratorium should be declared on meaningless terms like "commitment" and "credibility" and especially the incantation "national security." They could be treated as expletives and deleted from political discourse.

Commitment is a good example. What exactly did the government commit to whom? How was the commitment made? For what reason and for how long? So is "credibility." Who should believe what about the United States, and why? Had we gotten behind the abstractions that became war cries to debate who Thieu was, who supported him, what his commitment was to his country and who the Communists were and what their commitments were, we might never have deceived ourselves into thinking that we could win the war—or should. At least the American people would have had a better idea of the price involved.

The use of historical and psychological analogies also inhibits rational debate on foreign policy. How many of the decisions that locked the US in Vietnam were made in the shadow of Munich? It is unlikely that better decisions will be made by invoking the spectre of Vietnam. The problems of one generation cannot be solved by replaying the history of another. Nor is much clarity gained by talking about nations as if they were human beings—whether pitiful helpless giants or candidates for a nervous breakdown. Metaphors from the physical world such as "power vacuum" are also deceptive. The word forecloses the whole question of imperialism by assuming a law of nature that small, weak countries must inevitably be dominated by one super power or another.

However to restore a sense of realism to the discussion of American foreign policy requires more than a reform of language. It requires examination of major national goals and evaluation of how well we have been doing in reaching them. In the nuclear age the first goal of a foreign policy is protection from nuclear attack. Since there is no defense, as Presidents and Secretaries of Defense have repeatedly told us, survival of the United States depends upon our not being involved in a nuclear war. (I am assuming that even if an American Adam and Eve were to rise from the radioactive rubble to repopulate the earth, as Sen. Richard Russell prayed at the height of the Vietnam war, that would not be viewed as a wholly satisfactory outcome by a majority of Americans.)

After spending tens of billions on nuclear weapons since 1945 the US is of course much more vulnerable than it was then. The Soviet Union is now a formidable nuclear power, and nuclear proliferation has proceeded inexorably. The latter development means that nuclear weapons are not only in many new hands but in many new disputes. Some of these, such as the Israeli-Arab and India-Pakistan conflicts involve such deep feelings of desperation as to tempt the use of suicidal weapons. As the new commandant of the marine corps, Gen. Louis Wilson, recently remarked, it is doubtful that a general nuclear war can be averted once a tactical nuclear weapon is used on a battlefield. Thus, despite the minor arms control arrangements associated with détente, the dangers of nuclear war appear to be growing.

The United States is embarking on a massive weapons building program and has reasserted the right to use nuclear weapons first, even against non-nuclear powers. The issue is whether, given the present world environment, these policies will make the planet more dangerous or less dangerous for everybody, including the United States. We need a serious public debate on an alternative national security strategy based on de-legitimizing nuclear weapons: renunciation of first use; major diplomatic initiative for substantial cutbacks by the US and the USSR in nuclear weapons; a strong campaign to limit proliferation. At the very least the cliches of the arms race, such as "bargaining chips" (amassing new weapons for the purpose of persuading adversaries to get rid of theirs) ought to be subjected to critical debate. After a 30-year arms race, we have some experience of how nations behave in deadly competition, and the experience does not support the theory under which the US nuclear buildup is being planned. Yet, despite the grim prognosis for "stabilizing" (another favorite expletive) the arms race and avoiding nuclear war, there is no national debate that takes account of this experience.

The second most important goal of American foreign policy has been the containment of communism. But this goal has become confused over the years. The issues were clearer in the 1950s when the United States had the power to isolate the USSR and China, keep the left from taking power or sharing power in West Europe, and to destroy pro-Communist movements in the Third World. Indeed, until recently, US policy was designed to encourage a "mellowing" of the Soviet system. But the comfortable consistency of militant anti-communism is gone. The Communists in the Kremlin have become friends of the President (Brezhnev was one of Nixon's most loyal backers) and business associates of the Chase Manhattan Bank; the Communists in Chile and many other places are still targets of CIA operationr.

The fundamental purpose behind the anti-Communist policy was to contain the expansion of Soviet power. That purpose has failed not because of Soviet strength but because of America's growing weakness. It is not Soviet gains but American losses that have produced a shift in the balance of power. The United States has been forced to agree to the division of Germany and to Soviet control over Eastern Europe. (There is no other meaning to the Helsinki Conference.) The left is struggling to keep power in Portgual, is gaining strength in France and Italy, and will probably play an important role in Spain. In the United Nations it is the United States, not the Soviet Union, that is becoming increasingly isolated from the majority of the members. After 30 years of the cold war the Soviet Union is stronger militarily and more active diplomatically on a world scale than ever. Although Stalin's massacres are over, the Soviet system remains essentially unchanged. (Indeed the cold war has probably produced more negative changes in American society than positive changes in Soviet society.)

During the cold war the national security bureaucracy became so fascinated with the confrontation that it forgot what it was about. To regain some clarity and sense of realism in our foreign policy, Americans need to debate the premises of anti-communism, which means, as we have seen, quite different things to different people. The basic reason for containing the Soviet Union, George Kennan argued in his famous February 1946 cable was that the men in the Kremlin believed that their own security demanded that "our society be disrupted, our traditional way of life destroyed, the international authority of our state be broken." In short, at the most fundamental level, the cold war was fought in the name of preserving American society.

The principle issue for debate is whether strategies chosen for preserving American society have, rather, undermined it. Having analyzed the threat of communism as a military threat and invested about $1.6 trillion to counter it, the United States has systematically starved its own civil society. The fiscal crisis of the cities and the appalling physical decay in every metropolitan center are the products of a generation of neglect. There is an urgent need to debate whether the failure to reinvest adequately in American society and in the American industrial base has not weakened the foundations of American power, whether the health of the American economy has not indeed been sacrificed to "national security." To what extent are unemployment and inflation attributable to the mismanagement of our economy through distorted investment priorities? This is not a new debate. The fiscal conservatives in the Eisenhower era, like Secretary of the Treasury George Humphrey, thought the Soviet strategy was to force America to spend itself into bankruptcy. With the advent of the rhetoric of omnipotence—"we shall bear any burden, pay any price"—such notions were dismissed as troglodyte. The debate should be resumed about the real meaning of "national security." Can this society be secure if it does not assure the opportunity for decent work, decent health care, decent housing and a decent diet for its citizens? Can it do this if it continues to define "national security" in primarily military terms?

When the cold war began a few voices warned of the dangers of the "garrison state," that we might lose our freedom through our efforts to defend it. Watergate dramatized the vulnerability of our system of civil liberties and the ease with which executive tyranny can be established in the name of "national security." The attempted Nixon coup—the systematic campaign to take control of the machinery of government to harass and destroy political enemies—was narrowly averted but it illustrated how far our constitutional system had been eroded by secrecy, emergency powers, lying in the national interest, and other familiar byproducts of protracted war. The second unique source of strength, besides the extraordinary American economy is a system of constitutional liberty that has been admired around the world. It is surprising that the issues concerning the protection of those liberies are not integrally related to the debate on foreign policy. Certain kinds of foreign policies require more secrecy and more deception than others. The issues ought to be put in such a way that the American people could vote on the extent to which they are willing to sacrifice freedom for "national security." The issue is not whether the Russians might like to see our society disrupted, our traditional way of life destroyed and the international authority of our state broken, to quote Kennan again—that can be taken for granted—but whether this is more likely to come about through Soviet calculations or American miscalculations.

PEARL HARBOR SUPERVISORS CALL FOR RENEWED CONFIDENCE IN NATIONAL LEADERSHIP

HON. SPARK M. MATSUNAGA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mr. MATSUNAGA. Mr. Speaker, Mr. Clifford T. F. Chun, a production superintendent at Pearl Harbor Naval Shipyard, was recently elected president of the Pearl Harbor Branch of the National Association of Supervisors. His remarks at the organization's recent installation banquet were a moving tribute to our democratic system of government. Asserting that—

> We are closer to the attainment of our Democratic ideals than at any other point of time in our glorious history," he called for renewed confidence in our nation's leaders and urged his audience to seek to "redefine" and "rediscover" the "spirit of '76."

I know that my colleagues will find Mr. Chun's remarks as inspiring as I did, and I therefore submit them for inclusion in the Congressional Record.

SPIRIT OF '76

Honored guests, Fellow Superintendents, Ladies and Gentlemen: the great honor of being president of the National Assn. of Superintendents fills me with deep humility and sincere appreciation. In this Bicentennial year, this honor has special significance to me because it embodies the very essence of our great democracy and the "spirit of 76".

I would like to make the "Spirit of 76" the theme of my thoughts to you tonight. I can think of nothing more appropriate than to reflect with all of you the progress and the great strides which our glorious Nation has made from 1776 to 1976. Our Nation was founded on the concept that every man should be treated with dignity and respect and that all men regardless of race, religion, color or creed should be given equal opportunity in their pursuit of life, liberty and happiness. This respect for the dignity and rights of the individual is in direct contradiction to the totalitarian form of government which preaches that the state is supreme and all individuals are subordinate to its objectives.

Today, after 200 years of sailing through the vast and oftentimes stormy oceans of time, our democracy survives and the basic concept upon which our Nation was founded continues to flourish. While other democratic, quasi-democratic or constitutional forms of government have been threatened and gravely weakened by Communism and other dictatorial forms of government, I am of the strong opinion that we are closer to attainment of our democratic ideals than at any other point of time in our glorious history.

Today, there is no slavery, there is no landed aristocracy, there is no legalized discrimination, there is no deplorable poverty, there is no unchecked lawlessness, there is no constraint of an individual's rights and there is no control of his thought process. As a matter of fact, if one should list all of the positive elements which man desires in his pursuit of life, liberty and happiness, America would be so far ahead of other nations that we would not even see the second place nation. About the only fault which America and Americans can be criticized for is that—although we are the most well-off people in the world today—we do not appreciate the blessings which our creator has generously showered upon us.

Thus in this Bicentennial year—I feel that we should take time to meditate and reflect on how fortunate we are to be Americans. We should get down on our knees and pray and give thanks to our Creator just as the Pilgrims did when they found themselves safe in a land of freedom and opportunities. This Bicentennial year should be a year of thanksgiving for the guidance which the Good Lord has given us in safeguarding and strengthening our democratic form of government; this Bicentennial year should be a year in which we implore our Creator to help us continue to be free men until his coming at the millennium.

And so I stand before you and I give thanks for the privilege and honor of being an American. I give thanks that I have opportunities and that my children will fall heir to these opportunities. I give thanks that I am a free man in body and in spirit. I give thanks that although I am an American of Chinese Ancestry and a junior member of our association, I have been selected as your president. Indeed I pray that the "Spirit of 76" will continue to throb with vitality in the hearts and minds of Americans now and in the future. I also pray that we Americans will continue to reach for the stars and explore the unlimited universe of man's full potential. Today, America proudly stands as the bulwark of democracy and the bastion of man's freedom and dignity. If America falls in the coming years, the world will retrogress to totalitarianism and a communistic aristocracy and mankind will once again travel the path of the dreaded dark ages. I hope and pray this disaster will not happen.

And now I turn to other thoughts. I would like to take this opportunity to extend my appreciation to Mr. Al Yatchmenoff, Machinery group superintendent, captain Ray Hughes, production officer, and last but not least, captain Henry Hoffmann, shipyard commander, for their leadership and direction. These men have provided the type of leadership which reflects the "Spirit of 76" and the precepts of our equal employment opportunity program. To me, they exemplify the type of leadership which is critically needed throughout our nation, especially at our seat of government. When I am confronted by the statement that America is on the downhill because we have no leaders like those of the past, I reject such a proposition. The Democratic form of government is structured so as to recognize and bring out the most talented leadership such as the men I have named. It is my strong conviction that throughout our society the good ship "America" is manned by dedicated and capable leaders who will eventually set it on a safe course again. If there is any strength which I believe sustains a democracy—it is that a democracy continuously brings out the best in people and produces many leaders to ensure the continuity of a free nation. On the other hand, a totalitarian nation produces a few tyrants who take with them their form of government as soon as they depart from this earthly vale.

In conclusion, I must say a few words about my office, the other day, I stepped on a weighing machine which gives a person's weight as well as an assessment of his abilities and attributes. My wife reached for the card as soon as I mounted the scale and read: "You are an outstanding, intelligent leader with a magnetic personality and a strong character. You are also highly personable, witty and extremely attractive to the opposite sex." My wife paused for a long while, then said sarcastically: "Dear, it *also* has your weight wrong." Inspite of my loving wife's blunt opinion, I intend to exert every effort during the forthcoming year to ensure that our superintendent's organization continues its dynamic role in improving the shipyard and in supporting our Pacific fleet. I solicit your support, advice and continuing assistance and by the end of my term, I hope we will prove my wife wrong—at least about the first part of my fortune:

Mahalo Nui Loa again for the high honor you have acorded me and for your kind and considerate attention.

AMERICAN COLEGE OF NUCLEAR PHYSICIANS

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mr. LEHMAN. Mr. Speaker, I would like to bring to the attention of my colleagues the official recognition of a relatively new discipline of medicine—nuclear medicine—and the establishment of the American College of Nuclear Physicians, which has been of considerable assistance to the Congress in its efforts to insure the safe and speedy delivery of this sophisticated type of health care.

Nuclear medicine is the clinical field concerned with the diagnostic and therapeutic use of radioactive materials, called radiopharmaceuticals. It is a vigorous, dynamic field that has had phenomenal growth over the past few years and will continue to grow rapidly in the future, given the proper conditions.

Not only is nuclear medicine an infant compared to the basic practice of medicine, but the fearful images sparked by thoughts of nuclear reaction make it more difficult to deliver the benefits of this discipline to our Nation.

The newness of the discipline was underlined recently in the action of the American Medical Association, which, despite the long-time existence of other special sections, voted only in November of last year to establish a special section on nuclear medicine.

Dr. Gerald DeNardo, president of the American College of Nuclear Physicians, spoke to this issue at the annual convention of the AMA in Atlantic City last year, and noted:

> The College respectfully urges the establishment of a Section on Nuclear Medicine. There is a special urgency for action at this time.
>
> The pressures of current social crises, while affecting all medical practice, are especially pressing in the area of nuclear medicine. The air transportation of rediopharmaceuticals is just one area in which we have been active recently. This, and the resolution of other matters, would be more effectively enhanced by the establishment of a section.
>
> Until such a section exists, the practitioners of nuclear medicine cannot properly contribute to organized medicine and the health care delivery system.

This is the principal purpose of the college. It grew out of the Society of Nuclear Medicine, which is devoted principally to the scientific progression of the discipline. The founders of the college felt that an organization was needed to deal with problems of a more ordinary nature which were hampering or threatened to hamper the safe and economical delivery of this health care service.

The college listed among the problems encountered in the field the following: public fear, lack of understanding, and misinformation about nuclear medicine; unnecessary and costly regulations and restrictions; complex State and Federal regulations; transportation difficulties involving nuclear medicine supplies; and the previous lack of a cohesive effort to attack such problems.

The thrust of the new organization's efforts has been in the direction of fostering activities which will help practitioners deliver this health care to the public, safely and at minimal cost.

For instance, the college has been in close contact with the Subcommittee on Government Activities and Transportation, particularly regarding its recent oversight hearings on the implementation of the Hazardous Transportation Act by the Department of Transportation and the Federal Aviation Administration. The college found itself in agreement with the members of the subcommittee on the necessity of safe transportation of hazardous materials—including nuclear supplies—without the disruption of speedy delivery of medical supplies.

Both the subcommittee staff and the Airline Pilots' Association reaffirmed the necessity of fast and efficient air shipment of radiopharmaceuticals, subject to proper packaging and quantity safeguards.

The organization is also vitally interested in the proposed amendments to the Public Health Service Act, and has made its input to the Senate and House Subcommittees on Health in this area of health care.

The college was one of the organizations filing comments on proposed Federal Aviation Administration regulations on the monitoring of radioactive materials by aircraft operators. A number of organizations felt that the emphasis in the regulations was wrong, and the college felt that the proposed rules could hamper the speedy delivery of medical supplies. As a result of comments, the Department of Transportation revoked the rules and proposed new ones.

The college is also working with the Food and Drug Administration and other Government organizations in promoting programs which will benefit the Nation in the field of nuclear medicine.

The activities in this area are too numerous to recount at this time. My purpose is simply to draw attention to some of the many efforts being made to cooperate with the Federal Government to facilitate the delivery of health care to our citizens. It might also be worth noting that the college is active in encouraging State organizations of nuclear medicine to work with the States for more consistent nationwide programs.

The college is closing its second year of existence with a convention in Miami beginning January 28. During the convention, members of the college will discuss ways of building on cooperative efforts to foster the safe and economical delivery of nuclear medicine. Recognizing the vital importance of progress in preventing and treating diseases with the best methods and technologies that are available, I hope my colleagues join with me in wishing them well.

CAPITAL INVESTMENT IN OIL INDUSTRY

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mr. BROWN of Ohio. Mr. Speaker, an article on capital investment problems of the oil industry appears in Monday's edition of the Wall Street Journal. In view of recent legislative action on oil price controls and depletion allowance repeal, I thought that my colleagues would be interested in an update of the capital requirements of the industry. The following is a copy of the article:

[From the Wall Street Journal, Jan. 26, 1976]

STRAPPED FOR CAPITAL, MAJOR OIL FIRMS SELL INTERESTS IN PRODUCTION TO GET FINANCING

(By James C. Tanner)

A long-neglected mode of raising capital is being resurrected by major oil companies and others to help meet their soaring spending needs.

With the technique, Mobil Oil Corp. has quietly raised $350 million in new financing in recent days. Other recent users include Texaco Inc., Atlantic Richfield Co., Standard Oil Co. (Indiana) and Gulf Oil Corp.

In Mobil's case, the financing came from loans provided by a consortium of U.S. and Canadian banks. But, technically, Mobil didn't take on any new bank debt. Rather than borrowing the money outright, Mobil sold an interest in the future production of its U.S. oil and gas fields to a third party, which in turn arranged the bank loans.

The ownership interest is known as a production payment, and it becomes the collateral for the banks supplying the loan. The banks are repaid from a share of the revenues from future production of the property. Should the properties fail to pan out and this is highly unlikely because the banks' engineers scrutinize the reserves carefully before closing the deal—the oil company isn't liable for the loans.

LUSH TAX ADVANTAGE

Production-payment financing isn't new. For decades, it was widely used in the oil industry, particularly by independent oil operators. Outside the industry it was controversial, because it provided users with a lush tax advantage.

By using this financing device, prior to 1969, a lot of little oil companies grew big, often through acquisitions. They could acquire and develop properties with relatively little cash, and while the properties paid themselves out, the oil operators weren't required to pay income taxes on the revenue that were pledged to retire the production payments.

Then Congress put a stop to this. The 1969 Tax Reform Act defined a production payment as a straight loan. That meant that the oil companies had to pay taxes on revenues pledged to production payments. As a result, this method of financing quickly fell out of use.

Now it is being revived on a massive scale by the major oil companies that are locked into huge development projects requiring enormous amounts of capital. "It really opens up another avenue in raising capital in a capital-short economy," says an official of a Midwest-based oil company.

LAGGING PROFITS

Oil company profits have declined from 1974's spectacular heights. The amount of cash they can generate internally and their ability to borrow through traditional channels have diminished proportionately. But massive projects already begun—such as development of oil and gas fields off U.S. shores, in the North Sea and on Alaska's North Slope—require the continuous infusion of vast sums.

The major oil companies see the production payment as at least a temporary way out of this bind. With it, they can raise capital without running up a huge bank debt. "For Mobil," says R. H. Gardner, treasurer, "we look at it as bridge financing that doesn't hurt our bank flexibility."

Texaco chose this means of financing to raise $250 million recently. The production payment involved its interests in cerain oil and gas fields in Texas and off the coast of Louisiana.

Last month, Atlantic Richfield closed the sale of a $420 million oil and gas production payment to a new corporation, Alasca Inc., created specifically for the transaction. Alasca, in turn, financed the purchase of the production payment with a private placement of $200 million of notes with institutional lenders and a $200 million loan from a group of banks that included First National City Bank, Chase Manhattan Bank and Morgan Guaranty Trust Co. of New York. With its capital outlays averaging $2 billion a year, Atlantic Richfield will apply the proceeds from this production payment toward the development of its North Slope oil and gas properties.

USED OUTSIDE OIL INDUSTRY

Indiana Standard recently completed the acquisition of certain oil- and gas-producing properties in Wyoming and two gas-treatment plants from Pasco Inc. The purchase price was about $224 million, but Indiana Standard paid less than $90 million in cash. The balance came from a $135 million production payment.

Production payments are finding new favor outside the oil industry, too. Union Carbide Corp. recently sold a $160 million production payment that will be repaid with future output of uranium and vanadium from Rocky Mountain mines and tungsten ore mined in California. W. R. Grace & Co. is negotiating $60 million of similar financing to be discharged from future phosphate-rock production in Florida. Grace is also in the process of obtaining financing for a joint coal-mining venture with Hanna Mining Co. through a production payment.

This isn't the first time production payments have been used in the coal industry. In 1966, Continental Oil Co. used $460 million in production payments to acquire Consolidation Coal Co., the nation's second-largest coal concern. (According to some officials in the oil industry, this use of the production payment outside the oil business focused national publicity on the practice and ultimately led to Congress's elimination of the tax break.)

In the past year, Gulf Oil used a $67 million production payment to finance the expansion of a coal mine. Gulf also recently used the technique to obtain $100 million from banks for development of several offshore Louisiana oil fields and $27 million from another group of banks to develop its offshore holdings in the African state of Zaire.

SHARING POLITICAL RISKS

An obvious advantage of this type of financing is that it reduces the oil companies' risks, particularly abroad, where there is often a chance that their properties could be nationalized. In Zaire, a Gulf official says, "the banks shared the political risks" by financing the oil company's development there, while Gulf, he says, "undertook the technical risk of bringing the field on production."

(Because their risks are greater than with ordinary loans, banks making production-payment loans often charge a premium ranging up to one percentage point over prime, the interest rate they generally charge their best corporate customers.)

Republic National Bank of Dallas, a unit of Republic of Texas Corp. and a pioneer in production-payment financing, provided with seven other banks the $100 million Gulf is using for its fields off the Louisiana coast. The other banks included Manufacturers Hanover Trust Co. and Bankers Trust Co. Major oil companies are interested in production payments, a Republic National vice president says, "because this type of financing isn't reflected on the balance sheets as direct debt. That is the key."

Independent oil companies, who were the principal users of the production payment when it still offered tax advantages, don't share the new enthusiasm. "This isn't something for the independents now," says an official of General American Oil Co. of Texas, a big Dallas-based oil and gas producer that is generally credited with initiating the concept decades ago. At least for now, the independents say that their capital requirements—far smaller than the majors'—can be met through normal debt channels.

CLARENCE M. MITCHELL HONORED

HON. CARL D. PERKINS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mr. PERKINS. Mr. Speaker, on Tuesday, January 27, a host of friends and admirers of Clarence M. Mitchell honored him at a luncheon at the Shoreham Hotel.

I think it is fitting that Clarence Mitchell's services to his country and his people have been recognized.

The honorary cochairpersons for the event were the distinguished U.S. Senator from Massachusetts, Mr. BROOKE; the Honorable Patricia Roberts Harris, Mrs. Kivie Kaplan, and George Meany, president of the AFL–CIO.

During my years in Congress, Mr. Speaker, it has been my privilege to meet with and talk with many distinguished Americans about the issues before the country during a period of 27 years.

But I would be hard put to name any one of them who had more reasonableness of approach, more compassion in his outlook, and more genuine concern for what is right and wrong than Clarence M. Mitchell.

If we in the United States followed the Japanese custom of paying special homage to our unique and irreplaceable citizens, he would long since have been declared an American National Treasure.

Rarely in its history has our country produced a man whose dignity and decency, and whose essential worth have been so recognized and esteemed by his fellow countrymen.

The lengthening years that I have been privileged to know and to work closely with Clarence Mitchell have served but to deepen the affection I have for him, and my appreciation for his intellect and his honor.

The generous and magnanimous spirit of Clarence Mitchell has enriched this country, and I am glad to see that he has been appreciated in his own time.

BICENTENNIAL SALUTE TO DR. E. C. SMITH

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mr. FAUNTROY. Mr. Speaker, as this great Republic celebrates it Bicentennial and we reflect upon the virtues of the Founding Fathers of our Nation, I think it most appropriate that we pay tribute also to those who today carry on in the best tradition of the faith and works of the Fathers of our country. Here in our Nation's Capital we are privileged to have one such man whose life and works are the very embodiment of the faith, the sense of conscience and the response to duty that have so endeared the Founding Fathers to us all. I speak of Dr. E. C. Smith, pastor of the Metropolitan Baptist Church.

History, Mr. Speaker, is nourished by instructive example. The instructive example of the life of Dr. E. C. Smith has indeed enriched the public service, exalted the public life, and added lustre to the work of the church in America.

Ernest Clarence Smith, pastor of Metropolitan Baptist Church since 1928, has served his church, his community, and his country with an unwavering and untiring devotion to the betterment of mankind. His leadership can only be characterized as inspired commitment to the cause of social justice, racial harmony, and spiritual regeneration.

A man of immense wisdom, Reverend Smith was educated at Virginia Seminary and College, Virginia Union University, and is the recipient of honorary doctorate degrees from Virginia Seminary and Virginia Union University. For 23 years, he was an instructor in the School of Religion at Howard University.

His contributions to the churchdom are as numerous as they are outstanding and they reflect the extraordinary career of a man who has touched so many lives in the course of his service to God and mankind. For 19 years, he was vice president of the Virginia Baptist State Convention. He has authored several publications for church school workers, and under his astute guidance, Metropolitan Baptist Church has constructed and paid for a modern educational structure and is building a 100,000 youth center.

Washingtonians celebrating our Nation's Bicentennial see reflected in Dr. E. C. Smith the sterling qualities that endear the Founding Fathers to all Americans.

As the patriots recognized the outstanding leadership qualities of the Father of our Country, George Washington, so the 3,000 members of the historic Metropolitan Baptist Church have for 48 years enthusiastically followed his leading. His leadership of the powerful Committee of 100 Ministers continues even today on numerous matters before our newly elected government reminds us of the courage, tenacity seemingly boundless energy of a Patrick Henry.

Dr. E. C. Smith has meant so much to me personally as the inspiration of my youth, a counselor in my early ministry, and a guide in my political life that I rank him with a Thomas Paine in his "Common Sense." The practical wisdom of a Benjamin Franklin is seen in Dr. Smith's prudent application of religion to life in the modern educational building, the Kiddie College, and the youth center he has built.

The political sagacity of a Thomas Jefferson is reflected in the fact that both the National Baptist Convention, U.S.A., Inc. and the Progressive National Baptist Convention of our great Nation count him among the most revered and respected ministers to serve them in the history of the national church bodies.

I consider it an honor and a privilege to introduce into the CONGRESSIONAL RECORD this testimonial in recognition of Rev. Ernest Clarance Smith, a great American who, by his deeds, has earned the respect and admiration of the citizens of our Nation's Capital as a Founding Father of religious leadership.

ATLANTA: STATE OF THE CITY—1976

HON. ANDREW YOUNG

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mr. YOUNG of Georgia. Mr. Speaker, on January 5, 1976, Maynard Jackson, mayor of Atlanta, delivered his annual state of the city address before the Atlanta City Council. It was with optimism and determination that Mayor Jackson addressed himself to Atlanta, its progress, and its future. I believe it will be of interest to my colleagues to witness how Atlanta, one of our Nation's greatest cities, is coping with the demands of a rapidly growing population with the pressures and perils dictated by our present age. The mayor stated:

> These are times that call upon all of us to open our eyes to the realities around us, to avoid the "tunnel vision" that can lead to disillusionment. We must look critically at our past, learn from it and build a firmer foundation for our future as a united Atlanta.

It is upon this understanding that Mayor Maynard Jackson made the following address:

THE STATE OF THE CITY

(By Maynard Jackson)

1975 was not an easy year for Atlanta. The sorry state of our national economy and the local manifestations of those problems; the continuing adjustment of city government to the dramatically different requirements of a new city charter and to the resulting sweeping reorganization; our increasing sensitivity to the many human relations questions to which we must find answers—all of these factors made 1975 a year filled with the constant search for answers to complex questions.

This is not a time to meet together at year's end and pat each other on the back with self-satisfied smiles. This is not a time to gloss over our problems as though they do not exist. This is not a time to pretend that there are no desperate people walking the streets of our city begging for jobs. This is not a time to ignore what the economic crisis that has gripped our nation has done to the people of our great city—that those who desperately seek work are both skilled and unskilled, educated and uneducated, white as well as black.

These are times that call upon all of us to open our eyes to the realities around us, to avoid the "tunnel vision" that can lead to disillusionment. We must look critically at our past, learn from it and build a firmer foundation for our future together as a united Atlanta.

I ask you today to join with me in understanding our recent past, evaluating it, and then looking toward the new year. At this time last year, I addressed the city council and discussed several areas which demanded our immediate and careful attention. I am pleased to report that there has been significant attention to and progress in all of those areas. Let us look at a few of those challenges in detail.

CITY GOVERNMENT IS BETTER ORGANIZED

Our executive branch reorganization plan is in place with nine departments functioning under the able leadership of a dedicated group of commissioners. With the cooperation of the city council, the process of reorganization was completed one year earlier than expected.

As anticipated, we are having to work out the fine points of our new charter during the day-to-day functioning of government. Our new city charter is now only two years old and, like the U.S. Constitution or any new charter, faces many more years of interpretation from the courts, the citizens and elected officials. That interpretation and definition will not hamper the functions of government and the delivery of vital services to the people of Atlanta.

THE CITY OF ATLANTA IS FINANCIALLY SOUND

The city of Atlanta's financial stability was recognized by Wall Street in late September. Standard and Poor's Corporation and Moody's investors service, America's foremost municipal bond rating services, reviewed Atlanta's financial policies, practices and current status and, despite the climate generated by New York City's financial crisis, reaffirmed our city's financial stability and continued the high grade, excellent ratings for Atlanta's bonds.

However, we have been hit as badly by runaway inflation as other American municipalities and States; and, although we are in better financial shape than most cities, we intend to maintain our "people-oriented" policy of quality service to the citizens of Atlanta with strict adherence to a fiscally sound, balanced budget. I believe members of council share that intention and commitment.

Yet, the cost of city services is rapidly outstripping Atlanta's ability to meet the demand from its present tax structure. We have responded to this dilemma with four basic policies:

1. In my last budget message, we directed city commissioners to "do more with less", and the departments have responded well to this fiscal imperative.
2. We have avoided tax increases where possible and have taken a hard line against property tax increases for 1976.
3. We are emphasizing during my administration efforts to increase program efficiency and effectiveness through timely planning and evaluation.
4. Support of helpful annexation plans.

MODERN MANAGEMENT SYSTEMS FOR A MODERN CITY

We have begun to define and evaluate programs on the basis of their productivity and effectiveness. We now have an annually adopted comprehensive development plan (CDP) which is Atlanta's overall statement of goals and objectives for maintenance and improvement of city services and facilities. The comprehensive development plan (CDP) is a tool that will provide among other things, the basis for much-needed program evaluation. At periodic intervals, we must evaluate our own progress toward achieving departmental goals and work programs by asking whether a program does what it was created to do. On the basis of this kind of evaluation, we will be able to determine whether a given program should be refined, revamped or discontinued. For the first time in our city's history, we now have a firm commitment to conduct this kind of on-going study and evaluation. Right now, in fact, we are conducting an intensive evaluation of how the city council and the executive branch process contracts and how that process can be speeded up without sacrificing the needed system of checks and balances. That study, being conducted at my direction, will form the basis of recommendations which I shall make to you, the city council, for legislation by which our system can be streamlined.

Evaluation will help city government to decide where to spend valuable tax dollars to be sure that Atlantans receive the maximum benefit from them. Also, budget-related priorities will be set and followed.

Further, we will have, for the first time, staff working specifically on the most productive way to seek and obtain Federal dollars. In the face of changing Federal priorities and regulations, cities must be aware of the importance of up-to-date knowledge of the Washington financial scene. Many American cities now retain Washington-based consultants to work directly on the Federal level to ensure their maximum access to essential Federal dollars. Although needed, Atlanta has no such representative yet. But we do rely frequently on the efforts of organizations such as the U.S. Conference of Mayors and the National League of Cities. These organizations, on whose executive boards I have been elected to serve, are charged with protecting the interests of the 80% of the national population that is urban America. We cannot afford to be left out of that process. In 1974, Atlanta received $44.1 million in Federal grants as compared to only $5.6 million in 1970. This money, secured through aggressive pursuit by city government, was used in several vital areas, including public safety, community development, housing, planning, cultural affairs and environmental protection. A loss of these funds would create severe needs in these and other important areas. But this Federal money also increases the local responsibility to produce for Atlantans worthwhile cost-effective programs with these funds. Our Bureau of Budget policy and evaluation will help city government to meet that responsibility successfully.

ATLANTA IS NOW A SAFER CITY

A recent poll taken in Atlanta by Pat Caddell''s nationally recognized Cambridge Survey Research, Inc., and sponsored by the C & S National Bank, revealed that public safety is a topic of major concern for many Atlantans. I am pleased to report to you that we have made significant progress in public safety during 1975.

The Bureau of police Services in the City Department of Public Safety is charged with the responsibility of enforcing the law, but our police officers spend almost 70% of their time performing crime prevention services. These services range from work with young people and crisis-oriented families to directing traffic to building good, solid police-community relations. We feel that these services are just as important as the traditional role of police officer as "enforcer". A police officer cannot survive out on the streets of a city if he or she is perceived as a member of an "occupying army". Any police officer must have the support, trust and cooperation of his or her community to function effectively in preventing and fighting crime, and the success of our team-policing experiment especially proves that.

Our FBI-reported crime statistics bear out the wisdom of this approach. Although we are far from satisfied, Atlanta has made significant strides in reducing crime during the past two years. In fact, during the first 11 months of 1975, better training, better planning and dedicated work by the Atlanta Bureau of Police Services paid off insubstantial continued reductions in homicide (down 25.1%), auto theft (down 10.8%), robbery (down 7.6%), and burglary (down 11.6%). Our crime rate, therefore, is down in at least four of the seven major areas of criminal activity; the independent Atlanta Crime Commission reports that downtown is the safest place in metro-Atlanta; and the regional and national rates of crime increase are more than five times Atlanta's overall rate of crime increase!

We also are experiencing a great deal of success with a number of crime prevention programs which stress public involvement and public education. The best known of these outreach programs is T.H.O.R. (Target Hardening/Opportunity Reduction). With nine neighborhood headquarters strategically located throughout the city, T.H.O.R., since its inception a little over a year ago, has conducted 49,000 residential security surveys and 17,500 commercial security surveys. We know it works because burglaries dropped over 11% during 1975!

This record of accomplishment and commitment cannot be viewed without some irony, however. In spite of the giant strides we have taken in this area—internally with the programs, activities and procedures to improve communications and morale and develop a more professional bureau of police services, and externally with improved, structured exchange between police officers and citizens on every level—we are faced with the possibility of losing approximately 313 federally funded police positions at the termination of funding by the U.S. Law Enforcement Assistance Administration (LEAA) of "high impact" anti-crime programs. This loss, if it occurs, and other budget restrictions will create a situation where extraordinary effort on the part of every police officer and extraordinary cooperation on the part of every citizen and other city employees will be necessary if we are to continue to move forward in this area. We intend to fight vigorously to preserve federal funding, however. Therefore, I have agreed to serve as chair of a task force of mayors, appointed by the President of the U.S. Conference of Mayors, to lead the fight for renewal by the Congress of U.S. LEAA funding at an adequate level.

The Bureau of Fire Services has demonstrated its excellence by leading Atlanta to a city fire safety rating in the highest class achieved by any American city.

A MORE LIVABLE CITY THROUGH "OPEN GOVERNMENT"

The Department of Public Safety is not the only area in which we have reached out to the citizens of Atlanta for their advice and help. Full citizen participation in all aspects of governmental planning has become a hallmark of this administration.

Our continuing effort to involve citizens in the decisions that affect our lives can be seen most clearly in a more aggressive urban design commission and in the development of Atlanta's one-year, five-year and fifteen-year comprehensive development plan (CDP). The CDP, mandated by the new city charter, is to be used as a guide for the orderly growth and development of our city. Citizen participation in the development of the CDP is a democratically structured process calling for public hearings throughout the city in 24 sub-areas called neighborhood planning units (N.P.U.). These hearings, conducted annually as a part of the process of producing and updating the comprehensive development plan, as well as regular N.P.U. meetings, allow neighborhoods and communities to bring their ideas, their suggestions and their priorities to the attention of city government for incorporation in the comprehensive development plan. It is a process which is still evolving and which gives us a new way of planning together for a better quality of life. It allows us to make wise decisions today based on our goal for a more livable city tomorrow. It allows us to establish consistency in the planning process and to avoid duplication, waste, neglect and insensitivity.

In 1975, the city council approved the boundary lines for the 24 neighborhood planning units. Neighborhood planning committees now have been organized in 18 of these neighborhood planning units. Next year, we should have "sketch plans" for every N.P.U., produced with continuous participation by citizens living in these areas. Ours has become a leading model of citizen participation in American urban planning.

"Sensitivity" may seem out of place in a "State of the City" report. It might seem that a cold, purely objective analysis of facts and figures would be more appropriate. I disagree. I am convinced that one of the major accomplishments of this administration will be the opening up of government to all Atlantans. My primary goal is to make this government work for all Atlantans by listening to the voices of all, including those who are too rarely heard by our society. We have responded to those voices in many areas, and next month I will present to the citizens of Atlanta a report on the first two years of my administration so that we can understand specifically how responsive and how effective we have been to the needs and concerns of all Atlantans.

We have tried to be sensitive to the day-to-day operations that make a city livable. "Herbie the curbie," born of necessity, has been in operation for a little over a year, and our new system of equalized garbage collection is in place at a savings to Atlanta taxpayers of $3.4 million per year. "Operation SCAT" (Special Cleanup Action Team) was created in September to give special attention to cleaning up historically neglected and other heavy-activity areas. The city of Atlanta is cooperating with Central Atlanta Progress, Inc., on a new "environmental patrol" to concentrate on keeping downtown Atlanta clean and attractive. We also are increasing our struggle to rehabilitate and preserve our precious neighborhoods.

But we have not restricted ourselves to these aspects of city life. We dramatically have increased and formalized the city's commitment to the arts and culture through the department of parks, libraries and cultural affairs. That city department's new bureau of cultural and international affairs has taken the concept of "open government" and applied it to our city's cultural life. Structuring events which are exciting and free to the citizens of Atlanta, this dynamic bureau has provided individual artists with commissions and grants assistance, provided service grants to arts groups, and sponsored and co-sponsored a number of exciting projects which have involved maximum citizen participation at all levels and across all economic, racial and sexual boundaries. "Mayor's day for the arts" on May 9, brought tens of thousands of people into downtown Atlanta for free performances and demonstrations by the finest artists Atlanta has to offer. Following up "mayor's day for the arts" with the creation of the neighborhood arts center on Georgia Avenue, the "city sounds" summer concert series in central city park, the "Georgia grassroots music day" in underground Atlanta, the October "festival of women in the arts" and the December "performing arts festival". This bureau has reaffirmed this government's commitment to bring art to Atlantans—downtown, uptown, midtown, eastside and westside, southside and northside, rich and poor, black, brown and white—in a fresh new way. In the past, we have supported the arts officially and directly on a limited basis; however, direct city support has more than doubled in the past two years and our commitment is to make "the arts" enjoyable and open and accessible to all Atlantans.

Another primary concern in "opening up" government to the people is in the area of jobs and contracts. It is unnecessary for me to review here in detail the terms and concepts with which we have become familiar during the last year. Words like "joint venture", "affirmative action", and "equal employment opportunity" have made the headlines more often than any of us can remember. Regrettably, many of the stories we heard and read were based on incorrect information and unseemly hysteria. Many were in response to fear and ignorance, and some were just poorly and ineptly reported. All of these concepts, however, are merely tools to help us as a government and as a society of human beings to learn to judge each other on the basis of quality and not on the basis of race or sex or height or weight or religion or color of hair and shape of eyes. We are committed to providing the opportunity to all Atlantans to compete in the economic arena. That does not mean we advocate favoring any one group over any other group or any one Atlantan over any other Atlantan just because of race. It does mean that we must make basic changes in how the historically unfair system works in order to be sure that "lowest and best" is achieved in an open and competitive bidding process where Federal and city affirmative action requirements are met and where all bidders have an equal chance to compete.

I think "competition" is a key word in any discussion of these complex questions. Just being black is not enough to win any city contract, but neither shall it ever again be a reason for exclusion from any city contract. I am committed to excellence and efficiency, and neither of these is deleted or diluted through a fair, equitable, legal process of open competition. In other words, it does not cost more and take longer just because one of the participating firms is black.

It may not be easy for those among us who are frightened by change to respond positively to this new openness. There will be tensions and there will be strains upon our relationships with each other, but that has always been the case. We must expect that. A profound American, Frederick Douglass, once said that you cannot have "crops without plowing up the ground"; you cannot have "the ocean without the awful roar of its many waters". I believe, as Douglass said, that "if there is no struggle there is no progress." We cannot become a great city until we are able to argue the issues vigorously and without fear that our opinions will be viewed as "disruptive." We will never, never, never solve our problems unless we face them and the hypocrites whose words urge us to "come together" while their actions keep us apart.

It is my firm belief that our city cannot come together in racial unity to build the kind of progressive, humane coalition to which many of us are committed without first examining and coming to terms with ourselves. We must be comfortable with our human differences and confident that we can agree more than we will disagree, and that we can do so with a loving spirit of devotion to our city, which is more important than any of us. We still have the best race relations of any major city in America; and if we do not "cut off our nose to spite our face", we will have a bright future as a city truly united, an example of hope to a divided America.

THESE ARE "TRYING TIMES", BUT GETTING BETTER

What does our immediate future hold? 1976 is not a year to dream big dreams. The national economy has not recovered and we will continue to feel the effects of that national slump. Our revenues are not increasing with the same rapidity with which our costs are rising. Unemployment continues to be a matter of major concern. We are going to have to consolidate and maximize our existing resources. We must do more with less. All of us must be prepared to sacrifice for Atlanta's long-term goals.

I do not mean to suggest that Atlanta has nothing to anticipate. In the public sector alone, we have four major capital improvement projects which will get underway in 1976, creating new jobs and a more livable Atlanta. Our new central library (made possible through the efforts of a marvelous, determined, interracial coalition of Atlanta voters), the Richard B. Russell Federal office building (which will be located in the heart of our vibrant downtown area), increased Marta construction, and work on the Hartsfield Atlanta International Airport Midfield Development. All of these projects, amounting to approximately $1.5 billion, will give our local economy a much-appreciated boost.

We can look forward also to exciting innovations in many areas under the federally funded community development program, administered by the city of Atlanta Department of Community and Human Development. Our $18.8 million first-year community development grant will be utilized in designated target areas to benefit Atlanta citizens through neighborhood improvement projects, some transit area development projects and other physical improvement activities consistent with the objectives of the Federal Housing and Community Development Act of 1974. During 1976, $9.3 million will be utilized for additions and improvements to our parks, initial development of a new neighborhood facility and expansion of an existing facility, major improvements to the city's storm sewer and drainage systems, improved street lighting in the central and other business districts, completion of the Plunkettown interim assistance program, and rehabilitation of 350 housing units. Also, in the 1976 program, economic development and improvement programs will help to revitalize little Five Points and Lakewood Heights business communities. With the $1.2 million the council has approved for this purpose, improvement loans will be made available for restoration of commercial areas, and major public improvements, such as street lighting, sidewalk repair, parking and street improvements, will be completed.

In selected transit station areas, $4.5 million will be spent in 1976 for physical improvements and redevelopment activities. In late February, I will make my recommendations to the city council on program expenditures for the 1976–1977 community development program, the second program year.

ATLANTA: BELIEVE IN IT, ENJOY IT AND TALK UP

1976 will be a year when the most important asset our city can have will be an intangible one. It will be a year when our own vision of what our city can be and our self-confidence can take us another step closer to "the great city," the successful city, the ethical city.

Fear, self-doubt and negativism will cause us to see ourselves "as grasshoppers" and so appear to others. Lack of confidence can dwarf our accomplishments and our courage and can seduce us back into the quicksand of "if only" land and the suffocation of mediocrity.

That is the choice we must make. Will we be a city of grasshopper mentality, or will we share the promise of our future together? Will we look at the present good things about ourselves and our city and "talk up Atlanta," or will we choose to present a negative attitude to each other and to the nation, one that can do more to hurt us than any economic slump or natural disaster?

I choose Atlanta, already America's greatest city. I choose to believe that we shall continue to succeed and that we can create an urban model of excellence of which generations yet unborn can be proud. Let us believe and work together, Atlanta, to build that kind of city and that kind of future. Believe in Atlanta! Enjoy it, and talk up!

A TRIBUTE TO JOSEPH C. MUSCA

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mr. LAFALCE. Mr. Speaker, I would like to bring to the attention of my colleagues a very special person—someone who through years of community service has emerged as one of western New York's outstanding citizens and community leaders.

Joseph C. Musca has just been named vice consul for the Italian Government for western New York State. Buffalo born, at the age of 5, Mr. Musca returned with his parents to their hometown of Campobello di Licata, Sicily. Mr. Musca reentered the United States in 1949 and since 1969 has served as consul agent for western New York. In that capacity, he has devoted his time and energy in aiding and counseling countless persons who have sought his assistance.

Mr. Musca has exhibited great concern for the betterment of the entire western New York community and its citizens by taking a very active role in many civic, cultural, and charitable organizations and in several of these he has served in an executive capacity. Mr. Musca's record of service and citizenship is a great credit to both the government he represents and the community in which he lives.

Joseph Musca's achievements are part of a long legacy of accomplishments left us by a proud, distinguished Italian-American heritage. Throughout our country's history, no group has made a more notable contribution to our great democracy than Italian Americans.

Entire books have been devoted to the contributions of Italians in America. In government, Italian Americans have distinguished themselves as Members of Congress, Governors and mayors, Cabinet officers and jurists, and in countless other positions in Federal, State, and local government. Today, my Italian-American colleagues in Congress include 2 Senators and 23 Representatives.

Italian Americans helped to build our railroads and bridges and construct many of our greatest buildings. Italian-American artists and sculptors poured their love for their adopted country into the beautification of our public buildings. The U.S. Capitol itself is an enduring monument to their skill and dedication.

Italian-American musicians and singers, actors, and actresses excel in the performing arts and entertainment fields.

Every industry in the United States has benefited from, and continued to benefit from the input of Italian capital and energy. In addition, Ameircan labor has been strengthened greatly by its Italian-American leaders and membership. Italian influence on American civilization can be found in every facet of our society, save none.

Perhaps the greatest single contribution that Italian Americans as a group have reaped on American society is their continued reverance for the values of the family and their related concern for their local community. And this comes at an especially critical time—a time when these kinds of values seem to be eroding. Stability, hard work, decency, honesty—these are characteristics of the vast majority of Italian-Ameircan families. Unspectacular in themselves, they help maintain the fabric of American life. Joseph Musca's efforts in western New York are certainly indicative of this heritage.

Those of us who share this great heritage, as Mr. Musca does, can be both proud and thankful; proud of our role as spiritual heirs of Columbus and those who followed him, and thankful for this great, rich land of ours, which has given freedom, opportunity, and hope to millions of the world's oppressed.

In recognition of the kind of man Joseph Musca is, as well as in celebration of his recent appointment as vice consul, the Federation of Italian-American Socities is sponsoring a testimonial dinner honoring Mr. Musca. The dinner will take place at the Statler Hilton Hotel in Buffalo, N.Y., on January 31, 1976. Guests will include New York State Court of Appeals Judge Domenic L. Gabrielli; Robert Gaja, Italian Ambassador to the United States; and Vieri Traxler, consul general of Italy.

Mr. Speaker, I would like to join in the honoring of Joseph Musca by offering my own personal congratulations. He deserves this promotion, as well as the recognition of his outstanding achievements.

CUTBACKS IN ELDERLY PROGRAMS

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mr. MOAKLEY. Mr. Speaker, President Ford has requested cutbacks in the funding of services for senior citizens which was authorized by the Congress under Public Law 94–135.

I strongly oppose the administration's proposals. This country's senior citizens should be highest among national priorities.

The administration's budget for fiscal 1977 does include funding in the areas of transportation, homemaker services, and legal aid for older Americans.

For instance, State and community services programs under title III of the Older Americans Act would be funded at a level of $97 million. The programs under this title received approximately $105 million in Federal funds in fiscal 1975.

We cannot permit these cuts. Allowing this is turning our backs on the senior citizen who has worked all of his or her life, and has little to show for it. At a time when inflation hits the older segment of our population hardest of all, we cannot and must not consider cutbacks which hit at these people's standard of living.

There are currently efforts taking place to bring transportation and other services to more senior citizens. We cannot discontinue the progress we have made. To deny older Americans new services is wrong. To reduce existing programs is outrageous.

SOBOBA BAND OF MISSION INDIANS

HON. SHIRLEY N. PETTIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mrs. PETTIS. Mr. Speaker, yesterday I introduced legislation to enable the Indian Health Service of the Department of Health, Education, and Welfare to provide the Soboba Band of Mission Indians assistance in obtaining suitable water and sewerage facilities.

Currently, this group, located in the Upper San Jacinto River Basin in southern California, is precluded from receiving assistance from the Indian Health Service because of provisions in Public Law 91-557. These provisions provide that the eastern and the municipal water districts are to construct a water distribution system and water supply in exchange for the annexation of the Soboba's 5,056 acres. Because the band has voted not to cede its land to the water districts involved, construction of an adequate water supply has not taken place and the Soboba Reservation water supply has degenerated to the point that many residents are without water for extended periods. Additionally, because of an insufficient water supply, the 234 members of the band have been denied participation in Federal housing and other programs.

My bill would expedite matters by amending Public Law 91-557 and permitting the Indian Health Service, under its general authority—Public Law 86-121; 42 U.S.C. 2004a—to "provide the Soboba Indian Reservation with sanitation facilities and services on the same basis as other federally recognized Indian groups."

The history surrounding the Soboba Reservation water supply goes back many years. Springs and wells largely supplied domestic and irrigation water on the reservation until about 1936 when, apparently, the metropolitan water district constructed the San Jacinto tunnel as a part of its Colorado River aqueduct and the tunnel intercepted large subterranean flows of water thereby diminishing the flow of certain springs on the reservation. Subsequently, a total of 21 springs on the reservation dried up. The Soboba Indian Reservation thereupon—in 1941—demanded damages from Metropolitan for water depletion on the reservation.

The enactment of Public Law 91-557 in 1970, was an effort to permit a settlement of the longstanding dispute between the Soboba Indians and the metropolitan water district by authorizing the Secretary of the Interior to approve a release agreement that would be negotiated between the Soboba Band, the Metropolitan Water District of Southern California, and the Eastern Municipal Water District, thereby releasing the two districts from the Indians' claim for damages and authorizing the Interior Secretary to enter into an annexation and water service agreement with the Eastern Municipal Water District to provide for the construction of facilities that will supply the Soboba Indians with a permanent source of water. To date, no such agreement has been entered into.

For this reason, I am introducing this legislation today as a means of obtaining suitable domestic water facilities for the Soboba Reservation.

Mr. Speaker, I would like to insert for the RECORD the following resolution adopted by the Soboba Tribal Council endorsing my legislation:

RESOLUTION

Whereas, the Soboba Reservation water supply has degenerated to the point that many residents are without domestic water for extended periods, and

Whereas, the Bureau of Indian Affairs no longer has authority to provide domestic water facilities, and

Whereas, Department of Health, Education and Welfare (DIH) is precluded from furnishing Soboba residents the same services as received on other reservations due to provisions of P.L. 91-557, and

Whereas, the foregoing conditions deprive the Soboda people of a healthy environment, and

Whereas, the Soboba people have been denied participation in housing and other programs which would provide better living conditions because of increased demands which would be placed on the existing insufficient water supply, and

Whereas, Congresswoman Shirley Pettis has indicated a willingness to have P.L. 91-557 amended to provide Public Health Service with authority to assist the Soboba Band under the general authority of P.L. 86-121 provided she is assured that her approach to the problem has the support of the Soboba Band.

Now therefore be it resolved that the Soboba Band of Mission Indians inform Mrs. Pettis that we appreciate her concern in our problem and endorse her solution to provide assistance in getting a suitable reservation domestic water supply.

Be it further resolved that the Bureau of Indian Affairs and Public Health Service be requested to endorse the legislation proposed by Mrs. Pettis to provide a means of obtaining suitable domestic water facilities for the Soboba Reservation.

GEORGE S. HALAS

HON. MORGAN F. MURPHY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mr. MURPHY of Illinois. Mr. Speaker, today I join thousands of Chicagoans in applauding the selection of George S. Halas as "Chicagoan of the Year." George Halas founded the Chicago Bears 56 years ago. As the team's coach for 40 years, "Papa Bear"—as he is fondly called by many—forged the Bears into a football team professionally respected for its talent, skill, and spirit. George's leadership and expertise in coaching led the Bears to 321 victories—a record in NFL history.

His career in professional football is distinguished by many firsts—George being the first to use the films of opponents' games to prepare for upcoming battles as well as the first coach to hold daily practice sessions. George Halas led the way in broadcasting the games on radio allowing fans to follow their favorite team.

Perhaps one of his fondest memories might be the year 1940 when the Bears under his capable leadership successfully romped the Washington Redskins, 73 to 0, in the NFL championship game.

George is an individual who has long been interested and active in the area of professional football with a career dating back to 1920 with his participation in the founding of the NFL. George Halas has been a constant voice and a leading spirit in the evolution of football as a professional sport, as president of the National Football Conference. His unceasing efforts and accomplishments have rightly earned him a place in the Pro Football Hall of Fame and the fond title of "Father of Professional Football." George Halas is truly a great humanitarian who deserves the recognition of the city of Chicago as well as the Nation.

MALPRACTICE PROBLEM IDENTIFIED

HON. DALE MILFORD

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mr. MILFORD. Mr. Speaker, distinguished colleagues, a magazine which comes to my office regularly—Texas Parade—has published an article well defining the issues involved in the doctor against the lawyer hassles over malpractice and the insurance.

It is a serious problem. There are no easy answers.

My personal opinion is that the first step toward a solution is public awareness of the issues. This article, "Malpractice: Who Pays?" by Randall Benham initiates that first step in Texas.

I hope you will take the time to read this article and see what you can do toward educating the public in your area on the complexities of the malpractice issue.

The article follows:

MALPRACTICE: WHO PAYS?—YOU DO!

(By Randall Benham)

Dr. Homer Arnold can't say exactly when it happened, but he knows his life has changed. An Austin thoracic and cardio-vascular surgeon and president of the Travis County Medical Society, Dr. Arnold feels his medical practice—and the practice of medicine is his life—just isn't the same anymore. His attitude is different, the patients act differently. It's enough to make a man wonder if it was all worthwhile: half a lifetime of education spread among Archea, California public schools. Humboldt State, and the University of Oklahoma, the seven-day work weeks as an intern at Northwestern University and Chicago's Wesley Memorial and then as a resident at the U.S. Naval Hospitals in Bethesda and Oakland. The thousands of grinding hours learning the special skills needed to be able to go inside a human chest and repair a torn heart, remove a diseased lung, excise a deadly cancer. The best years of a man's life, the years he should have been closest to his family—all passed away hunched over books and microscopes and operating tables. All for a single, soul-consuming reason: to be a doctor—*Herr Doktor*, a healer, one of the golden chosen few. To be able to cure the sick and the hurt and to be a man respected. *Doctor*. He was satisfied. What more could any man want? . . . And then it began to change.

Dr. Arnold can't quite put his finger on it, but he knows it happened. And unlike many of his colleagues who've seen the first cracks in the fortifications of their professional self-images, Dr. Arnold is quite willing to talk. Talking sometimes makes things easier to understand.

"It's just a feeling I have . . . I know I'm probably just paranoid, but I have this feeling. It happens almost every week now—often two or three times—a patient will say, 'Hey, Doc, if this works out okay, then I won't sue you' . . . Maybe they're just joking, but I don't think so. I think that everyone who leaves a doctor's office after treatment—sometime in the next 24 hours they think: "Well . . . should I sue the son-of-a-bitch or not?'

"There's no doubt that my practice has changed. I'm more cautious. I don't talk *anybody* into *anything*. No opinions, just facts . . . And it's hard—*really* hard—especially when I know that a certain surgery will improve a man's chances of survival on down the line. But I can't run the risk. What if the surgery fails and the man's family says I talked him into it . . .? I even dodge emergency room calls at the hospital. I mean, you know, I take 'em if I get 'em, but I don't make myself as available as I used to. What am I gonna do?—go down to that emergency room and help some guy who was in a car wreck who probably'll never pay me anyway and who might just decide to sue? Emergency room decisions have to be made quickly, and sometimes they're wrong. I just have too much to lose. . . .

"Things have changed . . . It troubles me, it troubles me *morally*, but there's nothing I can do about it. The risks are too great. They scare me off."

Dr. Arnold's unease is but a single, comparatively superficial, facet of the problem that headline writers have correctly dubbed The Malpractice Crisis. The crisis's most obvious dimensions are these:

1.) *Malpractice suits are increasing*. A spokesman for the insurance industry claims that 90 percent of all the malpractice suits in the United States have occurred since 1964. Moreover, the number of suits filed annually has doubled in the last five years. This year more than 20,000 malpractice suits are expected. On a more individual level: one of every four physicians, nation-wide, will face a suit sometime in his career. Although statewide figures aren't available for Texas, medical spokesmen in one area, Tarrant County (Fort Worth), claim the odds are even worse: two of five physicians will someday undergo the discomfort and embarrassment of having their professional lives laid bare before a jury. Why the upsurge? Experts cite several reasons: an increasingly sophisticated public, the advent of specialists who don't engender the emotional ties of trusted family physicians, excessive publicity leading to declining confidence in physicians and to a "lawsuit mentality." The "Marcus Welby" syndrome wherein patients, led on by television's miracle-making physicians, are outraged at anything less than a perfectly happy ending.

2.) Malpractice awards are skyrocketing. Twenty years ago Medical Protective Insurance, the Indiana-based company that covers some 60 percent of Texas physicians, offered a standard medical liability policy with a ceiling of $10,000. Today, awards of $100,000 are so common they hardly ever make headlines. California juries in 1974 handed down malpractice judgments in excess of $1 million at the rate of one every three weeks. In New York the average award has nearly tripled since 1968—from $9,878 to $23,426. In one northern state the victim of a botched circumcision stands to collect $12 million and California courts just received their first $1 billion case. And "compassion awards," awards, given even when the physician is not at fault, are on the upswing. Many juries seem to be taking the position that any patient who suffers an unfortunate medical result is entitled to compensation.

3.) Adequate malpractice insurance is increasingly difficult to obtain. Where available, rates are high. The rumors keep flying: that Dr. Denton Cooley is paying $65,000 a year for his coverage; that Medical Protective is refusing to insure any new doctors and plans to abandon the medical field. Some things are certain: malpractice insurance rates have increased approximately 600 percent in the last three to four years. One year ago there were two dozen malpractice carriers in Texas; today there are half that many. Some doctors—especially those involved in risky and highly specialized types of surgery—have found that private insurance companies aren't interested in carrying them at any price. Although a general practitioner performing surgery can buy adequate coverage (up to $1 million) for as little as $6,168, the same coverage for an obstetrician in Harris County (Houston) costs $21,300, and for an orthopedic surgeon, $26,900. A 20 percent surcharge is added should the doctor be in group practice, and each claim made against the policy (even if it is unsuccessful) adds 25 percent. With group practice and a single unfounded claim a Houston orthopedic surgeon is tagged $41450 a year.

Texas hospitals face an equally expensive situation. Paying only $20 a bed a few years ago, hospital malpractice insurance premiums are now $600 a bed. Argonaut Insurance Company, claiming losses of more than $80 million on malpractice insurance in 1974, cancelled the policies of 75 Texas hospitals last October. And in one hospital, the Alvin Gulf Coast Hospital, malpractice premiums rose from $8,300 a month in January to $25,000 a month in March.

Finally the doctors responded. Following the example set by their California colleagues a few days earlier, hundreds of Texas doctors in Austin, San Antonio and Fort Worth protested last June by picketing and refusing to participate in any but emergency surgeries. The profession, said Dr. Sanford Glanz, had "not faced such a crisis since 1778 when half the doctors in Philadelphia were killed by the bubonic plague."

Although the onus of the malpractice crisis appears to fall to the physicians and insurance companies, the patients are the ones who really suffer. Although insurance premiums are deductible for income tax purposes, most doctors estimate that they must generate two dollars in income for each premium dollar. Texas Medical Association figures suggest that insurance premiums add as much as $2 to a routine office visit and $10 a day to a patient's hospital bill. One Texas specialist says his premiums add as much as $200 to the cost of particular surgeries.

A less-publicized, more easily hidden, expense is the growing practice of "defensive medicine"—the use of excessive, sometimes unnecessary tests, corroborations and examinations intended more to protect the doctor than the patient. Of the $80 bililon Americans spend annually on health care, more than $21.5 billion is wasted, according to research statistics developed by Ralph Nader's Public Citizen's Health Research Group. Dr. Sidney Wolfe of Nader's group estimates that defensive medicine accounts for nearly one-third of all x-rays taken annually, inflating medical bills by $1.4 billion.

Strangely enough, those who may be hurt most by the crisis aren't directly affected by increased medical expenses. Yet, for recipients of Medicare and Medicaid—the poor, the elderly, dwellers of the barrios and ghettos—adequate care may soon be scarce. While doctors working solely in the private sector can raise their rates to match their increased insurance expenses, those dependent on government medical insurance can't. Both Medicare (Federal medical care for the elderly) and Medicaid (state-Federal medical care for the poor), are pegged to 1971 rates. Ghetto physicians, already earning less than their colleagues, will be faced—as one TMA spokesman put it—with a simple option: "to *eat* the increase . . . or to get out."

Another problem often cited by physicians is that the increased malpractice rates are literally driving doctors out of medicine. Except for isolated cases of semi-retired physicians deciding not to practice their bare few hours a week, this does not yet appear to be a significant problem. A more realistic—and perhaps even more frightening—consideration is that physicians trained in a particular high-risk specialty—heart surgery for example—may be tempted to abandon their specialty for a less risky brand of medicine. Surveys indicate that the more highly trained a doctor is, the more esoteric his specialty, the more likely he is to be sued. For many young doctors choosing between general practice and specializing, the legal risks of further education may become a determining factor.

For about 15 days last summer most people—physicians, patients and insurers alike—thought the malpractice crisis had been downgraded to a minor irritation. Following the work slowdowns of the doctors in Austin, San Antonio and Fort Worth, the legislature passed two bills that Governor Briscoe signed into law almost immediately. Both self-destruct in December 1977. The first (SB466) placed the rates of medical liability insurance companies under the regulation of the State Insurance Board, a position they have actively avoided (with the help of the Texas Medical Association) for more than 20 years. The second, (SB 491) created a "Blue-Ribbon" commission to study the malpractice problem and, more significantly, gave the SIB power to impress the 400 insurance companies doing business in Texas into sort of an involuntary insurance cartel called the Joint Underwriting Association (JUA). The bill also established a two-year statute of limitation on most malpractice claims, doing away with the so-called "long-tail" claims that stretch back dozens of years. The Board's method of persuasion was simple: if a company wanted to keep writing auto, theft, life, homeowners or any other kind of insurance in Texas, it had to join the JUA and write medical liability insurance, too. Pooling the risks, the companies now offer malpractice insurance to any physician who has been turned down by at least two companies regularly writing malpractice policies in Texas. The maximum coverage that a doctor can purchase is $300,000 (a maximum of $100,000 for any one claim and $300,000 in a year), and the JUA has the right to assess policy holders up to 100 percent of their annual premium to cover any Association losses. In theory it should have worked fine. Every doctor in Texas could at least be assured of base coverage by a $100,000/$300,000 policy, and surplus lines (Lloyd's of London, etc.), seemed more than willing to sell base-insured physicians umbrella policies covering them up to $1 million. Then the roof fell in.

"Two weeks after the JUA became law," says Ace Pickens, lobbyist for the TMA and ex-state representative from Odessa, "the surplus market dried up. Most of the reinsurance comes out of London and they, like all insurance companies, have only so much money to put up for re-insurance reserves. The companies decided that malpractice insurance was not a profit item . . . nearly an uninsurable item. It doesn't make any difference if that is really true or not . . . if they *think* it is, then it *is*.

"So they decided to put their money where it would be more profitable. To sell more auto insurance and homeowner's insurance. And what little umbrella insurance that was available—on those policies they raised their base insurance requirements from $100,000/$300,000 to $200,000/$600,000. And recently some of them have even asked for $300,000/$900,000.

"No doubt about it. That blows the guy insured by JUA right out of the water. For adequate coverage a JUA doctor has to find someone else to sell him the second layer of insurance—and then try to find somebody to cover the rest of the million . . . adequate coverage is complicated, scarce and unbelievably expensive."

Suggested solutions to the malpractice crisis have come from virtually every interested sector. The insurance companies claim they could lower their rates if they were permanently protected from "long-tail" suits and "compassion" awards. The Texas Medical Association advocates a 22-point legislative solution that includes a $500,000 maximum award, establishment of further joint underwriting associations and protection for hospital emergency room personnel. And the Texas Hospital Association has even created its own insurance company. The one area in which doctors, hospital administrators and insurance executives seem to agree is that the problem wouldn't be half so bad if it weren't for the lawyers.

"Attorneys used to make a living on car insurance," says cardio-vascular specialist Homer Arnold, "but no-fault killed that. Now you've got all these highly intelligent professionals out of work, looking for the next biggest pot. You could put the six finest neurosurgeons in the world around a table, remove a portion of someone's brain to save a life that would have been lost five years ago—and if the patient develops some paralysis you stand a good chance of being sued. Some trial lawyer will pick it up, see that he can handle it for his one-third or one-half and say, 'Hey, we got a goodie here. Let's go for all we can get . . .' "

Claude Webster, director of the insurance programs for the Texas Hospital Association, makes himself even clearer. "Be careful if you go talk to a lawyer now," he said after a discussion of his organization's program. "They'll convince you of just the opposite side. They're silver-tongued devils and they'll twist the facts around until it looks like doctors are out there intentionally killing people."

Broadus Spivey is a partner in the law firm of Gibbins and Spivey and a director of the Texas Trial Lawyers Association. And he doesn't exactly agree that lawyers are the root of the malpractice evil. He looks early 40s, sports pewter-tone aviator glasses, and has brown-going-to-grey hair that floats down over his ears and touches the bridge of his nose. He chews Beechnut and talks like an easy-listening West Texas DJ. On his desk is a breakaway human heart. Across the room squats a life-size woman's pelvis that opens to reveal cross-sectioned Fallopian tubes, uterus and bladder. He says he needs them because malpractice juries are universally ignorant about the human anatomy. "Sure, people know what a heart is—that's where you do your thinking if you're a true Christian."

Spivey has represented plaintiffs in five malpractice cases. He's won three. His partner, Bob Gibbins, a beefier, curlier, blonder version of Spivey with the same kind of glasses, has represented two this year. He won $500,000 awards on each of them. Both men are also in demand to represent the physician's side in malpractice cases.

"We accept about one of four cases for review," says Spivey, "and of those we accept, we only file on one of three. But anybody who has tried five malpractice cases can consider himself an expert—a good 60 percent of the cases are settled out of court.

"Doctors complain about the contingency fee, say it makes for harassment cases and makes the lawyers rich. Well, that's just not true. We've only had one client who could finance the immense costs of a malpractice case. It's expensive . . . it costs us up to $700 just to have an independent doctor review a case. We tell our clients it'll cost a minimum of $4,500—and not to be surprised if it costs as much at $12,000.

"Now, if we lose a case we just write it off. But how's that little widow lady living on social security going to write it off, I ask you? That $500,000 case we won has to pay for lots of research and lots of little losses. Hell no . . . don't you think that the reason for malpractice suits is lawyers. The reason for malpractice suits is malpractice. A hell of a lot more malpractice cases end up in the cemeteries than in the court. . . .

"Another thing you ought to talk about is the goddamn medical profession's conspiracy of silence. They've been taught for centuries to protect each other. You're never going to get a doctor in Waco, Texas to testify against another doctor in Waco, Texas—no matter how badly he's practiced his profession. He can't. He'd be ostracized from the medical community. I have to fly plaintiff's witnesses in from New York—costs me $2,000 and plane fare—just to get a doctor who will testify. And you sure don't ever have to worry about the defense finding doctors to testify. It even affects our profession. We have calls from all over the state—some lawyer saying: 'Mr. Spivey . . ., I have a case here. No question that it's malpractice, but I can't afford to try it. I can't get any local doctors to testify and I can't afford to ruin my own position in the community.'

"Now, I damn sure don't want you to think I'm anti-doctor. I'm not. Doctors are my friend and I represent doctors. I know they've got a problem. But their's sure as hell isn't the only side to the story. . . ."

Okay . . ., so there are two sides to the story; several sides, in fact. But what's going to be done? Are we going to ride along until hospitals have to close their doors, until malpractice suits are so popular that lawyers are suing each other and the cost of repairing a child's broken arm requires another mortgage on the house? The TMA says to limit liability to $500,000—but what's the value of an unnecessarily lost arm or leg? What's $500,000 to the 17-year-old malpractice victim who'll require $40,000 worth of medical care a year . . . forever? And why, opponents ask, should doctor's liability be limited when no one else's is? The negligent driver in a car wreck has no limit to his liability. Should the lawyers' fees be fixed? What will that do to the quality of legal care? Would the incentive really be the same? Is two years after the act really long enough to bring suit? Doesn't that presuppose that the patient has an encyclopedic amount of medical knowledge, doesn't it place too much of a burden on a stricken individual? Dr. Homer Arnold thinks some sort of government insurance could replace "compassion awards." Insurance to cover medical catastrophes, cases in which the families obviously need help, but the medical care wasn't at fault. Is society willing to carry the financial burden of such a project? Should all malpractice insurance be government sponsored? Would the insurance industry stand for that? Should doctors revamp their image—must we begin to look at them not as demi-gods but as imperfect laborers, as body mechanics? Can we afford to have doctors who are leery of trying new techniques, who shy away from emergency rooms, who look at every patient—not as a friend he is attempting to help—but as a potential legal adversary?

Our best bet may be the "Blue-Ribbon" commission appointed by the legislature. Governor Briscoe has committed himself to act on their recommendations, and they're due in December 1, 1976. Perhaps they will have a solution. Until then we can only wait and see. Wait until the malpractice crisis reaches critical mass and explodes—perhaps even explodes into new patterns of medical care, new modes of malpractice insurance. And see if we can avoid any major medical expenses until the situation improves.

CONGRESSMAN HENRY WAXMAN SPEAKS COMMONSENSE ON AUTOMOBILE EMISSION STANDARDS

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mr. **BROWN** of California. Mr. Speaker, for months we have been bombarded with letters, newspaper ads, lobbyists, and phone calls on the issue of automobile emission standards. Basically the issue has been, do we maintain the existing law, which requires all automobiles to have relatively clean emissions by 1978, or do we postpone this 1978 deadline by some period of time? The main lobbying has been in favor of a 5-year moratorium on automobile emission standards, but several less drastic measures have also been proposed. Since Congressmen usually try to adopt reasonable compromises, many Members have indicated their support of a 2- or a 3-year delay in automobile emission controls. What may be forgotten in this debate is that this compromise has already been adopted. The 1970 Amendment to the Clean Air Act called for a 1975 deadline for strict standards. This 1975 date has since been pushed back to 1978 by administrative and congressional actions. Therefore, proposals to push the standards back another 2 or 3 years are really proposals to push the standards back 5 to 6 years from the original, reasonable 5 year time frame.

Congressman HENRY WAXMAN has been involved with the clean air battles for many years in the California State Legislature, and has brought his energy and knowledge to the House Interstate and Foreign Commerce Committee. In recent days the Los Angeles Times has carried stories about his efforts, which I would like to share with my colleagues:

The articles follow:

[From the Los Angeles Times, Dec. 27, 1975]

DELAY IN AUTO EMISSION STANDARD OPPOSED

(By Sid Bernstein)

Congressman Henry Waxman (D-Calif.) and Los Angeles Mayor Tom Bradley called

Friday for the rejection of proposed amendments to the federal Clean Air Act that would extend an auto industry deadline for the production of a cleaner-burning automobile engine.

Waxman and Bradley accused Detroit, the White House and the Environmental Protection Agency of favoring an amendment that would postpone an auto emission deadline from the present federal timetable of 1978 to 1980—or even 1985.

"It is critical to the welfare of the entire country for the Congress to retain or even strengthen the present law," Waxman declared at a joint press conference held at City Hall.

"The present act provides for a 90% reduction of pollutants from automobiles. That act has been extended at least twice. Now the auto manufacturers are coming before Congress and asking for additional extensions on the meeting of these standards."

Waxman, with the backing of Bradley, called for a strengthening rather than a relaxation of both the deadline and present engine emission standards.

"I consider it crucial for us to maintain the present statutory standards and the present deadline," Waxman declared. "We have to do this for we know the effect of pollutants on the health of our population.

"We also know something else. If the auto manufacturers are not faced with a very clear and certain deadline to comply with a pollutant standard, they are going to use the opportunity to come in and lobby for greater and further extensions."

Waxman said Congress must prod the auto industry toward the development of a cleaner engine.

"It is time for Congress to say to the auto industry," he added, "that the new automobiles will have to have pollution control devices that will protect the public's health. And at some time in the future, the new cars that take the place of the old ones in our metropolitan areas will help clean up the smog."

Any actions by Los Angeles to purify its air, Bradley said, would be destroyed if Congress fails to insure that the major cause of the city's dirty air—the motor vehicle—is properly controlled.

"If we are going to win this battle," the mayor said, "it will have to be in Detroit with the auto makers. We have to keep the pressures on for laws that require either deadlines or changes in technology."

Waxman said his proposed amendment to the Clean Air Act for the maintenance of the 1978 deadline was rejected by the House public health and environment subcommittee. He said he will bring the same amendment to the full Interstate and Foreign Commerce Committee.

[From the Los Angeles Times, Jan. 28, 1976]

RENEW CLEAN-AIR FIGHT, WAXMAN URGES

(By Henry A. Waxman)

Five years ago, Congress arrived at a conclusion that was all but self-evident: Something had to be done to reduce air pollution.

The result was the Clean Air Act, one of the most important parts of which was a requirement that automobile manufacturers reduce their cars' tailpipe emissions by 90%. These emissions were divided into two categories: hydrocarbons and carbon monoxide, and oxides of nitrogen (NOx). The first group of pollutants was to have been reduced by the 1975 model year, the second by 1976.

But because of subsequent amendments to the Clean Air Act, as well as delays granted by the Environmental Protection Agency, the standards set five years ago have yet to be realized.

Now Congress is considering still another set of amendments to the law. Enormous pressure is being exerted by the auto makers, the White House and the Federal Energy Administration to have the emission standards relaxed and their implementation delayed even further. The argument for pulling back is that reduction of auto emissions below current levels would only marginally improve air quality, yet it would have a significant—and adverse—effect on fuel economy.

This assertion is without merit, and Congress should disregard it. Careful analysis of the key questions involved in pollution control—technical feasibility, consumer cost and protection of public health—yields only compelling reasons for pushing ahead with the original directives of the Clean Air Act.

Indeed, this was the conclusion reached by the National Academy of Sciences after a four-year study completed last June. It concluded unequivocally that the standards for hydrocarbons and carbon monoxide established by the Clean Air Act should not be relaxed. "Attaining these levels by 1978," the science academy's report stated, "is both feasible and worthwhile."

Nowhere is the urgency greater than in Los Angeles County. Each day its 4.4 million automobiles discharge 690 tons of hydrocarbons, 775 tons of NOx, 70 tons of particulates and sulfur dioxide and more than 7,000 tons of carbon monoxide. Although cars are, on the average, 80% cleaner than they were five years ago, the county's legal air quality standards are still violated five days out of every six.

Moreover, air quality has declined in areas downwind of Los Angeles. Orange County, for example, is now reporting unprecedentedly high levels of automobile-related pollution.

Though stationary facilities, such as power plants and industrial operations, appear to be responsible for an increasing share of Los Angeles' air pollution, automobiles remain the principal villain.

The National Academy of Science's conclusions about reducing NOx levels were not quite so definitive. While stating that it would "probably be feasible" to decrease NOx emissions 90% by 1978, the academy noted that "there would be less uncertainty today, if there had not been a slackening of effort toward this goal."

That observation touches on a key element of the pollution-control problem. The auto industry has consistently opposed the Clean Air Act's emission standards, charging that they would increase consumer costs and decrease fuel economy. In fact, the EPA, the National Academy of Sciences, the Sierra Club and the California Air Resources Board have all produced evidence that suggests car makers have willfully delayed the development of a fuel-efficient NOx-control system by ignoring auspicious technical advances.

But even use of the best available pollution-control system, the catalytic converter, has not diminished fuel economy. As a matter of fact, all cars manufactured in 1975 have the converter as standard equipment and get 14% better mileage than autos built in 1974.

Thus it is clear that reducing auto emissions does not necessarily imply a corresponding tradeoff resulting in a loss of fuel efficiency. As a recent EPA report noted, "There is no inherent relationship between exhaust standards and fuel economy. Delaying or relaxing emission standards cannot guarantee that gains in fuel economy will be made." Actually, a car's size, weight and air-conditioning equipment have a greater impact on its fuel usage than any existing pollution-control device.

What, then, of the contention that meeting the Clean Air Act's standards would mean prohibitively expensive autos? Responsible estimates do place the cost of fully reducing emissions at $75 to $300 per car, depending on size, weight and engine characteristics.

I do not believe this is an unacceptable price, and the public seems to agree. A survey recently conducted by the Federal Energy Administration showed that a clear majority of Americans was willing to pay up to $250 more for cleaner automobiles. Yet the agency is now lobbying Congress for a five-year freeze on air-quality standards.

Before giving way to such pressure, Congress should recall that the basic purpose of the original Clean Air Act, particularly its auto emission standards, was protection of the public health and welfare.

Every year, according to a Senate report, 4,000 Americans die and 4 million work days are lost to illness because of air pollution. The principal victims are those susceptible to cardiac and respiratory diseases and the young. Medical research has clearly documented that exposure to automotive pollutants causes increased drowsiness and reduces exercise capacity, pulmonary function and the elasticity of lung tissue.

Recent evidence even suggests that NOx pollution—of which cars are the largest single source—leads to the formation in the atmosphere of nitrosamines, one of the most potent of cancer-causing substances. Nitrosamines have been linked to respiratory, digestive and urinary cancers, as well as leukemia.

Now that the availability of natural gas is in question, the Brown Administration has warned that Los Angeles faces a critical smog increase this summer because of a greater reliance on other, "dirtier" forms of energy. Anyone who has suffered through a hot September afternoon in the Los Angeles Basin must face this prospect with deep misgivings. If power plants and industrial facilities, which now use natural gas; are forced to switch to fuel oil, further reduction of auto emissions will become that much more important.

Thus, the standards established by the Clean Air Act are the key to limiting any smog upsurge, and Congress must not allow them to be relaxed.

The longer-range goal, of course, is to reverse the decline in air quality for the whole country. The technology necessary to clean up our air is available; its cost is reasonable, and its potential benefits are overwhelming. All that remains is for Congress to demonstrate the will to put it to work.

ARTS AND THE HANDICAPPED

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mr. BRADEMAS. Mr. Speaker, in recent months, Congress has passed important legislation designed to increase the opportunities for handicapped people to lead more independent and fulfilling lives.

The Rehabilitation Act, which the House of Representatives last month voted to extend for 2 years, has for over 55 years provided employment training to thousands of handicapped people.

On November 19, 1975, the Education for All Handicapped Children Act was signed into law—a landmark piece of legislation in meeting the challenge of educating America's handicapped children.

As chairman of the Subcommittee on Select Education with responsibility over matters relating to the handicapped as well as legislation on the arts, I wish to call attention today to an article by Wolf Von Eckardt in the Washington Post.

Mr. Von Eckhardt has written of the physical obstacles confronting handicapped people who want to visit our Nation's museums. As an example of the steps being taken to make the arts more accessible to people with handicaps, he cites an excellent publication prepared by the National Endowment for the Arts entitled, "Arts and the Handicapped: An Issue of Access." This booklet expresses the belief, shared by so many of us, that the arts are essential to the development of all people, including those who are in some way handicapped.

So that my colleagues in Congress and others who are concerned with the accessibility of the arts to the handicapped may learn what can be done to open up our cultural treasures to all Americans, I am placing Mr. Von Eckhardt's article at this point in the RECORD:

[From the Washington Post, Jan. 10, 1967]

OBSTACLES TO ACCESS, BUILT-IN HANDICAPS

(By Wolf Von Eckardt)

Architects seem to have no trouble getting trash cans in and out of their buildings. But they still resist making even public buildings accessible to handicapped people.

This is particularly distressing when thoughtless and callous design denies the handicapped enjoyment of the arts.

One of the most callous is Washington's Hirshhorn Museum and Sculpture Garden. The only way a person in a wheelchair or with a baby carriage can get upstairs where most of the treasures are, is in a freight elevator, along with the garbage. Once up, the carpeting is terrible for handicapped people to move on.

The sculpture garden is virtually barred to anyone who has difficulties with steps. But even if you make it, the garden is paved with crushed stone which is pretty, but hell for people on crutches, with canes or with walkers—which means many elderly citizens.

LAW REQUIRES ACCESS

Yes, there is a law—the Architectural Barriers Act of 1968. It requires any new public facility which is wholly or partially financed by the federal government to be fully accessible to all handicapped persons. Unfortunately the law has no teeth in it, so most architects and bureaucrats ignore it.

Architects claim that eliminating cumbersome steps, stairs and revolving doors, or such simple things as lowering drinking fountains and telephones, will impair their creativity.

Bureaucrats either don't care or fear that barrier-free buildings will cost more money. There is a special problem with spending a little extra money to make existing buildings accessible to the handicapped. The renovation of the Smithsonian "Castle" on the Mall, for instance, offers an opportunity for Dr. Dillon Ripley, the head of the Institution, to show how a barrier-free entrance can be provided without disturbing the historic character of a lovely building.

PRAISE FOR CAPITOL MONUMENTS

The National Park Service deserves great praise for making it possible for the disabled not only to see, but also to experience the Lincoln and Jefferson Memorials. The re-recently built ramp at the Lincoln Memorial and the elevator now being installed at the Jefferson Memorial do not in any way interfere with the architecture of these monuments.

There are other praiseworthy examples where the experience of art is shared with handicapped persons. The Educational Facilities Laboratories, established by the Ford Foundation, has performed miracles of improving the design of school buildings in this country and has just issued a booklet listing these examples.

MAKING THE ARTS ACCESSIBLE

The booklet was supported by the National Endowment for the Arts, which believes that the arts are essential to the education and development of all people, including people who can't see, speak, hear, or walk, or who are crippled in other ways, physically or mentally.

Rather than just scold our museums, theaters, schools, churches, cinemas, studios, sport arenas and other public and private institutions for excluding these people—there may be as many as one of every four Americans—the booklet tells what can and has been done.

It is entitled "Arts and the Handicapped: An Issue of Access" ($4 prepaid from EFL, 850 Third Ave., New York 10022), and in concise fashion covers all aspects of the problem.

The biggest trouble is that "most people do not readily associate the arts with the handicapped." Or, when combining both, they think of recreation or art therapy. This ignorant unconcern has made the arts "an inconvenient obstacle course strewn with rules, regulations, revolving doors and inaccessible opportunities."

Attitude—attitude on the part of the sponsor and the institution—seems to be the most essential ingredient in making the arts available to all.

GOOD DESIGN IN TEXAS

Richard Brown, director of the Kimbell Art Museum in Fort Worth, Tex., for instance, decided that his museum will have no barriers of any kind to the physicially handicapped or the aged. He and his planning committee instructed the architect, the late Louis Kahn, that there was to be no change in level between the building and the site and no raised thresholds, that elevators, doors and all hardware were to be convenient for everyone and that floors were to be easy on which to maneuver walkers, wheelchairs and strollers.

Louis Kahn, a great prima donna, did not feel constricted by these considerations. According to director Brown, "Thoughtful design costs less and results in facilities which serve all people."

Brown has made it house policy to display art objects low enough for wheelchairs and children. Paintings, for instance, are hung 52 inches off the floor, instead of the customary 72 inches. There have been no accidents or incidents in the two years since the museum was opened.

MUSEUM EXHIBITS FOR THE HANDICAPPED

One of the most exciting institutions listed in the booklet is the Brooklyn Children's museum, launched in 1899, as the first of its kind in the world. It is now located in Brower Park in a concrete box sunk 40 feet into the ground, with the park landscape rolling around and over the top of the building, almost hiding it from view.

"Any building in a New York park is aggressive, because it takes away land," said the architects, Holzman, Pheiffer Associates. "We decided to bury the building and put the park on top of it."

At first glance the interior does not at all appear to be designed for the handicapped. On closer inspection, however, you find that it provides a festival of mobility to all children. It includes a stream of water, for instance, with a water-wheel, swing gate, sluiceway and hydrolic turbine, as well as a pool for sailboats. All of this is accessible by wheel chair and the controls are oversized so that virtually all kids can use them.

An array of scales, measures, charts and body tracing—dial machine that projects full-scale figures of children from other countries, encourages children to learn to see themselevs, to develop a concept of themselves. The equipment is designed so it can be used also by emotionally disturbed and retarded children.

Several museums, including the Smithsonian and the Baltimore Museum of Art, have held temporary tactile exhibitions for the blind. The California Art Commission developed two touring exhibitions, designed to acquaint blind persons with outstanding works of sculpture.

The Mary Duke Biddle Gallery for the Blind at the North Carolina Museum of Art has done exceptionally interesting work in creating tactile experiences of all kinds, including busts of famous people, that the blind cap touch. The Gallery also includes paintings that are intensely lighted and can therefore be enjoyed by people with some residual sight.

The Dayton, Ohio, public schools obtained a federal grant to convert some basement rooms of an old school building into a "five-senses, perceptual experimental museum called 'New Visions.'" "The museum serves all children, including the crippled, blind, deaf, retarded and emotionally disturbed.

To experience the sense of taste, there are bits of lemons, crackers, gumdrops, marshmallows, peanut butter, sugar and salt. The museum aims to help withdrawn children out of their emotional shell. In one instance, the staff reports a child got so engrossed in what was happening that he suddenly talked for the first time.

ACTION TO INSURE ACCESS

The report concludes that making the arts available to the handicapped is not simple. It is not just a question of ramps and facilities, more staff and more money. It requires "affirmative action": law enforcement, the cooperation of architects and clients and imagination.

The most effective action, however, is the new militancy on the part of the handicapped themselves. It has created a climate of public opinion that has led to this excellent publication, a series of TV spots on the same subject, a new organization called "The New National Committee on Arts for the Handicapped" and a White House Conference on the Handicapped scheduled for next December.

TRIBUTE TO SEYMOUR AND NAOMI GREEN

HON. THOMAS M. REES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mr. REES. Mr. Speaker, I would like to take this opportunity to pay tribute to a couple from my district, Seymour and Naomi Green whose understanding, care, and dedication have enriched the lives of many people in and around my district.

Eight years ago Mr. and Mrs. Green founded the Robert J. Green Contact Center, in loving memory of their son, to provide a place for young people who were alone and alienated to make contact; a place that would offer caring and help.

The center has employed several progressive concepts which have contributed greatly to its success. It is governed by a committee of psychiatrists, clinical psychologists, parents, religious leaders, and youth representatives. Young people themselves have helped determine the structure of the center, which combines group encounters, rap sessions, and individual counseling with educational and social experiences. Numerous young people have come to regard the contact center as their place and not something imposed by outside authorities. It has become a community referral source for high schools, police departments, probation departments, and a number of other community agencies.

It was the vision of Seymour and Naomi Green which allowed the center to widen its scope to provide programs for other groups within the spectrum of human emotional distress. In recent years the center has added a friendship club for older citizens designed to meet their needs and problems and has consequently brought renewed vitality and meaning to many lives. Additionally, there is now a widow's center, a program to help widows cope with the problems and loneliness created by the loss of a mate. The widow's center has evolved into an active community of women helping to meet each other's needs and offering support and understanding.

Seymour and Naomi Green have provided inspiration, insight, financial resources, and their own endless supply of energy in all of the undertakings of the Robert J. Green Contact Center. They made sure that the facilities and programs of the center were available to the entire community, without regard to religion, race, or national origin and all at no cost to those who participated.

I know my colleagues will join me in thanking and congratulating Seymour and Naomi Green for their humanitarian efforts and for their considerable contributions to the welfare of the city of Los Angeles.

HOUSE ACTION ON ANGOLAN AID

HON. DOMINICK V. DANIELS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mr. DOMINICK V. DANIELS. Mr. Speaker, I would like to share with my colleagues an editorial that appeared in this morning's New York Times citing the action taken by the House yesterday to prohibit the use of CIA funds in the Angolan civil strife.

As the editorial points out, the administration failed to establish any vital U.S. interest in Angola, and further, the administration could not demonstrate how additional U.S. aid could lead to a peaceful resolution of that conflict.

Equally important, the editorial questions the diplomatic wisdom of the apparent U.S. cooperation with South Africa in this misadventure.

Such cooperation, even if it merely surmised, could lead to serious problems in our future relations with black Africa.

These relations cannot be dismissed lightly. Several African countries are of particular interest to the United States. For example, Nigeria has been a reliable trading partner for the United States, and has also been a key supplier of oil for our country. During the oil embargo, Nigeria continued to ship vital petroleum supplies to the United States.

Unfortunately, U.S. involvement in Angola has soured relations with Nigeria. It is not surprising, therefore, that Nigeria cast her vote against the United States in the recent U.N. adoption of the resolution on Zionism.

Mr. Speaker, international relations is a complex subject, but it is not the exclusive domain of the administration. If the resources of the American people are going to be committed in some overseas military involvement, the American people have a right to know why this involvement is important for our country. If that basic consideration cannot be fully demonstrated by the administration, then the taxpayers' money should not be used to support such involvement.

Mr. Speaker, the administration is going to have to come up with more than euphemistic rationales of "national interest" to justify U.S. intervention in foreign conflicts.

The President has spoken often about priorities in spending. I certainly agree with the concept of priorities, and I respectfully suggest that one of the first priorities that should be adopted by the administration is a complete dedication to presenting the American people the full facts on international issues so that decisions on U.S. participation can be made prudently.

Mr. Speaker, the editorial from the New York Times is included at this point in my remarks.

DEFEAT ON ANGOLAN AID

Defying a last-minute plea from President Ford, couched in global cold-war terms, the House of Representatives has voted even more emphatically than the Senate did last month to end covert American arms aid to two factions in Angola's civil war. The message from Capitol Hill seems clear. Congress will no longer sanction what might become an open-ended commitment to a remote conflict where no United States interest has been established except that of thwarting the Soviet Union.

By rhetorical exaggeration and intimation that a covert intervention in an African quagmire was no business of Congress, the President and Secretary Kissinger succeeded only in magnifying the Administration's defeats in Senate and House. Mr. Ford was at it again yesterday, warning Speaker Albert that the failure of the United States to "take a stand" in Angola would "inevitably lead our friends and supporters to conclusions about our resolve" in other problem areas.

At no time, however, has any Administration leader specifically condemned the intervention in the Angolan fighting of white soldiers from South Africa, an omission that has aroused suspicions of collusion between Washington and Pretoria throughout black Africa. And at no time has the Administration seemed aware of the grave dangers for this country's future relations with the nonwhite world of any collaboration with South Africa.

This aspect troubled Congressmen familiar with Africa and cognizant that many black governments believe South Africa's intervention to be even more dangerous for them than the much greater involvement of Cuban troops and Soviet "technicians." But the vote of 323 to 99 in the House reflected mostly the convictions that the Administration had not established any vital American interest in Angola and had not demonstrated how additional American aid could further a peaceful resolution of the civil war.

The days of automatic Congressional majorities for overseas operations of this sort are clearly over. If it learns from its defeat on the Angolan issue, and accepts a larger role for Congress in the shaping of foreign policy, the Administration should find no insuperable obstacles to cooperation on Capitol Hill, as Speaker Albert made clear yesterday.

ANOTHER COVERUP

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mr. SHUSTER. Mr. Speaker, yesterday's Washington Star carried an editorial by William Safire which may serve to jog the consciences of my fairminded colleagues on the other side. I commend it all to fairminded, thinking people:

KENNEDY-ERA ISSUES ARE ALL IN THE FAMILY

(By William Safire)

Mafia mobsters and Kennedy mythkeepers can heave sighs of relief; Sen. Frank Church's cover-up committee has decided not to question Frank Sinatra on his role in making possible the first penetration of the White House by organized crime. Nor will Church ask the FBI to investigate the first murder of a prospective Senate witness.

The reason can be found in the way the committee staff was organized. Church first asked John Doar, fresh from impeachment triumphs, for advice. After peopling the committee staff with members of the Kennedy protective society, Doar recommended Burke Marshall (the lawyer Ted Kennedy called in his panic from Chappaquiddick), who told Church he would serve as a consultant recruiting suitable lawyers, and who recommended F. A. O. "Fritz" Schwarz Jr. to be staff chief.

Count the connections. Schwarz is a partner of Cravath, Swaine and Moore, the New York law firm that represents IBM. Marshall, a Kennedy assistant attorney general, was IBM general counsel from 1965 to 1970; Nicholas Katzenbach, Kennedy deputy attorney general, followed him as IBM general counsel, working closely with Schwarz at Cravath, Roswell Gilpatric, Kennedy deputy defense secretary, is the top man at Cravath.

Now count the cover-ups.

1. The Ramsey Clark-John Doar cover-up. As the Church committee blamed J. Edgar Hoover for abuses under Kennedy and Johnson, no spotlight was focused on the infamous Sept. 27, 1967, memo from Asst. Atty. Gen. Doar to his boss, Ramsey Clark.

In the Doar plan, approved by Clark, snooping on dissident groups was raised to a fine art; Doar urged that the IRS be used, especially its alcohol unit in ghetto areas, and went on: "The Narcotics Bureau is another possibility, and finally, my experience in Detroit suggests that the Post Office Department might be helpful." Doar was never called; Clark was never asked to explain. But CIA men are facing grand juries now about their postal "experiences."

2. The Katzenbach coverup. Robert Kennedy's deputy and successor angrily demanded a retraction when I suggested he condoned the scandalous wiretapping and bugging of Martin Luther King, Jr., but he professed to amazement when later confronted with his initials and handwriting on scurrilous eavesdropping reports. An aggressive committee lawyer could have forced out

more of the truth about the worst abuse of police power in our time—but Katzenbach easily ducked the committee's marshmallows.

3. The Roswell L. ("Dearest Ros") Gilpatric coverup. In the cases of his partner, Gilpatric, and his client, Katzenbach, Church Counsel Schwarz scrupulously "rescued" himself, but the staffers who worked with him got the picture.

Although Gilpatric was the highest-ranking Kennedy aide working on "Operation Mongoose," the undeclared war on Cuba, the Church interim cover-up plays down his role. And a "Mongoose" plan for "incapacitating" Cuban sugar workers by spraying chemicals on them is dismissed by Church staffers with, "after a study showed the plan to be unfeasible, it was cancelled . . ."

The Church staff chose not to make public the memorandum in its possession that casts a different light on the matter. "In the office of the attorney general," to use a recently favored term, a plan was seriously discussed to launch a chemical attack on Cuban workers (the chemical had a mortality rate of "only 3 per cent") and it was postponed for two specific reasons: (1) Harvest time was past, and (2) the Kennedys could not get their hands on enough of the chemical at that time. Candidate Church's Kennedy-protectors spared us the shocking details and mildly called the plan "unfeasible."

4. The Kennedy tainting-of-evidence cover-up. Church has touched gently on wiretaps approved by Atty. Gen. Robert Kennedy on "at least" six American citizens, making the taps seem almost legitimate: "An investigation of efforts by foreign interests to influence U.S. economic policies."

This has not been revealed: One of those taps—and the reason for Church's "at least six" fuzziness—was on a Washington law firm. One imagines that a firm of lawyers has more than one client; those lawyers some times work on more than one case.

As we have seen, even inadvertent intrusion taints evidence, and Kennedy Justice Department lawyers were duty-bound to tell every court on every case handled by that tapped law firm just what if anything was overheard. Did they? Did Church ask?

ON GUN CONTROL

HON. STEPHEN L. NEAL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mr. NEAL. Mr. Speaker, there is growing pressure on Congress to enact gun control legislation which would ban or limit the private ownership of handguns in this country. There also is a corresponding effort to prevent further gun control legislation from becoming law.

This is a matter which concerns me greatly, and one to which I have devoted a good deal of time and attention. My study of the subject has confirmed my earlier suspicions that a desirable, workable gun control law is not possible at this time.

Mr. Speaker, I believe that most Americans would welcome any law which would lower the level of violence and crime in this country. This yearning for serenity and security has led millions of citizens to advocate stricter Federal laws relating to gun control. They buttress their arguments with statistics citing the frequency of handgun murders, armed robberies, and accidental deaths by shooting.

Unfortunately, their statistics usually do not stand up under close examination. Their proposals show little or no promise of lessening the problems which they blame on the availability of handguns. For example:

First. There are some 20,000 gun laws already on the books at local, State, and Federal levels. Many of them have been passed in recent years to deal with rising crime and violence—yet the crime rate continues to soar in all parts of the country.

No gun control law could be tougher than New York City's which is virtually prohibitive. Yet New York City has the Nation's highest armed robbery rate, and among its highest murder rates, according to 1973 FBI reports.

In 1973, New York City had a handgun robbery rate of 258.7 per 100,000 persons. The national rate, excluding New York City, was 61.7 per 100,000. The New York handgun murder rate was 8 per 100,000. The national average was 4.8.

In 1973, some 20 percent of all murders in the Nation occurred in just four cities: Chicago, Detroit, New York City, and Washington, D.C. Ironically, all four cities have extremely restrictive gun registration and licensing laws.

Second. There are an estimated 40 million handguns in circulation in the United States. To substantially lessen the availability of guns, these would have to be confiscated, which would be both ineffective and expensive. To avoid giving up a gun, one could either conceal it or declare it did not exist.

Third. Just as prohibition did not dry up the flow of alcoholic beverages, neither would stricter laws retard the illegal traffic in handguns. Illegal manufacture and importation would flourish. Illicit dealers would reap greater profits. Guns would become prized targets of thieves.

An unarmed citizenry would become easier prey for criminals, who would either buy, steal, or even make guns. If guns were not available, they might turn to even more devastating weapons, such as explosives.

The fear of encountering an armed citizen seems to be a major deterent to crime. In Orlando, Fla., for example, police trained some 6,000 women in self-defense with firearms. The Orlando rape rate was cut in half. Further, there was a substantial decline in both robberies and burglaries.

In Highland Park, Mich., store holdups dropped from 1.5 per day to no robberies for 4 months after police began a well-publicized firearms training class for merchants. In neither Orlando nor Highland Park did those trained citizens kill an attacker, or as far as is known, even display their guns in warding off an attacker.

Fourth. Gun control advocates cite the low crime rate in Japan and other "gunless" countries as proof that controls work. They fail to point out, however, that the real "control" is cultural, rather than legal.

In Japan, where handguns are banned, handgun murders are extremely rare; however, murder with any weapon is rare in Japan. All the same, Japanese in Tokyo commit more than twice as many murders per 100,000 population as do Japanese-Americans in the United States.

Mr. Speaker, guns are an integral part of our history and tradition. They were essential to the early settlers and later frontiersmen, who depended on them for support and protection. While those needs may have disappeared or greatly diminished, the tradition remains strong. We must learn to address gun problems with an understanding of the historical depth of that tradition.

The strongest deterrent to crime, in my opinion, is sure and swift justice for offenders. I approve of mandatory prison terms for felonies committed with a firearm. I would not, however, limit the presently legitimate possession and use of guns.

Our efforts against crime should be concentrated in more productive areas, such as law enforcement. We need to alleviate the problems of overburdened courts, lenient sentencing, and overcrowded prisons. The answer is not another unworkable law, but better enforcement of the laws we already have. I urge my colleagues to consider these arguments very carefully before supporting gun control laws that may offer some superficial appeal but which will not in my opinion, really reduce crime.

JOINT COMMITTEE ON DEFENSE PRODUCTION

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mr. PATMAN. Mr. Speaker, I would like to call the attention of my colleagues to recent developments relating to the Joint Committee on Defense Production.

Last week, the joint committee held a planning meeting for the 2d session of the 94th Congress. Besides the routine business of the committee, we addressed the matter of improving our oversight posture. In view of the interest of this body in recent years in putting more teeth in congressional oversight activities, this was a timely issue.

Several proposals were put forth in this connection at our planning meeting. All of them, I think, were sound. The proposal selected by the joint committee for implementation in this session was an initiative to establish two subcommittees.

Henceforth, the joint committee will have a Subcommittee on Materials Availability chaired by the distinguished Representative from Missouri, Mrs. LEONOR SULLIVAN. The availability of mineral and nonmineral resources for defense and civilian production has become a problem of major significance. The forecasts are that it will worsen over time unless we develop sound programs today. The new subcommitte will be examining the many and complex problems relating to materials and a variety of proposals that have been advanced to deal with them.

A subcommittee on Investigations has also been established to be chaired by Senator WILLIAM PROXMIRE. It will be holding its first set of hearings next month on February 2 and 3, when it will hear from representatives of the Northrop Corp., Rockwell International, the Civil Service Commission, the Council on Economic Priorities, the Department of Defense, and the National Aeronautics and Space Administration.

I am personally very gratified that the already busy members of the joint committee have shown a willingness to take on these additional assignments. Fully half of the members of the joint committee also chair major standing committees of the House and Senate. So their burdens are already great. That they are willing to make extra sacrifices for an important but often neglected function like defense production is testimony to their dedication. I am proud of them and I believe the Congress should be proud of them.

Mr. Speaker, I also invite the attention of my colleagues to the 25th annual report of the Joint Committee on Defense Production, of which I have the honor of being chairman. This report has just been published and circulated to the members of the committee as House report 94–771. It is available from the committee offices.

I know that this report will be of especial interest to many Members of this body. I hope they will give it the close reading which it deserves.

Last spring, at my direction, the staff of the joint committee set about developing a more concise and useful format for the annual report of the committee. I believe the results are a real improvement.

More importantly, however, the report reveals the aggressive oversight activities which the joint committee has been carrying out in the 94th Congress. We made a good beginning on our program in the first session. I look for even more progress in this session.

I am aware that economic preparedness planning and programs, which are the joint committee's jurisdiction, are not glamorous subjects. No one wants to worry about them until you are faced with a mobilization situation. Then everyone has a lot to say on the issue.

That is why the Congress set up the joint committee 25 years ago—to insure that there would be adequate oversight and that it would not be swept aside by standing committees with more pressing legislative business. The joint committee was a wise move in this respect.

Mr. colleague in the other body—Vice Chairman WILLIAM PROXMIRE—and I are proud of this latest annual report. Yet we and the other members of the joint committee are always glad to have the constructive advice and comment of our colleagues. We look forward to hearing from them any suggestions they may have to improve our oversight program and report still further.

POLITICS AND PEOPLE

HON. DAVID N. HENDERSON

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mr. HENDERSON. Mr. Speaker, I am calling to the attention to our colleagues in the House of Representatives a column entitled, "Politics and People" by Alan L. Otten, in the January 8, 1976, issue of the Wall Street Journal.

The National Trust for Historic Preservation, headed by James Biddle, president, and his associate, Lawson B. Knott, Jr., executive director, has with little Federal support accomplished much in the preservation arts, which is a meaningful contribution to our national heritage.

Mr. Otten's article is as follows:

POLITICS AND PEOPLE

(By Alan L. Otten)

SPARE THAT BUILDING

WASHINGTON.—The old train station in New London, Conn., designed by eminent architect H. H. Richardson, was scheduled for demolition. A local citizens group is remodeling it instead for train service, shops, a museum and a restaurant.

The wrecking ball was poised to swing at St. Louis' Wainwright Building, a magnificently-planned early steel-frame skyscraper. Now the state of Missouri is renovating the interior for state offices.

In a decaying inner city area in Detroit, residents are saving 18 charming Victorian houses—restoring their exteriors and rehabilitating the interiors into modern apartments. Plans are under way for 104 harmonizing new apartment units, as part of a major neighborhood revival.

"Preservation is a growth industry," exultantly declares James Biddle, president of the National Trust for Historic Preservation. The trust, chartered by Congress in 1949, labors diligently to educate the public on preservation values, to serve as a center of information and experience on preservation practice, and, with expert advice and small grants and loans, to catalyze local groups into an ever-enlarging array of preservation projects such as those in New London, Detroit, and St. Louis.

As Mr. Biddle suggests, the preservation movement is indeed growing, and in several different ways. The trust's dues-paying membership has surged from 50,000 in mid-1974 to 90,000 today. Federal grants for preservation work have increased from a few hundred thousand dollars a decade ago to $20 million this year. Fewer than 2,500 public and private organizations struggled on behalf of preservation projects in 1966; now over 6,000 do.

The movement's upper-class, elitist image is slowly being shed. The grande dames who long fought the preservation battles alone have more recently been joined by architects, lawyers, businessmen, students, young married couples. "We see more blue jeans at our meetings, and less blue hair," one preservationist declares.

Perhaps most significantly, there's been a basic growth in what preservation is all about. No longer is the emphasis on restoring to former glory the stately homes of the rich—museums to be visited occasionally by busloads of well-to-do clubwomen or bored school children.

Instead, preservation now stresses "adaptive reuse"—not just keeping something as it is or putting it back to what it was, but figuring out how to put it to new or better uses right now. There's still the effort to save the "George Washington slept here" home, but more often the activity is far broader: reviving a culturally unique but dying neighborhood, stripping Main Street's stores of their homogenized aluminum siding and bringing back their former architectural variety, modernizing the interior of structurally sound old houses or office buildings that are architecturally unique or architecturally typical, recycling into useful office space or shops an empty factory or abandoned schoolhouse that typifies an important part of America's past.

"There is a growing sophistication about it all," Mr. Biddle believes. "People have come to realize that preservation is more than a single historic building, that it's a whole urban or rural environment, the whole character of a neighborhood or town."

A slender, elegant man of 46, he came to the preservation cause from a job as curator of the American wing of New York's Metropolitan Museum. Suddenly, he became involved in a fight to save Olana, the Hudson River home of painter Frederic Edwin Church, "and it made me realize that you can't preserve America by moving it into a museum and putting it under glass."

Several factors contribute to the new public appreciation of preservation. Even before Bicentennial planning began, America had started looking more favorably on its old buildings and landmarks. "It's not nostalgia," Mr. Biddle insists. "It's far deeper than that. Americans have suddenly realized that they have a past, and that they don't have to be ashamed of it. They don't have to look to Europe for it. And maybe the period we've just gone through, when so many old values were questioned, reenforces the feeling. The past gives a sense of stability that all societies need."

Soaring costs of new construction have made the renovation and rehabilitation of sound old houses and office buildings far more attractive economically. Concerns about pollution, overpopulation and similar problems have popularized the idea that "new isn't necessarily better." The monotony of the new glass-box office buildings, the high rise apartments and sprawling shopping malls have made many Americans see new value in earlier structures, even some of the most ornate and rococo.

The National Trust is clearly a vital factor in the preservation explosion. Its most visible activity is operating a dozen or so house-museum type properties it's bought or inherited—a plantation mansion in a Louisiana bayou, sculptor Daniel Chester French's home in Massachusetts, a Gothic revival castle on the Hudson, an elegant Georgian country home in suburban Philadelphia.

But its other operations are probably far more fruitful. Its experts in Washington and three field offices endlessly counsel community groups on the costs and feasibility of particular local projects. Small grants help these groups hire consultants, and low-interest loans may help them get the projects under way.

An avalanche of publications and an army of speakers spread the preservation gospel. At special seminars and conferences, experts explore new approaches and ordinary citizens exchange actual experiences. One new program for which Mr. Biddle has high hopes: special "corporate associate" memberships for large business firms.

Despite the rise in preservation activity, many people still argue that preservation blocks progress—that "valuable land is wasted" or that "hideous old buildings are left standing."

"Progress doesn't always have to be something new" Mr. Biddle replies. "Progress is taking the best advantage of the assets you have. Preservation is progress."

THE GUN LOBBY: A PAPER TIGER

HON. ABNER J. MIKVA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mr. MIKVA. Mr. Speaker, one of the biggest roadblocks to effective gun control is the National Rifle Association. With a membership of only 1 million, the NRA claims and apparently convinced a number of Members of Congress that support of effective gun control legislation means defeat at the polls in November.

But how effective is the NRA? According to an editorial by Mr. Morton C. Paulson, which appeared in the National Observer, not very. Mr. Paulson cites a study by the U.S. Conference of Mayors which concluded that the NRA campaign to defeat Members of Congress who favor handgun control has been less than the success they claim it to be. While 27 Members who either introduced or supported legislation favorable to gun owners were defeated in 1974, not one Member who sponsored legislation restricting firearms lost their seat during the last election. It appears that we have more to fear if we follow a nonrestrictive firearms policy than if we dare to buck the NRA.

At this point, I insert Mr. Paulson's article:

THE GUN LOBBY: A PAPER TIGER

(By Morton C. Paulson)

Repeat a whopper often enough and some people will come to believe it. The more implacable enemies of gun controls are forever huffing and puffing about how they can demolish any candidate for office who advocates such measures. But can they really?

No, they can't. A close look at the record shows that, when it comes to influencing elections, the gun lobby is a paper tiger.

From an in-depth study of the question the United States Conference of Mayors concludes:

"Perhaps the most pervasive and well-established myth in the handgun-control controversy is the belief that the National Rifle Association (NRA) can and will defeat any meaningful handgun-control measure and will also defeat the elected officials who support the legislation."

As a "classic example," the conference cites the 1970 defeat of former Maryland Sen. Joseph Tydings—which the NRA points to "continuously as proof positive of its political strength." Actually, the conference's 63-page report asserts, the loss resulted from the defection of liberal backers because of Tydings' support of the no-knock crime bill, and a conflict-of-interest accusation by Life magazine (which the senator was cleared of after the election).

"Similarly," says the report, "the defeats of Senators Albert Gore of Tennessee, Charles Goodell of New York, and Thomas Dodd of Connecticut—all of which the NRA claims as its doing—were the result of circumstances apart from NRA influence."

On the other hand, a large number of congressmen have won re-election despite NRA opposition, including Senators Hugh Scott of Pennsylvania, Edward Kennedy, Philip Hart of Michigan, and John Pastore of Rhode Island.

As further evidence, the mayors quote from an article prepared by the NRA staff itself last January: "Twenty-seven congressmen who either introduced or supported measures favorable to firearms owners went down to defeat last fall. Not a single congressman who sponsored restrictive firearms legislation . . . lost his seat in November."

And then there's a 1972 Gallup poll that asked Americans: "Would you be more likely or less likely to vote for a political candidate who took a position on stricter controls on firearms?" No less than 62 per cent said they'd be more likely, 26 per cent said less likely, and 12 per cent and no opinion. (According to pollster Louis Harris, public support for controls has reached a point where henceforth candidates who refuse them will be the ones most likely to have trouble.)

As author Robert Sherrill wrote in *The Saturday Night Special:* "The truth is, there will always be a number of natural political deaths at the polls that the NRA can take credit for, like a voodoo practitioner who can always depend on old age and heart attacks and diarrhea to help his 'spells' prove out."

The Conference of Mayors has performed a valuable public service. As for the NRA, voters ought to ask themselves what kind of organization it is that would try to defeat a candidate merely because he favors gun-control legislation—irrespective of his record, his ability, his position on other issues, or the qualifications of his opponent.

OUR URBAN FUTURE

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mr. ROSENTHAL. Mr. Speaker, I commend to my colleagues' attention a recent article in Business Week which raises vitally important questions about this Nation's commitment to improved urban life. The author, associate editor Jack Patterson, reports businesses are continuing to abandon central cities at great cost not only to the cities but to the Nation.

The article notes that, in resource utilization, cities are more efficient. Low density growth requires continuous spread. Suburbs are intruding further into the countryside and valuable farmland is being squandered.

Spread also consumes more energy. A study by the Real Estate Research Corp. concluded New York's suburban Suffolk County uses one-third more energy per capita than nearby urban Queens County, which includes the district I represent.

Industry's departure from central cities also creates serious social costs. The poor who are left behind require more welfare and housing, which the abandoned city is less able to afford.

The article paints a bleak picture in which businesses ultimately discover there are no healthy cities and no available country—just more and more suburbs.

This picture can, however, be changed by a long-overdue Federal policy designed to favor the cities. The article cites a conference board study which concluded that poverty programs bankrupted New York City, and it urges that welfare be nationalized.

Income redistribution, the article notes, is traditionally a Federal and State function. What is required is a reversal of the situation where the major forces that shape growth—transportation, job location, tax policies, and, I might add, the general revenue-sharing formula—work to penalize rather than help cities.

I mention revenue sharing because this massive aid program expires this year. The Congress must consider whether and in what form this program is to be extended. I hope this article's advice is kept in mind when the decision is made as to the shape revenue sharing should take.

If we are concerned about the survival of our cities, let us adopt incentives for the modernization of local government, including the regionalization of revenues and services. Let us also insure that revenue-sharing funds are distributed to the areas of the country which need them most.

I trust the Congress will belatedly recognize its responsibilities toward our urban areas. At stake is the Nation's economic future.

The article follows:

THE PROSPECT OF A NATION WITH NO IMPORTANT CITIES

(By Jack Patterson)

With one more major company—Union Carbide Corp.—close to leaving New York City and moving to an office campus near Danbury, Conn., and another—Time Inc.—thinking aloud about moving, it is clearly time for business to consider carefully the long-run effects of its flight from the cities. This exodus is not one that affects only New York. Other cities in the Northeast and Midwest—Newark, Detroit, Cleveland, Philadelphia—are struggling with similar problems. And the pressures that are inexorably shifting jobs, people, and resources from the cities to the suburbs pose long-range threats to even newly grown centers, such as Atlanta, Dallas, and Houston.

The nation, and especially its business leaders, have not examined whether it makes sense to go on spending resources to transfer the economically viable activities remaining in existing cities to the suburbs, rather than using those resources to try to save and restore the cities.

Cities, no longer primary manufacturing centers, wholesale-retail marketplaces, or preferred residences for the middle class, are now losing those very activities that, as economist Rayomnd Vernon has pointed out, have always seemed to belong to downtown: the headquarters, "nerve center" functions. In Connecticut's affluent Fairfield County, for example, the headquarters of at least 60 major corporations, many once located in Manhattan, are now tucked away in office parks or on their own office campuses. This business concentration has achieved a critical mass. It is now pulling in a second wave of subsidiary service companies—advertising agencies, law and accounting firms, consultants, data processors, and other specialists that previously had to be near their clients in the city.

Antipathy. This process cannot continue without destroying major cities as significant forces in the country's economic and social life. The U.S., some urban experts believe, may become the world's first industrialized, urbanized country without important cities.

Many people respond to this possibility with a resounding "So what?" A persistent anti-city sentiment has pervaded U.S. history as far back as Thomas Jefferson. And a modern argument has it that cities are now obsolete anyway. New technology in transportation and communications, according to this argument, makes the physical proximity of people doing business together no longer necessary.

But the corporate exodus from the city does not seem to be propelled by that idea. Companies rarely move off by themselves to the wilderness. They tend to congregate somewhere within the orbit of a major city. Corporations are primarily trying to keep a grasp on the benefits the city can still offer while avoiding its problems.

Not surprisingly, this has stirred controversy over whether companies should move and whether they help or hurt their operations when they do. Corporate suburbanites insist they can justify their decisions on business grounds, such as a higher-grade work force or greater productivity. But William Shore, vice-president of the Regional Plan Assn. of New York, is one critic who argues that the usual business justifications for abandoning the city—such as the company that bragged to him that it gets another half-hour's work a day out of its employees—are "simply frivolous" when compared to the long-range costs to society.

Urbanists can tick off these costs. In resource utilization, cities are more efficient. A study by the Real Estate Research Corp., *The Costs of Sprawl* shows that low-density growth costs more to develop than concentrated growth. When a 70-acre office campus replaces a one-acre skyscraper, suburban land, much of it valuable farmland, is being squandered.

Low-density growth requires continuous spread. Census figures confirm that the suburbs are spreading farther into once rural counties far from the city center. One of the strongest arguments for cities, urbanists conclude, is the need to save the countryside.

Spread consumes more energy. Suburban Suffolk County, the association found, uses one-third more energy per capita than urban Queens County, part of New York City.

Moving the economic apparatus of the country, including most of the jobs, out of existing cities imposes severe social costs. The poor who are left behind may not accept their lot passively, especially when the cities' shrunken economic base impairs their ability to offer welfare or housing.

DUMPING GROUNDS

But such considerations are unlikely to stem the exodus of business from the cities. Reversing the direction back toward the cities would demand a formidable set of changes, and a whole new kind of thinking. Since World War II helping cities has amounted largely to a patchwork of expensive programs aimed mostly at trying to ameliorate poverty-related problems. With the cooperation of city politicians, these programs solidified the cities' role as dumping grounds for social pathology. More fundamental government policies—everything from the interstate highway program to FHA mortgage insurance—powerfully tilted economic growth toward the suburbs.

To change this requires first a recognition by municipal and state political leaders that business and the middle class have more important roles to play than just to be available to carry the tax load. The cities have to lure industry to provide jobs by offering incentives that rural areas have offered: low taxes, labor training, and help in building facilities. Next, school systems, which have deteriorated to the point where many classrooms are guerrilla battlefields, have to be improved markedly to lure the middle class back. One attractive idea is that of Dr. Kenneth Clark to allow any group to establish schools in competition with the public schools, each financed by a per capita payment from the state. This competition would also help break up the hierarchies in public education that do more to impede learning than to help it.

In addition, a coherent long-range federal urban policy openly designed to favor the cities would be required. The first step would be to nationalize and reform welfare. A recent Conference Board study of New York City, for example, concludes that despite other problems, it was the burden of welfare brought the city to its knees. It was not simply the cost of these programs that proved destructive, but the way in which they dominated official attention. New York was so busy taking care of its poor that it neglected its own vital economic development.

SHAPING GROWTH

Cities lack the power to carry out income redistribution programs, such as welfare or low-income housing. These are federal and state functions. Housing policy should be developed regionally, tying new housing to job creation and making sure cities do not wind up with all the low-income projects. An urban policy would also make sure that the major forces that shape growth—transportation, job location, tax policies—work to help rather than penalize cities.

Will much of this actually happen? Probably not. William H. Whyte once hammered away against sprawl as being "bad aesthetics, bad economics, bad for farmers, bad for communities, bad for industry . . ." Since he wrote that , sprawl has accelerated.

One reason, as sociologist Daniel Elezar has concluded, is that most people—and most companies—have found suburban life a workable way to enjoy some of the benefits of both city and country living. The question just ahead, though, is whether they will make the same choice when they discover that there are no more worthwhile cities and no more available country—just more and more suburbs.

RENAMING THE FBI BUILDING

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mr. RANGEL. Mr. Speaker, the continuing revelations of illegal and unethical abuses of the Federal Bureau of Investigation by its late Director, J. Edgar Hoover, are shocking to the conscience of America.

As the Tri-State Defender pointed out in an editorial on December 20, 1975

> A continuation of the congressionally approved Hoover designation would undermine the trust of the nation and the morale of the FBI itself.

In a reference to evidence before the Senate Select Committee on Intelligence Activities that J. Edgar Hoover deliberately and immorally abused, harassed, and attempted to intimidate the late Reverend Martin Luther King, Jr., the Tri-State Defender stated

> Removal would be the least concession to decency and morality that could be made to assuage the harm done to King's reputation and the anguish to his widow and children. And by the same token it would be a warning to Hoover's successor and the Bureau itself that Americans do not approve unfair, underhanded methods undertaken in the name of justice or national security.

I believe that further inquiries by both House and Senate select committees will uncover other abuses of power by Hoover and will underscore the urgent need for improved congressional oversight on the activities of the FBI. In addition, legislation already introduced to limit the term of the present and future Directors of the FBI should be acted upon this year.

I am including in the RECORD the text of H.R. 10916 which I introduced on December 1, 1975, to change the name of the FBI headquarters building. It is essential, especially in this Bicentennial year that our Government reaffirm its commitment to an open and uninhibited exchange of views between all in the society. Our Founding Fathers struggled long and hard in order that this goal might be realized and I see no reason why we should permanently enshrine a man who had little regard for one of the basic and fundamental principles upon which our Republic was founded.

The text of my bill follows:

H.R. 10916

A bill to change the name of the J. Edgar Hoover F.B.I. Building

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8 of the Dwight D. Eisenhower Memorial Bicentennial Civic Center Act (86 Stat. 1022) is amended by striking out "J. Edgar Hoover F.B.I. Building" both times it appears and inserting in lieu thereof "Federal Bureau of Investigation Building".

THE DEATH OF PAUL ROBESON

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mr. CONYERS. Mr. Speaker, last Friday, January 23, Paul Robeson passed away. A Phi Beta Kappa student at Rutgers, a top law student at Columbia University, all-American in football, a leading Shakespearean actor, brilliant concert performer, he will also be remembered as an indefatigable champion of human rights throughout the world. Just as he regarded it his duty not to perform at segregated institutions in America, so too he felt an obligation to perform before Republican audiences in Spain during its civil war.

I shall remember Paul Robeson for his determination and efforts to foster among black people a sense of pride in their history and culture. Last June I had the honor of speaking at a tribute to Paul Robeson sponsored by a network of student clubs in Detroit whose purpose is the understanding of black history. The sense of history shown by the elementary school students who are active in these clubs moved me deeply. And I know that much of this historical self-awareness has arisen because individuals like Paul Robeson devoted their life and work to the cause of human development and dignity.

I wish to share with my colleagues an obituary on Paul Robeson published in the Washington Post on Saturday, January 24:

PAUL ROBESON: RENAISSANCE MAN OF THE ARTS, SOCIAL ACTIVIST

(By Dorothy Gilliam)

Unusual in this century was a voice like Paul Robeson's. In the ability of his songs to evoke empathy and stir memories, his was in the tradition of Feodor Chaliapin and Enrico Caruso.

His luminous bass-baritone, his role as a leading early developer of black music and his songs of many peoples in many languages, mark him as a significant influence on American culture, and on world culture, too.

But the range of his talent extended beyond his musical voice. In his numerous stage and screen roles, from his portrayal of the haunted Brutus Jones in Eugene O'Neill's "The Emperor Jones," to "Othello" in the longest run of any Shakespeare play in Broadway history, his performances were called by some critics the tours de force of a great actor.

In the years before he developed as an artist, his achievements as an athlete (he had twice been named an end on Walter Camp's All-America football team) and a scholar (he was Rutgers University's class valedictorian, Phi Beta Kappa, and held a law degree, from Columbia University), marked him as a man of extraordinary versatility.

But he was more than a concert artist, stage and screen actor, athlete and scholar. He was a passionate humanitarian.

When, in 1957, he began his book, "Here I Stand," with the words, "I am a Negro," and stated six paragraphs later, "I am an American," these seemingly redundant declarations were no mere empty words. For while Robeson's blackness, indeed even his militance long before it was either chic or safe, is unquestioned, that the white establishment cast aspersions on his patriotism is the central fact of the final decade of his career.

An early victim of Sen. Joseph McCarthy's Communist hunting in the early '50s, Robeson's brilliant career was painted over with the dull brush of political innuendo.

But it was a tarnish from which Robeson was never to recover. His punishment was the lifting of his passport for eight years, canceling of numerous concerts, and a cloak of silence over his brilliant career, which only began to be lifted in the 1970s, 10 years after he had retired because he was too sick to resume his career.

Robeson was a man of deep principles who stuck by them even when it became clear that it would result in professional disaster. While contemporary historians and Robeson point out he was not a member of the Communist Party, he refused to disavow his admiration for the Russian people, a stand then criticized by some blacks as well as many whites.

He stood, too, for liberation of colonized Africans, all of which made him, in the eyes of some, doubly dangerous—a dangerous black and a dangerous Red.

Once, because he had commented that in Russia "I felt for the first time like a full human being—no color prejudice like in Mississippi, no color prejudice like in Washington," one of the members of the House Un-American Activities Committee angrily demanded: "Why did you not stay in Russia?"

"Because my father was a slave," Robeson retorted, "and my people died to build this country, and I am going to stay right here and have a part of it, just like you. And no fascist-minded people will drive me from it. Is that clear?"

He said in 1957: ". . . I care . . . less than nothing about what the lords of the land, the big white folks, think of me and my ideas . . . But I do care—and deeply—about the America of the common people . . . the working men and women whose picket lines I've joined, auto workers, seamen, cooks and stewards, furriers, miners, steel workers and the foreign-born, the various nationality groups, the Jewish people with whom I have been close, and the middle-class progressives . . . the people of the arts and sciences, the students—all of that America of which I sang in the 'Ballad for Americans' . . . that do the work."

Robeson was a man ahead of his time, voicing utterances in the '30s and '40s that were controversial for any man.

Robeson's personal odyssey was inseparable from the life and struggles of black Americans and common people around the globe to whom he felt closest.

He was born on April 8, 1898, in Princeton, N.J., which Robeson later called a "humiliating" Southern town transplanted to the North. His father was William Drew Robeson, a minister; his mother, Maria Louisa Bustill Robeson, a schoolteacher.

The elder Robeson escaped from slavery in North Carolina when he was 15, and worked his way through Lincoln University. Robeson worshipped him. "He was the glory of my boyhood years," he said. "How proudly . . . I walked at his side, my hand in his, as he moved among the people." His mother died when he was 5. By then a blind, semi-invalid, she was burned to death when a coal from a stove fell on her long-skirted dress.

After attending elementary and high school in small New Jersey towns, he won, through academic competition, a four-year scholarship to Rutgers and entered in 1915, the school's third black student.

Unlike, say, a Picasso, who could draw from the time he was old enough to grasp a pencil, Robeson's magnificent voice did not dominate his early life. He sang in church, and did occasional concerts while he was at Rutgers. But the glee club did not want him because of the social affairs that followed its concerts.

When he tried to make the football team, he was slugged in the face, smashed in the nose and had his shoulder dislocated. He was 17.

He went on to be selected at first-team All-America end for two years—1917 and 1918. He also was elected to Phi Beta Kappa, was class valedictorian and debating champion. He then entered Columbia University law school.

Driven by high aspirations, he assumed law would help "raise my people, the black people of the world." During his second year, he met and married Eslanda Cardozo Goode, a vivacious young women who was the first black analytical chemist at Columbia Medical Center. She died in 1965.

He played professional football on weekends to help pay his way through law school and turned to acting for the same reason. Offered a chance to tour England in "Voodoo," in which he had first appeared in an amateur production at the Harlem Y, he accepted.

After graduation he got a job writing briefs for a downtown law office. He was not permitted to appear in court, and when a white secretary refused to take his dictation, the frustration and bitterness came crashing down—he walked out.

He needed money, and prodded by his wife, he turned to drama, which was a growing interest for her and for Harlem in that period of cultural flowering known as the Harlem Renaissance.

His first major role was in Eugene O'Neill's new play, "All God's Chillun Got Wings," to be followed by a revival of "The Emperor Jones," the role first created by the black actor Charles Gilpin.

Robeson's performance in these plays made an instant impact on theatergoers and critics alike.

Reviewing it in the American Mercury, George Jean Nathan said: "Robeson, with relatively little experience and with no training to speak of, is one of the most thoroughly eloquent, impressive and convincing actors that I have looked at and listened to in almost 20 years of professional theatergoing."

He emerged as a leading developer of black music in 1925, when he began his singing career with a concert in New York. It was the first concert ever given that consisted solely of Negro music. Together with Lawrence Brown, his accompanist for many years, who had been working on special arrangements of Negro spirituals, he took the Negro spiritual as an art form to a foremost position on concert stages.

The audience at the Greenwich Village Theater simply sat and clamored for encores, and the critics went wild.

"All of those who listened last night to the first concert in this country made entirely of Negro music," said the New York World critic, "may have been present at a turning point, one of those thin points of time in which a star is born and not yet visible—the first appearance of this folk wealth to be made without deference or apology. Paul Robeson's voice is difficult to describe. It is a voice in which deep bells ring . . ."

For the next 35 years, Robeson's singing was to earn him worldwide fame, and for most of the 1930s and '40s, he was one of the world's leading concert singers.

Jerome Kern wrote "Ol' Man River" with Robeson in mind, but because of a delay in the premiere of "Show Boat" he didn't get his chance to appear in it until the London production in 1928. He gave Sunday afternoon concerts at Drury Lane, for which Lawrence Brown came over from Paris.

Robeson starred in films and more than 11 major plays in this country and England. In 1930 he played "Othello" with Peggy Ashcroft, Sybil Thorndike and Maurice Brown.

Announcement of Robeson as Othello prompted joy and outrage. A black in the role would violate every Shakespearean concept, said some; the most natural thing in the world, said others. Stage historians knew an American Negro had played Othello in the past—Ira Aldrich, a native of Maryland, appeared successfully in the role in Europe in the last century. (The theater at Howard University is named in Aldrich's honor.)

The highlight of Robeson's theater career was to come 13 years later when he played "Othello" on Broadway for 296 consecutive performances, setting the all-time record for any Shakespeare play on Broadway.

From 1927 to 1939, Robeson made England his home base, touring most of Europe and crisscrossing the Atlantic to make films and perform concerts.

Robeson made his first trip to Russia in 1934, partly to talk about making a film with the great Sergei Eisenstein. Stopping in Berlin en route, he was nearly mobbed by stormtroopers, an event that left him deeply shaken.

When he left he told Eisenstein: "I hesitated to come . . . I feel like a human being for the first time since I grew up. Here I am not a Negro but a human being . . . Here, for the first time in my life I walk in full human dignity. You cannot imagine what that means to me as a Negro."

As fascism raged in Europe, Robeson felt it his duty to sing, and he sang in Barcelona where he witnessed the ravages of the Spanish Civil War and in besieged Madrid.

He returned to America in 1939, the same year as the beginning of World War II. He said he felt he was evading his full responsibility by living in England. The New Deal made this country seem a more hopeful place than when he left. One of his first acts was to refuse any engagements where blacks were segregated. In the South, this meant he sang only at black colleges and universities' but many whites came.

That same year, at the peak of his career, he retired from making films, and denounced Hollywood. "I thought I could do something for the Negro race in films—show the truth about them and about other people, too . . . The industry is not prepared to permit me to portray the life or express the living interests, hopes and aspirations of the struggling people from whom I come . . . You bet they will never let me play a part in a film in which a Negro is on top."

He made the famous recording, "Ballad for Americans," in 1939, which became a rallying cry for Americans to make them proud of their heritage. No run-of-the-mill patriotic song, it sang of the man-in-the-street in terms as starkly truthful as shiningly faithful, and was subsequently performed around the country.

"Who are you?
"Well, I'm everybody who's nobody.
"I'm the nobody who's everybody.
"I'm just an Irish, Negro, Jewish.
Italian, French, and English,
Spanish, Russian, Chinese,
Polish, Scotch, Hungarian,
Litvak, Swedish, Finnish,
Canadian, Greek and Turk.
And Czech and double-check American . . .
Man in white skin can never be free
While his black brother is in slavery . . ."

He gave concerts from New York to Los Angeles, and was also in demand as a speaker. He collected an array of awards that ranged from the Spingarn Medal of the NAACP to the coveted Diction Award of the American Academy of Arts and Sciences, which had only been given nine times in the 20 years it had existed.

In 1941, he joined in founding the Council on African Affairs.

Robeson's career began to suffer from political innuendo beginning in 1946.

In 1947, a congressman asked a star anti-Communist witness how he identified Communists. His criteria: applauding at a Robeson concert or owning a Robeson record.

In 1948 Robeson was called before the Senate Judiciary Committee and asked whether or not he was a Communist. He refused to answer because the question was "an invasion of my right to secret ballot."

During a 1949 tour at the height of the Cold War he caused an uproar in the United States when he told the World Peace Congress in Paris, "It is unthinkable that American Negroes could go to war on behalf of those who have oppressed them for generations against the Soviet Union, which in one generation has raised our people to full human dignity."

In 1949, Robeson took part in peaceful protests against the conviction of U.S. Communist leaders, and subsequently two of his concerts were thrown into an uproar when they were invaded by anti-Communist elements.

The 1950 Peekskill riots culminated anti-Robeson sentiment. They occurred when the American Legion in that upstate New York town led a demonstration in an effort to prevent one of his concerts and violence ensued. After that, he found closed concert halls and groups afraid to sponsor him.

The State Department took away his passport in 1950 on the grounds that his trips abroad possibly "would not be in the interest of the U.S."

In the meantime a number of books dropped references to Robeson. College Football, published in 1940, listed a 10-man All-America team for 1918, the only 10-man team in All-America history. Paul Robeson, end, was the missing man.

Until the 1970s, most major bookstores or libraries, or books on concert singers published after 1949, failed to include him in the index, or mentioned him only in passing, or only once.

Most newsreel and film footage of the major movies in which he starred vanished. When the American Film Institute wanted to show "The Emperor Jones" in 1973, all existing 35 mm. prints and negatives appeared to have been destroyed, so the AFI uncovered some 300 bits and pieces of 16 mm. material and painstakingly made up a complete print of the film for showing at the Kennedy Center.

In his major political statement, "Here I Stand," published in 1957, Robeson commented on the popularly held belief that he was politically naive and courted by the Communists so they could gain through him a foothold among American blacks.

"It has been alleged that I am part of some kind of 'international conspiracy.'

"The truth is I am not and never have been involved in any international conspiracy or any other kind, and do not know anyone who is . . .

". . . In 1946, at a legislative hearing in California, I testified under oath that I was not a member of the Communist Party, but since that I have refused to give testimony or sign affidavits as to that fact. There is no mystery involved in this refusal . . . I have made it a matter of principle . . . (because that) infringes upon the constitutional rights of all Americans . . ."

In 1952, he was awarded the Stalin Peace Prize.

It took eight years, a worldwide campaign and a Supreme Court ruling to have his passport restored in 1958.

A "long, standing ovation" in the words of the New York Times greeted Robeson when he gave his first Carnegie Hall recital in 11 years, on May 9, 1958.

Then he went abroad to fulfill concert, television and theater engagements in Europe, New Zealand and Australia. He returned home in 1963, in poor health, and retired.

Intimates dispute the rumors that Robeson was in his last years a bitter, tragic figure who had changed his mind about his controversial political stands. "Nothing," said his son, Paul, "could be further from the truth."

From the statement Robeson issued in 1964, it appears simply that the times have caught up with his ideas.

"The power of Negro action of which I wrote in my book has changed from an idea to reality . . . The concept of mass militancy, or mass action, is no longer deemed 'too radical' in Negro life."

On his 75th birthday in 1973, a near-capacity crowd, including a galaxy of stars, flocked to Carnegie Hall for a three-hour celebration, and greetings arrived from heads of state around the world. Robeson's jubilant son said the day tore to shreds "the curtain that has surrounded my father."

It was called a cultural celebration, and the program carried a statement Robeson made in 1937, but which seemed prophetically to foresee the consequences of his passion:

"The artist must elect to fight for freedom or for slavery. I have made my choice. I had no alternative."

THE WOMEN'S MOVEMENT IS STILL MOVING

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mrs. SCHROEDER. Mr. Speaker, the following article by my distinguished colleague, BELLA ABZUG, reappeared in the December 22, 1975, issue of the Village Voice. I am sure it will be of interest to us all:

THE WOMEN'S MOVEMENT IS STILL MOVING

(By Bella S. Abzug)

In his postmortem (Village Voice, November 17) on the defeat of the Equal Rights Amendment in New York State, Pete Hamill set up his defenses against the expected rebuttals by predicting that some women will complain that no man should be allowed to write about the Women's Movement.

I agree it would have been better if Pete had not rushed into print. Not because he is a man, but because—despite his friendships with me and other feminists—he doesn't know beans about the Women's Movement.

I found astonishing his journalistic arrogance in thinking he could reach his verdict prematurely proclaiming the collapse of a national movement simply on the basis of a touching description of a near-deserted headquarters the morning after; quotes from a half-dozen women, some anonymous; a smattering of untrue gossip; and his judgment that women's issues are of "minor importance" to the working class and that the ERA campaign "divided the Left on grounds of sex."

There is a great deal of wishful thinking, but very little truth, in the post-election analyses by the Times, Hamill, and assorted TV programs which transmogrified one setback in a long and continuing campaign into a complete rout of the entire Women's Movement.

Although the hard analysis of the defeat is still being put together by the ERA coalition, a case can be made that it was the very breadth and diversity of the movement that led to a complacency which in turn led to an inadequate campaign. There were, of course, the problems created by an off-year election that brought only a 24 per cent turnout of voters in New York City and a larger turnout upstate where there were electoral contests. But, also, many feminists I have talked to since the referendum have told me that because of the impressively broad coalition of groups supporting ERA, including both the Democratic and Republican parties, they felt there was no urgency to get deeply involved in the campaign.

Much of that broad support turned out to be tokenism. It did not produce enough money to finance a vigorous campaign, or enough concentration of purpose or troops to mount a get-out-the-vote operation. The danger is that the longterm significance of the defeat will be exaggerated by both friends and enemies of the movement and feed what can be a very ugly and emotional aftermath: an attempt to rescind the legislature's ratification of the federal Equal Rights Amendment which, although it would not stand up in the courts, would have to be fought. Also likely is a renewed and more highly organized attack on abortion rights.

Most of the postreferendum discussion reveals a total ignorance of past women's struggles, including the century-long battle for women's suffrage, which encountered on the way to final victory many defeats far worse than what happened in New York a few weeks ago.

Then, as now, women suffragists discovered that the referenda route in the states could be extremely rocky and nonproductive. For years, the suffragists, having met with little success in getting Congress to pass a suffrage amendment to the U.S. Constitution, tried a state-by-state approach, seeking to win some form of suffrage in the individual states.

The biggest defeat was in New York, where the referendum lost by a margin of 194,984 votes. But two years later, a state referendum won handily, and two years after that, the New York legislature almost routinely ratified the federal amendment, which had finally won Senate approval in June 1919.

Then, as now, the press eagerly reported that many women were opposed to having rights extended to them. Men were always able to find some women to speak and demonstrate against suffrage, to accept nominal leadership of the opposition organizations, and to declare that they would never, never think of voting.

The arguments were familiar. Votes for women would destroy the family, make husbands and wives unhappy, leave children unprotected, threaten the economy, undermine religion, and burden women with responsibilities they neither needed nor wanted. Antisuffrage propaganda centered on the myth of the happy, privileged homemaker who didn't want to change a thing.

Similar 19th-century "happy homemakers" doctrine has been assiduously pushed over TV and radio by Phyllis Schlafly, chief spokeswoman for the right-wing-based campaign to stop ERA, who tells us: "American women are a privileged group. . . . beneficiaries of a tradition of respect for women which dates from the Christian age of chivalry [and] the honor and respect paid to Mary, the mother of Christ."

No doubt many women are contented and creative and fulfilled in their roles as wives and mothers, especially those lucky enough to have high family incomes. I have never criticized women who choose to stay at home to raise families or to engage in nonpaying occupations, because freedom of choice is the heart of the women's liberation creed.

In the recent New York campaign, the biggest worry of the presumably happy anti-ERA house wives was that they might lose alimony rights, which raised doubts about just how happy some of them are. One of the illuminating facts that never got across in the welter of lies and distortions peddled by Schlafly, Annette Stern, and others is that under current divorce laws alimony is granted in only about 2 percent of permanent divorce settlements, and according to a study done by the Citizens' Advisory Council on the Status of Women, child support payments "generally are less than enough to furnish half of the support of the children" and "even these small payments are frequently not adhered to."

Schlafly's privileged woman concept also ignores the real problems faced by working women whose low seniority status makes them vulnerable in the current recession; minority women, who get the lowest-paying, dirtiest jobs; working mothers who need and usually don't have access to low-cost or free nurseries for their six million pre-school-age youngsters; homemakers unfortunate enough to be divorced by their husbands before 20 years of marriage (thus losing out on Social Security benefits); thousands of women who get raped (more women than ever before had that "privilege" last year, according to the Justice Department's latest crime data); gay women, who have problems in employment, housing, and other facets of daily life; and the multitudes of other women who have encountered a variety of discriminatroy practices ranging from the picayune (no drinking at the Plaza men's bar) to massive legal, social, political, and educational discrimination.

It is understandable that Schlafly and other anti-ERA propagandists perpetuate myths about the real status of women in America. It is also understandable why many women and men, in the absence of an effective statewide campaign by pro-ERA forces, should have fallen for their arguments, especially in the present negative political climate when fear and economic insecurity are dominant.

But it is less understandable why alleged friends of women's rights seize on the false arguments of ERA opponents to seek to prove, as Hamill does, that ERA is "something out of time a leftover," and that "maybe the movement of the Women's Movement is over."

To put ERA in perspective, the federal amendment has been ratified by 34 states and has until 1979 to get the necessary ratification by four other states. Fifteen states have enacted state equal rights provisions or amendments to their own constitutions. In none of these states have any of the horrors conjured up by the anti-ERA forces materialized.

Instead, the amendment is providing the framework and impetus for review and reform of hundreds of existing laws to eliminate unequal treatment that primarily victimizes women but also in some instances victimizes men. ERA also stands as a barrier against enactment of discriminatory legislation.

Under the attorney general opinions interpreting state ERAs, most states have been extending benefits to the excluded group rather than doing away with the benefits. These include such benefits as the right to support or alimony, the right to receive pension benefits based on the employment record or occupation of one's spouse, the right to use the surname of one's choice regardless of marriage, and the right to be protected from forcible sexual assault.

In Washington state, reform of divorce laws by eliminating fault grounds was coordinated with efforts to provide non-sex-based economic protection for the homemaking spouse. In Arizona this was achieved by ERA-based legislation giving spouses equal powers of management and control over community property, which in practice strengthens the protection of most women.

Far from being a "leftover," ERA is needed on the federal level for the establishment of uniform nationwide standards of sexual equality. It would provide a firm constitutional commitment to equal rights, free from the present vagaries of subjective court interpretations.

But what about the Women's Movement itself? Has it passed its prime, lost its momentum, and been diverted into irrelevancies and elitism, as Hamill claims? Page one stories in the Times about rifts in NOW accentuate the impression that the Women's Movement is in trouble. In my view, all it shows is that NOW, whose membership has tripled in the past few years, is in the great American political tradition. I have never heard of any movement (except maybe Jehova's Witnesses?) that did not along the way develop conflicts, ideologic rifts, factions, unity moves, spinoffs, et cetera. It would be naive to expect unanimity and uniformity from the great, diverse, free-wheeling, explorative surge of personal, social, political, economic, cultural, and educational activity by millions of American women of all classes that is loosely described as "the movement." Its achievements are indisputable, its influence worldwide, and its momentum is now pushing it into more directions than casual observers could fathom.

Even after the New York defeat, a national Harris Poll showed a 70 to 15 per cent majority of Americans in favor of ERA, with 73 per cent of women favoring it, compared with a 68 per cent majority of men. Similarly, a Gallup Poll in September reported that 71 per cent of Americans feel the country would be governed as well or better with more women in public office, and 73 per cent said they would vote for a qualified woman for president. New York voters, while defeating ERA, elected 60 per cent of the women who ran for various offices around the state, continuing a national trend that has seen the election of thousands of women to local and state office in the past few years. The trend didn't just happen. It was in response to the "Win With Women" campaign developed by the multipartisan National Women's Political Caucus, which has been on the scene only since 1971.

The slogan developed by Karen DeCrow supporters in NOW—"Out of the mainstream into the revolution"—is an acknowledgement that many of the movement's basic goals have been accepted as the goals of a majority of American women, and that vanguard groups feel a need to press on toward larger goals. How many women I've met who ritualistically say, "I'm not for women's lib," and then add, "of course, I'm for equal pay and job opportunities and things like that."

They have not yet made the connection that even though we have equal pay laws, we need a movement to get the laws enforced. More and more women are making the connection.

The Women's Movement wears many different faces, speaks with many different voices, ranging from Betty Ford in the White House to the most avant-garde groups that see undifferentiated man as the enemy. A magazine like McCall's, still mostly recipes, fiction, fashions, and titillating gossip about Kennedys and Rockefellers, runs as its lead article, "Just a Housewife," a serious and lengthy report on a weekend conference and workshops sponsored by the Wisconsin Governor's Commission on the Status of Women, at which housewives worried about their legal rights and economic problems. In Oakland, Tish Sommers organizes the Association for Displaced Homemakers, in recognition of the rising number of women who find themselves deserted or divorced in middle age. In the House of Representatives, most of the 19 women members now meet regularly in an informal caucus. We have introduced pioneering legislation to provide Social Security benefits to homemakers in their own right. When Federal Reserve Chairman Arthur Burns tried to issue regulations scuttling the recently won Equal Credit Opportunity Act, forbidding discrimination against women in credit cards, mortgages, and loans, 14 of my women colleagues went with me to confront him, and we forced him to back down. On December 10, the House overwhelmingly passed an Abzug-Mink bill authorizing $5 million for conferences in all the states to discuss women's issues, culminating in a Bicentennial national women's conference.

Within the last two years, feminist organizations of black, Puerto Rican, and other Spanish-speaking women have formed. The Coalition of Labor Union Women, launched at a huge conference in Chicago two years ago, works on programs for the 27 per cent of AFL-CIO members who are women. In New York, Margie Albert, a CLUW founder, is busy organizing for District 65 women who work, underpaid and underpromoted, in the big publishing firms. A campaign is also under way to unionize the multitudes of women office workers in our city. Baltimore City Councilwoman Barbara Mikulski, feminist Jan Peterson, Italian-American leader Mary Sansone get together to organize ethnic women, and Peterson finds it easier to communicate with Polish-American women because, as a community poverty worker, she helped lead the Northside fight to save their homes in Brooklyn's Greenpoint. To say the momentum has gone out of the Women's Movement is like remarking on how calm the ocean is.

I agree with Hamill that the economic crisis probably had an adverse effect on the ERA vote. Men and nonworking women too often see working women as expendable rather than as individuals who need jobs to survive. Responding to the recession, laid-off women workers are beginning to grapple with seniority problems and share-the-work plans. Although these women would undoubtedly be happy to join with men in a militant campaign for full employment and to save New York, few would share Hamill's optimism that now is the time for women to disband their organizations and put their faith in a textbook class struggle in which suddenly men and women will be comrades together, sexism gone and forgotten.

Let him tell that to the Committee of Female Police Officers, representing the 400 women who were laid off by the New York City Department along with 3600 men as a rssult of the fiscal crisis. The 400 were two thirds of all the women in the police force. When 2000 officers were called back, only 20 to 30 women were returned to work. The women, who have filed discrimination complaints against the department, know realistically that their male colleagues are not going to fight to restore the women's jobs, although 42 per cent of the laid-off women have to support themselves, 87 per cent contribute at least half the family income, and 22 per cent are heads of households and have children to support. The policewomen know that merging their struggle with the male police officers will, in effect, mean submerging their own needs.

Women and men should not have to compete with each other for jobs. They should be working together for a new kind of society that is organized to take care of the basic needs of all people, to provide jobs for all who can work, to offer everyone an opportunity for a decent life. Our chances of getting that kind of society are better with a strong Women's Movement than without one, a Women's Movement that even in its more establishment forms is dominated by humanistic values and in its more radical forms seeks to move women into active leadership of the forces seeking real change.

FORD'S CATASTROPHIC HEALTH INSURANCE PACKAGE AN INCREASED BURDEN FOR THE ELDERLY

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mr. BRADEMAS. Mr. Speaker, I have introduced today a resolution which would express the strong opposition of Congress to President Ford's plan to increase medical costs for the elderly. This plan has come to us under the guise of a catastrophic health insurance package for medicare beneficiaries.

The President's proposal, which was included in his January 19 state of the Union message, does not constitute a responsible approach to health care delivery for older persons.

The plan advocated by the President is substantially the same as that put forth earlier by the administration of Richard Nixon and only recently advanced by the Ford administration. The scheme was discredited when Mr. Nixon proposed it and it should be rejected now.

Indeed, Mr. Speaker, the most reliable estimates we have project that 5.9 million medicare beneficiaries will be hospitalized during the coming fiscal year. The part B supplementary medical insurance program, which covers doctor's fees, home visits and other out-patient services, is expected to provide reimbursable services for 14.2 million medicare beneficiaries during fiscal year 1977.

If the Ford-Nixon catastrophic health insurance package is accepted, most of these recipients would be paying a substantially higher percentage of their medical costs. The Ford plan would cost aged and disabled medicare beneficiaries an additional $1.3 billion for medical services. Only a relatively small percentage of these individuals would be reimbursed by their private insurance plans.

NEW BURDEN FOR THE ELDERLY

Mr. Speaker, at the present time a medicare beneficiary admitted to a hospital is responsible for the first $104 of the bill; nothing further is charged until the 61st day of hospitalization.

The administration is advocating a significant alteration in this fee mechanism by:

First, requiring the payment of a coinsurance fee equal to 10 percent of all hospital costs above the $104 inpatient deductible charge. This means that an older American hospitalized for 35 days at $100 per day would be responsible for $350 of the bill, plus the $104 deductible. Such a fee structure would impose an appalling hardship on many who are least able to assume such financial responsibilities;

Second, requiring that the part B supplementary medical insurance annual deduction be increased from $60 to $77 in calendar year 1977, thereafter to increase in proportion to the percentage increase in social security cash benefits. The administration is, therefore, proposing a poorly concealed reduction in post-1977 social security cost-of-living increases. In other words, with the right hand, it giveth and with the left it taketh away; and

Third, requiring the payment of a new 10 percent coinsurance charge on hospital-based physician and home care services.

Mr. Speaker, I am not opposed to all aspects of the President's recommendation. In advocating a $500 limit to a patient's liability per benefit period for qualifying hospital services and $250 limit per calendar year for part B covered services, the administration is acknowledging that some ceiling on the medicare beneficiary's responsibility must be imposed. However, even with this reform the Ford administration could not resist linking the ceiling to the level of social security benefits. Hence, Mr. Ford is proposing that liability limits rise proportionately with increases in social security benefits.

LARGER BILLS FOR THE VULNERABLE

Mr. Speaker, the administration is attempting further to burden those in our society who are most vulnerable. Aged and disabled Americans are simply not in a position to assume greater responsibility for spiraling health care costs. These Americans require more comprehensive coverage, not larger medical bills.

Indeed, Mr. Speaker, it is not generally known that medicare, however sound in principle, currently shelters the elderly from only 38 percent of their health care costs. For example, out-of-hospital prescription drugs, eyeglasses, hearing aids, dentures, and physical checkups, are not included.

In fiscal year 1974, per capita health care costs of persons 65 or older was $1,218, almost three times as great as the per capita cost for Americans aged 19 to 64 and nearly seven times the level for those under 19. In fiscal year 1966, out-of-pocket, per capita direct payments by persons 65 years or older for medical treatment amounted to $237. By fiscal year 1974, this out-of-pocket burden had increased to $415, nearly 80 percent higher than the fiscal year before medicare became effective.

CONCLUSION

Mr. Speaker, if the Ford proposal is accepted, the vast majority of our medicare beneficiaries would be forced to commit a larger share of their very limited resources to health care. It is true that those confronted with catastrophic illness would be assisted—but why must this humane step be taken at the expense of all beneficiaries?

We know what will happen if medical costs for the elderly and disabled rise. These Americans will almost surely delay or curtail treatment that is necessary but which they cannot afford. We cannot allow those most vulnerable to suffer so cruelly because we are unwilling to accept our clear responsibility.

Mr. Speaker, I urge early approval of this resolution. In addition, I include the text of the resolution at this point in the RECORD.

H. CON. RES. 534

Whereas, per capita health care costs of persons aged 65 or older amounted to $1,218 in fiscal year 1974, almost seven times the level for individuals under 19 and nearly three times as great as for Americans aged 19 to 64;

Whereas, out-of-pocket, per capita direct payments for medical treatment for persons aged 65 or older amounted to $237 in fiscal year 1966;

Whereas, such out-of-pocket payments for medical treatment increased to $415 by fiscal year 1974, nearly $178 more than for the fiscal year before medicare became effective.

Whereas, medicare covered only 38 percent of the health care expenditures for older Americans in fiscal year 1974;

Whereas, the President has proposed to increase the out-of-pocket payments for the aged and disabled by requiring medicare patients is to pay a coinsurance charge equal to 10 percent of all hospital charges above the inpatient deductible payment of $104;

Whereas, the President has proposed to raise the part B supplementary medical insurance annual deductible amount from $60 to $77 for calendar year 1977, increasing thereafter in proportion to percentage increases in monthly social security cash benefits;

Whereas, the President has proposed to impose a new 10-percent coinsurance charge on hospital-based physician and home health services;

Whereas, the President has proposed to limit a patient's liability to $500 per benefit period for qualifying hospital services and to $250 per calendar year for part B covered services—both limitations to be increased thereafter in proportion to increases in social security cash benefits; and

Whereas, the President's proposed catastrophic health insurance protection for medicare beneficiaries would increase the out-of-pocket payments for the overwhelming proportion of aged and disabled persons qualifying for hospital and medical services under Medicare: Now, therefore, be it.

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that proposals to increase out-of-pocket payments for Medicare beneficiaries should not be enacted.

JOINT COMMITTEE ON WELFARE REFORM

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mr. PEYSER. Mr. Speaker, in recent years we have witnessed the migration of the poor from States with low welfare payments to States which, because of higher costs of living, have higher welfare benefits. This adds an immeasurable burden to the latter States such as New York State, which pays 50 percent of its welfare costs. Other States pay as little as 25 percent with the Federal Government picking up the additional 75 percent.

The draining effect of this inequity upon our larger cities and States has become apparent over the past year. This is not to say that welfare is, in itself, an evil to be blotted out. What is needed, of course, is the necessary reform to insure that those in need—dependent children, the crippled and aged, those who are unable to find gainful employment—receive ample assistance while eliminating those who are cheating.

Accordingly, I have introduced legislation to create a Joint Committee on Welfare Reform, House Joint Resolution 786. The committee will consist of five Senators chosen by the President of the Senate, and five Representatives chosen by the Speaker of the House. No more than three Members from either House will come from the same political party.

The committee will have 6 months to make its initial investigation and report to the Congress on the effects and administration of the welfare system, and to suggest reforms that are so obviously necessary. The full investigation will last 2 years and, hopefully, will come up with answers regarding fairness to the taxpayer as well as fairness to the needy that have faced us in recent years.

A copy of the resolution follows:

H.J. Res. 786

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That there is hereby established a joint congressional committee known as the Joint Committee on Welfare Reform (hereinafter referred to as the "Joint Committee").

Sec. 102. Membership.—(a) Number and selection—The Joint Committee shall be composed of ten members, five of which shall be appointed by the President of the Senate, and five appointed by the Speaker of the House of Representatives. In each instance not more than three Members shall be members of the same political party.

(b) Vacancies.—Vacancies in the membership of the Joint Committee shall not affect the power of the remaining members to execute the functions of the Joint Committee, and shall be filled in the same manner as in the case of the original selection. The Joint Committee shall select a Chairman and a Vice Chairman from among its members at the beginning of each Congress. The Vice Chairman shall act in the place and stead of the Chairman in the absence of the Chairman. The Chairmanship shall alternate between the Senate and the House of Representatives with each Congress, and the Chairman shall be selected by the Members from that House entitled to the Chairmanship. The Vice Chairman shall be chosen from the House other than that of the Chairman by the Members from that House.

(c) Allowances.—The members shall serve without compensation in addition to that received for their services as members of Congress; but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Joint Committee, other than expenses in connection with meetings of the Joint Committee held in the District of Columbia during such times as the Congress is in session.

Sec. 103. Election of Chairman and Vice Chairman.—The Joint Committee shall elect a chairman and vice chairman from among its members.

Sec. 104. Appointment and Compensation of Staff.—Except as otherwise provided by law, the Joint Committee shall have power to appoint and fix the compensation of a clerk and such experts and clerical, stenographic, and other assistants as it deems advisable.

Sec. 105. Payment of Expenses.—The expenses of the Joint Committee shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives, upon vouchers signed by the chairman or the vice chairman.

Sec. 105. Powers.—(a) Relating to Hearings and Sessions—The Joint Committee or any subcommittee thereof is authorized—

(1) To hold.—To hold hearings and to sit and act at such places and times;

(2) To require attendance of witnesses and production of books.—To require by subpoena (to be issued under the signature of the chairman or vice chairman) or otherwise the attendance of such witnesses and the production of such books, papers, and documents;

(3) To administer oaths.—To administer such oaths; and

(4) To take testimony.—To take such testimony; as it deems advisable.

(c) To Procure Printing and Binding.—The Joint Committee, or any subcommittee thereof, is authorized to have such printing and binding done as it deems advisable.

(d) To Make Expenditures.—

(1) General authority.—The Joint Committee, or any subcommittee thereof, is authorized to make such expenditures as it deems advisable.

Sec. 106. Duties.—It shall be the duty of the Joint Committee—

(1) Investigation.—

(A) Operation and effects of law.—To investigate the operation and effects of the federal programs of welfare, including but not limited to, the programs of Aid to Families with Dependent Children, Supplemental Security Income for the aged, blind, and disabled, Medicaid, Social Services (under Public Assistance Titles of the Social Security Act), Food Stamps, Emergency Assistance to needy families, and Veterans Pensions and any and all other federal programs providing public assistance and economic security for workers and dependents whose income could be reduced by unemployment, old age, sickness, or death or which provide cash or in-kind payments for persons with low incomes.

(B) Administration.—To investigate the administration of such programs by any executive department, establishment, or agency charged with their administration, and the respective state agencies charged with the administrative responsibilities of programs that are funded either in whole or in part by the federal government.

(C) Other investigations.—To make such other investigations in respect of such welfare programs as the Joint Committee may deem necessary.

(2) Reform of the System.—

(A) Investigation of methods.—To investigate measures and methods for reform of the welfare system designed to eliminate fraud and waste and improve the delivery of services to eligible recipients, and

(B) Publication of proposals.—To publish from time to time, for public examination and analysis, proposed measures and methods for reform of the welfare system, and

(C) Reports.—To report, from time to time, to the Committee on Finance and the Committee on Ways and Means, and in its discretion, to the Senate or the House of Representatives or both, the results of its investigations, together with such recommendations as it may deem advisable.

(D) Legislative recommendations.—The Joint Committee shall, not later than six months after enactment of this resolution, make specific legislative recommendations to both the Senate and the House of Representatives, for the reform of the welfare system and shall make such interim recommendations to either or both Houses from then on as the committee deems necessary and appropriate.

Sec. 107. Additional Powers To Obtain Data.—(a) Securing of Data.—The Joint Committee or the Chief of Staff of the Joint Committee, upon approval of the Chairman or Vice Chairman, is authorized to secure directly from any executive department, board, bureau, agency, independent establishment, or instrumentality of the Government, information, suggestions, rulings, data, estimates and statistics for the purpose of making investigations, reports and studies relating to welfare reform.

(b) Executive departments, boards, bureaus, agencies, independent establishments, and instrumentalities are authorized and directed to furnish such information, suggestions, rulings, data, estimates and statistics directly to the Joint Committee or to the Chief of Staff of the Joint Committee, upon request made pursuant to this section.

Sec. 108. Expiration of the Joint Committee.—The Joint Committee shall make a final report of the results of the investigation and study conducted by it pursuant to this resolution, together with its findings and recommendations as to new congressional legislation it deems necessary or desirable, not later than twenty-four months after enactment of this resolution. After submission of its final report, the Joint Committee shall have three calendar months to close its affairs, and on the expiration of such three calendar months shall cease to exist.

ROY WILKINS

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mr. EDWARDS of California. Mr. Speaker, the editorial in last Sunday's Washington Post sums up better than I could the history made by the NAACP under the sage and courageous leadership of its retiring executive secretary, Roy Wilkins. The contributions made by Roy Wilkins over a 45-year period to the NAACP as an organization, and more broadly to our American way of life, will be an awesome standard by which any successors in the civil rights movement must be measured.

Nevertheless, Roy Wilkins' retirement raises questions and considerations we must face in asking ourselves "Where do we go from here? What new ground must be broken to fullfill our commitment toward equal rights, and what ground must be replowed." As our society becomes more complex and more diverse, the challenges become more immense.

As we face a complicated and an uncertain future, it is a comfort to look back and see how far Roy Wilkins has helped to bring us and how great our debt to him is.

The editorial follows:

ROY WILKINS: A DAY'S WORK DONE

When Roy Wilkins began working for the NAACP 45 years ago, the United States was a different country. Lynch law ruled much of the South and some of the border states. Jim Crow ruled in public accommodations, movie theaters, restaurants and hotels. Segregation, operating under the tortured fiction of "separate but equal," was the rule in public education by sanction of the Supreme Court. Mr. Wilkins, now 75, has announced that he will retire at the end of this year, having seen Jim Crow die, the doctrine of "separate but equal" overturned and thousands of blacks elected to office—some of them sheriffs—all over the South.

To say that Roy Wilkins had a role in all of those changes is an understatement. His contribution to his people and his country is beyond calculation. Under his steadfast and keenly perceptive leadership—he has been the NAACP executive secretary since 1955—the association has grown in branches, members and influence. This is a better country for having had a strong NAACP to carry the fight to the courts, the legislatures and city hall for equal justice under law for all Americans.

Because he combines such special qualities of leadership and grace, Mr. Wilkins is not going to be easy to replace. The NAACP's board of directors has begun its search, but several members have conceded that the task seems enormous at the moment. Whatever qualities of Mr. Wilkins make that search difficult, the problem is compounded by the character of the times.

The next director of the NAACP will probably take the association from the bicentennial year to within hailing distance of the 21st century. And so the search committee is charged with selecting someone who is prepared to deal with the question of what race relations should be in a world rapidly approaching the year 2000.

Black America began this century as a mostly rural, Southern-based community. The collapse of Reconstruction brought on a reign of terror that was to last well into the first quarter of the 20th century. Terror and the depressed economy of the South brought blacks to the Northern cities in one of the largest migrations this country has known. Urbanism has brought new problems and new demands, and new forms of inequality to be combatted.

The NAACP has spent the last two-thirds of a century helping shape the present that the Negro experiences. It is reasonable to expect that it will have an important influence on where the black community seeks to go from here and how it chooses to get there. Naturally, there are other groups whose influence will be felt. The National Urban League is as old as the NAACP and exercises its influence in important but different ways. The National Urban Coalition, a much newer organization, has demonstrated remarkable leadership on the cutting edge of today's urban problems. The Congressional Black Caucus grows in potential influence as its ranks grow and as its members gain more and more power in Congress. All those organizations will be important elements in a firmament in which the NAACP once operated almost alone.

Each of those groups will have its say about the direction of the black community in the years ahead. Complex issues regarding school desegregation, welfare reform, U.S. relations with Africa and a score of others will face the NAACP and the other equal rights groups. When Mr. Wilkins joined the movement, the NAACP was in a position to set directions almost by itself. Today and in the years ahead, its biggest challenge might well be that of harmonizing many different voices and approaches to the problems that face black America. That far more sophisticated world would tax the talents even of a Roy Wilkins, which is why the search for his successor is so important—and also why it promises to be so difficult.

CARMINE UNGARO: SALUTE, PROSPERITA E LUNGA VITA

HON. JAMES G. O'HARA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mr. O'HARA. Mr. Speaker, just a few days ago it was my privilege and pleasure to join a host of his friends and admirers in a testimonial dinner honoring Carmine Ungaro, who for the past 19 years has served as president of the Italian-American Fraternal Club of Dearborn, Mich.

I was delighted, Mr. Speaker, to be able to take part in this tribute, along with my dear friend and colleague, the Honorable JOHN D. DINGELL, who so ably represents Dearborn and the rest of the 16th Congressional District of Michigan here in the House of Representatives.

Mr. Ungaro, who recently retired as president of the Italian-American Fraternal Club, and who is now its president-emeritus, has provided dynamic and dedicated leadership, working not only on behalf of his countrymen from his native Italy but working, as well, on behalf of all of his countrymen of this, his adopted land.

Carmine Ungaro typifies all that is right and good about America—a Nation of many peoples from all corners of the globe, who have come together here to become one people and one Nation. America"s greatness is best exemplified by the willingness of people to help one another, and Carmine Ungaro has been one of those dedicated helpers of his fellow human beings.

Mr. Speaker, no words of mine can express the feelings of Carmine Ungaro's friends and neighbors better than the tributes which were paid to him at the testimonial dinner in Dearborn. The fellow members of the Italian-American Fraternal Club had this to say about the man who has led their organization for nearly a score of years:

CARMINE UNGARO—DYNAMIC AND DEDICATED LEADER

The officers and membership of the Italian American Fraternal Club and the many friends you have in the entire community, honor you today following the many years of devoted service and leadership to those of us who came to the new world in search for a better life.

You were always ready and willing to help those who could not help themselves, and your accomplishments are living proof of your dedication.

We honor along with you, your wife Mary, who proudly stands by you in support of your activities, and your children Richard and Arthur and their families who have learned to share you with your many friends.

Carmine, you are a giant in our community, and we are most happy to honor you and share in this happy occasion.

You may have decided not to seek reelection to the office that you proudly held for so many years, but we will always continue to seek your guidance and wise judgment so that we can carry on the good work and the commitment we jointly made—to make our community a better place to live not only for the Italians but for the people of all nations that have come together in this great melting pot better known as America.

Carmine, we are proud of your achievements and contributions and join in wishing you a long prosperous and healthy retirement—*"Salute, prosperita e lunga vita."*

In addition to this warm-hearted tribute from the officers and members of the Italian-American Fraternal Club, Mr. Speaker, there was a senate concurrent resolution, introduced in the State senate by Senator Patrick McCollough and cosponsored in the house by Representative Lucille McCollough, which was adopted by both houses of the Legislature of the State of Michigan, in tribute to Carmine Ungaro. Here is the text of that resolution:

Whereas, It is an honor to extend the highest praise and tribute to Mr. Carmine S. Ungaro upon his retirement after serving nineteen consecutive terms as President of the Italian American Fraternal Club of Dearborn, Michigan; and

Whereas, Born in Sanpo Stefano Provencia DiCarenza, Italy, Mr. Ungaro earned a doctorate degree in Journalism from the University of Terroni Taranto, Italy. He was awarded a certificate in Journalism as an Honorary Cavalier in the Order of the Spirits of Italy in February, 1947; and

Whereas, Mr. Ungaro has worked on various American metropolitan newspapers, and, as an excellent and resourceful speaker, he has debated frequently on radio. Additionally, he has served on numerous campaigns to benefit Boys' Town of Italy; and

Whereas, During his many illustrious years as President of the Italian American Fraternal Club, Mr. Ungaro has dedicated himself completely to the principles of that outstanding and benevolent society of Italian brotherhood. His sound judgment, wisdom and fervent compassion have made him not only admired and respected, but cherished by his Italian-American brothers and, indeed, all who know him; and

Whereas, After merging with other Italian clubs, the Italian American Fraternal Club was established in 1948 as a nonpolitical organization designed to prompte and participate in civic and community affairs affecting people of Italian origin. The club is restricted to male members of good character, and it offers them sick and death benetfis. Under the leadership of Mr. Ungaro, the club has made continuous and lasting contributions to the Dearborn area; now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the highest accolade of praise and tribute be accorded Mr. Carmine S. Ungaro upon his retirement after serving nineteen consecutive terms as President of the Italian American Fraternal Club of Dearborn, Michigan; and be it further

Resolved, That copies of this tribute be transmitted to Mr. Ungaro, with our sincerest best wishes and appreciation, to his family, and the Italian American Fraternal Club, in testimony to the high esteem held for him by the Michigan Legislature.

To these glowing tributes, Mr. Chairman, I can add nothing, except to echo the wish for Carmine Ungaro expressed by the officers and members of the organization he served so well: Salute, prosperita e lunga vita."

GOOD SAMARITAN MRS. MAIDA NAVIS OF LITTLETON, COLO.

HON. WILLIAM L. ARMSTRONG

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mr. ARMSTRONG. Mr. Speaker, amid the controversy over funding the Nation's welfare programs, I think we too easily forget the contributions of thousands of private citizens who work tirelessly to help their neighbors—and ask for nothing in return.

Mrs. Maida Navis of Littleton, Colo., is one of those remarkable Good Samaritans. For 10 years, she has devoted her life to founding and building the Inter-Faith Task Force, an organization which truly works miracles for those who need them: the poor, the sick, the jobless, the hungry. I admire Maida greatly.

The Littleton Independent, one of Colorado's finest weekly newspapers, recently selected Maida as "Woman of the Quarter-Century." The choice, I think, is a wise one. I commend to my colleagues the article editor Garrett Ray wrote about this wonderful woman.

FOUNDER OF INTER-FAITH IS WOMAN OF QUARTER CENTURY

(By Garrett Ray)

Ten years ago a warm-hearted Littleton woman began collecting used clothing to give to local people in a financial jam. That project founded by Maida Navis in her garage, became the Inter-Faith Task Force.

Her ability to organize and inspire others, her unflagging energy, and her love for people have made Inter-Faith the area's No. 1 private community help organization.

This week Mrs. Navis, IFTF executive director, was named by the Independent Newspapers as Littleton's "Woman of the Quarter-Century," honoring her postive influence on the people of the Greater Littleton area.

"I was a volunteer with Tri-County Health Dept. in 1966 when local ministers suggested the need for a program to help poverty-stricken people here," she said. "I certainly didn't know what Inter-Faith would become. I'm glad I didn't know, because it would have been too overwhelming. And I'm glad my family didn't know! I could not have done this without them."

FAMILY STILL INVOLVED

Since the first days of folding and sorting clothes in the family garage at 380 W. Caley dr., the Navis family has been nearly as involved as Maida in the work of Inter-Faith.

Warren Navis, in sales with Dixon Paper Co., started by helping his wife deliver clothing orders at night. Although most clothing and food orders are now picked up at the Inter-Faith community center, 3370 S. Irving st., Navis is still personally involved.

"You can't run an organization like this on an 8 to 4:30 schedule," Mrs. Navis said. "The day after Christmas, we were watching the football game when King Soopers called to tell us we could have nine racks of fresh bread. So Warren left the television and helped me haul bread."

The Navises, who will celebrate their 30th wedding anniversary April 11, have two married daughters, both of whom grew up working as Inter-Faith volunteers.

Penny, married to Jeffrey Schwarz, graduated from Arizona State University in June and is a social worker at Arizona state mental hospital—the only staffer in the closed teenage ward without a master's degree.

Peggy married Jake Gielinski and lives in Littleton; they have a year-old daughter, Jacine. "I wanted to be a grandmother before I was 48, and I made it by two months." Mrs. Navis laughed. Peggy still works in Inter-Faith's programs for young mothers and senior citizens.

NO BUREAUCRACY

From its small beginnings, Inter-Faith Task Force has grown into a massive collection of programs including preschools, adopt-a-grandparent, and sewing classes for young mothers, among other projects. The "big five" programs are the food and clothing banks, medical assistance, general assistance, and medical transportation.

Yet in spite of the growth, IFTF has remained remarkably free of bureaucratic red tape, layers of executives, and high administrative expenses.

Mrs. Navis estimates that Inter-Faith's overhead runs about 5% of the total services.

"We're able to achieve this because so much of what we accomplish is through 'in-kind' contributions including food, clothing, labor, donated materials, and donated equipment," she said. "There is a great deal of willing self-sacrifice by volunteers and by paid workers who get far less than they could earn elsewhere."

Inter-Faith started as an all-volunteer organization. Now there are more paid workers, and the need for volunteers has changed.

"We still use many volunteers, but in different ways from when we started," Mrs. Navis explained.

"The help we get during holidays from service clubs, businesses, and schools has more than tripled. And most of our preschool workers are volunteers.

"But when we built our community center, we centralized a lot of activities, including the food bank and clothing bank; most orders are picked up, so we don't need so many volunteers for deliveries.

"We still need drivers for medical transportation, but we are paying our drivers. It is a hard job to get volunteers to do.

"All the hired people except about four of us are from low income families. We have many minority workers, and that's great. There's a warm, caring, family relationship here, and it is one big reason for the success of the center."

Although the organization now has a formal structure, a large and active board of directors, and a paid staff, Mrs. Navis remains the key figure—not only an inspiring figurehead who personally struggles through the annual fund-raising 25-mile walk, but a working executive.

"If we ever turn into a bureaucracy, it will be over my dead body," she said. "One of our big strengths is that we don't have any strings; we aren't a government agency. We can break rules, and we do it all the time, depending on the circumstances and the need. There's no one to say, 'You can't do that.' "

Mrs. Navis has won enough recognition to last a lifetime. She was the Independent's Public Servant of the Year in 1967. La Sertoma International recognized her as woman of the year. Pat Nixon visited Inter-Faith while she was the nation's First Lady.

So it would be easy for Mrs. Navis to sit back, go on doing what she has been doing, and relax knowing she has earned the love of her community. But she bubbles with hopes and plans for new projects.

HELP FOR PARAPLEGICS

Mrs. Navis has never succeeded in keeping a cool, professional distance between herself and Inter-Faith "customers." She gets personally involved. That's what led to her interest in young people paralyzed by accidents.

Inter-Faith has helped provide autos and other equipment for young paraplegics to make them more self-sufficient. Each one becomes a personal crusade for Mrs. Navis.

"I was down at Atlantis House last week," she sighed. "There are 15 paraplegics there, working together to build their own lives and to become self-sufficient. They need so much help. I'd love to take that in hand.

"An unused motel would be ideal. There, the kids could have their own apartments, but there would be common facilities too. They're too often put in nursing homes, and they don't belong there. They like pizza and beer, hamburgers, radios. They want to work and go to school.

"This is a dream of Craig hospital too, with which we've worked in rehabilitating these young men and women. If I had a million dollars, that's what I'd do with it."

Another dream centers around a place where elderly transient men could be cared for briefly.

"I'm the only person around who misses that old Littleton Hotel on Main st.," she said. "We need about eight rooms for overnight lodging. When the police call you at 2 a.m. and tell you an old man is sleeping in the doorway to the bus depot in freezing weather, what do you do with him? Or what do you do when a traveler's car breaks down and he needs a little help and a place to stay till he can get it repaired?"

"YOU LEARN PATIENCE"

Mrs. Navis paused in her rapid-fire, excited recitation.

"The hardest thing in this job is to know your limitations," she said. "You see so many things that need to be done. . . If there's anything you learn, it is patience, and that it takes time to develop something right.

"There are a lot of discouraging times. Then something nice happens and we bounce right back. This is what any life is—helping someone else, and in turn helping yourself. I've received far more than I have given."

MILO'S TROUBLED HOSPITAL

HON. WILLIAM S. COHEN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mr. COHEN. Mr. Speaker, yesterday's edition of the Washington Star and today's Bangor Daily News carried a column by James J. Kilpatrick concerning the difficulties one small Maine community is facing in keeping its local hospital in operation.

Although Mr. Kilpatrick's column is published widely, I am inserting this particular edition in the CONGRESSIONAL RECORD to attract attention to a problem which is increasingly widespread in the Nation.

The people of the town of Milo are caught between State and Federal regulations, between their strong desire to maintain their 9-bed local hospital and a push for improved regional medical facilities. The story has significant implications for all America's small towns, and I commend it to the attention of my colleagues in the House.

The column follows:

[From the Washington Star, Jan. 27, 1976]

THE 'BIG GUYS' GO AFTER MILO'S TINY HOSPITAL

(By James J. Kilpatrick)

MILO, MAINE.—The little town of Milo (pop. 2,600) lies in north central Maine, somewhere south of Millinocket and somewhere north of Bangor. The casual traveler is not likely ever to get to Milo unless he has some particular business to attend to, but there's a story here worth a moment of your time.

Unless some new money is found by early February, the town will lose its hospital. All the old money has been exhausted; the bake sale money, the bean supper money, the town tax money—it's all run out. After a small-town struggle that would break your heart, the "big guys" may win after all.

The "big guys" are all those powerful people behind big desks somewhere else—at the Department of Health, Education, and Welfare in Washington, at state agencies down in Augusta, wherever it is the Blue Cross and Blue Shield administrators sit. The "big guys" are the planners and policy-makers.

And Milo is pretty small. Its hospital has nine beds. One is reminded of Daniel Webster's argument in behalf of Dartmouth College—a small institution, but there are those who love it. The hospital in Milo has no such glorious history; it dates only to 1928, when it was established privately in a comfortable old three-story house. In 1960, the town formed a non-profit corporation and took it over.

In the course of time came the big guys with the big programs and the big ideas and the big books of rules and regulations. These factotums, dignitaries and policy-makers are not to be regarded as black-hated villains; they have not acted as dictators, tyrants or despots. Obviously, there are a few hard feelings among the Friends of Milo Community Hospital, but the record suggests that the big guys have acted out of a sincere concern for greater efficiency and better medical care.

In any event, the last few years have been a chronicale of one discouraging hassle after another. The hospital trustees were put on notice that the building failed to comply with certain safety standards. Teams of inspectors came and went. Reports were filed, certificates were denied. Finally, in May of last year it looked as if $100,000 to $150,000 would have to be spent if the hospital were to survive.

Such a sum is pocket change in Washington; it is the kind of trivial item that gets rounded off in a decimal point. In Milo, it looked like the national debt. Then the big guys relented: If the top two floors of the old building were lopped off, and if this were done and that were done, at a cost of maybe $30,000, perhaps a reprieve would be approved.

But the big guys had a bigger and better idea: If Milo would just go along with construction of a 52-bed regional hospital at Dover-Foxcroft, 13 miles away, everything would be solved. The little hospital in Milo could be abandoned. Fine medical care would be assured. It was all friendly, but there was an edge to it: If Milo didn't go along, Milo would lose its Medicare-Medicaid money.

The townspeople held town meetings. Repeatedly they rejected the friendly proposal. Instead, they plunged in to renovation with their own hands. They raised $6,000 the old-fashioned way. And in November, spick and span, the bobtailed little hospital reopened.

Alas, the effort hasn't impressed the big guys behind the big desks. Medicare and Medicaid funds have been withheld. The Blue Cross-Blue Shield people say their contract lapsed while the hospital was closed for renovation. Pressure continues for the big regional institution at Dover-Foxcroft. The trouble with the stubborn people of Milo, it is said, is that they don't know what's good for them.

Well, maybe not. But here is a small town fighting for what its own townspeople, in their own town meeting, say they want to hold onto. That's a principle worth saving, if it takes a billion baked beans to do.

HOW TO CUT FEDERAL SPENDING

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mr. McDONALD of Georgia. Mr. Speaker, now that the fiscal 1977 budget is out, we are again hearing about the difficulties in controlling Federal spending. In particular, we hear about how much of the budget is really made up of "uncontrollables." Thus the President's proposal to increase Federal spending next year by $21 billion, with a projected deficit of $43 billion, is said to be in truth a proposal to reduce spending. If we simply maintained all Federal programs at their present level, it is argued, the budget would call for spending $423 billion, an increase of a mere $50 billion over last year.

So, we are admonished, let us stop talking about controlling Federal spending and start up the printing presses.

Well, as the following editorial from the St. Louis Globe Democrat, January 14, 1976, points out:

> The fact is that the federal budget is completely controllable. The only ones out of control are the senators and representatives who have been falling all over each other trying to increase federal spending.

The editorial continues by pointing out numerous areas where spending can be cut and "controlled" immediately. Following are excerpts:

[From the St. Louis Globe Democrat, January 14, 1976]

HOW TO CUT SPENDING

". . . The fact is that the federal budget is completely controllable. The only ones out of control are the senators and representatives who have been falling all over each other trying to increase federal spending.

"There are two excellent approaches to cutting the oversized federal budget. One might be described as internal and the other external.

"An example of an internal spending reduction would be a restructuring of the overgrown Department of Health, Education and Welfare which now is spending about $120 billion a year. The new HEW Secretary, Forrest D. Mathews, estimates that eliminating overlapping programs and general simplification of the maze of programs in the department would save as much as $6 billion to $10 billion a year.

"It is estimated that the federal government is now paying out about $1 billion a year to public relations officers to bombard the public with various kinds of information. This probably could be cut in half with no loss to the public and a considerable savings in paper that would not be consumed by millions of government handouts and office memorandums.

"In many federal programs eligibility standards have been too generous and administration has been far too lax. The food stamp program, for example, is wildly out of control. Food stamps now go to about 20 million Americans, including more than a million whose income is more than $12,000 a year. The program which started at a cost of only $400,000 a year in 1961 now has mushroomed to almost $7 billion a year.

"The eligibility standards in this program are so low that it is estimated that another 20 million to 40 million Americans may be eligible.

"Of equal concern is the fact that a Department of Agriculture survey found that food stamps were being issued incorrectly (too many or too few) in 54 per cent of the cases studied. Obviously many billions of dollars could be saved by tightening up on eligibility standards and administration of public aid programs.

". . . federal spending probably could be cut by $20 billion to $30 billion by making internal reforms and eliminating marginal and wasteful practices.

"The external cuts would be those that would reduce or eliminate expenditures for specific agencies and programs. A good example of this kind of reduction would be foreign aid. The United States, which now is in debt more than $600 billion, has no business sending more than $8 billion a year overseas. To get this $8 billion it has to borrow the money at 7 to 8 per cent. Foreign aid should at least be cut in half. This would save about $4 billion.

"There is no question that a great amount of federal money poured into 'community development' has been wasted. Even the unsuccessful Model Cities program was scheduled to receive $1.3 billion in the 1976 budget. . . .

"These are by no means all of the proposals that have been made or can be made. But they make the point. The federal budget should be as easy to cut as a ripe banana. The real problem is that high-spending liberal senators and representatives don't want to cut it. They get a lot of their votes by approving wasteful and costly programs.

"Taxpayers, however, had better assert their rights. They are now being made 'fall guys' for the most irresponsible spending in the nation's history."

MALAWI—A CASE OF PERSECUTION

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mr. BROWN of California. Mr. Speaker, it is difficult for Congresspersons, their staff, and the large personnel in our Washington bureaucracies, to identify in any way with the hardships being suffered all over the world. Sympathy comes easily, but empathy is nigh impossible. We live in warm shelters, work in guarded buildings, and bicker over the benefits of grain-fed versus grass-fed beef. We often speak our minds and associate with whom we please. I wonder how well this life prepares us, as members of a powerful government of a large nation, to decide and direct the priorities of our foreign policy.

In my years here in Congress, I have often questioned our interpretation of "U.S. interests"—an interpretation which kept us in Vietnam, aided the military overthrow of President Allende in Chile, and supports repressive governments on every part of the globe. Accounts of physical and mental torture, imprisonment without trial, and the elimination of other basic human rights no longer startle us and they are shrugged away as the result of mankind's more barbaric side.

Once again, examples of such torture and repressive action have been brought to my attention. It seems that the African country of Malawi has joined the growing collection of nations which are strongly persecuting unpopular minorities. This time it is based on religion—the Jehovah Witnesses in Malawi are being forced into concentration camps, tortured, beaten, raped, et cetera. Due to their religious beliefs, they refuse to join a political party, carry a party card, or in any way become involved in politics. A law in Malawi, which has a one party government, states that every citizen must have a party card. The Witnesses refuse to carry one, and thus have subjected themselves to persecution.

I urge my colleagues to read the following articles on this subject, which I would like to insert in the Congressional Record, and to consider taking a more active role in trying to change the course of such events by direct communication with government officials in Malawi and by altering the priorities of our foreign policy. Our policies should be a reflection of our horror, not a mirror of our apathy:

Jehovah's Witnesses Claim Persecution in Africa

Johannesburg, South Africa.—The Jehovah's Witnesses religious sect says its members are being driven from country to country in southern Africa by beatings, rape, torture and political pressure.

Awake, the sect's newspaper, recently published details of what it said was a wave of terror against thousands of Witnesses in Malawi and said they were also being persecuted in Mozambique and Zambia. Sect officials said many Witnesses have died from the violence in Malawi.

In all three countries, the paper said, the actions resulted from the refusal of the Witnesses to give allegiance to the ruling parties. The sect believes organized government is sinful.

The Jehovah's Witnesses are also unpopular with the white rulers of Rhodesia and South Africa—both involved in low-key guerrilla wars with black nationalists—because they refuse to serve in the army.

Awake, in its Dec. 8 issue, said the latest violence against the Witnesses had been carried out by the Malawi Congress party's Youth League. It said these incidents, gathered by the sect's Watchtower Societies, were typical:

In the Malawi villages of Bundu, Nyanga and Phatha, a mob of more than 100 armed men drove Witnesses from their homes, stripped and beat them, and then tried to make the men and women have sexual relations.

In Kanchenche, a village northwest of Lilongwe, members of the Youth League stripped and beat women Witnesses and burned their pubic hair with torches. Five married women were raped, and one 17-year-old girl was raped by three men. The local party chairman led the assaults.

At the village of Chimasongwe, in the same area, men and women were bound together to try to force them to have sexual relations. A brother and sister were tied together.

Western reporters are barred from both Malawi and Mozambique and so cannot confirm independently the sect's statements, but the reports reaching South Africa are numerous enough to give them some credence.

Most of the Witnesses involved in the alleged persecution were identified as blacks native to Malawi.

Frank Muller, the Jehovah's Witnesses presiding overseer in South Africa, said President Kamuzu Banda of Malawi has said he will decide finally what to do about the Witnesses there before the end of January.

Muller said he is not optimistic about the outcome. He urged Witnesses all over the world to write to Banda and members of his government asking them to stop the attacks.

Awake said the violent attacks on the Witnesses began in Malawi in 1964. It said Banda's supporters burned the homes of 1,081 members of the sect and more than 100 of their meeting places.

[From the Wall Street Journal, Jan. 2, 1976]

Plight of the Witnesses

Stories have been trickling out of Africa during the past several months recounting the religious persecution of Jehovah's Witnesses in Malawi. Witnesses have been murdered, beaten by gangs, robbed, sexually abused and their houses burned down. Spokesmen for the Witnesses say that at least 30,000 of their members are being held in detention camps.

Religious persecution is an old, old story, of course, the comparative handful of Malawi Witnesses are only a tiny fraction of the millions of religious faithful persecuted or harassed in Communist nations and elsewhere. Moreover, the two million or so Witnesses tend to keep a low profile except to proselytize so it's pretty easy for the outside world to overlook their travail.

Still, Jehovah's Witnesses tend to get under the skin of governments more than do most denominations, since they refuse to pledge allegiance, serve in armed forces or join political parties. Democracies tend to tolerate such refusals, but dictatorships are usually not that indulgent. The Castro government harshly persecuted Witnesses, including former world boxing champion Kid Gavilan, and Malawi appears to be going further.

Malawi formally banned the Jehovah's Witnesses in 1967 when they refused to join the country's only political party, the MCP. Many Witnesses fled to nearby Zambia, but most were subsequently forced back to Malawi. Whereupon some 35,000 fled to Mozambique, but when the present Marxist regime came to power last summer it forced them back again because they refused political indoctrination. Last summer the MCP congress urged that all remaining Witnesses be fired from their jobs and evicted from their homes, so many are now reportedly dying of starvation and disease. The Witnesses' publications carry tales of brutal tortures.

The plight of the Witnesses is closely bound up with the wider persecution and harassment of unpopular minorities in Third World nations, not just religious minorities but ethnic and racial minorities as well. Some 50,000 Asians were expelled from Uganda, 30,000 Portuguese, Pakistanis and Greeks were expelled from Zaire, another 10,000 were forced out of Ethiopia after the military junta seized their enterprises. And Tanzania's President Nyerfere frankly warned white settlers they were unwelcome in his country.

Most of the persecuted Witnesses are blacks native to Malawi. But what they have in common with the Asians and Europeans cited above is that they are being used as scapegoats by regimes that never tire of lecturing the developed world on the evils of racism and other sins of Western democracies. More remarkably, there are still Westerners who take such lectures seriously: they ought to talk to the Witnesses.

COMMENTS ON U.S. POSTAL SERVICE

HON. ANDREW YOUNG

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1976

Mr. YOUNG of Georgia. Mr. Speaker, it has now been over five years since the passage of the Postal Reorganization Act, a move by Congress which established the U.S. Postal Service as a quasi-independent agency, in hopes of improving America's mail delivery system by making it more efficient and self-sustaining.

Embodied in this act was the feeling that the U.S. Postal Service would be both a public service and a self-supporting corporation—two theories which we are currently witnessing as incompatible. It appears that in its efforts to obtain the status of self-supportive, the U.S. Postal Service management has instead led its clientele, which includes almost every individual and business in the United States, into times of increasing postage rates and deteriorating service.

Two articles which address the priorities of the U.S. Postal Service administration are "Third Class Service, First Class Rates", in the January 24th issue of New Republic, and "Delivering the Mail, but Not the Promises," a commentary by Nicholas von Hoffman in the Washington Post. As Nicholas von Hoffman points out:

The semipublic corporation, be it at the municipal or the federal level, is the least responsive organizational form our society has yet devised. Politically controlled institutions are in some vague sense disciplined by voters; business used to be, at any rate, disciplined by having to show a profit; semipublic corporations are disciplined by neither nor by anything else.

I wholeheartedly feel that these two articles express the increasing dissatisfaction with the present postal administration amidst the American public.

Third-Class Service—First-Class Rates

The same arguments that led to the replacement of the old U.S. Post Office Department by an "efficient" and "businesslike" government corporation should now lead us to scrap the new U.S. Postal Service. The 1970 legislation replacing the post office was approved on the basis of the case made by Frederick Kappel, the former chairman of the American Telephone and Telegraph Company, that better management would reduce costs by 20 percent. "There is no telling what greater savings could be made over the long pull by businesslike management in the Post Office," Kappel said in 1968.

The postal corporation of Kappel's dreams has produced instead deteriorating service at high prices and the highest real deficit in postal history—almost three billion dollars. (The current level of government subsidy of about $1.5 billion is now disguised in the Postal Service budget as "income.") The new 13-cent first class stamp symbolizes the current plight of the operation. By 1980 the same stamp will likely cost 23 cents, and the Postal Service will be in deeper trouble, having priced its services beyond the reach of many of its customers and lost more of its business to private competition and the rapidly developing electronic communications industry. The Postal Service hopes to stem the decline in postal volume—the first since the Great Depression of the '30s—by raising its advertising budget from eight million dollars to $15 million. What is it advertising? The virtues of letter writing, that's what. Don't phone; send a letter to a friend.

In his visionary scheme, Fred Kappel evidently failed to take account of two factors: first that the Post Office is a necessary public service (it's even mentioned in the Constitution) that must draw on public funds to maintain a basic communications network for the nation, and second, that it is impossible to reduce costs substantially as long as 85 percent of the service's expenses go for employees, who of course are represented by powerful unions. There's nothing inherently wrong with relying on manual labor to haul the mail, or on Ben Franklin's pigeon hole method to store it. In fact it may even be a good idea to halt the expensive attempt to mechanize the mails—a modernized system which, after all, performs at only 86 percent efficiency. (Thus the puzzling delays in delivery between major cities, the birthday card that arrives a day late, the mortgage payment 10 days overdue.) However it makes no sense to invest billions of dollars in mechanization while at the same time agreeing to "no lay-off" labor contracts. In combining the corporate taste for expensive machinery with a political weakness for featherbedding, the Postal Service has delivered the taxpayer to the worst of both worlds.

As a government corporation, the Postal Service was supposed to break even by 1984 because, it was said, letter writers, bill payers, creditors, advertisers and magazine publishers would begin paying the true costs of the services they use. As the evidence shows, however, expenses are outstripping even the income from very high rates. Finally there's a general awareness—perhaps even in the Postal Service—that the agency does have certain public functions that cannot be phased out. Inefficient rural post offices, Saturday delivery and special delivery simply cannot be made cost effective by raising postal rates and putting all the burden on the users. If that approach were taken, many of these services would have to end, something the public won't tolerate in any case. Federal financial support will continue to be needed.

For Congress to reimpose direct control over the mail again would not be without drawbacks. There would be more of the kind of cronyism that recently wrenched all copying machines out of post offices, a favor from Congress to small businessmen who wanted the copy making income themselves. Nonetheless the public interest is likely to be better served if the postal service is kept directly under public rather than under private corporate control. The nation's 12,000 rural post offices, marginal in terms of dollars and cents but not necessarily in terms of community morale, are more likely to remain open under congressional control than under the management of the Postal Service. The costs of such social obligations, however, cannot simply be passed along to the mail users. What would happen if the Postal Service were asked to take on new responsibilities in the fields of public assistance, rural community development or electronic transmission? What levels of cost and inefficiency would corporate managers tolerate if told to hire more (not fewer) people, to improve mail delivery, to increase the frequency of delivery?

Those questions are of no concern to the present postal corporation's management. In these nerve-racking days, they have signed up with a private firm for $100,000 worth of medical check-ups for the ever increasing number of postal brass. Staying in place, staying fit, is their goal.

There won't be any change in the structure or philosophy of the Postal Service this year. That awaits the election of a Democrat as President in November. In the meantime there is little to do except remind the Postal Service of its more important responsibilities. Paul Simon (D, Ill.), a freshman congressman, has proposed a way to educate the head of the Postal Service in the problems and responsibilities of his job. "I suggest," Simon said, "that for three days he visit offices in his headquarters; for two days he should visit with supervisors, talk to them; for four days he should serve as a clerk in a post office; for two days he should serve as a rural mail carrier; for two days he should work in one of the small rural post offices they are trying to close. They want to close 12,000 of them. I suggest that for five days he talk to postmasters, his executives out in the field, people who have common sense, and who know what is going on."

The final step will be to replace the top managers altogether, but not the system. It appears inarguable, however, that the retreat from the 200-year philosophy of the post office as a public service is clearly the root cause of today's problem. The solution is to return to that philosophy.

Delivering the Mail, But Not the Promises

(By Nicholas von Hoffman)

Another small battle between the forces of largeness and the forces of smallness has ended. The village of Rockport, Maine, has lost the long fight to keep its post office where it has been since pilgrim times. The post office had always been the center of the hot-stove social life during the long winters of short daylight.

Some official in the reformed, semipublic U.S. Postal Service determined that the old post office lacked the required number of square feet or some such, and after the protests of the inhabitants and the posturing of the elected officials, this decision to close the post office was carried out. The episode in the tiny Maine coastal hamlet won't surprise many who will take it as superfluous confirmation that government is a worthless, dirty rag.

What is surprising is that the people who run the country run the postal service as they do. Since Year 1 of the Constitution, we have been a tribe who loved the nation and hated the government that stands for it. The mail is the one activity carried out by the Federal Leviathan that everyone from age 10 onward comes in contact with. People who don't pay taxes, people who otherwise manage to escape the eagle's talons, get mail and send it. There has been more talk about the recent postage increase than the income tax.

But knowing that mail service may influence more people's opinion about the quality of government than any other single federal function, the honchos go ahead, raise the price of a first-class letter 33 percent and then start talking about cutting out Saturday deliveries, special delivery and lengthening the mail's arrival time.

When the old Post Office Department was abolished six years ago in favor of the present semipublic corporation the country was told that "politics" had wrecked the mails and that the introduction of businessmen and businesslike efficiency would restore them. The reasons advanced weren't new. Businessmen would be better able to resist extortionate demands of unions and other businessmen for high salaries, subsidies and construction and equipment contracts.

It hasn't worked out that way, but then does it ever? Semipublic corporations, those much praised partnerships between government and business, have seldom delivered on their promise. Freed of the need to come up with a profit for the stockholders, businessmen can be unconscionably worse than politicians. Some of the politicans' palaver about honesty and public service does, after all, rub off on their insides, but the business ethic is anything goes as long as you don't go to jail.

The semipublic corporation, be it at the municipal or the federal level, is the least responsive organizational form our society has yet devised. Politically controlled institutions are in some vague sense disciplined by voters; business used to be, at any rate, disciplined by having to show a profit; semipublic corporations are disciplined by neither, nor by anything else.

Maybe that's why the House of Representatives has twice voted to abolish postal reform and return to the older, unsatisfactory arrangements. There is another sentiment—still a decided minority—to let the postal service destroy itself, just abolish its monopoly so that somebody else can get into the business and compete by providing better service at low prices.

One of the objections to allowing private business a whack at the job has been that the mails are sacrosanct. We know that's so much malarkey. The government reads our mail and there isn't anything we can do about it. A private carrier who permitted such intrusions on his customers could be successfully sued.

The other objection is that private companies wouldn't service sparsely populated rural areas or less pleasant ones like the ghettoes. If that turns out to be so, it would be cheaper to subsidize mail to those areas than what we do now, which is to subsidize Time, Newsweek and the junk mail industry.

Despite some admirable lurches in the direction of deregulation, President Ford still appears in favor of using the semipublic corporation device in such huge fields as energy, health insurance and transportation. His myriad opponents agree. None of them recognize that as ye deliver the mail, so shall ye be judged.

SENATE—*Thursday, January 29, 1976*

The Senate met at 9:15 a.m. and was called to order by the Acting President pro tempore (Mr. Metcalf).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Hear the words of the fourth Psalm: *My voice shalt Thou hear in the morning, O Lord; in the morning will I direct my prayer unto Thee, and look up.*—Psalms 4: 5.

Eternal Father, as people from across the Nation have gathered at this time to pray with and for their leaders, so may we be joined with them in heart and mind and soul. Show us anew that we may pray anywhere, at any time, and that "the effectual fervent prayer of a righteous man availeth much." Make us a praying nation, and by Thy strength and Thy wisdom make us a better nation. Surround with Thy love and sustain by Thy grace, all who bear the burdens of government that they may labor faithfully for that kingdom whose builder and maker is God. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Wednesday, January 28, 1976, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to consideration of Calendar Nos. 573 through 576.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

REPORT OF PROCEEDINGS OF THE 47TH BIENNIAL MEETING OF THE CONVENTION OF AMERICAN INSTRUCTORS OF THE DEAF

The Senate proceeded to consider the concurrent resolution (S. Con. Res. 84) authorizing the printing of the report of the proceedings of the 47th biennial meeting of the Convention of American Instructors of the Deaf as a Senate document, which had been reported from the Committee on Rules and Administration with an amendment on line 6, strike "Five thousand five hundred" and insert "Four thousand," so as to make the concurrent resolution read:

Resolved by the Senate (the House of Representatives concurring), That the report of the proceedings of the forty-seventh biennial meeting of the Convention of American Instructors of the Deaf, held in Greensboro, North Carolina, from June 22, 1975, through June 27, 1975, be printed with illustrations as a Senate document. Four thousand additional copies of such document shall be printed for the use of the Joint Committee on Printing.

The amendment was agreed to.

The concurrent resolution, as amended, was agreed to.

PROCUREMENT OF CONSULTANTS FOR THE COMMITTEE ON AERONAUTICAL AND SPACE SCIENCES

The resolution (S. Res. 350) amending the amount of funds which may be used by the Committee on Aeronautical and Space Sciences for the procurement of consultants, was considered and agreed to, as follows:

Resolved, That section 2 of S. Res. 37, Ninety-fourth Congress, agreed to July 26 (legislative day, July 21), 1975, is amended by striking out "$1,000" and inserting in lieu thereof "$5,000".

ADDITIONAL EXPENDITURES BY THE COMMITTEE ON RULES AND ADMINISTRATION

The resolution (S. Res. 358) authorizing additional expenditures by the Committee on Rules and Administration for inquiries and investigations, was considered and agreed to, as follows:

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Rules and Administration, or any subcommittee thereof, is authorized from March 1, 1976, through February 28, 1977, for the purposes stated and within the limitations imposed by the following sections, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

Sec. 2. The Committee on Rules and Administration, or any subcommittee thereof, is authorized from March 1, 1976, through February 28, 1977, to expend not to exceed $522,000 to examine, investigate, and make a complete study of any and all matters pertaining to each of the subjects set forth below in succeeding sections of this resolution, said funds to be allocated to the respective specific inquiries and to the procurement of the services of individual consultants or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended) in accordance with such succeeding sections of this resolution.

Sec. 3. Not to exceed $200,100 shall be available for a study or investigation of privileges and elections.

Sec. 4. Not to exceed $321,900 shall be available for a study or investigation of computer services for the Senate, of which amount not to exceed $50,000 may be expended for the procurement of individual consultants or organizations thereof.

Sec. 5. The committee shall report its findings, together with such recommendations for legislation as it deems advisable with respect to each study or investigation for which expenditure is authorized by this resolution, to the Senate at the earliest practicable date, but not later than February 28, 1977.

Sec. 6. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

JOHN BELL, JR.

The resolution (S. Con. Res. 359) to pay a gratuity to John Bell, Jr., was considered and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to John Bell, Junior, widower of Illinois Bell, an employee of the Senate at the time of her death, a sum equal to eight and one-half months' compensation at the rate she was receiving by law at the time of her death, said sum to be considered inclusive of funeral expenses and all other allowances.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar No. 570, H.R. 5608.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

WETLANDS LOAN EXTENSION ACT OF 1976

The Senate proceeded to consider the bill (H.R. 5608) to extend until the close of 1983 the period in which appropriations are authorized to be appropriated for the acquisition of wetlands, to increase the maximum amount of such authorization, and for other purposes, which had been reported from the Committee on Commerce with an amendment to strike out all after the enacting clause and insert the following:

That this Act may be cited as the "Wetlands Loan Extension Act of 1976".

Sec. 2. (a) The first section of the Act entitled "An Act to promote the conservation of migratory waterfowl by the acquisition of wetlands and other essential waterfowl habitat, and for other purposes", approved October 4, 1961 (16 U.S.C. 715k–3) is amended by striking out "fifteen-year period beginning with fiscal year 1963, not to exceed $105,000,000" and all that follows thereafter and inserting in lieu thereof the following: "period beginning on July 1, 1961, and ending at the close of September 30, 1983, not to exceed $200,000,000.".

(b) Section 3 of such Act of October 4, 1961 (16 U.S.C. 715k–53) is amended—

(1) by striking out "with fiscal year 1977," and inserting in lieu thereof "on October 1, 1983,";

(2) by striking out "prior to the end of the aforesaid fifteen-year period," and inserting in lieu thereof "before October 1, 1983"; and

(3) by striking out "year: *Provided further*, That no" and inserting in lieu thereof "year. No".

SEC. 3. (a) The first section of the Act entitled "An Act to supplement and support the Migratory Bird Conservation Act by providing funds for the acquisition of areas for use as migratory-bird sanctuaries, refuges, and breeding grounds, for developing and administering such areas, for the protection of certain migratory birds, for the enforcement of the Migratory Bird Treaty Act and regulations thereunder, and for other purposes", approved March 16, 1934 (16 U.S.C. 718a; commonly known as the "Migratory Bird Hunting Stamp Act") is amended by inserting after "hunting" in the first sentence the words "and conservation".

(b) The first sentence of section 2 of such Act of March 16, 1934 (16 U.S.C. 718b) is amended to read as follows: "The stamps required by section 1 of this Act shall be issued and sold by the Postal Service and may be sold by the Department of the Interior, pursuant to regulations prescribed jointly by the Postal Service and the Secretary of the Interior, at (1) each post office of the first- and second-class, and (2) any establishment, facility, or location as the Postal Service and the Secretary of the Interior shall direct or authorize. The funds received from the sale of such stamps by the Department of the Interior shall be deposited in the migratory bird conservation fund, in accordance with the provisions of section 4 of this Act.".

(c) The fifth sentence of section 2 of such Act of March 16, 1934 (16 U.S.C. 718b), is amended to read as follows: "The Postal Service, pursuant to regulations prescribed by it, shall provide for the redemption, on or before the 30th day of September of each fiscal year, of blocks composed of two or more attached unused stamps issued for such year (A) that were sold on consignment to any person, including, but not limited to, retail dealers for resale to their customers, and (B) that have not been resold by any such person.".

(d) The first sentence of section 4 of such Act of March 16, 1934 (16 U.S.C. 718d), is amended by inserting immediately after "Postal Service" the following: "or the Department of the Interior, whichever is appropriate,".

SEC. 4. Section 2 of the Migratory Bird Conservation Act (16 U.S.C. 715a) is amended by adding at the end thereof the following new sentence: "For purposes of this Act, the purchase or rental of any area of land, water, or land and water includes the purchase or rental of any interest in any such area of land, water, or land and water.".

SEC. 5. Paragraph (3) of subsection 4(b) of the National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668dd(b)(3)) is amended to read as follows:

"(3) to acquire lands or interests therein by exchange (A) for acquired lands or public lands, or for interests in acquired or public lands, under his jurisdiction which he finds to be suitable for disposition, or (B) for the right to remove, in accordance with such terms and conditions as he may prescribe, products from the acquired or public lands within the System. The values of the properties so exchanged either shall be approximately equal, or if they are not approximately equal to values shall be equalized by the payment of cash to the grantor or to the Secretary as the circumstances require.".

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the first two nominations on the calendar.

There being no objection, the Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. The nominations will be stated.

FEDERAL RESERVE SYSTEM

The second assistant legislative clerk read the nomination of Stephen S. Gardner, of Pennsylvania, to be a member of the Board of Governors of the Federal Reserve System.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

FEDERAL ELECTION COMMISSION

The second assistant legislative clerk read the nomination of Joan D. Aikens, of Pennsylvania, to be a member of the Federal Election Commission.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be notified of the confirmation of the first nomination.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Idaho (Mr. CHURCH) will be recognized for not to exceed 15 minutes.

Mr. CHURCH. Mr. President, I ask unanimous consent that the three members of my staff, Pat Shea, Bill Miller, and Martha Talley, be permitted privileges of the floor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

INTELLIGENCE OVERSIGHT ACT OF 1976—S. 2893

Mr. CHURCH. Mr. President, I send to the desk a bill which would create a new standing committee of the Senate to oversee and make continuing studies of the intelligence activities and programs of the U.S. Government. I am joined in introducing this bill by Senator HART of Michigan, Senator MONDALE, Senator HUDDLESTON, Senator MATHIAS, Senator SCHWEIKER, Senator MORGAN, and Senator HART of Colorado.

The provisions of this bill have been developed by the select committee over the past 6 months. They are based largely upon what has been learned by the select committee itself over the last year, but it also takes account of suggestions that have been made in the past, including provisions in other resolutions now being considered by the Government Operations Committee. In the process of discussions, inquiries and negotiations with the executive branch on the entire range of intelligence activities, the select committee has become sensitive to the particular needs of our intelligence agencies. The legislation which has just been introduced places in proper balance the responsibilities that need to be exercised by both branches under the Constitution and will lead, in my view, toward a far more effective means of oversight and accountability for the necessary intelligence activities of the United States.

In the past, no committee has had the required jurisdiction to be able to exercise oversight over the intelligence activities of the United States. At the present time, the Committees on Armed Services, Foreign Relations and Judiciary, have been faced with the problem of overseeing fragments of the intelligence community. Six committees of the Congress are now involved in overseeing covert operations. No committee at the present time has jurisdiction over the broad complex of intelligence agencies that comprise the so-called intelligence community. The present situation is clearly unworkable and even verging upon the chaotic. Restructuring is clearly needed.

In order for a committee to exercise effective oversight, its jurisdiction would have to include legislative authority over what is known as the "national intelligence community": the CIA, the NSA, the DIA, the National Intelligence Components in the Department of Defense and the intelligence activities of the FBI.

At least 9 of the 11 members of the Senate Select Committee on Intelligence Activities are of the view that these agencies, in many important matters work closely together, and that unless there is the authority to examine the full range of their activities and to exercise control over their budgets as a whole, oversight cannot be expected to be effectively carried out.

It is necessary to point out that the proposed bill would not limit the authority of present standing committees, whose existing jurisdictions cover particular elements of the intelligence community, to continue to call for information that is relevant to the work of these committees. Obviously, it is necessary for the Armed Services Committee to know generally about the activities of the NSA and DIA in order to be sure that the overall activities of the Defense Department are of a piece. Some overlap, some degree of concurrent jurisdiction is unavoidable, and as past experience has shown, some overlapping jurisdictions are desirable. This bill provides for the creation of a new, and in my view, necessary jurisdiction, which would bring together all these disparate elements of the national intelligence community which are now scattered among several Senate committees.

Since 1950, there have been over 200 proposals introduced into the Congress which would have created in one form or another an Intelligence Oversight Committee. The need for effective oversight has been evident for a long time. The existing standing committees have not been able to meet the total need. We believe that a new standing committee with overall jurisdiction is the correct answer to the problem that has been evident for at least 25 years.

The main legislative tool required to effectively carry out oversight is annual authorization authority for the CIA, NSA, DIA, the counterintelligence portion of the FBI, and some other national intelligence groups found in various departments and agencies. The power of the purse is the most effective means that the legislature can have to assure that the will of Congress is observed. The oversight committee, for the first time, under appropriate security safeguards, would be enabled to consider all budgetary requests of the national intelligence community on an annual basis.

The second legislative power required by an oversight committee to function effectively, is the right to acquire necessary information. It is absolutely vital that the oversight committee be kept fully and currently informed on all matters pertaining to its jursdiction. The executive branch should also be obligated to answer any requests made by the committee for information within its jurisdiction. In my view, the right to information should be based upon the existing language of the Atomic Energy Act, section 202(d), which has served Congress so well for more than a quarter century. In addition, consistent with the intent of section 202(d) of the Atomic Energy Act, the committee should also have the power to require information concerning activities of the intelligence community that the committee believes it should be informed of prior to the initiation of any such activity.

The effect of such a provision would be to require prior legislative authorization of intelligence activities in the normal way. This authority lies at the heart of vigilant legislative oversight. It is the power of the purse operating in full conformity with the Constitution.

Without full knowledge obtained in sufficient time, meaningful oversight cannot be exercised. It is clear from present concerns and recent history that the country would have been well-served had a committee of the Congress known in advance of certain actions, so that the advice of the Congress might have been given, and foolish, costly and harmful courses of action might have been averted.

Another provision, namely 13(c), would require the executive branch to inform the oversight committee prior to any new significant covert action. The language reads as follows:

> 13(c) No department or agency of the United States may engage in, directly or indirectly, any significant covert or clandestine operation in foreign countries unless and until the Committee on Intelligence Activities of the Senate has been fully informed of the proposed activity by the head of the department or agency concerned prior to the time such activity is initiated. This subsection shall not apply to activities intended solely for collecting necessary intelligence.

This prior notification has been supported by former CIA Director Richard Helms who recently testified before the Government Operations Committee. I quote from the testimony because of its importance to this question. Quoting from the record.

> Senator RIBICOFF. Let me ask you, one of the issues of course is the problem of those covert operations.
>
> At what stage should an oversight committee be brought into the covert activity, or the covert planning? What is your thinking?
>
> In the six and a half years, you must have been involved in many covert activities. What should be the relationship between the intelligence agency and the oversight committee?
>
> Mr. HELMS. . . . But it seems to me that on this question of oversight, one should be able to come to the Committee and sit down and discuss a proposed operation to find out whether or not this was something that was going to be supported by the Committee.
>
> I say this for the very simple and practical reason. That is, if you are going to embark on some covert action which involves money, relationships, assets and all of the rest of it, it seems hardly sensible to embark on some ambitious program like that, if your leg is going to be cut out from under you two or three months later when you are in midstream.
>
> Therefore, if there is going to be Congressional oversight and the Congress is going to work with the Executive branch in these matters, then it seems to me it has to go along hand in hand, for practical, if not legal, reasons.

Secretary Kissinger has also told the committee that he believed that an oversight committee should be briefed before the commencement of any significant covert action.

Without full knowledge obtained in sufficient time, meaningful oversight cannot be exercised. It is clear from present concerns and recent history that the country would have been well-served had a committee of the Congress know in advance of certain actions, so that the advice of the Congress might have been given, and foolish, costly and harmful courses of action might have been averted.

One purpose an oversight committee on intelligence activities would serve could be to reduce the proliferation of committees involved in the oversight of intelligence activities so evident in the past 2 years. This proliferation would not have occurred in my view, had there been adequate oversight in the past. The proposed bill would enable the Senate to have the information required to carry out its constitutional responsibilities. The creation of a standing intelligence oversight committee is an important step toward establishing an agreed-upon procedure by which problems of national importance that are necessarily secret in character can be addressed in a constitutional framework.

If the premise is accepted that it is necessary for the U.S. Government to undertake some of its activities in secret, then it is incumbent on the Congress to develop means to permit the constitutional processes to go on even though matters under consideration are of a secret character. The bill we have introduced today is an important step toward a solution of this vital national problem. To fail to create an effective oversight committee would permit the continued erosion of constitutional government caused by secrecy unchecked. Further, unless there is an effective oversight committee the Congress will not be able to provide firm direction and support required to assure that the United States will obtain the intelligence it needs for its security.

I ask unanimous consent, Mr. President, that the text of the bill, together with a section by section analysis of the bill be printed in the RECORD at this point in my remarks.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 2893

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Intelligence Oversight Act of 1976".

SEC. 2. It is the purpose of this Act to establish a new standing committee of the Senate, to be known as the Committee on Intelligence Activities, to oversee and to make continuing studies of the intelligence activities and programs of the United States Government. In carrying out this purpose, the Committee on Intelligence Activities shall make every effort to assure that the appropriate departments and agencies of the United States provide informed and timely intelligence necessary for the Executive and Legislative Branches to make sound decisions affecting the security and vital interests of the Nation. It is further the purpose of this Act to provide vigilant legislative oversight over the intelligence activities of the United States to assure that such activities are in conformity with the Constitution and laws of the United States.

SEC. 3. Sections 4 through 12 of this Act are enacted—

(1) as an exercise of the rulemaking power of the Senate, and as such they shall be considered as part of the Standing Rules of the Senate, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of the Senate to change such rules at any time, in the same manner, and to the same extent as in the case of any other rule of the Senate.

SEC. 4. Rule XXIV of the Standing Rules of the Senate is amended by adding at the end thereof a new paragraph as follows:

"3. (a) Five members of the Committee on Intelligence Activities shall be appointed by the majority leader of the Senate and four shall be appointed by the minority leader of the Senate.

(b) No Senator may serve on the Committee on Intelligence Activities for more than six years, exclusive of service by any Senator on such committee during the Ninety-fourth Congress. To the greatest extent practicable, the requirements of this section shall be met by selecting three Senators to serve on such committee at the beginning of the Ninety-sixth Congress and each Congress thereafter who did not serve on such committee during the preceding Congress.

(c) At the beginning of each Congress, the members of the Committee on Intelligence Activities appointed by the majority leader shall select a chairman and the members of such committee appointed by the minority leader shall select a vice chairman. The vice chairman shall act in the place and stead of the chairman in the absence of the chairman".

Sec. 5. (a) Paragraph 1 of Rule XXV of the Standing Rules of the Senate is amended by adding at the end thereof the following new subparagraph:

"(s)(1) Committee on Intelligence Activities, to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating to the following:

"(A) The Central Intelligence Agency and the Director of Central Intelligence.

"(B) Intelligence activities of all other departments and agencies of the Government, including, but not limited to, the intelligence activities of the Defense Intelligence Agency, the National Security Agency, and other agencies of the Department of Defense; the Department of State; the Department of Justice; and the Department of the Treasury.

"(C) The organization or reorganization of any department or agency of the Government to the extent that the organization or reorganization relates to a function or activity involving intelligence activities.

"(D) Authorizations for appropriations for the following:

"(i) The Central Intelligence Agency.

"(ii) The Defense Intelligence Agency.

"(iii) The National Security Agency.

"(iv) The intelligence activities of other agencies and subdivisions of the Department of Defense.

"(v) The intelligence activities of the Department of State.

"(vi) The intelligence activities of the Federal Bureau of Investigation, including all activities of the Domestic Intelligence Division.

"(vii) Any department, agency, or subdivision which is the successor to any agency named in item (i), (ii), or (iii); and the activities of any department, agency, or subdivision which is the successor to any department or bureau named in item (iv), (v), or (vi) to the extent that the activities of such successor department, agency, or subdivision are activities described in item (iv), (v), or (vi).

"(2) The Committee on Intelligence Activities shall have exclusive jurisdiction over all matters described in subclauses (A) and (D) of clause (1). Nothing in this Act shall repeal or diminish the jurisdiction of other standing committees of the Senate as to the matters described in subclauses (B) and (C) of clause (1). To the extent that the jurisdictions of other standing committees of the Senate include the matters described in subclauses (B) and (C) of clause (1), the jurisdiction of such other standing committees shall be concurrent with that of the Committee on Intelligence Activities.

(b) Paragraph 3 of Rule XXV of the Standing Rules of the Senate is amended by inserting:

"Intelligence Activities ....9"

immediately below

"District of Columbia..................7".

(c) Paragraph 6 of Rule XXV of the Standing Rules of the Senate is amended by adding at the end thereof the following new subparagraph:

"(i) For the purposes of this paragraph, service of a Senator as a member of the Committee on Intelligence Activities shall not be taken into account".

Sec. 6. The Committee on Intelligence Activities of the Senate, for the purposes of accountability to the Senate, shall make regular and periodic reports to the Senate on the nature and extent of the intelligence activities of the various departments and agencies of the United States. Such committee shall promptly call to the attention of the Senate or to any other appropriate committee or committees of the Senate any matters deemed by the Committee on Intelligence Activities to require the immediate attention of the Senate or such other committee or committees. In making such reports, the committee shall proceed in such manner as will protect national security.

Sec. 7. No member of the Committee on Intelligence Activities of the Senate and no employee of such committee shall disclose, except in closed session of the Senate, any information in the possession of or obtained by such committee relating to the activities of the Central Intelligence Agency or the intelligence activities of any other department or agency of the United States, unless authorized by such committee.

Sec. 8. (a) No person may be employed as a professional staff member of the Committee on Intelligence Activities of the Senate or be engaged by contract or otherwise to perform professional services for or at the request of such committee for a period totaling more than six years.

(b) No employee of such committee or any person engaged by contract or otherwise to perform services for or at the request of such committee shall be given access to any classified information by such committee unless such employee or person has (1) agreed to be bound by the rules of the Senate and of such committee as to the security of such information during and after the period of his employment or contractual agreement with such committee; and (2) received an appropriate security clearance as determined by such committee in consultation with the Director of Central Intelligence. The type of security clearance to be required in the case of any such employee or person shall, within the determination of such committee in consultation with the Director of Central Intelligence, be commensurate with the sensitivity of the classified information to which such employee or person will be given access by such committee.

Sec. 9. The Committee on Intelligence Activities of the Senate shall formulate and carry out such rules and procedures as it deems necessary to prevent the disclosure, without the consent of the person or persons concerned, of information in the possession of such committee which unduly infringes upon the privacy or which violates the constitutional rights of such person or persons. Nothing herein shall be construed to prevent such committee from publicly disclosing any such information in any case in which such committee determines the national interest in the disclosure of such information clearly outweighs any infringement on the privacy of any person or persons.

Sec. 10. (a) The Committee on Intelligence Activities of the Senate may disclose any information upon the committee's determination that the national interest would be served by such disclosure. In any case in which such committee decides to disclose any information requested to be kept secret by the President, such committee shall notify the President to that effect. Such committee may not disclose such information until the expiration of ten days following the day on which notice is transmitted to the President. If (1) prior to disclosure of such information the President submits a written certification to the Senate through such committee stating his opinion, and the reasons therefore, that the threat to national security posed by such disclosure outweighs any public interest in disclosure and that the question of disclosure is of such importance to the vital interests of the United States that it requires a decision by the full Senate, and (2) after receipt of a certification by the President made pursuant to this subsection, the Committee on Intelligence Activities decides to refer the question of disclosure of such information to the Senate, such information may not be disclosed unless the Senate agrees to a resolution approving the disclosure of such information, or the Senate agrees to a resolution referring the matter to the Committee on Intelligence Activities for final disposition, and the Committee on Intelligence Activities thereafter approves the disclosure of such information.

(b) Any question referred to the Senate by the Committee on Intelligence Activities pursuant to subsection (a) shall be disposed by the Senate by a vote on such question within three calendar days following the day on which the question is reported to the Senate, excluding days on which the Senate is not in session.

Sec. 11. The Committee on Intelligence Activities of the Senate is authorized to permit any personal representative of the President, designated by the President to serve as a liaison to such committee, to attend any closed meeting of such committee.

Sec. 12. Upon expiration of the Select Committee on Governmental Operations With Respect to Intelligence Activities, established by Senate Resolution 21, 94th Congress, all records, files, documents, and other materials in the possession, custody or control of such committee shall be transferred to the Committee on Intelligence Activities.

Sec. 13. (a) Notwithstanding any other provision of law, it shall be the duty of the head of each department and agency of the United States to keep the Committee on Intelligence Activities of the Senate fully and currently informed with respect to intelligence activities which are the responsibility of or engaged in by such department or agency.

(b) Notwithstanding any other provision of law, it shall also be the duty of the head of any department or agency of the United States involved in any intelligence activities to furnish any information or document in its possession, custody, or control, or witness in its employ, whenever requested by the Committee on Intelligence Activities of the Senate with respect to any matter within such committee's jurisdiction.

(c) No department or agency of the United States may engage in, directly or indirectly, any significant covert or clandestine operation in foreign countries unless and until the Committee on Intelligence Activities of the Senate has been fully informed of the proposed activity by the head of the department or agency concerned prior to the time such activity is initiated. This subsection shall not apply to activities intended solely for collecting necessary intelligence.

(d) The provisions of subsection (c) of this section shall not apply during military operations initiated by the United States under a declaration of war by the Congress or an exercise of powers by the President under the War Powers Resolution.

Sec. 14. No funds may be appropriated for any fiscal year beginning after September 30, 1976, to or for the use of any department or agency of the United States to carry out any of the following activities, unless such funds have been previously authorized by law to carry out such activity for such fiscal year.

(1) The activities of the Central Intelligence Agency.

(2) The activities of the Defense Intelligence Agency.

(3) The activities of the National Security Agency.

(4) The intelligence activities of other agencies and subdivisions of the Department of Defense.

(5) The intelligence activities of the Department of State.

(6) The intelligence activities of the Federal Bureau of Investigation, including all

activities of the Domestic Intelligence Division.

(7) Any activity of any department, agency or subdivision which is the successor to any department, agency, or subdivision named in clauses (1) through (6) to the extent that such activity is one described in such clauses.

Sec. 15. As used in this Act, the term "intelligence activities" means (1) the collection, analysis, production, dissemination or use of information affecting the relations of the United States with any foreign government, political group, party, military force, movement or other association, and other activity which is in support of such activities; (2) activities taken to counter similar activities directed against the United States; (3) covert or clandestine activities affecting the relations of the United States with any foreign government, political group, party, military force, movement or other association; (4) the collection, analysis, production, dissemination, or use of information about activities of persons within the United States, its territories and possessions, or nationals of the United States abroad who pose, or may be considered by any department, agency, bureau, office, division, instrumentality, or employee of the United States to pose a threat to the security of the United States, and covert or clandestine activities directed against such persons. Such term does not include tactical foreign military intelligence serving no national policy making function.

Sec. 16. Nothing in this Act shall be construed as constituting an authorization for the conduct of any activity not otherwise authorized by law.

Sec. 17. If any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the validity of the remaining provisions and the application of such provisions to other persons or circumstances shall not be affected thereby.

Analysis of Proposal To Create a Senate Standing Committee To Oversee the Intelligence Activities of the U.S. Government

The purpose of this proposed Act is to establish a permanent standing committee of the Senate to oversee and to make continuing studies of the intelligence activities and programs of the United States Government. In carrying out this purpose the Committee on Intelligence Activities would have the obligation to make every effort to assure that the appropriate departments and agencies of the United States provide informed and timely intelligence necessary for the Executive and Legislative branches to make sound decisions affecting the security and vital interests of the nation. It would further be the purpose of this committee to provide vigilant legislative oversight over the intelligence activities of the United States and to assure that such activities are in conformity with the Constitution and the laws of the United States.

The bill as introduced falls into two parts. Sections 4 through 12 would be enacted as an exercise in the rule making power of the Senate. The power of the Senate to amend these sections, once the bill is enacted, without the consent of either the House or the President, is expressly reserved. Sections 13 through 17 would have the force and effect of statute.

Section 4 of the proposed Act would amend the standing rules to establish the Intelligence Committee as a standing committee of the Senate. Its distinguishing characteristics are the following: (1) The majority-minority representation on the committee is specified as five majority members and four minority members. As in the case of the Joint Committee on Atomic Energy, this ratio would not change with the changes in party ratios of each new Congress. (2) The membership on the committee would be on a rotating basis. No member may serve for more than six years. It is expected that in each Congress one-third of the nine-member committee will be new members. (3) The majority and minority leaders would designate the members of the Committee on Intelligence Activities, and the committee chairman and vice chairman would be selected by the respective majority or minority members of the committee. The majority-minority ratio and election of a minority vice-chairman underlines the nonpartisanship necessary to assure impartial oversight of intelligence activities.

Subsection 5(a) of the Act establishes the jurisdiction of the Committee on Intelligence Activities. The committee's jurisdiction would include the Central Intelligence Agency and the Director of Central Intelligence, as well as the intelligence activities of all other departments of the United States Government. "Intelligence activities" is defined in section 17 to include (1) activities related to information affecting the relations of the United States with foreign governments; (2) counterintelligence; (3) clandestine and covert activities; and (4) domestic intelligence. The term specifically does not include tactical foreign military intelligence.

Subsection 5(a) specifies that the Intelligence Committee will have jurisdiction over clude tactical foreign military intelligence. Agency, the Defense Intelligence Agency, and the National Security Agency. Its authorization jurisdiction would also include the national intelligence activities of the other parts of the Department of Defense, the Department of State, and the Federal Bureau of Investigation (specifically, all activities of the Bureau's Domestic Intelligence Division). Authorization jurisdiction extends as well to the intelligence activities of any successor departments or agencies to those named above.

Thus, the committee's general oversight jurisdiction is defined very broadly to include all intelligence activities of the United States Government. Authorization jurisdiction, however, is more narrowly drawn, and applies only to the specific agencies that make up the so-called national intelligence community.

Because of the necessary breadth of the committee's oversight jurisdiction, subsection 5(a) includes a provision that reserves to other standing committees of the Senate their prerogatives where matters within the jurisdictions of these committees may be affected by intelligence activities. For example, the creation of this new committee with jurisdiction over the intelligence community as a whole would not preclude the Armed Forces Committee from looking into those military intelligence activities of the community related to its jurisdiction. Legislation affecting intelligence activities which is also related to matters within the jurisdiction of other committees could be jointly referred. The Intelligence Committee would, however, have exclusive jurisdiction over legislation related primarily to the Central Intelligence Agency, although another committee could claim jurisdiction over legislation incidentally affecting the CIA. Wiretap legislation, for example, the principal purpose of which is to protect constitutional rights and the application of which is government-wide would be referred to the Judiciary Committee, although it might restrict or even prohibit certain CIA activities. For the purpose of preparing such legislation the Judiciary Committee could require of the CIA information relating to the Committee's jurisdiction.

Subsection 5(b) amends the standing Senate rules to add the Intelligence Committee to the list of "B" committees and to designate its size at nine members. Subsection 5(c) provides that the membership on the Intelligence Committee shall not be counted for purposes of Rule 25, paragraph 6. Thus a Senator may serve on two "A" committees and one "B" committee, in addition to the Intelligence Committee. This subsection was considered advisable because of the committee's rotating membership, since without such a provision it would be necessary for a Senator to give up his position and seniority on another standing committee in order to serve for a limited period on the Intelligence Committee. Service of a Senator as Chairman of the Intelligence Committee, however, would be counted for purposes of Rule 25, paragraph 6. A Senator could not serve as Chairman of the Intelligence Committee and another Senate committee.

Section 6 of the bill require the Intelligence Committee to keep the full Senate informed of developments in the intelligence field, and as appropriate to advise other Senate committees of significant matters relating to their jurisdictions. Section 6 specifies that the committee in making reports either to the Senate or to other committees shall take such precautions as are necessary to protect national security.

Section 7 of the Act states a rule, binding upon members and staff, prohibiting disclosure of Intelligence Committee information without authorization of the committee. A single committee member, however, is entitled under Senate Rule 35 to request a closed session of the Senate, in which he may disclose to the Senate any information of any kind. He may also use a closed session to request that the full Senate overrule a committee decision against public disclosure.

Subsection 8(a) provides for the rotation of committee staff. The maximum staff term is six years and is equal to the maximum term for committee members.

Subsection 8(b) requires that committee staff members with access to classified material have security clearances, the standards for which will be determined by the committee in consultation with the Director of Central Intelligence. This provision would prescribe for the Senate Intelligence Committee the procedure followed by the Select Committee in determining staff clearances. The Executive Branch has been relied upon for background investigations, but the final decisions on clearances have of course rested with the committee.

A second provision of subsection 8(b) is the requirement that staff members with access to classified material agree to be bound by the secrecy rules of the Senate and the Intelligence Committee during and after their employment with the committee. The purpose of such an agreement is to insure that former staff members, no longer subject to the sanction of discharge, will be bound in contract not to disclose confidential information made available to them in the course of committee employment.

Section 9 imposes upon the Intelligence Committee a responsibility to establish rules and procedures to protect the privacy of individuals. Except in unusual circumstances, the Committee should not find it necessary to disclose information of a personal nature concerning particular subjects of intelligence investigations without having first secured the consent of the individual. This section imposes upon the committee a duty to define the circumstances in which release may occur without consent, the types of information which will be protected, and the methods by which the protections will be enforced.

The second sentence of Section 9 specifies that the section does not prevent the committee from disclosing information in any case in which it decides that the national interest in disclosure outweighs any breach of privacy. The committee's discretion to disclose is thus preserved in a case where the national interest in exposure of a serious governmental abuse may outweigh possible embarrassment to an individual involved.

Section 10 of the bill describes a procedure for disclosure of information in the possession of the Intelligence Committee, should the committee decide such a matter should be brought before the full Senate for decision. Section 10 permits the Intelligence Committee to make disclosures without referring the matter to the full Senate. If, however, it is the determination of the new committee that the gravity of a particular disclosure is such as to require the attention of the full Senate, the committee may refer the matter for such action as the Senate deems appropriate. If this option is pursued, section 10 provides that the question will be disposed of by the Senate by vote within three days.

The optional procedure for disclosure outlined in section 10 is as follows: The committee informs the President that it believes that disclosure of information which the Executive has requested be kept secret is in the national interest. The President then has ten days in which to certify to the Senate through the Intelligence Committee his opposition to disclosure. At the end of ten days the committee may disclose the information at issue, or it may refer the question of disclosure to the full Senate for resolution. If the President has certified opposition to disclosure and the committee subsequently refers the matter to the Senate, no disclosure may occur except by a Senate vote to disclose or by a Senate vote to refer the matter back to the Intelligence Committee for final resolution, and a subsequent vote by the committee in favor of disclosure.

Section 10 in no way precludes any member of the Committee on Intelligence Activities from exercising his right under Senate Rule 35 to request a secret session of the full Senate in order to present his reasons for disagreement with the decision of the committee as to disclosure or nondisclosure, and to move that the full Senate overrule a decision of the committee.

Section 11 specifically authorizes the Intelligence Committee to invite a representative of the President to attend its closed meetings. All committees now have the right to invite any person to attend executive sessions. Section 11 serves, however, as an expression of the Senate that the committee and the Executive Branch should work closely together in the sensitive area of national intelligence.

Section 12 provides for the transfer to the Intelligence Committee of the Select Committee's records and files. The Select Committee's files would be vital to the Intelligence Committee, providing a detailed data base for a thorough understanding of the intelligence community's history, organization and functions. Ready access to this information is essential if the new committee and its staff are to avoid a lengthy orientation period before the committee is able to exercise effective oversight.

Section 13 of the Act establishes a duty for the heads of any departments or agencies of the United States involved in intelligence activities to furnish the Intelligence Committee with information or documents related to intelligence activities. The most important single element required for effective legislative work is access to information. In the past, for information concerning the operation of secret and highly specialized government agencies, Congress has been almost entirely dependent upon the good will and cooperation of the agencies themselves. In the best of circumstances, Executive Branch departments are naturally reluctant to inform potentially critical Congressional bodies of delicate or possibly embarrassing information. The record of disclosure in the area of intelligence is perhaps worst of all, but the fault is not that of the agencies alone. Intelligence work requires the highest degree of secrecy and security. Congress in the past has not shown itself over eager to inform itself in this area, and Executive Branch interpretations of national security have combined with long established patterns of secrecy to deny the Congress much of the information it has required.

Section 13 is intended to ensure that the Committee receives the information it needs to be effective. This section has as part of its origin Title 42 U.S.C. 2252. It is under this provision that the Joint Committee on Atomic Energy has been able to assure cooperation from the Executive Branch. Subsection 13 (a) and (b) are intended to provide the Committee on Intelligence Activities with a similar degree of cooperation in the area of intelligence. Subsection 13(a) imposes an affirmative legal obligation on the intelligence agencies to keep the committee informed of all intelligence activities in which they are involved. This obligation is not limited to simply providing full and complete information when requested by the Committee, as 13(b) requires, but also includes regular and continuous briefing so that the committee is completely apprised of all aspects of intelligence functions, including budget planning, personnel operations, analysis, and contingency plans.

Subsection 13(c) provides that the committee must be informed of significant covert actions before they are undertaken. Subsection 13(c) provides that the committee must be informed of significant covert actions before they are undertaken. "Significant covert actions" would include all covert operations which are politically sensitive or costly. These would include political and propaganda programs, including support for political parties, groups, or specific political or military leaders; economic action programs; paramilitary operations; and counterinsurgency programs. This provision will allow Congress to advise the Executive before these covert operations are begun. Nothing in this section would limit, in any way, the committee's right to information about intelligence activities under section 13(a).

Section 14 of the proposed Act requires annual authorization for appropriations for those intelligence activities over which the Intelligence Committee has authorization jurisdiction. These include the activities of the CIA, DIA, and NSA, as well as the intelligence activities of the FBI and Departments of State and Defense. This provision should provide the Intelligence Committee with its most effective oversight tool. Power to withhold funds provides the committee and ultimately the Congress with a sanction for abuses or for failure to provide information to the Legislative Branch.

Section 15 provides a definition for the term "intelligence activities." The term is defined to include (1) activities related to information affecting the relations of the United States with foreign governments; (2) counterintelligence activities; (3) internal security intelligence; and (4) clandestine or covert action. The term specifically does not include tactical foreign military intelligence having no policy making function.

Section 16 specifies that nothing in the Act shall be construed to authorize any conduct not otherwise authorized by law. The purpose of this section is to prevent any suggestion that by assigning jurisdiction over a particular activity (e.g. covert action) to a committee, the Congress has implicitly authorized that activity in the absence of explicit authorization.

Section 17 specifies that if for any reason the application of any part of the Act is held invalid, application of that part in other circumstances and application of other parts of the Act will not be affected.

Mr. CHURCH. Mr. President, I also ask unanimous consent that the bill I have introduced today, establishing a standing committee of the Senate on intelligence activities and other related matters, be referred to the Committee on Government Operations, with instructions to report the bill to the Senate not later than March 1, 1976, and that the bill then be immediately referred to the Committee on Rules and Administration with instructions to report the bill to the Senate not later than March 20, 1976.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Texas (Mr. TOWER) is recognized for not to exceed 15 minutes.

VIEWS OF MR. TOWER ON INTRODUCTION OF INTELLIGENCE OVERSIGHT ACT OF 1976—S. 2893

Mr. TOWER. Mr. President, I should first like to say that although I am in fundamental disagreement with my distinguished colleague from Idaho, I would be remiss if I did not commend him for the way in which he has directed the committee's business over the past year.

I think that he has earned the approbation of his colleagues by virtue of the fact that he has conducted the committee's business in an evenhanded and I think nonpartisan way.

Although I am about to emphasize an area of profound disagreement, I did want to say that before I made these remarks, because nothing that I say should be construed as reflecting on the leadership he has provided the committee.

Mr. President, I am not prepared to support the bill endorsed by the majority of the select committee because I believe that careful study of the bill and testimony currently being considered by the Government Operations Committee will reveal it to be a hastily conceived and simplistic answer to very complicated questions affecting the Nation's security and management of our intelligence resources.

The bill being introduced today would neither foster oversight nor further the protection of our Nation's fragile intelligence capability.

It would not foster oversight, because its unworkable distribution of responsibility among Senate committees is a prescription for jurisdictional jealousy within this body and conflicting guidance to the intelligence community.

It will not protect our already weakened intelligence capability, because it mandates the proliferation of the number of persons having access to sensitive information—the very antithesis of keeping a secret.

To call attention to the fact that this proposal is a legislative disaster is to neither defend the status quo nor oppose effective oversight.

I do not oppose strengthening Senate oversight of the intelligence-gathering agencies of the U.S. Government. I would not have served on the select committee if this were the case. But this oversight must be responsible and not serve to assist in the tearing down of the very structure which it oversees or the reputation of this body as a competent partner in decisions affecting the national security.

The standing committee proposed to be created by this bill would lay claim to jurisdiction over all intelligence activities of the Federal Government. This singling out of intelligence as a malefactor that can be viewed apart from the critical supportive role it plays for national security and law enforcement agencies—as well as the existing oversight committees of the Congress—is an attractive, but deceptively simplistic option.

Director Kelley of the FBI in his testimony before the select committee warned against treating intelligence as something that can be neatly compartmented from other functions. He used the example of terrorist acts which require a hybrid of law enforcement and intelligence investigations to illustrate that the matters can not be easily divided. Any bill which might be proposed to legislate on terrorism would, under this proposal, be considered by both the Committee on Judiciary, as well as the new Intelligence Oversight Committee.

But the problem is not only duplicative of congressional and executive branch effort. The underlying assumptions that the bureau can budget domestic intelligence requirements without overlapping law enforcement or that the Department of Defense can neatly separate tactical and strategic intelligence for consideration by committees of limited jurisdiction are clearly erroneous.

We do not need more such confusion in the Senate. We have enough already.

There are more examples of such difficulty which I will elaborate on in the future, but, I wish to suggest at this point, that this bill and all others be given the most careful examination by the committees that are considering them.

The attention of these committees should also be drawn to the effect that the select committee's bill would have on the safeguarding of sensitive intelligence sources and methods.

First, a careful reading of section 10 of the bill will reveal that the proposed committee could, on its own motion choose to publicly disclose classified documents without having to consider strong Presidential advice to the contrary. My views on such arrangements were made well known while the Senate was considering the release of the committee's assassination report. Suffice it to say that the imminent release of a report by the House of matters touching the very nerve of vital national interests should be a lesson to us in this regard.

A second way in which the proposed bill fails to protect our Nation's secrets is its complete disregard of the so-called Hughes amendment. This mechanism for consultation with the Congress on covert operations has admittedly not worked. According to former CIA Director Colby, each time he briefed the six committees of Congress, the substance of the briefing leaked. The select committee's bill does not come to grips with this extremely critical problem. It does not resolve how to properly advise Congress, and, at the same time, assure that in doing so the matters do not leak, thereby assisting our enemies. Administration witnesses before the Government Operations Committee recently have stated that a separate intelligence committee is acceptable to them so long as its jurisdiction is exclusive on such sensitive matters controlled by the Hughes amendment. But this bill would not do that, rather it would proliferate, rather than consolidate such dangers.

But I do not mean to be merely critical. We should examine all alternative solutions to the problems we face.

Another necessary step that must be considered is criminal sanctions against CIA and congressional employees for leaking national secrets.

Yet another possibility is to examine the suggestion offered by Deputy Secretary of Defense Ellsworth before Government Operations that an inspector general of the entire intelligence community be created. Deputy Secretary Ellsworth suggested that such an individual could report directly to the President and the Congress on any abuses that might at some future time, be found. Such a person would have a specified term which would not coincide with the President's to insure that he could not be removed by a change of administrations.

Taking Mr. Ellsworth's suggestion one step further the inspector general or a single supervisory intelligence body might report to Congress on the abuses through some special committee or subcommittee arrangement.

If ever a problem deserved our greatest deliberative effort, the protection of this Nation's intelligence capability and resources must be high on the list.

On this critical and complex national security question we must not make well-intended haste the enemy of workable solution.

I hope, Mr. President, that the Government Operations Committee and the Rules Committee will consider options. I have agreed to the expeditious referral of the bill proposed by the Senator from Idaho to the Government Operations Committee and the Rules Committee, and I hope we can act with dispatch, but I hope we do not act with undue haste. I hope that every aspect and every consequence of what is proposed in the bill offered by my distinguished colleague from Idaho will be thoroughly and completely explored.

If indeed the time prescribed is not enough for the proper kind of deliberation on this matter, I would expect that we would come to the Senate at a future time and ask for an extension of the time prescribed. I believe my colleague from Idaho would agree with me that this matter should get the most careful consideration regardless of the time required.

I believe it can be done in the time that has been requested, but if for some reason obstacles are thrown in the path of intensive consideration of this matter by the two committees, I would hope that in the future we would get a time extension.

Mr. CHURCH. Will the Senator yield?

Mr. TOWER. I yield.

Mr. CHURCH. First of all I want to thank my colleague for his generous remarks concerning my chairmanship of this committee. I would simply reciprocate by saying that had he not shown the same attitude toward evenhandedness and nonpartisanship as we considered all of the delicate issues that we have grappled with during the past year it would not have been possible for the committee to have functions effectively. For his assistance in this regard I want to express my personal gratitude.

Mr. TOWER. I thank my colleague.

Mr. CHURCH. Although we are in disagreement with reference to the bill that has been introduced by the majority on the committee today, I should think that it might still be possible, as we work our way through the legislative process, to find a formulation that might enjoy the Senator's support.

Mr. TOWER. I fervently hope so.

Mr. CHURCH. I thank the Senator.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Tennessee (Mr. BAKER) is recognized for not to exceed 15 minutes.

VIEWS OF MR. BAKER ON INTRODUCTION OF INTELLIGENCE OVERSIGHT ACT OF 1976—S. 2893

Mr. BAKER. Mr. President, may I begin my remarks by adding my observations to those of Senator TOWER with respect to the service of the chairman of the committee. I believe Senator CHURCH has served with great competence and concern, caution and care, and I believe not only this committee but the Senate and indeed the country owe him a debt of gratitude for doing an evenhanded and careful job under emotional and difficult circumstances. I am personally grateful to him for the many courtesies he extended to me, as did the staff and, of course, the minority staff.

By the same token, Mr. President, I would like to commend the distinguished vice chairman of this committee, Mr. TOWER, who served with such distinction and who gave great attention to the considerations of the committee and, notwithstanding his opposition to the bill which has been introduced today, has at least as great a concern for the necessary reform of intelligence oversight, I am convinced, as any of us. He served with great distinction. It was my privilege and pleasure once again to be his colleague on this committee.

And so it is, Mr. President, that I have mixed emotions as I rise on this occasion to disagree in part with the provisions of the bill introduced by the chairman, and to disagree in part with the proposals made by the distinguished vice chairman of the committee.

As one whose personal support for strengthened congressional oversight of the intelligence community began almost 3 years ago during the investigation of CIA activities conducted by the minority staff of the Senate Watergate Committee, as one who in 1974 recommended in the Watergate Committee report for the creation of a Joint Committee on Intelligence Oversight, as one who, during this Congress and the previous Congress, twice joined with my distinguished colleague from Connecticut (Mr. WEICKER) in introducing a bill to create such a joint committee, and as one who has participated in the recent deliberations of the Senate Select Committee on Intelligence Activities, I am both gratified and disturbed by this bill as it was introduced today.

I am gratified because the introduction of this bill, which finds its origins in the lengthy and extensive select committee investigation of U.S. intelligence operations, should provide added impetus to the ongoing intelligence oversight deliberations of the Government Operations Committee and the Rules Committee; and I believe that the approach taken in this legislation, notwithstanding my strong objection to at least two of its provisions, constitutes what I consider to be the appropriate response to the need for a single-purpose congressional committee solely charged with the duty and responsibility to monitor intelligence activities in a regular fashion. I participated in the drafting of this bill; I believe that with some refinement it could supply our requirement; and I sincerely wish that circumstances would have permitted me to cosponsor this bill as introduced.

Mr. President, I am disturbed by this proposal because, notwithstanding that it enjoys the cosponsorship of a majority of my colleagues on the select committee, and notwithstanding my long and continuing support for such legislation, I find that certain of its provisions are undesirable, in my present view, as a matter of policy and law. While it is clear that Congress must strengthen and regularize its intelligence oversight capability, I think that we should scrupulously avoid legislation or policies that substantially impair the capacity of the President to fulfill his constitutional responsibilities in the areas of foreign policy and defense.

In this vein, I am especially troubled by the provision requiring that the proposed new oversight committee receive prior notice of covert or clandestine operations in foreign countries as a condition precedent to Executive action as I understand the language of the bill. I fear that the Senate would be heading for at least conflict, if not insurmountable difficulty, if it were to adopt such a proposal; and I respectfully suggest that our interests might better be served by elaborating and extending the requirement that the new oversight committee be "fuly and currently informed" of intelligence activities.

As a member of the Joint Committee on Atomic Energy, which has enjoyed over 20 years of experience and precedent with the "fully and currently informed" requirement, I think that language has and continues to be translated into a workable partnership between the Executive and the Congress, a partnership whch provides the Congress with access to and prior and timely consultation regarding the most sensitive of undertakings. On the other hand, I find it clear that the President will view mandatory advance knowledge of covert foreign intelligence operations, coupled with the threat that this information might either officially or unofficially be disclosed by the Senate, as constituting a practical veto power, perhaps even a one-member veto power, exercisable with respect to covert operations of which the Senate may disapprove in the future.

I am also disturbed by the provisions of section 10 providing for disclosure of confidential information transmitted to the new oversight committee by the executive branch. As I indicated during my recent testimony before the Government Operations Committee, I do not think that an individual committee of the Senate constitutionally has any right to release a document classified by the executive department, even in the circumstance where the Senate refers the matter to the committee for final disposition. That is at variance with what I understand to be the recent ruling of the Parliamentarian, but I think that only the Congress of the United States can properly disclose a document that was lawfully classified by the executive department. I even have grave doubts that the full Senate as a body can so disclose documents, for it is the aggregation of the Congress itself that constitutes the coordinate branch of Government—and not the Senate or a committee or a subcommittee or an aggregation of Members of one of the bodies of the Congress—and there is no means by which the President can prevent the Congress as a whole from disclosing documents transmitted to it if the Congress as a whole elects to do so.

It seems to me that rather than enacting section 10 of this bill, the very least we could do is to make clear that rule 36 of the Standing Rules of the Senate is to be construed such that only the Senate itself, as opposed to a Senate committee, can declassify documents, although it would be my preference that declassification over the objection of the President should occur only by joint resolution of the two Houses of the Congress.

I believe that if we are not circumspect in resolving the questions of prior notification of covert operations and the authority of the Senate to disclose classified information, there will occur a disincentive for Presidents to provide a new oversight committee with information, notwithstanding any mandatory language of an act creating a new committee. As I have previously remarked, we should remain cognizant of the President's constitutional powers and responsibilities for the conduct of foreign policy and the maintenance of our national defense apparatus; and I would hope that we could create a partnership, rather than an adversarial relationship between a new oversight committee and the executive branch.

With those exceptions, then, I generally am satisfied and support the remaining provisions of the proposed Intelligence Oversight Act of 1976. I am especially pleased that the select committee chose to adopt the "fully and currently informed" language of the Atomic Energy Act, for it has served us well in the past; and I think it useful that the committee has recommended the attendance of a personal representative of the President at intelligence oversight functions. Thus, and although I expect to offer alternative statutory language for those provisions to which I strongly object, I think that this is a good bill; and I commend my colleagues on the committee for their initiative and cooperation in formulating its provisions.

ADDITIONAL STATEMENTS SUBMITTED RELATING TO INTRODUCTION OF INTELLIGENCE OVERSIGHT ACT OF 1976—S. 2893

Mr. GARY HART. Mr. President, Senate Resolution 21 directed the Select Committee on Intelligence Activities to study:

> The need for improved, strengthened, or consolidated oversight of the United States intelligence activities by the Congress.

The committee has looked into this matter. One inescapable conclusion emerges—Congress has failed, over the past 27 years, to fulfill its responsibility to oversee the intelligence community. The reason for this failure was best expressed in a statement made by a former congressional overseer of the CIA, Senator Leverett Saltonstall. In 1966 he said:

> It is not a question of reluctance on the part of CIA officials to speak to us. Instead, it is a question of our reluctance, if you will, to seek information and knowledge on subjects which I personally, as a Member of Congress and as a citizen, would rather not have.

The Rockefeller Commission identified another part of the problem:

> In sum, Congressional oversight of the CIA has been curtailed by the secrecy shrouding its activities and budget. At least until quite recently, Congress has not sought substantial amounts of information. Correspondingly, the CIA has not generally volunteered additional information.

The select committee's staff report on Chile said this about congressional oversight:

> With regard to covert action in Chile between April 1964 and December 1974, CIA's consultation with its Congressional oversight committees—and thus Congress' exercise of its oversight function—was inadequate. The CIA did not volunteer detailed information; and Congress most often did not seek it.

From the start, Congress has been reluctant to oversee the CIA and other intelligence agencies. In fact, in 1947, when the CIA was created, Congress even failed to discuss, at least openly, whether the agency would engage in covert operations. Apparently, Congress just did not want to know. The record of Congress since 1947 has been no better. Over 150 bills have been introduced to strengthen congressional oversight of intelligence activities; none, with the exception of the Hughes amendment to the 1974 Foreign Assistance Act, has passed. Two concerted efforts were made to strengthen congressional oversight in 1956 and 1966. Both times the measures failed by over 30 votes.

There appears to be little disagreement today, either in the executive or legislative branch, on the need for establishing a permanent congressional committee to oversee intelligence activities. A few months ago the Murphy Commission recommended the establishment of a Joint Committee on National Security. More recently, the Rockefeller Commission recommended a Joint Committee on Intelligence. Despite an apparent consensus on establishing such a committee, I believe there will be significant disagreement over its composition, functions, and responsibilities. My thoughts on these areas of potential disagreement follow.

First, the Senate and the House should establish separate standing committees to oversee intelligence activities. Separate committees will serve to prevent the possibility of a single committee being coopted by the intelligence community, or succumbing to the "cult of secrecy." The two committees should assume the intelligence oversight responsibilities currently residing in other committees of Congress, with the exception of the two appropriations committees. Intelligence activities, including covert operations, would be reported directly to the two committees. There should be some concurrent jurisdiction. For example, Foreign Relations should know about covert operations; Judiciary should know about intelligence activities as they affect our constitutional rights and civil liberties.

Second, the two committees should have rotating membership. This will mean, obviously, rotating chairmanship as well. This will serve as an additional check against cooption by the agencies the committees are responsible for overseeing.

Third, standing committees should have jurisdiction over all Federal agencies or departments with intelligence-related activities. These agencies would include, but not be limited to, the CIA, the National Security Agency and the Defense Intelligence Agency. The intelligence activities of the FBI should come under the jurisdiction of the committees. The committees should have authorization authority over these agencies.

Fourth, the committees should be responsible for making periodic reports to the Senate and the House on the activities of the various intelligence agencies. All Members of Congress should have the opportunity to know what the CIA, the NSA, the FBI, and the DIA are up to.

Fifth, the committee should be notified, in advance, of all covert operations conducted by the CIA or any other agency or department. Consultation with Congress should occur prior to any action, rather than after a covert operation has begun. If Congress disagrees with a proposed activity, and the Executive goes ahead with it anyway, Congress should resort to the power of the purse and shut off funds for the operation. The current debate on Angola is very instructive in this respect.

Finally, the General Accounting Office should be used by the two committees to conduct audits and reviews of intelligence activities. The GAO has been prevented from doing this in the past. The FBI has refused GAO access to certain records and files. The CIA has barely let GAO in the door. The committee should make it clear that GAO will no longer be prevented from doing its job.

Senate and House Intelligence Committees along the lines I have suggested will get Congress back into the intelligence game. The oversight bill introduced today will do this. Congress will be able to fulfill its oversight responsibility. Moreover, Congress would not be able to avoid that responsibility as it has done in the past. Getting Congress back into the intelligence game is a two-edged sword, however. Congress must not only exercise its oversight role, but it must do it responsibly. Congress must demonstrate that it can keep a secret. We have seen, over the years, examples of bad secrets. These have been in the minority. There are many more examples of good secrets. Congress must keep these. Further, Congress must deal responsibly with the bad secrets. Leaks should not occur. There is too much at stake, including the security of our Nation.

Mr. MATHIAS. Mr. President, with the introduction of this bill—the Intelligence Oversight Act of 1976—the Senate's resolution creating the Select Committee on Intelligence Activities bears its first fundamental fruit.

We are all familiar with the background that led the Senate to charge the select committee to examine our Nation's intelligence arm. The CIA was embroiled in charges of domestic spying and abuses of its charter. The FBI's Intelligence Division was under attack for having exceeded its authority in investigating Americans for their political views and for having been misused by Presidents for their own political interests.

Through our long investigation, the select committee has learned that many of the charges made against the intelligence community were borne out by the facts; others were not. The results of that investigation will soon be published in the committee's final report.

But the most significant lesson I drew from our investigation was not that one or another particular abuse had or had not been committed by our intelligence agencies. Rather, it was the fact that the last long, hard look the Congress had taken at the Nation's intelligence arm occurred in the 1940's—in the aftermath of the great failure of intelligence at Pearl Harbor.

Since that investigation, the business of intelligence has been virtually the exclusive prerogative of the executive branch. In the name of secrecy, the executive branch has conducted the abortive invasion of Cuba at the Bay of Pigs, involved the United States in large-scale "paramilitary" operations abroad, and, most disturbing of all, conducted "counterintelligence" actions to intimidate and harass American citizens because of their political beliefs. In failing to oversee and check such operations, Congress abdicated its constitutional responsibilities. This bill is a first step in restoring the proper balance between the Congress and the President.

Those who won our independence 200 years ago understood the value of intelligence to the defense of the United States; but they also understood that the Constitution created a Government under the law to preserve those values and ideals which set our Nation apart and make its defense worthwhile. And they intended that our Government would possess those checks and balances that would prevent the exercise of arbitrary power by one branch of the Government, or by individual agencies.

Nothing we have seen in our investigation diminishes my conviction that we need a strong, effective intelligence system in this dangerous world.

The question before us is how best to achieve that intelligence system. The answer is for Congress to give the intelligence agencies the legal charters and careful oversight that we all know are the best guardians against inefficiency and abuse of power.

Intelligence operations are in essence secret operations. But that does not mean that they are immune from the standards our system of Government places on all Government operations. If we can lose our liberties from a too-powerful Government intruding into our lives through burdensome taxes or an excess of regulations, we can surely lose them from an intelligence arm that is free from our constitutional system of checks and balances.

The framers of our Constitution intended Congress—and especially the Senate—to play an essential role in the matters with which the intelligence community deals. In the conduct of foreign affairs, the Senate gives its "advice and consent." In national defense, the Constitution gives Congress the exclusive power to declare war, including, as James Madison stated, the power of "judging the causes of war." And Congress exclusive power over the purse gives it the fundamental responsibility of paying the bill for all Government operations. These powers are there, and the framers of the Constitution put them there specifically.

The American people respect the need for legitimate intelligence activity. But they also expect Congress to discharge its constitutional responsibilities. The time is past when Congress can look the other way while the executive branch conducts a Bay of Pigs, launches a large-scale "covert actions" which may constitute war-like acts, or implements a domestic "counterintelligence" program.

We mean no criticism of past procedures for supervision of the intelligence community. They were a product of their times. But we live in today's world. Nearly 30 years have gone by since Congress as a body addressed the problem of a central foreign intelligence agency. And 40 years have elapsed since Franklin Roosevelt gave the FBI a domestic intelligence mission by informal executive order. Surely it is time to reorder our procedures for meeting our responsibilities.

Only when Congress accepts its constitutional responsibilities will the intelligence community emerge from its present disarray with the renewed confidence of the people. Only then will the clamor of attack and attention recede, enabling the proper range of intelligence activity to go forward under law in the service of the country.

ORDER OF BUSINESS

The **ACTING PRESIDENT** pro tempore. The Senator from Oklahoma is recognized, in accordance with the previous order, for not to exceed 15 minutes.

ENERGY LEGISLATION

Mr. **BARTLETT**. Mr. President, a friend of mine, Mrs. Ruth Sheldon Knowles, recently commented in her syndicated column on the energy bill, S. 622, by saying,

> Indeed, had the bill been drafted in Riyad (Saudi Arabia) rather than in Washington, it is difficult to see how Arab interests could have been better served.

Although it may seem facetious, Mrs. Knowles' statement is, in fact, true.

Because the act rolls back and controls crude oil prices, there will be less domestic production and more consumption. Therefore, our reliance on foreign crude will have to increase, and as it does, the Organization of Petroleum Exporting Countries, OPEC, becomes more able to restrict production and set prices. No one, not even the most ardent supporter of the 1975 Energy Act, contests this.

Thus, when the negative effects of the bill are considered in light of the national energy requirements existing prior to its enactment, one must draw exactly the same conclusion as Mrs. Knowles.

Let us consider the facts.

Since 1970, domestic oil and gas production has dropped by the equivalent of almost 2.8 million barrels of oil a day. The current oil producing rate is at the level of a decade ago, and it continues to fall each week by nearly 10,000 barrels per day.

It is well recognized that drilling activity is a good indicator of future production and seismic activity an indicator of future drilling. Before the bill was signed, approximately 200 drilling rigs were idle; now over 350 are not being used. Twenty-five percent of our seismic crews are sitting in the shop for lack of work, and the number of idle crews is increasing monthly.

The petroleum industry's full capability to find and produce oil was not and is currently not being used, even though the continuing increase in drilling since 1971 has not been sufficient to halt the decline in domestic production, let alone to increase it.

Some proponents of price controls and rollbacks use the demagogic argument that because the production decline had not been stopped during a time when some prices were uncontrolled, prices should be reduced further rather than increased.

During the 2 years since the beginning of the 1973 oil embargo, our Nation's petroleum imports have increased from 38 to 45 percent of consumption. What is even more alarming, however, is that the percentage of imported crude coming from OPEC has risen from 68 to 80 percent.

In a recent interview which appeared in the January 12 issue of U.S. News & World Report, Ambassador Zahedi of Iran told the American people:

> You do not have to buy the oil . . . If you do not like the price, why do you not use other sources of energy?

Although we do not like the price, our shortage of domestic energy puts us in a "take it or leave it" situation which, because of the new bill, now promises to worsen rapidly. Sometime we will have to face up to this grim reality—the United States has no alternate sources of energy which can, for the foreseeable future, take the place of imported oil.

The state of our predicament has deteriorated since the 1973 Arab embargo. Saudi Arabia's Minister of Petroleum and Mineral Resources, Ahmed Zaki Yamani, described the dismal plight of oil-importing nations in an article entitled "The Oil Industry in Transition," which appeared in the Natural Resources Lawyer, volume 8, No. 3:

> The situation now is, of course, quite different, for in the event of special circumstances in which the governments' political interests are involved, the companies do not have any role in deciding who should receive oil and who shouldn't. This was clearly illustrated during the period of the oil embargo and export restrictions which were imposed in 1973. The Arab oil producers imposed a total ban on oil exports to certain consumers, reduced them to another category, and maintained them unaffected to a third category in which all the friendly countries were included. At the time, the companies had significant non-Arab sources of crude oil, and they were, therefore, able to maneuver their supplies in a manner that softened the impact of the export restrictions. Now, with the bulk of their oil coming from Arab sources, the companies have very little room for maneuver if the Arab producers are forced by political circumstances to impose new restrictions.

It is sheer irony that our large oil companies received little credit for the great job they did in softening the blow of the 1973 embargo.

Yamani's statement is, of course, supported by the data I mentioned previously showing our declining production and increasing imports. The consuming countries, like the United States, which now import a greater percentage of OPEC crude are the most vulnerable to another embargo; and there is little doubt that the next embargo will be much more effective, from OPEC's standpoint, than the previous one. Because the political problems of the Middle East are far from solved, the possibility of such an occurrence is still very real.

Considering the worsening energy dilemma I have just described, it is incredible that we would adopt an energy policy which would cause imports to increase and thereby further impair our economy and security.

I am hopeful, however, that the situation can be reversed once the effects of the new act become apparent. This is occurring already. A recent article by Rowland Evans and Robert Novak describes the intensification of trends in the petroleum industry which had been developing for some time. According to the columnists, the oil companies are:

> Cutting corners on Federal regulations at the cost of production; eliminating less profitable production; continuing to emphasize foreign over domestic operations; (and) diversifying into non-oil operations.

While I question the possible implication of the Evans-Novak article—that petroleum companies are not conducting business in a manner consistent with the national interest—I fully expect and want petroleum companies to respond to the new law and the ensuing regulations in a manner consistent with prudent business practice and sound economics. For the companies to do otherwise by making investments which promise a poor return, or by continuing to produce a well which loses money, is certainly not in the long range national interest. If this Nation is to solve its energy problems, we must have a stronger rather than a weaker petroleum industry. Wasting capital on poor-quality investments and losing money on an uneconomic well will accomplish nothing for anyone—neither the companies, nor the consumer, nor our country.

It is essential for all of us to remember that Congress created and insisted on this regulatory system of price and allocation controls. The new law establishes the environment in which the companies must operate if they are to survive. If the resulting business activities do not foster maximum domestic production, it is the fault of Congress and the Ford administration, not the energy companies.

Thus, I would expect a significant cutback in future energy investment by the oil industry; I would expect some fields and wells to be shut in because they have become unprofitable to produce, and I would expect some diversification by the industry into businesses which are not regulated and have less political vulnerability. This is normal and proper business behavior. In the case of the oil industry, much of what is to occur will be a response to new laws which have made oil and gas investments much less attractive, and not a dissatisfaction with Congress and the administration.

What has happened in the last year that would cause oil industry investments to drop off? First, in March of 1975, Congress repealed the percentage depletion allowance for the integrated companies and reduced it for the independents. When coupled with the other "reforms," the Tax Reduction Act of 1975 promptly removed approximately $2.5 billion annually from the working capital of the petroleum industry by increasing its taxes. This is "off the top" money that could have and probably would have been spent by the industry to find, develop, and supply badly needed energy for this country. The practical result was an immediate cutback in planned exploration and development programs and a reduction in drilling rig and seismic activity.

Then, in December 1975, the energy bill was passed. It again reduced the after-tax profits of the oil industry by about $2 billion. Thus, another cutback in exploration and drilling activity will probably occur because the petroleum industry simply cannot prudently spend money it does not have.

The energy bill thus sets us back further. It is price fixing by legislative fiat. It rolls back the price of some production and controls the price of all production.

Because costs are not controlled at the same time, it is little wonder that some fields and some wells will no longer be profitable to produce. If losses are to be minimized, these uneconomic operations will have to be shut in, or in some cases, plugged and lost forever.

The Tax Reduction Act and the Energy Act not only reduce the investment capital of the oil industry by $4.5 billion per year but also reduce the economic incentives for making exploration and production investments. This is not the way to achieve energy independence. In fact, it is more properly described as the way to energy dependence—"The OPEC Relief and Subsidy Act of 1975."

Mr. John Winger, energy economist for the Chase Manhattan Bank, described the situation his way:

> Because energy is needed to support economic growth and sustain high levels of employment, most of the major energy consuming nations are likely to become more aggressive as they compete for external supplies. As matters now stand, however, there won't be enough for all. The world does not lack basic energy resources, but they aren't being developed fast enough to satisfy expanding needs, and, unless it changes its ways, the United States is likely to be among the unsuccessful competitors; the more aggressive nations will be taking positive actions to assure a growing supply of energy from foreign sources, while the United States holds endless hearings.
>
> By itself, that situation is a serious matter because the United States cannot possibly avoid becoming more dependent upon foreign sources of energy for another decade at the very least. But matters are made much worse by the continuing barriers to the development of domestic energy resources. . . .
>
> Over the past decade, the combined cost of federal, state, and local government has increased almost twice as fast as the nation's gross national product. And powerful inflationary forces have been the consequence of that unbalanced relationship. No end to the inflation is in prospect. And to impose price controls in such an environment and simultaneously expect the nation to become more self-sufficient in respect to petroleum is ridiculous. There can be no realistic basis for achieving greater self-sufficiency unless prices are allowed to reflect the actual costs of doing business and the needs for capital funds.

Members of Congress apparently understand the economic realities of inflation except in the case of energy. After all, the Congress voted itself a raise, but seems to believe the oil industry can find more oil with less capital.

So far, two facets of our Nation's deteriorating energy posture have become evident. One, we are becoming much more vulnerable to the actions of the OPEC nations. Second, as the world's demand for energy increases, there may not be enough energy to go around, and the United States is well on its way to becoming unable to serve all its needs. We will, therefore, be in the unenviable position of having to either pay the price or do without.

But there is another equally disturbing aspect of the problem which has potentially ominous ramifications for our country; if, because of Government interference, the energy industry becomes unable to serve all the energy needs of our country, an increasing number of elected officials and private citizens will clamor for the Government to nationalize the industry as the only means to solve our problem.

Such a consequence would truly be a tragedy for our country. We need only to look at the economy of Great Britain to see the disadvantages of nationalized industries—or we can look in many directions at many nations.

But the movement toward nationalization is already under way in the United States.

Some of my colleagues—interestingly, the same ones who have supported price controls and increased taxes for the industry—have introduced legislation with provisions which are the first steps to nationalization. For example, my friend from Washington, Senator HENRY JACKSON, has introduced a bill to establish a National Energy Mobilization Board. Among its very broad and pervasive powers, the Board is directed to conduct exploratory drilling and to form with private firms special joint venture companies for producing oil and gas. Up to two-thirds or $100 million of the funding for these companies could be provided by the Federal Government.

Why does the Federal Government have to become involved directly in oil and gas operations? In what situations are these special unique powers to be exercised?

Answers become apparent in a quote from one of the sections in JACKSON's proposed bill:

> The Board is authorized and directed to identify and undertake exploration programs for such areas of the public domain, other federal lands, and the Outer Continental Shelf, as have a high likelihood of containing significant quantities of economically recoverable oil and/or natural gas but whose leasing to private enterprise under terms of the Mineral Leasing Act of 1920, as amended, or the Outer Continental Shelf Lands Act of 1953, as amended, may not be in the public interest or has been delayed because of land use conflicts, exceptional environmental hazards, opposition from local residents or from State and local authorities, or for other reasons.

This approach ignores the real problems with exploration of our public domain. If leasing to private industry is precluded or delayed for any of the reasons detailed in the above provision, the real obstacles are the policies and laws of the Federal Government. Because the Interior Committee has responsibility for leasing legislation, it could write legislation to remove some of the obstacles to facilitate private participation. Instead, the leasing legislation emanating from the Interior Committee complicates the leasing process and impedes private participation. In addition, the last four words of the provision, "or for other reasons," is essentially a blank check authorization for the board to explore wherever it wants if leasing to private industry is delayed for any reason whatsoever. I must conclude then that the chairman of the Interior Committe prefers direct Federal involvement rather than free enterprise.

On the financial side, during a committee business meeting last fall, the chairman of the Interior and Insular Affairs argued in favor of his concept by saying how expensive it was to operate in the Arctic and in the deeper waters on the Outer Continental Shelf where most of the potential domestic reserves are thought to exist. He explained how the petroleum industry did not have enough money to do this job adequately. Thus, he said, the only way to develop these areas is for the Government to step in to help out private industry by providing a majority of the funds.

Yet, I recall very vividly my friend's statement that the petroleum industry's profits were "obscene." I also remember that he voted for rollbacks and controls on crude oil prices, continuing controls on natural gas prices, the elimination of the oil and gas percentage depletion allowance, and divestiture of the major petroleum companies. All of these take money away from the petroleum industry.

Thus, some proponents of price controls appear to be initiating a self-fulfilling, and in my opinion, a self-defeating prophesy. What is the best way to nationalize an industry, especially in a land where that action would be entirely contrary to the American ideal and to the free enterprise economic system? The answer is obvious—pass legislation which would slowly make the private sector unable to do the job. Then, when the energy situation becomes too critical, joint venture companies and direct Federal exploration and production would be necessary, not because they are desired, but because nothing else would be permitted by the Federal Government.

Though the Energy Act does no good, and, in fact, sets us back further, the Evans-Novak article does raise this important question—Where do we go from here? Basically I see two options.

We can try to repeal the new law and return to free enterprise, or we can allow the law to stand and continue to control the petroleum industry, which could lead to nationalization and perhaps eventually a controlled economy.

Our free industry has been the envy of the world. Our Government should not make it unable to provide the goods so desperately needed to fuel our economy.

I hope we choose free enterprise. The future of our country is at stake.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar Order Nos. 577 and 578.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SUPPLEMENTAL EXPENDITURES BY THE SELECT COMMITTEE TO STUDY GOVERNMENTAL OPERATIONS WITH RESPECT TO INTELLIGENCE ACTIVITIES

The resolution (S. Res. 355) authorizing supplemental expenditures by the Select Committee To Study Governmental Operations With Respect to Intelligence Activities for an inquiry and investigation relating to intelligence activities carried out by or on behalf of the Federal Government, was considered and agreed to, as follows:

> *Resolved*, That section 6 of S. Res. 21, Ninety-fourth Congress, as amended, is amended by striking out "$2,250,000" and inserting in lieu thereof "$2,400,000".

FINAL REPORT OF THE SENATE SELECT COMMITTEE ON INTELLIGENCE ACTIVITIES

The concurrent resolution (S. Con. Res. 88) authorizing the printing of additional copies of the final report of the Senate Select Committee on Intelligence Activities, was considered and agreed to, as follows:

> *Resolved by the Senate (the House of Representatives concurring)*, That there be printed for the use of the Senate Select Committee To Study Governmental Operations With Respect to Intelligence Activities five thousand additional copies of all parts of its public hearings and of its final report to the Senate.

ROUTINE MORNING BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there now be a period for the conduct of routine morning business of not to exceed 15 minutes, with a time limitation of 3 minutes on statements therein.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

EXECUTIVES MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. Metcalf) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the Committee on Armed Services.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE

At 2:35 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House agrees to the amendment of the Senate to the concurrent resolution (H. Con. Res. 533) directing the Secretary of the Senate to make corrections in the enrollment of S. 2718, with an amendment in which it requests the concurrence of the Senate.

The message also announced that the House disagrees to the amendments of the Senate to the bill (H.R. 200) to provide for the conservation and management of the fisheries, and for other purposes; requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mrs. Sullivan, Mr. Dingell, Mr. Downing, Mr. Leggett, Mr. Studds, Mr. Ruppe, and Mr. Forsythe were appointed managers of the conference on the part of the House.

The message further announced that the House agrees to the amendment of the Senate to the bill (H.R. 508) to amend title 5, United States Code, to authorize civilians employed by the Department of Defense to administer oaths while conducting official investigations.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. Metcalf) laid before the Senate the following letters, which were referred as indicated:

Refort of the Comptroller General—S. Doc. No. 94—

A letter from the Comptroller General of the United States submitting a report, pursuant to law, relating to rescissions and deferrals contained in the message of the President of January 6, 1976 (with an accompanying report); referred jointly, pursuant to the order of January 30, 1975, to the Committees on Appropriations, Budget, Armed Services, Commerce, Banking, Housing and Urban Affairs, Labor and Public Welfare, and Foreign Relations, and ordered to be printed.

Report of the Indian Claims Commission

A letter from the Chairman, Indian Claims Commission, transmitting, pursuant to law, a report relating to Dockets Nos. 158, 209 and 231, the Sac and Fox Tribe of Indians of Oklahoma et al., the Iowa Tribe of the Iowa Reservation in Kansas and Nebraska, et al., the Sac and Fox Tribe of Indians of Oklahoma, et al., v. the United States, decided November 23, 1973 (with an accompanying report); to the Committee on Appropriations.

Exemplary Rehabilitation Certificates

A letter from the Secretary of Labor, reporting, pursuant to law, exemplary rehabilitation certificates, calendar year 1975; to the Committee on Armed Services.

Proposed Amendment to Authorization of Appropriations for the Federal Trade Commission

A letter from the Acting Chairman, Federal Trade Commission, transmitting a draft of proposed amendments to the authorization of appropriation legislation for the Federal Trade Commission covering fiscal years 1976 and 1977 (with accompanying papers); to the Committee on Commerce.

Reports of the Comptroller General

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on fuel savings and other benefits achieved by diverting Department of Defense passengers from chartered to scheduled overseas flights, Department of Defense, Civil Aeronautics Board (with an accompanying report); to the Commitee on Government Operations.

Proposed Appropriations for the Office of Environmental Quality

A letter from the Acting Chairman, Council on Environmental Quality, Executive Office of the President, transmitting a draft of proposed legislation to authorize further appropriations for the Office of Environmental Quality, and for other purposes (with accompanying papers); to the Committee on Interior and Insular Affairs.

Proposed Legislation To Amend the Pennsylvania Avenue Development Corporation Act

A letter from the Chairman, Pennsylvania Avenue Development Corporation, transmitting a draft of proposed legislation to amend the Pennsylvania Avenue Development Corporation Act of 1972 to authorize appropriations and further borrowing for implementation of the development plan for Pennsylvania Avenue between the Capitol and the White House, and for other purposes (with accompanying papers); to the Committee on Interior and Insular Affairs.

Status of the Saline Water Conversion Programs

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a report on the status of the saline water conversion programs (with an acompanying report); to the Committee on Interior and Insular Affairs.

Proposed Appropriations for the Nuclear Regulatory Commission

A letter from the Chairman, Nuclear Regulatory Commision, transmitting a draft of proposed legislation to authorize appropriations to the Nuclear Regulatory Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended and section 305 of the Energy Reorganization Act of 1974, as amended, and for other purposes (with accompanying papers); to the Committee on Energy.

Report of the Emergency Loan Guarantee Board

A letter from the Executive Director, Emergency Loan Guarantee Board, transmitting, pursuant to law, a report of the Board's administration of the Freedom of Information Act covering the period January 1, 1975–December 31, 1975 (with an accompanying report); to the Committee on the Judiciary.

PETITIONS

The ACTING PRESIDENT pro tempore (Mr. Metcalf) laid before the Senate the following petitions which were referred as indicated:

A resolution adopted by the membership of Atlanta Metropol, Inc., supporting the Federal Bureau of Investigation; to the Committe on the Judiciary.

Mr. HOLLINGS. Mr. President, on behalf of Senator Thurmond and myself, I would like to bring to the attention of my colleagues in the Senate a resolution adopted by the South Carolina General Assembly memorializing the President of the United States to make every effort to provide for an equitable refund of Federal gasoline taxes to the States.

I ask unanimous consent that the concurrent resolution be appropriately referred and printed in the Record at this point.

The ACTING PRESIDENT pro tempore (Mr. Metcalf). Without objection, it is so ordered.

The concurrent resolution, which was referred to the Committee on Finance, reads as follows:

> A concurrent resolution to memorialize the President of the United States to make every effort to provide for an equitable refund of Federal Gasoline taxes to the States
>
> Whereas, the South Carolina Highway Department is in dire need of funds to maintain existing highways and construct new highways; and
>
> Whereas, the Highway Department has experienced a decrease in available funds for highway purposes during the energy crisis; and
>
> Whereas, it is the understanding of the General Assembly that an increase in the federal tax on gasoline is imminent. Now, therefore, be it

Resolved by the House of Representatives, the Senate concurring: That the General Assembly by this resolution memorializes the President of the United States, the Honorable Gerald R. Ford, to make every effort to provide for an equitable refund of Federal gasoline taxes to the states. Be it further

Resolved, That a copy of this resolution be forward to the President of the United States, the Honorable Gerald R. Ford, and to each member of the South Carolina Congressional Delegation.

State of South Carolina, in the House of Representatives, Columbia, S.C., January 20, 1976.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. **McGEE**, from the Committee on Post Office and Civil Service:

S. Res. 365. An original resolution authorizing expenditures by the Committee on Post Office and Civil Service. Referred to the Committee on Rules and Administration.

By Mr. **EAGLETON**, from the Committee on the District of Columbia:

S. Res. 367. An original resolution authorizing additional expenditures by the Committee on the District of Columbia for inquiries and investigations. Referred to the Committee on Rules and Administration.

EXECUTIVE REPORTS OF COMMITTEES

Mr. **STEVENS**. Mr. President, as in executive session, I report favorably from the Committee on Commerce sundry nominations in the Coast Guard which have previously appeared in the Congressional Record and, to save the expense of printing them on the Executive Calendar, I ask unanimous consent that they lie on the Secretary's desk for the information of Senators.

The **ACTING PRESIDENT** pro tempore (Mr. Metcalf). Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the Record of December 15, 1975, at the end of the Senate proceedings.)

LEAVE OF ABSENCE

Mr. **BARTLETT**. Mr. President, I ask unanimous consent that I be granted official leave of the Senate for the period from this afternoon, January 29, through February 6.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. **CHURCH** (for himself, Mr. Philip A. Hart, Mr. Mondale, Mr. Mathias, Mr. Schweiker, Mr. Huddleston, Mr. Morgan, and Mr. Gary Hart):

S. 2893. A bill to establish a Standing Committee of the Senate on Intelligence Activities, and for other purposes. Referred, by unanimous consent, to the Committee on Government Okerations to report not later than March 1, 1976, and then to the Committee on Rules and Administration, to report not later than March 20, 1976.

By Mr. **PROXMIRE**:

S. 2894. A bill for the relief of Maria Fineza Fortich. Referred to the Committee on the Judiciary.

By Mr. **CANNON** (for himself and Mr. Laxalt):

S. 2895. A bill to amend the Clean Air Act in order to authorize States to allow certain variances in emission control systems in isolated areas. Referred to the Committee on Public Works.

By Mr. **BROOKE**:

S. 2896. A bill to amend the Internal Revenue Code of 1954 to impose an additional Federal tax on the manufacture of cigarettes and to appropriate the revenues generated by the additional tax to a trust fund for heart and lung disease and for other purposes. Referred to the Committee on Finance.

By Mr. **McGOVERN** (for himself and Mr. Burdick):

S. 2897. A bill to amend the Internal Revenue Code of 1954 to exempt farmers from the highway use tax on heavy trucks used for farm purposes. Referred to the Committee on Finance.

By Mr. **McGOVERN**:

S. 2898. A bill to provide for a temporary freeze on postal rate increases for first- and second-class mails, to provide for the congressional disapproval of postal rate increases, and to require certain studies of the operations of the United States Postal Service. Referred to the Committee on Post Office and Civil Service.

By Mr. **ABOUREZK**:

S. 2899. A bill to amend title 39, United States Code, with respect to the organizational and financial matters of the United States Postal Service and the Postal Rate Commission, and for other purposes. Referred to the Committee on Post Office and Civil Service.

By Mr. **ABOUREZK**:

S. 2900. A bill to liquidate the liability of the United States for the massacre of Sioux Indian men, women, and children at Wounded Knee on December 29, 1890. Referred to the Committee on the Judiciary.

By Mr. **BENTSEN**:

S. 2901. A bill to make more rational and equitable the method of computing benefits under the Old-Age, Survivors, and Disability Insurance System established under the Social Security Act. Referred to the Committee on Finance.

By Mr. **GARY HART** (for himself and Mr. Kennedy):

S. 2902. A bill to amend Title V of the Public Health Services Act to establish a National Health Research and Development Advisory Commission, and for other purposes.

By Mr. **BEALL**:

S. 2903. A bill to permit the review of regulatory rules and regulations by the Congress. Referred to the Committee on Government Operations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. **CHURCH** (for himself, Mr. Philip A. Hart, Mr. Mondale, Mr. Mathias, Mr. Schweiker, Mr. Huddleston, Mr. Morgan, and Mr. Gary Hart):

S. 2893. A bill to establish a Standing Committee of the Senate on Intelligence Activities, and for other purposes. Referred, by unanimous consent, to the Committee on Rules and Administration to report not later than March 1, 1976, and then to the Committee on Rules and Administration, to report not later than March 20, 1976.

(The remarks of Mr. Church on the introduction of the Intelligence Oversight Act of 1976 are printed earlier in the Record.)

By Mr. **CANNON** (for himself and Mr. Laxalt):

S. 2895. A bill to amend the Clean Air Act in order to authorize States to allow certain variances in emission control in isolated areas. Referred to the Committee on Public Works.

Mr. **CANNON**. Mr. President, I introduce on behalf of myself and Senator Laxalt for appropriate reference a bill to amend the Clean Air Act. I am aware the Public Works Committee is considering amendments to the act at the present time, and I hope the committee gives consideration to the serious problem this bill addresses.

This bill provides authority for the States to approve control variances for emission sources through secondary controls such as production cutbacks during adverse weather where two criteria are met. The first condition would mandate that the source must be in an isolated area in which the State can determine that no serious impact on the public health or welfare will occur. The second states there must be demonstrated severe economic hardship on such source if constant emission controls are required.

An example of the critical situation facing some areas of our country involves the Kennecott operation in Ely and McGil, Nev. The Kennecott smelter is located in an area of less than two persons per square mile. Its present operation meets the State implementation plan.

The plant has added costly equipment in its effort to halt pollutants, and the EPA has approved this addition. However, the EPA not only insists that additional extremely expensive scrubbing equipment be added but that the plant install as yet unknown equipment as it becomes available on the market, regardless of cost. It is obvious that this has placed the plant in a most serious situation, but, more importantly, the EPA now is dictating the future livelihood of the citizens of two of my State's cities.

This additional scrubbing equipment, let alone some future horrendous expenditure, is far beyond the economic feasibility the plant can sustain.

Mr. President, we all support the effort of our Nation to clean and protect the environment. We all must share in this responsibility. But there must be some flexibility in the administration of these efforts. Without some relief, as envisioned in this bill, two cities in Nevada stand to lose the only industry on which their economy is based, despite the fact that the industry meets the air quality standards of the State and is presently operating within the approval of the Environmental Protection Agency. The tragic consequences of that industry's forced shutdown would not only disrupt the lives of these Nevadans and destroy the local economy but it would also belie our commitment to strengthening our economy which affects all of us.

I would hope the Senate gives this proposal serious consideration.

Mr. LAXALT. Mr. President, the senior Senator from the State of Nevada, Mr. CANNON and I are today sponsoring legislation to amend the Clean Air Act. Our bill would authorize States to allow certain variances in emission control systems in isolated areas.

We have a situation in our State, Mr. President, where the provisions of the Clean Air Act, if enforced to the letter of the current law could literally, rob one of our smaller cities of its major economic base. The Kennecott Copper Corp. which provides a livelihood for many residents in Ely, Nev., has been required by the Environmental Protection Agency to install expensive air quality control equipment at their plant. Kennecott will cooperate with this regulatory directive. However, the original requirement takes on the nature of the absurd when it is explained that EPA is insisting on the placement of this equipment with the understanding that should this Federal Agency judge conditions warrant at some unspecified future date, the company will be required to install additional air quality control mechanisms. This open-ended arrangement is obviously impossible for Kennecott to enter into and retain any hope of continuing a successful operation.

Certainly, Mr. President, people residing in those populous urban areas which suffer from pollution difficulties deserve protection and their environment should also be guarded. However, a rural community like Ely—totally isolated from any dense population centers—and not subject to serious impact on the public health, welfare, or environment from Kennecott's operations, should not be singled out for attention under national standards which fail to meet local needs.

The measure Senator CANNON and I are proposing would add a little commonsense and flexibility to the Clean Air Act so areas like Ely can be accommodated without any danger to health, welfare or the environment from pollution. It is way past time for this Congress and our regulatory agencies to be responsive to the needs of all Americans. The only sure way to accomplish that is by working through the States rather than have every bureaucratic promulgation come from on high in Washington where local needs are usually not well known.

By Mr. BROOKE:

S. 2896. A bill to amend the Internal Revenue Code of 1954 to impose an additional Federal tax on the manufacture of cigarettes and to appropriate the revenues generated by the additional tax to a trust fund for heart and lung disease and for other purposes. Referred to the Committee on Finance.

CIGARETTE TAXES AND RESEARCH

Mr. BROOKE. Mr. President, 45 million of our fellow Americans now smoke cigarettes. Most of them know that cigarettes are a grave threat to their health. Over 10 years ago the publication of the Surgeon General's report confirmed the dangers of cigarette smoking. Since that time several thousand additional research studies have strengthened the growing indictment against cigarettes contained in the original report. These facts are now beyond dispute.

As we all know, great strides have been made in recent years against many of mankind's most devastating diseases—illnesses that killed and maimed great numbers of our population. Smallpox and polio have been virtually eliminated, and typhoid, malaria, diphtheria, and measles no longer pose the health threat they used to.

Yet some deadly diseases are increasing despite all our medical technology and know-how employed to curtail them. One of the most deadly of these is lung cancer. In addition, heart attacks, strokes, emphysema, and high blood pressure are increasing at a rate almost unparalleled in our time. The increase in illnesses and deaths from all these diseases and several more has been found to be closely linked with cigarette smoking.

Perhaps a few more figures will illustrate these points. Take lung cancer, for example. As cigarette smoking has become more widespread, deaths from this disease, previously a rare one, have reached frightening proportions. The number of deaths in the United States from this horrible affliction was only 2,500 in 1930; by 1947 it had risen to 36,000; and by 1971 it had soared to an estimated 64,000. Research has proven that a regular cigarette smoker runs about 10 times as great a risk of death from lung cancer as a nonsmoker, and that men who smoke more than a pack a day are up to 20 times more likely to die from the disease than nonsmokers are. Only about 1 case in 10 is cured from this illness.

Heart disease has been found to be another killer, and the death rate from coronary heart disease averages 70 percent higher for smokers than for nonsmokers among our male population. Between the ages of 45 and 54 men who are heavy smokers are three times more likely than nonsmokers to die from coronary heart disease, and women of that age who are heavy smokers are twice as vulnerable as nonsmoking women.

Cigarette smokers are also ill a great deal more often than nonsmokers. If cigarette smokers were ill no more frequently than nonsmokers, we would avoid the loss of some 77 million workdays a year.

Recent Public Health Service data have added further fuel to the furor about cigarette smoking. They reveal that in addition to injuring the heart and lungs, smoking causes hardening of the arteries. It also seems to increase the risks of miscarriage and stillbirth among pregnant women who smoke, and may affect a baby's growth after birth.

When all these statistics are taken into account, one can say that an average man aged 25 who has never smoked regularly can expect to live 6½ years longer than a man who smokes a pack a day or more. It is estimated that the average heavy smoker shortens his life by 6 minutes for every cigarette he smokes—a minute of life for a minute of smoking.

How many minutes of smoking are we talking about? In 1971, over 547 billion cigarettes were sold—about 11 cigarettes per day for those 18 years of age or over.

Clearly, we are dealing with a problem in public health that is very different from eradicating a disease like polio. We are dealing with an integrated habit, and a pleasurable one at that.

Public health authorities have worked out a number of different programs to reach the millions of smokers in the country. These include the development of less hazardous cigarettes, while educating the public about the dangers of continued smoking. Programs across the country try to encourage more persons to stop smoking, or at least smoke in less hazardous ways.

But for the millions of individuals across the United States who cannot or will not stop smoking, the only real hope for them lies in a research breakthrough that will lessen their unenviable chances of illnesses. I propose today legislation that would impose an additional tax of $2.50 for each 1,000 cigarettes sold. This tax will support a trust fund to aid cancer, heart and environmentally induced illness research. This small amount would accrue in excess of $1.5 billion per year, if cigarette sales hold up. Mirroring the present appropriation of funds, 66 percent of the trust fund would be used for cancer research, 31 percent would go toward scientific investigations in heart disease, and 3 percent would be allocated for research by the National Institute of Environmental Health Sciences.

Mr. President, the smokers in our country are the people who are going to require the benefits of this research. Why should they not help support it? Hopefully, the increased funding may promote a breakthrough that might otherwise not have happened.

Cigarette smoking is a pleasurable habit and habits are hard to break. But, cigarettes are also killers. If we cannot attack the causes right now, let us at least open new doors for a possible cure, and hopefully before too many more lives are lost.

By Mr. McGOVERN (for himself and Mr. BURDICK):

S. 2897. A bill to amend the Internal Revenue Code of 1954 to exempt farmers from the highway use tax on heavy trucks used for farm purposes. Referred to the Committee on Finance.

FARM VEHICLE TAX RELIEF

Mr. McGOVERN. Mr. President, farmers in my State have called my attention to a serious inequity in the use tax imposed on heavy highway motor vehicles by section 4481 of the Internal Revenue Code in 1954.

The tax was designed to generate highway trust fund revenues in order to offset increased road construction and maintenance costs associated with heavy vehicle operation. Some critics argue that the rates are too low—$3 per year for each 1,000 pounds of taxable gross weight or fraction thereof on vehicles with a taxable gross weight of 26,000 pounds or more—but there are few who would quarrel with the principle of a use tax.

The overwhelming majority of those who pay the use tax are commercial truckers. As regular users of the road system, it is entirely appropriate to expect these truckers to contribute toward public expenses which are necessary to sustain their own industry.

Unfortunately, however, the current language of the law is so broad that it extends user tax liability to those relatively few persons who make very limited use of the public road system for agricultural rather than commercial purposes. In one case with which I am familiar, for example, the IRS found a farmer fully liable for the use tax on his truck despite the fact that he operated 90 percent of the time on township roads or on his own farm. To make matters worse, this individual, as well as others from whom I have heard, had no idea that he might have to pay the tax until he received a bill from the IRS some 18 months after he registered the truck.

Mr. President, I do not think that it makes sense to treat farm vehicles in the same way we treat commercial trucks for highway user tax purposes. I do not believe that it was the intention of Congress to equate the farmer handling his own supplies with a long-distance trucker moving the Nation's freight.

In order to correct this situation, I am, together with the distinguished Senator from North Dakota, introducing today a bill to amend section 4483 of the Internal Revenue Code by adding heavy trucks used for farm purposes to the list of exemptions from the highway use tax. This exemption will apply to small and medium farmers only. The bill specifically excludes vehicles registered in the name of any corporation with gross receipts for the last taxable year in excess of $950,000 or which derived more than 50 percent of its gross receipts in that taxable year from activities other than farming.

If enacted, this measure will have a minimal effect on highway trust fund revenues. The gross amounts involved are so small that the Internal Revenue Service does not bother to segregate income from this source in compiling its own internal data. Indeed, it can be argued that the cost of collecting the tax from farmers probably comes to a significant percentage of the total income generated by this means.

I submit that this tax is little more than a nuisance. It penalizes farmers unfairly, produces little revenue, and absorbs IRS time and energy which could better be expended elsewhere. I see no good reason to retain this discriminatory tax.

Mr. President, I send the bill to the desk and ask that it be appropriately referred. I also ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2897

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 483 of the Internal Revenue Code of 1954 (relating to exemptions from tax on use of certain vehicles) is amended by adding at the end thereof the following new subsection:

"(d) FARM TRUCKS.—Under regulations prescribed by the Secretary or his delegate, the tax imposed by section 4481 on the use of a highway motor vehicle shall not apply to a vehicle used primarily for farming purposes (within the meaning of section 6420 (c) (3)). This subsection does not apply to a vehicle registered in the name of a corporation whose gross receipts for the last taxable year exceeded $950,000, or which derived more than 50 percent of its gross receipts for such taxable year from activities other than farming.".

(b) The amendment made by subsection (a) applies to uses after June 30, 1976.

Mr. BURDICK. Mr. President, today I am pleased to be joining the distinguished senior Senator from South Dakota in introducing this legislation which will exempt farm vehicles from the annual highway use tax. This is, as Senator McGOVERN has noted, an important piece of legislation, one which will correct a serious inequity in the tax situation which confronts the farmers of America. If passed, this bill will help the family farmer in one more way to meet the cost-price squeeze which is threatening our agricultural economy in all rural areas of America, not just in North and South Dakota.

As my colleagues in the Senate know, I have long supported this legislation. The basic concept has been incorporated in bills which I have sponsored in the past four Congresses: S. 2292 in the 90th Congress; S. 772 in the 91st Congress; S. 2645 in the 92d Congress; and S. 1537 in the 93d Congress.

In this regard, my colleagues will be interested in reading a letter which I received recently from Mr. Robert J. Otto of Crystal, N. Dak. Mr. Otto's comments are representative of the views of many rural Americans on this issue. I am hopeful that the Finance Committee will proceed with all deliberate speed to consider this legislation.

I ask unanimous consent that this letter be printed in the RECORD immediately following my remarks. There being no objection, the letter was ordered to be printed in the RECORD as follows:

CRYSTAL, N. DAK.

DEAR SENATOR BURDICK: Could something be done about the Federal Use Tax on farm trucks? I don't mind paying a tax, but I think $90 a year is excessive on a truck that goes less than 3,000 miles a year (and seldom sees a federal highway).

In addition to being unfair, the tax creates unsafe conditions. I know a number of farmers who buy small trucks and greatly overload them rather than buying heavier trucks and having to pay what they regard as an outrageous tax.

Sincerely,

ROBERT J. OTTO.

By Mr. McGOVERN:

S. 2898. A bill to provide for a temporary freeze on postal rate increases for first- and second-class mails, to provide for the congressional disapproval of postal rate increases, and to require certain studies of the operations of the U.S. Postal Service. Referred to the Committee on Post Office and Civil Service.

U.S. POSTAL SERVICE IMPROVEMENTS ACT OF 1976

Mr. McGOVERN. Mr. President, the Postal Reorganization Act of 1970 was intended to provide the Nation with improved postal service in the context of a break-even financial operation. Our hope at the time we passed the act was that by replacing the politically oriented Post Office Department with a highly professional and semi-independent agency, we could expect to realize great efficiency in our mail service by applying modern management techniques and sophisticated technology to mail processing and delivery.

It is obvious that these hopes have not been realized. The Postal Service has abandoned proven mail dispatch and delivery systems, but has failed to put workable alternatives in their place. Experienced postal managers have been encouraged to retire early and have been replaced by individuals with little or no knowledge of what it takes to move the mail. Expensive new systems have been installed which, simply stated, do not work. Smaller postal facilities have been threatened with extinction, rural routes have been merged or terminated, clerical hours have been reduced to the point that some offices can no longer process their mail.

I would imagine that Postal Service management might wish to make a case to the effect that organizational chaos and low employee morale in the Postal Service are the temporary result of transition to new and more efficient procedures. It would be difficult to accept such an argument, if only because thousands of experienced and devoted postal workers—clerks, letter carriers, drivers and others—have made it clear that they feel strongly that their long experience has been ignored and derided by managers more interested in gimmickry and impressive looking charts than in the practical problems of getting the job done.

Mr. President, many postal employees remember the pride they once could take in their ability to meet every dispatch schedule. Today, because of cutbacks in personnel, it is often difficult or impossible for them to do so. It is a sad commentary on the USPS that the mail was handled more effectively in 1968 than it is today.

I would imagine that USPS managers might also present a case for consolidating additional rural routes and closing down even more of our small post offices in the interests of what purports to be efficiency. If the rural post office were just any facility, this approach might make some sense.

But the fact is, Mr. President, that the small local post office holds a special place in rural America. For many people in South Dakota and in our other mainly rural States, the local post office is the only regular point of contact with the Federal Government. It is a place where neighbors meet neighbors, a building with a flag in front of it which indicates that this or that small settlement is, indeed, duly recognized as a town. I am no more convinced that a large, impersonal postal facility in the nearest city is necessarily preferable to the local post office than I am that New York or Chicago or Los Angeles is inherently more efficient than Tabor or Belle Fourche.

Reliable mail service is an important element in the quality of life in our society. There can be no doubt that standards have declined even as costs have risen in a truly shocking manner.

In fiscal 1973, for example, the first full year of operation under the USPS, there was a $13 million deficit and it cost 8 cents to mail a first-class letter. In fiscal 1975, with a 10-cent rate in effect, the deficit was $825 million. For the current fiscal year, best estimates project a staggering $1.4 billion deficit. Inflation explains part of this, but only part. Management must certainly be held to account.

These escalating postal rates have created an additional burden for hard-pressed individuals and businessmen. But perhaps the most serious potential impact is upon those who publish and subscribe to periodicals and newspapers.

Already, major publications have begun to look at independent delivery services in the urban areas. In rural parts of the country, where subscribers must necessarily continue to rely on the mails, it is entirely possible to envision a situation in which national publications will either refuse to accept rural subscribers or will charge more to those who require delivery by the Postal Service. It is also easy to foresee severe economic problems for newspapers with heavy rural circulations.

Mr. President, I consider it essential that newspapers, periodicals, books, and other such informational items have access to the postal system at reasonable rates for publisher and subscriber alike. Our democratic system depends on open exchange of different viewpoints. We cannot tolerate postal rates which make it impossible for publications to use the mails and for the average citizen to obtain affordable reading material.

I think that the American people share the growing feeling among my constituents in South Dakota that the Congress must reassume control of postal operations to the extent necessary to insure adequate mail service at reasonable cost. Action is needed to break out of the self-perpetuating downward spiral in which the Postal Service currently finds itself. In this spiral, reduced services lead to lower use and, therefore, to lower revenues. Lower revenues, in turn, lead to further cost cutting, producing poorer service, lower use, and so on into eventual bankruptcy.

Several approaches are available to us. There are, for example, those who argue that we should permit private enterprise to enter the postal business and compete directly with or even replace the established service. This, it is said, will bring the benefits of free enterprise to mail delivery with consequent improvements in service and reduction in cost.

At first glance, this solution appears attractive, if only because it is so simple. The problem, of course, is that a great many necessary functions of the Postal Service are not and cannot be profitable. Private industry would gladly take over the profitable or potentially profitable aspects of the Postal Service, but there is no reason to expect businessmen to volunteer to take losses. Once again, subsidies would be required.

Others maintain that we should abandon the public service aspects of postal operations altogether and let prices rise to cover costs. In my view this would be a disastrous course to follow with serious negative effects for our cultural, economic, and political well-being.

The final alternative, and one I believe we shall have to adopt in some form, is to increase the public service subsidy to the Postal Service. In doing so, however, we must be careful to avoid giving away a key to the Treasury by permitting the Postal Service to come to Congress with what amounts to take-it-or-leave-it subsidy requests each year.

On October 30, the House passed H.R. 8603, which includes a number of useful postal reform measures. Among other things, it increases the public service subsidy, provides for congressional budget review, and limits rate increases to a maximum of 20 percent in any one category of mail.

Unfortunately, the bill also has some questionable aspects, particularly a provision which would require that Postal Service revenues be deposited in the Treasury. In effect, this provision will erode the autonomy established for the agency by the Postal Reorganization Act of 1970 by making the United States liable for Postal Service debts. With this provision in place, Postal Service management will have little incentive to control costs. In addition, the postal unions may feel that they can hold out for unreasonably high wage and benefit packages when contracts expire.

I am also rather skeptical about the 20-percent limitation on rate increases for each mail category. If we say 20 percent, we may be sure that we shall receive requests for 20 percent—not for 15 or 10 percent, but for the rate we have already established as that which we consider acceptable. I think that it would be far better were Congress to examine each request for an increase on its own merits—or lack thereof.

Accordingly, I am today introducing legislation designed to address the current problems of the Postal Service without creating greater pitfalls for the future.

This bill, entitled the "U.S. Postal Service Improvement Act of 1976," reestablishes public service as the primary objective of the Postal Service.

The bill retains substantial autonomy for the USPS, but it also provides for congressional oversight through the annual process for establishing the extent of the public service subsidy.

In addition, the bill freezes postal rates at the current level until such time as Congress shall determine the amount of the proper subsidy. It also authorizes interim funding should such be necessary to keep services functioning until Congress decides on the subsidy and provides that either the House or the Senate may disapprove postal rate increase within a 60-day period after they are proposed.

Some may object that this latter provision—congressional disapproval power for rate increases—will mean that rates will be frozen forever and that the less visible subsidy will grow enormously. I understand this objection, but I think that our own budget process will work strongly against such a development. A Congress working within well-defined spending guidelines will need to be mightily persuaded to pour scarce resources into postal subsidies. The Postal Service will be under the strongest pressure to operate responsibly.

Finally, the bill places a moratorium upon closing any existing postal facility until the Comptroller General has completed a study in each case and made recommendations taking into account the likely impact of closure on the areas served. The Comptroller General is specifically to consider cultural and economic effects as well as implications for the conduct of Federal business. The Postal Service would be able to consolidate routes and close facilities under this provision, but managers would not be free to do so arbitrarily in order to fit some preconceived notion of what constitutes efficiency. The Postal Service would be required to pay due attention to the needs and desires of the people.

Mr. President, I send my bill to the desk and ask that it be appropriately referred. I also ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2898

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "United States Postal Service Improvements Act of 1976".

SEC. 2. (a) Notwithstanding the provisions of title 39, United States Code, the United States Postal Service shall not increase the rates of postage for first and second class mail, as such classes are defined under former sections 4251 and 4351 of title 39, United States Code, until after the adoption by law of an authorization of appropriations to the United States Postal Service of such sums which are necessary, in the public interest, to provide for the efficient movement and delivery of such classes of mail.

(b) An authorization of appropriations referred to in subsection (a) of this section shall state expressly that such authorization is adopted to carry out the purposes of that subsection.

(c)(1) There are authorized to be appropriated to the United States Postal Service such sums as may be necessary as reimbursement to the United States Postal Service for maintaining delivery of first and second class mails, as such classes are defined under former section 4251 and 4351 of title 39, United States Code, during the period during which an increase in the rates of postage for such classes is not allowed under subsection (a) of this section.

(2) The United States Postal Service, in requesting amounts to be appropriated under this subsection, shall present to the appropriate committees of the Congress a statement containing the costs or estimated costs

and the revenues received or estimated revenues to be received in the delivery of first and second class mails, as such classes are defined under former section 4251 and 4351 of title 39, United States Code, during such period together with any information which any such committee considers necessary to determine the amount of funds to be appropriated under this subsection.

SEC. 3. (a) Subchapter II of chapter 36 of title 39, United States Code, is amended by adding at the end thereof the following new subsection:

"§ 3629. Congressional approval of rate increases

"(a) The Governors shall transmit to the Congress any proposed increase in the rates of postage or fees for postal services at least 90 days before the effective date of such increase. Such increase will become effective as otherwise provided in this chapter, unless, before the end of the first period of 60 calendar days of continuous session of Congress after the date on which the proposed increase is transmitted, either House adopts a resolution disapproving the proposed increase, in which case such proposed increase shall not take effect. The continuity is broken only by adjournment of the Congress sine die, and the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of the 60-day period.

"(b) Subsections (c)–(i) of this section are enacted by Congress—

"(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in the House in the case of resolutions described by this section; and they supersede other rules only to the extent that they are inconsistent therewith; and

"(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

"(c) If the committee, to which has been referred a resolution of disapproval under this section, has not reported the resolution at the end of 10 calendar days after its introduction, it is in order to move either to discharges the committee from further consideration of any other resolution with respect to the same proposed increase which has been referred to the committee.

"(d) A motion to discharge may be made only by an individual favoring the resolution, is highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same proposed increase), and debate thereon is limited to not more than 1 hour, to be divided equally between those favoring and those opposing the resolution. An amendment is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(e) If the motion to discharge is agreed to, or disagreed to, the motion may not be renewed nor may any other motion to discharge the committee be made with respect to any other resolution with respect to the same proposed increase.

"(f) When the committee has reported, or has been discharged from further consideration of, a resolution with respect to a proposed increase, it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(g) Debate on the resolution is limited to not more than 2 hours, to be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is not debatable. An amendment to, or motion to recommit, the resolution is not in order, and it is not in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

"(h) Motions to postpone, made with respect to the discharge from committee, or the consideration of, a resolution with respect to a proposed increase and motions to proceed to the consideration of other business, are decided without debate.

"(i) Appeals from decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution with respect to a proposed increase are decided without debate.".

(b) The table of sections for such subchapter is amended by adding at the end thereof the following new item:

"3629. Congressional approval of rate increases.".

SEC. 4. (a) The Comptroller General of the United States shall make a full and complete study and investigation of the operations of the United States Postal Service with respect to—

(1) existing postal facilities to determine the necessity and desirability of the closing of any such facility in light of—

(A) the need to provide effective and regular postal service to the areas served by such postal facility,

(B) the effect the closing of such postal facility would have on the cultural and economic life of the citizens of the area served by such postal facility,

(C) the effect on the conduct of the business of the Federal government in the areas served by such postal facility, and

(D) the economic impact the closing of such facility would have on the United States Postal Service;

(2) existing postal facilities to determine the construction needs of the United States Postal Service through the year 2000; and

(3) present methods of transportation employed by the United States Postal Service for the movement of the mail to determine whether the most efficient and least expensive methods of transportation to move the mail are presently being utilized.

(b) The Comptroller General of the United States shall submit to the President and to the Congress not later than one year after the date of enactment of this Act, the final report of his study and investigation together with his recommendations, including recommendations for legislation.

(c) The United States Postal Service shall not close any existing postal facility until such time as the report required to be submitted under subsection (b) of this section has been submitted to the President and the Congress.

By Mr. BENTSEN:

S. 2901. A bill to make more rational and equitable the method of computing benefits under the Old-Age, Survivors, and Disability Insurance System established under the Social Security Act. Referred to the Committee on Finance.

Mr. BENTSEN. Mr. President, this year 32 million Americans will receive a benefit from our social security system and over 100 million Americans will pay the taxes that support this system. Over 90 percent of all the people over 65 are either drawing benefits now or are eligible to do so upon retirement. And 95 out of 100 of the mothers and children in this country are protected by the life insurance provisions of the social security system. Four out of five people in the age group 21–64 are protected by the disability insurance provisions. Currently, nearly 5 million children are receiving monthly social security payments based on their parents' contributions, and over 2½ million disabled beneficiaries and their wives get payments.

Mr. President, practically everyone is dependent upon social security for basic income insurance—the provision of benefits to partially replace earned income that is lost as a result of retirement, disability or death. Thus, the financial soundness of this system is of crucial importance to all of us. However, as my colleagues are well aware, our social security system can no longer be counted on—in the long run—to raise revenues equal to the expenditures it is obligated to make. Over the next 75 years, we are faced with expenditures in the form of benefit payments to eligible individuals that are projected to be fully one-third higher than the revenues that will be collected to support this system.

This substantial deficit in a system which was originally designed to be self-supporting demands our attention—not because we, ourselves will be refused any benefit for which we have earned the right of collection, but rather for those who come to collect 50 years hence. Young people, who now see much of their wages directed into this system must have confidence that when they are ready to retire, the social security system will be able to support them.

Mr. President, in 1976 $59.4 billion will be collected in taxes to support the social security programs. I do not believe that any of my colleagues would dispute that the confidence of the contributors of this enormous sum is as vital to the health of the system as the confidence of the beneficiaries. The American people must be assured that they are not simply throwing money away, that their basic insurance system will not somehow collapse in the next half century.

Moreover, they must be assured that the design of the social security system is such that the actual benefit that they draw upon retirement does replace, in an equitable and rational manner, the earnings they received prior to retirement.

The purpose of the Social Security Act of 1935 was prevention of the recurrence of the widespread economic plight of the aged prevalent during the depression of the thirties. The basic approach agreed upon was a contributory Federal social insurance program that would provide, without a means test, benefits to help replace earnings lost because of retirement in old age. Mr. President, this relationship between earnings and benefits is the cornerstone of our social security system, and epitomizes the esteem in which the value of self-reliance has traditionally been held in this country. The social security system was not designed to alleviate dependency after it occurred but rather to prevent dependency for those who had worked hard and contributed to the Nation's prosperity.

Until 1972, social security payments were computed on the basis cf a fixed relationship between benefits and an individual's average monthly earnings. However, with the steady inflation of the postwar period, the benefits of retired persons soon failed to keep pace with increases in prices. Congress, in recognition of the erosion of benefits, raised them from time to time in order to maintain their real purchasing power.

In 1972, Congress enacted automatic cost-of-living increases in social security benefits. This legislation, now in effect, guarantees that there is no delay between changes in the cost of living and increases in benefits available to retired people to help meet these higher costs.

I strongly supported the 1972 legislation for we cannot truly say we are replacing the earnings of retired people by a social security benefit unless we take into account what their earnings would have been in a time of higher inflation—and then adjust their benefit accordingly. However, the 1972 legislation contained an unintentional side effect which neither I nor most of my colleagues were aware. Although the legislation works as it was intended now and in the near term future, in the long run, individuals who retire could receive a benefit from social security as high as 130 percent of their earnings prior to retirement. Clearly, this kind of benefit—one in excess of a worker's highest earnings during his or her lifetime—was never intended to be offered by the social security system. Currently, the social security benefit replaces—on the average—43 percent of a worker's preretirement earnings. Studies have shown that the replacement rate—the proportion of a worker's earnings that is replaced by his social security benefit—in the year 2045 could be as high as 115 percent of preretirement earnings or as low as 30 percent, and the tax required to support this system could be as high as 40 percent of this country's payroll. These kind of fluctuations are a result of different assumptions as to the movement of wages and prices. No one can really predict with any accuracy what will happen to wages and prices in the next 75 years. Therefore, no one can guess what will happen to replacement rates under social security. I believe that this situation must be corrected. We cannot tolerate a system that behaves so capriciously, that is so completely alined with wage and price movements.

Mr. President, there is another crucial reason why this flaw in the 1972 legislation demands immediate correction: it contributes to the size of the projected deficit in the social security trust funds. Correction of this flaw will eliminate fully half of this projected deficit.

Therefore, Mr. President, I am today introducing legislation that will both stabilize the relationship between social security benefits and preretirement earnings in the long run and put the system in a much strengthened financial position. My legislation will have no effect on people who are currently receiving a social security benefit. These individuals will continue to receive benefits in the same amount with the same automatic yearly adjustments for increases in the cost of living. Furthermore, individuals who retire in the future will have their benefits increased by the cost of living in the same way as current retirees.

What my legislation does is freeze replacement rates—in other words the proportion of a worker's earnings that is replaced by his social security benefit will remain constant. Of course, earnings will continue to rise and thus benefits will be higher—in absolute dollar amounts—for individuals who retire in the future. However, the proportion of their earnings which are replaced by the social security benefit will remain the same as it is today.

Let me explain how this is done. Currently, a worker's actual earnings that are subject to the social security tax are averaged over a certain period of years—20 years for workers at age 62 in 1976, 21 years for workers at age 62 in 1977 and so on until 1991 when the maximum 35-year averaging period will apply. The resultant average wage yields a benefit computed according to a statutory formula. In 1974 the formula was approximately:

120 percent of the first $110 of covered earnings;

Plus 44 percent of the next $290 of earnings covered;

Plus 41 percent of the next $150 of earnings covered;

Plus 48 percent of the next $100 of earnings covered;

Plus 27 percent of the next $100 of earnings covered; and

Plus 20 percent of the next $100 of earnings covered.

In 1975, the formula by which benefits are computed was approximately:

124.48 percent of the first $110 of covered earnings;

Plus 47.10 percent of the next $290 of covered earnings;

Plus 44.01 percent of the next $150 of covered earnings;

Plus 51.73 percent of the next $100 of covered earnings;

Plus 28.77 percent of the next $100 of covered earnings;

Plus 23.98 percent of the next $250 of covered earnings;

Plus 21.60 percent of the next $75 of covered earnings; and

Plus 20.00 percent of the next $100 of covered earnings.

As you see, the formula changes from year to year. It is "updated" for the increases in the cost of living as measured by the Consumer Price Index.

This "updating" results in a higher benefit not only to the person who is already receiving benefits, but also to the person who retires in the future. This means that the person who retires in the future has benefit levels which are kept substantially ahead of increases in the cost of living.

Mr. President, let me explain this in another way. Under current law the person who retires in the year 2000 will earn a wage until he retires that is increased each year to reflect cost-of-living increases. Then upon his retirement he will receive a social security benefit computed according to a formula that was also increased each year to reflect cost-of-living increases. Therefore, the cost-of-living increases will be reflected not once, but twice in the computation of his benefit.

What my legislation will do is take a worker's earnings and index them to reflect the cost-of-living increases between the year in which he began to work and the year in which he retires. Therefore, if average earnings rise 20 percent between the time an individual begins to work and the time he retires, his wages for that first year of work would be increased. by 20 percent for purposes of the social security benefit computation. Clearly, this kind of indexing increases the wage base from which the social security benefit is computed. Therefore, the formula which is applied to this wage base must be adjusted to reflect this increase and still provide an adequate benefit.

Mr. President, I want to point out that this wage indexing proposal will be much more equitable than the current system. Currently, people retiring at the same time may not have earned their retirement benefits at the same times. A person retiring in July 1975 with 10 years of earnings covered by social security might have received those earnings from 1951–60. Another person retiring at the same time may have earned his coverage between 1965 and 1974. Even if both had received the same pay—measured in constant dollars— the one who earned 1965–74 dollars would have a higher average earnings than the person who earned 1951–60 dollars. Therefore, one person, who earned his coverage later, would receive a higher social security benefit.

My bill will eliminate this kind of inequity by converting all covered wages—no matter when they were earned—into dollars current at the time a person is eligible to retire.

The formula which would then be applied to the average of these indexed wages would look like this:

Eighty-one percent of the first $175;

Plus 29 percent of the next $865; and

Plus 15 percent of the next $1,040 and above.

In future years the above dollar amounts will be increased by the percentage increase in wage levels. Under current law, the percentages that apply to these dollar amounts are increased. Of course, once an individual's benefit is computed under this new formula, the benefit will be automatically increased each year by the same percentage as the Consumer Price Index increases.

My bill also contains a savings clause which assures that if a benefit to which an individual is entitled is lower—under the proposed method of computation—than it would have been under the current system, the higher benefit will be paid.

Mr. President, my bill will assure that in the long run the relationship between preretirement earnings and social security benefits remains constant. It will assure that no matter when a person earned their social security coverage, they will receive a benefit that accurately reflects their earnings in dollars updated in purchasing power to the time of their retirement. It will place the social security trust funds in a substantially stronger financial position by cutting the projected deficit in half.

All Americans, both those that contribute to our social security system and those that draw benefits deserve the kind of assurances that my bill will provide. I urge my colleagues to support me in this endeavor to strengthen and stabilize our social security system; so that confidence in the adequacy of this system can be restored.

By Mr. GARY HART (for himself and Mr. KENNEDY):

S. 2902. A bill to amend title V of the Public Health Services Act to establish a National Health Research and Development Advisory Commission, and for other purposes.

Mr. GARY HART. Mr. President, the distinguished Senator from Massachusetts (Mr. KENNEDY) and I today are introducing the National Health Research and Development Act of 1976. This act will help extend the promise of good health to every American by insuring continued advances in the diagnosis, treatment, and prevention of disease.

Mr. President, the National Health Research and Development Act will improve the public health and strengthen the foundations of health care delivery here in the United States. The National Health Research and Development Act is a commitment to the future of America, for it makes an investment in the health of our people. The return on this investment will be realized not only by ourselves and our children, but also by generations yet to come.

In order to realize this goal, the National Health Research and Development Act provides for substantial increases in the support of biomedical research and development programs, clinical trials, demonstration projects and disease control programs as well as research and development efforts in the fields of public health and preventive medicine. In addition, innovative programs of health education designed to provide the public with the information necessary for the maintenance of good health and programs relating to the efficient and timely application of new technologies will be emphasized.

The National Health Research and Development Act also provides for amendment of the Internal Revenue Code in order to establish a new health tax on cigarettes. This new health tax will be in addition to the existing Federal excise tax on cigarettes. The amount of the health tax for any given brand of cigarettes will be determined by the tar and nicotine content of the brand.

The health tax will be phased in over a 4-year period. During 1977, the health tax will range from approximately 1 to 20 cents per pack—average, 12 cents per pack. By 1980, the health tax will be completely phased in and will range from 2 to 50 cents per pack—average, 30 cents per pack. At present consumption rates, this tax will generate approximately $3.7 billion in 1977 and up to $9.3 billion annually by 1980 in additional revenues. The health tax will be collected in the same manner as is the existing Federal excise tax on cigarettes.

This National Health Research and Development Act of 1976 authorizes the appropriation of sums equivalent to the amounts generated by the tax for the purposes and programs mentioned earlier. As with the expenditure of other general revenues, these funds will be subject to the regular annual appropriations process.

It is expected that the health tax will not only provide necessary funding for those purposes and programs designated above, but will both encourage the consumer to further consider the significant health hazards of smoking and will provide an incentive for cigarette smokers to reduce their consumption of tars and nicotine. Therefore, insofar as cigarette smoking is the largest single unnecessary and preventable cause of illness and early death in the United States, the health tax and revenues derived therefrom will not only contribute to the solution of existing health problems, but also will help reduce and minimize future threats to the public health.

To help insure the effective and coordinated distribution of moneys generated by the health tax, this act also provides for amendment of the Public Health Service Act to establish a National Health Research and Development Advisory Commission. The Commission will have responsibility for the ongoing assessment of our national health research, development and implementation programs, and will be charged with making recommendations to the President and the Congress regarding priorities for expansion and initiative within each area. In this fashion, the Commission will help insure the most efficient use of moneys and the balanced allocation of resources within and among the several components of the health research and development systems. Mr. President, these are only some of the things which the National Health Research and Development Act will do.

Throughout history, America's greatest resource has been its people. However, as a nation, we have yet to dedicate ourselves to developing and delivering the best health care that medical science can provide. A gap has developed between the acquisition of knowledge and its useful application. In many instances, the research has been done and the conclusions have been drawn, but all too often we ignore the obvious solutions to problems when those solutions involve more-than-nominal short-term costs. As one result, we continue to allow many toxic substances to pollute our air, our water and our land.

Mr. President, we are now confronted with the fact that cigarette smoking is the largest unnecessary and preventable cause of illness and early death in the United States. What are the implications of this? What is the basis for this statement? For answers to these questions, I turn to the 1975 U.S. Department of Health, Education, and Welfare report entitled "The Health Consequences of Smoking". The introduction to this report summarizes the scientific basis which supports the conclusion that heart disease, lung cancer, chronic bronchitis and emphysema are not merely "associated with" or "linked to" smoking, but that they are in fact caused by cigarette smoking. Rather than paraphrase or take key sentences out of context, I ask unanimous consent that the pertinent section of this report be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

OVERVIEW—HEALTH CONSEQUENCES OF SMOKING

The statement, "Warning: The Surgeon General Has Determined That Cigarette Smoking Is Dangerous to Your Health," has been required by law on cigarette packaging since 1970 as a part of the Public Health Cigarette Smoking Act of 1969. This Act was a response by the U.S. Congress to the scientific information on the health consequences of cigarette smoking summarized in reports then available (the Surgeon General's Report of 1964 and the subsequent 1967, 1968, and 1969 PHS Health Consequences of Smoking). This Act was passed because a series of important questions concerning cigarette smoking and health had been answered.

The following discussion summarizes the basic questions, the methodology used to determine the answers, and the answers themselves.

The initial question to be answered concerning the health consequences of smoking was "Are there any harmful health effects of smoking cigarettes?" The answer to this question was provided in two ways. First, it was demonstrated that some diseases occurred more frequently in smokers than in nonsmokers. Second, a causal relationship was established between smoking and these diseases.

A reasonable place to begin to look at the health consequences of cigarette smoking was in the area of overall death rates. If cigarette smoking contributed substantially to the development of any major disease, this would be reflected in a higher overall death rate for smokers. Several large prospective studies have clearly shown that cigarette smokers have higher overall death rates than nonsmokers of the same age and sex.

Demonstrating this association, however, was not enough to establish the causal nature of the relationship between smoking and excess death rates. The decision whether or not an association is causal is not merely a statement of statistical probability. Determining that the association between smoking and excess death rates is causal was a judgment made by DHEW after a number of criteria had been met, no one of which by itself was sufficient to make this judgment. These criteria include:

a. The consistency of the association.

b. The strength of the association.

c. The specificity of the association.

d. The temporal relationship of the association.

e. The coherence of the association.

The association between cigarette smoking and excess death rates has consistently been demonstrated in a large number of studies performed during the last 30 years. The few studies not showing this relationship had serious defects in their design or analysis which limited the interpretation of their results.

The strength of the association has been firmly established by repeatedly showing that cigarette smokers have one and a half to two and a half times the overall death rates of nonsmokers.

The specificity of the association was demonstrated by establishing that substantial excess overall death rates occurred in populations of smokers grouped by age, sex, race, socioeconomic class, occupation, place or residence, and many other variables.

The temporal relationship of the association between cigarette smoking and overall death rates was clearly shown by the marked decrease in excess death rates that occurs after stopping smoking.

The coherence of the association was established by showing that a dose-response relationship persisted when dosage was measured by number of cigarettes smoked per day, duration of smoking, age of initiation of smoking, depth of inhalation, or pack years of smoking. This relationship was also demonstrated in prospective as well as retrospective studies.

Thus, the extensive evidence concerning the health consequences of smoking gathered by many researchers and analyzed for consistency, strength, specificity, temporal relationship, and coherence has clearly established cigarette smoking as the cause of the excess mortality among cigarette smokers.

The establishment of smoking as the cause of excess mortality brought up the additional question: "How are the health consequences of smoking expressed as individual disease processes?"

The most important specific health consequence of cigarette smoking in terms of the number of people affected is the development of premature coronary heart disease (CHD). Retrospective studies established that cigarette smokers have a greater risk of death due to CHD and have a higher prevalence of CHD than nonsmokers. Prospective studies confirmed that cigarette smokers have higher death rates from CHD and established that they have a higher incidence of CHD than nonsmokers. Long-term followup of healthy populations has confirmed that a cigarette smoker is more likely to have a myocardial infarction and to die from CHD than a nonsmoker. Cigarette smoking has been shown to be one of the major independent CHD risk factors and to act synergistically with the other major alterable CHD risk factors (high blood pressure and elevated serum cholesterol). Autopsy studies have shown that persons who smoked cigarettes have more severe coronary atherosclerosis than persons who did not smoke.

A second major health consequence of smoking is the development of cancer in smokers. Cigarette smoking was firmly established as the major cause of lung cancer by several large retrospective and prospective studies. The risk of developing lung cancer was found to be 10 times greater for cigarette smokers than for nonsmokers. The risk of developing lung cancer increases with the number of cigarettes smoked per day and is greater in cigarette smokers who report inhaling, who started smoking at an early age, or who have smoked for a greater number of years. Smokers of filter cigarettes have been shown to have a lower risk of developing lung cancer than smokers of nonfilter cigarettes, but the risk remains well above that for nonsmokers.

The risk of developing cancer of the larynx, pharynx, oral cavity, esophagus, and urinary bladder was also found to be significantly higher in cigarette smokers than in nonsmokers. Pipe and cigar smokers were found to have elevated risks for the development of cancer of the oral cavity, pharynx, larynx, and esophagus when compared to nonsmokers. Pipe and cigar smokers report that they inhale much less frequently than cigarette smokers. As a result their lungs receive much less smoke exposure than cigarette smokers'. This is felt to be the reason for the lower incidence of cancer of the lung for pipe and cigar smokers compared to cigarette smokers.

Women have had far lower rates of lung cancer than men. This has been attributed to women's tendency to smoke fewer cigarettes per day, the fact that fewer women than men smoke, and the fact that women smokers generally select filter and low tar and nicotine cigarettes. However the percentage of women smokers in the United States has increased dramatically in the last 30 years, and since 1955 the death rates from lung cancer in women have increased proportionately more rapidly than the rates for men, reflecting this increased proportion of women smokers.

The tar from cigarette smoke has been found to induce malignant changes in the skin and respiratory tract of experimental animals, and a number of specific chemical compounds contained in cigarette smoke were established as potent carcinogens or co-carcinogens. Malignant changes including carcinoma *in situ* were found in the larynx and in the sputum exfoliative cytology of experimental animals exposed to cigarette smoke.

Nonmalignant respiratory disease is a third area of smoking-induced morbidity and mortality. Cigarette smokers have been shown to have more frequent minor respiratory infections, miss more days from work due to respiratory illness, and report symptoms of cough and sputum production more frequently than nonsmokers. Retrospective and prospective studies with long-term followup have found that cigarette smoking is the primary cause of chronic bronchitis and emphysema in the United States. Cigarette smokers have also been found to be more likely to have abnormalities of their pulmonary function tests and have higher death rates from respiratory diseases than nonsmokers. Data from autopsy studies have shown that cigarette smokers were more likely to have the macroscopic changes of emphysema, and that these changes are closely related to the number of cigarettes smoked per day. Mucous cell hyperplasia has been found more often in cigarette smokers. Cigarette smoke also inhibits the ciliary motion responsible for cleansing the respiratory tract.

Mr. GARY HART. Mr. President, this report goes on to spell out in even greater technical detail what by now should be obvious to all, namely that many serious diseases are caused by cigarette smoking. The evidence supporting this conclusion is overwhelming. Yet, Americans continue to smoke. Now, 12 years after the Surgeon General's initial warning, cigarette consumption is again at or near an all-time high. During 1975, over 600 billion cigarettes were sold in the United States for an adult per capita consumption in excess of 200 packs—more than 4,000 cigarettes—per year. Although some may not be aware of the facts and perhaps a few may wish to deny reality, many people clearly have been willing to accept significant long-term risks to their health rather than forgo the use of tobacco.

Why is this? How can this be explained? What is it in tobacco that produces the craving? In an eloquent answer to this question, Dr. M. A. Hamilton Russell responded:

> If it were not for the nicotine in tobacco smoke, people would be little more inclined to smoke cigarettes than they are to blow bubbles or light sparklers.

It is an interesting thought.

The first modern scientific evidence suggesting that nicotine is an addicting drug appeared more than 30 years ago in the English Medical Journal Lancet. Dr. Lennox Johnston there reported that he had given small injections of nicotine solution to 35 volunteers, including himself.

> Smokers almost invariably thought the sensation pleasant.

Dr. Johnston declared,

> and, given an adequate dose, were disinclined to smoke for a time thereafter. . . . After a course of 80 injections of nicotine, an injection was preferred to a cigarette.

If the nicotine injections were abruptly discontinued, craving arose. Dr. Johnston found that in satisfying this craving, 1 milligram of injected nicotine was roughly the equivalent of smoking one cigarette. He concluded that:

> Smoking tobacco is essentially a means of administering nicotine, just as smoking opium is a means of administering morphine.

On the basis of this and other information, it is obvious that we should make every effort to insure that our children receive all the facts regarding smoking and health. To do anything less clearly would be irresponsible.

Mr. President, the National Health Research and Development Act of 1976, through support of extensive public health education programs, offers the ounce of prevention which previously has been rationed all too sparingly. Perhaps mainly as a result of such efforts, the promise of good health may be realized by all Americans in the not-too-distant future.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2902

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Health Research and Development Act of 1976."

FINDINGS AND DECLARATION OF PURPOSE

SEC. 2. (a) The Congress finds that—

(1) preventable environmental factors pose serious threats to the health of the American people;

(2) cigarette smoking is one of the principal contributors to the high incidence of cancer and diseases of the heart, lungs, and other organs;

(3) overwhelming scientific evidence exists that the harmful factors contained in cigarette smoke are tars and nicotine;

(4) current approaches to prevention of disease caused in whole or in part by smoking have been inadequate; and

(5) progress in the prevention, alleviation or cure of these and other diseases which afflict the American people must be based both upon changes in personal habits with respect to smoking and upon a strong program of fundamental biomedical and behavioral research as well as upon effective mechanisms for the translation and transfer of the benefits of this research into the health care delivery system.

(b) The purpose of this Act is to—

(1) establish a National Health Research and Development Advisory Commission to advise the President and the Congress on the overall status of the national health research

effort, and to make recommendations on the course and priorities of future health research and development in order to ensure a comprehensive, balanced, and efficient program for the prevention, treatment and cure of disease.

(2) establish a National Health Research and Development Fund for the stable support of programs in research, development and the effective application of knowledge in the biomedical and behavioral sciences aimed at the prevention, treatment and cure of disease.

Sec. 3. Title V of the Public Health Service Act is amended by inserting before Sec. 501 the following new part:

"PART A—NATIONAL HEALTH RESEARCH AND DEVELOPMENT ADVISORY COMMISSION AND FUND

"NATIONAL HEALTH RESEARCH AND DEVELOPMENT ADVISORY COMMISSION

"Sec. 501. (a). There is hereby established the National Health Research and Development Advisory Commission (hereinafter referred to as the "Commission") which shall consist of fifteen members of whom ten shall be appointed by the President from persons who, by virtue of their training, experience, and background are exceptionally qualified to carry out the duties of the Commission, and five shall be the chairmen of the expert panels authorized under subsection (e)(5) below. Appointment to the Commission shall be for a period of four years except that initial appointment shall be for shorter periods staggered so as to ensure that no more than four members of the Commission shall receive full term appointments in any year. No member of the Commission shall serve more than two terms. No member of the Commission shall be an officer or employee of the Federal Government.

"(b) The President shall appoint one of the members of the Commission to serve as Chairman and one to serve as Vice-Chairman. Eight members of the Commission shall constitute a quorum and a vacancy shall not affect its powers.

"(c) The Commission shall be appointed within six months following the date of enactment of this Act. Vacancies on the Commission shall be filled within three months.

"(d) Members of the Commission shall each be entitled to receive the daily equivalent of the annual rate of basic pay in effect for grade GS–18 of the General Schedule for each day (including travel time) during which they are engaged in the actual performance of duties vested in the Commission; and while away from their homes or regular places of business in the performance of services for the Commission, all members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 (b) of Title 5 of the United States Code.

"(e) The Commission shall—

"(1) Review and assess—

"(i) the status of fundamental and applied clinical and laboratory research in the biomedical and behavioral sciences;

"(ii) the scientific and socially significant areas of health research and development, and ways in which such areas may be best developed;

"(iii) the quality and efficacy of ongoing programs in health demonstrations, clinical trials, and disease control programs, and make recommendations for the timely initiation or modification of programs as new opportunities arise from the research effort;

"(iv) current activities in the fields of preventive medicine and health education, and make recommendations on how such activities may be best utilized; and

"(v) the overall field of health research and the application and dissemination of health technology and knowledge to assure that a proper balance of resource allocation and effort is maintained among the several components of the health research, development, and application system, and that the health care delivery system is receiving the benefits of the health research and development system in a safe, timely and economical manner.

"(2) Conduct other studies relating to health research and development or the application and dissemination of health technology as the President or the Congress may from time to time request or as the Commission may deem necessary.

"(3) Report its conclusions concerning activities under subsection (1) above, and make recommendations at least once every two years to the President and the Congress.

(4) Make recommendations to the President and the Congress on the appropriate distribution of moneys in the national Health Research and Development Fund, established under section 502.

"(5) Appoint five panels of qualified experts, one for each of the areas defined in section 502(a) (i), (ii), (iii), (iv), and (v), to advise the Commission. Each Panel shall elect its own chairman, who shall serve as a full member of the Commission as provided for in section (a) above.

"(f) The Commission is authorized to—

"(1) appoint and fix the compensation of such personnel as may be necessary, without regard to the provisions of Title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates; and

"(2) obtain the services of experts and consultants, in accordance with the provisions of section 3109 of Title 5, United States Code, at rates for individuals not to exceed $100 per day.

"(3) enter into contracts for studies under subsection (e) above; and

"(4) publish and distribute reports and materials to the scientific community and the public.

"(g) The Commission is authorized to request from any department, agency, or independent instrumentality of the government any information and assistance it deems necessary to carry out the purposes of this section and each such department, agency, or instrumentality is authorized to cooperate with the Commission and to the extent permitted by law, to furnish such information and assistance to the Commission upon request made by the Chairman or any other member when acting as Chairman.

"NATIONAL HEALTH RESEARCH AND DEVELOPMENT FUND

"Sec. 502(a). There are hereby authorized to be appropriated, in annual appropriations acts, for fiscal years 1977, 1978, 1979, 1980 and 1981, those amounts determined by the Secretary of the Treasury to be equivalent to the taxes received in the Treasury under section 5701(b)(3) of the Internal Revenue Code of 1954 (relating to a rate of tax on cigarettes) for the following purposes—

"(i) fundamental laboratory and clinical research in the biomedical and behavioral sciences;

"(ii) applied laboratory and clinical research in the biomedical and behavioral sciences;

"(iii) clinical trials, demonstration projects, and disease control programs, designed to test the efficacy and practicability of new approaches to disease prevention, therapies, and health technologies prior to their introduction into the health care delivery system of the nation;

"(iv) research in the fields of preventive medicine and public health, as well as development and implementation of health education programs designed to furnish to the public the information necessary for maintenance of their health;

"(v) research on the efficient and economic integration and utilization of new technologies within the health care delivery system;

"(vi) the operation and activities of the National Health Research and Development Advisory Commission established under section 501 above—except that no less than 50 percent of fund moneys appropriated under this Act shall be used for the purposes described in subsections (iii), (iv) and (v) above.

"(b) The Secretary of Health, Education, and Welfare shall allocate these funds among those programs authorized in the Public Health Service Act which are pursuant to the purposes defined in section (a) above.

"(c) Amounts provided in section 502(a) herein shall be in addition to, rather than in substitution for, appropriations authorized by other acts for those purposes stated in section 502(a) herein.

"(d) The programs funded by this section shall not qualify as one of the exceptions provided in section 401(d) of the Congressional Budget and Impoundment Control Act of 1974."

Sec. 4. (a) Section 5701(b) of the Internal Revenue Code of 1954 (relating to the rate of tax on cigarettes) is amended by adding the following new paragraph:

"(3) All cigarettes—

"(A) Imposition of tax—on every cigarette, regardless of weight,

"(i) in calendar year 1977, a health research and development tax of $0.0002 for each milligram of tar and $0.002 for each milligram of nicotine contained therein;

"(ii) in calendar year 1978, a health research and development tax of $0.0003 for each milligram of tar and $0.003 for each milligram of nicotine contained therein;

"(iii) in calendar year 1979, a health research and development tax of $0.0004 for each milligram of tar and $0.004 for each milligram of nicotine contained therein; and

"(iv) in calendar year 1980, and for each year thereafter, a health research and development tax of $0.0005 for each milligram of tar and $0.005 for each milligram of nicotine contained therein.

"(B) DETERMINATION OF TAR AND NICOTINE CONTENT.—

"(i) TESTING BY FEDERAL TRADE COMMISSION.—The Federal Trade Commission (hereinafter referred to as the 'Commission') shall from time to time (but at least once each calendar year) test for the tar and nicotine content of each brand of cigarettes manufactured in or imported into the United States. The conditions, methods, and procedures for conducting such tests shall be promulgated by the Commission in regulations issued by it for purposes of this paragraph. Until such time as such regulations are first issued, the conditions, methods, and procedures for conducting such tests shall be those approved by the Commission for formal testing which are in effect on the date of enactment of the National Health Research and Development Advisory Act of 1976.

"(ii) CERTIFICATION TO SECRETARY.—At least once each calendar year, the Chairman of the Federal Trade Commission shall certify to the Secretary or his delegate, the tar and nicotine content of each brand of cigarettes manufactured in or imported into the United States. The tar and nicotine content of a brand of cigarettes as contained in such certification, for purposes of clause (i) shall be the tar and nicotine content of cigarettes of such brand for the period beginning with the first day of the calendar quarter next beginning after such certification is made with respect to such brand and ending with the last day of the calendar quarter within which the next certification is made with respect to such brand."

(b) The amendments made by subsection (a) apply to cigarettes which the manufacturer of such cigarettes removes (within the meaning of section 5702(k) of such Code) after the date of enactment of this Act.

(c) The Federal Trade Commission and the Secretary of the Treasury or his delegate shall promulgate regulations for purposes of section 5701(b)(3) of the Internal Revenue Code of 1954 within 60 days of the date of the enactment of this Act.

SEC. 5. (a) The title of Title V of the Public Health Service Act is amended to read as follows:

"TITLE V—NATIONAL HEALTH, RESEARCH AND DEVELOPMENT ADVISORY COMMISSION AND FUND: GENERAL PROVISIONS."

(b)(1) Sections 501 through 513 of the Public Health Service Act (as in effect prior to the date of enactment of this Act) are redesignated as sections 521 through 533 respectively.

(2) Title V of the Public Health Service Act is amended by inserting before section 521 (as redesignated by paragraph (1)) the following:

"PART B—GENERAL PROVISIONS"

Mr. GARY HART. Mr. President, because this measure really falls into the jurisdictions of two committees, I ask unanimous consent that it not be referred or printed today, since we are in the process of working out a unanimous consent agreement for a sequential referral, which will be formally requested tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I am most pleased to join the Senator from Colorado (Mr. HART) in introducing legislation which addresses two important and interrelated issues affecting the health of the American people.

It has become increasingly clear in recent years that environmental factors are the most important contributors to preventable diseases of the American people. In the face of growing concern with health problems and the rise in cost of health care, public health experts and other concerned individuals are demanding with ever-increasing forcefulness and justification that the Nation devote more of its attention to the prevention as well as the cure of disease.

Foremost among the preventable environmental hazards which contribute to the ill health of the people and to the heavy burden of health care costs is the smoking of cigarettes. It is now over 25 years since the first preliminary data were published suggesting that cigarette smoking increases the incidence of lung cancer, and 11 years since the Surgeon General's report established an incontrovertible relationship between cigarette smoking and cancer. Since then, evidence has mounted that the tar and nicotine of cigarettes contributes not only to oral and pulmonary cancer, but also contributes significantly to increased morbidity and mortality from coronary heart disease, cerebrovascular disease, pulmonary emphysema, and chronic bronchitis, and perhaps many other disease conditions as well.

Despite the increasing publicity about the harmful effects of smoking, and despite the mandatory warning label which all cigarette packages now contain about the dangers to health of cigarette smoking, we find that the smoking of cigarettes is once again on the increase.

Mr. President, it is clear that one cannot legislate a total ban upon cigarette smoking, but it is also clear that alternative courses of action to meet this challenge are not only available to us, but in fact required of us. Simply raising the price of all cigarettes by imposition of an across-the-board tax is inadequate, as was well illustrated by the failure of a sharp rise in the price of gasoline to seriously affect the driving habits of the American people. The present bill therefore proposes to deal with this problem in the most effective way known to an open and democratic society—the imposition of a differential tax on the tar and nicotine content of cigarettes such that a financial incentive will be provided to consumers to reduce their consumption of high tar and nicotine products, while a financial incentive will be provided to industry to develop less hazardous cigarettes for a public which seems unwilling at this point to give up smoking completely.

The second major issue addressed by this bill relates to the preventive medicine aspects mentioned above. We have in this country a biomedical research establishment of which we can be justifiably proud, engaged in important laboratory and clinical research aimed at understanding the basis of disease and approaches to the alleviation or cure of disease. There are, however, other significant steps in the translation of research progress into real benefits at the level of health care delivery system of the country. We have not paid enough attention to some of these critical steps. Thus, we must expand appreciably our efforts in the fields of preventive medicine, epidemiology, and public health. We must reinforce existing mechanisms, or develop new mechanisms to insure that the health care delivery system is receiving the benefits of health research and development in a safe, timely, and economical manner. Most important, there is an increasing need to assure that a proper balance of resource allocation and effort is maintained within the overall field of health research and the application and dissemination of health technology and knowledge, so that we may be sure that our investment in these areas is appropriately serving its desired purposes—improvement of the health of the people and reduction of the costs of health care

Mr. President, the bill introduced by Mr. HART and myself is intended to:

First, focus attention upon the increasingly important issues of environmental health hazards, and

Second, stimulate consideration of underdeveloped areas in our health research and development activities.

Initial hearings on the subject "Cigarette Smoking and Disease" will be held before the Subcommittee on Health of the Committee on Labor and Public Welfare on February 19, 1976—as the first in a series of hearings on environmental health hazards.

In addition, the Subcommittee on Health will be holding oversight hearings this spring on Federal support of biomedical research. We look forward to the report of the President's Biomedical Research Panel as a major input to these hearings. We also expect reports on more specific areas of medical research such as a review of the cost/benefit of high technologies being conducted by the Office of Technology Assessment. The bill I join Mr. HART in introducing today will ultimately be considered in the light of this review of biomedical research—and the specific provisions of the bill, such as the new Commission it creates, will be integrated at the time with whatever structural changes result from this broad review.

Mr. President, it is a great pleasure to join the Senator from Colorado in introducing this bill.

By Mr. BEALL:

S. 2903. A bill to permit the review of regulatory rules and regulations by the Congress. Referred to the Committee on Government Operations.

REGULATORY REVIEW ACT OF 1976

Mr. BEALL. Mr. President, I am today introducing the "Regulatory Review Act of 1976."

This measure is designed to place under public accountability the vast number of Federal regulatory bodies who for years have been independent of everyone, especially the taxpayer.

If enacted, the Regulatory Review Act would require that all proposed Federal rules or regulations be submitted to the Congress 60 days prior to their implementation. During that time, either the Senate or House may adopt a resolution disapproving in whole or in part any such regulation, thus preventing that proposal from going into effect.

Further, the regulatory agency proposing the rule will be required to give the Congress an estimate of the costs to be incurred by Government, by the private sector, including businesses, and by individuals, including consumers, if the proposed rule or regulation is implemented, as well as its effect on interstate commerce. Thus, for the first time, the Congress and the American public will know the costs, as well as the benefits, of regulatory actions before those actions take place, and can better judge the advisability of any regulatory proposal.

Mr. President, in my travels throughout the State of Maryland, I have become convinced that the people believe Government is trying to do things to them, instead of for them.

Rather than thinking of ways to stimulate and assist the free enterprise system, we have turned an army of overzealous regulators loose on the American economy. This army, which now numbers over 100,000 strong, is armed with some 5,146 different forms, not even including banking and tax forms. The apparent objective is to strangle the vitality of this country in a sea of redtape, thus causing economic stagnation, nonproductive efforts, and, ultimately, higher prices for consumers.

Unfortunately, it appears that this army of regulators is winning.

It now costs an estimated $4 billion a year to support all regulatory agencies.

Businesses and individuals are now spending an estimated 130 million manhours filling out required Government forms.

The Federal reporting burden on American businesses increased by some 50 percent between 1967 and 1974, with new regulatory requirements, such as OSHA, EPA, and EEOC, serving as a main source of that increase.

One company, for instance, Goodyear Tire & Rubber Co., says it alone spent more than $30 million complying with Federal regulations in 1974. That is enough to pay 3,400 of their workers their regular pay for an entire year. I am sure that most, if not all of this cost is passed on to the consumer.

It has also been estimated that the American consumer pays over $300 more for an automobile because of federally mandated standards.

I will be the first to admit that some of these reporting requirements and standards are desirable and even necessary.

But for too long we have made these regulatory decisions without making any effort to measure the costs, as well as the benefits, of these actions.

And Congress is as guilty of saddling the American economy with unnecessary requirements as is the regulatory agencies.

One classic example is the automobile seatbelt. In an effort to save Americans from themselves, we mandated a requirement that all automobiles had to be equipped with a device which prevented a car from starting until the seatbelt was engaged. By doing so, we added $100 to the price of a new car. Later, we saw the folly of our actions. But because we failed to initially measure the costs of this proposal, the new car consumer was forced to unnecessarily spend $100.

To make sure that in the future we in the Congress measure the costs, as well as the benefits, of legislation before it is enacted, I have proposed S. 1394, the Economic Impact Statement Act. Similar in intent to the Regulatory Review Act, S. 1394 would require that all bills coming to either the full House or Senate have attached an estimate of their costs to Government, business and consumers for 5 years if that bill was to be enacted.

I also believe it is necessary for us in Congress to explain in very clear terms just how much legislative proposals are going to cost taxpayers. To accomplish this, I have introduced S. 1116, the Truth in Spending Act. This measure which has already passed the Senate once, would require that the costs of legislation be portrayed by its costs to each taxpaying family in the United States. So, instead of reading that defense spending is $91.9 billion, the taxpayer will know that it is costing his family $1,108.82 a year to finance the Defense Department, or $396.96 for health programs. Or $220.80 for commerce and transportation. Or even $427.12 for the national debt. By dramatizing his share of the costs, the individual taxpayer is in a far better position to measure the benefit to him of any program.

The measure I am introducing today, the Regulatory Review Act, is another attempt to make sure that the people, through their elected officials, can better measure the costs and the benefits of Governmental action. By bringing the actions of regulators into account by elected officials, I am confident that we will not only have less regulation, but, even more importantly, we will have better regulation.

This legislation would improve the regulatory process in several ways.

It would require, for the first time, that Federal rules and regulations be reviewed by a governmental body directly responsible to the voters.

Second, the Federal departments and agencies, knowing that their proposals are going to come under the scrutiny of those who drafted the legislation requiring the regulations, will be more likely to work with the Congress in drafting regulations and determining legislative intent before issuing those rules.

Third, redundant or contradictory regulations from different agencies are now likely to be identified and eliminated through the congressional review process.

Fourth, this legislation will force Congress to take its oversight responsibilities seriously again, and continuously oversee the Federal bureaucracy.

Finally, this review of agency regulations and rules will give the Congress needed "feed-back" in developing future legislation.

Mr. President, the Federal regulatory agencies have become a fourth branch of Government with authority for everything but responsibility to no one. I urge my colleagues to slow down this runaway locomotive before it is too late .

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 32

At the request of Mr. Kennedy, the Senator from Maine (Mr. Hathaway) was added as a cosponsor of S. 32, the National Policy and Priorities for Science and Technology Act.

S. 1458

At the request of Mr. Abourezk, the Senator from Colorado (Mr. Haskell) was added as a cosponsor of S. 1458, the family Farm Antitrust Act of 1975.

S. 2589

At the request of Mr. McGovern, the Senator from Massachusetts (Mr. Brooke) was added as a cosponsor of S. 2589, a bill to foster and continue the family farm in the United States.

S. 2716

At the request of Mr. Nunn, the Senator from Alabama (Mr. Allen), the Senator from Tennessee (Mr. Brock), the Senator from Florida (Mr. Chiles), the Senator from Delaware (Mr. Roth), and the Senator from South Carolina (Mr. Thurmond) were added as cosponsors of S. 2716, a bill to improve congressional oversight of the operations of Federal departments and agencies in order to insure that rules and regulations conform to the intent of Congress.

S. 2845

At the request of Mr. Mansfield (for Mr. McIntyre), the Senator from South Dakota (Mr. McGovern) was added as a cosponsor of S. 2845, a bill to reorganize the activities of the executive branch of the Federal Government.

S. 2854

At the request of Mr. Pearson, the Senator from Arizona (Mr. Fannin) was added as a cosponsor of S. 2854, to provide that crude oil production from stripper wells be exempt from price controls.

SENATE RESOLUTION 104

At the request of Mr. Hathaway, the Senator from Kentucky (Mr. Ford) and the Senator from South Carolina (Mr. Hollings) were added as cosponsors of Senate Resolution 104, relating to the Select Committee on Small Business (to provide limited legislative authority).

SENATE RESOLUTION 365—ORIGINAL RESOLUTION REPORTED AUTHORIZING EXPENDITURES BY THE COMMITTEE ON POST OFFICE AND CIVIL SERVICE

(Referred to the Committee on Rules and Administration.)

Mr. McGEE, from the Committee on Post Office and Civil Service, reported the following resolution:

S. Res. 365

Resolved, That in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(e) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Post Office and Civil Service, or any subcommittee thereof, is authorized from March 1, 1976, through February 28, 1977, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

Sec. 2. The expenses of the committee under this resolution shall not exceed $165,000.

Sec. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1977.

Sec. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

SENATE RESOLUTION 366—SUBMISSION OF A RESOLUTION DISAPPROVING PROPOSED DEFERRAL FOR INDIAN HEALTH FACILITIES

(Referred jointly, pursuant to the order of January 30, 1975, to the Committees on Appropriations, Budget, and Interior and Insular Affairs.)

Mr. HUMPHREY (for himself, Mr. MANSFIELD, Mr. METCALF, Mr. GRAVEL, Mr. NELSON, Mr. ABOUREZK, Mr. McGOVERN, Mr. MONTOYA, Mr. MORGAN, Mr. BELLMON, and Mr. JACKSON) submitted the following resolution:

S. RES. 366

Resolved, That the Senate disapproves the proposed deferral of budget authority (Deferral No. D 76-97) for Indian health facilities set forth in the special message transmitted by the President to the Congress on January 23, 1976, under section 1013 of the Impoundment Control Act of 1974.

PRESIDENT'S DEFERRAL OF FUNDS FOR INDIAN HEALTH FACILITIES MUST BE DISAPPROVED

Mr. HUMPHREY. Mr. President, in a special message of January 23, 1976, the President proposed the deferral of $13,908,000 in funds for Indian health facilities. These facilities are of the highest priority in terms of need and I find it unconscionable that the President would deny this most basic human right—to enjoy decent health—by not providing decent health services. We are committed to meet this basic need and we cannot do it without these facilities. Therefore, I am today submitting a resolution disapproving the proposed deferral of budget authority for Indian health facilities.

From personal inspection, I am acutely aware of the need for the hospital at Red Lake, Minn. The Red Lake Band of Chippewa Indians have planned well for their new hospital. The Indian Health Service has recognized the need and supported the replacement of the present facility for some time. It just cannot be deferred any longer.

This deferral message also includes funds appropriated for personnel quarters at Rocky Boy and Lame Deer, Mont., clinics at Menominee, Wis. and Lumni, Wash., as well as hospitals at Ada, Okla., Cherokee, N.C., Acomita and Santa Fe, N. Mex., and a hospital at Bethel, Alaska.

These projects have been specifically authorized and funded by Congress. We must reject this attempted Presidential veto by disapproving this proposed deferral of actual appropriations.

SENATE RESOLUTION 367—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON THE DISTRICT OF COLUMBIA

(Referred to the Committee on Rules and Administration.)

Mr. EAGLETON, from the Committee on the District of Columbia, reported the following resolution:

S. RES. 367

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on the District of Columbia, or any subcommittee thereof, is authorized from March 1, 1976, through February 28, 1977, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $201,600, of which amount not to exceed $40,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202 (i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1977.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENTS NOS. 1355 AND 1356

At the request of Mr. BARTLETT, the Senator from Texas (Mr. TOWER) was added as a cosponsor of amendments Nos. 1355 and 1356, intended to be proposed to the bill (H.R. 9803) to provide assistance in meeting Federal child care standards.

AMENDMENT NO. 1357

At the request of Mr. PACKWOOD, the Senator from Oklahoma (Mr. BARTLETT) was added as a cosponsor of amendment No. 1357 intended to be proposed to the bill (H.R. 9803), supra.

NOTICE CONCERNING NOMINATION BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

Robert B. Fiske, Jr., of Connecticut, to be U.S. attorney for the southern district of New York for the term of 4 years, vice Paul J. Curran, resigned.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Thursday, February 5, 1976, any representations or objections they may wish to present concerning the above nomination with a further statement whether it is their intention to appear at any hearing which may be scheduled.

HEARINGS ON SENATE COMMITTEE FUNDING RESOLUTIONS FOR INQUIRIES AND INVESTIGATIONS SCHEDULED

Mr. CANNON. Mr. President, I announce that on Monday, Tuesday, and Wednesday of next week, February 2, 3, and 4, beginning at 10 a.m. each day in room 301 of the Russell Senate Office Building, the Committee on Rules and Administration will meet in open session to hear testimony on resolutions to provide funds for inquiries and investigations by Senate Committees during the year beginning March 1, 1976.

Committee staff responsible for scheduling the appearance before the Rules Committee of their chairmen and ranking minority members may telephone John P. Coder of the Rules Committee staff at 224-0276.

NOTICE OF HEARINGS BEFORE THE JOINT COMMITTEE ON DEFENSE PRODUCTION

Mr. PROXMIRE. Mr. President, on Monday and Tuesday, February 2 and 3, the Joint Committee on Defense Production will hold hearings on abuses of Federal standards of conduct and conflict of interest regulations. These hearings are the outgrowth of the joint committee's investigation of favors and gratuities provided by military and aerospace contractors to officials of the Department of Defense and the National Aeronautics and Space Administration.

The hearings will begin both days at 10 a.m. and will be held in room 5302 of the Dirksen Senate Office Building on Monday and in room 1114 of the Dirksen Senate Office Building on Tuesday.

Witnesses scheduled to testify on Monday are Robert Hampton, chairman, Civil Service Commission; Robert Anderson, president of Rockwell International Corp.; and Thomas V. Jones, president of Northrop Corp. On Tuesday the witnesses will be Alice Tepper Marlin, executive director of the Council on Economic Priorities; Dr. James C. Fletcher, Administrator of the National Aeronautics and Space Administration; and William P. Clements, Jr., Deputy Secretary of Defense.

HEARINGS ON IRS PRACTICES SCHEDULED FOR APRIL

Mr. MONTOYA. Mr. President, as chairman of the Appropriations Subcommittee on Treasury, Postal Service, and General Government, I am today announcing that hearings will be held in April of this year to examine procedures and practices of the IRS. We are planning to hold these hearings in four locations across the country, so that all citizens will have a full opportunity to participate or to attend.

New York City, Chicago, Oklahoma City, and San Francisco have been tentatively selected as the sites for our hearings, which will, of course, be open to the public. Firm dates and locations will be reported to the Senate and announced publicly within a few weeks.

As you know, Mr. President, this will be the third time that my subcommittee has provided a forum for public comments on Internal Revenue procedures and taxpayer services. Our earlier hearings were held in Washington, D.C., in 1973 and 1974, and resulted in thousands of letters to the subcommittee and to me personally concerning problems which taxpayers believed could be solved through changes in IRS administrative procedures or through changes in law.

Tax collection is the point at which

Government touches our lives most intimately. Americans have always had faith in the capability, fairness, decency and integrity of those who administer our tax laws, and 97 percent of the citizens of this Nation pay their taxes voluntarily. We can be justifiably proud of that record.

The people have every right to expect their representatives to insure that our tax system is administered in a fair and equitable way and that no taxpayer's rights are abridged. However, it was clear in our hearings that taxpayers have become increasingly critical of our tax collection system, and that there are some serious complaints concerning the way IRS provides tax information to citizens and concerning the handling of compliance procedures. Our previous hearings uncovered widespread uneasiness over the audit selection process, over the protection of privacy for taxpayers, over the need felt by an increasing number of taxpayers to have professional assistance in preparing tax returns, and over the several problem areas in the appeals and collection process. We heard testimony from IRS officials, from tax assistance volunteers, labor leaders, CPA's, tax lawyers, tax service representatives, and from citizens who felt their rights had been abridged in the handling of their tax problems. Some grievances uncovered by the subcommittee were correctable through administrative action by IRS itself. Some grievances required legislative action by the Congress.

Throughout our previous hearings, the subcommittee has provided a forum for both taxpayers and tax professionals, and for the IRS itself. Our goal was speedy corrective action by the administration when that was possible, or legislative action if that seemed indicated. We were not on a witchhunt, and we did not intend to be overly critical of IRS. However, the concern of the subcommittee members and staff has grown as we realized that taxpayers and the public generally were losing faith in our voluntary tax system and becoming cynical and bitter.

Although we did not hold hearings in 1975, mail critical of IRS practices has continued and the interest of the public is still high. Clearly, it is necessary to continue our hearings if we are to provide the public with the kind of response which will allay fears and promote confidence in both the tax system and the Congress.

Following the previous hearings, the Internal Revenue Service made definable and substantial progress in providing better service and more information to the taxpayer. The subcommittee has been favorably impressed with the response from Commissioner Alexander and his staff concerning grievances and suggestions which were brought to his attention through our hearings. Form letters to taxpayers have been rewritten to make them more easily understandable, and a taxpayer service division has been established. Changes have been made in some procedures for appeals process, and efforts have been made to present material bilingually where that would be helpful. By holding our hearings this year in widely separated locations, we will be able to examine the effectiveness of administrative changes which have already been made.

However, there are many changes which must be made legislatively. I have introduced legislation to correct some very obvious flaws in the way our tax laws are administered. In January of 1975, I reintroduced four major tax administration proposals: S. 136, S. 137, S. 138, and S. 139. Because of the pressure of other legislation, these bills have not reached the floor. For that reason, I intend to introduce them again as amendments to the tax reform bill which is now being prepared, unless the problems they address are covered in that bill in its final form. I believe these problems are serious and must be corrected as soon as possible. They are especially important because they are seen by the public as being problems which have been brought to the attention of the Congress but which have not received speedy action.

Taxpayers who have written to me have generally expressed the feeling that the hearings held earlier by my subcommittee were one of the few forums open to them specifically to express feelings about taxpayers problems. Many who wrote said that IRS could better serve the people if changes were made. Many wrote to say that when an individual disagrees with the IRS he has little choice but to grit his teeth and comply with collection procedures. The majority who wrote expressed support for our tax system and for vigorous administration of our tax laws. But many felt that treatment was not uniform for all citizens, that some procedures of collection were unfair, or that the privacy of tax information was not being protected.

The legislation I have proposed would make changes in our tax law to address these problems. The first change I have proposed concerns the protection of taxpayer rights during the audit process, requiring new procedures for the selection of returns for audit and requiring disclosure to the taxpayer of the reasons for audit and the necessary information for the taxpayer to understand his rights of appeal fully at the begininng of the process.

The second piece of legislation I have proposed would require judicial confirmation of the need for a jeopardy assessment. The powerful jeopardy assessment weapon was originally intended to be used by IRS only as a last resort in order to protect the Government against a threatened loss of revenue if a taxpayer is fleeing the country to avoid payment of taxes, or divesting himself of a business for the purpose of avoiding tax payment. It was never intended by Congress that this powerful tool be used routinely by IRS as a method to force payment in contested cases, or that it be used to assess more than the amount of tax which was in question. My bill would not remove the tool of jeopardy assessment from IRS hands, but would simply protect the civil rights of the taxpayer by requiring court approval of such assessments and allowing the taxpayer to request a hearing by the court. Numerous cases of reportedly improper use of jeopardy assessment have been presented to my subcommittee.

A third legislative proposal which I have introduced would make necessary adjustments in the legal amount exempt from levy by IRS in tax disputes. Testimony before the subcommittee in 1973 and 1974, and correspondence to me in recent months, has made clear the need to redefine the rights of taxpayers and their families in the cases of levy by IRS. The proposal I have introduced is compatible with the recommendations which have been made by the American Bar Association committee on tax problems, and it is supported by most tax professionals. One of the most serious aspects of this particular problem is the fact that inflation has made drastic changes in the needs of taxpayers, but this fact has not been reflected in the level of income which is exempt from levy in a tax case. No family should have to go without food, fuel, housing, or other necessities because of a tax levy on salary or income while a tax case is being contested. In these difficult times, the amount exempt from levy should be keyed to the Consumer Price Index so that changes in the economic picture can be properly reflected in the law without the necessity of returning to Congress for legislative action.

I have also introduced legislation to change the period of appointment of the Commissioner of Internal Revenue so that he would be insulated against pressure from any particular administration in the White House. The fact that Commissioners in the past have resisted political pressure does not insure that will always happen. It seems to me that it is very important for us to provide the greatest degree of protection possible against the temptation to misuse the very great powers of the IRS for any political or personal reasons.

Mr. President, the hearings which will be held in April by my subcommittee will provide taxpayers a continuing opportunity to express needs, dissatisfactions and grievances. We hope they will offer the kind of direct and open communication between Government and the public which is of real value in the critical and distrustful climate of 1976. They will serve to help in restoring confidence in a part of Government where complete confidence is essential—the tax system. They will once again help us to inform taxpayers of their rights and of the current services which IRS is prepared to offer. Finally, they will serve as a sounding board for both the public and the Government, and will elicit the kind of information which the Congress must have in order to take the correct legislative action.

I hope that my colleagues in the Senate will join me in informing constituents of this opportunity to report problems directly to the subcommittee or to me. Information, grievances, or suggestions for testimony should be sent directly to me in care of the Subcommittee on Treasury, Postal Service, and General

Government, Committee on Appropriations, U.S. Senate, Washington, D.C. 20510.

Questions or testimony on any part of taxpayer service, tax administration or IRS procedures and practices will be welcome. Every effort will be made to respond to the needs which the public reports to us. I can promise a continuing effort to make necessary changes both through legislative proposals and through coordination with the Internal Revenue Service.

I will continue to hold this kind of taxpayer service hearings as long as there is evidence of the need to restore confidence in our system of tax collection. We cannot afford any further erosion in the trust and faith which American citizens have always placed in the fair and equitable treatment of taxpayers by our Government.

ADDITIONAL STATEMENTS

VIEWS OF SENATOR BROCK ON FAMILY FARMS—S. 2764

Mr. BROCK. Mr. President, a too long ignored problem facing America is the steady decline in the number of family farms in this country. It must not continue, for the family owned farm has been the backbone of American agriculture, and of our Nation itself throughout our history.

There can be no doubt that the individual farmer is having a more difficult time supporting himself and his family. Fifty years ago there were over 30 million Americans living on farms or involved in farming. That was almost 30 percent of the entire population. In 1975 that number had fallen drastically to 9 million Americans, or just about 4 percent of our population. And, more distressingly, the decrease seems to be steadily continuing.

Of all the difficulties facing farmers, one of the most insidious is the high estate tax levied on farms. These taxes are so heavy that they can often leave the wife and children with no money to continue farming. That is not only unfair, it is a real threat to American food production. The best solution to this problem is to increase the dollar value of property that can pass from parents to their children without being taxed. In light of this, I have introduced S. 2764, which raises the estate tax exclusion on a family farm from $60,000 to $200,000.

In his state of the Union message President Ford discussed the need for new legislation so "family farms can be handed from generation to generation without having to be sold to pay taxes." I agree. Legislation such as my bill, S. 2764, must be adopted to halt the pattern which presently is causing millions of family farms to disappear.

Recent inflationary trends have made the burden of estate taxes even greater, because assessment of farmland is usually based on the inflated value of the land as a piece of real estate rather than on its fair market value as a farming operation. Children who have joined with their parents for years working on the farm can find themselves suddenly confronted with a large tax when the parents die. For a smaller farmer, these estate taxes are particularly severe because they just do not have a great deal of savings in the bank. The assets are generally nonliquid; that is, the farm, the farmhouse, the livestock, the crops, and the equipment. Therefore, in order to pay the tax, part of the land must be sold. Often, the remaining land is inadequate to support a family and also must be sold.

This problem can be illustrated with a hypothetical situation. A typical farmer, Mr. Smith, owns a 300-acre farm. When his farm equipment, crops, farmhouse, and other assets are included, it may have a total valuation of $300,000. If Mr. Smith dies, at the prevailing Federal estate tax rate he would have to pay almost $60,000 in Federal estate taxes. If he is an average farmer, Mr. Smith is only making about $10,000 a year from his farm. Assuming he does not have a large savings there would only be two options for his heirs. Either they could take out a mortgage on the farm to pay the taxes or, they could sell part of his land in order to pay the estate tax. Either way would decrease by a considerable margin the already too small profit the farm is able to make.

Unfortunately, the burden of estate taxes is often so great that the son or daughter decides he can no longer make enough money on the farm to support the family, So, the farm must be sold. And, because of high capital costs involved in starting to farm, the land is usually sold to an existing farm or a corporation. The result of this process is that another breadwinner is forced to look elsewhere for work.

Unless we want to see a continuing decline in the number of family farmers, and an eventual domination of the family farm by large corporate farms, it is essential to help family farmers meet what are now unbearably high estate taxes. While a recent suggestion to spread the tax payments over a longer period of time would be helpful, fundamental changes must be made.

All Americans—whether rural, urban, or suburban—should recognize the growth of corporate farms at the expense of the family farmer is a threat to the rural way of life as well as a threat to the consumer's pocketbook. Thousands of farmers have unnecessarily been driven off the land into the cities by their Government's tax policies. Good, hard-working people with dignity developed from years of self-sufficiency have found themselves lost because of burdensome estate taxes.

Hopefully, Congress can reverse this trend by taking a major step toward preserving the uniquely American institution of the family farm. S. 2764 is certainly a step in the right direction, and I urge each Senator to give his complete consideration to this bill.

UNFETTERED REGULATION

Mr. NUNN. Mr. President, this session of the 94th Congress has the potential to be one of the most significant and far reaching of the last 30 years, especially in the area of regulatory policy and reform.

There are several bills which have been introduced, including my own, S. 2716, that would enable Congress to disapprove rules and regulations promulgated by agencies and regulatory commissions.

It is my hope that one of these bills can be enacted before Congress adjourns so that during our Bicentennial Year we can start to return to the people the power and responsibility over their daily lives.

Our Founding Fathers were unable to envision a time when the Congress would abdicate its legislative responsibilities. Yet, that is what has come to pass. The elected representatives of the people have delegated vast power to unelected, unrepresentative administators. If we do not do something soon to correct this situation, we will reach a stage at which everything that is not mandatory will be prohibited by one regulation or another.

Congress has lost the ability to regulate the regulators, who operate for the most part outside the constitutional framework of checks and balances. It is little wonder then that the people are frustrated and disappointed in the Congress.

I was pleased, therefore, to see a refreshing article on the subject of Government regulation of business in the current issue of the Federal Bar News by Commissioner A. A. Sommer, Jr., of the Securities and Exchange Commission.

In his thoughtful and valuable article, Commissioner Sommer warns against the dangers of unfettered regulation. It is a warning those of us in the Congress should heed.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GOVERNMENT REGULATION OF BUSINESS

(By A. A. Sommer, Jr.)

For the first time in a quarter of a century, or perhaps a generation, the attitude of the American people towards their government is undergoing a profound, farreaching change. Prior to 1933, the predominant attitude was that government should interfere with business relationships and activities in a minimal way—as Henry Fonda put it in his commentary on the times of Franklin D. Roosevelt, "the government didn't do much for you, but it didn't do much to you either." Only when conduct rose to the level of an antitrust violation would the government step in, and then not through a plethora of regulatory demands, but by court action directed against the identified abuses. Beginning with 1933, the people began to expect of the government a much more active role and a greater involvement in the regulation of economic activity. The Securities and Exchange Commission is one of the fruits of that change in public expectations and public attitudes, as were a number of other government agencies that exist to this day. The government was expected to ameliorate the hardships inflicted by market forces and economic misconduct with programs, and thus regulation, often of a picayune nature, became the order of the day.

Gradually it became taken for granted that the best way to deal with societal and economic problems was through new layers of regulation; this was the new concept of how government should adjust or alter relationships among citizens and their economic institutions.

This particular pattern of relationship between the people and the federal government probably reached its high point during the late 60's as programs proliferated in an effort to confront with all the financial and other resources of the federal government, the problems of poverty, ill health, crime and the other afflictions of modern industrial society. In assessing this history let us not demean or denigrate the idealism out of which these programs were born. They had their origins in the concerns of overwhelming numbers of Americans who were moved by the irony of the richest nation in the history of the world having within its borders large pockets of abject poverty, avoidable disease, inferior housing, educational deprivations, class and racial strife, and unequal opportunities. In large measure these efforts to ameliorate these conditions had their origins in the noblest of American sentiments and traditions—concern with the downtrodden, adherence to the notions of equality expressed in the Declaration of Independence, the Constitution, and the Emancipation Proclamation.

Notwithstanding the nobility of the origins of this governmental concern, it is apparent to most commentators these days that this relationship, this mode of activity, this degree of involvement by the federal government with the economy and the people is no longer conceived as an unquestioned blessing.

There are increasing evidences that the people are impatient with governmental controls over their lives, their activities, and the way they go about their business. We now realize anew that government programs cost money, that government expenditures may fuel inflation, and that inflation is a tax on everyone, but one which impacts most severely those least able to afford it. We are in the painful process of relearning old truths. Economics has always been characterized as the "science of scarcity"—that is, the subject matter of economics is the manner in which society allocates goods and services not sufficient in supply to satisfy all the needs of the people. In recent years, we seem to have believed that, in John Kenneth Galbraith's words, we had achieved "the affluent society" and that scarcity was no longer the problem that once it had been. However, even he, as well as other distinguished economists like Albert T. Sommers of The Conference Board, has recognized that one of the principal fuels of inflation has been the rising expectations of people which, when unfulfilled by the private sector, the government is expected to satisfy. The costs of satisfying these expectations we now know are not negligible.

There is now abroad in the land, and I might add from my observation, increasingly so, a belief that government should retrench and retreat, reduce the quantity of regulation, demand more achievement for expenditures—in the military vernacular of a few years ago, "more bang for the buck"—and generally find ways of letting competitive forces substitute for regulatory ones. There is increasing recognition of the fact that regulation has many costs, including significant costs of compliance which are evidently borne by the consumer.

While the principal spokesmen for this new American attitude have been associated with the federal government, and while most of the attention has been focused on federal regulation, nonetheless, it seems to me that these demands of the American people must touch you as they touch me and my colleagues in the federal government. We are indeed a government—more accurately, governments—of the people and one of our geniuses is that all these governments are responsive to what the people want. It seems to me as clear as if there had been a referendum on the subject that the American people want those of us who exercise authority in our society at every level to reexamine how we are exercising that authority, whether we need to exercise all that authority, what we can do to reduce the complexity and cumbersomeness of the regulatory schemes that we administer, how we can make our programs more cost-effective, the extent to which we can remove barriers to market competition and let competitive forces perform much of the role that in the past may have been supplied by regulation.

Habits are not easily broken. After a generation—and more for that matter—of expecting regulation to provide solutions to virtually every problem, it is difficult for us to fathom, and adapt to, the new expectations of the American people. I would like to discuss some of the courses which might be taken by you and by us, and some measures which already have been taken, which I think serve the end of simplifying government and reducing its burden.

First, I think it is imperative that every effort be made to eliminate duplication.

Second, we must be increasingly alert to the costs as well as the benefits of regulation.

I think we all recognize that in many instances a cost-benefit equation is extraordinarily difficult to develop in a regulatory context. Sometimes we can get an imprecise handle on the cost of a regulatory proposal, although even that is slippery. Defining the benefit, however, is ven more difficult.

How can you measure the value of the protection afforded the public by the registration and disclosure process against the very significant costs which follow from those rules, both the costs of complying with them and the costs of enforcing compliance? Crude estimates of costs can in many instances be made; the benefits are more elusive. Notwithstanding these difficulties it does seem to me that if at least we try to think habitually in these terms, while an exact equation may escape us, nonetheless, we will add a dimension to our thinking with respect to regulatory problems.

Third, I think all of us must review our past patterns of regulation and determine the extent to which they have been obsoleted or perhaps have lost the reason for their being.

Fourth, we must recognize that accompanying impatience with overregulation has been a renewed faith in the forces of competition and a renewed conviction that a maximization of competition in the marketplace whenever possible, without undue detriment or harm to the public, is the best assurance of a healthy, thriving economy. Central to the ideology of this country has been the conviction that markets in which the free forces of competition operate to the maximum extent possible will yield the greatest benefit to the people. By this means, the inefficient producers fall by the wayside, the most efficient produce at the lowest cost, thus making goods available to the public at the lowest price. We all know that, while a completely efficient marketplace is a commendable goal, there are inevitably imperfections and shortcomings in any market. For instance, one of the characteristics of a completely free market is ease of access and yet in many industries today, certainly industries such as steel, aluminum, and automobiles, entry requires a forbidding capital investment, with the result that necessarily the full flexibility of the marketplace is impeded.

The danger that these imperfections of the marketplace might result in socially undesirable aggregations of economic power, and that some of the players in the marketplace might misuse their freedom to compete unfairly gave rise to our antitrust laws which have been an effort to put restraints upon such abuses and the consequences of such imperfections. In the eyes of many, the effort to remedy these imperfections and these abuses by regulation has swung the pendulum excessively away from competition and they are urging that once again we recognize the strengths and validities of an economic system in which competition is sought to be maximized consistently with the protection of the people against abuses in the marketplace.

It seems to me that one of the greatest impediments to reliance on competitive forces in the marketplace is impatience and unwillingness to let competition take its course and a hesitancy to accept the consequences of it. Inevitably there will be times when it appears that the market is misallocating resources. At those times the near-irresistible temptation of those with authority will be to intrude into the marketplace and seek a quick remedy of the distortion or misallocation. It is then that I think patience is demanded and a careful consideration of whether the harm that would follow from a regulatory intervention might be greater than the distortion itself. We are often reluctant to accept the fact that one essential aspect of competition is that the less efficient producers in a competitive market lose out. We are a compassionate nation; we sympathize deeply with those who are the victims of misfortune and seek to alleviate their plight.

Out of this compassion has arisen in many instances a reluctance to accept the fact that failure is the correlative of success in a competitive economy and that the inevitable consequence of a free competitive market will be the elimination of those who cannot cut it in the marketplace. Sometimes it would appear that regulation is intended to protect the inefficient producers from the consequences of their own incapacity. When this happens, they may be the happy beneficiaries of the regulatory course, their more successful competitors will perhaps be even happier because their margins of profits will be swollen, but the ultimate losers will be the people who buy the products because prices inevitably will be higher.

Somewhat surprising is the sad fact that frequently those who proclaim most consistently their dedication to competition and free markets are the very ones who, when that freedom inflicts injury on them, suddenly turn strongly protectionist and seek the intervention of the government. Not infrequently it is suggested that in some fashion the government should intervene to hinder the growing success of one part of an industry or one entity in an industry or some activity in an industry. I spoke of being surprised by this and yet, I suppose one should not be: self-interest usually predominates over ideology in the long-run. It seems to me that a much more appropriate response of American business when a competitor achieves an innovative breakthrough is to develop the means of effectively competing, rather than seeking means of frustrating success in a negative and destructive way.

Finally, certainly one of the objectives which must be sought when we regulate is equivalence of regulations—simply put, those competitors similarly situated should be regulated in as nearly an equivalent a fashion as possible.

Reducing the level of regulation does not in my estimation mean that we turn the ruthlessness, the unprincipled, the overreaching, the vultures loose on the people without restraint. It does not mean that we dismantle our enforcement machineries, or reduce the rigor of our efforts to see to it that our laws are observed, or lie supine in the face of an identified evil—and I certainly do not think this is what President Ford or others who have advocated a deemphasis of regulation have meant.

What is needed is not less vigilance in protecting investors, but less haste in adopting the regulatory remedy, greater caution in assuming regulation's benefits, more sympathetic consideration of the fruits which may accrue from competition, an increased alertness to opportunities to let competition perform in place of regulation. If all of us in this regulation business pursue these paths, I am confident we will be responding to the deeply felt convictions of those all of us serve—and those who in the final analysis employ us—and if we balanced prudently the roles of competition and regulation, the public will continue to enjoy the protection we have all sought to give it.

REVENUE SHARING

Mr. PEARSON. Mr. President, on December 31, 1976, revenue sharing legislation, originally passed by Congress in 1972, will expire. This landmark legislation authorizes $30 billion for some 39,000 State and local governments throughout the Nation to be used at their discretion. I believe this worthwhile program must be continued. More importantly, it must be extended promptly.

It is imperative that revenue sharing be extended at the earliest date to assure State and local governments that these additional funds may be included in their fiscal year 1977 budgets. For many State and local governments, the fiscal year begins in the spring or early summer. Consequently, budget planning and analysis will commence early this year. Should the revenue sharing program not be extended, necessary services may be eliminated at the local level, and considerable attention would have to be given to revising revenue estimates.

I have spoken with Kansas Gov. Robert Bennett on numerous occasions and with State and local officials who emphasized that transportation for the elderly, improved facilities and methods for solid waste disposal, upgrading of fire and police protection, advancement in human relations programs and social services, recreational opportunities, improved health care, and upgrading of ambulance services are only a few of the many valuable benefits made available to our citizens through Federal general revenue sharing.

I am aware that the Budget and Impoundment Control Act prevents either House of Congress from passing any spending legislation before enactment of the first concurrent budget resolution, slated for May 15. A waiver of this restriction must be granted. An appropriation for revenue sharing cannot wait. State and local governments across the Nation must know at the earliest possible date whether revenue sharing moneys will be available, and, if so, how much money will be available.

Therefore, Mr. President, I have written the chairman of the Senate Budget Committee, Mr. Muskie, and the ranking minority member of the Budget Committee, Mr. Bellmon, to urge approval of a waiver of the Budget and Impoundment Control Act for expeditious consideration of revenue sharing legislation. I have also written Senator Long, chairman of the Senate Finance Committee, to urge prompt consideration of revenue sharing legislation in committee.

Revenue sharing has been a valuable aid to State and local governments for meeting their needs. We must take early affirmative action on extending the program.

THE ADVISORY COMMITTEE TO THE NATIONAL COMMISSION ON SUPPLIES AND SHORTAGES

Mr. MANSFIELD. Mr. President, yesterday, Senator Scott and I joined in presenting to the public the members of the newly appointed Advisory Committee on National Growth Policy Processes to the National Commission on Supplies and Shortages.

The committee is chaired by Mr. Arnold Saltzman, a New York industrialist with high-level policymaking experience. At the presentation of the committee, Senator Scott and I had some remarks to make concerning the tasks of the committee, as did Mr. Saltzman.

I ask unanimous consent that copies of these remarks be printed in the Record along with the membership of the Advisory Committee.

There being no objection, the material was ordered to be printed in the Record, as follows:

Remarks of Senator Mike Mansfield, U.S. Senate, January 28, 1976

Ladies and gentlemen, Senator Scott and I have called today's press briefing for the following purposes:

(1) to formally announce the establishment and the membership of the new Advisory Committee to the National Commission on Supplies and Shortages; and

(2) to acquaint you with the important mission that has been assigned to this group by the Congress, under Public Law 93–426.

Two years ago in the wake of the energy crisis a joint bipartisan effort was initiated by the Senate and House leadership and by the Executive Branch to address the question: "What about next time?" How can we as a Nation be equipped to foresee the next shortage in resources or in materials or in commodities in time to take action beforehand, and not after the crisis has pounced upon us?

This effort emerged out of a deep sense of frustration with the disjointed way government has tended for decades, not so much to act, but to react—on a crash basis—to the myriad of problems that will accompany this Nation's growth and development as the economy becomes even more complex, as the world becomes even more interdependent.

As science and technology, and the other forces of economic, environmental and social change continue to reshape the world around us, it has become clear that institutions of government and the traditional processes relied upon to develop national policy do not adequately respond to new challenges.

And it is for this basic reason that Mr. Arnold S. Saltzman, an industrialist with policy level experience in Federal government, has been chosen to head up this important effort. He and his Committee of prominent American leaders, representnig labor, business, state and local government, the academic world and citizen and consumer organizations, will develop recommendations regarding a new process and structure within the Nation. Hopefully, their recommendations will make it possible at the highest levels of our national life to think ahead, to think long-range, to analyze in a methodical way the full spectrum of problems and opportunities that lie before our Nation in the years and decades ahead.

Along with its parent organization—the National Commission on Supplies and Shortages charied by Donald Rice of the Rand Corporation—this Committee will hopefully provide Congress with specific suggestions as to ways we as a Nation might improve our capacity to assess and anticipate problems associated with resources, materials and commodity issues. These recommendations are to be delivered to the Congress by the end of this year—appropriately enough, our Nation's bicentennial year.

The product of these combined efforts will be among the first presented to the 95th Congress and to the Administration which takes office in January 1977.

We wish to publicly express our own personal gratitude to Mr. Saltzman and his Committee colleagues for taking on this vitally important and historic mission. We also wish them every success in their mission and pledge them our fullest cooperation and support.

Statement of Senator Hugh Scott, January 28, 1976

I am delighted to join Senator Mansfield today in presenting to the public the members of the newly-appointed Advisory Committee on National Growth Policy Processes. This distinguished Committee is charged with the important responsibility of determining the need for a permanent government agency to plan the Nation's growth.

Over the past few years we have all seen the serious consequences which result from the ever-growing scarcity of resources. Many of these resources, such as fossil fuels, can never be recovered. What we must attempt to do, however, is to see if it is possible to manage the Nation's growth in such a way as to prevent the unbridled consumption of resources while still providing for a growing economy.

The Advisory Committee will tell the Congress this year if new government institutions are necessary to do the job. The Committee will also tell the Congress what legislative action is recommended to accomplish the same objectives. I also expect the Committee to advise the Executive Branch on the whole question of excessive government regulation in the economy—that is, do federal controls inhibit natural growth?

I am pleased to note the presence on the Advisory Committee of two distinguished Pennsylvanians—Roger S. Ahlbrandt and Eric A. Walker. Their contributions to the Committee's work will reflect their vast experience and working knowledge of this important subject. I wish them well in this work, and join with Senator Mansfield in extending to the entire Advisory Committee our hope for the presentation of a useful report to Congress later this year.

U.S. Must Change From Government of Crisis Management or Frustrate Lives of Its Citizens

Washington, D.C., Jan. 28, 1976.—The United States must change from a government of crisis management to a system that anticipates problems and plans reasonable alternatives or it will loose its position of leadership in the family of nations and frustrate the lives of its citizens, Arnold A. Saltzman, New York industrialist, told a joint press conference held today by the leadership of the U.S. Senate.

Mr. Saltzman, chairman of the Seagrave Corporation who also has held various economic and foreign policy assignments in the Federal Government, is chairman of the new Federal Advisory Committee on National Growth Policy Processes to the National Commission on Supplies and Shortages. The appointment was announced at the joint conference held by Senate Majority Leader Mike Mansfield and Senate Minority Leader Hugh Scott who jointly sponsored the legislation creating the committee which consists of distinguished leaders from consumer groups, labor, business and the academic world.

The Committee has been instructed by the Congress "to develop recommendations as to the establishment of a policy making process and structure within the Executive and Legislative branches of the Federal Government as a means to integrate the study of supplies and shortages of resources and commodities into the total problem of balanced national growth and development, and a system for coordinating these efforts with appropriate multi-state, regional and state governmental jurisdictions."

First meeting of the Committee will be Thursday, January 29, and the Committee recommendations are due by year end.

The Committee recommendations will be aimed at the creation of new mechanisms applicable to the Congress and Executive Branch for improved policy making processes as well as suggestion for various means by which federal policy making efforts can be coordinated with multi-state, regional and state governmental jurisdictions.

Saltzman stated the "Federal Government as well as most State governments have been in the crisis intervention business. A partial resuscitation of our problems; energy, unemployment, inadequate capital formation, inadequate housing and health care delivery systems, the blight of our cities and transportation systems, the wastage of rural productive areas, environmental hazards, wasted industrial capabilities, and a whole host of other present and future dangers are a resuscitation of what we have not done—what we have not tended to."

"But none of the major problems previously cited is a neat package unto itself. There are tentacles wrapping around not only a variety of economic considerations, but political, social and international issues as well. They cannot be attacked helter-skelter and solutions isolated to one problem can impact adversely on others. One cannot solve the energy problem without raising a host of environmental, inflation, unemployment and foreign policy considerations. It is that very complexity and the difficulty in facing up to it that leaves us without a specific blueprint for action years after it was clear we were using energy faster than we were replacing it."

"Additionally, it is essential to realize that what the Federal Government does—or fails to do—impacts enormously on State governments and how they can plan for the welfare of their citizens. We must, in some organized fashion, translate to States the potentials and possibilities of Federal Government actions before they occur, and bring to the Federal Government a clearer and more timely consideration of the needs and concerns of States and regional groups."

The proper use of the planning processes does not produce a set of solutions cast in concrete. It is a process designed to evaluate future needs and capabilities and lay out reasonable alternatives. "Whatever national policy development process proposed or adopted, must be based upon—and be consistent with—our society's free-choice value system and its multi-jurisdictional structure. It must provide for the involvement of our state and local governments and relate to the planning processes of our nation's private sector," Saltzman said.

National Commission
on Supplies and Shortages,
Washington, D.C.

Committee Members

THE ADVISORY COMMITTEE ON NATIONAL GROWTH POLICY PROCESSES

Mr. Roger Ahlbrandt, Chairman of the Board, Allegheny-Ludlum Steel Corporation, Pittsburgh, Pennsylvania.

Mr. Norman Beckman, Acting Director, Congressional Research Service, Washington, D.C.

Mr. Jacob Clayman, Secretary-Treasurer, Industrial Union Department, AFL-CIO, Washington, D.C.

Ms. Carol Foreman, Executive Director, Consumer Federation of America, Washington, D.C.

Mr. John W. Gardner, Chairman, Common Cause, Washington, D.C.

The Honorable Richard Hatcher, Mayor of the City of Gary, Gary, Indiana.

Professor Wassily Leontief, Economics Department, New York University, New York, New York.

Dr. Richard Neustadt, Professor, John F. Kennedy School of Government, Harvard University, Cambridge, Massachusetts.

Mr. William S. Paley, Chairman of the Board, CBS Inc., New York, New York.

Mr. Charles Pillard, President, International Brotherhood of Electrical Workers, Washington, D.C.

Mr. William M. Roth, Director, Pacific National Life Assurance Co., San Francisco, California.

Arnold A. Saltzman (Chairman, Advisory Committee), Chairman of the Board, Seagrave Corporation, New York, New York.

Mr. Richard B. Scudder, Chairman of the Board, Garden State Paper Company, Garfield, New Jersey.

Honorable Herbert Stein, Professor of Economics, James Wilson Department of Economics, University of Virginia, Charlottesville, Virginia.

Mr. Simon D. Strauss, Executive Vice President, American Smelting and Refining Company, New York, New York.

Mr. Ralph Widner, Director, Academy for Contemporary Problems, Columbus, Ohio.

Dr. Harris Wofford, President, Bryn Mawr College, Bryn Mawr, Pennsylvania.

Mr. Leonard Woodcock, President, United Automobile, Aerospace, and Agricultural Implement Workers, Detroit, Michigan.

James E. Thornton, Executive Director, Advisory Committee, (202) 254-5817.

HATCH ACT

Mr. McGEE. Mr. President, before too long the Senate will consider the bill H.R. 8617 which has been reported by the Committee on Post Office and Civil Service. This is the bill which would restore to almost 3 million Federal and Postal employees a large measure of the political freedoms enjoyed by other Americans by making needed amendments to the so-called Hatch Act.

That changes in the Hatch Act are needed is something long recognized by, among others, the Civil Service Commission, which has responsibility for enforcing the law. Unfortunately, despite the fact that it was given an immense amount of time to consider the subject, the Commission has been prevented from proposing reforms on its own. Nevertheless, reforms are proposed by H.R. 8617, a carefully considered measure.

The Hatch Act as it stands today is generally a vague piece of legislation. But its effect is not. That effect is a serious constraint on the first amendment rights of nearly 3 million Americans in the name of curbing abuses.

Mr. President, in the January 26 issue of the Federal Times, Executive Vice President J. Joseph Vacca of the National Association of Letter Carriers presents a well-reasoned article which concludes with a statement that—

> Laws cannot be allowed to deny rights—they can only curb abuses.

H.R. 8617 addresses this very issue. It restores rights and it strengthens the curbs against abuse. I ask unanimous consent that Mr. Vacca's column be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Forum: Does Hatch Act Reform Have "Hidden Evil"?

(By J. Joseph Vacca)

In the next few weeks, the Hatch Act reform bill will be brought before the Senate for a vote. Under the name "The Federal Employees Political Activities Act of 1975 (HR 8617)," it has already passed the House by an overwhelming majority, 288 to 119.

These majority congressmen received an aggregate of almost 23 million votes from their constituents, and it was these voters they were representing when they voted for HR 8617.

A vote equal to that or more will be represented when (and if) the Senate passes the bill after the holiday recess.

Certainly such a demonstration of public sentiment for enactment should end there. But it probably won't because President Ford has already indicated he will veto this legislation.

What hidden evil is apparent only to the President that this vast majority of Americans cannot see? What, indeed, is the evil lurking behind this bill? What does it really do?

HR 8617 modifies the Hatch Act by permitting over three million postal and federal employees the right to participate voluntarily and as private citizens in the political life of this nation so long as those activities *do not even appear* to compromise the integrity of the merit system or the impartial administration of the functions of government.

In the form the bill passed the House, there are ten major provisions designed to strengthen the protection of the employee against coercion, while restoring to the employee the Constitutional rights denied by the ambiguities of the current Hatch Act. The provisions:

State that postal and federal empolyees are encouraged to exercise their right to voluntary political participation.

Prohibit the use of official authority, influence, or coercion with the right to vote, not to vote, or to otherwise engage in political activity.

Prohibit use of funds to influence votes; solicitation of political contributions by superior officials; and making political contributions in government rooms or buildings.

Prohibit political activity while on duty, in federal buildings, or in uniform.

Prohibit the extortion of money for political purposes from postal and federal employees.

Provide leave for candidates for elective office. Employees who seek full-time elective office must take leave 90 days prior to election.

Authorize the Civil Service Commission to investigate alleged violations of law. Limits investigation of prohibited activities to 90 days.

Establish an independent board whose function is to adjudicate alleged violations of the law and provide judicial review of adverse decisions.

Subject violators of law to removal, suspension, or lesser penalties at the discretion of the board.

Require that the Civil Service Commission conduct a program for informing postal and federal employees of their rights of political participation and report annually to the Congress on its implementation.

Certainly this is no return to the "spoils system." On the contrary, HR 8617 adds to and strengthens those meritorious features of the Hatch Act by providing federal civilian and postal employees and the public with even greater protection against any recurrence of the spoils system.

Further, it updates the Hatch Act by removing those parts which are no longer applicable. In effect, the reform measure strengthens the prohibitions against abuse, and removes the prohibitions which denied Constitutional freedom.

Surely, none of us believe that any democratic form of government, and especially ours, was designed or intended to be a prohibitive society. Neither was it envisioned as a class-oriented society, with certain privileges available to only a few. As a nation, we have gone to great lengths to preserve this concept.

Even before the Constitution was framed, the privileges and duties of the right of franchise were extended beyond the limitation of property holders. In 1865, it was further expanded to include the vast, newly freed slave population.

In 1918, despite dire predictions of national disaster, women were admitted to the political scene. The recently adopted Twenty-Sixth Amendment admitted 18-year-olds to the fraternity of full citizenship.

All these forward looking steps were accomplished by Congress in order to broaden the base of political participation—to bring into being a form of government more truly representative of the people. To further this end, during the past few years additional civil rights amendments have been passed, congressional redistricting has been put into effect, and the "one-man-one-vote" concept has been expanded.

In all, it has indeed been an impressive record of dedication to individual freedom. Except for one thing—the Hatch Act of 1939.

As a result of this law, over three million citizens continue to be deprived of their Constitutional right. We cannot, and we should not continue to condone the erosion of full rights of citizenship currently denied to such a large segment of our population.

Apparently, most of our forebears agreed with us. From 1791 until 1939, no one felt the need to remove political rights from any segment of our society. On the contrary, for 138 years the whole thrust was toward the expansion of those rights. Even upon its founding in 1883, the Civil Service Commission felt no need to curtail Constitutional rights. It immediately issued CSC Rules I and II. They read as follows:

Rule I. No person in said service shall use his official authority or influence either to coerce the political action of any person or body or to interfere with any election.

Rule II. No person in the public service shall for that reason be under any obligation to contribute to any political fund, or to render any political services, and he will not be removed or otherwise prejudiced for refusing to do so.

That just about said it all. And for almost 56 years, it was almost all that was needed. But just to make sure, in the early 1900's, the Lloyd-LaFollette Act was passed asserting the right of every federal employee to communicate directly with Congress. Thus, this act construed "political activity" by federal employees as both appropriate and legal. And the sleeping dogs of denial remained at rest for well over another decade.

But in 1938, the political excesses of another administration resurrected the "Spoils System." Congress was quick to react—or to overreact.

Beset by the tenor of the times—an unprecedented third-term President—impending war abroad—Communist and Bund scares at home—Congress quickly forged together and passed the Hatch Act. Forged, perhaps, is too strong a word. Fused or melted together might be more appropriate.

For instance, membership in a party advocating overthrow of our constitutional form of government was prohibited. Today, many such parties are legal. References to subversion of the public welfare either for ideological, political or economic reasons has already been defined by statute and interpreted by the courts. Also thrown into the pot were some 3,000 CSC "political activity" decisions handed down over the 56-year period the commission had been in existence.

Their applicability, even in 1939, was often vague, extraordinarily broad and occasionally capricious. In the somewhat brighter light of 1975, many of its definitions and interpretations have done more than remain clouded—they've become totally obscure.

The ultimate result has been to create an atmosphere of uncertainty and fear that results in something that seems to be a form of coerced apathy. It is not surprising.

As an example, one paragraph of the act (Item 13(b), Section 733.11) states that:

"All employees are free to engage in political activity to the widest extent consistent with the restrictions imposed by law and this subpart."

Then, after listing information concerning permissible activity, it concludes with a typical ambiguity:

"If participation in the activity would interfere with the efficient performance of official duty, or create a conflict of interest"—the head of the agency may prohibit or limit the participation in activities otherwise declared permissible."

It is a statement that does indeed fill what seems to be the requirements of the current Hatch Act. It is vague, broad, capricious and sufficiently clouded.

We think the Hatch Act reform bill will go a long way toward "unclouding" the issue. It may well determine whether over three million persons are—in truth—citizens, or are to remain "half-class" citizens. To be sure the reform bill doesn't make anyone a "good citizen." But it does give them the right to be a "good citizen." The current Hatch Act does not!

The negatives, of course, have been numerous—but not always intelligent or accurate. In a recent Washington Post article, Rep. Gilbert Gude, R-Md., said: "The Hatch Act is what lets government workers say 'No' . . . to partisan attempts to sway the day-to-day decisions that affect all our lives."

He neglects to add, however, that it also prohibits them from saying either "yes" or "no" to decisions that affect their lives.

The congressman, along with most other opponents of the bill points out, apparently with great pride, that government workers are free to take part, or even be candidates in "nonpartisan" elections.

That is indeed a strong dose of confusion. Surely an election, in order to be truly nonpartisan, would have to also be unopposed. It would also seem, from the Hatch Act viewpoint, this unopposed candidate would be constrained from expressing any opinions, lest he be guilty of a violation.

Fortunately, the best minds in our country (federal and postal workers included) do have opinions. According to supporters of the Hatch Act, opinions require strict legislative control. They seem to think that an unaspirated opinion is a dangerous thing—especially if it is allowed to become public knowledge.

In presenting the reform act bill to the Senate Committee on Post Office and Civil Service, Rep. William L. Clay, D-Mo., said:

"Prohibiting voluntary off-duty political activity of government employees . . . treads on thin ice and flies in the face of the guarantees of the First Amendment. When we attempt to prohibit or regulate these activities we deny free speech and free association. For this body, or any other body of government to do that, there must be a compelling interest and overwhelming justification."

The "overwhelming justification" in the eye and from the mouth of the Civil Service Commission is the totally negative attitude that postal and federal employees can't be allowed to keep inherent citizenship rights because neither employees nor their superiors can be trusted to leave partisan politics outside the work place. Surely public employees are as capable as those in the private sector of separating their political views from their work.

If morality and integrity within the work force can only be maintained by strict legislation, by denial of rights and prohibitions, then it can't be maintained at all. The 18th Amendment proved that.

Laws cannot be allowed to deny rights—they can only curb abuses. The Hatch Act reform measure will address both these needs and should be passed either without, or over any Presidential veto. For two hundred years, political freedom has been America's commitment. It should remain so.

NO FAULT: BAD SEED, EVIL FRUIT

Mr. FANNIN. Mr. President, as Congress considers various proposals to establish Federal no-fault insurance schemes, I think it prudent that we also consider the effects that State no-fault insurance programs have had on insurance costs.

For those of my colleagues who believe that no-fault is the answer to these problems of high auto insurance rates, I recommend they read carefully an editorial by Robert M. Bleiberg in Barron's entitled, "Who's to Blame?"

As the editor points out, "no-fault insurance has run smack into the real world" and the results, as GEICO and other private insurers have found, are disastrous. While the total number of bodily injury claims have declined, the size of serious claims has increased dramatically. Accordingly, premiums in no-fault States are also rising rapidly. For instance, in Massachusetts, the first State to adopt a no-fault system, insurance rates are the highest in the Nation. Federal no-fault insurance is clearly not a consumer's dream.

As the editorial demonstrates, "no-fault, by creating a powerful incentive to fraud, has begun to take a heavy moral toll." The writer concludes:

> From the outset, the concept of no-fault was totally flawed. For one thing, by focusing on loss of income, the system automatically discriminates against the very young and old, who thereby are deprived of legal redress. . . . By making guilt irrelevant, no-fault and the free-and-easy riders which it has encouraged can scarcely fail to undercut highway safety, law enforcement and the sense of personal responsibility on which a free society depends."

Mr. President, I ask unanimous consent that this article from Barron's be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Who's to Blame?—No-Fault Insurance Has Run Smack Into the Real World

"We wish to advise you of certain actions taken today at a special meeting of the Board of Directors of Government Employees Insurance Company. These actions were taken because in the year 1975, for the first time in 32 years, the Company suffered a net operating loss and because the loss is very substantial.

"The automobile insurance industry has just completed a year that has been the worst by far in its long history. The exceptionally severe impact of inflation upon the principal components of automobile claims cost—hospital and medical charges and the cost of automobile repairs—was aggravated by the unexpectedly adverse effect of no-fault laws, which together drove the claim costs of automobile insurers to unprecedented levels. Since 93% of our total business is in the private passenger automobile lines, GEICO was especially vulnerable to these oppressive forces afflicting the entire industry."

In the world of finance, commercial banks, notably Citicorp and Chase, of late have been making the blackest headlines, but, in spite of those who are raising a belated hue and cry, banks are yesterday's news. As suggested by the grim paragraphs cited above (taken from a letter dated January 14, 1976, "to the shareholders and holders of warrants of Government Employees Insurance Co."), the big financial stories in the months to come may lie elsewhere. The plight of GEICO, one of the largest (it accounts for 3½% of total industry volume) and once most flourishing automobile insurance underwriters in the country, strikes us as noteworthy. From an all-time high a few years ago in the mid-'Sixties, the company's shares plunged last week to a low of $4 or so. GEICO has just reported for 1975 an underwriting loss of $140 million ($65 million in the fourth quarter alone), figures which regulatory authorities, who reportedly are weighing merger for the embattled concern, openly describe as "staggering." Throughout the trade, fears are spreading of further unpleasant surprise.

What interested us most about the whole unfortunate affair was GEICO's reference to the "unexpectedly adverse effect of no-fault laws." Since this new approach to auto insurance, under which nobody is to blame for accidents and motorists collect from their own companies, surfaced in the 'Sixties—sprang full-blown, as it were from a few lofty academic brows—no-fault has been widely hailed as an idea whose time has come. Pushed by organized labor, consumer champions, politicians-on-the-make and even a number of casualty underwriters (and vigorously opposed only by trial lawyers, whose interest in the existing adversary, or tort, system gives them an obvious axe to grind), the so-called reform has made considerable headway. Over the years, 16 states, containing nearly 40% of the total U.S. population, have enacted measures which restrict the right to sue in an automobile accident case. Pending in both houses of Congress—and given greater chance of passage than ever before—is a bill which would impose federal no-fault standards on all 50 states.

A rolling bandwagon, as we have said before ("Stop, Look and Listen," Barron's, January 17, 1972), is an awesome sight; momentum isn't easy to stop. Yet a mounting weight of evidence suggests—as The Wall Street Journal the other day so aptly put it—that no-fault insurance "isn't all it was cracked up to be." True, the system does yield prompt settlements and keeps a good many accident cases out of court. Such benefits, however, come excessively high. By decreeing "thresholds" in medical bills beneath which victims cannot sue, no-fault has spawned an epidemic of inflated and fraudulent claims. Far from lowering insurance premiums, a point on which proponents vastly oversold the public, no-fault has led directly—pending federal legislation would accelerate the trend—to their rapid climb. Together with the spiralling costs of goods and services, no-fault has weakened casualty insurance finances and, to judge by GEICO's probable fate, put major firms in jeopardy. Actuaries aren't supposed to make a mistake in arithmetic; when they do, it's a beaut.

In flunking addition and subtraction, to be sure, underwriters have had lots of company. Consumers Union and the AFL–CIO have lined up solidly behind no-fault, while all told 24 states, comprising more than half the people in the country, have enacted into law one or another version. (While they differ in detail, all provide direct coverage to the policyholder for medical expenses and loss of income. Subject to various cut-off points in 16 states—the notorious threshold—injured parties also may seek further redress in court.) And the liberal press, which unerringly lines up on the wrong side of issues, continues to beat the drums, notably for the pending federal legislation. Thus, columnist Sylvia Porter recently wrote: "With effective no-fault in every state, the auto reparations system would be rid of the waste, delay, injustice and personal tragedy that so often pervades the fault system. With effective no-fault, our auto insurance premiums could pay for a substantial part of the losses of those seriously injured in auto accidents (as against the mere 30 percent of the losses they now receive). What's more, insurance experts say that based on today's cost factors, this could be done without any increase in premiums."

Sylvia Porter's column was indignantly headlined, "What Happened to No-Fault Drive?" The answer seems to be that it ran smack into the real world. As noted, owing to the automatic coverage, the number of claims has declined. However, the size of each claim, and the total dollar volume, have ballooned way past the point (for underwriters, at any rate) of no return. As Donald L. Schaffer—Vice President, Secretary and General Counsel of Allstate Insurance Co., subsidiary of Sears, Roebuck—told the Senate Committee on Commerce, both New York State and New York Jersey have experienced a 40% decline in claims, but a 50% increase in "severities." Ratios look even worse in Connecticut and Maryland. As to Florida, "We experienced an approximate 65% decrease in the frequency level of bodily injury claims. However, we have at the same time experienced an approximate 230% increase in the severity of such claims. Thus, in Florida our payouts for third party bodily injury liability claims in the no-fault system, including attorneys fees, are somewhat higher now than they were previous to implementation of that plan."

To nobody's surprise—except, perhaps, Ms. Porter's—premiums everywhere are on the rise. In New York State, for example, rates have increased 20% in the past 12 months, and, according to officialdom, the end is nowhere in sight. In Massachusetts, where premiums originally were trimmed, they now have become the costliest in the country. A motorist living in Boston, driving a new car and carrying collision, fire, theft and liability coverage, pays roughly 50% more than he did in 1970, just prior to the state's enactment of no-fault. Since the latter also covers property damage, even sky-high rates have failed adequately to compensate insurance companies, which have suffered heavy losses and periodically threatened to leave the Bay State to its own devices. Moreover, under the proposed federal law, nearly everything wrong with the various state laws—notably costs—would go from bad to worse.

Dollars-and-cents aside, no-fault, by creating a powerful incentive to fraud, has begun to take a heavy moral toll. "People are learning," a GEICO spokesman told The Wall Street Journal, "that all they have to do is have another X-ray or spend another night in the hospital" in order to cross the threshold. Thomas C. Morrill, a vice president of State Farm Mutual Automobile Insurance Co., has alleged that in Florida, where a special state task force is investigating charges of widespread fraud among doctors, lawyers and claimants in the Miami area, "many cases that should have been settled quickly . . . have instead been built to a level that exceeds the threshold established by the law. Once that level is passed, (claimants) are free to go for that alluring pot of litigious gold which our customers keep filling for them."

Bad seed, evil fruit. From the outset, the concept of no-fault was fatally flawed. For one thing, by focusing on loss of income, the system automatically discriminates against the very young and old, who thereby are deprived of legal redress. Bias and quirk, in effect, have been enshrined in the law. By making guilt irrelevant, no-fault and the free-and-easy riders which it has encouraged can scarcely fail to undercut highway safety, law enforcement and the sense of personal responsibility on which a free society depends. "Pain and suffering," as we have said before, may be overdone, but that doesn't warrant placing a premium on license.—ROBERT M. BLEIBERG.

GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, 1 week ago the Senate ratified the Convention on Political Rights of Women as approved by the United Nations. It was one of three human rights treaties submitted by President Truman to the Senate in 1949 for ratification. This action was certainly long overdue. The Convention on the Prevention and Punishment of the Crime of Genocide, however, has still not been ratified by this body. In view of the recent approval of the political rights for women treaty, our inaction on the Genocide Convention becomes even more delinquent.

Witnesses at the hearings on the women's political rights conventions in December of 1975 cited some excellent reasons for positive and prompt action on ratification. The same reasons may be applied to the case for ratification of the Genocide Convention. I quote the report in part:

> While ratification may be a largely symbolic gesture, the (Foreign Relations) Committee nevertheless believes that it will have positive results. Witnesses referred to the following:
>
> It will remove an anomaly and source of embarrassment that the United States, which speaks so deeply about human rights in international forums, is one of the few nations not to have become a party to something as basic as a treaty guaranteeing political rights to women.
>
> United States ratification can encourage other nations to adhere to the convention. The Committee notes in passing that the other non-parties to the United Nations Convention come mainly from the Moslem and African areas.
>
> It will put us in a better legal and moral position to protest infringement by other parties to the conventions of the particular rights with which they deal.
>
> Ratification will increase U.S. credibility in the process, still continuing, of drafting international legal norms.

The reasons stated above are succinct and compelling. There is no longer any rational reason for this body's continued refusal to ratify the United Nations Genocide Convention. Precedent has now been established with regard to these human rights treaties. The United States' ratification of the Genocide Convention is long overdue.

DR. JAMES A. SENSENBAUGH

Mr. MATHIAS. Mr. President, I note with regret the report that James A. Sensenbaugh has announced his intention to retire this June as superintendent of schools for the State of Maryland.

Dr. Sensenbaugh, and I share with pride the privilege of being natives of Frederick County. In his career as teacher and administrator he has left an indelible mark upon education in Maryland. In his letter announcing his plans to retire, Dr. Sensenbaugh refers to Maryland as "a State nationally recognized for its school system structure, its educational leadership." James Sensenbaugh himself is a large part of the accomplishment described in those words.

The Sunpapers of January 29th includes a brief review of his career, and I ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Sensenbaugh Announces June Retirement

(By Mike Bowler)

James A. Sensenbaugh, the state superintendent of schools and a fixture in the Maryland education scene for the past 12 years, announced yesterday that he will retire at the end of his current four-year term June 30.

Maryland's chief state school officer since 1964, Dr. Sensenbaugh told the state school board which was meeting that he would be willing to stay on for a year beyond the June date "should it ease the task of the board in bringing another person into the position."

However, an informal search for a successor already had begun, according to sources. There was no "heir apparent" in the state Education Department, and some state board members were urging that a superintendent be hired from the outside.

Richard Schifter, the new board president, said the entire board, not a subcommittee, would participate in the search, but that it might use consulting services.

In a letter to the board, Dr. Sensenbaugh, 66, said, "I consider myself extremely fortunate of having had the unique distinction of being one of a very small but prestigious class of American educators, a chief state school officer.

"My gratification is multiplied because of my service as chief school administrator for Maryland, a state nationally recognized for its school system structure, its educational leadership, its efficiency and its effectiveness."

Dr. Sensenbaugh is a native of Frederick county, where he attended grade school, where he was superintendent for eight years and where he still lives. But after a career as teacher and administrator that began in Washington county in the late 1920's and extended to Baltimore and Frederick counties, Dr. Sensenbaugh is known throughout the state.

Dr. Sensenbaugh's influence is felt at nearly every level of Maryland education, from the state school construction agency to the General Assembly, to two higher education boards on which he sits ex officio.

His successor may be known as the state commissioner of elementary and secondary education, and he or she would confront a state board for elementary and secondary education expanded from the present 7 to 11 members—if legislation proposed by Governor Mandel is enacted by the 1976 General Assembly.

HOME INSULATION TAX CREDIT

Mr. McINTYRE. Mr. President, during the last session of the 94th Congress, I cosponsored an amendment which would have provided a tax credit for homeowners who install insulation and upgrade their home heating equipment. This amendment, introduced by my colleagues Senator Brooke of Massachusetts and Senator Glenn of Ohio, was brought up during the closing days of the first session. The amendment was set aside since it was not germane to the measure being considered.

I am pleased to know that the Senators intend to bring up this amendment again this session.

We need to make every move we can in this session of Congress to insure that we stop wasting existing energy supplies and start developing new sources of energy.

This amendment which I am supporting will help to cut energy losses through the walls, windows and ceilings of our American homes, and up the chimneys used by existing home heating systems. I look forward to casting my vote in favor of this amendment.

MITCHELL OF THE FEDERAL RESERVE BOARD

Mr. PROXMIRE. Mr. President, Vice Chairman George W. Mitchell of the Federal Reserve Board is approaching the end of a long and distinguished career as a public official. The Nation owes a deep debt of gratitude to this remarkable man who has exerted his unbounded energies and addressed his keen mind to the major problems facing our country's financial system. His primary contributions have been in the forum of monetary policy where his knowledge and skill as an economist have won for him the highest respect of his colleagues. He has also been an effective innovator within the Federal Reserve System and, in particular, has played a leading role in the System's substantial efforts to improve the Nation's payments system. He has likewise been a leading architect in the development of System policies bearing on bank supervision and regulation, including the regulation of foreign bank activities in the United States and of American bank operations abroad. His forward-looking ideas and sound judgment will surely be missed by the Federal Reserve and, indeed, by the Congress and the Nation.

SOLAR ENERGY AND ENERGY CONSERVATION

Mr. ABOUREZK. Mr. President, on two occasions in 1975, I sponsored conferences in South Dakota on solar energy and energy conservation. The latter of these conferences was held in Sioux Falls on December 13. Nearly 600 people battled icy roads on that day to learn about the work being done on research and development of solar energy and how they could use more efficiently the energy supply they now have available to them.

The conference was cosponsored by the Midwest Electric Consumers Association, a 10-State organization made up of consumer-owned electric systems.

Representing Midwest at this meeting was Angus McDonald, Washington, D.C., who has summarized the comments made by the speakers at this meeting. Mr. McDonald served for many years as research director of the National Farmers Union.

I ask unanimous consent that there be printed at the conclusion of my remarks the report of this conference by Mr. McDonald.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. ABOUREZK. Mr. President, because South Dakota is in the northern Great Plains the opportunity to provide part of our energy supply by solar energy is not as great as in other warmer parts of our country. Yet, nearly 600 people came to this conference on this winter day. I am convinced, Mr. President, that the enthusiasm for solar energy and energy conservation of those people attending the conference in Sioux Falls is typical of a large majority of the people of this Nation.

Exhibit 1

The South Dakota Conference on Solar Energy, a Report by Angus McDonald

The recent solar energy conference at Sioux Falls, South Dakota, proved beyond a reasonable doubt that the time has come for the development of solar energy on a vast scale. Most of the technical problems have been solved or are well on the way to solution. A host of scientists in and out of the government and commercial companies stand ready to expedite development. The Congress according to all reports is enthusiastic about the program of the newly created agency which began its work in January 1975. The Energy Research and Development Administration is utilizing and continuing the work of the National Science Foundation which has been engaged in solar research and development for several years.

The conference brought together various experts from industry, government and consumer groups who by the help of visual aids explained in every day language the progress that has been made in solar heating and cooling of homes, schools and commercial establishments. A part of the session was devoted to wind turbines which show great promise for the generation of electricity in the Great Plains area. The conference was attended by nearly 600 farmers, businessmen, engineers, teachers and architects.

Participating in the conference were: Dr. J. O. Storry, Dean of Engineering, South Dakota State University, Brookings; Senator James Abourezk; William Rice, Assistant Director for Solar, Geothermal and Advanced Energy Systems, Energy and Development Administration, Washington, D.C.; Ron Thomas, Manager, Wind Energy Projects, National Aeronautics and Space Administration, Cleveland, Ohio; Dr. Barry Commoner, Chairman, Board of Directors of the Scientists' Institute for Public Information; Vic Reinemer, Staff Director, Subcommittee of Senate Com. on Government Operations, Washington, D.C.; Lola Redford, Director, Consumers Action Now, New York City; Richard Aspenson, Manager, Mechanical Utilities and Energy Conservation, Minnesota Mining and Manufacturing, St. Paul, Minn.; J. Gene Hexom, East River Electric Power Cooperative, Madison, S.D.; William Peterson, Agriculture Extension Engineer, South Dakota State University, Brookings; David Rosenstein, The Spitznagel Partners, Sioux Falls; Jack Weiland, Chairman, South Dakota Public Utilities Commission, Pierre.

The conference was chaired by Dr. J. O. Storry, who in his opening remarks said he welcomed the opportunity to participate and that not only he but the staff of the South Dakota State University was keeping current on all phases of solar development. He called attention to various uses of solar energy of particular interest to South Dakota farmers, including corn and hay drying and heat for farrowing houses. He also said that work had been done on wind power, solar cells and on utilization of wastes.

Senator Abourezk, the first speaker, charged that oil companies were the chief stumbling block in establishing a National Energy policy. He said that the government leased land to oil companies and wrote tax laws which allowed them to avoid paying taxes. At the same time "mass transit and railroads were allowed to rot." "Today," the Senator said, "outright oil company legislative policy has been replaced by oil company threats of shortages of oil and of natural gas. These threats have been used as a means of getting their way in Washington. Of course each time a shortage is threatened, it disappears as quickly as the industry succeeds in its legislative efforts. And rather than challenge this vicious legislative tactic, the government either goes along with the deceit, or allows it to go unchallenged."

The Senator said it is time to turn our attention to that inexhaustible and plentiful source of power—the sun. "We are here to talk about the one source of energy that is not only clean and safe, but it is one which is renewable and inexpensive. The sun, from which all forms of solar energy derive, does not lend itself to monopoly power. One does not need to set up a bureaucracy similar to the nuclear establishment to put it into operation. The oil companies have been unable to find a way to put a lock on its supply. The price of energy from the sun cannot be jacked up during a shortage. In short, solar energy is ready made for the public interest. It is available for the poor and the rich, for the average person as well as for the privileged person."

THE NEW SOLAR PROGRAM

William Rice, Assistant Director for Solar, Geothermal and Advanced Energy Systems, Energy Research and Development Administration, Washington, D.C., explained the functions of the new agency. ERDA, as it is usually called, took over the work of several old agencies including that of the National Science Foundation which had pioneered in solar energy.

Within ERDA, solar research and development is guided by four legislative acts passed by Congress: (1) Public Law 93-409, the Solar Heating and Demonstration Act of 1974, Sept. 3, 1974; (2) Public Law 93-438, the Energy Reorganization Act of 1974, Oct. 11, 1974; (3) Public Law 93-473, the Solar Research, Development and Demonstration Act of 1974, Oct. 26, 1974; and (4) Public Law 93-577, the Federal Non-Nuclear Energy Research and Development Act of 1974, Dec. 31, 1974.

These four laws contain general authority for ERDA to conduct a wide range of activities related to solar energy. The goal is to make available to the Nation competitive and environmentally acceptable solar energy technologies on a commercial scale at the earliest possible time.

The National Aeronautics and Space Administration and the Department of Housing and Urban Development were given joint responsibility to demonstrate solar heating and cooling within 5 years. These demonstrations are supposed to be carried out in residential dwellings. NASA is given the same responsibility for development for commercial buildings to be heated and cooled by solar energy.

Comprehensive plans and close cooperation with the National Bureau of Standards, the Department of Defense and the National Science Foundation are required. Before the new laws took effect a good deal of demonstration work had been done by means of grants and financial assistance from various sources. These various projects were turned over to ERDA and some have been modified and improved. Among those mentioned by Rice were the Fort Collins Project in Colorado, the Phoenix project in Arizona and the Timonium School near Baltimore, Md. Rice also mentioned work on a building in New York City (the first commercial building included in the program), wind power, energy from the ocean and various crop drying research work done in Kansas and South Dakota. Before ERDA took over the National Science Foundation work a transportable solar energy laboratory began a planned field test program. ERDA is continuing this project and conducting tests in weather extremes to provide design data, applicable to specific weather conditions. The laboratory has visited Fort Worth, Miami, Atlanta, Richmond, Annapolis, Atlantic City and Hartford, Conn.

The laboratory is convincing evidence that solar powered heating and cooling systems are at hand. As a result of the visits of the laboratory legislation has been drawn up in several states to provide incentives for using solar energy.

Rice was enthusiastic about solar research and development saying it should have as great a priority as the nuclear breeder program.

Two of the solar heating systems mentioned by several of the speakers were the Timonium school and houses built by Harry Thomason in Washington, D.C. The original Thomason house built in 1957 is one of the oldest solar heated houses in the nation.

The heating system in the Timonium elementary school was made possible by a grant of the National Science Foundation. The Timonium school is being modified by ERDA in preparation for air conditioning.

The system consists of 5000 squ. ft. of collectors with 15,000 gallons of water storage with associated pumps, valves and piping (a solar collector is a box to trap in sun's heat—a glass top, a metal bottom painted black). Water, air or chemical is circulated in the collector and attached system and grows hotter (if the sun is shining) with each cycle. The water can then circulate through a hot water radiator system to warm the house or in another system, air can be blown over hot water coals and forced by a blower to circulate. The collectors at the Timonium School are inclined at 45 degrees and are supported in such a way that their weight will not harm the building.

Hot water from the storage tank is pumped to the convectors. The only change that was made in the original steamheating system was to interpose shut off valves. When the tank, warmed by solar heat, drops below 110 degrees F. the conventional system turns on. Cold water from the bottom of the tank is pumped to the top of the solar collectors where it flows through the collectors, is heated by the sum and returns to the top of the tank.

During the day the building requires very little or no heat. Midnight through early morning requires heat when the temperature is 20 degrees F. The system was designed to provide only 50% of the heat required during December and January.

One of the most dramatic stories about the need for solar energy and the people's response to it was emphasized by Rice. Faced with a moratorium on new natural gas loads the Mayor of Colorado Springs, Colorado, met with representatives of the National Science Foundation on Dec. 17, 1973. As a result a committee was formed to discuss the application of solar energy to heating buildings. The National Science Foundation furnished the committee a vast amount of technical information. One thing led to another and a project was launched called the "Phoenix."

As a result solar system technology was applied to a 2200 squ. ft. family residence. Using this house as a guinea pig a total research program was carried on to be conducted through June 1, 1976. The Phoenix house was called a heat-pump-boosted heating system. (The principle of the heat pump is similar to that of a refrigerator or air conditioner. A fluid having a low boiling point is compreseed and circulated between an evaporator and a condenser. Heat energy is absorbed by the fluid being circulated through pipes within a closed space which causes the fluid to evaporate and flow as a gas to the condenser outside where the condenser coils dissipate the heat and cause the gas to condense back into the liquid phase, giving off heat—whereupon the cycle is repeated. A heat pump has been called a "reverse cycle air conditioner.")

Rice said that response of industry to an advertised solicitation had been good. Three hundred applications for the building of solar commercial projects have been received. The Housing and Urban Development Administration has received 250 applications. Five thousand people have written the agency saying that they want solar homes (and of course Federal assistance). The new solar office is overwhelmed by such interest. Rice said, "We don't know what to do about it."

Rice indicated that Congress is showing an "intense" and "fantastic" interest in solar energy. The solar agency has advertised in the Federal Register for public comments on the solar program. "Comments on the proposed plans can be submitted to: Bart J. McGarry, 8th floor, Energy Research and Development Administration, Washington, D.C. 20545, 202-376-4074. Deadline for submitting comments is February 24, 1976. In addition to receiving comments, the above person is available by telephone or mail to answer question about consumer representation plans within the agency." (Federal Register, Vol. 40, No. 229 Wednesday, Nov. 26, 1975)

Rice concluded his talk with a quote from Arthur Clark's book, Against the Fall of Night, which was an ominous warning that man should not rely on machines but on natural things such as sun and earth. Another lesson to be learned from this book, said Rice was the idea of simplicity which was exemplified in a Minnesota solar heated home. The principle in Clark's book was that "no machine may contain any moving parts."

Rice recommended that the audience read Direct Use of The Sun's Energy by Farrington Daniels, who is called the father of solar energy. Daniels said: "There is no gamble in solar energy use; it is sure to work. It has been demonstrated that solar energy will heat, cool, convert salt water into fresh water and generate power and electricity. The problem is to do these things cheaply enough to compete with present methods."

WIND POWER

Ron Thomas, Manager, Wind Energy Projects, National Aeronautics and Space Administration told the conference in some detail about wind research and development. The highlight of his talk was an account of the 100 kilowatt windmill or wind turbine which was recently put into operation in Ohio. Thomas noted that since windmills had been in operation for many hundreds of years that it might appear an easy task to design and put into operation a wind turbine. One might be inclined to say, "Hey, let's go out and build these wind turbines." Building an efficient wind turbine was an extremely complicated and difficult task. There are three reasons, Thomas said, why we must build an extremely well designed wind turbine. These three reasons are: "cost, cost, cost."

The most important principle in the relationship of any wind machine to the power of the wind is the "law of the cube." This mathematical formula indicates at any given moment the power content of the wind is proportional to the cube of the wind velocity. In other words, when wind speed doubles, power output from a wind machine will increase 8 times. If a wind generator produces 1 kilowatt of electricity in a 15 mile an hour wind, it will produce 8 kilowatts in a 30 mile an hour wind.

At a given location wind velocity is much greater 100 or 200 ft. above the ground. Consequently a wind generation hooked to a 200 ft. tower will extract much more energy than the same generator built on a 60 ft. tower. In addition there are mechanical and size limitations on the machines themselves.

For many hundreds of years a great many types and sizes of windmills have been built for various purposes, many of them with little attention paid to size, mechanical and power questions. Hundreds were built in the central part of the U.S. where wind velocity is relatively high. Most were built for the purpose of pumping water; some to produce electricity. But with the coming of the rural electrification program and for other reasons these machines were dismantled.

Many factors must be taken into consideration in the building of wind turbines. Gravity pulls the blades down. High winds may destroy the structure if it is not constructed properly. If wind turbines are built near the seashore salt water and spray may damage them. Designed to last 30 years they must withstand the ravages of rain, hail and frost. The energy produced by the blades must take account of the size of the generator and other equipment.

The 100 kilowatt machine described by Thomas was installed at Sandusky on Sept. 4. Two days later it was in operation. At the time of the beginning of the installation, conditions were perfect. Wind velocity was 5 miles per hour. "Then lo and behold," said Thomas, "a storm came up and the wind increased to 40 miles an hour." The gigantic structure weighing 40,000 lbs. was lifted by a crane to the top of the tower and the scientists were fearful that the high wind would damage the wind turbine and perhaps ruin the whole effort. The diameter of the two blades was 125 ft., 62 and ½ ft. to each blade. Extensive tests over a period of years indicated that two blades were almost as efficient as 3 or 4. To keep the cost down it was decided that using 2 blades was more economically feasible.

Despite the storm the turbine was securely attached to the tower and no harm resulted. The necessary tests, Thomas said, were completed with great haste in less than 3 hours and the project was a success.

Tests of course continued at various wind velocities. The apparatus was designed to product x units of electric power at x wind velocities. The noise from the machine, Thomas said, was not a problem, although there might be some minor interference with television.

Plans of NASA are quite extensive. Groups of windmills will be constructed in the next few years. Sites will be selected. Tests and data will be of course collected before a site is approved. Grouping of ten, twenty or more windmills will cut down the cost. You can't afford to have an operator for each windmill. They must operate automatically.

NASA is working closely with utilities. 2500 have been contacted and about 45 have indicated they are interested.

Several major design studies are being carried on in an attempt to get the lowest possible cost. For certain types of wind turbines the cost is around 6 cents per kilowatt, but scientists say that with larger turbines in favorable locations the cost may be reduced to 2 cents per kilowatt.

A turbine with diameter of the wings amounting to 180 ft. is being fabricated. This machine will produce 200 kilowatts. Then in a few more months a 500 kw turbine will be put in operation and later a turbine producing 1500 kw. Work on the 12 to 18 sites will begin as soon as they are selected.

It is expected that 8/10 of 1 percent of the nation's power will be produced by 1885 by wind turbines, 5 percent by the year 2000, and 25 percent by 2020. Thomas pointed out that only 4 percent of the nation's electricity was produced by hydro-electric installations. He emphasized that the scientific problems were being solved, that electricity could be produced on a vast scale. In other words he expressed high hopes for the development of wind power and assured the conference that it would assist greatly in alleviating the energy shortage.

THERMODYNAMICS AND THE SUN

Time magazine called Dr. Barry Commoner a "Paul Revere waking the country to environmental dangers." Another national magazine said of Commoner, "No other scientist today possesses so broad a grasp of the modern technological dilemma with our insatiable demand for energy pitted against the inescapable necessity to reduce environmental pollution."

Commoner was born in Brooklyn, son of Russian immigrant parents. His father was a tailor until he went blind. As a young man he worked his way through Columbia University, then went on to Harvard for his doctorate in biology. After service in the Navy in World War II, Commoner began his teaching and research career at Washington University in St. Louis.

His early research on virus and cancer earned him two major scientific awards. In the mid 1950s he formed a committee that brought national attention to radioactive fallout. The activities led to the 1963 nuclear test ban treaty.

In 1966, Commoner saw the need to unite physical and social scientists into one cooperative whole focused on the total environment. As a result he founded the Center for the Biology of Natural Sciences at Washington University in St. Louis.

"It's absolutely imperative that the people of the United States—and the whole world—understand that the only rational way to assure energy supplies and, at the same time, end our suicidal assault on the environment, is to undertake a massive development of solar energy," Commoner said. "Any other alternative would enormously worsen our environmental problems, create dangers such as plutonium radiation and potential nuclear power plant explosion, even risk wars over foreign oil supplies. In other words failure to understand and act upon the ecological, economic and political imperatives that push us towards developing solar energy will end in disaster. It's as simple—and as crucial—as that."

Commoner and his staff have been making comparative studies of organic farming and farming with commercial fertilizer.

Commoner told the Sioux Falls conference that we are running out of jobs, out of capital and in many ways out of sense. The trouble is that we are not asking questions, we are, or rather the people who are running things in Washington, are giving us answers instead of asking questions. We will begin to illuminate things by asking the right kind of questions. It is obvious that we can't get along without energy. We must ask the question about fossil fuels which is stored up energy that came from the sun.

Take gasoline, for example. You can't drink it. It is no good to look at. The only use of it is to get work done. It will enable you to drive a tractor and carry on what we call farming and it enables you to get from here to there.

Solar energy is necessary for farming which the experts would call an "exotic use", since it is a form of energy they don't use much. Energy of the sun goes into a corn plant. Energy is transformed. If you eat the corn it gives you muscles that enable you to do work. Using energy is a way of getting work done.

The question is how much energy have you got out of it. After you've burned energy in a tractor, some of it moved the tractor, some of it, by friction, warmed up the soil and some of it went out the exhaust and warmed up the air. The energy in the gasoline was spread all around. You can neither create or destroy it.

The second question is how much work can you get out of a given amount of energy. Not all energy is equally capable of doing work. This is the second law of thermodynamics. In other words how much work will x amount of energy deliver. What is the quality of energy?

"Take this room for example, which is heated to a temperature of 70 degrees. An oil furnace is required because outside it is 32 degrees. The way you compute the efficiency by the first law of thermodynamics is to figure out how much energy or heat you can get out of the oil you burn; then look at the amount of heat that is in the room and since the first law tells you that the heat that is in the oil can't be lost, it has got to go somewhere; and if it's not in the room, then it has gone up the stack and so on.

"So, what you do is figure out what percentage of the oil burner's energy has gone into the room and how much has gone where you don't want it. When you do that the efficiencies are in the order of 75 percent.

"The second law of thermodynamics tells you something different. The second law says that the value of the fuel is measured by the amount of work it can do. You ask yourself, how much work do I have to do to keep a room at 70 degrees when outside it is 32 degrees. You compute that. Then you look at how much work you get out of the fuel that you burn . . . when you do that—and an American Physical Society has worked this out—you get an efficiency for a standard oil burner, not of 75% but of 6%, a shocking difference.

"In other words, all of the computations that I and many other people have been making in recent years are off roughly by a factor of ten in a pessimistic direction. We are not as well off as we thought we were in the need for conservation.

"The reason for this high inefficiency is what you might call thermodynamic overkill. In general, in thermodynamics the efficiency with which you can transfer or make use of work depends on keeping a close match between the temperature of the source and the temperature that you need to have to accomplish the task.

"So, if you need 70 degree heat, you're better off warming it with something close to 70 degrees. An oil burner burns at 500 degrees and this mismatch is what leads to the inefficiency. For example, if instead of warming this room that way you could warm it by taking heat out of the outside with a heat pump, you could raise the efficiency from 6% to 20%.

"The task in a power plant is similar to the task of boiling water. In both you need to boil water. You don't need 1000 degrees or 1 million degrees that you have in a nuclear reactor. Using an enormous amount of heat to boil water is like using a cannon to kill a fly.

"The National Petroleum Council, an arm of the Department of Interior, in its 'Energy Outlook' publication of 1970 said that using solar power to produce energy was not possible or practicable. It said the energy was too diffuse and intermittent. The chairman of the council is a director of Gulf Oil. The interesting thing about this statement is that it is precisely wrong. It is directly backwards.

"Solar Energy is radiant energy. It is produced in the sun and is a nuclear reaction which creates a flame of 10,000 degrees at the edge of the sun. The heat radiates 93 million miles through space to the earth.

The quality of the energy is determined by the source. It spreads out and warms things. That lamp doesn't cook me because the heat or light spreads out. If you gather up the energy you can get any temperature you want up to 10,000 degrees. If you take a 3″ lens you can gather up enough heat to burn paper.

"In the Pyrenees Mountains is a collecter which can melt tungsten. There is no problem about getting any temperature you want. You do it with mirrors. If you want more heat you get more mirrors. An engineer told me his biggest problem was keeping the mirrors clean. He said he solved the problem by designing a truck which went around and squirted cleaning fluid on the mirrors. So the problem was solved. This is what is known as high technology. So the problem is to gather up the amount of sunlight you need.

"Rain is another example of diffused energy. You see the gentle rain over a wide area and it doesn't appear to have much energy. But the rain flows over a watershed into a stream and if you put a dam with a turbine and other equipment in it you can generate an enormous amount of power.

"Now suppose you are a solar freak. You don't want conventional hot water. You want it heated by the sun. And you get a solar collector that will give you hot water 365 days a year. You will find that it's a lot cheaper to heat your water by conventional means. The reason is that there are some days that are cloudy and of course at night there's no sunlight. So if you rely on the sun for your hot water 100% of the time you will find it very expensive because you have a relatively enormous collector to tide you over five or more cloudy days. But if you use a gas heater for the cloudy five days you will not have to have such a large collector and you will save money on your gas bill. The trick is to get a balance between the solar system and the conventional system."

WHY THE GOVERNMENT ACTS IN A PECULIAR MANNER

Victor Reinemer, indefatigable researcher and writer, is staff director of the subcommittee on budgeting, management and expenditures of the Government Operations Committee. Longtime assistant to Senator Lee Metcalf, he has helped uncover the scandalous Advisory Committees which constitute a secret government in Washington.

Vic is author of numerous articles, a textbook chapter dealing with consumer protection, a book entitled OVERCHARGE on the electric power utilities, coauthored with Senator Metcalf.

Many people wonder why the government in Washington doesn't go ahead and straighten out the energy mess. They wonder why President Ford insists on higher and higher prices for oil and ignores alternative sources of energy which his advisors call "exotic." "Fannie Fox," Vic told the conference, "may be exotic, but I don't think the sun and the wind are, or water, wood and manure."

"Public policy to a large extent regarding energy is not decided by public officials." Oil corporations with the help of a docile State Department have handled relations with the Mideast Countries for many years. "Oil corporations deal with foreign governments regarding middle eastern oil." They even helped them enforce the boycott against the U.S. When the people in the midwest and the Great Plains wanted and needed Alaskan oil "a few oil companies decided" that the oil should go "to a seaport, convenient to Japanese markets. A few grain corporations made the sweeping Soviet wheat deal three years ago."

Reinemer said that "Government regulation of large corporations is like the story of the wizened old mountaineer with seven huge strapping sons. The mountaineer boasted that they did not obey him. 'Of course,' he added, 'I'm right careful what I ask them to do.' "

He compared the government of the corporations to the Government of the U.S. The corporate legislative branch consists of men elected by large holders of the stock of banks, insurance companies and mutuals. They also vote the stock of individuals and groups by means of proxies. Candidates are selected months in advance of the election.

"The second branch of corporate government is the corporate branch, through which the large institution investors extend credit and hold the debt." The third area through which control is exercised is the thousands of interlocks with industrial, financial and public utility corporations. They are also heavily interlocked with the boards of unions, universities and foundations.

"A less visible interlock network," said Reinemer, "extends from corporations to government. . . ." Ex-corporate executives serve in many government posts where they meet with industrial executives on the advisory committees to plan government policy. There are 1400 of these committees and 22,000 positions.

"The companies and financial institutions which dominate the Federal Government" through advisory committees and in other ways "want development of the energy sources they control. These are the fossil fuels, oil, gas, coal and uranium."

Reinemer emphasized the point that alternative sources of energy would not be subject to monopoly control. "Solar power and wind power raise the prospect of customer independence which the monopolist abhors. . . . the municipality which converts its sewage waste to energy, instead of spending great sums of money burying or dumping it, will see the value of running its own energy operation and becoming less dependent on the large companies."

Outside the government the energy companies carry on a vast propaganda campaign. They seek to convince millions of citizens that decisions regarding energy should be left in their hands.

Former Sec. of Commerce Peterson, now president of a great financial corporation said, "We must apply the techniques learned in marketing our products to marketing our philosophy."

"What we need," said Reinemer, "is to thrust questions of energy into public consciousness by conferences such as this. We need to get the issue into the primary and general elections next year. . . . We need a national commitment to expand use of the renewable, non-polluting, unmonopolized energy resources."

Reinemer pointed out that existing agencies could reclaim much energy which is not being utilized: The Forest Service could save the 18 billion board feet of lumber decaying in forests. The Bureau of Reclamation "could help capture the most abundant natural resource of the Great Plains—wind power . . . There's nothing in the Constitution that says the people can't burn their own coal and manure. The logic of leasing or selling it to a company that already has oil, gas, uranium, oil shale, water and probbly a couple of department stores, railroads, circuses and baseball teams escapes me."

Reinemer praised the Abourezk divestiture legislation which he said combined with enforcement of "good old laws could reverse the trend which has culminated in the hundred billion dollar Ford-Rockefeller plan for you to fund an 'Energy Independence Authority. . . .'

"That authority would be independent all right. Independent of the Congress . . . independent of the executive branch . . . largely independent even of the judicial branch . . ."

CONSUMER ACTION NOW

Lola Redford, wife of actor Robert Redford and mother of three children, founded "Consumer Action Now", a group headquartered in New York. She has campaigned against the dangers of harmful food chemicals, pesticides and automobile pollution.

Recently she has become preoccupied with solar energy. She told the Senate Small Business Committee that "the development of solar energy is absolutely essential if this Nation is to satisfy anticipated needs in this decade and beyond." Ms. Redford supports the Abourezk bill which would provide for long term, low interest loans for solar cooling and heating equipment.

The Redfords live in New York part of the year where she is engaged in consumer activities and in Utah where they built the first solar heated and cooled house in the state.

During the afternoon session, Lola Redford told the conference of experiences with solar energy and her recommendations for its development. She also showed many pictures and slides of solar houses and related briefly the history of solar development.

Five years ago Ms. Redford became interested in no fault insurance and automobile pollution. She was concerned as a mother of three children and wondered what kind of environment lay ahead for them. "What about our kids. We and some twenty women who worked in 'Consumer Action Now' wanted to do something positive. We decided solar energy was a No. 1 alternative. We worked hard. We gave slide shows and two years ago we started a newsletter.

"The sun," Ms. Redford told the conference, "has been the center of everything over the ages. It has been worshipped. Temples have been dedicated to it and arts and crafts have been primarily concerned with it. There is no energy shortage. The sun is all around us. One day's sun equals all the energy man has burned on earth. Three days of the sun equals all the energy that exists in fossil fuels. Rain, a result of sunshine, creates great rivers and waterfalls. In Africa the energy in one waterfall equals two million horsepower.

"Burning of fossil fuels is inefficient and dangerous. One-third is discarded as waste heat and poisonous sulfur dioxide goes into the air we breathe. One river caught fire because of the wastes discharged in it. We must go farther and farther into the ocean to find new oil.

"Nuclear energy it is now clear has created problems. It has failed our expectations. It takes twice as much water to create electricity by means of nuclear fission as by conventional means. At Hanford the water is heated and causes a disturbance in adjacent salt water. The wastes from nuclear plants has become a problem because the plutonium poisons the atmosphere. And there is always the danger of saboteurs.

"We must look at other sources of energy such as wind, sun, organic matter and water . We know that John Erickson built a civil warship powered indirectly by the sun."

Technology of wind mills is almost as old as history. Many years ago the Persians used it. In the 1930s a wind mill was operated successfully in Vermont. Windmills have operated all over the world, particularly in the midwest including South Dakota.

Power from water in the ocean has great potential energy because of the difference between temperature on the surface and the temperature hundreds of feet below the surface.

In the Pyrenees Mountains there is a furnace operated by the French which melts metals by means of mirrors. The waste heat is used to heat an adjacent building.

"The whole earth," said Ms. Redford, "is a solar collector. Agriculture is the largest user. By the process of photosynthesis energy of the sun is converted into plants, into wood and food.

"Great progress has been made. Photo voltaic cells that create electricity have been built. They are not efficient but are being improved. Solar energy is being used in various ways. It is being used to dry salt, wood and tobacco. In North Carolina it is estimated that solar drying of tobacco would save $40 million a year."

Ms. Redford said that solar energy is bound to have a great effect on architecture. "Cheap fuel has changed architectural design. The sun was abandoned. But thousands of years ago houses were built so that there would be benefits from the sun. The Indian pueblos were built with thick walls which protected the occupants during the day from the intense heat and the cold at night."

Ms. Redford described and showed slides of various solar houses in Colorado, Ohio and Rhode Island. One of the most interesting she mentioned was the one built by Harry Thomason in Washington, D.C. The south slope of Thomason's roof is covered with black, corrugated aluminum, backed by a slab of insulation. An inch above the aluminum is window glass. At the peak of the roof is a galvanized pipe, with a string of holes along one side. Each hole is aligned so that a small jet of water shoots into each corrugation, runs down the slope picking up heat from the hot aluminum and drips into a trough at the bottom. The trough leads to a pipe that takes the water down into a 1500 gal. tank in the basement. The tank in turn rests in a bin filled with 50 tons of egg-sized stones.

The water, usually at a temperature of 125 to 135 degrees heats the stones packed around the tank. Thomason blows air from the house heating system through the stones where it picks up the heat. Two thermistors constantly measure temperature of the roof and the water in the tank. As long as the roof is hotter than the tank water circulates. When the roof cools circulation stops. The system can collect some heat, even in cloudy periods. Thus if the water is relatively cool, it may be operating when the sun is not visible. If too many cloudy days come in a row, an auxiliary oil burner comes on. During its first three years, Thomason's house cost $18.45 to heat.

Ms. Redford discussed briefly a number of other solar houses including one built by George Lof, a pioneer in solar housing development. Dr. George O. G. Lof has designed and built two houses in Colorado utilizing solar heat collection with energy storage in bins of small rocks. The second house built by Lof is heated by a forced air heating system served by two 300 sq. ft. solar collectors mounted at a 45 degree angle on the roof. The two collector rows contain 40 individual glass-covered panels. The unusual storage bins, which contain 23,460 pounds of 1 and ½ inch diameter granite pebbles, are two vertical fiber board cylinders 3 feet in diameter extending from the basement to a roof. Dr. Lof said that he considers the tubes which extend through his living room attractive especially since he painted them red.

She also described a project on the lower east side of New York City. This was solar heating of hot water for an entire neighborhood in buildings which she said were scheduled to be torn down. She said the community felt very good about it because the people were able to say, "Con Ed, we don't need you."

Finally, Ms. Redford advised those who were interested in solar heating in their homes to get the best information possible. She said one should find out what kind of solar collectors and systems were available, how much they cost and how they compared with conventional systems. She pointed out that many if not most homes wasted an enormous amount of heat and told about the Bureau of Standards which had been conducting exhaustive tests on a typical frame house.

She said that solar heat is here to stay. "The next step is marketing and consumer acceptance. Senator Abourezk is very far sighted in introducing his long-term, low-interest bill for solar heating loans. It is a very exciting proposal."

CONSERVATION IS GOOD BUSINESS

Richard Aspenson, a mechanical engineer, is manager of Mechanical Utilities and Energy Conservation for the 3M Company in St. Paul, Minnesota. He has appeared on several national programs reporting on the efforts 3M is making to use energy efficiently. The company has developed criteria to determine how much money should be spent to make the best use of each dollar invested in energy. In Sioux Falls, Asperson discussed "the economics and results of energy conservation for small industry, business and homeowners."

Aspenson told the conference that 50% of all energy is wasted and that we are going to run out of it if something isn't done. Twenty-five percent of our energy comes from fossil fuels, 18% from natural gas and 6% from nuclear sources. Thirteen and one-half percent of the energy is used in commercial installations and 25% in transportation. "We can reduce our consumption by 10 or 15%. A 20% reduction is possible."

"Energy conservation does not put people out of work—it does not reduce our gross national product. Instead it keeps our production people working; it will also put more people to work in the engineering, construction and manufacturing sectors. It also provides more capital formation by business so that new plants are built and more people employed."

A retrofit program will cost $100 billion. (Retrofit in the sense used at the conference means going back, modifying and making more efficient old construction.)

"In conservation of energy in residences," Aspenson said, "do the easy things first. Adjust the thermostat. One hundred eighteen 3M manufacturing plants are part of our program to reduce energy consumption." Thermostats are turned down in winter, up in summer. "Reset, readjust, optimize the operation." In one building raising the thermostat 4 degrees resulted in a 40% reduction in energy use.

Mr. Aspenson said that in industry the custom has been to never turn the lights off at night or on week ends. "In one building we saved 167,000 gallons of oil by conservation measures." He said that windows should be storm stripped and double glazed. Put light where you need it. "Don't light the large area if you don't need it. Put in two switches.

"Don't blow warm air outside. Outside air is dirty anyway. In one building 18,000 c.f.m. of air was blown outside. A carbon filter was installed. Result $12,000 a year saved. In one old building we saved 40% of the energy, 50% was possible."

"You don't have to run water down a sewer. In Mitchell, South Dakota we saved $3,000 by water conservation."

The 3M conservation program was summarized as follows:

"Phase 1 was the operational-maintenance effort to readjust systems and adapt to different environmental conditions, to reduce energy wastes, to shut down fan and lighting systems, etc. Phase 2 was the development of energy efficient design standards for building and processes—why continue to design energy wrong?

"Phase 3 is the retrofit phase—the time-consuming and capital-intensive part of an energy management program. This necessitates the search of drawings and data, plant surveys—an audit and analysis of what you have, and the identification, the engineering and cost savings study of what can be modified.

"Phase 1 of our U.S. Program (including some retrofit) saved the equivalent of 16 million gallons of oil or 4.5 million in energy dollar costs. It requires about 29 thousand dollars of expenditure at 3M to create one job. So if you take that 4.5 million dollars, pay half of it in taxes—which is what we must do—pay a quarter of it to shareholders, then you have about 1.20 million dollars for re-investment in the business—that is the creation of jobs.

"Our goal for phase 3 is another 15% energy reduction. Yes, energy conservation does make good business sense—it will keep our plants running and people working. . . . We support tax incentive legislation that will permit us to justify more plant and process modifications. A 10% reduction in industrial energy use is equivalent to 1,700,000 barrels of oil per day. A 10% reduction in energy use by all sectors is equivalent to about 4,000,000 barrels of oil per day."

PROGRESS ON SOLAR HEATING IN SOUTH DAKOTA

J. Gene Hexon, news director of East River Electric Power Cooperative in Madison, a year before the conference was held at Sioux Falls installed an electric heat pump for his home heating and cooling. Heat pumps have become popular in South Dakota the last 3 years. One company has installed over 300. The heat pump is a total electric and cooling system that uses the principle of heat transfers through a well-known refrigeration cycle. It is a central air conditioner with a reverse cycle for heating. In summer, the refrigerant absorbs heat from the house and exhaust it outdoors. In winter the cycle is reversed with the refrigerant absorbing heat from the outdoors and releasing it inside the house. The automatic thermostat is set at the desired level and changes from heating to cooling or cooling to heat as the seasons change.

A few months ago working with Bill Peterson of the South Dakota University, Hexom built a solar collector using plastic bottles of water to assist his heat pump system. Hexom gave the conference a detailed account of his new solar system which had been working for about six weeks.

The solar collector and installation was designed by Peterson. Hexom built the entire unit at home with the help of his family. Nearly all of the materials, finished by East River were purchased at a local lumber yeard.

The two solar panels are 9 feet by 9 feet and on a sunny day are capable of heating the air about 20 degrees above the outside temperature. The panels are made with insulating board, 2 inches by 2 inches for air space, corrugated aluminum roofing panels (painted black to absorb the sun's heat) and a mylar plastic cover on the outside creates another air space. The materials cost about $300.

Hexom said that some people had the mistaken idea that he was heating his house with a solar furnace. He emphasized that the solar collector was designed to heat the air for the heat pump. "The heat pump compressor takes the heat from the air to heat the house. The theory is that by increasing the air temperature the heat pump will be more efficient and save on heating costs."

To store the heat Hexom put 360 plastic gallon jugs filled with water inside the collector. He said that Peterson had recommended 700 jugs but "I thought I would rather have a half a mess than a whole mess" if something went wrong, such as the water freezing. The purpose of the jugs was to hold the heat overnight so that the house would continue to be warm.

In the Spring with warm weather the panels will be taken down and in the Fall the solar apparatus will be installed again. Hexom told the conference that the collector would probably save him over $100 a season. No changes in the house were made except that the ceiling insulation was reinforced.

Bill Peterson, Extension Ag Engineer at South Dakota State University at Brookings, has been active for several years in work to use solar energy in crop production and drying. The system that he has developed in connection with the rural cooperatives of the state has received national and international attention. Peterson discussed crop drying systems at the conference in Sioux Falls.

Peterson explained to the conference that crop drying was a big expense on South Dakota farms. He estimated that the cost of $15 per acre was about the same as the cost of planting and harvesting the crop. About 5 million gallons of propane he said were used for crop drying annually in South Dakota. Solar heating, he said, could also be used for warming the air in barns for livestock and in green houses.

Peterson described the solar heating work done on Meyer Pederson's farms in the fall of 1973. Kingsbury Electric Cooperative, Madison, and several other cooperatives furnished personnel to build the unit. The collector was attached to the 18 ft., 3000 bushel corn round steel bin, a drying floor and a 7 and ½ horse power single phase drying fan with 20 kws. of electric resistance heating units was hooked up. The collector is about 14 ft. high and 52 feet long and is wrapped two-thirds of the way around the bin. Three layers of one inch by two inch strips were attached horizontally at two foot spacings from the top to the bottom of the bin.

Next, used aluminum plates were stapled to the one by two strips. The outside surface was painted flat black and serves as the heat collector. Then another three layers of one by twos were nailed over the plates and a clear polyethelene sheet was stretched over the entire collector surface. The total cost of the materials for the collector amounted to $250.

The solar air is drawn horizontally around the bin to an air tunnel leading to the fan which pushes it under the drying floor and into the bin. Peterson said a small electric heater was installed but that in the three years since the collector was built, it had never been used. "Maybe we'll use it sometime," he said. In other words the sun has done all the work of drying so far.

Peterson emphasized that only a small temperature rise was needed. "We've got lots of time to dry it."

"It may seem strange that we have a vertical bin but at that time of year the sun is relatively low in the sky. It is much better than laying the collector on the ground."

Peterson said that compared with a similar bin a total of 26% of energy was saved and that 50% had been saved so far this fall.

On the Redfield farm near Brookings 5 types of solar collectors were installed. Plastics was used on two of them and metal was used on three. Results were just as good on the metal as the plastic. The metal was superior in that it lasted longer.

Peterson said that careful design was necessary. "A collector is more than a hunk of tin." Information is available at the University for the construction of a corrugated black metal collector for a 24 foot diameter bin, costing about $400. Peterson estimated that a farmer would make 15% in the investment if he did the work himself and 7½% if he hired it done.

Dr. Burton Eno is a professor of mechanical engineering at South Dakota State University whose specialty is heat transfer. He joined the University staff in 1964 and received his doctorate in 1971. Dr. Eno told the conference about engineering a solar heating and cooling system.

Eno made the point that "you don't just slap things together." That care planning and precise design were absolutely necessary. He said short supplies and increased costs made us seek energy to loosen the strangiehold of the oil companies. He said that 25% of the national consumption of energy consisted of space heating and hot water.

Eno said that dozens of small companies were springing up but that few of them had the know how to design and install a complete system. Most of them just sell collectors. Eno warned that purchasers should check these companies carefully and that specific facts should be gathered about the local climate, about isolation (thermal radiation of the sun's heat) and about the kind of system and design which would be efficient in a particular house. Facts about the efficiency of the house in retaining heat should be obtained and the house should be extremely well insulated. Eno called attention to numerous tests that had been made at the University. A typical house (I presume well insulated) would lose 100,000 British Thermal Units a day at a temperature of 55°. (A British Thermal Unit, usually referred to as a BTU is the amount of heat required to raise temperature of 1 lb. of water at maximum density one degree F.) For x kind of house Eno was discussing, he said that a 300 sq. ft. collector with a 60° tilt was necessary to furnish 50% of the heat and of course the transfer and storage system must be designed accordingly. Other things to be considered were whether the storage should be in rocks, water or antifreeze solution. All material including size of pipes and ducts and insulation are very important. Eno said that 200 solar heated houses exist in the U.S. but most of these were expensive houses. He estimated that at the present time a solar system would cost two or three times as much as a conventional system. He said you'd better talk to an engineer if you wanted to install a solar system. Some he said might pay for themselves in 5, 10 or 15 years, some never.

David Rosenstein has worked for the Spitznagel Partners, Sioux Falls architects for 23 years. He received his bachelor's degree in engineering in his native country of Turkey, his master's degree in mechanical engineering from the University of Minnesota. He has been interested in solar heating for several years.

Mr. Rosenstein said that he got the job of retrofiting the Mount Rushmore building and that he went to the Colorado State University, where he studied the house built by Dr. George Löf. He said that solar heating didn't make any sense without technology but that primitive man practiced certain elementary solar heating principles. He said that the cave men pulled rocks that had been heated by the sun into their caves at night and that if they were smart they selected caves that faced the south.

Rosenstein told the conference there were three kinds of solar heating, one involving low technology such as a window or picture window which collected solar heat for a room, another called passive which collected heat in walls or water in bags on the roof and a third which involved transfer of heat to a storage tank and hook up with a conventional system.

Rosenstein described an extremely complicated solar house system that had been built in Chicago. It involved a conventional water system, water storage, pipe, valve, thermostats, a collector on the roof and antifreeze solution which circulated through the solar system. The system was completely automatic. When the solar heat was insufficient to warm the house or keep the water in the hot water tank at a desired temperature the conventional system was automatically turned on by means of valves. He estimated the system would cost between $12 and $14,000.

Jack Weiland, Chairman of the South Dakota Public Utilities Commission, told the conference that he and his staff were very much interested in solar heating and cooling He said that it was felt that solar development would relieve the utilities from some of the burdens of their expansion plans. "The future policy of the Commission," he said, "will be to work with consumer groups" and others who were interested. "We support the concept of peak load pricing. We desire to work with the Federal Government but we do not agree with the Administration in regard to decontrolling the regulation of natural gas."

Weiland called attention to a statement of the Chase Manhattan bank (which, he said, was the cheerleader of the oil industry) that $220 million a day must be invested in oil and noted solar energy will always be beyond the reach of the oil monopoly. He said that an administration that spends $563 million for nuclear fission and $15 million for research and development of solar energy was trading sunshine for pollution.

MONSIGNOR HOURIHAN OF NEWARK, N.J., ASKS NATIONAL CONFERENCE OF CATHOLIC BISHOPS FOR A COMMITMENT TO THE DEAF AND OTHER HANDICAPPED PERSONS BY THE ESTABLISHMENT OF AN OFFICE FOR THE HANDICAPPED WITHIN THE U.S. CATHOLIC CONFERENCE

Mr. WILLIAMS. Mr. President, on December 4, 1975, the Bicentennial Committee of the National Conference of Catholic Bishops met in Newark, N.J., to take testimony about the role of the church and the needs of the Catholic community during the Bicentennial Year. A good friend of the disabled community and a good friend of mine, Msgr. John Hourihan, director of the Apostolate for the Deaf in the archdiocese of Newark, presented testimony during these hearings concerning the needs of the Catholic deaf and the necessity of a commitment, not a statement, regarding those needs from the National Conference of Catholic Bishops. Monsignor Hourihan asked the conference to show this commitment by establishing an office for the handicapped within the U.S. Catholic conference and establishing within that office at least one staff person expert in the needs of the deaf. Also presenting testimony regarding the needs of the deaf was Mary Heinrich, president-elect of the Deaf Archdiocesan Pastoral Council in the archdiocese of Newark.

The statements presented by Monsignor Hourihan and Ms. Heinrich reflect the concern for more than statements regarding the disabled community, but the need for concerted and sensitive action to meet the problems faced by the disabled. These good people have dedicated a great part of their lives to bringing services to the deaf and other handicapped persons in the Newark area and throughout northern New Jersey. Because I believe their statements express a broad concern of clergy and laity, I would like to have them printed in the RECORD for the benefit of my colleagues.

I, therefore, ask unanimous consent that the statements of Monsignor Hourihan and Ms. Heinrich be printed in the Record.

There being no objection, the statements were ordered to be printed in the Record, as follows:

The Need of the Deaf: A Commitment, Not a Statement

(Testimony of Rev. Msgr. John P. Hourihan, Director of Apostolate for the Deaf in the Archdiocese of Newark)*

The concern of Jesus Christ for the handicapped and the poor is central to His mission. This is revealed in the New Testament where in reply to John's disciples Jesus pointed to his deeds for these social outcasts as the sign that He really was "He who is to come." (Matt. 11: 2–6).

Pope Paul, in his address (October 4, 1973) to members of the Catholic International Bureau for Childhood, restated this concern when he stressed the need for a practical love for the handicapped stating that they were "the sign of a wounded divine presence."

The mission of the Church in the world and the mission of the people of God in each diocese can be judged by its commitments to such Christlike concerns and by the priorities relating to such concerns.

Of all the handicapped among the People of God, the deaf are the most misunderstood. This misunderstanding is a consequence of their condition resulting in a social and spiritual as well as physical handicap. Helen Keller who was deaf and blind recognized the devastating effects of deafness. Her words may help the Church in America to give a higher priority to its work among the deaf. She said: "The problems of deafness are more complex, if not more important, than those of blindness. Deafness is a much worse misfortune because of the loss of a vital stimulus—the sound of the voice that brings language, sets thoughts astir, and helps us in the intellectual company of man."

The deaf are spiritually handicapped because most of them cannot be integrated into the life of the average parish as can other handicapped people. Participation in Mass is extremely limited and only increases their feeling of isolation. The homily is impossible to follow unless they are perfect lip readers. Singing has no merit. Confession is frustrating. Spiritual direction is non-existent. Religious instruction of children is the exception. Pastoral counseling is ordinarily impossible. Participation in parish organizations is minimal and could be tokenism. Preparation for marriage is inadequate.

Consider the implications of inadequate pre-marital instructions alone. A deaf Catholic may not have sufficient understanding of the sacrament to elicit the necessary, full consent as required at the present time for a valid, sacramental marriage. How many tribunal officials consider this lack of proper instruction when judging cases in dioceses that have no program for the deaf?

The first record in the United States of a witness to Christ's concern for the deaf is the establishment in 1837 of the St. Joseph's Institute for the Deaf in St. Louis. Down through the years the Church through the activities of certain dioceses has continued an interest in the welfare of the deaf. In some instances the interest was not that of the Bishop, but rather the concern of individual laity, religious or priests. The peak of interest on the part of the Bishops came between 1945–1960 when 80 priests were assigned by their Bishops to work full-time in the ministry to the deaf. Most of these Bishops sensed the missionary thrust of the work and realized the need for specially trained priests to do it.

In recent years there has been a tendency to appoint priests to the work on a part-time basis and this leads to frustration and resentment—frustration for the priest because his Bishop does not realize that, even though small in number, they require four times as much time due to language problems; resentment on the part of the deaf who believe they are being regarded as second class Catholics. A recent encouraging trend is the increasing number of Sisters and Brothers in the Apostolate. The map before you clearly depicts the dioceses where there are programs. Such programs may be minimal as in Tucson where a lay volunteer teaches religion once a week, or very sophisticated as in Newark where there are a priest, a nun and a lay-person working full-time and 3 priests, 4 nuns and 70 lay volunteers working part-time.

At present the greatest need of the deaf and the pastoral workers for the deaf is a commitment, not a statement, from the National Conference of Catholic Bishops. It is felt that the most meaningful commitment will be the establishment of an office for the handicapped in the United States Catholic Conference in which at least one person will be knowledgeable in the area of deafness. At present, the Conference has no one to give in-put to all departments affecting Catholic life—Liturgy, Religious Education, etc. The establishment of such an office would be consistent with the "Pro Life" Campaign that has been planned. Too often parents who cannot obtain spiritual service of the Church for their handicapped children feel that the Church leaders are inconsistent worrying about life in the womb and not worrying about life after birth.

Thank you for the opportunity to inform you about the deaf and the pastoral workers for the deaf. My prayer for you is that you will prove your Christlike love for them in actions rather than words.

The Deaf—A Silent Minority

(Testimony of Mary Heinrich, President-elect of the Deaf Archdiocesan Pastoral Council, Archdiocese of Newark)

In 1974 the National Census of the Deaf revealed that in the United States there are about 410,000 people who are deaf and approximately 13,000,000 who are hard of hearing. My testimony concerns the deaf rather than the hard of hearing because the deaf suffer greater neglect and injustice. The hard of hearing can participate in the life of the parish even though there may be some difficulty. Most of the deaf, representing not only a silent minority in parishes but the smallest minority, are usually overlooked as far as their special spiritual needs.

The Catholic population of deaf people is about 95,000. Considering the family of each deaf person and its special needs we can say that those who need special ministering from the Church number 500,000.

Concern for the spiritual needs of the deaf prompted a group of laymen from the United States and Canada in 1949 to meet with interested priests to discuss their problems. Knowing that most deaf were excluded from meaningful participation in the faith-community but at the same time wanting to give the deaf Catholic a sense of identification with the Church, they founded the International Catholic Deaf Association (ICDA). I am enclosing the goals of the ICDA as an appendix so that you can see how very much the deaf yearn to be an active part of the Church and to be recognized by their Bishops for the contribution that they can make to the cause of Christ.

The ICDA is a lay organization of deaf people. It is the only organized voice for the silent minority in the Church of the United States. There is need for the National Conference of Bishops which listens to so many other national groups to lend an ear to the ICDA, otherwise this Association will die.

In each diocese the deaf adults have the same needs as the hearing. They need priests to offer Mass and administer the sacraments in a meaningful way. This means they need priests who are fluent in Sign Language. They need to know that when their priests die or become ill that there is an assistant or another member of a team ministry to the deaf available. All too often the work for the deaf depends upon one priest and when he leaves he is not always replaced.

Some Bishops say they do not have priests to give to such a small minority. This means that they are more worried about the majority who can receive the word of God easier than the deaf. Are those Bishops forgetting about Christ's remarks about leaving the flock for the one lost sheep.

I thank you for allowing me to let you know how I feel. The deaf love their Church. The deaf want to be religious. But if the Catholic Church does not show a practical love for them, then they will go to the other Christian Churches which have made a large commitment in men and money to this work. In fact in some areas where there are no priests, the Church has already lost many deaf.

I also thank Father Dave Walsh CSSR, missionary to the deaf for his help in preparing this testimony.

I leave you with one thought—where there is the will, there is a way.

ACTION NEEDED TO SPUR HOUSING INDUSTRY

Mr. HUMPHREY. Mr. President, 2 weeks ago, on January 18, I spoke to the National Association of Homebuilders about the prospects for a vigorous recovery in the economy and the housing industry. In that speech, I pointed out that there are many obstacles that black the road to a vigorous housing and economic recovery. Specifically, I expressed concern about the impact that the President's budget proposals may have on the housing industry and the economy as a whole.

In my speech, I offered an alternative housing and economic policy which I believe will put the economy back on the right track—reducing unemployment, reducing inflation, and restoring strength to the housing industry. Some of the proposals that I suggested for encouraging housing construction and stimulating the economy are new. Many are not new, but still needed. However, I do think these proposals are important, because they offer a constructive and realistic alternative to the "go slow" policies of this administration.

Mr. President, since many of my colleagues may be interested in examining alternative housing and economic policies, I ask unanimous consent that the text of my prepared remarks to the National Association of Homebuilders be included in the Record.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

Remarks of Senator Hubert H. Humphrey

It's a pleasure to be here with my friends from across the country in the National Association of Homebuilders.

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*Presented at the Bicentennial Committee on National Conference of Catholic Bishops on Thursday, December 4, 1975, Newark, N.J.

I have known and worked with your outstanding organization and with many of you for years.

I am here today as a friend, a supporter and an admirer of the tremendous accomplishments of the thousands of homebuilders in our nation.

Since 1950, the members of your organization have built 40 million single family and multi-family housing units for the American people. This incredible record of private sector accomplishment, which cannot be matched by any nation in the world, has provided the average American family with a well-constructed shelter which it can proudly call "home." Each and every one of you can be proud of this record of accomplishment.

I have been asked to give you my views about the prospects for a strong recovery in the housing industry, and the economy as a whole, in 1976. You're lucky that the President of your association had the wisdom to choose a perennial optimist to speak about this subject or you might all have left here today in a deep depression.

No one would deny that the last two years have been a disaster for the housing industry. Just a brief glance at the statistics, indicates that housing has gone straight downhill from the banner years of early 1970's when you produced 2 million or more units each year. In 1974, we plunged to 1.3 million new housing starts and 1975 was well below even that pitiful level.

Some of this collapse can undoubtedly be attributed to the decline in the national economy, but no one can deny that government policy failures played a major role.

This Administration has failed, and failed miserably, to develop and implement programs to insure a level of housing construction sufficient to meet the Nation's needs. Their policy has been simple and consistent—"Let the market take its course," even when the bottom falls out of it.

It's no wonder that the American people are so cynical about the ability of the federal government to meet their needs. Administration actions have turned the Government's promise of "a decent home in a suitable living environment for every American" into an empty promise and a cruel hoax.

For the future, there is both good news and bad news for the housing industry. To show that I am an optimist, I will give you the good news first.

Housing starts will probably increase to about 1.5 million starts in 1976, thirty percent above last year's record low level of production. Of course, things were so bad that we really had no place to go but up.

The bad news is that 1976 will not be a banner year for housing. While anything can happen in an election year. I expect mortgage interest rates to remain near their peak levels and a cloud will hang low over multi-family construction, despite Federal assistance. In short, the housing industry will continue to recover, but at a snail's pace.

The outlook for the economy as a whole is quite similar to the outlook for housing. No doubt, we had a vigorous rate of recovery in the third quarter of 1975. But in many ways this sharp upturn was only a temporary aberration, fueled by the tax rebates and shifts in inventories. Now that these factors have worked their way through the economy, we can see that our economic recovery is quite fragile.

In fact, recent evidence suggests that the strength of the recovery is already waning. Industrial production rose only slightly in October and was virtually constant in November. Housing starts actually declined again in November. Business investment in plant and equipment is expected to barely keep pace with inflation in 1976, if we are lucky. The unemployment rate has waffled between 8.3 and 8.4 percent since July. Inflation is still rising at seven percent annually. And, the all important consumer sector still lacks the confidence to fuel a strong recovery.

What this means is that 1976 is very likely to be a year of very modest growth for the overall economy. Real Gross National Product will probably rise between four and six percent—a very modest rate of growth, considering the seriousness of the recession. Moreover, unemployment will still hover between 7.5 and 8 percent, and about 20 percent of our industrial capacity is likely to remain dormant in 1976.

The President is expected to propose that Federal spending be reduced by approximately $25 billion next year. This will mean that many people and industries already staggering due to the recession, will suffer even more as community development, Social Security health and education programs, to name just a few, are slashed.

I want to cut Federal spending in areas of waste as much as President Ford. If programs aren't working we should get rid of them. But, I don't favor arbitrary budget cuts based on some "magic number," too many innocent people get hurt.

The best way to cut back on Federal spending and increase revenues is to restore the health of our economy. Strong recovery in 1976 and 1977 could greatly reduce the need to spend billions of dollars that we must now pay out in Food Stamps, Unemployment Compensation, and the like, to the victims of recession. Strong recovery would also bring in larger revenues and reduce the deficit.

Analysis done on private econometric models for the joint Economic Committee suggests that the President's budget ceiling could cut the growth in GNP in 1977 by as much as one half from the 1976 level; it could cause unemployment to climb to nearly 9 percent by the end of 1977; and it could increase, and I emphasize increase, the inflation rate. In short, the President's budget proposal could actually destroy the economic recovery before the foundation has ever been laid.

Why would a President do this to the economy? I think I have found three answers.

First, the President believes that Federal expenditures are gobbling up a larger and larger share of people's incomes and that this is providing a drain on the private economy. Second, the President believes that a rapid economic recovery will only rekindle the inflation fires that have ravaged our economy over the last three years. And finally, the President believes that many Federal programs are wasteful and ineffective.

While there is an element of truth in each argument, I believe that on all three counts the President is wrong, and his errors may cost our economy dearly.

First, Federal spending really has not changed much as a percentage of full employment GNP in the last fifteen years. In 1960, Federal government expenditures as a percentage of full employment GNP were 17.3; in 1970, 20 percent; and ironically in 1976 only 18.7 percent. Everything has gotten larger in the last fifteen years but the share going to the Federal government has *not* changed significantly.

The President's assumption that rapid recovery will rekindle inflation is also erroneous in today's economy. We are presently operating at 70 percent capacity with 8 and a half percent of our work force "officially" unemployed. There is plenty of room for expansion before we run into capacity constraints.

Finally, the President says his budget cuts are designed to eliminate waste in government. This is a fine objective and one that deserves greater attention. But, the greatest single waste in America is our failure to utilize the skill, energy, and management talent of our citizens who are currently unemployed, and our failure to utilize the tools, machinery and plant capacity of this Nation.

That's real waste and it could be reduced if this Administration gave it priority. Four to five million people idle, above what we've come to consider normal unemployment levels. Thirty percent of our plant and equipment not being used. More than 8,000 businesses forced to close their doors. $60 billion in Federal revenues lost this year alone and billions more lost to state and local governments. $300 billion in goods and services lost so far due to this recession. $1.5 trillion lost by the end of this decade in goods not produced and incomes not earned. We are all in favor of eliminating "wasteful, low-priority, government spendings"—Democrats and Republicans; Congress and the Executive. But the streamlining must be done in an organized, rational and systematic fashion. It must be done with the surgeon's scapel, not the meat ax. This is what Congress is trying to do with the new Congressional Budget process.

The challenge that we face, in the public and private sectors, is to get the economy moving again. Effective policies must be developed for many sectors of our economy; energy, transportation, agriculture and others. But, no sector of our economy is more important to a strong national recovery than the housing sector.

The housing policies of the Nixon-Ford Administrations have been little or no help. Their moratoria on federal programs, their snail's pace implementation of Section 8, their vetoes of constructive Congressional programs, and their high interest rate economics have turned the Nation away from its important housing goals.

We cannot continue to tolerate this situation.

There are several steps that we should take to restore health to our housing industry and to reinvigorate the entire economy.

First, the Executive Branch must move more aggressively to implement housing programs that Congress has enacted. The foot-dragging at HUD which has mired program after program in a morass of regulations and red-tape must be brought to an end.

Second, the Federal Reserve, in consultation with Congress and the Administration, must pursue a monetary policy that reduces interest rates sufficiently to promote private sector housing construction.

Third, the Federal government must get into the business of making mortgage money available at reasonable interest rates to the average American family.

I have introduced a bill to establish a Federal Housing Bank. It would assure a steady supply of mortgage money at a fair rate of interest—6 percent to a maximum of 7 percent—for persons who want to own their own homes. The amount of the mortgage should be that necessary to finance a modest but adequate dwelling. It is a bold idea, but the time is clearly past for tinkering.

Fourth, we must experiment with financing methods that will make housing more affordable to young families searching for their first home. I am watching very carefully, a HUD experiment that offers gradually rising mortgage payments through the life of the mortgage. In this way, a young family can have low payments at the beginning of its mortgage when its family income is low, and make larger payments as its income expands. Right now our housing programs are upside down.

Fifth, some way must be found to build decent housing without having to spend as much as 10 years in getting local, county, and state approval of building plans. This delay inevitably raises the costs of producing housing. Any single project may require that approval be sought from zoning boards, zoning boards of appeal, planning commissions, planning boards of appeal, sewer and water agencies, building commissions, sediment control boards, traffic control and engineering boards, environmental review commissions, and more.

While it may be true that many of these reviews are essential, some means must be provided for an expeditious review and a finality of decision-making that is consistent with meeting this country's need for housing.

Sixth, we must create a National Domestic Development Bank. This alternative financing method is absolutely essential. Capital investment by local governments has again slowed because money is so dear. Without the sewers, roads, schools, courthouses, recreational facilities, and health facilities, there can be no development of housing.

Seventh, we have never really had a program for the production of housing units suitable for low and very low income families. The rent supplement program, which assists families directly, has been small and not geared to produce new housing units. The traditional public housing did produce housing, but high operating costs kept rents too high for low income families. The public housing program, when coupled with an adequate program of operating subsidies, might have produced new housing, but this has not been tried, nor has Congress mandated the integration of these two programs to produce much needed housing.

We need a program to meet this very basic need. And, any such program would have to be based on a recognition that housing for very low income families would be more expensive than housing for middle income families. More expensive because:

It must be built sturdier to withstand the hard use of large numbers of children.

It must be built to be maintenance-proof for the same reason.

It must include the costs of community and recreational facilities so that these would be available when the units are ready to be occupied.

Without such an approach the only alternative is to house very low income people in slums. This is intolerable.

Finally, this country suffers from suburban sprawl that results from the luxury of not planning—a luxury which this country and this world can no longer afford. Even if we were to revitalize the building industry, so that it could produce 2.5 million units per year, we have to assure that the next quarter century of housing production does not follow the pattern of no planning which characterized the past quarter century.

Of course, the best housing policy that we can devise will be useless in the absence of a vigorous economic recovery. We need a national economic policy which will put our idle resources back to work and provide the incomes necessary for a healthy housing industry and a healthy economy. Very briefly, I would propose:

1. A jobs program that will get people off the dole and back to work. We should double the number of subsidized public jobs to at least 600,000 immediately. We must also work toward a policy that will provide a job to every American able and willing to work.

2. Anti-recession aid to state and local governments hard hit by recession to allow them to maintain essential services without raising taxes. This will soon be on the President's desk.

3. Extension of the tax cut through all of 1976; we will undoubtedly need it.

4. Emergency public works projects in areas with high unemployment, have just been passed in Congress. They can meet important community needs and provide good jobs.

5. A monetary policy that is expansive enough to reduce interest rates and support a strong recovery in the housing industry.

If we put all of our idle resources back to work with consistent and compassionate economic policy, we will whip inflation, we will get our people on the job and off the dole, we will reduce interest rates, we will begin to meet our National housing needs and we will balance the Federal budget.

It is time that the helm of national leadership be placed firmly in the hands of those who have faith in America—people who can restore our economy to health and show all of our people that this is *their* government and that it can be effective in meeting *their* needs.

FOREIGN POLICY AND CONSTITUTIONAL PRINCIPLES

Mr. CHURCH. Mr. President, I submit for insertion in the RECORD portions of testimony before the House Select Committee on Intelligence by Roger Fisher, professor of law at Harvard University, as it appears in Foreign Affairs Newsletter. Professor Fisher speaks to a simple proposition: That our Nation was founded on moral principles, has strayed from them and should now come home to the highest moral standards to which a government can aspire.

Rather than bemoaning the fact that ours is an open society, Professor Fisher calls upon us to live by our principles. He says:

> Our strength is not in dirty tricks. The United States as a society is handicapped in fighting by secret, illegal, underhanded means. We are, fortunately, restrained by moral principles. And we cannot keep our dirty linen private. We cannot expect that a national trait of which we have been proud from the time of Peter Zenger to the Pentagon Papers is going to be put aside when faced with one more argument about national security. Rightly or wrongly, we must be prepared to have our covert operations become public knowledge.
>
> We should join the battle where we can win. Let's compete in terms of freedom, candor, generosity and tolerance for the views of others. We are far more likely to gain world support on that battlefield than by competing for prizes in subversion, deception, bribery, illegality, and other forms of dirty tricks.

I ask unanimous consent that the relevant portions of Foreign Affairs Newsletter be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

A THOUGHT FOR THE BICENTENNIAL YEAR: 200 YEARS AGO WE KNEW SOME "TRUTHS TO BE SELF-EVIDENT"—WE ESTABLISHED A GOVERNMENT DEDICATED TO THE PROPOSITION THAT WE DO NOT FIGHT CRIME WITH CRIME

From time to time in our limited space we focus on significant statements made in the congressional environment which have been overlooked in the daily press. On December 10, 1975, Roger Fisher, Professor of Law at Harvard University, testified before the Select Committee on Intelligence of the House of Representatives (the Pike Committee). His testimony, which will be available in due course from the Committee, was blanketed in the press by titillating testimony which we have already forgotten, but these excerpts from opening portions of Professor Fisher's testimony we will long remember:

MORALLY WRONG

Some things are morally wrong, just plain wrong. Even if we could make them legal—even if we could "get away" with them—we ought not to do them. What was wrong with Nazi Germany was not that it was illegal, or that it was unsuccessful. Evil conduct is judged by standards far more basic than that. Civilization—all the teachings of religion, history, literature and philosophy—demand that our conduct be principled and justifiable. Conduct that is wrong for others is wrong for us. Unless we adhere to some moral standard, we have no basis for saying that our views ought to prevail.

Each of us has his own way of refreshng his individual conscience, but we must collectively remind ourselves that before we had a Constitution we recognized some first principles about right and wrong. Two hundred years ago we knew some "truths to be self-evident," that there were "certain unalienable Rights" and that some situations must be judged by "the Laws of Nature and of Nature's God," and by according "a decent respect to the opinions of mankind."

Much of what the Central Intelligence Agency has been doing cannot stand such a test. We should proudly bring the highest moral standards to bear on our governmental conduct. We should do those things of which we and the next generation will be proud.

Almost 200 years ago, when we were far weaker and far more vulnerable than we are today, this country made the basic decision that in time of peace we would fight evil with good, not with evil. We established a government dedicated to the proposition that we don't fight crime with crime; we don't fight corruption with corruption; we don't fight delinquency by becoming delinquent. We committed ourselves to fight closed societies by being an open society; to fight the evils of police states by being a government under law. At a time when there was far less democracy in the world than there is now, we chose our weapons, and we chose well. We will fight wrong with right.

OUR STRENGTH IS NOT IN DIRTY TRICKS

The United States as a society is handicapped in fighting by secret, illegal, underhanded means. We are, fortunately, restrained by moral principles. And we cannot keep our dirty linen private. We cannot expect that a national trait of which we have been proud from the time of Peter Zenger to the Pentagon Papers is going to be put aside when faced with one more argument about national security. Rightly or wrongly, we must be prepared to have our covert operations become public knowledge.

We should join the battle where we can win. Let's compete in terms of freedom, candor, generosity and tolerance for the views of others. We are far more likely to gain world support on that battlefield than by competing for prizes in subversion, deception, bribery, illegality, and other forms of dirty tricks.

WE CORRUPT THOSE WE HELP

In other countries there are undoubtedly some good people deserving of our support. But support of an otherwise good man, either in violation of local law or secretly in ways about which he must lie and deceive, corrupts the very person we are trying to help, and corrupts the very society we are trying to assist. Any political leader who is secretly in the pay of a major foreign power becomes through our efforts a dishonest man.

The dirty tricks in which we engage prevent us in a very direct way from trying to stop the dirty tricks in which the Russians or others may be engaged. In any particular African state there is likely to be a modus vivendi in which the CIA operative does not disclose to the local government what the Soviets are doing for fear that the Soviets will disclose what we are doing. If we refrained from any covert operations beyond gathering intelligence we could hold the Soviet Union to the same standard. We could help the local government enforce the law rather than join the Soviet Union in tearing it up.

WE AFFECT OTHER COUNTRIES BY OUR EXAMPLE

The power of our example is probably greater than that of any other country. If the country of Thomas Jefferson, Abraham Lincoln, Franklin D. Roosevelt, and Dwight Eisenhower intervenes illegally in the internal affairs of other countries, engages in violence there, and tries in deceptive and dishonest ways to have its will determine who shall be their political leaders, we break down self-restraint by other governments. As the richest and most conspicuous country in the world we are a model for others. We set the pattern. We have more opportunity than any other country to determine the criteria by which merit and success are measured. We can insist that proper criteria are those of honesty, fairness, respect for the views of others, and a decent respect for the opinions of mankind. Or we can announce by our deeds that one is properly measured by ruthlessness, unprincipled violence, and by the abilities to deceive, and to wreak one's anger on others. Actions do speak louder than words. To a substantial extent we set the tone and style for the conduct of international affairs. By getting into the mud because others are there, and by trying to outdo them at the dirty business, we do not abandon our leadership role; we exercise it.

CONCERNS OF THE NEW JERSEY DEAF COMMUNITY AND RESPONSE OF DR. FRED BURKE, NEW JERSEY COMMISSIONER OF EDUCATION

Mr. WILLIAMS. Mr. President, over the last several months I have received correspondence from the deaf community in New Jersey concerned about the need for increased involvement of deaf individuals in policymaking at the local, State and national level. I have responded to these concerns from the Federal perspective and wrote also to Dr. Fred Burke, Commissioner of Education in New Jersey, in order that he might respond to their concerns on the local and State level.

I have received a response from Dr. Burke regarding the State's efforts in these areas. Because I want to make these views known to the many deaf individuals who have written to me and because they might also be of interest to my colleagues and to the deaf community in other States, I ask unanimous consent that the two letters from New Jersey constituents be printed in the Record, together with my letter to Dr. Burke and his response to me.

There being no objection, the material was ordered to be printed in the Record, as follows:

Hon. Harrison A. Williams, Jr.
352 Russell Senate Office Building,
Washington, D.C.

Dear Senator Williams: I am a profoundly deaf adult taxpayer in New Jersey. I support the recent requests made by the New Jersey Association of the Deaf in Washington, D.C.

Of prime importance now is that the newest legislation for the handicapped properly identify the PROFOUNDLY DEAF child.* Otherwise, we will continue to be deprived of education and services according to OUR needs. We are not "hearing impaired," and we are not "hard of hearing." I have particular reference to bills known as:

1. "Education for all Handicapped Children Act of 1975."
2. "Developmentally Disabled Assistance and Bill of Rights Act."

Please advise as soon as possible what action you are taking in response to this request.

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*Profoundly Deaf describes those who cannot benefit from amplification of sound; with their eyes closed they cannot understand spoken sentences. A detailed professional terminology was made available during the last week of July, in Washington. It is the article by Dr. Brill. It is in the Total Communication Handbook also; Ms. Lisa Walker and Ms. Judy Heumann were contacted.

Hon. Harrison A. Williams, Jr.,
352 Russell Senate Office Building,
Washington, D.C.

Dear Senator Williams: We know you are sincerely interested in helping the handicapped. Unless we are properly identified as "profoundly deaf," * we will continue to be deprived of the education and services essential to our unique handicap.

We want Gallaudet College Pre-College programs to benefit us at the State level. We want our children educated as they are at the model schools we are supporting through Federal taxes. We want deaf education leaders to be decision-makers in legislation for the handicapped alongside the other "handicapped" leaders. (This includes the hard of hearing as well as the hearing impaired alongside profoundly deaf professionals).

The inclusion of "theatre" and "culture" of the deaf in legislation for the handicapped is interesting. Basic education for the children according to our unique needs is what others and we of the profoundly deaf community are interested in.

Please advise as soon as possible what action you are taking in response to this letter.

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* "Profoundly deaf" describes those who cannot benefit from amplification of sound; with their eyes closed they cannot understand words spoken in sentences.

Committee on Labor and
Public Welfare,
Washington, D.C.

Dear Friend: Thank you for your letter concerning services for the profoundly deaf in the State of New Jersey.

I am aware of the unique needs of persons who are profoundly deaf and recognize that many of these needs, as with the needs of other disability groups, are not being met throughout the United States. This is why I have worked so hard to assure passage of my bill, S. 6, the Education for All Handicapped Children Act.

S. 6 requires that each handicapped child be provided appropriate educational services at no cost to the parent, developed during meetings between the parent and the educational system. By 1978, all handicapped children will have to be receiving these services. Funds under the bill may be used for the early identification and assessment of handicapped children under three years of age, which is of particular importance to the profoundly deaf.

The definition of "handicapped children" includes the hard-of-hearing and the deaf, and the bill requires that these children receive an appropriate education. The State is required to consult with individuals concerned with the education of handicapped children before submitting plans or publishing regulations, and the bill requires a panel, half of whose members are handicapped individuals or parents of handicapped children, to assure compliance with the Act.

Persons who are deaf are not covered under the Developmental Disabilities Act unless the deafness occurs with cerebral palsy, epilepsy, autism, or mental retardation.

Because of the concerns you have raised regarding the provision of services to the profoundly deaf in New Jersey, I am writing to Dr. Fred Burke, Commissioner of Education in New Jersey, regarding the services presently provided to the profoundly deaf and raising the issues you have mentioned. I will contact you after I receive a response.

Sincerely,
Harrison A. Williams, Jr.,
Chairman.

December 18, 1975.

Dr. Fred Burke,
Commissioner of Education, New Jersey State Department of Education, Trenton, N.J.

Dear Dr. Burke: I am forwarding to you copies of two form letters I have received from the deaf community in New Jersey raising a series of questions regarding Federal legislation and the operation of programs for the education of profoundly deaf children in New Jersey. These letters followed a meeting which my staff held with Mrs. Alice Soll and another representative of the deaf community while they were in Washington. At this point I have responded to these issues with regard to most recent Federal legislation such as Public Law 94–142, the Education for All Handicapped Children Act, and the recent amendments to the Developmental Disabilities Act. I have, in addition, informed the writers that I would be contacting you with regard to their concerns about the education of profoundly deaf children in New Jersey.

In the prior meeting with Mrs. Soll several concerns were raised, centering around the education methods of teaching deaf children (i.e., oralism versus total communication) and the desires of deaf adults to have deaf children taught through total communication and the extent of involvement of deaf adults in education policy development for deaf children. Concern was expressed over individuals who would be recruited to supervise the direction of deaf education in New Jersey, the lack of utilization of teaching methods and curriculum developed at the Model Secondary School for the Deaf and Gallaudet College in Washington, D.C., and the lack of adequate statistical information regarding deaf children in the New Jersey public schools.

At the time Mrs. Soll left Washington she indicated that she intended to request a meeting with you and with Dr. Ringelheim to see if some of these concerns could be resolved. I do not know if you have had the opportunity to meet with her, but I would deeply appreciate your providing me with information regarding what the Department is doing to involve the deaf community and to meet these concerns.

With best wishes,
Sincerely,
Harrison A. Williams, Jr.,
Chairman.

State of New Jersey,
Department of Education,
Trenton, N.J., January 13, 1976.

Hon. Harrison A. Williams,
Russell Senate Office Building,
Washington, D.C.

Dear Senator Williams: The State Department of Education and I appreciate your concern regarding the education of the deaf in the State of New Jersey, and appreciate also, your concern and involvement with our deaf constituency.

I would like to share with you a position paper on Total Communication which was developed at our residential school, The Marie H. Katzenbach School for the Deaf. This paper and this position has been shared with our Department of Special Education and administration representing programs for the deaf all over the state.

The State Department of Education and the State Board of Education have adopted an Affirmative Action Policy which will insure that individuals who are deaf have access to state employment on all levels. As a part of our Affirmative Action Plan, we are pledged to recruit qualified individuals (hearing or deaf) to coordinate and direct our programs and services for the deaf.

The new Superintendent at the Katzenbach School is working closely with other schools and programs to utilize methods and curriculum materials into our state. Within the past months our state school has been visited by both the Kendall School and the Model Secondary School for the Deaf in Washington, D.C. in order to share materials. Our state will be establishing a new liaison with Gallaudet College and the Superintendent of our state residential school will be attending a workshop at Gallaudet in February.

I have every reason to believe that we have an outstanding program for deaf children in the State of New Jersey. We anticipate the establishment and maintenance of regional programs for the severely handicapped and this will include the deaf.

Admittedly there is much to be done for and with the deaf statewide and nationally, and we would hope to play a significant role by upgrading and expanding services in our state. It is our intent to actively recruit qualified and skilled professionals in the area of the deaf.

We appreciate your interest and support of our program for the deaf in the State of New Jersey.

Sincerely,

FRED G. BURKE,
Commissioner.

Enclosure.

MARIE H. KATZENBACH SCHOOL FOR THE DEAF— TOTAL COMMUNICATION GUIDELINES

The Marie H. Katzenbach School for the Deaf is committed to moving toward utilization of the educational concept known as Total Communication. Some people like to use "total approach" for what seems to envelop the same philosophy.

DEFINITION

We prefer to use the definition of Total Communication as developed by Dr. David Denton of the Maryland School for the Deaf and endorsed by the National Association of the Deaf.

Total Communication is the right of every deaf child to learn to use all forms of communication so that he may have the full opportunity to develop language competence at the earliest possible age. This implies introduction to a reliable receptive-expressive symbol system in the preschool years between the ages of one and five. Total Communication includes the full spectrum of language modes: child-devised gestures, formal sign language, speech, speechreading, fingerspelling, reading and writing. Every deaf child has the opportunity to develop any remnant of residual hearing for the enhancement of speech and speechreading skills through the use of individual and/or fidelity group amplification systems.

Total Communication is an inclusive system, and not an arbitrary nor exclusive method. In the case of Total Communication, the choices are made by the child rather than by the teacher. The Total Communication system emphasizes proper and maximum usage of speech, speechreading, auditory training, signs, fingerspelling, reading, writing and gestures.

It is important that the Marie H. Katzenbach School's professional staff be well acquainted with the Total Communication concept, the components thereof, and the ramifications (real or imagined) associated with it. If one is ever in doubt as to how to answer a question pertaining to our school's philosophy on Total Communication, you should direct the questioner to a department head or to Mr. Philip Cronlund.

STAFF ORIENTATION AND TRAINING

Staff orientation and training is vital to moving the school toward Total Communication. Until all the staff are trained in the philosophy of Total Communication, as we interpret it to be used at the Marie H. Katzenbach School for the Deaf, it is not possible to establish it. We are not endorsing manualism but Total Communication. We expect to enhance oral skills by Total Communication NOT diminish them. Training personnel will be a complex program and will not consist of just learning fingerspelling and signs.

Teachers are not the only persons who will be required to train in-service. All staff, houseparents, kitchen workers, maintenance personnel, everyone will be involved. Naturally, as personal skills dictate, the program will be adjusted. For example, a deaf teacher, who is extremely efficient using the language of signs and fingerspelling may be excused from that part of the training, but would have to attend the meetings concerning the overall philosophy, auditory training and the like. We will be fair to staff and receptive to your ideas for constructive change, but we expect you all to get solidly behind this effort to improve the lots of our hearing handicapped students.

TOTAL COMMUNICATION—WHY?

Now let's discuss for a moment the practical application of a system of Total Communication and more specifically, the legitimacy of the language of signs as an important part of this system. Very briefly, the gesture system devised by the young deaf child may be viewed as the initial step in attempting to communicate and can be expanded into the more structured forms of communication such as fingerspelling, signs, reading, writing, speechreading and speech. It has been observed that the language of signs which the deaf child learns from his deaf parents, used syntactically, serves as the foundation for formal language growth, in addition to being the key to early concept development. If this system is workable for the deaf child of deaf parents, then it is workable for the deaf child of hearing parents. The deaf child progresses manually as the hearing child progresses auditorially, from signs to words, then to phrases and into sentences. It has been noted, also, that when parents speak along with the signs, the child automatically associates the oral symbol with the manual symbol, resulting in reinforcement for speechreading. The various components of the communication system, fingerspelling, signs, speech, speechreading, auditory training, are used in concert in a relaxed and natural manner. There are no either or extremes nor any tradeoffs. If I am not mistaken, this is what communication is all about.

Further, we at the Katzenbach School, recognize and respect:

1. Individual differences in children.
2. Expressive and receptive communication requires different skills and we have evidence that the two skills may not be present equally in our students.
3. A measurable difference between potential and achievement/functioning of our students.
4. Recommendations from other education facilities plainly stating the child's failure to succeed under only one approach.

Assuming that a child could learn expressive and receptive communication orally equally well, ignoring individual differences in children, attempting to teach a new language through speech-reading as the receptive channel of communication, assuming oral skills could not develop if manual communication is allowed, and disregarding emotional problems that arise out of frustrated communication are the factors that have contributed to the low educational level we are concerned about.

AT THE MARIE H. KATZENBACH SCHOOL

All teachers and other staff will participate in the in-service training program at our school, albeit to differing degrees. Schedules for meeting times, places, teachers and the like will be forthcoming very soon. Department heads and I will cooperate in scheduling.

We understand that there will be mild grievances or conflicts associated with this new policy. I welcome the opportunity to discuss such with you in an effort to improve our school. I trust that they will always be professional.

PARENT ORIENTATION AND TRAINING

There is no way to claim we are moving steadily toward Total Communication at the Katzenbach School until parents accept it as a family communication system. Here, again, the training is more than fingerspelling and the sign language. It will not be easy. Parents are going to have to be prepared to make sacrifices of time and possibly a small amount of money for support of regional classes in Total Communication.

Let's stop misleading parents with euphemisms like "hearing impaired," "Your child is just like a hearing child, except that he doesn't hear," "manualism versus oralism," "Your child will grow up to have speech almost like his hearing peers," and the like. We must make it very clear that parents, siblings, relatives and others in the deaf child's immediate environment must be receptive to Total Communication and they must be willing to devote time and effort to learning about the system. Language development in all its forms is communication based, and further, communication is interaction based.

Parents must understand that they, above all others involved, are particularly important when determining the success or lack of success in the Total Communication system. Language development is a product of communication and communication grows out of human interaction. Implicit in this is the total involvement of parents in the lives of their deaf children through positive and consistent interaction, made possible through meaningful communication.

Department heads and I will be responsible for scheduling meetings with parents and other interested persons for encouraging Total Communication. We understand that a solid family unit is of the utmost importance to the well being of a child and we will schedule in cooperation with parental desires and needs. However, it must be understood by the parents that their cooperation is absolutely essential and their role absolutely vital to the ultimate hoped for product—a well adjusted deaf person with language competence.

COMPONENTS OF THE TOTAL COMMUNICATION SYSTEM

As mentioned earlier in this discussion, the system of Total Communication as adopted by the professional staff at the Katzenbach School, has several components. They are: child devised gestures, speech, formal signs, fingerspelling, speech reading, reading, writing and auditory training.

THE IMPLICATIONS OF TOTAL COMMUNICATION

Total Communication is a philosophy, not a methodology. There is nothing new or frightening about this philosophy as the deaf have been using this since Laurent Clerc arrived in this country. The term "Total Communication" has been coined by the professionals to recognize our obligation to develop maximum communication.

Total Communication extends far beyond the classroom and dormitory. Total Communication is not only a philosophy but an attitude that we develop toward all individuals who are deaf. We recognize both children and adults as equals and peers by recognizing their right to be involved and participate in *all* communication situations. This can be anywhere from the casual informal conversation which an individual who is deaf has the right to see and participate in if he so chooses, to a formal lecture situation whereby all participants utilize Total Communication.

Total Communication is not simply the mastery of sign language, but the recognition of the right of the individual (regardless of age) to participate in communication to his maximum potential. This involves always signing and speaking when a deaf person is present, making the extra effort to see that the deaf person is included when in the company of people who do not sign, not speaking to another person and leaving the deaf person wondering what the conversation is about and interpreting accurately and professionally on the phone.

Again, it is stressed that it is equality of the individual who is deaf which must be recognized. This is paramount. The tradition of second-classness and the attitude of subservience will and should dissipate.

Total Communication then, is not only a philosophy adopted by a school, but also a communication attitude taken on by the individual who is hearing.

THE VALUE OF LUNAR SCIENCE

Mr. **MOSS**. Mr. President, it is only a little more than 3 years since men last walked on the Moon. In the interval, the applause for the Apollo program has faded away and with it much of the public support for the space program. Most of us are unaware, however, that dedicated scientists at the National Aeronautics and Space Administration and elsewhere have continued to study the lunar materials brought back by the six Apollo crews that landed on the Moon.

Only about 10 percent of the 843 pounds of lunar material obtained in the Apollo program has been studied in detail, and another 10 percent of the approximately 10,000 numbered specimens is being analyzed now.

Included in the material still to be analyzed are the long tubes of lunar soil collected on the last three missions. These tubes were driven up to 10 feet into the surface to obtain soil samples in depth. A first look at these samples indicates they may provide a decipherable record of the path of the Sun and the solar system through the Milky Way galaxy for the last 500 million years. During that time, radiation and particles from the Sun and other stars have bombarded the lunar surface. Evidence of this bombardment should be contained in the core soil samples and provide useful information on the recent history, in geological terms, of the Earth and Moon.

The Apollo program already has given us insights into the early history of the Moon from the formation of the solar system about 4.6 billion years ago until the Moon ceased being active about 3.1 billion years ago. While this information has cleared up many misconceptions about the Moon, it has not answered some basic questions and has led to the raising of others.

For example, lunar scientists are still hotly debating how the Moon originated. This question now seems to be tied closely to the larger one of how the solar system was formed. One reason for the difficulty in answering questions about the Moon is that the Apollo program has shown it to be a unique body that has undergone extensive chemical and physical evolution. Our program of space research also has shown that the other inner planets, Mars, Venus, and Mercury, have undergone similar evolution. A decade ago, it was widely held that Earth was unique in having a complex geological history.

It is ironic, Mr. President, that the nature of the solar system and its bodies has become an object of great scientific interest at the same time that public interest and support for space exploration has waned.

It is important even in this time of economic difficulty and uncertainty that we continue a moderate and balanced program of exploration in space to maintain the scientific talent and facilities we have already paid for. A prime example is NASA's lunar science program.

In the upcoming hearings and action on NASA's fiscal 1977 budget authorization request, Mr. President, the Committee on Aeronautical and Space Sciences will insure that the lunar science program goes forward. It would be foolish to downplay study of these lunar samples that were obtained at great effort and expense. They contain a priceless record of the early solar system that has long been obliterated on Earth.

I hope my colleagues will join in continuing to support a modest program in lunar science.

PACEM IN TERRIS IV

Mr. HUMPHREY. Mr. President, today I bring to the attention of the Senate some of the statements presented at the Pacem In Terris IV Conference, held in early December. This was the fourth session assembled since the first was held in New York in 1965.

Mr. Milton Hakel in the December 18 article in Minnesota Agriculture, entitled "New Directions in U.S. Foreign Policy," reports that the Pacem In Terris IV, lasting but 3 days, represented a strong beginning in the examination of what our foreign policy goals should be in the future.

Maurice F. Strong, executive director of the United Nations Environmental Programme, pointed up in his statement that "while we do have a world economy we do not have an effective world system of economic management." The creation of such a system should be of the highest priority for the world community in order to set the minimum parameters for international cooperation.

Technology, according to Strong, is what this civilization is run on, and to keep it functioning a vastly revised system of global economics must be devised. The U.S. security, not to mention the rest of the world, may well depend on it. He suggests that we need a "new international economic order."

The Constitution of the United States clearly provides for the executive and legislative branches sharing powers and checks and balances throughout the system. Yet, as Congressman JOHN BRADEMAS pointed out in his Pacem In Terris IV statement—

> In recent years, Congress has been largely excluded from a significant role in the development of American foreign policy.

But this has changed since the 1973 vote in Congress to end funds for U.S. military involvement in Vietnam, the passage of the War Powers Act, and the rejection by Congress last year of President Ford's pleas for more military aid for Southeast Asia.

It is true that the Constitution assigns to the President principal responsibility for the conduct of foreign affairs, but most would agree that Congress needs to play a stronger participatory role in working with the executive branch on foreign policy than had been the case in recent years.

The Congressman suggested three important roles for Congress in the field of foreign policy matters: First, Congress can establish, through laws, principles that govern the Nation's course.

Second, Congress can oversee the implementation of these principles by the executive branch.

Third, under the Constitution, the Congress has the power to appropriate money essential to carrying out policy abroad.

The Congressman then outlined how we should attempt to deal with the developing world through "bargaining, negotiation, compromise, and accommodation."

Mr. President, I ask unanimous consent that the article and the two statements be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Minnesota Agriculture, Dec. 18, 1975]

NEW DIRECTIONS IN U.S. FOREIGN POLICY

(By Milton D. Hakel)

It started with a Pacem-in-Terris (Peace on Earth) encyclical issued by Pope John XXIII at Easter-time in 1963. In it he declared:

"Justice, right reason and humanity urgently demand that the arms race should cease; that stockpiles which exist in various countries should be reduced equally and simultaneously by the parties concerned; that nuclear weapons should be banned, and that a general agreement should eventually be reached about progressive disarmament and an effective method of control."

That encyclical, interpreted by the Communist world as a serious gesture from the Western nations suggesting a reduction in Cold War tensions, could, according to Robert Maynard Hutchins, president of the Center For Study of Democratic Institutions, have provided the opening for a new era in international relations, but for the intervention of the Vietnam fighting on a huge scale.

Hutchins summoned the first Pacem in Terris convocation in New York City in February, 1965, opening the session with the pointed question—"How can we make peace—not peace through the medium of war, not peace through the dreadful mechanisms of terror, but peace, pure, simple and durable?"

Pacem in Terris II followed in 1967, then Pacem in Terris III in Washington, D.C. in late 1973. These convocations attempted to reasses U.S. foreign policy as conditions changed.

But because the new foreign policy initiatives with Peking and Moscow and the Strategic Arms Limitation Talks (SALT) have failed to stem the escalation in world tensions, Hutchins and the leaders of the Fund for Peace joined in calling Pacem in Terris IV, held in early December in Washington, D.C.

An intensive three-day program, featuring 15 major presentations and critiques by another 40 specialists in national and international affairs, was designed to bring out foreign policy issues that ought to be debated in the 1976 Presidential campaign.

Several of the major speakers, we thought, were able to point up the new realities which prevail in today's world—and in doing so, helped discover the possible basis for new approaches which can be more successful than our current policies and efforts.

Certainly, there are new realities today—the all-time low in U.S. influence in the United Nations; the new weapons being created to circumvent arms limitations, such as the Backfire bomber in the USSR and the cruise missile in the U.S.; the almost overwhelming stress which energy, inflation and unemployment are imposing upon the nation states; the toll of the twin scourges of famine and poverty dealing a setback to the progress which the developing nations had been making; the toll of conventional and nuclear arms so ruinous to economic systems and humanity as well; the changes which escalation of the Sino-Soviet power struggle portend in reducing our U.S. military security needs; and the 180-degree turn-about in U.S. policy regarding international economic cooperation proposed in the Special UN Assembly in September, if, indeed this was something more than a gesture.

We were advised by a U.S. cabinet member that there are only 24 democracies left in the world. Another major speaker noted that of today's UN members, half have had a violent internal change of government within the past 11 years.

In the three short days of Pacem in Terris IV, no platform or no consensus was expected to emerge and none did. But it was a strong beginning, if nothing more, in examining what our foreign policy goals might be.

More important than what the President and the Executive branch ought to be doing, or what the role of the Congress should be, Pacem in Terris IV, like its predecessors, has helped the individual citizen recognize the need for his and her own involvement.

One cannot measure that impact Pacem in Terris IV may have, but if the questions raised there can echo and re-echo across the countryside, we could eventually see a Pressure For Peace emerge in as compelling a way as did the Pressure Against War in our Vietnam conflict. And this new kind of pressure could, in contrast to the devastating divisiveness of the Vietnam era, be a healing and unifying thing.

Address by Congressman John Brademas at the Pacem in Terris IV Convocation

I am pleased to have been invited to take part in this convocation and to join two such distinguished authorities as Charles Yost and Kenneth Thompson in discussing the political dimension of our relationships with the developing nations.

Of the three of us, one is a diplomat, another, a scholar, and a third, which is I, a politician.

As a Member of Congress, I cannot, of course, speak from the experience at the United Nations of Ambassador Yost or with the knowledge of international development of Dr. Thompson.

Indeed, I do not even sit on the committees of the House of Representatives with principal jurisdiction over foreign affairs.

On the other hand, as a Congressman, I must often vote on legislation affecting our relations with other countries and beyond this obvious fact, I have long had a particular interest in foreign policy. It may amuse you to know that when I was a graduate student in international affairs at Harvard, two of my contemporaries there were Henry Kissinger and James Schlesinger.

Indeed, only last Saturday I returned from Nairobi, where I had been attending the Fifth Assembly of the World Council of Churches at which many of the themes being discussed at this convocation were also under lively review.

So I shall offer you some observations and propositions tonight not from the perspective of a diplomat or expert but that of a Congressman from Indiana who is not without views on the subject of this evening's session.

My first assertion is, in fact, this: that in the making of American foreign policy, including policy toward the Third World, there must be a crucial role for Congress.

I commence with this point because there are people in this city, some in very high places, who despite their rhetoric about the joys of executive-legislative "partnership" in foreign affairs, do not really believe that Congress should be significantly involved in the shaping of our foreign policy.

Such persons, in my view, simply do not understand the Constitution of the United States, they do not in their bones appreciate that the American Constitution is neither a charter for authoritarian government, in which one man or a group of them makes all the crucial decisions, nor a prescription for parliamentary democracy, in which the legislative branch must, by definition, support the executive.

The American Constitution is different. It is based on separated institutions sharing powers, and checks and balances run throughout the system.

Yet over the last generation and, increasingly in recent years, Congress has been largely excluded from a significant role in the development of American foreign policy and until a short time ago was relegated—often, I fear, with its own acquiescence—to the role of rubber stamp or cheerleader for the executive branch.

But as a consequence of Watergate and Vietnam, this relationship between Congress and the White House is no more.

I list only three bits of evidence for the validity of this assertion: the 1973 vote in Congress to end money for U.S. military involvement in Vietnam, passage that year of the War Powers Act, imposing restrictions on the power of a President unilaterally to plunge the nation into war, and the rejection by Congress earlier this year of President Ford's pleas for still more military aid for Southeast Asia.

I could, of course, cite as well the series of votes in Congress cutting off arms to Turkey following the utilization by Turkey of American weapons in August of 1974 for the invasion and occupation of Cyprus, in clear violation both of American law and of bilateral agreements between that country and the United States.

Or, especially relevant to tonight's discussion, I could point to the fact that the reshaping in 1973 of our foreign aid program toward greater emphasis on social and economic development in the poorer countries was an initiative not of the executive branch but of Congress.

And because this evening we are to discuss the political dimension of our subject, I want to linger a little longer on the point I have just made, that Congress must play a much more important role in our foreign policy.

I believe that most objective observers would agree that although the Constitution assigns to the President chief responsibility for the conduct of foreign policy, there are three major roles appropriate to Congress in this field.

First, Congress can establish, through law or in other ways, or give sanction to, certain principles that govern the nation's foreign affairs. I here cite NATO, trade agreements and arms control treaties as but three examples.

Second, Congress can oversee the implementation of these principles by the executive branch. Clearly, Congress cannot—nor should it—run foreign policy on a day-to-day basis. But, equally clearly, Congress has the right, indeed, the obligation, to monitor the executive branch in its direction of foreign affairs.

Third, under the Constitution, it is Congress that has power to appropriate money, essential to the carrying out of policy abroad as well as at home.

I here recall my earlier observation about the nature of the American charter of government. Ours is a constitutional democracy where, as I once heard Carl Sandburg tell Congress, in describing Abraham Lincoln's view of our system, "where the people have the say-so."

I can put my point another way by quoting that American of long experience and much wisdom in foreign affairs, Averell Harriman:

"No foreign policy will stick unless the American people are behind it. And unless Congress understands it, the American people aren't going to understand it."

And here I would press another proposition directly related to the subject of our panel.

It is that members of the executive branch, elected and non-elected, are not always, to be as gentle about it as possible, correct in their assessments of our national interests. This, indeed, is one of the reasons for our separation of powers system and why it is imperative that a vigorous, indeed, at times, feisty, Congress is indispensable to checking and correcting the missteps of the executive in the life or death arena of foreign affairs.

It was not Congress after all but President Ford who asserted that the loss of Cambodia "could vitally affect the national security of the United States".

Nor was it Congress but the Secretary of State who contended that so inextricably linked to each other were America's global commitments that a failure in Vietnam meant that all was lost everywhere, that no one would ever again believe America's word.

It is of such overblown and extravagant rhetoric, unrooted in realistic judgments about our genuine national interests, that the seeds of future conflicts are sown.

I trust that what I have so far said, and will later say, suggests no rush of Congress, like the Gadarene swine, over the cliff into the abyss of isolationism.

Neither Senators nor Congressmen nor the American people who elected them are going isolationist.

The American people, however, and their Congress, are unwilling any longer to support a universalistic interventionism that sees our national interests equally at stake everywhere.

A thoughtful internationalism then, neither an impossible isolationism nor a mindless adventurism, ought to be our prescription for the future.

Against the background of these observations, let me now turn to the subject immediately before us and to argue that in the relations of the United States with the countries of the Third World—whether those relations are conducted in the forum of the United Nations or elsewhere—the path of confrontation is not the wise or sensible one to travel.

Rather, I would insist, the best interests of the United States and, ultimately, of a stable, peaceful and just world order are more effectively advanced by the processes of bargaining, negotiation, compromise and accommodation.

So let me plunge into the debate between the confrontationists and the accommodationists, to use the jargon current in these matters.

Here I think it useful to begin by referring to Secretary Kissinger's thoughtful speech of last September 1 to the Seventh Special Session of the United Nations General Assembly, for that speech marked a significant change in the attitude of the United States toward the developing nations.

The speech was important to the developing countries in the United Nations not because it contained the specific proposals for which they had been pressing but rather because it demonstrated a willingness by the United States to recognize that the continuing demand of the 77 countries of the South for meaningful negotiations on development was a legitimate one and, moreover, that the United States was willing to begin, in a variety of forums, the process of negotiations.

I am here indebted to Roger Hansen, a senior fellow of the Overseas Development Corporation, for the observation that at the Seventh Session, "those developing countries least interested in scoring empty ideological victories and most interested in producing a resolution on international economic reforms acceptable to the industrialized countries prevailed within the Southern bloc."

That the American proposals of September 1 produced such a courteous response, given that they contained little substantial financial commitment, suggests that in no small measure responsible for the solidarity of the South and the prominence of the radicals within the Group of 77 over the past two years has been the diplomacy, or lack of it, of the United States. With the U.S. saying "no" to nearly every request of the developing countries in nearly every international meeting-place, it should surprise no one that the moderates within the Group of 77 were bereft of much bargaining power and that the radicals were able to exercise an influence far beyond their numbers within the Group.

For most of the developing countries of the Seventh Special Session wanted negotiation with the North, not confrontation.

I here commend to your attention a recent and relevant analysis of the North-South encounter in the form of a most thoughtful essay by Tom J. Farer in the current issue of Foreign Affairs.

Farer's piece, which must have been written before the controversy arising from Ambassador Moynihan's remarks concerning Idi Amin and the Organization of African Unity, helps nonetheless explain what happened.

For, Farer notes, the glue that binds many of the developing states together is the amalgam of anti-colonialism and "the conditions and insignia of inequality and humiliation associated in the minds of the Southern elites with the epoch of European domination."

Farer, specifically citing the writings of those whom he describes as the anti-accommodationists, Moynihan and **Irving Kristol**, notes that much of their rhetoric is "unremarkably reminiscent of the haute bourgeosie's response to working-class demands during the ascendancy of laissez-faire economics. The poor were deservedly so, the rich as well. . . ."

Farer goes on to note how "that arch-American accommodationist, Franklin Delano Roosevelt . . . (w)ildly vilified as a traitor to his class . . . set about saving (it) . . . .", and, Farer asks, "Is the present struggle between the classes of nation-states not susceptible to mitigation by the employment of an analogous strategy of accommodation?", analogous to the developments, which we are all aware, have characterized the history of the United States over the last four decades?

There are factors within the developing nations that make such a strategy of accommodation easier than might at first appear: (1) our conflicts are not with large anonymous masses but with, in many cases, authoritarian Third World elites, (2) the Third World leaders are identifiable and organized and can speak with authority for their countries, and (3) a relatively small number of Third World representatives need to be brought into senior decision-making roles in the structure of the international economy.

Concludes Farer:

"Although the confrontationists indict advocates of accommodation for discounting our still-great strength, in fact, as is so often the case with those who extoll coercion, it is they who seem infected with a debilitating insecurity. To accommodate sensibly to real changes and legitimate demands is not the sign of a weak will. It is rather the essence of statesmanship."

And let me here add that as we listen to the more strident demands from the developing countries today, we might well recall what once appeared to be the extreme platforms of the Populist and labor movements in the United States and remember that many of the programs pressed within our own country which once seemed unreasonable have long since been incorporated into our national life.

You will not be surprised when I tell you that in reading Farer's piece, I was struck by the similarity of his analysis to that of the highly respected World Bank economist, Mahbub ul Haq, in his essay, "Negotiating a New Bargain with the Rich Countries", in the ODC volume, *Beyond Dependency*.

For ul Haq argues that even as the New Deal in the United States: "elevated the working classes to partners in development and accepted them as an essential part of the consuming society . . . we may be nearing that philosophic bridge . . . when the development of the poor nations is considered an essential element in the sustained development of the rich and poor nations are regarded as complementary and compatible rather than conflicting and irreconcilable."

ul Haq then insists on our perceiving "the current demands of the developing countries for a New International Economic Order . . . in correct perspective."

I think it useful here to quote these demands, three of them, as seen by this distinguished Third World spokesman for they are far less sweeping and grandiose and, at least in contrast to the attacks made on them by the anti-accommodationists, much less radical than the rhetoric of that camp would have you believe. Says ul Haq:

"First, the basic objectives of the emerging trade union of the poor nations is to negotiate a new deal with the rich nations through the instrument of collective bargaining. The essence of this new deal lies in the objective of the developing countries to obtain greater equality of opportunity and to secure the right to sit as equals around the bargaining tables of the world. No massive redistribution of past income and wealth is being demanded: in fact, even if all the demands are added up, they do not exceed about 1 percent of the GNP of the rich nations. What is really required, however, is a redistribution of future growth opportunities.

"Second, the demand for a New International Economic Order should be regarded as a movement—as part of a historical process to be achieved over time rather than in any single negotiation. . . .

"Third, whatever deals are eventually negotiated must balance the interests of both the rich and the poor nations. The rich nations have to carefully weigh the costs of disruption against the costs of accommodation and to consider the fact that any conceivable cost of a new deal would amount to a very small proportion of their future growth in an orderly, cooperative framework. The poor nations have to recognize that, in an interdependent world, they cannot hurt the growth prospects of the rich nations without hurting their own chances of negotiating a better deal."

It was, I take it, to the proponents of such a not wholly anti-North posture on the part of the Third World that Secretary Kissinger's September speech was, quite properly, addressed. Surely, in such a context and given all the problems that beset détente between the United States and the Soviet Union, we should not rule out as impossible a modicum of détente between the nations of the North and South.

So where are we with this accommodationist or, perhaps better, "negotiationist," approach as over against the posture of continuous confrontation?

Given the many contingencies that characterize world affairs, it is, of course, hard to say with assurance but here are some of the questions that, I suggest, are worth reflecting on as we look at the relations between the Industrialized and Third Worlds in the months ahead.

First, will the United States and the other developed nations really negotiate seriously?

Will the Northern countries make a genuine effort to shape a strategy of negotiation based on mutual gains for both North and South?

Or was Kissinger's September speech nothing but a palliative?

One sign perhaps of the seriousness with which we undertake this commitment will be the extent to which our government will be structured to enable us effectively to carry on negotiations in a wide diversity of international forums. One thinks here, for example, of the battles within the executive branch on responsibility for shaping international food and energy policies.

A second set of questions: will the North understand that the Southern bloc is not monolithic but that there are moderates as well as radicals who can compose the majority of the 77?

Will the North appreciate that there are differences of interest among the Southern bloc countries, for example, between oil exporters and importers?

Will the North realize that it is Northern activities (or lack of them) more than common interests which sometimes drive the Southern countries into a bloc?

Here I cannot, of course, fail to make special note of the recent events at the United Nations in connection with the anti-Zionist resolution, a resolution which obviously deserved the description, "obscene," which it won from Ambassador Moynihan.

There is, however, no little reason to believe that had the United States pursued a different, and more skillful, diplomatic course, we might have succeeded in blocking the resolution by, in the language congenial to Congressmen, recommitting it and thereby effectively killing it.

But there is a judgment on the part of many professional, knowledgeable diplomats that the path pursued by our Ambassador at the United Nations drove many of the Third Word countries into a position of support for the resolution which they really would have preferred not to take.

Perhaps we can find a key to what happened there in two sentences in Ambassador Moynihan's AFL–CIO speech which have not received as much attention as some others. Said the Ambassador:

"In the United Nations today there are in the range of two dozen democracies left. Totalitariansm Communist regimes and assorted ancient and modern despotisms make up all the rest. And nothing so unites these nations as the conviction that their success ultimately depends on our failure."

This language, in effect, an undifferentiated declaration of, if not war, to be euphemistic about it, unfriendliness, on the entire Southern bloc, helped, at least, in the eyes of a number of obeservers, drive the moderates among them into the extremist column.

In any event, the dispute has in turn now made its way into domestic politics where it is undercutting much of the thrust of Secretary Kissinger's laudable September 1 effort to move U.S. policy into a more constructive, positive negotiating posture vis-a-vis the nations of the Third World.

The other point I feel here compelled to make is that despite rhetorical expressions of concern about the anti-Zionist resolution, there was apparently no major effort on the part of the Department of State effectively to press some of the key nations not to vote for its passage.

By effective pressure, I have in mind, for example, direct messages to the heads of state of certain countries from the President and the Secretary of State.

So our macho-like speeches at the UN, while predictably garnering editorial praise across the country, proved in the end a failure: we did not succeed in killing the anti-Zionist resolution. For I take it that at the United Nations as in Congress, it is better to have few speeches and win the vote than to have lots of speeches and lose.

And may I here interpose that Pat Moynihan is an old and valued friend of mine so that what I have to say here brings me no joy.

A third issue to which we should tend in the months ahead is the apparent lack of concern within developing countries for issues of justice among their own peoples. Will this insensitivity prove an obstacle to accommodation between the nations of the North and South?

Congress, for example, has been insisting over the past three years on supporting chiefly those developing programs that raise the standard of living of the poorest.

But if Southern governments show little interest in changing their internal power structures and Northern governments give highest priority to maintaining "order", who will look out for justice for the masses of people in the Southern bloc lands? If the "forgotten 40%" are not reached by development policies, will our gains then be short term in nature?

I would remind you in this connection that polls by Louis Harris show that while 52% of the American public supports foreign economic aid, that number leaps to 79% if there is assurance that the help actually reaches people.

Dr. Kissinger's speech of September 1 was in no small part a reflection of this Congressional insistence that U.S. development aid go increasingly to the poorest people and to the poorest countries.

I was myself present when, last St. Patrick's Day, President Ford, speaking at the University of Notre Dame, I think accurately summed up popular sentiment on this point. Said the President: ". . . people throughout America realize that no structure of world peace can endure unless the poverty question is answered. There is no safety for any nation in a hungry, ill-educated and desperate world."

Let me list year another relevant issue, one that is causing sharply increased apprehension in Congress, the rapid growth in U.S. arms sales—over $10 billion in fiscal 1975 to more than 70 countries, including developing ones.

Beyond the drain of resources that might go toward development, the dangers of such rapid proliferation of U.S. arms all over the world must be evident.

Indeed, I can tell you from first-hand knowledge that one of the reasons so many Members of the House voted to cut off arms to Turkey was their fear that a resumption of sales, in clear violation of principles and provisions of U.S. law and of our agreements with Turkey, would be a green light to other U.S. arms purchasers also to thumb their noses at our statutory prohibitions against using the weapons for other than defensive purposes. Such a trend would carry ominous implications.

Senator Humphrey has proposed legislation for a thorough overhaul of our arms practices—and no supporter of development, or of a stable world, can fail to favor such an effort.

Finally, in this litany of observations and admonitions about U.S. policy on development in the immediate future, let me assert as strongly as I can that the United States should not be in the business of closing doors but rather of opening them to new processes, formal and informal, for dealing more cooperatively and constructively with the wide range of problems that confront North and South.

And I would here insist that a Northern policy of constant, continuing and self-conscious confrontation with the Southern nations will play directly into the hands of three groups: the Third World radicals, the major Communist powers and the extreme Right in the United States—as unholy an alliance as one can conjure up!

And if I need cite any further authority for my proposition that negotiation rather than confrontation is the better part of wisdom in these matters, I recall to your attention only this sentence:

"Not only can it happen, but it actually does happen that the advantages and conveniences which nations strive to acquire for themselves become objects of contention nevertheless, the resulting disagreements must be settled, not by force, nor by deceit or trickery, but rather in the only manner which is worthy of the dignity of man, i.e., by a mutual assessment of the reasons on both sides of the dispute, by a mature and objective investigation of the situation, and by an equitable reconciliation of differences of opinion."

This, of course, is the language of Pope John XXIII in Part III, Relations Between States," of *Pacem in Terris*.

Mr. Chairman, I have argued two principal themes tonight: I have said that there must be a signifiant role for Congress in the shaping of American foreign policy, including our policy toward the developing nations, and I have pressed the case for negotiation rather than confrontation as the more fruitful and effective way, in the foreseeable future, for the United States, and the rest of the Northern nations, to do business with the countries of the Third World.

Let me conclude my remarks by saying that the path of negotiation and accommodation which I urge is wholly in keeping with both the highest purposes and much of the history of the United States.

For no one can understand modern America without appreciating that crucial to our strength as a nation has been our remarkable capacity to open opportunties to as many of our people as possible to share both in the decision-making about, and the benefits of, our society.

Indeed, the story of our national greatness is in large measure the story of the way in which America's working men and women, our ethnic and black minorities, and indeed, the overwhelming masses of our citizens have won, often after much struggle—which even now continues—a substantial share in the nation's economic, social and political life.

Surely, then, facing the meeting of rich and poor on a global scale, the United States, of all countries, should not flinch from the wider challenge this encounter presents to our capacity for leadership.

So let us not wring our hands in despair and complain that fate has doomed us to be part of a permanent minority.

Rather let us find, in the ideals of our own heritage and the course of our own history, ample cause for hope and, indeed, confidence, that the United States can be a determining force in building a world in which, in the words of *Pacem in Terris:* . . . all peoples of the earth become as brothers . . . and . . . the most longed-for peace blossom forth and reign always among them.

Pax vobiscum.

[Notes for Introductory Remarks by Maurice F. Strong, Executive Director, United Nations Environment Programme at Pacem in Terris IV]

THE GLOBAL CONDITION—THE ECONOMIC DIMENSION

One of the most positive consequences of our present global economic difficulties is that they have forced universal recognition of the degree to which the economic life of all nations has been internationalized.

The recent economic summit at Rambouillet dramatized the degree to which the state of the world economy is now engaging the attention of the world's political leaders. And it pointed up the fact that while we have a world economy we do not have an effective world system of economic management. To create such a system must now be the highest priority of the world community.

It is not only the developing countries which need a "New International Economic Order." The need for it springs from the inherent nature of the technological civilization and the intricate complex of interdependencies on which it depends. A viable global economic system or order, if you prefer, is indispensable to the successful functioning of the technological civilization. Yet, today, the search for international solutions has only begun. Let me mention briefly some of the specific attributes which I believe such a system must have.

First, it must have a clearly articulated and commonly accepted set of objectives. The important thing about these objectives is that they should establish the minimum parameters for international co-operation—those areas in which agreement is indispensable to the creation and maintenance of a viable world system.

I believe that these minimum parameters should be established around the need:

1. to assure that every person on the Planet can meet his basic needs to live at a minimum level compatible with human dignity and well-being; and
2. to avoid the kind of disaster that would threaten the survival of the whole human family or large parts of it.

Within these two parameters there would be room for great variety in the goals pursued by nations and the paths they choose to meet these goals. There are, of course, many other areas in which international co-operation would serve the common interests of nations; indeed, the number of such areas will continue to grow. And beyond these minimum goals the need for the international system to support the creation of equal opportunity amongst people and nations should be accorded high priority.

It is now evident that earlier formulations of the goals of international co-operation have lacked both clarity and realism. Well-intended advocates of internationalism have attempted to globalize issues which need not and cannot now be dealt with effectively at the global level. There are limits to globalism. Too often ideals that are not capable of achievement in the foreseeable future have been confused with objectives that it is possible to meet within a manageable time frame. A particular example is the concept of "closing the gap" between rich and poor, This is clearly unrealistic as an objective in the foreseeable future, and its continued pursuit as the principal goal of development co-operation can only lead to compounding of existing frustrations. Moreover, experience demonstrates that the pursuit of such a goal does not, in itself, assure that the basic needs of the most needy one-third of humanity will be met. Indeed, the lot of this deprived group in relative terms and, in many cases, in absolute terms has, in fact, been worsening. The critical gap is that which exists between those who must live at a level of dehumanizing poverty that denies them access to the basic resources and environmental conditions which are required to support life at a level compatible with human dignity, and those who live above this basic poverty line.

It is clear that the basic needs of the poorest cannot be met by application of traditional "trickle down" theories of development. A new and concerted approach must be mounted—based on the affirmation of the world community that every human being born on this earth should have, as a fundamental right, access to the resources and environmental conditions to enable him to live at certain minimum levels compatible with human dignity and well-being.

This must be recognized as the most basic of human rights and a prerequisite to the exercise of all other rights. In physical terms it is entirely feasible to meet the basic needs of the entire population of the planet, and probably the doubled population expected by the end of the century. The constraints are almost entirely those of political will and economic and social arrangement. Thus, the provision of basic human needs to all should be accepted as one of the minimum objectives for international co-operation in the period ahead. A commitment to it should be built into the new international economic order and the policies, strategies and mechanisms to achieve it must be an integral part of the new system for global economic management. To fail to do this when we have the capacity to do it would be a denial of the moral basis of civilized life.

Avoidance of the kind of disaster that could threaten the survival of all or a large part of the human species surely must also be accepted as a minimum objective for international co-operation.

The whole environmental and "limits to growth" dialogue presuppose the existence of certain "outer limits" to the biophysical conditions essential to the survival and well-being of the human species. As man peers further and further into outer space, he realizes more and more the uniqueness of the Planet Earth we inhabit, the exceptional combination of conditions which make it hospitable for human life, and the surprisingly narrow margins within which these conditions exist. Yet, the awesome power which science and technology has placed in our hands has given us, for the first time in human history, the capacity to modify, perhaps decisively, some of the key parameters which determine the conditions of life on earth.

Our capacity for self-destruction through nuclear or biological warfare is the most dramatic and imminent "outer limit" risk we face. But there is more and more evidence that the acceleration and increasing intensity of man's activities in pursuit of economic growth may already be impinging on some of these "outer limits."

Although such risks are more remote and therefore may seem less important than those which are now preoccupying the attention of the world community, some of them could be no more than a generation or so away. And most of them are of a character which would make them impossible to avoid if we wait until their effects begin to impact directly on us. They can only be dealt with effectively by identifying them sufficiently in advance to permit preventive action to be taken. Identifying such risks and evaluating the human activities which may give rise to them is one of the principal purposes of the "EARTHWATCH" system of global monitoring, information dissemination and evaluation established by the United Nations Environment Programme with the support of national governments and the world's scientific community.

Taking the actions necessary to deal with these risks will not be easy as many of them arise from economic activities which are normally carried out in relation to more immediately perceived needs, demands and interests.

Of course, beyond these minimum objectives of meeting the basic needs of all people on the Planet and avoidance of risks to our common survival, there are many other areas in which international co-operation will clearly be advantageous. I will not attempt to enumerate them, but to suggest that the most important principle on which such additional measures should be based is that of equalizing opportunity—of assuring that the international system encourages and supports the efforts of developing countries, particularly the poorest of them, to improve the lot of their people beyond meeting their basic needs.

Let me now mention some of the other basic elements I believe must be incorporated into a viable system of global economic management.

First, a new approach to growth must be developed based upon removal of the artificial and self-defeating conflict between ecology and economics which is now built into our system of economic decision-making. No growth is not a viable policy for any nation today; but new growth—a new approach to growth is a absolute necessity. This new growth approach requires that we build into the system by which growth is generated and managed measures which assure the preservation of the resource and environmental capital base on which sustainable growth depends.

In the more wealthy industrialized societies, this will mean a major transition to a less physical kind of growth which is relatively less demanding of energy and raw materials, one that is based to an increasing degree on the satisfaction of man's higher needs and aspirations in the fields of culture, music, art, literature and other forms of individual self-development and fulfillment. These, after all, are the areas in which man achieves his highest level of growth in human terms.

Most new industrial capacity, particularly that which is resource or labor-intensive, must be built into the less developed parts of the world under conditions which enable developing countries to avoid many of the environmental and social costs we have had to pay for our industrial development. The marriage of ecology and economics, which we in UNEP call "ecodevelopment," would be designed to assure that their precious natural resources of soil, forests, water, plant and animal life are exploited in ways which make best use of their own skills and labor and harmonize with their own culture and value systems to produce maximum benefits for their people without destroying the resource base on which their development depends. It means, too, assuring that they have full access to the latest technologies and support for the development of their own scientific and technological capabilities so that technology will serve, rather than determine their own growth patterns.

Our Industrialized societies are very much like the physically mature human being. For them to continue to pursue purely physical kinds of growth and be as unhealthy and self-destructive as it would be for an adult person to pursue ways which simply added to his physical dimensions. And it would be just as wrong to say that societies must stop growing when they reach the stage of physical maturity as it would be to say the people stop growing when they stop growing physically. The real growth of our societies in human terms is still ahead of us. But it demands that we change our ways and adapt to a more mature kind of growth that is less physically oriented and less demanding of resources and the environment.

On the other hand, developing countries are at a much earlier stage of growth in which they must continue to grow in physical terms if they are to meet the needs and aspirations of their peoples. But they, too, must emphasize the kinds of physical growth which are healthy and sustainable and provide expanding opportunities for self-expression and fulfillment in human terms for their people.

Of course, acceptance of the need for a new growth approach will not automatically make it happen. To do so, it will require a major reorientation of the system of incentives and penalties to which our economic life responds. But, I am convinced that the public policy levers which governments can today deploy, are capable of doing this. We have clearly demonstrated this in fighting or preparing to fight wars. It is not the operation of the free market economy which produces the massive market for war materials. The market is created by an act of public policy by governments which respond to the belief of their people that their security is at stake. If expenditures on war materials which are inherently wasteful, whether they are used or not used, can be a major stimulus to the economy, clearly expenditures on building better, more livable cities, improved cultural, educational facilities, recreational areas and opportunities for leisure can be just as stimulating to the economy while at the same time adding positively to the real capital stock of our society. Thus, far from being negative to the economy, a commitment to a new growth society would unleash new and dynamic economic forces which would stimulate creativity, innovation and economic activity across a broad front.

Second, is the need to create a more objective and automatic system for the transference of resources between rich and poor. Just as programmes of direct assistance or charity have never provided a viable basis for the relations between rich and poor within nations, programmes of direct bilateral assistance, as presently carried out with a high degree of donor control and subject to the limitations of annual appropriations by donor legislatures, will not prove to be a viable long-term basis for relationships between rich and poor internationally. Present aid programmes have made important contributions to the development of the Third World and will continue to do so for some time in the future. But it should be recognized that these represent but the primitive beginnings of the process of extending into international life the concepts of distributive justice and equity which forms the basis for relations between the privileged and the less privileged groups within most national societies. Thus, the concept of automaticity in the flow of resources to the developing countries must be built into the new global economic system.

Important means of accomplishing this are available through the mechanism for distributing special drawing rights created by the International Monetary Fund. Other mechanisms for providing the required resources include various methods of international taxation, such as the application of levies, tolls or user charges on the use of international commons of oceans and atmosphere, or levies on the use of or trade in certain key resources like fossil fuels or luxury goods.

The distribution of such resources would have to be based on the application of certain criteria designed to assure that they were applied to support effective performances of developing countries in meeting the basic needs of their people in relation to agreed targets in respect to both economic and population growth and distribution. The right of each nation to determine its own population level must be respected, but of equal importance, is the need for each nation to accept the corollary responsibility to assure that the demands of its population on resources and the environment beyond its national boundaries do not impair the rights and interests of others. Indeed, the world community is entitled to expect that any nation receiving the benefits of the distribution of resources through the international system must adopt and implement sound national policies which relate the level, growth and distribution of its population to its available resources, its capacity to develop these resources and the distribution of the benefits of development.

Third, the new system of global economic management requires active organization of capital markets at the international level. Today, we have the anomalous situation in which there are massive and acute needs for capital in many areas and large investable surpluses in others, notably today in the newly rich oil-producing countries. But the mechanisms through which investors can make long-term commitments under conditions of return and security that are attractive to them are a long way from being satisfactory.

I believe we need a world investment authority which would facilitate negotiation and administration of international agreements concerning the movements of capital, including safeguards both to investors and in respect of the security of their investments, and to recipients of investments against the disproportionate degree of external control and influence which often accompanies foreign investment. It could also include measures such as an insurance or guarantee system which would broaden the market for the debt securities of developing countries and encourage the establishment of investment trusts and mutual type funds which would diversify the risks for investors and widen the market for such securities. Under the general aegis of such an authority, a system for the insurance of credit for the export of manufactured goods from developing countries which would support or complement their own national export insurance schemes could provide an important boost for the efforts of developing countries to increase their own exports of manufactured goods.

Fourth, a better system for the management of world trade in key commodities must be an essential part of the new system of global economic management. It must be based upon security of income for the producers and security of supply for the consumers, incorporating effective measures for ensuring the consequences of the very large swings in prices which often accompany relatively small changes in supply and demand factors. These wide fluctuations have proven to be highly disruptive to the economic management of both producers and consumers and have had an especially devastating effect on the ability of developing countries to maintain the sustained economic momentum required to achieve their development goals. This important issue is only now beginning to command the attention it deserves and will be one of the most important factors in negotiations between developing and industrialized countries in respect of the "New International Economic Order."

Five, is the need to increase significantly the strength, capability and mandate of the international institutions upon which the effective functioning of the global system of economics management will depend. The nation-state will continue to be the principal repository of sovereignty and power within the world system. World government is clearly neither feasible nor desirable in the foreseeable future; but a world system of governance is indispensable. The global system is in disarray. This requires that nation-states be more willing than they have been to provide international organizations with the authority and the resources they require to perform their tasks effectively. This should be seen not as a surrender of national sovereignty, but as a collective exercise of sovereignty in areas in which no nation can exercise its sovereignty effectively alone.

Time does not permit a detailed analysis of the specific changes that will be needed in the institution of the international system, but in summary, they involve:

(a) That the United Nations be strengthened in its prime role of providing the basic political framework for the system, performing the parliamentary function at the global level, providing the global forum for political decision-making, prevention and reconciliation of major conflicts and threats to peace, the establishment of over-all policies and priorities for the international system, allocating of responsibilities and resources to the various members of the system to carry out these policies and priorities, and the monitoring of their performance. The actual operation of programmes and activities should not be allowed to detract, as it now does, from the main parliamentary and policy functions of the United Nations, but should be left to the specialized agencies, regional and other special purpose organizations best able to carry out the wide variety of specialized functions that must be performed within the system.

(b) The specialized agencies of the United Nations system should be de-politicized as much as possible and should be instruments for carrying out the broad policies and priorities established in the control organs of the United Nations, notably the General Assembly and the Economic and Social Council. In other words, they must be made clearly responsive to these policies and priorities while not being subject to the kind of interventions and intrusions into their operations which impair their ability to perform their professional functions.

(c) The World Bank and the International Monetary Fund are the two most powerful and effective global institutions, and a further expansion of their role will be a necessary feature of the new system of global economic management. For example, the new world investment authority I am advocating could probably best be administered by, or in relation to these two institutions. But the present lack of universality in their membership and concentration of voting control in the hands of the Western industrialized nations constitute major impediments to the expansion of their roles in the international system. Priority must be given to finding an acceptable formula for broadening their membership to include those important nations that are not now members of either and to provide a more equitable and representative distribution of voting power amongst all members.

(d) The establishment of the proposed "seabed regime" now being considered by the Law of the Sea Conference provides a unique opportunity to create a new kind of international organization which will be a highly important and necessary addition to the institutional structure of the international system. It would, on behalf of the world community, administer resources that are part of the international common beyond the jurisdiction of any nation and would have its own direct source of revenue.

(e) In addition to the formal intergovernmental institutions, there is need to accord a much greater role to the wide variety of non-governmental or semi-governmental institutions with the specialized expertise and constituencies which can make them the most effective instruments for carrying out many of the specific tasks that must be performed on behalf of the system. To do this, they will require more recognition and more support from the intergovernmental organizations of the system. Indeed, they should be encouraged to form part of a "second international system" designed to complement and support the official system of institutions.

As you know, the Seventh Special Session of the United Nations General Assembly succeeded in providing a much more constructive atmosphere for the serious consideration of many of these issues within the broad framework of the demands of the developing countries for a New International Economic Order. Despite the optimistic note on which the Seventh Special Session ended, it is important to realize that there are still very serious divergences between the views of the developing and industrialized countries on particular issues such as commodity agreements, special drawing rights and private investment. And the political climate for the negotiation of the issues has deteriorated since then in the wake of events that have recently taken place in the United Nations.

Nevertheless, we must see the drive for a New International Economic Order in the larger historical context as the counterpart of the drive of the less privileged sectors of our own society for more equity and justice in sharing the benefits of our national economic growth. Just as in our own societies, the poor could not depend on the charity or goodwill of the privileged to effect these changes, but had to exercise the leverage and power they could muster through the political process and the trade union movement, so developing countries are seeking to achieve their objectives through a process of global bargaining.

The global bargaining process which has now begun around their drive for a New International Economic Order does in the short term create difficult and disturbing problems for the major industrialized nations that dominate the present international order. But it is clearly a much more promising route to world peace and order than the only real alternative—escalating rich-poor conflict on a global scale, breakdown of the present system of international co-operation and increased terrorism and other forms of disruption to which highly industrialized societies are especially vulnerable. In short, a New International Economic Order and a new global system of economic management are not just something we must concede as a benefit to developing countries, but an essential precondition for the functioning of the technological civilization on which our own security and well-being depend.

Indeed, it is we, who enjoy the principal benefits of the technological civilization, who have the greatest interest in assuring that we now make the transition to a workable world system of economic management which will enable us to continue to enjoy its benefits. One of the most positive elements in the present period of economic uncertainty and turbulence, is surely that the need for this new world system is now almost universally acknowledged, and the quest to achieve it has, in fact, begun. The pursuit of this goal depends on the United States. No people have a greater stake in this system and making it work. In my view, it is no exaggeration at all to say that on its results the future course of human life on this Planet, indeed, perhaps its very survival, will depend.

TIMBER HARVEST IN TONGASS NATIONAL FOREST

Mr. GRAVEL. Mr. President, I would like to present to the Senate a resolution of the Assembly of the Ketchikan Gateway Borough, Alaska, which urges the Congress to pass necessary legislation to permit timber harvests in the Tongass National Forest.

The timber industry is a very important part of the Alaskan economy. Because of the importance of this industry to Alaskans, I welcome this opportunity to bring this resolution to the attention of the Senate for its consideration.

I ask unanimous consent that the resolution be printed in the Record.

There being no objection, the resolution was ordered to be printed in the Record, as follows:

Ketchikan Gateway Borough Resolution No. 215

A resolution of the Assembly of the Ketchikan Gateway Borough, Alaska, urging the Congress of the United States to pass all legislation necessary to permit timber harvest to continue in the Tongass National Forest

The Ketchikan Gateway Borough is located within the Tongass National Forest, and the people of the Borough are economically dependent upon the forest industry consisting for the most part of the harvesting of timber and the manufacturing of wood products. The Ketchikan Pulp Company, the Borough's basic industrial concern, together with area logging camps, transportation service industries, and many other service industries within the Borough and in the adjacent service areas, are also directly dependent upon the harvest of timber and the manufacture of timber products from the Tongass National Forest.

A decision in the United States District Court, *Zieske* v. *Earl L. Butz*, et al., incorporated a restrictive interpretation of the U.S. Organic Act of 1897, which interpretation precludes the economical harvesting of timber from the Tongass National Forest, and indirectly threatens the jobs of thousands of workers in the Ketchikan area and throughout Southeast Alaska.

We anticipate that the timber industry will exhaust all available judicial remedies to reverse or otherwise nullify the restrictive interpretation of said Organic Act of 1897, but it is our wish the timber harvesting continue pending definitive determination of the interpretation of said act or an amendment of the act by Congress.

We are informed that a bill is presently pending in Congress, which, if enacted, will authorize timber harvest to continue in the Tongass National Forest, consequently preserving the economic mainstay of the people of the Ketchikan Gateway Borough.

Now, therefore, the assembly of the Ketchikan Gateway Borough, Alaska, resolves as follows:

Section 1. It urges the Congress of the United States to pass all legislation necessary to permit the timber harvest to continue within the Tongass National Forest, thereby preserving the economic mainstay of the people of the Ketchikan Gateway Borough.

Section 2. The Borough Clerk is directed to send certified copies of this Resolution to Alaska's Congressional Delegation together with a request that this Resolution be appropriately brought to the attention of both Houses of Congress.

Adopted this 19th day of January, 1976.

THE NATIONAL COUNCIL OF JUVENILE COURT JUDGES SELECTS JUDGE MARGARET DRISCOLL AS THEIR 1976 PRESIDENT-ELECT

Mr. BAYH. Mr. President, I wish to bring to the attention of my colleagues the recent selection of Judge Margaret Driscoll of Connecticut as president-elect of the National Council of Juvenile Court Judges. Judge Driscoll will assume her duties in July 1976. She is the first woman to head the organization in its 38-year history. The judge is not unfamiliar with such pioneering roles. In Connecticut she was the first woman prosecutor in Bridgeport, the first woman deputy secretary of state, the first woman nominated to a State court, and the first woman juvenile court judge.

The Bridgeport Post recently published an indepth series by staff writer, Ruth Husar, on Judge Driscoll. I recommend to my colleagues this profile of her contributions, views, and observations of local and national trends, as well as a glimpse of a day in her courtroom and I ask unanimous consent that the articles be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit No. 1.)

Mr. BAYH. Mr. President, the National Council of Juvenile Court Judges is an organization dedicated to the improvement of the effectiveness of our Nation's juvenile justice system. Their philosophy is one of dedication to a constant search for new methods of treating juvenile delinquency. Over the past 5 years, as chairman of the Subcommittee To Investigate Juvenile Delinquency, I have worked closely with the Council. The Council has actively assisted the subcommittee in the development and implementation of the Juvenile Justice and Delinquency Prevention Act (Public Law 93-415). This law is designed to bring about a comprehensive, coordinated, Federal delinquency prevention and control program. The Council's advice was both necessary and welcome. I am indebted to the judges whose diligent work helped assure the enactment of the Juvenile Justice Act. I look forward to working with the Council and Judge Driscoll in this Bicentennial Year.

Exhibit 1 follows:

[Exhibit 1]

[From the Bridgeport Post, Jan. 12, 1976]

Judge Points Troubled Kids Toward the Road to Rehabilitation

(Editor's Note.—This is the first of three articles on Judge Margaret Driscoll, president-elect of the National Council of Juvenile Court Judges, and her views of the Juvenile Court system. Today's story profiles the judge's personality and philosophy of dealing with youth offenders. She also discusses the functioning Juvenile Court, the lack of state facilities and answers charges leveled against her so-called leniency.)

(By Ruth Husar)

Actually it was no surprise when Judge Margaret Connors Driscoll bounced down into her chair, laughed that laugh which is distinctive of only her and said before the start of an interview, "Fire away at this old gray head."

The head may be gray, but that is where the illusion of any supposed subdued attitude or disposition ends, because if you take a shot at THAT old gray head, be prepared for some mighty quick, decisive answers.

This is a woman of opinion and whether or not you agree with her beliefs on the way she handles the First District Juvenile Court or her ideas on the way to handle kids in trouble, be prepared to listen.

Judge Driscoll of Bridgeport, president-elect of the National Council of Juvenile Court Judges, usually is conspicuous at most functions. Sometimes you can tell she's there by just hearing that hearty laugh which seems to be a joie de vivre thing or maybe it's just indicative of her approach to life which is definitely not flip but meeting it all head-on.

In her own words, "Whatever I do, I do completely," including tennis, a favorite sport of hers, or TM (Transcendental Meditation) which she also finds relaxing and is one of her means of turning herself off to the problems and frustrations of her job.

Just as she says she cannot walk away from the frustrations which come with her job, she recently did not walk away from a tennis match with the same player who had accidentally injured her right eye which still troubles her.

"I just stood there. I was scared." But did she feel like walking away from it all or from the many hassles of her job, she says with her typical gusto, "No, that's not my way."

If you are at a function with her, she's the one who almost always speaks up. One example was an annual League of Women Voters meeting when she took on two individuals who were discussing a cultural project. She determinedly dug beyond the "how nice" of it all and wouldn't stop until she had brought up the human ramifications involved.

Or there was a meeting of another community group which could not seem to come up with any women or minority group members for top leadership posts. It seems the man in charge thought women should come up through the ranks—but he hadn't. She just kept on suggesting and suggesting names.

TO BECOME PREXY IN JULY

Judge Driscoll, who will become president of the National Council of Juvenile Court Judges in July, 1976, is the first women to head the organization in its 38-year history. Her election came after a floor fight—the occasion being the first time in 20 years that the nominating committee failed to nominate a single candidate and came out with two nominations for the 1,500 member group.

She has had other first woman designations in Connecticut—namely first woman judge of a state court, first woman prosecutor in Bridgeport, first woman deputy secretary of state, first woman nominated to a state court and the first female Juvenile court judge.

A lawyer and former labor lobbyist and counsel for the Connecticut State Labor Council, Judge Driscoll has been at her Juvenile court post since April, 1960, a court which she describes as "personal."

She credits her political science professor in college with giving her the idea to become a lawyer—her idea being eventually to get into politics.

She came close to being named a Common Pleas court judge in 1958 when she was nominated for the post by then Governor

Abraham Ribicoff; however, she got thumbs down on the appointment by the House of Representatives. It turns out she got feedback on the refusal being based on sex discrimination from "people I thought were friends."

The judge is quick to add that when she was a lawyer she did not feel discriminated against because "I stood out, and in the legal profession, that's an advantage."

Last fall when Ella Grasso was elected Governor (the first woman elected on her own in the country), there was talk that the juvenile court judge would be named to a Superior court post; but the Bridgeporter decided against the appointment because "it would take too long a time for change in that court system."

She admits to personal involvement in many cases.

"I get personally involved. There is no question about it. I have to have personal involvement. I don't want to be in an ivory tower."

HEAVY VOLUME IN JUVENILE COURT

Supervising a staff of 91 employes which include probation officers, case work supervisors, directors of probation, volunteers and vocational problems, court officers and a clerical staff, Judge Driscoll handles cases for the First District Court which includes Bridgeport, Norwalk, Stamford, Danbury and Torrington.

As an example of the volume of cases handled by the court, in 1974 3,482 cases reached the court.

In Connecticut, Juvenile Court handles all delinquency cases under the age of 16 referred by the police, schools or parents. In Connecticut all violations of criminal law are considered delinquent offenses if they are committed by a child under the age of 16 in addition to status offenses which are offenses which would not be considered one if committed by an adult.

Juvenile Court also deals with petitions of neglect, including child abuse petitions, termination of parental rights, support orders, and provides counsel for children or parents.

When counsel is provided, the court can order the parent to pay some cost to the extent he or she is able. Neglect cases can extend to the age of 18 for abuse cases and may encompass all neglect abuse cases.

Connecticut is one of two states in the country which have state juvenile courts. The other is Utah. Others are part of the top level courts such as a county court, family court, and some are part of the probate court.

Judge Driscoll has never wavered in the approach she feels is vital for juvenile court. That approach is to meet the needs of the individual child. Her philosophy, together with judges whose approach is similar, has met with criticism for alleged leniency, and has been attacked by a national commission set up to establish the country's first comprehensive guidelines for juvenile offenders. The radical philosophical change would base sentences on the seriousness of the crime rather than on a judge's view of the needs of the youth.

"The purpose of Juvenile Court is to prevent a recurrence of the behavior that brought the person before the court. The difference between adult and Juvenile Court emphasizes meeting the child's needs and in that way attempting to change behavior rather than by punishment on the basis of the severity of the offense.

"In both courts there should be no action taken unless there is jurisdiction, and the child before the court is given the full spectrum of due process. But once jurisdiction is obtained, the Juvenile Court treats the child as an individual whose road to rehabilitation is personal to him," she said emphatically.

CAN ADULT COURTS BECOME 'PERSONAL'?

When questioned as to the feasibility of adult courts functioning in the same "personal" way as the Juvenile Court, Judge Driscoll says the issue has been debated with U.S. District Judge Jon Newman. Judge Driscoll and others apparently feel it can be done if there were enough money and judges. The volume of cases in the adult court was also cited as a difficulty.

The idea, she says, could be possible on a pre-plea diversion meaning no action would be taken by the court if a person was willing to go for training and treatment for a specified period of time. That would cut down on the volume of cases.

Judge Driscoll explained that the offense plays a part but not necessarily the deciding part in determining what's needed to prevent repeating the offense.

"The determining point is a combination of information obtained by a probation officer in a social study the court has before disposition, and which the court develops in the dispositional hearing—the latter done by social workers, psychologists, school personnel who may all be present at a hearing, but not in every case.

She feels the best interests of the child and of the community do not differ and that the goal is not different from that of the adult court; however, the means of achieving it differ. In the adult court changed behavior is sought by punishment although there have been changes recently in the handling of drug and alcoholic offenders (sending them to treatment facilities).

"A child should not be saddled with the same responsibility as an adult even if that child commits adult crimes. The theory is that he is at an age of formation and during that time is amenable to being changed—by guidance," Judge Driscoll points out, continuing that "the impact of the court system process in itself has impact," i.e. the whole experience of having been taken to the police station, confrontation with parents, the child coming before the judge—"this has been the worst experience for many of them."

"The process has a therapeutic effect," she said.

LENIENCY CHARGES DRAW REMARKS

As for the charges of leniency which have been leveled against Judge Driscoll by some segments of the community, in particular the police, the judge has some very definite remarks to make.

One particularly explosive accusation came from police and the community back in 1973 in which an alleged lenient attitude in handling of Juvenile Court cases was charged by allowing the juveniles back into the community. Since that time that pressure may have lessened according to a reliable source who cited meetings between police and Judge Driscoll which had resulted apparently in a better understanding of each other's problems and in particular, police apparently becoming more aware of the lack of facilities available to which delinquents could be committed or receive help.

Judge Driscoll tends to disagree with the charge of a lenient attitude by her criticizers.

The latest figures from Juvenile court show that in 1974, 3,482 cases were handled and 141 juveniles were committed to institutions.

Leniency is an explosive word for Judge Driscoll. Is it what they (those who have leveled charges against her) consider it to be or what the word means to her?

"I don't look on what I do as tough or lenient but as effective or ineffective. Since the purpose is to change the youngster's behavior, you don't talk about procedure for doing that as tough or lenient. You talk about it as successful or unsuccessful," Judge Driscoll retorted.

It must be noted that all youngsters who commit delinquent acts and are apprehended by police, are not all referred to Juvenile Court. Police have the discretion of whether or not to arrest a youngster.

If he or she is arrested, then in the police processing it is determined whether or not the youngster gets diverted to a community agency or program or requires court supervision or a formal court hearing. The decision is made under guidelines—which are any act of violence, shoplifting or any third referral.

Judge Driscoll went on to explain that some cases do not result in adjudication because of insufficient evidence.

"And some of the reasons for that is that police don't show up when subpoenaed or come totally unprepared without evidence or reports or witneses fail to show," the judge said.

"Other youngsters may be adjudicated by the court and placed on probation, but probation means a definite program of action to keep from repeating his behavior. It may be that all of these are not successful, but since commitment to a training school is not necessarily successful either and removal from the child's home produces other problems the court first tries to handle the youngster in the community," Judge Driscoll remarked.

She is emphatic in saying that "It is only when the community does not have the facilities which are suitable for the youngster, that the court places him out of the community.

"There are very few youngsters, I think, for whom confinement is the only solution. There are some who require a secure setting with treatment, but most of the youngsters could be handled through community resources where there are enough of those.

"Bridgeport is beginning to get some, but it still does not have intensive psychiatric care for children," the judge noted.

And as for removal of the youngster from the community which is what some people want, the judge answers: "Placing the child out of the community is no guarantee he or she will not return or will return totally changed. All that is accomplished in some instances is that the community is free of that activity for the period of removal."

NO SECURE CENTER IN CONNECTICUT

There is no secure treatment center in the state. One is being built pursuant to a law passed by the last session of the General Assembly, according to Judge Driscoll.

The Long Lane Training school in Middletown is the place used by the court through the Department of Youth Services for youngsters who cannot be handled successfully in the community or through other placements.

Judge Driscoll sincerely believes treatment arranged through the Juvenile court has been successful with many youngsters.

"The problem with Juvenile Court is we do not publicize our successes. This is one of the negative results of confidentiality. What the public sees is our failures, and no matter how small a proportion of youngsters are failures, they are the ones who get the most attention," she said.

The judge added that "by committing the youngsters to the Department of Youth Services for placement at the training school, in effect, we are admitting there is nothing else we can do. In 96 per cent of the cases we've at least thought there were suitable programs or facilities available. Sometimes commitment is necessary, however, to pay for placement in a boarding school or other facility, as well."

Juvenile court is attempting to document the operation of the court to provide hard data necessary to determine the degree of success of programs. A computer program is being used for that purpose.

A variety of court programs are used including vocational tutoring, guided group interaction (a diluted group therapy in which, under the guidance of trainers, the youngsters discuss mutual needs and problems with each other and take responsibility for each other), volunteers to work on an individual basis and parent effectiveness training. In addition there are community programs for therapy, family counseling, outreach programs, the YMCA, the Spanish-American Coalition and ABCD (Action for Bridgeport Community Development).

MORE FACILITIES DESPERATELY NEEDED

"Connecticut," Judge Driscoll charges, "has not kept pace with other states in providing facilities for youngsters and programs for treatment or rehabilitation, and unless it does that and even if the court can identify the child's needs, there is no help unless programs meet those needs."

She called for the development of additional facilities, daily ones with intensive group therapy for youths and their families on an out-patient basis, expansion of the Vitam program in Norwalk, a residential and nonresidential program for troubled youths and the establishment of facilities such as the Downyside homes in Massachusetts. There are homes for homeless youngsters where parents volunteer for two or more years to take the children into a home provided by the community or Elan I in Maine, a school treatment facility that handles kids other facilities cannot.

The judge recommended alternative school programs between trade schools and academic programs with gradations with some skill oriented material to develop and discover skills and a community residential center for youngsters who can't or won't go home on a temporary or permanent basis.

Connecticut is also behind the times, as far as Judge Driscoll is concerned in the number of women who serve as judges in the state.

"Women are a distinct minority," she says of the Nutmeg state in judicial circles.

In Connecticut there are no women superior court judges; however several women serve as Common Pleas court judges.

"There are not that many women lawyers in Connecticut to begin with. That is now being changed now that there has been"—and at that point there was a noticeable pause in the judge's conversation—"acceptance," she said hesitantly.

She pointed to the impact of the Women's Movement here which she said "has been to make people conscious of what were really discriminatory attitudes because most of those attitudes, in my experience, were unconscious."

A misconception Judge Driscoll discounted is the stereotype of the youngster from the ghetto being the prime offender appearing in Juvenile court statistics.

"The fact is that I see many more youngsters from middle and upper middle class families. It is easier to understand youngsters from poverty stricken homes stealing than to understand the motives for the middle class youngster who does it for wants, not needs. Then it's more complicated because the motivation is sometimes difficult to pinpoint," the judge observed.

And about the attitude of some middle class parents whose youngsters are sent to Juvenile Court—well, many feel because it's their child, he or she should not be in court.

"This is not so with others (ghetto families). They're used to being the ones in court," she said.

As for the public's attitude on the functioning of Juvenile Court, "it depends on who you're talking to," the judge says matter of factly.

"If one youngster commits a serious act, the whole court system is denounced. People whose attitudes have changed are those who have had children or relatives before the court. Once it's your own child, there is a different attitude," she said wryly.

In tomorrow's article Judge Driscoll will discuss local and national trends on offenses committed by youths.

[From the Bridgeport Post, Jan. 13, 1976]

FEMALE YOUTH OFFENDERS ON RISE LOCALLY, NATIONALLY, TREND SHOWS

(EDITOR'S NOTE.—This is the second of three articles dealing with Judge Margaret Driscoll and her views of the juvenile court system. Her observations on trends locally and nationally on youthful offenders are brought out in today's story, as well as a discussion of proposed national changes which would base sentences on the seriousness of the crime as opposed to the youth's needs.)

(By Ruth Husar)

A phenomenon has begun to take shape not only in the courtroom of Juvenile Court Judge Margaret Driscoll, but nationally, and this is the increasing number of cases of young female offenders.

This is so despite the fact that Judge Driscoll says she sees the major crime offense today is still stealing of one kind or another and that she notes fewer cases involving hard drugs and glue sniffing cases.

Although the ratio of boys to girls picked up and referred to Juvenile court is five to one, that 20 per cent of the females are referred for serious problems.

"Girls are beginning to rebel against traditional expectations of family and society," the judge oserved.

And not only are there more girls, but they have been extremely difficult to handle. The reason is that girls have been getting into what Judge Driscoll calls "more serious trouble." Actually the judge feels that many girls were not referred to court before because they were girls. The girls are involved in such activities as sex, stealing, mostly truancy and incorrigibility.

Nationally Judge Driscoll has noted at conventions that status offenders (an offense which would not be one if committed by an adult) ought to be kept in Juvenile court.

Most courts in the country, she said, have complied with the Gault decision, a decision by the Supreme court in 1967 which states that children as well as adults must be given protection of the court by timely and specific notice of charges; representation by counsel; the right to confront and cross examine witnesses; adequate warning of the right to refuse to answer questions and the right to have cases reviewed by a higher court.

Some courts, such as those in Los Angeles and New York and Washington are so loaded with cases that individual justice, as Judge Driscoll calls it, is not even possible, except to a limited degree.

"This is not so in Connecticut, Rhode Island, Colorado and Missouri where the population in the courts is not that overwhelming."

It should be noted that states vary in the jurisdictional age and in the kinds of courts in which juveniles are handled.

A number of other changes have been recommended in addition to the radical point departure from the juvenile court judge strongly considering 'the needs' of the youth to basing sentences solely on the seriousness of the crime recommended by the national commission.

The recommendations are scheduled to come before next summer's convention of the American Bar Association, which sponsored the project along with the Institute of Judicial Administration.

To accomplish one of the main purposes of the recommendations is the belief that the view that the problem of disparity in juvenile sentencing must end. In order to accomplish this the commission would limit a juvenile judge's discretion and make the judge accountable to the public by listing written reasons for his or her decision. The decisions would be subject to judicial review and public scrutiny meaning the youth or judge could request the admission of certain persons, including reporters, to hearings.

Says Judge Driscoll: "There is appeal from Juvenile court to Superior court, and all the decisions which are appealed have a written memorandum of the decision. Judges also are appointed for terms."

The judge questions how the public is going to pass on a decision given at a court hearing which it has not attended. Even if the hearings were public, the public still is not in possession of the same facts which the court has, she says.

". . . COMPLETELY OPEN OR NOT AT ALL . . ."

As for public scrutiny—The court should "either be completely open or not at all because it could be possible to get into a violation of the equal protection clause of the Constitution by having one kind of trial for one youngster and another type for another juvenile offender.

"It would be difficult not to give names if the court admitted reporters under any circumstances except when the court could censor. Total confidentiality is the best way if you are going to have any confidentiality." At the present time it is up to the judge when a name can be released or record can be released for any purpose—with the permission of the child and the parent.

This commission recommendation would be a major shift from the present system in many states where secrecy is prevalent. Under the recommended guidelines, however, the names of juveniles would still remain confidential. She doubts the latter statement and feels it is a contradiction of the effect of the guideline.

And furthermore the commission would supplement the "best interests" of the youngster with other factors such as the gravity of the crime, the degree of the juvenile's guilt, his or her age and the juvenile's prior criminal record. Indeterminate sentences would be abolished in favor of required minimum or maximum terms prescribed by state legislators.

While the commission would make the offense the primary or sole basis for disposition, Juvenile court considers the offense as one factor along with other factors including the child's needs as well as those of the community.

Other major recommendations include: dividing juvenile offenses into classes; three for felonies and two for misdemeanors. A required sentence of two years would be imposed on juveniles who committed crimes for which adults normally would be sentenced to death, life in prison or 20 years in prison.

Juveniles could be sent to a secure or nonsecure facility. The minimum sentence for a misdemeanor or crime would be two months. In some instances conditional freedom could be granted instead of confinement.

Judge Driscoll: "This does away with individual justice and makes the offense determine what happens to the child. They (the commission) set minimum sentences for each offense and sentences for confinement in some kind of institution—a sentence which has not worked in the adult courts—(the whole system is under criticism all over the country for failure to turn out people who have been rehabilitated.)"

The criminal code for juvenile offenders would cover the ages from 10 until a youngster's 18th birthday, an age limit imposed by nearly two-thirds of the states and the District of Columbia. New York, along with Alabama, Connecticut, North Carolina and

Vermont limit delinquency jurisdiction to youngsters under 16.

Prior to 1972, the Youthful Offender Act passed by the 1971 legislature removed jurisdiction from this court over 16 and 17 minority previously eligible for transfer to it by the circuit court.

YOUTHFUL OFFENDERS HANDLED SEPARATELY

Judge Driscoll—"There is a separate way of handling youthful offenders 16–18 years of age in the adult court—Common Pleas court. There have been experiences when youngsters were referred by circuit court to Juvenile court under prior statutes.

"It was found difficult to get the handle on them because there was no requirement that they go to school, they could drive and were therefore mobile and could get away; there was no requirement to stay home. Without suitable facilities it was found we were putting a lot of time to handling that kind of youngster without getting definite successful results."

"If they are going to change the law, they have to provide facilities geared to youngsters that age," the judge asserts.

Certain victimless crimes would be decriminalized—possession for personal use of marijuana and alcohol, gambling and possession of pornographic material.

Judge Driscoll—in commenting on the use of the word decriminization—"All acts which are violations of the criminal law are delinquent acts for children and criminal acts for adults."

"Persons in need of supervision, children defined as habitual truants, incorrigibles or ungovernables or beyond the control of parents or other law authority, would be removed from the Juvenile court's jurisdiction. The commission points out that these children have committed no crime. They would be cared for in community agencies, including crisis intervention groups and peer-counseling programs.

Judge Driscoll: "If a community believes children should not be required to attend school to any age and should not be required to obey their parents and be under their parents' control up to any age, then I agree—no court jurisdiction because of no offenses. But if these are to be offenses, then there has to be some agency to enforce those laws, and the only agency to enforce them with a guarantee of due process is the court.

"Furthermore, the courts in most instances would not get these youngsters if voluntary agencies could handle them, and in this court we have had treatment agencies ask us to remain on a case to order a child and parents into therapy because a court's order was needed to keep the treatment program going. Schools tell you without the sanction of the court referral for truancy, they have litle handle over the child to attend school."

Juveniles would be given the right to counsel at every stage of the proceedings.

Judge Driscoll: "As earlier explained because of the Gault decision youngsters already have the right to counsel. Furthermore, Connecticut requires parents to be present when the youngster's Miranda rights are read (the latter recounts the individual's rights to counsel, right to be silent, etc.). She explained that these benefits meant the court had a secure basis in jurisdiction once there has been a determination of the youngster's innocence or guilt because these rights are protected by the law which the court observes.

It was also pointed out that the Gault decision "meant much wider participation by the bar in Juvenile court proceedings, and this has protected not only the rights of the parties but also the judges."

The most violent 16- and 17-year old offenders could be adjudicated in an adult court following a hearing in juvenile court.

"I THINK IT'S A BIG STEP BACKWARDS"

Judge Driscoll: "By recent statutes Connecticut permits transfer to Superior court of youngsters 14 years of age and over for homicide or class A or B felony (serious ones) if there has been a prior conviction on those felonies. This is the lowest age in the country, and I think it's a big step backwards. The requirement is the court has to be satisfied that there are not facilities suitable for handling the youth in the juvenile system and that the adult facility would be more suitable.

"Actually the number of youngsters who might fall into that class judges would consider transferring is very small, and it seems to me if the number is that small, the state should provide appropriate facilities for them instead of transferring them to inappropriate facilities in the adult system. In my opinion there should be no such law unless there is a facility."

Judge Driscoll says she intends to fight many of the recommendations of the commission on a state, New England and national basis.

When asked what she would like to see in an Utopian Juvenile court system—barring any financial considerations, Judge Driscoll laughed and said:

"I would like to have the court on the same level as the Superior court—that means judges would receive the same salary and status. The Juvenile court would be treated as an equal member of the Judicial department.

At the present time a salary of $28,500 is paid for Juvenile and Common Pleas court judges and $32,500 for Superior court judges.

"All judges should be paid the same with a difference only for years of service. There should be a procedure for the removal of incompetent judges," Judge Driscoll said.

She explained her remark about the same status in the following way—If a lawyer is assigned to Juvenile court and simultaneously for Superior court, then Superior court takes precedence. Superior court is the constitutional court—the court established by the state. Juvenile court was established by statute.

"I think part of the problem of Juvenile court began as a separate court system tendency to treat it as separate but unequal. I think this is changing because of more exposures of lawyers to the court and maybe because of more appeals. More of what goes on becomes known to Superior and Supreme courts," she noted pointing too to a change of attitude where the juvenile facility is considered a court and not a social agency.

Despite the long days Judge Driscoll puts in at Juvenile court (the other Juvenile court judge in the first district is Robert D. Glass), she has been and still is quite active in community activities such as the United Way board of directors, the Bishop's Commission on Human Relations, the Family Law committee of the Connecticut Bar association and the Lay Council of St. Patrick's church, among numerous others.

She is concerned about the time she devotes to these and other activities which will now be curtailed because of her national post. But Judge Driscoll says she knows "no one else would say what needs to be said" since she feels she is listened to because of her position.

HECTIC SCHEDULES FOR HER AND HUSBAND

She and her husband, John Driscoll, who is president of the Connecticut State Labor Council, AFL–CIO, manage to spend time together despite the hectic schedules both of them maintain. They usually are together in the evening and on the weekends—that is when one or both of them might not be at some meeting.

"We each have a lot of interests (tennis, reading, gardening), we both like the same TV programs and take our vacations together. There is a mutuality of attitudes on social problems, and we agree on big things," Judge Driscoll said.

Judge Driscoll graduated from Central high school and Wellesley college in 1935 with an interest in social problems and labor. In 1938 she graduated from Yale Law school and married John Driscoll in 1946. They are the parents of David, 28, a photographer living in Virginia Beach, Va.

At 26 she was deputy secretary of state and three years later in 1944 she ran for Congress against Clare Booth Luce, losing by 2,000 votes despite vocal support given her by FDR.

Of the thousands who have appeared before her over the years some youngsters stand out in her mind. She does not make an issue out of discussing the personal involvement she has had with many of them and their parents, but it just comes out in conversation mainly because 'personal' is her own way of describing her attitude toward those with whom she deals.

Judge Driscoll's hours are approximately from 9:30 a.m. to 4:30 p.m.; however, when she is not sitting in the Bridgeport court, her mail always awaits her. She carries a dictaphone around with her to dictate letters.

Since she is an advocate of doing whatever she is involved with at the moment totally—that apparently applies to "turning it off" completely (the court's problems), as well. And after spending an afternoon with the judge from lunchtime until 4 p.m., it appears to be a necessary thing.

That afternoon consisted of meeting Judge Driscoll for lunch at a neighborhood spot a couple of blocks away from court. She was there waiting with a pile of papers. The judge was 'starving.' Needless to say she gave her lunch that totality she preaches.

CONVERSATION AT HER SECOND HOME

We walked, actually she does an almost running trot up the freezing streets back to court. We would finish our conversation in between court cases, telephone calls and people coming into what she calls her "second home"—her office at the Bridgeport Juvenile Court.

The walls are a medium bright blue and cheerful draperies hang against walls which include pictures of FDR and the time he came to the area to speak in her behalf when she was running for office (actually the judge ran ahead of FDR in her district), a mother and child painting, a seascape with a small house and an old picture of John Brown, dating back to 1859. Brown, a leader in the fight for emancipation, was a "fanatic," says the judge who feels sometimes a fanatic is needed.

Along the big book shelves jammed with law books and others on juvenile justice and family life are numerous small animal statues looking as if they are surveying the place. There are two Lincoln bookends which stand separately and not as bookends because "my secretary thought they looked better that way," she said with that Driscoll full laugh.

The side of the desk includes pictures of her husband and son whom the judge recalled asking advice of when she was trying to understand youthful problems.

"It was another point of view—a kind of peer" observation was the way she thought about the days when her son was young. She glanced at son David's picture—David whom she recalls as having problems when he was 12 or 13—"but who straightened out."

It quickly became obvious that what happens out in the courtroom is only a small part of her activities.

Numerous phone calls, visits from probation officers and mounds of mail needed handling. One probation officer came in with a problem—a youngster whose reading ability was low, but with help, that ability was improving. There was a call from an area school official who said he would visit the youngster's parents. Judge Driscoll seemed very pleased that a school official would get involved with one youngster's problems.

That was followed by a hearing on a runaway girl—a case which was subsequently continued. More phone calls. More conversation. Then a visit from another probation officer, a young woman who was excited about a problem of getting a girl to her father in New Mexico. The father had arranged his vacation to meet the girl at an airport—the airline company was on strike.

"What am I going to do?" the probation officer said, looking very seriously at Judge Driscoll.

Judge Driscoll nodded through all that and said with her characteristic sense of humor—"Well, what do you want me to do? Build an airplane?" Everyone laughed. That cleared the tension and the hearing for her was postponed until Monday when hopefully there could be a resolution of the problem.

Then she signed some papers wherein a child's rights were sent to him and to his parents.

Those rights, by the way, are given to the youngster at his or her initial interview with a probation officer.

Approximately the same thing is said by Judge Driscoll at the time of the hearing. She advises the youth of his or her right to counsel and of the court's obligation to provide it and of the right to remain silent and if the child chooses not to remain silent, that any statement may be used against him or her. She also asks if anyone has made any promises to the child if the youngster chooses to admit a charge.

It was 3:30 p.m. by then and the day's mail had not been opened as well as a mound of papers for the judge to go through for the national association she will be heading.

It was obvious that everything that happens in Juvenile court does not just happen in the courtroom. It's happening all over the area—all the time—by probation officers, teachers, principals, school officials, psychiatrists, psychologists, parents, police—all of which the judge must keep on top of in order to handle the adjudications and to know the background of the youngsters who come before her.

It's a lot of kids to keep track of—a lot of staff to head. There is, however, a small plaque on the judge's desk which is in direct line of her vision and may account for the way she attempts to handle her life as a human being and as a juvenile court judge.

> "Lord make me an instrument of thy peace
> Where there is hatred, let me sow love.
> Where there is injury, pardon.
> Where there is doubt, faith.
> Where there is despair, hope
> Where there is darkness, light.
> Where there is sadness, joy."—(St. Francis)

"It's a great idea which I have no possibility of practicing. I would like to, but I know I don't," the judge said.

It is a goal she aspires to and one which she feels "would make the world a better place."

The final installment in this three-part series when the reader will spend a day in juvenile court will be published in Thursday's Focus on Living section.

[From the Bridgeport Post, Jan. 15, 1976]

A DAY IN JUVENILE CORT

(By Ruth Husar)

EDITOR'S NOTE.—This is the final installment in a series of three profiling Judge Margaret Driscoll and her feelings about the juvenile court system. Today the reader spends a day in that court.)

The room is painted a nondescript cream.

There is a painting with a country scene as its focus. At first the latter scene seems strange since outside the building is the bustle of Fairfield avenue activity—trucks, cars, a typical city scene. Maybe the out-of-place painting offers a bit of solace. It's hard to tell if anyone really notices it.

It's hard to tell too, if the man with his head down resting on his hands near his knees is a father or a close relative. He had the look of a father. His gray hair blended with his suit. Every once in a while he would look up as if wondering where he was or what he was doing there.

The scene is the waiting room of the Juvenile court in Bridgeport. One might not expect too much to be happening there. After all it is only a waiting room, the place where youngsters in trouble, their parents, probation officers and lawyers wait before coming before Judge Margaret Driscoll.

But it is a place of quiet drama and strangely enough after sitting in on a Juvenile court session one afternoon the formal proceedings seemed anti-climactic after watching the tension of the parties and their other emotions as they passed the time chatting in the waiting room.

Somehow the impatience of waiting for the unknown prickled the skin of an observer. Many had been waiting a long time because that morning a case had taken longer than expected—well, it had started at 11 a.m. and it was 1:15 p.m. No one had expected the case to take that long. No one really knows how long any case will take.

There was a great deal of the silent tension felt by a non-involved party. Something was going to happen. Verbal remarks somehow did not always have anything much to do with what might be the problem. Sometimes they did. But that quiet tension and anxiety in the air felt heavy.

It would be shaken and broken abruptly when the buzzer rang for the door to the courtroom to open. Eyes would snap at the door. Was it time for their case? Would the crowded waiting room be emptied of some who stood, smoked, walked to the outer door or stared outside the facility. Would it never end?

One boy, about ten years old, sat between his foster parents holding an ashtray for both of them.

"I was shaking like this," a young woman in a green coat and outdated minidress said to another young woman in brown. What has she been shaking about? One was tempted to walk over and ask.

An older woman, perhaps in her middle fifties, said to a younger one, perhaps her daughter who was there for a hearing, "Just bite your lip"—advice on what to do when she felt like crying.

From somewhere in the room long and narrow with chairs on both sides facing each other came, "He's an altar boy." Who was the altar boy? The observer moves her eyes quickly around the room to try to determine the altar boy who had strayed from his image.

"You in trouble, kid?" someone asks a teenage boy.

"Nah, I want to go home," the kid says walking nervously out of the room to the door as if the change in position would change something.

A LIFTING OF THE SPIRITS?

"Are we on?" says a nattily dressed lawyer to a client. His gaily spoken words seemed out of place somehow. Maybe he was trying to lift the spirit of the place into which he had walked or maybe he was trying to make himself feel better. At any rate his remarks and his gaiety seemed alien somehow. In fact they sounded as if his people were the next act instead of the next case. It really wasn't the 'are we on' but the attitude and jauntiness.

"I should have brought my book," moans a woman in loafers and a green coat. The coat was too short for the dress.

From another waiter—"Every time I see that door open"—

Perhaps the only one in the crowded room who seemed at peace was a bundle of pink asleep in her grandmother's arms. Babies have a way of bringing out that kind of a smile.

Not a hearty smile, but a "It's the best I can do under the circumstances" kind of response.

"If she had only listened to me. There would be no trouble," the grandmother said rocking the baby. The woman next to her nodded and said, "Mama always knows best."

Grandma held the baby close to her and said to no one in particular, "I try to help my kids. I try to help strangers too."

Finally inside the small courtroom the afternoon cases begin.

Judge Driscoll walks in wearing a blue and red dress with a red blouse effect. When Juvenile courts began functioning in this country none of the judges wore robes. Now many of them do. (Later Judge Driscoll said the idea behind it was to try to establish more rapport with the youngsters—"to discern more easily the problem, to get the youngster to talk. If you frighten the youngster he or she becomes angry or speechless.")

The judge sits at a desk fairly close to the parties involved—each case comes in separately with parents, lawyers, probation officers and-or any other personnel such as a doctor. There are only a dozen or so chairs and a court stenographer. To the right of the judge's desk is an original sketch done by a friend of a caricature of a judge. To the left a reproduction of a window at the Yale Law school. The reproduction is one by Pollock and it too is of a judge, but with NO eyes.

Everyone faces the judge as she sifts the file. She nods her head. The observer cannot see their faces since she is seated in the rear of the small room.

"I've been up since 5 o'clock. My supper is already made," she said to a worn out woman who probably wasn't as old as she looked. The woman smiles a little. There were some teeth missing on top.

In the room is a painting with a peaceful church setting. One wonders if the case participants see it. Chances are—no. The youths and their parents all talked in subdued tones. Sometimes it was even difficult to hear them. Perhaps they had verbalized their emotions in the waiting room.

FIRST CASE ON DOCKET

The first case involved a youth who had taken a rowboat. The judge asks if he had been punished. The answer from the youth is "No." His mother pipes in with "He got a beating and had to stay home."

"You remember that?" Judge Driscoll queries the youth.

He apparently doesn't because his mother says, "I'll remind him when we get home."

The tension is broken momentarily then as everyone laughs when Judge Driscoll says, "You don't have to do that."

"Are you going to take anything again that doesn't belong to you?" The judge asks. Her tone is not that of an Earth Mother but neither is it tough or shrill. It is firm, precise, kind but not maudlin. (As one court official said not knowing the questioner was a writer, "She is very good. Fair. Right to the point.")

All of a sudden the youth's mother asks if she can have a glass of water.

"I get awful dizzy," she said swallowing one glass, then two, then three, which the judge pours for her from a pitcher.

Dispositions in Juvenile court never seem to be quite simple. Many factors are taken into consideration: For instance in this case the boy who took the row boat had been in the company of his older brother who had been committed to Long Lane.

The older brother was at that time on runaway from Long Lane and at home. The younger brother's matter was continued 30 days to be sure the older brother was out of the house.

Judge Driscoll explained all this later and added that in view of the lapse of time since the offense (last spring) and no additional delinquency referrals or further influence of the older brother, it was felt that the younger brother could be dismissed at the end of the 30 days after the older brother was back in Long Lane.

FOSTER PARENTS PROVIDE HOME

Next came a case involving visitation by the natural mother to the foster parents' home where the boy apparently had been living a long time. The boy walked into the courtroom but was asked to leave by the judge. The foster parents were informed of their right to counsel and that if they could not afford counsel, the court would supply one, if circumstances deemed their finances were such.

"The place is full of lawyers. We could recess to find one," the judge advised the foster parents.

The foster father ventured that he would "try it without one."

The mother, it was said, was on welfare and there was difficulty in getting from her home in Milford to where the child lived in Danbury for a visit. It seemed that she had not been visiting the child for a while and the foster father raised that point.

The last visit had been a long one—a weekend at the mother's house and was apparently too much for the child. The problem was to find someone who could take the mother back and forth, perhaps the state could provide transportation. It was thought the visits should be limited.

On Saturdays it turned out, "It was a problem of bodies" to get a state worker to assist. The judge seemed eager to work the situation out to make it convenient for everyone. It was suggested that such organizations be contacted as Fish or the Red Cross to assist with the transportation. They would then be reimbursed for gasoline with state funds.

The medium length brown hair of a youth sat before an observer. He was there with his mother and father, a factory worker. The youth had been having school problems, cutting classes and had been staying at the CYO home, apparently doing well there. It was decided to extend his time at the home.

"Do you feel better about yourself?", the judge asked leaning over toward the youth. She looked at him smiling.

"Yes," he said quietly.

It was decided to continue the case of dependency and neglect with the judge's final words being:

"Keep going to school and let's see you come back with good grades."

Next was a delinquency case for which an interpreter was required. The case involved a youth who had threatened a teacher. The judge ordered a study be made of the youth to determine what kind of a youngster he was—"what needs to be done."

The judge seemed annoyed that school officials would not allow the youth back in school until the case was cleared up.

A lot of time apparently would be lost before the study was done, meanwhile what would happen to the youth's education? "The school has the duty to provide some kind of education," she said after he and his family left the room.

THIS SCHOOL IS NEAR COURT

He was ordered to report to Mead hall, a facility to the rear of Juvenile court, every day for school. Mead hall is a detention center for youngsters who are brought there by the police when they are picked up and/or after the judge signs an order of detention. Usually youngsters stay there from one to three days before a plea is entered or a hearing conducted. The stay can be longer depending on the individual situation or if placement is being awaited.

The language is precise about the reason for keeping the youth there—he or she must be a danger to themselves or the community. Mead hall was the first such facility built in the country specifically for that purpose.

Later the judge explained that not all juvenile courts have detention homes. In some areas in the country youngsters are placed in jails if there is no detention home.

"Small counties are not likely to have detention homes. The standard is that they should. The thrust now is to reduce detention population (there is room for 18 beds in the Bridgeport facility). We're ahead of our time (referring to the Bridgeport facility)," Judge Driscoll said, adding wryly. "Adults are let out on bail. Kids aren't."

Next a social study was ordered on a youth who had been committed on a number of burglaries and larcenies. The father sat sideways and was the first one that afternoon who looked like a suburban parent. He was well-dressed as opposed to the others who mostly wore work clothes. The child was placed in a foster home for one month. The father's face was expressionless.

CHILD ABUSE IS COMMON

A young mother admitted that afternoon to charges of neglect and abuse—but emphatically not to the abuse having been by her to her child. Back in November, 1974, she had wanted to place the child in a foster home after she alleged the child had been abused and was in danger of further abuse by her husband.

It was vague whether the husband was the father of the child, but he appeared not to be. At that time the . . . which time the mother returned and said, "Things have changed," and she took the child back.

In March of 1975 the child was injured 'playing' with his father. The child had a fractured shoulder, and the case came to the court's attention through hospital doctors who were suspicious.

At present the child is receiving treatment at the Mental Health Center and has been committed to the care of the Commissioner on Youth Services which means he will be provided with support and is under the control of the commissioner who will determine where the child shall receive care.

Perhaps an indicator of what is attempted in the Juvenile court can be shown by small, perhaps inconspicuous plaques on the walls of the Norwalk and Bridgeport juvenile court rooms.

In Norwalk outside the courtroom is a copy of the Children's Charter from President Hoover's White House Conference on Child Health and Protection. The charter "recognizes the rights of children as the first rights of citizenship and pledges itself to those aims for children of America." The charter concludes with the right of "every child to spiritual and moral training to help him stand firm under the pressures of life."

In the Bridgeport court room the plaque on the side rear wall says:

"Children learn what they live.
If a child lives with criticism, he learns to Condemn.
If a child lives with hostility, he learns to Fight.
If a child lives with acceptance, and friendship,
He learns to find love in the world."

A DIFFERENT PERSPECTIVE ON THE STATE OF THE ECONOMY

Mr. HUMPHREY. Mr. President, every day we read about higher prices, inflation, high unemployment, the balance of payments, shortages of raw materials, and the like. These are very real problems and ones we should continue to address until solutions are found.

Often, however, we are so concerned about the present that we lose sight of the fact that a generation or two ago, the quality of life was quite different from that of today. We often forget that the good old days were not all that good after all.

Look at the advances in health care. Many diseases which were once fatal are controlled either through advanced surgical techniques, immunization, or medication.

Pasteurized milk, fresh fruits, vegetables, and fish are easily available and nutrition is a household concern.

Education is open to thousands of people—young and old—from all walks of life.

The 10-day drive to Florida from the Midwest is a thing of the past with the nearly completed interstate highway network.

Leisure time is a reality and so are the means to enjoy it.

Despite all the doomsday theories there are signs that we are, in fact, better off and we are making progress in achieving our goals.

New sources of energy and important new oil reserves are being discovered.

Previously wasted materials are recycled and put to work meeting the new needs of today and tomorrow.

Progress on the world's food shortage and overpopulation problems through hybrid staple foods, new sources of protein from the ocean, nontoxic but effective pesticides and declining birth rates in a number of major nations is occurring.

Mr. President, Mr. Gene Balliet's article gives us a better perspective on the quality of life we are so fortunate to have. I ask unanimous consent that the article "Relax: America Isn't Going Down the Drain," which appeared in the December 1975 issue of Physician's Management, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

RELAX: AMERICA ISN'T GOING DOWN THE DRAIN

(By Gene Balliett)

I know of no one who seriously defends inflation, and I'm not going to be the first. But I do believe that inflation needs to be viewed realistically. It's not a bomb, a bogeyman, or a monster. The rate of inflation—more than 12 per cent in 1974—is just a number that helps indicate the quality of life. So does the number that tells us what the wind-chill factor is. Neither gives us anything like the full story.

The discipline we call economics is also just part of the story. It's just one part of the inquiry into the human condition, standing alongside such other disciplines as psychology, sociology, and political science. The sum of their inquiries is the comprehensive statement of the quality of life—today compared with yesterday and with tomorrow.

So I'm not inclined to burn up with anxiety when I read that last year's rate of inflation hit 12 per cent or that this year's may run to 14. Not that I'm pleased by such numbers. I'm concerned about them. I'm concerned enough to want to know what they've got to do with the quality of my life. I don't fear the latest inflation report or forecast because I know that inflation has been with us, on and off, for at least 120 years. What's more, it's been unabated or nearly so since 1939, and during that time the quality of life has improved enormously.

A generation or two ago, the quality of life was quite different from today's—in big ways and small. Look at the advances in health care, in education, in transportation and leisure, in the use of energy resources, in the very fabric of everyday life. Just consider:

Surgical techniques unknown then are today keeping heart patients alive, dialysis machines are keeping kidney patients alive, and patients with many problems considered hopeless then are today facing life optimistically.

Tuberculosis, polio, diphtheria, and smallpox—all big killers a generation or two ago—are practically unknown today. And some other once-serious diseases, including measles and mumps, are on the way out.

Diabetes, glaucoma, and epilepsy are today controlled to an extent not even dreamed of even a single generation ago.

Not so long ago, pasteurized milk was widely unavailable or available only at extra cost. Nutrition has become a household concern only in the last generation.

And until a generation ago, antibiotics were unknown—in fact, drug therapy was comparatively unimportant.

Even medical training was clearly inferior a generation ago. Medical specialists were in such short supply that they were the oddities of the medical profession.

The diagnostic X-ray was a relatively crude device not long ago. And only the science-fiction writers conceived of today's automated diagnostic labs, computerized ECGs, and superminiaturized hearing aids—or of tomorrow's transplanted artificial electronic eye for restoring sight to the blind.

Yesterday's hospital care was nothing when compared with today's, especially in the areas of intensive care.

Yes, physicians and other health professionals have contributed enormously to the improvement of America's quality of life. Others, too, have made splendid contributions.

In education, today's community colleges and vocational schools, wholly unknown two generations ago and nearly so just a single generation ago, are today opening the doors of advanced education to thousands upon thousands of young people who once had no realistic hope of obtaining such training.

Work-study programs, audiovisual aids, and special tutoring programs are today upgrading the breadth and quality of advanced, secondary, and primary education. Specialized training is now commonplace for the emotionally disturbed, the physically handicapped, and the mentally retarded. So are Head Start and other preschool educational programs. At the college level, students taking advanced degrees are no longer rarities.

Look, too, to the field of transportation. Compare today's largely completed interstate highway network with the national road system—mostly just two dangerous lanes wide—of a generation or two ago. Remember when Florida was a 10-day drive from the Midwest? If you don't, ask your father. He remembers. He remembers, too, that Europe was an experience only for the incredibly thrifty and the very rich, not for students and wage earners.

Consider, too, the way people today spend their leisure time. The six-day week and the 12-hour day were commonplace fewer years ago than today's children would begin to believe. Today's young tend toward disbelief when told that good motels and even passable restaurants were unavailable to most travelers not so very long ago. No one owned travel trailers or campers, and very few people, even on Long Island, could afford boats of their own.

Who, just a generation ago, would have guessed that 20 million Americans would be playing tennis today, that millions more would be paying the price of membership in private golf and swim clubs, that skiing—even off in the Alps—would become a fad among swinging singles?

It's easy to regard television as a vast wasteland, but who a generation or two ago would have dreamed of seeing, if only on a video tube, a World Series, a championship prize fight, an Indianapolis 500 race, a Kentucky Derby, a Rose Bowl game, a U.S. Open golf match, the Olympic games—or a moon walk?

And who would have guessed that today fresh fruits, vegetables, and fish would be so easily available?

Or that heat in the home would no longer be from coal-fired furnaces, stoked by hand?

What gourmet cook of yesteryear dreamed of automatic dishwashers, microwave ovens, self-cleaning gas and electric stoves, gigantic self-defrosting refrigerators and freezers, mixers, blenders, electric coffeemakers?

Your children may not believe this, but it's true: Ready-prepared foods, spray starch, and dogfood came to market only in recent years; the average kitchen was alive with houseflies; and no one, but no one, had central air conditioning—not even at the office.

The photocopier—now in almost every office, school, and library—is a recent development. So is the electronic calculator; today, sixth-graders get them for birthday gifts and carry them to school as routinely as books. In 1967, I bought an electronic calculator—the Friden Model 130—for $1,300. A couple of months ago I replaced it with a shirt-pocket miniature that does all the same things—for only $19.95.

The point of all this reminiscing is, of course, that prices and inflation aren't the full story. They're just numbers. They seem to mean more than they really do. A more meaningful number would be the amount of time required by the typical wage earner to buy an item today compared with days gone by.

For example, let's recall 1960. A leading manufacturer's 24-inch-wide, nine-pound-capacity automatic washer sold then for $169.96. That was 4.4 weeks' work for the average workingman. A better machine sells today for about $230—less than 2.9 weeks' work for the typical workingman. In each case, I'm talking about median per-capita after-tax U.S. income.

Using the same standard, B. Altman & Co. in 1960 offered girls' saddle oxfords, in a choice of blue and white or brown and white, for $9.95—almost 10½ hours' labor. Today, casual shoes of similar quality cost about $16—representing a little less than eight hours' work.

In 1960 a fifth of Seagram's Seven Crown sold in Manhattan for $4.79—slightly more than five hours' work. I priced the same brand not long ago: $5.17 a fifth—85 per cent of a single day's work.

In 1960 one of New York's largest camera stores offered an Aires V rangefinder 35 mm. camera at $99—that's 2.6 weeks' work. A much better 35 mm. camera, the Konika Automatic, recently sold at the same store for only $59.95—that's about 1.2 days' work.

Surprisingly, the favorable comparison extends even into housing, despite all the recent increases in housing costs. A split-level row house in Westchester sold in 1964 for more than 4.8 times the average household after-tax annual income. Today, despite inflation, a new house of similar quality and size and located in a golf-course community, rather than in a corn-row development, sells for $38,500—a little more than three times today's average household after-tax annual income.

I could keep on citing numbers, but I believe my point is already secure: Dollar prices in most cases are up from 15 years ago or from any other point in the past, but real prices are often down—measuring not dollar numbers but units of labor typically expended.

Isn't that, the more meaningful unit of measure?

I say it is, and I also say that the quality of American life is better today than at any time in the past. No one has helped contribute more than physicians to this happy state of affairs. You ought to be well-aware of that contribution, and you ought to be proud of it. There's nothing wrong with our recognizing that the quality of life has improved, that progress does exist, that in many ways we are, indeed, getting not just older but better. And there's no reason why we shouldn't feel a little bit of pride in our many accomplishments.

That's not to say we don't have big problems to solve. Of course, we do. You're concerned about them; everybody's concerned about them, as we should be.

Well, what of the future? Despite all the doomsday theories that have gained an odd popularity of late, there are all kinds of signs of hope and good reasons for optimism. There are any number of signs, for instance, that inflation is cooling off: Raw-material prices have been falling worldwide for some months, big business is learning that it can't forever exploit labor to expand profits without inviting Congress to impose an excess profits tax, and our labor leaders seem to appreciate, at last, that gains in wages make no economic sense unless those gains are matched by gains in productivity.

The world oil crisis, so scary a year or so ago, has faded with word of discoveries of important new oil reserves throughout the world, including the Western Hemisphere—principally in Trinidad and southeastern Mexico. Even before the arrival of spring, the tankers laden with Arab oil were at anchor in the Atlantic, for U.S. oil-storage tanks were already filled to capacity. The Sun Oil Company is rapidly nearing the day when it will begin pulling crude oil out of the Athabasca Tar Sands in Alberta, Canada, at a cost of $5 a barrel less than new U.S. crude and $8 less than foreign crude—and from a source equivalent to more than four times the conventional oil reserves of the U.S. and more, even, than the known reserves of Saudi Arabia. Work has started on the Alaskan pipeline, with the first oil scheduled to flow in just 2½ years from the rich Prudhoe Bay field. And research into alternative major power sources—centering on nuclear, solar, wind, tides, and natural steam—has stepped up worldwide, even in oil-rich Iran.

Signs of success in reversing the world's pollution are seen—in the Great Lakes, in rivers like the Hudson and the Ohio, and even in the Jersey meadowlands, where the striped bass are coming back, just a few minutes' drive from Manhattan.

Meantime, research is going on everywhere for DDT alternatives that can increase world food production by eliminating pests without cumulative and toxic environmental effects. A synthetic substance called pyrethroid is expected to be in common use throughout the world before the end of this decade. The compound is said to be nearly 100 times as effective as DDT, but it's nontoxic to animals and people.

There are signs, too, that a world grown used to wasting its natural resources is changing for the better. China is making a highly effective nicotine insecticide out of old cigarette butts and is treating 1.5 million acres of farmland annually. A Japanese manufacturer may have solved the problem of disposing of plastic waste by finding a way to recover 80 per cent of the oil in it. Household waste is being used in Japan to generate electricity, in Britain to manufacture fertilizer, and in France to heat homes and offices across the city. A German company is making plaster and building bricks from a by-product of aluminum production. And a German inventor has designed a one-pound $58 water-pressure filter that may turn polluted water to clean in homes, restaurants, and gardens.

Finally, after all these years of pessimism, there's even room for stirrings of hope about the world food shortage and overpopulation. The United Nations Economic and Social Council for Asia and the Pacific has started a crash program aimed at stepping up the use of both chemical and organic fertilizers. Local and foreign agronomists in the Philippines believe that rice yields can be doubled through the use of improved varieties of grain, the best being IR–26, a hybrid that equals the best rice in Asia in taste and cooking quality and is resistant to almost all Philippine insects and disease. In Japan, the Marine Fishery Resource Research Center is nearing the end of a research study of a shrimplike plantin called okiami. It contains protein, vitamin B, and calcium; it's among the ocean's most plentiful substances; and it's been described as a potential savior in the world food crisis.

Meantime, birth rates have been steadily declining recently in a number of major nations, including the Soviet Union, France, Greece, and the United States. Singapore's goal is to achieve zero population growth. Tunisia and Egypt are now running active family-planning programs. Spain and Portugal, although Catholic and without official birth-control programs, now offer contraceptive pills with a physician's prescription. And Mexico, long opposed to birth control, did an abrupt about-face two years ago and now has a government-backed family planning program.

So it's much too soon to say that either America or the world is going down the drain or that we're in horrible shape economically or any other way. There's hope and more: We're already doing better than many of us think, and, everywhere you look, help seems to be on the way.

GEORGE W. MITCHELL

Mr. STEVENSON. Mr. President, the retirement of Vice Chairman George W. Mitchell from the Board of Governors marks the end of the distinguished career of this singularly gifted and dedicated public official. George Mitchell is a man of seemingly inexhaustible energies, ever-fresh ideas, and infectious enthusiasm who has been the moving force behind many of the Federal Reserve System's major new activities over the course of recent years. The System's forward-looking efforts to improve the Nation's payments system are to an important degree of George Mitchell's vision. He has also played a leading role within the Federal Reserve System in the area of bank supervision and has been in the forefront of efforts to improve the regulation of foreign bank activities in the United States and of American bank operations abroad.

Perhaps his main contributions, however, have been in monetary policy where this accomplished economist and tax expert has always exerted a persuasive influence in the system's deliberations. His colleagues, and indeed the Congress and the Nation, will miss his sound judgment and leadership, his keen mind and long experience as a policymaker. We all owe him a deep debt of gratitude. For me this is a moment of some pride, as well, because George Mitchell started his public career in Governor Stevenson's cabinet almost three decades ago.

PRINCE GEORGES SONS OF ITALY VISIT CAPITOL

Mr. MATHIAS. Mr. President, last night it was my privilege to join with my distinguished colleague, Mr. BEALL, in welcoming the members of the Prince Georges County Order Sons of Italy Lodge for a visit to the Capitol. The meeting was presided over by Frank A. Guaragna and the principal address was delivered by the Honorable Thomas d'Alesandro, former Member of Congress and mayor of Baltimore. Among those who attended were the Ambassador of Italy and Mrs. Roberto Gaja, Father Anthony Dal Balcon who gave the invocation, Mr. Simon J. Avara of the Maryland Grand Lodge and the program chairman, Mr. Paul Interdonato.

The reason that Senator BEALL and I felt that it was particularly appropriate to sponsor the visit of the Sons of Italy to the Capitol was that this building is so full of reminders of the contributions of Italian culture to American life. The very words "Republic," "Capitol," and "Senate" are an inheritance from ancient Rome.

Much of the fabric of the U.S. Capitol was fashioned by artists, sculptors, painters, and artisans who were of Italian origin and who represent a bridge between the great classic tradition of art in Italy and our own artistic efforts in the United States.

The Office of the Architect of the Capitol and Miss Wandy Greiner of my staff has prepared a list of some of those who have participated in making this great building. They include:

ART OF THE ITALIAN ARTISTS IN THE UNITED STATES CAPITOL

1. Andrei, Giovanni, sculptor, Corinthian Capitals, Statuary Hall; Column Capitals, East Central Portico.

2. Beghe, Bruno, sculptor, statue of Joseph Ward (S. Dakota), Hall of Columns.

3. Bonanni, Pietro, painter, half-dome ceiling patterned after dome of Pantheon in Rome (replica remains), Hall of House of Representatives.

4. Brumidi, Constantino, Fresco painter, provided first example of fresco in U.S.; "to make beautiful the Capitol of the one country on earth in which there is liberty"; The Apeothesis of Washington—idealized Washington to the dignity of a mythological personage and surrounded him with adoring groups, symbolizing the thirteen original states; suffered a tragic fall while working on the eye of the dome and did not complete the work.

5. Cadorin, Ettore, sculptor, Statue of Junipero Serra (California), Statuary Hall.

6. Capellano, Antonio, sculptor, bust of Washington, in sculptured relief panel of "Fame and Peace", above bronze doors of Rotunda, East Central Portico; sculptured relief, "Preservation of Captain John Smith", above West Entrance of Rotunda; Decorative wreaths of Rotunda; High relief figures, walls of Rotunda (aided Causici).

7. Causici, Enrico, sculptor, Liberty and Eagle, statuary group in plaster, niche above the entablature, Statuary Hall; sculptured relief, "Conflict of Daniel Boone and the Indians" (above South Door, Rotunda); said to have frightened away 20 Winnebago Indians upon a visit to Washington years ago; sculptured relief, "Landing of the Pilgrims" above East Door, Rotunda; high relief figures of LaSalle, Columbus, Cabot and Raleigh, walls of Rotunda; decorative wreaths, walls of Rotunda; executed statue of Washington for the Washington Monument of Baltimore.

8. Ciani, Vittorio, sculptor, bust of George Clinton, Senate Chamber.

9. Coppini, Pompeo, sculptor, statue, James P. Clark (Arkansas), Hall of Columns, House Wing, first floor.

10. Costaggini, Filippo, Fresco painter, panels of Rotunda Frieze, 1880–1888, completed ⅔ of Frieze from Brumidi designs; Portrait of Senator Morrill, Vt., Senate gallery.

11. Fagnani, Guiseppe, painter, portrait of Speaker Henry Clay, Speaker's lobby.

12. Franzoni, Carlo, sculptor, car of history: Goddess of History standing in the chariot of time recording the occurrences of the legislators in the Hall below, North Door, Statuary Hall (believed to be oldest example of art of statuary in public building in Washington).

13. Franzoni, Guiseppe, painter, Corncob Capitals in the Old Supreme Court Entrance first floor.

14. Gagliardi, Tommaso, sculptor and carver, bust of Thomas Crawford, North Corridor Gallery Floor, Senate Wing.

15. Iardella, Francisco, sculptor, Tobacco capitals, small Rotunda, north wing; assisted Andrei on capitals for columns, Statuary Hall; two Decorative Wreaths, East Portico, 1825.

16. Persico, Luigi, sculptor, statuary of Central Pediment, "America, Justice and Hope" above East Front Portico; statue, Peace, East Central Portico; statue, "War", East Central Portico.

17. Sodini, Dante, sculptor, statue, J. L. M. Curry (Alabama), Hall of Columns, House wing.

18. Trentanove, Gaetano, sculpter, statue of James Marquette (Wisconsin), House Connecting Corridor.

19. Valaperti, Guiseppe, sculptor, eagle on Frieze on entablature below Statue of Liberty, Statuary Hall.

20. Vincenti, Francis, sculptor, bust of Beeshekee, Chippewa Indian Chief, Gallery Floor East, 1854.

PROTECTING OLDER AMERICANS AGAINST OVERPAYMENT OF INCOME TAXES

Mr. CHURCH. Mr. President, each year the Senate Committee on Aging publishes a checklist of itemized deductions for individual taxpayers.

The purpose is to protect older Americans from overpaying their income taxes.

Hearings conducted by the Committee on Aging have made it abundantly clear that many elderly persons needlessly overpay their taxes each year.

Witnesses have cited several reasons.

First, large numbers of older Americans are overwhelmed by the complexity of the tax law and the tax form.

In recent years, the Internal Revenue Service has taken a number of steps—at the urging of the Committee on Aging—to simplify the tax form. I wish to commend the IRS for adopting these recommendations. However, additional action is still needed, and the committee is ready to cooperate with the IRS to do so.

Second, many aged taxpayers are simply unaware of helpful deductions which can save them precious dollars.

The checklist developed by the Committee on Aging, however, can provide a safeguard for taxpayers who may not be completely current on tax relief provisions.

In addition, this summary offers guidance for individuals to determine whether it would be to their advantage to itemize their deductions or compute their taxes on the basis of the tax tables.

Persons who may subsequently discover that they overpaid their taxes in prior years have recourse. They may file an amended return—Form 1040X—to claim deductions initially overlooked. Form 1040X must be filed within 3 years after the original return was due or filed or within 2 years after the tax was paid, whichever is later.

The committee's summary also includes a brief description of other tax relief measures for older Americans, such as the retirement income credit, the total or partial exclusion of a gain on the sale of a personal residence, and others. Changes in the 1975 Tax Reduction Act are also incorporated in this summary.

Mr. President, I ask unanimous consent that the Committee on Aging's checklist of itemized deductions and summary of tax relief measures for older Americans be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CHECKLIST OF ITEMIZED DEDUCTIONS FOR SCHEDULE A (FORM 1040)

MEDICAL AND DENTAL EXPENSES

Medical and dental expenses (unreimbursed by insurance or otherwise) are deductible to the extent that they exceed 3% of a taxpayer's adjusted gross income (line 15, Form 1040).

INSURANCE PREMIUMS

One-half of medical, hospital or health insurance premiums are deductible (up to $150) without regard to the 3% limitation for other medical expenses. The remainder of these premiums can be deducted, but is subject to the 3% rule.

DRUGS AND MEDICINES

Included in medical expenses (subject to 3% rule) but only to extent exceeding 1% of adjusted gross income (line 15, Form 1040).

OTHER MEDICAL EXPENSES

Other allowable medical and dental expense (subject to 3% limitation):

Abdominal supports (prescribed by a doctor)

Acupuncture services

Ambulance hire

Anesthetist

Arch supports (prescribed by a doctor)

Artificial limbs and teeth

Back supports (prescribed by a doctor)

Braces

Capital expenditures for medical purposes (e.g., elevator for persons with a heart ailment)—deductible to the extent that the cost of the capital expenditure exceeds the increase in value to your home because of the capital expenditure. Taxpayer should have an independent appraisal made to reflect clearly the increase in value.

Cardiographs

Chiropodist

Chiropractor

Christian Science practitioner, authorized

Convalescent home (for medical treatment only)

Crutches

Dental services (e.g., cleaning, X-ray, filling teeth)

Dentures

Dermatologist

Eyeglasses

Food or beverages specially prescribed by a physician (for treatment of illness, and in addition to, not as substitute for, regular diet; physician's statement needed)

Gynecologist

Hearing aids and batteries

Home Health services

Hospital expenses

Insulin treatment

Invalid chair

Lab tests

Lip reading lessons (designed to overcome a handicap)

Neurologist

Nursing services (for medical care, including nurse's board paid by you)

Occupational therapist

Ophthalmologist

Optician

Optometrist

Oral surgery

Osteopath, licensed

Pediatrician

Physical examinations

Physician

Physical therapist

Podiatrist

Psychiatrist

Psychoanalyst

Psychologist

Psychotherapy

Radium therapy

Sacroiliac belt (prescribed by a doctor)

Seeing-eye dog and maintenance

Speech therapist

Splints

Supplementary medical insurance (Part B) under Medicare

Surgeon

Telephone/teletype special communications equipment for the deaf

Transportation expenses for medical purposes (7¢ per mile plus parking and tolls or actual fares for taxi, buses, etc.)

Vaccines

Vitamins prescribed by a doctor (but not taken as a food supplement or to preserve general health)

Wheelchairs

Whirlpool baths for medical purposes

X-rays

TAXES

Real estate

State and local gasoline

General sales

State and local income

Personal property

If sales tax tables are used in arriving at your deduction, you may add to the amount shown in the tax tables only the sales tax paid on the purchase of five classes of items: automobiles, airplanes, boats, mobile homes, and materials used to build a new home when you are your own contractor.

When using the sales tax tables, add to your adjusted gross income any nontaxable income (e.g., Social Security, Veterans' pension or compensation payments, Railroad Retirement annuities, workmen's compensation, untaxed portion of long-term capital gains, recovery of pension costs, dividends exclusion, interest on municipal bonds, unemployment compensation and public assistance payments).

CONTRIBUTIONS

In general, contributions may be deducted up to 50 percent of your adjusted gross income (line 15, Form 1040). However, contributions to certain private nonprofit foundations, veterans organizations, or fraternal societies are limited to 20% of adjusted gross income.

Cash contributions to qualified organizations for (1) religious, charitable, scientific, literary or educational purposes, (2) prevention of cruelty to children or animals, or (3) Federal, State or local governmental units (tuition for children attending parochial schools is not deductible). Fair market value for property (e.g., clothing, books, equipment, furniture) for charitable purposes. (For gifts of appreciated property, special rules apply. Contact local IRS office.)

Travel expenses (actual or 7¢ per mile plus parking and tolls) for charitable purposes (may not deduct insurance or depreciation in either case).

Cost and upkeep of uniforms used in charitable activities (e.g. scoutmaster).

Purchase of goods or tickets from charitable organizations (excess of amount paid over the fair market value of the goods or services).

Out-of-pocket expenses (e.g., postage, stationery, phone calls) while rendering services for charitable organizations.

Care of unrelated student in taxpayer's home under a written agreement with a qualifying organization (deduction is limited to $50 per month).

INTEREST

Home mortgage.

Auto loan.

Installment purchases (television, washer, dryer, etc.).

Bank credit card—can deduct the finance charges as interest if no part is for service charges, loan fees, or credit investigation fees, or similar charges.

Points—deductible as interest by buyer where financing agreement provides that they are to be paid for use of lender's money. Not deductible if points represent charges for services rendered by the lending institution (e.g., VA loan points are service charges and are not deductible as interest). Not deductible if paid by seller (are treated as selling expenses and represent a reduction of amount realized).

Penalty for prepayment of a mortgage—deductible as interest.

Revolving charge accounts—may deduct the "finance charge" if the charges are based on your unpaid balance and computed monthly.

Other charge accounts for installment purchases—may deduct the lesser of (1) 6% of the average monthly balance (average monthly balance equals the total of the unpaid balances for all 12 months, divided by 12) or (2) the portion of the total fee or service charge allocable to the year.

CASUALTY OR THEFT LOSSES

Casualty (e.g., tornado, flood, storm, fire, or auto accident provided not caused by a willful act or willful negligence) or theft losses to nonbusiness property—the amount of your casualty loss deduction is generally the lesser of (1) the decrease in fair market value of the property as a result of the casualty, or (2) your adjusted basis in the property. This amount must be further reduced by any insurance or other recovery, and, in the case of property held for personal use, by the $100 limitation. You may use Form 4684 for computing your personal casualty loss.

CHILD AND DISABLED DEPENDENT CARE EXPENSES

A taxpayer who maintains a household may claim a deduction for employment-related expenses incurred in obtaining care for a (1) dependent who is under 15, (2) physically or mentally disabled dependent, or (3) disabled spouse. The maximum allowable deduction is $400 a month ($4,800 a year). As a general rule, employment-related expenses are deductible only if incurred for services for a qualifying individual in the taxpayer's household. However, an exception exists for child care expenses (as distinguished from a disabled dependent or a disabled spouse). In this case, expenses outside the household (e.g., day care expenditures) are deductible, but the maximum deduction is $200 per month for one child, $300 per month for two children, and $400 per month for three or more children.

When a taxpayer's adjusted gross income (line 15, Form 1040) exceeds $18,000, the deduction is reduced by $1 for each $2 of income above this amount. For further information about child and dependent care deductions, see Publication 503, Child Care and Disabled Dependent Care, available free at Internal Revenue offices.

MISCELLANEOUS

Alimony and separate maintenance (periodic payments).

Appraisal fees for casualty loss or to determine the fair market value of charitable contributions.

Union dues.

Cost of preparation of income tax return.

Cost of tools for employee (depreciated over the useful life of the tools).

Dues for Chamber of Commerce (if as a business expense).

Rental cost of a safe-deposit box for income-producing property.

Fees paid to investment counselors.

Subscriptions to business publications.

Telephone and postage in connection with investments.

Uniforms required for employment and not generally wearable off the job.

Maintenance of uniforms required for employment.

Special safety apparel (e.g., steel toe safety shoes or helmets worn by construction workers; special masks worn by welders).

Business entertainment expenses.

Business gift expenses not exceeding $25 per recipient.

Employment agency fees under certain circumstances.

Cost of a periodic physical examination if required by employer.

Cost of installation and maintenance of a telephone required by the taxpayer's employment (deduction based on business use).

Cost of bond if required for employment.

Expenses of an office in your home if employment requires it.

Payments made by a teacher to a substitute.

Educational expenses required by your employer to maintain your position or for maintaining or sharpening your skills for your employment.

Political Campaign Contributions.—Taxpayers may now claim either a deduction (line 33, Schedule A, Form 1040) or a credit (line 51, Form 1040), for campaign contributions to an individual who is a candidate for nomination or election to any Federal, State, or local office in any primary, general or special election. The deduction or credit is also applicable for any (1) committee supporting a candidate for Federal, State, or local elective public office, (2) national committee of a national political party, (3) State committee of a national political party, or (4) local committee of a national political party. The maximum deduction is $100 ($200 for couples filing jointly). The amount of the tax credit is one-half of the political contribution, with a $25 ceiling ($50 for couples filing jointly).

Presidential Election Campaign Fund.—Additionally, taxpayers may voluntarily earmark $1 of their taxes ($2 on joint returns) to help defray the costs of the 1976 Presidential election campaign.

For any questions concerning any of these items, contact your local IRS office. You may also obtain helpful publications and additional forms by contacting your local IRS office.

Other tax relief measures for older Americans

Filing status	*Required to file a tax return if gross income is at least—*
Single (under age 65)	$2, 350
Single (age 65 or older)	3, 100
Qualifying widow(er) under 65 with dependent child	2, 650
Qualifying widow(er) 65 or older with dependent child	3, 400
Married couple (both spouses under 65) filing jointly	3, 400
Married couple (1 spouse 65 years or older) filing jointly	4, 150
Married couple (both spouses 6f or older) filing jointly	4, 900
Married filing separately	750

Additional Personal Exemption for Age.—Besides the regular $750 exemption allowed a taxpayer, a husband and wife who are 65 or older on the last day of the taxable year are each entitled to an additional exemption of $750 because of age.

You are considered 65 on the day before your 65th birthday. Thus, if your 65th birthday is on January 1, 1976, you will be entitled to the additional $750 personal exemption because of age for your 1975 Federal income tax return.

Tax Credit for Personal Exemptions.—In addition to the $750 personal exemption, a tax credit of $30 is available for a taxpayer, spouse, and each dependent. No additional $30 credit is available, however, because of age or blindness.

Multiple Support Agreements.—In general, a person may be claimed as a dependent of another taxpayer, provided five tests are met. (1) Support, (2) gross income, (3) member of household or relationship, (4) citizenship, and (5) separate return. But in some cases, two or more individuals provide support for an individual, and no one has contributed more than half the person's support. However, it still may be possible for one of the individuals to be entitled to a $750 dependency deduction if the following requirements are met for multiple support:

1. Two or more persons—any one of whom could claim the person as a dependent if it were not for the support test—together contribute more than half of the dependent's support.

2. Any one of those who individually contribute more than 10% of the mutual dependent's support, *but only one of them*, may claim the dependency deduction.

3. Each of the others must file a written statement that he will not claim the dependency deduction for that year. The statement must be filed with the income tax return of the person who claims the dependency deduction. Form 2120 (Multiple Support Declaration) may be used for this purpose.

Sale of Personal Residence by Elderly Taxpayers.—A taxpayer may elect to exclude from gross income part, or, under certain circumstances, all of the gain from the sale of his personal residence, provided:

1. He was 65 or older before the date of the sale, and

2. He owned and occupied the property as his personal residence for a period totaling at least 5 years within the 8-year period ending on the date of the sale.

Taxpayers meeting these two requirements may elect to exclude the entire gain from gross income if the adjusted sales price of their residence is $20,000 or less. (This election can only be made once during a taxpayer's lifetime.) If the adjusted sales price exceeds $20,000, an election may be made to exclude part of the gain based on a ratio of $20,000 over the adjusted sales price of the residence. Form 2119 (Sale or Exchange of Personal Residence) is helpful in determining what gain, if any, may be excluded by an elderly taxpayer when he sells his home.

Additionally, a taxpayer may elect to defer reporting the gain on the sale of his personal residence if within 18 months before or 18 months after the sale he buys and occupies another residence, the cost of which equals or exceeds the adjusted sales price of the old residence. Additional time is allowed if (1) you construct the new residence or (2) you were on active duty in the U.S. Armed Forces. Publication 523 (Tax Information on Selling Your Home) may also be helpful.

Retirement Income Credit.—To qualify for the retirement income credit, you must (a) by a U.S. citizen or resident, (b) have received earned income in excess of $600 in each of any 10 calendar years before 1975, and (c) have certain types of qualifying "retirement income." Five types of income—pensions, annuities, interest, and dividends included on line 15, Form 1040, and gross rents from Schedule E, Part II, column (b)—qualify for the retirement income credit.

The credit is 15% of the lesser of:

1. A taxpayer's qualifying retirement income, or

2. $1,524 ($2,286 for a joint return where both taxpayers are 65 or older) minus the total of nontaxable pensions (such as Social Security benefits or Railroad Retirement annuities) and earned income (depending upon the taxpayer's age and the amount of any earnings he may have).

If the taxpayer is under 62, the $1,524 figure is reduced by the amount of earned income in excess of $900. For persons at least 62 years old but less than 72, this amount is reduced by one-half of the earned income in excess of $1,200 up to $1,700, plus the total amount over $1,700. Persons 72 and over are not subject to the earned income limitation.

Schedule R is used for taxpayers who claim the retirement income credit.

The Internal Revenue Service will also compute the retirement income credit for a taxpayer if he has requested that IRS compute his tax, he answers the questions for columns A and B, and he completes lines 2 and 5 on Schedule R—relating to the amount of his Social Security benefits, Railroad Retirement annuities, earned income, and qualifying retirement income (pensions, annuities, interest, dividends, and rents). The taxpayer should also write "RIC" on line 17, Form 1040.

CLARENCE M. MITCHELL, JR.

Mr. WILLIAMS. Mr. President, Tuesday more than a thousand people gathered at a luncheon here in Washington to honor one of the giants in this country in the fight for civil rights and human dignity for all people. Earlier this week, in both the Senate and the House of Representatives, resolutions were introduced honoring the accomplishments of this great man. The person to whom I am referring is Clarence M. Mitchell, Jr., a man who is well known to Senators and Congressmen alike, and a man respected by those who have had to do battle with him, and loved by those who have worked with him.

The name of Clarence M. Mitchell

has been associated with the progress of civil rights legislation from the very beginning. He, more than any other person, has been singlehandedly responsible for the development of a series of legislative accomplishments which have resulted in today's body of civil rights law in the Nation. I am proud to say that Clarence Mitchell is a friend of mine and that he and I have had the opportunity to work together on many civil rights bills which have, subsequently, resulted in improving the lives of those individuals in our society who have suffered discrimination or have otherwise been disadvantaged.

The occasion of the luncheon Tuesday and the motive for the resolutions introduced in the Congress this week, is to mark the 30-year anniversary of Clarence Mitchell's arrival in Washington, D.C., to spearhead the cause of civil rights in the legislative process. That is not to say, of course, that Clarence has not already established himself as a civil rights leader prior to that time, but it was 30 years ago when Clarence Mitchell, in his quiet but forceful way, began his career as a civil rights lobbyist, a career which today has earned him the title of the "101st Senator."

I am sure that Clarence has walked more miles in the Halls of Congress for the cause of civil rights than any other civil rights leader has walked in the pursuance of the goal of the equal rights and equal treatment for all citizens.

The name of Clarence M. Mitchell, Jr., has been associated with every successful civil rights law beginning with the Civil Rights Act of 1957. My own remembrances are replete with hard-fought battles to enact the various civil rights statutes now on the books. For example, I remember the efforts to enact the Equal Employment Opportunity Act of 1972. That one needed 6 weeks on the floor of the Senate and three attempts to invoke cloture. Clarence was there every day, every night; counseling, cajoling, persuading, keeping our spirits up.

The full chronology of the effectiveness of this soft-spoken and persuasive gentleman from Maryland cannot be done justice in the few lines of appreciation which I have included here. I would, however, like to share with all Members of the Senate a brief look at the total dedication of this man. I would, therefore, like to request unanimous consent that that part of the program from Tuesday's luncheon enumerating some of the major accomplishments of Clarence Mitchell and describing his outstanding career be included at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. WILLIAMS. As shown by this chronology, much has already been done. We now know, however, that much more needs to be done to further the cause of civil rights and individual dignity in this country. I know that I speak for many other Senators, in addition to myself, when I say that I look forward to continuing our work with Clarence in the years ahead to complete the task which Clarence set out to do more than 30 years ago.

EXHIBIT 1

If the Founding Fathers of these United States made a mistake in framing the Constitution, it may have been in not providing for Clarence M. Mitchell, Jr., the man who has earned the accolade as the Nation's 101st U.S. Senator, in spite of the fact that he has never been elected to a public office. The Constitution originally provided, "The Senate of the United States shall be composed of two Senators from each State, chosen by the legislature thereof, for six years; and each Senator shall have one vote."

Mitchell, a quiet but forceful lobbyist, represented no state, had no vote, and did not stand for election every six years, and yet, his impact on the U.S. Congress has been as great—or greater—than that of any member to serve in that august body since 1788. He is, in a sense, a specialized "senator" with a national constituency composed primarily of the poor, the hungry, the disenfranchised, the ill-housed, the uneducated, the Blacks and all those who seek that "equality" promised by the U.S. Constitution.

When he first came to Washington three decades ago, under President Franklin Roosevelt, he went to work for the Office of Production Management, U.S. Department of Labor, as Employment and Training Specialist under Dr. Robert Weaver. This agency successively became the War Production Board and the War Manpower Commission. Then, as now, his presence was unobtrusive, but his impact was equally as dynamic. His assignment involved handling labor problems which—to him, at least—meant spending a great deal of time opening up defense jobs for Blacks and other minorities.

He became Associate Director, then Director of Field Operations for the Fair Employment Practices Committee (FEPC) created by Executive Order 9346 issued by President Roosevelt in 1943.

After the war in June, 1946, Mitchell went to work for the National Association for the Advancement of Colored People (NAACP), assisting the late Walter White, NAACP Executive Secretary, who appointed him NAACP Labor Secretary. He held this post until he was named to his present job as Director of the NAACP Washington Bureau in 1950.

As a civil rights lobbyist, Mitchell almost always found himself pitted against the conservative and reactionary forces of the South who opposed the passage of any civil rights legislation. Ironically, he learned his formula for success from a Southerner—Lyndon Baines Johnson, the Senate Democratic Leader who became the 36th President of the United States. Johnson once told him, "You get what you have the votes to get."

Armed with that advice and an irrevocable determination to reverse the tide of racism, he walked the halls of Congress, knocking on doors and talking to all who would listen. As time passed, more and more Members of Congress began to listen and slowly he began to make his mark on national legislation. He knew he had to crack the barriers erected by civil rights opponents—to "break the spirit of defeat" which surrounded efforts to enact civil rights legislation. And he went about the business of doing just that.

Because of his quiet manner, Mitchell's important work escaped national public attention for more than a decade. In 1966, James Marlow, writing for the Associated Press, observed, "Most people in this country, Negro or White, have never seen nor heard of Clarence Mitchell, a tall, husky, rather shy man who has led a completely dedicated life.

"There can be few, if any, men alive who have worked longer or harder for civil rights and an end to racial discrimination and injustice than this Negro with a soft voice and a great supply of self-control."

Two years later the Washington Post called Mitchell a "prime mover" in the struggle for freedom. In a Sunday April 14, 1968, editorial, the Post observed:

"The real heroes of legislative battles are often unseen and unsung. Too often the kudos and hurrahs go to those who are most visible, while the prime movers go unpraised. A special salute is in order, we think, to Clarence Mitchell for the part he played in bringing the latest civil rights bill to enactment—and for the part he has played in the adoption of every civil rights measure for more than a decade past. Clarence Mitchell is the director of the Washington Bureau of the NAACP and the chief lobbyist for the Leadership Conference on Civil Rights. It was he who persisted, when others faltered in conviction, that a full-scale civil rights bill with a bona fide open housing provision could be enacted in this session of Congress. It was he whose faith in Congress and the American people steadfastly thwarted and denied failure. All Americans are in debt to him."

Like many great leaders, Mitchell could not be deterred from his goal of equality for all. He continued to fight for new legislation and the enforcement of laws already on the books. In July 1969, his efforts were recognized when he received the coveted Spingarn Medal from the NAACP. Fittingly, that award was presented in Jackson, Mississippi, a stronghold of massive resistance to the laws that he had helped enact.

The Spingarn citation was presented to the freedom fighter from Baltimore:

"For his selfless devotion to the task of ending racial bias;

"For his uncompromising rejection of racism, white or black;

"For his wisdom and tenacity in the pursuit of just laws;

"For his abiding faith in the democratic process as a means of achieving freedom and equality for all; and

"For the pivotal role he has played in enactment of civil rights legislation, particularly the Civil Rights Act of 1968, with its fair housing title."

In accepting the award, Mitchell said that he has "spent most of my life hoping for and working for the right of all men to share in the blessings of our Constitution." He called the Medal the "tie that binds me even more closely to some of the distinguished men and women who were given this honor in the past."

The January 12, 1969, edition of Potomac, a Sunday supplement of the Washington Post, dubbed Mitchell as the "101st Senator of the United States," a title that has been used affectionately ever since by those who wish to honor him. But the title is more than one of affection, for implicit in its use is a recognition of the myriad feats he has accomplished.

Clarence Mitchell spearheaded the sustained drive for the enactment of no less than five important civil rights bills between 1957 and 1968. None of them bears his name, but all of them bear his mark.

The 1957 Civil Rights Act which gave the Attorney General of the United States powers to institute civil suits to protect the right to vote, established the Civil Rights Division of the Department of Justice, and the U.S. Civil Rights Commission; the 1964 law forbidding discrimination in places of public accommodations and establishing an equal employment opportunity agency; the 1965 Voting Rights Act banning literacy tests for five years and establishing the system of Federal Examiners to aid in voter registration; the 1968 Civil Rights Act which outlaws discrimination in the sale and rental of housing and also increases penalties against those who interfere with persons exercising their civil rights.

Perhaps more than any other person, Mitchell has aptly earned his title as the "101st Senator of the United States."

All of his life, Clarence Mitchell has lived and worked upon the fact that, "I am an

American too . . . This is my country." Guiding Clarence is his strong belief in "the whole Constitution." The foundation of his philosophy, in his words, "Once it has been established that certain wrongs exist, I think that it's useless to complain unless you intend to do something specific about them. I get weary of the repetition of the wrongs. You don't continue to repeat them."

Of that very impelling philosophy, the late Whitney M. Young, Jr., wrote, "Sometime in the future, when historians look back at the civil rights movement, they'll pay a lot of attention to a man most Americans never heard of:

CLARENCE M. MITCHELL, JR.

"They'll write about demonstrations, the March on Washington and a lot of dramatic events that captured the headlines. But they'll also write about the major legislation that was passed, laws that gave Black citizens the legal rights denied them for so long.

"And the story of how those laws came to be passed is also the story of Clarence Mitchell's tireless efforts as a one-man civil rights lobby in Washington. He's been so effective that he has been called the 101st Senator."

The mystery of Clarence Mitchell's effectiveness is his acceptance of the role as the "inside man" of civil rights. Unlike the outside men and women who supply the dramatics, headlines and become nationally prominent, he chose to "Stay and close the deal."

The journalist, James Marlow wrote in 1966, "There can be few, if any, men alive who have worked longer and harder for civil rights and an end to discrimination and injustice than this. . . . Negro with a soft voice and a great supply of self-control . . . Television cameras seldom show him, news stories seldom mention him . . . He has worked inside. His efforts have been aimed at getting civil rights legislation through Congress, getting the Government to enforce legislation already on the books, banning discrimination in and out of Government.

"This means working under the Capitol dome with members of Congress, with all that is involved in rounding up votes, consulting on bills to get them strong and effective as he can; consulting with the Justice Department on legislation and enforcement; conferring with White House aids of the President on all the ramifications of civil rights . . . This is all work on the inside, out of public view . . . If there had been no-Mitchell, he would have had to be invented."

In his drive for justice and equality for all people, Clarence Mitchell's contributions form an awesome record of accomplishments for his people. This chronological outline gives only the highlights.

1933

Following the eyewitness and coverage of two lynchings on the Eastern Shore of Maryland, Mitchell first appeared before Congress in testimony on lynching.

November, 1933—Convinced of the best avenue for addressing the ills of the times, he ran unsuccessfully for the Maryland legislature.

September, 1936—While a graduate student at the Atlanta University School of Social Work, he protested the segregated street cars in Atlanta, Georgia, and walked everywhere in the city, calling attention to those conditions. He single-handedly debated and chased a group of Ku Klux Klansmen away from an Atlanta church.

January, 1938—While serving as the Executive Director of the Minneapolis-St. Paul Urban League, Mitchell helped to end segregation in the fire department; increased and upgraded Blacks in the police department; forced the hiring of Black teachers in the public schools and the first Black nurses in the city's hospital; instrumental in ending racial discrimination in the sale of auto liability insurance to Black truck drivers; and one of the first to seek from the Minnesota Legislature a state fair employment practice statute.

February, 1942—Participated in the planning and staging of the first proposed march on Washington by Blacks, which gave rise to the first federal Fair Employment Practices Committee, created by President Franklin D. Roosevelt, of which Mitchell was director.

1950–1951—Spearheaded an unprecedented lobbying and activist coalition among Blacks, organized labor and other minorities in support of civil rights efforts, from which grew the Leadership Conference on Civil Rights, a federation of more than 100 organizations, associations and labor unions representing practically all races, creeds, religions, interests and economic levels.

September, 1953—Prevailed upon the U.S. Veterans Administration to end segregation in its hospitals and domiciliary facilities. He later accomplished the same feat with the Atomic Energy Commission's establishments in Kentucky and South Carolina.

February, 1956—Desegregated the railroad station in Florence, South Carolina, after he was arrested and charged with resisting a police officer when he refused to use the "colored" entrance to an Atlantic Coast Line Depot. All charges were later dropped.

July, 1956—Urged the Senate Education Committee to deny Federal funds to those states defying the 1954 Supreme Court Decision on school desegregation. He charged that the Executive Branch under President Dwight D. Eisenhower had encouraged defiance by granting millions of dollars in Federal money for the construction of public schools from which Black children were excluded.

April, 1957—Secured a promise from then-Senate Minority Leader William F. Knowland to lead a fight, if necessary, to break a filibuster on the House-passed civil rights bill. He termed the controversy over federal judiciary authority "a phony issue." Then Senators Paul H. Douglas and Knowland devised a plan to bypass the Senate Judiciary Committee, headed by opposing Southerners. Sen. Knowland announced his intention to move on July 8, that the Senate "proceed to the consideration of HR 6127," despite the Southerners' opposition and the motion was agreed to on July 16, after eight days of debate.

August, 1957—Culminated the lobbying efforts spearheaded by him which led to the passage of the Civil Rights Act of 1957 (HR 6127–PL 85–315). It was the first civil rights legislation passed by Congress since the post-Civil War Reconstruction period. The Act prohibited action to prevent persons from voting in federal elections and authorized the Attorney General to bring suit when a person was deprived of his voting rights. It also created a Civil Rights Commission and set up a Civil Rights Division in the Department of Justice.

May, 1960—Played the major role in persuading Congress to pass the Civil Rights Act of 1960 (HR 8601–PL 86–449). The Act strengthened the provisions of the 1957 Act for court enforcement of voting rights and required preservation of voting records. It also contained limited criminal penalty provisions relating to bombing and to obstruction of federal court orders, aimed particularly at school desegregation orders.

June 10, 1964—Provided the leadership for the strategy and its implementation and was the key figure in securing the votes for the historic roll call when the Senate imposed cloture on debate, breaking the filibuster on the House-passed civil rights bill. This was the first successful cloture vote against a civil rights filibuster since the adoption of Rule 22, in 1917, permitting cloture. That was only the sixth successful attempt for cloture on any issue. The vote was 71–29, two-thirds of the voting Senators.

July 19, 1964—Solidified the large margin of votes to pass the Civil Rights Act of 1964 (HR 7152–PL 88–352) with the 73–27 roll call vote, following cloture. This Act prohibited discrimination in public accomodations and in programs receiving federal assistance. Also, it prohibited discrimination by employers and unions and set up an Equal Opportunity Commission. Further, it strengthened enforcement of voting laws and desegregation of school and public facilities. Supplying the essential support, the Amendment to the Voting Rights Act, permitting 18 year-olds to vote in all elections, effective January 1, 1971. The Supreme Court upheld the constitutionality of the 18-year-old vote law relating to federal elections, but held invalid as applied to state elections. With additional persuasion, the Constitution Amendment was passed applying to federal and state elections. Speedy ratification of the amendment came in order to avoid potential confusion in maintaining separate records on state elections.

August, 1965—Once again, the skill of an effective lobbyist resulted in the passage of the Voting Rights Act 1965 (S 1564-PL 89–110). It authorized the Attorney General to appoint federal examiners to register voters in areas of extreme discrimination and it strengthened penalties for interference with voter rights.

March 4, 1968—Realized the success of efforts that broke the filibuster begun on January 18, on the housing bill, scoring the second successful cloture vote out of 19 attempts on civil rights bills from the total of 42 cloture votes taken between the adoption of Rule 22 in 1917, and this vote in 1968.

April 11, 1968—Saw President Johnson sign into law the historic Civil Rights Act, known as the open housing bill (HR 2516-PL 90–284), after once again prevailing upon the fairminded members of Congress. The House agreed to the amended Senate bill, passed by a roll call vote of 71–20, on March 11. It prohibits discrimination in the sale or rental of about 80 percent of all housing. It also protects persons exercising specified rights such as attending school or working and civil rights workers urging others to exercise their rights. Included also are antiriot provisions.

November 21, 1969—The success of the efforts as Legislative Chairman of the Leadership Conference on Civil Rights was realized when the U.S. Senate rejected (55–45), the nomination of Judge Clement F. Haynsworth for the Supreme Court.

April 8, 1970—Again, determined and effective efforts led to the rejection by the Senate (51–45) of the nomination of Judge G. Harold Carswell for the Supreme Court.

July, 1970—Worked to have the 1965 Voting Rights Act extended by Congress with some strengthening provisions for a period of five years.

July, 1975—Again, fought off the odds and saw the 1965 Act extended for another seven years.

The achievements of Clarence Mitchell are woven into practically every aspect of government and legislative accomplishments in the area of civil rights and the fight for equality.

Every American, regardless of race, creed, color or station in society, has been affected by his deeds and owes to him a great and everlasting debt.

Because of his strong belief in broad cooperative efforts, Mitchell touched thousands of people throughout the Nation and left his mark upon numerous accomplishments toward the elimination of injustices and institutional racism. It is against the wishes of this humble and affable advocate and lobbyist extraordinaire to credit him further with an extensive list of feats. But, it is for the sake of history, that we list these accomplishments by which Clarence M. Mitchell, Jr., shall always be known and identified.

Undeniably, these outstanding achievements are the result of his determination and persistence.

"I believe that one should not give up prematurely," he has said. "The very time you seem to be at the real low point in your efforts and the odds seem insurmountable that is often the time that you can win. Interestingly enough, that seems to have been my experience here at the Bureau. Most of the time when people are inclined to say that this or that is impossible or we have been defeated, it is possible to discern some avenue to win or something that you can still do. That certainly is my experience in all of the civil rights legislation."

And certainly, that is so in all efforts to put right the wrong. All of this he did for his people . . . America.

SECRETARY KISSINGER'S STATEMENT ON ANGOLA

Mr. GRIFFIN. Mr. President, earlier today Secretary of State Kissinger testified before the Subcommittee on African Affairs of the Senate Foreign Relations Committee. His subject was U.S. policy in Angola.

I ask that a copy of the Secretary's prepared text be printed in the RECORD.

There being no objection, the text was ordered to be printed in the RECORD, as follows:

TESTIMONY OF THE SECRETARY OF STATE BEFORE THE SENATE SUBCOMMITTEE ON AFRICA, JANUARY 29, 1976

Mr. Chairman, I appear before you not to score debating points in an abstract contest over Executive-Legislative prerogative. What faces us is a Congressional decision of potentially grave magnitude taken after the Executive Branch had complied with all legal requirements for the kind of operation involved in Angola and after eight Congressional committees had been briefed over twenty times. The issue is not "victory" of one branch over another. The issue is what constitutes a victory for the national interest.

I welcome this opportunity to explain the global significance of what is now happening in Angola, the events that have brought us to this point, the United States' objectives and the major consequences which can result if we fail to pursue those objectives.

The Soviet Union's massive and unprecedented intervention in the internal affairs of Africa—with nearly two hundred million dollars of arms, and its military technicians and advisors, with 11,000 Cuban combat troops, and with substantial sea and airlift and naval cover in adjacent waters—is a matter of urgent concern. Not only are the interests of the countries directly affected at stake but also the interests of all nations in preserving global stability—which is the precondition for all else mankind aspires to accomplish.

In recent years the United States has sought to help build a new international order less tied to the traditional patterns of power balances. It was the United States which took the initiative in seeking to resolve the most dangerous problems of our time by negotiation and cooperation rather than by force of arms. It was we who saw that the historical necessity of this period required a more stable relationship between the two nations that possess the capacity to destroy civilization. We have sought—and with some successes—to build more constructive relations with the USSR across a broad range: to contain strategic arms, to institutionalize cooperation in economic, scientific and cultural fields, to reduce tensions in areas where our vital interests impinge on one another, and to avoid destabilizing confrontations in peripheral areas of the globe—such as Angola. The classical pattern of accumulating marginal advantages must be overcome and mankind must build more constructive patterns if catastrophe is to be avoided. No one has been more dedicated than the President and I to working for these principles.

But our efforts have been founded upon one fundamental reality: peace requires a sense of security and security depends upon some form of equilibrium between the great powers. And that equilibrium is impossible unless the United States remains both strong and determined to use its strength when required. This is our historic responsibility, for no other nation has the capacity to act in this way. While constantly seeking opportunities for conciliation, we need to demonstrate to potential adversaries that cooperation is the only rational alternative. Any other course will encourage the trends it seeks to accommodate; a challenge not met today will tempt far more dangerous crises tomorrow.

If a continent such as Africa, only recently freed from external oppression, can be made the arena for great power ambitions, if immense quantities of arms can affect far-off events, if large expeditionary forces can be transported at will to dominate virtually helpless peoples—then all we have hoped for in building a more stable and rational international order is in jeopardy.

The effort of the Soviet Union and Cuba to take unilateral advantage of a turbulent local situation where they have never had any historic interests is a willful, direct assault upon the recent constructive trends in U.S.-Soviet relations and our efforts to improve relations with Cuba. It is an attempt to take advantage of our continuing domestic division and self-torment. Those who have acted so recklessly must be made to see that their conduct is unacceptable.

The history of the postwar period should give us pause. Military aggression, direct or indirect, has frequently been successfully dealt with, but never in the absence of a local balance of forces. U.S. policy in Angola has sought to help friends achieve this balance. Angola represents the first time since the aftermath of World War II that the Soviets have moved militarily at long distances to impose a regime of their choice. It is the first time that U.S. has failed to respond to Soviet military moves outside their immediate orbit. And it is the first time that Congress has halted the Executive's action while it was in the process of meeting this kind of threat.

Thus to claim that Angola is not an important country or that the United States has no important interests there begs the principal question. The objectives which the United States has sought in Angola have not been aimed at defending, or acquiring intrinsic interests in that country. We are not opposing any particular faction. We could develop constructive relations with any Angolan government that derives from the will of the people. We have never been involved militarily in Angola. We are not so involved now. We do not seek to be so involved in the future.

Our objective is clear and simple: to help those African countries and those groups within Angola that would resist external aggression by providing them with needed financial support. Those who we seek to assist are our friends; they share our hopes for negotiated solutions and for African self-determination. They played a larger role than the MPLA in striving toward Angolan independence.

But our deeper concern is for global stability. If the United States is seen to emasculate itself in the face of massive, unprecedented Soviet and Cuban intervention, what will be the perception of leaders around the world as they make decisions concerning their future security?

Will they feel they can proceed to develop their nations in an international climate which fosters cooperation and self-determination? How will they adjust their conduct in the context of such events? And what conclusion will an unopposed superpower draw when the next opportunity for intervention beckons?

America's modest direct strategic and economic interests in Angola are not the central issue. The question is whether America still maintains the resolve to act responsibly as a great power—prepared to face a challenge when it arises, knowing that preventive action now may make unnecessary a more costly response later.

Let there be no mistake about it—the culprits in the tragedy that is now unfolding in Angola are the Soviet Union and its client state, Cuba. But I must note with some sadness that by its actions, the Congress has deprived the President of indispensable flexibility in formulating a foreign policy which we believe to be in our national interest. And Congress has ignored the crucial truth that a stable relationship with the Soviet Union based on mutual restraint will be achieved only if Soviet lack of restraint carries the risk of counteraction. The consequences may well be far-reaching and substantially more painful than the course we have recommended. When one great power attempts to obtain special positions of influence based on military interventions, the other power is sooner or later bound to act to offset this advantage in some other place or manner. This will inevitably lead to a chain of action and reaction typical of other historic eras in which great powers maneuvered for advantage, only to find themselves sooner or later embroiled in a major crisis, and often in open conflict.

It is precisely this pattern that must be broken—and that we wanted to break until stopped—if a lasting easing of tensions is to be achieved. And if it is not broken now we will face harder choices and higher costs in the future.

It is in this context that we have framed our goals in Angola. Simply put, we wish to see:

A ceasefire, ending the tragic bloodshed in that country;

Withdrawal of outside forces; Soviet, Cuban, and South African;

Cessation of foreign military involvement; and

Negotiations among the Angolan factions.

We are prepared to accept any solution that emerges from African efforts. And we are ready to offer economic assistance to the people of Angola when a legitimate government is established there.

We have consistently advocated such a government representing all three factions in Angola. We have never opposed participation by the Soviet-backed Popular Movement for the Liberation of Angola, the MPLA. What we do oppose is the massive Soviet and Cuban intervention and their expressed aim of denying the other two groups any part in governing the country. Our overriding goal has been to assure that Africans shape their own destiny and that traditional colonialism not be replaced by a more modern version.

For the U.S. to be found wanting as a credible friend, precisely at a time when moderate African states have clearly and repeatedly expressed their hope that America provide the necessary balance to the Soviet Union and Cuba, will have a major impact on those countries on the continent of Africa which resisted all pressures and stuck by their position even after the Senate cut off aid; on our allies in other parts of the world who look to us for security; on other countries that seek ties with us primarily because they see us as the guardian of international equilibrium.

THE RECORD OF EVENTS IN ANGOLA

Let me briefly recount the course of events that has led us to this point.

In 1961, the United States declared its support for self-determination in Portugal's African territories. At the time, the National Front for the Liberation of Angola, FNLA, was a leading force in the struggle for Angolan independence. Looking to the future, we sought to develop a relationship with the FNLA through providing it some financial, non-military assistance. The USSR had already established links with the Popular Movement for the Liberation of Angola, MPLA, through the Portuguese Communist Party. The MPLA began military action against the Portuguese in the mid-60's. The National Union for the Total Independence of Angola, UNITA, an offshoot of the FNLA, also began to fight on a small scale in the late 1960's. Although these various uncoordinated insurgency efforts caused considerable difficulties for Portugal, they posed no serious military threat to the dominance of Portuguese military forces in Angola.

However, the overthrow of the Portuguese government in April 1974 and the growing strength of the Portuguese Communist party apparently convinced Moscow that a "revolutionary situation" was developing in Angola. The Soviet Union began to exploit this situation in the fall of 1974 through shipments of some arms and equipment to the MPLA. The United States received requests for support from other Angolan elements at that same time, but turned them down.

The prospect of an independent Angola was clouded by the intense rivalry of the FNLA, MPLA and UNITA which had developed over the years. Concerned about the three factions' failure to end their bitter quarrel, leaders of other African countries prevailed upon them to come together with Portugal and seek agreement. This effort led to the Alvor Accord of January 1975. Under its terms a transitional coalition government was to be established and charged with preparing for a peaceful turnover of power by integrating the military forces of the three movements, writing a constitution and organizing an election to take place before independence, scheduled for November 11, 1975.

This was the moment, when Portugal was trying to organize a peaceful transition to independence, for the exercise of restraint by all outside parties. But the USSR and Portuguese Communists decided to put the MPLA in power in Angola through stepped-up shipments of arms. With this kind of encouragement, the MPLA had little incentive to fulfill the terms of the Alvor Accord which would have prevented it from dominating any future coalition government.

It is no coincidence that major violence broke out in March 1975 when large shipments of Soviet arms began to arrive—thousands of infantry weapons, machine guns, bazookas and rockets. On March 23 the first of repeated military clashes between the MPLA and FNLA occurred. They increased in frequency in April, May and June, when deliveries of Communist arms and equipment, including mortars and armored vehicles, escalated by air and sea. In May, the MPLA forced the FNLA out of the areas north and east of Luanda and, in June, took effective control of Cabinda. On July 9 all-out civil war began when the MPLA attacked the FNLA and UNITA, driving both organizations out of Luanda, thereby ending the short-lived coalition government. By mid-July the military situation radically favored the MPLA.

As the military position of the FNLA and UNITA deteriorated, the Governments of Zaire and Zambia grew more and more concerned about the implications for their own security. Those two countries turned to the U.S. for assistance in preventing the Soviet Union and Cuba from imposing a solution in Angola, becoming a dominant influence in south-central Africa, and threatening the stability of the area.

It was at this point that President Ford decided to respond to requests for help and to provide military assistance to the FNLA and UNITA forces through neighboring Black African countries.

In August, intelligence reports indicated the presence of Soviet and Cuban military advisers, trainers and troops, including the first Cuban combat troops. If statements by Cuban leaders are to be believed, a large Cuban military training program began in Angola in June, and Cuban advisors were probably there before then. By September, the MPLA offensive had forced UNITA out of several major central and southern Angolan cities. It controlled most of the coastline except for a strip in the far north, much of the south, and a wide belt running from Luanda to the Zaire border in the east.

In early September the poorly equipped UNITA forces turned in desperation to South Africa for assistance against the MPLA, which was overrunning UNITA's ethnic areas in the South. South Africa responded by sending in military equipment, and some military personnel—without consultation with the United States.

The UNITA forces launched a successful counteroffensive which swept the MPLA out of the southern and most of the central part of Angola. In the north the FNLA also made significant advances. By Independence Day—November 11—the MPLA controlled only the former colonial capital of Luanda and a narrow belt across north-central Angola.

In October massive increases in Soviet and Cuban military assistance began to arrive. More Cuban troops were ferried to Angola. Cuba inaugurated its own airlift of troops in late October. And the MPLA declared itself the Government of Angola, in violation of the Alvor Accord.

In the hope of halting a dangerously escalating situation, the United States—using the leverage provided by our financial support—undertook a wide range of diplomatic activity pointing toward a summit of the Organization for African Unity scheduled for January 1976. Starting in October we made several overtures to the Soviet Union, expressing our concern over the scale and purpose of their intervention. We offered to use our influence to bring about the cessation of foreign military assistance and to encourage an African solution if they would do the same. Their responses were evasive but not totally negative.

We began to voice our concerns and our limited objectives publicly. Beginning with a speech in Detroit on November 24 we pointed out that Soviet continuation of an interventionist policy must inevitably threaten our other relationships, and that our sole objective was an African resolution of an African problem. The Administration undertook a new series of Congressional consultations on the extent of our help to the Angolan factions resisting Soviet and Cuban aggression. I briefed the NATO foreign ministers and obtained significant understanding and support. Our diplomatic efforts with foreign governments, especially African governments, culminated with a mission by Assistant Secretary Schaufele to five African countries and the despatch of letters from President Ford to 32 African heads of state, as well as the Secretary General of the OAU, stating America's policy.

Throughout this period the U.S. principles for a solution to the Angolan tragedy were unambiguous and straight-forward:

Angola is an African problem and should be left to Africans to solve;

Foreign military involvement only escalates and prolongs the warfare there and should be ended;

OAU efforts to promote a ceasefire should be supported;

The United States pursues no unilateral interests in Angola and is exclusively concerned with seeing the people of that country live in peace, independence and well-being;

Angola should be insulated from great power conflict.

Our diplomacy was effective so long as we maintained the leverage of a possible military balance. African determination to oppose Soviet and Cuban intervention was becoming more and more evident. On December 9, President Ford made a formal proposal to the Soviet Government through their Ambassador. Indeed, it appeared as if the Soviet Union had begun to take stock. They halted their airlift from December 9 until December 24.

By mid-December we were hopeful that the OAU would provide a framework for eliminating the interference of outside powers by calling for an end to their intervention. At that point, the impact of our domestic debate overwhelmed the possibilities of diplomacy. After the Senate vote to block any further aid to Angola, the Cubans more than doubled their forces and Soviet military aid was resumed on an even larger scale. The scope of Soviet-Cuban intervention increased drastically; the cooperativeness of Soviet diplomacy declined.

The weight of Soviet aid and advisors and the massive Cuban expeditionary force began to tip the scales of battle in December. By this point most of the effective fighting for the MPLA was being done by Cubans. It was clear that the USSR, Cuba and the MPLA hoped to achieve a decisive military victory on the eve of the Organization of African Unity's extraordinary Summit Conference in Addis Ababa a few weeks ago. Yet notwithstanding their reverses, the FNLA/UNITA forces still controlled about 70 percent of the territory and 70 percent of the population of Angola at the time of the Conference. An OAU reconciliation commission, which had met earlier in 1975, took the position that none of the movements should be recognized as the Government of Angola. The commission called for a ceasefire and the formation of a government of national unity. Thus, those governments who recognized the MPLA were in violation of a decision of the OAU.

At the January OAU Summit, 22 members of the OAU advocated recognition of the MPLA and condemnation of South Africa. But they were opposed, in an unusual demonstration of solidarity, by 22 other members who held out for a more balanced resolution, one that would include the following points:

1. An immediate cease fire.
2. Condemnation of South Africa and immediate withdrawal of all South African forces;
3. Withdrawal of all foreign forces;
4. An end to the supply of arms to all factions; and
5. Reconciliation of all factions with the aim of establishing a government of national unity.

The United States regarded this program as reasonable and responsive to the facts of the situation. But the Soviet Union and Cuba urged MPLA supporters to refuse to accept this solution. The Summit ended in impasse.

THE UNITED STATES POSITION

This then is the significance of Angola and the record to date. In elaborating further the U.S. position, I want to respond directly to some of the issues raised in the current debate.

Our principal objective has been to respond to an unprecedented application of Soviet power achieved in part through the expeditionary force of a client state.

During 1975 the Soviet Union is estimated to have contributed nearly $200 million worth of military assistance to Angola. This equals the entire amount of all military aid from all sources to sub-Saharan Africa in 1974.

Soviet arms have included infantry weapons, machine guns, bazookas, mortars and recoilless rifles, armored personnel carriers, heavy artillery, light and medium tanks, truck-mounted multitube rocket launchers, helicopters and light aircraft. There are unconfirmed reports that the Soviet Union will provide the MPLA with MIG–21 aircraft to be piloted by Cubans.

A total of at least 46 flights of Soviet heavy and medium military transports have ferried Soviet military equipment from the USSR to Luanda and Congo-Brazzaville, while a steady stream of Soviet and Cuban aircraft has continued to bring Cuban troops across the Atlantic. Soviet naval involvements, clearly related to the Angolan event, have continued in West African waters for several weeks.

The implications of Cuba's unprecedented and massive intervention cannot be ignored. It is a geopolitical event of considerable significance. For the first time, Cuba has sent an expeditionary force to another nation on another continent. About 11,000 Cuban military personnel have been sent to Angola. If allowed to proceed unchecked, this blatant power play cannot but carry with it far reaching implications—including the impact it will have on the attitudes and future conduct of the nations of this hemisphere. Indeed, friend and foe alike cannot fail to contrast the sending of a large Cuban expeditionary force with our apparent inability to provide even indirect financial assistance. The failure of the United States to respond effectively will be regarded in many parts of the world as an indication of our future determination to counter similar Communist interventions.

We have been asked why we do not respond with other pressures on the Soviet Union.

The first answer is that many of the links the Administration has tried to forge, such as trade and credit, which would have provided incentives for restraint and levers for penalties have been precluded by earlier Congressional actions. But two other instruments have been suggested: Wheat sales and the Strategic Arms Limitation Talks. A moratorium was placed on wheat sales for four months in 1975. To use this device every three months is to blunt it permanently. Above all, economic measures take too much time to affect a fast-moving situation like Angola; any longer term impact would be of little use to those immediately threatened We should also ponder whether we want to return to the situation, now prevented by the grain agreement, in which the USSR can capriciously enter and leave the U.S. grain trade.

As for the Strategic Arms Limitation Talks, we have never considered these to be a favor which we grant to the Soviet Union, to be turned on and off according to the ebb and flow of our relations. The fact is that limiting the growth of nuclear arsenals is an overriding global problem that must be dealt with urgently for our own sake and for the sake of world peace.

Still, we have made clear that a continuation of actions like those in Angola must threaten the entire web of Soviet-U.S. relations. In this sense both negotiations and the overall relationship are in long-term jeopardy unless restraint is exercised. But there is no substitute for a local balance; indirect pressures can succeed only if rapid local victories are foreclosed.

Have we really thought through the implications of our decisions? Do we really want the world to conclude that if the Soviet Union chooses to intervene in a massive way, and if Cuban or other troops are used as an expeditionary force, the United States will not be able to muster the unity or resolve to provide even financial assistance to those who are threatened? Can those faced with such a threat without hope of assistance from us be expected to resist? Do we want our potential adversaries to conclude that, in the event of future challenges America's internal divisions are likely to deprive us of even minimal leverage over developments of global significance?

Our second objective is to help our friends in Black Africa who oppose Soviet and Cuban intervention.

Only in recent years has Africa become free of great power rivalry; it must not once again become an arena in which the ambitions of outside forces are pursued. We have sought with our African friends to maintain a local balance of power so there can be no imposed solution that would deprive the Angolan people of the right to determine their own destiny.

We are told that we need not concern ourselves because in the final analysis and at some indefinite date in the future, African nationalism will reassert itself and drive out foreign influence. Even were this to prove true, it still ignores the fact that governments under pressure will be forced to yield whenever a threat develops. Those who are threatened cannot afford to wait—they must decide whether to resist or to adjust. Advice in the verdict of history is a mockery to those who are concerned for the fate of their country today. History rarely helps those who do not help themselves.

Some charge that we have acted in collusion with South Africa. This is untrue. We had no foreknowledge of South Africa's intentions, and in no way cooperated with it militarily. Nor do we view South African intervention more benevolently than we do the intervention of other outside powers. Indeed, we have formally proposed that the removal of outside forces begin with those of South Africa and have asked—in vain—for an indication of how soon thereafter Soviet and Cuban forces would be withdrawn.

It is also claimed that because of our support for the side which later felt itself compelled to seek the aid of South Africa, we have lost influence in Black Africa. One cannot generalize so easily about the perceptions of the African people as the firm stand at Addis Ababa of 22 OAU members against OAU recognition of the MPLA should demonstrate. Behind this stand, which coincided with the U.S. position, was awareness that the MPLA represented only a minority of Angolans, and also a genuine apprehension over Soviet and Cuban, as well as South African, intervention. Indeed it is our inability to support our African friends that will cost us influence in Africa.

We are firmly convinced that, had there been no outside interference initiated by the Soviet Union, the Africans would have found their own solution. No single movement would have been strong enough to take over. The resulting solution would have been more representative of the people of Angola than a government imposed by an outside power and representing only a minority faction.

The outcome in Angola will have repercussions throughout Africa. The confidence of countries neighboring Angola—Zambia and Zaire—as well as other African countries, in the will and power of the U.S. will be severely shaken if they see that the Soviet Union and Cuba are unopposed in their attempt to impose a regime of their choice on Angola. They and others elsewhere may well adjust their policies to what they consider to be the forces of the future.

The means we have chosen have been limited and explained to Congress.

Our immediate objective was to provide leverage for diplomatic efforts to bring about a just and peaceful solution. They were not conceived unilaterally by the United States; they represented support to friends who requested our financial assistance.

We chose covert means because we wanted to keep our visibility to a minimum; we wanted the greatest possible opportunity for an African solution. We felt that overt assistance would elaborate a formal doctrine justifying great power intervention—aside from the technical issues such as in what budgetary category this aid should be given and how it could be reconciled with legislative restrictions against the transfer of US arms by recipients. The Angola situation is of a type in which diplomacy without leverage is impotent, yet direct military confrontation would involve unnecessary risks. Thus it is precisely one of those grey areas where covert methods are crucial if we are to have any prospect of influencing certain events of potentially global importance.

We chose a covert form of response with the greatest reluctance. But in doing so, we were determined to adhere to the highest standard of Executive-Legislative consultation. Eight Congressional Committees were briefed on 24 separate occasions. We sought in these briefings to determine the wishes of Congress. While we do not claim that every member approved our actions, we had no indication of basic opposition.

Between July and December 1975, we discussed the Angolan situation on numerous occasions with members of the foreign relations committees and the appropriations committees of both Houses, and the committees of both Houses that have CIA oversight responsibilities. The two committees investigating CIA activities—the Church Committee and the Pike Committee—were also briefed. Altogether more than two dozen Senators, about 150 Congressmen and over 100 staff members of both Houses were informed. I am attaching to my statement a list of all the briefings carried out.

Mr. Chairman:

Where are we now:

We are told that by providing money and arms for Angola we are duplicating the mistakes we made in Vietnam. Such an argument confuses the expenditure of tens of millions of dollars with the commitment of U.S. troops. If we accept such a gross distortion of history—if we accept the claim that we can no longer do anything to aid our friends abroad because we will inevitably do too much—then the tragedy of Vietnam will indeed be monumental. We will have lost all ability to respond to anything less than direct and substantial challenge. And having lost that ability we will eventually discover that by failing to respond at an early stage, our ultimate response will have to be greater, and the stakes will be higher. If we do not exercise our responsibilities to maintain the international balance, if Congress and the Executive are unable to act in concert when vital national interests are affected, then world security may well be seriously undermined.

Many of the members of this committee have expressed their general support for our policy of easing tensions with the Soviet Union. We, in the Executive Branch, are grateful for that support. But this process cannot be divided into those segments which the Soviets will honor, and those which we will allow them to ignore. What the United States does when confronted with a challenge like Angola can be of great significance in shaping our future relationship with the Soviet Union. A demonstration of a lack of resolve could lead the Soviets to a great miscalculation, thereby plunging us into a major confrontation which neither of us wants. Credibility determines, to a great degree, what a nation can accomplish without a resort to force. And as credibility is reduced, the eventual need to resort to force increases. And in the end, we are all the losers.

The United States must make it clear that Angola sets no precedent; this type of action will not be tolerated elsewhere. This must be demonstrated by both the Executive and the Congress—in our national interest and in the interest of world peace.

To the Soviet Union and to Cuba, the Administration says: we will continue to make our case to the American public. We will not tolerate wanton disregard for the interests of others and for the cause of world peace.

To the American people, the Administration says: the time has come to put aside self-accusation, division, and guilt. Our own country's safety and the progress of mankind depend crucially upon a united and determined America. Today, as throughout our 200 years, the world looks to us to stand up for what is right. By virtue of our strength and values we are leaders in the defense of freedom: without us there can be neither security nor progress.

To the Congress, the Administration says: whatever our past disagreements, let the Congress and the Executive now resolve to shape a cooperative relationship that will enable the United States to play a responsible international role. Both branches will have to do their share in restoring the kind of non-partisan support that has served our foreign policy so well in the past. On the issue of Angola, the Administration is now seriously considering overt financial aid and we will soon be consulting with the Congress on this possibility. But whatever that decision, let us work together with an appreciation of the larger interests involved, and with a sense of national responsibility. A United America cannot be ignored by our adversaries: together we will preserve the independence of those who face the prospect of oppression. Together we will hearten the friends of liberty and peace everywhere.

Angola—Congressional Briefings by the Executive Branch

Following is a list of Congressional briefings which the Executive Branch conducted with committees of Congress, individual members and other Congressional staff persons between July, 1975, and the end of the year:

SENATE

July 25: Two members of the Foreign Relations Committee and one staff aide briefed by the CIA.

July 30: Three members of the Intelligence Operations Subcommittee of the Appropriations Committee and two staff aides briefed by the CIA.

August 4: Senator Dick Clark (African Affairs Subcommittee Chairman) briefed by the CIA.

September 5: Three members of the Intelligence Operations Subcommittee of the Appropriations Committee and two staff aides briefed by the CIA.

September 23: Four members of the CIA Subcommittee of the Armed Services Committee and two staff aides briefed by the CIA.

October 31: Six members of the Select Committee on Intelligence Operations and twenty staff aides briefed by the CIA.

November 6: Nine members of the Foreign Relations Committee and three staff aides briefed by the CIA.

December 1: Senator Clark briefed by Ingersoll, Schaufele and Mulcahy.

December 4: Ten staff members of various committees briefed by Haverkamp, Andrew and Fugit of AF Bureau.

December 8: Senator Clark briefed by Schaufele as a followup of the December 1 briefing.

December 8: Two members of the Foreign Relations Committee and one staff aide briefed by the CIA.

December 12: Four members of the CIA Subcommittee of the Armed Services Committee and two staff aides briefed by the CIA.

December 16: Two members of the Intelligence Operations Subcommittee of the Appropriations Committee and two staff aides briefed by the CIA.

December 16: Ten members of the Subcommittee on Foreign Assistance & Economic Policy of the Foreign Relations Committee and several staff aides briefed by the CIA.

December 16: Senator Strom Thurmond (Member of CIA Subcommittee of the Armed Services Committee) briefed by the CIA.

HOUSE

July 25: Three members of the Special Subcommittee on Intelligence of the Armed Services Committee and one staff aide briefed by the CIA.

July 29: Thirteen members of the Defense Subcommittee of the Appropriations Committee and two staff aides briefed by the CIA.

July 31: Six members of the Subcommittee on Oversight of the Foreign Affairs Committee and one staff aide briefed by the CIA.

September 4: Five members of the Subcommittee on Oversight of the Foreign Affairs Committee and one staff aide briefed by the CIA.

September 8: Four members of the Special Subcommittee on Intelligence of the Armed Services Committee and one staff member briefed by the CIA.

October 6: Thirteen members of the Defense Subcommittee of the Appropriations Committee and two staff aides briefed by the CIA.

October 23: Eight members of the Select Committee on Intelligence and one staff aide briefed by the CIA.

November 5: Mulcahy testified before the International Resources, Food and Energy Subcommittee of the Foreign Affairs Committee.

November 13: Congressman Charles Diggs and nine other Congressmen plus several staff aides informally briefed by Mulcahy.

December 9: Thirteen members of the Defense Subcommittee of the Appropriations Committee and three staff aides briefed by the CIA.

December 9: Seven members of the Subcommittee on Oversight of the Foreign Affairs Committee and one staff aide briefed by the CIA.

December 11: Six members of the Subcommittee on Military Affairs (Fascell Subcommittee) briefed by Mulcahy.

December 12: Congressman Riegle briefed by Mulcahy.

December 12: Five members of the Special Subcommittee on Intelligence of the Armed Services Committee and two staff aides briefed by the CIA.

December 15: J. Daniel O'Flaherty, staffer for Congressman Harrington, briefed by Fugit AF/C.

December 16: Representative Dale Milford (member of House Select Committee) briefed by the CIA.

December 17: Mahon Subcommittee briefed Colby and Sisco.

December 17: Congressman John Burton and others (unknown) briefed by Mulcahy.

December 12: Mulcahy appeared before an informal group of twelve Representatives and 35 staff aides.

December 17: Congressional Leggett briefed by Colby.

December 18: Closed Session of about 100 Representatives briefed by Sisco and Mulcahy.

December 19: Members of the Black Caucus briefed by Sisco and Mulcahy. Tom Doubleday of AF/C briefed 8 Congressional staffers in the period December 16 to December 31.

SOME SOLUTIONS TO THE GRAVE FAILURE IN HOUSING POLICY

Mr. BAYH. Mr. President, housing, more than any other sector of the economy, has suffered during the current recession. The housing slump began before the broader recession, went deeper than the economy overall, and responded more slowly in the weak recovery. Moreover, inflation in housing costs is such that the expectations of American families with respect to the sort of housing they can afford—whether renting or buying—are constantly being eroded.

The reality of housing inflation calls into question a basic assumption about our society; namely, that we as a nation are over time growing more prosperous. The fact is that in recent years the proportion of American families that can afford to buy homes has been diminishing.

In 1972, one-third of the Nation's households could afford to purchase a median-priced house. In 1975, an income of $20,000 was needed to qualify for a conventional mortgage on a median-priced new home; only one-fifth of the families in the country had this much income. This trend must be reversed. The obvious implications are intolerable.

For the millions of households who because of the size of their incomes must rent, rather than buy, the proportion of their incomes which they must spend on rent is constantly increasing. In 1960, according to the Census of Housing, the median proportion of income spent on rent fell in the 15–19 percent range.

In 1973, the proportion had risen to 20 to 24 percent. The Census of Housing shows only the numbers of households within given rent-to-income ranges. Spiraling inflation in rental costs is due to increases in the cost of maintenance, construction and mortgage costs, and most importantly rising utility charges. We must address ourselves to this problem.

Ironically, in the midst of a major housing slump, the Nixon and Ford administrations have relied almost exclusively on restrictive monetary policy to fight inflation. This policy pursued by the Federal Reserve Board with the blessing of the Republicans has compounded the rise in mortgage interest rates due to inflation. In theory, restrictive monetary policy is said to be nonselective; in fact, the high mortgage interest rates stemming from such policy have resulted in selective credit allocation to the detriment of the housing market.[1]

For families trying to purchase a home, even a small increase in interest rates means a substantial increase in monthly mortgage payments. Many families are foreclosed from the market because they cannot qualify for loans under lenders' loan-to-income criteria. As a result, housing repeatedly bears a disproportionate share of the burden of reduction in economic activity through credit restriction.

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[1] For my understanding of the degree to which this is true, I am indebted to an article by Henry B. Schechter, director of the AFL–CIO Department of Urban Affairs, which appeared in the January, 1975, issue of the *AFL–CIO American Federationist*.

The Republican administrations have further compounded the impact of recession and inflation on housing by cutting back on Government housing programs. Congress has repeatedly authorized and appropriated money for housing programs, and the executive branch has avoided spending it through illegal impoundments, the delaying tactic of deferrals and rescissions which Congress has predictably defeated, and administrative delay.

A recent example of this phenomenon involves the housing programs run by the Farmers Home Administration. FmHA runs two extremely successful rural housing programs, one which provides direct loans for homeownership—section 502—and another which provides assistance for rental housing—section 515. These programs are to a large extent self-financed. FmHA borrows the money on the open market and loans it out. The loans from the Government are repaid by the programs' participants, and FmHA pays off its obligations.

The foreclosure rates in the rural housing programs are remarkably low: As of December 31, 1974—the most recent date for which figures are available—the foreclosure rate in the 502 program was 0.8 percent; the rate in the 515 program was 0.4 percent. These figures compare favorably with the foreclosure rate in the HUD-administered section 235 homeownership program of 15.3 percent—as of June 30, 1975. Although the FmHA programs have received little publicity, they comprise the largest and most viable Government housing program at the present time.

The annual agriculture appropriations bill for fiscal 1976 empowered FmHA to extend $2.7 billion in loans under the rural housing programs. The demand for loans was so great that by November—7 months before the close of the fiscal year—FmHA was forced to call a halt to the section 502 homeownership program for lack of funds.

Believing that increased obligational authority would produce not only needed access to mortgage credit for rural families, but also jobs in the depressed construction industry, I offered an amendment to the agriculture chapter of the first supplemental appropriations bill for fiscal 1976 to increase FmHA loan authority by $500 million. With the assistance of the senior Senator from Maryland (Mr. MATHIAS) and the junior Senator from South Carolina (Mr. HOLLINGS), my amendment was accepted by the full Appropriations Committee, by the conference committee, and enthusiastically endorsed by Members of both Houses when the conference report was voted on in December.

Today—more than 1 month later, the Office of Management and Budget has still not released these desperately needed funds. Because of the delay, I was impelled to call on my colleagues in the Senate to join with me in urging the administration to release the funds immediately. On January 16, 1976, my letter cosigned by 44 of my colleagues was delivered to Director James T. Lynn at OMB calling for release of the FmHA money. Despite this, the Congress on January 23, 1976, received formal notice that the President is attempting to rescind the FmHA supplemental appropriation. I am confident that Congress will not agree to the rescission request; but meanwhile a further 45-day moratorium will cripple the rural housing program.

This is but the most recent example in a string of decisions by the Republican administrations which have gutted Government housing programs. The pattern was set with President Nixon's impoundment in January 1973, of funds for all subsidized housing programs, both rural and urban. This impoundment became the subject of many law suits, including one by the General Accounting Office about section 235 homeownership funds. The GAO suit was settled, and HUD has recently released the 235 money and announced resumption of the program after a 3-year hiatus. The litigation over administration refusal to spend money appropriated by Congress for housing programs ultimately contributed to enactment of the Congressional Budget and Impoundment Control Act of 1974. Despite passage of the act, litigation in this area continues, and many feel the Impoundment Act itself needs to be strengthened.

Not surprisingly, given the monetary and fiscal policies of the last two administrations, housing starts last year fell to a 29-year low, and unemployment in the construction industry is almost twice the national average—16.2 percent in December 1975. Furthermore, between January and October of 1975, 1,988 construction firms failed. These firms had total liabilities of $592,883,000.

The targets for construction and rehabilitation of units established by the 1968 Housing Act have been effectively abandoned. The 1968 act called for 2.6 million units to be added to the housing stock per year; 2.4 million units were started in the peak year of 1972. In 1975, starts fell to 1.17 million.

The decline in new construction starts under the major federally subsidized housing programs designed to provide more adequate housing for lower- and low-income households has been particularly severe. The year 1972 marked a peak in both privately owned starts and starts under Federal housing programs. Private starts in 1975 were only one half of those in the peak year of 1972. But a comparison of federally subsidized starts reveals that the subsidized programs fared even worse with only one-third as many starts in 1975 as in 1972. The particular severity of the decline in subsidized starts reflects the decision of the Republican administrations to curtail Government spending for housing programs.

The condition of the housing market with its rampant inflation, deepening recession, and extremely high unemployment rate is an especially severe microcosm of our economic crisis. The problems of rising inflation in housing costs and of ever shrinking expectations as to what is affordable shelter face all but the very rich. The situation is critical, and it is time we figured out what to do about it.

PROPOSED HOUSING POLICY

A balanced housing policy must distinguish at the outset between those policy areas which affect the housing sector in general and those policy questions which concern the special problems of lower- and low-income households.

For this reason, I will address myself first to two broad issues which are critical to the housing problems of middle-class American families: Monetary policy and the restructuring of financial institutions. I will then turn my attention to those housing programs which are specifically intended to improve the quality of housing available to lower-income families.

MONETARY POLICY

The single most important thing which could be done to bring mortgage interest rates down is for the Federal Reserve Board to relax its tight monetary policies. The Federal Reserve Board, through its open market operations, and its authority to set reserve requirements and the discount rate, influences interest rates and the availability of money and credit in the economy. By manipulating these mechanisms to increase the amount of money in the economy, the Fed could act to lower mortgage interest rates.

The Fed operates in the stratosphere of macroeconomics, wrapped in mystery, and cloaked in technical economic jargon. I do not believe monetary policy should be developed in secret and kept hidden from the people of this country. I cosponsored legislation enacted by this Congress which requires the Chairman of the Federal Reserve Board to report to Congress on the Fed's monetary policies, but more needs to be done.

Housing is a perfect example of an area in which no amount of legislation by Congress with respect to fiscal policy can overcome the effects of monetary policy as determined by the Federal Reserve. We must coordinate monetary policy with fiscal policy. We must bring the Fed into the public realm and make it more responsive to the major constituencies of American society. This is the most important thing we can do to bring down the cost of getting a mortgage to a point where howeownership becomes an option for more than the most affluent American families.

RESTRUCTURING FINANCIAL INSTITUTIONS

One of the reasons the current depression in the housing market is more severe than that in the economy as a whole is because of the peculiar structure of the financial institutions in this country. This is an immensely complicated subject, and there is much disagreement as to what should be done. It is generally agreed, however, that the present institutional framework tends to aggravate instability of the housing finance market in inflationary times. We must take cautious, deliberate steps, one at a time, to restructure our financial institutions to minimize instability and to strengthen the commitment of our resources to housing.

Financing for the housing industry is largely the province of specialized depository institutions: Savings and loans and mutual savings banks. The thrift institutions have served us well over the years in carrying out this important function. But by removing restrictions which have limited their ability to perform this task and by giving them greater flexibility we can improve on the present situation.

Thrift institutions are required to invest a large proportion of their deposits in mortgages and are permitted by regulation Q—which sets ceilings on interest paid on deposits—to pay a higher interest rate than commercial banks. In theory, regulation Q is intended to encourage saving in thrift institutions and to prevent "disintermediation." Disintermediation, an awkward word which seems to have found a permanent place in our vocabulary, means the withdrawal of funds from thrift institutions and their investment elsewhere. In fact, regulation Q has not prevented disintermediation because large, sophisticated depositors remove their funds anyway and turn to more attractive investments such as large denomination treasury bills and money market mutual funds. As a result, regulation Q has worked mostly to prevent small investors from receiving the same return on their savings as that available to large investors.

One logical response to this situation would be to restructure our financial institutions to allow interest rates on deposits in thrift institutions to rise to the level available elsewhere and thereby guarantee a fairer rate of return to small depositors. But any move in this direction must be accompanied by measures designed to insure that mortgage credit will be plentiful. Subsidies to insure investment in housing must be sufficient to make up for the removal of restrictions which were intended to do the same thing, but which have had unintended negative consequences.

I am impressed with the concern expressed by those students of the housing market who contend that the only way to guarantee funds for such socially important areas of the economy as housing is through mandatory selective credit allocation. But on balance, I am more inclined to move in the direction of proposals which allocate credit through incentives rather than directives.

One approach would be legislation to restructure financial institutions and do away with the artificial distinctions between commercial and thrift institutions. Regulation Q would be phased out gradually over time, as we provide other protections for S. & L.'s and insure an adequate supply of mortgage money. Thrift institutions would be permitted to expand the range of services offered to their customers and to diversify their investments. The flow of money into mortgages could then be encouraged by first, mortgage interest tax credits; second, subsidized loans by the Federal Home Loan Bank Board to mortgage lenders; third, mortgage reserve credits; and fourth, a form of Federal Government insurance to protect mortgage lenders against increases in short-term interest rates.[2]

GOVERNMENT HOUSING PROGRAMS

Before turning my attention to Government programs designed to improve housing opportunities for lower-income families, I want to set the discussion in context with a few brief remarks about the biggest Government housing program of all: the subsidy for homeownership provided by the tax code.

The Internal Revenue Code permits taxpayers to deduct from their gross income mortgage interest payments and local property taxes. The estimated cost of this tax expenditure for the 1975 tax year is $10 billion. While this is costly, there is reason to believe the absence of such deductions would prevent an even larger number of middle-income families from owning their own homes.

Fiscal policy includes both Government spending and measures which determine revenues to the Government. The 1975 appropriation for the principal Government housing programs for low- and lower-income families was $3.3 billion. There is much public discussion of the enormity of Federal programs designed to aid the poor, but a comparative look at fiscal policy as it relates to housing for the poor and for the middle class reveals that in fact the bulk of Government fiscal policy in the area is directed to the benefit of the middle class.

Less than 8 percent of the tax subsidy for homeownership goes to taxpayers with incomes of less than $10,000; the largest tax savings go to those with the very highest incomes. The following table, based on information for the 1972 tax year supplied by the Congressional Budget Office, shows the average size of tax savings achieved by households in various income groups by claiming itemized deductions for mortgage interest payments and local property taxes.

	Average tax saving	Revenue lost (billions)	Number of taxpayers (millions)
Income range:			
$15,000–$20,000	$244	$1.27	5.2
$20,000–$30,000	$424	$2.32	5.48
$30,000–$50,000	$729	$1.45	1.99
$50,000–$100,000	$1,267	$0.76	0.601
$100,000 and over	$2,289	$0.3	0.132

These comments are only by way of preamble to my discussion of those Government housing programs designed to benefit lower-income families, for certainly housing programs for the poor should not be evaluated without attention to the tax expenditures designed to encourage homeownership. While this indirect housing subsidy for the middle class is necessary and desirable, we must remember that the poor are no less deserving of Federal housing assistance than those in better financial positions.

In the 1960's, the principal housing programs were the low-rent public housing and rent supplement programs—which served low-income families—and the mortgage interest subsidy programs administered by HUD and the Department of Agriculture—which served lower-income families. I have noted the efforts to impose a moratorium on funds for these programs instituted by the Nixon administration in the beginning of 1973 and pursued more recently by President Ford. The two-thirds drop in subsidized starts in 3 years has resulted directly from this ill-advised policy.

The following table prepared by the Congressional Research Service of the Library of Congress shows the number of subsidized starts under the major Government housing programs for 1972, 1974, and the first 10-months of 1975:

	1972	1974	January–October 1975
Sec. 235 homeownership mortgage subsidy	82,810	3,222	406
Sec. 236 rental assistance mortgage subsidy	88,690	20,502	12,095
Low-rent public housing	40,050	15,439	13,392
Rent supplementt	8,680	5,140	1,302
Sec. 502 FmHA	[1]	28,582	39,427

[1] FmHA figures are only available on a fiscal year basis. Other figures in this table are for calendar years. FmHA breakdown not available for fiscal 1972, but in fiscal 1973 there were 45,003 units.

The most important thing which can be done to improve the housing opportunities of low- and lower-income families is for the executive branch to implement vigorously the housing programs which have been authorized by Congress. The tactics of obstruction and delay utilized by the Nixon and Ford administrations must be replaced with a willingness to administer housing policy. The problem is not that we do not have a set of workable housing programs. The problem is not that Congress has not appropriated funds to implement Federal housing programs. The problem is that the last two Republican Presidents have chosen not to administer our housing programs. The housing crisis facing lower-income Americans can only be alleviated by the implementation of existing housing programs.

SECTION 8

Under the Republican administrations, the Department of Housing and

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[2] An important contribution to the discussion in this area has been made by the work of the House Committee on Banking, Currency and Housing, under the chairmanship of the Representative from Wisconsin (Mr. Reuss); see the Discussion Principles Concerning Role of Our Financial Institutions in the National Economy, Cong. Rec. at H. 10787 (Nov. 6, 1975), and volume I of Financial Institutions and the Nation's Economy (FINE): A Compendium of Papers Prepared for the FINE Study, Committee Print for the House Committee on Banking, Currency and Housing, 94th Cong., 1st Sess.

Urban Development has turned away from the construction-oriented subsidies of the 1960's to the housing assistance program authorized by section 8 of the Housing and Community Development Act of 1974. Rather than the below-market interest rates used by section 236 to stimulate construction of new rental units, section 8 pays landlords the difference between the fair market rent for the area as established by HUD and 25 percent of the assisted household's gross income.

To the extent that section 8 permits use of existing units and rehabilitated units, it may provide a useful tool to promote restoration and preservation of older urban neighborhoods. Rehabilitation of existing housing units can be a quicker and more economical answer to certain of our housing problems than new construction. Hopefully section 8 will make it economically profitable for private landlords to rehabilitate and to operate standard rental housing in presently declining inner-city areas.

When used for construction of new rental units, section 8 is intended to work in the following way. HUD enters into a contract with a developer for a maximum term of 20 years to provide housing assistance payments on a given number of units in a new rental development. But this presents a major problem; if the program is to generate any substantial amount of new units, the statutory limitation of the program's contracts with landlords to 20 years must be changed to 40 years, so that the period of the subsidy will match the 40-year duration of a standard mortgage on such property.

The failure of the section 8 program to generate any but token new construction thus far may be excused by the short time the HUD guidelines have been in place. However, the current state of mortgage finance makes it unlikely that the program will generate much new construction in the near future. Hopefully the recent release of $3 billion in GNMA tandem plan funds for multi-family housing will help to stimulate section 8 construction.

LOW-RENT PUBLIC HOUSING

Section 8 is thus far a new and untested mechanism. Until it is proven successful I do not believe we should rely on it so exclusively as has HUD under Secretary Carla A. Hills. Rather we should continue to make use of older housing programs which have proven themselves useful over the years. For example, the low-rent public housing program—the "traditional" public housing program—has in the last 40 years provided an enormous volume of housing units to the very poorest families in the country. Public housing need not and does not always come in the form of high-rise ghettos. Construction of new public housing in small clusters of units can be done on scattered sites to avoid ghetto-like concentrations of very poor families.

Until we know that private landlords with the help of section 8 can provide increased housing opportunities to large numbers of poor families, we should not discontinue the time-tested public housing program. HUD reports that thus far localities have been authorized to proceed with 127,000 section 8 units. But to date there are at best only a thousand families actually occupying units under the program, and these families are housed in previously existing units. On the other hand, there are approximately one million households living in traditional public housing.

New construction under Government housing programs should be used to further housing goals which would not otherwise be achieved if we relied exclusively on the private market. For instance, it is unlikely that sufficient large units would be produced by the private market to house the number of large, low-income families desperately in need of better housing. These units should be built under the low-rent public housing program. New construction under section 8 should also be used to permit greater integration. The housing assistance plans provided for in the 1974 Act have the potential to foster integration if used by an administration committed to equal housing opportunities for all.

One of Congress' primary goals in enacting the Housing Act of 1936, which first authorized the low-rent public housing program, was the production of jobs. Today, just as during the Depression of the 1930's, there is a dual need to produce more housing and to put people back to work. In the HUD appropriations bill for fiscal 1976 (P.L. 94–116), Congress earmarked $50 million for the construction of new low-rent public housing. Fifty million dollars does not seem to me to be an unreasonable amount of money to spend on new construction of much needed public housing for low-income families. This construction would have put large numbers of people back to work. But revealing its insensitivity to both the housing problems of the very poor and the problem of unemployment, the present administration has announced that rather than use the money for the construction of new public housing, it will use the $50 million to bail out the special risk insurance fund. HUD has decided to use this money to finance the sale to public housing authorities of rental properties now in the hands of the Federal Government because of defaults on federally insured mortgages. This decision by the Ford administration ignores the intent of Congress to use the funds for new construction.

HOUSING ALLOWANCES

At about the same time it suspended the major Federal housing programs, the Nixon administration published a tract entitled "Housing in the 1970's," which set forth their criticisms of the 1960's programs. These criticisms were that the programs were inefficient because they were of less value to recipients than they cost the Government and that they provided a large subsidy to a fraction of the eligible population and nothing to those not chosen to participate. These criticisms are in fact as true of the section 8 program as they were of previously enacted legislation.

The only sort of housing program which cannot be criticized on grounds of inefficiency and horizontal inequity is a universal housing allowance scheme. The Government is presently conducting a $200 million experimental housing allowance program in 12 cities around the country. It should also be noted that with respect to its use with existing housing, section 8 operates much like a housing allowance.

While the results of the housing allowance experiment will be of enormous interest to us all, my ultimate judgment on housing allowances will be shaped primarily by how much such a program will cost and how it would be coordinated with a national income maintenance program. The available estimates indicate that like other programs which attempt to redress the significant disparities in income in our country, a universal housing allowance program would cost an enormous amount of money—well in excess of $6 billion annually. Given the cost of the other social programs competing for our limited budget resources, such as national health insurance, we must be realistic about the prospects for a housing allowance program in the near future.

SECTION 235

Secretary Hills has recently announced the resumption of the 235 homeownership program under new guidelines which target the program's benefits on a higher-income group than was eligible before the Nixon suspension of the program. Analysis of the new guidelines indicates that the income group served will probably be even higher than anticipated by the Secretary. To the extent that resumption of the program will provide needed stimulus to the housing construction industry, I support the program.

SECTION 202

Section 202 of the 1959 Housing Act established a direct loan program designed to promote construction of elderly housing by nonprofit sponsors. This program was terminated by the Republicans, and no units have been started under it since 1972. The termination of the section 202 program was recently held to be an illegal impoundment by a Federal judge.

The 1974 Housing Act contained an amended version of the 202 program which the administration appears to be in the process of implementing, although not a penny has yet been committed. In a recent 2-month period HUD received 1,456 project applications for an excess of 250,000 units. The 202 funds currently available will only support 12,000 to 15,000 units. I believe that section 202 is a good program. It was never touched by the scandals which ravaged the Government programs which relied upon involvement of private, profitmaking developers. The funding for this program should be increased.

REHABILITATION

Recently we have seen a dangerous pattern whereby neighborhoods are used up and then abandoned. Basically sound housing is allowed to decline below the level of decency, and then vast resources are allocated to building new outlying communities. Middle-class Americans are writing off entire cities. It is like the cut and burn agriculture of the frontier, except that millions of people left behind by inadequate incomes or racial discrimination must find a way to live on the played out lands.

Our society is not so rich in resources, land, energy, and capital that it can afford this reckless and destructive pattern of urban development. We must find policies to build up the housing and cultural assets of our still viable city neighborhoods.

Housing legislation in the 1960's, provided strong incentives for rehabilitation investment in the most depressed urban areas.

But total rehabilitation is very expensive, and in many cases it proved to be too weak a single tool to reverse the dynamics of central city slum conditions.

Rehabilitation funds should be directed to those neighborhoods where housing has not declined so completely and where it can be rehabilitated for much lower costs and with substantial personal involvement and work by owner-occupiers of private homes and small rental units. Congress has appropriated money for such efforts in the 312 rehab program, but the Ford administration has refused to spend this money.

The administration argues that cities can use their community development block grants for rehab purposes if they wish. But what of those cities which do not choose to do so? The administration's theoretical commitment to the block grant or special revenue sharing concept cannot excuse a failure of Federal leadership and direction. Moreover, the block grant concept is only valid when there is sufficient community participation to insure that local programs are in fact those desired by low- and moderate-income neighborhood residents and not just another resource for developers and businessmen.

One positive trend in several central cities is the return of young, middle-class families to neighborhoods undergoing renovation through private financing. This new development has been constrained by the redlining practices of banks and by the fact that when mortgages are made available banks commonly require much larger down payments than in the suburbs and refuse to finance renovation costs as part of the initial mortgage. We need to develop programs such as Federal mortgage insurance for rehab to make it possible for these young families to contribute to the revitalization of inner-city neighborhoods. At the same time there is a need for low-income homeownership programs in such communities to permit long-time rental residents to participate as owners in the upsurge of their community. This would be an appropriate use of the 235 program, but the subsidy would have to be deep enough to permit participation by truly low-income families.

RURAL HOUSING

I have spoken at some length in this statement about the rural housing programs run by the Farmers Home Administration. The section 502 and 515 direct loan programs provide needed access to credit in rural areas where other forms of financing are not so available as in metropolitan areas.

I want to make one brief comment about the rural rent supplement program provided for in section 514 of the 1974 act. The only way for really poor rural families to afford to live in the rental housing constructed under section 515 and the farm labor housing program is through the use of the rural rent supplement program. The Agriculture Department has refused to implement this program, and has taken the position, contrary to the Impoundment Control Act, that it has the "discretion" to ignore congressional intent to bring decent rental housing to very poor rural families. The rural rent supplement program should be implemented.

CONCLUSION

Mr. President, the housing industry is a large and vital part of the American economy, producing a basic necessity which shapes the life experience of American families. During recent years, government policy as it relates to housing has been so mismanaged that we find ourselves faced with a housing crisis even more severe than the crisis in the economy as a whole. It is time to do something about the situation. We must pursue a less restrictive monetary policy and bring interest rates down. We must provide for changes in the financial institutions which have traditionally borne the responsibility for housing finance and improve their ability to carry out this crucial task. We must create incentives for investment in housing by other financial institutions. The executive branch must stop using its creative energies to avoid implementation of government housing programs and should instead use the energy of the Federal Government to administer these programs as vigorously as possible.

CONCLUSION OF MORNING BUSINESS

Mr. MANSFIELD. Mr. President, is there further morning business?

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

ASSISTANCE IN MEETING FEDERAL CHILD CARE STANDARDS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate now turn to the consideration of Calendar No. 568, H.R. 9803, as was announced by the leadership on yesterday.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 9803) to postpone for six months the effective date of the requirement that a child day care center meet specified staffing standards (for children between six weeks and six years old) in order to qualify for Federal payments for the services involved under title XX of the Social Security Act, so long as the standards actually being applied comply with State law and are no lower than those in effect in September 1975, reported with an amendment.

The ACTING PRESIDENT pro tempore. Without objection, the Senate will proceed to its consideration.

There being no objection, the Senate proceeded to consider the bill (H.R. 9803) which had been reported from the Committee on Finance with an amendment to strike out all after the enacting clause and insert the following:

That (a) the Congress finds and declares—

(1) That the Social Services Amendments of 1974 set standards for child care under the Social Security Act which will require many child care providers to substantially increase their staff over existing levels;

(2) That in such cases compliance with these standards will require a substantial increase in the present level of expenditures for child care; and

(3) That adequate funding to meet these additional child care expenditures required by the Social Services Amendments of 1974 is not presently available.

(b) It is therefore the purpose of this Act to provide the additional funding which will make possible the implementation of the new child care standards without severely curtailing the availability of child care services.

SEC. 2. Section 7(a)(3) of Public Law 93-647 is amended by striking out "February 1," and inserting in lieu thereof "July 1,".

SEC. 3. (a) For purposes of title XX of the Social Security Act, the amount of the limitation (imposed by section 2002(a)(2) of such Act) which is applicable to any State for any fiscal year, shall be deemed to be equal to whichever of the following is the lesser:

(1) an amount equal to 110 per centum of the amount of such limitation for such year (as determined without regard to this section), or

(2) an amount equal to (A) 100 per centum of such limitation for such year (as determined without regard to this section), plus (B) an amount equal to the sum of (i) 80 per centum of the total amount of expenditures (I) which are made during such fiscal year in connection with the provision of any child day care service, and (II) with respect to which payment is authorized to be made to the State under such title for such fiscal year, and (ii) the aggregate of the amounts of the grants, made by the State during such fiscal year, to which the provisions of subsection (c)(1) are applicable.

(b) The additional Federal funds which become payable to any State for any fiscal year by reason of the provisions of subsection (a) shall, to the maximum extent that the State determines to be feasible, be employed in such a way as to increase the employment of welfare recipients and other low-income persons in jobs related to the provision of child day care services.

(c)(1) Subject to paragraph (2), sums granted, during any quarter, by a State to a qualified provider of child day care services (as defined in paragraph (3)) with respect to one or more child day care facilities of such provider shall be deemed, for purposes of title XX of the Social Security Act, to constitute expenditures made by the State, in accordance with the requirements and conditions imposed by such Act, for the provision of services directed at one or more of the goals set forth in clauses (A) through (E) of the first sentence of section 2002(a)(1) of such Act. With respect to sums to which the preceding sentence is applicable (after application of the provisions of paragraph (2)), the figure "75", as contained in the first sentence of section 2002(a)(1) of such Act, shall be deemed to read "100".

(2) The provisions of paragraph (1) shall not be applicable—

(A) to the amount, if any, by which the

aggregate of the sums (as described in such paragraph) granted during any fiscal year exceeds the amount by which such State's limitation (as referred to in subsection (a)) is increased pursuant to such subsection for such fiscal year, and

(B) to the amount, if any, by which the aggregate of the sums (as described in paragraph (1)) granted to any particular qualified provider of child day care services, during any taxable year of such provider, exceeds an amount equal to 400 percent of the amount of the tax credit which is allowable to such provider for the taxable year under section 40 of the Internal Revenue Code of 1954 (or the amount of a payment in lieu of credit under section 50A(e) of such Code) with respect to the Federal welfare recipient employment incentive expenses for individuals employed by such provider in jobs related to the provision of child day care services in the facility or facilities with respect to which such sums were granted.

(3) For purposes of this subsection, the term "qualified provider of child day care services", when used in reference to a recipient of a grant by a State, includes a provider of such services only if, of the total number of children receiving such services from such provider in the facility with respect to which the grant is made, at least 30 per centum thereof have some or all of the costs for the child day care services so furnished to them by such provider paid for under the State's services program conducted pursuant to title XX of the Social Security Act.

(d)(1) In the administration of title XX of the Social Security Act, the figure "75", as contained in the first sentence of section 2002(a)(1) of such Act, shall, subject to applying such sentence to expenditures made by a State for the provision of child day care services.

(2) The total amount of the Federal payments which may be paid to any State for any fiscal year under title XX of the Social Security Act, with the application of the provisions of paragraph (1), shall not exceed an amount equal to the excess (if any) of—

(A) the amount by which such State's limitation (as referred to in subsection (a)) is increased pursuant to such subsection for such fiscal year, over

(B) the aggregate of the amounts of the grants, made by the State during such fiscal year, to which the provisions of subsection (c)(1) are applicable.

(e) In applying the provisions of paragraph (1) of subsection (a) of this section—

(1) with respect to the fiscal year ending June 30, 1976, the figure "110" (as contained in such paragraph) shall be deemed to be "104", and

(2) with respect to the fiscal period beginning July 1, 1976, and ending on September 30, 1976, and with respect to the fiscal year ending on September 30, 1977, the figure "110" (as contained in such paragraph) shall be deemed to be "108".

SEC. 4. (a) At the earliest practicable date after the date of enactment of this section (but in no event later than 45 days after the date of such enactment) the Secreary of Health, Education, and Welfare shall determine the amount of additional Federal funds (if any) which are needed by the States in order to enable them to comply with the requirements imposed by or under section 2002(a)(9)(A)(ii) of the Social Security Act—

(1) for the fiscal year ending June 30, 1976,

(2) for the fiscal period beginning July 1, 1976, and ending on September 30, 1976, and

(3) for the fiscal year ending September 30, 1977.

(b) If the aggregate of the amounts determined by the Secretary to be needed by the States is equal to—

(1) in the case of the fiscal year ending June 30, 1976, $25,000,000,

(2) in the case of the fiscal period beginning July 1, 1976, and ending on September 30, 1976, $12,500,000, and

(3) in the case of the fiscal year ending September 30, 1977, $50,000,000,

then the Secretary shall increase the amount of the limitation (imposed by section 2002 (a) of the Social Security Act and determined after application of the preceding sections of this Act) applicable to each State, which is determined by the Secretary under subsection (a) to be in need of additional funds for such fiscal year (or such fiscal period, as the case may be), by an amount equal to the amount of the additional funds so needed by such State for such year or period (as the case may be). If the aggregate of the amounts so determined by the Secretary for any such fiscal year or fiscal period (as the case may be) is in excess of the amount specified under clauses (1), (2), and (3) of the preceding sentence with respect to such fiscal year or fiscal period, then the Secretary shall increase the amount of the limitation (referred to in the preceding sentence) of each such State in the manner provided in such sentence, except that the amount of increase of each such State shall be proportionately reduced by such amount as is necessary to reduce the aggregate of the increases to the applicable dollar amount specified in clauses (1), (2), and (3) of the preceding sentence. If the aggregate of the amounts so determined by the Secretary for any fiscal year or fiscal period (as the case may be) is less than the dollar amount specified under clauses (1), (2), and (3) of the first sentence with respect to such fiscal year or fiscal period, then the Secretary shall increase the amount of the limitation (referred to in the first sentence of this subsection) of each such State in the manner provided in such first sentence, and an amount equal to the difference between such dollar amount and the aggregate of the amounts so determined by the Secretary for such fiscal year or fiscal period shall be used to increase, for such fiscal year or fiscal period, the amount of the limitation (referred to in the first sentence of this subsection) of all States, with the amount of increase applicable to each State being determined on the basis of population in like manner as is prescribed under section 2002(a)(2)(A) of the Social Security Act.

SEC. 5. (a) Section 50A of the Internal Revenue Code of 1954 (relating to amount of credit for work incentive program expenses) is amended—

(1) by adding at the end of subsection (a) (2) the following new sentence: "The preceding sentence shall not apply to so much of the credit allowed by section 40 as is attributable to Federal welfare recipient employment incentive expenses described in subsection (a)(6)(B).",

(2) by striking out subsection (a)(6) and inserting in lieu thereof the following:

"(6) LIMITATION WITH RESPECT TO CERTAIN ELIGIBLE EMPLOYEES.—

"(A) NONBUSINESS ELIGIBLE EMPLOYEES.—Notwithstanding paragraph (1), the credit allowed by section 40 with respect to Federal welfare recipient employment incentive expenses paid or incurred by the taxpayer during the taxable year to an eligible employee whose services are not performed in connection with a trade or business of the taxpayer shall not exceed $1,000.

"(B) CHILD DAY CARE SERVICES ELIGIBLE EMPLOYEES.—Notwithstanding paragraph (1), the credit allowed by section 40 with respect to Federal welfare recipient employment incentive expenses paid or incurred by the taxpayer during the taxable year to an eligible employee whose services are performed in connection with a child day care services program, conducted by the taxpayer, shall not exceed $1,000.", and

(3) by adding at the end thereof the following new subsection:

"(e) PAYMENT IN LIEU OF CREDIT TO TAX EXEMPT ORGANIZATIONS.—

"(1) IN GENERAL.—In the case of a State, any political subdivision thereof, or any organization described in section 501(c), which is exempt from tax under section 501(a) for the taxable year, the Secretary or his delegate shall pay to each such government, subdivision, or organization which files a claim during the calendar year in the form, manner, and at the time prescribed by the Secretary or his delegate by regulations, an amount determined under paragraph (2). Such payment shall be made as soon as possible after the receipt of such claim.

"(2) AMOUNT OF PAYMENT.—The amount payable to a State, subdivision, or organization (hereafter referred to as a 'tax exempt entity') under paragraph (1) for the calendar year shall be equal to the amount of credit which such tax exempt entity would, if it were liable for tax under this chapter, be allowed under section 40, determined under sections 50A and 50B, for Federal welfare recipient employment incentive expenses paid or incurred by such entity during such year to an eligible employee whose services are performed in connection with a child day care services program of such entity.

"(3) REPAYMENT.—If an entity which receives a payment under paragraph (1) takes any action which would result in an increase of its tax under subsection (c) or (d) of section 50A if such entity were liable for tax under this chapter, then such entity shall be liable to the Secretary or his delegate for an amount equal to the increased amount of tax which would be imposed under such subsections.

"(4) TREATMENT AS OVERPAYMENT OF TAX.—For purposes of any law of the United States, including section 101 of the Treasury Department Appropriation Act of 1950, any payment made under this section shall be considered to be a refund of an overpayment of the tax imposed under this chapter.".

(b) Section 50B(a)(2) of such Code (relating to definitions; special rules) is amended to read as follows:

"(2) DEFINITIONS.—For purposes of this section, the term 'Federal welfare recipient employment incentive expenses' means the amount of wages paid or incurred by the taxpayer for services rendered to the taxpayer by an eligible employee—

"(A) before July 1, 1976, or

"(B) in the case of an eligible employee whose services are performed in connection with a child day care services program of the taxpayer, before January 1, 1981.".

(c)(1) Section 6401(b) of the Internal Revenue Code of 1954 (relating to excessive credits) is amended by—

(A) striking out "oil)," and inserting in lieu thereof "oil), 40 (relating to expenses of work incentive programs) but only to the extent that such expenses are based on the employment of an individual in connection with a child day care services program of the taxpayer,"; and

(B) striking out "39," and inserting in lieu thereof "39, 40,".

(2) Section 6201(a)(4) of such Code (relating to assessment authority) is amended by—

(A) striking out "39" in the caption of such section and inserting in lieu thereof "39, 40,"; and

(B) striking out "oil)" and inserting in lieu thereof "oil), 40 (relating to expenses of work incentive programs),".

(d) The amendments made by this section with respect to Federal welfare recipient employment incentive expenses paid or incurred by the taxpayer to an eligible employee whose services are performed in connection with a child day care services program of the taxpayer shall apply to such expenses paid or incurred by a taxpayer to an eligible employee, whom such taxpayers hires after September 30, 1975.

Sec. 6. (a) Section 2002(a)(9)(A)(ii) of the Social Security Act is amended—

(1) by striking out "and" at the end of clause (II) thereof, and

(2) by adding at the end of clause (III) thereof the following: "(IV) the State agency may waive the staffing standards otherwise applicable in the case of a day care center or group day care home in which not more than 20 per centum of the children in the facility (or, in the case of a day care center, not more than 5 children in the center) are children whose care is being paid for (wholly or in part) from funds made available to the State under this title, if such agency finds that it is not feasible to furnish day care for the children, whose care is so paid for, in a day care facility which complies with such staffing standards, and if the day care facility providing care for such children complies with applicable State standards, and (V) in determining whether applicable staffing standards are met in the case of day care provided in a family day care home, the number of children being cared for in such home shall include a child of the mother who is operating the home only if such child is under age 6,".

(b) The amendments made by subsection (a) shall, insofar as such amendments add a new clause (V) to section 2002(a)(9)(A)(ii) of the Social Security Act, take effect on October 1, 1975.

Sec. 7. Section 4(c) of Public Law 94-120 is amended to read as follows:

"(c) The amendments made by this section shall be effective on and after October 1, 1975.".

The ACTING PRESIDENT pro tempore. Time for debate is limited to 3 hours, to be equally divided and controlled by the Senator from Louisiana (Mr. Long) and the Senator from Arizona (Mr. Fannin), with 1 hour on any amendment, 20 minutes on any debatable motion, appeal, or point of order, and vote on final passage to occur no later than 2 p.m.

Who yields time?

Mr. LONG. Mr. President, I yield myself such time as I require.

Mr. President, I ask unanimous consent that during Senate consideration of H.R. 9803, the child care bill, the following staff be permitted privileges of the floor: From the Committee on Finance, Michael Stern, Joe Humphreys, Bill Galvin, Don Moorehead, and Vashti Brandenberg; from the Congressional Research Service, Margaret Malone; and on behalf of Senator Mondale, I ask unanimous consent that Bert Carp and Sid Johnson of his staff be permitted privileges of the floor during consideration of this bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. LONG. Mr. President, in 1974, Congress enacted legislation affecting the social services program under title XX of the Social Security Act. Among other things, this legislation set certain Federal standards for child care provided outside the child's home. These requirements limit the number of children per staff member, impose safety and sanitation standards, set general requirements for the suitability of physical facilities, and relate to a number of other matters.

Since personnel costs are the major element of cost in the provision of child care, the Federal staffing standards have been given the greatest attention, but other Federal requirements will also involve additional costs in many States.

The 1974 legislation originally required that the Federal standards be met by October 1, 1975. As that date approached, however, it became clear that many providers would not be able to meet the Federal requirements. To allow time to work out a solution to the problem, the Congress postponed the effective date of the new Federal staffing standards until February 1, 1976.

The bill reported by the Committee on Finance represents our best judgment of the way the issue can be resolved. First, the committee bill provides an additional $250 million annually, beginning in fiscal year 1977, to assist States to meet the staffing standards and other requirements in the law. For the remainder of the current fiscal year, $125 million is provided. Without additional funding, the higher cost of providing child care under the Federal requirements would result in States providing care for fewer children.

Another key element of the committee bill is designed to encourage the hiring of welfare recipients in child care centers and homes. Additional staffing will be needed under the Federal requirements, and the committee believes that this need should be utilized to broaden employment opportunities for welfare recipients. The committee bill provides an incentive for this by broadening a tax credit provision already provided in the present law.

Though the additional funding and the tax credit would be effective immediately the Federal staffing standards would be further postponed until July 1, 1976, to permit the States an orderly transition period.

On another matter, the committee bill would also make permanent certain temporary provisions affecting alcoholism and drug abuse programs under the Social Security Act.

Mr. President, I ask unanimous consent that there appear at this point in the Record a summary of the provisions of the committee bill.

There being no objection, the summary was ordered to be printed in the Record, as follows:

H.R. 9803—Summary of Provisions of Committee Bill

The bill as passed by the House of Representatives on September 29, 1975, would have temporarily suspended (through March 31, 1976) certain Federal child care staffing requirements. The substance of the House bill was subsequently enacted in other legislation but with a January 31, 1976, termination date. The committee amendment extends that suspension, provides additional Federal funding to meet the requirements, provides incentives for hiring welfare recipients as child care staff, and makes certain other modifications in the social services statute.

Temporary deferral of standards.—Public Law 94-120, enacted October 21, 1975, postpones until February 1, 1976, certain Federal child care staffing requirements applicable to children between the ages of 6 weeks and 6 years who have their care funded under the social services title of the Social Security Act. Under the committee amendment this temporary postponement of these standards would continue for an additional 5 months (through June 30, 1976).

Additional Federal funding for child care.—The Social Services Amendments of 1974 require that child care services funded under the social services program meet certain minimum Federal standards with respect to staffing and other matters. Though compliance with these standards will increase the cost of providing child care services in many States, the 1974 legislation did not increase the $2.5 billion limitation on Federal social services funding which was imposed in 1972. In order to help States meet the costs of complying with these standards, the committee amendment would provide for increasing the maximum allowable funding under the program by $250 million per year, starting with $125 million in the current fiscal year. The new funding is available only for child care and will be available to match State expenditures on an 80 percent matching basis (as compared with 75 percent for most other social services programs). Until fiscal year 1978, 20 percent of the additional Federal funding provided by the bill will be reserved for allocation by the Department of Health, Education, and Welfare to those States determined to have particular funding problems related to complying with Federal child care standards.

Tax credit for employing welfare recipients in child care.—The committee amendment is designed to encourage States to meet the Federal child care staffing requirements by employing welfare recipients. This amendment broadens in several respects the present tax credit of 20 percent of the wages paid to a welfare recipient or former welfare recipient (with a maximum annual credit of $1,000 per employee). For child care providers, the amendment makes the tax credit available through 1980 and provides that it will be available on a refundable basis so that it will benefit all providers, including public and nonprofit providers and those with little or no tax liability. The committee amendment also authorizes States to use some of the additional social services funding provided by the bill to match the tax credit in such a way as to provide full Federal funding of the costs of hiring welfare recipients as child care employees up to a maximum salary of $5,000 per year.

Waiver of standards in certain cases.—The committee modified the child care standards to permit State welfare agencies to waive the Federal staffing requirements in the case of child care centers and group day care homes which meet State standards if the children receiving federally funded care represent no more than 20 percent of the total number of children served (or, in the case of a center, there are no more than 5 such children), provided that it is infeasible to place the children in a facility which does meet the Federal requirements.

Modification of family day care home requirements.—The 1974 law incorporates a requirement that a family day care home serve no more than 6 children including the family day care mothers' own children under age 14. The committee amendment modifies this requirement so that the family day care mother's own children would be counted only if they are under age 6.

Social services provisions related to addicts and alcoholics.—Public Law 94-120 included certain modifications of the social services statute governing funding of services for addicts and alcoholics. These changes were made effective only through January 31, 1976. The committee amendment would make these changes permanent.

One of these changes makes explicit certain confidentiality requirements in the case of services provided to addicts and alcoholics. Another change clarifies that the entire rehabilitative process must be considered in determining whether medical services provided to addicts and alcoholics can be funded as being an integral part of a social services program. A third change allows funding of a 7-day detoxification period even though social services funding is generally not available to institutionalized persons.

Mr. LONG. Mr. President, I ask unanimous consent that the committee amendment be agreed to and that the bill as so amended be considered as original text for the purpose of further amendment.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none. It is so ordered.

Mr. MONDALE. Mr. President, will the Senator yield?

Mr. LONG. I yield to the Senator from Minnesota.

Mr. MONDALE. Mr. President, I thank the Senator.

I commend him by way of expressing my appreciation for what I consider to be the statesmanlike leadership which the chairman of the Committee on Finance has performed in this most difficult and troubling issue.

I am most grateful to him for working out a compromise which I think serves all of the important interests here, the interest of the State in receiving the funds that they need, the interest of the children in terms of protecting them from disruptive and hostile day care environments, and the interest of putting unemployed people, in this case welfare mothers, to work in an area where I think they can perform very ably and in so doing reduce welfare costs, food stamp costs, unemployment insurance costs, medicare costs. It is this combination that is the product of the genius of the Senator from Louisiana, and I am most grateful.

Mr. LONG. I thank the distinguished Senator.

Basically, the Senator from Minnesota and the Senator from Louisiana have agreed on the principle that Congress should assist the States in meeting the day care standards set by Federal law.

The purpose of setting the day-care standard was not to deny children day care and not to deny working mothers a place to take their children where they would be provided for adequately. But the standard does increase the cost of providing day care, because additional people will be needed to provide adequate care for these little children.

So we simply say that if Congress wants to keep the standard and Congress has so voted, then we should fund it. That is what this bill seeks to do.

Mr. MONDALE. I thank the Senator.

The PRESIDING OFFICER (Mr. MANSFIELD). Under the previous agreement the Senator from Arizona (Mr. FANNIN) is recognized.

Mr. FANNIN. Mr. President, I cannot support this legislation in its present form. My position is set forth in the minority views included in the committee's report and I shall elaborate further on my position later in the debate in connection with one or more amendments to the bill that may be offered. At this point, however, I rise as one of the managers of the bill for the purpose of supplementing the remarks of our chairman so that we will have a complete legislative history with respect to this bill.

We are here debating this bill because, when Congress enacted title XX of the Social Security Act in 1974, it included certain mandatory standards including staffing ratios, for child day-care centers receiving title XX social services funds. The staffing ratios—which govern the number of children for whom a single staff member is permitted to care for—were originally scheduled to take effect on October 1, 1975. When we in the Congress found that a substantial number of States faced a loss of title XX funds for noncompliance, we postponed the effective date of these staffing ratios to February 1, 1976. That date is now close upon us and the pending bill represents the committee's solution to the problems which prompted the initial postponement of the effective date of the staffing ratios.

The committee bill retains the existing staffing ratios, because a motion to delete them failed on a tie vote in the committee. However, under the bill as reported, the effective date of the staffing ratios is again postponed, this time to June 30, 1976. In addition, two permanent exemptions from the staffing ratios are included. These exemptions relate to cases involving day care centers located in homes and cases where the number of federally funded children in a particular day care center is so small that application of these standards to such centers could result in the exclusion of the federally funded children rather than in compliance with the staffing ratios.

The second feature of this bill is that it provides additional Federal funding for child care services. This is accomplished by adding an additional $250 million to the $2.5 billion available annually to the States under title XX. However, this additional $250 million may be used only for child care and will be available on an 80 percent matching basis, rather than the 75 percent formula generally applicable to title XX funding. Generally, these new funds will be allocated among the States on the basis of population, which is the general title XX formula. However, until fiscal year 1978, 20 percent of this additional $250 million may be allocated by the Department of Health, Education, and Welfare, to States having particular child care funding problems.

The third feature of this bill—and one about which there was no real controversy in the committee—provides a tax credit for the employment of welfare recipients to staff day care centers. This credit, which will be available through 1980, modifies the present tax credit which allows a credit equal to 20 percent of the wages paid to welfare recipients or former welfare recipients. The principal modification to this tax credit made by this bill is that the credit is to be refundable so that it will be available and benefit all day care providers, including public and nonprofit providers and those with little or no actual tax liability.

This bill also makes permanent several technical changes in the social services statute governing funding of programs for addicts and alcoholics. These amendments were covered by the earlier legislation which postponed the effective date of the staffing ratios, but were made temporary so that the House could study them. This bill, as reported by the committee would now make these technical changes permanent.

Let me close this brief explanation, Mr. President, by stating for the information of my colleagues, that the administration opposes this bill as reported by the committee. In his state of the Union message, President Ford recommended that a number of social services programs—including the child day care program with which we are concerned here—be transferred to the States together with limited and appropriate safeguards and additional Federal funds on a block grant basis. The administration agrees that legislation is necessary now, but it supports a simple postponement of the staffing ratios so as to permit time for the Congress to consider and act upon the President's proposals.

At the outset of these remarks, Mr. President, I stated that I could not support this bill in its present form. I shall go into my objections in greater detail later during the discussions. My sole purpose here, however, is to assist our chairman, and his designee, in adequately developing the legislative history of this legislation.

The PRESIDING OFFICER. Who seeks recognition?

Mr. PACKWOOD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon. Does the Senator intend to offer an amendment or speak on the bill?

Mr. PACKWOOD. I intend to speak on the bill, first.

The PRESIDING OFFICER. How much time does the Senator desire?

Mr. PACKWOOD. Might I have as long as I need?

The PRESIDING OFFICER. There is a time limitation of 3 hours.

Mr. FANNIN. I yield 20 minutes to the Senator from Oregon.

Mr. PACKWOOD. That will be ample, 20 minutes.

The PRESIDING OFFICER. The Senator is recognized for 20 minutes.

Mr. PACKWOOD. Mr. President, as we start in on this debate, let me say at the outset that Senator MONDALE and I disagree, and we disagree in good conscience on this. Three years ago I supported Senator MONDALE when we imposed the Federal day care staffing ratios. I have since changed my mind, and while I disagree with him on this issue, I know we are going to be making common cause. In fact, it will be soon on our regional primary bill. So what I have to say is in no way critical of the conclusions he has reached.

Mr. President, I am introducing an amendment to H.R. 9803 to delete implementation of Federal day care staffing ratios. This amendment was defeated by a tie vote, 9 to 9, in Finance Committee during consideration of H.R. 9803. The amendment I am introducing today also permits the States to use the increase in funding in the social services program of greatest need.

In light of the differing needs of the various States, and the lack of consensus among day care professionals, I am concerned that nationwide imposition of these standards could actually cause day care to deteriorate by interfering with the exercise of reasonable discretion by people responsible for providing high-quality care at the State and local level. For these reasons, I am introducing this amendment to H.R. 9803, to delete implementation of the staffing ratios, and the requirement that the additional funds be used exclusively for day care.

The Finance Committee, in agreeing to provide an additional $250 million for day care under title XX, demonstrated that it is prepared to accept responsibility for assuring that States provide high quality day care for children eligible for title XX benefits. However, in its tie vote on this amendment to return the decision over staffing ratios to the States, the committee showed that it could not agree on the question whether there should be immediate, nationwide implementation of one particular set of staffing ratios.

For years, we have heard day care professionals disagree over the optimum number of children per staff member. The only areas of general agreement are that fixed ratios alone cannot insure quality day care, and that they are at best difficult to determine, and at worst arbitrary.

Different staffing ratios have been proposed by Members of Congress and well-informed citizens. In an attempt to resolve this problem, Congress, in title XX, instructed the Department of Health, Education, and Welfare to study the question of appropriate staffing ratios, and to make recommendations to us no later than the first 6 months of 1977. At this time, however, the controversy over the numbers still exists.

In addition to the disagreement over which staffing ratios are the best, there are differences between States as to whether additional child care funding should be used to augment the staff at one facility, to train present staff members, or to open a new facility at a different site to enable additional children to receive day care. The imposition of national standards at this time can only interfere with that type of decisionmaking.

In 1973, I supported Senator Mondale's amendment to title XX to require States to meet the Federal day care standards. I did this in part because the director of children's services of the State of Oregon said that the Federal standards are reasonable enough, and that Oregon intended to comply, whether or not the standards were mandated by Federal law. Since then, Oregon has used 30 percent of its title XX funds for day care. Its good faith is shown by the fact that Oregon only needs a minimal amount of funding to comply fully with the new Federal standards currently scheduled to become effective February 1, 1976. Now, however, the Oregon division of children's services believes that it can best meet the day care needs of its children if it is not compelled to meet federally imposed day care staffing ratios. I support their position, because we in Washington cannot claim any greater wisdom or sensitivity for the role of staffing ratios in proper day care management in each community than the people in that community.

The arguments for revenue sharing are similar to the arguments for my amendment. I support revenue sharing, because it enables people to fight local problems through the governments closest to them. The funds are used according to local needs in the areas of education, law enforcement, transportation, social services, health, the environment, and recreation. Revenue sharing money is distributed with a minimum of Federal "strings." Yet, I have heard no criticism that day care centers, senior citizens centers, or other social services funded with revenue sharing are "low quality."

This amendment also gives States discretion to apply the $250 million increase in funding to any title XX program, and eliminates the H.R. 9303 restriction that the additional funds be used only for day care. This is consistent with the present title XX funding, which gives States discretion to set their own priorities for social services. In addition, some States, such as Oregon, have used a relatively high percent of their title XX funds for day care in an attempt to meet the 1968 standards, and these States should be permitted the choice of applying the funds to other areas of greater need.

For these reasons, I believe that H.R. 9803, which provides for an additional $250 million for title XX day care programs, should be amended to return the power to set staffing ratios to the States and to permit the States to use the increase in funding in the social services programs of greatest need. I am, therefore, introducing this amendment to H.R. 9803 to accomplish these goals.

This statement sets forth the basic philosophical differences that Senator MONDALE and I have over whether or not the staffing ratios should be imposed at the Federal level or whether the use of social service money should be left to the discretion of the States to use as they see fit not only if they choose for meeting staffing ratios, but for use in other social services expenditures. Under that Social Services Act there are 10 to 12 types of social services that can be provided, and the States are allowed to decide for themselves what they think is most critical, be that alcoholism and drug abuse, be it foster parents, be it legal aid for those on aid to dependent children. Each State is given the decision for itself as to how it wants to use the money.

Day care is one of the things that the States may use the money for. Most of the States, in fact all of the States, have used a very high proportion of the social services money they have received in the past for day care. They have not been niggardly in the use of their money for child care. Their standards differ a bit from State to State, because what one State thinks it needs may not be what another State thinks it needs in the way of day care.

The principal issue we are here discussing is the staffing ratio, how many adults should you have in a day care center for each child. The bill sets forth some very specific ratios for each child: From 0 to 6 weeks, you have to have one adult; and it goes on down for each child from 6 weeks to 2 years so many adults; 2 to 4 years and whatnot so many adults, setting forth in law what the exact staffing requirements are.

Mr. President, first, the standards of staffing in day care centers are not an issue that is agreed upon even by experts in this country. They have testified before the Finance Committee, and I will read excerpts from some of their statements.

The first is from Ms. Gwen Morgan, child care consultant for the State of Massachusetts. She says:

> Traditional approaches have been to use an arbitrary figure for the staff-child ratio for an age peer group. This does not take into account a number of factors which would affect the staff-child ratio upward or downward in writing requirements. For example, the needed adult-child ratio is affected by (1) the fact that children are not necessarily going to be in groups all the same age; (2) the time of day and type of activity; (3) the size of the center. It is easier to do a good job in a small center where everybody knows each other well, with fewer staff than might be needed in a center of more than 100 children; (4) the number of children in the program who have some special need; (5) the type of program; for example, drop-in centers may require more staff; (6) the involvement of parents and the community.
>
> In addition to all of those variables which might affect staff-child ratio, and more important than any of the others, is the abilities of the staff. The staff-child ratio needed varies with the experience and skills of the teacher. A skillful teacher can create an atmosphere in which the children themselves are encouraged to relate well to one another and contribute to one another's growth. One good teacher can create this kind of group with ten children, if the center is organized well. Superior teachers might even go beyond this. Some programs will wish to use all skilled teachers, and licensing requirements should not inhibit them from doing this.
>
> A look at the present State licensing requirements should give some indication of the lack of consensus that exists in this area—they presently vary a great deal in what is required for licensing of programs within the various States.
>
> Perhaps, some day the experts can agree on what the perfect adult-child ratio is, but in the meantime, there should be room both for experimentation and responsiveness to local needs and situations.

From the American Academy of Pediatrics:

> The numbers and types of adult staff members needed will depend on the kind of program and the child population served (small group, mixed-age grouping, mixed cultural group, or peer-age group), on the age range of the children, and on the inclusion of handicapped children. Nearly all written "standards" recommendations, or guidelines refer to "staff-child ratios" and specify these by ages of the children in care. Such arbitrary measuring sticks, translated downward from present practice in public schools and nursery schools, make no allowance for pro-

> gram differences, for staff fatigue in daily 8-hour contact with small children, for different requirements of various kinds of age groupings, or for the necessity to release staff members for "breaks," staff conferences, personal sick leave, or in-service training.
>
> Experimental and demonstration programs now underway throughout the country will help clarify the complex questions of staff needs. At the present time, rather than prescribe specific child-staff "ratios," the committee recommends that the needs of the children in each center, and especially in newly opened centers, should be defined in relation to the planned program goals through the use of consultation.

From Raymond W. Vowell, commissioner, State Department of Public Welfare, Texas:

> I would contend, and others would join me in claiming, that competence of staff is of equal or greater importance than staff-to-children ratios.

Statement by Frank Nugent, administrator, Division of Family Services of the Wisconsin Department of Health and Social Services:

> There must be recognition that added adults do not necessarily result in better programs. Are we playing a number game that says if we put more warm bodies in a classroom we will have good care for children, or will we look at personal characteristics, training and experience in selection of staff for day care under title XX?

From Stephen Kurzman, Assistant Secretary of Health, Education, and Welfare:

> Since their inception, these standards have evoked controversy among child care professionals and service providers, with shades of opinion ranging across a broad spectrum. There are those who believe that these standards are not strict enough, and thus deny children in day care the opportunity to receive effective, quality, safe, and productive services.
>
> And there are those who believe that these standards are far too rigid, are not demonstrably effective, and, if fully enforced, would be counterproductive in that the cost of full compliance would price day care out of the market for significant numbers of the working parents for whom day care services are made available.

Mr. President, I could go on with other experts who disagree. Experts disagreeing with each other is not new to this Congress. They disagree in good faith and in good conscience.

I will be introducing an amendment when I finish my comments that will do two things, and two things only: One, it will eliminate the compulsory requirement that States must meet the mandated staff-child ratios; two, it will allow the States which will receive the money under this bill to use it not only for day care but for any other approved social service expenditure.

The Finance Committee did a study of the different States. It asked each of the States, "How much money do you need to meet the Federal staffing ratio?" Then they figured out how much each State would get under this bill.

Thirty-four States do not need as much money to meet the Federal staffing requirements as they will get under this bill. Oregon needs $200,000. Oregon will receive $2.65 million under this bill. We cannot use it for anything but day care, and we do not need it for day care. We cannot use it for a foster parent program. We have to put it into a program that we do not need all the money for, and 34 States are in that situation.

So my first argument is, it is folly to appropriate $250 million to meet Federal day care standards when we do not need that much money to do it.

States do have grave needs. They have programs they would like to fund, they have programs they would like to undertake that are permitted by the social service regulations, but they do not have the money for it.

My amendment would provide that the $250 million be allocated to the formula of the States on exactly the same formula as is allocated under this bill, only the States can use it for any purpose they want within the social service limitation. If that be day care, fine. If that be something else, fine. That is a decision that they, better than we, can make.

The reason I have changed my view on this subject—and I think this debate today is a harbinger of debate we will have over general revenue sharing, I hope soon—is, who is best suited to determine the needs of this country, local governments or the Federal Government?

The philosophy of the general revenue sharing program which has been in effect now for almost 5 years is that we will use the progressive income tax of the Federal Government, which is, despite the loopholes in it, a reasonably fair tax, and give that back to States, counties, cities, with almost no strings, and let them spend it the way they want, on the needs they think most critical, and the prograem has worked very well.

The social service program, of which this bill is an amendment, is, in essence, a block grant revenue sharing program. It sayes to the States, "Here is the money, use it as you want within broadly defined categories for what you think are priorities."

I have now been in the Senate for 7 years. When I came here, maybe I came with the same kind of feeling that others come here with, that somehow there is a magic in Washington, that we have a superior knowledge, that God has spoken to us and only us, and we will translate what God says to the States and the local governments.

I no longer share that view. I have come to the conclusion that we cannot run this country well from Washington, D.C.

Minnesota and Massachusetts and Maryland are different States with different problems, different geography, different ethnic backgrounds, different culture, and the program that will work in Massachusetts may or may not work in Maryland or Minnesota.

I hope to see the start of a long line of revenue-sharing block grant programs for education, for health, where we take the money we now give to the States in a variety, literally hundreds, of categorical grant programs, where they have got to apply for a specific grant, and say, "Look, as far as education is concerned, whether you need a remedial reading teacher, or a physical education teacher, or a librarian, you know better than we do, take the money. We will provide it; you spend it as you think."

The argument made is that, "Minnesota is all right, Wisconsin is all right, Oregon is all right, Colorado is all right; those are good, progressive States."

Some people snicker about the States like Mississippi or Alabama, that they do not care about their children, they do not care about education, and because they are not to be trusted we are going to impose standards on them and all the rest of the States.

When I came here, I had never visited the South and I knew few southerners. I have since visited the South and I find that they are as loving of their children as we in Oregon are. They have as much concern for the education of their children as we in Oregon do. They are not some kind of backward thinking people that will do everything to thwart what is good and decent in this country.

For example, I took a look at these States that have already said they need so much money to meet the Federal day-care standards, and if they get more than that, they cannot use it for anything. Thirty-four States will get more money under this bill than they need to do what the bill requires.

The hardcore Southern States, if one wants to call them hardcore, have been traditionally six: Mississippi, Alabama, Georgia, South Carolina, Louisiana and Arkansas.

Every one of those States does not need as much money as it will receive under this bill to meet the Federal day-care standards.

What that means is that they have spent more money; they have worked harder than some of the States to try to come up to the standards. Whereas, on the other hand, good States like Minnesota, Illinois, if they spend all of the money they get under this bill will not be able to meet the Federal standards because they have not made the effort in the past that Alabama, Mississippi, Georgia, and South Carolina have made.

I hope that belies the attitude that there are certain States not to be trusted.

Mr. President, it has been only a brief time since this bill came out of committee. The association that represents the State Governors wrote to all of the States asking for their Governors' opinion.

So far, to the best of my knowledge, we have back only six replies. Everyone, including California Governor Brown, was positive, every one supporting my amendment, and every one of them saying, "Get the Federal Government off my back."

That includes the State of Colorado. It includes other States where we have in the past thought these are good States and they will take care of themselves. They have, by and large.

Every one of the responses, ironically, we have back so far is from a Democratic Governor and four of the six cases are new Democratic Governors, the co-called new breed, the Michael Dukakises, the Governor Browns of California, who are saying, "We in the States can handle our problems, we in the States know our needs, we in the local governments, better than you in Washington, better than through some middle echelon tenured bureaucrat in the bowels of HEW or Housing and Urban Development, we know our problems better than you do."

I think it could not have been said better than by Mayor Gibson of Newark. Mayor Gibson testified before the Finance Committee on the subject of general revenue sharing, April 16, 1975, and when asked this question:

> Mr. Mayor, the argument is that you do not understand the priorities, that you will spend the money wrong.

Mayor Gibson answered:

> I know what the people want. I know what is needed because the people talk to me. We don't always agree, but we are elected by people to make decisions. We are at least popular enough to be reelected when the time comes. We are going to be accused by the people of Newark and outside for having the wrong priorities. The same people who make those accusations are not in a position to make the decisions. If anyone can tell me that they know more about what the people of Newark want, then I think they are wrong.

I am not sure that Mayor Gibson is necessarily right. I am about 99 percent convinced that he knows more about what the city of Newark needs than I do or Senator MONDALE or Senator FANNIN or anybody else in this body.

So in closing, and then I will offer my amendment, I want to clearly delineate once more what the issue is that we are talking about. We are not talking about the argument that the Federal Government is going to try to transfer some programs to the local government and take away money. That argument was made during the early years of revenue sharing, that President Nixon and his administration gave us revenue sharing and took away other programs. My amendment will not cut one dollar from the amount that the States will receive under this bill as introduced.

All my amendment will do is say to the States, "We trust you. We think you understand your priorities. We think that you are mature enough to take this money, put it into your social service fund and use it for day care, foster care, senior citizen centers, legal aid, or whatever you think are your priorities. We will not second-guess you."

AMENDMENT NO. 1357

Mr. President, I call up my amendment No. 1357 and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The second assistant legislative clerk proceeded to read the amendment.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

Strike out section 2 of the bill and insert in lieu thereof the following new section 2:

"SEC. 2. (a) Section 2002(a)(9)(A) of the Social Security Act is amended—

"(1) in clause (i) thereof, by inserting '(other than staffing ratio standards)' immediately after 'recommended standards';

"(2) in clause (ii) thereof—

"(A) by striking out 'and staffing standards for schoolage children in day care centers may be revised by the Secretary,', and

"(B) by striking out 'in the case of children under age 3' and all that follows, and inserting in lieu thereof 'shall be recommended to the States and not required.'.

"(b) The amendments made by subsection (a) shall take effect February 1, 1976.".

Strike out section 3(a) of the bill and insert in lieu thereof the following new section 3(a):

"SEC. 3. (a) For purposes of title XX of the Social Security Act, the amount of the limitation (imposed by section 2002(a)(2) of such Act) which is applicable to any State for any fiscal year shall be deemed to be equal to 110 per centum of such limitation for such year (as determined without regard to this section).".

Section 3(b) of the bill is amended by striking out "in jobs related to the provision of child day care services".

Strike out subsection (e) of section 3 of the bill, and insert in lieu thereof the following:

"(e) In applying the provisions of paragraph (1) of subsection (a) of this section with respect to the fiscal year ending June 30, 1976, the figure '110' (as contained in such paragraph) shall be deemed to be '105'."

Strike out section 4 of the bill.

Strike out section 6 of the bill.

Section 5 of the bill is redesignated as section 3.

Section 7 of the bill is redesignated as section 4.

Mr. FANNIN. Will the Senator yield for a unanimous-consent request?

Mr. PACKWOOD. Yes.

Mr. FANNIN. I ask unanimous consent that Bob Shapiro, Michael Byrd, and Michael Scott, of the staff of the Joint Tax Committee, and Rick Lavis, of my staff, be granted privilege of the floor during debate on the pending legislation.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. PACKWOOD. Mr. President, I ask that John Colvin and R. W. Jerome of my staff be granted the privilege of the floor during the consideration of the pending legislation.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. PACKWOOD. Mr. President, I do not think the issue is complex. I think it is a general philosophical approach as to who should make the decisions for the people of this country. I am willing to rest on the fact that I think those decisions could be better made at the local level.

Mr. FANNIN. Mr. President, I would like to speak in support of the Packwood amendment, which would repeal the Federal staffing ratios as he has explained.

I object to the imposition of nationwide mandatory staffing ratios as a matter of principle. I do not believe that we have the ability here in Washington to select a single set of standards that will be appropriate for and meet the needs of our children in New York, in Nebraska, in Oregon, and in the other 47 States. Indeed, in this very bill we are creating exceptions for two special problems that were called to our attention. How many other local and special problems are there that we ignore here for lack of knowledge?

I also believe that our States are themselves far better qualified to determine what ratios of staff to children are appropriate for quality day care. I totally reject the notion that only in Washington are we sensitive to the needs of our children.

These staffing ratios are also objectionable on practical grounds. Even if a case could be made for some kind of Federal staffing ratios, the case for these ratios has not been made. HEW is now engaged in a study to determine what staffing standards are appropriate. It makes little sense for Congress to mandate, under title XX, staffing ratios while at the same time, and in the same statute, require HEW to prepare an extensive report on whether or not these same standards are appropriate. It is this apparent lack of conviction on our part that convinces me that State action is a far better course for us to pursue.

There are several features about these ratios that make them suspect. For infants the standard is one adult for one child. This is a standard that could not be met in the intensive care units of our best hospitals and it tells a mother with infant twins that we in Washington believe she is incompetent to care for her own children. Also, where is the evidence that the standards adopted by States such as Oklahoma are inadequate? Yet, we reject the ability—and I believe the right—of Oklahoma and other States to care for their children.

Finally, let me say in all candor that imposition of these mandatory staffing ratios may in fact not be in the best interest of the children because the cost of compliance may be so high as to result in a decrease in day care services. Certainly this bill offers no assurance of compliance because most of the funds involved in this bill will be allocated to States on the basis of population, not on the basis of the need for funds to comply with the staff ratios.

For all of these reasons, I support the pending amendment. Its adoption would represent a positive step toward taking government back to our citizens and away from Washington and its oversized bureaucracy. I have some reservations about providing additional funding in this bill but I will support this amendment to eliminate the staffing standards.

Mr. President, the distinguished Senator from Oregon brought out that different Governors of the States have supported his amendment. The Governor of the State of Arizona happens to be a minority person. He is a Mexican-American In fact, he was born in Mexico. He is a naturalized citizen of this country. He strongly supports the amendment of the Senator from Oregon. I feel it is supported very widely throughout the country, and I think it would certainly be inappropriate to not adopt the amendment.

Mr. President, I ask unanimous consent that a letter dated January 23, 1976, addressed to me from the Honorable Raul H. Castro, Governor of the State of Arizona, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OFFICE OF THE GOVERNOR,
Phoenix, Ariz., January 23, 1976.

Hon. PAUL FANNIN,
U.S. Senate
Senate Office Building, Washington, D.C.

DEAR SENATOR FANNIN: As Governor of the State of Arizona, I urge you to support the Packwood Amendment that would return the authority for child care staffing ratios back to the state.

> We are finding it extremely difficult and expensive to meet the present Federal Interagency Day Care Regulations which currently control the staffing pattern of child care facilities. Persons knowledgeable in the field of day care for children in Arizona believe the State has the ability to establish and maintain staffing standards that would not be detrimental to the care of children, yet allow the use of many more qualified day care facilities.
>
> Your support of Senator Packwood's Amendment is appreciated.
>
> Sincerely,
>
> RAUL H. CASTRO.

Mr. BARTLETT addressed the Chair.

The PRESIDING OFFICER (Mr. STONE). Who yields time?

Mr. FANNIN. How much time does the Senator desire?

Mr. BARTLETT. May I have about 5 minutes?

Mr. FANNIN. I yield 10 minutes to the Senator from Oklahoma. Is the Senator speaking on the amendment?

Mr. PACKWOOD. I have made my principal argument in laying the amendment down. At the moment, I will restrain myself from talking further until others have had a chance. I have nothing further to add.

Mr. FANNIN. I yield 10 minutes to the Senator from Oklahoma.

Mr. PACKWOOD. I am happy to yield to the Senator from Oklahoma whatever time he desires.

Mr. BARTLETT. I thank the Senator. I hope when he has the floor he will ask unanimous consent that I be placed on his amendment as a cosponsor.

Mr. President, as of February 1, 1976, every day-care center across the United States will be subject to a number of standards under title XX of the Social Security Act. Its provisions were drawn with the intention of protecting the children who were enrolled in day-care centers and providing the best care possible. However, at the time these regulations were promulgated, HEW did not know what adequate standards were. HEW has admitted that their study of standards will not be completed until some time in 1977. This seems to me to be the way that the Government operates very frequently in getting the cart before the horse. We are going to study and find out what we should do, but before we reach the conclusion of that study and know the results, we are going to lay down the regulations and put them into effect, regulations which have very far-reaching implications for the citizens of my State and the other States.

I believe the point should be made that the States have long ago developed their own regulations which have adequately met the needs of the children within their boundaries. For example, in Oklahoma I have had very few inquiries and very few contacts from people in which they did have some concerns about the operations of particular and specific day-care centers. But I have had no contact from any citizen of our State asking that the regulations be changed. I feel the citizens of our State can exercise discretion and can use their intelligence in deciding which day-care center provides the kind of service they provide for their children. Certainly, they vary much in size, scope, and in ability to perform the proper services. But I do believe that we have in our State adequate regulations with no desire to make a change. It is a system of regulation that makes certain that our rules and regulations are put into effect.

It has become apparent that one effect of the title XX regulations would be to close down many of the existing day care centers which are presently providing an approved and acceptable level of services. In other cases, parents would no longer be able to afford the rates that the remaining centers would have to charge to pay for capable staff.

This would place a parent in the situation of either quitting work and, as a result thereof, going on the welfare rolls; or placing their child in a situation where adequate care was not available; or locking their child in the home while they were at work, which is very imprudent and unwise. This lock-in situation is one that already exists all too often, and not only is detrimental to the development of the child, but is highly hazardous to the child's health and welfare.

Today we are considering H.R. 9803, which does not change the standards but defers their enforcement. However, this situation does not need deferral because States already have excellent standards which they have developed over the years of close contact with the problems of day care. The States need no guidance by the "long arm" of the Federal Government. There is too much of that already, and it is time that we stopped deceiving ourselves by believing that the Federal Government knows best for all people on a specific basis.

The amendment to H.R. 9803 offered by the distinguished Senator from Oregon, resolves this situation and is a step in the direction of halting the encroachment of the Federal Government on what has been traditionally a State-controlled area. It also halts the encroachment of Federal Government into the lives of all individuals.

It is not that tradition should always prevail, but in the case where States have developed adequate standards over a period of years through direct experience, it is important to heed this experience and defer to their knowledge.

Mr. President, I am reminded of the difficulty the Founding Fathers had at our constitutional convention 200 years ago—or a little less than that—when they were working with the problem of how to accomplish the dual goals of having a nation strong enough militarily to survive, but also of a mind to protect the basic liberties of individual citizens.

The solution was achieved very successfully by the division of our Government into three parts, which to a very great extent was accomplished by the reserving of rights to the States.

I believe this measure invades that approach; and in invading that approach I think it tends to defeat the goals envisioned by the Founding Fathers to protect our basic rights, recognizing that local governments have a better knowledge than does the Federal Government of specific local priorities and needs. I think the State of Oklahoma knows more about the priority of day care centers in its State when placed alongside other priorities which the State has than do we in Washington, or than does HEW in Washington.

I think the people in Oklahoma also know that we have a budget which we have to balance in our State by constitutional requirement, and that oftentimes, in the so-called interest of helping the States protect the rights of children of the various States, we place a tremendous financial burden on the States at a time when we are talking about fiscal restraint in this body. We talk about how we will cut back, and yet we are willing to place further financial impositions on States which cannot print money as the Federal Government does.

Therefore, I wholeheartedly support the amendment by the distinguished Senator from Oregon. I applaud those on the Finance Committee who have made such an issue of this matter. An issue which has been uppermost in the minds of the people of my State of Oklahoma, in concern lest a very good program, that has enabled the working parents, the working mothers, and the young parents going to college to pursue their goal,to do their thing, be destroyed by proposals that would hamper that, and do not fit the priorities of the States of Oklahoma.

The State of Oklahoma is not trying in any way to ask or suggest that the other States follow its example, but I do think one of the great strengths of this Nation is that in the 50 States pursuing their own priorities and their own goals and pursuing problems in their own way, the States have taught each other. Certainly Oklahoma has profited greatly from the experience of sharing, having other States share with us their experiences and their approach. I think what is done in Oklahoma and the other 49 States, on an individual basis can be of much more value toward achieving better day care centers than can this great knowledge of somehow running better day care centers from Washington.

I think in this body we tend to forget how important the division of sovereignty in this Nation is, making sure that we do have a divided sovereignty with the States, and reserving to the States those rights that are most sensibly theirs. Certainly in this area it is obvious that the State of Oklahoma and the other 49 States should establish their own regulations and standards. That is what this amendment would do.

I, therefore, encourage the Members of this Senate to support this amendment to H.R. 9803 and, thereby, initiate the campaign toward the deregulation of the lives of the citizens of this country.

I think it is most important that we give a higher status of responsibility to the 50 respective States of this Nation. Having served as Governor, I have great confidence in the ability of the legislatures and the Governors of the 50 States to recognize their mistakes, or if they do not, of the citizens of the respective States to do so, and to make changes. I think our system needs to be protected from this Chamber, and that our citizens'—including our youngest citizens'—basic rights be guaranteed. This amendment goes a long way in that direction.

Mr. President, I yield the floor.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the name of the Senator from Oklahoma (Mr. BARTLETT) be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered. Who yields time? Is all remaining time yielded back?

Mr. PACKWOOD. Mr. President, I am prepared to yield back the remaining time. Are we operating under an agreement that there will be no votes before 12:30?

Mr. FANNIN. Mr. President, the Senator from Wyoming is on his way over and would like to speak in favor of the amendment.

The PRESIDING OFFICER. There is no such agreement.

Mr. PACKWOOD. There is no such agreement?

The PRESIDING OFFICER. There is not.

Mr. PACKWOOD. Mr. President, what is the quorum necessary for ordering the yeas and nays?

The PRESIDING OFFICER. Eleven Senators.

Mr. PACKWOOD. I shall subsequently ask for the yeas and nays, but I do not wish to delay the proceedings of the Senate now if we do not have 11 Senators around here.

Mr. BARTLETT. Mr. President, will the Senator yield?

Mr. PACKWOOD. Yes.

Mr. BARTLETT. I suggest to the distinguished Senator that we have a quorum call and let it go live, just for the purpose of getting enough Senators to support a yeas and nays request.

Mr. MONDALE. Mr. President, I would think the leadership can get 11 Senators. I think I would object to the quorum call.

Mr. BARTLETT. I was just advised of the great difficulty of getting the requisite number of Senators; that was the reason for the suggestion.

Mr. MONDALE. Eleven?

Mr. PACKWOOD. I am going to ask for the yeas and nays. That means we will eventually have to get 11 Senators here, even if we have to go live.

I simply do not wish to delay the Senate right now while we are waiting hopefully for more Senators to come in the Chamber.

Mr. HANSEN. Mr. President, are we on a time limitation?

Mr. PACKWOOD. We are on a half-hour time limitation on each side on the amendment which I am controlling and 3 hours on the bill, and the Senator from Arizona (Mr. FANNIN) is controlling that.

Mr. HANSEN. I have a statement.

Mr. MONDALE. Mr. President, I plan to make a very brief statement on this matter. We have been through this issue many times before. Perhaps, while I am making my statement, the leadership might inform the Senate and get 11 Senators here to second the motion for the yeas and nays.

Did the Senator wish to speak.

Mr. HANSEN. Go right ahead. I have a statement to make.

Mr. MONDALE. Why does the Senator not speak now?

I assume the Senator is on the time of the Senator from Oregon (Mr. PACKWOOD).

Mr. HANSEN. Yes.

Mr. PACKWOOD. Mr. President, I yield to the Senator from Wyoming such time as he needs.

Mr. HANSEN. Mr. President, the background of the legislation before the Senate, H.R. 9803, represents an egregious example of Federal interference in a matter in which admittedly there exists no Federal expertise.

In 1974, Congress recognized that it did not have the requisite expertise to legislate child day care staffing standards and, accordingly, directed HEW to study this subject and report its findings on the appropriate child care staffing ratios during the first 6 months of 1977. However, Congress, with its frequent method of placing the cart before the horse, determined to codify certain stringent staffing requirements for child care programs and authorized HEW to issue child care staffing requirements. The result of this congressional gamesmanship was to require the States to meet stringent, highly questionable child care staffing standards by October 1, 1975, or lose all Federal funding under title XX.

Thus, in 1974 the States were directed to meet stiff, if not impossible, child care staffing standards by October 1, 1975, during which time—and up until the first of 1977—the Federal Government would study what the staffing standards should be. Thus, Congress first imposed the standards under penalty of losing all Federal money, and then set about to study which standards should be applicable. If there was ever a more clear case of inverse congressional action, I have failed to witness it.

Were it not for the bill presently before us, we might laugh and chalk this prior legislative fiasco up to experience. But I regret to predict that the results of this bill will only further darken the already murky water in this area.

Because the staffing standards with which we directed the States to comply were so strict, the States were unable to comply by the October 1, 1975, deadline. Late last year, in an effort to avoid cutting all the title XX funds to 46 of the 50 States, Congress postponed the effective date until February 1, 1976. It was intended that during this interim Congress would formulate a way out of the mess in which it placed itself.

The legislation before the Senate, H.R. 9803, does not represent a solution to the problem that confronts us. The legislation provides only an easy escape from the problem. The escape is accomplished by what has too often become the congressional method—spending money and adding to the Federal bureaucracy.

Those that support this bill perceive the problem as being the inability of the States to meet the stiff federally imposed staffing standards. To remedy this problem, supporters of the bill have, for the most part, decided annually to allocate funds to the States in an amount of additional $250 million in title XX funds.

Mr. President, this legislation does not offer a sound approach because it does not address the actual problem. The problem that confronts us results from the fact that the Federal Government imposed the staffing requirements on the States. Not only were these standards untimely and, in my mind, poorly conceived, coming prior to the congressionally imposed HEW study intended to provide guidance in this area, but it was totally inappropriate for Congress to impose such standards on the States in the first place.

A principal purpose of title XX was to provide States with a substantial degree of flexibility as to the types of social services to be provided. To achieve this flexibility, $2.5 billion in Federal funds were annually made available to the States. The imposition of Federal staffing requirements for the day centers under title XX clearly undermines the intended flexibility of title XX. Instead of allowing States to design and implement social services programs that met local needs as intended by title XX, Congress imposed its Federal perspective on the States. Clearly, Congress should now recognize that it should never have intervened in this matter; its intervention jeopardized the entire integrity of title XX.

It was the intent and purpose of title XX to avoid mandatory Federal nationwide standards. It was recognized then, as it should be now, that uniform Federal standards do not meet individual State and local social service needs. The social service needs of New York City and Rock Springs, Wyo., not only differ in magnitude, but in kind and, most importantly, approach. Federal standards which mandate some national middle ground approach do not do justice to the delivery of social services in either New York City or Rock Springs, Wyo. National standards tend only to circumvent the local efforts to meet local needs.

It is often argued that while this may be true, Federal standards are necessary because States lack the initiative to implement effective standards. I remain unconvinced that the individual States are unable or unwilling to adequately provide for the care and safety of their own people. The total thrust of title X was not only that States could and would provide for the social service needs of their people, but that States were in the best position to do so.

It is the argument that Washington can always do a better job that has thrust upon the American people a Federal bureaucracy that is correctly viewed as too large, too meddlesome, too slow, too ineffective, and, most of all, too costly.

I have recently heard considerable political rhetoric that Congress should return the decisionmaking power to the people; that Congress should stop adding to the Federal bureaucracy and commence sending authority and decisionmaking power to the local level. If we are at all serious about this issue—the call of the American people—then this is the place to start. A vote for the Packwood amendment will strip the Federal Government of saying to every State, city, town, community, and neighborhood in America what is the appropriate level of day care staffing.

The narrow legislative problem that confronts the Senate is Federal staffing requirements. To solve this problem, we should remove the standards, not spend more money, as the bill before us directs.

However, the greater issue before the Senate is whether we are truly serious about reducing the Federal bureaucracy and returning decisionmaking power to State and local government.

I speak in support of the Packwood amendment not only because I believe that Federal day-care staffing standards are inappropriate, but because I believe this authority should be returned to the States.

I thank our colleague from Oregon.

Mr. MONDALE. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Minnesota has 28 minutes; the Senator from Oregon has 6 minutes.

Mr. MONDALE. Mr. President, this is an old issue before the Senate. In 1973, when we voted on this precise question of minimum standards for day care, the Senate voted overwhelmingly, 67 to 20, to insist that federally supported day care should meet minimum health, fire, and staffing requirements.

There was no attempt here to be officious and impertinent concerning State and local discretion.

The whole history of the social services program is instructive in this regard. For 3 or 4 years, many of us, including myself, worked practically full time to block the Secretary of HEW and the administration from virtually dictating every detail on how the social services money should be spent at the local level. I helped lead the fight for the principle that, in most circumstances, State and local government could better determine how that money should be spent to serve their people than could the Secretary of HEW or Congress, and I still believe that is the case.

We met with the Governors and with representatives of local government in order to work out a coalition to block the administration from undermining the broad range of State and local discretion which they rightfully thought they were entitled to in serving the needs of their people. That agreement, agreed to officially by the Governors, included the very Federal Interagency Day Care requirement which are at issue here. In other words, the last time the Governors spoke as a unit, they supported these minimum day-care standards.

What is more, since that time, those standards have been weakened in order to meet some of the needs as expressed by the Governor of Oklahoma and others. So there has been no attempt to ride roughshod over State or local government.

Second, as a technical matter, the Senator from Oregon is mistaken as to how this amendment works. Every State would receive and could use the full amount allocated to it under this act, whether or not they have already met or nearly met the day-care standards. This amendment simply says that this additional money must go for the purpose of meeting day-care standards. If the State has met them or it has nearly met them, the State may shift some of its existing day care from funding under title XX to funding under the act, thereby freeing up money under their title XX ceiling to use for any approved title XX service or services it chooses.

Mr. President, why is it that we insist upon minimum day-care standards? Is there a substantial reason why the Federal Government should be concerned about what happens to children when they are away from their parents and in day care? I think there is. Practically every professional in the field thinks there is.

I ask unanimous consent to have printed in the RECORD a letter from the American Academy of Pediatrics, strongly supporting this bill, and several statements by other organizations and individuals, warning this country what kind of children we are going to raise as we pursue this strategy of working parents gone during the day, leaving preschool and tender-aged children behind somewhere without adequate care or safety.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AMERICAN ACADEMY OF PEDIATRICS,
DEPARTMENT OF GOVERNMENT LIAISON,
Arlington, Va., January 22, 1976.

Hon. WALTER F. MONDALE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MONDALE: The American Academy of Pediatrics commends your efforts on behalf of children under H.R. 9803. We are particularly pleased that you share our concern in quality day care programs.

As day care of children is sought increasingly by parents for a variety of reasons, consideration must be given to the quality of that care and the services provided. Until research further evaluates present standards and programs, the 1968 FIDCR should be used as minimal standards. By so doing, at least a minimum, measurable level of care or service will be assured. Without minimal federal standards, the quality of child care would be threatened. The provision of simple custodial care for children or of programs which do not meet the child's needs but force him into routinized group programs with little variation cannot be sanctioned.

In summary, the Academy strongly supports the continuation of federal standards for day care and would urge that these standards be monitored and enforced. The care and guidance given children in their early years are of critical importance for their optimal development and our country cannot afford to abandon its children at this time.

Sincerely yours,
ROWLAND L. MINDLIN, M.D.,
Chairman, Committee on Infant and Preschool Child.

CHILD WELFARE LEAGUE
OF AMERICA, INC.
New York, N.Y., January 22, 1976.

Senator WALTER F. MONDALE,
Washington, D.C.

DEAR SENATOR: We are deeply appreciative of your efforts during the meeting of the Senate Finance Committee on behalf of Federal day care requirements. Speaking out for the needs of children, for their basic protection continues to characterize your service in the Senate.

You have, of course, our testimony on S. 2425, endorsing this legislation. Because of the expiration of the postponement we hope that the Congress will speedily approve legislation keeping Federal standards—and real enforcement of Federal standards— a part of Title XX. No one wishes to unnecessarily complicate the delivery of needed social services and we count ourselves in that company. But for those social services to meet the legislative intent of effectively preventing dependence, they must be of a quality that will service the needs of the child and the parent. Services below a certain quality floor will damage children and recycle them back into the dependency category when they are adults. Services of poor quality often displease parents. Services that endanger or subtly neglect their children are not acceptable, and cause parents to withdraw their children from care—and, usually, to leave the workforce for welfare.

The purpose of the expenditures under Title XX, as you recognize so clearly, can only be met if the expenditures go for quality services. The only real measure of quality—the only real accountability, we have learned after years of non-compliance and non-enforcement—is a Federal minimum. We hope that Federal minimum remains in effect for this legislation.

Sincerely,
JOSEPH H REID.

NATIONAL ASSOCIATION FOR THE
EDUCATION OF YOUNG CHILDREN,
Washington, D.C., January 22, 1976.

Hon. WALTER F. MONDALE,
Senate Finance Committee,
Dirksen Office Building,
Washington, D.C.

DEAR SENATOR MONDALE: Your attention is directed to the upcoming Senate consideration of S. 2425, a bill which would provide Federal funds to bring the States into compliance with the Federal Interagency Day Care Requirements for Title XX funded day care.

Since the introduction of S. 2425, discussion throughout the country has centered on such issues as the total amount of federal money to be appropriated in this legislation, the amount of time required for States to comply with the Federal Interagency Day Care Requirements for staffing child care centers, and the appropriateness of certain staff-child ratios for specific child care settings. At this writing, the Department of Health, Education and Welfare has begun the study of the appropriateness of FIDCR as mandated in the original Title XX legislation.

Inherent in the above considerations has been the assumption that federal funds for child care should be accompanied by federal standards to insure safe, healthy and nurturing environments for children. This same assumption has been expressed repeatedly by the membership of NAEYC—now totaling 26,000 individuals working with children in a variety of settings. Most recently, the NAEYC membership in conference in November, 1975, ratified a resolution endorsing S. 2425 and its attendant standards for federally funded child care. A letter to that effect was sent to each member of Congress on December 8, 1975.

On behalf of the membership of NAEYC, I take this occasion to reiterate the Association's support of standards to accompany federal funding of child care, and to encourage the Senate's careful consideration of the positive and protective aspects of the standards attendant to S. 2425.

Sincerely yours,
MARILYN M. SMITH,
Executive Director.

NATIONAL ASSOCIATION
OF SOCIAL WORKERS, INC.,
Washington, D.C., January 23, 1976.

DEAR SENATOR: Last October 8, this Association testified in support of S2425 (copy enclosed) before the Committee on Finance. We were concerned then, as we are now with the need for adequate standards of child care.

Federal Interagency Day Care requirements must not be abandoned. We urge that you support retention and enforcement of these standards, as reported out by the Finance Committee, and as presently contained in H.R. 9803 which will shortly come to a vote before the full Senate.

Sincerely yours,

MARYANN MAHAFFEY,
ACSW President.

NEW YORK, N.Y.

Senator WALTER MONDALE,
U.S., Senate Committee on Finance, Washington, D.C.

At its meeting on January 23, 1976 the Board of Directors of the National Federation of Settlements and Neighborhood Centers unanimously voted to urge the Senate Committee on Finance to reinstitute the full 500 million dollars authorization in the S2425 Long-Mondale bill and to express its opposition to any removal or waiver of Federal staffing standards as proposed in the Packwood amendment.

CHARLES T. GRIGSBY,
President, National Federation of Settlements and Neighborhood Centers.

AMERICAN FEDERATION OF LABOR
AND CONGRESS OF INDUSTRIAL ORGANIZATIONS,
Washington, D.C. January 27, 1976.

Hon. WALTER F. MONDALE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MONDALE: The AFL–CIO urges your support of H.R. 9803. We feel passage of this bill absolutely essential in order to maintain the level of child care services being provided by the states under Title XX at a minimal level of standards.

Many of the states have been forced to cut back on the day care services they are providing and have indicated they may have to reduce them even further. The obvious result of such a situation will be that parents working or in training programs (those who qualify for day care under Title XX) will be forced to leave their jobs and/or training and join the ranks of the unemployed or those on welfare.

The AFL–CIO deplores any effort to suspend child-staff ratios. The information sent in by the states indicates that the majority of states are close to or in compliance with the required child-staff ratios. To suspend these ratios would be a drastic and dangerous move backward. Even those states which are meeting the child-staff ratios are having difficulty meeting the increased cost of other requirements such as health and safety standards while having to keep within their four year old ceiling required under Title XX.

The AFL–CIO feels that further delay in implementing minimal day care standards agreed upon by Congress, HEW, and experts in the field would be unconscionable.

Sincerely,

ANDREW J. BIEMILLER,
Director, Department of Legislation.

AMERICAN FEDERATION OF TEACHERS, AFL–CIO,
Washington, D.C., January 23, 1976.
To all Members of the U.S. Senate:

DEAR SENATOR: The American Federation of Teachers, AFL–CIO, strongly urges your opposition to the Packwood Amendment which will be offered to H.R. 9803 when that bill is considered by the Senate.

H.R. 9803 is a bill to provide funds to the states to help them meet the Federal child/staff ratios required under Title XX of the Social Security Act. The ratios as they now exist are minimal protections for children receiving child care services under Title XX. The Packwood Amendment proposes to eliminate all Federal child/staff ratios and eliminate Federal concerns as to the quality of these services.

The program as it now stands provides child care that enables mothers to seek employment and reduce their dependency on welfare. A crucial component of this program must be quality care for the children in such programs. Such care can be an important step up for a child whose parent must work. The Packwood Amendment would encourage the states to seek false economies that would lower the cost of Title XX programs by neglecting the care that the children of the poor are as entitled to as any other children. A welfare program that requires mothers to accept work must assure that their children will be cared for.

We urge you to reject the Packwood and any other weakening amendments and to vote to pass H.R. 9803.

Sincerely,

ALBERT SHANKER,
President.

NATIONAL COUNCIL OF ORGANIZATIONS FOR CHILDREN AND YOUTH,
Washington, D.C., January 23, 1976.

Hon. WALTER F. MONDALE,
Russell Office Building,
Washington, D.C.

DEAR SENATOR MONDALE: On behalf of the 60 member organizations of the National Council or Organizations for Children and Youth's Day Care Alliance, I want to take this opportunity to commend you for your continued efforts on behalf of children and support for the continuation of the Federal Interagency Day Care Requirements.

The Day Care Alliance has, on numerous occasions, overwhelmingly endorsed the absolute necessity for the federal government to set and enforce high standards for day care to insure the protection of young and vulnerable children.

We recognize the fact that the present FIDCR as reported in H.R. 9803 are significantly less comprehensive than the original 1968 language and that they represent a minimal level of protection.

For this reason, we feel it would be unconscionable to accept further modification or delay and thus, support your efforts to retain the modified FIDCR language in H.R. 9803.

Sincerely yours,

JUDITH S. HELMS,
Executive Director.

DAY CARE ALLIANCE

AFL–CIO, Dept. of Community Services.
AFL–CIO, Dept. of Social Security.
American Academy of Pediatrics.
American Assn. for Health, Physical Education and Recreation.
American Association of University Women.
American Camping Association.
American Dietetic Association.
American Home Economics Association.
American Occupational Therapy Assn.
American Parents Committee.
American Psychological Association.
American Psychological Association, Section on Child Clinical Psychology.
Arrow, Inc.
Association for Childhood Ed. International.
Association of Junior Leagues.
Big Brothers of America.
Big Sisters International.
California Assn. for Maternal & Child Health.
Child Development Associate Consortium.
Children's Foundation.
Child Welfare League of America.
Church Women United.
Citizens' Comm. for Children of New York, Inc.
Community Care and Development Services.
Day Care & Child Development of Cook County OEO.
Day Care Council of Nassau County.
Day Care Council of New York City.
Day Care Council of Tompkins County.
Day Care Crisis Council of Chicago.
Epilepsy Foundation of America.
Family Service Association of America.
Home and School Institute.
Iowa Children's Lobby.
Joseph P. Kennedy Jr. Foundation.
La Causa Comun.
Maryland Committee for Day Care.
Mass. Comm. for Children & Youth.
Maternity Center Association.
Minnesota Children's Lobby
Metropolitan Area 4C Council.
National Alliance Concerned with School-Age Parents.
National Association for the Education of Young Children.
National Association of Social Workers.
National Chicano Social Planning Council.
National Child Day Care Association.
National Council of Jewish Women.
National Council of Negro Women.
National Jewish Welfare Board.
OMEP, U.S. National Committee.
Parents Without Partners.
Quality Child Care, Inc.
Region IX-Council for Coordinated Child Care.
The Salvation Army.
Travelers Aid International-Social Service of America.
United Methodist Church-Board of Global Ministeries.
United Church of Christ, Division of Health and Welfare.
United Neighborhood Houses of New York, Inc.
United Presbyterian Church in the U.S.A.
Volunteers of America.
Women's Lobby.
American Federation of State, County, and Municipal Employees.

Individual members

Dr. Stevanne Auerbach Fink, John Himelrick, Stella Shumlansky, Marian Siefert, William Van der Does.

[Telegrams]

ST. PAUL, MINN.

Senator MONDALE,
Senate Finance Committee, U.S. Senate, Washington, D.C.

Support SF 2425. Oppose efforts to remove Federal Interagency guidelines.

BETTY NUBBARD.

NEW BRIGHTON, MINN.

Senator MONDALE,
Senate Finance Committee, U.S. Senate, Capitol Hill, D.C.

Support SF 2425. Oppose efforts to remove Federal Interagency guidelines.

LOU ANN RESTAD.

ST. PAUL, MINN.

Senator MONDALE,
Senate Finance Committee, U.S. Senate, Washington, D.C.

Support SF 2425. Oppose efforts to remove Federal Interagency guidelines.

KATHY MALASLCE.

ST. PAUL, MINN.

Senator MONDALE,
Senate Finance Committee, U.S. Senate, Washington, D.C.

Support SF 2425. Oppose efforts to remove Federal Interagency guidelines.

ERNA FISHHAUT MINN. CHILD DEVELOPMENT COALITION.

St. Louis Park, Minn.

Senator Mondale,
Senate Finance Committee, U.S. Senate,
Washington, D.C.

Support SF 2425. Oppose efforts to remove Federal Interagency guidelines.

James Heltzer.

Minneapolis, Minn. 55405.

Senator Mondale,
Senate Finance Committee, U.S. Senate,
Washington, D.C.

Support SF 2425. Oppose efforts to remove Federal Interagency guidelines.

Edwina Hertzberg.

Northwest Community Action, Inc.,
Badger, Minn., January 20, 1976.

Hon. Senator Walter Mondale,
Senate Office Building,
Washington, D.C.

Dear Senator: In behalf of the Head Start Program, operated under the auspices of Northwest Community Action, I wish to offer my support of S2425 of which you are a sponsor.

There are many unmet needs for child care services. Your bill will do much to meet these needs. Any cutbacks in Federal funding for day care will hamper the advancement of these services for children.

Thank you for your interest in this vital field of legislation.

Sincerely,

Victor L. Johnson,
Headstart Director.

St. Paul, Minn.

Senator Walter Mondale,
Capitol One, D.C.

We need H.R. 9803 with Federal child care standards and additional $250 million. Your support appreciated.

Kathy Norberg,
Chairperson, Child Care Council

St. Paul, Minn.

Senator Walter Mondale,
Capitol One, D.C.

Child care needs Federal standards and $250,000,000 in HR9803. Please support child care.

W. Gary Winget.

St. Paul, Minn.

Senator Walter Mondale,
Capitol One, D.C.

Please vote for Federal child care standards and 250 million dollars in HR9803.

Donna Goff,
Director of Day Care Services, Childrens Home Society of Minnesota.

Mr. MONDALE. Mr. President, I quote the Senator from New York (Mr. Buckley) in a letter he wrote concerning the issue during the 1973 debate:

> On many points in last year's bill, I was in sharp disagreement with its sponsors. But on one point there was complete concurrence, that being the damage arising from the "warehousing" of children. The evidence on this point, Mr. Chairman, is both substantial and uniform in its findings, namely, that day care for the very young (chiefly those three years of age and under) is psychologically unwise and should be resorted to only under exigent circumstances. In order to minimize such risks, it is necessary to maintain a low adult/child ratio. This, of course, involves considerable expense, a fact which proponents of last year's measure acknowledged, even while insisting that somehow the money would be found to pay for it. On a number of occasions, I pointed out to the proponents of the comprehensive bill that their attempt to expand the eligibility base and to insist at the same time that the care be of a high quality would, given the imminent budgetary crisis, lead precisely to the very "warehousing" that their proposal was ostensibly designed to prevent. And just such a consequence, I fear, will also result if the Federal Inter-Agency Day Care Standards are diluted or eliminated as a condition for the receipt of federal funds for day care.

I have spent nearly 11 years in the Senate, much of it as chairman of the Subcommittee on Children and Youth. We have spent literally years listening to the testimony of parents, children, administrators, experts, Governors, and local leaders. I am frank to say that I am worried about the next generation of this country, if we continue to proceed heedlessly with respect to the damage that can be visited upon these children if they are left parentless.

Today over 43 percent of the Nation's mothers, and 54 percent of the mothers who are family heads are working outside the home. Six million preschool children, not counting the others, are left somewhere during the day—and God knows where—because there are only a million licensed day care slots in this country.

We have had reports of latchkey children, unattended. We have had studies such as that of the National Council of Jewish Women, "Windows on Day Care." I recommend it for everyone in this Chamber. It is a horrifying, tragic document.

As we debate here today, those kids are still there, watching television all day, with no mother and no love and no support. How would you like to grow up like that?

So I do not think what we have tried to do and have done since 1968 in these interagency day care requirements is motivated by some arrogant desire to interfere in State and local government. I fought for general revenue sharing. It is a Minnesota idea. It came from Walter Heller. I fought to liberalize these social services programs so that the widest possible latitude is available to State and local government.

I think we are being asked today not only to stop interfering with State and local government but also to stop any minimal protectve requirments entirely, even though we see a profound national need. That is quite a principle. We would have to vote against the Voting Rights Act, we would have to vote against child labor legislation, we would have to vote against minimum wage, and we would have to vote against all environmental legislation if we take the position that never can Congress stand up for a broad, profound national purpose.

We are not neutral in this day care program. The States can set up any program they want, with any standards they wish, with their own money. A profit or nonprofit day care center can set up any standards, with their money. The only thing this attaches to are day care programs that are federally assisted. We have helped create it, and it should affect our conscience if we pay for day-care centers that damage children, destroy them, emotionally and psychologically.

Second, the whole purpose of this bill, among other things, is to encourage welfare mothers to work, to get off welfare, to get a job. If we say, "We do not care what happens to your kids while you work," I think most conscientious welfare mothers will say, "Fine. I will stop working, then. I will stay home to make sure my children receive adequate care, and I will let the Government pay for everything—AFDC, food stamps, medicaid, public housing."

I predict that if that is the choice that faces the welfare mothers of this country, they all will stop working, and the cost will be billions of dollars more than the minimum cost of trying to help make certain that those children are protected from damage in the meantime.

Finally, if we are in doubt as to the wisdom of these day care standards, as far as I am concerned, I want to be on the side that errs on the side of safety for kids.

Mr. STAFFORD. Mr. President, will the Senator from Minnesota yield me about one minute for a unanimous consent request?

Mr. MONDALE. I am glad to yield.

Mr. STAFFORD. Mr. President, I have served over the last year with the distinguished Senator from Minnesota on the Subcommittee on Children and Youth. I generally concur with what he has so eloquently said here this morning. I shall not attempt to repeat it.

I should like to take this opportunity to voice my support for H.R. 9803 as reported by the Senate Committee on Finance.

As my colleagues on the Senate Finance Committee are well aware, there are almost 27 million children in the United States whose mothers are working or seeking work. That amounts to 42 percent of all Americans under the age of 18.

Nearly 1 of every 4 of these children, about 6.1 million youngsters, is too young to attend school and is in need of some day care service.

Thus, Mr. President, the need for day care centers and for youth services is, in the opinion of this Senator, no longer in question.

As ranking member of the Subcommittee on Children and Youth, I have worked with Senator Mondale to make available sufficient child care programs of high quality for families who need this assistance.

I have continually fought to assure that the Federal interagency day care requirements remain in effect in order that at least a minimal level of care is provided to children in federally assisted programs. I am delighted that H.R. 9803 both continues the FIDCR and provides the funding which states need to come into compliance.

I strongly support this bill and will oppose any and all amendments which might weaken or eliminate the Federal interagency day care requirements. H.R. 9803 contains reasonable modifications and sufficient waivers to cover the legitimate problems of child care programs in which title XX assisted children are in a very small proportion. I believe the Finance Committee's approach is a pragmatic one which sets a minimal level of quality needed to protect our children.

It is my hope that my colleagues will agree with me that the key to this issue is quality for our children and will give their wholehearted support to H.R. 9803.

Mr. PACKWOOD. Mr. President, I yield myself 2 minutes.

First, I want to set to rest what this money can be used for, because the bill is very specific. Eighty percent—this is what the States get back on the matching—80 percent of the total amount of the expenditures which are made during such fiscal year in connection with the provision of any child day care service. That is all they can use it for. They cannot get an 80-percent match if they want to use it for anything else but that. The law is clear on that position.

Now, as to the statement of the Senator from Minnesota about the terrors that we are going to suffer, that little children are going to be beaten and abused, it comes back to the fundamental issue that we are talking about: Are Mississippi or Alabama or Oregon any less concerned about the welfare of their children than the Federal Government? Are Alabama or Colorado or New York any dumber than the Federal Government?

The one disadvantage of a Federal program is that when we make a mistake, we impose it on the whole Nation. The best example of that we have seen in 20 years is the concept of public housing. Twenty years ago, 25 years ago, all good-thinking people said the answer to the urban slums of America was downtown, high-rise apartments, and if a person had a decent roof over his head, we would take care of the educational problems and the crime problems. Mr. President, it has not worked.

Pruitt-Igoe in St. Louis is a great example. We imposed on St. Louis County a housing project called Pruitt-Igoe. We told them where to build it. They said they did not want to build it there, they thought it could be better placed elsewhere. No matter. We told them where to build it.

Today Pruitt-Igoe is being torn down by the Federal Government. The mortgage on it is held by the Department of HUD because it lapsed. Eight 20-story buildings festering with crime and corruption, because we would not listen.

We now say we ought to scatter public housing. Maybe we should. Where it ought to go, where it will do the most good, is certainly better known by the State and local governments than by us.

I cannot accept the premise of the Senator from Minnesota that our own State, our own mayors, our own county commissioners do not care about our children, that if we turn these standards out and give the money to the States, it is back to the sweat shops, back to the unsupervised homes, that this money will be used for some other purpose.

How anybody can come to that conclusion, how we can be so right, how we can know so much in this body amazes me. I am reminded of the story of the old Catholic priest and the Presbyterian minister in a small Midwestern town. They were the only two clerics in the whole town. The Catholic priest is a kind of jolly, outgoing fellow; he shoots pool, sings in the barbershop quartet, he is the most popular fellow in town. The Presbyterian is kind of shy and quiet, he never mixes; you never see him except in church on Sunday.

One day they are coming down the street, and they meet, stop and talk. The father says:

> We are apart on many things, but I hope we can agree that we are both doing the Lord's work.

The Presbyterian said:

> Father, I guess you are right; you in your way, and I in His.

God has not spoken to all of us or any of us. There are all kinds of differences of opinion about these standards we are imposing, whether they are right or wrong anyway. All I am asking of this Congress is to have a little faith in local government, a little faith that they might love their children and are willing to take care of them with as much tenderness as we will do by imposing these standards.

Mr. MONDALE. Mr. President, the eloquence of the Senator from Oregon overwhelms me; his facts do not. First of all, there is no question about how this amendment works. The money under it can only be used for day care. All of the other social services money can be used as the States desire. There is no dispute here. It is clear. I hate to say this to the Senator from Oregon, but if that is the reason he has offered his amendment, I hope he will vote against it.

The second point is that I agree with him that, in the broadest possible range of circumstances, State and local governments ought to control their own affairs. In most cases, and I think increasingly so, they do. In the case of Pruitt-Igoe, the Federal Government did not direct the construction of that public housing, they did not direct the size, or its location. The local government in the city of St. Louis decided that. And it was a mistake.

Try to repeal public housing and see what the local governments do. They will be in here; they will be backed up to Baltimore, Md., wanting that program to continue. This was shaped with the help of local government. They want it.

So it is true of the title XX program. The Federal interagency day care standards were worked out with the Governors and the Governors supported them. So that is not contemptuous of all wisdom.

The only question we are left with is whether we want to take a chance, and I think that our kids should not be risked in this way. I agree, there is speculation and there are differences among some of the experts. But the overwhelming weight of all the evidence that we have heard suggests that it is bad to take a child away from his or her parents and leave them alone or virtually alone for 6, 8, 10 or 12 hours a day. Maybe that does not bother the Senator from Oregon, but I ask any parent, any mother, any father, whether that sounds like a good idea. In fact, that is happening all over this country.

I ask unanimous consent to have printed in the Record a table indicating some examples of the present status of State day care standards. I also ask unanimous consent to have printed the summary of the study by the National Council of Jewish Women.

There being no objection, the material was ordered to be printed in the Record, as follows:

CONSEQUENCES OF REPEAL OF FEDERAL INTERAGENCY DAY CARE REQUIREMENTS (FIDCR)

These are some of the state staffing requirements which would be in effect should federal standards be repealed:

A. 1 state has no statewide day care standards at all governing adult-child ratios (Mississippi).

B. 2 states have no statewide day care standards governing adult-child ratios for school age children (Idaho and Michigan).

C. An estimated 10 states have no standards for family day care.

D. Some state standards are so weak as to provide little or no protection. For example:

1. For infants and children under age 2, 2 states allow a ratio of 10 or more children per staff member (Massachusetts and New Mexico).

2. For children aged 2-3 there are 14 states which allow 10 or more children per staff member (Arizona, California, Florida, Georgia, Hawaii, Louisiana, Massachusetts, Michigan, New Mexico, North Carolina, Ohio, Oregon, Utah and Virginia).

3. For children aged 3 there are 9 states which allow up to 15 children per staff member (Arizona, Delaware, Florida, Georgia, Hawaii, New Mexico, North Carolina, Ohio, and Utah).

[From the U.S. Department of Health, Education, and Welfare, Office of Child Development, Children's Bureau, with permission from the Columbia Law Review, April 1966, Vol. 66:679 (679–717).]

THE LEGAL FRAMEWORK FOR CHILD PROTECTION[†]

(By Monrad G. Paulsen)[*]

In recent years, widespread reports of shocking instances of child abuse have prompted an outraged public to demand that "something be done." Many states have responded with constructive measures designed to provide greater protections for children. At times, however, pressure has been directed toward the enactment of additional punitive laws, with little attention paid to the construction of the broader legal framework required for effective child protection. It is the purpose here to examine the general framework within which the problem of child abuse has been located and some of the legal and social issues involved. Lawyers, as well as social workers, teachers, and pediatricians, have a professional interest in the problem of child abuse.

In America, raising children is the business of parents, not of government. Hence, the law normally gives to parents the custody of children, and relies on parental love to call forth the care and protection a child requires. An act of child abuse, therefore, takes place in a setting which the legal system itself has arranged. In every state, however, the law has provided for intervention by society when parental care is dangerously faulty or insufficient.

Four sets of legal provisions are directly related to child abuse:

1. Provisions of the criminal law, which can be invoked to punish persons who have inflicted harm upon children.

2. Juvenile court acts, which universally provide that, upon evidence of abuse, parents or other caretakers may be found to have "neglected" a child. In such instances, the

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Footnotes at end of article.

court may undertake protective supervision of the child or order his removal from the home.

3. Legislation, in many states, authorizing or establishing "protective services" for abused and neglected children as a part of a comprehensive program of public child welfare services.

4. Child abuse reporting laws, now existing in almost every state, which encourage the reporting of suspected child abuse so that the other provisions for the protection of children can be called into play.

I. THE CRIMINAL LAW

A. General criminal law provisions

The problem of child abuse does not require new criminal legislation, though legislatures are often led to ignore this fact. The language of only a few judicial opinions should illustrate why legislators are quick to turn to the criminal law: "[C]lumps of her hair had been yanked out by the roots . . ." [1] "[T]he child was chained to the bathtub with the log chain, the dog collar being fastened around his neck, and he was entirely naked." [2] "He then started to remove the child's training pants and the skin of her buttocks came off with the pants. Her flesh was raw . . . ." [3] Further spine-chilling accounts in the press help to create an outraged public which, in turn, demands new punitive measures—additional criminal legislation which is, in fact, unnecessary.

If the abusive conduct of a parent or caretaker brings about the death of a child, the act is subject to the homicide provisions universally incorporated in state penal laws. The general assault and battery statutes, including those respecting aggravated assaults,[4] apply to a parent's infliction of physical harm upon children as well as others. In a successful prosecution, after the abusive parent or caretaker has been indicted for murder, a conviction for a lesser offense, such as manslaughter,[5] aggravated assault and battery,[6] or even simple assault, is, in fact, the probable—though not universal—result.[7] While state appellate courts have affirmed convictions for both voluntary [8] and involuntary [9] manslaughter, under generally enacted statutory formulae, it is obviously essential to introduce some evidence of intent to kill if the greater offense is to be upheld.[10] Indeed, insufficient evidence of premeditation or intent has been a troublesome point often leading to the reversal of murder convictions in this area.[11] Murder convictions have also been reversed for the trial court's failure to instruct the jury on manslaughter—an exceptionally grievous error in a case of child abuse.[12] Yet, in spite of evidentiary and other barriers, a number of murder convictions, sometimes in the second degree, have survived challenge in the appellate courts.[13]

A criminal homicide involving an abused child may result from inaction as well as action. In a recent South Dakota case,[14] involving facts demonstrating an almost unbelievable cruelty, a father's behavior fell within the statutory definition of manslaughter (causing death "perpetrated without a design to effect death by a person while engaged in the commission of a misdemeanor involving moral turpitude"),[15] although the father had never actively mistreated the two infant daughters killed by his insane wife. He had committed a "misdemeanor involving moral turpitude" by violating the South Dakota criminal statute forbidding cruelty to children.[16] Describing the father's conduct, the court stated:

"[H]e knew they were being cruelly punished and brutally beaten, deprived of necessary food and medical attention and exposed to these dangers over a period of many months; that all the while he concealed his wife's starving and beating of the children and their condition; his failure to act was wilful neglect of his duty to support and protect them, a misdemeanor and death resulting therefrom became punishable as a felony." [17]

B. Cruelty to children statutes

Almost forty states now have what can best be termed "cruelty to children" statutes.[18] Enacted for the most part near the turn of the century, these statutes generally contain broadly-worded and wide-ranging provisions and include, usually strung out in sequence, the following offenses; abandonment, torture, torment, cruelty, deprivation of the necessities of life (food, clothing, medicine), and endangerment of life or limb or health, infliction of unjustifiable physical pain or mental suffering, impairment of morals,[19] exposure to the elements, or injury in any other manner. Terms such as "abuse," "beat," "maltreat," "flog," "strike," and "neglect" commonly appear and reappear, usually without definition.[20]

Offenders convicted under these statutes may be imprisoned for terms ranging from 30 days [21] to 15 years,[22] though the greatest number of states limit the maximum term to one year. The states with the highest maximum imprisonment have enacted or amended their acts to include these higher penalties within the past five years.[23] In the alternative, or conjunctively, a fine may frequently be imposed. Although the ambit of discretion ranges up to a maximum of $1,000,[24] the most common maximums are $100 and $500. Some states refer for sanctions to general misdemeanor or felony provisions.[25]

When the range of these "cruelty to children" provisions—in terms of those made subject to the statutory strictures—is considered, differences in legislative policy can be discerned. The majority of states name as the potential offender a "person having the care or custody," [26] or any person with "legal control," [27] or "any parent, adoptive parent or other person who has the permanent or temporary care or custody," [28] and thus suggest that only a parent or one standing in loco parentis to the child may be punished. In contrast, many states simply provide that "any person" may be charged with the crime of cruelty to children. Oregon appears to be unique in providing that "any person, not being a parent" may be convicted of the crime.[29] Some states have hybrid statutes that include multiple offenses, with some provisions addressed to parents and custodians and others addressed to the world-at-large.[30] Several statutes have separate provisions specifically addressed to "employers" or "masters" of children, prohibiting them from inflicting corporal punishment; [31] others include employers in the usual class of offenders.[32]

The statutory language also varies with regard to the definition of the protected classes. In the majority of states, the maximum age limit for the victims of the crime ranges from under 14 to under 18. Several states have a shifting age limit that depends on which clause is being invoked.[33] Protection is sometimes extended to persons within the class "any child." [34] Some laws do not confine the crime to the abuse of children, but refer to "any person," [35] or to persons within another's legal control.[36]

In its only provision specifically directed at the parent-child relationship, the *Model Penal Code* of the American Law Institute states that: "A parent, guardian, or other person supervising the welfare of a child under 18 commits a misdemeanor if he knowingly endangers the child's welfare by violating a duty of care, protection or support." [37] The comments to this section note that subjecting parents to penal sanctions may not always constitute a constructive solution to intra-family problems, but that the drafters believed it worthwhile to retain a penal provision in relation to the special duties of adults towards children in order to cover "gross breach[es] of parental responsibility." [38]

Under the cruelty statutes, acts of mistreatment that could be classified as assault and battery only with some conceptual difficulty—such as leaving a child in a car for several hours in freezing temperature [39] or chaining an infant to a bathtub [40]—are readily penalized. Of course, these cruelty statutes overlap in considerable measure existing assault and battery provisions.[41]

An important feature of many cruelty statutes is that inaction as well as action is frequently an offense; language which makes it a crime to "cause or permit" injury is common. *People v. Beaugez*,[42] a California case decided in 1965, illustrates the use which can be made of this latter phrase. In *Beaugez*, the parents of Jerry E. Beaugez, age five months, were indicated under a statute which imposed criminal sanctions upon any person who "wilfully causes or permits such child to be placed in such situation that its life or limb may be endangered, or its health likely to be injured." [43] In this case, as in so many others, it was impossible for the prosecution to prove beyond a reasonable doubt that the parents had actually inflicted the injuries suffered by the child. Indeed, the evidence not only failed to establish how the injuries had been caused, but also was in conflict as to their extent.[44] Nonetheless, the court affirmed the conviction of the parents, construing the statutory term "willfully" to mean "purposefully" or "with knowledge of consequences." "[W]e construe its meaning as a whole to condemn the intentional placing of a child, or permitting him to be placed in a situation in which serious physical danger or health hazard to the child is reasonably foreseeable." [45] Given a "common sense interpretation" of the statute, the court said, fancied extensions of the provision to situations where it would clearly be unjust to punish the parents were improbable. It was necessary, however, to interpret the statute in light of the perceived social need underlying its enactment:

"The type of conduct which this portion of the statute seeks to reach defies precise definition. In number and kind the situations where a child's life or health may be imperiled are infinite. Yet the aim of the statute is not obscure and its objective is a salutary social one. It seeks to protect children from wilful mistreatment whether directly or indirectly applied. The portion of the statute which we construe relates to indirect mistreatment. Frequently it is the only sort of child abuse that can be proved. Unhappily it is a matter of common knowledge that badly mistreated children are received as county hospital patients daily. Because, in most cases, abuse occurs in the privacy of the home, proof of the actor directly responsible is, more often than not, impossible. If children are to be protected against such mistreatment, responsibility must be fixed upon those indirectly responsible—those who willfully permit situations to exist which imperil children." [46]

The guilt of these parents had to be established on the basis of circumstantial evidence. The infant, who was in the custody of his parents, had twice been found in a serious condition resulting from physical injury. On the first occasion, a medical examination revealed that the child had suffered several discrete injuries. No one denied that the several injuries had taken place at different times. The age of the child at the time of the injuries (three to five months) ruled out most explanations based on the child's own injury-causing activity. Moreover, the prosecution's case was strengthened by the parents' inadequate explanation for the harm ("the testimony of defendants and their witnesses was in many respects inconsistent, contradictory and unbelievable").[47] The in-

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Footnotes at end of article.

juries, the age of the child, the fact of parental custody and the inadequate explanations permitted the jury to draw the inference that each parent had been guilty of "placing a child or permitting him to be placed" in a situation where danger to the child was "reasonably foreseeable." A "reasonably prudent" parent would have taken measures to ensure the child's safety. The appellate court, however, did more than merely approve a jury verdict by a simple affirmance: "these inferences point so conclusively to the guilt of the defendants that it would be difficult to conceive how a jury could have found the defendants innocent." [48]

C. *The privilege to discipline children*

Parents may, without exposing themselves to criminal liability, heed the warning, "spare the rod and spoil the child," because of the parental privilege to discipline one's offspring.[49] The privilege, codified in New York as a justification for the use of force or violence upon the person of a child provides: "force or violence . . . is not unlawful . . . when committed by a parent . . . to restrain or correct his child . . . and the force or violence used is reasonable in manner and moderate in degree." [50] A California provision extends even further, and excuses homicide when "committed by accident and misfortune, in lawfully correcting a child or servant." [51]

Grounded in the heritage of common law, the principle that a parent may inflict punishment to discipline a child is universally accepted.[52] There are, however, two different positions on the limits of the privilege, each with a considerable following. The older rule, treating the actor's motive as decisive unless he inflicts permanent injury,[53] does not subject the parent to criminal liability because of an error in judgment, or because it may appear to a fact finder that the severity of the punishment was not proportionate to the misconduct. The defendant is guilty only if the punishment results in permanent injury, or if it is inflicted with malice, not from benevolent motives designed to correct the child for his own welfare.[54] The rationale of this position, which considers significant the infliction of lasting injury, as contrasted with "mere" pain, is the subject of a portion of a more than a century old North Carolina opinion, *State v. Pendergrass*.[55]

"The welfare of the child is the main purpose for which pain is permitted to be inflicted. Any punishment, therefore, which may seriously endanger life, limbs or health, or shall disfigure the child, or cause any other permanent injury, may be pronounced in itself immoderate, as not only being unnecessary for, but inconsistent with, the purpose for which correction is authorized. But any correction, however severe, which produces temporary pain only, and no permanent ill, cannot be so pronounced, since it may have been necessary for the reformation of the child, and does not injuriously affect its future welfare. We hold, therefore, that it may be laid down as a general rule, that teachers exceed the limits of their authority when they cause lasting mischief; but act within the limits of it, when they inflict temporary pain." [56]

Pendergrass involved an assault and battery charge against a teacher, and was decided on the ground that the teacher's power to correct pupils was analogous to the parent's privilege to discipline children. Motive, said the court, was the most important factor:

"When the correction administered is not in itself immoderate, and therefore beyond the authority of the teacher, its legality or illegality must depend entirely, we think, on the *quo animo* with which it was administered. Within the sphere of his authority, the master is the judge when correction is required, and of the degree of correction necessary; and like all others intrusted with a discretion, he cannot be made penally responsible for error of judgment, but only for wickedness of purpose. The best and wisest of mortals are weak and erring creatures, and in the exercise of functions in which their judgment is to be the guide, cannot be rightfully required to engage for more than honesty of purpose, and diligence of exertion. His judgment must be *presumed* correct, because he is *the judge*, and also because of the difficulty of proving the offence, or accumulation of offences, that called for correction; of showing the peculiar temperament, disposition, and habits, of the individual corrected; and of exhibiting the various milder means, that may have been ineffectually used, before correction was resorted to." [57]

Thus, the rule in *Pendergrass* imposes strict liability on teachers or parents when permanent injury results from the use of force which the actor in good faith believes will inflict only a moderate amount of pain.

The "modern" or "objective" rule holds the defendant to an "external standard of what is reasonable under the circumstances," [58] and imposes liability for purposefully, knowingly, recklessly, or negligently using excessive force on a child. This rule, clearly the majority view,[59] allows only for such punishment of a child as is reasonable under the facts and circumstances,[60] and leaves it to the jury to determine the reasonableness of the discipline.[61]

Between the subjective and objective formulations, a middle ground has been recognized. Ohio, for example, has adopted the *Pendergrass* rule in teacher-pupil cases but not in parent-child situations. The reason offered for the distinction is that in the relatively objective teacher-pupil relationship the teacher acts in a quasi-judicial capacity which requires a maximum of discretion, and, therefore, should be given the benefit of a subjective (good faith) standard, although in a few, unusual circumstances strict liability would be imposed. The inherent subjectivity of the parent-child relationship, in which hatred may frequently be directed toward a member of the family, requires the use of an objective ("reasonable man") standard.[62]

The *Model Penal Code* "requires a true parental purpose, while forbidding extreme force however well intentioned is its use," [63] and provides that the force must be "used for the purpose of safeguarding or promoting the welfare of the minor" and not "[be] designed to cause or [be] known to create a substantial risk of causing death, serious bodily harm, disfigurement, extreme pain or mental distress or gross degradation." [64]

D. *Miscellaneous criminal provisions*

A host of other criminal statutes, designed to protect children, may be applicable to some forms of child abuse. In keeping with the varied pattern of American legislation, the products of the lawmakers have sometimes been patchwork, sometimes new creations of the widest scope. Earlier efforts have not always been repealed when new provisions have been enacted. In a charitable mood, one judge, struggling with the task of making sense of three overlapping provisions, wrote that the very confusion revealed "the intention of the Legislature to surround the child in its early years with every possible protection." [65]

There are statutes which, reflecting the public sentiment and private actions of an earlier age, resurrect visions of Huckleberry Finn and Oliver Twist. Some are bizarre child labor laws aimed at deterring custodians from exploiting their charges in commercial enterprises judged to be unseemly.[66] In several states, a child may not be used or employed as a rope or wire walker, gymnast, contortionist, singer, or musician.[67] In Kansas, it is unlawful to induce or permit a child under 18 to practice or assist in seances, hypnotism, mesmerism, or animal magnetism.[68] Some statutes condemn the use of children in a mendicant or wandering business.[69] A desire to protect children from being displayed as physical curiosities is manifested in statutes which prohibit the exhibition of deformed children [70] and those that forbid the tattooing of youngsters, through the pigmentation be implanted with no motive of gain.[71] Most of the statutes with specific provisions against particular forms of commercial exploitation also forbid, in general terms, the employment of children in any business injurious to health or morals or dangerous to life and physical safety.[72]

Other statutes are aimed more directly at the moral welfare of the child. California makes it a misdemeanor to send a minor to a place of questionable repute to deliver a letter.[73] Connecticut objects to instructing a child to make a false statement about his age.[74] The lending, giving away, or selling to children of comic books which depict acts of unusual cruelty or perversity is a crime in Ohio.[75] More common are statutes forbidding the sale of cigarettes to minors.[76]

Statutes that seek to deter the creation of harmful situations limit the places where custodians may leave children. In Washington, it is a gross misdemeanor to leave children under twelve unattended in a parked auto while the adult custodian enters a tavern.[77] In some states it is unlawful to expose a child to the risk of fire by leaving him locked up alone in a room; [78] in others, exposing a child to inclement weather with an intent to injure him may land the offender in jail for five years.[79] In Whitmanesque fashion, some statutes go into great detail in cataloging the places where children may not be exposed with intent to abandon, the lists including streets, fields, or outhouses.[80]

To intentionally "abandon" a child is a crime in almost every state, and the statutes prohibiting abandonment frequently incorporate provisions forbidding specific sorts of harmful exposure. The penalties may be quite severe; for example, New Mexico accelerates the crime of intentional abandonment from petty misdemeanor to second degree felony if death or great bodily harm results.[81]

The criminal codes of all American jurisdictions prohibit desertion or nonsupport of minor children. Framed in terms which make it a duty—enforceable by the criminal law—of parents or custodians to provide the necessary food, shelter, clothing, and medical care, these statutes function as double edged swords. In pursuit of the primary objective, the statutes seek to coerce support by conditioning release of the defendant from custody on his making the required payments. Yet, the statutes grew up as part of the criminal rather than the welfare law and retain a distinctly punitive cast.[82] The earliest English model [83] was enacted in response to a sensational case in which parents who had neglected to provide their child with proper medical attention were acquitted of manslaughter.[84] Within the decade, a similar case arose, and under a new statute, a conviction of manslaughter was upheld.[85] Today, in the United States, the typical nonsupport statute establishes a parental duty to keep a child from "destitute or necessitous circumstances," and thus lays the foundation for a manslaughter charge based on criminally negligent omissions should a child's death result from inaction and neglect.[86] Sometimes the parents so convicted are motivated by religious considerations, as were the defendants in the original English trial; there, the trial judge effectively influenced the jury to acquit by expressing his sympathy with the defendants' beliefs. Today, however, the courts generally reject such a defense,[87] unless the legislature has specifically provided for it.[88]

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Penal codes include many provisions that protect children from sexual aggression. The scope of this paper does not permit more than to note the frequency of formulations such as fondling, carnal abuse, "statutory" rape, indecent assault, and the broad phrasing of statutes that make criminal "any act which tends to debauch the child or impair its morals,"[89] or "tak[ing] immodest, immoral, or indecent liberties."[90] Statutes of this type are probably the most frequently invoked of all the criminal laws designed to protect children.

"Contributing" statutes are found in virtually every state of the union, and embrace a wide variety of prohibited acts. Granting jurisdiction to the juvenile court, the criminal court, or to both courts concurrently, these statutes make it a crime to "contribute" to the delinquency or neglect or dependency of a child under a given age, normally up to the age at which juvenile court jurisdiction ceases. Although "contributing" statutes provide penalties for their violation, they frequently contain provisos to the effect that sentence may be suspended in the best interests of the child. According to a 1959 study conducted by the American Law Institute, a great number of cases arising under these "contributing" statutes have sexual connotations.[91]

Despite their broad phraseology, the "contributing" statutes apparently have not been utilized in the prosecution of parents who physically abuse their children. That the statutes might be so used can be illustrated by reference to the Arizona formulation. The Arizona legislation defines a "dependent person" as one "[w]hose home, by reason of neglect, cruelty or depravity of his parents . . . is an unfit place,"[92] and makes contributing to dependency a misdemeanor.[93] Thus, this law clearly penalizes parents who permit their child to be abused through "neglect" or "cruelty"—expressions that should be broad enough to encompass and protect the battered child.[94]

However, that the "contributing" statutes are, by their terms, applicable to child abuse cases is not alone reason for their employment by prosecutors. The formulations are imprecise, and this vagueness may raise serious constitutional questions. Neither the Standard Juvenile Court Act of 1949 nor the reformulated Standard Act of 1959 contains a provision punishing "contributing." The Children's Bureau, in its *Standards for Specialized Courts Dealing with Children*, also favored the omission of "contributing" as an offense.

"It will be noted that no recommendation is made that there be a statutory crime of 'contributing to the delinquency or neglect of a minor.' Many of the 'contributing' statutes now on the books are phrased so broadly that, when coupled with the equal broadness of the definition of 'delinquency' or 'neglect,' the variety of types of adult conduct which might be found to constitute criminal conduct are infinite and more than are needed to protect children adequately. It seems sounder, therefore . . . to define the crime with greater certainty and to tie it to an act which constitutes a violation of law or an omission to perform a duty required by law. It is felt that the presently existing criminal statutes define a sufficiently broad variety of crimes to serve as an adequate basis to protect children."[95]

E. Shortcomings in the application of the Criminal law to cases of child abuse

If there is hope for a continuing family life that will benefit the children of parents who have a history of mistreating their offspring, a criminal prosecution is unlikely to bring that hope and that life to fruition. Imprisonment tears child and parent apart; fines reduce resources available for family purposes; reputation suffers from the condemnation of a criminal conviction. Only probation or a suspended sentence might conceivably bring about the changes within a family that a stable home requires.

The harsh remedies of the criminal law are appropriate only in severe cases, cases which indicate that further harm may be done to others, cases which call for vengeance (if that call should ever be heeded), or cases which so disturb the community's sense of security that the events cannot go unremarked. It is not always possible, because of the dangers presented by abusive parents, to leave a child in his home; yet to effect separation by the criminal process is obviously undesirable. The publicity of the case is likely to damage the reputations of both parent and child. A conviction carries with it no social services. Merely beginning a prosecution is likely to mean the end of the chance to improve a child's home situation. Parents are nearly always resentful of the proceeding, and the hostility thus engendered makes casework with the child's family all but impossible. Moreover, a criminal prosecution is a clumsy affair. The defendant must be proved guilty beyond a reasonable doubt, and a criminal trial is subject to a great many rules of evidence that are grounded in policies other than the pursuit of truth and the punishment of crime when crime is found. For example, the rules adopted as part of the effort to deter police misconduct[96] or protect the privacy of communication between husband and wife will naturally impede the successful prosecution of abusive parents. An act of child abuse is not likely to take place openly, and when it does, neighbors are often unwilling to testify. And there are other facts to be faced. The prosecutor's office must take time to investigate and to prepare its case. Postponements at the request of the defense or prosecution, or for the convenience of witnesses or the court, occur often as a matter of course.[97]

The criminal law is amply supplied with legislative formulations to deal with cases of child abuse. The present need is not for additional criminal statutes, but for the realization that criminal sanctions may well not have any important role in this area of family trouble. Indeed, it was a young New York assistant prosecutor who, after handling a child abuse case, wrote: "Whatever motivated her [the mother], I am not satisfied that incarceration would contribute anything; to her, or to anyone else in a similar frame of mind. The major problem was custody of the children."[98]

II. THE JUVENILE COURT ACTS

A. The power of the juvenile courts to act in cases of child abuse

In every state, juvenile courts have jurisdiction over "neglected children." Although the statutory provisions are of great variety and may not in terms explicitly refer to the problem of child abuse, it is submitted that in all states the "battered child" falls within the category of "neglected children" as defined by the relevant juvenile court act.

This conclusion is readily apparent where neglect is defined in terms of the behavior of the caretaker. For example, under New York's Family Court Act, a neglected child is one "who suffers or is likely to suffer serious harm from the improper guardianship . . . of his parents or other person legally responsible for his care."[99] Similarly, in Oregon, the juvenile court has jurisdiction over a child if "his parents . . . subjected him to cruelty or depravity."[100] Legislation in other states focuses upon the condition of a child's surroundings. In California, a "dependent" child is one "who is not provided with a home or suitable place of abode, or whose home is an unfit place for him by reason of neglect, cruelty or depravity of either of his parents . . . [or other custodian]."[101] A neglected child in Minnesota is, in part, one "whose . . . condition, environment or associations are such as to be injurious or dangerous to himself."[102] The Standard Juvenile Court Act, offered as a model by the National Probation and Parole Association, provides that the juvenile court has jurisdiction over any child "whose environment is injurious to his welfare."[103] Adopting yet another approach to the problem, Arizona draws attention to the condition of the child himself—the term "neglected child" includes "a child who is subject to cruel and inhuman treatment and shows the effect of being physically mistreated."[104] Clearly, all of these formulations, typical of many others, encompass the abused child.

There is, however, one type of "neglect" definition which could conceivably pose a problem for those who seek to fit a battered child within its ambit. For example, the Pennsylvania statute reads, in pertinent part, as follows:

"(5) The words 'neglected child' include:

"(a) A child who is abandoned by his or her parent, guardian, custodian or legal representative;

"(b) A child who lacks parental care by reason of the fault or habits of his or her parent, guardian, custodian or legal representative;

"(c) A child whose parent, custodian, or legal representative neglects or refuses to provide proper or necessary subsistence, education, medical or surgical care, or other care necessary for his or her health, morals or well-being."[105]

This enactment does not, in so many words, state that a caretaker's infliction of physical harm is an index of neglect or that a neglected child is one who lives in an unfit home; nor does the statute expressly say that a child who shows the marks of abuse is a neglected child. If read literally, the language contemplates harm caused the child because of the *inaction* of a parent (or custodian). The neglected child is one who is "abandoned"; who "lacks" care; whose parent "neglects or refuses" to provide for him. Nevertheless, it is obviously right to conclude that a child who has been abused by his parent "lacks proper parental care," or that the abused child lives with a parent who "neglects or refused to provide proper . . . care . . . necessary for his or her mental health, morals or well-being." This view is encouraged by an opinion of Justice Panken,[106] a judge of the former Children's Court of New York, which concerned a father who had administered relatively severe corporal punishment to his twelve-year-old daughter. In response to the claim that such treatment did not constitute neglect, the Justice wrote: "A denial to a child of the affection, guidance, consideration, amounting in aggregate to the rejection of a child by the parent or the one in custodial care is as neglectful as a failure to provide the ordinary means that the physical well being of the child requires."[107] The parent had not given the youngster the "care, guidance, supervision, love, and affection, which he should have given this child. And, instead, thereof, had administered corporal punishment which was brutal."[108]

Although these neglect statutes can and should be construed as reaching cases of child abuse, it is obvious that not every instance of corporal punishment will amount to an act of neglect. In *In re Diaz*,[109] the Supreme Court of Louisiana reversed a finding of neglect which had been based on the acts of a mother who, while in a physician's office, had spanked her three-and-one-half-month-old infant until the child's buttocks were red. "The isolated instance," the court said, "in view of the overwhelming testimony that the mother properly cared for the child, does not afford sufficient grounds to take the infant from its mother and place it in an asylum, and is not sufficient to constitute

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the lack of proper guardianship."[110] Furthermore, application of the neglect provisions to less severe cases will be limited by the parental privilege to employ corporal punishment for purposes of discipline. The privilege exists, however, only so far as the purpose of imposing punishment is correction and the force employed is moderate in amount. "A parent may correct, but a parent may not destroy the child whom he has a right to correct."[111]

Juvenile court judges have ample power to act quickly so that the medical and hospital care that a child may immediately require can be provided and continued so long as the child's condition demands it. Such power exists either by force of the general definition of "neglect," pursuant to which the court may act should parents deprive a youngster of medical care, or by force of particular provisions dealing with emergency situations. For example, the Utah statute provides that at any time after the filing of a petition of neglect the "court may make an order providing for temporary custody of the child,"[112] and place the child in a hospital or order a medical examination.[113] After a petition has been filed, but before a hearing, the court may issue a summons which empowers the person serving it to "take the child into custody at once."[114] In New York, the emergency power of the family court is even greater. Judges may enter an order directing the temporary removal of a child from his home *before* the filing of a neglect petition when the circumstances pose great danger to the child's life or health.[115]

The main problem in an emergency is often the fundamental one of locating a judge so that immediate action can be taken. During weekends and in the evenings many communities are literally without access to judicial authority. It is, therefore, necessary that judges be on call for emergency situations or the police be endowed with powers to deal with emergency cases of child abuse. Section 324 of the New York Family Court Act provides an example of how the latter might be done:

"A peace officer may remove a child from his home without an order . . . and without the consent of the parent . . . if

"(a) the child is in such condition that his continuing in the home presents an imminent danger to the child's life or health; and

"(b) there is not time enough to apply for . . . [a court] order."

The police officer is directed to bring the child immediately to a children's shelter, and to inform the parents and the probation service of the removal. The probation service then takes charge of the youngster.

The power of a police officer to enter a premises without a warrant in order to assist a child in trouble is, according to a recent Arizona opinion, broader than the power of the officer to enter and search for evidence of crime. The Arizona Supreme Court wrote:

"We feel that officer Bernal, or any other peace officer contemplated by A.R.S. § 8-221, with reasonable cause to believe that a child's health, morals or welfare were being endangered therein, had not only the lawful *right*, but the lawful *duty* to enter the premises, investigate, and take the child into custody, if necessary, with or without a search warrant, and with or without consent of all the persons having proprietary interests in the premises."[116]

The court drew an analogy between the case of a search to rescue a child whose safety is threatened and cases upholding a power to search without a warrant in order to abate a health nuisance. In neither case is obtaining evidence of crime the primary objective of the search.

B. Problems surrounding the effective invocation of juvenile court jurisdiction

Although juvenile courts have jurisdiction in child abuse cases, the effective assertion of this jurisdiction will necessarily depend upon the quantity and quality of the evidence required before the court may order remedial action and upon the forms of remedial action available—two problems which are closely interrelated.

We must begin with a simple fact: no fair tribunal can evercise authority without proof.[117] It is true that in most juvenile courts a case of child abuse may be established by a preponderance of the evidence, rather than by proof beyond a reasonable doubt, but nevertheless a preponderance of evidence must be adduced. Situations about which objective items of proof cannot be produced are not susceptible to judicial remedy. The law, acting through courts, cannot prevent or redress all possible harm.

The problem of proof in the juvenile court will obviously depend upon what must be proved. If the juvenile court has power to intervene only on the basis of a parent's personal act of cruelty, such an act must be proved. Thus, if the injuries to the child must be "tied to the conduct of the parent"[118] there must be evidence from which inferences can be drawn about parental conduct, and such evidence may be exceedingly difficult to produce. If, however, a neglected child is statutorily defined as one whose parents have "neglected" (or "failed") to provide a suitable or safe place of abode, direct parental involvement in the causing of a child's injuries need not be shown. Under this formulation, that serious injuries were incurred by a small infant in his own home and that they were inadequately explained can give rise to an inference that the domestic situation is inherently dangerous—a situation which requires court attention. Under the Arizona statute (defining a "neglected child" as one "who . . . shows the effect of being physically mistreated"),[119] a juvenile court could, perhaps, base a finding of neglect simply upon the testimony of one who has examined the abused child. Yet, the Arizona statute also refers to the "neglected child" as one "subject to cruel and inhuman treatment,"[120] and it would not be surprising for the Arizona courts to interpret the statutory language as requiring the identification of the author of this "treatment."

Even if judges insist that a child cannot be declared "neglected" unless a finding of personal fault on the part of parents is made, such a finding can be based on circumstantial evidence. Inferences of parental fault can be drawn, for example, from the age of the youngster, the number and nature of his or her injuries, the place where they were suffered (in or out of the home), parental explanations which are less than persuasive, and the continuous proximity of parent to child. At times, the sheer cumulative weight of the testimony may be sufficient to support an inference that harm has been inflicted intentionally. As Judge Chris Barnette, a juvenile court judge in Shreveport, Lousiana, remarked in one case: "too many violent things happened to M——— R——— in his short life of one year and ten days for all of them to have been entirely accidental."[121]

A juvenile court judge can discover ways to meet some of the common evidentiary problems in child abuse proceedings. In a recent New York case,[122] both the physicians and social workers were of the view that the child's injuries had been inflicted by his parents, but there were no witnesses who could testify that the parents had actually abused the child. After taking judicial notice of studies of the "battered child syndrome," which had reported that in such cases parents tend to inflict harm repeatedly on one particular child, Family Court Judge Harold Felix turned to another area of the law in order to surmount the problems of proof:

"[I]n this . . . proceeding affecting a battered child syndrome, I am borrowing from the evidentiary law of negligence the principle of "res ipsa loquitur" and accepting the proposition that the condition of the child speaks for itself, thus permitting an inference of neglect to be drawn from proof of the child's age and condition, and that the latter is such as in the ordinary course of things does not happen if the parent who has the responsibility and control of an infant is protective and non-abusive. And without satisfacotry explanation I would be contrained to make a finding of fact of naglect on the part of a parent or parents and thus afford the Court the opportunity to inquiry [sic] into any mental, physical or emotional inadequacies of the parents and/or to enlist any guidance or counseling the parents might need. This is the Court's responsibility to the child."[123]

It can be expected that more judges will base findings of neglect upon evidence of unsatisfactorily explained injuries suffered by an infant in his own home, even though the proof fails to point with certainty to one or both parents as the perpetrator of the abuse. Indeed, the general theories underlying juvenile court legislation draw juvenile court judges to adopt this interpretation. "All reasonable doubt," one judge has said, "should be resolved in favor of the children who look to the court for protection."[124] The emphasis should be, in the words of Judge Felix, on "the Court's responsibility to the child."

A finding of neglect really involves answering two questions. The first is the question of what actually happened—what are the "historical facts?" The second is whether the "facts" are to be characterized as "neglect." In determining whether the facts proved constitute neglect, judges are likely to be influenced by the consequences of the action to be taken under the court's order of disposition. In this regard, the opinion of Judge Felix is instructive. His finding of neglect was made in order to "afford the Court the opportunity to inquiry [*sic*] into any mental, physical, or emotional inadequacies of the parents and/or to enlist any guidance or counseling the parents might need,"[125] and not as a basis for removing the infant from his home and family. Juvenile court judges surely are affected by a sense that the action taken pursuant to court order must be related to the seriousness of parental misconduct which the evidence has demonstrated. A severe spanking by a mother, harassed by the problems of everyday living, might sustain an adjudication of neglect if the juvenile court were making the adjudication in order to expedite further inquiry or to require supervision of the family by the probation staff, but not to take the youngster away from home.[126]

The importance of the relationship between the facts which are offered to establish "neglect" and the disposition which follows on adjudication cannot be minimized "[C]ourts define 'neglect' or 'dependency' in relation to the purpose for which the terms are to be used. Misconduct of a parent, which might support a finding for the purposes of a relatively minor interference with parental right, might not be regarded as serious enough to justify a final termination of all parental rights."[127]

The facts of a Missouri case[128] can be employed to illustrate this point. A juvenile court officer brought a neglect petition alleging willful physical abuse and consequent injury, on behalf of a two-and-one-half-year-old boy who was in the custody of his mother. Since the testimony of the examining physician was not admitted by the trial court,[129] the case for the petitioner rested

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entirely upon two facts: (1) the child's injuries were so numerous and severe that they could only have been inflicted at the hands of some person; and (2) the respondent mother had sole custody of the child.[130] The infant's body displayed a large number of bruises and his arm had been broken. The mother testified that the child had fallen down stairs twice on successive days, and that, some hours after the second fall, she had observed a great swollen knot on his arm and had taken the child to a physician. The mother's account could have been disbelieved on the ground that, as described, the falls could not have produced bruises as severe as those found. Further, in some aspects her testimony told of very unusual behavior—for example, she had not changed the child's clothes between the time of his first fall and his arrival at the hospital, over a day later. On the other hand, the mother's credibility was bolstered by the testimony of her estranged husband and one of her neighbors who stated that the mother had never been observed to act abusively toward the youngster.

On this record, the trial court's finding of neglect was reversed. The court of appeals ruled that, standing alone, the extensive bruises did not "tend to exclude every reasonable conclusion other than that he [the child] was beaten." [131] Disbelief of the mother's testimony could not establish neglect; the rejection of her explanation was not enough to sustain the petitioner's burden of proof.

In the case under discussion, the juvenile court had not only made a finding of neglect, but had also found that the mother "had caused the child to be severely beaten and injured." [132] On the evidence presented, this finding of fact was clearly unwarranted, especially in view of the absence of a physician's testimony respecting the cause of the injuries. The trial court had also ordered the child placed in a foster home subject to visitation by his parents under the supervision of the child welfare worker—action which, in view of the evidence presented, was unusually harsh. Yet, given the state of the evidence and a statute defining neglect in terms of an unsatisfactory or dangerous home, might not some exercise of authority over the child and his environment be justified? Surely, there was more than the mere possibility that the child was being abused by his mother, though the abuse was not demonstrated with the degree of certainty that would have justified the termination of the mother's custody. The child seemed to have been in a dangerous situation—either as a result of his mother's hostility or her inattention. Had the court left the child in the home, subject to protective supervision, two values would have been served: the child's safety and the mother's interest in retaining custody.

That the degree of parental fault should influence the court in its formulation of a remedy has already been recognized by the legislatures of some states. In Wisconsin, for example, the court may order supervision of the home or a change of custody, after finding that the child involved has been neglected,[133] only when a serious form of neglect, such as abandonment or debauchery, has been proved, may parental rights be completely terminated.[134] In Utah, an appellate court has stated that it will refuse to give effect to a statutory provision enabling a child, once found neglected, to be placed for adoption without the consent of his parents, unless it is clear that the juvenile court has "fully considered this proposition and intended that such should be its effect." [135] New York has also endowed its family courts with a good deal of flexibility—a flexibility that poses a challenge to the inventiveness not only of judges, but of petitioners, who can greatly assist the court by making a specific request with respect to the disposition of the allegedly abused child. After an assessment of what the particular case at bar requires, the New York judge may suspend judgment and impose terms and conditions upon the parents or custodians for the duration of the suspension period; [136] he may leave the child in the custody of his parents, under the supervision of a probation service;[137] he may enter an order of protection establishing additional rules of behavior to be observed by the parent or custodian; [138] finally, the judge may remove the child from his home and award custody to a relative or a public or private agency.[139]

Thus, the juvenile court can keep a child in his home and at the same time provide for a degree of supervision of family life and the protection of the abused child. The protective orders of a court should, however, be recognized as official intervention—an intervention which many families will resent. Protective supervision involves the authority of government. It should "not be allowed to degenerate into mere watchfulness. It should be a purposeful activity directed towards the improvement of the child's situation through the use of established casework techniques and the utilization of other community resources." [140] Like orders of probation, orders of protective supervision should be periodically reviewed by the juvenile court with a view to terminating the order if it is found that the intervention is no longer necessary. The New York Family Court Act, for example, limits the duration of an order of supervision in a case of neglect to a period of one year, unless "the court finds at the conclusion of that period that exceptional circumstances require an extension thereof for an additional year." [141]

Judges are likely to look to orders of protection and to the supervision of the family by a member of the probation staff or a child welfare agency rather than to placement outside the home as a first step in their dealings with parents. It is a common complaint from social workers, whose concerns are focused upon the plight of the particular infant, that judges are too often persuaded by the poorly-supported promises of parents, and do not, therefore, take children out of the home quickly enough. The social worker, the psychiatrist, and the pediatrician often feel that their considered opinions regarding the danger in a home situation are treated as unsubstantiated hunches by judges. These problems of interprofessional communication can be minimized if witnesses are given the opportunity to consult with experienced counsel before testifying.

Judges are not alone, however, in their lack of enthusiasm for parting children from their parents. To some extent, in fact, their reluctance may simply be an extension of the will of the legislature. The Committee Comments appended to the New York Family Court Act's definition of "neglect" are an example:

"[T]he focus of a neglect proceeding is parental activity. The main purpose of these proceedings is to regulate the home so that it satisfies at least the minimal requirements of a suitable place for a child to grow. Only in grave and urgent circumstances does this article resort to removal of the child and his being placed elsewhere." [142]

It must be realized, however, that in a given case an order of protection may be wholly inadequate; the next instance of child abuse may result in death.[143] The problem of the juvenile court judge is, of course to balance the interests of the parents against the probability of continuing danger to the child. No task is more difficult than predicting the recurrence of misbehavior, and this "balancing of interests" is made even more difficult when a judge, who is considering whether to take a child from his father and mother, is faced with evidence that leaves it unclear whether the parents were the actual perpetrators of the abuse.

Nevertheless, the chance taken by a refusal to suspend parental custody of a child who bears the marks of unusual injuries—marks which suggest that the injuries were intentionally inflicted—is a chance taken with the child's life. Juvenile court judges should remember that removal is not the same as a permanent change of custody—that parents who accept and profit by protective intervention can and do regain custody of their children. While the problems of proof are difficult, not all doubts should be resolved in favor of parents. It should not be necessary for petitioners to negative every plausible explanation for a child's wounds in order to succeed in removing an infant from a dangerous environment. Parents have a right to their children, but their children have a right to live.

III. THE AUTHORIZATION OF CHILD PROTECTIVE SERVICES

The legal framework for the protection of children consists not only of the provisions and sanctions of the criminal law and of the statutes creating juvenile courts, but in some states also includes legislation providing for the establishment of "protective services." [144] Although legislative provisions of this type may encompass an entire state, protective services are more likely to be found in urban areas.

While parents must bear the primary responsibility for meeting the needs of their children, for protecting them and for seeing to the development of their capacities, society has an obligation to help parents who for one reason or another are unable or incapable of satisfactorily fulfilling their role. The United States Children's Bureau has affirmed that society's obligation is to furnish schools, normal health services, specialized diagnostic and remedial services for the sick, the mentally or emotionally disturbed, as well as social services, care and financial assistance. Further, "society also has a duty to promote conditions that are conducive to the wholesome development of family and child life and that will enable parents to discharge their responsibilities toward their children in a manner which will benefit both their children and their communities." [145]

The Children's Bureau has prepared two basic legislative models upon which the states may draw in the establishment of their own comprehensive child welfare programs. The first is a guide for a state in which the primary responsibility for the extension of child welfare services is placed in a state-wide agency with authority over a centralized state-administered program. The second model sets forth a plan whereby responsibility for extending services is divided between state and local government, the latter operating through an agency such as a county board of welfare. Where responsibility is shared, the state agency typically sets standards for performance, adopts statewide rules and regulations, and bears part of the cost of the local operation. In each of the patterns some public agency of state or local government is given the duty to "investigate complaints of neglect, abuse, or abandonment of children . . . and on the basis of the findings of such investigation, offer social services to . . . parents, guardians, custodians or persons serving in loco parentis . . . , or bring the situation to the attention of a law enforcement agency, an appropriate court, or another community agency." [146]

The federal government has sought to encourage the states to establish programs of comprehensive child welfare services by offering assistance in drafting legislation and by providing grants-in-aid. The 1962 amendments to the Social Security Act not only in-

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creased the amount of money available for "child welfare services," but also broadened the definition of that term. Formerly limited to the "protection and care of homeless, dependent, and neglected children, and children in danger of becoming delinquent," such services now encompass the protection and promotion of "the welfare of children of working mothers," and the strengthening of children's homes or, "where needed, the provision of adequate care of children away from their homes in foster family homes or day-care or other child-care facilities." [147] This revised definition clearly authorizes the rendition of services to help parents who cannot fully discharge their responsibilities.

The states are responding to this invitation [148] to set up comprehensive child welfare services. In 1965, Maine authorized its Bureau of Social Welfare to "cooperate with the Federal Government in providing child welfare services," [149] and adopted the broad definition found in the 1962 Social Security Act amendments. Under legislation passed in 1965, the Michigan Social Welfare Department is given the duty to "study and act" upon requests for services and upon reports of neglect or abuse in order to protect neglected and abused children. After investigation, the Department is directed to assure the "provision of appropriate social services" to both children and parents, and "to reenforce and supplement the parental capabilities, so that the behavior or situation causing the problem is corrected or the child is otherwise protected." [150]

The statutory patterns offering protective services are of great variety. For example, the Georgia statute establishes a state-administered program.[151] In Minnesota, the program is organized on a county-by-county basis, and the several county welfare boards have been charged with the duty of assuring "protection for . . . children who are confronted with social, physical, or emotional problems . . . . [including] mental, emotional, or physical handicaps . . . . neglect . . . abuse or rejection of a child by its parents." [152] In Georgia, the legislation merely authorizes and empowers the State's Division for Children and Youth to offer protective services, and such services have, in fact, been extended only in Fulton County (Atlanta). Under the Minnesota statute, on the other hand, the county welfare boards are required to provide these services.

The powers specifically given to the agency rendering child protective services also vary from state to state. In Ohio, an "investigation" may be made by the county board of welfare "concerning any child reported to be in need of care, protection, or service." Services may be provided by the Board's own means or through other available resources, including those made available by contracts with private agencies.[153] Another section of the Ohio law, of special interest to those concerned with child abuse, authorizes an immediate response to a dangerous situation by a welfare agency rather than by the police; the county board of welfare is empowered "to provide temporary emergency care for any child deemed by the Board to be in need of such care without agreement or commitment." [154]

In New Jersey, the State Bureau of Children's Services has the power to "exercise general supervision over children for whom care, custody, or guardianship is provided" [155] under the New Jersey law relating to children's services. The Bureau may "accept and provide" care for a child, if care is needed, upon application of a parent, relative or person standing in loco parentis, of a person or agency with a special interest in the child, or indeed of the child himself. If the Bureau receives a complaint of child neglect or abuse, it is directed to "investigate," and, if the circumstances warrant, to afford the parents an "opportunity to file an application for care." [156] If the parents "refuse to permit or in any way impede investigation," the Bureau may apply to the juvenile court for an order directing the parents to cease their interference.[157] If, after the investigation, it appears that the child requires "care and supervision" and the parents refuse to apply for such care, the juvenile court may make the child a ward of the court and place him under the care and supervision of the Bureau of Children's Services.

The state of Idaho has a unique statutory scheme. The Department of Public Assistance is "authorized and directed" to maintain "protective services on behalf of children whose opportunities for normal physical, social and emotional growth and development are endangered for any reason." [158] These services may be rendered to children "in their own homes to help overcome problems that may result in dependency, neglect or delinquency, and to strengthen parental care and supervision." [159] In addition, Idaho also has a Child Protective Act, the declared purpose of which is "to provide a comprehensive, protective service for abused, neglected, exploited and abandoned children found within the state of Idaho." [160] This statute, not part of the state's general juvenile court act, authorizes the courts to order investigations and undertake supervision of children whose domestic situations demand protective action. The probate courts are given jurisdiction not only over "neglected, abused, or abandoned" children, but also over the child "whose behavior indicates social or emotional maladjustment; or whose environment or associations are injurious to his welfare." [161] The children who fall within this description are generally those to whom protective services may be offered without court intervention. The statutory scheme provides that, whenever the court is "adequately informed" that a child is within the reach of the Child Protective Act, the Department of Public Assistance shall investigate and determine whether the interests of the child require further action to be taken.[162] (It is presumably at this point that the protective services may be offered.) If such "further action" includes the filling of a petition requesting that the court take jurisdiction over the child, the court may, after adjudication, "place the child under protective supervision." [163]

Protective services aim at change. They are offered to parents and children in an attempt to restructure the family situation so that a child's environment may be improved—an offer of help to cope with family problems that have become serious by virtue of the inattention, the lack of capacity, or the moral laxity of the child's parents. Services are provided in order to:

"Bring about a change in behavior; in attitudes about the treatment of children or toward each other; about financial matters; about responsibility toward the home or toward physical, medical or emotional needs of the family so that warmer, happier and more secure bonds are formed between the parents as individuals and their children, so that improvement is brought about in the physical and environmental side of their home life." [164]

A key point is that the offer of service is not passive.[165] Some of the parents most in need of assistance would never seek help voluntarily. The social agency, public or private, offering protective service, initiates contact with the parents because of a report of abuse or neglect and does not wait until a family is drawn into court.

The aims of those offering protective services are, no doubt, laudable, but the good motives of the child welfare agency, be it public or private, should not obscure an important point. Here, as in other contexts where one attempts to do something *for* someone under some color of authority, something is also done *to him*.[166] Without question, the visit of the social worker, even though he comes to offer assistance, is an intrusion into a family's privacy. At times, the sacrifice may involve something more than privacy. It will be recalled that, under the New Jersey law, if the Bureau of Children's Services finds evidence of neglect the parents are "afforded the opportunity" to apply for care. This "opportunity" is extended, however, in a context which contemplates juvenile court action if the "opportunity" is not taken. The danger of coercion is clear; indeed, it is generally the most vulnerable members of the community who are most easily cowed by apparent authority.

Some legal safeguards are necessary and should be guaranteed. First, the authority of the agency and the factual bases which justify an offer of service should be clearly delineated by legislation. If parents indicate a refusal to cooperate, those offering the service should be directed to withdraw—unless the situation is severe enough to be brought to the attention of the juvenile court. Threats to bring a matter to court, made with the purpose of overcoming parental resistance, should be forbidden, and appropriate sanctions for such conduct should be adopted. Arguably, when services are offered, the parents should be given the right to consult with counsel, provided at public expense if necessary, so that the reasons for intervention may be scrutinized.

In a paper prepared in 1964 for the Connecticut legislature, Mr. Kimberly B. Cheney, a recent graduate of Yale Law School, presented a plan for legislative reform in this field.[167] Mr. Cheney proposed that the power of a child welfare agency be defined more precisely than it is under existing statutes. His draft statute would require the agency offering protective services to file a notice with the juvenile court within one week after it had initiated any protective services. Upon receipt of such notice, the juvenile court judge would within ninety days conduct a hearing at which the agency would justify, in accordance with the provisions of the draft statute, the propriety of the protective services. At the hearing, the agency would bear the burden of proof and the parents would be given the right of legal representation.[168]

The Connecticut legislature did not enact the bill suggested in Mr. Cheney's report. Indeed, most of the social work community will question the wisdom of any statute requiring court approval for the rendition of protective services. Yet, it seems to me at least, that Mr. Cheney's plan is on the right track.[169]

There is reason to expect that increasing numbers of persons from the ranks of the poor (those most often the beneficiaries of protective services) will take exception to many forms of authority. The disadvantaged have become less and less satisfied with the consequences of their traditionally passive role. The federal government itself has attempted to stir the poor to action. Antipoverty legislation has authorized and financed community action programs which provide for the "maximum feasible participation" of the poor. Access to lawyers, provided by the Legal Services Program of the Office of Economic Opportunity, may make it possible for some poor persons to protest official action in areas where challenges have only infrequently been registered. It may well be that if child welfare services are offered in a system which provides ready access to the courts, the offer will be more acceptable and less subject to the complaint of "officious intermeddling."

There is a final reason why careful consideration should be given to the proposal to subject protective service programs to the rule of law. In the past, such services have been provided for the most part by voluntary agencies. Today, more and more states, with assistance from the federal government

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and with the enthusiastic endorsement of the voluntary agencies, are assuming the major share of the responsibility. We are witnessing a massive shift from private to public efforts, with the avowed end of making child protective services available on a universal basis. What government does must be done according to law, including constitutional law. The intrusion of a public agency can become an unconstitutional invasion of privacy—literally a "federal case."

IV. REPORTING LAWS

The sanctions of the criminal law, the powers of the juvenile court, and the protective services offered by public or private welfare agencies can have effect only with respect to known instances of abuse or neglect. Therefore, statutes that encourage the reporting of suspected cases of child abuse form an integral part of the law's attempt to protect and promote the well-being of children.

The voluntary reporting of suspected cases to community authorities has been inhibited by many factors. Children, generally, cannot or do not speak out. Neighbors and friends hesitate to make accusations. An abusive father or mother, facile with explanations, often escapes discovery because of the common assumption: "Certainly these respectable people couldn't do such a terrible thing to their children."

Over the years, many physicians have failed to alert the community's resources for child protection to suspected cases of abuse. For a number of special reasons, they have kept their suspicions to themselves, treated the child for his injuries, and sent him home despite the possibility of repeated abuse. Some physicians have not reported such cases because of their fear of civil or criminal liability; others have been reluctant to play the role of the "officious intermeddler," particularly when they will have to face irate parents. Some physicians have regarded reporting as a breach of the special confidential relationship between physician and patient, and still others have failed to report either because they did not know to whom to report, or because they had no reason to believe that reporting would result in benefit to the child.

In 1963, the Children's Bureau[170] and the American Humane Association[171] published model legislative language and guidelines, designed to assist states in drafting statutes that would encourage physicians to report cases of suspected child abuse. In 1965, the Council of State Governments also published a model for child abuse legislation.[172]

The theory behind these legislative proposals is simple: physicians possess the expert skill and judgment required for recognizing a case of child abuse, and recognition of abuse is, of course, the first step in bringing an abused child to the attention of the community's legal authorities and social welfare agencies. Doctors regularly see cases of injured children and, in some instances, come to suspect that the injuries have not been incurred in the manner described by the caretakers. Thus, if physicians report their suspicions, the cases can be investigated and appropriate measures can be taken to assure that the children involved will be protected. The model laws require physicians to report cases in which abuse is suspected, free them from civil and criminal liability for doing so, and remove any legal prohibition that may prevent the physician from testifying about the case in court.[173]

In the history of the United States, few legislative proposals have been so widely adopted in so little time. During the past three years, forty-eight states and the Virgin Islands have enacted statutes designed to bring about and increase the reporting of child abuse cases.[174] Early in 1966, only Hawaii, Mississippi, and the District of Columbia remained without such laws. This remarkable record has been achieved largely as a result of the work of the Children's Bureau and the American Humane Association, and through the extensive publicity given the problem of child abuse in the medical and social work literature, as well as in the mass media. (The problem was effectively dramatized, for example, in one episode of the "Ben Casey" television series.)

The proposals for reporting legislation present a number of issues, and, in seeking to resolve these questions, the state legislatures have produced statutes that display a great many differences. All of the recently enacted statutes protect physicians against liability for reporting,[175] although in Wisconsin immunity is provided only from criminal liability.[176] In six states, the statutes do not impose a duty to report;[177] thus, aside from whatever encouragement to reporting may come from the passage of the legislation and the inclusion of a reporting scheme in the statute books, the extension of legal immunity is the only effect of these new laws. These six statutes and a proposal drafted by the Office of the General Counsel of the American Medical Association[178] reflect a view held by some physicians that, for professional reasons, doctors should be allowed to retain some discretion in reporting suspected instances in abuse. However, other physicians, the American Academy of Pediatrics,[179] and the statutes of forty-two states support mandatory reporting.

A mandatory reporting requirement can be of great assistance to a physician who must explain his actions to protesting parents. A doctor can hardly be blamed for conforming to the law. More importantly, however, whether cases of suspected abuse should be brought to the attention of the authorities responsible for child protection is not a medical question, but a question of social policy, one properly answered by the legislature.

All forty-eight reporting statutes designate physicians of all types as reporting agents;[180] many also designate hospitals.[181] Some statutes, as well as the American Medical Association proposal,[182] reflect a judgment that the laws should also encourage the reporting of suspected child abuse by other professional people who see children regularly, and who might report more readily if offered immunity. Thus, among the groups expressly authorized or required to report are teachers (eight states),[183] nurses (eighteen states),[184] dentists (thirteen states)[185] and social workers (eleven states).[186] A handful of statutes extend to everyone who suspects a case of child abuse.[187]

A strong case can be made for focusing the reporting requirement solely upon physicians. Doctors face special problems of confidentiality arising from the physician-patient relationship and are validly concerned about the threat of legal action. Moreover, the main aim of reporting legislation is to uncover cases that only a physician's skill can detect in the course of a comprehensive medical examination and review of the child's medical history. The obvious instances of maltreatment are likely to be recognized by other persons in the community who, at least in cases of serious injury, will bring them to the attention of some authority or agency authorized to take action. If the reporting group as delineated by statute is large, the impact of the reporting requirement may be diffused, and everybody's duty may easily become nobody's duty.

The statutory formulations differ not only with respect to which groups should be charged with the duty of reporting, but also as to whom reports of suspected abuses should be made. Originally, the Children's Bureau recommended that reports be made "to an appropriate police authority," on the grounds that the police constituted the only chain of services sure to exist in every community and to be available twenty-four hours a day.[188] In light of the rapid expansion of protective services and the institution of comprehensive child welfare programs, the Bureau has modified its stand, and now recommends that in communities where a public welfare agency offers child protective services that agency be designated to receive reports. Where such services are not provided, the Bureau suggests that the "appropriate police authority" remain as the receiving agency.[189] The American Humane Association, on the other hand, has endorsed without qualification the principle that suspected cases be reported to the public or private welfare service that carries the child protective function in the community.[190]

In the forty-eight states with reporting laws, some statutes designate the police[191] or another law enforcement agency;[192] others, the juvenile court[193] or a public or voluntary child welfare agency.[194] Connecticut, one of many states in which more than one type of agency has been selected to receive reports, includes the State Commissioner of Health in its list of four receiving agents.[195]

The designation of the police or other law enforcement authority as the agency to which reports shall be made can create all sorts of problems. The investigative skills of the police, the sheriff, or the prosecutor are no doubt useful in finding answer to the question, "Who did it?", but they are not likely to be of much assistance in answering: "Why was it done?"; "What can be done to preserve the family?"; "How can this child be protected?" Law enforcement officers habitually look for a basis for prosecution, but are often blind to the danger signs that may be present in a home situation—signs that would be apparent to a properly trained social worker. Further, investigation by a law enforcement agency is likely to engender defensive hostility and may indeed make successful intervention by a child welfare worker impossible. The child welfare agency, on the other hand, possesses the greatest fund of desirable resources and is willing and able to focus these resources on the children involved. As the American Humane Association has stated:

> "This involves a professional and skilled evaluation of the continuing hazards and dangers to child victims of abuse and whether removal from parental custody is indicated. Where removal of children is considered necessary such action will be commenced in the appropriate court. Where removal is not seen to be necessary the community would be assured that services are extended to parents to help remove the causes of their abusive behavior and to help them assume more responsible parent roles."[196]

There is a growing trend, as evidenced by the statutes adopted or revised in 1965, toward the designation of public welfare departments either as one of the receivers of reports or as the agency charged with primary responsibility for making the initial investigation following a report. If reports are to be made exclusively to public welfare departments, however, some provision should be made to provide for round-the-clock emergency service. To this end, Illinois has initiated a unique system of statewide emergency service which can be reached by calling a telephone number publicized throughout the state.[197]

Since the quality and quantity of the resources available within a state may differ from one community to another, some states may find it expedient to designate different agencies as the exclusive recipients of reports for different areas. What should be avoided, however, is the selection of several agencies within the same community. Such a procedure will only bring uncertainty to

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the administration of the reporting program and confusion to those obligated to report. Worst of all, none of the designated agencies may have a clearly defined responsibility for action.

The reporting laws typically require an oral report, followed by a written one, setting forth the particulars about the child and his parents, the nature and extent of his injuries, and all available information about how the injury occurred and who inflicted it. In three states, California, Illinois, and Virginia, under the provisions of state law,[198] and in a few cities (New York, for example), under local administrative regulations,[199] reported instances of suspected child abuse are recorded in a central registry. Parents who abuse their children sometimes go from doctor to doctor and hospital to hospital in an attempt to escape attention. A central registry can help to identify these "repeater" cases, and can aid in determining the significance of the present injury. Knowledge of a prior report of suspected abuse can also help to confirm suspicions that the injury has been inflicted by an abusive caretaker.

A central registry also serves an important statistical function and can help lay the basis for the acquisition of more knowledge about the nature and causes of child abuse. Indeed, some state and local welfare departments collect information for statistical and research purposes only, and do not make specific case information available to physicians and social workers.

It remains to be considered whether reporting laws are doing the job expected of them in uncovering cases of child abuse. Unfortunately, some questions about the effectiveness of reporting statutes will probably never be capable of answer. For example, it is impossible to prove that the reporting laws have actually caused more cases to be discovered than were found before; previously, records of casefindings were not kept. Again, we do not know how many—if any—abused children are deprived of medical attention because their caretakers are afraid of being reported. Such cases cannot be recorded.

Nonetheless, the facts at hand provide the basis for a compelling argument that reporting laws are making an important impact.[200] First, reports *are* being made under the statutes, and being made in increasing numbers. Dr. David G. Gil of Brandeis University, the director of a nationwide epidemiologic study of child abuse, estimates that approximately 5000 cases will be reported under these statutes in 1966 alone. [201] In the six months under the New York reporting statute, reports involving 424 children were received, and in the second half of the year the rate of reporting increased.[202]

The reporting legislation has also spurred the establishment of new public services aimed at child protection. In some states, new legislation requiring or authorizing child protective services has been passed, and, in others, additional services have been provided under existing laws. As a result of the enactment of the New York statute, the New York City Department of Welfare has established a new citywide child protective unit to provide for the cases of child abuse reported under the new law, and this unit has more than doubled in size within the past few months. In several states, following passage of a reporting statute, legislators have made additional money available for child protective services.

Legislation alone, however, does not bring reporting. In many of those areas where the child abuse reporting laws have been most successful, a burst of cooperative activity has taken place. Newspapers, medical societies, and welfare departments have alerted the citizenry and the medical profession to the need and desirability of filing the required reports. Hospitals have established regular channels for reporting cases, and many communities have created machinery to help physicians comply with the law.

Reporting is, of course, not enough. After a report is made, some remedial action must be taken. In every community, a multidisciplinary network of protection must be developed in order to implement the good intentions of the law. If child protective services are not available, reporters will no longer report. The promise of case-finding legislation is that when a case is found, something will be done about it. The legislatures that require reporting but do not provide the means for further protective action delude themselves and neglect children.

CONCLUSION

It is within an existing framework of law that child abuse reporting legislation must be placed. We already possess an adequate battery of criminal statutes to punish those whom it is appropriate to punish. The reach of the typical juvenile court act is long enough to bring child abusers and abused children into court, once they can be identified. In many communities, either voluntary or public child protection agencies are available to offer services to those involved in discovered cases of abuse or neglect. The abuse reporting laws are designed to spur casefinding. Their purpose is to throw a spotlight on situations which may require protective services, juvenile court adjudication, or criminal prosecution, and they are useful in proportion to the success they achieve in bringing to light cases that would otherwise go undetected.

From the standpoint of a battered child who has been the subject of a report, the usefulness of the entire legal framework ultimately depends upon the effectiveness of the interventions for which the law provides. Was a criminal sanction wisely involved? Were the juvenile court judge and his staff able to improve a child's environment? Did the protective service worker possess the skill to bring about significant changes in the quality of family life? Indeed, did protective services of sufficient quality exist in the community? These are some of the questions which require affirmative answers if we are to justify the money and effort devoted to child protection—if we are to find some correspondence between reality and hope.

FOOTNOTES

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* Professor of Law, Columbia University. A.B., University of Chicago, 1940; J.D., 1942.

[1] People v. Butler, 205 Cal. App. 2d 437, 439, 23 Cal. Rptr. 118, 119 (Dist. Ct. App. 1962).

[2] Nebgen v. State, 47 Ohio App. 431, 433, 192 N.E. 130, 131 (1933).

[3] People v. Lawrence, 141 Cal. App. 2d 630, 631–32, 297 P.2d 144, 145 (Dist. Ct. App. 1956). See also State v. Evans, 270 S.W. 684, 687 (Mo. 1925) ("It would require the pen of a Dickens to portray the atrocity of the defendant's inhuman treatment of his child.").

[4] See State v. Cauley, 244 N.C. 701, 94 S.E.2d 915 (1956); Hignett v. State, 170 Tex. Crim. 342, 341 S.W.2d 166 (1960); Smith v. State, 160 Tex. Crim. 227, 268 S.W.2d 144 (1954); Moreno v. State, 114 Tex. Crim. 559, 26 S.W.2d 652 (1930); State v. McDonie, 89 W. Va. 185, 109 S.E. 710 (1921). *But see* State v. Liggett, 84 Ohio App. 225, 83 N.E.2d 663 (1948) (reducing conviction of assault with intent to kill to assault and battery).

[5] See People v. Bartell, 386 Ill. 483, 54 N.E.2d 700 (1944), *cert. denied*, 324 U.S. 842 (1945); State v. Silva, 153 Me. 89, 134 A.2d 628 (1957); Hancock v. State, 209 Miss. 523, 47 So. 2d 833 (1950); State v. Crough, 89 R.I. 338, 152 A.2d 644 (1959); *cf.* People v. Morales, 60 Cal. App. 2d 196, 140 P.2d 461 (Dist. Ct. App. 1943); Andrews v. State, 237 Miss. 875, 116 So. 2d 749 (1960); Fisher v. State, 154 Neb. 166, 47 N.W.2d 349 (1951).

[6] See, *e.g.*, Earnest v. State, 68 Tex. Crim. 542, 152 S.W. 638 (1912).

[7] See Summers v. State, 99 Ga. App. 183, 108 S.E.2d 140 (1959).

[8] See Frazier v. State, 40 Ala. App. 67, 112 So. 2d 212 (1958), *cert. denied*, 269 Ala. 696, 112 So. 2d 218 (1959); Connell v. State, 39 Ala. App. 531, 105 So. 2d 695, *cert. denied*, 268 Ala. 692, 105 So. 2d 700 (1958); Seals v. State, 92 Okla. Crim. 272, 222 P.2d 1037 (1950).

[9] See Commonwealth v. Woods, 339 Mass. 7, 157 N.E.2d 646 (1959); State v. Zobel, 134 N.W.2d 101 (S.D.), *cert, denied*, 382 U.S. 833 (1965).

[10] People v. Forbs, 402 P.2d 825, 44 Cal. Rptr. 753 (1965) (dictum).

[11] See, *e.g.*, People v. Ingraham, 232 N.Y. 245, 133 N.E. 575 (1921); Pannill v. Commonwealth, 185 Va. 244, 38 S.E.2d 457 (1946).

[12] See Ackers v. State, 73 Ark. 262, 83 S.W. 909 (1904); Betts v. State, 60 Tex. Crim. 631, 133 S.W. 251 (1910); Taylor v. State, 41 Tex. Crim. 148, 51 S.W. 1106 (1899). Compare State v. Mahly, 68 Mo. 315 (1878) (error to instruct on second degree murder where evidence suggested only first degree murder).

[13] See Null v. State, 16 Ala. App. 542, 79 So. 678 (1918); People v. Butler, 205 Cal. App. 2d 437, 23 Cal. Rptr. 118 (Dist. Ct. App. 1962); Davis v. State, 175 Ga. 356, 165 S.E. 56 (1932); Williams v. State, 57 Ga. 478 (1876); Mobley v. State, 227 Ind. 335, 85 N.F.2d 489 (1949); Powell v. State, 67 Miss. 119, 6 So. 646 (1889); State v. Harris, 63 N.C. 1 (1868); Clark v. State, 151 Tex. Crim. 383, 208 S.W.2d 637 (1948); Taylor v. State, 57 S.W. 812 (Ct. Crim. App. Tex. 1900); *cf.* Tex. Pen. Code art. 1229 (1961).

[14] State v. Zobel, 134 N.W.2d 101 (S.D.), *cert. denied*, 382 U.S. 833 (1965).

[15] S.D. Code § 13.2013 (1939).

[16] S.D. Code § 13.3301 (1939): "It shall be unlawful for any person . . . willfully, negligently, or unnecessarily to expose, torture, torment, cruelly punish, or willfully neglect such child [under the age of fourteen years] or deprive such child of necessary food, clothing, shelter, or medical attention."

[17] State v. Zobel, 134 N.W.2d 101, 106 (S.D.), *cert. denied*, 382 U.S. 833 (1965).

[18] Ariz. Rev. Stat. Ann. § 13–842 (Supp. 1965); Ark. Stat. Ann. § 41–1105 (1964); Cal. Pen. Code § 273(a); Colo. Rev. Stat. Ann. § 40–13–1 (1963); Conn. Gen. Stat. Rev. § 53–20 (1958); Del. Code Ann. tit. 11 § 431 (Supp. 1964); D.C. Code Ann. § 22–901 (1961); Fla. Stat. Ann. §§ 828.04–.041 (1965); Ga. Code Ann. § 26–8001 (1953); Hawaii Rev. Laws § 330–10 (1955); Idaho Code Ann. § 18–1501 (1947); Ill. Ann. Stat. ch. 23, §§ 2354, 2368 (Smith-Hurd Supp. 1965); Ind. Ann. Stat. § 10–815 (Supp. 1965); Kan. Laws of 1965, ch. 277, § 5; Ky. Rev. Stat. Ann. § 208.020(4) (Supp. 1965); La. Rev. Stat. § 14:93 (1950); Me. Rev. Stat. Ann. ch. 19, § 218 (1964); Md. Ann. Code art. 27, § 11A(a) (Supp. 1965); Mich. Stat. Ann. §§ 28.331, 28.331(1) (1962); Mo. Rev. Stat. 4025 (1929); Mont. Rev. Codes Ann. § 94.306 (1947); Neb. Rev. Stat. §§ 38–115, 38–116 (1960); N.H. Rev. Stat. Ann. §571:1 (1955); N.Y. Pen. Law § 483; N.D. Cent. Code § 14–09–22 (1960); Ohio Rev. Code Ann. § 2903.08 (Baldwin 1964); Okla. Stat. Ann. tit. 21 § 843 (Supp. 1965); Ore. Rev. Stat. § 163.650 (1963); Pa. Stat. Ann. tit. 18, § 4728 (1963); R.I. Gen. Laws Ann. § 11–9–5 (1956); S.C. Code Ann. §§ 20–301, 20–302 (1962); S.D. Code § 13.3301 (1939); Utah Laws of 1965, ch. 165, § 18; Vt. Stat. Ann. tit. 13 §1304 (1958); Va. Code Ann. § 40–112 (1950); W. Va. Code Ann. § 6079 (Supp. 1965); Wyo. Stat. Ann. § 14–22

(1965). In 1963, Minnesota repealed a statute which prohibited endangering the life, health, or morals of a minor on the grounds that it was duplicated by a "contributing" statute, and was extremely indefinite and broad. See *Advisory Committee Comment—1963, to former Minn. Stat. Ann.* § 617.59, in 40A Minn. Stat. Ann. 318 (1964).

[19] Where the impairment of morals is one of the offenses, most of the opinions reported in annotations cluster around this provision. See, *e.g.*, Conn. Gen. Stat. Ann. § 53–21, *Notes of Decision* (1960 & Supp. 1964); N.Y. Pen. Law § 483, *Notes of Decisions* (McKinney 1944 & Supp. 1965).

[20] *But see* Ind. Ann. Stat. § 10–813 (1956); La. Rev. Stat. Ann. § 14:93 (1950).

[21] S.C. Code Ann. § 20–302 (1962).

[22] Md. Ann. Code art. 27, § 11A(a) (Supp. 1965).

[23] Ind. Ann. Stat. § 10–815 (Supp. 1965) (seven year maximum); Md. Ann. Code art. 27, § 11A(a) (Supp. 1965) (fifteen years); Okla. Stat. Ann. tit. 21, § 843 (Supp. 1965) (five years). The history of the California provision (Cal. Pen. Code § 273a) is interesting. Enacted in 1905, California's cruelty statute created a misdemeanor. Cal. Stats. of 1905, ch. 568, § 5. In 1963, a ten year maximum penalty was substituted. Cal. Stats. of 1963, ch. 783, § 1. Finally, in June 1965, the crime was bifurcated. The defendant may now be sentenced to ten years if the circumstances were such as would likely produce great bodily harm or death. If such are not the circumstances, misdemeanor penalties are imposed. Cal. Stats. of 1965, ch. 697, § 1.

[24] Ore. Rev. Stat. § 163.650 (1963).

[25] See, *e.g.*, Mich. Stat. Ann. § 28.331 (1962) (felony); Va. Code Ann. § 40–112 (1953) (misdemeanor).

[26] Ark. Stat. Ann. § 41–1105 (1964).

[27] Hawaii Rev. Laws § 330–10 (1955). During the 1965 session of the Hawaii State Legislature, an unsuccessful attempt was made to extend the application to any "person having the care, custody or control of a child." Letter from John A. Burns, Governor of Hawaii, to Miss Charlotte Moses, July 9, 1965, on file in the Columbia Law Library.

[28] Md. Ann. Code art. 27, § 11A(a) (Supp. 1965).

[29] Ore. Rev. Stat. § 163.650 (1963).

[30] See, *e.g.*, D.C. Code Ann. § 22–901 (1961); Kan. Laws of 1965, ch. 277, § 5; W. Va. Code Ann. § 6079 (1961).

[31] *E.g.*, Ga. Code Ann. § 54–206 (1961).

[32] *E.g.*, Va. Code Ann. § 40–112 (1953).

[33] *E.g.*, D.C. Code Ann. § 22–901 (1961).

[34] *E.g.*, Cal. Pen. Code § 273a. See also *e.g.*, Idaho Code Ann. § 18–1501 (1948) ("any minor child"); Mont. Rev. Codes Ann. § 94–306 (1947) ("an infant, minor child, or apprentice").

[35] Conn. Gen. Stat. Ann. § 53–20 (1958); *cf.* Conn. Gen. Stat. Ann. § 53–21 (1958) ("injury or risk of injury to children"). See also Vt. Stat. Ann. tit. 13, §§ 1304, 1305 (1958).

[36] Ill. Ann. Stat. ch. 23, § 2368 (Smith-Hurd Supp. 1965). See also S.C. Code Ann. §§ 20–301, 20–302 (1962).

[37] Model Penal Code § 230.4 (Prop. Off. Draft 1962).

[38] Model Penal Code § 207.13, comment (Tent. Draft No. 9, 1959).

[39] Helwig v. State, 238 Ind. 559, 153 N.E.2d 437 (1958).

[40] Nebgen v. State, 47 Ohio App. 431, 192 N.E. 130 (1933). *But cf.* Mullen v. United States, 263 F.2d 275, 276 (D.C. Cir. 1958) ("abuse" and "willfully maltreat" in statute call "for something worse than good intentions coupled with bad judgment").

[41] See *e.g.*, Stone v. State, 1 Ga. App. 292, 57 S.E. 992 (1907) (whipping); State v. Kellenborn, 304 S.W.2d 855 (Mo. 1957) (battering). See also People v. Stewart, 188 Cal. App. 2d 88, 10 Cal. Rptr. 217 (Dist. Ct. App. 1961) (conviction for assault and battery following information for cruelty upheld); Richardson v. State Bd. of Control, 98 N.J.L. 690, 121 Atl. 457 (Sup. Ct. 1923) (cruelty statute, as applied to assault and battery, is unconstitutional deprivation of indictment and jury trial), *aff'd,* 99 N.J.L. 516, 123 Atl. 720 (Ct. Err. & App. 1924) (assuming arguendo statute covers assault and battery, it is unconstitutional as applied). *But see* State v. Mitchell, 210 La. 1078, 29 So. 2d 162 (1946) (denial of plea of former jeopardy based on assault conviction).

[42] 232 Cal. App. 2d 650, 43 Cal. Rptr. 28 (Dist. Ct. App. 1965).

[43] Cal. Pen. Code § 273a.

[44] On August 24, 1963, the defendant father had taken his son to the hospital with bruises on and around the nose and eye. The court discussed the findings of this and one subsequent examination:

"Examination by the doctor at the hospital . . . disclosed numerous other bruises and abrasions: In the midportion of the back, the right shoulder, the left cheek and the scalp. There was evidence of bleeding (seemingly internal) about the ribs. The baby was irritable and had a high-pitched cry. He was pale, mottled and lethargic. There was a pinkish discharge from the child's nostrils. . . . The impression upon entry was "possible physical abuse." X-rays taken revealed a calloused fracture in the midclavicular region. This could have been sustained during birth. The medical testimony was sharply conflicting as to whether the X-rays also showed rib fractures. The prosecution's radiologist stated they did; defendant's orthopedist, Dr. Herbert Sanderson, stated they did not, nor did X-rays taken at his direction just before the trial. . . .

"The child was discharged to his parents. They brought him back again on October 28, 1963, for a condition which X-rays disclosed to be a spiral fracture of the left humerus. At the trial defendants produced a witness, defendant . . . [wife's] sister . . . who attempted to account for this. She described an incident in which she, having noted a discoloration of the child's arm, attributed to a "pinched nerve," had rotated the child's arm to start blood circulation. She also testified that she had then put the child's arm in a sling and had placed him in a stroller from which he had accidentally fallen onto the pavement. The jury could have received this testimony as an explanation of the fractured arm with great dubiety. Examination by the admitting physicians at the hospital showed that the fracture had resulted from a very severe twisting motion." (Even defendants' expert had stated it was possible but not probable that the fracture had been caused in the manner described.)

[45] *Id.* at 658, 43 Cal. Rptr. at 34.

[46] *Id.* at 656–57, 43 Cal. Rptr. at 32–33.

[47] *Id.* at 655, 43 Cal. Rptr. at 31. In *Beaugez,* the trial court rather than imprisoning the parents, granted the defendants probation for three years, and suspended sentence for so long as defendants complied with the terms of probation. It is in this manner that the criminal process can possibly form part of a family rebuilding program which, while protecting the child, will leave him with his parents and in his normal surroundings.

[48] *Ibid.*

[49] See, *e.g.*, People v. Curtiss, 116 Cal. App. 771, 300 Pac. 801 (App. Dep't Super. Ct. 1931); Mohr v. State, 32 Ohio C.C. Dec. 331, 19 Ohio C.C.R. (n.s.) 43 (1908) (by implication); Martin v. State, 21 Ohio Dec. 520, 11 Ohio N.P. (n.s.) 183 (C.P. 1910), *aff'd,* 87 Ohio St. 459, 102 N.E. 1132 (1912). The privilege aside, the assault and battery and homicide provisions found in all states have as broad a sweep when applied to the parent-child relationship as in other areas. In fact, that the assault was committed by an adult upon a child will sometimes serve to escalate the offense. See, *e.g.*, Tex. Pen. Code art. 1147(9) (1961).

[50] N.Y. Pen. Law § 246.

[51] Cal. Pen. Code § 195.

[52] See Model Penal Code § 3.08, comment at 72 (Tent. Draft No. 8, 1958).

[53] *Ibid.*

[54] See Prosser, Torts 140 (3d ed. 1964) (citing criminal cases); Levy, *Criminal Liability for the Punishment of Children: An Evaluation of Means and Ends,* 43 J. Crim. L., C. & P.S. 719, 727–28 (1953). Cases are collected in Annot., 64 A.L.R. 292 (1929); Annot., 89 A.L.R.2d 396 (1963).

[55] 19 N.C. 365 (1837).

[56] *Id.* at 366–68. For decisions dealing with teachers from other jurisdictions see Annot., 89 A.L.R.2d 396, 442–58 (1963).

[57] State v. Pendergrass, 19 N.C. 365, 367 (1837).

[58] Prosser, Torts 140 (3d ed. 1964) (citing criminal cases); see Model Penal Code § 3.08, comment at 72 (Tent. Draft No. 8, 1958).

[59] See Annot., 89 A.L.R.2d 396, 401–02 (1963).

[60] *Ibid.*; see 6 C.J.S. *Assault and Battery* § 97d, at 957–58 (1937).

[61] See, *e.g.*, People v. Curtiss, 116 Cal. App. 771, 782, 300 Pac. 801, 805 (App. Dep't Super. Ct. 1931) (magistrate sitting without jury); State v. Straight, 136 Mont. 255, 269, 347 P.2d 482, 490 (1959); Carpenter v. Commonwealth, 186 Va. 851, 863, 44 S.E.2d 419, 424–25 (1947).

[62] State v. Lutz, 65 Ohio L. Abs. 402, 407, 113 N.E. 2d 757, 760 (C.P. 1953).

[63] Model Penal Code § 3.08, comment at 72 (Tent. Draft No. 8, 1958).

[64] Model Penal Code § 3.08(1) (Prop. Off. Draft 1962).

[65] *In re* Cooper, 134 Ohio St. 40, 44, 15 N.E. 2d 634, 636 (1938). See also State v. Hunt, 2 Ariz. App. 6, 406 P.2d 208 (1965), in which a single act of failure to provide care formed the basis for three criminal charges.

[66] *E.g.*, R.I. Gen. Laws Ann. § 11–9–1 (1956).

[67] *E.g.*, Del. Code Ann. tit. 11, § 432 (1953); Ga. Code Ann. § 54–9903 (1961); W. Va. Code Ann. § 6080 (1961).

[68] Kan. Gen. Stat. Ann. § 38–703 (1964).

[69] N.J. Stat. Ann. § 2A:96–2 (1935); Wyo. Stat. Ann. § 14–24 (1957).

[70] *E.g.* Wyo. Stat. Ann. § 14–24 (1965).

[71] *E.g.*, Cal. Pen. Code § 653.

[72] *E.g.*, Wyo. Stat. Ann. § 14–24 (1965).

[73] Cal. Pen. Code § 273e.

[74] Conn. Gen. Stat. Rev. § 10–198 (1958).

[75] Ohio Rev. Code Ann. § 2903.10 (Baldwin 1964).

[76] *E.g.*, Fla. Stat. Ann. § 859.06 (1965).

[77] Wash. Rev. Code § 9.91.060 (1961).

[78] N.C. Gen. Stat. § 14–318 (1953); Tenn. Code Ann. § 39–1002 (1955).

[79] Tenn. Code Ann. § 39–1001 (1955).

[80] Miss. Code Ann. § 2050 (1956); Mo. Ann. Stat. § 559.330 (1949).

[81] N.M. Stat. Ann. § 40A–6–1 (1964).

[82] See generally Annot., 36 A.L.R. 866 (1925).

[83] Poor Law Amendment Act, 1868, 31 & 32 Vict., c. 122, § 37 (repealed 1927, 17 & 18 Geo. V, c. 14, § 245 and sch. 11).

[84] Reg. v. Wagstaffe, 10 Cox Crim. Cas. 530 (Cent. Crim. Ct. 1868).

[85] The Queen v. Downes, 1 Q.B.D. 25 (1875); see Annot., 10 A.L.R. 1137, 1139–42 (1921).

[86] See Craig v. State, 220 Md. 590, 155 A. 2d 684 (1959).

[87] *Ibid.*

[88] See, *e.g.*, Kan. Laws of 1965, ch. 277, § 5.

[89] N.J. Stat. Ann. § 2A:96–3 (1953).

[90] Wyo. Stat. Ann. § 14–28 (1965).

[91] Model Penal Code § 207.13, comment (Tent. Draft No. 9, 1959).

[92] Ariz. Rev. Stat. Ann. § 13–821(A)g (1956). See also, *e.g.*, Nev. Rev. Stat. §§ 201.090(4), 201.110 (Sup. 1955); N.M. Stat. Ann. §§ 13–9–2, 13–9–7 (1953).

[93] Ariz. Rev. Stat. Ann. § 13–822(A) (1956).

[94] There are interesting variations of the "contributing" statutes. For example, Delaware punishes

> Whoever—(1) inflicts . . . on any child . . . any unjustifiable physical pain or men-

tal suffering; or (2) being . . . responsible for the support of a child, does or fails to do any act which results in the child's becoming a "neglected child" . . . [as defined elsewhere]; or (3) knowingly contributes to the delinquency of any child ["delinquent child" is defined elsewhere].

DEL. CODE ANN. tit. 11, § 431 (Supp. 1964).

[95] UNITED STATES CHILDREN'S BUREAU, STANDARDS FOR SPECIALIZED COURTS DEALING WITH CHILDREN 35 (1954).

[96] In People v. Forbs, 62 Cal. 2d 847, 402 P.2d 825, 44 Cal. Rptr. 753 (Supp. Ct. 1965), a conviction of voluntary manslaughter was overturned because an unlawfully obtained statement by the defendant-mother had been admitted into evidence. The statement had been taken after the investigation had reached "the accusatory stage," and the mother had not been advised of her right to remain silent or her right to counsel. See People v. Dorado, 62 Cal. 2d 338, 42 Cal. Rptr. 169, 398 P.2d 361, *cert. denied*, 381 U.S. 937 (1965), and People v. Stewart, 62 Cal. 2d 571, 43 Cal. Rptr. 201, 400 P.2d 97 (1965), *cert. granted*, 34 U.S.L. WEEK 3201 (U.S. Dec. 6, 1965) (No. 584). In *Forbs* the conviction was overturned in spite of "overwhelming independent evidence of [defendant's] guilt." 62 Cal. 2d at 860, 402 P.2d at 834, 44 Cal. Rptr. at 762 (dissenting opinion). In State v. Hunt, 2 Ariz. App. 6, 406 P.2d 208 (1965), the conviction of the abusive parents was reversed for several procedural errors unrelated to the possibility of complete exculpation.

[97] An account of a prosecution against a mother under the New York child-cruelty statute, N.Y. PEN. LAW § 483, supplied by a member of the prosecutor's office in New York County tells of some of the difficulties which prosecutors may face:

"I had nine necessary witnesses; Mary, her two sisters, the sister-in-law, the former landlady, the baby-sitter, the investigator for the Children's Society, the doctor from the emergency room at Harlem Hospital, and the doctor who treated the baby during his stay at the hospital. Perhaps the most difficult problem, aside from proving the crime without a witness who had actually seen the baby mistreated, was in securing the attendance of the witnesses for numerous court appearances. The doctors were taken away from their practices and their duties in two city hospitals, and the women were taken from their jobs. The latter were either domestic servants or machine operators in garment factories, and they received no compensation for the days they were away from their jobs. . . .

Another adjournment was at my request because not all of the witnesses appeared in court. After our case was prepared and all of our witnesses were appearing, Legal Aid, representing the defendant, was not ready. They had assigned two or three different attorneys at different times, and each time they found themselves, on the day of trial, assigned to a complex case for which they had made no previous preparation. They therefore requested perhaps two adjournments. That situation arose in part because Legal Aid is seriously understaffed in the Criminal Court. They have one attorney in the court assigned to each part and I surmise it is difficult for them to assign one lawyer to one case, because it would necessitate taking him from his other duties in another part. . . .

"Two or three further adjournments were necessary because the case was not reached by the court for trial.

"The trial was to be before a three judge panel, which has a daily calendar of possibly seventy cases. Many are disposed of by pleas of guilty or trials in the afternoon before the one judge who handles the calendar matters in the morning. That is only possible when both sides agree to a trial before one judge. The cases in which the defendant is in jail, as opposed to being free on bail or parole, receive preference. The rest must be adjourned."

Letter from Mr. Ben Cullison to Professor Monrad G. Paulsen, March 26, 1965, on file in the Columbia Law Library. When the date for trial finally arrived the judges granted a motion to transfer the case to the juvenile term of the New York Family Court. In Family Court, the mother admitted the allegations and the child was taken from her. *Ibid.*

[98] *Ibid.*

[99] N.Y. FAMILY CT. ACT § 312(b).

[100] ORE. REV. STAT. §§ 419, 476 (1963).

[101] CAL. WELFARE & INST'NS CODE § 600(b).

[102] MINN. STAT. ANN. § 260.015 (Supp. 1965).

[103] STANDARD JUVENILE COURT ACT § 8, (2)(b) (1959).

[104] ARIZ. REV. STAT. ANN. § 8–201 (1956).

[105] PA. STAT. ANN. tit. 11, § 243 (1939).

[106] *In re* Carl, 174 Misc. 985, 22 N.Y.S.2d 782 (Dom. Rel. Ct. 1940).

[107] *Id.* at 986, 22 N.Y.S.2d at 783.

[108] *Id.* at 986, 22 N.Y.S.2d at 784.

[109] 212 La. 700, 33 So. 2d 201 (1947).

[110] *Id.* at 703, 33 So. 2d at 202.

[111] *In re* Carl, 174 Misc. 985, 987, 22 N.Y.S.2d 782, 784 (Dom. Rel. Ct. 1940).

[112] UTAH CODE ANN. § 55–10–36 (Supp. 1965).

[113] UTAH CODE ANN. § 55–10–86 (Supp. 1965).

[114] UTAH CODE ANN. § 55–10–67 (Supp. 1965).

[115] N.Y. FAMILY CT. ACT § 322.

[116] State v. Hunt, 406 P.2d 208, 214 (Ariz. App. 1965). The statute cited in the quotation gives an officer the power to take a child into custody "whose surroundings are such as to endanger his health, morals or welfare unless immediate action is taken." See also NEB. REV. STAT. § 43–205.01 (Supp. 1963), which permits a peace officer to take a child into custody without a warrant or a court order if the child is "seriously endangered in his surroundings."

[117] A news story from the Omaha, Nebraska, Sunday World Herald provides an excellent example of the problems of proof involved:

"Nebraska's new 'battered child' law may have good intentions but, if its first test is any indication, enforcement may be a problem.

"The evidence 'just wasn't there' last week when Juvenile Judge Seward L. Hart dismissed a neglect complaint brought against the parents of a seven-month old boy.

" 'The proper evidence is a hard thing to get,' said Deputy County Attorney James H. Moylan, who prosecuted.

"The law states that physicians who have reason to believe an injury was caused by something other than an accident must report the incident to the authorities.

"Last week's case started in March. It involved Vincent, then two months old, who was taken to a hospital with a severe head injury.

"Vincent's mother told doctors that the child had 'slipped' from her arms when she was taking him from his crib.

"Two months later, the child was brought back to the hospital, this time suffering from pneumonia and dehydration. Doctors also found two cracked ribs in the healing stage, and presumed that they had been sustained at the time of the head injury.

"The administrator of the hospital wrote the Douglas County Attorney's Office:

" 'In compliance with LB 444 (the new law), I wish to report that I have reason to believe that severe physical injury has been willfully inflicted upon the following named child by said child's parent.'

"Vincent, meanwhile, was in temporary custody of the Child Saving Institute. And a petition alleging neglect against his parents was filed in Juvenile Court.

"The police entered the matter but could obtain no more evidence than the mother told physicians, that the child had 'slipped' and that no one had witnessed the incident.

"Last week, it was the mother's statement to doctors vs. the child's injury.

"A doctor testified that Vincent may suffer permanent brain damage from the incident. He added that he thought the injuries were willfully inflicted.

" 'The injuries, however, couldn't be tied to the conduct of the parents,' Judge Hart said.

" 'It was all the evidence we had,' Mr. Moylan said.

" 'It wasn't enough to refute the mother's statement.

"She walked out of court with the child.' "

Omaha Sunday World Herald, Sept. 19, 1965, p. 19–B, cols. 1 and 2.

[118] *Ibid.*

[119] ARIZ. REV. STAT. ANN. § 8–201 (1956). See text accompanying note 104 *supra*.

[120] ARIZ. REV. STAT. ANN. § 8–201 (1956).

[121] The quotation is from an opinion of Judge Barnette in In the Interest of the Minors M & S, Nos. 15,885 & 15,885A, Juvenile Court for Caddo Parish, Louisiana. The opinion, in a copy dated Sept. 6, 1962, is on file in the Columbia Law Library.

[122] In the Matter of S. 46, Misc. 2d 161, 259 N.Y.S.2d 164 (Family Ct. 1965).

[123] *Id.* at 162, 259 N.Y.S.2d at 165.

[124] In the Interest of the Minors M & S, *supra* note 121.

[125] In the matter of S., 46 Misc. 2d 161, 259 N.Y.S.2d 164 (Family Ct. 1965).

[126] See *In re* Diaz, 212 La. 700, 33 So. 2d 201 (1947); text accompanying note 108 *supra*.

[127] Paulsen, *The Delinquency, Neglect and Dependency Jurisdiction of the Juvenile Court*, in JUSTICE FOR THE CHILD 44, 71 (Rosenheim ed. 1962).

[128] *In re* M——P——S——, 342 S.W.2d 277 (Mo. Ct. App. 1961).

[129] *Id.* at 280.

[130] *Id.* at 282.

[131] *Id.* at 283.

[132] *Id.* at 278.

[133] See WIS. STAT. ANN. § 48.35 (Supp. 1965).

[134] See WIS. STAT. ANN. § 48.40 (Supp. 1965). See generally Paulsen, *supra* note 127, at 72. Oklahoma has recently joined the ranks of the states having statutes providing for the termination of parental rights. OKLA. STAT. ANN. tit. 10, § 471 (Supp. 1965). The statute sets forth the grounds for termination by a juvenile court, the effect of which is to destroy all legal relationships between parent and child. Termination may be adjudicated in any one of the following situations:

"(1) Upon the written consent of a parent who desires to terminate his parental rights; or

"(2) A finding that a parent who is entitled to custody of the child has abandoned it for one year; or

"(3) A finding that a parent who is entitled to custody of the child

"(a) has failed to give the child the parental care or protection necessary for his physical or mental health, or

"(b) although financially able, has wilfully neglected to provide the child with the necessary support or education, or

"(c) is unfit by reason of debauchery, intoxication, or habitual use of narcotic drugs, or repeated lewd or lascivious behavior, or other conduct that is detrimental to the physical or mental health or morals of the child, and reasonable efforts, under the direction of the court, have failed to correct the condition and a permanent termination of parental custody of the child is necessary to protect its physical or mental health or morals; or

"(4) A finding that a parent, having been ordered to contribute to support of the child, has wilfully failed to contribute during the preceding year."

[135] Devereaux v. Brown, 2 Utah 2d 334, 338, 273 P.2d 185, 187 (1963), interpreting UTAH CODE ANN. § 55–10–42 (1963) (replaced by UTAH CODE ANN. § 55–10–109 (Supp. 1965)). See also Paulsen, *supra* note 127, at 72–73.

[136] See N.Y. Family Ct. Act. § 353.

[137] See N.Y. Family Ct. Act § 354(a).

[138] See N.Y. Family Ct. Act § 354(a), 356.

[139] See N.Y. Family Ct. Act § 355.

[140] United States Children's Bureau, Standards for Specialized Courts Dealing with Children 73 (1954).

[141] N.Y. Family Ct. Act § 354.

[142] N.Y. Family Ct. Act § 312, committee comments, at 65 (McKinney 1963).

[143] Such an event occurred in a case before Judge Barnette after he had failed to remove an allegedly abused child from his parents. The words with which the judge described his experience, taken from an opinion relating to another aspect of the case, communicate the judge's sense of anguish:

"The Judge personally takes full responsibility for failure of the Court to take formal action at that time. Mr. ——— has not failed to let the Judge be reminded of this responsibility. In fact, at about 10.30 p.m. the night little ——— died, Mr. ———, having just received the news, phoned the Judge to inform him of the child's death. The implication in his tone of voice and subsequent attitude was quite plain."

In the Interest of the Minors M & S, *supra* note 121.

[144] The term "protective service" has been defined in different ways:

"Protective service is a service initiated by a social agency in a situation in which a child is reported to be neglected, abused, exploited or permitted to live under destructive conditions by parents or others responsible for his care. It may include both casework service and the initiation of legal action to remove the child from the home."

Jeter, Children's Problems and Services in Child Welfare Programs 73 (Children's Bureau 1963).

"Protective service . . . is a casework service initiated by an agency on a report or knowledge of neglect or abuse of children. It carries the authority implicit in the community's law in relation to care. It is a service to families with focus on parental functioning in relation to child care."

Bishop, *Introduction to* American Humane Ass'n, An Intensive Casework Project in Child Protective Services 3 (undated). See United States Children's Bureau, Proposals for Drafting, Principles and Suggested Language for Legislation on Public Child Welfare and Youth Services 24 (1957).

[145] United States Children's Bureau, Proposals for Drafting, Principles and Suggested Language for Legislation on Public Child Welfare and Youth Services 3 (1957).

[146] *Id.* at 29.

[147] 76 Stat. 184 (1962), 42 U.S.C. § 728 (1964).

[148] In order to qualify for federal aid a state must make: a satisfactory showing that the State is extending the provision of child-welfare services in the State, with priority being given to communities with the greatest need for such services after giving consideration to their relative financial need, and with a view to making available by July 1, 1975, in all political subdivisions of the State, for all children in need thereof, child-welfare services provided by the staff (which shall to the extent feasible be composed of trained child-welfare personnel) of the State public welfare agency or the local agency participating in the administration of the plan in the political subdivision. 76 Stat. 183 (1962), 42 U.S.C. § 723(a) (2) (1964).

[149] Me. Laws of 1965, ch. 57.

[150] Mich. Stat. Ann. § 16.414(e) (Supp. 1965). The Department is also directed to "encourage participation by other existing governmental units or licensed private nonprofit agencies," and is empowered to "contract with such agencies for the purchase of any service within the scope of . . . [the statutory plan]." Additionally the Department may institute court action "where the conduct of a parent . . . requires."

[151] Ga. Code Ann. § 99-201-21 (Supp. 1965).

[152] Minn. Stat. Ann. § 393.07 (Supp. 1965).

[153] Ohio Rev. Code Ann. § 5153.16 (Baldwin 1965).

[154] Ohio Rev. Code Ann. § 5153.16G (Baldwin 1965).

[155] N.J. Rev. Stat. § 30:4c–4(a) (1964).

[156] N.J. Rev. Stat. § 30:4c-11 (1964).

[157] N.J. Rev. Stat. § 30:4c-12 (1964).

[158] Idaho Code Ann. § 56–204A(a) (Supp. 1965).

[159] Idaho Code Ann. § 56–204A(b) (Supp. 1965).

[160] Idaho Code Ann. § 16–1624 (Supp. 1965).

[161] Idaho Code Ann. § 16–1626 (Supp. 1965).

[162] Idaho Code Ann. § 56–203(h) (Supp. 1965).

[163] Idaho Code Ann. § 16–1630 (Supp. 1965).

[164] De Francis, Child Protective Services in the United States (American Humane Ass'n, Children's Division 1956).

[165] In this regard, the definition, by the Child Welfare League of America, of a social worker's authority with respect to protective services is instructive:

"He should have the right and responsibility:

"To go into and remain in a situation which warrants community concern on behalf of a child

"To offer help, although it may or may not be wanted and accepted

"To make clear that the community cannot allow a situation harmful to a child to persist

"To help carry out a treatment plan for the child and family which can lead to a permanent solution

"To decide whether neglect has ceased and the service may be terminated

"To initiate action (even without the cooperation and consent of the parents, where necessary) to remove the child from the parents and obtain adequate care for him."

Child Welfare League of America, Standards for Child Protective Services 13 (1960).

[166] This manner of expressing the problem comes from Waite, *How Far Can Court Procedures Be Socialized Without Impairing Individual Rights?*, 12 J. Crim. L,. C. & P.S. 340 (1924). See also Allen, *Borderland of the Criminal Law: Problems of "Socializing" Criminal Justice*, 32 Soc. Rev. 107, 1166 (1958).

[167] Cheney, A Suggested Statute and Policy for Child Welfare Protective Services in Connecticut (1964) (copy on file in the Columbia Law Library).

[168] See *id.* at 97–08.

[169] See the remarks of Justice Polier of New York Family Court:

"[O]ne must question whether it is sound to leave the determination, of whether the infant or young child is to be released to the adults who had care of the child, to nonmedical personnel in the Department of Welfare without full investigation by a court. . . .

"The serious nature of the charge of "battering" or physical abuse of a child by a parent or guardian requires a judicial determination, where a court can subpoena witnesses and provide a forum in which all evidence can be submitted. The continuation of supervision by a social agency, without such an adjudication, fails to provide adequate protection for the child or a determination to which the parents or guardian are entitled."

In re Marion Frances, 49 Misc. 2d 372, 378–79 (Family Ct. 1966).

[170] United States Children's Bureau, The Abused Child—Principles and Suggested Language for Legislation on Reporting of the Physically Abused Child (1963) [hereinafter cited as Children's Bureau, Principles for Legislation].

[171] American Humane Association, Children's Division, Guidelines for Legislation to Protect the Battered Child (1963) [hereinafter cited as AHA Guidelines].

[172] Council of State Governments, Program of Suggested State Legislation (1965) [hereinafter cited as Council, Program of Legislation].

[173] See Children's Bureau, Principles for Legislation 10–11; AHA Guidelines, Council, Program of Legislation 67–68.

[174] Ala. Laws of 1965, ch. 563; Alaska Stat. §§ 11.67.010 (Supp. 1965); Ariz. Rev. Stat. Ann. § 13–842.01 (Supp. 1965); Ark. Stat. Ann. §§ 42–801 to 806 (Supp. 1965); Cal. Pen. Code § 11161.5 (Supp. 1965); Colo. Rev. Stat. Ann. §§ 22–13–1 to 7 (1963); Public Acts of Conn. Special Sess. 1965, No. 580; Del. Laws of 1965, ch. 50; Fla. Stat. Ann § 828.041 (1965); Ga. Code Ann. § 74–111 (Supp. 1965; Idaho Code Ann. § 16–1641 (Supp. 1965); Ill. Ann. Stat. ch. 23, § 2044–47 (Smith-Hurd Supp. 1965); Ind. Ann. Stat. §§ 52–1419 to 1425 (Supp. 1965); Iowa Acts of 1965, Senate File 50; Kan. Laws of 1965, ch. 386; Ky. Rev. Stat. Ann. § 199.335 (Supp. 1965); La. Rev. Stat. Ann. § 14.403 (Supp. 1964); Me. Laws of 1965, ch. 68; Md. Code Ann. art. 27, § 11A (Supp. 1965); Mass. Ann. Laws ch. 119, § 39A (1965); Mich. Stat. Ann. §§ 14.564(1)–(5) (Supp. 1964); Minn. Stat. Ann. § 626.554 (Supp. 1965); Mo. Ann. Stat. § 210.105 (Supp. 1965); Mont. Rev. Codes Ann. §§ 10–901 to 905 (Supp. 1965); Neb. Laws of 1965, ch. 206; Nev. Stat. of 1964–65, ch. 258; N.H. Rev. Stat. Ann. §§ 571:25 to 30 (Supp. 1965); N.J. Stat. Ann. §§ 9:6–8.1 to 8.7 (Supp. 1964); N.M. Stat. Ann. §§ 13–9–12 to 16 (Supp. 1965); N.Y. Pen. Law § 483–d; N.C. Gen. Stat. §§ 8–53.01, 14–318.2, 14–318.3 (Supp. 1965); N.D. Cent. Code § 50–25 (Supp. 1965); Ohio Rev. Code Ann. § 2151.421 (Baldwin Supp. 1965); Okla. Stat. Ann. tit. 21, §§ 845–48 (Supp. 1965); Ore. Rev. Stat. §§ 146.710–990 (1965); Pa. Stat. Ann. tit. 18, § 4330 (Supp. 1964); R.I. Gen. Laws. Ann. § 40–13.1 (Supp. 1965); S.C. Code Ann. §§ 20–302.1 to 302.4 (Supp. 1965); S.D. Sess. Laws. of 1964, ch. 90; Tenn. Code Ann. §§ 37–1201 to 1207 (Supp. 1965); Tex. Rev. Civ. Stat. art. 695c–2, §§ 1–3 (Supp. 1965); Utah Code Ann. §§ 55–16–1 to 10 (Supp. 1965); Vt. Stat. Ann. tit. 13, ch. 26 §§ 1351–55 (Supp. 1965); Va. Stat. of 1966, ch. 577; Wash. Laws of 1965, ch. 13; W. Va. Code Ann. § 4904 (80a–d) (Supp. 1965); Wis. Stat. Ann. § 49.981 (Supp. 1966); Wyo. Stat. Ann. §§ 14–28.1 to 28.6 (1965). The Virgin Islands reporting statute was enacted on Jan. 26, 1966. V.I. Laws of 1966, Act 1554, tit. 19, ch. 9, §§ 171–76. The legislature of Maryland has completed work on a major revision of that state's reporting law. The final legislative action was accomplished on March 25, 1966, with passage by the House of Delegates.

See McCoid, *The Battered Child and Other Assaults Upon the Family*, 50 Minn. L. Rev. 1 (1965) for an analysis of legislative issues and for background in reporting proposals. Further comment on the legislative background may be found in Paulsen, Parker & Adelman, *Child Abuse Reporting Laws—Some Legislative History*, 34 Geo. Wash. L. Rev. 482 (1966).

[175] See statutes cited note 174 *supra*.

[176] Wis. Stat. Ann. § 325.21(f) (Supp. 1965).

[177] Alaska, Missouri, New Mexico, North Carolina, Texas, and Washington. See statutes cited note 174 *supra*.

[178] American Medical Association, Physical Abuse of Children—Suggested Legislation (1965) [hereinafter cited as AMA Suggested Legislation].

[179] Committee on the Infant and Pre-School Child of the American Academy of Pediatrics, *Maltreatment of Children*, 37 Pediatrics 377, 381 (1966).

[180] See statutes cited note 174 *supra*.

[181] *E.g.*, New Jersey, Pennsylvania, and South Carolina. See statutes cited note 174 *supra*.

[182] AMA Suggested Legislation.

[183] Alabama, Alaska, Montana, Nevada, New Mexico, North Carolina, Ohio, and West Virginia. See statutes cited note 174 *supra*.

[184] Alabama, Alaska, Arkansas, Georgia, Iowa, Kansas, Minnesota, Montana, Nevada, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, Virginia, West Virginia, Wisconsin, and Wyoming. See statutes cited note 174 *supra*.

[185] Arkansas, California, Illinois, Iowa, Kansas, Minnesota, Nevada, New Mexico, New York, Oklahoma, South Dakota, Virginia, and Washington. See statutes cited note 174 *supra*.

[186] Alabama, Alaska, Georgia, Kansas, Montana, Nevada, New Mexico, North Carolina, Ohio, West Virginia, and Wisconsin. See statutes cited note 174 *supra*.

[187] See, *e.g.*, Tennessee and Utah statutes cited note 174 *supra*.

[188] Children's Bureau, Proposals for Legislation 12.

[189] See *id.* at 6.

[190] AHA Guidelines 9.

[191] See *e.g.*, Ohio, Oklahoma, and Pennsylvania statutes cited note 174 *supra*.

[192] See *e.g.*, New Jersey and Montana statutes cited note 174 *supra*.

[193] See, *e.g.*, Florida and Texas statutes cited note 174 *supra*.

[194] Massachusetts and Minnesota. See statutes cited note 174 *supra*.

[195] Public Acts of Conn., Special Sess., No. 580 (1965).

[196] AHA Guidelines 10.

[197] Illinois Dep't of Children & Family Services, The Abused Child (1965).

[198] Cal. Pen. Code § 11161.5 (Supp, 1965); Ill. Ann. Stat. ch. 23, §§ 2041–47 (Smith-Hurd Supp. 1965); Va. Stat. of 1966, ch. 577. Maryland's newly revised statute would also make provision for a state-wide central registry, see note 174 *supra*.

[199] See Press Release issued by Edward H. Cox, Director of Press & Public Relations, New York City Dep't of Welfare, June 30, 1964 (describing departmental letters of the same date to medical and dental associations and child protective agencies).

[200] *But see In re* Marion Frances, 49 Misc. 2d 372, 380 (Family Ct. 1966):

"The case of Marion is but one example of the inadequate protection now afforded under existing legislation. No report of the serious first injuries discovered by Sydenham Hospital was made to either the police or the court. The worker assigned by the Protective Services Unit was untrained and could not through monthly visits protect this infant from further abuse. No real service was rendered to the parents. The second hospital to which the infant was taken in October had no knowledge of previous history at Sydenham. The reports of both hospitals were not submitted in writing until long after the incidents. In short, neither "protection" for the infant nor services to the parents were provided in timely or meaningful fashion."

[201] Gil, Epidemiologic Study of Child Abuse—Research in Progress (1965).

[202] Deport of the N.Y. State Dep't of Welfare, November 30, 1965.

[From Children, March–April 1966]

LEGAL PROTECTIONS AGAINST CHILD ABUSE

In recent years, reports of shocking instances of child abuse in court records, professional literature, and the daily press have prompted an outraged public to demand that "something be done." Many States have responded with constructive measures to provide greater protection for children. Sometimes, however, the pressure has been for additional punitive laws, with little attention to the broader legal framework required for effective child protection. It seems pertinent, therefore, to review the general legal framework in which the problem of child abuse is being dealt with in this country and some of the legal and social issues involved.

In the United States, raising children is the business of parents, not of government. Hence, the law normally gives the custody of children to parents, counting on parental love to call forth the care and protection a child requires. The law in every State, however, has provided for intervention by society when parental care is dangerously faulty or insufficient.

Four sets of legal provisions are directly related to child abuse:

1. Provisions of the criminal law, which can be invoked to punish persons who have inflicted harm upon children.
2. Juvenile court acts, which universally provide that when there is evidence of abuse parents or other caretakers may be found to have "neglected" a child; and that in such instances the court may institute protective supervision of the child or order his removal from the home.
3. Legislation, in many States, authorizing or establishing "protective services" for abused and neglected children as a part of a comprehensive program of public child welfare services.
4. Child abuse reporting laws, now existing in almost every State, which encourage the reporting of suspected child abuse so that the other provisions for the protection of children can be called into play.

THE CRIMINAL LAW

The child abuse problem does not require new criminal legislation though legislatures are often led to forget that fact by sensational cases. Murder, mayhem, assault, and battery, even when committed by parents, are punishable crimes in every State criminal code. Furthermore, existing criminal laws expressly forbid "cruelty to children" in those very words or in a similar phrase. However, State legislatures often forget these facts when the public, stirred up by newspaper reports of sensational cases demands now, but unnecessary, punitive laws.

In any event, criminal sanctions are a poor means of preventing child abuse. Day-to-day family life, charged with the most intimate emotions, is not likely to be an area of life easily ruled by the threat of fines or imprisonment. A criminal proceeding may punish an offender who deserves punishment but it may also divide rather that unite a family. The criminal law can destroy a child's family relationships; it cannot preserve or rebuild them. The most severe cases of child abuse may call for prosecution, but the prosecutors are not able to arrange for the care a child needs.

A criminal prosecution is a clumsy affair. The proceedings take a great deal of time—for the prosecutor to prepare his case, for postponements to serve the convenience of the defense, the judge, or the witnesses. Guilt must be established beyond a reasonable doubt. Convictions are not easy to obtain because guilt is hard to prove, particularly in child abuse cases since the abuse usually takes place in the absence of witnesses who will testify.

The beginning of a prosecution is likely to be the end of a chance to improve a child's home situation. Parents are nearly always resentful of the proceeding. The hostility engendered makes casework with the child's family all but impossible if the offending parent is still in the home.

All in all, criminal sanctions can do little to help a child. The major problems concern his care and custody.

THE JUVENILE COURT

In every State, statutory provisions give juvenile courts power over "neglected" children. And in every State, irrespective of the particular legislative language of the juvenile court act, a parent's physical mistreatment of a child is legally a form of "neglect." The neglect provisions, however, vary. Some of the States focus on the behavior of the caretaker: a neglected child is one whose parents "subjected him to cruelty or depravity." Other States stress the child's surroundings: "A neglected child is one who is not provided with a home or suitable place of abode, or whose home is unfit for him by reason of neglect, cruelty or depravity of either of his parents. . . ." Some States simply draw attention to the child himself: A neglected child is one "who is subject to cruel and inhuman treatment and shows the effect of being physically mistreated."

The differences in statutory language are important. The words tell us precisely what evidence is necessary to make out a case of neglect. In States which define neglect in terms of the misconduct of parents, a neglect case can be proved only by adducing evidence of parental involvement. In these States neglect adjudications are not possible in some cases because the injuries cannot be tied to the conduct of the parents, even though juvenile courts in most States only require proof by a preponderance of the evidence, not proof beyond a reasonable doubt. Even in the States requiring only a preponderance of evidence, this must be forthcoming. Situations about which objective items of proof cannot be produced, cannot be remedied in court.

In many cases, however, the judges are overly timid in how they view the evidence. Adjudications of neglect can properly rest on circumstantial evidence. Inferences of parental fault can properly be drawn, for example, from (1) the young age of the victim, (2) the number and nature of the injuries, (3) the place where they were incurred, (4) unconvincing parental explanations, and (5) the fact that the parents were the injured child's custodians and hence in proximity to him most of the time. Not every legal remedy need rest on the testimony of an eyewitness.

A recent opinion of Judge Harold A. Felix of the Family Court of the State of New York is especially significant because he permitted circumstantial evidence to put a burden of "satisfactory explanation" on the child's parents. Denying a motion to dismiss a neglect petition, Judge Felix wrote that the:

". . . proceeding . . . was initiated undoubtedly by a consensus of view, medical, and social agency, that the child Freddie, only a month old, presented a case of a battered child syndrome. Proof of abuse by a parent or parents is difficult because such actions ordinarily occur in the privacy of the home without outside witnesses. Objective study of the problem of the battered child which has become an increasingly critical one has pointed up a number of propositions, among them, that usually it is only one child in the family who is the victim; that parents tend to protect each other and resist outside inquiry and interference; and that the adult who has injured a child tends to repeat such action and suffers no remorse for his conduct.

"Therefore in this type of proceedings affecting a battered child syndrome, I am borrowing from the evidentiary law of negligency the principle of "res ipsa loquitur" and accepting the proposition that the condition of the child speaks for itself, thus permitting an inference of neglect to be drawn from proof of the child's age and condition, and that the latter is such as in the ordinary course of things does not happen if the parent who has the responsibility and control of an infant is protective and nonabusive. And without satisfactory explanation I would be constrained to make a finding of fact of neglect on the part of a parent or parents and thus afford the court the opportunity to inquiry [sic] into any mental, physical, or emotional inadequacies of the parents and/or to enlist any guidance or counseling the parents might need. This is the Court's responsibility to the child."[1]

Statutes which define neglect in terms of a child's environment do not present the same difficulty of proof as do those which address themselves to the parents' conduct. The fact that several injuries have occurred under inadequately explained circumstances can suffice to show that a child's "environment is injurious to his welfare."[2]

Juvenile court judges have a wide range of powers designed to give the highest practicable degree of flexibility in making dispositional decisions. A judge may warn parents or counsel them. He may order medical or psychiatric treatment for the child or the parents. He may place the child under protective supervision in his own home. He may remove the child from his parents should that extreme step be necessary. The judge also has ample power to act quickly in emergencies; but, unfortunately, a fast judicial response to emergencies may not, in fact, take place because a juvenile court judge may not be readily available.

Another important point is the leeway provided by this wide range of powers. Proof of neglect really involves answering two questions: (1) What really happened? (2) Are the "facts" to be characterized as "neglect"? What a judge is likely to characterize as "neglect" will, I believe, depend upon the action which he feels called upon to take.

The point to be grasped in Judge Felix's opinion is that he was not contemplating removal of the infant when he entered his judgment. Juvenile court judges surely are affected by a sense that the action taken by the court order must be related to the seriousness of parental unfitness as demonstrated by the evidence.[3] A severe spanking by a mother, harassed by the problems of everyday living, might sustain a neglect adjudication if the court were to make the adjudication to expedite further inquiry or to supply social services through the probation staff. It would hardly sustain the judgment if the court were to take the child away from home for any but the briefest period.

PROTECTIVE SUPERVISION

The full use of juvenile court powers can keep a child in his home and still offer protection by providing official intervention into family life. The Children's Bureau has warned that protective supervision "should not be allowed to degenerate into mere watchfulness" but should be "a purposeful activity directed toward the improvement of the child's situation through the use of established casework techniques and the utilization of other community resources."[4]

However, we should not forget that many families will resent such official intervention. Court ordered protective supervision contains an important element of authority. Therefore, orders of protective supervision, should be periodically reviewed by the juvenile court with a view to termination if the intervention is no longer necessary. Indeed, the New York Family Court Act limits the duration of an order of supervision in a neglect case to a period of 1 year unless "the court finds at the conclusion of that period that exceptional circumstances require an extension thereof for an additional year."[5]

The problem of the juvenile court judges in abuse cases, of course, is to balance the interests of the parents against the likelihood of new harm to the child. No task is more difficult than predicting the recurrence of behavior which can endanger a child. The "balancing of interests" is made more difficult for a judge who is considering whether to take a child from his parents when under the evidence the degree of parental involvement in the child's injury is not perfectly clear.

Nevertheless, leaving in his home a child who bears marks of unusual injuries which seem to have been intentionally inflicted is taking a chance with a child's life. Not all doubts should be resolved in favor of parents. Those who seek a court order to remove a child from a dangerous situation should not have to disprove every plausible explanation for the child's wounds. Temporary removal is not the same as a permanent change of custody. Parents who accept and profit by protective intervention can and do regain custody of their children when new evidence suggests that they are able to care for them properly. Parents have a right to their children, but their children have a right to live.

PROTECTIVE SERVICES

In many States, the law has provided for "protective services" as a part of public programs of comprehensive child welfare services. In addition, some States have granted charters to voluntary agencies to carry out protective services.

Protective services aim at effecting constructive change within the family in which there has been child neglect or abuse so that the child's environment may be improved. A key point is that the offer of services is made as a result of a complaint or referral from someone in the community and not usually at the request of one or both of the child's parents. Some of the parents most in need of assistance would never seek such help voluntarily.

Child protective services are offered without a court order although they may, in some instances, be identical with the services provided in protective supervision ordered by the court.

The Children's Bureau has proposed that a State or local welfare department be required to:

"Investigate complaints of neglect, abuse, or abandonment of children and youth by parents, guardians, custodians, or persons serving in loco parentis; and on the basis of the findings of such investigation, offer social services to such parents, guardians, custodians, or persons serving in loco parentis in relation to the problem, or bring the situation to the attention of a law enforcement agency, an appropriate court, or another community agency."[6]

Thus, under proper child protective legislation, a welfare department would be *required* to "investigate" and to "offer social services" to families in cases of alleged child abuse. But the duty does not stop there. The offer of service may be refused. If so, the welfare department can "bring the situation to the attention" of others, including a juvenile court.

In some States, the laws require that protective services be established; in others, the services are merely authorized, leaving the final decision to local units of government. In any case, if the public welfare agency is to provide protective services to investigate complaints and serve abused and neglected children, the legislature must not only mandate or authorize these services but must also provide appropriations to make them a reality.

The "reaching out" with protective services, whether by a public welfare department or a voluntary agency, presents a problem which the good motives of the agency ought not to obscure. If help is offered when it is not wanted, the offer may contain an element of coercion. There is a danger of overreaching when the agency deals with the most vulnerable members of the community who may easily be cowed by apparent authority. The extent to which the offering of protective services should be reviewed by some judicial or administrative agency is beyond the scope of this paper. Here it is appropriate merely to note the problem. The privacy of a family ought not to be upset lightly.

REPORTING LAWS

Whatever protection the criminal law, the juvenile court, or child protective services can offer to children, it can be offered only in respect to known instances of abuse or neglect. Therefore, statutes which encourage the reporting of suspected cases are an integral part of the law's attempt to protect children.

Bringing suspected cases to the attention of community authorities has been inhibited by many factors. Children, generally, cannot or do not speak out. Neighbors and friends hesitate to make accusations. An abusive father or mother, facile with explanations, often escapes discovery because of the common assumption, "certainly these respectable people couldn't do such a terrible thing to their children."

Over the years, many physicians have failed to alert the community's resources for child protection to suspected cases of abuse. For a number of special reasons they have kept their suspicions to themselves, treated the child for his injuries, and sent him home despite the possibility of repeated abuse. Some physicians have not reported such cases because of fear of civil or criminal liability. Others have been reluctant to play the role of "officious intermeddler," particularly when they might have to face angry parents. Some have regarded reporting as a breach of the special confidential relationship between physician and patient. Some have not reported because they did not know to whom to report and had no reason to believe that it would benefit the child.

In 1963, the Children's Bureau and The American Humane Association published model legislative language[7] and guidelines,[8] respectively, to assist States in drafting laws which would encourage physicians to report cases of suspected child abuse. In 1965, the Council of State Governments also published a statutory model for child abuse legislation.[9]

The theory behind these legislative suggestions is simple: Physicians possess the expert skill and judgment for recognizing a case of possible child abuse, a first necessity for bringing an abused child to the attention of the community's legal and social welfare resources. They regularly see cases of injured children and, in some instances, come to suspect that the injuries have not been incurred in the manner described by the caretakers. Therefore, physicians should report their suspicions so that the cases can be investigated and appropriate measures taken for the children's protection. The model laws would require physicians to report cases in which abuse is suspected, and free them from civil and criminal liability for doing so, and from any legal prohibition against testifying about the case in court.

Few legislative proposals in the history of the United States have been so widely adopted in so little time. During the past 3 years, 47 States passed statutes aimed at increasing the reporting of child abuse cases. At the beginning of 1968, only Hawaii, Mississippi, Virginia, and the District of Columbia were without such laws. This remarkable record has been achieved largely as a result of the publication of the proposals of the Children's Bureau and The American Humane Association, and of the wide publicity given the problem of child abuse in the medical and social work literature as well as in the mass media, including a drama in the "Ben Casey" TV series.

The proposals for reporting laws present a number of legislative issues, and as the 47 legislatures have tried to resolve them they have produced statutes with a great many differences.

All the State laws protect physicians against liability for reporting, although in Wisconsin legal immunity is provided only

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Footnotes at end of article.

from criminal liability. In the six States where the statutes do not impose a duty to report, the extension of legal immunity is the only effect of the law aside from whatever encouragement to reporting may come from the passage of the legislation and the inclusion of the reporting scheme in the statute books. The statutes in these six States and a 1965 proposed statute drafted by the Office of the General Counsel of the American Medical Association[10] reflect a view held by some physicians that, for professional reasons, doctors should be allowed to retain some discretion in reporting. Other physicians, the American Academy of Pediatrics, and 41 State statutes support mandatory reporting.

A mandatory requirement for reporting can be of great assistance to a physician in explaining his decision to protesting parents. But there is another point in favor of a mandatory law. Whether cases of suspected abuse should be brought to the attention of the authorities responsible for child protection is not a medical question, but a question of social policy, properly answered by a legislature.

All 47 reporting statutes designate physicians of all kinds, and most of them also designate hospitals, as reporting agents. Some statutes and the American Medical Association's proposal reflect a judgment that the laws should also encourage reporting of suspected child abuse by members of other professions who see children regularly, such as nurses, dentists, teachers, and social workers. A few States provide that everyone who suspects a case of child abuse is covered by the statute.

The argument for focusing on reporting by physicians is very strong. Doctors face special confidentiality problems arising from the physician-patient relationship and are concerned about the threat of legal action. Actually, the chief aim of the legislation is to uncover cases which only medical skill can detect in the course of a medical examination and a review of the medical history. The obvious cases of maltreatment are likely to be identified by persons in the community who, at least in cases of serious injuries, bring them to the attention of some authority or agency which can take action. If the statute's reporting group is large, the impact of the reporting requirements may be diffused. Everybody's duty easily becomes nobody's duty.

RECIPIENTS OF REPORTS

The Children's Bureau proposal of 1963 recommended that reports of suspected child abuse be made "to an appropriate police authority." The police authority was designated originally because it "constitutes the only chain of services which is sure to exist in every community." Moreover, police are available 24 hours a day.

On the other hand, The American Humane Association has recommended that suspected cases be reported to the public or voluntary child welfare service which carries the child protective function in the community.

Because, since 1963, public child protective services are becoming more widely available as part of comprehensive child welfare programs in the States, the Children's Bureau now recommends that in communities where a public welfare agency offers child protective service it be the agency designated to receive reports.

The 47 State statutes vary greatly with regard to the agency designated to receive reports. Some designate the police, another law enforcement agency, or the juvenile court. Some designate public or voluntary child welfare agencies, or both. In many States, more than one type of agency is designated.

The designation of the police or other law enforcement authority as the recipient of reports creates all sorts of problems. The investigative skills of the police, the sheriff, or the prosecutor are useful in answering the question, "Who did it?", but they are not likely to be of much use in answering: "Why was it done?", "What can be done to preserve the family?", or "How can this child be protected?" Law enforcement officers habitually look for a basis for prosecution, but are often blind to danger signs present in a home situation which would be apparent to a properly trained social worker. Investigation by a law enforcement agency is likely to engender defensive hostility in the parents and make successful intervention by a child welfare worker impossible. The child protective service of a child welfare agency possesses the greatest fund of desirable resources to focus on what happens to the children involved.

There is a growing trend, as evidenced by the statutes adopted or revised in 1965, toward the designation of the public welfare department either as one of the agencies to receive reports or as the agency to carry the chief responsibility for making the initial investigation following a report.

If reports are to be made exclusively to public welfare departments, however, some provision should be made to provide for round-the-clock emergency service. Illinois has initiated a unique system of statewide emergency service which can be reached by calling a well-publicized telephone number.

Statutes which provide a choice of agencies to receive reports in the same community bring uncertainty to administration and confusion to those who are obligated to report. Worst of all, none of the designated agencies may have a clear responsibility for action. Of course, a State may find it necessary to designate different agencies as exclusive recipients of reports for different parts of the State. Resources available in one community may be absent in another.

In two States, California and Illinois, under the provisions of State law, and in a few cities, for example, New York, under local administrative regulations, reports of instances of suspected child abuse are recorded in a central registry. Parents who abuse their children sometimes go from doctor to doctor and hospital to hospital in an attempt to escape attention. A central registry helps to identify these "repeater" cases, and can help determine the significance of the present injury. Knowledge of a previous report of suspected abuse can help confirm suspicions that an injury is the product of abuse.

A central registry also serves an important statistical function, which can lay the basis for learning more about the nature and causes of child abuse. Some State and local welfare departments collect information for statistical and research purposes only, without making specific case information available to physicians and social workers.

Some questions about the effectiveness of reporting statutes probably never can be answered. For example, we cannot prove that reporting laws actually cause more cases to be identified than before. Records of casefinding were not previously kept. And, we do not know how many abused children, if any, are deprived of medical attention because their caretakers are afraid of being reported. Such cases are not recorded.

Nonetheless, the facts at hand provide a compelling argument that reporting laws are having an important impact. First, reports are being made under the statutes and in increasing numbers. Dr. David G. Gil of Brandeis University, director of a naitonwide epidemiologic study of child abuse,[11] estimates that approximately 5,000 cases will be reported under these statutes alone in 1966. In the first year under the New York State reporting statute, reports involving 424 children were received. In the second half of the year, the rate of reporting increased.[12]

The reporting legislation has spurred the establishment of new public services aimed at child protection. In some States new legislation has been passed requiring or authorizing child protective services, and in others additional services have been provided under existing laws. In some States, after a reporting statute has been passed, legislators have made additional money available for child protective services.

Legislation alone does not bring reporting. In some places where the child abuse reporting laws have been most successful a burst of cooperative activity has taken place. Newspapers, medical societies, and welfare departments have alerted the citizenry and the medical professions about the reporting statute. Hospitals have established regular channels for reporting cases, and communities have created the machinery to help physicians comply with the law.

Reporting is, of course, not enough. After a report is made, something has to happen. A multidisciplinary network of protection needs to be developed in each community to implement the good intentions of the law. If child protective services are not available, reporters will no longer report. The promise of casefinding legislation, such as reporting laws, is that when a case is found, something is done about it. The legislatures which require reporting but do not provide the means for further protective action delude themselves and neglect children.

FOOTNOTES

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[6] U.S. Department of Health, Education, and Welfare, Social Security Administration, Children's Bureau: Proposals for drafting principles and suggested language for legislation on public child welfare and youth services. 157. (Multilithed.)

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[From Children, May–June 1966]

A Registry on Child Abuse

(By William H. Ireland)

On July 1, 1965, the Illinois Department of Children and Family Services established a central registry of abused child causes, under the mandate of the State's new law requiring physicians and other practitioners of the healing arts to report all cases of suspected child abuse. This has made it possible to get a clearer picture of the nature and extent of child abuse in the State. For example, in the first 9 months of its operation, the registry received more than twice the number of reports of child abuse as had been anticipated. The bulk of the reports came from the Chicago area, but cases were also reported in all eight geographic regions in which the department has regional offices. "Beating" was by far the most frequently reported type of abuse.

Thus, a central registry of cases of suspected child abuse is comparable to the communicable disease registry commonly used in the public health field. Incidence of communicable disease, subclassified by type, locality, time of occurrence, and population affected, is indispensable to health authorities in developing and coordinating measures to control disease. The gathering of similar data on the incidence of various types of social malfunctioning could be useful in designing effective methods of control. A central registry on child abuse is a step in this direction.

Ideally, a central registry should make possible (1) definition of the problem; (2) the development of a logical program for its control; (3) the planning of recording methods and procedures for the administration and analysis of the program; and (4) the evaluation of the program. Obviously, these functions cannot be accomplished simply nor simultaneously.

How a central registry will operate depends on a variety of factors, but basically it must be related to the law governing reporting of suspected abuse. The points in the law which are relevant to the operation of a registry are: (1) What shall be reported? (2) Who shall report? (3) To whom shall they report? (4) When shall they report? (5) What shall be done upon receipt of report?

In Illinois, the Child Abuse Act, passed by the 1965 legislature, requires hospitals and physicians, surgeons, dentists, osteopaths, chiropractors, podiatrists, and Christian Science practitioners to report on children whom they have cause to believe have suffered injury, disability, physical abuse, or neglect inflicted by other than accidental means. The reports are to be made immediately by phone or in person to the nearest office of the Department of Children and Family Services and, also, in writing within 24 hours after examination of the child. Reports may also be made to the local law enforcement agency, but, if this is done, the Department of Children and Family Services is to be so informed. In addition to maintaining a central registry, the department is required to investigate the cases reported, to offer protective social services to prevent further abuse or neglect to the child, to safeguard his welfare, and to preserve and stabilize family life whenever possible.

The Illinois Department of Children and Family Services provides statewide protective services through 8 regional offices and 25 district offices of its Division of Child Welfare. The responsibility for the operation of the central registry on abuse resides in the Department's Division of Planning, Research, and Statistics. Through the coordinated planning of these two divisions, the reporting procedures, service program, and central registry were in operation on July 1, 1965, the first day the act went into effect.

THE REPORTING SYSTEM

The central registry records only those cases reported by a hospital or members of the professions designated as responsible for reporting under the law. In addition to the information required to be reported, its records contain certain items that assist in observing compliance with the law, and some characteristics of the child, the family, and the abuse situation.

The registry is tied in with the child welfare division's regular service accounting system so that additional information about cases receiving service or care beyond the initial investigation may be obtained. The registry's procedures are designed to speed the forwarding to it of all pertinent information about each case at the time the information is obtained.

When a child welfare worker in a regional or district office receives an oral report of suspected child abuse from a medical practitioner or hospital, he records the information on a duplicate form, a copy of which is retained in his office and another copy sent immediately to the central registry. The information in this first report includes the date and time the oral report was received; the name, address, sex, and age of the child; the names and address of the parents or persons having custody of the child; where the child was first examined; the name, address, and telephone number of the reporter; the date the child was brought to his attention and by whom; the nature of the child's condition, including any evidence of previous injury or disability; the child's present whereabouts and the reporter's immediate plan for him; the type of abuse suspected; the person or persons presumed to have inflicted it; and the worker's judgment as to the seriousness of the immediate situation.

The written report from the practitioner or hospital is made on the practitioner's own letterhead or on a form provided to hospitals by the department. The original copy is retained in the regional or district office to which it is sent and a facsimile immediately forwarded to the central registry.

As soon as a case is reported to a regional or district office, an investigation is made, and, if necessary, service to the family and child initiated. After the initial investigation the worker sends a brief report about the family to the registry. Because this type of investigation is a major service responsibility, the worker is allowed up to 10 days to report on it.

The worker's followup report to the registry includes, besides the necessary identifying data, information on the composition of the family or household, including the marital status and ages of the heads of the household; the names, sex, and ages of the children and their relation to the heads of the household; the names, sex, and ages of others living in the household and their relationship to the child; the names, sex, ages, and whereabouts of any of the children's siblings who are not a part of the household; whether the allegation of abuse was admitted by anyone in the family and if so by whom; the parents' or caretaker's explanation for the child's condition; and whether or not there is a history of any previous instances of child abuse in the family. The reporting form also includes space for additional remarks.

The worker's followup report also indicates whether or not further service is to be provided the family or child by the department or through other agencies. If so, further records and service accounting are made in the same manner as in any child welfare case. In Illinois, information on all child welfare cases, whether public or voluntary, is kept by the department's statistical section in a central index of child welfare services.

In the interest of brevity, the reporting forms for the central registry of child abuse cases have been made especially succinct. For example, the term "abuse" is used to cover abuse, neglect, or injury. The term "suspected abuse" does not appear on the forms although it is understood that there may not have been a determination of actual abuse at the time of the report.

USE OF INFORMATION

Department staff members in the regional or district offices may contact the central registry at any time to learn whether or not a child has ever been reported for abuse. Since the central index on child welfare services and the central registry on child abuse are closely correlated, the same inquiry may elicit information on whether or not the child or family is being or has ever been served by the department or any of the voluntary child welfare agencies licensed by and reporting to it. This optional procedure may be interpreted as a diagnostic aid or simply as a means of reducing duplicate efforts. It is diagnostic in the sense that a child or family that has been reported previously on suspicion of abuse can be identified and the worker directed to the source of more detailed information. Even if no previous report of abuse has been made on the family, a cross check with the index on child welfare services will reveal whether the family has previously been served by a child welfare agency and so may make it possible to get further background information to assist in diagnosis or service.

Persons outside the department, including physicians or law enforcement agencies, do not have direct access to the central registry, since the same principle of confidentiality of information applies to it as applies to all department case records. However, persons who have reported, or are contemplating reporting, a case can receive helpful diagnostic information and assistance through consultation with the child welfare worker in the region or district to which the report was made. This direct consultation improves interprofessional relationships. In addition, it saves the inquirer a long distance telephone call to the State capital since the nearest office of the department will probably be in his own community, or, at the farthest, 35 miles away.

The Division of Child Welfare also investigates complaints of neglect or abuse coming from sources other than those named in the Child Abuse Act, and provides whatever services seem indicated. Such cases, however, are not entered in the central registry unless a medical examination of the child is made and injuries reported.

In short, the design and operation of the central registry on abused children in Illinois takes into account the fact that it is established by and operates in accordance with the law. While some minor adjustments in form design and procedures, shown by experience to be needed, are now being made, the basic operations will remain the same.

THE RESULTS

Though the central registry has been in operation only a few months, its usefulness has already been demonstrated. It has alerted workers to possible duplicating efforts in a few cases, but this clearing feature has been of lesser importance than the epidemiological function, possibly because of the short experience. There has been no evidence of the "shopping phenomenon"—taking an abused child to a different hospital or practitioner each time he is injured. Again, this may be because the registry has not been in operation very long.

There is, however, indication that those who are required to report suspected abuse under the act are doing so. In the first 9 months, 363 children—200 boys and 163 girls—were reported as suspected victims of abuse. Nearly 90 percent of these reports were followed up by written reports.

The majority of reports, 302, came from hospitals. In addition, physicians reported 51 cases from their private practice. Other sources accounted for 10 cases.

The types of abuse suspected were: beatings (221), fractures (48), malnutrition (47), burns (33), and "other" (60). Under "other" were stabbing, neglect, lacerations, poisoning, sexual assault, gas inhalation, and failure to administer medications. Type of abuse was not reported in 12 cases.

The persons suspected of the abuse were: father (109), mother (136), stepfather (21), stepmother (11), sibling (4), and "other" (73). Under "other" were babysitters (21), relatives (14), neighbor (7), foster parents

(4), and miscellaneous and unspecified (27). In 46 reports, no suspected person was noted.

Severity of the child's situation was indicated as "emergency" in 42 cases, severe in 89, moderate in 161, and not reported in 71.

The children reported as abused ranged in age from under 6 months to 16 years, but the great majority, 247, were under 5 years of age; 99 were under 1 year, including 59 under 6 months.

Since the passage of the Child Abuse Act, the department has received numerous inquiries from the community about how well the act is working. These could be—and have been—answered promptly with facts on the number and primary characteristics of cases in the central registry. If need be, the number of children reported to date, sex and age distribution, source of reports, types of abuse, and by whom the abuse is presumed to have been inflicted can be tabulated daily.

Thus, the central registry assists in alerting the public to the nature and extent of the problem of child abuse in the State. It is dependent upon and serves physicians and other health practitioners, as well as the workers in the Department's Division of Child Welfare, who bear the responsibility for protection and service to children and their families. Finally, it provides a base for indicating the incidence of child abuse, further defining the problem, and aiding in developing and analyzing a program to deal with it.

[From Children, September–October 1963]

IDENTIFICATION OF ABUSED CHILDREN

(By Elizabeth Elmer, Director, Fifty Families Project, Children's Hospital of Pittsburgh)

The amount of systematic research on the problem of child abuse and neglect is conspicuously scant. Abundant material is available about individual mistreated children and particular abusive families but data are lacking on comparable groups of children or families selected for study according to carefully defined criteria. This means that few objective guidelines for child protection have been firmly established; for example, little is known about the long-term effects of abuse on the child or about the nature of the factors which determine the outcome of rehabilitative efforts with the families.

Perhaps the chief reason for this state of affairs is the taboo in contemporary society regarding abuse and gross neglect.[1] The acute discomfort aroused by the topic leads to extremes of emotion and unquestionably accounts in part for the disregard of the subject by research workers. But practical difficulties also stand in the way of rigorous study. One imposing obstacle is the need to decide whether an abusive action has in fact occurred.

Few clinical symptoms can be directly correlated with the mistreatment of children. Abusive acts perpetrated by the children's own parents or substitute parents usually take place within the home where the sole witnesses are members of the immediate family. Aware of society's standards, the abusers do not readily admit to abusive practices. If the child is too young to speak, there is no complainant; if the child's is old enough to speak for himself, his listeners may come to conclusions based on subjective feelings instead of seeking the facts in the situation. The credibility of the child's story is also affected by the child's immaturity. Thus the principal basis for identifying the problem has had to be the judgment of the professional person. Judgment is an essential factor but it cannot substitute for objective criteria.

To help in the establishment of such criteria the Children's Hospital of Pittsburgh is carrying out a study of 50 former patients whose diagnoses included multiple bone injuries. A distinguishing feature of this condition is variation in stages of healing of several bone lesions, as shown on X-ray film. For example, a fresh fracture may be observed in one bone, signs of a healing fracture in a second bone, and signs of an old healed injury in still another. The variations in healing stages mean that the bone injuries had to be incurred at different times. This diagnosis has been chosen as the indicator of abuse or neglect in our study for two reasons: (1) multiple bone injuries in infants and young children have been documented in the medical literature as related to an environment dangerous for the child; and (2) experience in Children's Hospital has repeatedly illustrated the same connection.

In our study, abuse is defined as physical assault by an adult against a child; neglect is defined as the chronic failure of the adult to protect the child from obvious physical danger. For the sake of simplicity in this paper, the term abuse will be used to cover either situation.

RECOGNITION OF THE PROBLEM

The development of pediatric X-ray diagnosis extend the possibility of medical identification of abused children. However, the tardy recognition of the problem in medical circles reflects society's discomfort in facing it. In 1946 Caffey reported his observation that subdural hemotoma in infants was frequently accompanied by injuries to the long bones.[2] Implicit in this report was the possibility of inflicted trauma as the cause of the patients' injuries. However, the implications of the observation were not picked up by another writer until 1953 when Silverman described multiple bone injuries as "the most common bone 'disease' of infancy."[3] In various quarters efforts were made to pin the entity to organic disease, but these hypotheses gradually proved erroneous. Many reports published during the past 5 years have added to the weight of evidence that infants and young children may be brutalized or killed through the negligence or assault of their caretakers.[4-7]

Experience shows that new fractures are not incurred when the patient is separated from his usual surroundings; that is, when he is hospitalized. In Los Angeles, it has been possible to trace the course of certain patients who returned home after being discharged from the hospital.[8] This has made painfully clear the vulnerability of these children to further traumatization when the environment is not constructively altered. Knowledgeable professional persons now believe that a child with multiple bone injuries has a 50-percent chance of being re-injured should he return to his usual habitat following hospitalization.

X-RAYS AS A STARTING POINT

Multiple bone injuries have been well substantiated as an indicator of abusive treatment, but certain problems exist in the utilization of the indicator. Identification of the bone condition depends on X-ray film. Although this is an objective tool, it is an imperfect tool when used to define social problems. For example, bone changes, unless gross, do not appear on the film immediately after injury. Reparative changes first appear only 12 to 14 days after injury. Thus, dependence on X-ray evidence as the chief criterion of abuse may result in noninclusion of some children whose environments are dangerous. In this respect, the use of the clinical entity as indicator of abuse has the effect of limiting the size of any study group.

Another shortcoming of X-ray film in identifying abuse arises from the fact that film depicts only the condition of the bones; it cannot testify to other factors crucial to the study of child abuse. For example, the film does not contribute knowlege about the train of events leading to the child's injuries. Such information would throw light on the kind of daily care afforded the child, a factor intimately connected with the frequency and type of injuries to which the child is vulnerable.

Furthermore, important as it is as a clue to possible abuse, X-ray examination cannot identify the person who was responsible for the child at the times his injuries occurred. This may have been a sibling not much older than the patient. While the injury of a child by his sibling does not absolve the adult caretaker from his accountability, failure to prevent an injury caused by an immature sibling implies a different problem in child protection from that presented by adult assault against a child.

Finally, the film cannot define the motivation of the person responsible for the injuries. The intention which leads to an injury may have been laudable; for example, a parent may have grabbed at an infant who was about to roll off the bed. The parent's abrupt action may have resulted in a twisting injury typically found in abused children, but the obvious motivation of the parent was to protect the child. Although one occurrence of this kind is understandable, a series of injuries from such actions is unlikely to occur. Hospital experience shows that protective zeal is rarely a cause of multiple bone injuries.

All these limitations suggest that the radiologic report of multiple bone injuries is a firm starting point for exploration of social factors. Only when other data are added can the identification of abuse be validated. In undertaking research into the social factors associated with abuse, the merits of regarding multiple bone injuries as the first clue to possible mistreatment are:

1. The X-ray film provides a permanent record of the child's injuries. Such a record is less likely to be available when the diagnosis of the child's condition does not require X-ray examination. The diagnosis of simple malnutrition, for example, is not based on X-ray survey. After the signs of malnourishment disappear in response to adequate intake, there is no objective record of the child's present condition, unless photographs were obtained.

2. The varied healing stages of bone lesions is irrefutable evidence that repeated injuries were incurred at different times.

While one injury may reasonably be attributed to a natural accident, it is less plausible to attribute a series of injuries to a series of accidents, especially in a very young child. Since the majority of children found to have evidence of multiple fractures are still infants, their injuries could not have resulted from unsure attempts to walk nor from climbing onto hazardous spots. An environmental factor has to be hypothesized.

3. The clinical nature of the bone findings releases professional persons from undue dependence on hearsay about the care of the child. Since children are frequently used as pawns in adults' quarrels, persons who work with children must contend with all manner of charges and innuendo against parents, often made by disgruntled relatives or neighbors who are retaliating for some grievance.

Few ways have been found to determine the real meaning of many conditions seen in children which may or may not be symptoms of abuse. However, multiple bone injuries, especially in a very young child, are now clinically recognized as a flagrant sign of danger in the child's environment. Without a glimpse of the family or a word of history, the clinician who is confronted with them knows that family factors are of primary importance for the understanding of the child and his injuries.

THE STUDY

The present study grew out of several concerns about patients with such injuries: (1)

Footnotes at end of article.

The patient's physical symptoms often eclipse the acute social problems underlying his injuries, leading the hospital staff to concentrate on the physical injuries at the expense of attention to his environment. (2) Hospital administrative policies in respect to these children and their families do not insure optimum management of the problem. (3) When abuse is suspected, few criteria exist for evaluating the family's adequacy for child care. (4) Community resources for abused children and their parents are frequently inadequate.

Our followup study of bone-injured children is designed to learn the present status of the former patients in respect to physical health, intellectual achievement, and social adjustment. Its second aim is to ascertain the kinds of families in which gross neglect or abuse occurs. It is planned as a preliminary to a second study to be concerned with newly admitted patients and their families. In this second study, the operational definitions of abuse will be expanded and comparison groups will be employed. At the present time, the knowledge necessary for choosing appropriate comparison groups is not available.

The identification of the current study group was made by two of the codirectors of the project, a radiologist and a pediatrician, who reviewed the available X-ray films of all patients ever admitted to Children's Hospital. Other children were added to the study group as they were admitted and diagnosed. The criteria for selection were:

1. Multiple bone injuries as shown on X-ray film.
2. Absence of bone disease which might account for the injuries.
3. A history of neglect or assault, or the absence of a history which satisfactorily accounts for the injuries.

Fifty such patients were found.

Among the categories of patients rejected for the study were those whose injuries could be attributed to difficult births. There are no radiologic differences between bone injuries incurred during delivery and those resulting from trauma during infancy and later childhood. This is a clinical judgment based on the age of the patient, his birth history, and his course after discharge from the hospital.[9]

Also excluded were patients who were hospitalized more than once, each time for a different single fracture. For example, one infant had two admissions, the first at the age of 5 months because of a fractured leg, the other at 14 months because of an injured humerus. Staff opinion held that the indifference of his 17-year-old mother could have led to his injuries. However, this patient was excluded from the study group.

Patients with multiple fractures incurred in a single accident were also excluded, even though the accident might have stemmed from failure to provide adequate care for the child.

Strict adherence to the criteria insures that the study group is homogeneous in an attribute of consequence: All the children had had repeated injuries, signs of which were discovered during a single hospitalization.

Half the patients were male; half female. Data showing the ordinal position of the patients in their families are so meager that no groupings are possible.

The age of the patients is by far the most striking item of information: the largest group, 17, was under 3 months of age when multiple bone injuries were found; the next largest group, 9, was from 3 to 6 months old. Groups decrease in size as age increases. This is in contrast to the curve for incidence of childhood accidents which shows that the incidence rate for accidents in children is minimal below the age of 9 months.[10] It then begins a sharp climb, reaching a peak between 2 and 3 years, when it begins to level off. This contrast would also seem to support the entity of multiple fractures as an indicator of abuse.

Detailed medical information about the condition of these children on admission has been reported elsewhere.[9] What has happened to them since is indicated by some of the followup data.

FOLLOWUP FINDINGS

The incidence of death among these children is high. Three infants died in the hospital. Each had multiple fractures of the skull in addition to other skeletal injuries. Four other children died following discharge from the hospital. Two of these four children were slain by their mothers. The third was brought dead to the hospital, and the cause of death was officially stated by the coroner's office as malnutrition. The fourth child, age 5 months, was returned from the hospital to her parents after the court denied a petition to place the child in a temporary foster home. Two weeks following hospitalization, the child died of causes unknown. Thus 14 percent of the 50 children are known to be deceased. Other deaths may have occurred without the fact becoming known to the hospital.

At least three other children sustained additional injury after discharge from the hospital. One had been sent home pending the completion of arrangements for temporary foster care. Within a month she was re-admitted to the hospital because of new injuries, including a fractured jaw. The second child later suffered enucleation of an eye which was injured in the course of a beating by her mother. The circumstances of the injury to the third child are not known.

Of the remaining 40 children, 8 have not returned to any department of the hospital since the discovery of multiple bone injuries, and we have no information about them. Of the 32 who have returned, either to the outpatient or inpatient departments, 19, on examination, showed no serious physical or intellectual problem. The information about the other 13 is far from reassuring. Two were hospitalized again for prolonged treatment of chronic subdural hematomas associated with the bone injuries. Seven others had serious physical defects on their return to the hospital; four others were seriously retarded mentally.

50 children with multiple bone injuries

History since admission Children's Hospital of Pittsburgh

Current information:	*Number of children*
Deceased in hospital	3
Deceased after hospitalization	4
Injured again after hospitalization	3
Physical defect	7
Petition filed for institutional care	3
Retarded mental development diagnosed in hospital	1
Rehospitalized for further treatment of condition associated with original injuries	2
No information of serious difficulties	27
Have returned to outpatient department	19
Have not returned to outpatient department	8
Total	50

This table of the history of children since the discovery of their multiple bone injuries through X-rays contains documented hospital data only, and is judged to be a minimum report of subsequent difficulties suffered by the children.

Four of the seven children with serious physical defects were permanently crippled as a result of the old bone injuries; the conditions of the other three could not be clearly connected with their traumatic injuries. According to hospital records petitions for admission to State institutions for the mentally retarded were filed for three of the four children known to be mentally retarded. Each of the three was very retarded in development when the multiple bone injuries were discovered at the hospital at their respective ages of 5 months, 8 months, and 12 months. It is impossible to tell whether retardation preceded or followed the traumatic injuries. The other child regarded as mentally retarded had not yet been considered for institutionalization since she was still only 2 years old.

The foregoing account of these children is summarized in the table at the top of this page. Of the 42 patients on whom information is available, over half are deceased, handicapped, institutionalized, or have required rehospitalization.

THE FAMILIES

Hospital data about the families of these 50 patients are sparse. Until recently, social factors were infrequently explored in respect to children with multiple bone injuries. This was especially true of patients admitted to the hospital 8 to 10 years ago, before the significance of the clinical findings was widely recognized. As the conviction grew that another person had caused the injuries of the child, the medical staff began to focus efforts on obtaining a history of the trauma. However, the relationships in the child's family were not yet recognized as a critical area for inquiry. The number of consultations requested by the medical staff from the social work or psychiatric staffs of the hospital is a rough measure of the importance placed by the medical staff on family factors in the child's condition. Our study shows requests for such consultations were infrequent: they occurred for 22 of the 50 children, and most of them were made since 1957.

Several pilot studies have added to the information about some of the children's families who have extensive social agency records, but this subgroup is not considered representative of the group as a whole. One of the tasks of the present study will be to spell out the details of family structure and to learn whether abusive families show any significant configurations.

Our approach to the families is to explain the study as a study of former patients aimed at improving hospital services. Family relationships are being inspected through two structured interviews with the mother, one in the home and one in the hospital at the time of the child's examinations. Data about the children are being obtained from school reports, parents' reports, and appropriate outpatient examinations.

The passage of time since the injuries makes it difficult or impossible to learn much about the circumstances under which they occurred. Whether these families were abusive or neglectful is an unanswered question; but their pathogenic influence on their offspring appears clear in the data available about the children.

Multiple bone injuries will not be found, fortunately in the great majority of abused children. The entity reflects an extreme form of deviant child care. Its mere existence, however, implies a problem of some magnitude. For every child hospitalized with skeletal injuries, there are probably many more whose injuries heal without hospital care. Still others may be subjected to the same kinds of physical mistreatment but may escape injury. This study of bone-injured children and their families is expected to lead to new understanding about children whose abuse takes milder forms, and about families whose child-care practices are deviant, but not to such an extreme.

(For a report of suggested State legislation to protect children from abuse see page 202.)

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OBSERVATIONS ON CHILDREN WHO HAVE BEEN PHYSICALLY ABUSED AND THEIR PARENTS

(By Richard Galdston, M.D.)

This report summarizes observations gathered over the past five years on young children who had been admitted to the Children's Hospital Medical Center, Boston, because of physical illness due to parental abuse. Psychiatric consultation, which was part of the management of these cases, afforded the opportunity to observe the responses of the children and to study the psychodynamics of their abusing parents. Interest in this syndrome stemmed from an earlier study of young children who displayed a failure to thrive in the absence of any demonstrable organic disease. Certain of these cases were subsequently admitted because of physical abuse.

This syndrome is but one of the several disorders of the function of parenthood. *Physical abuse* should be distinguished from *parental neglect.* Many abused children are well-fed and cared for. It is striking to see a young child, covered with welts and bruises, all decked out in a fresh pinafore. Similarly, these cases should be distinguished from those of *deliberate punishment* which occur in older children whose verbal and motor development afford a potential for the provocation of parental ire.

The abused children ranged in age from 3 months to 3-and-one-half years, with the largest group between 6 and 18 months of age. None of them had sufficient verbal or motor skills to be considered capable of realistically provocative behavior, to know the nature of their thoughts and acts.

An average of 12 patients per year has been so diagnosed. Doubtless this is a minimum figure. Physicians are reluctant to consider the diagnosis of parental abuse because it is personally abhorrent, it threatens to burden them with the role of accuser, there is a fear of retaliatory litigation and there is a sense of great futility about the ultimate management of such cases.

Once considered, the diagnosis is relatively readily established. There are few other diseases that produce the clinical picture of fresh and old bruises with new and healed fractures. Bleeding disorders and disorders of bone metabolism can be easily ruled out. Furthermore, such disease processes are seldom associated with the marked decrease in appetitive behavior which the abused child usually displays.

In describing the clinical material a composite picture may be illustrative. A young child is brought to the emergency ward by both parents who provide a brief history of easy bruisability or trauma inflicted by a sibling. Depending upon the site of the signs the child is admitted to a medical, surgical or orthopedic ward with the admitting diagnosis of "Malabsorption Syndrome—Failure to Thrive," "Bleeding Disorder" or "Fracture due to Accident." The parents leave quickly and seldom visit the child.

Often the possibility of parental abuse is raised by the radiologist who reports old, healed fractures of the ribs, skull or head of the humerus as an incidental finding.

In its extreme forms the behavior these children display initially is fairly characteristic, a fact which can be helpful in establishing the diagnosis. Some children manifest extreme fright upon any and all contact, whimpering and attempting to hide under the sheets. Others show a profound apathy to the point of apparent stupor, although they do withdraw from tactile stimuli. These children resemble cases of "shellshock" in adults. They display a profound blunting of all the external manifestations of inner life. They sit or lie motionless, devoid of facial expression and unresponsive to all attempts at evoking recognition of the external world. They differ markedly from the autistic or schizophrenic child, whose behavior is bizarre. It appears not so much that their inner psychic life is distorted or idiosyncratic, but rather that it has been completely suspended.

The treatment of these patients includes the initial management of their more pressing medical and surgical needs, while deferring all elective procedures. Infection and dehydration should be treated promptly and vigorously. The correction of malnutrition is dependent upon the nursing care they receive, for the blunting of appetite renders nutrition a major problem. No other patients demonstrate as dramatically as do these children the extent to which the expression of appetite can be influenced by the quality of relations with another human.

As in many hospitals, the relative shortage of nursing personnel has made the maintenance of a one-to-one relationship difficult. However, experience has suggested that with these children it is less important that the nursing care be constant than that it be provided by women who are comfortable in offering the type of contact which these children are able to utilize.

Initially the children are left unbothered on the ward. As they begin to indicate some awareness of the environment by means of facial expression and voice, some bodily contact is proffered. When the child responds, the nurse or aide offers more and for several days the child may be carried about the ward by one or another nurse who furnishes the maximum amount of bodily contact. The child will lie inertly in the nurse's arms as she goes about her business, occasionally humming or speaking to the child.

Gradually the child moves from total passivity to increasingly active behavior. It is at this stage that a change in personnel occasionally is indicated. Often the children are unappealing and their early activity may be offensive. The nurse who is comfortable with an inert child is not necessarily comfortable with a child who tries to poke fingers up her nose or bites. The goal is to find a person who can adjust her own responses to the changing needs of the child as he moves from total passivity towards awkward activity. It is at this stage that the child begins to eat. The expression of appetite for food appears to be inextricably linked with an appetite for contact with the nurse, as though they were the same.

None of these children has been kept in the hospital for more than two months. Two died within two weeks of admission, having failed to make any improvement. One had been noted to have poked his finger into the stoma of his feeding gastrostomy shortly before his death, though no cause for death was determined at postmortem.

In recovery from the acute phase, some of the children continue to display extreme anxiety by clinging indiscriminately to any and all persons. Oothers shown an improvement in their nutritional state coupled with striking growth of their ego skills such that they leave the hospital at a more mature level of development.

Others make a satisfactory physical recovery but continue to display a striking absence of appetitive behavior. They do not play with toys, initiate contacts or speak. It is not that they are unable to do so; with sufficient encouragement they do respond. Rather, it appears that these activities are devoid of pleasure for the child. The ego skill remains but the exercise of the particular function provides insufficient gratification to mobilize its spontaneous expression.

In summary, these observations suggest that the capacities of the various ego skills of early childhood present in accordance with a timetable that is relatively independent of experience. The exercise and development of these capacities are highly contingent upon the quantity and quality of gratification which the child can obtain from his experience, particularly with other humans.

When a child does not receive sufficient gratification from his experience over a prolonged period of time, he fails to exercise and develop the various specific ego skills. This can result in an atrophy of disuse whereby the capacity for the specific ego skill becomes irretrievably lost.

There is no particular ethnic, social or economic distribution to the case material of this study. In general the parents interviewed were young and of limited financial means and education. In only a few instances did gross poverty or ignorance appear, and in a few cases the parents were of upper middle-class background.

A major reversal in the traditional roles of the parents was a significant feature. Many of the fathers were unemployed or worked part-time, often alternating with their wives who also worked. The wife cared for the child part of the time and worked the rest, relegating the care of the child to the husband or a babysitter. In appearance and demeanor many of the women were quite masculine and their husbands correspondingly passive and retiring.

This trend can be understood as an attempt to cope with the psychological distress occasioned in the parent by the child. In a number of instances, the actual assault followed upon a breakdown in the arrangements. In one case the mother was forced to give up work as a result of another pregnancy and her husband's desire to return to school. She was forced into much closer contact with her ten-month-old son whom she subsequently beat because she experienced his cries as "so demanding."

It is in their choice of terms to describe the child that these parents most vividly illustrate their psychopathology. They speak of the child as if he were an adult with all the adult's capacity for deliberate, purposeful and organized behavior. Thus, one mother spoke of her three-year-old daughter, "Look at her give you the eye! That's how she picks up men—she's a regular sexpot." This woman brought in a photo of the girl at age two in which the child had been posed by the mother with her hands rigidly held in front to prevent masturbation.

A sergeant in the military police spoke of his nine-month-old son whose skull he had split, "He thinks he's boss—all the time trying to run things—but I showed him who is in charge around here!"

In these cases, as in most, the parents then proceeded to spontaneously associate their reactions to the child with personages and experiences from their own childhood. The mother told with great feeling of her loss through adoption of her only other daughter, born out of an illegitimate pregnancy when she was 16. Clearly she saw in the child she beat and accused of promiscuity all her own former guilt and loss.

The father told of his own alcoholic father who had beaten and tyrannized him in his childhood and who so dominated his mother that she took him and left the father whom he had never seen again. This man saw his son as the embodiment of his childhood relationship with his father.

In the extremity of their ambivalence, these parents perceive the child they assault as a hostile, persecutory adult. The child, by its presence alone, evokes affects in the parents which they find to be intolerable. Initially they attempt to deal with these emotions by withdrawing from the child and relegating its care to the other parent or someone else. It is usually upon the breakdown of this arrangement with the consequent confrontation of the parent with the child that the actual assault occurs.

Guilt and remorse often ensue, and there may be some intellectual awareness of the inappropriateness of the act. It is of little avail in constraining the parents, for the intensity of their ambivalence is such as to obscure the reality. The parents' normal narcissistic endowment of the child with the anticipated attributes of an adult is heavily contaminated with a residue of hostility from the past, distorting their perception of the child. Whereas most parents see their children *as if* they promised to reveal certain qualities in the future, these parents see the child as actually presenting these attributes of an adult here and now.

Thus the syndrome can be understood as the result of a transference psychosis in which there is a gross but circumscribed distortion in the perception of a particular child at a particular stage in its development. It should be emphasized that most of these parents are otherwise free from the major symptoms of psychotic illness.

Management of these cases requires early and active intervention, with emphasis upon the parents' misperception of the child. It has been found helpful to tell them initially and repeatedly that their perception has been erroneous and discolored by their own past experience, and to urge that they review their memories to ferret out any possible sources of such feelings. Such a recommendation serves to shift the focus of parental attention to their own unsettled past, where it properly belongs.

It is important to recognize the quality of their ambivalence. These are not simply rejecting or neglectful parents. None willingly placed an abused child for adoption, and a number vigorously opposed even the temporary removal of the child from the home. Often the child they beat was the object of great love as well as great hatred.

None of the children observed was schizophrenic or autistic. To whatever extent these conditions are determined by emotional climate, it appears that the developing ego is more likely to thrive in the warmth of wrath and to suffer blight in the child of indifference.

DISCUSSION

Habib Nathan, M.D. (Gainesville, Fla.).—Abuse of children is as old as the history of man. It is said that about 10,000 children a year are being broken in body and spirit by parents and care-takers. It was not until 1961 that the medical profession initiated legal actions to prevent abuse of children. The symposium on "The Battered Child Syndrome" held at the American Academy of Pediatrics meeting brought into focus the increasing professional recognition of this old problem.

Studies carried out by distinguished investigators like H. Kempe and others in Denver, the staff of the Children's Division of the American Humane Society, Elizabeth Elmer at the Children's Hospital in Pittsburgh, Galdston's observations at the Children's Hospital Medical Center in Boston and others have increased our understanding of this phenomenon.

One of the immediate results of these efforts has been the adoption of legal actions against the abuse of children in about 15 states. It is very likely that other states will adopt similar resolutions before this decade comes to an end. But to what extent legal actions and immediate medical care will *prevent* further abuse of these and many other children cannot yet be estimated. We do not know how effective these approaches will be in the *treatment* of these children who are severely disturbed, feel rejected and tend to be impulsive. Furthermore, what are we doing to help these parents who are definitely psychotic or mentally defective or have severe maladjustment which accounts for their performing the way they do? These are the areas in which psychiatry should intervene and find a remedy.

Dr. Galdston's paper is one of the studies that answers such a call. For a period of five years he has studied abused children and their parents who were admitted to Children's Hospital Medical Center in Boston. His findings in regard to the age range of these children, reluctance of the physicians to make such a diagnosis and the denial of the parents are in full agreement with other investigators. However, his keen observations and introduction of a therapy program for these children and their parents while in the hospital are unique. He coordinates the medical treatment with psychotherapy in providing a trusting relationship between the child and his nurse. Possibly this is the first meaningful relationship between these children and an adult. While observing them he notices a shift from passivity to increasingly active behavior, which is difficult for the caretaker to accept. This he believes justifies a change in the caretaker. However, I wonder if these children are not testing this new relationship and such a change will not prove this concept of self as unwanted and nontrustworthy. After all, these children have suffered from a parental deprivation and are hesitant and tend to avoid human contact.

In regard to the results of the therapy, he notices two different responses—one of growth in ego skills by reaching at a more mature level of development and one of extreme anxiety by clinging to the personnel involved. This he relates to an insufficient gratification from previous experiences over a prolonged period of time, causing a failure to develop ego skills. It would have been extremely interesting had Dr. Galdston studied these two groups of reactors in terms of family interactions. This would have enabled us to learn why some children respond to therapy and some do not.

The second part of his research was devoted to the study of the parents. His observations of these families emphasize the following characteristics: reversal of parental role, father's unemployment, mother's masculinity and the occurrence of the actual assault following a breakdown of the former arrangements.

In regard to the treatment, instead of accusing these parents of cruelty, the author has tried to understand them. By telling them repeatedly that their perception of their child has been erroneous and discolored by their own experience, urging them to search their memories to find the possible source of such feelings, he shifts the focus of the parents to their own unsettled past, where it properly belong. This approach is very different from that of society and the news media, which usually condemn these parents, increasing their despair and guilt feelings.

In conclusion it should be emphasized that the phenomenon of the "battered child" is a symptom, a symptom of social, familial and personal conflicts, one which is hard to treat. Dr. Galdston's paper paves the way for new efforts in eradicating this social tragedy.

[From Children, September–October 1967]

THE ABUSED PARENT OF THE ABUSED CHILD

(By Sidney Wasserman)

Willful intent in parents to injure their own children is an "unthinkable thought" for most of us. Even physicians, persons who seem to be in a position to judge whether violence has been done to a child, are often unwilling to accept the "reality of willful child abuse," according to a recent survey among physicians in the Washington metropolitan area conducted by a group of psychiatrists.[1] A fifth of the nearly 200 physicians questioned said they rarely or never considered the "battered child syndrome" when seeing an injured child, and a fourth said they would not report a suspected case even if protected by law against legal action by the parents. Apparently, they did not believe the evidence would stand up in court.

To accept as fact that some parents intentionally injure their children is difficult and upsetting. Thus, we all tend, like the physicians studied, to give the parent "the benefit of the doubt." There may be many reasons for our reluctance, but one is certainly this—when we accept willful intent as a fact, we must face our anger at such parents and our desire to protect the child, even if we harm the parent. But we cannot effectively intervene to protect an abused child and prevent abuse from recurring unless we understand what it is like to be a "battering parent."

One of the dangers of using the label "battering parent" is the possibility of increasing bias and prejudice against the parent. Labeling a particular person as a "battering parent" can release us from the responsibility of making our response to and attitude toward his actions sensitive to his needs. The temptation is great to think of him as being far removed from those of us who do not batter our children. In so thinking, we keep intact our image of ourselves as righteous.

How easy it is to deny that within all of us lies a potential for violence and that any of us could be unreachable! What is more repugnant to our rational, "mature" minds than the thought of committing impulsive, violent acts against a helpless child? We tell ourselves that the primitive, untempered instincts responsible for such acts could not erupt in us. But stripped of our defenses against such instincts and placed in a social and psychological climate conducive to violent behavior, any of us could do the "unthinkable." This thought should humble us: perhaps we are not battering parents only because conditions do not lead us to commit "unnatural" acts.

NO CLASS MONOPOLY

Writers on social phenomenon, lawyers, social scentists, and others interested in social problems have long recognized that the phenomenon of parents physically abusing their chilren has been with us since the beginnings of mankind. Only since World War II, however, has much been written on the subject of unexplained, shocking, and

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traumatic injuries to children. Since then, too, much has been said and written about the legal confusion surrounding the use of authority and sanctions in instances of apparent abuse of children by their parents.

Historically, the helping professions have viewed physical abuse of children by their parents as the result of poverty, life in the slums, ignorance, and the hardships produced by immigration, war, industrialization, and urbanization. No one can deny that these conditions can be a cause of child abuse. Nevertheless, we are finding that the phenomenon can be found anywhere in society. Once we regarded violence against a child as characteristic of parents in the lower socioeconomic classes. Now we are finding that such behavior is not exclusive with any particular social class but that "better" families can more easily conceal the problem than poor ones. In other words, a sociological explanation by itself is inadequate and simplistic.

Through sometimes frustrating and bitter experience, the professions, and particularly that of social work have come to see that prosecuting the battering parent solves the problems of neither the child nor the parent. Helping the abused child leads us inevitably to the need to help the battering parent and family. As pointed out by Delsordo,[2] Boardman,[3] Nurse,[4] and others in studies of child abuse, practically all cases of abuse involve longstanding, severe interpersonal conflict either between the parents themselves or between one parent and another member of the family.

Because we are dealing with a complex subject involving many social, psychological, medical, and legal elements, we must narrow our scope and take first things first. Nothing precedes understanding who the battering parent is and what he is. Studies point out that battering parents and families, regardless of class, have certain psychological and social characteristics in common; for example, we are learning more all the time about the severe damage to personality these people suffer. Few are psychotic, but all have marked inability to set up a genuine relationship with another human being. Absorbed by their own hurt feelings, they cannot sympathize with the feelings of others. The nonpsychotic battering parent seldom shows remorse for having hurt his child, but he can be very much concerned about the harm a person in authority might inflict on his own person. When facing a person in authority, he cries out: "What are you going to do to me?"

"DONE TO"

Obviously, something went haywire or was not touched in the humanization process when such persons were growing up. Apparently, they never had the kind of relations with other people that offers incentives for delaying pleasure or gratification or the feeling that it is worthwhile to yield an immediate, antisocial pleasure for the love and acceptance of another. They have been "done to" both socially and psychologically. A battering adult goes about his daily life with the gnawing, unfulfilled feeling of having been unloved or not having been loved as much as he should have been as a child. His life is focused on his own needs, and he cannot tolerate any frustration to the gratification of those needs. What else can he feel but his own hurt, his own hunger for love? He is anesthetized against feeling compassion for others.

This kind of person, according to Reiner and Kaufman,[5] is unaware that he has a buried feeling of "imbedded depression" because he was emotionally or psychologically abandoned by his parent as a child, an act he interpreted as rejection of himself. Unable to understand such a distressing emotional event and not psychologically strong enough to bear it, as a child he buried the feeling of rejection deep within himself and with it the accompanying depression. Because his use of language was not developed, he expressed his feelings by the only means he had—his behavior. Explosive, violent behavior became his means of communicating with those around him. When he was violent, he was unable to feel his hurt, his sense of worthlessness, his depression. Denied a consistent, supportive relationship with an adult, he set up a life pattern of aggression and violence—and is now inflicting on others what was inflicted on him. For him the world is hostile and dangerous; it is a place where one attacks or is attacked.

Studies also suggest that the battering parent feels his parents were punishing him when they rejected him and that he is longing for a mother. He wants to be loved, yet does everything to prevent another from loving him. Instead, he is caught in a cycle of violence and rejection. When speaking of his physical attacks on his child, the battering parent strongly defends his right to act as he has. He seems unable to feel love for and protectiveness toward his child. He can be extremely compulsive in his behavior and make unreasonable demands on his child. Cleanliness, for instance, may be an obsession with some. I have heard of a child being mercilessly beaten for putting chicken bones on a clean tablecloth and of an 18-month-old baby being seated with his buttocks uncovered on a hotplate whenever he soiled himself. Such people are way over their heads when they become parents. How can they give a child what they have never had themselves—security, safety, and love?

THE HOSTILITY SPONGE

This description is supported by a growing amount of evidence that when a battering parent becomes violent, he apparently is releasing his rage on a particular child, selected to act as the "hostility sponge" for that rage. The parent views the child as a competitor, as someone taking and getting what belongs to him. The child is an unconscious symbol of someone or something that once caused him pain—a competitive brother or sister, a distrusted parent, his rejected self. Sometimes the parent is reliving a childhood experience that left him traumatized. Some of these parents talk about being rejected by their own parents in favor of a brother or sister.

In many instances the abused child has been conceived out of wedlock. The parent is now punishing him for being the cause of an unwanted marriage. Sometimes a stepfather is the offender. He beats the child for reminding him of his wife's "badness." Or the mother may beat the child because he reminds her of her "badness" or of that "bad" man, his father, who deserted her when she was pregnant. By beating out the "badness" in the child, the parent beats out his own badness or that of another person who has injured him. In other words, the parent is reacting to his own inner feelings, not to the behavior of the child. The child is the provoker by being what he is—an infant or a child demanding attention. It is this demand that provokes the parent.

The use of the child as a hostility sponge may be absolutely essential to the mental balance of the parent, and, thus, the child is sacrificed to that mental balance. Removing the child from the home without a well thought-out plan to help the parent and the family may only invite the parent to shift his rage to another child. We can easily get caught up in symptom-shifting without getting to the bottom of the problem—the parent's need to be protected from himself.

To really help such a parent, we must break the chains he has inherited. To do that, we must clearly understand that intervention should act as a brake on the parent's behavior and that the injuries he inflicts on the child, injuries that bring the attention of the community to join them, are his way of saying—"Stop me!" The act of rushing a child to a hospital or of beating him in front of neighbors or strangers carries a message to the community—"Please save me from going out of control. Stop me from going out of my mind. Keep me from—killing!"

We are gradually realizing that in such cases we are dealing not only with a seriously disturbed person but also with a disturbed family. Once the existence of abuse is ascertained and the degree of imminent danger determined, the parent and the family must be dealt with whether or not the child is removed from the home. Even in cases where law enforcement has been effective and community services have been well coordinated, problems in helping the battering parent and the family remain.

According to Zalba,[6] battering parents tend to deny their actions, the husband or wife of the battering parent protects the other, or the children are too young to explain to outsiders what has occurred in the home. The parents also tend to deny the existence of personal or family problems and to provoke judges, lawyers, and social workers by making impossible demands on them; or they rage at everyone in authority and, sometimes, physically attack them.

FIRMNESS ABOVE ALL

In reaching out to the battering parent, we must keep in mind an important key to his behavior—his fear of a close relationship. Because he suffered rejection in early life, he wards off human relationships. He has emotionally divorced himself from the significant people in his life. He feels safer with and responds more readily to a relationship that clearly offers authority—firm but not punitive. In other words, the battering parent can often be reached by setting firm limits and controls on his behavior. Whatever he may say, he needs firm control—and wants it. In the early stages of trying to reach the battering parent and family, the social caseworker or other helper must make realistic judgments and decisions for and with the parents and family to gradually help them develop a sense of reality.

To provide this basic treatment requires long-term help from a consistent relationship with one person only. Shifting the parent from one worker to another only stirs up his basic, deep-seated belief that to get close to another human being is to expose one's self to hurt and abandonment. Deep within, he sees himself as the kiss of death in personal relations. He wants to get close to another person, but he thinks that if he does the person will learn to dislike him and will break off the relationship. For a long, indefinite period, the helping person must stand by and support the parent by setting limits and by providing services through community resources. He must not try to get too close to or expect such a person to unload his innermost feelings, especially feelings he is hardly aware of. For such a person, having limits set on explosive, violent behavior provides the kind of protection a good parent would give. The battering parent must be constantly assured that he will not be allowed to get out of control. At the same time, he must be assured that the worker believes that he does not want to hurt his child, that he is capable of change, and that he wants to be a better parent. He needs to learn what the community expects of him and what choices he has. He needs to be helped to understand clearly that consequences will follow his violent act and what those consequences will be.

A LONG PROCESS

In this long and trying process, such a parent will continually test the patience of the helping person and will use every means

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to provoke rejection to reassure himself that he will not be rejected. For a long time he will reveal only his unlikeable side. When he is reassured, he will make feeble attempts to plant the seeds of a relationship. Reaching out to such a person makes a very great emotional and intellectual demand on the helping person. The battering parent is very perceptive and can immediately sense insincerity. Actually, the helping person must become the "hostility sponge" instead of the child by letting the parent test him, yet he must never let the parent get out of control.

Psychiatrists, psychologists, social caseworkers, and other persons trained for this work have observed that as treatment progresses and a basic trust is established the battering parent gradually faces up to the depression within himself. With extreme caution, he talks about his deep-seated fear that he is a loser and that people always desert him. Only when his need for violence abandons him and he stops expressing himself through it can he talk about his childhood and begin to come to grips with his problems. Though he improves, he continues to try to provoke the helping person, for he is never convinced that he will not be rejected. However, he does move cautiously toward having a relationship with the helping person, gives up or modifies his violent outbursts, and lets himself be guided toward patterning his actions after the standards of the helping person. In time, the pattern becomes a part of him and a new self appears.

To start and set in motion such a long, painstaking process requires a firm commitment by the community to providing excellent service, a goal not easily attained. To obtain qualified staff members and to train persons specifically as workers are expensive and time-consuming. Often efforts to reach the battering parent are obstructed because workers—nurses, social workers, volunteers—come and go frequently on the staffs of agencies. For the battering parent is likely to regard a change in workers as another experience in rejection. The helping person may leave the staff at the most critical moment—just as the parent is testing the worker to find out if rejection will follow his actions. The parent takes the worker's leaving the agency as proof that it never pays to get close to another person. If only a community or agency could insure permanent service for such troubled human beings!

But life affords few opportunities for permanency. We are all only temporary to each other. That is a human condition, and most people accept it. The battering parent cannot. Plans for helping him must include ways to help him accept this truth. We must be ready to test various methods of working with him, always keeping in mind his deep fear of involvement and loss. We must continue to direct efforts to alert the medical, legal, and social work professions, and all groups who might come in contact with the battering person to the need for continuity in helping him. The challenge is not a small one; social workers are finding that cases involving battering parents as well as other hard-to-reach families are making up more and more of their caseloads.

In addition to individual treatment, working with groups of battering parents and their spouses is also proving effective. Many of these parents are isolated from the community. Having an opportunity to socialize in a group of similarly troubled parents tends to lower their resistance to facing and discussing their problems.[5] Working with such families as family groups has also proved effective.[6]

THE COMMUNITY MUST LEARN

Beyond the abused child, his parents, and his family is the community around them. Battering parents and their families suffer from a not uncommon malaise often called "community exclusion." In various ways, whether economically, politically, psychologically, or socially, these families frequently suffer exclusion. Unfortunately, when such persons vent their rage on their children and the shocked community retaliates immediately, the family's sense of rejection is increased. A cycle of reciprocal aggression is set in motion and, once set in motion, is difficult to halt. The battering parent often succeeds in provoking hospitals, the police, the courts, and social agencies into treating him as his parents once treated him—the opposite of what he needs. Communities must constantly reexamine ways to set up controls and limits while bringing all families into the community life. When a battering parent has only known "community exclusion," he desperately needs "inclusion" to break the cycle.

Finally, we cannot examine our attitude as a community toward the battering parent without examining what it means to be part of a whole—a State, a nation, or the world. Like it or not, we are bound each to the other and our destinies are interwoven. As we try to understand the battering parent, we must look into ourselves to find out what there is in each of us, in our community, our Nation, and the world that the battering parent takes as a sign that what he is doing is permissible.

To answer this question we must face up to the paradoxes in our moral code that condemn violence in one form, permit it in another. Many Americans seem to persistently dismiss from their thoughts and acts a basic truth—there is nothing more precious than human life, or so it seems to me.

The people of the United States have yet to learn how to convert their tendency to violence into compassion and tenderness. We are in danger of losing sight of one of this Nation's major social goals, one on which it was founded, that is, to tap the humanity and creative potential of all citizens and to provide the environment and resources necessary for the individual citizen to realize his creative potential. We possess the potential both for violence and for humaneness, and are capable of acting in brotherhood and with understanding. If this were not so, we would not now be seeking new and different ways of helping our less fortunate citizens. By seeking to tap the humanity and potential for growth of the battering parent and family, we are tapping our own potential for personal, community, national, and international growth. We must ever encourage the tapping of this potential.

FOOTNOTES

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[From Public Welfare July 1966]

THE NEED FOR INTERVENTION

(By Jean Rubin)

We are all aware of cases of children who have been unbelievably and tragically harmed by their own families. Newspapers, magazines, and TV have put them very much in the public's mind, and many of us know cases at first hand. Public reaction varies from those who cannot believe it is possible for a mother to harm her own child intentionally, to those who react with such a total revulsion that they are extremely punitive toward the parents. Neither of these attitudes is helpful in working toward a solution to the problem; but since there is a strong public reaction, we should be able to use it to help achieve better programs on behalf of these children and their families.

There is need for special attention to the problems of children abused in their own homes, because these children are in imminent danger of death, permanent crippling, or brain damage. Time is of the essence if they are to be saved. All children who are seriously neglected are also in danger—and will suffer emotionally as well—but for children abused in their own homes, it may be a life-or-death matter which needs a most immediate remedy. It is our task to see that this remedy is available to every child who needs it, no matter where he lives.

INCIDENCE OF CHILD ABUSE

We have no reliable evidence as to a real rise in the ratio of children who are abused. More cases seem to be coming to the attention of the community, however. We do know that more cases are being recognized as child abuse which previously might have been regarded as accidental. Physicians are increasingly aware of the problem and its true cause, and X-ray techniques have improved to the point where a diagnosis of inflicted injury may be more easily made. In the years ahead, as more research is done, and as the reporting statutes take effect, we will learn more about the incidence of the problem. The Children's Bureau is currently supporting an epidemiologic study of child abuse at Brandeis University, under the direction of David G. Gil. This study will provide much new data on a nationwide basis.

From the statistics we already have, we know that the percentage of physically abused children is small compared with the over-all number of neglected children; but whatever the percentage, the figure is much too large. For example, in Colorado where there is a state-wide protective services program, statistics for 1963 indicate that there were over 5,000 protective service cases. Lack of adequate care accounted for over 3,500 children—and abuse or cruel treatment for 472, which was about 8 or 9 percent of the Colorado total protective service caseload.

CHARACTERISTICS OF THE CHILDREN

We need to increase our knowledge about the characteristics of these children and their parents, but we already have some knowledge from previous and on-going studies. In the majority of cases the children are young—under 4 years of age. The death rate is highest in the very youngest age group, and there is a decrease in the number of cases as age increases. For example, in a survey made by the American Humane Association in 1962, out of 662 cases, 178 of the children died, and over half of those who died were under 2 years of age.

In a Kansas study, out of 85 known cases, 70 percent of the children were under 3. Thirty-two percent of them were under 6 months of age. Fourteen deaths occurred—all of children under 4 years.

There seems to be no socioeconomic pattern of child abuse, since cases occur throughout the population. Parents may be college graduates and professional persons as well as young school dropouts. They come from high-, middle-, and low-income groups, and from various cultural, religious, and racial groups.

PARENTAL HISTORIES

It seems obvious that parents who inflict injury on children reflect disturbed patterns of behavior. Researchers tell us that these adults are usually reacting to their own feelings rather than to specific behavior of the child, although in some cases the attacks may be precipitated by a particular incident.

The parental histories frequently reveal physical abuse and neglect during their own childhood. Parents are likely to deny inflicting the injury and offer explanations of accidents as their cause, but their stories are likely to be contradictory. Researchers report that some parents express an unusually high degree of self-justification about their abusive actions. This factor deserves attention and investigation because it is contrary to many of the more popular ideas of the childbeater being an irresponsible, unprincipled, dastardly type of character.

Many attacking parents have a high sense of righteousness about expectations of good behavior from their infants, and a corresponding belief that the correct way of dealing with this is physical attack and punishment. On the other hand, they have at times a high degree of shame and guilt over their behavior.

Another phenomenon which has surprised some researchers has been the degree to which, despite obvious conscious denial and distress, the non-beating spouse has not only condoned but also aided, abetted, or even subtly instigated the actions of the beating parent. Focusing on the marriage problem seems to be a vital factor in dealing with the problem of child-beating in many cases. Uncovering the marital discord is usually an arduous and lengthy task: Both the beating and the non-beating parent tend to keep up a strong façade of "everything is all right in the marriage."

We know that adults who attack children are likely to repeat the incident. In view of the repetitive nature of the injuries, authorities on this subject therefore believe it is dangerous to permit these children to remain or return to their own homes until the homes have been proved to be safe.

It is not always easy, however, to identify the parents who fall into this category, and research efforts are devoted to finding the differential factors which will be helpful in identifying these families. We need this information so that we can determine when it will be safe to permit a child to remain in his home and when he must be removed. It may also help us to identify these families early enough so that help may be given before abuse occurs.

WHAT CAN BE DONE?

Given what we know about the problems, what can be done and what is being done about it? We must keep in mind two basic principles: Parents have the primary responsibility for meeting the needs of their children, and society has an obligation to help parents discharge the responsibility. However, when parents are unable or unwilling to do so, society must undertake to protect children.

Our question is then—at what point, and how shall we intervene? First of all, we must have a way of discovering which children are in need of protection. How do we find out about the children who are in need of assistance?

Some cases of child abuse, particularly of preschool age, cannot be easily discovered because the children are very young, cannot ask for help, and the harm is done in the privacy of homes where there are no witnesses. Sometimes relatives and neighbors will know about these problems and may bring them to the attention of the community. In other cases, no one knows about the abuse except the parents unless and until a child is brought to a hospital or physician for treatment. The physician's diagnostic skill and expertise may be the only possible means of discovery. It is for this reason that in 1963 the Children's Bureau proposed suggested legislative language for state laws which would require physicians and hospitals to report these cases to an appropriate community authority so that the child in hazard could be identified and thus protected.

Physicians, as well as judges, police chiefs, lawyers, and social workers, were among the expert advisors recommending this legislation. The sole purpose of this recommendation was to protect the child in danger by identifying him so that the protective services of the state could come to his aid. No punitive intent was contemplated by this recommendation.

Although the suggested mandatory reporting legislation is limited to those in the medical profession, it is not intended to prevent or in any way discourage voluntary reporting by others. In many states, however, physicians may need special statutory protection since the physician-patient relationship may deter them from giving information. In order to protect physicians, the recommended bill also provided for immunity from liability in case of any legal or judicial proceeding resulting from the reporting.

The proposed legislation deals only with instances where a physician is *required* to report. He may, of course, like everyone else, also report voluntarily about other cases in which he believes a child to be in danger.

WHO SHOULD RECEIVE REPORTS?

The original Children's Bureau proposal provided that reports should be made to "an appropriate police authority." The police were designated at the time because they are the only agency universally available in every community. However, in view of the current development of protective services, the Children's Bureau now recommends that, where a public welfare agency exists that is authorized and staffed to provide child protective services, it would be the appropriate agency to receive such reports. The choice of agency in any community depends upon what is available, but in each community there should be a single agency designated to receive the reports. There has been confusion and poor administration of programs in communities where more than one agency was given this responsibility.

Although 49 states and the Virgin Islands now have reporting statutes, clearly such laws are but a first step toward providing the needed protection for abused children. Even the best of these laws is useless unless there is proper and adequate follow-up once a report has been made. Therefore, in addition to recommending legislation requiring reporting, the Children's Bureau is also deeply concerned about encouraging the necessary services in a community for the follow-up investigation and service.

After the physician reports, a social investigation is usually necessary in order to determine whether, in fact, the injury was inflicted and whether the home is a dangerous place for the child to remain. In order to encourage persons to make reports, we must be sure that the agency will take prompt, discreet, and helpful action. This requires skilled and tactful workers—with an ability to acquire information for whatever judicial action may become necessary.

Protective Services

The Children's Bureau believes that there should be child protective services available as part of a public child welfare program in every community to provide the investigatory services and offer care to children who have been victims of parental abuse. Where such services by the public child welfare agency are authorized by the legislature and adequately financed so that sufficient trained staff is available, there is a ready-made agency to undertake the necessary and difficult task of following up complaints of child abuse.

Previous Children's Bureau legislative guides have recommended that child protective services be a mandatory responsibility of state welfare departments. In some states legislation providing for a protective service program has been part of a legislative package which also includes a reporting statute. In addition, foster care, emergency shelter care, and homemakers are among the useful services which the community should have available to aid these children.

In some communities there has also been an interest in the establishment of a central register of suspected child abuse cases. A central register would make information about these families more readily available during the investigative process. These parents frequently take the children to different physicians or hospitals on different occasions in order to avoid detection. A central register is, therefore, helpful in identifying these cases. Additional legislation may be necessary in some instances to institute such a procedure.

The Children's Bureau hopes that more states and communities will see the need for establishing and strengthening protective services programs, which would, of course, aid neglected as well as abused children. Emphasis has already been given in this direction by the 1962 Public Welfare Amendments which clarified the definition of child welfare services so as to affirm the concept of public child welfare responsibility for child protective services. In addition, there are hopeful signs that the requirements for social services in the AFDC program will also help to detect some of these children at an earlier point.

Even with adequate state legislation, of course, the problems of staffing, financing, and community planning present familiar difficulties. Child welfare agencies must face these problems in developing programs to cope with abused-child cases.

COMMUNITY PLANNING AND EDUCATION

In addition to providing services, there is also a need for community planning and education to implement reporting legislation when it becomes effective. The persons required to report should know exactly what their responsibilities are and what facilities are available to them. The agency responsible to receive the reports must also have clear guidelines to follow. In order to provide adequate child protective services, definite procedures must be worked out in each community so that the physicians and hospitals, law enforcement officers, social welfare agencies, and the courts are clear about their own functions as part of an over-all plan. This sort of effective planning is as important as the legislation itself, if there is to be effective service on behalf of the abused child.

In addition to concern for adequate legislation, social services, and community planning, the Children's Bureau is also interested in the role of juvenile courts and law enforcement agencies in the protection of abused children. Here we may need some thoughtful consideration of the role of the law and the legal profession. And it is here, too, that it is particularly essential to foster a cooperative working relationship between the social agencies, the courts, and law enforcement agencies. Without planned cooperative effort, there is a possibility of conflict which results in a lack of protection for the abused child.

First, we must be clear about our goal. If protection of the child is our primary aim, will punishment of the parents be helpful or harmful toward that end? If a child is unsafe in his own home, is the community willing to terminate the parents' right to custody and undertake responsibility to provide a substitute home? Are physicians and social workers able to provide facts sufficient to prove danger to the child so that courts may wisely make their decisions? Do our juvenile court laws provide sufficient jurisdictional grounds for action in these cases? Are child welfare workers and court personnel sufficiently knowledgeable to know when they must initiate court action in order to protect the abused child and his siblings? We need to think about answers to these questions.

Usually after a case of child abuse is reported, a police authority or child welfare agency undertakes an investigation, and forms an opinion about the child's probable safety in his own home. The danger, of course, may be so clear that the child has already been removed on an emergency basis or hospitalized for treatment. In either case, decisions must be made about future custody to insure the child's safety. Is the situation one in which injury is likely to reoccur? If the child is to be removed from his parents on either a temporary or permanent basis, the decision must, of course, be a judicial one. Presumably and hopefully, such a case would be taken to a juvenile court for decision, and court services would be readily available so that emergencies could be handled without delay.

JUVENILE COURT ACTIONS

In some communities where effective planning for good liaison between the welfare agency, police, and juvenile courts has not taken place, we have seen a failure to use the juvenile court properly and a lack of understanding between welfare workers and court personnel on the problems involved.

Since juvenile court actions on behalf of a child are not criminal prosecutions against any person, "proof of guilt beyond a reasonable doubt" is not required; but court decisions must be based upon a preponderance of the evidence, and reasonable doubt may be resolved in favor of the child's protection. Therefore, the courts must have available all possible relevant facts if wise decisions are to be made. Physicians and social workers must be prepared to present well-documented evidence, and they may need the assistance of legal counsel to do so. The law *can* intervene on behalf of neglected and abused children, but sufficient evidence is essential to a judicial decision.

Judges may need expert guidance from professional persons about the significance of the medical and social factors in an abused child case. As we acquire more knowledge about parents who abuse their children, we will be better able to inform judges as well as physicians, social workers, and others about the uniqueness of these cases.

A judge's decision about what will be best for a child may also be influenced by the availability of community facilities to care for children if they must be removed from their own homes. If the alternative possibilities are very poor, the judge may hesitate to remove a child from a home even when he suspects that the child may be harmed again. He may therefore be willing to take a greater risk. On the other hand, however, social workers have sometimes delayed too long before taking a case to court, and the child has been harmed again. In these instances, judges have been critical of the ability of social workers to judge when a child requires the protection of the courts. These are not easy decisions to make, and neither the courts nor social agencies are infallible. There will be less conflict, however, when the courts and the welfare agencies have more knowledge about how to handle these cases and understand each other better.

The person who abuses a child may be committing a crime under state statute and a criminal prosecution may also be contemplated, which further complicates the problem. In most cases it is far more helpful to bring proceedings on behalf of the children in juvenile court than to prosecute a parent in a criminal action. Not only are criminal charges in child abuse cases difficult to prove, since witnesses are generally not present, but punishing the parent does not help to change his behavior, nor do threats of punishment seem to deter him from further acts of abuse.

Since guilt must be proved beyond a reasonable doubt in criminal proceedings, the lack of evidence may make it impossible to obtain a conviction. When such a prosecution fails, therefore, the child may remain in the care of parents who may feel even more justified than before in continuing the abusive treatment. In addition, the publicity which surrounds such trials may also make it more difficult to work with the parents. If we seek to encourage physicians and other persons to report, we will get more cooperation if the end result of the reporting is helpful services to the child and family, rather than criminal prosecutions of the parents.

The parents of these children do present difficult problems, both of diagnosis and treatment. It takes skill and knowledge to be able to predict a child's future safety, and clearly we do not yet know enough about identifying and treating parents who actively harm their own children. The Children's Bureau is encouraging further research to bring us more of the answers to these difficult questions. Some psychiatric studies are now going on, more are needed. Demonstration and research projects on methods of working with these parents and establishing community networks of protective services are also under way.

If we can help the abused child of today, we may be able to prevent some of the problem parents of tomorrow. Far too many parents who abuse their children have histories of childhood neglect and abuse themselves. We must not lose sight of the fact that these parents are also in need of help and understanding, although the current state of psychiatric knowledge may not be sufficient to change them all into the good parents we might wish them to be. Although we may have to accept the fact that there are parents whom we are unable to help now, we must continue to seek to help their children to gain a better life so that they may become adequate parents in the future.

[From Children, November–December 1963]

PROTECTIVE CASEWORK FOR ABUSED CHILDREN

(By James D. Delsordo)

In an effort to classify types of cases involving physical abuse of children and how they are handled by a protective agency, a study was made in 1962 of 80 acres in which children had been severely abused by their parents or parent substitutes. This study was based on a sample of cases handled within the past 3 years by the Pennsylvania Society To Protect Children from Cruelty.

The study's definition of an abused child was: any child against whom bodily harm was done to such a degree that it came to the attention of the agency and resulted in the rendering of service to protect the child. Malnutrition, starvation, or sexual misuse in children were not included unless bodily damage was also done. Three major factors were considered: (1) degree of injury inflicted; (2) probability of the abuse recurring; and (3) physical and psychological availability of parents to casework help. The cases were categorized as involving abuse which results from: (1) parents' acute mental illness; (2) an overflow from the parents' aimless way of life; (3) a nonspecific disturbance in the parent resulting in severe battering of the child; (4) parents' harshness in disciplining children; (5) parents' misplaced conflicts.

ABUSE BY MENTALLY ILL PARENTS

In families where a mentally ill parent is physically abusing a child, the mental illness soon becomes so apparent and unpredictable that separation of abusive parent and child is imperative. If a spouse or other relative is available, the degree to which he can be of assistance in getting the abusive parent to a psychiatric resource needs to be quickly determined. If the case situation is essentially made up of mentally ill parent, abused child, and protective caseworker, the willingness of the parent to get needed treatment voluntarily or relinquish her child must be explored directly with her, for occasionally such parents recognize their own illness and give up the child. Should either approach fail and the child is obviously in immediate danger, the police are called on to transport the parent to a psychiatric facility. If the child does not seem to be in immediate danger, a petition in behalf of the child is filed with the appropriate court.

A withdrawn, 3-year-old child with an old and unsmiling face came to the attention of the protective service on a referral from a city hospital, where he had been treated for burned hands. Small scars were found on his entire body, some healed, some with scabs. His mother, a 22-year-old single woman, maintained that a caretaker had inflicted the damage to her son. An interview revealed that she felt "done in" by her parents who had given her as a baby to an aunt, by the aunt who had put her out when she became pregnant, by the father of the child who had deserted her, and now by her son who "wants things his own way." The caseworker, she said, could "take him away," but later she refused to give up her son for placement and it was necessary to file a petition with the juvenile court.

The mother failed to show up for a scheduled court hearing and had to be brought in later. A psychiatric examination resulted in the diagnosis "schizophrenic, paranoid type."

Of the 80 cases studied, 4 fell into the category of abuse by mentally ill parents. The focus of service was on how to most helpfully separate parent and child. In two of the four families, unwed mothers were the abusers. Both had histories of mental illness. The other two families had histories of severe marital conflict and mental illness in the fathers, the abusers. In all four families, the homes were above average in organization and cleanliness. In two of the four families, more than one child was abused. The method of inflicting abuse varied, but it always involved a ritual rather than an impulsive approach. The most common prelude was to devise a situation in which the child either became petrified with fear or was provoked into behavior which was unacceptable to the parent and thereby "justified" punishment.

OVERFLOW ABUSE

Overflow abuse includes parents whose claim to parenthood seems to be little more than biologic. Their lives are marked by illegitimacy, paramour relationships, misuse of income, repeated evictions, excessive use of alcohol, deplorable housing and housekeeping. They obviously cannot help themselves. The abuse of their children seems to be rooted in an overflow of their own frustration, irresponsibility, and lack of belief in themselves or anything else.

In such cases, the possibility of the family remaining intact is remote. The parents are generally vacuous, pleasure-seeking, and devoid of guilt, except for periods of extreme remorse and self-pity. They make promises easily and plead with the caseworkers for "one more chance." Most of such parents respond poorly to formal psychotherapy. They sometimes begin, but seldom sustain contact with alcoholic clinics. They rarely make meaningful use of casework help, except in short-lived spurts.

Life for the children of such parents is degrading and dangerous, especially for infants, who cannot run from indiscriminate parental behavior. Parental abuse is most commonly dealt to the older children, perhaps because older children are more likely to become aware of values different from their parents'. When the child rebels, the parents, lacking any responsible coping capacity, try to control his behavior with their hands. The casework focus in cases of this type is to test the parents fully, in the hope of finding a spark of strength. In some instances this testing arouses a parent enough to participate in placing the children with relatives or in foster care.

The agency received a report of three teenagers who were beaten by their parents and made to beg for money on threat of burning if they refused; the father was said to have made sexual advances toward the 13-year-old girl and beat her on the face and body with his fists. The report was verified. There seemed no possibility of making functioning parents out of the alcoholic father and mother, whose 17-year-old marriage had been marked by repeated separations. Since they were unable to recognize the adverse effects of their behavior, the children were committed to the care of interested relatives.

Of the 80 cases studied, 13 were categorized as overflow abuse. In more than half the families of this type the father was not in the home. In nine cases the abuser was the mother. In every case where there was a man in the home there was a history of severe marital conflict. In only two of the cases were the housing and furnishings adequate. In all but one case the income was from public funds, paramours, or relatives. All parents who were examined psychiatrically received diagnoses of "inadequate personality." Most of the abused children were over the age of 5. The beatings followed no pattern and were rarely directed to any one child. They were administered by fist or with a belt or strap, and were repetitive and prolonged. Five cases were handled on an emergency basis, four of which required immediate admission of the children to a shelter.

THE BATTERED CHILD

The "battered child" syndrome takes its name from the fact that the child's injuries are the result of twisting, throwing, knocking around, or some other form of "battering" by the abusive person. The injuries include bruises, hematoma, and one or a combination of fractures of the arms, legs, skull, or ribs. In many instances poor skin hygiene and some degree of malnutrition are also evident. X-rays of the child often reveal other fractures in various stages of healing, indicating that such abuse has been repetitive. Abuse of this nature is most severe (sometimes fatal) and is most often inflicted on children who are too young to speak, thereby ruling out their explaining how the injuries occurred. While it is strongly suspected that the parents either inflicted the injury, or know how it happened, they are most reluctant to volunteer any information.

Accurate figures regarding incidence of this type of abuse are difficult to come by. Physicians' suspicions may not be aroused because parents may shop for medical care after each injury of their child from different hospitals and doctors, fail to get treatment at all, or fabricate stories to account for the injury, blaming an ex-caretaker, a relative, or a jealous sibling.

Fortunately, the recent investigations of Kempe and associates have gone far to alert the medical and other professions to the phenomenon of the battered child.[1] As a result, an increasing number of "battered" children are likely to come to the attention of child welfare agencies.

The process of dealing with physical abuse by battering usually begins at a hospital. Due to the severity of injuries, the child is brought there for treatment even if seen initially by a private physician. In some hospitals, if parentally inflicted trauma is suspected, or if the child is suffering from malnutrition with no apparent medical cause, the child's entire skeletal system is scanned by X-ray. Discovery of internal injury strengthens the physician's suspicions that more than medical treatment is needed.

Whether or not the police are alerted to the situation, the attending physicians should be required to refer the case to the hospital's social service department. The medical facts, along with a social service study of the emotional factors behind the child's injury, should indicate whether the child is in need of protective service. If so, such information as regularity of parents' visits with the child, their attitude, demeanor, use of social service, if any, and pertinent medical facts should be included in a referral to the protective agency. The parents should, of course, be informed of the referral so that a contact from the protective caseworker will not be the first indication they have that something is amiss. This will not, however, diminish the force of the initial impact of confrontation between the protective caseworker and the parents.

If the injured child has not been discharged from the hospital, the protective caseworker assesses the home situation, parental attitudes, the validity of the parents' explanation of how the injuries were incurred, and the strength of the conviction with which they express desire for the child's return. Should it be obvious from parental attitude or behavior that the child should not be returned home, alternate plans for his discharge from the hospital will be attempted, either with or without court action. If the caseworker sees no immediate danger for the child in the home, he may support the child's return on condition that the parents continue to use the agency's service. This involves risk, but it also involves an opportunity to assess the situation by observing the child in his customary environment including all the familial cross currents and especially the manner in which the parents and child interact.

A small infant's fear and withdrawal from an intimidating and abusive parent are hard to detect except by spending hours with the parent and child. Conversely, an abusive parent often acts out his or her conflict with the battered child in the presence of the protective caseworker. Although this is done in miniature and with a parental air of acceptance of the child, the rejection seeps through in manifestations of intolerance and aversion to the abused child, indicating that the injury was more than an accident or an isolated impulsive act. In such instances, a separation from the family needs to be seriously considered, either of the child or the abusive parent. I know of no case of classical child battering in which the child has been able to remain safely with the abusive parent. Even when the parent accepts psychiatric help, separation is called for during the course of treatment, and precipitate reunions must be guarded against.

A family consisting of a young commercial artist, his wife, and two children, aged 2½ years and 1 month, was referred to the protective agency by a city hospital when the older child was admitted with fractures of the left femur and multiple bruises. The parents gave vague and conflicting stories to account for the child's injuries. In a series of separate and joint interviews with the parents, the protective caseworker found that the father had a pattern of abusing the child. The child had been a year old when the parents were married and the parents had already been separated and reunited twice during the brief period of their marriage. In the interview, the mother vacillated between minimizing her husband's behavior and expressing doubt and fear of him. The father who was obviously immature and indecisive, though with strong feelings, acknowledged having some part in the injury, which happened while he was bathing the child.

The protective worker concluded that it would not be safe for the child to return to his father upon discharge from the hospital. The mother concurred, separated from her husband, and moved into the maternal grandmother's home with the children.

For the next 3 months the caseworker continued having interviews with both parents, mostly with the mother, for the father rarely kept appointments. The father agreed to accept referral for psychiatric treatment but never followed through. Meanwhile he kept asking his wife to return to him. She finally yielded to his pressure and informed the caseworker of her intention. Since the protective agency had no authority to keep the parents from reuniting but felt strongly that such a move would place the children in grave jeopardy, it filed a petition in juvenile court in their behalf. However, the court condoned the reunion of the entire family on condition that both parents receive psychiatric treatment. A few months later the abused child died as a result of a blow on the head from his father.

Of the 80 cases studied, 8 were classified as battered child abuse. In six families containing more than one child, only one of the children was abused. In one family containing two children, both were equally abused; and in another containing three children, all were abused.

In four of the eight cases, a parent admitted that he "might have" caused the injury, but professed no intent to hurt. In all cases there was long standing, severe interpersonal conflict, either between parents or between the abusive parent and a significant relative. Psychiatric evaluation failed to reveal discernible psychosis in any of the parents. The most salient personality trait of the abusive parent in adult relationships was dependency. The injured child was invariably seen by the abuser to be either a competitor or a burden which had to be destroyed or at least made to suffer.

As in the case presented here, the nonabusive parent often separates from the spouse in order to protect a battered child but a few months later becomes reconciled. It is this all-forgiving, naive attitude, plus the fact that the continuing physical and emotional danger to the child cannot be seen and verified, which plague the protective caseworker and the court attempting to deal with cases of battered children.

DISCIPLINARY ABUSE

The category of disciplinary abuse includes children who are physically abused either for failing to comply with a parental expectation, or for having committed some forbidden act. All but one were at least 7 years of age, the majority being adolescents. The abuser was usually rigid and unfeeling.

Because of the age of the child, the caseworker tries to draw him into an ongoing relationship, to help him determine whether he is contributing to his own abuse and if so to decide what he can do about it. Often the child will acknowledge that he has been less than fair-minded and pliable on many issues. The parent usually acknowledges the abuse but always minimizes it. The caseworker must walk a tight rope, for this type of parent is standing firmly on parental rights. The casework focus is basically one of accepting the parental intention, but consistently trying to help the parent to moderate his methods.

Use of casework service by such parents may be called excellent in near-term protection, but only occasionally satisfactory for long-range prevention. The paradox of these cases is that the parents are usually

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Footnotes at end of article.

upstanding citizens in the community. The abuse comes to light only when some family member (usually the abused one) releases his pent up feelings beyond the family confines. Protective intervention is intolerable for the parents in most of these cases, and they graciously comply with the agency's expectations in order to get the caseworker out of their lives.

This continually forces the agency to take a policy stand—that a parent cannot choose to discontinue use of service simply because he or she has stopped beating the child and promises not to do it again. Therefore, *if the parental conflicts which have resulted in child abuse have not been substantially resolved when the parent wishes to discontinue service, legal action is usually initiated in behalf of the child.* Such action generally results in a court decision that the abusive parent seek psychiatric help, family counseling, or be supervised by the court, or a combination of these alternatives. Danger to the children is rarely sufficiently clear for the court to decree their removal from home. And the children seldom choose to leave. In these cases, agency service acts as a safety valve.

The police brought three children, boys age 14 and 12, and a girl age 10, to the protective service shelter. They had come home a little late and had been severely beaten with an extension cord by their father, a truck driver and lay minister. The mother had interceded by enlisting police help. A warm, outgoing woman, she told the caseworker that the beatings occurred often and had grown more severe. She was agreeable to the children's admission to a shelter.

These parents of six children acknowledged marital conflict of long duration. The mother obviously loved her children deeply and regarded them as responsible and well-behaved. The father, a cold stiff man, exaggerated their misbehavior. He acknowledged the beating saying maybe this time he went a little too far. He said it was his right and responsibility, and he did it so the children would not get into trouble.

Within 2 weeks, the mother and father both maintained that things were straightened out at home and insisted that the children be returned. As much help as possible was given prior to the formal court hearing. The father said he had moderated his views somewhat, but a good bit of this was obviously just going along with what he felt was expected of him. A neuropsychiatric examination resulted in diagnosis of "schizophrenic reaction, paranoid type." The court ordered that the children remain with their parents under court supervision and that the father be referred for intensive psychotherapy.

Twelve of the 80 cases studied were classified in the category of disciplinary abuse. Included were all (5) in which the abusive person was a parent substitute, usually a person at least 50 years old who was caring for the children due to parental default rather than by choice. All homes but one were spotless. The abuse usually took the form of severe beatings on all parts of the child's body, usually with some implement—strap, rope, stick—rather than the bare hands or fists. Abuse was not centered on one particular child, but on any child who "broke" the rules of expected behavior. Marital conflict was more underground than blatant.

MISPLACED ABUSE

The category of misplaced abuse contains cases in which a parent's conflict is being projected onto the abused child. Routine case study invariably reveals an essential family unit with parents in varying degrees of marital conflict and some situations which prove to be at the core of the abusive behavior. These include:

1. Conception prior to marriage. Either parent may punish the child for forcing an unwanted marriage.

2. An illegitimate child (usually the woman's, sometimes adopted by the stepfather). The stepfather may beat the child as a bad part of the mother; or the mother may beat the child as a part of the bad man who "did this and ran," or as the "thing" which caused her to lose him.

3. A brain-damaged child viewed as willful by a parent, who tries to beat out the "badness."

4. A child who has had his mothering process interrupted by the birth of a sibling. His natural reaction against this imposition may be handled so inappropriately that he further reacts, receives punishment, reacts more, and gets more severe punishment.

5. A child who has become a pawn in the conflict between parents, or between a parent and relatives, a "defeatable" substitute for a formidable adversary.

6. A badly handled separation of a child from the family and his precipitate return.

While some cases of "battered children" also fit into this category, the similarity holds more in the assessment than in their management. In the battered child category, severe and even fatal injury to the child is not uncommon and must constantly be guarded against; the abusive parent seems unable to control his behavior or feel much guilt about it; and resolution of his disturbance is apparently not within the present competence of casework skill. The converse is true in cases of children being abused due to misplaced parental hostility. Such children, although in a damaging situation, are rarely in danger of death; the abusive parents frequently manifest deep guilt and are able to control their behavior. Of all the groupings, parents in this category have demonstrated the greatest capacity to engage in a casework relationship in an effort to resolve the problems underlying their abusive behavior.

This does not mean that protection is an easy matter in these cases. In addition to the usual client resistance, the caseworker must deal with unacceptable child care which cannot be blamed on the neighborhood, insufficient income, or inadequate community resources. The parent is directly involved through deliberate action rather than failure to act. The caseworker can count on no assistance from either parent, for the parents initially protect each other regardless of the intensity of their disdain for each other.

Of the many approaches to breaking through the parents' armor, two stand out: (1) When the parents deny the abuse and maintain that the child is lying, the caseworker engages them in a discussion of the significance of the child's need to lie to someone regarding such a serious matter as a beating by his parents. (2) When his suspicions are confirmed by observation of fear or acting-out behavior on the part of the child, he patiently calls this to the attention of the parents and appeals to them to join with him in an effort to help the child.

The caseworker lets persistence and discretion be his guiding principles. Almost without fail, the agency intervention acts as a brake on the behavior of abusive parents; so the caseworker may be content with a momentary impasse as a calculated risk toward demonstrating some trust in the parents to insure that he will be able to see them again. At this juncture he weighs the advisability of interviewing the abused child. If there seems to be danger, he will pull out all stops in behalf of the child. Otherwise, forcing an interview with the child may only aggravate matters. *The most important aspect of protecting the child is not to prove the parental abuse, but to make a reliable assessment of the apparent danger for the child and somehow elicit a commitment from the parents to further discussions.*

In subsequent interviews, the full extent of the problems in the home is invariably aired, thus making possible a thorough evaluation of the situation. Usually at this point either continued protective service is agreed upon, or the parents flatly refuse the agency service. In the kinds of cases included in this study, the abuse is so severe that parents' refusal of service necessitates initiation of court action.

Some children who have endured misplaced abuse are so emotionally disturbed by the time they come to the attention of the protective agency that psychiatric treatment is clearly indicated. Many abusive parents are also in need of psychiatric treatment, but most of them receive the suggestion as either a joke or an insult. However, some regard it as a magical means of achieving quick alleviation of their problems. Either view when not adequately handled before referral for psychiatric service leads to rejection by the psychiatrist because of "insufficient client motivation, home too unstable to warrant treatment, client inability to acknowledge problem."

Ever present in dealing with cases of misplaced abuse is the caseworker's awareness that the children are in danger of further damage as long as they remain incorporated in the parents' acting out of a marital conflict. In protective service such conflict is handled through employment of generic concepts of casework help, plus the extra leverage of authority, and a steady focus on relating parental attitude and behavior to its effects on the children. If this help brings about a healthier balance in the family, to the obvious benefit of the abused child, either termination of service or referral to a family service agency is considered.

Where the union between parents has never been anything more than legal, or not even that, separation of parents, or parents and child, may be necessary to protect the child. If parental separation is advisable, the father usually leaves the home, sometimes under court order. The need to separate a child from his family might be immediately apparent to the caseworker, or recognized only after months of service. In either case, the goal is the same—to determine whether long-term placement seems essential, or whether through skillful help, eventual reunion on a more satisfying level can be achieved.

A family of 2 parents and 11 children was referred by a neighbor, who said that the children were beaten. Investigation was difficult, with threats to the caseworker from both parents. Yet within a month the parents were keeping regular appointments with the caseworker, some in the office. What came to light was that there was violent conflict between the mother and the oldest boy, Joey, who had been conceived before the parents' marriage and had spent his first 7 years with his maternal grandmother. Since Joey was big and not inclined to yield to his controlling, moody mother's unreasonable demands, the task of discipline was forced on the father. The father said that he began beating Joey "normally," but when the boy laughed at him, became incensed and started beating him with his fists. He later expressed uncertainty regarding his having fathered Joey.

When it became obvious that the child could not stand any more beatings, yet the mother was continually provoking them, the three family members agreed with the worker that a separation was needed. While in temporary shelter, Joey was seen regularly by the same caseworker who was holding regular interviews with his parents. Weekly visits between parents and Joey were scheduled, which the parents always kept. Gradually all three family members learned to trust and express themselves with the caseworker, and then to give respect to each other.

Eventually parents and child were spontaneously embracing each other and expressing the hurt and loss that they had been feeling before and during the separation. Within 5 months all three were showing sustained improvement and gratification in their relationship, and Joey pridefully returned home.

Of the 80 cases studied, 43 illustrated misplaced parental abuse. In homes where the father was present, he was most frequently the abuser. As in all categories, except overflow abuse, the homes were clean, orderly, and adequate. Only 4 of the 42 families were receiving public assistance. In 32, there was severe marital conflict, with much indication of mismatch between parents—mother quietly self-pitying, father explosive; mother pliable, father rigid; mother self-righteous, father fair-minded. The parents' family backgrounds included stress and disruption but not to an excessive degree.

In 29 cases the child was either illegitimate, conceived prior to marriage, cared for off and on by friends or relatives, or had been considered for foster placement at least once. In 33 cases, all multiple-child families, only 1 child in each family was being abused. The abuse usually was in the form of beatings with fists or a strap and was severe enough to cause bleeding, welts, bruises, police intervention, or need for medical care. In 34 of the homes, the beaten child was at least 5 years of age. Most of the abused children were manifesting internal turmoil by bed wetting, truanting, firesetting, or withdrawal.

NEED FOR JOINT EFFORT

While this study sheds some light on child abuse, it clearly indicates that much more needs to be known about the distorted views of abusive parents and the mechanisms which trigger their damaging behavior. To undertake a study of the entire problem of abused children is obviously bigger than any one profession. Satisfactory results may be obtained only through joint professional endeavor. Yet, knowing that physically abusive parents are resistive to seeking help voluntarily, additional knowledge about them will unquestionably have to come largely from some authoritative reaching-out source, such as a protective service.

FOOTNOTE

[1] Kempe, C. Henry; Silverman, Frederic N.; Steele, Brandt F.; Droegmueller, William; Silver, Henry K.: The battered-child syndrome. *Journal of the American Medical Association,* July 7, 1962.

[From Pediatrics, February 1966]

MALTREATMENT OF CHILDREN—THE PHYSICALLY ABUSED CHILD

(By Committee on Infant and Pre-school Child)

Maltreatment of children, or child abuse, takes many forms. It may be serious gross neglect of the child's welfare to the point of starvation,[1] cruelty resulting in emotional damage to the child, or physical assault by a parent, older sibling, or person charged with the care of the child, as described in the term "battered child syndrome."[2,3] We do not know the actual number of maltreated children, nor their subdivision into physical and emotional abuse. It is likely that the battered child is the least frequent yet currently the most discussed. This paper will concern itself primarily with the physically abused child.

Recently, the problem of maltreatment of children has received much attention. Perhaps part of the recent public interest in this problem has resulted from the dramatic phrase "battered child syndrome," which was first used by Kempe, *et al.* during a panel discussion at an annual meeting of the American Academy of Pediatrics.

But long before the phrase was coined, interest in the problem of multiple injuries had begun. About 20 years ago Caffey[4] described x-ray findings of multiple fractures in the long bones, and a diagnostic tool was developed. Since then the child with multiple injuries indicating new or recent injuries superimposed on old has come under increasing scrutiny, especially in the last three or four years. Later studies by hospital pediatric and x-ray departments added to the earlier reports of "skeletal trauma in infants"[5,6] which, in turn, have alerted pediatricians, roentgenologists, and other physicians to the possibility of child abuse. As physicians have become more aware of the possibility of maltreatment as the cause of multiple injuries, the number of discovered cases has grown. The American Humane Association[7] estimates that there are some 10,000 cases of such abuse each year in the United States, but only a fraction of these are reported. However, aroused public and professional interest will, no doubt, cause more to be reported in future years. The increased public attention has been expressed by many newspaper and magazine articles, as well as television and radio programs. Additionally, the whole spectrum of professional organizations—social, welfare, medical, and governmental—have joined in attempting to meet the problem.[8-16]

What is to be done about the problem of child abuse? Some communities have had, and still have, facilities to protect neglected, abused, and exploited children. These child protective services are too few, but where they have existed, they have worked fairly well in helping these children once they have been brought to the attention of the community. Such resources usually have involved local departments of welfare, voluntary child protective associations, other social agencies, and the courts—family, juvenile, or district court with juvenile jurisdiction. It is obvious from the incidence of child abuse that these facilities alone did not reveal the magnitude of the problem, nor did they exert prophylactic deterrents to child abuse. Something more was needed to help unravel this problem. Some of the approaches to the problem have recently taken a new direction, growing directly from increased medical interest coupled with public alarm. As of September, 1965, 47 states had passed legislation dealing with the abused child. In most cases these laws require physicians or other health personnel, who have reasonable cause to suspect that a child has had serious physical injury or injuries inflicted upon him other than by accidental means, to report the case to the proper authority designated to receive these reports, whether it be police or some other law enforcement agency or a department of welfare.

The purpose of such reporting by physicians is to cause the protective services of the community to be brought to bear in an effort to protect the health and welfare of these children and to prevent further abuses. The physicians who, previously, when he suspected physical abuse, limited his participation to the best possible professional care for the child and to personal investigation of the family and/or a referral to the social service department of the hospital for an investigation, now has a legislative duty to report these cases to a community authority.[17] Prior to such a law, separation of the child from the family resulted infrequently, and repeated abuse often occurred, sometimes resulting in death of the child or permanent crippling or brain damage.

A few of the laws have been aimed at reporting incidents of assault and in punishing the abusive adult.[17,18] In such states, little attention has been given to the need for continued protection of the child and the rehabiilitation (if possible) of the child's family. In the majority of states, however, where the intent of the law is to protect the child, the needs of both the child and his parents have been recognized and help has been recommended for both.

If those protective functions are to be increased by early medical case finding and reporting of child abuse (and this trend is already evident), responsible agencies must be provided with sufficient funds and qualified personnel to provide protection for the child. There must be legal authority to permit removal of the child from his home, and authority to implement prompt social investigation and responsible community action concerning the child and his parents.

The present pattern of child protective programs varies greatly across the country. Agencies responsible for investigation and for provision by protective services include private organizaions (e.g., the Society for Prevention of Cruelty to Children in Brooklyn and Manhattan); county or city departments of welfare; the juvenile branch of the municipal police; and the investigating section of the juvenile or family court. Regardless of the plan used by a community to protect its children, the important point about reported cases of maltreatment, in addition to medical care of the child, is the need for prompt investigation of the case, followed by appropriate action by the investigating agency. This action may take the form of assistance to the family to promote more responsible behavior or removal of the child to a safer environment than his home.

For example, in New York City there is a special Child Protective Services Unit. Following the passage of a legislative act making the reporting of suspected child abuse mandatory, the unit was set up by the Department of Welfare of New York City as part of its Bureau of Child Welfare in New York. This unit operates a central register where all cases of suspected or proven physical maltreatment are recorded and where all information relevant to a child or to his family may be readily available. The New York program, now a year old, has experienced a sharp increase in reporting by hospital physicians; at the same time a shortage of personnel, funds, and other facilities has already become evident.[19]

Observations previously reported indicate that the parents are in some instances mentally ill, mentally retarded, or emotionally immature, inadequate persons who themselves were so neglected or abused that they failed to grow into responsible adults. Also, persons of all walks of life, including professionals, have been incriminated.

With the assistance and supervision of a social agency, some of these parents can be helped to become responsible adults.[14] Punishment of these parents by placing them in jail generally serves little or no useful purpose other than to remove them from the abused child and his siblings for a limited period of time. It does not make them better parents or more able to deal with their children in a sound, constructive way. Indeed, their resentment at having been jailed may lead to even more severe punishment of the child. These individuals must be helped to grow themselves, and if this is not possible, they must be relieved of the responsibility for their children.

ROLE OF THE PHYSICIAN

The physician's duty is primarily to care for the maltreated child and to initiate steps designed to prevent further maltreatment. In many states he is now legally mandated to report a case of suspected physical abuse. This he must do, but he must exert care in arriving at his decision. The physician's knowledge may be limited to the medical condition of the child and

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Footnotes at end of article.

to what background information may be elicited from the parents. X-ray findings may reveal single or multiple bone injuries, some new, some old, and further study may determine the absence of a disease process that might have contributed to the abnormalities. The physician may suspect that the parents' account does not explain adequately the child's injuries. He may also sense that the parent-child relationship is in some way pathologic. Thus the physician's knowledge of the incident, though considerable and sufficient to report suspicion of trauma, upon further investigation may not be sufficient as a basis for legal action against a specific person by a community agency. Further investigation is required by a social service, welfare, or law enforcement agency. The information obtained through investigation added to the original medical knowledge provides a firm foundation for further social or legal action.

Reporting of maltreatment becomes easier when the child has been hospitalized than when he has not. The physician reports the case to the hospital administrator who alerts the appropriate community agency, which in turn investigates and acts.

The physician encountering a case of suspected maltreatment in office practice is handicapped in the full evaluation of the child's condition and the background situation. He may be further handicapped by the traditional physician-patient relationship, and by lack of time in trying to obtain an accurate history. Also, he may lack laboratory facilities, x-ray, etc., to make a suitable evaluation. In such instance, since he must assure the safety of the child, the physician should try to hospitalize the child for protection and for evaluation.[20,21] If the family refuses to allow hospitalization, the physician can obtain a court order for this purpose.

In some instances the practicing physician is apprehensive about becoming involved in legal action. Much of his concern springs from the difficulty of detecting and dealing with assault. He is also concerned about being involved in a law suit, spending time in court, and patient criticism. He should exert caution in taking action on suspicion of abuse. When in doubt, he should seek help and advice from others, but whatever decision he makes should not jeopardize the child's welfare. The hospital physician can more easily avail himself of consultations in the hospital, so that the decision becomes one of a group rather than of an individual. This is likely to be more accurate, yet errors are discovered even after group decisions. To erroneously add an accusation of willful abuse to the burden of guilt of these parents is traumatic and serves no useful purpose.

Elmer and a group[22] including a pediatrician and psychologist re-evaluated 50 children previously believed to have been physically abused. Thirteen had either died or were hospitalized. Four of the remaining children were discovered to have been injured at birth or later, but the injuries were not inflicted by the suspected parent. No decision could be made about seven, although some of these probably were victims of abuse.

The inclusion in state laws of provisions granting immunity from liability for the reporting physicians has removed much of the previous apprehension of reporting on suspicion alone. The widespread dissemination of fact that the physician is legally mandated to report a case of suspected child abuse should also remove, or at least reduce, the parents' resentment.

ROLE OF COMMUNITY

The community must set up a plan whereby cases of maltreatment are reported to an appropriate investigating agency just as soon as they are suspected. Action must be initiated immediately upon receiving the telephone report from the physician, or it may be too late to save the child's life. The agency must have medical and paramedical personnel available and, as already mentioned, adequate funds and facilities to do a prompt and effective job. The agency must then take the necessary action either by helping the family to function more adequately or by seeking legal action to remove the child to a safer environment should this prove necessary.[23]

As indicated earlier, various plans of child protection exist and are now operating in many communities. Where the legal basis and the implementation are adequate, these present programs have been found to be effective. If new reporting and investigating procedures are established, the Committee believes that it should be done through departments of welfare or health or through child welfare agencies. In those areas of the United States inadequately represented by city or county health or welfare departments or by child welfare agencies authorized to provide protective services, the local law enforcement authorities should be notified of maltreatment.

CENTRAL REGISTER

Any program of protection against child abuse involves several phases: case finding, case reporting to an authorized agency that can offer prompt protective action for the child; investigation of the circumstances surrounding the abuse; and maintenance of a register of each reported incident.

The central register is an important aspect of a program. This facilitates the detection of cases of repeated abuse, since parents of abused children frequently take them to different physicians or hospitals after each episode or attack to avoid identification with previous episodes. If a central register exists, a physician, hospital administrator or social worker can, by telephoning, quickly discover whether a case is one involving repeated injury or neglect and possible abuse. The registry may be maintained by any agency the community selects, but again the Committee believes that either the city or county department of health or welfare is the most logical choice, since it is more likely to have necessary financial and clerical facilities and is experienced in maintaining registers.

The Committee urges those communities that already have effective child protective programs to expand their programs to include a registry.[1]

Wilson[24] reported a case that raises the important question: What shall be done about a person registered as suspected of having inflicted injury on a child who is later found innocent? How does this name get removed from the register? This might be very difficult and require much red tape and a judicial order. This problem might be solved if all reports are held in a temporary file and moved to a permanent one only when the suspicion is found to be based on fact, or when there continues to be doubt as to guilt of the parent. However, when the parent is proved innocent his record should be destroyed.

In setting up a program it is most important that the reporting physician or hospital be given legal immunity in reporting suspected maltreatment. This will deter suits and will encourage the person to report a case of suspected abuse which he otherwise might not do.

RECOMMENDATIONS

The Committee on the Infant and Preschool Child believes that mandatory reporting by physicians of suspected cases of child abuse is justified and that legislation for this purpose should be primarily of a protective rather than a punitive nature. It also believes that communities should be encouraged to develop their own sound programs to provide the necessary services to protect the child after a case has been reported.

Legislation should be guided by the following principles:

1. Physicians should be required to report suspected cases of child abuse immediately to the agency legally charged with the responsibility of investigating child abuse, preferably the county or state department of welfare or health or their local representatives or to the nearest law enforcement agency.
2. The agency should have ample personnel and resources to take action immediately upon receipt of the report.
3. Reported cases should be investigated promptly and appropriate service provided for the child and family.
4. The child should be protected by the agency either by continued hospitalization, supervision at home, or removal from home through family or juvenile court action when indicated.
5. The agency should keep a central register of all such cases. Provision should be made for the removal of case records from the register when it is found that abuse did not, in fact, occur.
6. The reporting physican or hospital should be granted immunity from suit.

A program following these principles should be successful in identifying abused children and in protecting them from further abuse; in restoring those families that are capable of rehabilitation; in allowing the physician to perform responsibly within the bounds of medical knowledge and ethics; and in allowing the community to meet its obligations to its children.

COMMITTEE ON INFANT AND PRE-SCHOOL CHILD

Samuel Karelitz, M.D., Chairman.
William Curtis Adams, M.D.
Talcott Bates, M.D.
Paul A. Harper, M.D.
Herman W. Lipow, M.D.
Pauline G. Stitt M.D.
Howard S. Traisman, M.D.
Edward T. Wakeman, M.D.

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HAZARDS IN DETERMINING CHILD ABUSE

(By Elizabeth Elmer*)

In a world full of uncertainties, child abuse may seem one obvious offense that everyone can agree upon and attempt to remedy. If this were true, dealing sensibly with the problem would be considerably easier than it is. The purpose of this paper is to point out some of the difficulties in determining *who* is abused. Although the difficulties described here were encountered in a study now being concluded, the same kinds of problems in evaluating abuse may well occur in the community at large. The mistreatment of children is by no means a black-or-white issue; instead, the most careful and thoughtful approach is required if we are to protect children adequately and, at the same time, treat the adult caretakers fairly.

Before presenting our experience, it may be useful to discuss certain background facts that have a bearing on the management and study of child abuse.

PROBLEMS IN DEFINING ABUSE

The investigator who wishes to study the problem of child abuse finds that the definition of abuse is by no means clear and commands no consensus—even among knowledgeable professional persons. Some claim that physical abuse is the only variety worth concern; others believe that, in the long run, emotional trauma can be fully as damaging to the child.

If we concentrate on physical abuse, leaving out emotional trauma, a lack of consensus is still apparent. It is unclear, for instance, whether chronicity of mistreatment is a necessary condition to establishing abuse. In many families an isolated beating or hard spanking can be expected in the normal course of events. If this is so, how do we label the rare impulsive outburst that results in permanent injury to the child? Is this to be called abuse because of the damage to the child? Or is it to be called an accident, since it never occurred before? When the parent is filled with remorse, should this affect our judgment?

The visible effect of the child is often the criterion by which abuse is identified. For example, the doctor may immediately suspect abuse when an infant of ten months is presented for medical care because of third-degree burns of the buttocks. At first glance, this kind of injury in a baby appears impossible without a preconceived plan, and it is difficult to avoid prejudging the "perpetrator." Thus, the injuries of the child may lead to a ready-made judgment of the caretaker before the caretaker is even interviewed.

With the passage of time, most physical signs disappear and can no longer be used as benchmarks for abuse. For example, the signs of malnutrition recede with adequate intake. If there is no visible indication in the child, we find it difficult to believe that abuse could actually have occurred.

Finally, the ethnic or class identification of the family may determine the judgment about the caretaker's motivation. If the child is poorly dressed or has a skin color different from most of the population's, we may imagine that the caretakers are also different, perhaps abusive, in their child care practices. Not infrequently, one hears sophisticated social workers remark that certain parents could not have abused the child since they appear so beautifully dressed.

The criteria for designating abuse—chronicity, visible effects, and class identification—include a variety of unlike conditions. Since abuse undoubtedly results from a complex of pressures and reactions, it will never be simple to unravel. Nevertheless, the usual criteria seem inadequate and misleading.

Failure to agree on a common definition contributes to the lack of knowledge about the problem. Until very recently, systematic studies in this area have been sparse; little is known about the incidence of abuse, the characteristics of the families and of the children, the outlook for rehabilitation, and many other questions of importance. Another baffling aspect of the problem is the attitudes of professional persons confronted with suspected abuse. Aside from a few unusual individuals, they appear to divide into two general groups: first, those whose anger knows no bounds, who are spurred by fury to accuse and punish the parents and, second, those who shut their eyes and refuse to consider any evidence of mistreatment.

The array of emotional attitudes toward abuse, the sparseness (until recently) of descriptive literature, and the comparative absence of study all lead to the hypothesis of a societal taboo in this area. We middle-class professional people are made uncomfortable and anxious by signs of unbridled impulses in parents. We prefer to think of ourselves as civilized and immune to the same impulses. We resent the evidence that vindictive impulses exist in others and may, therefore, exist in ourselves. Hence, the "cloak of silence" and the determined actions to eliminate or disregard the evidence.

It may be pointed out, with accuracy, that the cloak of silence may have existed but is no longer important, that every month brings new publicity about abused children, that many states have passed laws requiring the reporting of abused children. All this is true; however, the focus of these efforts is instructive. With a few notable exceptions[1] the chief objective, either latent or manifest, seems to be the punishment of abusive parents—parents judged guilty beforehand. An illustration is the use of the term "battered child." Several years ago, when the taboo was especially strong, the term served a useful purpose by dramatizing and calling attention to the existence of child abuse. It is less suitable today when the focus is on developing appropriate measures for management of the problem. The term "battered child" connotes willful assault, cruelty, even sadism; it leaves no room for the exploration of other etiological possibilities.

The continued widespread use of the term suggests that the taboo about child abuse is now appearing in reverse. The same aversion toward the phenomenon is currently expressed as a single-minded wish to punish parents, thereby getting rid of the abuse problem. No one can quarrel with the slogan "Protect the battered child." It accords with socially acceptable principles and satisfies the need to do something worthwhile. Concurrently, it raises a barrier against baffling and irritating questions that must be thought through if we are to achieve lasting solutions for these serious problems.

THE STUDY PLAN

The study to be discussed is one effort to shine light upon some of the murkiness about child abuse. With financial help from the National Institute of Mental Health, we examined a number of former patients of the Children's Hospital of Pittsburgh whose physical symptoms upon admission appeared to be caused by caretaker mistreatment. The first aim of the research was to evaluate the present status of the child as to physical health, intellectual functioning, and social adjustment. The second aim was to examine selected social, psychological, and demographic attributes of the families to see whether abusive families had characteristics in common. In this study, abuse was defined as adult assault against the child.

The patients selected for study had multiple bone injuries at the time of admission to the hospital. They had to be free of bone disease that might account for the bone condition, and they had to have a history of neglect or abuse, or a history inadequate to explain the injuries. A distinguishing feature of this condition is the variation in the healing stages of the bone lesions as shown on X-ray film. For example, a fresh fracture may be observed in one bone, signs of a healing fracture in a second bone, and signs of an old healed injury in still another bone. Such variations mean that the injuries had to be incurred at different times; thus, multiple bone injuries are considered by medical authorities as a potent indicator of abuse.[2]

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*Miss Elmer is Director, Fifty Families Study, Children's Hospital of Pittsburgh, Pennsylvania. This paper was presented at the CWLA Eastern Regional Conference, New York City, February 18, 1965. It is based on the study "Neglected and Abused Children and Their Families," supported by Public Health Service Research Grant No. MH-00880 R11 from the National Institute of Mental Health.

[1] See, for example, Edgar J. Merrill, "Physical Abuse of Children—An Agency Study," in *Protecting the Battered Child* (Denver: the American Humane Association, 1962), pp. 1–15.

[2] See, for example: John Caffey, "Multiple Fractures in the Long Bones of Infants Suffering from Chronic Subdural Hematoma," *American Journal of Roentgenology*, LVI (1946), 163–173; F. N. Silverman. "The Roentgen Manifestations of Unrecognized Skeletal Trauma in Infants." *American Journal of Roentgenology*, LXIX (1953), 413–427; Donald S. Miller, "Fractures Among Children, I: Parental Assault as Causative Agent." *Minnesota Medicine*, XLII (1959), 1209–1213;

This appears to be confirmed by the age distribution of the children at time of hospital admission: over half of them were under 9 months of age. The pronounced infancy means that the children were not usually walking and, therefore, were not apt to propel themselves into positions of danger. Their injuries as indicated by the various healing stages show that whatever happened to the children had to be a repetitive process rather than a one-time incident.

Based on the potency of the criteria, an assumption of consequence was that all the study children had been abused. We anticipated doing a simple, straightforward study of clearly abused children and clearly abusive families. But, after intensive consideration of the available data, the research staff judged that not all the children had been abused; it was, therefore, necessary to alter the study procedures.

The original design called for two interviews with the mother: one in the home and one in the hospital. Following the hospital interview, three standardized questionnaires were administered. During the second interview with the mother, the child was evaluated in the outpatient clinics of the hospital. The child had a standard pediatric examination, psychological tests, a psychiatric interview, an X-ray survey of the skelton, and a hearing test. A final visit was later made to the home to communicate the results to the family.

We also gathered pertinent collateral data —from social agencies, various institutions, police, and schools—that were useful primarily as a means of validating the information given by the parents. They also helped us to understand particularly difficult families.

The original study group numbered 50 former patients with multiple bone injuries; of these, 13 were either deceased or institutionalized at the time of the study (we did not gather data from their families), and 6 other families refused to participate. The final study group was made up of 33 children, including 3 sets of siblings (2 of these siblings entered the study at our request in view of history indicating that they also might have been abused). Twenty-eight mothers completed both the home and hospital interviews.

DIFFICULTIES ENCOUNTERED IN STUDY

Difficulties in determining abuse were mentioned earlier in this paper. The next few paragraphs will deal with the particular difficulties encountered in our study and how we attempted to solve them.

Upon the completion of hospital examinations, the interviewers and examiners met to clarify their clinical judgments about the children. They reviewed all the available medical data for each child, including prenatal, birth, and postnatal history; records from local doctors and other hospitals; data pertaining to the hospitalization for multiple bone injuries; and available social data on earlier periods. The group then reviewed the data from the current research study, including the impressions and observations of the interviewers and examiners. The aim was to arrive at a consensus as to the current functioning of the child and to compare this with his past functioning.

The original plan purposely excluded any attempt to determine the circumstances of the child's old injuries; one reason was the assumption, basic to the study, that all study children had been abused. It was soon realized, however, that bone injuries incurred at different times are not necessarily evidence of mistreatment. For example, one infant had sustained injuries during a particularly traumatic birth. He was later involved in two consecutive accidents causing bone injuries that led, along with birth injuries, to his selection for this study. All injuries and their dates were verified by the family doctor; the research group therefore decided that there was no evidence of abuse in this case.

Once the original assumption of general abuse had been discarded as erroneous, the group decided to discuss fully the etiology of each child's old injuries. The following items were considered:

The caretaker's admission of assault.

The statement of a spouse concerning guilt of the other spouse.

A child's legal removal, based on alleged abuse, from the home in which the injuries had occurred.

Other reasonable causes of the injuries, including traumatic birth, sibling assault, or accident.

The general growth and development of the patient at time of hospital treatment for bone injuries.

Health history of siblings—reported neglect, abuse, injuries, or death.

Placement of patient or siblings away from home (along with reasons for such action).

Observations or verified reports of physical aggressions against others by adult family members.

Because some of these data were not directly measurable but depended for their validity on clinical judgment and experience, they were probabilistic rather than certain. Also, not all the factors were of equal weight in the determination of abuse. Despite these difficulties, the judgments of the group were probably as satisfactory as could be made.

CLASSIFICATION OF CHILDREN

On the basis of the judgments made by the research staff as a group, the 33 children were divided into three hypothetical groups: abused children; nonabused children; and unclassified. Every effort was made to arrive at a conservative judgment.

The judgments concerning the abused and the nonabused children were unanimous; in fact, this was a requirement for placing a child in either category. Nonabused children were those whose earlier bone injuries had a plausible explanation other than adult assault. The unclassified category comprised children about whom there was disagreement among the clinicians and those children whose injuries could not be explained on any reasonable basis.

It is believed that some of the seven children in the unclassified category probably were injured through assault, but since there was no consensus among the research group, they were not included in the abused category. In one instance, a child was known to have had birth injuries; the X-ray film also showed fresh fractures when he was admitted to the hospital at the age of 3 months. But no report of accident was elicited, and exploration of family factors showed no reason to suspect mistreatment.

ADVANTAGES OF FOLLOWUP STUDY

In view of the powerful criteria for admission to the study, we anticipated a simple, straightforward study of clearly abused children and clearly abusive families. It was totally unexpected, therefore, to find so many children who were plainly not abused or whose injuries were caused by undetermined factors. Here certain characteristics of a followup study came to bear.

It is difficult, of course, to determine the etiology of injuries incurred a number of years before, but there are certain values to a retrospective look. The lapse of time means that records of various kinds are available for a larger proportion of the families.

Another value of the followup study is the absence of parental anxiety commonly aroused by a child's hospitalization. The child is at home with his parents, and real or fancied threats to remove him are no longer present. In all probability, these conditions contributed to the families' relaxed attitudes and their responsiveness. Indeed, some of the material divulged by certain parents may not have been within reach at the time of the children's hospitalization.

Still another benefit of a followup study is the relative calmness of professional feelings. The immediacy of the child's injuries and the acute necessity to make a decision about his welfare are no longer in the picture. All the professional persons involved can be deliberate and objective without the emotional turmoil often aroused by child abuse.

COMPARISONS OF EVALUATIONS

It is interesting to compare the research evaluation with the evaluation of these children at the time of hospital treatment for bone injuries. All but 5 of the 22 children that the researchers later evaluated as abused had also been judged as being abused at the time of hospitalization. In the other five instances, the families had not been interviewed concerning the origin of injury.

Among the four nonabusive families, two had not been questioned, indicating that the possible significance of the children's injuries was not picked up; in the remaining two nonabusive families, the parents were accused of having caused the children's injuries. In each instance, reliable information was available to clarify the problem, but the young medical resident was so determined to protect the children and his attitude was so negative toward the parents that he did not seek the facts.

In the unclassified category, three children were not identified at the time of admission as possibly abused; four children were. For these four, however, substantiating evidence was not available either way at the time of admission, a condition that prevailed throughout the study.

Some of the families suspected of abuse at the time of admission were referred for social evaluation. The social worker, however, was not always able to accept as valid the suspicions of the doctor. In still other instances, both physician and social worker could agree upon the danger to the child if he remained with the family judged as abusive. The court was then petitioned to remove the child from the home in which the injuries had occurred. Like the hospital, the court appeared to have no particular guidelines for decisions in these very difficult situations—the petition was denied in some cases and approved in others.

FALSE ACCUSATIONS AND STRESS FACTORS

In problems of suspected abuse the difficulties of doctors, social workers, and courts are very real. All professions are prone to serious errors resulting in grave danger for the child, who may be injured again and even killed, or leading to false accusations of the caretakers, which may cause serious psychological damage to both the child and his parents. It cannot be emphasized too strongly that false accusations of the parents can be harmful in the extreme. We saw an example of this during our study.

The mother willingly gave the first interview in the home. She was friendly and gave evidence of a good relationship with her husband and their three children. She did not appear eager to bring the child into the hospital for evaluation, however, and it was later learned that this was a result of her hospital experience when the infant was injured. She had been belligerently accused of beating him. She was most upset about this, went home and cried, and was determined not to come back. Nevertheless, she did return for a followup appointment—as ordered by the hospital physician. During the second appointment, the same accusations were made—

C. Henry Kempe, Frederick N. Silverman, Brandt F. Steele, William Droegmueller, and Henry K. Silver. "The Battered Child Syndrome," *Journal of the American Medical Association*, CLXXXI (1962), 17–24; Thomas McHenry, Bertram R. Girdany, Elizabeth Elmer, "Unsuspected Trauma with Multiple Skeletal Injuries During Infancy and Childhood," *Pediatrics*, XXXI (1963), 903–906.

this time in front of a waiting room full of people. She then resolved that she would never return to the hospital. When asked why she had not reported this event to the administration, the mother said that she did not wish to get into any trouble.

This same mother later gave an informative account of the circumstances surrounding the child's bone injuries and the hospital admission.

The patient was less than 1 year old when the mother again became pregnant. The family was living in cramped quarters; the independent business of the husband was not prospering; and, following a brief illness, the mother's mother had suddenly died.

During this period of family stress, the mother occasionally left the baby with the landlady, who seemed to enjoy caring for him. This woman, however, was known as a belligerent, touchy person. Suddenly, the mother became aware that the landlady was handling the child with considerable roughness, and she withdrew the baby from the landlady's care. Later, when tenderness in one leg was noted, she took the child to the hospital where multiple bone injuries were discovered. But, instead of finding an interest and willingness to help, the mother received harsh accusations and humiliation in the eyes of the other parents. In addition to increasing the mother's burdens, the management of the situation did nothing to further the welfare of the patient.

We frequently found a pileup of environmental pressures at the time of the child's hospitalization—among both the abusive and nonabusive families under study. (Stress factors in many areas have also been found in another study of families whose children were hospitalized due to conditions of neglect or abuse.[8]) Stress factors in our study included a variety of circumstances such as illness or death of a parent, inadequate housing, an unwanted pregnancy, and a sick child. Characteristically, there was a multiplicity of environmental pressures. This leads to the hypothesis that the adequacy of child care may decline at times of family stress—as does the adequacy of other functions, such as job performance. When precipitate accusations are added to the picture, the parent's defenses are heightened, the true story is withheld, and the opportunity to protect the child by helping the parent is lost.

REMAINING QUESTIONS

As this study has progressed, the necessity for painstaking social evaluation of the families suspected of abuse has become increasingly apparent. Areas for inquiry are the identity of the person responsible for the child; the ordinary patterns of child care; the variations in care that may occur and the reasons for them; and something of the history of the caretakers, to illustrate their prevailing behavior patterns. The final areas to be suggested for further study are the family events occurring at the time of the child's injuries and the typical reactions of family members to stress.

Only by means of evaluating such variables will it become possible in practice to separate the abusive from the nonabusive families. Certainly, premature or hostile accusations hold no promise for learning what has occurred; on the contrary, such behavior by responsible professional persons may well cause unnecessary psychological damage both to the parent and, through the parent, to the child.

It would be gratifying to be able to spell out the precise differences between abusive and nonabusive families; such differences would be useful in making predictions in practice. But predictors can be found only through patient and systematic study. This will eventually make possible a more rational approach to the problem by reducing the force of the hysteria surrounding child abuse in our society.

Only as this is dissipated will it become possible to view the problem objectively and to choose the type of action best suited to the needs of the particular situation. This, in turn, will lead to increased effectiveness in child protection, better selection of the adults who may be helped, and more adequate help for those adults who appear to have potential for better child rearing. Finally, as systematic studies accumulate and the findings are tested in practice, prospects for the prevention and reduction of abuse will become brighter.

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[From the National Council of
Jewish Women]

WINDOWS ON DAY CARE

(A report on the findings of members of the National Council of Jewish Women on day care needs and services in their communities)

(By Mary Dublin Keyserling, Economic Consultant; Director, Windows on Day Care Project; and Former Director, Women's Bureau, U.S. Department of Labor)

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FOREWORD

The National Council of Jewish Women has long been concerned with one of our most urgent unmet national needs—the need for quality day care services for millions of children in every section of our country.

While there has been some expansion in the number of licensed day care homes and centers in recent years, the growth in services available has failed to keep pace with rapidly rising need. Large numbers of children are neglected; still larger numbers now receive care which, at best, can be called only custodial and which, at its worst, is deplorable. Only a relatively small proportion are benefiting from truly developmental quality care.

Aware of the magnitude of the day care problem and its important social implications, the National Council throughout the 1960's sought to challenge its members to accept responsibility for leadership in their local communities in this field.

The Council is a voluntary service and educational organization of over 100,000 members concerned especially with the needs of the disadvantaged, particularly day care, education, civil rights and welfare. It is organized in 176 communities across the country; each unit is called a Section.

Of the Council's 176 Sections, at least 131 have programs helping to meet day care needs. Some 32 Sections are now sponsoring or co-sponsoring day care centers. Many more are exploring possibilities for new ones. The significance of this activity is not only the actual provision of service, but the demonstration of the type of service that can be provided under voluntary auspices.

Additional Sections contribute volunteers or other assistance, on a regular basis, to day care programs, for which they are not themselves primarily responsible. Members in many Sections are active in a wide variety of educational and promotional projects or in coordinating efforts directed toward the expansion and improvement of day care services in their communities.

The Council has been encouraged by growing national recognition of the urgency of the day care shortage problem and mounting national, state and local efforts to meet it, but believes that we have been rising all too slowly to the challenge. For this reason the Council's National Board decided in mid-1970 to invite Council Sections to join forces in a joint undertaking which would throw additional light on the day care picture in numerous communities throughout the country.

The Council was fortunate that Mrs. Mary Dublin Keyserling, former Director of the Women's Bureau of the United States Department of Labor, agreed to direct the "Windows on Day Care" project. All Sections were invited to participate. Over 90 Sections accepted.

A national Day Care Report Committee was appointed to work closely with Mrs. Keyserling and the participating Sections to determine general Council policy and to formulate Council recommendations with respect to day care needs and action. Its members are:

Mrs. Bernard Koteen, *Chairman*, Washington, D.C., Section

Mrs. Norman Cohan, Miami, Florida, Section

Mrs. Benjamin Gogolick, Cleveland, Ohio, Section

Mrs. Philip Kruvant, Essex County, New Jersey, Section

Mrs. Howard Olansky, Los Angeles, California, Section

Mrs. Robert E. Rosenwald, Kansas City, Missouri, Section

Mrs. Albert Tonner, Peninsula, New York, Section

Serving as National Council staff representatives were Mrs. Helen F. Powers, Head, Community Activities Department and Mrs. Lois Whitman, Assistant Head, Community Activities Department.

The Sections' work began in the summer of 1970. It wasn't the best of times for demanding volunteer activity. Children were home from school. Vacations had already been scheduled. It was hot. Nonetheless, hundreds of Council members of the participating Sections set to work following survey suggestions set forth in a Day Care Kit prepared for them by Mrs. Keyserling. They visited day care homes—licensed and unlicensed. They visited day care centers. They interviewed working mothers to ascertain problems they encounter in trying to find child care. They talked with mothers not then employed to discuss their interest in day care services and whether difficulties in obtaining them were a barrier to work. They met with a wide range of leaders in their localities, knowledgeable about day care services, and gathered views as to the magnitude of unmet needs and ways to cope with them. They followed stories on day care in the press and assembled these accounts and every available survey they could obtain relating to the day care problem in their areas. They took photographs to paint a more graphic picture of what they saw.

The task of summarizing findings and preparing recommendations was not an easy one for the participants. Reports included accounts of what the Sections have themselves been doing to help meet day care needs in their communities—one of the most heartening aspects of the story.

Seventy-seven Sections submitted detailed reports to be included in the summary of findings. All but one of the very large Sections completed reports. So, too, did two-thirds of the large Sections; one-third of the medium-sized Sections and one quarter of the small ones.

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[8] Eileen Branigan, *et al.*, *An Exploratory Study of the Neglected-Battered Child Syndrome* (unpublished doctoral dissertation, Boston College School of Social Work, 1964).

The Council is organized on the basis of five regions. All regions were well represented. Reports were received from:

16 Sections in the Northeast area;
20 Sections in the mid-Atlantic area;
15 Sections in the Southern area;
15 Sections in the Central area;
11 Sections in the Western area.

It was believed that intelligent, concerned women could look through their windows on the day care problem in their own neighborhoods, and could become day care reporters telling a story of great value to the Council and to many others.

The reports received were far more comprehensive than had originally been expected. It became a major task to collate the findings by subject and tabulate the quantitative data. Under the supervision of Mrs. Keyserling, this was carried out in the national office by Mrs. Lois Whitman with the assistance of Mrs. Isabel Brach and Mrs. Alice Marcus. Their contribution to the project is gratefully acknowledged as is that of Mrs. Helen Powers, Head of the Committee Activities Department of the national office. Mrs. Powers and her staff gave field assistance to many of the Sections, on request, during the period material was being gathered.

In addition to the initiation of this project and its guidance in its field stages, Mrs. Keyserling was responsible for the analysis of the data and the writing of this Report. In the task of assembling the data she had the assistance of Mr. Joseph Mockus, and later of Mrs. Margaret Yoma Ullman, which is acknowledged with appreciation.

The Report and its recommendations were reviewed and approved by the Council's Day Care Report Committee. The Council's gratitude is expressed to the members of the Committee who came from all over the country at their own expense to give guidance and direction to the Project. The interest and assistance of Mrs. Olya Margolin, Washington representative of the Council, is also gratefully acknowledged.

Already the project has served many useful purposes. It has stimulated many additional Sections to find out more about day care needs in their communities and to seek means to help meet them. Many Section members have acquired invaluable information which is helping them to make a growing contribution in this field. The project has provided added impetus to much needed day care coordinating activities in many communities.

Above all, we hope that the findings and recommendations presented will help spur day care action at the national, state and local levels. To the extent that constructive action is furthered, the investment of resources and skill on the part of the Council and those associated with it in this project will be more than well rewarded.

Mrs. Earl Marvin,
President, National Council of Jewish Women.

CHAPTER I. THE PLAN OF THE REPORT AND HIGHLIGHTS OF FINDINGS AND RECOMMENDATIONS

This Windows on Day Care Report tells the story of what members of the National Council of Jewish Women in 77 of their local Sections saw when they examined existing day care needs and services in their communities.

To put Council findings in the perspective of the national scene, Chapter II summarizes highlights of what is now known about the arrangements made by mothers who obtain day care services for their children. It also indicates the extent to which present child care facilities throughout the country fail to meet existing and anticipated needs.

What did the need for day care in their own localities look like to Council members participating in the Windows on Day Care Project? Their findings are presented in Chapter III. Chapters IV, V, and VI summarize what survey participants saw when they visited proprietary and non-profit day care centers and day care homes.

Chapter VII reports what Council members learned when they talked with mothers about their own day care needs and problems.

Chapter VIII offers illustration of what Council Sections are doing in their communities to help expand and improve day care services.

Chapter IX presents recommendations for action at the national, state and local levels. They are offered for the consideration of all who share the Council's conviction that a country as well endowed as ours can no longer ignore the fact that millions of our youngsters are today denied the developmental opportunities which should be the birthright of every American child.

A few highlights of findings

With respect to the national scene, many groups of children are urgently in need of developmental day care services:

Children of Working Mothers

Six million children under the age of six have working mothers. Most of them work for compelling economic reasons. About a million of the children whose mothers are employed are in poverty; another million are in families living close to the poverty line. Most of the families of these two million children would be on welfare if their mothers weren't earners.

Only a very small percentage of the children whose mothers are employed now benefit from developmental day care services. The large majority are cared for in their own homes or the homes of others and most of them receive only custodial care. Well under ten percent are enrolled in licensed day care centers. Of the centers visited by Council members only about a quarter provided developmental care including educational, nutritional and health services, the essential components of quality care. Survey participants found that far too many children of working mothers were grossly neglected latchkey children on their own, children who went with their mothers to their places of work because no other arrangements could be made for them, children in day care centers and homes of such poor quality they may suffer lasting injury. The first five years of a child's life are the period of the most rapid mental, personality and physical growth. Deprivation in the early years can have disastrous effects.

The number of children of working mothers in need of care has been rising considerably more rapidly than the supply of services available.

Children of Mothers Who Do Not Work and are in Poverty

A second group of children no less in need of good day care are the two and one-half million children under the age of six whose families are in poverty and whose mothers are not employed. Most of these children are economically, educationally, and physically seriously disadvantaged. Part-day care could give these children the head start they so greatly need. The many people Council members interviewed in their communities, closest to day care needs, agreed that we are doing far, far less than what we should be doing for these children.

Other Children Who Need Care

There are many others whose need for good day care is urgent: infants, for whom little quality care is available; handicapped children whose special health and other needs could be met by competent day care specialists but who now receive little assistance; children whose mothers are ill or handicapped; children whose mothers are studying or in work training, or whose voluntary services in the community make a vital contribution. In need of day care are all the additional children whose parents desire it for them at a price they can afford.

The acute shortage of quality day care facilities today is depriving millions of children of the opportunity to get a good start up the ladder of life. For many it will forever deprive them of the chance to realize their potentials.

Acute Local Shortages Reported

In their local communities participants found mounting concern with what can only be called a day care crisis in most of the areas in which the survey was undertaken. In community after community the people most knowledgeable about day care needs and existing services told Council interviewers that an eight or ten fold or even greater expansion of quality day care would not suffice.

The growing day care shortage hit all income groups hard. That the poor suffered especially was obvious. Federal funds for day care now help provide services for fewer than 5 percent of the children of economically disadvantaged families most in need.

Most parents who want quality care for children are not eligible for care that is subsidized and they cannot find affordable, unsubsidized quality care. Developmental day care services are expensive. They cost as much as $2,000 to $3,000 a year a child. Few families can afford that. Thus millions of parents make do with inferior and often harmful arrangements.

Council Findings About Day Care Centers

All licensed proprietary and non-profit centers in the United States had an enrollment capacity in 1970 for about 625,000 children, many of whom were cared for only part day. This number included children of preschool age, and those of school age who received care only after school. Council members visited 431 centers throughout the country caring for about 24,000 children.

It was found that the great majority of the children cared for in the centers observed had working mothers. Proprietary centers visited were too expensive for most mothers without husbands. Most non-profit centers gave these children top priority. In two-thirds of such centers visited by Council members, children from one-parent homes were a sizable majority.

About three-fourths of the day care centers observed were largely segregated institutions, serving only white or predominantly white families, or only black or predominantly black families.

Finding About Proprietary Centers

Here are a few additional findings about the proprietary centers seen:

The average fee charged was about $18.50 a week per child. Council members felt that this was all that the great majority of families served could afford to pay, yet they recognized that fees at this average level do not and cannot possibly buy developmental care.

Because the average fee charged was less than half what quality care actually costs, parents got what they paid for. In more than half the proprietary centers the size of classes exceeded generally accepted standards and the adult-child ratios were far too low.

Salaries paid center directors and other professional staff were, on the whole, very much lower than those paid elementary school personnel. The great majority received less than $4,000 a year with many paid subminimum wage rates. With salaries so low, as was to be expected, the majority of the staff were people with little or no training in early childhood education or development.

On the basis of the wide range of information collected, the proprietary centers visited were rated as to whether they seemed to be providing care which might be called "superior," "good," "fair," or "poor." Only one percent of the proprietary centers visited were considered "superior," 15 percent were regarded as "good." An additional thirty-five percent were essentially custodial, providing "fair" care in the sense of meeting basic physical needs with very little, if any, by way of developmental services. Half were considered to be rendering poor care and in some cases this was found to be very bad indeed. Many illustrations in the Report demonstrate this to the hilt.

Findings About Non-Profit Centers

The non-profit centers presented, on the whole, a more encouraging picture. About 15 percent of the non-profit centers visited were Head Start projects; about the same percentage were other programs wholly financed by public funds. About one quarter of all non-profit centers observed were jointly financed by public and private funds and another one quarter were centers run by philanthropic agencies. A few were hospital based. Many of the remainder were church operated, usually run on a fee for service basis.

On the whole, of all centers seen, the best of the Head Start Centers elicited the most praise on the part of Council members.

While Head Start and most of the other publicly financed programs provided service without cost or at a nominal fee, a large majority of the other non-profit programs scaled their fees from nominal amounts upward, according to the income of the parent (fees averaging about $11 a week), or charged a flat fee (averaging about $14 a week).

While non-profit centers catered primarily to working mothers, the majority of whom headed their own families, their hours were not as well adjusted to the needs of employed mothers as might have been expected. None of those visited were open around the clock and very few were open long enough to meet the needs of women who got to work very early or who worked late or on week-ends.

Qualifications of directors of non-profit centers were far higher than those who headed centers under proprietary auspices, although there was relatively little difference as to the degree of training of other staff members.

Salaries paid were far better in non-profit than proprietary centers for both professional personnel and aides. In a far higher proportion of nonprofit centers than proprietary ones, adult-child ratios met generally accepted standards; and non-profit centers were considerably more likely to provide the full range of services considered necessary for developmental care. For these, among other reasons, the services of the nonprofit centers were, on the whole, rated much higher than those of the proprietary centers visited. This is understandable. Costs of services ran far higher in the former than the latter. Services in many publicly financed centers were reported to cost well over $2,000 a year per child; in some the cost exceeded $3,000.

Of all non-profit centers seen, nearly a tenth were regarded as "superior," providing care as good as any found. Somewhat more than one quarter were considered "good," and about half were rated "fair," meaning that while the provided for basic physical needs they were essentially custodial. Somewhat more than a tenth were considered "poor." Council members felt that some of the poor centers shouldn't have been permitted to go on functioning.

Family Day Care Homes Observed

Turning to a few observations about family day care homes, it is estimated that, in the nation as a whole, as many as 2 million children may be receiving care in homes other than their own while their mothers are away at work. Fewer than five percent of these homes, it is estimated, are licensed or supervised.

Council members, seeing family day care homes at their best felt they sometimes offered developmental opportunities fully equal to that available in superior centers. While nine percent of the homes observed were thought to be providing "superior" care, 28 percent were regarded as "good." Half were custodial in nature providing no educational or other services beyond the mere meeting of physical needs. An additional 11 percent were regarded as "poor" or very poor. Some of the latter provided the worst horror stories encountered.

What Mothers Had to Say

The interviews with mothers reported by Survey participants were particularly interesting. A large proportion of the mothers receiving welfare assistance with whom Council members talked said they had searched to no avail for free or low cost care for their children in order to be able to look for work. Mothers in work training programs often said the free or low cost care being provided their children wouldn't be available once they found employment. They didn't see how they could take jobs since the cost of child care would bring their earnings below welfare levels.

Working mothers comprised a large majority of the women interviewed. Most of them shared day care related problems including finding good enough care at a low enough price, arranging for transportation, and finding facilities open early and late enough to accommodate job schedules. While a few mothers received free care, fees for others ranged from $2 to $100 a week, with their weekly outlays averaging $15.

Of all child care arrangements used by the mothers interviewed, center care evoked the warmest response particularly because it was more apt than other types of service to include educational components.

Among the mothers not at work who were interviewed some said that were it not for day care difficulties they would be at work, or in study or work training programs. Others said they did not wish to join the labor force believing their young children needed their full time attention.

What Council Members Are Doing

Section reports included accounts of what members were doing to expand and improve day care in their communities. At present, 131 of the Council's 176 Sections are active in day care, many in more than one way. A number of other Sections are considering various day care projects. At least 32 Sections are now sponsoring or co-sponsoring day care centers. An additional 58 Sections are trying to set up centers, some of which are on the verge of opening; others are looking into the possibility of doing so. Twelve Sections which had initiated day care centers have turned them over to others to run. Thirty Sections contribute volunteers on a regular basis to day care centers sponsored by others. At least 23 Sections contribute services to day care centers other than providing regular volunteers. In the areas of coordinating and/or stimulating day care in their communities or states, 26 Sections are or have been specifically concerned with the 4–C Program (Community Coordinated Child Care). Some 38 Sections have been taking a leading part in helping to coordinate and stimulate day care in their areas through programs other than the 4–C Program. Five Sections are or have been active in efforts to expand and improve family day care and three in the training of day care center workers.

A significant contribution to the Sections' work in the day care field emerged from the work undertaken to make this Report possible. Many Council members reported that this had enlarged their understanding of day care needs in their localities and had stimulated them to seek additional means to help meet them. For many it opened up new, constructive roles in various day care activities. For all it deepened the conviction that ours, the richest of all nations, can and must rise to the day care challenge that confronts us.

Highlights of recommendations

1. Comprehensive developmental child day care services should be available to all families who wish their children to benefit from them.

2. Federal appropriations of at least $2 billion are recommended for fiscal year 1973, rising by $2 billion annually well into the 1970s, to expand and improve quality day care services. Program funds should be allocated only to public and private non-profit programs and to the upgrading of family day care homes.

3. Day care should be provided without charge for children in low income families, with fees scaled to income for others. Economically disadvantaged children should have priority.

4. Head Start programs should be continued and expanded.

5. Day care should not be regarded as a "welfare" service. It is needed by families at all income levels. All publicly assisted day care programs should be integrated racially, ethnically, and with respect to socio-economic groupings.

6. State and local matching funding requirements should be reduced to 10 percent and waived as necessary.

7. Existing appropriations under Title IV of the Social Securty Act and other existing programs should continue uncurtailed.

8. All Federal day care programs should be coordinated. Consideration should be given to the extent to which funds under these programs might flow to the States and localities through a single channel.

9. A clearinghouse should be established in the Office of Child Development of the Department of Health, Education and Welfare to provide state and local groups information as to the sources of all Federal funds available for day care services and procedures to be followed in applying for them.

10. Neither work training nor employment should be a mandatory requirement for public assistance eligibility of mothers. The right to choose whether to work or to take care of their own children is one to which all mothers are entitled.

11. With respect to the delivery of expanded day care services, we recommend the establishment at the local governmental level of an Office of Child Development or its equivalent, where such an agency does not now exist, to coordinate the full range of publicly assisted child care and related familiy service programs. We also recommend the establishment of representative, local child and family service policy councils, with a high degree of parental participation. It is recommended that Federal funds be allocated to help support these functions. This mechanism would provide a useful means for utilizing those local 4–C (Community Coordinated Child Care) Committees which meet accepted criteria.

A similar mechanism is recommended at the State governmental level.

12. Concerted effort is needed in all communities to:

Survey needs for comprehensive child care services;

Prepare local plans for meeting needs;

Eliminate overlapping efforts;

Expand care for infants and toddlers, for bilingual children, for handicapped children, and for other children with special needs;

Provide early morning, late day and night care for children of mothers whose working hours require such services;

Expand day care services in the neighborhoods where children live;

Expand transportation services relating to day care;

Cluster day care centers to effect improved common services;

Satellite day care homes around day care centers;

Provide day care jobs for parents and others with provision for career ladders;

Expand training opportunities for day care workers, both professional and non-professional;

Encourage volunteer participation in day care programs and training opportunities;

Eliminate substandard wage scales and excessively long hours of day care personnel and make professional salaries commensurate with those in elementary education;

Improve state and local licensing statutes and procedures and improve the quality of enforcement and its effectiveness;

Assure better continuity between day care and elementary education;

Expand all types of quality care in the community, public and private;

Develop educational programs for parents relating to day care needs and available services;

Include in the high school curriculum courses in family life and child development that provide opportunities for volunteer service in day care centers; and

Educate the public as to the magnitude of day care needs and the soundness of a large scale public investment in comprehensive child care and related family services.

Mr. MONDALE. I say that it is not a serious problem, it is a frightening problem. I want to give the State and local governments the fullest possible discretion. That is what we try to do here, give them the money that they need to meet the standards, but then to insist, in the name of our children, that those standards be met.

There is one other position we could take, that no matter how strongly we feel as Senators about any issue that affects a State, we must always vote no. That is what seems to be the argument here today. I am waiting to see if we vote against a minimum wage on the grounds that we never know best.

I am waiting to see if we vote against the Voting Rights Act on the ground that we never know what to do. I am waiting to see if we vote against environmental legislation that affects the State and local governments on the ground that we never know what to do. God has not given us all the wisdom to know, but God has not struck us dumb, either. And that is what this amendment proposes to do.

STAFFING RATIOS FOR FEDERALLY FUNDED CHILD-CARE CENTERS

Mr. BUCKLEY. Mr. President, although I have never been enthusiastic over the growing involvement by the Federal Government in child development or over the constant expansion of Federal regulatory authority, I believe that the Senate should resist efforts to further dilute day care staffing requirements. The great mass of data available on the subject indicates that the present Federal standards, suspended though they may now be, must be retained if we are to avoid the possibility of exposing children to hazards or neglect.

Testimony presented last year before the Senate Subcommittee on Children and Youth convinced me that institutional child care can never replace the loving care of parents and other relatives as the best guarantee for the stable emotional and psychological growth of children. If we are going to have governmentally funded day care centers, then it is imperative to maintain strict standards for the supervision of the children who are consigned to them. The potential harm that those children could suffer warns us against relaxing the standards.

I therefore urge my colleagues to reject the proposed amendment to H.R. 9803 which would eliminate altogether the Federal staffing ratios for child care centers.

The PRESIDING OFFICER (Mr. MORGAN). Who yields time?

Mr. PACKWOOD. I yield back my time.

Mr. MONDALE. I yield back my time.

Mr. PACKWOOD. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

Mr. PACKWOOD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MONDALE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MONDALE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Oregon. The clerk will call the roll.

The assistant legislative clerk called the roll.

(At this point Mr. HASKELL assumed the chair.)

Mr. ROBERT C. BYRD. I announce that the Senator from Mississippi (Mr. EASTLAND), the Senator from Washington (Mr. JACKSON), the Senator from Rhode Island (Mr. PASTORE), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I also announce that the Senator from Missouri (Mr. SYMINGTON) is absent because of illness.

On this vote, the Senator from Rhode Island (Mr. PASTORE) is paired with the Senator from Washington (Mr. JACKSON). If present and voting, the Senator from Rhode Island would vote "yea" and the Senator from Washington would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Nebraska (Mr. CURTIS), the Senator from Kansas (Mr. DOLE), the Senator from New Mexico (Mr. DOMENICI), and the Senator from Arizona (Mr. GOLDWATER) are necessarily absent.

I further announce that, if present and voting, the Senator from Kansas (Mr. DOLE) would vote "yea."

The result was announced—yeas 37, nays 54, as follows:

[Rollcall Vote No. 17 Leg.]

YEAS—37

Allen
Baker
Bartlett
Beall
Bellmon
Bentsen
Brock
Bumpers
Byrd, Harry F., Jr.
Chiles
Church
Fannin
Fong
Garn
Griffin
Hansen
Hatfield
Helms
Hruska
Laxalt
McClellan
McClure
Morgan
Nunn
Packwood
Pearson
Roth
Scott, Hugh
Scott, William L.
Stennis
Stevens
Taft
Talmadge
Thurmond
Tower
Weicker
Young

NAYS—54

Abourezk
Bayh
Biden
Brooke
Buckley
Burdick
Byrd, Robert C.
Cannon
Case
Clark
Cranston
Culver
Durkin
Eagleton
Ford
Glenn
Gravel
Hart, Gary
Hart, Philip A.
Hartke
Haskell
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Javits
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
Mathias
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Pell
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Sparkman
Stafford
Stevenson
Stone
Williams

NOT VOTING—9

Curtis
Dole
Domenici
Eastland
Goldwater
Jackson
Pastore
Symington
Tunney

So Mr. PACKWOOD's amendment (No. 1357) was rejected.

Mr. MONDALE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. BROOKE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MONDALE and Mr. BARTLETT addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. MONDALE. Mr. President, I send to the desk an amendment and ask unanimous consent that its reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 6, line 10, strike out "30" and insert in lieu thereof "20".

Mr. MONDALE. Mr. President, there was what I consider to be fundamentally a technical error in the shaping of this bill. What the bill says is that any day care center in which more than 30 percent of the children are federally assisted may hire welfare mothers with these new funds to work to help meet the staffing requirements.

I think that is one of the best parts of this bill. It includes a refundable tax credit.

But there is a gap between that 30 percent level and the 20 percent level which exempts centers from the standards. I think that was just a technical error.

My amendment drops this cutoff point for eligibility for these new funds from 30 to 20 percent so that all of the regulations and the availability of this Federal assistance for the hiring of welfare mothers coincide.

I believe the ranking member of the minority does not object to this.

Mr. FANNIN. The Senator from Minnesota is correct. The understanding is that it is a correcting amendment and it certainly is in order.

Mr. LONG. Mr. President, the Senator's amendment is really in the nature of a conforming amendment. The Senator has found an inconsistency in the bill. He deserves our thanks for detecting that there is this hiatus in the bill and presenting an amendment to correct it. I do support the amendment.

Mr. MONDALE. Mr. President, I move the adoption of the amendment.

The PRESIDING OFFICER. Is all time yielded back?

Mr. LONG. I yield back the remainder of my time.

Mr. MONDALE. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. LONG. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 6, strike out lines 18 and 19 and insert in lieu thereof the following: "paragraph (2), be deemed to read "80" for purposes of applying such sentence to expenditures made by a State".

Mr. LONG. Mr. President, this is an amendment to correct a printing error in the bill. In the printing process line 18 of page 6 was erroneously dropped and line 19 duplicated in its stead. My amendment would restore the original line 18.

Mr. FANNIN. Mr. President, the Senator from Arizona understands that this is just an error in the printing. I have no objection.

The PRESIDING OFFICER. Is all time yielded back?

Mr. LONG. I yield back the remainder of my time.

Mr. FANNIN. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BARTLETT. Mr. President, I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second. There is a sufficient second.

The yeas and nays were ordered.

Mr. TAFT. Will the Senator yield for a unanimous-consent request?

Mr. BARTLETT. I yield.

Mr. TAFT. Mr. President, I ask unanimous consent that Steve Entin of the staff of the Joint Economic Committee be granted the privilege of the floor during the consideration of this leigslation.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1355

Mr. BARTLETT. Mr. President, I call up my amendment No. 1355 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 3, line 10, strike "July 1" and insert "October 1, 1977".

Mr. BARTLETT. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BARTLETT. February 1, 1976, is the date on which day care center staffing standards will go into effect under title XX of the Social Security Act; but these are standards which have no basis. The Department of Health, Education, and Welfare has admitted that the study to be used in developing these standards will not be completed until approximately October 1977.

This means that the standards which will affect the whole United States on February 1, 1976, are actually totally unsupported.

It is, therefore, reasonable to delay these standards until the truth is known. There is no reason to impose standards of any kind which have not adequately been developed.

The Government is notorious for studies which result in nothing; but, in this case, the study is germane to the issue at hand and will lead to well thought-out and documented procedures.

The existing standards not only "put the cart before the horse," but also destroy much of what now exists in the field of day care.

The PRESIDING OFFICER. Will the Senator suspend?

The Senate will please be in order. Will Senators cease conversing or take their conversations elsewhere?

The Senator from Oklahoma.

Mr. BARTLETT. I thank the Chair.

It has become apparent that the effect of the existing regulations would be to close many of the day care centers presently providing approved and acceptable levels of service. In other cases, parents will no longer be able to afford the rates that the remaining centers will have to charge to pay for capable staff.

This would place a parent in the situation of either quitting and going on the welfare roles, placing their child under inadequate care, or locking their child in the home while they are at work.

This lock-in situation is one that already exists all too often, and not only is detrimental to the development of the child, but is highly hazardous to the child's health and welfare.

I urge my colleagues to support this amendment, not to further delay the issue, but to allow the bureaucracy to respond through its own procedures to the development of comprehensive and well thought-out day care regulations and standards.

The PRESIDING OFFICER. Who yields time?

Mr. LONG. Mr. President, the Senator's amendment would seek to postpone the effective date of this bill until October 1977.

This matter has dragged along long enough, Mr. President. Basically, this bill simply provides the foundation so that the States will have the money needed to meet the Federal staffing requirements and other special standards, but it is basically the staffing requirements that we are talking about, to provide adequate care for these little children.

I could not think of a better time to provide employment opportunities to mothers who are otherwise on welfare, by having them help look after little children. With this move we can take the family out of poverty, make work more attractive than welfare, and provide better care of little children than they now receive, all at a time when we have a great number of people unemployed.

Most of these mothers are going to be making less money than the people who are put to work under that Federal program where jobs are created. But while creating day care jobs may be less expensive, I would think we could not find a better time to put into effect a program to take a lot of people who are out of work and in poverty and offer them jobs that will benefit little children.

We can see how the situation works out. After we have some experience with the day care standard, if we find it is too high a standard for staffing, we could reduce it later on. But, as I say, I could not think of a better time to put some mothers to work, especially mothers who have families, who are on welfare, who are the breadwinners for poor families, to benefit themselves and their little children and other little children in day-care centers as well. I think we have found an answer to a difficult problem, and I would think we ought to go ahead with it. I think it serves no purpose at all to postpone the solution.

I remember back in Lyndon Johnson's time, if a Senator would come to him and say, "Here is a terrible problem, what are you going to do about all this?" He would reply, "Don't bother me with any more problems; bring me answers. If you do not have an answer, come back when you do."

Between providing the tax credit and the additional funds that would be made available to the States, we would pay the cost of the States complying with the standard we think it proper for day care.

If the Senate wants to insist on the standard, as we did with the last vote, having made that decision, I think delaying it would really serve no purpose.

Mr. BARTLETT. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. BARTLETT. I have another amendment which would change one part of the proposal slightly, which I think should come before the Senate.

But I would like the Senator from Louisiana to know that this amendment does not change the provisions of this bill other than to delay the effective date; and so, as I understand it, the financing of the other provisions would be in play, but the study would have to come ahead of the implementation.

Mr. WILLIAM L. SCOTT. Mr. President, will the Senator from Louisiana yield?

Mr. LONG. I yield.

Mr. WILLIAM L. SCOTT. I heard the distinguished Senator say this would put welfare mothers to work. Certainly that seems like a very commendable thing. But I would like to know, does it take them off of welfare? Do they receive both welfare payments and compensation for their work?

Mr. LONG. No.

Mr. WILLIAM L. SCOTT. How does that work out?

Mr. LONG. We have in the law now what is known as the Talmadge amendment, relating to the work incentive program. That amendment says that if one will hire a welfare client and put that person to work for a year, he will have the benefit of a 20-percent tax credit for taking a person from the welfare rolls and employing that person. That is to offset the fact that a great number of these poor people do not have good work habits; they have not had the experience and discipline that goes with showing up every day for work, showing up on time, and so forth, nor have they had the necessary training in many cases. The Talmadge amendment was broadened last year. In this bill we would broaden it further in connection with hiring welfare recipients in the provision of child care.

We would make that credit applicable to a nonprofit association providing day care, so that they have the same incentive to hire welfare recipients, and we would also give them the right to take what they get in the tax credit and use it for matching purposes, so that the tax saving can be used to obtain money on a matching basis.

Mr. WILLIAM L. SCOTT. But as far as the welfare mother is concerned, she does not receive both welfare and payment under this program?

Mr. LONG. This tax credit is based on the assumption that this person comes off the relief rolls and goes into employment.

Mr. WILLIAM L. SCOTT. I appreciate the Senator's response.

Mr. LONG. Mr. President, I am prepared to yield back the remainder of my time.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. BARTLETT. I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. HASKELL). All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from Oklahoma (Mr. BARTLETT). On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Mississippi (Mr. EASTLAND), the Senator from Washington (Mr. JACKSON), the Senator from Montana (Mr. METCALF), the Senator from Montana (Mr. MANSFIELD), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I also announce that the Senator from Missouri (Mr. SYMINGTON) is absent because of illness.

I further announce that, if present and voting, the Senator from Washington (Mr. JACKSON) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Nebraska (Mr. CURTIS), the Senator from Kansas (Mr. DOLE), the Senator from New Mexico (Mr. DOMENICI), and the Senator from Arizona (Mr. GOLDWATER) are necessarily absent.

I further announce that, if present and voting, the Senator from Kansas (Mr. DOLE) would vote "yea."

The result was announced—yeas 33, nays 56, as follows:

[Rollcall Vote No. 18 Leg.]

YEAS—33

Allen
Baker
Bartlett
Bellmon
Brock
Byrd,
  Harry F., Jr.
Cannon
Chiles
Church
Fannin
Garn
Griffin
Hansen
Helms
Hruska
Huddleston
Laxalt
McClellan
McClure
Morgan
Nunn
Packwood
Pastore
Roth
Scott, Hugh
Scott,
  William L.
Stennis
Stevens
Taft
Talmadge
Thurmond
Tower
Young

NAYS—56

Abourezk
Beall
Bentsen
Biden
Brooke
Buckley
Bumpers
Burdick
Byrd, Robert C.
Case
Clark
Cranston
Culver
Durkin
Eagleton
Fong
Ford
Glenn
Gravel
Hart, Gary
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Hollings
Humphrey
Inouye
Javits
Johnston
Kennedy
Leahy
Long
Magnuson
Mathias
McGee
McGovern
McIntyre
Mondale
Montoya
Moss
Muskie
Nelson
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Sparkman
Stafford
Stevenson
Stone
Weicker
Williams

NOT VOTING—11

Bayh
Curtis
Dole
Domenici
Eastland
Goldwater
Jackson
Mansfield
Metcalf
Symington
Tunney

So Mr. BARTLETT's amendment was rejected.

Mr. MONDALE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1356

Mr. BARTLETT. Mr. President, I call up my amendment No. 1356.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Oklahom (Mr. BARTLETT) proposes an amendment numbered 1356:

On page 14, lines 16 and 17, strike out "20 per centum" and insert "30 per centum" and strike out "five" and insert in lieu thereof "ten".

Mr. BARTLETT. Mr. President, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BARTLETT. Mr. President, I say to my colleagues that I will take only about 2 minutes in discussing this amendment.

Mr. PASTORE. Mr. President, may we please have order? I would like to hear this discussion.

The PRESIDING OFFICER. The Senate will be in order. Senators will please take their seats.

Mr. BARTLETT. Mr. President, this amendment, on page 14, lines 16 and 17, strikes out "20 per centum" and inserts "30 per centum". It strikes out "five" and inserts in lieu thereof "10". So it would read that the State agency may waive the staffing standards otherwise applicable in the case of a day care center or group day care home in which not more than 30 percent of the children in the facility or, in the case of a day care center, not more than 10 children in the center.

Obviously, this has the effect of giving the State agency the authority, if it so desires, to increase the number of day-care centers which would be accepted.

This is the thrust of the amendment. I believe that this amendment will be helpful to many parents who are utilizing the services at the present time. Certainly, at the 30 percent level, the large majority of the children in attendance would not be welfare supported. They and their parents also have rights that should be protected, as well as those who would be supported by welfare.

Mr. MONDALE. Mr. President, I hope that this amendment will be defeated.

The bill now provides money to help all day-care centers in the country in which at least 20 percent of the children are federally supported, to pay for the cost incurred in meeting these standards.

What the pending amendment says in some cases is, "Even though we send you money to meet the cost of these staffs, you do not have to hire the staff." In other words, in cases of centers, in which between 20 and 30 percent of the children are federally assisted we are sending money for no purpose. I see no point in it. We would be spending a lot of money for nothing. In fact, we would be encouraging the centers to disregard these standards.

There is a very simple reason that the Senate, in my opinion, has voted consistently, since 1968, to support these day-care standards. That is that it is a very fundamental proposition that the best place for the child is at home, particularly in the tender early years. I am no great devotee of day care. But it is a fact of American life that the number of families in which both parents or the single parent work is rising dramatically, faster than the Moon program. There are now over 43 percent of the families in America in which both parents or the only parent are working outside the home, leaving behind an estimated 6 million preschool children.

There are only about 1 million licensed day care slots in the country and there have been studies which show what happens to these children. Some are latchkey children, who just roam around with no care and supervision.

Mr. PASTORE. Will the Senator yield?

Mr. MONDALE. Yes, I yield.

Mr. PASTORE. Is it not a fact that if

we encourage these day-care centers in order to make it easy for mother and father to go to work and abandon their children to somebody else, are we not encouraging in some way the breakup of the American family? That is the trouble with our society today. We are giving an incentive, through Federal money, to perpetuate a situation that the Senator is critical of.

Mr. MONDALE. Let me say to the Senator, first of all, if he feels strongly about the importance of the family, he will vote for this because these standards make it more costly to establish day care. They say that we cannot cheat on children by setting up warehousing centers to dump kids in while the parents are working.

If we want to discourage the dumping of children, we will continue to insist that the only kind of day care America will accept is the high quality day care that does not risk the children.

The second thing, is that this tremendous trend toward working parents had soared long before there was a penny of day-care money available from Federal funds.

We are meeting only a modest proportion of the day-care costs in this country. We are not leading it, we are not encouraging it; we are simply responding to a fact of life.

There is another trend taking place. It concerns the dramatic rise in single-parent families. There are nearly 8 million families in America in which there is only one parent now. Practically all of them are at or below the poverty line. They all have to work or go on welfare.

It is a fact. It is something we have not faced up to. What has concerned me, and concerned practically everyone in the field, is that the way it is easiest to compromise this dilemma is with cheap day care that damages the next generation of Americans and deprives them of the love and the affection that I think everyone in this body had, even though we grew up in poorer times.

Mr. BARTLETT. Mr. President, I should like, very succinctly, to agree with the position stated by the Senator from Rhode Island. I share his opinion that the breakup of the family today is the source of many, many of our problems. So I shall, just as succinctly, say that I support his point of view.

I ask unanimous consent, on the votes on this bill, that Ed King of my staff be accorded privileges of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BARTLETT. Mr. President, I am ready to yield back the remainder of my time.

Mr. MONDALE. I yield back my time.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment. The clerk will call the roll.

The second assistant legislative clerk called the roll.

(At this point Mr. Stone assumed the the Chair).

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. Abourezk), the Senator from Indiana (Mr. Bayh), the Senator from Washington (Mr. Jackson), the Senator from Montana (Mr. Mansfield), the Senator from Montana (Mr. Metcalf), the Senator from New Mexico (Mr. Montoya), and the Senator from California (Mr. Tunney) are necessarily absent.

I also announce that the Senator from Missouri (Mr. Symington) is absent because of illness.

I further announce that, if present and voting, the Senator from Washington (Mr. Jackson) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Nebraska (Mr. Curtis), the Senator from Kansas (Mr. Dole), the Senator from Arizona (Mr. Goldwater), and the Senator from Texas (Mr. Tower) are necessarily absent.

I further announce that, if present and voting, the Senator from Kansas (Mr. Dole) and the Senator from Texas (Mr. Tower) would each vote "yea."

The result was announced—yeas 31, nays 57, as follows:

[Rollcall Vote No. 19 Leg.]

YEAS—31

Allen
Bartlett
Bellmon
Bentsen
Brock
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Church
Cranston
Domenici
Fannin
Fong
Garn
Griffin
Hansen
Helms
Hollings
Hruska
Laxalt
McClure
Morgan
Nunn
Packwood
Pastore
Roth
Scott, William L.
Taft
Talmadge
Thurmond

NAYS—57

Baker
Beall
Biden
Brooke
Buckley
Bumpers
Burdick
Case
Clark
Culver
Durkin
Eagleton
Eastland
Ford
Glenn
Gravel
Hart, Gary
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Huddleston
Humphrey
Inouye
Javits
Johnston
Kennedy
Leahy
Long
Magnuson
Mathias
McClellan
McGee
McGovern
McIntyre
Mondale
Moss
Muskie
Nelson
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Weicker
Williams
Young

NOT VOTING—12

Abourezk
Bayh
Curtis
Dole
Goldwater
Jackson
Mansfield
Metcalf
Montoya
Symington
Tower
Tunney

So Mr. Bartlett's amendment (No. 1356) was rejected.

Mr. MONDALE. Mr. President, I think we are ready for third reading. I do not know of any other amendments.

The PRESIDING OFFICER (Mr. Stone). Are there any further amendments?

Mr. MONDALE. Mr. President, I yield to the Senator from Nevada.

SENATE CONCURRENT RESOLUTION 90—TO PROVIDE FOR A COMMITTEE ON INAUGURAL ARRANGEMENTS

Mr. CANNON. Mr. President, I send a concurrent resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 90) to provide for a committee on inaugural arrangements.

Mr. CANNON. Mr. President, I ask unanimous consent that the resolution not be read in its entirety and I will explain it.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CANNON. Mr. President, this is a resolution providing for a joint inaugural committee, three Democrats and three Republicans, to be designated by the President of the Senate.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (S. Con. Res. 90) was agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That a joint committee consisting of three Senators and three Representatives, to be appointed by the President of the Senate and the Speaker of the House of Representatives, respectively, is authorized to make the necessary arrangements for the inauguration of the President-elect and Vice President-elect of the United States on the 20th day of January 1977.

ASSISTANCE IN MEETING FEDERAL CHILD CARE STANDARDS

The Senate continued with the consideration of the bill (H.R. 9803) to postpone for 6 months the effective date of the requirement that a child day care center meet specified staffing standards (for children between 6 weeks and 6 years old) in order to qualify for Federal payments for the services involved under title XX of the Social Security Act, so long as the standards actually being applied comply with State law and are no lower than those in effect in September 1975.

Mr. MONDALE. Third reading, Mr. President.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read a third time.

Mr. MONDALE. Mr. President, I yield to the Senator from Maine.

Mr. MUSKIE. Mr. President, for the information of my colleagues, I have a few minutes of observations I would like to make in connection with this bill and how it affects this fiscal year. I will not prolong it any more than I need to, but there are some technical points I think all Senators ought to bear in mind in connection with other legislation that may come along before the end of this fiscal year and will bear upon this legislation, as well.

Mr. President, first of all, new standards have been implemented for the provision by States of social services under the current Federal matching grant program. A regulation setting standards for child day care centers, however, has met with some resistance on the part of the day care providers. They argue that they cannot afford to hire the additional staff which is required under the provisions of the new regulations.

The Finance Committee has delayed the enforcement of the new day care center standards until February 1, thereby allowing Congress an opportunity to resolve the present dispute without sacrificing the new standards. The bill before us, cosponsored by Senators LONG and MONDALE, provides financial assistance to the States for the purpose of helping the day care providers meet these Federal standards. The full year cost of this bill is $250 million. The cost, however, for the remaining part of fiscal 1976 is only $125 million.

In addition to financial assistance, this bill would expand the tax credits available to child care providers for hiring welfare recipients. These changes would be effective immediately but would not affect revenues in fiscal year 1976. According to finance committee estimates, these changes would decrease revenues in future years by amounts up to $28 million in fiscal year 1980.

The spending resulting from this legislation falls in function 500 of the budget—the function containing education, manpower, and social services. On page 33 of the latest Senate Budget Scorekeeping Report, you will find that the spending in this function is presently lower than the target included in the second concurrent resolution on the budget by about $2.8 billion in budget authority and $1.3 billion in outlays.

Therefore, the spending resulting from H.R. 9803 as reported would not violate the allocation for function 500 in the report on the second concurrent resolution nor the aggregate spending ceiling enacted by the Congress on December 12, 1975.

I would like to remind my colleagues, however, that the existing margin in function 500 is no embarrassment of riches. It is not an invitation for a spate of new programs in this particular function.

This bill represents the first of many claims on the existing margin in function 500 that may come up for consideration in this session. Additional future claims may include spending requests for older Americans, the handicapped, child and family services, and much larger claims for programs such as public service jobs. The Budget Committee and the Congress anticipated these priorities in the second concurrent resolution, and provided sufficient funds in the functional allocations to accommodate priority legislation funded at reasonable levels. We can accommodate these priority items but no more.

The programs in the education, manpower, and social services function address the problems of the neediest groups in our society. Unless we are able to remedy the problems of the aged, the handicapped, and the unemployed, and improve the quality of education for the Nation's children, we cannot expect any of these groups to be full and equal participants in our Nation's affairs.

I am also convinced, however, that we must watch our spending in this function as carefully as we watch spending in other functions. Otherwise, we will be put in the unfortunate position of having given with one hand and taken away with another.

I plan to vote for this bill but I do so only with the understanding that this legislation represents only one of many competing uses for the additional funds remaining in function 500.

That is the first point I would like to make, may I say to my colleagues.

I would also like to raise an important procedural issue concerning the budget act as it applies to the consideration of H.R. 9803. This legislation before us provides for a new entitlement for the States to receive funds for child day care centers.

Section 401(b) of the Budget Act provides that it shall not be in order in either the House or the Senate to consider any bill or resolution providing new entitlement authority which is to become effective prior to the first day of the fiscal year beginning in the calendar year in which the entitlement is reported. The purpose of this provision is to ensure that new entitlements are subject to the reconciliation process as part of the second concurrent resolution on the budget, which is to be passed in September prior to the beginning of the fiscal year.

In addition, new entitlements becoming effective in a future fiscal year cannot be considered until the passage of the first concurrent resolution on the budget for that fiscal year. In this way, Congress can bring new entitlements under better long-term budgetary control.

In the Senate Budget Committee deliberations on the second concurrent resolution on the budget last fall, H.R. 9803 was considered and amply discussed. In addition, as I have noted earlier, the funds provided in this bill are consistent with the allocations of spending contained in the report accompanying the second concurrent resolution. H.R. 9803 will become effective in fiscal 1976, and was fully subjected to the budgetary control procedures implemented for fiscal 1976.

Technically, however, it was reported in this calendar year and not in the last calendar year. It thus comes under section 401(b) of the Budget Act. But as a result of the consideration that the Budget Committee and the Finance Committee gave to this legislation in connection with the second concurrent resolution, it seems to me inappropriate to apply the safeguards intended to apply to fiscal 1977 legislation to a bill which takes effect in fiscal 1976 and which was considered in the fiscal 1976 budget process.

I should like to emphasize, however, that the procedures contained in the Budget Act clearly apply to new entitlements contemplated for fiscal 1977 at this time. First, new entitlements becoming effective in fiscal 1977 may not be considered by the Senate until after the first concurrent resolution on the budget for that year has been adopted. As my colleagues know, the deadline for enactment of the first concurrent resolution for fiscal 1977 is May 15.

Second, it will not be in order to consider any new entitlement in this session of the Congress unless it is to become effective after October 1, 1976, the beginning of fiscal year 1977. I mention these procedures at this time only to give notice to my colleagues that we will strictly adhere to these procedures of the Budget Act in order that we can gain better long-term control over entitlement programs. To emphasize once again, new entitlements for fiscal 1977 will not be in order until after the passage of the first concurrent resolution, and all such new entitlements must be reported to the Senate by the end of calendar 1976 in order to comply with the requirements of the Budget Act.

Mr. President, I would like to note that my State of Maine will receive $1.2 million annually from this legislation to implement the new day care standards in this bill. These new standards will permit more flexibility for the States than the old 1968 standards. Since Maine is already in substantial compliance with the new standards in this bill, the additional funds provided in this bill will enable Maine to continue its leadership role in providing new and improved day care services.

Mr. President, in order that the RECORD may be complete with respect to the pending legislation and the consideration that was given to it by the Finance Committee and the Budget Committee, I ask unanimous consent to have printed in the RECORD several documents at this point.

There being no objection, the documents were ordered to be printed in the RECORD, as follows:

MEMORANDUM

To: Senator Muskie.
From: Marc Lackritz.
Subject: H.R. 9803 and the Budget Act.
Date: January 29, 1976.

1. The spending provisions in H.R. 9803 were thoroughly considered as part of the budget process for fiscal 1976. The cost was explicitly discussed during the Budget Committee markup of the Second Concurrent Resolution in November and the Conference on the Resolution, and there was no effort by the bill's sponsors to evade the control of the budget process.

2. The spending in this bill ($125 million in fiscal 1976) is within the amount for function 500 in the Second Concurrent Resolution. That function is presently under the Second Concurrent Roselution target by $2.8 billion in budget authority and $1.3 billion in outlays.

3. Senators Mondale and Long wrote you on October 8, 1975, to determine whether the spending in this bill would be consistent with the totals in the Concurrent Resolution (see attached letter). Your reply, on October 10, 1975, indicated that this bill was consistent with the Concurrent Resolution (see attached letter).

4. The main purpose of section 401(b) of the Budget Act was to insure that new entitlements each year are fully subject to the reconciliation process prior to the beginning of the fiscal year in which they are to take effect. This bill was subject to the discipline of the Second Concurrent Resolution in November and December and was debated by the full Committee, thereby fulfilling the purpose of section 401(b). It is only through quirks in the first year calendar that this bill affecting fiscal 1976 gets snared in the web of procedures governing bills for fiscal 1977.

MEMORANDUM

To: Senator Muskie.
From: Marc Lackritz.
Date: January 29, 1976.
Subject: Timetable for section 401(b).

Section 401(b) of the Budget Act deals with the procedures to be used in the enactment of new entitlements, such as that contained in H.R. 9803.

The timetable for the enactment of these new entitlements is as follows:

May 15: No new entitlements beginning during the coming fiscal year may be enacted until after the first concurrent resolution is adopted.

September 25: Second concurrent resolution and reconciliation are completed for the coming fiscal year.

October 1: New fiscal year begins.

December 31: All bills creating new entitlements for the fiscal year which began on October 1 must be reported to the floor by this date.

Because of the timing of fiscal 1976 and the Transition Quarter and because of the first year implementation procedures for the new Budget Act, this timetable was pushed back considerably for last year. As a result, the Second Concurrent Resolution was not enacted by the Congress until December 12, 1975, one week before the end of the session. Therefore, while the standing committees would usually have three months after the passage of the second concurrent resolution to report out any new entitlements for that fiscal year, this year the Finance Committee had only one week after the passage of the Second Concurrent Resolution to report out this bill.

As noted above, in the normal fiscal year when this process is underway, the standing committees will have three months after the passage of the second concurrent resolution to report out any new entitlements for that fiscal year. H.R. 9803 was reported out by the Finance Committee on January 26, one and a half months after the Second Concurrent Resolution was passed by the full Congress and within the usual period of three months that the standing committees would normally have.

U.S. SENATE,
Washington, D.C., October 8, 1975.

Hon. EDMUND S. MUSKIE,
Chairman, Senate Budget Committee,
U.S. Senate,
Washington, D.C.

DEAR ED: Last week, during Senate Finance Committee markups on S. 2425, several Senators raised the question of the budgetary impact of this bill.

Briefly, S. 2425 would provide, in FY 1976, $187 million in outlays and $250 million in budget authority. These funds would be used to meet a financial crisis in federally supported child day care caused in part by the additional costs of complying with day care standards enacted by the Congress last December and effective as of October 1.

Our understanding is that S. 2425 would fall within Budget Function 500, "Education, Manpower and Social Services."

As we read the Senate Budget Scorekeeping Report (No. 9) for Function 500:

The totals for spending legislation on which action has been completed in Function 500 is lower than the First Concurrent Resolution Target by $8.9 billion in budget authority and lower by $6.45 billion in outlays;

Including Senate-passed spending legislation (the HEW-Labor appropriation) pending in Conference with the House, the total remains lower than the Target, by $2.0 billion in budget authority and by $1.35 billion in outlays;

Including Presidential requests not yet reported in the Senate, the total remains lower than the Target, by $1.2 billion in budget authority and $0.7 billion in outlays; and

Including S. 2425 (which is spending legislation) the total would remain $0.9 billion lower than the Target in budget authority and $0.5 billion lower in outlays.

This analysis leads us to conclude that enactment of S. 2425 at this time would be consistent with the First Concurrent Resolution Target for Function 500.

We note from the Scorekeeping Report that there is additional authorizing (not spending) legislation presently before Senate-House Conference Committees. The results of the Conferences cannot be known at this time, but we observe that the maximum amount of authorization which could be approved would—if later fully funded by the appropriations process—amount to $0.9 billion in budget authority and $0.8 billion in outlays.

With enactment of S. 2425, it would appear to us that all of the potential budget authority associated with these bills could be accommodated within the First Concurrent Resolution Target for Function 500—although some reduction in the maximum outlays might be required.

The Scorekeeping Report also indicates selected legislation not yet reported from Committee in the Senate which would add $5 billion in budget authority for FY 1976 and $2 billion in outlays in this function for additional public service employment. We note that accommodating this program at the levels shown in the Scorekeeping Report—regardless of action on other pending legislation in this function—would require an adjustment in the target in any event.

We would ask that you and your staff review our reading of the Scorekeeping Report, to assure its accuracy. We would appreciate your views at the earliest convenient time, since we hope for prompt Finance Committee action to meet an emergency situation.

Sincerely,

WALTER F. MONDALE,
RUSSELL B. LONG,
Chairman, Senate Finance Committee.

U.S. SENATE,
Washington, D.C., October 10, 1975.

Hon. RUSSELL B. LONG,
Chairman,
Hon. WALTER F. MONDALE,
Member, Committee on Finance,
U.S. Senate,
Washington, D.C.

DEAR RUSSELL AND FRITZ: I have your letter of October 8 regarding S. 2425. I believe your reading of the Scorekeeping Report with respect to Function 500 (Education, Manpower, and Social Services) is accurate.

As you point out, there are a number of competing demands for the remaining funds in this function that need to be carefully considered. I am pleased that the Committee on Finance is considering these budget priority matters as it conducts its legislative business.

With warm regards, I am

Sincerely,

EDMUND S. MUSKIE.

Mr. MUSKIE. Mr. President, in addition, may I say I have discussed this with the chairman of the House Budget Committee. They have a different problem in connection with this legislation. H.R. 9803 was enacted in the House without additional funds. To present the House point of view to my colleagues, I ask unanimous consent that a memorandum to the House chairman, Congressman BROCK ADAMS, be printed in the RECORD at this point.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

COMMITTEE ON THE BUDGET,
Washington, D.C., January 29, 1976.

Memorandum

To: Honorable BROCK ADAMS.
From: Wendell Below.
Subject: H.R. 9803, Social Services Day Care Amendments.

Questions have been raised as to the applicability of the Budget Act of H.R. 9803, a bill which extends the moratorium on certain provisions of the present day care staffing requirements and which raises the Social Services entitlement ceiling in order to finance the implementation of the new standards. It appears that the bill as reported by the Senate Finance Committee violates sections 401(b)(1) and 303(a) of the Budget Act.

Section 401(b)(1) provides that no bill, resolution, or amendment shall be in order if it creates a new entitlement which will become effective before the first day of the fiscal year which begins during the calendar year in which the bill or resolution is reported. Since H.R. 9803 was reported from the Finance Committee on January 26, 1976, the new spending authority contained in the bill should not take effect before October 1, 1976—the first day of fiscal year 1977. Because some new spending authority would become effective upon enactment of the bill, it violates section 401(b)(1).

In response to this contention, the Senate Budget Committee staff argues that H.R. 9803 complies with the "spirit" of the Budget Act and that any violations are merely "technical." They contend that the FY 1976 spending authority contained in the bill was targeted in the FY 1976 budget resolution and that no purpose would be served by conforming the bill to the letter of section 401 (b)(1). The House Budget Committee staff can find no indication that the new day care benefits were ever specifically contemplated in the FY 1976 budget resolution. While the resolution does target $48 million in budget authority and $121 million in outlays for "undistributed new programs" in the area of education, manpower, and social services (function 500), the amounts targeted are insufficient to cover the estimated $125 million cost of the program in FY 1976. In fact at least one other bill has been passed by the House which will be counted in the "undistributed new programs" subcategory.

Even if the FY 1976 costs of the day care bill were within the targets set out in the budget resolution, that fact would have little bearing on section 401(b)(1), the provisions of which are aimed at controlling backdoor spending, not enforcing the targets and ceilings contained in the budget resolution. In light of the fact that the "technical" violation would permit the creation of an entitlement with an anticipated annual cost of $250 million, it appears that there are substantial policy reasons for abiding by the letter, as well as the spirit, of the law.

Furthermore, H.R. 9803 appears to violate section 303(a) of the Budget Act, which provides that it shall not be in order to consider a bill, resolution, or amendment containing new entitlements for a fiscal year until the first concurrent resolution for that fiscal year has been agreed to. Section 4(b) of H.R. 9803 creates separate new entitlements, above and beyond the entitlement created by section 3, for FY 1976, the transitional period, and FY 1977. In FY 1977, the additional entitlement would cost $50 million. Consequently, consideration of the bill before the first concurrent resolution for FY 1977 is agreed to will violate section 303 and place the bill out of order.

Mr. MUSKIE. Mr. President, I have alerted the distinguished managers of the bill to the problem on the House side. They are quite aware of it. For myself, given the history of our specific and comprehensive review of this legislation in the Budget Committee, I would say it is consistent with the second concurrent resolution and that the technicality raised by section 401(b) ought not to be raised on the Senate side at this point.

Mr. President, I yield the floor.

ADDITIONAL STATEMENTS SUBMITTED ON H.R. 9803

Mr. HATHAWAY. Mr. President, the bill before us today remedies several significant deficiencies in the current social services law. Under the guidance of my able and respected colleagues on the Finance Committee, Senators Long and Mondale, we have remedied a number of problems in the area of child care. By temporarily deferring the operation of the child day care center staffing requirements and providing funds in the interim to enable day care centers to meet those requirements, we have gone a long way toward insuring that high quality child care will be available to as wide a range of eligible social services clients as possible. I support this measure and urge my colleagues to do likewise.

In addition, this bill contains a provision which makes permanent certain changes in the law affecting the provision of social services to alcoholics and drug addicts. These changes, which I first offered in October, were accepted at that time on a temporary basis, to expire January 31 of this year. At that time the administration opposed the amendments, which affect the regulations regarding confidentiality of patient records and clarify the nature of the rehabilitative process which can be funded under title XX.

On December 17, I held 1 day of hearings on this issue before my Subcommittee on Alcoholism and Narcotics, a subcommittee of the Committee on Labor and Public Welfare. The administration testified, still in opposition to the amendments. However, all the other witnesses who appeared strongly supported retention of the provisions. Typical of their testimony was the finding that 42 out of 45 States specifically surveyed on this issue by alcoholism experts felt the amendments were required; 20 out of 20 States surveyed by drug abuse experts demanded that the amendments be retained.

Finally, even the administration dropped its opposition to the amendments, stating that they were now consistent with administraiton policy regarding removal of certain restrictions from the title XX program through their block grant proposal.

Thus, as far as I can tell, there is no opposition to retention of these amendments in any quarter, at least in this body. I will, therefore, simply summarize the amendments for my colleagues at this time, and ask unanimous consent that my previous lengthy analysis of them, from the Record of October 2, 1975, be inserted at the conclusion of that summary.

These amendments are required in order to coordinate title XX funding of the alcoholism and drug abuse rehabilitative process with funding of such treatment by other sources—including the National Institutes of Alcoholism and Drug Abuse, under the jurisdiction of the Labor and Public Welfare Committee in the Senate and the Interstate and Foreign Commerce Committee in the House. In the absence of these amendments, current HEW regulations and procedures for title XX would have broader effects than just the title XX delivery process and would lead to disruptions in the overall delivery process for these programs, regardless of the source of their funding. The amendments can be briefly described as follows:

I. CONFIDENTIALITY

This amendment simply adds in title XX a cross reference to the confidentiality provisions of current alcoholism and drug abuse treatment law. Those provisions specifically provide that the identity, diagnosis, prognosis, and treatment of persons in these programs shall be kept confidential unless a person gives his or her written consent to the contrary. There are certain carefully delineated exceptions, such as in the case of a bona fide medical emergency or for purely statistical purposes. This cross reference is necessary because of the stigma that still attaches to such treatment, which would cause many persons to fail or refuse to seek needed treatment—and therefore to continue their state of dependency—if they thought that their employer or others in their community would find out.

I want to emphasize here that this amendment does not preclude recordkeeping as between the service-providing agency and the State title XX agency in control of the funding. For certain purposes, such as program management, statistical research, evaluation and fiscal accountability and audit, exchange of information will be necessary between the two. For those purposes, they are to be considered two "arms" of the same agency. But it should be strongly emphasized that the confidentiality provisions, therefore, apply with equal vigor to the use of confidential information by the State "arm" in this relationship.

II. THE REHABILITATIVE PROCESS

The second and third amendments are designed to insure that the title XX funding process takes into account the unique nature of the rehabilitative process by which persons end their dependency on alcohol and drugs. They reflect problems which have arisen in a number of States and which—again—have potential disruptive effects on other—nontitle XX—authorizations of funding for alcohol and drug abuse programs.

The first of these latter two amendments insures that the requirement by regulation that no moneys be expended under title XX for services in which more than 40 percent of the funds go for room and board, or more than 25 percent go for medical payments, be more realistic with respect to alcohol and drug abuse treatment, by specifying that the entire rehabilitative process be considered as a "service" for the purpose of making the 40 or 25 percent determinations.

The second specifically exempts a short initial detoxification period—of up to 7 days—from the medical and room and board limitations and from the prohibition against the provision of services in a hospital or intermediate care facility, if such detoxification is integral to the further provision of services for which the person would be eligible under title XX. This amendment takes into account the fact that no rehabilitation can occur for many alcohol or drug dependent individuals—under title XX or otherwise—without an initial detoxification period. Such a period, although strictly limited in duration, could not be offered to a title XX-funded individual under current regulations, since few, if any, detoxification units would meet both the 40 and 25 percent requirements, especially in rural areas.

The Finance Committee has agreed to offer as committee amendments three minor, noncontroversial amendments related to title XX funding for services to individuals who are alcoholic or drug dependent. Since these amendments were offered by me to the committee, I want to take this opportunity to thank the chairman and the members of the committee on both sides of the aisle for their cooperation and to explain the amendments briefly to my colleagues.

Each of these three minor changes, which I expect to be considered and accepted together as a single amendment, involve problems that have arisen in a number of States regarding the title XX regulations as they apply to alcoholism and drug abuse treatment programs. The problems have been called to my attention as chairman of the Subcommittee on Alcoholism and Narcotics of the Committee on Labor and Public Welfare. Each of them is grounded in the unique nature of alcoholism and drug abuse treatment among the title XX services designed to turn dependent persons into productive, self-sufficient citizens.

By way of brief description, the first change simply inserts in title XX a cross reference to provisions insuring the confidentiality of the records of persons served by federally funded treatment programs for alcoholics and drug abusers. The second and third changes refer to those parts of the law which require that medical and room and board costs be a "subordinate" part of the total cost of a service funded under this title. Specifically, the second change would insure that the entire rehabilitative process for alcoholics or drug addicts is considered when determining whether medical costs or room and board costs are "subordinate." The third change would exempt the initial detoxification process from those requirements, and from the prohibition against funding services in hospitals, intermediate care facilities and certain other facilities, for a period not to exceed 7 days if such detoxification is determined to be integral to the provision of further services under this title.

Title XX was enacted by Congress for the purpose of providing social services to reverse the growth of individual dependency in America, and to make as many people as possible self-supporting and self-sufficient once again.

Alcoholism and drug addiction are specifically recognized in title XX as two types of "dependency" the act is designed to affect. In fact, they are both classic examples of such dependency, since the successful treatment of alcoholism or drug addiction in an individual almost invariably renders that person a productive, taxpaying, family-supporting, nondependent member of society.

There has been considerable development in alcoholism and drug abuse treatment in the 5 years since major Federal efforts have been inaugurated in these fields. Treatment has been evolving away from medical and institutional models and toward a widespread community-based approach, and that is also a tendency title XX is designed to encourage.

However, in writing title XX regulations and seeking to apply them to alcoholism and drug abuse treatment programs, HEW seems to have overlooked certain unique aspects of such programs.

For if community-based treatment and an end to alcohol and drug dependency are to be the goals, the realities of such treatment must be taken into consideration in the pursuit of those goals.

One area that appears to have been given insufficient thought is the area of confidentiality of the records of persons in treatment.

In the last 2 years, Congress has passed landmark confidentiality legislation for the protection of individuals who are treated for alcoholism, alcohol abuse and drug dependency. The confidentiality provisions specifically provide that the identity, diagnosis, prognosis, and treatment of persons shall be kept confidential unless a person gives his written consent to the contrary. The only exceptions to this tightly drawn protection concern the release of information to medical personnel if required to meet an emergency, to other parties pursuant to a court order upon a showing of good cause, or to qualified personnel for the purpose of conducting research, evaluation, or an audit for statistical purposes only, without revealing any individual's name. The prohibitions of this provision apply to all records, irrespective of whether a person is still in treatments. Penalties ranging from $500 to $5,000 may be assessed against persons violating the provisions.

The need for such a provision is obvious. Only in recent years have we begun to overcome the stigma that has traditionally attached to these dependencies and see them as illnesses which can be successfully treated.

However, much of that stigma remains, and many persons would refuse to seek treatment for alcoholism or drug addiction if they thought there would be any chance that their employer or others in their community would find out. Application of new title XX regulations insensitive to these needs would considerably set back the overall Federal gains in these areas.

The addition of a specific cross reference to the confidentiality law will insure that individuals will continue to be protected in such programs, even if their treatment is funded under title XX, from the moment they first seek services to help end their dependency.

I would underscore the specific need for this protection in the very earliest stages of contact with an alcoholic or drug dependent individual, even prior to determination of eligibility under title XX. Such eligibility must be determined within the confines of the confidentiality law for this service to be effective. If necessary, eligibility must be determined by acceptance of an individual's affidavit as to income and other eligibility requirements. Spot checking might be used to determine that no abuses are taking place, but only with absolute safeguards concerning the identification of the individual as a candidate for alcohol or drug abuse treatment. This is not to imply that a certain amount of recordkeeping cannot be done as between the service provider and the State title XX agency in control of the funding. For certain purposes, the two may need to be considered different "arms" of the same service.

But as between the two "arms" and any outside individual or institution, the confidentiality provisions must be strictly adhered to.

The second and third parts of this amendment concern other realities of alcohol and drug abuse treatment which need additional emphasis in the administration of title XX.

Rarely, for example, do you find that the several crucial stages of treatment for an individual can be coordinated nicely into a single service center or administered by a single entity in an area. Most often, an alcoholic individual, for example, must go—or be taken—first to a detoxification unit for a length of time—almost always totaling 7 days or less. From there, the individual would proceed to treatment, either in a short term—that is, averaging between 4 and 6 weeks—residential program, or a halfway house, often based in the community, or some other type of program. After that, or immediately after detoxification, outpatient treatment and extensive counseling would follow, as the individual is brought to a state of self-support or self-sufficiency.

Treatment of drug-dependent individuals can follow similar patterns, although some may require longer term residential treatment than alcoholics, which title XX is less easily geared to support.

Quite simply, it is a mistake to view any single component of alcoholism or drug addiction treatment as a separate entity for most individuals requiring treatment. The initial short detoxification, in which the medical component may be less subordinate than required under the HEW standards, should be for most individuals simply a preliminary stage of the treatment, even though it may be provided to the individual by a separate entity. Conversely, a person in a treatment program cannot get to the point where treatment will be useful, without first going through some form of detoxification. They are all part of the same "service," and this amendment would insure they are treated as such.

By regulation, HEW has determined that no more than 25 percent of the entire cost of a service funded under title XX may be allotted for medical expenses, and that no more than 40 percent of the cost may be allotted for room and board. This amendment in no way affects those requirements. However, much confusion has developed in the field in States with plans that specify alcoholism and drug abuse treatment facilities as eligible services under title XX.

The amendment clarifies this point by requiring that, for an individual requiring a complete rehabilitative process, that entire process, as outlined above, will be taken into consideration in determining whether the 25 percent medical and 40 percent room and board requirements should apply.

In addition, the amendment underscores the particular value to the entire process of initial detoxification. Generally, detoxification requires more intensive medical and room and board care than title XX would allow. Yet, in keeping with the letter and spirit of the title, it is an essential step for many persons in the process of ending dependency on alcohol or drugs. Few, if any, other services can be provided to a person in need of detoxification. By limiting the exemption of initial detoxification from the requirements to 7 days, it should be clearly understood that Congress does not intend to endorse the funding of long-term or unnecesary medical care of hospitalization under title XX, but rather to insure that initial detoxification can be provided if it is necessary before further services can be effective.

In conclusion, let me briefly explain what the amendments do. One makes sure that the confidentiality requirements of the authorizing legislation with respect to alcohol and drug abuse be observed with respect to any regulations that may be promulgated under title XX. The second seeks to make sure that the requirement by regulation that no moneys be expended under title XX for services in which more than 40 percent of the funds go for room and board, or more than 25 percent go for medical payments, be more realistic with respect to drug abuse and alcohol problems, by making sure that the entire alcohol rehabilitation program be considered as one unit, and the third exempts a detoxification period, up to 7 days, from these requirements.

Mr. BROOKE. Mr. President, I support H.R. 9803, as amended, to include Federal day-care standards. It is only appropriate that we now appropriate the money necessary to enable day-care institutions across the country to meet Federal day-care standards, including the child/staff ratio required under title XX of the social services law. However, it would indeed be tragic if at the very time we take this one step forward we take giant steps backward. And yet, Mr. President, that is exactly what we would be doing if we were to enact the Packwood amendment now being considered. Indeed should the Packwood amendment abolishing the Federal day-care staffing requirements be adopted, it might be said that the very cause for this bill is largely negated.

The need for Federal day-care standards particularly in regard to staffing is clear, indelibly written in years of neglect by State enforcement agencies. It is not that I believe that the States and their enforcement agencies do not care about children. But caring, vis-a-vis finances, all too often takes a back seat to the more pragmatic need for coping. Coping on the State level has meant no rigorous State standards. Instead it has usually meant cutting back on day-care staff and facilities—trying to make the dollars go farther. Coping on the State level when it comes to day care under the social services legislation has largely meant noncompliance with the Federal interagency day-care requirements since 1968 when the requirements first were applied to these programs.

We in the Senate have also tried to cope. Responding in what we thought was a responsible manner on the day-care standards controversy, we have time and time again agreed to lower the standards and broaden the exemptions. In enacting title XX, we agreed to a very substantial weakening of the requirements because, in a clear and unambiguous way, we were told that the original requirements were unenforceable or impractical.

In the intervening months since title XX was enacted, however, the States have been conspicuous by their inaction to meet even title XX standards. I call to your attention the fact that HEW, in its "Technical Notes" examining final State plans under title XX, notes that no State moved to improve its quality of child care.

The States, obviously, thought that the Congress did not mean what it said in enacting title XX. States and those providers of day-care service that wanted the title XX funds obviously thought we meant it when we authorized the funds—but that we did not mean it when we talked about the quality of service those funds were to buy.

Mr. President, much of my time and efforts during my years in this body have been devoted to legislation that protects and furthers the interests of our children. I have voted for legislation that provided money for day-care services because I wanted services that benefited children. I will not, however, support the expenditure of funds for low-quality care, care which one researcher has found results in "general intellectual retardation, retardation in language functions, and social and personality disturbances, chiefly disturbances centering around the capacity to establish and maintain close personal relationships."

Our reluctance to enforce adequate day-care standards will merely increase the cycle of dependency, poverty, and welfare resulting from poor day-care services. We do not want the cheap, inadequate custodial day care that results in psychologically disturbed and disoriented children. And, of course, we do not want the kinds of physical accidents and hazards that can take place when the caregiver is overworked and has too many children to keep.

For years, we have reemphasized time after time the need for Federal requirements in the face of the State's refusal to comply with adequate standards. The States have had time to comply and they have not. It is past time to conjecture why the States have not complied. It is past time to discuss again the research findings that my colleagues in this body, including Senators BUCKLEY, JAVITS, MONDALE, NELSON, and RIBICOFF, have inserted in the RECORD or discussed on the floor. What we need now is a clear, unequivocal message that the Federal quality minimum standards must be met. What we need now is an authoritative statement that no State can reduce its licensing requirements below the present level of requirements.

The tragedy of the Kepone poisoning points out the deficiencies of poor State enforcement. Such dangerous nonenforcement can exist in human services as well. As we all know, State enforcement of standards for the care of the aged has been disastrous. Unless we stand firm on day-care services, State enforcement of standards for the care of the young may well be equally tragic. We may witness States providing poor custodial day care rather than humane, and productive day care. For these reasons, I ask you to join me in voting against the Packwood amendment.

Mr. CLARK. Mr. President, the Senate's consideration of H.R. 9803 brings before us an issue of extreme importance to the thousands of children in this country who are participants in day care programs. Our vote on this legislation will indicate our commitment to preserving the integrity of the Federal interagency day care requirements, FIDCR, for staffing day-care centers.

These staffing standards have been the subject of much debate in the past. The original staffing standards were put into effect in 1968, and then modified when Congress passed the title XX legislation. At that time, the standards were open to public comment before they were ordered to go into effect last October 1.

When October 1 arrived, however, it became obvious that strict enforcement of the Federal staffing requirements would mean that many day-care centers could not continue to operate and that many children would be left without day care services.

As a result, Public Law 94-120 was enacted, delaying enforcement of the staffing requirements until February 1, 1976.

That legislation solved the problem for the time being, but it was obvious that a more substantive solution must be found. I commend my colleagues, the Senator from Louisiana (Mr. LONG) and the Senator from Minnesota (Mr. MONDALE) for the introduction of a bill which, if enacted, will provide that substantive solution.

Their legislation provides an additional $250 million annually for title XX. These additional funds—earmarked for day-care services—would provide the financial resources for hiring additional staff needed to meet the Federal requirements.

Much of the debate surrounding this legislation has centered on the validity of the Federal staffing standards. Indeed, it has even been proposed that the Federal staffing requirements for child care programs funded under title XX be eliminated entirely.

Mr. President, I cannot express strongly enough my opposition to any attempt to gut or eliminate the Federal staffing standards.

There is no question that we could save money by taking that course of action—but those savings would most certainly be short-lived. The children using day-care centers today—who are depending on us to assure them of quality day-care programs—will someday be teenagers, and later, adults and parents. If their needs are not adequately met today, we will pay dearly in the future.

Mr. President, the cost of caring for children is high, but the cost of not caring for them is astronomical.

Certainly, all of the children who do not have the advantage of a sound day care program are not going to become juvenile deliquents or emotionally unstable adults. But the facts are well-documented that the chances of that occuring are greatly increased when a child's growing-up years are less than happy.

In 1973, the Iowa Coalition of Comprehensive Child Care published some representative costs of caring for children, both in day care programs and in institutions.

This study showed that the annual cost of caring for a child in a day care center—based on 1971 data—was $2,300. In all of these instances, of course, costs have risen substantially since the time they were published, but the figures still provide a good yardstick of the costs involved.

The study showed these per-child costs for institutional care, based on a 365-day year:

Convalescence residence	$11,300
Juvenile detention center	7,800
Group home	10,800
Residential Treatment Center	13,300
State Juvenile Home, Toledo	10,900
Training School for Boys, Eldora	9,200
Training School for Girls, Mitchellville	11,100

For adults' institutional care, the following costs were found:

State mental health institutes:	
Clarinda	10,500
Independence	12,000
Mt. Pleasant	12,900
Cherokee	13,900
Iowa City (Psychopathic Hospital)	30,600
Penal institutions:	
State Reformatory, Anamosa	4,200
Women's Reformatory, Rockwell City	6,000
State Penitentiary, Ft. Madison	4,000
Riverview Release Center, Newton	3,600
Maximum Security Medical Facility, Iowa City	14,200

It has seemed that through the years, the first time children become a concern in the Federal budget is when they need institutional care.

The level of funding in H.R. 9803 was determined by a study of the needs of States for meeting the Federal standards. It is not an exorbitant amount of money—it is quite simply the minimum amount needed to assure the continuance of quality day care. We have the assurance of the Senator from Minnesota (Mr. Mondale), who is a member of the Senate Budget Committee, that the $2.5 million authorized in this legislation is included in the budget resolution adopted by the Senate.

We certainly can afford to spend this money. And by doing this, we are preserving what is one of our children's most important protections—the Federal day-care staffing standards.

The object of the standards is not to put day-care centers out of business or to make it more difficult to provide quality services for children. The object is to make sure that the services we do provide—indeed, the services paid for by the tax dollars of our citizens—are of the highest quality. The Federal Government has no business subsidizing poor day-care programs.

Our best assurance of quality day care is the FIDCR including, especially, the staffing standards. These standards assure that children participating in federally funded day care programs will have the kind of individualized attention that marks quality day care. The standards assure that Federal money will not ever be spent on programs that are little more than warehousing of children.

The Federal standards serve as a guideline to the States in setting their own standards, and this type of leadership role is entirely appropriate for the Federal Government.

An examination of the wide variations in standards among the States indicates that some kind of national standard is badly needed. Frankly, Mr. President, it is difficult to justify these wide variances between States. It is hard to argue that children vary that much from State-to-State. I am confident that the basic needs of the children of Iowa do not differ significantly from the needs of the children of New York or Mississippi or Arizona.

All these children deserve the opportunity for a happy, healthy childhood, and we will help assure that by preserving the Federal day-care staffing standards.

Mr. JAVITS. Mr. President, the need for the passage of H.R. 9803, with the amendment sponsored by Senator Russell Long, chairman of the Senate Finance Committee, and cosponsored by Senator Walter Mondale, chairman of the Subcommittee on Children and Youth, of the Labor and Public Welfare Committee, is a necesary measure to insure quality care for the young children in our Nation. At a time when there are insufficient available slots for day-care centers, we are considering a measure that will have a direct effect on our ability to maintain at least the level of service now provided.

In the past, the Congress has reiterated its support for the Federal Interagency Day Care Requirements. Originally promulgated in the Economic Opportunity Act of 1964, the FIDCR have been reaffirmed in the Economic Opportunity Act of 1972, in the Headstart section, Economic Opportunity and Community Partnership Act of 1974, and most recently in title XX of the Social Services Act of 1974. While these requirements have been in effect since 1968, it was only last October when they were to be enforced, as part of title XX funds. When it was realized that many States had problems complying with the minimum staffing ratio as set forth, it was agreed by Congress to postpone the effective date of these standards until February 1, 1976. The health and safety codes and other program standards embodied in FIDCR were, of course, not suspended.

In the interim, rather than retreat from the minimum standards, which the Congress has previously insisted upon, the distinguished Senators from Louisiana and Minnesota have presented the Senate with a proposal that will meet head on the problems the Nation faces in its effort to provide quality child care. The Long-Mondale amendments to provide an additional $250 million specifically earmarked for child care, provides States with additional funds needed to maintain the current level of day care enrollment and compliance with all the FIDCR. To postpone further the implementation of these minimum standards, would not only jeopardize the health, safety, and well-being of all those children in licensed day-care centers around the country, but would assure a reduction in the number of child care slots available.

We, in Congress, have had a commitment to quality care, and I have always insisted that this be an integral part of our child care program. These statistics reveal that this country falls far short in providing day care to those who need it. The present figures for child care indicate 6 million children below age 14 need some form of day care other than with an immediate parent. At present there is capacity for only one-fourth of these children—or 1.5 million—in licensed day-care facilities. There are presently 30,000 centers for 1.2 million children—81 percent of total capacity—and 81,000 family day care homes for 284,000 children—19 percent of total capacity.

Staff ratios are a key ingredient in quality care and a crucial ingredient in child care provided under title XX since most of the children it serves have special needs—nutritional, social, and educational—which demand the attention that only the proper complement of staff can provide. If we ignore the staff ratios in these programs: we ignore children already at risk; and the expense of neglect indeed both in human terms and fiscal terms given the cost of the remediation and rehabilitation programs in which we would ultimately find these children.

I shall continue my efforts to expand the availability of day care slots to fill the gap as it exists. Just as efforts must continue concerning the quality of day care, the quality of day care provided must be of a standard that does not shortchange those children who participate. Any shortcuts in standards will result in a heavier price to pay in the future.

The child/staff ratio question has not been answered definitively. A study by HEW is to be completed in late 1977, to determine what effect this ratio has on a child. But it should be obvious that the more favorable the ratio of staff to children, the better situation for the children involved. The debate, however, is not solely these child/staff ratios.

The Senate Finance Committee Study before us today in fact indicates that most States need funds in order to meet the other—nonsuspended FIDCR standards or in other words, since these standards generally reflect what States do anyway to maintain their program, that most States need additional funds to maintain their current level of services.

In as much as the alternative to providing additional moneys to the States to bring them up to compliance is to all the States to cut back in the amount of available slots, H.R. 9803 is essential to maintaining the essential goals of title XX.

By cutting back on the services to children, working mothers—the majority of title XX day care users—have no alternative but to stay home to care for their children. This runs counter to all our efforts to get people off the welfare rolls, and back to work.

The provision to help staff day-care centers with welfare recipients—a provision most States have reported they would quickly take advantage of—would further our efforts to prevent welfare dependence and reduce our otherwise heavy expenditures in this area.

It is recognized that there will be some instances where there could not be compliance with standards and requirements. For that reason waiver provisions are incorporated, under those conditions specified.

The children must be served and it is our task to provide what the best thinking minds of our country feel is necessary adequately to protect the health and the future of the children. The burden of the future is not to be lightly taken. Standards for quality care to continue are not something on which we can afford to retreat; much depends upon it.

Mr. MONDALE. Mr. President, I yield back the remainder of my time.

Mr. LONG. Mr. President, I yield back the remainder of my time.

Mr. FANNIN. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Washington (Mr. Jackson), the Senator from Montana (Mr. Mansfield), the Senator from Montana (Mr. Metcalf), the Senator from New Mexico (Mr. Montoya), and the Senator from California (Mr. Tunney) are necessarily absent.

I also announce that the Senator from Missouri (Mr. Symington) is absent because of illness.

I further announce that, if present and voting, the Senator from Washington (Mr. Jackson) and the Senator from New Mexico (Mr. Montoya) would each vote "yea."

Mr. GRIFFIN. I announce that the

Senator from Nebraska (Mr. CURTIS), the Senator from Kansas (Mr. DOLE), the Senator from Arizona (Mr. GOLDWATER), and the Senator from Texas (Mr. TOWER) are necessarily absent.

I further announce that, if present and voting, the Senator from Kansas (Mr. DOLE) and the Senator from Texas (Mr. TOWER) would each vote "nay."

The result was announced—yeas 65, nays 24, as follows:

[Rollcall Vote No. 20 Leg.]

YEAS—65

Abourezk
Allen
Beall
Bentsen
Biden
Brock
Brooke
Bumpers
Burdick
Byrd, Robert C.
Cannon
Case
Church
Clark
Cranston
Culver
Domenici
Durkin
Eagleton
Eastland
Fong
Ford
Glenn
Gravel
Hart, Gary
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Javits
Johnston
Kennedy
Laxalt
Leahy
Long
Magnuson
Mathias
McGee
McGovern
McIntyre
Mondale
Moss
Muskie
Nelson
Packwood
Pearson
Pell
Percy
Randolph
Ribicoff
Schweiker
Scott, Hugh
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Weicker
Williams

NAYS—24

Baker
Bartlett
Bellmon
Buckley
Byrd, Harry F., Jr.
Chiles
Fannin
Garn
Griffin
Hansen
Helms
Hruska
McClellan
McClure
Morgan
Nunn
Pastore
Proxmire
Roth
Scott, William L.
Taft
Talmadge
Thurmond
Young

NOT VOTING—11

Bayh
Curtis
Dole
Goldwater
Jackson
Mansfield
Metcalf
Montoya
Symington
Tower
Tunney

So the bill (H.R. 9803) was passed.

The title was amended so as to read: "An Act to facilitate and encourage the implementation by States of child day care services programs conducted pursuant to title XX of the Social Security Act, and to promote the employment of welfare recipients in the provisions of child day care services, and for other purposes."

Mr. MONDALE. Mr. President, I move that the Senate insist upon its amendments and request a conference with the House, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer (Mr. STONE) appointed Mr. LONG, Mr. HARTKE, Mr. RIBICOFF, Mr. HARRY F. BYRD, JR., Mr. MONDALE, Mr. HATHAWAY, Mr. FANNIN, Mr. HANSEN, and Mr. PACKWOOD conferees on the part of the Senate.

THE RICE PRODUCTION ACT OF 1975

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of the unfinished business, H.R. 8529, which will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 8529) to establish improved programs for the benefit of producers and consumers of rice.

The Senate resumed the consideration of the bill.

QUORUM CALL

The PRESIDING OFFICER. Under the previous order, the Chair directs the clerk to call the roll to ascertain the presence of a quorum.

The assistant legislative clerk called the roll, and the following Senators entered the Chamber and answered to their names:

[Quorum No. 2 Leg.]

Abourezk
Allen
Baker
Bartlett
Beall
Bellmon
Bentsen
Biden
Brock
Brooke
Buckley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Domenici
Durkin
Eagleton
Eastland
Fannin
Fong
Ford
Garn
Glenn
Gravel
Griffin
Hansen
Hart, Gary
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Inouye
Javits
Johnston
Kennedy
Laxalt
Leahy
Long
Magnuson
Mathias
McClellan
McClure
McGee
McGovern
McIntyre
Mondale
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Taft
Talmadge
Thurmond
Weicker
Williams
Young

The PRESIDING OFFICER. A quorum is present.

ORDER FOR ADJOURNMENT UNTIL 11 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, when the Senate completes its business today, it stand in adjournment until the hour of 11 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT TOMORROW UNTIL 11 A.M. ON MONDAY, FEBRUARY 2, 1976

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, when the Senate completes its business on tomorrow, it stand in adjournment until the hour of 11 o'clock on Monday morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, the Pastore rule has run its course for today, has it not?

The PRESIDING OFFICER. Yes; it has.

SALT AND FUTURE ARMS REDUCTIONS

Mr. ROBERT C. BYRD. Mr. President, recent press accounts of Secretary Kissinger's latest trip to Moscow tell of a proposal by the Kremlin leaders to make a one-time 10-percent reduction in the 2,400 strategic delivery systems agreed to at Vladivostok in 1974. At first glance, it would seem that the Soviets are making a legitimate attempt to reduce the arms race and get the SALT II talks to a stage where a final agreement would be possible. However, if the press accounts of the Soviet proposal are accurate, the proposal is one-sided and against the best interests of our national security.

At Vladivostok in 1974, President Ford and General Secretary Brezhnev agreed to set a ceiling of 2,400 strategic offensive launchers of which 1,320 could have multiwarhead MIRV's. As was noted by several Members of Congress and defense specialists alike, this ceiling was too high and did nothing to curb the accelerating arms race. With the dangerous stockpile of nuclear weapons that both nations already have, it was felt that more constructive steps should have been taken to reduce the number of nuclear weapons.

On its face value, it appears that the Soviets' 10-percent proposal is a positive step to reduce arms. However, under closer scrutiny, the strings attached to the Kremlin's proposal become more obvious. If we were to accept the 10 percent reduction, we would have to concede to the Soviets their contention that their newest long-range bomber, the Backfire B, is not a strategic weapon. In addition, the limitations the Soviets would place on sea-launched cruise missiles would give undue advantage to the Soviets and inhibit our submarine-launched cruise missile force. Indications are that the Soviets have also quantified their definition of a "heavy" missile, but at such a limit as to give them maximum advantage.

The SALT talks have come under repeated criticism in this country since the initial Interim Agreement was signed in 1972. After the conditions of the SALT I agreement were publicly revealed, criticism centered on the seeming military advantages that we conceded to the Soviets on the number of launchers and the throw-weight of the strategic missiles. More recent attention has been focused on the possibility that the Soviets have not fully complied with the conditions of the 1972 Interim Agreement. This is a serious charge, and one that deserves very careful attention at the highest levels of the Government. We cannot reach an effective SALT II agreement if there are justified reservations about compliance with the SALT I treaty.

With the tremendous stockpiles of nuclear weapons that the United States and the Soviet Union have already accumulated, it is in the best interests of both countries—not to mention the best interests of preserving world peace—to curb the arms race and to scrap some of the existing weapons. Even though a SALT II agreement has not been concluded, the U.S. policy at a future stage in the SALT talks should be to propose a multistage reduction in the Vladivostok ceiling that would result in the scrapping of offensive nuclear weapons. One policy that deserves serious consideration is for the United States to propose a continuing 5-percent reduction in the 2,400 strategic launchers at 2 year intervals. In the first decade under such an agreement, a 25-percent reduction in the Vladivostok ceiling would require the scrapping of offensive strategic weapons by both the United States and the Soviet Union—an admirable and desirable goal of the highly publicized but ill-defined policy of détente.

The SALT talks are crucial for the future of our Nation and the world. The preservation of our national security must remain the foremost priority in any diplomatic forum. The gravity of the issues—the defense of the United States and the preservation of world peace—are too important to permit questions of compliance to go unheeded and unresolved.

We should be assured that the Soviets are in full compliance with the conditions of the 1972 Interim Agreement on SALT I before concluding any SALT II agreement. If we can be assured of compliance and come to an agreement on SALT II, the next step should be to make some bold and decisive effort to reduce the existing United States and Soviet nuclear weapons stockpiles.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR MUSKIE ON MONDAY, FEBRUARY 2, 1976

Mr. ROBERT C. BYRD, Mr. President, I ask unanimous consent that on Monday, after the two leaders or their designees have been recognized under the standing order, Mr. Muskie be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. BENTSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE RICE PRODUCTION ACT OF 1975

The Senate continued with the consideration of the bill (H.R. 8529) to establish improved programs for the benefit of producers and consumers of rice.

AMENDMENT NO. 1358

Mr. BENTSEN. Mr. President, I ask that my amendment to H.R. 8529 be brought up for immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> The Senator from Texas (Mr. Bentsen) proposes an amendment No. 1358:
>
> On page 10, paragraph 5(A), between the words "may" and "provide", insert the following: "beginning with the 1977 crop".

Mr. BENTSEN. Mr. President, land preparation is now under way in Texas. Because of the differences in the weather we start our preparation substantially ahead of other parts of the country. Often the Federal administration does not give proper recognition to that. We find that legislation passed here is without consideration for the early planting season in south Texas.

Today farmers prepare their soil and put substantial amounts of investment into fertilizer in the preparation of that soil.

Under the provisions of H.R. 8529, the Secretary of Agriculture can call for a set-aside procedure which would force these farmers to take part of the portion of the land they have in production out of production to be set aside. If the Secretary chose to follow that process this year, the results could be very expensive to Texas producers.

Mr. President, it is an established fact that the bill we are considering will have a considerable income impact on the traditional producers. Announcing a set-aside this year would be adding insult to injury and, for that reason, I am asking that the Senate accept my amendment which would delay the set-aside provisions until the 1977 crop.

Mr. President, this is a minor change, but an important one to the traditional producers and, particularly, in those areas where the planting is early in the year, and I hope the floor manager will accept this amendment.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. HUDDLESTON. Mr. President, I will point out to the Senator from Texas that we are very much aware of the problem he addresses and the need for farmers to have some certainty about what the outcome will be before they prepare their ground and plant their crops.

Therefore, we have been in touch with the Department of Agriculture. They have assured us that a letter is prepared, will be signed and will be forwarded to us for submission into the Record which states unequivocally that there will be no set-aside program for 1976. The planters can be assured that that will be the case.

Mr. BENTSEN. I would say to the distinguished floor manager of the bill that, based on the receipt of that letter stated in unequivocal terms that the set-aside will not be done this year, my planters in Texas will not lose the amount of money they have invested in their crops already, based on that, and subject to the delivery of such a letter, I would be prepared to withdraw the amendment.

Mr. HUDDLESTON. I think the letter from the Department indicating no set-aside for 1976 would make the amendment unnecessary. However, I believe the subject of rice will be before the Senate so that the letter may be received and made a part of the Record. I think this will alleviate the Senator's Texas planters' problems entirely.

Mr. BENTSEN. Mr. President, could I, under those conditions, withdraw the amendment, with the understanding that if the letter is not received I would have an opportunity to further discuss it? I am prepared to withdraw the amendment.

The PRESIDING OFFICER. The Senator has that right, and the amendment is withdrawn.

Mr. BUMPERS. Mr. President, I want to make a few brief remarks regarding both the substance of the bill and its purposes, and also respond to some of the remarks made by my distinguished colleague from Louisiana (Mr. Johnston) yesterday.

There is not total unanimity among the rice farmers in this country about the substance of this bill. I know my senior colleague and I have discussed this at length and we have many, many friends—we like to think that all the rice farmers in Arkansas are our friends—but not all the rice farmers in Arkansas agree on the bill, so it has not been lightly that we have elected to support the bill.

We also recognize that some of the things that were stated on the floor yesterday about the present supply of rice in the world in general and in our State and in this country in particular are true, and they are correct.

What we are talking about here is, hopefully, a bill that is in the best interests of the rice farmers, and in the best interests of our export markets, and in the best interests of this country in the long run, with the admission that there may be a transition period which will be unpleasant.

(At this point Mr. Griffin assumed the Chair.)

Yesterday, the Senator from Louisiana stated he had been in Thailand recently, as recently as 3 weeks ago, and that the Secretary of Agriculture or some other personage perhaps at that level in Thailand had said:

> We don't want American rice over here. We want to export rice ourselves.

I am sure the Senator would not suggest that the United States abdicate its right to raise rice in order to allow the Thais to export all they want. The truth of the matter is that almost from time immemorial this country has exported about 60 percent of its crops.

Mr. JOHNSTON. Mr. President, will the Senator yield at that point?

Mr. BUMPERS. I yield for a question.

Mr. JOHNSTON. I just want to make a comment that it was the Foreign Minister who objected to Public Law 480 shipments to Indonesia.

Mr. BUMPERS. Well, in any event, one of the reasons why I have chosen to support the bill is that I think it is important for the United States to be a reliable producer of rice and a reliable exporter of rice. If we draw back from the 2.8 million acres which were planted in this country last year, and which produced roughly 125 million hundredweight of rice, if we draw back from the 2.8 million acres to the allotments set by the Secretary of Agriculture on January 1 at 1,652,000 acres, all things being equal, we will be reducing the production from 1975, which was 125 million hundredweight, back to something around some 80 million hundredweight this year.

It would be impossible for the United States to be a reliable exporter of rice if Thailand, Pakistan, Indonesia, Taiwan, and all the other countries—which admittedly had a boom crop in 1975, because of the monsoons—just have a mediocre crop this year. That 80 million hundredweight would be absorbed in the export market almost overnight, at what would certainly be an exorbitant price.

Now, in 1974, we only produced 15 million hundredweight less than we produced in 1975, and yet we had no problem in disposing of the 1974 crop. We disposed of it. The farmers were happy with it, and they got a good return on their investment.

Here we are with only 15 million hundredweight more in the 1975 crop, and because of a bumper crop in other sections of the rice-producing world, we do indeed have a surplus of rice in the world and we are having trouble marketing it.

What I am saying is that to go back to 1,652,000 acres would just be swinging the pendulum back entirely too far.

I think it is well to point out—and I think this is the point that is going to have to be made over and over on this floor—that the people in this country who have the allotments—and most or at least some of whom are opposed to the bill—are well protected by the bill. In most instances the target price of $8 a hundredweight is substantially more than the cost of producing rice was in 1975 in my own Stote.

According to the figures of Texas A. & M.—I believe it was Texas A. & M.—in 1975 the cost of raising rice in the northeast corner of Arkansas was $6.25 a hundredweight; in the Grand Prairie it was $6.47 a hundredweight. That is for owner-operated farms.

If you were a tenant operator, the cost dropped in northeast Arkansas to $5.11 and in the Grand Prairie to $6.35.

When we consider those costs of production against the $8 target price, we can see that there is substantial protection for the allotment holders in this country.

One of the things—and if this sounds provincial, so be it—that has concerned me, being from Arkansas, which is by far the biggest rice-producing State in the Nation, is that we produced 895,000 acres of rice last year. If this bill is defeated and we go to the allotment set by the Secretary of Agriculture, we drop back to 399,021 acres, a drop of 495,000 acres. Over 50 percent of the land in my State that was used to produce rice last year would be lost to rice production; whereas my neighboring State to the south, Louisiana, which this past year raised 650,000 acres, or 245,000 acres less than my home State, would, under the Secretary's allotment quotas set in January, be entitled to 475,000 acres, or a great deal more than my State.

The same thing is true with California. This year California harvested only 553,000 acres of rice. Yet, under the Secretary's quota, they would be entitled to 422,000 acres, or 22,000 more than the State of Arkansas.

I say that is grossly unfair to both the allotment holders and the new farmers of my State.

I am as concerned about agriculture, I think, as anybody in this country, and I have been for some time. The section of the State where I come from does not raise rice. We are essentially cattle farmers. I was one myself, and I can see that the cattle farmers have substantially borne the brunt of the depression for the last 2 years.

But I am worried about the small cattle farmers and the small rice farmers, and what the big corporate farms in this country are doing to drive small farmers out of business.

But the distinguished Senator from Louisiana said yesterday, and I do want to correct this, that the average allotment farm in Louisiana was 58 acres. According to the statistics I have here, Louisiana had last year 5,041 allotments. I am not sure what the size of each individual allotment of rice was, but on the basis of 475,000 acres this year, the allotments average roughly 94 acres per farmer.

Mr. JOHNSTON. Will the Senator yield at that point?

Mr. BUMPERS. Certainly.

Mr. JOHNSTON. The figure that I used yesterday was incorrect and I apologize for that. It is larger than 58 acres.

The same point, though, I think is valid, which I will discuss later.

Mr. BUMPERS. Mr. President, to proceed, in 1975, the Secretary of Agriculture set the allotments at 1,800,000 acres and we raised 2.8 million acres in the United States, almost a million acres more than the allotments.

Sixty-nine percent, I believe it was, of the allotment holders chose to abandon the program, to raise more rice than they had in their allotment. And primarily it was the old farmers who chose to abandon the program and raise in excess of their allotments. They produced 84 percent of that excess million acres. New rice farmers in this country accounted only for 16 percent, or roughly 160,000 acres of that excess.

So it occurs to me that if an allotment farmer with any amount of acres, whether 94 acres in Louisiana or perhaps something higher in my State, plants within his allotment, his investment will be protected. Even if allotment farmers choose to plant more than their allotment, they will be protected on their allotted acres.

But it does not make much sense to me to say that if a farmer has got 70 percent of his 1975 crop in his bin—as many farmers do have today—he is going out to exceed the program again.

I know some farmers who had 300-acre allotments last year yet raised as much as a thousand, and a 500-acre farmer who raised 6,000 acres. I cannot believe that a man who raised 6,000 acres in 1975 and who still has 50 to 75 percent of that crop in his bin at planting time will go ahead and say, "Damn the torpedoes, I'll plant another 6,000 acres of rice this year."

I cannot believe that there is going to be as much rice planted this year as some people have predicted. But, even if there is, it is the new farmer, who is going into production for the first time and who has no allotment, who stands to lose the most. This farmer is the one who will be taking the substantial risk.

What does our production amount to in this world? We are not a big producer of rice by world standards, nor are we a big consumer of rice by world standards. Last year's crop of 125 million hundredweight represents only 1.7 percent of the world's supply of rice.

If we were to draw back to 1,652,000 acres in 1976, and if my assumption is correct that we will produce 80 million hundredweight on that acreage, or 45 million hundredweight less than we produced in 1975, that 45 million hundredweight would be approximately one-half of 1 percent of the world's supply of rice.

I cannot believe that by cutting back by one-half of 1 percent of the world's supply that the price is going to be materially affected, unless those countries who this year have enjoyed a bumper crop have a disastrous crop in 1976.

I know that there is a counter argument to that. In all candor and fairness I want to make it because, as I say, I want to be as fair as I can in all my utterances on this bill, and I want to be as objective as I can be.

Admittedly, 60 percent of what we raise, and perhaps this year even a greater percentage, goes into export. And that 60 percent of our crop which goes into export represents 25 percent of all the rice that travels in the world market. Most all of the countries of the world that raise rice, whether it is Iran, Thailand, Pakistan, the Philippines, Korea, consume all that they grow. They do not have enough to feed their population, much less export it. That is the reason that what the United States produces is important to world trade and in the world markets. That is the reason it has an effect.

Mr. McCLELLAN. Will the Senator yield at that point?

Mr. BUMPERS. I am pleased to yield to the Senator.

Mr. McCLELLAN. We hear a great deal about humanitarianism in these times and, in view of what the Senator has just said, is it not true that the hungry and the deprived and the destitute will have to look primarily to the United States for the supply of their food in the rice area?

Mr. BUMPERS. The Senator is precisely correct.

Mr. McCLELLAN. So if we cut back, there is no market for them to go to. There is no source of supply, assuming the other countries that produce rice, as the Senator said, consume the rice they produce. The other people in the other nations then must look in this direction if they are to be fed.

Mr. BUMPERS. The Senator is absolutely correct.

If I may make three observations: the rest of the world is utilizing all the land that they can for the production of rice; the amount of rice they raise is totally dependent on the availability of fertilizers and the vagaries of weather; and, we know that even though there was a glut this year and there was a surplus produced, it was because of unbelievably good weather conditions for most of those countries. In a book entitled "By Bread Alone," Lester Brown has estimated that the increasing need—this is not production but the increasing need—of cereals to feed the world is 30 million metric tons a year. We are talking here about 12 million hundredweight. Each year, 80 million people, equivalent to a country the size of Bangladesh, are being added to the world population.

So the Senator is absolutely correct. The rest of the world is producing about all it can produce. The only country that can produce more is the United States.

Mr. McCLELLAN. If the Senator will yield further, during the last quarter century or more we have spent billions and billions of dollars in grants to other countries to try to help them in their destitute situation, and particularly as economic aid. If we have that kind of a policy, attitude, and compassion for people less fortunate than we, people who are hungry throughout the world, is this not in keeping with the highest tradition, with the practices of this Nation in the immediate past, with reference to trying to relieve distressed economic conditions and hunger throughout the world?

Mr. BUMPERS. In my opinion, the Senator is absolutely correct.

Mr. McCLELLAN. We hear a lot from time to time about a plea to try to help humanity; a plea for this Nation to do more and more and more. I do not know any way that we can do more, that we can do anything better, than to provide food that will satisfy the hunger or at least save the lives of people who will otherwise face starvation. There is that humanitarian element involved in this issue that we discuss today. I hope those who have been preaching more help from our country to countries less fortunate will take that into account when they vote on this bill. It is not to cut back but to give an opportunity to new producers to get into the rice production business in an effort to try to give greater help and aid toward feeding the hungry throughout the world.

I thank the distinguished Senator for yielding.

Mr. BUMPERS. I thank the Senator for his comments. Along those lines I might say when the foreign aid bill was voted on late last year, I experienced a dilemma in my own mind as to how I should vote. Foreign aid bills are just not very popular in my State, and I feel a strong obligation to represent my people. In the final analysis, I voted for it simply because, in good conscience, with the affluence this country enjoys, with the abundance of food and all the other luxuries we have, I could not vote against a bill which would have taken a substantial amount of the cereal grain crop of this country and given it to less fortunate people all over the world. So I voted for it. As I say, sometimes it is hard to justify a vote for a bill that you know is not very popular at home. I am very pleased that the Senator made that point.

I want to make one other observation. Just for the record, when I talked about other allotment farmers, the allotment farmers being protected under this bill, I gave statistics for 1975's cost of producing rice for my own State.

I would like to give those same statistics for the other States. For example, in Louisiana it cost, in 1975, $7.67 a hundredweight for an owner-operator to produce rice. It cost tenant farmers in Louisiana $6.24 a hundredweight to produce rice. In Texas, in what are called areas 1 and 2, because there are two growing areas in Texas as there are in Louisiana, the cost to the owner was $7.76 a hundredweight and to the tenant, $7.03. In areas 3 and 4 of Texas the cost was $7.52 per hundredweight for the owner and $7.14 for the tenant. The owner can produce rice in the State of California for $6.33 a hundredweight, and a tenant can produce rice for $5.08.

That last statistic is a very interesting one to me, because California is strongly resisting this bill, along with the States of Texas and Louisiana. They are resisting this bill and yet here it says—and these are figures computed by Texas A. & M. University in cooperation with the Department of Agriculture—that a tenant farmer in California can produce rice for $5.08 a hundredweight. This bill guarantees that farmer, or virtually guarantees him, an $8 per hundredweight price. That is roughly a 37-percent guaranteed profit. I have a feeling that when the Department of Agriculture hears about this they will resist the bill themselves.

What I am trying to say is I believe the bill takes into consideration the fact that allotment farmers in this country have served the Nation well. They have had to have protection in the past. They have been good, diligent farmers. There have been lean years for them, even though they had allotments.

All I am saying is I believe this bill provides the best of all worlds. It allows new people to produce rice, if they are willing to take the gamble. It allows the old farmers with allotments to produce rice and be guaranteed not only that they will not lose money on that allotment, but that they will make money on it.

I believe that rice, along with cotton and other crops, probably ought to enter the free market. It could turn out that this is wrong. As I say, right now it is very difficult for me to conceive of the additional 12 million hundredweight we produced this year causing the problems that we are experiencing. I am afraid that if we cut back and deprive the farmers, both old and new, from producing more rice, if the price should accelerate this fall because of a shortage in the world we are all going to look pretty bad.

Mr. President, I yield the floor.

Mr. JOHNSTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. JOHNSTON. Mr. President, this bill is so deceptively simple and the arguments so absolutely clear that I find it difficult to keep from getting up and shouting about it.

Let me try to capsulize it just as clearly as I can in a very few minutes and then I will expound on it.

In a very few minutes, there are four arguments in this bill, four points that are very crystal clear to compare the present situation to this bill.

Let me give you the four points. They are: No. 1, cost; No. 2, who grows; No. 3, price; No. 4, supply.

The four points of this bill: No. 1, cost. What does the present situation cost the American taxpayer? Zero, not 1 cent, Mr. President. This bill would cost, at $6 per hundredweight, which was the price 3 years ago, $16 million a year. I am advised that at present world prices it would cost the American taxpayer $158 million a year.

I would think with respect to point No. 2, there would have to be a pretty compelling reason to cause this Congress, this Senate, to vote for a bill that is going to cost $158 million each and every year over and above the present situation.

Let us go to point No. 2, the growers. Who grows and who would grow under the new bill? It is very simple, Mr. President. The people who grow under the present bill, who are the allotment holders, by and large are small farmers. The Senator from Arkansas pointed out that the average rice farm in Louisiana is 94 acres.

Mr. President, the people who want to get into this business, who want to grow beyond their allotments are, by and large—and I would like to have the figures precisely if they exist so I can prove it by example—are the big farmers, the big corporate combines. I can give a personal example on that.

I received a call 3 days ago from a man in Louisiana who supported S. 2260. He happened to be the manager, not the owner but the manager, of a new rice farm. He plants 7,500 acres of rice. He has never been in the rice business before, until recently.

He manages the farm for a Texas oil family, the name of which is familiar to everyone here, and there is no need to violate their privacy; if any Senator wishes to know the name, I will be glad to tell him. There is nothing wrong with being a rich Texas oil man. There is nothing wrong with being a rice farmer. But for the sake of one man who wants to plant 7,500 acres and get one of these high writeoffs, let us not, for the sake of the high-rollers, run out of business the 94-acre average farmer in Louisiana.

That is what this bill is all about, not how much. Not what it would cost, but who is going to plant, whether we are going to continue with the small farmer as the backbone of the community, or go to the big corporate farms.

So point No. 1 is cost, point No. 2 is who grows, and point No. 3 is price. Is the new law going to give us a better price for the consumer? No, sir. The price right now, for the farmer, is the lowest it has been in a long time, and as a matter of fact it is a distress price, at least according to my farmers. This bill will not lower that price.

Now, the trouble with rice is the middleman. About 3 years ago the middleman received about 200 percent of the amount that the farmer received. Today the middleman receives 500 percent of what the farmer receives. I do not know what we can do about that. I think it is a serious problem, not only in rice but in other prices in the supermarket. But this bill is not designed to reduce the price at the supermarket. Rather, it is designed to increase the cost to the taxpayer, who also happens to be the consumer.

Mr **McCLELLAN**. Mr. President, will the Senator yield?

Mr. **JOHNSTON**. I yield to the Senator from Arkansas for a question.

Mr. **McCLELLAN**. I have a unanimous-consent request.

Mr. President, I ask unanimous consent that a member of my staff, Mr. Max Parrish, may be present on the floor during the debate on this measure.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **BUMPERS**. Mr. President, I ask unanimous consent that Walter May and Richard Arnold of my staff be permitted to be present on the floor during the pendency of this measure.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **JOHNSTON**. Mr. President, the fourth point is supply. What is the present rice supply, and what would the bill do to the supply?

At present, by all admissions, there is a glut of rice in this country and in the world today. There are 34 million hundredweight, hundred-pound sacks, if you will, of rice available as an excess of rice in this country today—3,400 million pounds.

That is enough rice, by most calculations, to feed all of the domestic needs of this country for the next year, without growing another sack of rice.

On the world market, we also have a glut of rice. There was a 6-percent increase in world production this year, and there is a 30-percent increase in carryover stocks of rice. So we have more rice than we can use in the United States and more rice than we can use in the world. Rice farmers are hurting. They cannot sell their rice. So we are told that we need to go to this new bill for the purpose of increasing rice production, so that we can feed the world's hungry.

Mr. President, of all the arguments I have heard on this floor, that is perhaps the most appealing. It appeals to our good nature, to our generosity, to the better instincts of human beings who want to help those less fortunate than themselves.

But the fact of the matter is that there is a glut of rice in the world and a glut in this country, which we cannot move right now, under present conditions. If we produce more, we will have that much more of a glut. Rather than feeding the world's hungry, it would simply glut our storage capacity, put lots of rice farmers out of business because they cannot sell their rice, and in the process would not help anyone in this world.

Mr. President, we talk about food for peace, and that we want to increase it. My good friend from Arkansas voted for the foreign aid bill, because it contained Public Law 480. I did, too. I voted for that bill because it contained Public Law 480, and I wanted to help not only the hungry, but I wanted to help some rice farmers. I have a lot of them in my State.

But let us face the facts. Public Law 480 is going down every year. There is less and less sympathy for Public Law 480. I would like to increase it. I would like to have enough Public Law 480 payments to feed the world's hungry, and to help the rice farmers. But that is not going to happen, Mr. President. This Congress is not ready to increase Public Law 480 payments.

Back in 1971–72, we shipped 1.2 million metric tons of rice through Public Law 480. That has gone down by increments each and every year, so that now we are down to 60 percent of that; we are down to .8 million metric tons under Public Law 480, and I daresay next year we will be down to even less than that. Instead of increasing food aid, instead of increasing Public Law 480, we are decreasing it.

If either one of the distinguished Senators from Arkansas can tell me we are going to increase Public Law 480 payments enough to take care of the additional glut this bill would produce, I would say, "Let us pass it." But there is no chance of that, in my judgment; and there is not even a proposition to do so.

If I am not incorrect, some of the sponsors of this legislation have voted against all foreign aid, not just the present program, but all foreign aid. Yet this bill is premised on the fact that we ought to increase it dramatically, to feed all the world's hungry and to get rid of the rice surplus we have now.

Mr. President, my distinguished friend the junior Senator from Arkansas quoted some figures a moment ago, from which I would like to quote additionally to the Senate to show how this bill would put farmers out of business.

He said according to his study, it costs a tenant farmer in Louisiana $6.24 an acre—or is that a hundredweight?

Mr. **BUMPERS**. No, a hundredweight.

Mr. **JOHNSTON**. $6.24 a hundredweight for a tenant farmer to plant rice. That figure sounds all right to me.

The trouble is that a tenant farmer in the usual situation in Louisiana has to pay 20 percent for his water and 20 percent to his landlord. So, in order to break even, if this is his cost, he has to get $9.58 per hundredweight, if my figures are correct, to break even. If his cost is $6.24, and you add to that the 20 percent for water and the 20 percent for the landlord, then he has to get $9.58, which is $1.58 per hundredweight above the target price of this bill.

Mr. President, my rice farmers are not asking for support. They are not asking for a Government dole. They are not asking for $150 million or $168 million a year in aid, as this bill would provide. All we are asking is for a continuation of the present situation, which has produced more rice than we can use or eat, but has not cost the taxpayer a cent, and has resulted each year in an increase in rice production and an increase in exports.

I think that is a pretty good bargain for the taxpayer.

If we were not getting enough supply of rice and we needed some more, I would say sure, let us plant some more. If the price were too high for the consumer, we would say, let us do something about that. If it were one of these magnificent Government programs that cost so much to the taxpayer in this era of budget-consciousness, we would say yes, let us cut down the cost.

But, Mr. President, as to each one of these directions we are going to precisely the wrong direction. Instead of cost cutting, we are cost increasing. We are not doing anything for the consumer. We are running the small farmer out of business in favor of the big farmer, and we are not serving the interest of the American taxpayer.

Mr. President, I am at a loss to understand the logic behind this bill other than the fact that the present Secretary of Agriculture is committed to target pricing for all crops, and that includes peanuts and tobacco.

In the President's budget message this year, he talks about tobacco and that we need to go to target pricing for tobacco. I hope the tobacco-farming Senators and the peanut-farming Senators recognize that this is part of an overall grand strategy to go to target pricing.

We are soon going to send around a letter to all Senators from tobacco and peanut States to show them how they might also get in on the benefits of this magnificent Government program, I guess dreamed up by the same people who brought us exports of grain to Russia.

Mr. President, it beats me how this makes good sense. I guess the present administration thinks they need to be consistent, because they have done it for cotton and it has worked for cotton. Sure, cotton is a different quantity, a different supply quotient, and with different world export patterns. All of those things are completely different in cotton. Just because it might work with cotton—and it has not worked magnificently well—is no reason why it ought to work with rice.

Yesterday my good friend from Kentucky pointed out that the present program has worked real well in feed grains and that it has not cost the taxpayer any money. At present prices, it has not.

I clipped from the Washington Post on January 7 a brief article where there is going to be an increase sought for the price of wheat. Let me read this brief article. It says:

> Wheat growers will urge the administration to approve a substantial increase in the federal price support floor for their 1976 crop, a spokesman said yesterday.
>
> Jerry Rees, executive vice president of the National Association of Wheat Growers, said the group hadn't made specific recommendations on the support rate, but he said many NAWG leaders have recommended a 1976 support set at 50 per cent of the "fair" parity price for wheat. This would amount to support at $2.34 a bushel, compared with $1.37 for the 1975 crop.

So that means if they get their increase, which they think is fair, it would almost double from $1.37 a bushel to $2.34 a bushel.

I would hate to say what that amounts to in wheat. I have not put the pencil to it. Maybe the administration would veto the increased rise.

Mr. HUDDLESTON. In response to the Senator, it would not amount to anything if the market price stays where it is, which is substantially above this price.

Mr. JOHNSTON. I am really not an expert in wheat, and I do not guess I am an expert in agriculture, except that I know a little something about what the present prices of rice are and about what this support level will mean on the rice bill because that is what we are talking about.

Am I not correct that at present world market conditions it cost about $150 million a year, each and every glorious year?

Mr. HUDDLESTON. No, the Senator is not correct.

Mr. JOHNSTON. What would be the cost?

Mr. HUDDLESTON. The estimate is $36 million for the year 1976.

Mr. JOHNSTON. That is based on the year 1976, the first 5 months. What world price was the Senator using?

Mr. HUDDLESTON. I was urging the price of $8.

Mr. JOHNSTON. I am talking about the present world price level.

Mr. HUDDLESTON. That is the figure that is being used, approximately $8.

Mr. JOHNSTON. Has not the world price dipped considerably below $8?

Mr. HUDDLESTON. The last price that we have on record is $8.29.

Mr. JOHNSTON. Very well.

Mr. HUDDLESTON. Incidentally, on the Senator's cost figures, when he points to 1975 as being a no cost year for rice, he neglects the fact that as to the 10 preceding years every one of them has been a cost year ranging as high as $51 million, substantially above what this program is anticipated to cost.

Mr. JOHNSTON. The Senator was saying each year has been a cost year as high as $51 million not on the target price. There is no support price under the present law. Is the Senator suggesting there is a support price under the present law?

Mr. HUDDLESTON. Under the existing law at the present time, the support price is $8.52.

Mr. JOHNSTON. On a support price under the present law.

Mr. HUDDLESTON. For rice it is $8.52.

Mr. JOHNSTON. The Senator is talking about the loan program, is he not?

Mr. HUDDLESTON. That is what the price is. It is a loan program.

Mr. JOHNSTON. No target price. Excuse me.

Mr. HUDDLESTON. We do not have a target price at the present time.

Mr. JOHNSTON. Under the present law, that is correct.

Mr. BUMPERS. Mr. President, will the Senator yield for a unanimous consent request?

Mr. JOHNSTON. Yes.

Mr. BUMPERS. Mr. President, I understand there is a rule of the Senate that one must receive unanimous consent to bring in the Chamber one of these pocket calculators. I am in violation of that rule. So, I now ask unanimous consent to keep this calculator in the Chamber during the pendency of this debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSTON. Mr. President, I hope that is not one of those Arkansas calculators.

Mr. BUMPERS. Mr. President, the only thing that has me disturbed is that Texas is one of our principal adversaries, and this says "Texas Instruments" on it.

Mr. JOHNSTON. Mr. President, if that is one of those calculators that can tell us it makes good sense to pass a bill that increases the supply of rice in the midst of a glut of rice, it makes good sense to run the small farmer out of business in favor of the big corporate combine, and it makes good sense to have a program that is virtually cost free to the taxpayer in favor of one that is likely to cost $168 million a year, then I wish to buy one of those calculators because by doing so I would be able to balance my family budget in the face of the highest standard of living that I could imagine.

The fact is, Mr. President, very simple logic and mathematics dictate that this bill simply does not make good sense for the farmer, the taxpayer, the consumer, or indeed, the hungry world. I hope we will reject this bill out of hand.

I hope we will reject this bill out of hand.

I yield the floor.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent to have printed in the RECORD a list of the Government outlays for the current rice program, dating back to 1966.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

RICE: GOVERNMENT OUTLAYS, FISCAL YEARS 1966-75

[In millions of dollars]

Item	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975
Price supported and related:										
Commodity export payments (commercial sales)	42.4	22.0	1.9	3.2	13.7	17.8	24.8	21.8	(1)	
Other price support and related [2]	9.1	7.5	9.3	42.6	25.0	23.8	[3]19.4	[3].2	14.7	0.1
Total, price support and related	51.5	29.5	11.2	45.8	38.7	41.6	5.4	21.6	14.7	.1
Public Law 480	60.5	140.2	133.8	170.9	167.6	167.8	214.5	244.4	317.3	285.3
Total	112.0	169.7	145.0	216.7	206.2	209.4	219.9	266.0	332.0	285.4

[1] Less than $50,000.

[2] Includes gain or loss on sales, cost of donated commodity, storage and handling, transportation, loans made, loans repaid and delivered.

[3] Denotes net receipt.

Note: Totals may not equal sum of items due to rounding.

Mr. HUDDLESTON. Mr. President, I will just comment on the glut in the rice market that the Senator from Louisiana refers to.

I remind the Members of the Senate that in 1972 and prior, there was also a glut of rice in the world market, and of all other feedgrains and foodstuff. But very quickly, within a year's time, we found that we had severe shortages, including shortages of rice. The price of rice, which was greatly depressed at that time because of large supplies, jumped immediately into the $10 and $14 range because of worldwide shortages of rice.

Weather is a very tenuous thing. It is very unusual that a wide area of the world—the entire rice producing area, for example—should enjoy good weather at the same time. Nearly all the time, somewhere in the world, there are bad weather conditions for growing. This affects the total production. It just happened that for 1975, we did have worldwide favorable conditions for growing and did, consequently, produce a bumper crop worldwide, which has caused a surplus at the present time.

However, the Senator from Arkansas has pointed out that with the increase in population, with these vagaries of weather and production capacities, this surplus could be wiped out virtually overnight and we again could be faced with food shortages in many parts of the world.

Second, I point out that it is important that the United States be a reliable supplier, that the United States produce a product that can be moved in the world market, pricewise and otherwise. We are competing with our friends in Thailand and other producers of rice who are able to export. We have to stay competitive. The committee believes that the best way to do this is through open production, based on the best estimate by those who are in the business as to what market conditions require, to give them the freedom to plant as much or as little acreage as they desire, to give them some protection against financial ruin because of an unanticipated market decline that may dip far below their production costs.

Mr. JOHNSTON. Mr. President, will the Senator yield?

Mr. HUDDLESTON. I yield.

Mr. JOHNSTON. There is at present a quota program for tobacco. Would the Senator from Kentucky favor the same kind of target price approach to tobacco?

Mr. HUDDLESTON. It certainly is a different kind of commodity. Nobody eats tobacco. It is not a necessity of life. We think it adds to the well-being of most people who enjoy using it, if they so desire. But when the time comes to discuss the tobacco program, the Senator will be here and express his position at that time.

Mr. JOHNSTON. I hate to take this much of the Senator's time, but I should like to quote from this year's budget, entitled "The Budget of the United States Government, Fiscal Year 1977," page 95:

> The Administration's policy is to avoid Government restrictions on crop production, permit market forces to work, but provide producers protection against severe price declines. Problems continue to exist where this policy is not followed. For example, rice, peanuts, and tobacco are controlled through cumbersome mandatory programs that often result in a buildup of surpluses and higher prices at considerable cost to the Federal Government and consumers.

I suppose that we are soon to expect the same kind of consistency that brings rice into this wonderful target price program, that we are soon to follow, according to the budget message, with peanuts and tobacco. Do I take it from the Senator's lack of enthusiasm that his attitude will be different for tobacco than it is for rice?

Mr. HUDDLESTON. When that time comes, we will address the problem. Essentially, a different public interest is involved in controlling the production of tobacco than in controlling the production of rice or foodstuffs.

Mr. JOHNSTON. I take it that the Senator would oppose open crop production on tobacco.

Mr. HUDDLESTON. The Senator will support the present tobacco program when that issue comes before the Senate.

Mr. JOHNSTON. I ask this of the Senator: Is it not true that one of the strong reasons why he wants to keep the tobacco program as it is, which provides for allocations and quotas, is to preserve the smaller farmer, who has a small allotment and can work it and make a decent price on it and provide a sufficient supply? It is working pretty well. Is that not the basic reason why the Senator wants to keep him in business and not put in the big man, who can produce many hundreds of acres of tobacco and glut the market with supply? Is that not the reason why the Senator wants this kind of treatment for tobacco?

Mr. HUDDLESTON. It is an entirely different situation. I do not believe that this discussion relates to the present bill. Tobacco allotments average less than an acre, to start with.

I say that a public interest is involved in a strict control of the production of tobacco. No public interest is involved by increasing the production of tobacco to prodce as much as we can. There is no great compelling need relating to the well-being of people, to the food problem in the world, to increase the production of tobacco.

Mr. JOHNSTON. The Senator pointed out that we should let the market forces work and let the farmer decide what he should plant. Is that not good for tobacco as well?

Mr. HUDDLESTON. No, the market forces, of course, do enter into it. Tobacco production is being cut back 5 percent for next year because of the supply and demand situation. But there is no compelling reason or need in the world or in this country. Is it a discretionary product on the part of individuals. It may be termed a luxury product. The best interests of the Nation do not require that it be made available in abundant supply.

Mr. JOHNSTON. Is that not the basic reason for that—who will grow it—because now there are a lot of little farmers who will make money on those little plots; whereas, if there were open production, it would be produced with a bigger farm? Is that not really what is at stake?

Mr. HUDDLESTON. That is only part of the question. There are 32 different kinds of tobacco. Each one has a different purpose, a different use. It is a very complex program and not related at all to rice.

Mr. JOHNSTON. I can understand that it is not related to rice, but it is precisely the same question, with a different product. Exactly the same factors are at work.

Mr. HUDDLESTON. It is no more related to rice than sawdust is to wheat.

Mr. JOHNSTON. It is all dollars; it is all in agricultural products; it is all grown on farms. It all involves farmers and the competition between small farmers and big farmers. That is really the basic question involved in this bill: Whether the rice is going to be grown by average Louisiana farmers, at 94 acres a farm, or the corporate combine, the fellow who called me up and said he planted 7,500 acres this year and wanted to plant 11,000 next year. That is involved in this bill, that is involved in the tobacco bill, and that is what the Secretary of Agriculture is going to send down to the Senator, and he will get my cooperation in preserving the small farmer.

Excuse me for the long interruption.

Mr. HUDDLESTON. I appreciate the Senator's interest.

Mr. President, does any other Member of the Senate care to make any comments with respect to the subject?

Apparently not at the present time.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. BROCK). The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CHANGES IN THE RICE PROGRAM

Mr. BENTSEN. Mr. President, last year there was a short rice crop; something that does not happen very often.

As a result of this situation, changes were proposed in the rice program, which I do not think should be made at this time.

Since last year, the situation has changed dramatically for the rice industry. The USDA tells us there is a carryover of well over 32 million hundredweights. In very real sense this is a surplus position and we have seen it cause a dramatic drop in prices paid to farmers.

Despite this bumber crop, legislation is still under consideration to change the current rice program to encourage greatly increased production.

Mr. President, I must oppose the effort to change the current legislation at this time. In today's situation I do not think it wise or constructive to the Texas rice industry, to the rice industry as a whole or to the people of this Nation to radically change the current program. We should have learned in the sixties the folly of overproduction. When we overproduce, farmers are forced out of business and we lose valuable productive ability that could sustain us in the future. Consistency is the key to continued food production ability.

Mr. President, the current program has proved to be constructive and consistent. It has allowed production to gradually increase from 85.8 million hundredweights in the crop year 1971–72 to the estimated 134.3 million hundredweights in 1975. It is important to note that this increase has been gradual and predictable. This is a great asset in determining the amounts of rice this country will produce for the export market in the future.

Mr. President, this country is moving toward long-term commitments for its farm exports. To be able to make such commitments we must rely on steady and predictable farm production in this country.

The goal of the target price proposal now under consideration is to allow a great many new rice producers to decide each year if they want to produce rice the following year. Because rice can be interchanged with other crops, in many of the new rice production areas, this concept will certainly lead to varying production amounts. Such variance, as I mentioned, is not conducive to long-term planning and long-term export commitments. This contrasts greatly with the current predictable production and has the potential of greatly destabilizing the entire rice industry.

As we have seen with the current surplus, the present program usually generates as much or more rice than is needed, but it also offers vital protection for the producers without a great economic drain on the Federal Government.

Mr. President, the costs of new program proposals must be carefully considered under today's budgetary situation. I am concerned because USDA projects that costs of a target price proposal will be between $78 and $168 million in the first year, escalating to a possible $883 million by 1981, if surpluses increase as expected. Certainly, legislation which is expected to greatly increase planted acreage will increase the current surplus and result in the greater Government costs that the USDA predicts.

Mr. President, the current legislation has generated consistent and adequate supplies of rice for this country. This is a stable base that this country and the countries who import our rice have come to depend on. I believe this stable base is too important to risk to the uncertainties of a drastically new program. Thus I must oppose changing the current program at this time. We have a surplus position for rice, we have an uncertain export market fraught with uncertainties like the announcements of Korea and Bangladesh to cancel expected large rice purchases.

This situation calls for caution not rapid change.

Mr. INOUYE. Mr. President, I rise in support of S. 2260, the Rice Production Act. The purpose of this measure is to replace presently outmoded rice legislation, which is sadly out of tune with world rice needs, American productive capacity, and American consumer needs.

Mr. President, passage of this act is of particular importance to those Americans of Asiatic descent who are heavy rice consumers. While we cannot anticipate a reduction in the current price of rice we can reliably forecast that without such legislation the price of rice will again skyrocket. For those Americans who buy rice in 1- ot 3-pound boxes a 20 to 30 cents per pound increase may not seem significant but to the many who purchase rice in 25- or 100-pound sacks and for whom rice is a major component of their daily diet, such a change would be an important factor in driving up the already too high living costs.

I am further concerned and particularly so as chairman of the Foreign Operations Subcommittee of the Appropriations Committee, over the impact of failure to enact S. 2260 on our commitment to assist in feeding the hungry and starving peoples of the world. Many of these are heavily dependent on rice for much of their diet and this past year the United States has been responsible for approximately one-third of the rice in the world export market. Some 800,000 metric tons of the 2.3 million metric tons we exported last year were distributed under the Public Law 480 program. Should we fail to enact this new measure our participation in the export market and in feeding the hungry of this world will be sharply reduced.

And to what purpose Mr. President? To assist a few farmers who have historic acreages in rice secure premium returns from those acres while farmers wanting to grow rice and consumers wanting to eat rice go wanting.

I, therefore, urge action now. To delay will mean another year of shortages and higher prices as farmers, unable to plan with any certainty for this year's crop, are forced to find alternative and less productive uses for their resources.

ORDER FOR RECOGNITION OF SENATORS MANSFIELD AND GRIFFIN, TRANSACTION OF ROUTINE MORNING BUSINESS, AND RESUMPTION OF CONSIDERATION OF H.R. 8529

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after Mr. Morgan has been recognized under the standing order, Mr. Mansfield be recognized for not to exceed 15 minutes, to be followed by Mr. Griffin for not to exceed 15 minutes; that on Monday, after Mr. Muskie is recognized under the order previously entered, Mr. Mansfield be recognized for not to exceed 15 minutes, followed by Mr. Griffin for not to exceed 15 minutes; that on both tomorrow and Monday, at the conclusion of the orders previously entered, there be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements limited therein to 5 minutes each; and that on both tomorrow and Monday, at the conclusion of routine morning business, the Senate resume consideration of the unfinished business, H.R. 8529.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, when the Senate completes its business today, it stand in adjournment until 9:30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR GARN TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, after the two leaders are recognized under the standing order, and prior to the recognition of other Senators for whom the order has previously been entered on tomorrow, Mr. Garn be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at the hour of 9:30 a.m. tomorrow. After the two leaders or their designees have been recognized under the standing order, Mr. Garn, Mr. Morgan, Mr. Mansfield, and Mr. Griffin will each be recognized for not to exceed 15 minutes, in the order stated, after which there will be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements therein limited to 5 minutes each, after which the Senate will proceed to the consideration of unfinished business, H.R. 8529, an act to establish improved programs for the benefit of producers and consumers of rice. Rollcall votes may occur on amendments and/or motions in relation thereto.

ADJOURNMENT TO 9:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 9:30 a.m. tomorrow morning.

The motion was agreed to; and at 3:05 p.m., the Senate adjourned until tomorrow, Friday, January 30, 1976, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate January 29, 1976:

In The Army

The following-named officers in the Army of the United States, under the provisions of title 10, United States Code, section 3447:

DENTAL CORPS

To be colonel

Archer, Eugene G., [redacted].
Daniels, Jon L., [redacted].
Dearr, Marvin D., [redacted].
Harrison, John W., [redacted].
Leonardo, Raymond C., [redacted].
Sidow, Krum P., [redacted].

MEDICAL CORPS

To be colonel

Aeling, John L., [redacted].
Agee, Robert E., [redacted].
Altekruse, Ernest B., [redacted].
Anderson, Paul D., [redacted].
Annable, Charles R., [redacted].
Beckwith, Merton M., [redacted].
Bellamy, Ronald F., [redacted].
Blee, William A., [redacted].
Brandel, George P., [redacted].
Brown, Joseph, III, [redacted].
Burgin, William W., [redacted].
Caput, William G., [redacted].
Cason, William P., [redacted].
Dambroisio, Umberto, [redacted].
Diggs, Carter L., [redacted].
Dobbs, Robert M., [redacted].
Erdmann, Ralph R., [redacted].
Ettore, Albert J., [redacted].
Evans, Richard, III, [redacted].
Fariss, Bruce L., [redacted].
Gates, Francis K., [redacted].
Haasweston, Carlos, [redacted].
Hagler, Louis, [redacted].
Hansen, George H., [redacted].
Hastings, James E., [redacted].
Hawryluk, Orest, [redacted].
Helsel, George R., [redacted].
Holmes, Robert A., [redacted].
Jarstfer, Bruce S., [redacted].
Jones, Franklin D., [redacted].
Lapiana, Francis G., [redacted].
Levine, Monroe I., [redacted].
MacDonald, Bruce S., [redacted].
MacDonald, Joseph C., [redacted].
Madison, David S., [redacted].
McLean, Robert B., [redacted].
Miller, Donald F., [redacted].
Moorhead, Frank A., [redacted].
Morgan, William P., [redacted].
Nelson, Kenneth E., [redacted].
Peter, Peter R., [redacted].
Price, Dudley R., [redacted].
Reed, James W., [redacted].
Rosenthal, Daniel, [redacted].
Seitter, Girard, III, [redacted].
Shaver, Glyndon B., [redacted].
Short, Earl D., [redacted].
Stebbing, George E., [redacted].
Stienmier, Richard, [redacted].
Taylor, William J., [redacted].
Travis, Richard T., [redacted].
Tregubov, Nikita, [redacted].
White, Claude R., [redacted].
Wimsett, Williard B., [redacted].
Zeigler, Michael G., [redacted].

The following-named officers for promotion in the Regular Army of the United States, under the provisions of title 10, United States Code, sections 3284 and 3299:

MEDICAL CORPS

To be lieutenant colonel

Hardee, Eramus B. Jr., [redacted].

MEDICAL SERVICE CORPS

To be lieutenant colonel

Marsh, Raymond M., [redacted].

ARMY PROMOTION LIST

To be captain

Armstrong, John S., [redacted].
Callaway, Gary C., [redacted].
Lieteau, James N., [redacted].
Siegert, Stephen R., [redacted].

CHAPLAIN CORPS

To be captain

Grace, James N., [redacted].

ARMY PROMOTION LIST

To be first lieutenant

Monahan, Eugene, [redacted].
Tucker, Jeffrey T., [redacted].

IN THE MARINE CORPS

Capt. William D. Rusinak, U.S. Marine Corps, for appointment to the grade of major.

CONFIRMATIONS

Executive nomination confirmed by the Senate January 29, 1976:

FEDERAL RESERVE SYSTEM

Stephen S. Gardner, of Pennsylvania, to be a member of the Board of Governors of the Federal Reserve System for a term of 14 years from February 1, 1976.

(The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Nomination (Senate leadership recommendation) confirmed by the Senate January 29, 1976:

FEDERAL ELECTION COMMISSION

Joan D. Aikens, of Pennsylvania, to be a member of the Federal Election Commission for the term expiring April 30, 1982, in accordance with the provisions of Public Law 93–443, section 310.

HOUSE OF REPRESENTATIVES—*Thursday, January 29, 1976*

The House met at 12 o'clock noon.

Right Reverend Constantine, Bishop of Chicago, Ukrainian Orthodox Church of the U.S.A., Chicago, Ill., offered the following prayer:

Almighty God, we thank Thee for Thy manifold blessings upon our Nation. Commemorating the birth of America's freedom we implore of Thee, guide us in wisdom, sanctify us through Thy strength that we, a light to all nations, might dedicate ourselves to the spirit of "76" which, through divine providence, is the cradle of liberty. In this light remove not from our sight the darkness known to captive nations under communism.

We beseech Thy great mercy for Ukraine and her people which, 58 years ago, experienced restoration of independence as the Ukrainian National Republic, only to have her liberty usurped within 3 years by Red Russian tyranny. We beseech Thee, O Giver of Life and Liberty, terminate the enslavement of Ukraine that Ukrainians might realize freedom.

Bless our President, leaders, Congress, and all Americans with Thy illumination so that, with one mind and spirit, we might always seek freedom for all nations through the word of Thy truth. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate having proceeded to reconsider the bill (H.R. 8069) entitled "An act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes," returned by the President of the United States with his objections to the House of Representatives, in which it originated, it was resolved, that the said bill pass, two-thirds of the Senators present having voted in the affirmative.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2718) entitled "An act to improve the quality of rail services in the United States through regulatory reform, coordination of rail services and facilities, and rehabilitation and improvement financing, and for other purposes," and that it further agreed to a concurrent resolution of the House, with an amendment in which concurrence of the House is requested, of the following title:

H. Con. Res. 533. Concurrent resolution authorizing the Secretary of the Senate to make corrections in the enrollment of S. 2718.

The message also announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 200. An act to provide for the conservation and management of the fisheries, and for other purposes.

The message also announced that pursuant to section 310 of Public Law 93–443, the majority leader, Mr. MANSFIELD, and the minority leader, Mr. HUGH SCOTT of Pennsylvania, recommend the name of Joan D. Aikens for reappointment as a member of the Federal Election Commission for the term expiring April 30, 1982.

THE RIGHT REVEREND CONSTANTINE, BISHOP OF CHICAGO, UKRAINIAN ORTHODOX CHURCH OF THE U.S.A.

(Mr. FLOOD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FLOOD. Mr. Speaker, we were privileged today to have the invocation given by His Grace, the Right Reverend Constantine, of the Ukrainian Orthodox Church of the U.S.A.

His Grace paid a tribute to the 58th anniversary of the independence of the Ukrainian Republic.

His Grace was born in Pittsburgh, Pa. He was educated at Winnipeg College in Manitoba, Canada. He took a master's degree in philosophy in 1961 at Duquesne University. He was ordained a priest in 1967 and consecrated as bishop of Chicago in 1972.

Mr. Speaker, the Right Reverend Constantine is the first American-born bishop of the Ukrainian Church in our country.

CALL OF THE HOUSE

Mr. FREY. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. YOUNG of Texas. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 25]

Andrews, N.C.
Andrews, N. Dak.
Archer
Armstrong
Ashley
Badillo
Bell
Brown, Mich.
Chisholm
Clay
Conte
Conyers
Diggs
Dodd
Drinan
Edwards, Calif.
Esch
Fascell
Fish
Foley
Ford, Mich.
Ford, Tenn.
Fraser
Giaimo
Green
Guyer
Hinshaw
Holland
Howard
Jones, Okla.
Karth
Kastenmeier
Leggett
Litton
McCollister
Madigan
Mathis
Metcalfe
Mottl
Murphy, N.Y.
Patman, Tex.
Pritchard
Quie
Rees
Rhodes
Rose
Sebelius
Shriver
Skubitz
Spellman
Stanton, James V.
Symington
Talcott
Teague
Thompson
Udall
Ullman
Winn
Young, Ga.

The SPEAKER. On this rollcall 373 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PRESIDENT McKINLEY'S BIRTHDAY

(Mr. REGULA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REGULA. Mr. Speaker, today is the birthday of President William McKinley, the 25th President of the United States. To honor this event, I have arranged for distribution of scarlet carnations to the Members. President McKinley served 14 years in this body as a Representative from the 16th District of Ohio. He also served two terms as the

Governor of Ohio before becoming President.

The story behind the scarlet carnation is that when President McKinley campaigned for his first term in Congress, he ran against a florist by the name of Levi Lamborn, who had developed the scarlet carnation, and each day as they would debate the florist would give him one of his carnations to wear. William McKinley developed a great love for the scarlet carnation, partly, I suppose, because he won that election and went on to win six more terms. As a result of his love for the scarlet carnation, it was adopted as the official flower of Ohio in 1904.

William McKinley was a very progressive man for his times.

Prior to his 5 historic years as President, years of war and of peace, President McKinley served the people of Ohio and the Nation in this distinguished body for 14 years from 1877 to 1891, representing the 16th District, which I am proud to call my own. In 1892 he was elected Governor of Ohio, and in 1893 he was reelected.

In this year of our Bicentennial we as a nation and as a people are taking a new and comprehensive look at our history and at the leaders who added to the greatness of that heritage.

William McKinley was one of our greatest statesmen and his place in history will be enhanced by a fresh look backward.

It has been said—and truly—that more than any President since Lincoln, McKinley was a man of the common people, close to their aspirations and able to articulate their deepest yearnings. The widespread national grief which accompanied his passing bore witness to the affection and regard in which he was held. People saw in him not only a great public leader in war and in peace, but a private man whose inherent goodness shone through his duties as husband and father.

As one of the few Presidents who served only in this body of Congress he gained an intuitive knowledge of the psychology of its Members. He often met angrily insistent congressional leaders with a smile at his office door and sent them away beaming, often wearing a red carnation from his Presidential desk. He did not pretend to know more than Congress or the people who elected them both.

It is well known that his administration marked the advent of this country on the international scene as a great world power. But his leadership in war was matched by his vigorous pursuit of peace and prosperity. His "Open Door" policy toward China alone would prove him a prophetic figure in a century which would later witness the rise of that nation to world power status.

In Buffalo in the year of his death—1907—speaking before the Pan-American Exposition, he recognized the economic interdependence of the nations when he declared "The day of exclusiveness is past." He saw clearly that prosperity was indivisible and that international cooperation had become a necessity of life. These are lessons etched vividly in all our minds by the history of more than seven decades since he spoke.

His words then speak to us now with ever greater emphasis:

> Our interest is in concord, not conflict . . . our real eminence rests in the victories of peace, not those of war.

In urging "greater commerce and trade for us all," he saw that such economic linkages would insure peace and stimulate prosperity.

Always a man of inner prayer and unshakable faith in God, on his lips at the last were the words:

> It is God's way. His will, not ours, be done.

Later, one who was present wrote in his diary:

> The great life was ended. He died as he lived, in fear of his God and in his faith in His mercy and goodness.

He left behind him a legacy of trust, affection, and honor such as few statesmen had inspired, and it is this legacy to which we continue to pay tribute today.

APPOINTMENT OF CONFEREES ON H.R. 200, MARINE FISHERIES CONSERVATION ACT OF 1975

Mrs. SULLIVAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 200) to provide for the conservation and management of the fisheries, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentlewoman from Missouri? The Chair hears none and appoints the following conferees: Mrs. SULLIVAN, Messrs. DINGELL, DOWNING of Virginia, LEGGETT, STUDDS, RUPPE, and FORSYTHE.

PERMISSION FOR COMMITTEE ON HOUSE ADMINISTRATION TO FILE REPORT ON H.R. 11552

Mr. HAYS of Ohio. Mr. Speaker, I ask unanimous consent that the Committee on House Administration may have until midnight tonight to file a report on the bill (H.R. 11552) to establish a Voter Registration Administration within the Federal Election Commission for the purpose of administering a voter registration program through the Postal Service, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

PARLIAMENTARY INQUIRY

Mr. YOUNG of Texas. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. YOUNG of Texas. Mr. Speaker, originally House Resolution 982 was scheduled first today. I would like to inquire, can the Speaker advise us now when it will be scheduled for consideration on the floor?

The SPEAKER. It was the understanding of the Chair that it was No. 3 on the schedule and it was so announced at the whip meeting after the majority leader had made up the day's schedule.

AUTHORIZING CIVILIANS EMPLOYED BY DEPARTMENT OF DEFENSE TO ADMINISTER OATHS WHILE CONDUCTING OFFICIAL INVESTIGATIONS

Mr. HENDERSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 508) to amend title V, United States Code, to authorize civilians employed by the Department of Defense to administer oaths while conducting official investigations, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

> On page 1, line 7, strike out "investigate" and insert "investigative".

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

A motion to reconsider was laid on the table.

MAKING CORRECTIONS IN ENROLLMENT OF S. 2718

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the concurrent resolution (H. Con. Res. 533) directing the Secretary of the Senate to make corrections in the enrollment of S. 2718, with a Senate amendment thereto, and concur in the Senate amendment with an amendment.

The Clerk read the title of the concurrent resolution.

The Clerk read the Senate amendment as follows:

> On page 15, after line 26, insert:
>
> (74) In section 1a(3) of the Interstate Commerce Act (as added by section 802 of the bill) strike out ", but in no event shall exceed 90 days".

The Clerk read the House amendment to the Senate amendment as follows:

> Insert the matter proposed to be added by the Senate amendment and at the end thereof add the following:
>
> (75) In section 208(a) of the bill, strike out "Section 5a" and insert in lieu thereof "Effective 270 days after the date of enactment of this Act, section 5a".

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

RE-REFERRAL OF H.R. 7628 TO COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

Mr. HALEY. Mr. Speaker, I ask unanimous consent that the bill, H.R. 7628, to provide for the return of the former owners of certain tribal lands acquired in connection with the Garrison Dam and Reservoir project, be re-referred from the Committee on Interior and Insular Affairs to the Committee on Public Works and Transportation.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

SELECT COMMITTEE ON INTELLIGENCE

(Mr. MILFORD asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. MILFORD. Mr. Speaker, yesterday the Rules Committee approved a resolution that would, in effect, bar the Select Committee on Intelligence from publicly releasing a very controversial report that contains classified national security information.

Under the provisions of the Rules Committee resolution the Intelligence Committee report would have to be filed as a "classified report." This procedure would allow every Member of the House to have possession of the report, but would deny public distribution.

I want to point out to Members that, if the House is in session tomorrow, and if that Rules Committee resolution is not heard today, that controversial report could be legally filed at noon tomorrow, and prevent the entire House from being able to make a judgment on this important matter.

Mr. Speaker, it is urgent that the full House have an opportunity to work its will on this very controversial matter. We are not dealing with a normal and routine filing of a committee report. In this instance we are dealing with a very important House precedent.

In the case of the Intelligence Committee report, the important precedent involved concerns the questions of whether or not a committee in Congress can unilaterally declassify security and classified information, without having specific authority from the full House to execute such declassifications.

This matter was debated in the Rules Committee yesterday. The Rules Committee determined that the Intelligence Committee did not have authority to unilaterally declassify security matters.

In its resolution, the Rules Committee would require the Intelligence Committee report to be published as a "classified report" unless the President should certify that it contained no information which would adversely affect the intelligence activities of the CIA, or other Federal agencies.

The purpose of the resolution was to allow each Member of Congress to obtain a copy of the report. Members could then read the report and decide for themselves whether or not it should be made public.

If in the wisdom of the House the report should be made public, the passage of a simple House resolution could then make the report public. This step could be taken with or without the concurrence of the President.

Mr. Speaker, it is urgent that the full House have an opportunity to work its will on this very important matter. I strongly urge you to bring up this resolution today.

DECRYING REMARKS OF WILLIAM M. KUNSTLER

(Mr. CEDERBERG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CEDERBERG. Mr. Speaker, I was incensed this morning when I opened the Washington Post and read an article under a Dallas dateline of January 28, which said: "Kunstler: JFK, RFK 'Dangerous.'"

Let me read the article:

> John and Robert Kennedy were two of the most dangerous men America ever produced and "I'm not entirely upset" by their assassination, lawyer William M. Kunstler said Tuesday.

And listen to this:

> "Although I couldn't pull the trigger myself, I don't disagree with murder sometimes, especially political assassinations, which have been a part of political life since the beginning of recorded history," Kunstler told a news conference.

And then this article goes on. This, by a lawyer who has been representing every bomb-throwing, left-wing Communist radical in this country, who has paraded his antics through the courtrooms of this country. Most other lawyers would have been disbarred by now for these kinds of statements and for his antics.

Mr. Speaker, the tragedy of this is that he was in Dallas to address a political seminar at Southern Methodist University, no doubt being well paid for his appearance.

Regardless of one's political affiliations, everyone should be incensed by these kinds of remarks.

Mr. MACDONALD of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Massachusetts (Mr. MACDONALD).

Mr. MACDONALD of Massachusetts. Mr. Speaker, I listened and I heard, but I could not believe. Did I hear the gentleman say that he did not care whether or not John and Bob Kennedy were assassinated?

Mr. CEDERBERG. The gentleman was listening wrong. I am referring to William Kunstler, the attorney, who has made these remarks, and I am decrying these remarks.

Mr. MACDONALD of Massachusetts. If the gentleman will yield further, I know he made these remarks, but do the remarks reflect what the gentleman thinks?

Mr. CEDERBERG. Obviously, they do not reflect what my opinion is. I am trying to point out what I thought when I read the remarks in the newspaper.

Any good American, regardless of political affiliation, ought to be incensed by anyone making these kinds of remarks.

As I said further, this man, for some of the antics he has portrayed throughout the country and for some of the remarks he has made in this country, would have been disbarred if he would have been almost any other lawyer.

Mr. MACDONALD of Massachusetts. Mr. Speaker, I know the gentleman referred to Kunstler, but I was staggered when I thought I heard what the gentleman said. I am glad to hear that I was mistaken. The gentleman must feel exactly the same way I do.

Mr. CEDERBERG. I assure the gentleman that he heard me wrong. You were not listening.

Mr. MACDONALD of Massachusetts. I was listening but the gentleman was not talking clearly into the microphone at that point. I am sure that the gentleman and I would both agree it was a terrible thing that happened.

Mr. CEDERBERG. Mr. Speaker, I thank the gentleman.

NEED FOR AUTHORIZATION OF ELK HILLS PETROLEUM PRODUCTION

(Mr. KETCHUM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KETCHUM. Mr. Speaker, despite the ballyhoo, this Congress has not accomplished one thing that will lead to the development of more energy supply in the United States. The only bill passed by the House that will bring more petroleum into the marketplace is H.R. 49, establishing a national petroleum reserve and authorizing drilling at the present Naval Petroleum Reserve at Elks Hills.

It has been nearly 3 years since I stood here as representative for the district that includes Elk Hills and urged its opening. We could gain upwards of 350,000 barrels of oil a day from Elk Hills. There are over 1.2 billion barrels beneath the ground waiting to be tapped. This House authorized production on July 8. The Senate authorized production on July 29. The President supports the drilling. The American people support the drilling. Still, we have no conference report, no final action.

Five months is a long time to wait for a conference report. Far too long when we are fighting against time for our Nation's energy independence. I urge my colleagues on the conference committee and the Senate conferees to speed up action on this vital bill.

PERSONAL EXPLANATION

Mr. JOHNSON of Pennsylvania. Mr. Speaker, yesterday, because of circumstances beyond my control, I missed a rollcall vote. I would like the RECORD to show that had I been present, I would have voted "yea" on rollcall No. 24 on S. 2718, the Railroad Revitalization and Regulatory Reform Act of 1976.

I ask that the RECORD show my support for this conference bill.

THE HOUSE MUST HAVE A CHANCE TO ACT ON THE REPORT OF THE SELECT COMMITTEE ON INTELLIGENCE

(Mr. BAUMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BAUMAN. Mr. Speaker, on Tuesday I objected to a unanimous-consent request made by the distinguished chairman of the Select Committee on Intelligence, the gentleman from New York (Mr. PIKE), which would have permitted him to have until midnight tomorrow night to file the report of that committee and some days after that to file certain recommendations. I did so because I think this House ought to have the chance to face squarely the issue of whether or not we are going to permit under our official aegis the release of classified materials that might damage the international security of this Nation.

The Committee on Rules by a very courageous action yesterday afternoon reported out a resolution which will allow us to address this issue squarely on a rollcall vote.

I would hope, since the majority leader (Mr. O'Neill) announced yesterday afternoon that the House will consider this matter and thus have the right to act upon it, that there will be no disposition on the part of the majority leadership to withdraw this resolution from consideration. We should go forward under what I take to be a commitment and allow the House to consider this matter later this afternoon. Only then can the American people know where each of us stands on the issue of destroying our intelligence capability.

ACTION ON INTELLIGENCE ISSUES SEEN AS IRRESPONSIBLE

(Mr. ASHBROOK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ASHBROOK. Mr. Speaker, I would merely like to add to what my friend and colleague, the gentleman from Maryland (Mr. Bauman) has said by noting that we ought to raise one further point and one more question.

The gentleman from Maryland correctly asked the Members of this House why we should do something indirectly. I would only point out that for 1 full year we have had indirect attacks on all forms of intelligence bodies. The House Internal Security Committee was killed indirectly; our liberal friends would not do it head-on. We have witnessed innuendos concerning the FBI; we have seen the buildup in assaulting the CIA; leaks, suggestions of improprieties, assassination plots and so forth.

Mr. Speaker, I would say to the Members of this body that we are rapidly gaining the reputation of being an irresponsible body. This reform Congress has not shown the responsibility of directing itself to these issues and confronting them squarely.

I will only say in answer to the gentleman from Maryland (Mr. Bauman) that I see nothing in the Record up to this time that would indicate that we will directly and squarely hit the intelligence issue in this body.

CONFERENCE REPORT ON H.R. 5247, LOCAL PUBLIC WORKS CAPITAL DEVELOPMENT AND INVESTMENT ACT OF 1975

Mr. PEPPER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 999 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. Res. 999

Resolved, That immediately upon the adoption of this resolution it shall be in order to consider the conference report on the bill (H.R. 5247) to authorize a local public works capital development and investment program, and all points of order against said conference report are hereby waived, except that it shall be in order to consider points of order against title II of said conference report under the provisions of rule XXVIII, clause 4.

The SPEAKER. The gentleman from Florida (Mr. Pepper) is recognized for 1 hour.

Mr. PEPPER. Mr. Speaker, I yield 30 minutes to the distinguished gentleman from Ohio (Mr. Latta), pending which I yield myself such time as I may consume.

(Mr. PEPPER asked and was given permission to revise and extend his remarks.)

Mr. PEPPER. Mr. Speaker, House Resolution 999 provides for the consideration of the conference report on the bill H.R. 5247, the Local Public Works Capital Development and Investment Act of 1975.

House Resolution 999 provides that all points of order against the conference report are waived, except that it shall be in order to consider points of order against title II of the conference report under the provisions of rule XXVIII, clause 4. Thus, if a point of order made under the provisions of rule XXVIII, clause 4 is sustained a motion shall then be in order that the House reject the nongermane matter covered by the point of order. It shall be in order to debate such motion for 40 minutes, one-half of such time to be given to debate in favor of, and one-half in opposition to, the motion.

H.R. 5247 passed the House by a vote of 312 to 86 on May 20, 1975, and the Senate passed it by a vote of 65 to 28 on July 29, 1975. The Senate adopted the conference report by a voice vote on December 17, 1975.

Mr. Speaker, I urge the adoption of House Resolution 999.

Mr. Speaker, I want to say for myself that I, with a great deal of pleasure, present to the House this rule making it in order for the House to consider, and I hope to enact or agree to, the conference report on H.R. 5247.

In my opinion, this is the kind of work-projects program that we should have been enacting for a long time to reduce the tragic number of unemployed, exceeding 8 percent in our country today.

Mr. Speaker, title I of this bill will provide about 600,000 jobs, for which there is an authorization of about $2.5 billion. There will be public works jobs primarily related to construction or to the construction industry.

Title II will be the subject of a separate vote under this rule, if the rule is adopted; and I hope that this House will not eliminate title II from this conference report, which was put in, in conference, because title II will make it possible for about 100,000 people to remain employed by the States, the cities, and the counties of this country. Those people would otherwise, in all probability, have to be let out of their jobs, and they would add to the tragic number of unemployed already in this country.

Title III provides an authorization also of about $1.4 billion. That was also put in the conference report, and that will be for water pollution programs and sewerage development programs. Under those programs there will also be a large number of jobs provided. In addition to water pollution and sewerage development programs, it will provide funds for job opportunities, for subsidizing interest rates to small business to enable small business to remain in business, and there will also be funds provided out of that $1.4 billion for urban development programs.

Mr. Speaker, this program was initiated originally by the leadership of this House, and it is the right way to deal with the problem of unemployment. When we spend this money, some $5.5 billion, we are going to get something for it. The billions we are spending on unemployment compensation, essential as it is when there are no jobs available, is money down the drain. The people who are the recipients of those funds are not producing anything for the wealth of the country, as would be the case if this type program had generally been approved by the Congress and not vetoed by the President of the United States.

Mr. Speaker, I yield 5 minutes to the able gentleman from Pennsylvania (Mr. Moorhead).

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I rise in support of House Resolution 999, which makes in order consideration of the conference report on the Public Works Employment Act of 1975, even though the rule waives points of order—including points of order against matters beyond the scope of the conference—and singles out for special consideration title II of the conference report.

I believe the entire legislation, including title II, is an integral component of any realistic economic recovery program and should be supported in its entirety by each and every Member of the House. I support House Resolution 999 even though it provides for a special vote on title II because I believe the Government Operations Committee, of which I am a member, has jurisdiction over this type of legislation and should be afforded an opportunity to be assured that the committee's permanent jurisdiction will not be affected by a temporary program such as is contemplated in title II of the conference report.

Your conferees recognized this jurisdictional problem and for that reason limited the term of the program to five calendar quarters.

However, Mr. Speaker, in recent days some objections have been raised to the inclusion of title II in the conference report.

It is true that title II is a Senate amendment, but the ideas embodied in title II are hardly new to the House. In May of last year I introduced, with 45 cosponsors, the Intergovernmental Counter-Cyclical Assistance Act (H.R. 7448) on which title II of this conference report is based.

Some Members have suggested that inflation, not recession, is the most severe problem affecting State and local governments. Certainly inflation has an adverse impact, but there is no doubt that the magnitude of State and local budget crises is directly related to the level of unemployment in a jurisdiction. According to a study done by the staff of the Joint Economic Committee—the only current and analytical study of this situation—tax increases and expenditure cutbacks are directly related to the State or local unemployment rate. I ask unanimous consent to insert in the Record, tables that summarize the findings of this study.

The **SPEAKER.** Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. **MOORHEAD** of Pennsylvania. The tables show a consistent, direct and undeniable relationship between unemployment and budget problems.

Why does this relationship occur? The answer is simple. While inflation affects all State and local government budgets in a similar manner, recession has a more spotty impact. In the areas with high unemployment, tax receipts decline, property tax delinquences soar and expenditures for welfare and other unemployment related purposes increase. These problems do not occur everywhere, they are directly related to the severity of the recession.

Some Members have suggested that the formula in title II is arbitrary and inequitable. They point out that only jurisdictions with unemployment rates above 6 percent are eligible and that some State governments will not receive any aid. While the State government may not receive aid because the State unemployment rate is below 6 percent, any local government with unemployment above that level will certainly be eligible. As an original cosponsor of this legislation, I can tell you that the 6-percent cutoff is quite purposeful. It is designed to target Federal aid toward jurisdictions with the greatest need and not spread the assistance so widely that it is of little use to any recipient government. In a time when Federal resources are so scarce, it seems to me that careful targetting of assistance is a most appropriate and sensible approach.

Some Members have suggested that we do not have unemployment data for every general purpose unit of government, thus implying that smaller jurisdictions with high unemployment problems will not be assisted. This simply is not true. Many States have their own unemployment data which, according to title II, they must use to distribute funds to smaller jurisdictions. No small government that has an unemployment rate above 6 percent will be excluded.

Some contend that the requirements for eligibility for the contingency fund, which, incidentally, is quite small compared to the entire bill, are directly contradictory of the provisions recently imposed upon New York City in the emergency loan program. These observers are correct, because the contingency fund is designed to arrest severe fiscal crises before they reach New York City proportions. In this sense, the contingency fund is designed to be preventive.

Some Members suggest that title II is likely to be inflationary. Nothing could be further from the truth. Title II is specifically designed to phase out as the economy returns to full employment. Thus, when the national unemployment rate falls below 6 percent, the program will terminate completely. No program ever enacted has had this unique anti-inflationary aspect.

Title II offers a unique opportunity for Congress to develop an integrated and coordinated recovery program. Federal taxes have been cut to stimulate consumer behavior, but State and local governments are still increasing taxes. Public jobs have been provided but State and local governments are laying off their own employees. And, this bill provides public works funds while most State and local governments are still canceling capital construction projects.

The conference report with title II will finally put into place a coordinated economic policy in which Federal, State, and local governments are working together to insure a durable and meaningful economic recovery.

I urge my colleagues to support House Resolution 999 and then vote for all portions of the conference report on H.R. 5247.

BUDGET ADJUSTMENTS BY STATE GOVERNMENTS (A SAMPLE OF 48 STATES)

[Dollar amounts in millions]

Unemployment rate (March)	Number of States	Tax increases	Expenditure cutbacks	Total budget adjustments	1974 adjusted taxes	Budget adjustments: Tax increases and expenditure cutbacks (as a percentage of adjusted taxes)
5 to 7	9	$50	0	$50	$7,462	0.7
7 to 8	7	70	$120	190	11,743	1.6
8 to 9	8	54	185	239	5,555	4.3
9 to 10	7	720	325	1,045	15,885	6.5
10 to 11	9	635	650	1,285	22,142	5.8
11 plus	8	600	645	1,245	10,705	11.6
Total	48	2,129	1,925	4,054	73,492	5.5

BUDGET ADJUSTMENTS BY LOCAL GOVERNMENTS (A SAMPLE OF 106 JURISDICTIONS)

[Dollar amounts in millions]

Unemployment rate (March)	Number of local governments	Tax increases	Expenditure cutbacks	Total budget adjustments	Adjusted taxes	Budget adjustments as percentage of adjusted taxes
4 to 6	13	54.0	$5.2	$9.2	$330.5	2.7
6 to 7	12	14.6	2.1	16.7	578.0	2.9
7 to 8	14	16.6	5.1	21.7	690.3	3.1
8 to 9	12	3.3	15.8	19.1	666.8	2.9
9 to 10	8	18.9	3.3	21.2	446.8	4.9
10 to 11	17	26.8	63.2	90.0	999.2	9.0
11 to 12[1]	9	66.2	16.4	82.6	1,154.9	7.2
12 to 14	14	36.6	32.8	69.4	639.5	10.9
14 plus	7	16.5	75.5	92.0	529.3	17.4

[1] New York would fit into this group, but has been excluded from the table due to its unique financial situation.

Mr. **PEPPER.** Mr. Speaker, reserving the remainder of my time, I yield to the able gentleman from Ohio (Mr. Latta).

Mr. **LATTA.** Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as this rule indicates, all points of order are waived with the exception of points of order as to title II and there is a reason for this. This is a completely rewritten bill in conference. If the Members do not care about legislating as legislators—and I think we are all elected to legislate—this is the way to go: let somebody else in conference do the work for us.

This House passed a piece of legislation here on May 20, 1975, which provided $5 billion for local public works projects. The Senate passed an entirely different package. The conferees came out with something else that neither House debated. Certainly when they come back here, they have got to ask the Committee on Rules to waive points of order, which they did. The only place where they are not waiving points of order is on the question of jurisdiction here between committees.

Mr. Speaker, I do not believe this is the way to legislate. We were all elected to do a job, not to have a few people in the conference committee do the job for us. There is a lot of good in this legislation, but this is not the way to get at it.

I might say further, Mr. Speaker, that we are probably spinning our wheels once again here this afternoon. The President is going to veto this bill because it authorizes $6.2 billion, $1.2 billion over the piece of legislation that we passed in May. In addition to seriously increasing the federal deficit in fiscal 1977 and 1978, the administration considers the proposed programs ineffective means of stimulating the economy.

Mr. Speaker, I would hope that we would not go down that course, that we would do something that is responsible with something that could pass and become law.

Mr. Speaker, I yield 5 minutes to my very able colleague, the distinguished gentleman from Illinois (Mr. Anderson) who takes the opposite view.

Mr. **ANDERSON** of Illinois. I thank my congenial friend, the gentleman from Ohio (Mr. Latta), for his accolade and also for yielding me the time, because I do, indeed, take a different point of view on this particular issue.

Mr. Speaker, I supported this bill when it passed the House in May of 1975 by a vote, as I recall it, of 310 to 86, or approximately some such vote. I am going to support it here again today. I do not pretend to be precisely happy with all of the provisions that have been added in the committee on conference, and I realize that under this particular rule a separate vote will be ordered on title II, which seems to be a very controversial provision dealing with contra-cyclical revenue sharing.

Frankly, I am going to vote for that title II because I would like to send a message to the Committee on Government on Government Operations that we want to get a revenue-sharing bill out of this Congress, and we want it now. That committee has had that bill for many, many months, and my office, and office of every Member of this House, is being deluged almost daily with calls and letters and wires from mayors and Governors across the land, saying, "What has happened to revenue sharing?"

I think maybe we have an opportunity to strike a blow for revenue sharing here today when the vote to strike title II from this bill is made and to vote the motion to strike down. I am prepared to face that issue.

Let me say just a word or two about one objection that has been raised on title II that there is not a word in it that would guarantee that any jobs would be added, and this is supposed to be a jobs bill. I talked recently to the mayor or the largest city in my constituency, a city of 150,000. He assured me that under the provisions of that bill he had no other intention but to bring the police department up to strength—it is under strength now because of the impact that the recession has had on the revenues of that city—to bring the fire department up to strength, to bring the public works department up to strength. I think I have the assurance that I need that the money—and it is only for five quarters, as the gentleman from Pennsylvania (Mr. MOORHEAD) said—will be promptly used to bring city departments that are now undermanned and understaffed in such vital areas as police and fire protection up to the kind of strength that they should have.

I do not believe that anyone needs to take a lot of time on the floor this afternoon to argue the fact that the construction industry in this country is in some considerable trouble. I have before me an article that appeared in the January 19, 1976, issue of Business Week. That article is entitled, "The Sag in Industrial Building," and it pointed out the words of the executive vice president of one of the companies in Philadelphia that they were down at this time 20 to 25 percent in construction from last year.

> The hesitance to build, what is more a backing up into other capital industries, such as machine tools, where backlogs are dwindling.

I happen to come from an area where machine tools are the base of the economy in the largest city in the district. I know a little bit about what has happened to the actual fall off in orders in that area. We do need some stimulus.

I happen to be one of the 113 Members who voted to sustain the veto yesterday. I think my credentials as to displaying fiscal responsibility are as good as anybody in this Chamber, but I believe with the passage of this legislation we can give some additional stimulus to help our country and send a message again to the committees of this House as to the appropriate legislation that we want to take up and let them know we want it soon. I think we have a chance to accomplish all those objectives by adopting this rule and then approving this legislation today.

Mr. Speaker, the article to which I referred above is as follows:

THE SAG IN INDUSTRIAL BUILDING

Staffers of the National Constructors Assn. this week are counting the results of a survey of chief executives of its member companies—big contractors who specialize in industrial building. The emerging consensus: There will be less work this year than last at home, and with any luck only the same amount of work abroad as in 1975.

With industry still operating at as low as 70% of capacity, it is hardly a shock that businessmen are not building new factories. But this lack of interest seems to stretch far out to the months ahead, suggesting a long wait for capital expenditures to begin providing any upward push to the economy. Contractors so far do not sense any turn in business optimism.

"Construction has not pulled out of the trough, and design plans are not yet off the boards," says Jack D. Maulin, vice-president of Morrison-Knudsen Co. Inc., the big Idaho contractor. In Portland, Ore., backlogs of five big contractors are running 50% to 75% below last year.

What buoyancy there has been in industrial building has come from a couple of sectors—chemicals (page 19) and the Alaskan pipeline, notably—and this is beginning to disappear, too. "We are down 20% to 25% in design and construction work from last year at this time," says Lawrence P. Shprintz, executive vice-president of Day & Zimmermann in Philadelphia, a firm active in chemical processing construction. The hesitance to build, what is more, is backing up into other capital industries, such as machine tools, where backlogs are dwindling (page 20).

JOBS OVERSEAS

Business from abroad has kept some contractors busy—75% to 80% of Lummus Co.'s business in the past year came from aboard, says William P. Orr, president—but this is coming harder, too. Morrison-Knudsen hopes that in 1976 dollar volume from abroad will equal last year's.

After some encouraging signs earlier in 1975, nonresidential contracts began to fall. The Dodge index of non-residential construction value prepared by McGraw-Hill's F. W. Dodge Div. (chart) declined in five of the six months between May and November. George A. Christie, Dodge's chief economist, says that large volumes of energy-related projects early last year tended to distort over-all construction activity for all of 1975 and that "the year's progress of the construction recovery looks quite normal for this stage of the business cycle."

But this view is hardly unanimous. "Not only will 1976 be flat, but I don't see a comeback in 1977 either," says Aaron Sabghir, a construction specialist at the Commerce Dept. "There's no incentive for industry to increase production capacity." J. Robert Fluor, chairman of the big builder of oil refineries and process plants that bears his name, says that prospects are dim for domestic business. United Engineers & Constructors Inc., the Philadelphia firm listed last year as the nation's largest by *Engineering News-Record*, a McGraw-Hill publication, has seen its business drop 15% since it peaked in the third quarter of 1974, says its president, Thomas M. Dahl.

Stagnant demand and uncertainty about the pace of recovery are the general reasons seen by contractors for the lack of construction activity. Cash shortages and higher interest rates than usual at this stage of recovery are cited as the more specific reasons companies are hanging back from construction projects.

But a recurrent theme picked up both by the NCA in its survey and by Business Week reporters in talks with contractors is worry over energy: its cost, its availability, and the uncertainty of just what U.S. energy policy is. "Our major clients are sophisticated enough to know there is an energy problem, and they are planning for conversion to coal," says C. E. Baker, president of H. K. Ferguson Co. in Cleveland. "It's a question of when they take those plans off the shelf."

IN UTILITIES

Sitting right in the middle of the energy crisis are the contractors who specialize in building power plants. Since April 1974, contracts for 26 generating plants have been canceled outright, and utilities have stretched out construction of 178 other plants. Some of this is the result of safety and environmental questions relating to nuclear power plants, and some is traceable to utilities' cash shortages. But probably most important is that expected load growth has not taken place. Residential and commercial power use has increased, but at a lower-than-expected rate, says Roger J. Sherman, president of Ebasco Services Inc. "But there has been negative industrial growth, and capacity is waiting for new industry to come on load," he says.

Contractors are quick to point out that many companies have blueprints for plant expansion ready and waiting for a sign of upswing in demand. Besides, the politics of construction suggests that spending from government will increase as the elections approach. "We are not gloom chasers," says Ben C. Maibach Jr., president of Barton-Malow Co. in Detroit. "Business is a little slow, but I look for it to pick up. It always does in an election year."

Mr. LATTA. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Ohio.

Mr. LATTA. Mr. Speaker, I thank the gentleman from Illinois for his strong support of revenue sharing. I share his opinion wholeheartedly.

Mr. PEPPER. Mr. Speaker, I yield 5 minutes to the able gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. Mr. Speaker, as the chairman of the conference committee that brings this bill to the floor this afternoon, I support this rule. I support this rule because I believe in the orderly democratic procedures of the House as embodied in the rules of the House. I support this rule which will give an opportunity for a separate vote on one of the features of the conference report because I could not in good conscience ask the Rules Committee or this House to deny to any Member or to any committee of the House those rights and privileges to which that Member and that committee would be properly entitled under the rules of the House. I think they ought to have their day in court.

Having said that, I want to stress with all the urgency and every ounce of conviction at my command that any change—any change—in this conference report would be fatal to the one truly potentially effective antirecession measure that this Congress has before it and has the opportunity to adopt.

The conference committee report embodies a carefully crafted and well balanced antirecession package. Every part of it is needed.

The Senate already has acted upon this conference committee report and has discharged conferees. So for this

House today to remove any feature of it would be fatal to the entire antirecession package.

I plead with the Members to recognize this essential fact. This Nation this year is spending $19.4 billion on unemployment compensation. It just does not make sense to spend that kind of money on unemployment compensation and not to spend $6.2 billion—less than one-third as much—on a careful, well drafted, well balanced program to put 600,000 of those people back to work. It will take them off the unemployment rolls and put them on the tax rolls through productive, useful, and needed employment, not leaf raking and not make-work projects, but on projects all over this country that have been waiting in communities for the funding necessary to move ahead.

So I plead with the Members to vote for the rule.

By all means vote against any motion to delete title II or any other portion of this bill, and then let us support this conference report in sufficient numbers that we give a message to the American people.

By passage of the legislation we will give a message to the American people today that this system is still capable of working. We will give a message that the Congress is on the job, that the Congress is working responsibly and within its own budget procedures, and that the Congress is not going to tolerate high unemployment. And we will give a message to the Nation, if we pass this conference report without change—without change—and put this program into effect immediately, that the economy of the United States is on its way back up.

Mr. PEPPER. Mr. Speaker, I have no further requests for time.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. JONES of Alabama. Mr. Speaker, I call up the conference report on the bill (H.R. 5247) to authorize a local public works capital development and investment program, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The **SPEAKER.** Is there objection to the request of the gentleman from Alabama?

POINT OF ORDER

Mr. BROOKS. Mr. Speaker, a point of order.

The **SPEAKER.** The gentleman will state it.

Mr. BROOKS. Mr. Speaker, I make a point of order that title II of the conference report to H.R. 5247 constitutes a nongermane Senate amendment to the House-passed bill and is in violation of clause 4 of rule XXVIII of the House rules.

Mr. Speaker, I request to be heard on my point of order.

The **SPEAKER.** The Chair will hear the gentleman.

Mr. BROOKS. Mr. Speaker, when H.R. 5247 was before the House in May, it was for the sole purpose of authorizing appropriations for the construction of public works projects to help alleviate unemployment. Along with 312 other Members of the House, I supported that legislation.

However, when the bill was before the Senate, title II, an entirely different and unrelated matter, was added. Title II is not a public works provision. Title II simply authorizes appropriations for the basic day-to-day support of the budgets of State and local governments. It is, in short, a revenue sharing provision.

Mr. Speaker, you, yourself, must have recognized this as revenue sharing legislation when you referred identical legislation introduced in the House exclusively to the Government Operations Committee. Title II clearly falls within the jurisdiction of the Government Operations Committee, not the Public Works Committee.

Even in the Senate, this provision came out of the Government Operations Committee, not the Public Works Committee. Perhaps if the Senate had a rule on germaneness as we do, we would not be facing this problem right now.

Had title II been offered in the House when this bill was before us on the floor, it would clearly have been subject to a point of order as nongermane under clause 7 of rule XVI. It, therefore, continues to be nongermane under clause 4 of House rule XXVIII dealing with conference reports.

Mr. Speaker, I recognize that committee jurisdiction is not the exclusive test of germaneness. I do not base my point of order on this issue alone. This provision simply has nothing to do with public works, the only matter which was before the House in H.R. 5247. To the contrary, the use of title II funds for construction purposes is specifically prohibited. Furthermore, there is not one word in title II to guarantee that the funds will be used to stimulate employment, the primary purpose of H.R. 5247.

Mr. Speaker title II does not come within the jurisdiction of the Public Works Committee. It does not constitute public works or emergency employment legislation, and it could not have been incorporated into the bill when it was previously before the House. For these reasons, I respectfully request that my point of order be sustained.

Mr. JONES of Alabama. Mr. Speaker, I rise in opposition to the point of order. Title II of H.R. 5247 is clearly germane to the conference report. It covers the same subject matter as the originally House passed bill which dealt with jobs and job development and it is germane in the substantive sense. It is clearly within the scope of the conference.

It is not the kind of addition that was intended to be subject to a separate vote under clause 4. That procedure was adopted in 1972 to do away with the situation wherein the other body attached to a House passed bill matters wholly unrelated to the subject on which the House had acted. The subject of the House passed bill was unemployment and an effort to relieve unemployment across the country. Title II deals directly with the same subject. For this reason, it is germane and I believe the point of order should not be allowed.

Ms. ABZUG. Mr. Speaker, I wish to be heard on the point of order.

The **SPEAKER.** The gentlewoman from New York is recognized.

Ms. ABZUG. Mr. Speaker, I rise in opposition to the point of order, not in opposition to my chairman, the gentleman from Texas (Mr. BROOKS), but to the point of order. As a member of the conference committee of the Committee on Public Works and also as a member of the Committee on Government Operations, I of course also am one of the original sponsors of the countercyclical measure.

There has been a certain confusion presented here, and that is in the meaning of the rule which this House passed and which my esteemed chairman, the gentleman from Texas (Mr. BROOKS) referred to. Clause 4, rule XXVIII, was passed by this House in 1970 and 1972. This procedure which the House adopted in 1972 was intended to do away with the situation wherein the Senate, the other body, attached to a House-passed bill matter that was wholly unrelated to the subject on which the House had acted. This provision and its predecessor had a lengthy debate in this House when it was passed, and I have taken the trouble to go over the debate which led to this particular provision.

In reading that debate, it becomes quite clear that what the House did not want to see was a Senate amendment in conference to a House bill that came entirely out of left field and had no relationship to the House measure. For example, the debate indicates that it was said that a simple immigration bill to which the Senate added a 20-percent social security increase was that kind of addition out of left field; or a private immigration bill to which the Senate added a public works project, or two House bills which dealt with specific revenue matters to which the Senate added provisions dealing with textile quotas.

These are the kinds of Senate amendments on which clause 4 was designed to permit a separate vote. In each of these instances, the Senate addition in no way, shape or form bore any relationship to the subject of the House-passed bill.

Now, what do we have here? What we have here is something entirely different. What we have here is a conference report which does not contain the kind of amendments that were intended to be covered by clause 4. The bill that passed the House on May 20 was clearly designed to attack unemployment. The version of H.R. 5247 that passed this House overwhelmingly was aimed at reducing unemployment by fighting it at the local level.

The bill as reported from the conference does not contain provisions whose subject and substance is different. Title I of the conference report version is almost identical with the House-passed bill. Title II, upon which there is now brought a question of a separate vote, is the conference version and is also directed, as is title I, to the question of assistance in unemployment, and is so aimed at correcting it at the local level.

The very extent and size of this authorization depends on the size of the unemployment rate. The allocation of funds is dependent on the extent to which unemployment in any area exceeds the national average, so that both the public works, title I, and title II, countercyclical assistance, have the same, identical goal. That is, to ease the current recession. The former may have a somewhat longer-range impact, while the latter has a more immediate effect. Taken together, the two approaches make a logical antirecession package, one which is aimed at meeting both short and long-range effects, and aimed at stimulating economic recovery. It is not true that this countercyclical assistance bill is revenue-sharing.

Mr. Speaker, first and foremost, countercyclical assistance is an antirecession measure only. Revenue sharing, on the other hand, is a permanent fixture in the Federal grant-in-aid structure. The purpose of the two programs are quite different. Revenue sharing was enacted in an effort to decentralize decisionmaking in the Federal grant-in-aid system. Countercyclical assistance, on the other hand, recognizes the preeminence of the Federal Government in setting national policies and argues that the policies will be strengthened if State and local governments will not be forced to take action under the policy.

So it seems to me that this whole bill—title I, title II, title III, all of the provisions in this bill—is an anti-recession bill aimed at curing the problem of unemployment in every part of the country, in the rural economic areas of our country and in the urban and suburban parts of our country. Every part of this bill deals with the question of remedying the impact of recession upon our areas. It is an anti-recession unemployment bill. It is not true that there is a nongermane quality. Maybe technically. But in substance and in fact it is a bill which is intended to cure the problems that I know every Member of this House wants to cure; and, therefore, I suggest, Mr. Speaker, that the point of order does not lie here, that it negates the intention of the House when it passes this very important rule under which we live and which we should invoke it when the other body seeks to attach entirely different matters to House bills. But we should not invoke it in a situation where the total conference reflects—by the way, a year's work on the part of the Committee on Public Works—a desire of all Members, wherever they come from, and it should be fought for and voted on as a total package. It should be voted upon unanimously.

Mr. Speaker, I oppose the point of order.

Mr. CLEVELAND. Mr. Speaker, I would like to speak in support of the point of order.

The SPEAKER. The gentleman from New Hampshire (Mr. CLEVELAND) is recognized.

Mr. CLEVELAND. Mr. Speaker, the conference report before us contains material identified as title II which appears in the printed report No. 94–733 starting near the bottom of page 4 and concluding on page 15 just prior to the commencement of title III. The material contained in title II was not contained in the House version but did appear in a Senate amendment in the nature of a substitute for the text of H.R. 5247 as passed by the House and has been accepted by the conferees or agreed to by the conference committee with modification. Consequently, that material falls within the purview of rule XXVIII, class 4(a) (1) and (2). The matter would be in violation of the provisions of class 7 of rule XVI if the material in question had been offered as an amendment in the House.

Class 7 of rule XVI, commonly called the germaneness rule, precludes any proposition on a subject different from that under consideration.

The material in question violates clause 7 rule XVI.

The bill H.R. 5247 to which this amendment is offered seeks to stimulate the economy by the encouragement of public works construction projects. It does this by means of grants to State and local governments for construction, renovation, repair, or other improvement of public works projects. It specifically excludes any payment of maintenance costs in connection with the projects constructed.

The material in title II, on the other hand, establishes financial assistance by means of grants for the maintenance of "basic services ordinarily provided by the State and local governments" and excludes the use of funds under this act for the purpose of materials or major construction projects.

The fundamental purpose of an amendment must be germane to the fundamental purpose of the bill—VIII, 2911; Deschlers' Procedure, 93d Congress charter 28, section 5. The fundamental purpose of the bill has been described in the committee report. It has a twofold purpose: First, to alleviate and modify the growing problem of national unemployment that we as a nation face; and second, to stimulate activity in the Nation's economy and to assist the State and local governments in promoting the general welfare of their citizens by providing adequate public facilities. The purpose of the amendment is expressed in section 201(b):

> The purpose of this title is to make State and local government budget-related acts more consistent with Federal government efforts to stimulate national economic recovery; to enhance the stimulative affect of a Federal government income tax production; and to enhance the job creation impact of Federal government public service employment programs.

Thus, while the original bill seeks to modify the growing problem of national unemployment and to stimulate activity in the Nation's economy by providing adequate public facilities, the Senate amendment seeks to make budget-related actions of State and local governments more consistent with Federal Government approaches and seeks to enhance the stimulative effect of their income tax reductions as well as enhancing job creation impact through public service programs.

Starting with the obvious differences, the original bill has nothing to do with income tax reduction and its effects. Nor does it concern itself with any degree of consistency between State and local and Federal activities. While the creation of jobs is one of the methods contemplated, the fundamental purpose of the original bill seeks to promote the general welfare by providing adequate facilities and seeks to reduce unemployment in the construction field rather than in public service employment programs. Thus, it is clear that the fundamental purpose of the amendment and the fundamental purpose of the bill are not the same and for this reason alone would be in violation of clause 7, rule XVI.

The amendment would accomplish the result by a different method. Assuming arguendo that the purposes were indeed similar, the material in title II would still be in violation of clause 7 rule XVI because it would seek to accomplish the end by a different method.

> In order to be germane, an amendment must not only have the same end as the matter sought to be amended, but must contemplate a method of achieving that end that is closely allied to the method encompassed in the bill . . . (Deschlers' Procedure, 93rd Cong. Ch. 28, Sec. 6.1).

The fundamental method used in the original bill to stimulate the economy is to provide for the construction of public works projects. The methods used in the amendment provide for the stabilization of budgets of general purpose governments, the maintenance of basic services ordinarily provided by the State and local governments, emergency support grants to State and local governments to coordinate budget-related actions with the Federal Government. Clearly, the methods provided for in the Senate amendment are on their face so different from those in the House bill as to preclude their being considered as the same or closely allied. For this reason, then, the amendment is in violation of clause 4, rule XVI.

The foregoing arguments apply with equal force to the principle that one individual proposition may not be amended by another individual proposition even though the two belong to the same class. In the case here it is clear that the two propositions do not belong to the same class. But assuming for the purposes of argument that they are, they would then still be in violation of clause 7, rule XVI, as the propositions contained in the Senate amendment are on their face different from those contained in the House bill—Deschler's Procedure 93d Congress, chapter 28, section 7.

An amendment when considered as a whole should be within the jurisdiction of the committee reporting the bill—August 2, 1973; Deschler's Procedure, 93d Congress, chapter 28, section 4. The material contained in the Senate amendment is not within the jurisdiction of the Committee on Public Works and Transportation but is within the jurisdiction of the Committee on Government Operations. When material of this type was introduced in the House, it was referred to that committee and not to the Committee on Public Works. Granting that jurisdiction is not the exclusive test of germaneness, it is in this case highly persuasive when taking into consideration the other arguments demonstrating violation of clause 7, rule XVI.

A further reason that the material is in violation of clause 7, rule XVI is that it increases the scope of the original bill, indeed provides for a general provision which is not germane to the specific subject of the original bill. The specific subject, or course was the making of grants for the construction, renovation, repair, or improvement of local public works while title II adds to the Government subsidy in effect of local and State government services. A specific subject may not be amended by a provision general in nature, even when of the class of the specific subject—V, 5843-46; VIII, 2997-8; Deschler's Procedure, 93d Congress, chapter 28, section 8.

To a bill dealing with relief for one class, an amendment seeking to include another class is not germane—Deschler's Procedure, 93d Congress, chapter 28, section 10. The House bill does serve to benefit a specific class of persons. They are construction workers involved in the construction of public works projects. The Senate amendment benefits an entirely different class of persons. They are the public workers including those who provide basic services for the State and local government. These beneficiaries are clearly not in the same class and would rarely if ever be the same people. Thus, again violating a clause 7, rule XVI.

I would suggest, Mr. Speaker, that any one of the foregoing arguments is sufficient to demonstrate that title II of the conference report violates clause 7, rule XVI of the House, and, therefore, the procedures of rule XXVIII, clause 4 should be called into effect.

The SPEAKER. The Chair is ready to rule.

The gentleman from Texas (Mr. Brooks) makes the point of order that title II of the conference report, which was contained in the Senate amendment to H.R. 5247, would not have been germane if offered as an amendment in the House and is thus subject to a point of order under rule XXVIII, clause 4.

The test of germaneness in this case is the relationship between title II of the conference report and the provisions of H.R. 5247 as it passed the House. The Chair believes that had title II been offered as an amendment in the House it would have been subject to a point of order on two grounds.

First, one of the requirements of germaneness is that an amendment must relate to the fundamental purpose of the matter under consideration and must seek to accomplish the result of the proposed legislation by a closely related means—Deschler's Procedure, chapter 28, sections 5 and 6. The fundamental purpose of the bill when considered by the House was to combat unemployment by stimulating activity in the construction industry through grants to States and local governments to be used for the construction of local public works projects.

While the fundamental purpose of title II of the conference report is related to the economic problems caused by the recession, specifically unemployment, the means proposed to alleviate that problem are not confined to public works construction. Title II authorizes grants to States and local governments to pay for governmental services such as police and fire protection, trash collection and public education. The managers, in their joint statement, specifically state that the grants under title II are for the "maintenance of basic services ordinarily provided by the State and local governments and that State and local governments shall not use funds received under the act for the acquisition of supplies or for construction unless essential to maintain basic services." An additional purpose of this title is to reduce the necessity of increases in State and local government taxes which would have a negative effect on the national economy and offset reductions in Federal taxes designed to stimulate the economy. The Chair therefore finds that the program proposed by title II of the report is not closely related to the method suggested in the House version of the bill.

Second, title II of the report proposes a revenue sharing approach to the problems faced by State and local governments during the present recession. General revenue sharing is a matter within the jurisdiction of the Committee on Government Operations under rule X, clause 1(h)(4), and a bill, H.R. 6416, in many respects identical to title II of the report, was introduced in the House on April 28, 1975, and referred to that committee. While committee jurisdiction is not the exclusive test of germaneness—Deschler's Procedure, chapter 28, section 4.16—it is a relevant test where, as here, the scope of the House bill is within one committee's jurisdiction. The precedents indicate that as a bill becomes more comprehensive in scope the relevance of the test is correspondingly reduced. The bill, as it passed the House, was not a comprehensive antirecession measure overlapping other committees' jurisdictions, but proposed a specific remedy, local public works construction assistance, to a complex problem. Given the limited scope of the bill as it passed the House, the Chair finds the jurisdiction test quite persuasive in this instance.

For the reasons just stated, the Chair sustains the point of order.

MOTION OFFERED BY MR. BROOKS

Mr. BROOKS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Brooks moves that the House reject title II of H.R. 5247, as reported by the committee of conference.

The SPEAKER. The gentleman from Alabama (Mr. Jones) will be recognized for 20 minutes, and the gentleman from Texas (Mr. Brooks) will be recognized for 20 minutes.

Mr. BROOKS. Mr. Speaker, I yield myself such time as I may consume.

PARLIAMENTARY INQUIRY

Mr. HORTON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. HORTON. Mr. Speaker, my parliamentary inquiry is this: Do we have 20 minutes on the minority side?

The SPEAKER. The Chair will state that the division of time is between those in favor and those opposed to the motion to reject title II. The gentleman from Alabama (Mr. Jones) has 20 minutes and the gentleman from Texas (Mr. Brooks) has 20 minutes.

Mr. BROOKS. Mr. Speaker, I find no comfort in coming here to speak against the majority leadership of the House nor to take issue with my dedicated colleagues on the Public Works Committee. I assure you I do not do so as a matter of petty committee rivalry. I want to compliment the gentleman from Alabama (Mr. Jones) and the gentleman from Texas (Mr. Wright) for the fair and equitable treatment they accorded me before the Rules Committee yesterday. I also compliment the Rules Committee for permitting this matter to come before us today under the established rules of the House.

Mr. Speaker, I agree with the leadership and with the conferees that title I of this legislation, providing public works funds, represents a thoughtful, responsible answer to the challenge of high unemployment. It is needed, and I was one of the 312 Members who supported it when it was before the House last May.

At that time, we voted for a $5 billion public works bill, not a $2.5 billion public works bill and a $1.5 billion selective revenue sharing bill.

Title II of this conference report is not addressed to the problem of unemployment. It has not been considered by any House committee or on the House floor. It establishes a brand new program of "no strings" Federal aid to State and city governments that is estimated to cost $1.5 billion in the next 15 months.

We in the House have seen the wisdom of disciplining our legislative action to prohibit nongermane matters from being added to bills on the floor. The purpose of this rule is not solely to protect the jurisdictional interests of each of the House committees. It is to protect the rights of the Members of the House to full debate and participation in legislation we enact.

The wisdom of the House rule has never been more amply demonstrated than it is here. Title II simply provides for the flow of additional Federal money to State and local governments to enable them to maintain business as usual. These funds can be used to raise salaries, to pay off indebtedness, or to forego tax increases should local officials decide that would be their best use during this election year. This provision is, purely and simply, additional revenue sharing legislation, as was recognized at the time it was referred to the Government Operations Committees in both the House and the Senate in the first session of the 94th Congress.

But, I hasten to add that it is not even well-designed revenue sharing legislation. Let me just list a few of the obvious problems with it.

First, it has absolutely no civil rights enforcement provisions.

Second, it directs funds to local governments which perform "substantial" governmental functions, but nowhere does it define what constitutes substantial government functions.

Third, no employmnet statistics exist for the vast majority of local governments that would be entitled to an allocation of these funds.

Fourth, the formula is biased toward the large, wealthy States. If the program were in effect today, six States would collect more than one-half of the funds to be distributed to the States.

Fifth, perhaps the most questionable provision is one which provides the Secretary of the Treasury with a fund totaling as much as $187.5 million which he can distribute in his discretion to bail out State and local governments unable to pay accrued interest on their outstanding debts. That money certainly is not going toward alleviating unemployment, but rather to absentee bondholders.

I will not belabor the point further. It is clear that this is not the legislation we passed in this House in an effort to get the unemployed back to work. It is totally inconsistent with that legislation. This $1.5 billion should be focused where the problem is, just as the bill we passed earlier did. If the cities need countercyclical assistance, it can be duly considered and acted upon in the proper manner. It should not be forced upon us as a ransom for our very meritorious public works legislation.

Mr. JONES of Alabama. Mr. Speaker, I rise to urge that the motion to strike title II from the conference report on H.R. 5247 be defeated.

This title is an integral part of the vitally important antirecession package that is represented by this conference report—a package that has been carefully fashioned by members of the Public Works and Transportation Committee, who have been working virtually full-time on this problem since last spring. If this title is removed from the conference report—the entire package will fail at a time when the undeniable need of the country for jobs has never been more critical.

Mr. Speaker, title II of H.R. 5247 would authorize a program of assistance to State and local governments which have been hard hit by the recession. The purpose of this assistance is to enhance the prospect of national economic recovery, in two ways.

First, a Joint Economic Committee survey found that the recession will force State and local governments to take about $8 billion in counterproductive budget actions this year which could retard economic recovery. These actions include reducing their work force, raising taxes, and delaying necessary capital improvement projects. The title II program would reduce the reliance of State and local governments upon such budget actions, and thus contribute to economic recovery.

Second, the Congressional Budget Office found that antirecession aid to State and local governments would have a substantial job-producing impact. In an analysis of various antirecession proposals, the CBO ranked a program similar to title II second highest as an employment stimulus, behind public service jobs, but ahead of public works.

Under the title II program, money would be distributed quarterly to individual State and local governments which had unemployment of 6 percent or more. The size of individual payments would be determined on the basis of a formula with two factors: unemployment, as a measure of the impact of recession, and adjusted taxes, as a measure of the services provided. The authorization level for the program would be determined by the national unemployment rate, as follows: $500 million would be authorized when national unemployment hit 6 percent, and an additional $250 million would be added for every increase of 0.5 percent in the unemployment rate. Thus, if national unemployment were 8.5 percent, the authorization level would be $1.75 billion. One-third of the total is set aside for State governments, two-thirds for local governments.

The program would shut itself off once national unemployment dropped below 6 percent. Likewise, assistance to an individual government would terminate when that jurisdiction's unemployment dropped below 6 percent.

Mr. Speaker, the need for this program has been recognized by the Joint Economic Committee and by extensive hearings by the Senate Government Operations Committee. Just this morning several hundred mayors gathered in the Public Works Committee hearing room to tell us firsthand what this title means to local government all over the country.

All of this convinces me that the House should defeat this motion, retain title II in the report and then approve the conference by an overwhelming margin and clear it for action by the President.

Mr. Speaker, I yield 5 minutes to the gentleman from New Jersey (Mr. ROE), chairman of the subcommittee.

Mr. ROE. Mr. Speaker, I rise in opposition to the measure before us. I am really quite surprised, although I enjoyed the presentation made by my good friend, the gentleman from the great State of Texas (Mr. BROOKS). I respect the jurisdictional situation that we are dealing with. But the thought occurred to me, when one sits in this House for 5 or 6 years, that there is a particular element to be followed here, and I want the Members to understand that. It is called the mystical order of the conference.

The mystical order of the conference is joining together the House and the Senate, the two bodies that are elected by the people in this country, the citizens, and they get together in conference and try to resolve the differences between the two legislative bodies. I assure the Members that that is what this conference committee did under the able direction of the gentleman from Texas (Mr. WRIGHT). We took every single point into consideration and protected every issue that we could on the part of the House that was passed in the legislation.

I must take immediate umbrage, just to get the record straight, to the statement that my good friend, the gentleman from Texas (Mr. BROOKS) said that there is no provision for civil rights. Civil rights specifically are written into the law as a fundamental requirement of the law, and it is written into a section of this particular piece of legislation, as are wage standards for laborers, special reports needed from the Congress, special Budget Commitee reports, et cetera. So I would suggest, and I only say this to the gentleman from Texas (Mr. BROOKS) from the point of view that all of us, joining together as Members of the House, would certainly not want to do anything other than what is right as far as the legislation is concerned.

What are we doing here? Are we going to quarrel over somebody's ox being gored? Or are we going to listen to the 500 mayors who stood before us in the Committee on Public Works—500 strong—Democrats, Republicans, Independents alike, black, white, every color, who said there is just no way they can continue on to run their local government because they are not getting the help from the do-nothing, sleeping Congress of the United States. That is what they are saying. They are saying, "We want to share in the American dream. It is our tax dollars that are coming here from the grassroots of this country and that are providing the funding to keep you fellows in this Congress. How about giving a little bit back to us? We do not come here with hat in hand; we come here because we have a fundamental right to expect this Congress to act."

What have we done? We have provided a public works program to build facilities in our communities. Why do we do it? Because our communities do not have the capital locally now to build our firehouses, our police houses, and other things that we need in capital improvement. That is No. 1 that is in this bill.

We provided further in this bill for grants and loans in the business field, for example.

We provided for that to stimulate the business economy.

Now to talk about the countercyclical measure for five quarters to provide a provisional type of program, that money can be used to supplement any element that exists in a local mayor's budget. I would respectfully suggest to the Members that to vote in favor of the Brooks motion would be to literally gut this piece of legislation.

Let me give one more report before I relinquish my time. In the mystic rite of the conference, I call to the attention of my colleagues, we did conference work on the Appalachia bill, we did conference work on the title V bill, we included in that legislation a balanced quid pro quo across this country of economic aid and economic support.

I would suggest the House and the Senate conferees are trying their best to get Members to support as much as we can, we hope unanimously, a balanced economic program for this country.

As the gentleman from Texas (Mr. JIM WRIGHT) stated so ably, when we look over the whole situation we see that it costs us $16 billion of the taxpayers' money for every million people out of work. What is the sense of that?

The mayors were saying to me and to the Members who participated this morning that all they want is some of the funding to come back to them that they send us.

Let me conclude, if I may, by saying this. Those mayors said to us today that they want to be able to run their communities with their tax dollars that they raise locally and that they send here to Washington. They are fed up to the teeth with having every bill that comes before the House and the Senate provide for everything under the sun for overseas foreign governments and then when we come back to the United States and say that if we provide for America a public works program that would be inflationary and would destroy the whole economic basis of the country. That is nonsense.

People are looking for an all-American bill, as the Speaker of the House said this morning, that is going to provide jobs. They do not want a welfare check any more. They do not want any other piece of Government relief. Our people are looking for a pay check that they earn. They want to know this Congress understands what is happening at the grassroots and they want to know what we are going to do to provide jobs for the people of our country.

Mr. BROOKS. Mr. Speaker, I yield 4 minutes to the gentleman from New Hampshire (Mr. CLEVELAND).

Mr. CLEVELAND. Mr. Speaker, I rise in support of the motion to reject title II, which we would do better to encase in concrete and steel for deep ocean disposal where it will not harm marine life or pose a hazard to navigation.

This measure, brought before us by short circuiting all procedures to preserve the integrity of the legislative process, has absolutely no place in any bill intended to create jobs. Because it will not. And what is more, if you read the fine print on the warranty, it is not even intended to.

What this bill is intended to do is to give an extra ration of funds to cities, States, and communities with the wisdom to figure out the eligibility criteria—which I do not pretend to grasp fully, and would venture few, if any other Members do—to remove any incentive for fiscal responsibility at the local level. This is flat substitution of the Federal dollar for the local and State tax dollar.

Now let us examine this novel proposition a moment. It says, in effect, that States and cities should not tighten their belts; they should not curtail or postpone spending.

If I remember correctly, the argument for the whole host of Federal grant-in-aid programs was that other levels of government were unable or unwilling to meet their own responsibilities.

Now, I will grant—or maybe I should say "concede"—that this substitution is not emphasized in the conference report on H.R. 5247 before you. So I give you this reading from the report from the other body on the Intergovernmental Antirecession Assistance Act of 1975, S. 1359, which got grafted onto our original jobs bill. It quotes Richard Nathan of the Brookings Institution as predicting that 90 percent of the funds distributed pursuant to title II—and I quote—

> would be used for "substitution" purposes—that is, to balance budgets without raising taxes; that two-thirds to three-fourths of these funds would be used to maintain services where otherwise cuts would be necessary; and that the remainder of the funds would likely have the effect of causing recipient governments not to raise their taxes.

There you have it. No new jobs; straight substitution. No new jobs in the construction field; no new jobs at the municipal level; simply straight substitution.

Which leads to the question: Where is the money coming from? The answer is more deficit spending; Uncle Sam is not the rich uncle any more if he ever was.

Now back to the report: We find that this bill is not intended solely to preserve jobs on the municipal payroll; it mentions other services, which tend to go up in time of economic distress. And I quote: "Certain of these services—unemployment compensation, food stamps, welfare benefits—are obviously recession-related." In all honesty, the report seems to suggest more strongly that the grants provided under title II would go for administrative expenses for these programs. But nowhere in the conference report do I find any limitation in this respect.

Furthermore, the General Accounting Office has noted that funds could go for debt retirement. Again, in the interests of accuracy, I also point out that GAO considered this possibility unlikely as contrary to the intent of the legislation.

I cannot join in this profession of faith. We all know that the Congress expected a great deal of capital investment in transit facilities under the most recent UMTA amendments. Yet, in the category permitting discretion to the localities as between capital or operations, 90 percent of that pot has gone for operating subsidies.

I would like to recall that the distinguished chairman of the Committee on Rules, the gentleman from Indiana, spoke in favor of this bill yesterday. He cited unemployment in the construction trades in his district in the range of 30 or 40 percent. He alluded to the possibility of job riots reminiscent of the 1930's. To which I would reply, if we want to incite to riot, all we need to do is load up this bill with $1.5 billion—under the guise of job creation—when we have no hope of fulfilling that political promise.

And stand back out of the way when the public finds out.

I urge rejection of title II.

There are other grounds for rejecting this title II, Mr. Speaker, in the fact that the House has never had a chance to consider it in hearings, in subcommittee markup, in full committee, or on the floor.

I am unable to reject—as mere election-year conservative campaign rhetoric—the message of the state of the Union message the other night. We were told that spending must be held down, but beyond that we must be equally insistent that Federal money is effectively used. The dangers of inflation were not ignored as the economy improves.

"Beyond that"—and I quote here—"wasteful Government spending, inefficient and ineffective programs, are burdens taxpayers ought not to be asked to carry."

Therefore, and I quote again, "we should question the most basic assumption about every program." And further, we were told to "pursue the hard, detailed job of evaluating Federal spending in each and every area of the budget."

I urge my colleagues to heed these words of a man of the Congress, deeply experienced in the budgeting and legislative process. I am sure the senior Senator from Maine, who gave us this wisdom in a message entitled "The State of the Union—a Democratic View," would be the first to insist that the same rigorous scrutiny be applied to new programs, including his own.

Absent such rigorous scrutiny in the House to date, I urge rejection of title II.

Mr. WRIGHT. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan (Mr. ESCH).

Mr. ESCH. Mr. Speaker, I rise in opposition to the deletion of title II and in support of the conference report.

I would like, first to direct my remarks as to why we should not delete title II. The previous speakers have alluded to the fact that, indeed, the Congress has had a long time to consider countercyclical measures and we have not done so. We do have a responsibility in the House of Representatives to impact on the major areas of unemployment and need in the country can do so today by rejecting the gentleman's motion to delete title II.

Since those days of disturbance of the late 1960's, indeed, we, both administrations and the Congress have neglected our inner cities. This title II measure is perhaps the first time that this Congress is really directing its attention to the needs of the cities and the essential services of those cities.

While the overall unemployment figure is hovering at 8.5 percent nationally, in the inner city of Detroit it goes to 35 or 40 percent. The direct impact upon the essential services needed to continue this function in the city of Detroit and our other large cities cries out for the continuation of support for title II.

Recognize that it is not perfect, recognize that there is still a great deal to be done, but by keeping title II it will give the city administrators throughout the country a steppingstone toward recovery, providing for the essential services of fire, police, drug control and health measures and moving toward a cooperative program combining the city, State, and Federal support.

Mr. Speaker, I rise today to urge the Members of this House to vote in favor of the conference report. While I recognize that not all of us may agree on all the provisions of the report, I strongly believe that this legislation is a substantial improvement.

First, the conference report resolves the controversy over the distribution of impounded waste water treatment funds by assuring that no State loses their share, and that States which received additional funds under the Talmadge-Nunn amendment will continue to do so.

Second, the conference report provides a much-needed shot in the arm to localities hard hit by recession. Not only will these new dollars create new jobs, but they will assure that essential services are maintained at the local level. Title II provides emergency grants for each of five succeeding quarters of $125 million plus $62.5 million multiplied by the number of one-half percent points the unemployment rate exceeds 6 percent.

Third, the conference report assures in title I that local public works projects, many of which are stalled for lack of funds, will begin soon and expedites the approval process to assure that the traditional delay in approving public works projects does not occur; $2.5 billion is authorized, down from $5 billion from the House version, in 100-percent Federal grants, 70 percent of the funds are directed to projects emanating from areas with unemployment in excess of the national unemployment rate, and 30 percent is directed to areas in excess of 6½ percent but less than the national unemployment rate.

And finally, the conference report, for the first time, directs a serious effort to stimulating capital development within the private sector. Title III authorizes $200 million in fiscal year 1976 to provide for interest subsidies of up to 4 percent for up to 10 years to nongovernmental firms of 1,500 or less on working capital loans obtained from a nongovernmental source.

The Public Works Employment Act is a vast improvement over previous efforts. It works to benefit the community by direct Federal, State, local, and private capital development, at the same time assuring continuation of existing services.

My home State of Michigan is in urgent need of additional financial assistance. Michigan has long suffered one of the worst unemployment problems in the Nation. While the unemployment rate across the Nation has remained at 8.3 percent, the State of Michigan has experienced unemployment consistently in excess of 12 percent. The city of Detroit, the heart of the Nation's auto production, continues to feel the effects of an unemployment rate reaching far above 18 percent, and the inner city, an astronomical 36.8 percent.

These figures are only those that can be gained through "official" determinations. They do not include the additional tens of thousands of discouraged workers, the "hidden" unemployed and others not in the labor force for whom statistics are not available.

While the percentages are revealing, the stark reality of the problems are seen more in actual numbers. More than half a million of Michigan's workers are on the unemployment rolls, more than a quarter million from the Detroit area alone. Nearly a third of the inner city work force is unemployed.

Ideally, what is needed is the enactment of legislation that targets efforts on those among the unemployed, such as youth, the discouraged or "unemployable," or the worker "dislocated" by a permanent shift in industry, and stimulates the private sector to become involved. I have proposed such an effort, but there is little chance the Congress will move on my proposal this session.

Therefore, it is essential that the Public Works Employment Act be passed. This legislation is the first public works effort of its kind that targets the major share of its resources into States such as Michigan. Unlike earlier bills which were filled with "pork barrel" projects, the Public Works Employment Act is geared to provide productive jobs in areas of highest unemployment.

Title I of this legislation will target as many as 200,000 jobs into areas of high unemployment such as Michigan.

Title II would channel as much as $100 million in the State of Michigan and $40 million into Detroit. Many Michiganders recognize that if the dream for a "new Detroit is to be realized," and if the extraordinary investment now underway in the Renaissance Center is not wasteful, that these funds are essential if Detroit is to be made a safe and livable place in which to reside. But Detroit is not the only area to benefit. Cities, towns and counties across the State, many of which have had to reduce essential police, fire and health services, will be able to put these funds to immediate use.

Title III of the bill will assure that Michigan will receive its share of the impounded water pollution control funds, amounting to 626 million. Not only will this assure Michigan's continued effort to clean up its lakes and streams, but will go a long way in restoring the health and quality of America's greatest fresh water resource: The Great Lakes. In addition, it will stimulate the development of thousands of new jobs in the hard-pressed construction industry in Michigan.

Mr. Speaker, it is my understanding that an attempt will be made to weaken the conference report, and specifically, to delete title II of the bill, the countercyclical revenue sharing proposal. I strongly urge the Members of this body to resist such a motion.

The fact of the matter is, this House and the Committee on Government Operations has had more than enough time to consider a countercyclical revenue sharing proposal. The fact "that not a single day of hearings have been held by the House" is hardly an argument for voting against a critically needed boost to local governments.

As I am addressing you, countless numbers of essential health and safety personnel have either lost or are threatened with the loss of their jobs because of severe fiscal constraints which many of our Nation's local governments are feeling. It seems ironic that local governments cannot fight increasing rates of crime, drug abuse and other severe local problems due to lack of funds and because of the refusal of this House to address the need of those local governments hard hit by the recession.

I need not restate the overwhelming need for all the initiatives undertaken by the conference report. However, I must reiterate that the title II provisions are essential if we are to assure the vitality and health of our towns and cities.

Mr. Speaker, there are many who are concerned that this legislation is too expensive, and will only worsen the increasing budget deficits we are facing. But it is time that we begin to place spending priorities where they should be, and to take a long hard look at our fixed budget costs, where most of this deficit derives. Fiscal responsibility is a must, but so is the revitalization of the Nation's economy and putting people back to work in meaningful jobs. This will involve some difficult and hard choices for this body, but the fact remains, unless we move favorably on this bill today, we will be jeopardizing not only the safety and livability of our Nation's cities, the continued fight to clean up our Nation's waters, but also the development of many new meaningful jobs in the private sector. I urge your support for the entire conference report.

Mr. BROOKS. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. HORTON).

Mr. HORTON. Mr. Speaker, I rise in support of the motion to delete title II. I also want the House to know that I am one of the cosponsors of the bill to provide for countercyclical assistance to State and local governments, so I am not here arguing against the principle, but I feel very strongly that what has happened is that the conference has accepted this program without giving the House the benefit of having hearings. I think it is a very important program and it ought to be looked at very carefully.

The gentleman from New Jersey referred to the "Mystical Order of the Conference," and I agree with him. Many times, what happens is that in order to accommodate the other body we do put in a program such as this which has not had the opportunity to be fully explored by the appropriate committees of the House. As a result, we find ourselves getting in more and more difficulties. As a matter of fact, this morning I was conducting hearings, as the chairman of the Paperwork Commission, looking at this problem of paperwork and excessive burden, and much of it is caused by the fact that the Congress does not take the time to look at these types of programs.

I am in support of the concept of providing assistance to these large cities. I do not know whether the Members know this or not, but there are some seven or eight proposals that are before the subcommittee of the Government Operations Committee that ought to be looked at in depth. I think we make a mistake by accepting this program when hearings have been held on the Senate side only. We should not put this whole program in as an extra in the conference report.

I am for the conference report. I think it is a good conference report and I want to support it, but title II includes a new program that is very complicated. It has far-reaching effects, and as the chairman of the Government Operations Committee, the gentleman from Texas (Mr. BROOKS) indicated, we do not even have the statistical information that is necessary for us to act upon it. I think we ought to let the Government Operations Committee have an opportunity to look at this program and get out a bill that we can support and which will be more effective in providing this type of assistance.

Therefore, I urge that the Members vote in favor of this motion to delete title II.

Mr. WRIGHT. Mr. Speaker, I yield 3 minutes to the distinguished chairman of the Committee on Rules, the gentleman from Indiana (Mr. MADDEN).

Mr. MADDEN. Mr. Speaker, we heard considerable testimony on title II of this bill in the Rules Committee yesterday, and about some of the technicalities on why it should not be considered or voted upon. We are in an economic and unemployment crisis today. Our Nation is in a recession that borders the panic days of 1932 when 14 million were idle. The older folks here remember those days and I regret that Members speaking in the well of this House are talking about defeating section 2 of this bill because there is a technicality here and a point of order there, and that we should postpone this much needed recovery legislation. The unemployment today is on a par with 1932 and the cities and urban industrial areas are demanding action from our Nation not Presidential vetoes on congressional recovery efforts.

This is a bill that is a must. Title I, title II and all the rest of this legislation are a must, right now. President Ford propagands on the air waves and States, "Well, we have an unemployment problem but conditions are rising; there is less unemployment today than there was a year ago," which is not a fact.

Go into the industrial areas today, go into my area in the Calumet region of Indiana or go into the Los Angeles area, the Pittsburgh area, and discover there are about 30 to 35 percent of the people out of work in some of the labor crafts.

Some Members today predict if the Congress passes this work recovery bill that President Ford will veto it.

My answer to that statement is: "Mr. President, please refer back to those dark days of 1933, 1934, and 1935 and follow the program of President F. D. Roosevelt and the Democratic Congress and follow the legislation enacted in the 1930 period."

If President Ford, after 43 vetoes in 15 months, of congressional legislation declares a veto holiday we will again enjoy our former prosperous economy and prosperity.

Mr. Speaker, the steel mills and other industries in my district have laid off workers almost daily for the last 1½ to 2 years. The newspapers do not reveal the crisis we are in now. They say 8½ million people are unemployed. I say there is closer to 14 million people who are unemployed when we include the people who cannot find work, who are not on the statistics records today. It does not include the head of a family who has children going to school, who is working 2 or 3 days a week.

Mr. Speaker, if this bill is turned down, section 2 or the rest of it, we are going to find, when the word goes over the country that this Congress has rejected a measure that will employ over 600,000 workers, our people will be disappointed. Bear this in mind: If they go to work by reason of section 2 or any of these sections of this legislation they will be paying taxes in the next few years instead of relief rolls. I am also fearful that if this Congress does not go right down the line to put people to work and let them pay some taxes and feed their children and send their children to school, we are going to have trouble similar to the soup line riots of the 1930 period.

Mr. BROOKS. Mr. Speaker, I yield 6 minutes to the gentleman from North Carolina (Mr. FOUNTAIN).

Mr. FOUNTAIN. Mr. Speaker, I want to associate myself with the remarks that have been already made by the distinguished chairman of the Committee on Government Operations, the gentleman from Texas (Mr. BROOKS).

And, I want to express my appreciation, Mr. Speaker, for your ruling upholding the principle that the Members of this body are entitled to a separate vote on conference report matters not previously considered by the House. It would be a sad day for democracy if the majority were denied the opportunity to express an independent judgment on major new programs accepted by only a few Members representing the House in a conference committee. In this instance, no House hearings have been held on title II which is in no way germane to the purposes of the Local Public Works Capital Development Act passed by the House on May 20, 1975.

Mr. Speaker, I rise in support of the motion to strike title II. I regret that the time limitations are such that I cannot go into this matter in more detail.

It has been claimed that title II would create a large number of jobs, or prevent layoffs. Such claims, I say to my colleagues, are pure speculation. There are absolutely no requirements in title II that the funds be spent for employment-related purposes. In fact, the money authorized in title II is even less restricted than general revenue sharing money. The recipients may use it for almost any purpose, including golf courses and squash courts, and the reduction of taxes. Moreover, unlike the general revenue sharing act, title II does not require that these funds be spent in accordance with State and local laws.

Neither is there a requirement for any form of citizen participation in making expenditure decisions. We are being asked to take money from the Federal taxpayers, or alternately to create a larger deficit with its inflationary effects, in order to hand out $1.5 billion or more for wholly discretionary spending.

Certainly, Governors and local officials are understandably willing to accept this money. And, indeed, there are serious fiscal problems in many communities, particularly in many of our large central cities, and even in certain rural areas of our country, there are fiscal problems. That is one of my reasons for supporting the extension of the general revenue sharing program. But these difficulties are primarily long term in nature, rather than related to the business cycle. The tax base in many of our large cities and counties has been eroded by the departure of middle- and upper-income taxpayers, leaving these communities with the burden of providing services for the poor and disadvantaged from their limited resources.

Title II does not deal with this problem. On the other hand, general revenue sharing legislation, which will be marked up shortly by our subcommittee, and hopefully, favorably reported to the House by the full Committee on Government Operations soon thereafter does take the tax effort and fiscal capacity of local communities into account. Title II of the conference report does not. It has also been proposed that we include a countercyclical provision in the revenue sharing legislation which the subcommittee is about to mark up, and this proposal will be given consideration.

If the House wishes to provide additional assistance to communities which are struggling to maintain essential public services, the place to do it is in the revenue-sharing program rather than in title II, which is only superficially related to fiscal need.

If these were the only shortcomings of title II, perhaps there would be offsetting political reasons to support it. Because of time limitations, I will mention only some of its other fundamental defects.

First. Title II uses unemployment rates as the measure of State and local revenue losses caused by the recession. However, unemployment is a poor measure for this purpose since State and local governments generate only a small part of their total revenues from taxes that are sensitive to economic conditions.

Second. The very premise of title II—namely, that the recession has undermined the ability of State and local governments to provide basic public services—is not supported by the facts. Local governments, which would receive two-thirds of the authorized funds—a distribution which appeals to me—obtain 82 percent of their tax revenues from property taxes. There is no evidence that high unemployment rates have any significant effect on the ability of local governments to collect property taxes.

Third. Both the eligibility criteria and the distribution formula used in title II are defective because they depend on unemployment data that are unreliable, or simply do not exist. Of the 39,000 general-purpose governments that are potentially eligible for assistance, the Department of Labor has unemployment figures for no more than 1,500. Consequently, for approximately 37,000 local governments, the determination of whether grants will be made and the amount of payment would be determined under allocation plans devised by the States or by the Secretary of the Treasury. What a political football this could become.

Fourth. Moreover, to be eligible for a grant, a local government must perform "substantial" function, but title II does not define the term "substantial." The executive branch is given no guidance on which local governments are eligible, other than the Senate committee's admonition that Midwestern townships and other governments performing "limited" functions are to be excluded.

I ask each Member of this body to consider whether he or she wishes to delegate to the Federal bureaucracy the power to decide which local governments in our respective districts will be denied assistance.

Fifth. I want to emphasize also that title II would produce such arbitrary and inequitable results as the complete denial of assistance to a State with a 5.9-percent unemployment but full payment to one with 6 percent. A Senate committee printout shows that the State governments of Texas, Wyoming, Iowa, Colorado, Oklahoma, South Dakota, and Kansas would not receive one penny of this money because their unemployment rates are slightly below the magic 6-percent figure used as the cutoff. Other States would undoubtedly join this list by the time the program became effective.

In short, title II is a very poorly drafted measure. This is surely not a time for "throwing" money at ill-defined problems, or for further proliferating the Federal grant structure—especially when we have other programs specifically designed to deal with unemployment.

The public is demanding fiscal responbility in government. My constituents are and I believe all forward thinking Americans are fast adopting this position. Many of our outstanding Governors and local officials are responding by biting the bullet to make their governmental units more efficient and productive. Title II would certainly not help these efforts.

The Comptroller General has raised serious questions about the deficiencies of title II; I request that his letter be included at the end of my remarks. The administration opposes it. And the National Governors' Conference has rejected a resolution to endorse it.

I urge all my colleagues to join in rejecting this poorly-conceived Senate amendment so that the other body may have an opportunity to reconsider the conference report with title II eliminated. I voted for title I when it was before the House and I believe it is a responsible measure. I intend to continue my support for this public works program which is designed to put people back to work and help combat one of the most serious recessions this Nation has ever experienced.

I include the following:

COMPTROLLER GENERAL OF
THE UNITED STATES,
Washington, D.C., November 26, 1975.

Hon. JACK BROOKS,
Chairman, Committee on Government Operations, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This refers to your requests for our views on H.R. 6408, H.R. 6416, and H.R. 7936, 94th Congress, three bills which would coordinate State and local government budget related actions with Federal Government efforts to stimulate economic recovery by establishing a system of emergency support grants to State and local governments.

We note that although not identical, the three bills are substantially the same in nature and content and therefore, we have consolidated our comments on all three bills into a single response. Further, we have included in our response comments on title II of H.R. 5247, 94th Congress, as amended, and passed by the Senate on July 29, 1975. Title II of H.R. 5247, is similar to these three bills, and we have been informally advised that any comments we deemed relevant concerning title II, would be of interest to the Committee.

These anti-recession, intergovernmental emergency grant bills have two major related purposes:

(1) To prevent contractionary fiscal policy (tax increases and expenditure decreases) by State and local governments during recessions from conflicting with simultanoeus expansionary fiscal policy by the Federal Government; and

(2) To enable State and local governments to maintain their normal level of services during recessions.

The underlying reasoning presumes that if the Federal Government provided emergency support grants to State and local governments, the latter would not have to engage in contractionary fiscal policy and would be able to maintain the level of their services. We question this basic assumption. While the bills are intended to have a net effect which stimulates economic recovery, there are important aspects of the problem that these bills ignore.

The bills assume that during recessionary times, State and local governments will have to either cut expenditures or raise taxes. However, some State and local governments may simply engage in deficit financing (i.e., borrow to finance their expenditures without tax increases.)

In jurisdictions which do not have constitutional or statutory debt limitations, deficit financing is particularly likely since the cost of borrowing (the interest rate) is normally low during recessions. In these cases, although limited in number, the effect of these bills would only be to substitute Federal borrowing (to finance the grants) for State and local borrowing, with no net impact on the economy.

Further, the bills do not address the question of how the Federal Government will raise the funds that it will be granting to State and local governments. We note that there are three possibilities: it may shift other Federal spending to this type of assistance; increase Federal taxes; or borrow. The overall stimulative effect of the bills depends on the method by which the Federal Government raises the funds and what the State and local governments do with the funds. For example—

(a) If the Federal Government reduces its other expenditures or increases its taxes to raise the funds and the State and local governments use the funds to avoid expenditure reductions or tax increases, the net effect of the bill would be neutral. A decrease in other Federal expenditures (or an increase in taxes) would simply make possible an increase in State and local expenditures (or not necessitate a tax increase).

(b) If the Federal Government borrows the funds and the State and local governments use the funds to retire debt, the effect would also be neutral. Federal borrowing would be used to reduce State and local borrowing. In our opinion, it is unlikely that State and local governments would retire debt during such a recessionary period.

(c) If the Federal Government reduces its other expenditures or increases its taxes to raise funds, and the State and local governments use the funds to retire debt, the effect of the bill would be contractionary. Total government spending would decrease or total government taxes increase.

(d) If the Federal Government borrows the funds and the State and local governments use the funds to increase expenditures or avoid tax increases, the net effect of the bill would be stimulative.

As to which of these possibilities is most probable should one of the bills become law, it seems unlikely that the State and local governments would use the funds to retire debt. Certainly, such a use would be contrary to the apparent intent of the bills, and consequently, (a) and (d) above would be the most likely course of action. Whether the Federal Government got the funds from borrowing or decreased spending on other programs, or increased taxes would depend on a number of factors which would be difficult to predict in advance.

Overall, the effect of the bills may be stimulative, but the degree of stimulation is difficult to predict because it is not clear how the Federal Government would fund the program and because thousands of State and local governments with varying financial conditions will react differently to the program.

Another consideration raised by these bills is whether national fiscal policy is better implemented by having the Federal Government operate indirectly through State and local governments or by the Federal Government implementing fiscal policy directly (e.g., by increased social security or unemployment compensation or by cutting taxes). The policy may be able to be implemented more quickly if done directly through the Federal Government, than if done indirectly through State and local governments. For example, there may well be a time-lag in expending the funds due to the normal budgetary procedures of the State and local governments.

Consequently, with respect to stimulating the national economy, a fiscal policy whereby the Federal Government acts directly may be more effective than a formula allocation of funds to State and local governments. However, with respect to the goal of enabling State and local governments to maintain their normal level of services, direct fiscal action by the Federal Government would not be as effective. The formula allocation distributes funds strictly according to unemployment rates and tax revenues. However, with direct Federal policy, it would be very difficult to achieve a broad geographical distribution of funds to approximately 38,000 governments according to their need. The formula allocation, once accepted, would also avoid subsequent political problems about geographical allocations.

A fiscal policy of direct Federal action could, however, better allocate funds to regions whose business cycles were out of phase with the national economy, as discussed below.

With regard to the maintenance of services by State and local governments, the following problems are likely to arise in implementing any of the bills.

(1) Accuracy of Data Used in the Grant Formula. Unemployment statistics at the State and local level are subject to an unacceptable degree of error for use in a fund allocation formula as proposed in the bills. This problem was discussed in our report to the Congress entitled "More Reliable Data Needed as a Basis for Providing Federal Assistance to Economically Distressed Areas," B-133182, dated May 10, 1971. It is important to keep in mind that the data are generated for other purposes, such as to obtain broad indices of the status and direction of job markets. Variations between actual and estimated rates could be considerable, particularly as one moves to smaller units of estimate. In addition, the unemployment statistics do not include those persons who are unemployed but have given up looking for work.

Further, these factors create an equity problem. All jurisdictions do not appear to receive equal treatment under the proposed bills. Under section 11(c) of H.R. 6408, H.R. 6416 and H.R. 7936, a State or local government would be entitled to receive payments for a calendar quarter if the unemployment rate during the most recent calendar quarter which ended 3 months before the beginning of such calendar quarter was 6 percent, whereas another State or local government with an unemployment rate of 5.9 percent would receive no funds.

Title II of H.R. 5247 would compound the problem since section 210(c) requires not only that the unemployment rate for the relevant calendar quarter exceed 6 percent but, also, that the unemployment rate for the last month of such calendar quarter exceed 6 percent in order for a State or local government to be entitled to funds under the program. Thus if the monthly unemployment rates in a particular quarter were 7.2, 6.5 and 5.9 percent, no assistance would be provided, but if the rates were 7.2, 5.9 and 6.5 percent funds would be provided.

(2) Measures Used in Formulas. Adjusted taxes are used in the formulas as an indicator of the services provided by State and local governments. However, adjusted taxes are an incomplete measure of services provided in that they do not include payments-in-lieu of taxes from publicly and privately owned utilities, service charges, special district taxes and borrowing. Furthermore, the adjusted tax factor can operate inversely in the formula with the program objective to prevent decreases in services. That is, if a State or local government's revenues are adversely affected by the recession and in fact decrease, the calculation results in decreased funds for that governmnt. Finally, the bills refer to the Social and Economic Statistics Administration for data and this organization no longer exists as such.

The unemployment rate is also used as a measure of the reduction of the revenues experienced by State and local governments during recessions. The rationale is that higher unemployment leads to a reduction in the collection of income and sales taxes. However, during 1972–73, State and local governments generated only 10.5 percent of their revenue from individual and corporate income taxes and 19 percent from sales taxes. Therefore, the regional unemployment rate is not a complete measure of the revenues lost during a recession.

The unemployment rate among government workers is also an inadequate indicator of the reduction of government services. State and local governments could lay off government workers to reduce their expenditures, thereby qualifying for Federal payments with which to rehire them.

(3) Educational Financing. The formula provisions also tend to favor those States with centralized revenue collections for educational purposes. The "State tax amount" as defined in section 4(b)(3)(D) of H.R. 6408 and H.R. 6416 and section 203(b)(3)(E) of H.R. 5247 and section 4(b)(3)(E) of H.R. 7936 means with certain exceptions, the amount of compulsory contributions exacted by the State for public purposes. The compulsory contribution for public purposes includes funds for public elementary and secondary schools. Revenue receipts for this purpose vary considerably from State to State as to the percent raised at the State versus the local level. For example, 97 percent of the education revenue is raised at the State level in Hawaii, 79 percent in Alabama, 8 percent in New Hampshire and 15 percent in South Dakota. This tendency to favor States with centralized revenue collection for education does not exist in the Revenue Sharing formula since State tax amounts in that formula include all the taxes collected in the State, at all levels.

(4) Formula Allocational Aspects. The bills allocate funds to State and local governments according to various formulas. The nature of these formulas affects the regional allocation of these funds. Certain aspects of the treatment of unemployment in these formulas deserve mention.

(a) State-Local Division. The allocation process in section 4(a) of H.R. 6408, H.R. 6416 and H.R. 7936, and section 203(a) of H.R. 5247 may not result in distributional patterns reflective of total taxes collected in various States because:

The fund allocation process begins by splitting the total appropriated funds into two separate allocation entities. The States would receive ⅓ of the total appropriated funds; the local would receive ⅔ of the funds.

The funds are distributed from the State portion by using the State unemployment percentage multiplied by the State tax amount.

The funds are distributed from the local portion by using the local unemployment percentage multiplied by local adjusted tax amount.

With this feature, States which primarily exact compulsory contributions at the State level rather than at the local level, will receive a larger portion of a smaller pie. In States that rely more heavily on compulsory contributions at the local level, the locals will receive a larger portion of a larger pie ⅔ of the total allocation).

The allocation process for locals makes various deductions from adjusted taxes such as retirement contributions and social insurance systems and that portion of the compulsory contributions allocable to expenses for education. The effect of these deductions are difficult to estimate. It would appear that local governments in certain States with larger portions of the noneducational local taxes would receive an even larger portion of the local allocation.

There is sufficient evidence to conclude that State and local governments in two States with the same unemployment percentages and some overall level of compulsory contributions could receive very different allocations depending on the central (State) vs. decentralized (local) tax mix.

The Departments of Treasury, Commerce and Labor should be able to provide more complete and accurate estimates of the allocation patterns of this legislation.

(b) Base Period Unemployment. Title II of H.R. 5247 relates the current unemployment rate to a base period unemployment rate to determine the allocation. Under section 203(b)(3)(C) of H.R. 5247, the base period for States in 1967–1969 and under section 203(c)(4)(A) the base rate for local governments is 4.5 percent. This creates potential allocational inequities for both State and local governments. Consider the hypothetical unemployment data for States A, B, and the Nation, shown below.

[In percent]

	1967–69	*1973*	*1976*
State A	3.0	9	9
State B	5.0	5	7
United States	3.6	5	8

State A's 1976 unemployment rate is 6 percent over the base period while State B's is only 2 percent, so State A would receive a larger grant. However, it appears that A's 1976 unemployment is mostly structural or long-run while B's is due to the recession. Since the intent of the bills is to respond to cyclical or short-run changes in the economy, to be consistent with the intent State B should receive a larger grant.

Similarly, local governments which were currently experiencing structural problems would gain relative to others.

The years 1967–1969 for the base may have been chosen because they were high employment years. However, we believe that a better base for both State and local governments would be unemployment data for the most recent years available.

(c) Phase of Business Cycle. A region whose economic circumstances, as measured by its unemployment rate, is out of phase with national economic trends could be rewarded or penalized disproportionately. For example, under section 3(c) of H.R. 6408, H.R. 6416 and H.R. 7936 and section 202(c) of H.R. 5247, no Federal funds are provided to any region unless the national unemployment rate is at least 6 percent. When Federal funds are provided, under section 11(c) of H.R. 6408, H.R. 6416, and H.R. 7936 and section 210(c) of H.R. 5247, no individual State and local government would receive funds unless their unemployment rate was greater than 6 percent. If a region's unemployment rate increased quickly to 7 percent while the national rate was still only 5.5 percent, this region would not receive funds because the program would not be operative. Only when the national rate rose to 6 percent would it receive funds. If this region also led the economy out of a recession, for example, if its unemployment rate declined to 5.5 percent while the economy's was 7.0 percent, it again would receive no funds, this time despite the fact that the program was operative.

States whose level of economic activity was similar to the nation's would gain from this program relative to States whose activity was out of phase.

(d) Amount Authorized for Appropriation. Section 3(b)(3) of H.R. 7936 authorizes $5 million for each tenth of a percentage point that the unemployment rate for most recent calendar quarter differs from the rate of the preceding calendar quarter. This would authorize more funds for both increases and decreases in the unemployment rate. It appears that the intent is to authorize more funds only when the unemployment rate is increasing.

(5) Fungibility of Funds. The bills require that the State and local governments use the federally provided funds for the maintenance of services provided, not for the acquisition of supplies and materials or for construction unless such supplies or construction are essential to maintain basic services. (See section 6 of H.R. 6408, H.R. 6416 and H.R. 7936, and section 205 of H.R. 5247.) Due to the fungibility of funds, compliance with this provision could be largely a budgetary and accounting exercise with little real effect. This problem was discussed in our report to the Congress entitled, "Revenue Sharing: Its Use by and Impact on Local Governments," B–146285, dated April 25, 1974.

(6) Necessity for Adjustment. During recessions many sectors of the economy, including consumers and businesses, adjust by eliminating nonessential expenditures. There may be some value for State and local governments to have the opportunity to do likewise. State and local governments would not normally reduce expenditures which they (and their voters) regarded as essential, but would reduce the provisions of less essential services and some capital expenditures. These bills would reduce the need for such adjustments even though there may be good economic reasons for such reductions. This would lead to a ratchet effect where expenditures would increase in good budgetary times, but not be adjusted downward in bad times.

As discussed above, while the State and local governments would be insulated from such adjustments, the Federal Government would have to adjust by changing its expenditures, taxes, or borrowing.

(7) Relation to General Revenue Sharing. These bills support State and local budgets during recessions. The rationale is that during recessions, the revenues generated by sales and income taxes decline while expenditures for unemployment compensation and welfare increase. As was well recognized during the early 1970s, State and local governments also experience budgetary problems during inflations due mainly to the increase of expenditures and the constancy of property taxes during such times.

One possible sequel to these bills would be a bill to support State and local budgets during inflations. The effect of a combination of a recessionary and an inflationary support bill would be essentially an almost continuous economic assistance program to State and local governments. (One difference between the two policies would be that since inflation is more uniform throughout the country than unemployment, there would be fewer regional differences in inflationary bill grants than in the recessionary bill grants.)

The combination of recessionary and inflationary bills would be essentially general revenue sharing, i.e., all Federal aid to State and local governments. Such a combination should more appropriately be discussed in that context (the content of the proper balance between expenditures by the Federal Government on one hand and State and local governments on the other) rather than in the context of emergency financing.

We note that section 215(a) of H.R. 5247, requires an investigation of the impact of the program on the operations of State and local government and on the national economy within 2 years of the date of enactment of the bill. However, there are certain problems which may limit the probability of attaining definitive results in such an investigation.

Due to the fungibility of funds, it would be very difficult to determine the exact impact of this program on State and local government finances. Comparing their behavior during this period with their previous behavior is an inadequate basis to draw conclusions. We note that many of the problems involved are discussed in our report to the Congress entitled "Revenue Sharing: Its Use by and Impact on Local Government," B–146285, dated April 25, 1974.

Furthermore, it will also be very difficult to assess unequivocally the impact of this program on the national economy. Such impact will depend on how State and local governments use the funds and how the Federal Government raises them. Due to the fungibility of funds it would not be possible to answer either of these questions and only general assessments would be possible.

Finally, we note that H.R. 6408 and H.R. 6416 and H.R. 7936 do not provide for audit and access to records by this Office. We recommend inclusion of legislative language for this purpose as follows:

(1) Amend section 7(a)(4) of H.R. 6408, H.R. 6416 and H.R. 7936 by deleting the comma after the second reference to the Secretary of the Treasury and adding the phrase "and the Comptroller General."

(2) Redesignate section 13 of H.R. 6408, H.R. 6416 and H.R. 7936 to be section 13(a) and add the following thereto:

"(b) The Secretary shall provide for such accounting and auditing procedures, evaluations, and reviews as may be necessary to insure that the expenditures of funds received under this Act by State governments and units of local government comply fully with the requirements of this Act. The Secretary is authorized to accept an audit by a State of such expenditures of a State government or unit of local government if he determines that such audit and the audit procedures of that State are sufficiently reliable to enable him to carry out his duties under this Act.

"(c) The Comptroller General of the United States shall make such reviews of the work as done by the Secretary, the State governments, and the units of local government as may be necessary for the Congress to evaluate compliance and operations under this Act."

We have previously furnished copies of those of our reports mentioned above to Members of the Committee staff.

Some suggested technical and editorial changes to the bills are enclosed.

Sincerely yours,

ELMER B. STAATS,
Comptroller General of the United States.

SUGGESTED TECHNICAL AND EDITORIAL CHANGES TO H.R. 6408, H.R. 6416, AND H.R. 7936

H.R. 6408

1. Page 11, line 17, omit the word "area" in order to correspond to the phrase which is defined in section 4(c)(3)(D)(vii) on page 14, line 9.

2. Page 16, line 11, "(c)(3)(D)(i)" should be "(c)(3)(C)(i)."

3. Page 18, lines 7 and 9, "4(c)(3)(D)(ii)" should be "4(c)(3)(C)(ii)."

H.R. 6416

1. Page 11, line 18, omit the word "area" in order to correspond to the phrase which is defined in section 4(c)(3)(D)(vii).

2. Page 16, line 4, "(c)(3)(D)(i)" should be "(c)(3)(C)(i)."

3. Page 18, lines 11 and 13, "4(c)(3)(D)(ii)" should be "4(c)(3)(C)(ii)."

4. Section 7(a) sets forth the requirements for applications for emergency support grants under section 4(b), (c)(1), (c)(2), (c)(3)(C)(i), and section 5 while section 7(b) sets forth requirements for applications for emergency support grants under 4(c)(3)(C)(ii). There are no provisions in the bill, however, setting forth requirements for applications for emergency support grants under section 4(c)(3)(C)(iii)."

H.R. 7936

1. Page 12, line 14, omit the word "area" in order to correspond to the phrase which is defined in section 4(c)(3)(D)(vii).

2. Page 16, line 3, section 4(c)(5) should be section 4(c)(4).

3. Page 17, line 10, "(c)(3)(D)(i)" should be "(c)(3)(C)(i)."

4. Page 19, lines 7 and 9, "4(c)(3)(D)(ii)" should be "4(c)(3)(C)(ii)."

5. Same as comment number 4 for H.R. 6416.

Mr. WRIGHT. Mr. Speaker, I yield 3 minutes to the gentlewoman from New York (Ms. ABZUG), a member of the committee.

Ms. ABZUG. Mr. Speaker, there is a confusion that is being created in the debate, and it is one that I would like to clarify.

The reason why this is a very significant antirecession measure that can affect almost every area of the country is that it sets a target. There first has to be national unemployment of 6 percent and then we have to have local levels of unemployment in the same amount. It is only then that areas are entitled to funds under this measure.

The fact is that the bill is not as free-floating as seems to be indicated. Funds can only be used by units of government when they have certified that substantial economies in their operations have been made and that without the emergency grants they could not maintain essential services without increasing taxes.

Mr. Speaker, this is entirely different from revenue sharing. Revenue sharing is a bloc grant which is distributed generally without regard to unemployment and without regard to these showings.

Therefore, I think it is important to recognize that this is an antirecession measure.

Urban studies have been made, and, incidentally, there have been extensive hearings. Not only did the Senate hold hearings on this bill, but the Joint Economic Committee on which the House is well-represented has also held extensive hearings on this bill. It is important to recognize that this matter has been heard.

There have also been findings compiled in a report by our own Congressional Budget Office, which indicates that countercyclical assistance creates an important employment stimulus. The very reason there is a countercyclical provision is to further a national economic policy of recovery.

The fact is that there are hundreds and hundreds of jurisdictions that are rural, that are suburban, and that are urban which are suffering as a result of the present economic conditions. There are probably thousands of counties that fall within the category of areas of government which need assistance.

This is not my statement. This is the statement of mayors. This is the statement of county officials. This is the statement of Governors which is being made all over the States and all over the country. It seems to me that if we are indeed interested in seeing what we can do about recession, there is an undeniable fact that we must take action to help State and local governments throughout the country which are being forced to raise taxes or to lay off employees in order to maintain services.

Mr. Speaker, what this title will do is see to it that we prevent the laying off of employees, thus holding back further unemployment and maintaining important services, such as garbage collection, police and fire protection, and all the other critical services that was referred to by the gentleman from Illinois (Mr. ANDERSON) earlier in his remarks on this question.

It seems to me that the Congress has a responsibility to see to it that each of our localities is given the support that is needed to make certain that we maintain the kind of responsible government and the kind of responsible services that the country is looking to the Congress to provide.

Mr. Speaker, that is what title II does. I therefore ask the Members to support it.

Mr. WRIGHT. Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio (Mr. JAMES V. STANTON).

Mr. JAMES V. STANTON. Mr. Speaker, I wish to indicate and to emphasize that it is critical to the State of Ohio that this legislation be adopted.

Mr. Speaker, title II of the Public Works Employment Act of 1975 was part of the Senate bill and accepted in modified form by the conferees. Under title II emergency grants can be made to State and local governments based upon the unemployment rate in their jurisdictions.

This is countercyclical funding, so named because it is aimed at overcoming the problem created when Federal efforts to stimulate the economy are being offset by cutbacks at the State and local levels.

For example, a recent survey of 48 States and 140 local governments by the Joint Economic Committee of Congress showed they took $8 billion out of the spending stream during 1975. This came as $3.6 billion in tax increases, $3.3 billion in cuts in current outlays, and $1 billion in deferred capital construction.

The National Governors' Conference has documented an alarming trend in State finances. In the past few months 22 States have reduced services below budgeted levels, 23 have cut existing positions or frozen hiring, and 25 have delayed capital expenditures.

To the extent that some States had surpluses, they are rapidly disappearing. Thirty-seven States responding to a recent survey reported that aggregate surpluses had fallen from $4.5 billion, or 8 percent of total budgets at the beginning of fiscal 1975, to an expected $220 million, or 0.3 percent of total budgets at the end of fiscal 1976.

It is obvious that efforts to stimulate economic activity at the Federal level will to a large part be neutralized unless these other governmental jurisdictions—which account for more than 15% of the GNP—can be brought into step. What has happended already has undercut the effects of the tax cut voted last year by the Congress. The projected estimates of $1,562,500,000 for title II could go for such purposes as paying the salaries of police, firemen, and other municipal servants, shoring up school budgets, and maintaining services that might otherwise be curtailed.

The idea should not be confused with revenue sharing, for aid would be directed to States and communities in proportion to their unemployment problems. When unemployment dropped below 6 percent the assistance would terminate.

Mr. WRIGHT. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. O'HARA), who today is here speaking in behalf of the Committee on the Budget.

Mr. O'HARA. Mr. Speaker, the amounts provided in this bill, both with respect to budget authority and with respect to outlays, are within the second congressional budget resolution adopted by this Congress in December.

With respect to both outlays and budget authority, as a matter of fact, they are $400 million beneath the figures provided in the resolution adopted by this Congress at the end of the last session.

Our congressional spending targets with respect to the transition quarter also assume full funding of the programs authorized in the bill.

If we adopt title II and the remainder of this conference report, we provide the economic stimulus that the Committee on the Budget and the Congress wanted when we adopted the budget resolution.

Mr. BRADEMAS. Mr. Speaker, will the gentleman yield?

Mr. O'HARA. I yield to the gentleman from Indiana.

Mr. BRADEMAS. Mr. Speaker, I want to identify myself with the remarks of the gentleman from Michigan (Mr. O'HARA) and to congratulate him on what he has had to say about the relationship of this bill to the budget resolution.

Mr. Speaker, approval of the Public Works Employment Act today and the vote earlier this week to override President Ford's veto of the Labor-HEW appropriations bill show that Congress is not willing to accept President Ford's policies of continued high unemployment and, in addition, that Congress has both the capacity and the will to determine national economic policy.

Despite White House claims that both these pieces of legislation are examples of "budget busting" and "fiscal irresponsibility," funds for the bills are within the budget ceiling of $374 billion Congress adopted for fiscal 1976.

Mr. Speaker, the President may not like the way Congress is allocating the money, but the fact remains that Congress did not exceed the limit it set under the new budget reform process and reduced the President's spending requests by $7.4 billion in calendar 1975.

Unemployment in 1973, when this recession began, was 4.9 percent. It is 8.3 percent now. Under the President's program, unemployment would average 7.7 percent for 1976, 6.9 percent in 1977 and would not be reduced to 5 percent until 1980.

About 2.2 million jobs were lost during the recession. The slight upturn that began last spring after Congress voted a tax cut and provided 310,000 public service jobs has put about 1.3 million people back to work. The Public Works Employment Act will provide jobs for about 800,000 people. An extension of the public service jobs program in a few weeks will add another 300,000 new jobs.

While Federal expenditures for these job programs appear vast, I must emphasize that the sums are within the ceiling set by the budget reform procedures. And the money will be well spent, for the programs will result in decreased expenditures for unemployment compensation programs—now running at $19.4 billion per year—will finance the construction of needed public facilities, and will bring revenue into the Treasury.

Mr. O'HARA. Mr. Speaker, the Committee on the Budget of the House tried specifically to provide a limited amount of economic stimulus. We recognized that unemployment last year was the highest in 35 years and that if the rosy predictions of the Commerce Department are realized for the current year, it will have the second highest unemployment in 35 years.

This bill is perhaps the most effective measure we could adopt at this time to reduce unemployment and we will not have many chances to adopt measures specifically designed to reduce the very high rate of unemployment.

If we really want to do something about unemployment we will adopt title II and the rest of the conference report and send it to the White House without delay.

Mr. WRIGHT. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. NOWAK) a member of the committee.

Mr. NOWAK. Mr. Speaker, I rise in opposition to the motion to strike this very, very important title to this bill.

Mr. Speaker, title II is a useful tool for forging the reemployment program purposes of this bill.

It is true that it has not been the subject of House hearings yet. It has, however, been the subject of considerable study, including analysis by the Congressional Budget Office—which concluded that if grants were made to the hardest hit governments, and given quickly, they could greatly aid in reducing both fiscal and manpower problems.

Title II of this report is so designed.

It is temporary in nature—cut back to 5 quarters from the Senate's 12-quarter authorization. It reaches State and local governments in all sections of the Nation—those governments struggling between the rock of recession-caused need for more services and the hard place of fiscally forced reductions in manpower and services. It has the additional—and sensible—advantage of not being an open-ended program. It operates only for those areas needing it, and shuts off when it is no longer needed.

This program in no way competes with general revenue sharing. It complements the public service jobs sections of this bill, by providing emergency help to maintain the public employment level at the same time that the public works portions help the private sector. The countercyclical grants are limited in duration, target, and scope.

This conference report is carefully thought out and delicately balanced. The emphasis is on creating jobs in the private sector, but the recessionary and inflationary pressures are still increasing demands for public services. The antirecession grants will enable local governments to maintain those services during the economic recovery.

This may well prove to be the most important legislation of this session—and the same kind of measurable economic stimulus that the Tax Reduction Act provided last year.

We must get our work force off the dole and on the job. Let us not halt the effort now. Let us approve the conference report in its entirety, so that the jobs this bill creates can activate other jobs, increase productivity, and return stability to local, State, and National Government.

Mr. WRIGHT. Mr. Speaker, may I inquire does the gentleman from Texas have one or two more speakers? I have one more that I have promised. I wonder if the gentleman might want to yield time.

Mr. BROOKS. Mr. Speaker, I yield 1½ minutes to the gentleman from New York (Mr. WYDLER).

Mr. WYDLER. Mr. Speaker, I think we should make it clear that this is not a jurisdictional dispute, at least insofar as I am concerned. To me this is a matter of legislative practice. Although it might upset my chairman of the Government Operations Committee, I would not mind if the Committee on Public Works were to consider this matter in the House, but I think the House ought to take a look at this program. It is a $1 billion plus program. We have never had a hearing on this bill. As I read the program over I find it is full of holes and full of difficulties. To pass it now without any House consideration is a very bad legislative practice.

I would like to address a point that has been made many times during debate about the fact that we spend $19 billion in unemployment compensation and so we should pass this bill and get ride of the need for this expenditure. There is an implication that we will get rid of this if we pass this bill. That just is not the fact. At the most, we will eliminate 600,000 people now unemployed. That is at the very best. I do not believe it, but that is what is claimed. That would represent about $1½ billion of the unemployment amount. We would still have $17½ billion being spent on unemployment compensation. But, in order to get rid of that $1½ billion of unemployment insurance, we will have to spend $6 billion under the terms of this bill.

So this is not a good trade-off. It is not a good bargain.

This program should go before some committee in the House for consideration and improvement.

I urge my colleagues to support the chairman of the committee and reject title II.

Mr. WRIGHT. Mr. Speaker, I yield such time as he may consume to the gentleman from Florida (Mr. YOUNG).

Mr. YOUNG of Florida. Mr. Speaker, I rise in support of this conference report if the House determines in its wisdom to retain title II as proposed. This is one of those few instances where a conference committee has improved a House passed bill and Mr. Chairman, this is one of the very first economy stimulating measures considered by Congress which actually guarantees some help to the people of my State and my district.

I compliment the conferees for the fiscal improvements they suggest for title I as well as adding title II and title III which guarantee that a share of the funds will be made available to Florida and Pinellas County.

Mr. Speaker, the largest single field of unemployment in Pinellas County is in the construction industry. I believe this bill as amended by the conference committee does finally guarantee some assistance where it is needed. The building which will be made possible by this legislation will create an economic situation where real jobs will be created for those who would rather build than stand in line hoping to get one of the very few and very temporary "make work" jobs some propose.

Mr. WRIGHT. Mr. Speaker, may I inquire how much time I have remaining?

The SPEAKER pro tempore. The Chair will state that the gentleman from Texas has 4 minutes remaining.

Mr. WRIGHT. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. MINETA) a member of the committee.

Mr. MINETA. Mr. Speaker, I would like to speak to this issue because of my experience in having just come from the local government sector.

I would like to bring this matter into perspective since there has been some discussion about whether or not there is a committee jurisdictional problem involved. Mr. Speaker, it seems to me that we have a responsibility of trying to deal with the unemployment situation in this country today and that the person on the street who has no job could care less about whether or not this is a jurisdictional matter and whether it should be considered in the Committee on Government Operations or in the Committee on Public Works and Transportation. What we have to do is to be able to deal with that question of the seriousness of our unemployment situation directly by opposing this motion to delete title II.

The problem is that at the local governmental level today property taxes are declining, and that is the greatest basis of financial support for the local levels. Because of defaults, and because of the increasing costs to local governments, that are outstripping the rise in local property tax revenues, the kind of assistance embodied in title II is directly and desperately needed at this time.

If we do not have some kind of a program to counter the downward spiral of the economic recession with its attendant increasing unemployment, what we are doing then at the local level is exacerbating the unemployment situation.

Title II will make sure that financial assistance is injected at the local government level to maintain present levels of service. Citizens are demanding that their police protection be maintained, that their garbage collection service be maintained, and that other service levels not deteriorate. If this bill is not passed, we have no program of alleviating that situation and why should local governments be forced to lay off another 112 police officers, or another 116 garbage collectors in order for them to balance their budgets? All that our inaction does is add to their problem.

Title II is a necessary ingredient to make sure that basic levels of services are maintained and we really must keep in mind that dealing with unemployment is the name of the game. Title II speaks directly to that issue, and I would hope that this House will defeat the motion to delete title II.

At this point I would only say that there has been some thought that we have not had sufficient hearings. The fact is that this legislation had been assigned to the Government Operations Committee since the 28th of April 1975, and I assume by their choice this matter purposely has not been heard.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. WRIGHT. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. PATTISON).

Mr. PATTISON of New York. Mr. Speaker, I would like to express my support for passage of H.R. 5247 as adopted by the House-Senate conferees.

In particular, I would like to urge my colleagues to support retention of title II in that bill. And I feel it necessary to comment on some of the arguments that have been raised in objection to title II.

A number of criticisms have been leveled at title II—the countercyclical assistance program—by those who would like to see it struck from the conference report. I do not find any of these criticisms very convincing. Many of them strike me as little more than excuses for what is basically a jurisdictional dispute.

Two of the least convincing arguments are that the House has not had time to consider the countercyclical proposal, and that it is not germane to the public works bill.

On the first point, the House has had plenty of time to take a look at this legislation, as it has been pending before the Government Operations Committee for 9 months.

On the second point, the countercyclical program is clearly germane to an antirecession bill like public works. What is clearly not germane is title III, but the opponents of title II have not raised any objections to that.

Among the more substantive criticisms being used against title II argues that inflation, not recession, is the real villain affecting State and local government budgets. This argument is deceptive in its simplicity, and demands a more thoughtful response. For the facts do not support it.

Obviously, inflation has severe consequences for State and local governments, as it does for individual citizens. If the consequences of recession are less obvious, they are no less serious.

For example, Census Bureau figures on the State and local government revenue picture for fiscal year 1975 show that revenues from all tax sources did not keep pace with inflation. That, in my opinion, is a fairly serious condition.

These same Census Bureau figures indicate that the impact of the recession on State and local governments was just beginning to be felt by last summer, as many economists had predicted. For example, from June 1974 to June 1975, only three States experienced a decline in general sales tax revenues. But from March of 1975 to June 1975, 11 States experienced such a decline. The same is true for State income taxes. Only 4 had a decline over fiscal year 1975, while 10 had such a decline during the last quarter of that fiscal year.

The opponents of title II claim further that there is no evidence that high unemployment rates have any significant effect on the ability of local governments to collect property taxes. These same opponents might be interested to know that for fiscal year 1975, property tax revenues increased by only 6.1 percent nationally, while the Consumer Price Index rose by 9.7 percent. For the first half of 1975 the growth rate in property tax revenues had dropped to 2 percent, an unprecedented decline in view of the growth of the property tax since World War II. According to the Advisory Commission on Intergovernmental Relations, this decline is due in very large part to the severe curtailment of new construction, an important element of property tax growth and a factor directly related to the recession.

At the State level, revenue projections are turning up short in many States throughout the country—Maine, Virginia, Wisconsin, just to name a few. A recently released report of the National Governors' Conference confirmed a bleak fiscal future for many of the States in the following conclusion:

> With few exceptions, State surpluses of previous years are gone . . . The problem is that State tax revenues, sapped by the recession, have not risen enough to keep up with inflation.

I urge my colleagues to read this report if they need further convincing on this point.

In summary, Mr. Speaker, I do not quarrel with the conclusion that inflation has taken a major toll on State and local government budgets. But to claim that recession has left no mark is simply to ignore the facts.

I hope that my colleagues will disregard such simplistic arguments when they cast their votes on title II.

Mr. WRIGHT. Mr. Speaker, I have one other speaker, the majority leader. I do not know what the courtesy is, or the appropriate protocol, in a matter of this kind.

The SPEAKER pro tempore. The Chair will rule that the gentleman from Texas may close debate.

Mr. BROOKS. Mr. Speaker, I yield the balance of my time to the gentleman from Pennsylvania (Mr. SHUSTER).

Mr. SHUSTER. Mr. Speaker, I support the motion to strike title II, because I want legislation to help create real jobs, which is what title I does; construction jobs in the private sector. If title II is stricken, $1.5 billion is saved, and the President's announced veto plans become less justified. More of us will vote to override if he does veto. So let us strike a blow for economy by knocking out $1.5 billion here and improve the chances of this legislation becoming law by voting here to strike title II.

The SPEAKER pro tempore. The time of the gentleman has expired.

PARLIAMENTARY INQUIRY

Mr. WRIGHT. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state his inquiry.

Mr. WRIGHT. Do I correctly understand that the vote will come automatically upon the expiration of the remaining time, and that a vote of "aye" would be a vote in favor of the motion by the gentleman from Texas (Mr. BROOKS) to delete title II?

The SPEAKER pro tempore. (Mr. GIBBONS). To reject it, that is correct.

Mr. WRIGHT. To reject title II, and that a vote of "no" would be a vote to retain the committee conference report intact?

The SPEAKER pro tempore. The gentleman has stated the parliamentary situation correctly.

Mr. WRIGHT. I yield the balance of my time, Mr. Speaker, to the distinguished majority leader of the House, the gentleman from Massachusetts (Mr. O'NEILL).

Mr. O'NEILL. Mr. Speaker, I am aware of the fact that this matter has been well debated. We have heard the arguments on the jurisdictional differences here. I want to stress in the face of this what this bill means to each and every one of us and what it means about jobs.

We are faced with a fact here, not a theory. If we take title II out of this conference report, the entire bill goes down. The Senate has already approved the package and discharged its conferees, so we must keep the bill intact. That is why I ask the Members to stay with the committee. We have got to keep this bill intact if we want to move it into law.

The argument on title II, of course, has all been about countercyclical funds. We all know what the economy is across the Nation. We all know what this economy of ours means to the man at the bottom of the employment ladder. We all go home on weekends. We all go to our offices. Our constituents come in to see us about the loss of jobs and things of that nature. And it is rough and tough to face them.

While this bill is not the whole answer to the problem, it is nevertheless an answer. It is an answer which I think will stimulate the economy and help move America along, together with the tax bill we had earlier in the year.

The gentleman from Texas (Mr. WRIGHT) has made mention of the fact that to us it is absolutely unacceptable that we have to spend $20 billion a year in unemployment compensation. That is right, $20 billion a year.

This is good legislation. The joint committees of the House and the Senate have been working for a year. This is the bill we have which we think will be a great boon to America.

I hope we will vote down the motion to reject title II and I hope we will pass the legislation.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. BROOKS) to reject title II.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. BROOKS. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

Mr. MYERS of Pennsylvania. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 133, nays 268, not voting 31, as follows:

[Roll No. 26]

YEAS—133

Abdnor
Andrews, N.C.
Archer
Ashbrook
Ashley
Bafalis
Bauman
Beard, Tenn.
Bennett
Bonker
Bowen
Brooks
Brown, Mich.
Brown, Ohio
Broyhill
Burgener
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conlan
Crane
Daniel, Dan
Daniel, R. W.
Derrick
Derwinski

Devine
Dickinson
du Pont
Emery
English
Erlenborn
Eshleman
Evans, Ind.
Evins, Tenn.
Findley
Flynt
Foley
Fountain
Frenzel
Frey
Fuqua
Gibbons
Goldwater
Gradison
Grassley
Hagedorn
Haley
Hansen
Harsha
Hicks
Hightower
Holt
Horton
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jordan
Kasten
Kelly
Kemp
Ketchum
Kindness
Lagomarsino
Latta
Levitas
Long, Md.
Lott
Lujan
McClory
McDonald
McEwen
Mahon
Mann
Michel
Milford
Miller, Ohio
Montgomery
Moorhead, Calif.
Myers, Ind.
Myers, Pa.
O'Brien
Pettis
Pickle
Poage
Quie
Railsback
Randall
Rees
Robinson
Roush
Rousselot
Runnels
Satterfield
Schneebeli
Schulze
Shuster
Sikes
Smith, Nebr.
Snyder
Spence
Steed
Steelman
Steiger, Ariz.
Symms
Taylor, Mo.
Taylor, N.C.
Thone
Treen
Wampler
Whitehurst
Wiggins
Wilson, Bob
Wilson, Tex.
Wydler
Wylie
Young, Alaska
Young, Tex.

NAYS—268

Abzug
Adams
Addabbo
Alexander
Allen
Ambro
Anderson, Calif.
Anderson, Ill.
Annunzio
Aspin
AuCoin
Badillo
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Bergland
Bevill
Biaggi
Biester
Bingham
Blouin
Boggs
Boland
Bolling
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Broomfield
Brown, Calif.
Buchanan
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burton, John
Burton, Phillip
Carney
Carr
Carter
Cederberg
Chisholm
Clay
Collins, Ill.
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Dingell
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Esch
Evans, Colo.
Fary
Fascell
Fenwick
Fish
Fisher
Fithian
Flood
Florio
Ford, Mich.
Ford, Tenn.
Forsythe
Fraser
Gaydos
Giaimo
Gilman
Ginn
Gonzalez
Goodling
Gude
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harrington
Harris
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hillis
Holtzman
Howard
Howe
Hubbard
Hughes
Jeffords
Jenrette
Johnson, Calif.
Jones, Ala.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Keys
Koch
Krebs
Krueger
LaFalce
Landrum
Leggett
Lehman
Lent
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
McCloskey
McCormack
McDade
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Maguire
Martin
Matsunaga
Mazzoli
Meeds
Melcher
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moore
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murtha
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Peyser
Pike
Pressler
Preyer
Price
Pritchard
Quillen
Rangel
Regula
Reuss
Richmond
Riegle
Rinaldo
Risenhoover
Roberts
Rodino
Roe
Rogers
Roncalio
Rooney
Rosenthal
Rostenkowski
Roybal
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Shipley
Simon
Sisk
Slack
Smith, Iowa
Solarz
Spellman
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Teague
Thornton
Traxler
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Waxman
Weaver
Whalen
White
Whitten
Wirth
Wolff
Wright
Yates
Yatron
Young, Fla.
Young, Ga.
Zablocki
Zeferetti

NOT VOTING—31

Andrews, N. Dak.
Armstrong
Bell
Blanchard
Diggs
Dodd
Edwards, Ala.
Flowers
Green
Guyer
Hébert
Hinshaw
Holland
Karth
McCollister
Madigan
Mathis
Metcalfe
Mottl
Murphy, N.Y.
Patman, Tex.
Rhodes
Rose
Sebelius
Shriver
Skubitz
Talcott
Thompson
Udall
Wilson, C. H.
Winn

The Clerk announced the following pairs:

On this vote:

Mr. Hébert for, with Mr. Thompson against.
Mr. Holland for, with Mr. Karth against.
Mr. Guyer for, with Mr. Green against.

Until further notice:

Mr. Andrews of North Dakota with Mr. Flowers.
Mr. Diggs with Mr. Murphy of New York.
Mr. Mathis with Mr. Dodd.
Mr. Patman with Mr. Mottl.
Mr. Rose with Mr. Blanchard.
Mr. Metcalfe with Mr. Edwards of Alabama.
Mr. Udall with Mr. McCollister.
Mr. Charles H. Wilson of California with Mr. Winn.
Mr. Armstrong with Mr. Skubitz.
Mr. Bell with Mr. Talcott.
Mr. Madigan with Mr. Shriver.
Mr. Rhodes with Mr. Sebelius.

Messrs. McCLORY and BROWN of Michigan changed their votes from "nay" to "yea."

So the motion was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. BLANCHARD. Mr. Speaker, I take this time to insert the following personal explanation in the RECORD immediately after the rollcall vote No. 26.

My statement simply is that moments ago I was unavoidably detained, being trapped in an elevator, and I was unable to vote on rollcall No. 26.

Had I arrived in time I would have voted "nay" on rollcall No. 26.

The SPEAKER pro tempore (Mr. GIBBONS). The Clerk will report the statement of the managers.

Mr. JONES of Alabama. Mr. Speaker, I ask unanimous consent that the statement of the managers be read in lieu of the report.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of December 15, 1975.)

Mr. JONES of Alabama (during the reading). Mr. Speaker, I ask unanimous consent that the statement be considered as read.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The SPEAKER pro tempore. The gentleman from Alabama (Mr. JONES) will be recognized for 30 minutes and the gentleman from New Hampshire (Mr. CLEVELAND) will be recognized for 30 minutes.

Mr. JONES of Alabama. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I urge adoption of the conference report to H.R. 5247, the Local Public Works Capital Development and Investment Act of 1975, which is now known as the Public Works Employment Act of 1975. The conference report was filed in the House on December 15. The U.S. Senate approved the report on December 17, 1975. All that remains now is action on the report by the House.

This bill was initiated by the Democratic leadership of the House in March of last year to combat unemployment by stimulating activity in the construction and construction-related industries and to stimulate national economic activity by assisting State and local governments in the construction, renovation, and repair of badly needed local public facilities. The bill passed the House by a vote of 312 to 86 and authorized $5 billion for 100 percent grants to State and local governments to construct public facilities in areas of high unemployment. This legislation remained substantially intact in the conference agreement except the $5 billion authorized was reduced to $2.5 billion for the period ending September 30, 1977.

The Senate, in acting on this bill, added several amendments that were nongermane to the initial legislation under the rules of the House.

An antirecession grant program was adopted that would authorize grants to State and local governments particularly affected by loss of tax revenues because of high unemployment in the area. These grants are intended to assist State and local governments to continue and maintain their existing levels of services and employment without raising taxes. The conference agreed with the need for this kind of assistance but reduced its duration from 3 years to 5 calendar quarters beginning April 1, 1976, in order that its effectiveness be tested and evaluated before any long-term legislation is enacted.

The Senate amended the Public Works and Economic Development Act of 1965 by increasing the authorization for the business development program for fiscal year 1976 by $125 million and authorizing an interest subsidy to that program.

The job opportunities program as contained in title X of this act would also be extended and amended.

As a result of the Senate's action amending the Economic Development Act, our committee held hearings on all bills referred to it to amend and extend this act. These hearings were held before the House agreed to a conference with the Senate. The amendments made by the Senate to the Economic Development Act were substantially retained by the conference. In addition, a new section 405 to this act authorizing an urban economic development program based on our hearings was accepted by the conference. The House conferees considered all of these amendments in great length before compromises could be reached on the legislation.

The Senate also amended the Water Pollution Control Act by authorizing a new allocation formula for grants to States for the construction of publicly owned wastewater treatment facilities.

The conference did not accept this amendment; however, it did agree to authorize $1.4 billion to be available beginning in fiscal year 1977 for those States that would have been entitled to additional funds had the amendment been accepted by the conference.

The bill has now become an extremely important antirecession package which is easily justified with the current and projected high unemployment. It is estimated that the bill will create approximately 600,000 jobs. 250,000 jobs are estimated for the public works program authorized by title I. About half of these jobs will actually be on the project site with the remainder in the construction materials industries that are now operating well below capacity. In addition, the antirecession grant program is expected to create or preserve about 115,000 jobs in State and local government. The continuation of the job opportunities program of the Public Works and Economic Development Act is expected to create another 100,000 jobs. The water pollution abatement funds authorized by the report could produce another 140,000 construction jobs.

The budget authority and projected outlays that would be required for the programs authorized in the conference report for fiscal year 1976 are included in the congressional budget resolution adopted for the fiscal year 1976.

I, therefore, strongly urge the adoption of the conference report.

Mr. Speaker, I would like to inquire of the gentleman from New Hampshire (Mr. CLEVELAND) if he has any requests for time.

Mr. CLEVELAND. Mr. Speaker, if the gentleman will yield, I have requests from two Members.

Mr. JONES of Alabama. Then, Mr. Speaker, would the gentleman utilize his time for his speakers now?

Mr. CLEVELAND. Yes, Mr. Speaker.

Mr. Speaker, first I yield myself such time as I may consume.

Mr. Speaker, I urge rejection of the conference report. I deeply regret the defeat of the motion to reject title II, as I believe every Member who supported title II will come—in time—to regret it.

The Senate has done it again. We have accepted a totally nongermane conflicting—indeed, contradictory—provision under virtual dictation from the other body. We would embark on a brand new categorical aid program without the slightest taint of consideration of what is in it. To sum that up, I would only observe that: First, I do not think we should be trying to do what it attempts to do, and second, even if we should, I have grave doubts that it will do the job.

But I base my opposition not only on title II but other features of the bill, which should give pause to States disadvantaged by the Talmadge-Nunn buy-off of $1.4 billion, and those concerned over the integrity of the economic development program.

With respect to Talmadge-Nunn, we would set aside a special pot of $1.4 billion, on pure political bargaining grounds, to benefit those States which receive less on the basis of need. In so doing, we transform this vital, high-priority program into a species of general revenue sharing.

On the surface, nobody gets hurt this time around. The needs formula beneficiaries get theirs. The other States get theirs. But I ask what happens next in the budget process, when we start authorizing additional funds for the clean water construction grants program? With an extra $1.4 billion sitting out there, does any Member think that future authorizations will not take that into account? That the total pot to be shared by all States—needs formula beneficiaries and Talmadge-Nunn beneficiaries—will not be accordingly reduced?

Those questions should be asked by Members from the States of California, Connecticut, Delaware, Illinois, Indiana, Maine, Massachusetts, Michigan, Minnesota, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, and Virginia.

Yesterday before the Committee on Rules, we heard an argument from the gentlelady from New York, a member of the Committee on Government Operations and the Committee on Public Works and Transportation. We were urged to preserve all titles intact, so the support of one voting bloc in the House for one title would help gain votes for the others. I guess nothing has really changed through our budget reforms, our committee reforms, and the state of the economy.

But that argument can be turned around. This package is bad enough that I would like to see a coalition of commonsense vote for its rejection. Let me again tick off those States which stand to lose in the future as a result of the Talmadge-Nunn buy-off: California, Connecticut, Delaware, Illinois, Indiana, Maine, Massachusetts, Michigan, Minnesota, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, and Virginia.

A vote for the conference report could lead to reductions in water pollution funds in the range of 10 percent in future years. That translates into $60 to $70 million for New York or California; $20 to $30 million for Pennsylvania or Ohio; $2 to $10 million from the smaller of those States I enumerated.

Now, regarding the so-called urban economic program in title III. This section, added in conference, authorizes any city of 50,000 population to be eligible for economic assistance. This new section, to be added to title IV of the Public Works and Economic Development Act of 1965, provides $100 million through September 30, 1975, for urban economic development. These funds are to be available exclusively to cities designated under this new section; however, if a city is designated under existing EDA criteria, it may be eligible for funds under the entire act. A city designated under this new section may prepare a plan for economic development and if such a plan is approved, a grant is awarded to carry out the plan. The plan may include land banking, acquisition of surplus government property, acquisition of industrial sites, real estate development, rehabilitation of historical buildings, rehabilitation of empty factories, and other investments.

As I mentioned, this provision was added in conference. It was never voted on by the Senate or by the House or by any committee thereof. The House Subcommittee on Economic Development held 2 days of hearings last fall on the continuation of EDA. Urban needs was a topic discussed during one of those days. However, legislative language was never considered in subcommittee; neither was it voted upon.

The provision requires no criteria other than a population of 50,000 or more for a city to be eligible. Since this includes every city over 50,000, including New York, Los Angeles, Chicago, Philadelphia, Boston, Washington, Detroit, and every other major metropolitan city in the country, it includes certainly a majority of the population of the country and probably closer to 80 percent. Do we expect a program like this to revitalize urban America with a drop in the bucket of $100 million? Furthermore, what makes a city over 50,000 a depressed area? Certainly parts of many cities are economically depressed and parts of many cities are in need of economic renewal. But simply because some cities and parts of others need this assistance, must we give it to everybody?

EDA is designed to aid pocket areas of the country suffering from the economic ills of long-term outmigration, substantial unemployment, low family income, high job dependency, and the like. Many cities and parts of cities are currently receiving assistance. They need assistance, and they get it. This new provision would blanket in all cities over 50,000 and, I remind you not cities under 50,000, for aid under this section, and possibly under the entire act. If we as lawmakers are serious about the business of domestic economic development, we should not fool ourselves into believing that a proposal as preposterous as this will in any way aid the plight of cities. It is fundamentally unsound, it is contradictory to the purpose of the act, and it is a procedural maverick.

I urge the House to reject the conference report, in conclusion, on the basis of title II, which I referred to earlier, the Talmadge-Nixon buy-off, and the title III distortion of the EDA program.

Mr. Speaker, I yield such time as he may consume to the gentleman from Arkansas (Mr. HAMMERSCHMIDT).

Mr. HAMMERSCHMIDT. Mr. Speaker, as ranking minority member of the Economic Development Subcommittee, I rise in support of the conference report on H.R. 5247, the Local Public Works Capital Development and Investment Act of 1975. The reason for a degree of reticence in supporting this bill is that it has been changed almost beyond recognition by the addition of a number of Senate amendments and other provisions added in conference. When the bill passed the House last May it authorized $5 billion for local public works construction grants. Title I of this bill would provide 100 percent grants to State and local governments for public works projects which are ready to go. The bill is a job-creating measure and is probably still needed so that construction, renovation, and repair of public facilities can be stimulated. Because there is admittedly a lag time in public works projects, it is particularly unfortunate that enactment of this measure has been further delayed since House approval in May. Swift passage of the House measure in May could have had significant impact toward reducing high unemployment. In my opinion a favorable impact toward reducing unemployment can still result from the passage of this bill and most particularly the public works section of the legislation.

The Nation's economic posture has improved considerably since last spring when the House first passed their contribution to this conference report, title I. I am pleased there are still some positive economic signs. The inflation rate in 1975 was significantly lower than that of the previous year. In 1975 the inflation rate averaged 9.1 percent and is expected to be 6 percent this year. The Council of Economic Advisers predict that the GNP will rise 6 to 6.5 percent in real terms this year as compared with 2 percent decline last year and 1.8 percent decline in 1974. Business investment for plants and equipment is expected to rise from 2.4 percent in the fourth quarter in 1975 to 2.9 percent in the first quarter, 1976, and 2.3 percent in the second quarter of 1976.

Consumer confidence and consumer buying plans are both up. While these are encouraging economic signs, unemployment is still unacceptably high. The December unemployment rate was 8.3 percent. Unfortunately in 1976 it is predicted to average 7.7 percent. Title I of this bill is designed to create jobs in the private sector, particularly in certain industries especially hard hit by the recession. The need for this section of the legislation is evidenced by the still high unemployment rate predictions. The public works section is structured to address itself to this problem because of its two-tier priority of funding. Seventy percent of the funds would be available to areas with unemployment above the national average and the other 30 percent would be available to other communities in between the national average and 6.5 percent or those which had unusual circumstances.

Title II of this bill authorizes antirecession grants to enable State and local governments with high unemployment to maintain essential public services. Congress has already enacted public service jobs program providing more than 330,000 jobs. The President has asked for an extension of the public service jobs program. This particular title may be duplicative and still poses questions as to how it will work. The House has had no hearings on this particular measure although I understand the Senate has had some. The House Government Operations Committee was, of course, opposed to the inclusion of this program in this particular bill. Certainly I understand their desire to consider this measure and I feel it would be helpful if the House had the benefit of their study of the antirecession proposal. This is basically a revenue-sharing measure structured to an unemployment criteria. The House Government Operations Committee has jurisdiction over this matter and has a good deal of expertise in evaluating such proposals. Certainly we are interested in a new or more effective program to deal with unemployment. However, I feel this measure should be subject to the scrutiny and hearings of the appropriate House Committee.

A new urban section was added in conference committee. Title IV of the Public Works and Economic Development Act would be amended to make cities of 50,000 or more automatically eligible for assistance under this section and eligible for other EDA programs; $100 million is authorized for fiscal year 1976. There is a need for the Economic Development Subcommittee to address itself to the urban problems and the very high unemployment rate in many of our urban centers. I want to compliment my colleagues Congressman ROE, Chairman of the subcommittee, and Ms. ABZUG and others in the committee for their diligent efforts to supplement the EDA programs to make them more responsive to urban needs.

The matter giving me concern and some apprehension is that the urban section contained in this bill gives blanket eligibility to cities of 50,000 or more. The present district program requires that a number of criteria be met to qualify for assistance. The criteria include substantial unemployment in excess of the national unemployment, median income significantly below the national average, a high rate of outmigration, or loss of a major source of employment. These criteria were well thought out. I fear giving blanket urban eligibility without meeting any other criteria could erode the effectiveness of the economic development program. I feel this measure needs more study. The subcommittee must consider legislation this year to extend all of the EDA programs. I feel it would have been more appropriate to consider this measure at that time.

This conference report also extends title X of the Public Works and Economic Development Act, the job opportunities program, through September 30, 1977, at an authorizations level of $500 million. However, I want to point out that a number of language changes have been made which I hope will correct some of the problems which were apparent in the previous selection of projects under this program. The "labor intensive" requirements have been omitted in an effort to change the bias in the act toward strictly public service jobs. A new section has been added to clarify that these funds should not be substituted for other agency moneys. The Assistant Secretary for Economic Development, Department of Commerce, is directed to administer this program since it is a part of the normal EDA programs under his jurisdiction.

Finally, I want to reiterate my concern that the total cost of this package would be $6.125 billion and that it would authorize several new spending programs. However, some programs are authorized for fiscal year 1976 and others are postponed until fiscal year 1977 so that the budgetary impact would be lessened. Because this measure is within the 1976 budget resolution I will continue to support it. The budget resolution authorizes $3.9 billion for public works and antirecession programs and $1 billion for outlays in 1976. This bill authorizes $3.6 billion for fiscal year 1976 and it is estimated that $600 million in outlays would result.

Unemployment is still unacceptably high and this bill would create badly needed jobs now. There have been predictions that this bill would create between 400,000 to 600,000 jobs, most of which would be in private industry. Should this be the case this would certainly be a wise investment since any additional jobs created, provide a stimulus to the total economy by taking people off of unemployment, providing them with funds to purchase goods in the marketplace and provide additional tax revenue. Obviously giving citizens an opportunity to work and produce, especially through the public works titles is a far better alternative than continuing to pay out through unemployment compensation payments now totaling $18 billion per year.

Mr. Speaker, since much of the Federal assistance available to communities and States is based on the degree of quarter-annual unemployment, I ask unanimous consent to insert extraneous material pertinent to this conference report.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HAMMERSCHMIDT. Mr. Speaker, unemployment figures are changing and it is impossible to predict at this time what funds will be available to States under the anti-recession program. This program is authorized to begin in April 1976. The unemployment data to be used in figuring allocation for April 1976 will be unemployment figures for October, November, and December of 1975. I have copies of unemployment data by State provided by the Department of Labor for October and November. I will furnish for the RECORD December figures when they are available.

I have requested to have this table printed so that Members may see the unemployment rate of their State, according to the Department of Labor's figures:

U.S. DEPARTMENT OF LABOR—BUREAU OF LABOR STATISTICS

States	November 1975				Preliminary, October 1975
	Labor force	Employment	Unemployment	Unemployment rate	
Alabama	1, 471, 595	1, 345, 041	126, 554	8.6	8.5
Alaska	185, 921	170, 252	15, 669	8.4	7.9
Arizona	914, 840	828, 862	85, 978	9.4	9.7
Arkansas	852, 342	786, 827	65, 515	7.7	7.1
California	9, 427, 100	8, 516, 700	910, 400	9.6	9.1
Colorado	1, 159, 649	1, 095, 817	63, 832	5.5	5.3
Connecticut	1, 467, 399	1, 316, 743	150, 656	10.3	10.2
Delaware	248, 477	228, 038	20, 439	8.2	8.1
District of Columbia	338, 228	309, 212	29, 016	8.6	8.6
Florida	3, 363, 980	2, 957, 849	406, 131	12.1	12.3
Georgia	2, 167, 000	1, 976, 194	190, 816	8.8	8.8
Hawaii	368, 151	335, 609	32, 542	8.8	8.4
Idaho	367, 800	343, 400	24, 400	6.6	5.7
Illinois	5, 009, 145	4, 573, 395	435, 800	8.7	8.7
Indiana	2, 368, 026	2, 194, 374	173, 652	7.3	7.4
Iowa	1, 365, 448	1, 290, 457	74, 991	5.5	5.1
Kansas	1, 061, 346	1, 012, 086	49, 260	4.6	4.5
Kentucky	1, 501, 788	1, 395, 726	106, 062	7.1	7.4
Louisiana	1, 416, 781	1, 305, 296	111, 485	7.9	8.0
Maine	435, 000	394, 500	40, 500	9.3	8.9
Maryland	1, 854, 795	1, 718, 187	136, 608	7.4	7.1
Massachusetts	2, 765, 900	2, 440, 700	325, 200	11.8	12.2
Michigan	4, 058, 700	3, 565, 000	493, 700	12.2	12.4
Minnesota	1, 797, 416	1, 705, 695	91, 721	5.1	4.8
Mississippi	940, 251	884, 580	55, 671	5.9	6.0
Missouri	2, 072, 723	1, 935, 549	137, 174	6.6	6.6
Montana	507, 155	300, 600	26, 495	8.1	8.2
Nebraska	724, 255	688, 365	35, 890	5.0	4.9
Nevada	303, 069	275, 356	27, 713	9.1	8.8
New Hampshire	364, 700	345, 600	19, 100	5.2	5.2
New Jersey	3, 208, 721	2, 888, 573	320, 148	10.0	10.0
New Mexico	449, 103	416, 647	32, 456	7.2	7.4
New York	7, 633, 963	6, 853, 215	708, 748	10.2	10.1
North Carolina	2, 481, 406	2, 302, 514	178, 892	7.2	7.1
North Dakota	266, 890	254, 120	12, 770	4.8	3.8
Ohio	4, 798, 337	4, 431, 968	366, 369	7.6	7.8
Oklahoma	1, 184, 442	1, 108, 022	76, 420	6.5	6.7
Oregon	1, 051, 769	947, 531	104, 238	9.9	9.0
Pennsylvania	5, 134, 105	4, 685, 737	448, 368	8.7	8.5
Puerto Rico	890, 614	719, 191	171, 423	19.2	18.8
Rhode Island	439, 863	386, 685	53, 178	12.1	12.0
South Carolina	1, 183, 966	1, 069, 451	114, 515	9.7	9.6
South Dakota	302, 297	289, 455	12, 842	4.2	3.9
Tennessee	1, 884, 499	1, 739, 877	144, 622	7.7	7.6
Texas	5, 368, 210	5, 044, 779	323, 431	6.0	6.1
Utah	519, 103	483, 070	36, 033	6.9	7.5
Vermont	204, 857	185, 046	19, 811	9.7	9.7
Virginia	2, 177, 361	2, 049, 234	128, 127	5.9	6.0
Washington	1, 547, 609	1, 402, 921	144, 688	9.3	8.7
West Virginia	678, 626	630, 812	47, 814	7.0	6.6
Wisconsin	2, 115, 956	1, 983, 348	132, 608	6.3	5.9
Wyoming	182, 237	174, 758	7, 478	4.1	3.6

Mr. JONES of Alabama. Mr. Speaker, I yield such time as he may consume to the gentleman from Washington (Mr. McCormack).

Mr. McCORMACK. Mr. Speaker, I rise in strong support of the conference report to the Public Works Employment Act. As a member of the House Public Works Economic Development Subcommittee, I want to congratulate both full Committee Chairman Bob Jones and Subcommittee Chairman Bob Roe for the outstanding work they have done in hammering out what may be the most important weapon against unemployment and recession produced by the Congress this year. Certainly it is the most vital.

Title I, authorizing $2.5 billion of Federal grants to State and local governments, for 100 percent of the cost of a project, will enable communities throughout the Nation to take pending construction, repair, and other local public facility improvement projects "off the shelf" and begin work within 90 days. It is estimated this provision alone will create nearly 600,000 immediate jobs nationwide. These are not make-work jobs, but are employment opportunities of a constructive nature, mostly to come from the construction industry sector of our economy—certainly one of the hardest hit by recession and unemployment.

Title II is an ambitious program originally passed by the other body and responsibly modified by the House conferees to provide antirecession grants of $375 million in each of the three fiscal quarters beginning April 1, 1976, and $250 million in each of the two succeeding quarters to cities with high unemployment to help them maintain their essential public services such as police, fire, and health protection.

The recession has taken a heavy toll on community revenues. As unemployment has risen, State and local revenues have dramatically decreased while at the same time cities have been met with increasing social service and welfare needs. People have been taken off the tax rolls and put on the welfare and unemployment compensation rolls.

Title II is an effort to stabilize this ever-worsening destabilization of our local governments. It should not be confused with general revenue sharing. The assistance this provision provides to municipalities is not a long-term program for bolstering the fiscal capacity of State and local governments, but is an emergency short-term, problem.

The program has four specific advantages. First, it provides an immediate impact on the economy. The money appropriated for aid goes directly into the operating account of the recipient government within 30 days; and the money must be spent within 6 months.

Second, it targets the assistance to those places most in need. No unit of government would receive assistance unless the unemployment rate within its boundaries was at least 6 percent.

Third, countercyclical aid is designed to phase itself out automatically as of June 30, 1977, and completely as the economy recovers. Unlike other Federal Programs, its authorization runs quarterly, so that it can turn off quickly during an economic recovery.

Fourth, and very important, countercyclical aid complements the stimulative efforts of other government programs by reducing the need for State and local governments to increase taxes or cut employment, purchases, and services. When the Federal Government is putting money into the economy, and the State and local governments are taking it out—in increased taxes and the like—then no real progress is being made. And when the Federal Government tries to create new jobs through public service employment, only to have State and local governments lay off workers and replace them with public service employees, then nothing is really being done. Countercyclical assistance is the kind of program which can effectively integrate the efforts of the Federal Government and local jurisdictions to fight unemployment.

Mr. Speaker, today we will vote, and thereby confirm our pledge to the American public, to continue a full bore attack against recession and its causes. This is a responsible bill. It does not bust the budget. It puts people back to work, back to paying taxes, takes people off the unemployment compensation rolls and welfare, stabilizes the budgets of our State and local governments, insures the continuance of vital services, and fills the burgeoning needs of our communities.

I urge my colleagues to demonstrate the commitment of this Congress to the people of this Nation and bring to them the spirit of confidence by passing this conference report by a resounding margin.

Mr. JONES of Alabama. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. McHugh).

Mr. McHUGH. Mr. Speaker, I rise in support of the conference report on the local public works bill. This legislation represents a major congressional response to our foremost national problems of recession, inflation, and high unemployment. It is a measure that will put Americans back to work, and also provide much-needed financial assistance to our State and local governments that have been hardest hit by our economic recession.

Under title I of this bill, $2.5 billion would be authorized for public works projects in our States and local communities. Localities with unemployment exceeding the national average would be given priority. Funds would flow into these communities promptly, for in order to qualify, a local public project would have to be started within 90 days of its approval. This program would impose no burden at the local level since the projects would be 100 percent federally funded. Mr. Speaker, this title would be of enormous help across the country and would be of benefit to every State. It would bring special relief to our construction industry where, as you know, unemployment exceeds 30 percent in many areas.

In my own State of New York, we would expect to receive $250 million, the maximum allowed for any State under title I. This of course reflects the high unemployment rate in New York. The program would also be of particular help in my own district, where many of our communities have been deeply shaken by high unemployment.

In discussing this program with many people in my district, Mr. Speaker, I can report very wide support for it. I am often asked, Why doesn't the Federal Government create a program like WPA, which was used successfully in the depression of the thirties? In my view, the program we are considering today is better than WPA in that we would not only be putting people to work on public projects, but these projects would be initiated by our local and State governments, where the needs can be best perceived.

I also want to express my support for title II of this bill, which provides countercyclical grants to State and local governments during a time of high unemployment. It is apparent that these grants, which would be available only over the next 15 months, are needed to assist local governments in maintaining their essential services without raising local taxes.

What we have found, Mr. Speaker, is that while the Federal Government has sought to stimulate the economy by giving tax dollars back to the people to spend, our State and local governments have had to take those dollars away with increased local taxes to maintain services. The result has often been a washout. We have seen that in a time of recession revenues to local governments have declined while their costs for public assistance have increased. To balance their budgets, they have either had to cut essential services such as fire, police, and health services, or raise local taxes. Neither alternative is acceptable, and therefore this legislation is necessary, at least until we have recovered from our current economic slump.

Under title II a total of $375 million would be available in each quarter until June 30, 1977, if unemployment stays at about its present level. Two-thirds of the money would go directly to local governments with populations over 50,000 and one-third would go to the States. Since the program is intended to assist when unemployment is high, the program would automatically terminate if the national unemployment rate drops below 6 percent.

Once again, Mr. Speaker, title II would be of special significance in my area of the country because of our high unemployment. Based upon 1975 unemployment figures, the one-third allotment for New York State could run upwards of $62.9 million, with my own 27th District being allocated approximately $2.4 million.

Although the countercyclical provision was not a part of the House-passed bill, it was the main feature of the Senate bill, and I am pleased that the conference committee retained this section. It is not in any sense intended to replace the revenue-sharing program, which serves all cities and local units of government as a steady, evenly funded, ongoing program.

I believe that the other titles of this bill, which include a $1.4 billion authorization for waste water treatment facilities, a $500 million extension of the job opportunities program, an interest subsidy program for the working capital loan program for businesses, and a $100 million urban economic development plan, are all important contributions to our economic recovery and deserve our support.

I believe it is important to point out, Mr. Speaker, that the total cost of this legislation is within the limits of the congressional budget process for this fiscal year. The bill will provide more than 800,000 jobs, most of them in the private sector. Presently, this Nation is spending some $19.4 billion on unemployment compensation. I think we can afford to spend the moneys in this bill to put these Americans back to work. I cannot emphasize too much the importance of approving this conference report.

Mr. CLEVELAND. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. KEMP).

Mr. KEMP. Mr. Speaker, I support the legislation before us this afternoon to help State and local governments provide adequate public facilities.

Many bills have come before us this past year in the name of fighting inflation and curing recession. Almost all of them have embodied the discredited economic theories that we can spend our way to full employment and that the woes of every sector of the economy can be redressed with more Federal deficit funding. I have consistently opposed this type of legislation. It does not work It only exacerbates and compounds the very problems it purports to ameliorate.

The public works bill before us today, while far from perfect, has my support because it is designed to help State and local governments cope with the serious problem of inflation and recession that these governments have had no role in starting and can have no major part in curing. This Congress and past Congresses are largely responsible for double-digit inflation and double-digit unemployment, for it is the runaway spending and inflation that has caused this deep recession.

In addition to destroying the economy with inflated dollars, Congress has imposed a myriad of commitments upon State and local governments—commitments which have preempted significant portions of State and local budgets.

The Federal Government should accept in part, large responsibility for the fiscal problems it has created at the State and local level. The Government has been able to command increased revenues largely due to the fact that the hidden tax of inflation has pushed more and more working Americans into higher income brackets. I cannot condone the insidious congressional policies which have resulted in this tax windfall to the Federal Government. But I do believe that it is appropriate for some of this tax windfall be returned to the States and localities and targeted to those areas of greatest need.

This public works bill provides such a mechanism to target help to local government units to meet the demands that inflation has placed upon their budgets. Under the public works grants portion of this bill, the Department of Commerce will be able to provide 100 percent Federal grants for local and State public works projects which can be started within 90 days. Seventy percent of these funds will be allocated to areas where the money will be used for projects in any area, but priority will go where the rate exceeds 6.5 percent, but is under the national average. I have serious reservations about title II, many of which were addressed by Mr. BROOKS in his speech earlier today.

Under the anti-recession grants protion of the bill, countercyclical grants will be made to cities with high unemployment for five quarters beginning on April 1, 1976. Two-thirds of this money will go directly to cities with a population of over 50,000 and one-third will go to the individual States for distribution to smaller cities under a formula that reflects recession-related unemployment.

All funding in the bill is subject to the stipulation that the funds must be used to supplement, not replace, other funding, and that funded projects must be capable of substantial completion within 12 months. Priority will be given to those programs which are most effective in creating and maintaining productive employment.

This bill provides for the maintenance of essential government services such as police, fire, and health protection. And very importantly it insures that the fight to save our environment will continue with a fair distribution of waste water treatment funds.

I consider it both legitimate and desirable for the Federal Government to return tax dollars to the States and localities with as few strings attached as possible. As one of the original sponsors of the Federal revenue-sharing program, I remain firmly convinced of the ability of local government officials to put these funds to good use, in accordance with local needs and priorities. It is my hope that this Congress will move expeditiously on legislation I and others have introduced to extend the Federal revenue-sharing program past its scheduled expiration date in December.

The "countercyclical" revenue sharing in this public works bill has my endorsement because it is, as I have stated, carefully targeted to remove a burden that is directly related to congressional irresponsibility. It is my hope that the sort of aid can be a one-shot proposition; that it will not encourage State and localities to overcommit themselves financially on the theory that more such aid will be forthcoming from the Federal Government; and finally, that this bill will not encourage dependence upon the Federal Government.

I wish to underscore my continuing opposition to the deficit financing that is ruining our economy. I have just been informed that the corporate offices of

National Gypsum are relocating from the Buffalo area. This move follows on the heels of numerous other Buffalo-based companies who are losing the battle of high construction cost, high rates of taxation, and high rates of interest in our State as well as our country.

All the public works or public employment bills this Congress can hope to come up with cannot stem the tide of jobs from areas like western New York, nor can it create a healthy economy. We desperately need investment capital if our private sector is to expand and prosper—creating productive, taxpaying, not tax-consuming jobs. The major thrust of all jobs creating efforts must fall in the private sector—for this is where the productive, long-term jobs are. All public service jobs are inherently unproductive in the sense that they are tax consuming and do not contribute to an increase in our national wealth. It is a fact that government's share of the people's wealth is interfering with the production of wealth. Be assured of my continued effort to control runaway cost of government.

Capital investment incentives provided in my Jobs Creation Act are the answer to increasing employment in the private sector. Investment capital will expand the plants and build the machinery that will create more jobs. And these jobs will be taxpaying jobs—which means that the revenue base of State and local governments will be increased—thus decreasing the dependence of State and local governments upon the financial assistance of the Federal government.

Private enterprise provides 80 percent of all the jobs in America and produces a GNP of $1½ billion. I am deeply concerned about the vitality of that private enterprise sector, for without its health and growth there will not be the jobs, housing, wages, et cetera, that we want to provide for the American people. Besides that, there would not be the tax base so necessary to help assure those public and social services and needs of our people.

The reality of our situation right now, however, is that my Jobs Creation Act has not been enacted by this Congress, and that the State and local governments are in desperate need of Federal help. There are numerous areas in this country where unemployment is far above the national average, and where Federal funds can be used in the private sector to develop meaningful jobs, and to help insure the continuance of essential services, such as police, fire, and health protection.

The public works bill under consideration today will help make some justice out of a terribly unjust situation where State and local governments are suffering from congressionally imposed inflation they have had little impact in controlling. If Congress will grant this bill the priority it merits, and work to curb other, less demanding funding requests, this bill need not be inflationary.

Mr. CLEVELAND. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. KETCHUM).

Mr. KETCHUM. Mr. Speaker, I rise in opposition to H.R. 5247. When the House passed this measure last May, authorizing $5 billion without fiscal year limitation to fully fund certain State and local public works projects, I maintained that I would share no part in this "pork barrel" legislation. I do not quarrel with the stated intent of this bill—to create jobs, stimulate the economy, and eventually produce more revenue to balance a bloated Federal budget. The problem is this bill will produce none of these salutary goals, but rather will eventually add to inflationary pressures, reduce the amount of capital available to businesses, and create an intolerable amount of deficit in the Treasury.

It is a false assumption to believe that this bill will cure unemployment. In the first place, past experience with public works projects has shown the invariable need for long lead time before commencing on a project, so that the 90-day onsite labor requirement will prove illusory.

The result being that most of the funds appropriated will be spent during a time when the economy is experiencing substantial growth, and would consequently be detrimental to the recent slowdown in the inflation rate. Second, we are not giving anyone meaningful, full-time jobs. There is little promise that this bill will alleviate unemployment to any significant degree, but it is certain to add enormously to the national problem of inflation, since the program will be financed by more deficit spending. The public works program before us now continues a bankrupt policy of directly allocating Federal funds to the public sector to create jobs. This is the intended purpose of the general revenue sharing program, to support essential services of State and local governments, providing the opportunity for local governments to allocate Federal funds to the most deserving programs, without the intervention of Washington officials who are out of touch with the needs and priorities of individual cities and counties. This bill would only duplicate this process at the expense of adding to our already massive deficit. If our Government is already making a strong attempt to create jobs and if this effort is not working, then existing programs should be reviewed and improved before any effort is made to create a new program, especially one which does not even require that funds be spent to create jobs.

We have before us a bill which authorizes $6.2 billion, which the Government does not have, to create a 100-percent federally financed program for State and local government construction projects. This lunatic method of solving our unemployment is exactly what we do not need. What is essential are some true and effective solutions which will really solve our national economic problems. We must return to a balanced budget. We must encourage capital formation by private industry which will create permanent, meaningful jobs. That is the program we need, and I only hope that should the conference report to this bill pass, the President will veto it on the principle that more Government spending and more inflation can never cure what such policies have already caused—a period of massive recession.

Mr. CLEVELAND. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. LAGOMARSINO).

Mr. LAGOMARSINO. Mr. Speaker, last May, this House passed a public works employment bill, hoping to give our sputtering economy a shot in the arm. The argument then was that recession was more of a peril than inflation. Well, since that time several things have happened. The economy turned the corner, the unemployment rate went down, and this bill, which had left the House with a price tag of $5 billion, went to the limbo of a conference committee.

Now it is before us again, 8 months later and millions of dollars higher. Never mind that the fiscal year is all over. Never mind there is no way this money could get into the market in an orderly fashion in time to do the most good. Never mind that the President has promised to veto it.

Face it, gentlemen, this bill is not the answer. It is the old political pork barrel wrapped up in a new package. And just in time to kick off everyone's election campaign.

As though that were not bad enough, the Senate has compounded the error by adding a new title to the bill, a title which provides for neither public works nor employment—but which will cost the taxpayers another billion and a half dollars.

Mr. Chairman, Congress has already appropriated $2.5 billion this year under CETA and the Emergency Jobs Act—money which will go to State and local governments to create public service jobs. In addition, we passed a tax cut extension designed to keep the economy going, and to stimulate local and State revenues. We have extended unemployment benefits. And we will soon be asked to extend and increase the Federal revenue-sharing program.

Why then are we passing this bill? It seems clear to me that this bill, and title II in particular, is totally misdirected. The stated intention of title II, is to institute a new concept in Federal aid—named countercyclical aid. The idea being that State and local governments need a periodic handout in order to offset the revenue losses they experience in a recession. Yet local governments, which would receive two-thirds of these new dollars, derive 82 percent of their revenues not from recession-related sources such as sales and income taxes, but from property taxes.

It is not recession-related drops in revenue which are killing the cities, it is skyrocketing costs for services, caused by inflation—and inflation is what will happen with this bill.

Finally, there is the "bailout" provision. Section 204 provides Federal funds to bail out State and local governments which are unable to pay accrued interest on their debts. This "little New York" plan is the final step down the road to complete reliance upon the Federal Government for municipalities.

If the cities need money, why do we not just pass the revenue-sharing program extension, now, as many of us have urged, and add to it whatever amount is judged appropriate to offset the bind cities find themselves in? Why do we need to institute a whole new program, designed to "throw money" at a problem without any thought as to timing or effect? Local government, Mr. Speaker, is best equipped to decide what priorities to meet at the local level, whether it is maintenance of essential services, new public works, or whatever. And the best vehicle—the proven method—for getting those funds to local government is through the revenue-sharing program.

But do not pass this bill. It is an election year ploy, and it will not do the job. All it will do is prove that this House is unable to come up with anything more constructive as a solution to the problem of unemployment than placing all cities in the same category as New York.

Mr. JONES of Alabama. Mr. Speaker, I yield such time as he may consume to the gentleman from New Jersey (Mr. HUGHES).

Mr. HUGHES. Mr. Speaker, I rise in strong support of this legislation.

Mr. Speaker, I rise in strong support of H.R. 5247, the Public Works Employment Act. The principal purpose of this legislation, to create jobs by building public works projects and wastewater treatment plants, is just what the doctor ordered.

Today this Nation is faced with an unemployment rate of 8½ percent, an intolerable condition to say the least: The administration's response has been to increase unemployment benefits, but continue to oppose public works projects. Certainly workers need increased unemployment benefits during this present recession. More importantly, however, workers want and need jobs. This is what H.R. 5247 does; it takes men and women out of unemployment lines, puts them to work, and leaves this Nation's localities with improved roads, buildings, recreational areas, and other public facilities. Unlike simple unemployment payments, this bill leaves our communities with lasting improvements.

As you know, Mr. Speaker, this legislation is targeted in on areas of high unemployment. South Jersey is in particular need of such aid, as its unemployment rate tops the 13.3 percent statewide average with some areas of my district going as high as 26 percent. Among some of the construction trades unemployment approaches 80 percent. Not only will the funds provided by H.R. 5247 directly produce an estimated 50,000 jobs in New Jersey, but many more jobs in supporting industries and services will be indirectly created. This policy of directing the funds to areas which are in greatest need should be commended.

I must compliment my distinguished colleague ROBERT A. ROE and his Economic Development Subcommittee for the fine job that they have done with this legislation. The subcommittee, the full Public Works and Transportation Committee and the Congress have worked for many months on this measure. In April, I began contacting the municipalities and counties in the Second Congressional District concerning H.R. 5247 and alerting them to the possibilities for funding needed projects. Since then I have periodically updated the mayors and freeholders and continued to emphasize that preference would go to projects that could be initiated in 90 days.

I look forward to notifying Second District public officials that this body has passed H.R. 5247 by such a margin as to hopefully discourage a veto. The Public Works Employment Act has been wisely conceived as an effective means of combating unemployment while making possible the building of essential community facilities. I urge all Members to support this sensible means of promoting full economic recovery.

Mr. OTTINGER. Mr. Speaker, many long months of careful consideration and deliberation have gone into preparing the bill before us today, H.R. 5247, the Public Works Employment Act of 1975. I strongly support this measure and I commend the Public Works Committee for its work.

This may be the most significant piece of economic recovery legislation that this Congress will consider. The public works provisions of H.R. 5247 hold out tremendous hope to the unemployed, especially in the construction trades. The countercyclical assistance authorized by title II will offer our State and local governments in high unemployment areas emergency assistance so that they will not have to continue laying off municipal employees at the same time the Federal Government, under CETA, is providing money for Federal jobs, much of it being used to hire the very people the municipalities are being forced to dismiss.

Despite repeated assurances from the Administration that the recession has "bottomed out," we still read each month about unemployment at well over 8 percent. Indeed, in my own district in Westchester County, N.Y., the unemployment picture stands in depressing contrast to the situation that prevailed 1 year ago. In November 1975, the unemployment rate in Westchester was 9.5 percent, an increase of 3.5 percent over the same month in 1974. For the first 10 months of 1975, the county suffered a 9.2 percent unemployment rate, substantially above the 5.7-percent rate during the first 10 months of 1974. And in the construction trades, unemployment claims in Westchester for November 1975, show a startling increase of more than 30 percent over the same month in 1974.

Worse yet, the "Annual Manpower Planning Report" for fiscal year 1976 issued by the New York State Department of Labor, predicts that "substantial improvement is not yet in sight." At this point, I would like to insert for the RECORD a chart drawn up by the New York State Department of Labor's Division of Research and Statistics which details the number of persons employed and unemployed in the major population centers of New York State:

NEW YORK STATE DEPARTMENT OF LABOR, DIVISION OF RESEARCH AND STATISTICS

NUMBER OF PERSONS IN CIVILIAN LABOR FORCE, EMPLOYED AND UNEMPLOYED AND RATE OF UNEMPLOYMENT, BY PLACE OF RESIDENCE

[In thousands not seasonally adjusted]

State and area	In civilian labor force			Employed			Unemployed			Rate of unemployment [1]		
	November 1975	October 1975 [2]	November 1974 [2]	November 1975	October 1975 [2]	November 1974 [2]	November 1975	October 1975 [2]	November 1974 [2]	November 1975	October 1975 [2]	November 1974 [2]
New York State	7,634.0	7,610.8	7,589.9	6,853.2	6,841.4	7,078.9	780.7	769.4	511.0	10.2	10.1	6.7
New York combined area	4,735.3	4,709.7	4,700.6	4,233.1	4,207.4	4,383.1	502.2	502.4	317.5	10.6	10.7	6.8
New York City area	3,612.5	3,593.2	3,604.2	3,205.5	3,183.4	3,344.2	407.0	409.8	260.0	11.3	11.4	7.2
New York City	3,164.7	3,147.9	3,154.0	2,799.7	2,780.3	2,920.9	365.0	367.5	233.2	11.5	11.7	7.4
Westchester County	350.2	348.2	351.9	317.0	314.8	330.7	33.2	33.4	21.2	9.5	9.6	6.0
Rockland County	78.8	78.3	79.3	71.7	71.2	74.8	7.0	7.1	4.5	8.9	9.0	5.7
Putnam County	18.9	18.8	19.0	17.1	17.0	17.8	1.8	1.8	1.1	9.4	9.5	6.0
Nassau-Suffolk area	1,122.8	1,116.6	1,096.4	1,027.6	1,024.0	1,038.8	95.2	92.6	57.5	8.5	8.3	5.2
Nassau County	661.3	657.8	647.9	610.4	608.3	617.1	50.9	49.5	30.8	7.7	7.5	4.7
Suffolk County	461.4	458.8	448.5	417.1	415.7	421.7	44.3	43.1	26.8	9.6	9.4	6.0
Albany-Schenectady-Troy	350.9	351.4	352.4	325.4	325.4	332.4	25.5	26.0	20.0	7.3	7.4	5.7
Binghamton	126.6	125.3	127.9	116.5	116.4	120.9	10.1	8.9	7.0	7.9	7.1	5.5
Buffalo	536.7	534.0	533.2	468.1	467.8	487.6	68.6	66.2	45.6	12.8	12.4	8.6
Elmira	42.2	42.3	43.5	38.2	38.5	40.1	4.0	3.9	3.4	9.5	9.2	7.9
Poughkeepsie	98.4	98.5	97.8	92.6	92.8	93.8	5.9	5.8	4.0	6.0	5.9	4.1
Rochester	458.9	457.2	457.2	423.0	422.2	437.8	35.9	35.0	19.3	7.8	7.7	4.2
Monroe	343.5	342.2	343.7	319.8	319.1	331.0	23.7	23.1	12.7	6.9	6.7	3.7
Syracuse	285.2	283.8	289.5	258.6	258.1	271.8	26.7	25.8	17.7	9.3	9.1	6.1
Utica-Rome	127.5	128.8	127.7	114.0	116.1	118.4	13.5	12.8	9.4	10.6	9.9	7.3

[1] Total unemployment as percent of civilian labor force (employed plus unemployed).

[2] Revised.

Under H.R. 5247, Westchester County and the cities and towns within the county would receive at least $5.7 million in countercyclical assistance. These funds will help those localities to keep or rehire municipal workers whose jobs have been eliminated or are threatened, and permit the municipalities to continue vital services that are in great demand, such as adequate fire and police protection. In addition, we would be able to accelerate construction of badly needed facilities, such as four sewage treatment plants in New Rochelle, Ossining, Irvington, and Peekskill, rebuild dangerous bridges over the Taconic State Parkway and Route 9A, and complete many other badly needed projects in Westchester.

What does this mean to my constituents in human terms? According to New York's Labor Department, it means that 12,000 more workers were put out of work—in 1 year, and in one county. Statewide, a staggering 290,000 more were unemployed in the same period. It means that 290,000 more families are dependent upon government for support. It means that 290,000 more men and women cannot afford the necessities of life for themselves or for their children. It means that 290,000 workers are being deprived of the opportunity to lead useful and productive lives, contributing their share to society's needs; and indeed, the needs are great. It means that thousands of young people are on the streets, unable to acquire work skills or learn work habits. The contribution this makes to delinquency and crime is enormous. This is an intolerable situation as a way of life for America.

Surely there is much work to be done. Our cities need rebuilding. There are critical shortages of housing in every sector of the country. Sewage treatment plants are badly needed and many projects are stalled for lack of funds. Many of our roads and bridges are unsafe and need to be rebuilt. There is a tremendous unfulfilled need for health clinics, senior citizen centers, and many other public facilities. It is idiotic to have so many people idled by conscious policy of the Government when there is so much critical work to be done.

Putting Americans back to work will be a revenue-producing venture for the Federal Government, and not an inflationary one as the President fears. The President's own budget indicates clearly that every 1-percent increase in unemployment causes a $16 billion increase in the national deficit, $14 billlion in lost revenues, and $2 billion in unemployment and welfare benefits. Providing jobs, therefore, will reduce the inflation-causing deficit. In fact, the budget figures cited indicate that if we achieved full employment, the Federal budget would be balanced.

Mr. Speaker, the action we take on this bill today will serve as a signal to the American people that Congress understands the problems of our economy and that positive action is being taken in response. The promise of a balanced budget can only be achieved by restoring the revenues of the people presently unemployed. Cutting funds for jobs is certainly sour savings to a family with an empty pocket—or an empty stomach. The possibility of a balanced budget is a real one if we will take the necessary steps to get the workers of this Nation back to work—back on the payrolls, back on the tax rolls, and off the backs of the financially beleaguered States.

I am sure that the House will give its overwhelming approval to H.R. 5247 today. I hope, as well, that the President will not become entangled in an ideological web and that he will demonstrate that he is willing to cooperate with the Congress in taking positive action for economic recovery. I urge my colleagues to support this important measure today.

Mr. LEHMAN. Mr. Speaker, I rise in support of the conference report on H.R. 5247, the Local Public Works Capital Development and Investment Act. If our Nation's economy is to recover fully from recession and our citizens' lives are to return to or even approach where they were before our troubles began, the provision of jobs to our idle workers, the employment and reemployment of able, willing Americans, must be a major priority.

In 1975, we spent over $19 billion in unemployment benefits. At the same time, billions of dollars in tax revenues were and are being lost to governments at all levels; one estimate is that in 1975 cities alone lost $8 billion. If more people were working, earning, spending, and paying taxes; if there were more jobs available now, how much stronger and more rapid might our recovery be?

H.R. 5247 would provide some of those desperately needed jobs, around 600,000 jobs. And, what is equally vital, these jobs would be in the private sector, and, particularly, in the hard-hit building trades, where unemployment now hovers around 24 percent nationally. Each of the public works projects funded as a result of this bill, far from being "make-work," would leave the community around it better off—with productive, working, tax-paying citizens and badly needed but previously unfunded improvements. And all for less than a third of our 1975 unemployment compensation costs.

In Dade County, Fla., the seasonally adjusted unemployment rate for December stood at 13.7 percent, according to statistics released by the Florida State Employment Service. Much worse is the situation for construction workers, with 50 percent idle, over twice the national rate. In 1975, the county paid out over $94.5 million in unemployment compensation.

Meanwhile, in that portion of the county that I represent, a number of high-priority public works projects languish without funding. If sufficient funds were available, as many as 1,900 people could go back to work or keep their jobs, while providing roads, schools, parks, and the like for our community.

About $7.5 million would see roads constructed or resurfaced in several areas of the district, and would bring employment to over 200 workers.

Vocation school additions are needed at Carol City, Hialeah, Hialeah-Miami Lakes, North Miami, North Miami Beach, and Northwestern Senior High Schools, and a new Vocational Share Time Center, planned for the northwest region, is also without funds. These projects would cost around $7 million total and employ as many as 400 people.

A new fire station for Opa Locka would cost $360,000 and employ over 70; vehicle inspection centers in Opa Locka and Interama would cost $570,000 and use the skills of more than 100.

A new elementary school at 114th Street and northwest 82nd Avenue, and a new junior high school in Hialeah could be built and provide jobs for as many as 200, given $7 million.

Less than $2 million could build the North Dade Regional Library and employ about 150.

Parks throughout the district would benefit, for less than three-quarters of a million dollars, from new facilities and other improvements, and over 80 people could have work.

Jackson Memorial Hospital, which serves the health care needs of many of my constituents, would benefit greatly from improvements costing around $9 million and offering employment to as many as 700 workers.

Of course I recognize that neither this bill nor any other is likely to provide full funding for all the projects mentioned above—that would cost over $34 million. However, these examples serve to point out the range of community needs and the number of possible jobs involved in currently unfunded public works projects in one congressional district.

Title I of H.R. 5247 would give communities such as mine the opportunity to begin work on at least some of their pressing needs, while helping to alleviate unemployment, which ultimately hurts the entire community.

There are considerable benefits in the other titles of the bill as well. Title II, which should not be confused with revenue sharing, would target money to areas of exceptionally high unemployment, to assure that essential local services are not cut through layoffs of public employees nor supported through new local tax increases, which would undermine Federal recovery efforts. Title III would provide interest supplements with preference for small business, grants for redevelopment work, additional funds for job opportunities programs, and wastewater treatment funds, including over $42 million for Florida. However, it is title I which speaks most immediately to the people of Dade County, Fla., and the Nation, with its promise of work for the idle and long-awaited community improvements for many more citizens.

Mr. Speaker, this bill is rightly considered a cornerstone of our effort in Congress to spur full economic recovery. Moving more slowly and waiting for jobs to trickle down to our unemployed is overcautious at best, and quite possibly harmful. In any case we must not ignore the spirit of our people who ask only for the opportunity to make their own way and support their own families. I urge all of my colleagues to join with me in supporting this vital legislation.

Mr. JAMES V. STANTON. Mr. Speaker, I rise in support of the conference report on H.R. 5247, the Public Works Employment Act of 1975. As an original cosponsor, I strongly believe in the necessity of this legislation if we are to combat unemployment, stimulate activity in the construction and materials industries, and assist State and local governments in providing the citizens of this Nation with adequate public facilities.

The single most serious problem confronting the State of Ohio today is unemployment. Unemployment in Ohio stands at the intolerable level of 7.6 percent. The magnitude of this problem is probably even more enormous, as testimony during our hearings on this legislation has indicated that the actual levels of unemployment exceed official indices.

Title I of this legislation authorizes $2.5 billion for the construction, renovation, or improvement of local public works projects. This authorization would stimulate the creation of approximately 700,000 to 800,000 jobs. Most of these jobs will be in private industry, particularly within the hard-pressed construction and building trades where unemployment today is over 16 percent.

Moreover, the impact of these funds will be both direct and immediate. Priority is to be given to those public work projects which can go into construction within 90 days. The necessity of these funds to meet the backlog of community needs was emphasized by State and local officials during our hearings on this bill. Mayor Jack Hunter of Youngstown, Ohio, testified that his city was prepared to obligate immediately $74 million. Mayor Abraham Beame of New York said that his city could utilize at once $200 million. The pattern is similar throughout the country.

Under title I of this legislation, Ohio would be eligible for up to $250 million in public works assistance. Under title II, the antirecession countercyclical grant program, the State of Ohio stands to gain an additional $55 million for the maintenance of basic services during times of high unemployment.

Title II is designed to complement the public works jobs program. It is intended to prevent personnel layoffs and consequent curtailments in governmental services. My own city of Cleveland, caught in anticipated revenue shortfalls, has had to reduce city services and institute layoffs and freezes in city employment. According to testimony provided by Mayor Thomas Bradley of Los Angeles on behalf of the National League of Cities, Cleveland's situation is not unique.

President Ford has made clear his opposition to this legislation. He would prefer a program of recovery based upon a rejuvenation of private industry. This approach, Mr. Speaker, has not worked, and I perceive no reason for believing that it will in the future. When hearings began in the House last April on this legislation, the national unemployment rate stood at 8.6 percent. Today, 10 months later, the unemployment rate is 8.5 percent. I submit, Mr. Speaker, that this is not economic recovery, and that the Congress has the right and obligation to insist upon a new policy for economic recovery—a policy directed at alleviating the most vicious economic injury our Nation has suffered—the plight of the unemployed.

I am sure that we can anticipate the familiar accusation from the other end of the avenue that our actions today will aid and abet the specter of inflation. I believe, Mr. Speaker, that the American people should be informed of the facts in this matter, and the simple fact is that the primary cause of our present budget deficit is not inflation, but unemployment. The budget deficit for fiscal year 1975 was $47.2 billion. The projected budget deficit for fiscal year 1976 is $71.3 billion.

These are the numbers. Now let us look at the facts. For every 1 percent increase in the rate of unemployment, the cost to the Federal Government is $17 billion. The Federal Government loses $14 billion in tax revenues and expends $3 billion in unemployment and welfare benefits. If we could somehow reduce the unemployment rate to 4 percent, the Congress would be saving the Federal Government and the American people $76.5 billion a year.

This would have erased last year's budget deficit, and it would also balance next year's projected. Undoubtedly, there are areas where the Congress could curtail spending, but jobs creation legislation is not one. For it is the creation of jobs, the lowering of today's high levels of unemployment, which possess the best prospects of eliminating our budget deficit.

It was another Republican President, Abraham Lincoln, who defined the purpose of government as doing for the Nation's people what they need to have done but cannot do for themselves. The American people need jobs. The policy of the present administration has shown itself incapable of fulfilling this need. I submit, Mr. Speaker, that Congress has the obligation to address this need, and that in seeking to do for the American people what they cannot do themselves, we are acting in the best manner of government and in the best interests of the American people.

I urge passage of this legislation in the spirit of that commitment.

For the RECORD, Mr. Speaker, I wish to include the latest apportionment figures for the State of Ohio under title II of this bill:

*Allocation under title II of H.R. 5247 within the State of Ohio**

Allen County	240,100
Lima	274,100
Ashtabula County	74,900
Athens County	21,400
Belmont County	60,400
Butler County	337,900
Hamilton City	371,800
Clark County	108,000
Springfield City	196,900
Clermont County	58,200
Columbiana County	46,800
Crawford County	47,100
Cuyahoga County	1,826,000
Cleveland City	3,220,900
Cleveland Heights	66,600
Euclid	157,300
Lakewood City	96,300
Darke County	37,100
Erie County	42,700
Fairfield County	50,900
Franklin County	419,000
Columbus City	1,261,700
Greene County	70,200
Hamilton County	1,168,500
Cincinnati	3,422,000
Hancock County	84,100
Lake County	168,200
Lawrence County	36,900
Licking County	110,300
Lorain County	186,000
Elyria	158,900
Lorain City	258,400
Lucas County	791,500
Toledo	1,939,000
Mahoning County	474,700
Youngstown	922,600
Marion County	30,000
Medina County	62,400
Miami County	33,300
Montgomery County	658,600
Dayton	1,241,800
Muskingum County	119,000
Portage County	143,500
Richland County	107,200
Mansfield City	144,200
Ross County	34,700
Sandusky County	80,700
Scioto County	66,300
Seneca County	52,700
Canton	388,300
Summit County	512,000
Akron	1,168,700
Trumbull County	241,200
Warren	205,200
Tuscarana County	57,000
Warren County	51,100
Washington County	70,400
Wayne County	50,900
Wood County	100,200
Balance of State	10,967,000
State total	35,565,600

*Source: State and Local Governmental Allocation under Title II of H.R. 5247; Prepared by the Subcommittee on Intergovernmental Relations of the Committee on Government Operations, United States Senate, December, 1975.

Mr. FORD of Tennessee. Mr. Speaker, I rise today in opposition to the motion of the gentleman from Texas (Mr. BROOKS) and urge my colleagues to cast their votes in favor of rapid recovery of the American economy.

On April 28, 1975, my dear friend and colleague from Pennsylvania (Mr. MOORHEAD) and I introduced the Intergovernmental Countercyclical Assistance Act of 1975. To date this legislation has approximately 50 cosponsors and the support of such highly regarded organizations as the League of Cities, the Conference of Mayors, the National Governors Conference, the National Association of County Officials and almost all of the organized labor movement. In their wisdom, the members of the conference committee on the Public Works Employment Act of 1975 included the countercyclical assistance grants program as title II of H.R. 5247.

The need for this legislation is unmistakably clear. In the past year, State and local governments have been compelled to take budgetary actions which negate or encumber Federal initiatives to deal with the recession. This public works bill we have before us is designed to create some 600,000 new jobs. However, the States and municipalities have been under such financial pressure that in many instances they will merely lay off existing personnel only to hire them back with public works funds. Title II of H.R. 5247 would prevent such actions by providing an integrated approach to stimulation of the economy.

It would provide for countercyclical assistance to State and local governments in an effort to maintain basic services in times of high unemployment. Aid would be triggered by national, State, and where possible, local unemployment rates. In my case, for instance, Memphis, Tenn., would receive an estimated $943,000; Shelby County, Tenn., would take $582,000; and the State of Tennessee would acquire $6.5 million.

I hasten to say that the countercyclical aid program is not meant to bail out States and localities which are in fiscal straits. In a depressed economy, each State and local government must take steps to economize and use their resources as efficiently as possible. This program would simply insure that the budgetary actions of all levels of government aimed at solving this crisis are taken in a coherent fashion.

Mr. Speaker, as I said to you and my colleagues on April 28, 1975:

> The State and local governments are the foundation upon which this great nation is based. Reason tells us that this is a most sensible approach to economic recovery. Duty demands that we give these governments noth'ng less than our full support during this unsettling period. The Intergovernmental Countercyclical Assistance Act of 1975 is just such support.

I strongly urge my colleagues to reject the motion to strike title II from this bill and vote for this sensible approach to economic recovery.

Mr. BOLAND. Mr. Speaker, I rise in support of the conference report on H.R. 5247. I cosponsored this bill when it was introduced and I support it now. Action of this kind is absolutely necessary if we are to revitalize our Nation's economy.

The conference report authorizes $6.1 billion for public works projects and grants to State and local governments. Quite simply, that means jobs, and jobs are what we need right now if we are to turn around the dire economic situation we have in this country today. The amount authorized is expected to generate 800,000 jobs, jobs that are sorely needed. Because these funds will be used for projects that will start almost immediately, this bill alleviates unemployment now. The country needs jobs now, and this bill provides them when they are needed.

The administration has claimed that this bill is inflationary. I do not agree. The economy is slowly recovering; the rate of inflation is decreasing. This bill will not halt that decrease. The bill will, however, provide help for those Americans who cannot wait for the slow workings of the national economy. We cannot afford to let millions of Americans stay idle for another year. This bill will prevent that. There has been an upturn in the economy yet the unemployment rate is still well above 8 percent nationally. We must work harder to lower that rate and I think that this is the way to do it.

H.R. 5247 contains provisions so that each State will benefit from the program. In addition, preference will be given to public works projects of local governments. I must also commend, Mr. Speaker, the provision in the bill that establishes a priority ranking for those areas hardest hit by unemployment. I believe that this bill is an effective way to combat a problem that is facing all Americans.

Mr. Speaker, we all know there are no easy answers to our economic problems. I do not believe that accelerated public works can alone end our difficulties. I do believe this legislation is a necessary step toward recovery. I do not see how we can deprive the workers and the industries that would otherwise benefit from H.R. 5247. The matter at stake is simply too important. I urge my colleagues to approve the conference report.

Mr. BINGHAM. Mr. Speaker, I am pleased that before the first month of the new year has passed, this Congress is proceeding to pass a bill that addresses the Nation's No. 1 problem: unemployment. H.R. 5247 does so not by vague and uncertain means, but rather by immediately making available sufficient funds for 600,000 Americans to get to work on a variety of badly needed public works—projects many of which, in normal times, would have been financed by local governments.

The bill is particularly valuable in that it recognizes one of the uniquely destructive features of the current recession; for what we are experiencing in these mid-seventies, are economic currents which have savagely damaged certain regions of the country, while only slightly affecting others—certain energy-rich areas of the Nation are even experiencing booms. An overall, average picture of our Nation's health thus tells us that we are in a recession, with the unemployment rate somewhere around 8½ percent. We in New York, however—along with our neighbors in New England and New Jersey—are not in any so-called recession; what we are experiencing is without any question a full-fledged depression, one which is in many ways comparable to the Great Depression of the 1930's. The official unemployment rate in New York City is approximately 12 percent; anyone who is personally familiar with New York knows that the true figure is probably more like 16, 17 percent, or perhaps even higher. And our independent ability to support the new public works so essential for life in a densely populated metropolis has nearly disappeared.

Recognition of the differing regional needs for Federal public works assistance is thus a key step in beginning to ease the economic crisis of the Nation. Title I of H.R. 5247 quite sensibly focuses funds on those areas where unemployment exceeds the national rate; 70 percent of the appropriated funds will go to such areas. Title II, working in the same spirit, takes cognizance of the desperate shortage of funds for basic governmental services in depression-struck areas of the country; by appropriating funds to aid local governments hard hit by unemployment, it will also keep the cutbacks in State and local government expenditures from undermining Federal efforts to stimulate the economy.

H.R. 5247 thus takes the first necessary steps to counter the depression that is currently ravaging areas of the country like New York. The Democratic Steering and Policy Committee at the beginning of the 94th Congress had issued a call for just this kind of emergency legislation. I worked very hard then for the adoption of such a provision in the Steering Committee's program and was proud to have lent my voice to this morning's 21 to 0 vote by the Steering Committee, recommending passage of the bill without alteration. I urge my colleagues to accept that recommendation and to send this bill to the President with an overwhelming and hopefully veto-proof vote.

This bill can only be a beginning. Last spring's vetoed public works bill provided twice as many jobs as does this bill; yet not even it would have brought unemployment under control. So I believe that we must view passage of H.R. 5247 not simply as a positive step forward—which it most assuredly is—but also as the beginning of a commitment by this Congress and the Democratic Party to assuring full employment to all citizens in all areas of the Nation.

Mr. VIGORITO. Mr. Speaker, I rise in strong support of the conference report to H.R. 5247, the Local Public Works Capital Development and Investment Act.

This "jobs" legislation is very vital to the economic recovery of my district and the entire United States. With this legislation, areas of high unemployment can avail themselves of funds to put people to work on the big backlog of unmet needs in communities throughout the Nation.

The unemployment problem remains the No. 1 priority for the Congress in 1976. This bill would stimulate the creation of 700,000 to 800,000 jobs during the next 2 years. Most of these jobs will be meaningful and productive jobs in private industry—in construction and the building trades where unemployment is the most severe.

In the 24th Congressional District of Pennsylvania, the unemployment rate in the building trades is a staggering 40 to 50 percent. This high percentage of jobless in the construction industry is partly to blame for the excessive unemployment in my district—11 percent in Mercer County and Crawford County, and 10 percent in Erie County.

The bill would provide 100-percent funding of much needed community projects such as municipal buildings, fire stations, parks, playgrounds, schools, and street and sewer improvements. It would go into effect immediately cutting much of the redtape traditionally associated with public works projects.

This important legislation would also provide antirecession grants to cities and States in high unemployment areas to avoid public employee lay-offs and preserve essential services.

It is a sad fact that the Federal Government has spent $19.4 billion this fiscal year for unemployment compensation and countless billions for increased welfare aid. This bill will take hundreds of thousands of workers off the unemployment and welfare rolls and put them back onto the tax rolls in productive and useful employment.

If the Congress intends to do something about providing jobs for the Nation's unemployed, it must pass this public works bill today, and by a large margin, to send a message to the President that this "jobs" bill is vitally needed by the American people.

Mr. McCOLLISTER. Mr. Speaker, I wish to record myself as opposed to H.R. 5247, the Public Works Employment Act of 1975 conference report. This measure is totally defective. At a time when our country is just pulling itself out of its economic doldrums, H.R. 5247 proposes a massive, budget-busting $6.125 billion for an untested and duplicative program of economic stimulation.

The bill is defective in its basic premise. It totally misdiagnoses the fiscal maladies of our cities and prescribes a counterproductive remedy. If the financial problems of our cities and States are caused by the recession, this is an inappropriate response. Cities and States receive only 20 percent of their revenues from sales taxes and 11 percent from income taxes, which are influenced by swings in the economy. Fully 82 percent of local governments' revenues are the product of property taxes which continue to produce during periods of economic recession.

The recession did not cause our cities' financial problems—inflation is the culprit. The devastating inflation which we have experienced since the mid-1960's is the root cause of our State and local financial difficulties. This being the case, the financing of a new $6.125 billion increase to our budget deficit can only add further fuel to the fires of inflation while distributing the financial assistance using a formula unrelated to the real need.

The sponsors of H.R. 5247 would have us believe that the Federal Government has done little or nothing to pull the economy out of recession. They are dead wrong. We have many programs aimed at the problem already. This year the Federal Government will spend $2.5 billion for public service jobs under the Comprehensive Employment and Training Act of 1973 and the Emergency Jobs and Unemployment Assistance Act of 1974. We have extended the tax cut and the number of weeks an unemployed worker can draw unemployment compensation. And, through revenue sharing, we have provided Federal funds to bolster State and local revenue efforts.

Any of these objections should be sufficient cause for the House to reject the conference report on H.R. 5247. But there is a deeper, more sinister and more serious threat that lies just beneath the surface. The House Subcommittee on Intergovernmental Relations is holding hearings on general revenue sharing and alternatives which might be enacted in its place. One of those alternatives is virtually identical to title II of the conference report on H.R. 5247. It is feared that opponents of general revenue sharing will portray this State-local assistance program as a substitute for general revenue sharing. And, given a situation where Congress had already shattered its self-imposed spending ceiling with this $6.125 billion program, if the House votes to accept H.R. 5247, then the pressure of saving the $6.6 billion recommended for revenue sharing next year will become just that much stronger.

As a substitute for general revenue sharing, H.R. 5247 is wholly inadequate on several counts. First, its formula directs aid only to communities with high unemployment. Unemployment is not the only State and local problem worthy of Federal assistance. Such a formula would be both arbitrary and inequitable. Second, one of the principal inequities would be total elimination of any aid to the nearly 13,000 townships in 12 Midwestern States including Nebraska. And, third, using H.R. 5247 as an alternative to revenue sharing would reimpose the Federal "strings" on State-local assistance which have been minimized under general revenue sharing and which make this program so useful to the recipient governmental units.

With the Federal budget in serious imbalance and the problem of inflation again emerging as our preeminent concern, it would be foolish to enact H.R. 5247. But more than anything, it would border on disastrous for many, many State and local units for Congress to do anything which would substitute this defective program for the proven assistance provided through general revenue sharing.

Mr. VANDER VEEN. Mr. Speaker, among the numerous complex questions facing the Congress this year, the problem of sustained high levels of unemployment demands the most immediate and forceful action. We must take positive steps to insure that the present rate of 8-percent unemployment, which we have had now for over a year, is drastically reduced. A strong, healthy economy can be achieved only if we meet the challenge of finding jobs for America's unemployed millions.

That is why I strongly support the Public Works Employment Act of 1975, which represents our first opportunity in this new session to continue the forward momentum of economic recovery. I hope the House will approve this measure overwhelmingly, and that the President will not veto it as he reportedly intends to do.

Of course, the issue of unemployment is too complex for any one bill to solve all the problems involved. For example, tax cuts and tax relief for business, if properly applied, are important tools in increasing long-range employment and assuring economic recovery. But America's unemployed workers want jobs, now—and our economy needs the added productivity they can provide, now. This bill will help meet that need by stimulating the creation of over 700,000 jobs this year and next, primarily through an authorization of $2.5 billion for local public works projects.

Several provisions of the bill illustrate its potential effectiveness in stimulating employment. The main focus of the bill is in the area of construction and related industries, where unemployment is most severe. These jobs will be in private industry, which is most efficient in creating employment. The bill is designed to go into effect at once, thus avoiding the long time lag sometimes associated with public works projects. Projects that will be funded must go into actual construction within 90 days.

The projects to be included are not simply made-work efforts; instead, they are composed of needed community development throughout the Nation. As a result of the recession, many cities have been unable to build needed facilities because of a lack of funds. This bill will provide 100 percent funding for such important projects as convention centers, civic auditoriums, municipal offices, libraries, and sewer and waterworks improvements. Thus, the bill will not only provide jobs for hundreds of thousands of unemployed workers, but will put them to work to complete needed public works projects.

Other provisions of the bill are also aimed at reducing unemployment and assisting local governments: The countercyclical funds will help relieve the serious financial pressures of cities and States particularly hard hit by high unemployment, especially my own State of Michigan; an extension of the title X job opportunities program; urban economic development grants to cities of 50,000 or more population; and interest subsidies for loans made by private lenders to private borrowers guaranteed by the EDA.

Finally, Mr. Speaker, I want to emphasize that funding for this measure is included in the 1976 budget resolution. This action will not increase the budget deficit beyond the limit already set by the Congress; it is one of the measures included in the 1976 budget to help stimulate the economic recovery. This is a good example of planned expenditures by Congress, and provides added justification to pass this bill.

In summary, the Public Works Employment Act is only one part of a broad policy to reduce unemployment and stimulate the economic recovery. But it is an important part, as it would remove hundreds of thousands of workers from the unemployment and welfare rolls, and restore them to productive and useful work this year. And as these individuals begin to earn regular wages again, they will join those already employed in contributing to the Nation's tax revenue. I urge my colleagues in the House and the President to join in supporting this effort to return our Nation to economic health.

Mrs. BURKE of California. Mr. Speaker, I support H.R. 5247 in its entirety, for it is a well reasoned and carefully constructed bill designed to stimulate employment and public works construction by means of immediate and long-term grants to States and cities.

In particular, title II, antirecession provisions, deserves our immediate attention. The antirecession provisions, or countercyclical assistance would have an immediate impact in many of our larger cities where unemployment and curtailed or declining municipal services abound. In many cities, unemployment is rampant and at its highest level since the Depression. Unfortunately, in this our Bicentennial Year, many young blacks and other racial minorities, in our cities, find themselves in a depression just as severe and demoralizing as the Great Depression of the 1930's. A great number of these unemployed are Vietnam veterans, women, and other newcomers to the labor force who found themselves laid off or fired as a result of the recession.

My district, encompassing parts of Los Angeles and Inglewood, Calif., are illustrative of urban centers combating the twin evils of recession and inflation while attempting to provide an acceptable level of public safety and social services to their citizens. Recently released statistics by the Department of Labor indicate an unemployment rate of approximately 10 percent. The rate for blacks and other minorities, in need of and seeking work, is much higher.

Recent pronouncements that the recession is "bottoming out," and a projected unemployment level of 7.7 percent as indicators of economic recovery are meaningless to those areas of the country hard hit by inflation and recession. A projected national unemployment rate of 7.7 per cent is unacceptable and unconscionable. Seven point seven percent translates into millions of people out of work. The majority of whom live in our cities. The States and cities bear the major portion of the responsibility in insuring for their municipal and social needs. An indicator of the seriousness of the plight of State governments is shown by the fact that as of August 1975, there were 26 States with unemployment levels of 8 percent or more, while there are only eight States with levels under six percent.

In addition to an employment stimulus, title II will significantly impact on the revenue needs of State and local governments. According to Census Bureau data on State and local government tax revenues, fiscal year 75 tax revenues failed to keep pace with the rise of inflation. The Census Bureau data further shows that from June 1974 to June 1975, all State and local tax revenues rose by 8.7 percent while the Consumer Price Index rose by 9.7 percent. Sales and income taxes, a primary source of revenue for state governments increased at a rate higher than the rate of inflation. However, property taxes, a primary source of revenue for local government, had an increase of 6.1 percent which is far behind the increase in the Consumer Price Index of 9.7 percent.

Title II is a worthwhile effort to combat the ravages of unemployment locally and provide cities and States the means to continue their delivery of municipal services. Funds for title II would have an immediate impact only in those areas hardest hit by the recession. Unlike many Federal programs which tend to annually perpetuate themselves, countercyclical assistance to State and local governments will phase themselves out as the economy improves and the level of unemployment fall below 6 percent. Finally, countercyclical assistance would strengthen the stimulative effect of other Federal antirecession efforts by reducing the reliance of State and local governments on budget action which run counter to Federal efforts to stimulate the economy.

I ask the Members to carefully consider the words of the House-Senate conferees that:

> A fundamental premise underlying Title II is that the amount and quality of government services at the state and local levels should not be determined by national economic conditions over which state and local governments have no control.

The conferees concluded that:

> It is not sound governmental policy for a jurisdiction to be able to provide good police protection, fire protection, trash collection and public education during good economic times, but be forced to lower the quality of those services significantly, whenever, the health of the economy declines.

As we begin our legislative year let sound government be our theme, backed by sound policies designed to prevent an inequitable burden on any level of government. We have before us, in title II, a unique opportunity to coordinate Federal-State-local initiative in abating inflation and recession, an opportunity heretofore nonexistent.

Mr. MAGUIRE. Mr. Speaker, I urge the House to support H.R. 5247, the Public Works Employment Act of 1975 in its entirety. Every day we read that the recovery is continuing—orders are up, inventory is up, the stock market is up, housing starts are up, the workweek is up. Yes, it is all up, including, unfortunately the national unemployment rate.

At recession's height, the unemployment level was up to a staggering 8.3 percent. Despite all "reliable indicators" that the recovery is going strong, the unemployment level still hovers around 8 percent, and the most favorable estimates for near-term improvement in this, the crucial indicator, are not rosy in the least. The expected rate of growth will leave at least 7.5 percent of the working force unemployed at the end of 1976. And this does not even take into account the fact that workers are dropping out of the job market at an unprecedented rate.

You can tell an unemployed carpenter that housing starts are up. He will ask you where his job is. You can tell a secretary who has not worked in 6 months that the GNP increase for the third quarter was the largest in recent memory, and she will shake her head and show you a sheaf of polite form-letter rejections from prospective employers. The fact that we have a recovery on paper, that money is beginning to flow again does not mean that we have succeeded in putting the country back to work—and that we all know must be the ultimate goal of government economic policy.

Over and over again we hear the charges of fiscal irresponsibility, wasteful spending, pork barrel bills, and boondoggles. It is fiscally irresponsible, I say, to keep 9 million people out of work, to dole them on unemployment compensation, to put them on the welfare rolls, to let factors beyond their control eat away at their self-respect and their pocketbook, and to prohibit them from contributing to the well-being of the entire country.

It would be a crime to let this happen when we have an opportunity, here on this floor, to do something about it.

Title I of this legislation, the Local Public Works Capital Development and Investment Act would create 500,000 jobs in this country. At a cost of $2.5 billion, or about $4,300 per job, this is an extremely efficient stimulus. Furthermore, the nature of the jobs provided will be weighted heavily toward the construction industry—by any measure the sector most drastically impacted by the recession.

With regard to title II, I have heard objection that the unemployment level in a given community has little to do with that community's fiscal capacity to operate public services. This is simply not true. A 1975 Joint Economic Committee study of the fiscal condition of local governments showed that local governments in areas with unemployment rates above 12 percent were forced to make downward budget adjustments averaging 9 percent. In contrast, local governments in areas with unemployment below 9 percent, raised taxes or cut services at less than a 3-percent rate. The conclusion is clear—communities with high unemployment must provide more services with less revenue. To deny them aid now would be to take action directly contrary to the stimulus provided in title I. Therefore, I repeat that it is the duty of the House to approve the conference report on H.R. 5247 without amendment.

Mr. FRASER. Mr. Speaker, we are all fast becoming too accustomed to the administration's approach to solving the economic problems of our country—concentrating on inflation with only passing attention to unemployment. To protect the purchasing power of the hard earned dollars of the American people is a noble objective and certainly a major responsibility of both the administration and the Congress but not to the exclusion of attending to the human problems of people who are without jobs. One wonders whether, in order to control inflation, the administration has accepted for the foreseeable future the continued unemployment of over 7.8 million Americans.

The latest statistics of the Department of Labor are of little comfort. The last quarter of 1975 compared to the last quarter of 1974 shows that there are 1.7 million more Americans without work, that the total number of employed Americans is down by 0.3 million and that the percentage of the labor force that is unemployed is up to 8.4 percent from 6.6 percent. And in response to this most pressing of our domestic problems, we are offered a solution that we have heard before—benign neglect.

Congress must assume leadership on behalf of the unemployed and offer a complete approach to solving our economic woes. Our homework has been done. The Public Works Employment Act of 1975 offers a strategy for alleviating the burdens of unemployment—and will generate upwards of 800,000 jobs. The members of the House overwhelmingly supported the public works provisions of this legislation last May by a vote of 312 to 85. The Senate passed the bill with countercyclical aid included last July by a vote of 65 to 28 and adopted this conference report by a voice vote last month.

The issue before us today is whether or not Congress will present to the President a bill that both broadly and selectively deals with the unemployment situation or one that is stripped of one of its essential provisions. Countercyclical aid is an innovative approach designed to bring Federal funds to those areas hardest hit by the unemployment created by this recession. It is a selective measure with the flexibility to provide aid when and where needed and to terminate automatically when conditions are improved. The bill insures that funds will be allocated quickly and used by State and local governments within 6 months of receipt. Assistance is targeted at those State and local governments that are experiencing fiscal constraints due in large part to the increased demands for local services occasioned by high unemployment and the recession, circumstances over which they have no control but which affect them most directly.

In my own State of Minnesota, the commissioner of the department of employment services announced 9 days ago that active claims for unemployment benefits totaled 117,000 for the week ending January 9, 1976, up 13,000 from the previous week. In the Twin Cities metropolitan area active claims rose to 50,000, up 5,000 in the period of only 1 week. The added administrative costs to the State and local governmental agencies caused by increased claims, a burden multiplied in welfare, health care, mental health and other programs, are incurred at a time the governments are forced because of reduced revenues, to cut back services, raise taxes and lay off employees. These State and local actions only exacerbate the already existing recessionary pressures in the communities and nullify Federal antirecessionary efforts.

Countercyclical aid is a vital part of the congressional approach to dealing with this problem. The assistance provided by this bill is needed now. The trend in conditions is not encouraging. Minnesota's unemployment was higher in the last quarter than the first quarter of 1975 and the State's unemployment rate of 8.4 percent is intolerable. Last October the President called the public works legislation uneconomical and said he would veto it. Rather than let a debate on the procedural issue of the germaneness of countercyclical aid to this bill divide us, let us overwhelming support the Public Works Employment Act and prepare to unite to override the President's veto.

Mr. FORD of Michigan. Mr. Speaker, as a cosponsor of the Local Public Works and Capital Development Act, I fought hard to get this legislation approved by the House last May, and I rise today in full support of the conference report to H.R. 5247. We have here a bill that will attack the Nation's unemployment problem by putting at least 600,000 Americans to work.

This legislation has two main provisions. First, it will provide $2.5 billion for 100 percent Federal funding of new State and local public works projects on which work can begin within 90 days of project approval. Second, it will provide countercyclical funds to State and local governments for the maintenance of basic services during times of high unemployment.

Mr. Speaker, we are told that President Ford will veto this bill because it will prove inflationary by increasing direct Federal assistance to fund jobs. Just 2 days ago the President did not mind asking Members of Congress to blindly spend millions of the taxpayers' dollars to help support one faction in a civil war in Angola, a country 6,000 miles away, which administration spokesmen admit is of no strategic importance to the United States. Mr. Speaker, the President has his priorities badly mixed. Perhaps he has not taken a look recently at the unemployment figures of his own State. Michigan's unemployment rate is 12.5 percent—one of the highest in the Nation. The Detroit metropolitan area has an unemployment rate of 12.7 percent and communities in my congressional district are well above 13 percent unemployed. These statistics prove that the administration's reliance on private industry to create jobs plainly does not work. It seems the President would rather have millions of workers remain idle and collect unemployment compensation, while the economy stagnates.

Mr. Speaker, this bill will put many unemployed workers in my congressional district back to work and, at the same time, give communities in my area a chance to catch up on their backlog of badly needed public works projects. I have been contacted repeatedly by officials in my congressional district who are in dire need of funds for such projects as municipal buildings, community centers, jails, sewers, parking areas, and parks. This legislation could turn these projects into reality and at the same time provide meaningful jobs for the unemployed until the economy gets back on its feet.

There is no basis to the administration's charge that this legislation would spur inflation. It will actually cost taxpayers less, for as the unemployed return to work, they will create a "ripple effect" that will put more money into circulation, create more demand for consumer goods and, thus, create still more jobs and more tax revenue.

Mr. Speaker, I urge my colleagues to give this measure their full support so we can send a clear message to the other end of Pennsylvania Avenue that the Congress will not accept an outrageous national unemployment rate of over 8 percent for the next year. We must overwhelmingly approve this bill. We owe it to the millions of unemployed who have been the helpless victims of the Republican recession, and to the other millions who are carrying the financial burden of this unbearable unemployment rate.

Mr. MINISH. Mr. Speaker, today we are considering the conference report on H.R. 5247, the Public Works Capital Development and Investment Act.

One short year ago, Congress was faced with a tremendous challenge of restoring American confidence in her economic future. We now have the opportunity to fully realize this goal through passage of the pending conference report.

H.R. 5247 is the third major effort of a tri-partite congressional program geared toward economic stimulation. Originally passed in the House on May 20, 1975, the Public Works Employment Act before us today includes additional significant provisions to create greatly needed jobs for out-of-work Americans.

No locality, let alone State, has been spared from the major economic ills of unemployment. The Public Works Employment Act represents a potential increase of approximately 700,000 to 800,000 jobs for this year and the next. In the State of New Jersey where unemployment has consistently run above the national average, and presently hovers at 13 percent, enactment of H.R. 5247 could mean the creation of approximately 50,000 jobs.

A major attribute of this bill is the "readiness" it possesses. The authorized funds of this legislation for fiscal 1976 were included in Congress' last budget resolution. H.R. 5247 gives priority to those projects prepared for actual construction within 90 days. Title II of this measure authorizes a contingency fund for emergency support grants to State and local governments who suddenly find themselves in severe fiscal difficulty.

I urge my colleagues to join me in support of the conference report on the Public Works Capital Development and Investment Act. To ignore the call of unemployed Americans who have waited and are willing to work would surely be unconscionable.

Mr. ANDERSON of California. Mr. Speaker, I rise in support of the conference report on H.R. 5247, the Local Public Works Capital Development and Investment Act of 1975. This bill is commonly referred to as the "jobs bill"—and rightly so.

While the conference report differs greatly from the bill which was passed by the House in May, I believe that it still prescribes what will prove to be effective antirecession medicine. The basic purpose of this legislation is two-fold: to provide construction-type jobs and to stimulate the near-depression construction industry.

The President has spoken often in terms of more jobs for American citizens. Yet, when we look at the President's proposed budget for the coming fiscal year, we see a proposal for the elimination of the public service employment program. This will result in the loss of 310,000 jobs now held by Americans.

As a contrast, this bill provides the Congress with an opportunity to act decisively by quickly creating approximately 600,000 new jobs, mostly in private industry—about half in on-site construction jobs, and half in construction materials industries. The antirecession grants to states will eliminate the necessity for state and local governments to lay off another 100,000 employees. I agree with the President that we must encourage the private sector to provide additional job opportunities for American citizens. I for one believe, that when possible, solutions to economic problems should be resolved in the private sector. But we are not talking simply in terms of unemployment statistics. There are human beings in this land with basic human needs—the greatest of which is the need for a job.

The national unemployment rate for 1975 was 8.3 percent, with the prospect that unemployment will remain above 7 percent for more than two years. Unemployment in the construction industry averaged 18.1 percent in 1975. These realities may be acceptable to the administration, but they certainly are not acceptable to me, nor to a majority of American citizens.

Title I of the local public works bill provides for an accelerated public works program. The public works projects to be funded are needed projects, not just ones created to keep people busy. This section also states that funding will only be provided to projects where on-site construction can begin within 90 days—supplying a quick stimulus to the economy. In addition, the funding of these projects is tied to the unemployment rate by requiring that 70 percent of the funds must go to projects in areas where the unemployment rate is in excess of the national rate. Also, the Secretary of Commerce in considering applications for funds must consider the duration of unemployment, extent of underemployment, and the extent to which the project will contribute to a reduction in unemployment.

Title II of this bill authorizes financial assistance to State and local governments for five calendar quarters. This funding, which may be used for maintenance of basic services by State and local governments, is also tied appropriately to the rate of unemployment in the area. Unlike so many Federal grant programs, this provision would provide aid only to areas seriously affected by the recession, and would be cut off automatically when the unemployment in the area falls below 6 percent.

Mr. Speaker, I believe that with State and local governments now spending $231 billion annually and accounting for over 15 percent of the gross national product, the time has come for greater economic cooperation between the States and the Federal Government in determining national economic policy. Tax increases and layoffs by State and local governments as a result of the recession run counter to Federal efforts to stimulate the economy through tax reductions and increased employment.

Title III of this legislation amends the Public Works and Economic Development Act in three ways. First, $500 million is authorized to extend the Public Works Job Opportunities program through October 1, 1976. Second, an additional $125 million is authorized for calendar 1976 for EDA business development loans and guarantees, along with authorization for interest subsidies to reduce the cost of borrowing in EDA-designated areas. And third, a new section is added to the Public Works and Economic Development Act to facilitate the designation of cities over 50,000 as eligible for EDA assistance. One hundred million dollars of additional EDA assistance is authorized through September 30, 1976, for this section. This is the first time that an economic development program has been established for urban areas. I am encouraged by this development, as it is time that we recognize that economic distress in our cities is determined by more than just unemployment and poverty statistics.

All in all, the Local Public Works Capital Development and Investment Act of 1975, as reported from the conference committee, represents a solid legislative achievement. This legislation offers an effective solution to some of our immediate economic woes by continuing construction of needed public works projects, continuing essential services by States and local governments, and by creating jobs for the unemployed. Mr. Speaker, this well-integrated legislation deserves the support of all Members of the House concerned with putting Americans back to work.

Mr. ASHBROOK. Mr. Speaker, I rise in opposition to the conference report on H.R. 5247, the Local Public Works Capital Development and Investment Act. This legislation would seriously increase the Federal deficit without providing any real solution to our economic problems.

The House seems to be in a spendthrift mood this week. Two days ago it overrode the President's veto of a bill appropriating more than $45 billion for the Departments of Labor and Health, Education, and Welfare. Now it is considering the conference report to legislation that would increase Federal spending by yet another $6 billion. If passed, this multi-billion-dollar public works boondoggle also merits a Presidential veto.

An irresponsible liberal majority in this body apparently believes that further increases in Federal spending are needed to spur the economy. As one Democratic leader put it, "This bill is an integral part of the economic recovery program developed by the House leadership and supported by the House Democratic majority—this bill will give a key boost to our economy at a critical stage in our progress toward recovery." After spending us into a recession these Members now believe they can spend us out of the recession. And they are wrong.

If gross Federal spending is the answer, surely an estimated budget outlay for fiscal year 1976 of approximately $368.5 billion and a deficit of $70 to $80 billion is more than enough. Why should another $6 billion Federal boondoggle strengthen our economy when all the other spending increases have not?

The answer, of course, is that it will not strengthen our economy. Stepped-up Federal spending will only worsen our economic situation. It will mean increased inflation, higher interest rates and more unemployment.

Frankly, the liberal economics has failed. Instead of admitting this fact, however, the liberals call out for ever higher spending. They are like the doctors who supposedly healed their patients by bleeding them. If the patient's health did not improve, they would recommend further bleeding.

The way to improve the health of our economy is to cut Government spending and balance the budget. Only after we get spending under control can we begin to revitalize our free enterprise system and start down the road to economic recovery.

Mr. DOMINICK V. DANIELS. Mr. Speaker, I rise to express my strong support for the conference report on H.R. 5247.

This comprehensive legislation has a very important objective—putting Americans back to work. The bill provides $2.5 billion through fiscal year 1977 to State and local governments for construction and renovation of local public works projects. These would be quick start-up projects designed to put nearly 600,000 jobless Americans back to work.

The bill also provides an additional $1.4 billion for grants for the construction of publicly owned wastewater treatment funds. This additional funding will be added to the $9 billion in previously authorized wastewater treatment funds.

The countercyclical provisions of the legislation would provide $1.56 billion in antirecession grants to State and localities that have unemployment rates in excess of 6 percent. This vital program would last for five calendar quarters, and turns off completely when the national unemployment rate declines to 6 percent.

Mr. Speaker, this is an essential provision for the financially distressed municipalities and States in the country.

With the exception of two cities in the Southwest that seem to be coping quite adequately with strained economic conditions, there is not a city or town in this country that has not felt the double blow of inflation and recession. Cities all around the country have been forced to make drastic budget cuts and lay off workers.

Mayors all around the country have been faced with a Hobson's choice of either raising taxes or cutting jobs and municipal services. For municipal administrators, this has been a no-win situation. The funds we are providing will help to relieve the fiscal agonies that have been wracking cities and towns throughout the Nation.

The conference report also contains a $200 million authorization for the working capital loan program for businesses under title II of the Public Works and Economic Development Act, and provides $100 million in fiscal year 1976 and the transition quarter for urban economic development grants. The bill also extends the job opportunities program through September 20, 1976, and authorizes $500 million for programs which can be initiated promptly and completed within 12 months after funding.

Mr. Speaker, I hope my colleagues will join with me in voting for the passage of this legislation.

This is an important component of the overall congressional strategy to put unemployed American workers back on the job.

Mr. Speaker, I strongly urge all of my colleagues to support this much-needed legislation.

Mr. DRINAN. Mr. Speaker, I rise in support of the Public Works Employment Act. This emergency legislation will create 700,000 to 800,000 jobs in precisely those areas where unemployment is most severe. Almost all of these jobs will be in private industry, most of them in construction and the building trades where unemployment has reached a staggering 24 percent. The work will be performed on the most urgently needed local projects in the areas of highest unemployment. Despite certain deficiencies in title II of the act, the bill is in almost all respects an outstanding mechanism for the creation of jobs, one of our Nation's highest priorities. The House of Representatives simply cannot turn its back on the hundreds of thousands of unemployed Americans whom this bill would put back to work.

TITLE I

Title I of the act authorizes $2.5 billion for grants to State and local governments for 100 percent of the cost of public works projects. This program is designed to channel federal assistance with maximum efficiency, providing funds as quickly as possible to those States and localities most in need of them. In order to insure rapid job creation, grants are limited to projects on which on-site labor can begin within 3 months of funding.

The Commerce Department must make a final determination on all applications for title I grants within 60 days of receipt; failure to do so would result in approval of the project. In considering these applications, the Secretary of Commerce must consider the overall need for the project, including the level of unemployment and the extent to which the proposed project would reduce it. Areas with unemployment rates in excess of the national average shall be given priority, and 70 percent of the funds will be channeled to such States and localities. No one area will be permitted to receive a grossly disproportionate share of title I grants, however, as each State must receive not less than 0.5 percent and not more than 10 percent of the program's funds.

It is estimated that title I alone will create some 600,000 jobs. States in which the scourge of unemployment is greatest, such as Massachusetts where an appalling 14 percent of the work force is idle, would receive stronger doses of Federal help. Assistance would be nationwide in scope and almost immediate in effect, providing an essential additional stimulus to the sluggish economic recovery. Current projections indicate an unemployment rate of about 8 percent through 1976. This is unacceptable. We must reject the administration's callous policy of relying almost entirely on the private sector to provide jobs for millions of Americans who desperately want to work. Title I of this act constitutes a constructive alternative to that bankrupt policy.

TITLE II

Title II provides $1.5 billion for a 15-month program of countercyclical grants to States and localities for the maintenance of basic public services during periods of high unemployment. Federal job creation efforts have been seriously undermined because the recession has forced State and local governments to cut back programs and lay off personnel. Some $8 billion worth of such reductions occurred in 1975, and it is estimated that adoption of countercyclical assistance could preserve or create a total of 100,000 jobs.

Mr. Speaker, I must state my reservations as to the manner in which title II has been brought before the House. As the gentleman from Texas (Mr. BROOKS) and the gentleman from North Carolina (Mr. FOUNTAIN) have pointed out, this proposal is within the purview of the Committee on Government Operations. Not a single day of hearings on this costly and innovative program has been held in the House. We have no opportunity to improve the title on the floor today through amendment. In effect, the Members of the House have been presented with a fait accompli by the Senate. This is not the way in which we should do business in the House.

Due at least in part to the absence of extensive House consideration, title II contains some serious deficiencies. The requirements to insure that countercyclical assistance will actually be used to provide new jobs are far too vague. The nondiscrimination provisions are inadequate in several respects. First, there is no mandatory timetable for the consideration of complaints. Second, there is no requirement that countercyclical funds be withheld upon a finding of discrimination. Third, there is no provision for awarding attorney's fees to those bringing suit charging discrimination, thus discouraging many victims of discrimination from acting to enforce their rights.

Despite these shortcomings, I strongly support enactment of title II as an emergency measure. It promises to be an effective means of reducing unemployment. Moreover, any change in the House would kill the entire bill and render useless a year-long effort to devise a Federal job creation program. Such a program is needed urgently; we cannot afford further delay.

TITLE III

The four elements of title III constitute a carefully-designed effort to increase Federal impact upon unemployment. The extension of the jobs opportunities program through September 30, 1976, is of particular importance. It authorizes $500 million for projects which can be implemented promptly in areas in which unemployment is greatest. The additional $1.4 billion in Federal grants for the construction of publicly owned water treatment facilities will also create a significant number of new jobs.

CONCLUSION

We normally think of emergencies in terms of national defense or natural disaster. But an unemployment rate in excess of 8 percent is no less than an emergency; in fact, it is a national tragedy. This emergency calls for immediate action by the Federal Government. While the Public Works Employment Act is not ideal. It is an effective means of creating jobs. Today we are confronted with a choice between its enactment and a continuation of Federal inaction in the face of the unemployment crisis. I strongly urge my colleagues to support this essential legislation in its entirety.

Mr. DU PONT. Mr. Speaker, last May when the House passed this bill, H.R. 5247, I voted against it, stating that I had already supported more than $8 billion in emergency employment measures, and that a Federal budget deficit of $73 billion was far too large. I was also of the opinion that the $5 billion in this bill would do no real good, in that it would simply displace State and local money.

In the intervening 7 months since passage of that bill, the deficit has grown a few billion dollars more, and the bill has been made even worse. It is now a billion dollars more, and contains a brandnew section—title II—never before considered by the House and of doubtful value. Title II provides Federal grants to "maintain basic services" of State and local governments. This is not economic stimulation—this is a simple handout of 2 billion tax dollars to State and local governments for no real purpose—neither for public works, nor for employment. The GAO has issued a report critical of the provisions of title II; the National Governors' Conference has opposed title II.

Local governments receive almost all of their funding from the property tax—and yet title II purports to distribute this $2 billion on the basis of unemployment rates. I have not seen any evidence that unemployment rates and property tax collections are in any way related, and so question the whole basis of this section.

Our efforts to aid unemployment by creating jobs are through CETA and the Emergency Jobs Act, which I supported and which have provided some $8.8 billion for public service jobs and related programs in a 2-year period. It would be far better to expand these programs, if necessary, than to launch another effort of dubious value, which parallels and duplicates the provisions of existing programs.

In short, the bill is too expensive, poorly conceived, and duplicative—three excellent reasons to vote against it.

Mr. ROE. Mr. Speaker, as chairman of the subcommittee that has had jurisdiction over this legislation since its introduction last spring, I strongly endorse the conference report and urge its adoption by the House.

Mr. Speaker, I would like to reflect for a moment on the debate when this bill originally passed the House last May by an overwhelming vote of 312 to 86.

At that time it was pointed out that the President, in his budget message of February 1975, predicted that unemployment would average 8.1 percent for 1975, 7.9 percent for 1976, and 7.5 percent for 1977. Although economic forecasting is far from an exact science, it is interesting to note that even though the President underestimated unemployment for 1975, his other forecasts were accurate. A national magazine this week attributes his success to "more than a little help from his old friends in Congress—because Congress sizably fattened Ford's budget and stimulated the economy." Even with this congressional stimulus, unemployment averaged 8.5 percent in 1975—the highest in 34 years.

We are faced with the same situation this year—the President's economic message tells us that they expect unemployment to remain high—7.7 percent in 1976 and not dropping below 5 percent until 1980

What does this discussion have to do with the conference report we are considering today? Simply that this is the only program under consideration by Congress that directly attacks this problem—and says clearly that we will not accept the tragic combination of 7 million persons actually looking for work, industry operating well below capacity and a growing backlog of badly needed—but unbuilt—public facilities because of the desperate state of State and local government budgets.

Mr. Speaker, in this year's budget message, the President says we are well on the road to recovery from the deepest recession since World War II. I certainly hope it is true. The economic signs that we see today may not be as bad as they were last year, but they still are not good. Many indicators are indicating strength but the most important indicator—unemployment—still stands at 8.3 percent. This means that in 1976 we will have between 7 and 8 million unemployed workers with minorities and young workers, particularly teenagers, forming a disproportionately large share of this unemployed group.

The most discouraging implication of the President's unemployment forecasts is that we are being asked to live with this tragic level of unemployment for several more years. Increasingly, we are asked to become tolerent of unemployment of 7 and 8 percent—rates almost unthinkable just a few years ago. Economists agreed that full employment during the Kennedy administration implied 4 or less percent unemployment; the Nixon administration raised this to 5 percent. Today, many economists, regardless of their political affiliation, are trying to tell us that 6 percent unemployment is probably the lowest the Government can attain without stirring up inflation. And if we are to believe the forecasts in this year's budget message, even this modest target is a long way from realization.

Mr. Speaker, I do not believe we are willing to accept, or passively tolerate this. Nor can I believe that improved social benefit programs and extended unemployment insurance make joblessness less painful for the individual or for society as it was a decade ago. Testimony before my subcommittee clearly showed that people want to work—not exist on the dole. The human and economic waste that results is too great for Congress to ignore.

No doubt, Mr. Speaker, the direct benefit programs we have provided have cushioned somewhat the impact of joblessness. We would certainly be much worse off today without unemployment compensation, insurance, food stamps, welfare, public service employment, and the like. But the total bill for these services this fiscal year will require outlays between $30 and $40 billion—$20 billion for unemployment compensation alone. In other words, the cost of our doing nothing is just too great.

And what about the future? The President predicts a long, slow recovery. But a number of economists have different scenarios—with an increasing number predicting another downturn in 1977 with the present recovery sputtering out. Any prospect that we could go into another recession with unemployment over 7.5 percent instead of the 5 percent of 1973 is the strongest possible argument for having the broad array of antirecession legislation contained in this conference report on the books and ready to go quickly.

Mr. Speaker, I hope this discussion makes it clear that we should consider a bill such as this Public Works Employment Act of 1975, in light of our past experience as well as uncertain future. And it seems to me that this type of economic policy response makes a great deal of sense.

In short, title I of H.R. 5247 provides $2.5 billion in direct, 100 percent Federal grants to State and local governments for the construction, renovation, repair, and other improvement of local public works facilities.

The public works program authorized in this conference report would: First, combat employment by stimulating activity in the construction-related industries; and, second, stimulate national economic activity by assisting State and local governments in the construction, renovation, repair or other improvement of badly needed local public facilities.

Mr. Speaker, it seems a bit ironic to me that at the time when so many workers are forced to go without work, to live on unemployment compensation or welfare, many cities and towns across the Nation are sitting on huge backlogs of needed public projects.

The problem—several years of extremely high interest rates, coupled with inflation-induced, prohibitive materials costs—has clearly imposed a staggering burden on local governments in trying to keep pace with the facilities needs of their communities.

Examples are numerous. Repeatedly throughout the hearings on this bill, Governors and city and county officials alike, representing the broadest cross-section of both urban and rural interests, called our attention to projects in their communities that have already gone through the time-consuming planning process, and are ready to start within 90 days.

In short, Mr. Speaker, all the extensive testimony received in hearings held on H.R. 5247, demonstrates that there is indeed a great backlog of public facilities needs in the cities and towns of the Nation, and that many of these could be rapidly initiated once funds were made available.

It is these communities, and this type of project, which would benefit through the immediate enactment of H.R. 5247. The bill makes available grant-in-aid for public facilities projects which promise rapid implementation and the reduction of unemployment and, at the same time, by requiring the use of additional materials and equipment, provided needed stimulation to the basic industries that are still operating well under capacity.

And the cost? Mr. Speaker, the cost of doing nothing is too great. Something is wrong with our priorities if we are willing to pay $30 to $40 billion this year to people who do not have jobs and then not find less than 10 percent of this amount to put people to work on worthwhile, long-lasting projects of a truly beneficial nature to the communities in which they are undertaken.

Mr. Speaker, the other titles in this conference report complement the public works grants of title I, and together they make up a total antirecession package that should be enacted without delay.

Title II of H.R. 5247 would authorize a program of assistance to State and local governments which have been hard hit by the recession. The purpose of this assistance is to enhance the prospect of national economic recovery, in two ways.

First—a Joint Economic Committee survey found that the recession will force State and local governments to take about $8 billion in counterproductive budget actions this year which could retard economic recovery. These actions include reducing their work force, raising taxes, and delaying necessary capital improvement projects. The title II program would reduce the reliance of State and local governments upon such budget actions, and thus contribute to economic recovery. It would not be inflationary—the program would cut off automatically when unemployment drops below 6 percent.

Second—the Congressional Budget Office found that antirecession aid to State and local governments would have a substantial job-producing impact. In an analysis of various antirecession proposals, the CBO ranked a program similar to title II second highest as an employment stimulus.

Under the title II program, money would be distributed quarterly to individual State and local governments which had unemployment of 6 percent or more. The size of individual payments would be determined on the basis of a formula with two factors: unemployment, as a measure of the impact of recession, and adjusted taxes, as a measure of the services provided. The authorization level for the program would be determined by the national unemployment rate, as follows: $500 million would be authorized when national unemployment hit 6 percent, and an additional $250 million would be added for every increase of 0.5 percent in the unemployment rate. Thus if national unemployment were 8.0 percent, the authorization level would be $1.5 billion. One-third of the total is set aside for State governments, two-thirds for local governments.

Mr. Speaker, title III of the conference report amends the Public Works and Economics Development Act to make the Economic Development program more effective in providing jobs in areas of high unemployment. The business development loan program would be increased by $125 million for 1976, and an interest subsidy would be authorized.

A new section 405 would be added to the Public Works and Economic Development Act to authorize the designation of cities over 50,000 if it has submitted an approved overall economic development plan, and $50 million would be authorized to carry out this section for fiscal year 1976 and the transition quarter. This will permit a direct attack on the areas of highest unemployment by helping job-producing industrial expansion.

Title III will also reauthorize the title X Job Opportunities program at last year's level of $500 million. During the committee hearings on this and the other amendments proposed in title III of the conference report, many Members expressed their concern over the 1975 program—particularly the criteria used to select projects for funding. The title X program authorized in the conference report is designed to correct these deficiencies.

The other section of title III that is particularly important to Members of the House is the $1.4 billion authorized for water pollution control facilities. As Members know, the Senate added an amendment to the House-passed bill which would have reallotted the 1975 allocations of wastewater treatment grant funds under a new formula. The House conferees rejected the Senate amendment and authorized $1.4 billion to be distributed to the States that would have received additional funds under the Senate amendment. These funds will be authorized for fiscal year 1977 and will be available until expended. This authorization is particularly crucial to 18 States whose pollution control programs will stop by March 1977 unless additional Federal grant funds are made available.

In conclusion, Mr. Speaker, I hope this brief summary clearly demonstrates that this conference report is a carefully designed, fully justified package of anti-recession measures. Both the House and Senate Budget Committees have considered the fiscal implications and have included the budget authority and outlays for this program in the congressional budget resolution for fiscal year 1976.

Mr. Speaker, this conference report comes at a time when unemployment, the slow rate of recovery of our major industries, and the problems of our State and local governments to meet their financial burdens are steadily increasing. This bill will not only put the unemployed man and woman back to work, but it will revive the financial operations of the State and local governments and provide a needed boost to every segment of the Nation's economy.

H.R. 5247 is an investment in our Nation's future that we should enact as quickly as possible and I encourage my colleagues to adopt the conference report.

Mr. JAMES V. STANTON. Mr. Speaker, I am very pleased that House approval today of H.R. 5247, the Public Works Employment Act, will complete congressional action on legislation I first introduced in 1973, the Urban Employment Act, for the substance of this proposal is included in section 302 of the bill before us today. This bill, by establishing a new program in the Economic Development Act exclusively for the urban areas, is an important first step in directing the economic development programs of the Federal Government toward the pressing needs of the large cities.

As a representative of one of the great cities, I have found the outflow of jobs and businesses from the cities, and the plant closings, to be among the most vexing they face. Typical of large cities in Ohio and all over the Nation is my own city of Cleveland, which, according to a report issued by the city planning commission, lost over 12,000 jobs and 258 firms in the 5-year period of 1966 to 1971. There are many reasons for this alarming trend, but often the key factors in the decision of a business to close a factory or to locate in a nonurban area are that the existing facilities are obsolete and uneconomical, and, for those seeking to build, urban land is available, if at all, only at an extremely high price.

Thus again and again, the cities have been on the losing end of these business decisions, and the effect is obvious. To mayors and city councils in the urban areas, this trend has been a major long-term cause of the budgetary crises which have stricken many of the large cities in the past several years, bringing with them municipal strikes, and the threat of further cutbacks in essential services. Indeed, the viability of the cities as financially self-supporting units has been threatened. To many others in the cities, plant closings and industrial migration have had an even more personal effect in terms of the loss of a cherished job, the loss of seniority, and perhaps the loss of a pension. To young people, just entering the labor market, it has meant that the struggle to find one's first job has become even longer and harder.

In an effort to learn what the Federal Government might do to be most effective in assisting the cities, I initiated in 1972 a series of contacts with economic development officials, both in and out of government, on the national, State, and local levels, and with leaders of business and labor. Among others, officials of the Council on Urban Economic Development and the National League of Cities were most helpful to me. The product of these efforts was the proposed Urban Employment Act, under which cities would be offered grants and loans for the purpose of purchasing industrial land, renovating it to make it suitable for new business, and then selling, leasing, or otherwise conveying it to industries which offer the best hope for the future economic growth of the city.

This concept of land banking has been tried in a number of cities, and it is a promising means of encouraging industry to stay in the urban areas and expand there. But cities have been limited in their ability to use land banking, because they lack the funds necessary to make the initial land purchases. Beyond this, there may be considerable cost in preparing the site, as there may be structures which must be demolished and cleared, and other improvements which must be effected. With the aid that the Urban Employment Act sought to offer, these costs would at least in part be covered by the Federal Government.

The broad support which the Urban Employment Act received from those concerned with the situation of the cities was very gratifying to me. On April 1, 1974, the House Economic Development Subcommittee held a hearing on proposals for extending and expanding the Economic Development Act, and in testifying in support of my proposal, I was accompanied by the president of the Van Dorn Co., a major Cleveland industrial concern; the executive secretary of the Cleveland AFL-CIO Federation of Labor; the director of the Department of Human Resources and Economic Development of the City of Cleveland; and a representative of the Greater Cleveland Growth Association, which speaks for the business community. I again testified in behalf of the legislation before the subcommittee during its hearings on September 23 of last year.

One of the products of the economic development hearings held last year is this provision of H.R. 5247 which establishes a new part D of title IV of the Economic Development Act, this part to be entitled "Urban Economic Development." Only cities of 50,000 population or more are eligible for assistance under this part, and the list of eligible activities includes "industrial land assembly, land banking, acquisition of surplus government property, acquisition of industrial sites including acquisition of abandoned properties with redevelopment potential, real estate development including redevelopment and rehabilitation of historical buildings for industrial and commercial use, rehabilitation and renovation of usable empty factory buildings for industrial and commercial use, and other investments which will accelerate recycling of land and facilities for job creating economic activity." In addition, the cities are authorized to make loans from the funds granted to them and to place the repayments of these loans in a revolving fund to be used for the economic redevelopment of the city.

I commend the conferees of the House and the Senate for recognizing the urgency of the problems of the cities by including this constructive provision in the Conference Report on H.R. 5247. Enactment of this bill into law in the near future, and speedy funding of it, will enable the cities to begin programs funded by this provision even before the end of this year. Thus I strongly urge the President to add his signature to this measure, so that we can get on with the work of strengthening the weak link in the chain of our national economy, the cities, and providing jobs for all who want them.

Mrs. MEYNER. Mr. Speaker, I rise in support of one of the most important, employment intensive pieces of legislation to come before the 94th Congress. H.R. 5247, the Local Public Works Capital Development and Investment Act of 1975, with the potential of creating 800,000 jobs nationwide, could be our most effective weapon to date in the battle against recession and unemployment.

The benefits for the State of New Jersey alone under this bill are impressive. Under title I of the bill, New Jersey could benefit from up to $250 million in Public Works Development Capital. Since projects must be initiated and completed within very strict time limits, and because funds are targeted to those areas of greatest employment needs, there is very little danger of title I programs being inflationary. Rather, much needed funds for hospitals, municipal buildings, and essential public facilities will be released, much to the relief of the suffering construction industry and the 13.3 percent New Jersey unemployment rate. Two counties in the 13th Congressional District of New Jersey, Sussex and Warren, are eligible for highest priority areas for title I funds with unemployment rates of 8.4 percent and 12.8 percent respectively. The other counties in my district, Morris, Hunterdon, and Mercer, are in the second priority group with unemployment rates of 7.1 percent, 7.1 percent and 6.9 percent. Given these unemployment rates, and the dire necessity of public works projects in the area, you can be assured that there will be no dearth of applications for any funds that will be made available.

The antirecession grants authorized by title II of this legislation represents an innovative approach that will greatly alleviate the financial situation of the State of New Jersey. By providing funds to those areas in greatest need of employment programs, title II assures that money will be well spent. In the 13th Congressional District, the amount of countercyclical aid is estimated to be $1.5 million. By providing these funds to maintain basic governmental services in an area of well above the national average of unemployment, we are assuring that Federal attempts and grants to alleviate the current recession are not eaten up in procedural costs.

The entire country stands to benefit from title III of H.R. 5247. The 13th Congressional District of New Jersey, is, perhaps, typical. The reauthorization of title X of the Job Opportunities Program will result in an even greater, labor intensive drive in my district than was possible under current levels of title X funds. Of the $5 million worth of applications from my district, a disappointing $200,000 was finally granted to enact very vital projects. Needless to say reauthorization of title X is necessary to give those projects that went begging the needed financial attention they deserve.

Finally, the compromise reached by the conference committee with regard to the formula for wastewater treatment facilities grants assures that New Jersey's share will stay at approximately $661 million. This compromise is a gratifying acknowledgment and a practical solution to both environmental and economic concerns.

I urge enthusiastic acceptance of this conference report—for the benefit of the 13th District of New Jersey, and for the entire Nation.

Mr. JOHNSON of California. Mr. Speaker, I support the bill that has been brought to us by the conference committee because I believe it embodies a fundamental principle that must be recognized by all levels of government before it is too late.

That principle is that it is better to pay people to work than to pay them to do nothing.

The involuntary idleness of 8 to 10 million Americans imposes costs of about $40 billion a year in unemployment compensation, food stamps, welfare and subsidy payments. As one newspaper columnist has so aptly put it, "everybody's pocket is picked by mass unemployment."

It is time that we stopped picking the pockets of the American taxpayer and started giving him something more than a cancelled check that has paid for little more than the humilating survival of millions of his fellow Americans.

During the Great Depression the Nation reacted to a similar set of circumstances by initiating a revolutionary public works program. Over the years, the old Works Progress Administration has received its share of ridicule and scorn. Theoreticians say the times are different, that 1976 is not 1935. Others charge that WPA was at best a phony "make work" undertaking.

Granting that 1976 is not 1935, I suggest, as Clayton Fritchey did in his recent column, that there is a legacy of WPA that destroys the "make work" allegation. That legacy is 600,000 miles of highways new or rebuilt, 116,000 bridges and viaducts built or repaired, 110,000 schools, libraries, and auditoriums built, 600 airports constructed, 8,000 parks and 13,000 playgrounds created, millions of trees planted, and sewer and water systems provided.

And perhaps the greatest achievement of all was the self-esteem and sense of destiny that a Nation regained as a result of putting people back into productive labor.

Yes, it is far, far wiser to pay people to work than to pay them to do nothing, and for that reason I strongly endorse the conference bill.

Mr. BIAGGI. Mr. Speaker, I rise in full support of the second conference report to H.R. 5247, the Public Works Employment Act of 1975. I consider the addition of the countercyclical aid provision to the final report, to be demonstrative proof to the American people that this Congress is committed to solving this Nation's most severe and persistent economic problem—unemployment.

There are some in this Nation who point to improvement in key economic indicators and statistics as constituting proof of significant economic recovery. But for the 8 million unemployed American men and women, these statistics are meaningless. We cannot be misled by statistics. It is a known fact that no meaningful economic recovery will take place in this Nation until our unemployment rate is drastically reduced.

We have before us a very expensive bill. Drastic legislation to deal with a very grave problem. The outstanding feature of this bill is that it will create 600,000 new jobs almost immediately. Even so, some will squawk about the price tag. Should we set a price limit on a piece of legislation of such compelling human importance? Legislation which will create the number of jobs this bill will, represents a sound investment in our Nation's quest for economic recovery. We must not be deterred by arbitrary budget ceilings or distorted spending priorities. As Chairman Arthur Burns recently poined out, it is time for the Federal Government to expend more funds on job creating programs instead of pumping millions of dollars into programs which merely perpetuate unemployment.

In addition to title I, which provides $2.5 billion through fiscal year 1977 to State and local governments to fund local public works employment projects, this final conference report contains the countercyclical aid proposal which merits some discussion.

In essence, countercyclical aid is an innovative program designed to provide millions of dollars in new funds to States and localities with high unemployment, to help them maintain basic municipal services. This provision of the bill recognizes the desperate plight of State and local governments, who have suffered disproportionately from the current recession. Whereas in 1972, State and local governments had budget surpluses of $4 billion, it is estimated today, that their combined deficits are in excess of $10 billion. This in effect, has canceled the economy stimulating efforts of the Federal Government. In the past year, State and local governments have been forced to increase taxes and lay off thousands of workers. A majority of States, and even a larger majority of major cities, have unemployment rates which far exceed the national average of 8 percent. These include New York with 10.2 percent, Michigan with 12.2 percent, Massachusetts with 11.8 percent, and Connecticut with 10.8 percent.

For the cities of this Nation, the situation is even more desperate. Massive job layoffs and resultant cuts in basic city services have been the calling card for almost all major cities. New York City's particular situation became so desperate, that they were forced to seek emergency Federal loans to prevent default. Other cities are not far behind, and passage of this legislation could help them avoid more serious fiscal problems in the future.

Countercyclical aid is, in its simplest form, an emergency grant program for cities and States. It is designed as a specific answer to a specific, and hopefully short term problem, excessive unemployment. It can, and will terminate once unemployment is reduced. In fact, once the national unemployment rate falls below 6 percent, this program will end.

Its advantages are clear: it provides a speedy way to reduce unemployment; funds must be expended within 6 months of receipt—its target is those areas most in need—it will phase itself out as the economy improves—and finally, it will compliment the economy stimulating efforts, both past and future of the Federal Government, as countercyclical aid will help prevent States and local governments from having to raise taxes.

As mentioned earlier, the nature of this bill is such that its benefits will be felt almost immediately by needy States and localities. For New York, this bill will mean some $138 million in new funds to be provided to help them restore basic municipal services which have been curtailed due to the recession. This would include the rehiring of essential public safety personnel, such as the estimated 3,000 police, firemen and correction officers, who have been laid off by the city. I have specifically requested the mayor of New York City to make the rehiring of these personnel a priority once the funds are released.

The tragedy of unemployment has struck millions of households throughout this Nation. Job layoffs have occurred across the board, both in blue collar and white collar positions. In New York City, even career civil servants were forced to be laid off. In a nation which prides itself on being built by the hands of hard working people, there is no reason why millions who are willing and able to work, should not be afforded that opportunity now. This bill represents one of the most ambitious efforts to date, by this or any other Congress, to create new jobs for the unemployed. Its overall importance to this Nation cannot be minimized. Its future importance to restoring economic stability to this Nation must be recognized. Let us not fail to respond to the challenge before us. I urge the overwhelming approval of this measure by the House today, and the immediate signature of the President.

Ms. ABZUG. Mr. Speaker, I rise in strong support of this conference report on which I was a House conferee. We are a Nation that is still in a deep recession. When we passed the House version of H.R. 5247 last May, I urged support for the measure by noting the high unemployment figures in States throughout the country. I regret to say that a review of those unemployment figures reveals a continuation of the same unfortunate conditions, despite the claims of the Ford administration. In California, the unemployment rate is 9.6 percent. The Massachusetts rate is 11.8 percent, Michigan is suffering from 12.2 percent unemployment. Pennsylvania is experiencing an 8.7 percent rate, Alabama's figure is 8.6 percent, Oregon has 9.9 percent unemployed. The list of States with similar figures is, sadly, very long. A number of industries, particularly the construction industry are in a desperate situation.

The impact of H.R. 5247 is, simply stated, to put hundreds of thousands of people to work. In the process, we will increase public revenues and decrease our welfare rolls. Those who argue that this Federal commitment would be inflationary should remember that Congressional Budget Office studies show that for every percentage point decrease in unemployment in excess of 4 percent, there is a resultant decrease of $2 billion in Government expenditures and a $14 billion increase in Federal tax revenues. It is much more productive to put people back on payrolls doing the necessary work of this Nation, than to continue spending $30 billion on unemployment insurance, food stamps, and other unemployment benefit programs.

Neither should we overlook the public sector needs that the public works program will fulfill. This program will build hospitals, schools, court houses, highways, airports that are immediately needed. Local government has not had the ability to pay for these facilities, certainly not in these difficult and often desperate days of recession, and the concomitant lessened local tax revenues that recession has brought. How many communities are in desperate need of sewers, storm drains, libraries, and community facilities? How many communities could use the shot in the arm that an additional 400,000 jobs would bring?

Mr. ADAMS. Mr. Speaker, I rise at this time to advise the House on the status of the pending legislation, H.R. 5247, the Public Works Employment Act, under the congressionally adopted budget ceilings for fiscal 1976.

In setting the fiscal 1976 budget ceilings, the conferees on the second congressional resolution provided $9.5 billion in budget authority and $7 billion in outlays for the community and regional development function. In setting these levels, the managers stated in the conference report that $3.9 billion in budget authority and $1 billion in outlays was provided for the public works and antirecession assistance legislation contained in H.R. 5247.

The actual fiscal 1976 impact of H.R. 5247 is now estimated to be below the levels provided in the second congressional resolution on the budget. The legislation authorizes that there be appropriated only $3.5 billion in budget authority in fiscal 1976. Outlays from these appropriations, if Congress subsequently fully funds these programs, are estimated to be no more than $600 million in fiscal 1976. Thus, the potential cost of this legislation is $400 million in budget authority and outlays below the levels set for it in our present ceilings for the fiscal year.

I would also point out, Mr. Speaker, that the spending targets which the Congress has established for this year's transition period also assumes full funding of the programs authorized in this legislation.

Finally, Mr. Speaker, I would remind my colleagues that enactment of this legislation and subsequent full funding of the programs involved was a major assumption underlying the overall economic stimulus strategy embodied in the congressional budget. The economic stimulation, and particularly the resulting job creation, to result from this legislation is essential if we are to achieve our goal of recovery and continued growth.

Mr. WON PAT. Mr. Speaker, I urge in the strongest sense possible that our colleagues here in the House join with the Senate to approve the conference report on H.R. 5247. Our fellow Americans have waited too long for the relief that this measure offers. This country needs immediate help in providing jobs for our people. This is exactly what H.R. 5247 offers and I ask that this measure be sent to the President today with an overwhelming show of support from the Congress.

It is no secret that thousands of Americans are out of work. In my own congressional district of Guam, the unemployment rate in recent months has shot to over 14 percent. In less than a year, our island has turned from full employment to hard line unemployment. Unless we act to put H.R. 5247 on the lawbooks, families who now wonder if their Government really cares about them can expect little relief in the near future.

I believe that H.R. 5247 is living proof that this Congress does care about joblessness and inflation. This outstanding measure will, as you know, provide $2.5 billion to fund public work projects that can provide immediate jobs for Americans. Although this amount is less than the $5 billion earlier asked by the House, the money provided by the conference report represents a significant step in the right direction toward providing our people with the assistance they expect from this Congress.

I am particularly pleased that the measure before us today does not attempt to fashion new directions in our efforts to solve the Nation's economic problems; rather it uses well established paths which we know work well. The relief which H.R. 5247 is to bring is of an immediate nature and this I wholeheartedly commend the decision of the chairman and members of the Senate and House Public Works Committee to use this bill as a vehicle to fund the Department of Commerce's excellent Economic Development Administration.

Funds earlier voted last year to fund title X of EDA served to pay for a reforestation project on Guam which employs 30 persons. But Guam has additional grant requests amounting to over $2 million which have yet to be approved. H.R. 5247 also authorizes $500 million for title X which I sincerely urge this Congress to authorized and to appropriate at the earliest possible opportunity.

I appreciate that what we do here today will create severe problems with our own efforts to maintain an effective budget. Undoubtedly, we will also be opposed by the White House in this matter. I sincerely hope, however, that H.R. 5247 will be permitted to serve its intended purpose and not become the unwilling victim of partisan politics. The world's richest nation surely has the economic resources to provide jobs for its people at a time when they need them most.

Mr. CONTE. Mr. Speaker, I am pleased to rise in support of the Local Public Works Capital Development and Investment Act (H.R. 5247).

The unemployment situation across the Nation is not as severe as it had been several months ago but the rate is still less than desirable. In all these past months, we have seen every legislative attempt to stimulate the economy. We saw an attempt to give tax credits to business, tax cuts which affected only those employed, increasing unemployment compensation benefits, we saw subsidies for rents, we saw beefing up the Comprehensive Educational Training Act—CETA—which is the only measure which proved to be marginally effective. In many localities, public service employment served only to breathe new life into local political spoils. In other areas the funds were used merely to maintain the payrolls of State and local units of government.

The bill before us today will authorize 100 percent Federal funding for State and local public works projects. These funds will be used to construct public buildings, water and sewer facilities, streets and roads, recreational facilities, and social service facilities, to name just a few needs that will be filled while providing jobs at the same time.

The funds we authorize today will be directed at those sectors of the economy experiencing the highest unemployment.

In many areas the unemployment rate for the construction industry exceed 20 percent and, unlike a public service jobs program, these funds will stimulate employment in a broad range of related industries.

The supplies and services procured for projects approved under this program will provide a badly needed stimulus for industries as diverse as lumbering and playground supervision, landscape architecture, and electrical installation.

As the funds for these local public works projects are appropriated, the taxpayer will be given double value, not only are the unemployed placed in a job, but the public is left with improvements of lasting value.

A brief look at the experience of the Works Progress Administration established during the Great Depression to combat unemployment will illustrate the potential of the legislation we are now considering. In the State of Massachusetts alone, the WPA built more than 4,000 miles of road, 107 bridges, 429 public buildings, 65 stadiums, 565 acres of park, and 476 acres of athletic fields. Most of these facilities are still in use today—40 years later.

Mr. Speaker, I urge my colleagues to adopt H.R. 5247 as a badly needed practical economic stimulant, and as a sound investment in improving the quality of life for all citizens.

In the next 18 months this bill will stimulate more than 600,000 jobs in the private sector. These are not "leaf raking or make-work" jobs—these will be jobs that will result in a lasting benefit to the Federal Government and the locality in which the project is located.

Many of the projects can be started up within 90 days. This will insure that the job assistance will begin now when they are most needed. The authorization level is high—$6.2 billion. However, we must keep ever in mind that this level of authorization is included in H. Con. Res. 466, the House concurrent resolution on the budget. Hopefully, we will see the effects of this legislation take a large slice out of the $19.4 billion which is now needed in the unemployment compensation fund.

I was a cosponsor of H.R. 5591 which was one of the original bills referred to the House Committee on Public Works. The authorization level in that legislation was higher in some respects to this bill, but I am satisfied that the final product before us is so comprehensive in nature that its effects will be as far reaching as the bill I personally cosponsored.

I should now like to comment on title II of this bill which has been met with some degree of controversy. Title II is the antirecession and countercyclical program which was inserted by the Senate. It is argued that this program is not germane as it resembles revenue sharing and more properly comes under the jurisdiction of the government operations committee.

I suggest that the section is germane because the nature of title II is not a blanket revenue-sharing program, but more of a temporary five quarter assistance to the States where unemployment levels reach a critical point. The funds are further earmarked for specific public works programs. Title II will insure the continuance of basic local services. It is evermost important to keep other important distinctions between general revenue sharing and antirecession assistance in mind.

Revenue sharing is a steady flow of capital based on fixed formulas. Title II assistance fluctuates with the unemployment levels.

Revenue sharing is extensive in that all cities and communities receive proportional shares. Title II antirecession grants are extended only to those areas with critical unemployment levels.

It is for these reasons that title II should remain in this legislation.

At this time, I should like to commend the members of the committee for presenting a piece of legislation to counter the unemployment situation in a most efficient manner. Creation of jobs for the sake of jobs will never be the answer to our unemployment ills. However, creation of meaningful projects to stimulate widespread employment in the private sector is certainly a step in the right direction.

Ms. HOLTZMAN. Mr. Speaker, I strongly support the Public Works Employment Act conference report (H.R. 5247), which is designed to provide 800,000 jobs for the unemployed. Our hard-hit cities, counties, and States will be given funds to hire people to build and rehabilitate public facilities and provide essential public services.

This country is still suffering from the worst recession since the 1930's. At the present time, 7.8 percent of our work force is unemployed. Millions of others are not even counted in this figure because they have given up looking for work or have been forced to take jobs that are not commensurate with their skills and training.

These figures cannot begin to express the human tragedy of joblessness. Unemployment is economically wasteful as well. Every million persons unemployed—over 5 million—costs $14 billion of Federal money.

Giving people jobs is cheaper than perpetuating unemployment. It restores dignity to laid-off workers. It provides revenues for the Federal budget—since wages are taxable—instead of producing expenditures for unemployment compensation, welfare, medicaid, food stamps, and the like.

This bill creates jobs by authorizing $2.5 billion for a variety of public works projects ranging from new construction to rehabilitation of public facilities. The funds can be used to repair the cities' streets, renovate hospitals, complete half-finished schools, and build new parks and playgrounds. Work on the projects funded must begin within 90 days of approval so there will be an immediate impact on the economy.

The overall unemployment rate conceals the pockets of substantially greater unemployment located in America's cities. Thus, New York City has an 11.5 percent unemployment rate, although the national average is 7.8 percent.

This bill specifically addresses the problems of cities and other areas especially hurt by the recession. It provides "countercyclical funds" to these areas of high unemployment. Thus, localities that have been forced to fire city workers—such as policemen, firemen, and teachers—will be able to receive Federal funds to rehire these workers and maintain essential services. The importance of the countercyclical concept is that it targets funds for jobs to the areas that need it most, but stops the spending of Federal money once the employment situation in those areas improves.

Under this countercyclical provision, New York City would receive $137 million for public service employees and other New York towns and cities would receive $227.9 million—if current unemployment rates persist.

The conference report also authorizes additional funds for blighted urban areas in need of redevelopment. A city which formulates an economic development plan can obtain funds to rehabilitate decayed housing, convert factory buildings for industrial and commercial use, and restore historic sites for business purposes. Businesses within these blighted areas that are hit hard by the recession may receive a 4 percent interest subsidy for working capital loans. Preference for these loans is given to businesses with fewer than 1,500 employees.

This provision accomplishes several important goals at once—providing new jobs, rebuilding cities, improving industrial and commercial facilities, and helping ailing businesses to keep operating.

Finally, the conference report rejects a Senate amendment that would have reduced New York State's allotment for water pollution control funds anticipated.

I urge passage of this conference report.

Mr. JONES of Alabama. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore (Mr. GIBBONS). All time has expired.

With out objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. CLEVELAND. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 321, noes 80, not voting 31, as follows:

[Roll No. 27]

AYES—321

Abzug
Adams
Addabbo
Alexander
Allen
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Annunzio
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Buchanan
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burton, John
Burton, Phillip
Carney
Carr
Carter
Chappell
Chisholm
Clausen, Don H.
Clay
Cochran
Cohen
Collins, Ill.
Conte
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
English
Esch
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fary
Fascell
Fenwick
Fish
Fisher
Fithian
Flood
Florio
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Goodling
Gude
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harrington
Harris
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hyde
Jeffords
Jenrette
Johnson, Calif.
Jones, Ala.
Jones, Okla.
Jones, Tenn.
Jordan
Kasten
Kastenmeier
Kazen
Kemp
Keys
Koch
Krebs
Krueger
Landrum
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
McClory
McCloskey
McCormack
McDade
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Maguire
Mahon
Mann
Martin
Matsunaga
Mazzoli
Meeds
Melcher
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Perkins
Pettis
Peyser
Pike
Pressler
Preyer
Price
Pritchard
Railsback
Randall
Rangel
Rees
Regula
Reuss
Richmond
Riegle
Rinaldo
Risenhoover
Roberts
Rodino
Roe
Rogers
Roncalio
Rooney
Rosenthal
Rostenkowski
Roush
Roybal
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Scheuer
Schroeder
Schulze
Seiberling
Sharp
Shipley
Sikes
Simon
Sisk
Slack
Smith, Iowa
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Taylor, N.C.
Teague
Thompson
Thornton
Traxler
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Waxman
Weaver
Whalen
White
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wright
Wydler
Yates
Yatron
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NOES—80

Abdnor
Archer
Ashbrook
Bauman
Beard, Tenn.
Bennett
Brown, Mich.
Brown, Ohio
Broyhill
Burgener
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Cederberg
Clancy
Clawson, Del
Cleveland
Collins, Tex.
Conable
Conlan
Crane
Daniel, Dan
Daniel, R. W.
Devine
Dickinson
du Pont
Erlenborn
Eshleman
Findley
Frenzel
Goldwater
Gradison
Grassley
Hagedorn
Hansen
Harsha
Holt
Hutchinson
Ichord
Jacobs
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Kelly
Ketchum
Kindness
Lagomarsino
Latta
Lujan
McDonald
McEwen
Michel
Miller, Ohio
Moore
Moorhead, Calif.
Myers, Ind.
Pickle
Poage
Quie
Quillen
Robinson
Rousselot
Runnels
Satterfield
Schneebeli
Shuster
Smith, Nebr.
Snyder
Steelman
Steiger, Ariz.
Symms
Taylor, Mo.
Thone
Treen
Wampler
Whitehurst
Wylie
Young, Alaska

NOT VOTING—31

Andrews, N. Dak.
Armstrong
Bell
Conyers
Diggs
Edwards, Ala.
Flowers
Green
Guyer
Hébert
Hinshaw
Holland
Karth
LaFalce
McCollister
Madigan
Mathis
Metcalfe
Mottl
Murphy, N.Y.
Patman, Tex.
Pepper
Rhodes
Rose
Ruppe
Sebelius
Shriver
Skubitz
Talcott
Udall
Winn

The Clerk announced the following pairs:

On this vote:

Mr. Murphy of New York for, with Mr. Hébert against.

Until further notice:

Mr. LaFalce with Mr. Andrews of North Dakota.
Mr. Patman with Mr. Edwards of Alabama.
Mr. Pepper with Mr. Mathis.
Mr. Udall with Mr. Rhodes.
Mr. Diggs with Mr. Armstrong.
Mr. Conyers with Mr. Madigan.
Mr. Karth with Mr. Ruppe.
Mr. Holland with Mr. Bell.
Mr. Rose with Mr. Guyer.
Mr. Flowers with Mr. Shriver.
Mr. Green with Mr. McCollister.
Mr. Metcalfe with Mr. Sebelius.
Mr. Mottl with Mr. Talcott.
Mr. Winn with Mr. Skubitz.

Mr. McCORMACK changed his vote from "nay" to "yea."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. JONES of Alabama. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report on H.R. 5247.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 9803. An act to postpone for 6 months the effective date of the requirement that a child day care center meet specified staffing standards (for children between 6 weeks and 6 years old) in order to qualify for Federal payments for the services involved under title XX of the Social Security Act, so long as the standards actually being applied comply with State law and are no lower than those in effect in September 1975.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 9803) entitled "An act to postpone for 6 months the effective date of the requirement that a child day-care center meets specified staffing standards—for children between 6 weeks and 6 years old—in order to qualify for Federal payments for the services involved under title XX of the Social Security Act, so long as the standards actually being applied comply with State law and are no longer than those in effect in September 1975," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. LONG, Mr. HARTKE, Mr. RIBICOFF, Mr. HARRY F. BYRD, Jr., Mr. MONDALE, Mr. HATHAWAY, Mr. FANNIN, Mr. HANSEN, and Mr. PACKWOOD to be the conferees on the part of the Senate.

APPOINTMENT OF CONFEREES ON H.R. 9803, DAY-CARE CENTER REQUIREMENTS

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 9803) to postpone for 6 months the effective date of the requirement that a child day-care center meet specified staffing standards—for children between 6 weeks and 6 years old—in order to qualify for Federal payments for the services involved under title XX of the Social Security Act, so long as the standards actually being applied comply with State law and are no longer than those in effect in September 1975, with Senate amendments thereto disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Oregon? The Chair hears none and appoints the following conferees: Messrs. ULLMAN, CORMAN, RANGEL, STARK, WAGGONNER, SCHNEEBELI, and VANDER JAGT.

RENEGOTIATION ACT AMENDMENTS OF 1975

Mr. MINISH. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 10680) to revise and extend the Renegotiation Act of 1951.

The SPEAKER. The question is on the motion offered by the gentleman from New Jersey (Mr. MINISH).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 10680), with Mr. DANIELSON in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Before the Committee rose on yesterday, the Clerk had read through section 1 ending on page 1, line 5, of the bill and there was pending an amendment in the nature of a substitute offered by the gentleman from Idaho (Mr. HANSEN).

The gentleman from Idaho (Mr. HANSEN) is recognized for 5 minutes at this time in support of the gentleman's amendment.

Mr. HANSEN. Mr. Chairman, my substitute amendment and language is to amend the renegotiation proposal that is in the committee bill. I feel that the enactment of the committee bill would create more problems than it would solve. Both these measures deal with the Renegotiation Board, an independent executive branch agency established in 1951 to review defense, space, and related contracts in order to eliminate excessive profits. Although continually improving Government procurement practices should eventually make the renegotiation process almost unnecessary, the Board provides an additional safeguard to make sure that taxpayers and their Government receive fair value for dollars spent.

Currently, however, the Renegotiation Board is in serious difficulty. With only 48 accountants and 9 lawyers on its small staff of 200 employees to screen more than $40 billion in contracts annually, the Board fell 1,000 cases further behind in initial screening in 1975. The backlog of cases involving possible excessive profit increased in 1975 by 267 cases, to a total of 1,308, representing approximately $100 billion of renegotiable sales.

Now, I believe there are a substantial number of people in this body on both sides that believe legislation to help the Board expedite consideration of this backlog is absolutely of paramount importance.

We feel also that the committee bill is the wrong way to proceed. The committee bill (H.R. 10680) creates new problems for the Renegotiation Board, the Nation's consumers, and business. At a time when Government regulations and restrictions are already costing American consumers an estimated $130 billion a year, an average of about $2,000 per family, this bill sets up a series of new, stringent requirements, putting such burdensome demands on contractors, particularly small businesses, that many will simply not compete for Government contracts and some may even close down altogether.

Inevitably the additional costs imposed by H.R. 10680 will be passed along to citizens in both higher taxes and higher prices.

We should be encouraging, not discouraging, business sector competition for Government contracts, but several provisions of H.R. 10680 impose difficulties that will tend to lessen the interest of businesses in seeking Government business:

One of these, of course, is separate product lines.

Although the Renegotiation Board may now, when desired, request firms to provide information for separate product lines, H.R. 10680 requires this in every case. A uniform supplier, for example, will have to maintain separate accounting for shirts, trousers, jackets, and so forth, in addition to the accounting already done for tax and management purposes. There exists no accounting standard for uniformly separating one product line from another or for allocating overhead and other companywide costs. The extra personnel and paperwork to do this accounting will discourage many small firms from even seeking Government business. Arbitrarily separating product lines may reveal excessive profits or return on lines which do not actually reflect the small or marginal business' true profits or return on Government contracts.

The second point is burden of proof and method of renegotiation.

H.R. 10680 changes the renegotiation process from one in which the contractor and the Board work toward a mutually agreeable decision to one in which the contractor merely has the right to be heard. Then, if the contractor later appeals the Board's decision, the Board is presumed to be correct, and it is up to the contractor to prove otherwise. Many small businesses cannot afford the considerable legal expense required to prove their side in a case where they have been excluded from substantive knowledge of the issues or findings against them.

Point 3. H.R. 10680 requires contractors to pay interest on excessive profits from the first day of the fiscal year following the year in which they were earned, even though the renegotiation process currently takes at least 3 and often 5 and 6 years. This means the contractor owes far more interest than he would if interest ran only from the date when excessive profits were determined.

Point 4, audits:

The Renegotiation Board may now require an audit when it deems necessary. H.R. 10680 would require auditing every financial statement submitted to the Board either to establish exemption from renegotiation or for the renegotiation process. For many firms, large and small, the amount of business done with the Government is simply not worth the price of opening their books to auditors and subsequently, because of the Freedom of Information Act, to the public including their competitors.

Point 5, exemptions:

Currently, contracts for oil and gas well products and standard commercial services and articles are exempt from the renegotiation process. The oil and gas and standard commercial services exemptions would be eliminated by H.R. 10680 and the standard commercial articles exemption would be modified, despite the fact that no testimony was presented on the effects of removing or retaining these exemptions. Oil and gas pricing is already thoroughly scrutinized, and most standard items and services are priced competitively by the market system. The unintended result of removing or modifying these exemptions may well be to cause many small contractors to forgo Government contracts rather than become subject to the renegotiation process.

The CHAIRMAN. The time of the gentleman from Idaho has expired.

(On request of Mr. MINISH and by unanimous consent Mr. HANSEN was allowed to proceed for 3 additional minutes.)

Mr. MINISH. Mr. Chairman, will the gentleman yield?

Mr. HANSEN. I yield to the gentleman from New Jersey.

Mr. MINISH. Mr. Chairman, it has been indicated that the administration is opposed to H.R. 10680. Let me ask the gentleman, is this opposition based on the information contained in the dear colleague letter which was signed by the gentleman in the well and the ranking minority member of the committee?

Mr. HANSEN. Possibly some of it, but I think the administration came out with its own reasons for its opposition to the bill. If the gentleman would like them quickly itemized, I can give them to him.

Mr. MINISH. If the gentleman will yield further, is he aware that there are some untruths in the dear colleague letter, some misstatements of facts?

Mr. HANSEN. No; I am not aware of any untruths.

Mr. MINISH. I think the members of the committee should know that in the dear colleague letter signed by the gentleman in the well and by the ranking minority member, it states that the bill eliminates the durable products equipment exemptions, and it does not. The bill provides for a 1-year study of the exemption.

More importantly, the dear colleague letter states that the bill provides for civil penalties of $500 per day up to $500,000 for failure to file timely information with the Board. This is not the truth. This is not true at all. The fines in the bill are $100 per day.

What concerns me, and I am sure it does every other Member of the House, is that there are some people who may base their judgment on this bill, based on this dear colleague letter which went to all the Members.

Mr. HANSEN. Mr. Chairman, I would like to say that I have not had the dear colleague letter before me in the last few minutes, but I can say this, that that may be two of the points, and I will have to study this for a few minutes.

I would say this: There are a number of other points which cause us great concern. So far as speaking for the administration, I would say to the gentlemen that their objection to H.R. 16080 is based on the fact that change is from renegotiating on the aggregate business done during a fiscal year to renegotiation on business done during fiscal year by division and major product line within a division of a contractor or subcontractor. That was an important point.

Another point is it requires an audit verification of every financial statement submitted to the Board to either establish exemptions or for renegotiating profits.

And, point 3, it establishes a permanent authorization for the renegotiation act.

Mr. MINISH. Mr. Chairman, will the gentleman yield further?

Mr. HANSEN. I yield to the gentleman from New Jersey (Mr. Minish).

Mr. MINISH. Will the gentleman make a statement on whether the charges I made are true or false?

Mr. HANSEN. I think the gentleman will have time for rebuttal in a moment. I will, in the meantime, take a quick look and assess this, and I will ask the gentleman to yield at that time and I will make a statement.

Mr. MINISH. I thank the gentleman.

Mr. HANSEN. To further proceed, for the brief time I have left, Mr. Chairman, I would like to say that there are a number of points to which we object to H.R. 10680 which we think can be corrected by H.R. 10674, which we believe can be done by the substitute, and I encourage the adoption of the substitute.

Mr. JOHN L. BURTON. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment in the nature of a substitute.

Mr. Chairman and Members of the House, the Renegotiation Board is one of the few areas that those of us who believe in the taxpayers getting a fair bang for their tax dollar could be of some assistance.

What we are talking about is that this Board has the right and the responsibility to look after Federal contracts, to see that the taxpayers are not being ripped off.

Mr. Chairman, what this amendment does is the first strongly depressant procedure whereby a conglomerate or a big corporation that maybe sells to the Government anything from light bulbs to airplanes can average everything out and thereby have a tremendous profit in one area, where maybe they have a lot and they cannot have any real competitive bidding, because they are the best and they have a corner on the product. And then in the area such as light bulbs, where maybe there are a whole lot of people making light bulbs, they can come in with the lowest bid, because it would be competitive and other people can make the light bulb. They might have an exhorbitant profit one place, they undercut the small, independent corporation at another place, and there is no way the taxpayer can get a tremendous advantage on excess profits that they have made from their major governmental contract.

At the present time, and if the Members will look at it, those of us who are concerned about small businesses, the contracts that are audited are the ones of small businesses, because they cannot get a handle on the multipurpose corporations that deals in multiple contracts with the Federal Government.

This is the one area of Government which does better than pay its price. It goes after money that should not have gone places and gets it back for the general fund for the U.S. taxpayers. I would think this is something we should all be in favor of. It has to be an excess, exhorbitant, unwarranted profit. And if that is the case, an overpayment, if you will—not even an overprofit, but an actual overpayment—for what the company agreed to do and what it agreed to get.

To try to bring these amendments in again places the burden where the least amount of business is being done, while there are hundreds and hundreds of millions of dollars in Federal taxpayer contracts, you might say, without even anybody looking at them.

The gentleman from Idaho (Mr. Hansen) was right to some extent when he said that this is supposed to do a whole lot of these things but it really probably is not doing it. One of the reasons is that there are so many loopholes, like those in the tax code, so many exemptions, and so few ways for the Government to find out that they were being overcharged by the people doing business under public contracts that it was not doing us much good.

The purpose of this legislation is to put some teeth into the procedure that says that if you have a Government contract, you get a fair profit on what you sold and the taxpayers get fair value received for what they are paying, but it does not say you can go in and just rip off the taxpayers by setting up a different type of accounting procedures.

Mr. Chairman, I do not see how any of us here who are so vitally concerned with the taxpayers' dollars can do anything but support this bill, because it really says one thing: that the taxpayers of this country are going to get what they paid for when their Government entered into a contract with some private business to furnish a service to the people through their Government. I do not see what is wrong with that.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate my colleague's yielding.

I understand the gentleman's concern about the ability of this agency to do its job and to make sure that contractors, big or small, do not utilize the favored position that they might get in performing on a contract to rip off the Government. I think we are all concerned about that.

However, I am sure the gentleman is aware that the General Accounting Office tells us in the surveys that it has done, that the average DOD contract has a profit in it of only 4.3 percent of sales, over a period of perhaps 4 years.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman allow me to make one comment on that?

If that is true, then why did we have such a big debate over whether California, Florida, or Texas would be chosen as the site to build a fighter-bomber? There must be a lot of money in that or we would not take that much time debating it.

Mr. ROUSSELOT. Mr. Chairman, I will agree with my colleague that 4 or 5 percent on a contract, especially with the bigger ones, is a substantial amount of money, and would point out that there are a substantial number of jobs involved in these contracts.

Mr. JOHN L. BURTON. Yes, it is a pretty good piece of money.

Mr. ROUSSELOT. But I am talking about the average DOD contract.

The CHAIRMAN. The time of the gentleman from California (Mr. John L. Burton) has expired.

(On request of Mr. Rousselot and by unanimous consent, Mr. John L. Burton was allowed to proceed for 2 additional minutes.)

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield further?

Mr. JOHN L. BURTON. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, the purpose of the Renegotiation Board is to act as a protector of the Federal Government, to make sure after the fact that there are not in fact exorbitant profits being made, and for the gentleman to indicate that everyone who has a DOD contract is ripping off the system is not, in my judgment, correct.

Mr. JOHN L. BURTON. Mr. Chairman, if I could proceed on my own time, I did not say that.

What I say is that under present law and under the Hansen substitute we could not find out, because we cannot get a real audit. Under this substitute we could have a company—let us say it is IBM—that does 55 percent of its business with private enterprise and only 45 percent with the Government, and that company would not even get looked at because its major line of business, regardless of the amount of taxpayers' dollars, with the Government is less than 55 percent of its gross action. We could not even get a look into their books under this substitute.

That is not right. The committee bill says that they have to do at least 75 percent. We could be talking about hundreds of millions of dollars. We could not look at their books, because they do not do a majority of their business with the Government; they do most of their business selling to private enterprise interests.

Mr. ROUSSELOT. Mr. Chairman, if the gentleman will yield further, let me say to my colleague that the General Accounting Office is available to Members of the House any time we wish to have them make an audit of the Renegotiational Board, and I can assure the gentleman that the gentleman from New Jersey (Mr. Minish), who is chairman of our Oversight Subcommittee, will make sure we get all the accountability reports we need.

Mr. JOHN L. BURTON. Mr. Chairman, it is not the responsibility of Congress to do these audits; it is the responsibility of the Renegotiation Board that was set up according to statute to see that the taxpayers do not get ripped off by these corporations doing business with their Government. As it is, they cannot get the information, because of the way this is set up. We cannot even look at the books of some of the corporations with big Government contracts, and I use the word, "big," in reference to dollars, not in percentage of Government contracts.

Mr. ROUSSELOT. Mr. Chairman, our subcommittee can demand at any time or ask the General Accounting Office to do a full audit. Second, I happen to believe that we should ask the General Accounting Office to do regular audits of many of the agencies, and I have continually supported such an effort.

Mr. JOHN L. BURTON. Mr. Chairman, I will have to differ with my friend, the gentleman from California (Mr. Rousselot) in this regard.

The CHAIRMAN. The time of the gentleman from California (Mr. John L. Burton) has expired.

(On request of Mr. Rousselot and by unanimous consent, Mr. John L. Burton was allowed to proceed for 1 additional minute.)

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I yield to the gentleman from California.

Mr. ROUSSELOT. To continue my statement, Mr. Chairman, all we have to do is to make sure that our committee asks for an audit every 2 years or every year, if the gentleman would prefer. Otherwise, I think he could suport the amendment of the gentleman from Idaho (Mr. Hansen).

Mr. JOHN L. BURTON. Mr. Chairman, I cannot believe that my good friend, the gentleman from California (Mr. Rousselot), would stand up here and support the GAO's going in and auditing every business doing business with the Government. I am shocked and dismayed at this intrusion into the free enterprise system by the Congress of the United States. I think it should be done through statute rather than through congresisonal committee harassment.

Mr. ROUSSELOT. If the gentleman will yield further, we are not suggesting that every single business be audited. We are talking about doing an audit of the performance of the Renegotiation Board.

Mr. JOHN L. BURTON. I think it should be done by statute.

Mr. ROUSSELOT. I do not believe that the amendment that we have in the present bill calls for every single firm to be audited. I do not believe that that is the case.

Mr. JOHN L. BURTON. I thought the gentleman did suggest that.

Mr. ROUSSELOT. My suggestion is to have the General Accounting Office conduct regular audits of the Renegotiation Board.

Mr. MITCHELL of Maryland. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the Hansen substitute.

Mr. Chairman, the General Oversight and Renegotiation Subcommittee, on which I serve, began hearings last June on the Renegotiation Act of 1951. We held hearings on June 5, 10, 11, 12, July 29, and September 19 and 25. It is my opinion that our analysis is the most comprehensive inquiry ever conducted by Congress on the subject of renegotiation. We heard from every member of the Renegotiation Board and each discussed their personal ideas regarding the improvement of the act. We heard from the chairman of the Senate Banking Committee who had looked into the activities of the Board in 1974. Mr. Jack Brooks, the chairman of the Government Operations Committee testified concerning his 1971 analysis of the Board.

The General Accounting Office testified on two occasions concerning their two studies of the Renegotiation Board. We also heard from 14 different witnesses, many of whom represented defense contractor associations. Our record remained open from June 5 to October 1, to insure that any one witness or any association would have ample time to submit information concerning the Renegotiation Act.

It became very clear to us on the subcommittee that it was absolutely essential to drastically reform the Act of 1951 in order to make it a more effective governmental tool. H.R. 9534 was introduced on September 10 and was marked up by the subcommittee on October 8 and November 11. Prior to the full committee markup, our subcommittee rewrote and revised many provisions of the bill in order to insure that our action on each provision was not only fully justifiable, but also absolutely necessary. The langauge in section 4—method of renegotiation—was submitted to the General Accounting Office for its strict scrutiny and we were advised by the GAO that this provision was important in order to adequately reform the act. Our revised bill (H.R. 10680) overwhelmingly passed the full committee by a vote of 20 to 7.

I would like now to address myself to a "Dear Colleague" letter that was sent to my office on January 26, signed by Mr. Johnson, Mr. Hansen, and Mr. Rousselot. It is my opinion that this letter misrepresents the bill we are considering today, H.R. 10680. The letter indicated that H.R. 10680 repeals the new durable productive equipment exemption. This is just untrue. Section 5(e) on page 10 provides for a study of the new durable productive equipment exemption, rather than a repeal of this exemption. The letter indicates that H.R. 10680 provides civil penalties of $500 per day for failure to file information with the Board. This again, misrepresents H.R. 10680. We have provided civil penalites of $100 per day up to a maximum of $100,000. I think you will agree that the amount of the civil sanction in H.R. 10680 is consistent with the penalties imposed by other Federal agencies.

The letter indicated that we have modified the standard commercial articles exemption "to require that 75 percent of product sales must be to non-Federal purchasers." As Mr. Minish explained in his statement on page 11, we have not only increased the percentage which must be sold commercially to 75 percent, but we have also eliminated from the computation of the 75 percent threshold any sale to Federal Government agencies which are exempted from renegotiation.

I find it significant that the Joint Committee on Internal Revenue Taxation, the Government Operations Committee, the Renegotiation Board, and the General Accounting Office, also pointed out tremendous problems associated with the standard commercial articles exemption and the Hansen substitute (H.R. 1067) does not address itself to this key exemption. It should be kept in mind that this exemption accounts for approximately $1.25 billion in renegotiable sales every year.

After analyzing the operations and activities of the Renegotiation Board, I am convinced that the Hansen substitute is an extremely superficial attempt to eliminate a most serious problem. H.R. 10680 represents the type of reform of the Renegotiation Act of 1951 which I was proud to cosponsor and which I unequivocally endorse.

Mr. HAYES of Indiana. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the Hansen amendment in the nature of a substitute.

Mr. Chairman and Members of the Committee, I think it is important that we discuss the political background that led up to the revision of this Renegotiation Act.

The Members might recall that on May 27 of last year the Board submitted—and by the "board," I mean the Renegotiation Board—submitted to the Office of Management and Budget a bill which would have made the act permanent.

They called for repeal of the standard commercial articles exemption. It has been explained what the committee has done about that exemption.

Also the new durable productive equipment exemption, and the study has been explained to the Members about that provision.

The Board further recommended that the act should be expanded to cover all governmental agencies. I think the Members know what we have done to modify that request.

They recommended civil penalties be imposed for late filers and recommended subpena power be granted their chairman or any authorized agent of the chairman. I believe the Members know how we have modified both of those requests.

The Board recommended that interest be paid for any period of the contractors' delinquency and we have modified that.

What happened to those significant proposals that were made by the Board itself and those people who have been intimately involved in administering renegotiation in this country? The fact is that their most important proposals were rejected by the Office of Management and Budget.

Even more significantly than that watered down attempt, the Office of Management and Budget proceeding on the face of the record entered into a very concentrated campaign to not only not write recommendations for strengthening the board, but they set about on a course of weakening an already weak board.

Do the Members know, for example, that this Board is the only body in Government that I know of, outside of the Department of Defense, in both uniformed services and civilian services that has a personnel ceiling on it, a personnel ceiling on an agency where, in fact, we have a horrendous backlog of cases that has been criticized on both sides of the aisle and within the administration. Yet we went through lengthy questioning of Board members about what their response had been to OMB's carving down on their request. After a great deal of ambiguous testimony, what we found out was that the Board, after having put together a great deal of material to support requests for strengthening their work processes, had to acquiesce in OMB's operation because OMB laid a little document called A-10 on them. That document simply exerted what is known as Director of Management and Budget privilege, a new doctrine to most of us, but it has something to do with executive privilege.

Nonetheless this committee, working with the minority and working with one of the heaviest lobbying operations I have seen in this past year, managed in order to save the Board itself and save the concept of renegotiation to have a decent bill compromised on many, many important points.

OMB submitted to Congress on September 17 its legislative recommendations. By the way, when we attempted to talk to OMB about this, we received no cooperation at all from OMB to come down to testify to the subcommittee. But on the 17th of September OMB's legislative recommendations were submitted. The administration's bill was not introduced, however, by any Member of Congress. Instead, the gentleman from Idaho introduced H.R. 10674, which I believe can objectively be said to water down even further the original recommendations of the Renegotiation Board.

The Hansen substitute, if the Members will examine it, decreases the criminal penalties for filing false or misleading information, in spite of the fact that this subcommittee worked very diligently with the gentleman from Idaho in compromising the criminal and civil penalties in order to make them consistent with what every other administrative agency in the Federal Government does to try to key in to what is not only good enforcement policy, but what in fact is good policy in the way of delivering penalties to affect behavior and to effect compliance. I had thought that the gentleman had amended that provision.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. MITCHELL of Maryland, and by unanimous consent, Mr. HAYES of Indiana was allowed to proceed for 3 additional minutes.)

Mr. HAYES of Indiana. I thank the gentleman from Maryland.

I think the interest provision of the gentleman from Idaho (Mr. HANSEN), that is in this substitute will further dilute that which was even recommended by the administration itself. What I am trying to illustrate by going through this background is what I think the true nature of this substitute is. It is not an effort at solving a legitimate contract reform to what the committee has come up with. I do not think that the chairman, I do not think that the staff or any of the majority, and certainly not myself, would try to stand here and tell the Members that this is the essence of reform, that in fact we are going to have something here that will really function, that will really dump enormous amounts of money back that have been carved off of excess profits. Things are not quite that simple in the land of contract negotiation with the U.S. Government.

What we have done is simply adopt one legitimate position about how the Board ought to be reformed. There are other legitimate positions that have been voiced by individual members of the Board itself. The record—the two volumes that we have of the committee report—has some very, very excellent statements by men who have had many years of experience with the Board, by lawyers here in Washington, and by industrial participants in renegotiation who certainly know the act and know the process much better than I do, much better than maybe any of us on the committee do. But I do not think the Members will find an endorsement from any of those technicians for the Hansen substitute because, in fact, the Hansen substitute contains no reforms and does not represent one of those legitimate alternative positions on extending the life of the Board. I think our subcommittee staff even has sufficient evidence and sufficient information that even spokesmen within OMB would not go very far in endorsing this version.

I think if we are going to do what we would all call a diligent job and a reasonable job we would couple the original committee version of this bill with the extension that we have already passed and allow this matter to go toe to toe with any other legitimate versions in the Senate. We have exhausted, I think, the resources for discussion that we have about the kinds of reforms which ought to be embodied in the Renegotiation Act, but what we have not exhausted at this point is the desire to get something done and face up to the problems that we have in the renegotiation process. If Members think those problems are not enormous, I suggest they take a look at the record.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. HAYES of Indiana. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I thank the gentleman for yielding.

I just want to comment on the gentleman's point that the Hansen bill does not change what we have.

Mr. HAYES of Indiana. Of course it changes what we have.

Mr. ROUSSELOT. It limits the life of the act to 5 years, which many of the Members believe is necessary for all regulatory and administrative agencies. The Minish bill provides for it forever. Many of us feel and have felt in this House that it is a good idea for a board like this to be subject to periodic review by Congress.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

(On request of Mr. ROUSSELOT, and by unanimous consent, Mr. HAYES of Indiana was allowed to proceed for 3 additional minutes.)

Mr. ROUSSELOT. Mr. Chairman, if the gentleman will yield further, under the Hansen substitute we strengthen the Board's operation through the provision of specific civil penalties. There is additional subpena power provided, and we have increased the administrative authority of the chairman. Those are all things that, as the gentleman knows from the testimony, the Board has requested, and even though I myself am not sure that we need renegotiation in peacetime as much as we did when procurement was conducted under wartime conditions. I am willing to accept the Hansen concept because I think it does provide the kind of adequate leverage that the gentleman wishes this board to perform its duties under the act.

So I think there is a change. It is a substantial improvement. I cannot understand the gentleman not supporting the cut-off idea.

Mr. HAYES of Indiana. Allow me to expand on that then because the gentleman has raised some good points, but I think it is a good idea to point out we are talking about vagaries here. We are talking about giving the chairman a little more discretion and we are talking about increasing penalties.

There is no relationship to what has been done in the past and there is no relationship to the testimony we have that most people, if they do not want to file, will not have to and they can count on there not being enforcement.

I think it is dealing in total vagaries when we talk about the idea of cutting off the life of the committee after 5 years, that it is somehow or other going to fit in with the trend of the operation now being discussed. The gentleman is correct. It might be a good idea to cut off the life of the committee, but we have been talking about it ever since 1971. It has been cut off every 2 years. It has been cut off so much that it now carries its head around in the crook of its arm. We have seen this like a headless horseman careering all over Washington, and we have seen its jurisdiction compromised in two separate actions by the Judiciary, once in the Court of Claims and once in the Tax Court. We have seen it get not enough help to do a good job but instead we have seen it irritating an enormous number of small businesses who point out that at the same time the big guys are not getting hurt.

Mr. ROUSSELOT. These reforms are ones the gentleman mentioned in the committee, so I have to assume he supports them now and does not wish to ignore them.

Under the able leadership of the chairman, the gentleman from New Jersey (Mr. MINISH), the committee I am convinced will exercise far more surveillance than we have had in the past.

Under the act we passed last year we made sure there was oversight, so I cannot believe the 5-year cutoff concept is so disagreeable to the gentleman, because it forces the agency to come up and give an accounting every 5 years.

Mr. HAYES of Indiana. Well, I appreciate the gentleman's viewpoint. I simply say that it does not go in that category.

Mr. BROOKS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, few agencies have been given a role so clearly in the public interest as the Renegotiation Board. The vast sums involved in the purchase of military supplies and equipment, and the complexity of the procurement process make it impossible to insure that excessive profits are not acquired at the expense of our efforts to defend ourselves. We need an agency that can review the profits of defense contractors and recover for the Government those that are clearly unreasonable.

Unfortunately, few agencies have fallen as far short of fulfilling their role as the Renegotiation Board. The sums it has recovered are only a tiny fraction of what it should be getting back.

Over the years, the Committee on Government Operations has conducted a number of oversight hearings on the Renegotiation Board, and one of the most disturbing facts that has come to light is that hardly any of the 100 largest defense contractors are subjected to the renegotiation process at all. These companies provide about 70 percent of all defense procurement, and the Renegotiation Board is not even giving them a passing glance.

That is why I am pleased the Committee on Banking, Currency, and Housing has brought this bill before us. It incorporates some of the changes our oversight committee recommended, and it should go a long way toward making the board more effective.

One of those changes, in particular, should bring more of these big companies into the renegotiation process. The committee bill would place renegotiation on a product-line basis instead of using a company's total sales to determine whether it has earned excessive profits. As it is now, a conglomerate with a number of divisions can overcharge the Government for one of its products, but if the total profit picture for all its operations shows only a reasonable markup, it is immune from recovery.

Present rules actually encourage the conglomerate to absorb more subsidiaries and to buy into Government contracts. They can simply write off losses and startup costs against the excessive profits that would have to go back to the Government. This competitive advantage is not fair to the small business that has only one or a few products to sell.

The removal of other exemptions that now permit many companies to escape renegotiation are also welcome provisions in this bill. If we are to have a Renegotiation Board, it is clearly in the public interest that it be the strongest we can devise.

I urge support for H.R. 10680 as reported by the committee.

Mr. J. WILLIAM STANTON. Mr. Chairman, I move to strike the requisite number of words. I rise in support of the substitute amendment.

Mr. Chairman, in listening to the colloquy here today, it seems to me there are those, I am sure, not on the committee and even to some of us on the committee, a couple questions were raised that were not clearly answered.

First of all, I think we should recognize that this is the first year the Committee on Banking and Currency has had this matter before them. Perhaps with a few more years under our belts more of the Members will become familiar with the fine print and become better acquainted with it.

I was struck by what the gentleman from Texas and the gentleman from California just alluded to. The first thing we have to make up our minds to is do we need a Renegotiation Board? As the gentleman pointed out, it is dubious to the average layman whether or not this board is a necessity. Take a look, and according to the committee report in the minority views we face the problem that in the last few years, 1968 to 1973, there is an appropriation of $5 million each year for the board.

According to the report, the business community says it takes some $72 million a year in which to comply with the renegotiation requirements. We are up to $76 million. We had the track record, as the gentleman from Texas said, where last year we got back in returns some $27 million; $70 million the year before and some $20 plus millions the year before that, so I wonder if some of those who say that it is great for the taxpayers, the past history of that board gives me doubts.

The other thing which struck me in reading these reports and the material from GAO, is the board's heavy concentration on small businesses. According to the record in the past, this particular board, for one reason or another, has concentrated—and get this—they have had 526 findings in 1970 to 1973. And 76 percent of these findings were against contractors whose total annual sales were below $10 million.

Mr. HAYES of Indiana. Mr. Chairman, will the gentleman yield?

Mr. J. WILLIAM STANTON. I yield to the gentleman from Indiana.

Mr. HAYES of Indiana. Would the gentleman think it might be a function of the Board's direction, the fact that the appointees to the Board are so highly political? For example, we have a chairman now who, I think, was a former State Republican chairman from Arizona. I think a considerable number of other personnel there might have come out of State organizations which were organized for the reelection of President Nixon in 1972.

Does the gentleman think that it is a possibility that where the big fish are swimming, that an administration and an OMB run by Roy Ash, who also has an involvement in some ship interests, they might want to simply target in on those who are not particularly able to defend themselves to kind of show a little flurry of activity, but they lay off the big guys, and we have to wait for lawsuits such as the U.S. Navy against Litton Industries before we see anybody tackling the big dollars. Does the gentleman have any opinion on that?

Mr. J. WILLIAM STANTON. I certainly have a rather strong opinion, and I am quite surprised that the gentleman from Indiana brings that up. I have no facts of my own knowledge, but I personally have been here for a long time, and I would not even want to insinuate that, if I were the gentleman from Indiana, unless I had some strong facts to verify that.

But, it does bother me, and that is why I turn to the substitute bill. I do not know that we need either of the bills before us in order for the Renegotiation Board to delve into the operations of these larger companies where they find it necessary. Can the gentleman tell me, has not the Board in the past had the authority to go in where it needed to go? Do we need either one of these bills to change this, what I call a sad commentary, where 76 percent of the companies below $10 million are audited? So, I think the authority of the Board is already there.

But, I do come to the conclusion that certainly at this time, if we can improve the performance of this Board we should keep the renegotiation act so that we then come up with what would be the best.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

(On request of Mr. HANSEN and by unanimous consent Mr. J. WILLIAM STANTON was allowed to proceed for 3 additional minutes.)

Mr. J. WILLIAM STANTON. The question was discussed at some length whereby the Board has the authority to go into companies doing business of 5 percent or more with the Government, or where does the Board have the authority to go into those companies and ask for an audit of the company? Correct me on this if I am wrong, but under present law in any of these bills, the Board can go into any company if it makes a determination that it wants to and go into a company and ask for an audit, regardless of its percentage, big, small or indifferent. Am I correct on that?

Mr. HANSEN. It is my understanding they can demand an audit at any time.

Mr. J. WILLIAM STANTON. Another thing I understand has caused many objections to the committee bill.

It has historically been true whereby the finding, once it comes about and the Government thinks it has a case for renegotiation, the burden of proof is on them. Now I understand this has been changed. Is that correct?

Mr. ROUSSELOT. Mr. Chairman, if the gentleman will yield, I do not believe they have changed it yet.

Mr. J. WILLIAM STANTON. But in the substitute?

Mr. ROUSSELOT. If the gentleman will yield further, the substitute eliminates the provision of the committee bill which places the burden of proof on the contractor when the Board's determination is reviewed in the Court of Claims. The burden of proof has to be borne by the Government.

Mr. J. WILLIAM STANTON. Maybe the gentleman can answer another question that bothers me. First of all, we are here to protect the taxpayers, and that is the job we want to do, but we want to be perfectly fair to everybody concerned.

Under the present committee bill, as I understand it, the interest will start after that particular fiscal year and, in some of these cases, it will take 3 or 4 years before a challenge is made.

Is that in the gentleman's particular substitute?

Mr. ROUSSELOT. If the gentleman will yield further, it is my understanding that the way the bill is written, that that is correct.

In some cases it might take 2, 3, 4, 5 years to finally arrive at a settlement or determination, and the interest would be assessed at whatever the going market rate is. That gets to be rather expensive, and it is an unfair charge when one considers that the contractor has no way of knowing the amount of the assessment until after the Board has made its subjective determination of what constitutes "excessive profits." This provision could require a firm to tie up for several years funds which could otherwise be used for expansion, to provide jobs.

Mr. MINISH. Mr. Chairman, will the gentleman yield?

Mr. J. WILLIAM STANTON. I yield to the gentleman from New Jersey (Mr. MINISH).

Mr. MINISH. Mr. Chairman, I thank the gentleman for yielding.

What is wrong with that? Why should not he pay interest on it? We put him on the same level as we put the gentleman speaking or the gentlemen on this side of the aisle. If one wants money, one has to pay interest. What is wrong with that?

Mr. J. WILLIAM STANTON. What is wrong with it is that the gentleman from California just said that if it will take 2, 3, or 4 years in which to make determinations, then I think that is absolutely wrong. What we want to do is to clear up this Board to make it as efficient an operation as possible, give them enough help and money.

Mr. MINISH. Mr. Chairman, if the gentleman will yield further, that is exactly what we are trying to do.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. J. WILLIAM STANTON) has expired.

Mr. HANSEN. Mr. Chairman, I ask unanimous consent that the gentleman be allowed 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Idaho?

Mr. RONCALIO. Mr. Chairman, I should like to object. This is the ninth extension of time on this amendment.

Mr. Chairman, I withdraw my objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. J. WILLIAM STANTON. Mr. Chairman, I appreciate that. The gentleman makes a point on that.

Mr. Chairman, the last objection is one I have in regard to the product line.

Mr. HANSEN. Mr. Chairman, will the gentleman yield?

Mr. J. WILLIAM STANTON. I yield to the gentleman from Idaho (Mr. HANSEN).

Mr. HANSEN. Mr. Chairman, I thank the gentleman for yielding. Before we get into that, I think we should respond to the previous argument, and that is: Should the pending proposal be enacted, the Board would at least recommend that it be enacted with a delayed starting date in order to give the Board time to clean up its sizable backlog. In the absence of such a delayed effective date, all contractors involved in a refund determination within the next several years would be unfairly penalized by the inability of the Board to process their cases expeditiously.

Mr. Chairman, I think the Board has spoken very well in this case.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. J. WILLIAM STANTON. I yield to the gentleman from Maryland (Mr. MITCHELL).

Mr. MITCHELL of Maryland. Mr. Chairman, I thank the gentleman for yielding.

Is it not correct that in the report provisions are made for an expansion of staff for the Board which will enable that staff to attack the problem of backlog and, therefore, there would not be the same kinds of dangers as alluded to by the gentlemen?

As we read the conference report, there is a very strong statement made about the increase of staff for the operation of the Board, and that was done primarily in terms that a recognition that a backlog did exist.

Mr. J. WILLIAM STANTON. Am I correct in my understanding? I thought that both the committee and the substitute increases expenditures for the Board.

Mr. MITCHELL of Maryland. If the gentleman will yield further, it is my understanding that that is correct.

Mr. J. WILLIAM STANTON. I thank the gentleman.

Mr. Chairman, I rise in opposition to H.R. 10680. This bill is not a sound piece of legislation. It suffers from a number of problems, not the least of which is its effect on small business.

Recently, the Renegotiation Board has made a big business out of monitoring the defense and space contracts of small businesses. A December GAO report on defense contracting calculated that most of the 526 contractors against which the Board made determinations in the past year were contractors which had annual sales under $10 million. Such a figure makes it obvious that small businesses currently face a competitive disadvantage in the contracting market. The question is how can this disadvantage be removed?

Throughout our committee's deliberations on H.R. 10680 we were told by the sponsors of the bill that the disadvantages against small business could be eliminated by changes in the renegotiation procedure such as renegotiation by product line, the elimination of certain product exemptions, and the establishment of greater efficiency in the handling of cases. Unfortunately, as a member of the Small Business Committee I am not convinced that these steps are the proper approach to the small businese problem. In fact, Mr. Speaker, provisions such as those included in sections 4 and 5 of this bill could very well increase the competitive disadvantage for small business.

Section 4, which includes the provision for renegotiation byproduct line and division, could work against small businesses by increasing the bureaucratic costs associated with contracting and by requiring accounting and tax procedures that are not commensurate with the profits associated with contracting. Renegotiation byproduct line would also place an unfair burden on those small businesses that have more than one product line.

Similarly, the removal of certain exemptions contained in section 5 of this bill would only increase the number of small businesses that are subject to the renegotiation process.

Now I wish I could speak more specifically to the impact of this legislation on the small business community. Yet, this is an issue that received only limited consideration by the committee. The committee conducted only 2 days of hearings after it had specific legislation in hand. Even then, however, neither the Renegotiation Board nor representative of the National Association of Small Businesses spoke favorably about the impact of H.R. 10680 on small businesses.

Finally, Mr. Chairman, let us not forget that it is the declared policy of the Congress and the Federal Government to "aid, counsel, assist, and protect, insofar as possible, the interests of small business." To the extent that H.R. 10680 appears to contradict this policy we should take the necessary steps to remove the contradictions. From my perspective, the best way to achieve this is not to establish new and untried regulations, but to clean up the administrative mess that currently engulfs the Board. In all fairness, the interests of both small business and this country would best be served by concentrating our efforts on removing the backlog of cases before the Board and by improving the operational efficiency of the Board.

Mr. CORMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the reason that 76 percent of the money recouped by the Renegotiation Board is from small businesses is not necessarily the fault of those who administer the act, but the act itself.

I was always impressed with this act when it was under the Committee on Ways and Means. The Federal Government had succeeded in constructing a net which could catch little fish but not big ones. And the reason is that the company's total profits are the only consideration. That is a double-edge sword against small businesses.

First of all, most small businesses have a bigger chunk of their annual business in a single contract.

And so it is relatively easy to recoup the money if in some happy circumstance they make a bigger profit on it than they ought. As to the large company that monitors their contracts carefully every day, if they see they have made an excess profit on one contract, they can go into the marketplace and underbid on another, so they have not violated the law and they have not made too much money. They may have driven a small business out of business, because they can afford to pick up a loss contract. It is not their money they are losing.

If this bill corrects that, then it is, I think, the most constructive step taken in this act since it was first drawn, and if the substitute reverses that provision, I hope the substitute is defeated.

Mr. CHARLES H. WILSON of California. Mr. Chairman, will the gentleman yield?

Mr. CORMAN. I yield to the gentleman from California.

Mr. CHARLES H. WILSON of California. Mr. Chairman, as the gentleman knows, the Committee on Armed Services is very concerned about this act. The chairman of the Committee on Armed Services asked the investigative subcommittee of the full committee to make an investigative analysis of the bill.

I saw that analysis this morning, and the analysis was that this is a good bill. As the Members know, the Committee on Armed Services is not a red hot committee; it is a very conservative committee and the staff is very conservative. The recommendation of the staff was that this is a very fine bill and one which should be supported by the committee.

From what I have been able to understand from the letters I have received from industry, they just do not want to make the reports required under the bill, the reports that would be eliminated under the Hansen amendment.

Mr. Chairman, it seems to me we should defeat this amendment and pass the bill as it came out of the committee.

Mr. CORMAN. Mr. Chairman, I thank the gentleman.

I have served as the chairman of the Subcommittee on Government Procurement and International Trade of the Committee on Small Business for about 9 years, and I know that this is one of the worst things small business has to contend with. They are disadvantaged by the rules in their competition with large business under the Renegotiation Act.

Mr. HANSEN. Mr. Chairman, will the gentleman yield?

Mr. CORMAN. I yield to the gentleman from Idaho.

Mr. HANSEN. Mr. Chairman, I thank the gentleman from California for yielding.

I think the gentleman brings up a very good point about catching small fish in a net that probably was designed for the large fish but never used that way too effectively. I think that seems to be the thrust under H.R. 10680, that we would continue to catch the small fish and we could continue to make it very difficult for the small businessmen to operate. They are the ones undoubtedly who are going to be caught in the net while the big fish are still out there swimming around.

I do not think we have the imagination and the mechanics to take care of the problem here at this point, and that is why I think we should take the major provisions into consideration and change the thrust of the Renegotiation Act, and we should send it back to the committee so they can handle the problem as the gentleman has suggested.

Mr. CORMAN. Mr. Chairman, my concern about restudying is that I have sat on the Committee on Ways and Means for 7 years, and all during that time we were going to study it the next time it came up. I think the study is here now.

Mr. MINISH. Mr. Chairman, will the gentleman yield?

Mr. CORMAN. I yield to the gentleman from New Jersey

Mr. MINISH. Mr. Chairman, over the past 2 days much has been said about the small businessman. Let me tell the Members here what the man representing the small businessman says. This statement is from Herman B. Director on behalf of the National Small Business Association, and I quote from the second page, as follows:

> Base renegotiation of product line sales rather on total company sales. As in the case of commercial articles, the small business participant in Government contracting is unique in that he is almost always a single product line producer rather than a "conglomerate" with the capability of averaging divisional profits in order to escape renegotiation.

Mr. Chairman, I think that states the case pretty well.

Mr. CORMAN. Mr. Chairman, I urge defeat of the substitute and the adoption of the bill.

Mr. ROUSSELOT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, a great deal of "emergency" legislation was enacted during the Korean war period, as well as during other wars, to deal with the peculiar conditions which arise when a government must function under wartime conditions.

In wartime it is necessary for the Government to procure goods and services with much less regard for price and much more concern for time than it would have in peacetime. The result is that unusually large profits are made by some contractors, and it becomes necessary to have a mechanism for retrospective review of defense contracts and for recapture of "excessive profits" by the Government.

However, there is no reason why in peacetime the Government cannot conduct its procurement in an orderly manner which provides for proper negotiation of the contract and for effective auditing and adjustment under the original agreement. If the negotiation is properly conducted, and if the contract is properly administered, there should be no need for renegotiation.

Moreover, there are several important flaws in the renegotiation process which further limit what little utility it could otherwise have in peacetime:

First. Cost: It is sometimes argued that renegotiation is surely a beneficial activity because it recovers money for the Government. However, this argument ignores the cost of renegotation, which witnesses before the Renegotiation Subcommittee have estimated at one-tenth percent of contract costs, which is roughly equal to the amount which has been recovered through renegotiation. The costs of compliance are, of course, included by contractors in their costs of doing business and are passed on to the Government, so that the net effect is approximately zero, and a great deal of effort and expense is wasted.

Second. Failure to define "excessive profits": The most fundamental term in renegotiation, "excessive profits," is defined only as profits which are determined by the Renegotiation Board to be "excessive" in accordance with a number of statutory factors set forth in the act.

Mr. Holmquist, Chairman of the Renegotiation Board, has stated:

> Excessive profits occur when the forces of a free competitive market are thwarted by monopolistic practices or are rendered inoperative because of other abnormal economic or natural causes. In such instances, unreasonable prices result in excessive profits. (Vol. I, p. 157, Hearings before the Subcommittee on General Oversight and Renegotiation.)

This statement would seem to indicate that the best guarantee of a fair deal for the Government and for the taxpayer is the free market and that renegotiation should not be necessary except in abnormal circumstances which give rise to higher profits than the free market would bear. It is also revelant to observe that the focus of our efforts to hold down the costs of defense contracts should be on prices, rather than on profits. The fact that a firm's costs may be so high as to result in no profit, or even in a loss, does not necessarily mean that that firm is an efficient supplier. An efficient firm may be able to contract at a cheaper price than its less efficient competitor and still earn a profit. A firm should be permitted to keep a substantial portion of savings which result from efficiency, as long as the price paid by the Government is reasonable in light of market conditions.

Third. Impact on small business: The Renegotiation Board has been subjected to frequent criticism because the bulk of its activity has been directed at relatively small businesses. According to a recent report by the General Accounting Office:

> Most of the determinations involved contractors with total annual sales below $10 million (76 percent), renegotiable sales below $5 million (74 percent), renegotiable profits below $800,000 (63 percent), and total capital below $5 million (80 percent). In 74 percent of the determinations the contractors did the

> bulk of their business with the Government and in 18 percent the contractors' entire sales were subject to renegotiation. (Causes Of Excessive Profits On Defense and Space Contracts, p. 7.)

Although the GAO report concludes that, "Because good procurement procedures will not necessarily prevent excessive profits, renegotiation is needed if the Congress intends to recover these profits," it contains no cost/benefit analysis of the utility of renegotiation.

The concentration of the impact of renegotiation upon relatively small contractors is generally attributed to a lack of adequate staff to process renegotiation filings. However, despite the substantial increase in staff which has been projected for the Board, the onerous requirements of product line accounting, and of an audit of every contract, will add tremendously to the burden of the Board, and these provisions will have a greater impact on small businesses because these firms are at a disadvantage, compared to their larger competitors, in their ability to afford extremely sophisticated accounting systems.

Given the stupendous 4-year backlog of the Renegotiation Board and the general recognition in the Congress of the need to get rid of obsolete wartime emergency legislation, the most appropriate action for Congress to take would be to permit the Board to finish its Vietnam war cases and to wind down until another period of emergency procurement conditions should arise.

Failing this, the Hansen substitute is a constructive bill which gives the Chairman of the Renegotiation Board the augmented powers which he needs to be more effective, and it eliminates the provisions of the committee bill which are unnecessarily burdensome, punitive, or counterproductive. These provisions include section 4, which requires product line accounting, regardless of whether this difficult and expensive method contributes to clarity of analysis; section 9(b), which requires an audit of every financial statement submitted to the Board, and section 5(b), which would raise the threshold for exemption of standard commercial articles from 55 to 75 percent and prohibit inclusion of nonrenegotiable sales to the Government in the denominator for purposes of this computation. Deletion of this provision is consistent with my belief that where there is an established market price in a competitive market, that price should normally be acceptable as a standard of fairness.

One of the punitive provisions which would be eliminated by the Hansen substitute is section 7(a)(2)(A), which requires that interest on amounts determined to be owing to the Government be calculated from the end of the fiscal year of the contract to the date of payment, despite the fact that the Board typically takes 4 years to make its determination and that until the determination has been made, a firm may have little or no basis to determine the amount which should be set aside for this purpose. Also eliminated would be section 10(a), which shifts the burden of proof in the process of review by the court of claims from the Government to the contractor, despite the fact that the Government has already had a sufficient opportunity to limit the contractor's profits during the negotiation and contract administration stages. Fundamental fairness, as well as concern for judicial and administrative economy, requires that the Government bear the burden of proving its case in the court of claims.

For all of the reasons stated above, it is my belief that the Hansen substitute is the more sensible way to reform the Renegotiation Board, and I strongly urge my colleagues to support the Hansen bill.

Mr. **HANSEN**. Mr. Chairman, will the gentleman yield?

Mr. **ROUSSELOT**. I yield to the gentleman from Idaho.

Mr. **HANSEN**. Mr. Chairman, I thank the gentleman from California for yielding.

We have had several points brought up earlier about the dear colleague letter signed by the ranking minority member of the committee, by myself, and by the gentleman from California (Mr. Rousselot). I will say that the dear colleague letter stands.

I think the point that the gentleman from New Jersey brought up had something to do with an attachment that was alluded to in the dear colleague letter about a comparison of the bills before us.

Unfortunately, during the amending process in committee, a couple pieces of information apparently did slip by and they were not updated in the attachment. However, they were relatively insignificant compared to the full thrust of this bill. I will say to the gentleman from New Jersey that he is correct in that the durable productive equipment aspect was changed and this is not correct in the attachments.

I would also say that the penalty section was changed, and this too was not correct in the attachment. I would like to clarify this.

Last year, in connection with the then pending extension legislation, the Board recommended to the Congress, with OMB approval, a penalty provision that was keyed to a change in the starting point for accrual of interest on eventually determined excessive profits. After further consideration, the Board is now recommending that the act be amended to provide for a civil penalty for late filings in the amount of $100 per day for each and every day of the continuance of such failure to file up to a maximum of $100,000 for any 1 fiscal year filing.

If the gentleman will continue to yield, Mr. Chairman, I would also like to say that in every other respect the "Dear Colleague" letter does stand. I think the thrust we made in there is vitally important with regard to the fact that we still have not attacked the problem of getting to the so-called big fish. We are still hitting the little man with all kinds of paperwork and all kinds of auditing requirements. And this could be detrimental to business and the willingness of people to deal with the Government because of the possibility of exposure under the Truth in Information Act of such things as trade secrets and other confidential data.

I think we can see envisioned in H.R. 10680 the real problem that industry might cease to do business with the Federal Government because they feel there is too much violation of their right to privacy as a business operation. This would be a definite handicap to government service and to the defense posture of the nation.

Mr. Chairman, it is important for us to note that when we talk about the so-called ripoffs, we should be talking about a balance between taking care of the taxpayer and at the same time protecting the free enterprise business sector of this country so that we can continue to have full employment coupled with the lowest possible prices, a combination which has enabled this country to grow and develop and become the strongest nation on the face of this planet.

Therefore, Mr. Chairman, I submit that H.R. 10674 has the language we should adopt if we are going to take care of these aspects that we are talking about today. H.R. 10680 goes too far. Its extra provisions should be taken back to the committee to be restudied. We have time to do it. We now have several months before the Renegotiation act expires.

Mr. Chairman, we have time to come back with proper modifications if we need a change in the renegotiation process.

I thank the gentleman from California (Mr. Rousselot) for yielding.

Mr. **ROUSSELOT**. Mr. Chairman, I am glad to yield to my colleague, the gentleman from Idaho (Mr. Hansen). I would like to correct for the record an impression left with respect to the statement of Herman B. Director, the chief economist and Federal contract specialist of the National Small Business Association.

One paragraph from that testimony was quoted and very correctly, but I would like to go on and quote the very next paragraph, which relates to the accountability on product lines that will now be required under this bill, not just for contractors, but subcontractors.

Mr. Chairman, let me read what he said in that paragraph:

> There is, however, an area of important involvement where a small business is a subcontractor participating on a Government contract. The implications of the proposed legislation will undoubtedly involve the small business in record maintenance, accounting, and tax problems beyond his capability in relation to the profits implicit in his participation as a subcontractor.

The **CHAIRMAN**. The time of the gentleman from California (Mr. Rousselot) has expired.

(By unanimous consent Mr. Rousselot was allowed to proceed for 1 additional minute.)

Mr. **ROUSSELOT**. Mr. Chairman, much of the testimony that we had from the people who deal with this Board indicates that the problem with this product line provision is that it is beyond the capability of the small contractor to deal with the paperwork to which this product line accounting provision will subject him. Therefore, he will not bid on the job.

Mr. Chairman, we are dealing with the ability of the small contractor to continue in the contracting business. He will not participate under these burdensome conditions, and the result will be exactly the opposite of what we think we are doing with this legislation, just as occurred with RESPA, the Real Estate Settlement Procedures Act, so-called, where we thought we were protecting the consumer, and we had an add-on cost of $150 to $200 per settlement.

Believe me, my colleagues, I support the Hansen amendment because it eliminates this unfair provision with respect to the small contractor.

Mr. MINISH. Mr. Chairman, I rise in opposition to the Hansen amendment in the nature of a substitute.

The CHAIRMAN. Without objection the gentleman from New Jersey is recognized for 5 minutes.

There was no objection.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. MINISH. I am happy to yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Chairman, I ask unanimous consent to revise and extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. MITCHELL of Maryland. Mr. Chairman, I would like to comment again on the audit provision of this bill because it is so important. The General Accounting Office and other witnesses have stressed the need for auditing the financial statements provided by contractors for renegotiation. In drafting the legislation, however, Mr. MCKINNEY pointed out that the subcommittee's proposal to require a "detailed" audit could be construed as requiring audit verification of every invoice and cost charging document in a contractor's plant. The word "detailed" was therefore struck from the bill so that normal auditing practices, such as those used by the DOD in auditing contractor proposals on noncompetitive procurements would apply.

Also, since a 200-man Renegotiation Board staff cannot itself adequately audit all contractor filings, the bill provides that the Board may call on the DOD or other procuring agencies for audit support. The DOD already has 3,000 auditors who are responsible for checking defense contractor cost figures. By using these auditors, who already have much of the information needed to check out contractor renegotiation filings, it is practical to obtain the necessary audits without creating large, new staffs.

Mr. MINISH. Mr. Chairman, let me say to my friend the gentleman from California (Mr. ROUSSELOT) in reference to small contractor and the contractor that does subcontracting work for a large contractor, that during the consideration of the Lockheed loan, as I told the Committee on Rules, I received over 75 letters from a plant in my district that did not have anything to do with defense. Do the Members know why I received these? Because Lockheed told the plant "See that fellow that represents your area and have him vote for the Lockheed loan."

That is the pressure that they can put on a small company that does subcontracting work.

Let me say further, Mr. Chairman, before I continue with my main remarks on the amendment, and I might also say that I will not take the full 5 minutes, that the No. 1 accountant in the United States endorses this legislation, and that is the Comptroller-General of the GAO.

Mr. Chairman, the Hansen substitute (H.R. 10674) is an attempt to make superficial reforms of an agency that needs drastic reform in order to make it an effective governmental tool. I am amazed that anyone could consider this as a reform package. The President of the United States indicated that the Board must be reinvigorated. The Joint Committee on Internal Revenue Taxation recommended sweeping reforms. The General Accounting Office pointed out tremendous problems with the Board. The Government Operations Committee recommended far-reaching reforms and even the Renegotiation Board with the approval of OMB recommended changes in the act which greatly surpassed the Hansen substitute which is before us right now, and last but not the least the American taxpayer wants meaningful reform and that reform is embodied in H.R. 10680.

The studies and conclusions I just referred to all pointed out large-scale problems associated with the standard commercial articles exemption. Nevertheless, the Hansen substitute does not deal with the commercial articles exemption. Our bill has called for a major study by the Board of the durable productive equipment exemption and the standard commercial articles exemption.

Our bill provides subpena power for the Board and regional Board, whereas the Hansen substitute provides for subpena power for only the Statutory Board. In my opinion, this is patently absurd since the regional boards are assigned those very cases where there appears to be an excessive profit. I cannot understand why the regional boards, which actually decide the cases, should not have the same power as the Renegotiation Board itself, which in many cases merely assigns the cases to the regions.

There is documented evidence in the record indicating that the largest 100 defense contractors are almost immune from the renegotiation process, whereas the small contractor is subject to Renegotiation Board scrutiny. We have dealt with this problem in our bill and the Hansen bill leaves the problem unsolved.

Members of the Renegotiation Board, as well as officials in the Office of Management and Budget have indicated that the Hansen substitute does not go far enough to reform the act. Quite frankly, this bill is so superficial that it is probably supported by defense contractor lobbying associations. The Hansen substitute does not solve the major problems with the Renegotiation Act, and it is merely a last-ditch effort to allow the Board to continue to function as it has been for the last 25 years. The Hansen substitute cannot really be referred to as a reform bill.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from Idaho (Mr. HANSEN).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. HANSEN. Mr. Chairman, I demand a recorded vote, and, pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that, pursuant to clause 2, rule XXIII, he will vacate the proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Idaho (Mr. HANSEN) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were ayes 129, noes 251, not voting 52, as follows:

[Roll No. 28]

AYES—129

Abdnor
Archer
Ashbrook
Ashley
Bafalis
Bauman
Beard, Tenn.
Boggs
Breaux
Brinkley
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Butler
Byron
Carter
Cederberg
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Collins, Tex.
Conable
Conlan
Conte
Cotter
Coughlin
Crane
Daniel, Dan
Daniel, R. W.
Derwinski
Devine
Dickinson
Downing, Va.
Duncan, Tenn.
Erlenborn
Esch
Eshleman
Findley
Fish
Fisher
Forsythe
Frenzel
Frey
Giaimo
Goldwater
Goodling
Gradison
Grassley
Hammerschmidt
Hanley
Hansen
Harsha
Heckler, Mass.
Holt
Horton
Howe
Hutchinson
Hyde
Jarman
Jeffords
Johnson, Colo.
Johnson, Pa.
Kasten
Kelly
Kemp
Kindness
Lagomarsino
Landrum
Latta
Lent
Lott
Lujan
McClory
McCloskey
McDade
McDonald
Mahon
Mann

Martin
Michel
Miller, Ohio
Mitchell, N.Y.
Moore
Moorhead, Calif.
Myers, Ind.
Pettis
Poage
Pritchard
Quillen
Regula
Robinson
Rogers
Rousselot
Sarasin
Satterfield
Schneebeli
Schulze
Shuster
Smith, Nebr.
Snyder
Spence
Stanton, J. William
Steelman
Steiger, Ariz.
Steiger, Wis.
Stuckey
Symms
Taylor, Mo.
Teague
Thone
Treen
Vander Jagt
Vigorito
Waggonner
Walsh
Wampler
Whitehurst
Wilson, Bob
Wydler
Young, Alaska
Young, Fla.
Young, Tex.

NOES—251

Abzug
Adams
Addabbo
Alexander
Allen
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Annunzio
Aspin
Badillo
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boland
Bolling
Bonker
Bowen
Brademas
Breckinridge
Brodhead
Brooks
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Carney
Carr
Chappell
Chisholm
Clay
Cohen
Collins, Ill.
Corman
Cornell
D'Amours
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Dingell
Dodd
Downey, N.Y.
Drinan
Duncan, Oreg.
du Pont
Early
Edgar
Edwards, Calif.
Eilberg
Emery
English
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fary
Fenwick
Fithian
Flood
Florio
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fuqua
Gaydos
Gilman
Ginn
Gonzalez
Gude
Hagedorn
Haley
Hall
Hamilton
Hannaford
Harkin
Harrington
Harris
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Holtzman
Howard
Hubbard
Hughes
Hungate
Ichord
Jacobs
Jenrette
Jones, Ala.
Jones, N.C.
Jones, Tenn.
Jordan
Kastenmeier
Kazen
Keys
Koch
Krebs
Krueger
Leggett
Lehman
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
McCormack
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Maguire
Matsunaga
Mazzoli
Melcher
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Mills
Mineta
Minish
Mink
Mitchell, Md.
Moakley
Moffett
Mollohan
Montgomery
Moorhead, Pa.
Mosher
Moss
Murphy, Ill.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Passman
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Perkins
Pickle
Pike
Pressler
Preyer
Price
Railsback
Rangel
Rees
Reuss
Richmond
Rinaldo
Roberts
Rodino
Roe
Roncalio
Rooney
Rosenthal
Rostenkowski
Roush
Roybal
Runnels
Russo
Ryan
St Germain
Santini
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Shipley
Sikes
Simon
Sisk
Slack
Smith, Iowa
Solarz
Spellman
Staggers
Stanton, James V.
Stark
Steed
Stokes
Stratton
Studds
Sullivan
Symington
Taylor, N.C.
Thompson
Thornton
Traxler
Tsongas
Ullman
Van Deerlin
Vander Veen
Vanik
Waxman
Weaver
Whalen
White
Whitten
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wright
Yates
Yatron
Young, Ga.
Zablocki
Zeferetti

NOT VOTING—52

Andrews, N. Dak.
Armstrong
AuCoin
Bell
Brown, Calif.
Conyers
Diggs
Eckhardt
Edwards, Ala.
Fascell
Flowers
Fraser
Gibbons
Green
Guyer
Hébert
Hillis
Hinshaw
Holland
Johnson, Calif.
Jones, Okla.
Karth
Ketchum
LaFalce
McCollister
McEwen
Madigan
Mathis
Meeds
Metcalfe
Morgan
Mottl
Murphy, N.Y.
O'Brien
Pepper
Peyser
Quie
Randall
Rhodes
Riegle
Risenhoover
Rose
Ruppe
Sebelius
Shriver
Skubitz
Stephens
Talcott
Udall
Wiggins
Winn
Wylie

Messrs. BAUCUS, GUDE, and JACOBS changed their votes from "aye" to "no."

Mr. FORSYTHE and Mr. McCLOSKEY changed their votes from "no" to "aye."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 2. REMOVAL OF TERMINATION DATE; DEFINITION OF EXCESSIVE PROFITS; DEFINITION OF DEPARTMENT.

(a) REMOVAL OF TERMINATION DATE.—Section 102(c) of the Renegotiation Act of 1951 (50 U.S.C. App. 1212(c)) is amended by striking out paragraph (1) and by striking out "(2) TERMINATION OF STATUS AS DEPARTMENT.".

(b) DEFINITION OF EXCESSIVE PROFITS.—Section 103(e)(1) of the Renegotiation Act of 1951 (50 U.S.C. App. 1213(e)(1)) is amended by striking out "war and peacetime products" and inserting in lieu thereof "renegotiable and nonrenegotiable products and services":

(c) DEFINITION OF DEPARTMENT.—Section 103(a) of the Renegotiation Act of 1951 (50 U.S.C. App. 1213(a)) is amended by striking out "the Atomic Energy Commission," and inserting in lieu thereof the following: "the Nuclear Regulatory Commission, the Energy Research and Development Administration,".

SEC. 3. TERMS OF OFFICE AND POLITICAL AFFILIATION OF MEMBERS OF RENEGOTIATION BOARD.

(a) GENERAL RULE.—Section 107(a) of the Renegotiation Act of 1951 (50 U.S.C. App. 1217(a)) is amended by striking out "at the time of appointment" in the third sentence thereof and by adding at the end thereof the following new sentences: "The term of office of each member of the Board shall be 5 years; except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term. Not more than 3 members of the Board may be members of the same political party.".

(b) EFFECTIVE DATE AND TRANSITIONAL RULE.—

(1) IN GENERAL.—The amendment made by this section shall only apply to members appointed to the Renegotiation Board on or after January 1, 1976. The President shall make appointments to the Renegotiation Board on or after January 1, 1976, in a manner which will permit the composition of the Renegotiation Board to meet the requirements of the last sentence of section 107(a) of the Renegotiation Act of 1951 (as amended by subsection (a)) in the shortest possible time.

(2) TRANSITIONAL RULE.—Of the individuals who are members of the Renegotiation Board on December 31, 1975—

(A) one shall be deemed to have been appointed for a term ending December 31, 1976;

(B) one shall be deemed to have been appointed for a term ending December 31, 1977;

(C) one shall be deemed to have been appointed for a term ending December 31, 1978;

(D) one shall be deemed to have been appointed for a term ending December 31, 1979; and

(E) one shall be deemed to have been appointed for a term ending December 31, 1980;

as designated by the President on December 31, 1975. For purposes of this paragraph, any individual who is appointed on or before December 31, 1975, to the Renegotiation Board and who has not been confirmed by the Senate on or before such date shall be treated as a member of such Board on such date.

SEC. 4. PROCEDURES FOR RENEGOTIATION.

Section 105(a) of the Renegotiation Act of 1951 (50 U.S.C. App. 1215(a)) is amended to read as follows:

"SEC. 105. RENEGOTIATION PROCEEDINGS.

"(a) IN GENERAL.—

"(1) PROCEEDINGS BEFORE THE BOARD.—Renegotiation proceedings shall be commenced after the mailing of notice of the proceedings, in such form as may be prescribed by regulation, by registered mail or by certified mail to the contractor or subcontractor. The Board shall either (A) make an agreement with the contractor or subcontractor with respect to the elimination of excessive profits received or accrued, and with respect to such other matters relating thereto as the Board deems advisable; and any such agreement, if made, may, with the consent of the contractor or subcontractor, also include provisions with respect to the elimination of excessive profits likely to be received or accrued; or (B) issue and enter an order determining the amount, if any, of such excessive profits, and forthwith give notice thereof by registered mail or by certified mail to the contractor or subcontractor. In the absence of the filing of a petition with the Court of Claims under the provisions of within the time limit prescribed in section 108, such order shall be final and conclusive and shall not be subject to review or redetermination by any court or other agency. Whenever the Board makes a determination by order with respect to the amount of excessive profits of a contractor or subcontractor, and such determination is made by order, it shall, at the request of such contractor or subcontractor, as the case may be, prepare and furnish such contractor or subcontractor with a statement of such determination, of the facts used as a basis herefor, and of its reasons for such determination.

"(2) METHOD OF RENEGOTIATION.—The Board shall exercise its powers with respect to the aggregate of all amounts received or accrued during any fiscal year (or such other annual period as may be determined by the Board) under the contractor's or subcontractor's normal accounting system for all contracts and subcontractors subject to renegotiation: *Provided,* That the percentage-of-completion method of accounting shall not be used. However, amounts received or accrued under long-term contracts or subcontracts which provide for completed production units to be delivered or units of service to be rendered over a period of more than one year, and for which a stated price for such units has been established in the contract, shall be included in the fiscal year (or such other annual period as may be determined by the Board) in which such units are delivered or services rendered or in the fiscal year in which the contract or subcontract is completed. The Board shall renegotiate all contracts and subcontracts by division and by major product line within a division of the contractor or subcontractor. Contract modifications or options providing for additional units of production or services shall not be regarded for purposes of renegotiation as extending the period of performance set out in the original contracts or subcontracts, but shall be treated for purposes of renegotiation as if such contract modifications or options were new contracts or subcontracts.".

Sec. 5. Elimination of Exemptions for Certain Contracts.

(a) Elimination of Exemption for Products of Oil or Gas Wells.—

(1) In general.—Section 106(a)(3) of the Renegotiation Act of 1951 (50 U.S.C. App. 1216(a)(3)) is amended by striking out "oil or gas well," and by inserting "(other than oil or gas)" immediately after "deposit".

(2) Conforming amendment.—Section 106 (b) of such Act (50 U.S.C. App. 1216(b)) is amended by striking out "oil or gas well," and by inserting "(other than oil or gas)" immediately after "deposit".

(b) Amendment of Exemptions for Durable Productive Equipment and Standard Commercial Articles and Services.—

(1) Durable productive equipment. Section 106(c) of the Renegotiation Act of 1954 (50 U.S.C. App. 1216(c)) is repealed.

(2) Standard commercial articles and services. Section 106(e) of the Renegotiation Act of 1951 (50 U.S.C. App. 1216 (e)) is amended —

(A) By striking out paragraph (1) thereof and inserting in lieu thereof the following new paragraph:

"(1) Articles.—The provisions of this title shall not apply to amounts received or accrued in a fiscal year under any contract or subcontract for an article which (with respect to such fiscal year) is a standard commercial article.".

(B) By repealing paragraph (2) thereof.

(C) In paragraph (3) thereof by striking out "Paragraph (1)(B)" and inserting in lieu thereof "Paragraph (1)", by striking out "or service" each time it appears therein, and in subparagraph (B) thereof by striking out clause (i) and redesignating clauses (ii) and (iii) as clauses (i) and (ii), respectively.

(D) By amending paragraph (4) thereof to read as follows:

"(4) Definitions.—For the purposes of this subsection—

"(A) the term 'article' includes any material, part, component, assembly, machinery, equipment, or other personal property; and

"(B) the term 'standard commercial article' means, with respect to any fiscal year, an article—

"(i) which either is customarily maintained in stock by the contractor or subcontractor or is offered for sale in accordance with a price schedule regularly maintained by the contractor or subcontractor,

"(ii) the price of which under any contract or subcontract subject to this title is not in excess of the lowest price at which such article is sold in similar quantity by the contractor or subcontractor for civilian industrial or commercial use, except for any excess attributable to the cost of accelerated delivery or other significantly different circumstances, and

"(iii) from the sales of which by the contractor or subcontractor at least 75 percent of the receipts or accruals in such fiscal year are not (without regard to this subsection and subsection (c) of this section) subject ot this title: *Provided*, That sales to noncovered Federal Government agencies which are exempt from renegotiation shall be excluded from the commercial sale denominator for purposes of the percentage test.".

(E) In paragraph (6) thereof by striking out "Paragraphs (1) and (2)" and inserting in lieu thereof "Paragraph (1)".

(c) Effective Date.—The amendments made by this section shall apply to fiscal years (as defined in section 103(b) of the Renegotiation Act of 1951) beginning after December 31, 1975.

(d) Repealer.—Section 106(e) of the Renegotiation Act of 1951 (50 U.S.C. App. 1216 (e)) is amended by striking out paragraph (5) and inserting in lieu thereof the following new paragraph:

"(5) Furnishing of costs and profitable data.—Any contractor or his subcontractor shall furnish complete cost and pricing data on all articles subject to exemption under this subsection."

(e) Study and Investigation.—The Renegotiation Board shall conduct a comprehensive study and investigation of the cost and pricing data submitted to the Board pertaining to the mandatory exemptions for standard commercial articles *and durable productive equipment*. A report of such study with particular reference to the profitability of the exempted items shall be submitted to the Congress on or before December 31, 1976, together with such recommendations as it deems appropriate.

Sec. 6. Penalties for Failure To File Certain Statements or for Filing Misleading Information.

(a) General Rule.—Section 105(e) of the Renegotiation Act of 1951 (50 U.S.C. App. 1215(e)) is amended by striking out the last sentence of paragraph (1) and by adding at the end of such subsection the following new paragraph:

"(3) Penalties.—

"(A) Failure to file.—Any person who knowingly fails or refuses to file or furnish any statement, information, records, or data on or before the date on which such person is required under paragraph (1) to file or furnish such statement, information, records, or data shall be subject to a civil penalty (not to exceed $100,000 for any such failure) of $100 for each day thereafter occurring before the day on which such person files or furnishes such statement, information, records, or data in accordance with paragraph (1). Such penalty shall be assessed by the Board and may be collected in a civil action brought by the United States in a United States district court under section 1355 of title 28, United States Code.

"(B) False or misleading information.—Any person who knowingly furnishes any statement, information, records, or data pursuant to paragraph (1) containing information which is false or misleading in any material respect shall, upon conviction thereof, be punished by a fine of not more than $50,000 or imprisonment for not more than one year, or both.".

(b) Effective Date.—The amendments made by subsection (a) shall take effect on January 1, 1976.

Sec. 7. Interest on Amount of Excessive Profits.

(a) General Rule.—Section 105(b)(2) of the Renegotiation Act of 1951 (50 U.S.C. App. 1215(b)(2)) is amended to read as follows:

"(2) Interest.—

"(A) In general.—Interest on the amount of excessive profits determined for any fiscal year (or such other period as may be determined by the Board shall accrue and be paid at the per annum rate determined under subparagraph (C) for the period beginning after the last day of such fiscal year (or such other period), and from such last day to the date of payment or recovery.

"(B) Amounts requested to be withheld.—Interest on any amount required to be withheld by any person or subcontractor for the account of the United States pursuant to paragraph (1)(C) shall accrue and be paid at the per annum rate determined under subparagraph (C) for the period beginning after the last day of such fiscal year (or such other period) on the date on which payments of such amount is demanded by the Secretaries or any of them, and from such date to the date of payment or recovery.

"(C) Interest rate.—On July 1 and December 31 of each year, the Secretary of the Treasury shall specify an interest rate which shall be applied for purposes of the subsection to excessive profits and amounts required to be withheld, taking into consideration current private commercial rates of interest for new loans maturing in approximately 5 years.".

(b) Technical Amendment.—Section 108 of such Act (50 U.S.C. App. 1218) is amended by striking out "to the next to the last sentence of section 105(b)(2)" and inserting in lieu thereof "section 105(b)(2)(C).".

(c) Effective Date.—The amendment made by this section shall apply to fiscal years (as defined in section 103(b) of the Renegotiation Act of 1951) or other periods ending after the date of the enactment of this Act.

Sec. 8. No Exemption on the Basis of Amount of Excessive Profits Before Renegotiation.

(a) General Rule.—Section 105 of the Renegotiation Act of 1951 (50 U.S.C. App. 1215) is amended by adding at the end thereof the following new subsection:

"(g) No Exemption on the Basis of Amount of Excessive Profits Before Renegotiation.—The Board may not exempt any contractor or subcontractor from a determination of excessive profit for any fiscal year because of the amount of such profits.".

(b) Effective Date.—The amendment made by subsection (a) shall apply to fiscal years (as defined in section 103(b) of the Renegotiation Act of 1951) beginning after December 31, 1975.

Sec. 9. Amendments Relating To Authority and Functions of the Chairman and Pay of the Chairman and Other Members of the Board.

(a) Appointment of Personnel by the Chairman.—

(1) The second sentence of section 107(c) of the Renegotiation Act of 1951 (50 U.S.C. App. 1217(c)) is amended by striking out "The Board" and inserting in lieu thereof the following: "Subject to such rules as may be adopted by the Board, the Chairman".

(2) The third sentence of section 107(c) of the Renegotiation Act of 1951 (50 U.S.C. App. 1217(c)) is amended by striking out "The Board" and inserting in lieu thereof the following: "Subject to such rules as may be adopted by the Board, the Chairman".

(b) Authority and Functions of the Chairman.—Section 107 of the Renegotiation Act of 1951 (50 U.S.C. App. 1217) is amended by adding at the end thereof the following new subsection:

"(e) Authority and Functions of the Chairman.—

"(1) In general.—The Chairman of the Board shall be its chief executive officer and shall direct the executive functions of the Board, which include but are not limited to the supervision of personnel, the distribution of business among such personnel and among the administrative units of the Board, and the distribution of funds. The Chairman may delegate to any officer or officers of the Board any function or power granted to the Chairman under this Act.

"(2) Specific limitations.—The preparation and revision of budget estimates and the determination of the distribution of appropriated moneys according to major programs and purposes shall be carried out by the Board."

(c) Pay of the Chairman and Other Members of the Board.—The fourth sentence of section 107(a) of the Renegotiation Act of 1951 (50 U.S.C. App. 1217(a)) is amended to read as follows: "The Chairman shall receive compensation at the rate of basic pay in effect for level IV of the Executive Schedule, and the other members shall receive compensation at the rate in effect for level V of the Executive Schedule.".

Sec. 10. Amendments Relating to Administration and Powers of Renegotiation Board.

(a) Grant of Subpena Power.—Section 107 of the Renegotiation Act of 1951 (50 U.S.C. App. 1217) is amended by adding at the end thereof the following new subsection:

"(g) Issuance of Subpenas.—

"(1) In general.—A majority of the full membership of the Board or a majority of the Regional Board shall have the power to issue subpenas requiring the production of any records, books, or other documents relating to the Board's functions under this title.

"(2) Enforcement of subpena.—If a person issued a subpena under paragraph (1) refuses to obey such subpena or is guilty of contumacy, any district or territorial court of the United States within any judicial district within which such person is found or resides or transacts business may (upon application by the Board) order such person to produce the records, books, or other documents required to be produced under such subpena. Any failure to obey such order of the court may be punished by such court as a contempt thereof.

"(3) Manner of service.—The subpenas of the Board shall be served in the manner provided for subpenas issued by a United States district court under the Federal Rules of Civil Procedure for the United States district courts.

"(4) Where served.—All process of any court to which application may be made under this subsection may be served in any judicial district wherein the person required to be served resides or may be found or transacts business.".

(b) Submission of Certain Requests to Congress. Section 107 of such Act (50 U.S.C. App. 1217) is amended by adding at the end thereof the following new subsection:

"(h) Submission of Certain Requests or Recommendations to Congress.—

"(1) Budget requests.—Whenever the Board submits any budget estimate or request to the President or the Office of Management and Budget, it shall concurrently transmit a copy of such estimate or request to Congress.

"(2) Legislative recommendations.—Whenever the Board submits any legislative recommendations, or testimony, or comments on legislation to the President or Office of Management and Budget, it shall concurrently transmit a copy thereof to the Congress. No officer or agency of the United States shall have any authority to require the Board to alter its legislative recommendations, or testimony, or comments on legislation, or other matter to the Congress.".

(c) Audit of Financial Statements, Books, and Records.—Section 105(e)(2) of the Renegotiation Act of 1951 (50 U.S.C. App. 1215(e)(1)) is amended to read as follows:

"(2) Audit of financial statements, books, and records.—Every financial statement submitted pursuant to paragraph (1) shall be verified by an audit performed by the Board or its authorized audit representative. For the purpose of this title, the Board and its authorized audit representative shall have access to and the right to examine and audit the books and records of any contractor or subcontractor subject to this title to the extent necessary to determine the accuracy and validity of such financial statements. In the interest of economy and the avoidance of duplication of inspection and audit, any Government department or agency holding contracts subject to this Act shall, upon request by the Board, provide audit support as necessary to verify such financial statements. The services of the Internal Revenue Service shall, upon request of the Board and with the approval of the Secretary of the Treasury, be made available to the extent determined by the Secretary of the Treasury, to assist in such examinations and audits.".

(d) Reports to the Secretaries of the Departments.—Section 15 of such Act (50 U.S.C. App. 1215) is amended by adding at the end thereof the following new subsection:

"(h) Reports to the Secretaries of the Departments.—The Board shall, not later than 90 days after September 30 of each calendar year beginning after 1975, submit to the Secretary of each Department a report which shall contain—

"(1) a summary of each financial statement filed with the Board under subsection (e) during the 12-month period ending on September 30 of such calendar year (or in the case of September 30, 1976, the 15-month period ending on such date) by a contractor or subcontractor who for the fiscal year for which such statement was filed, received or accrued amounts under contracts with such Department or subcontracts under contracts with such Department; and

"(2) such other information as the Board determines to be appropriate.".

(c) Annual Review by the General Accounting Office.—Section 107 of such Act (50 U.S.C. App. 1217) is amended by adding at the end thereof the following new subsection:

"(i) Annual Review by General Accounting Office.—The General Accounting Office shall conduct an annual review of the activities and operations of the Board and submit a report on such review to the Congress.".

(f) Effective Date.—The amendments made by this section shall take effect on the date of the enactment of this Act.

Sec. 11. Amendment Relating to Review by the Court of Claims; Witness Fees.

(a) Review by the Court of Claims.—Section 108 of the Renegotiation Act of 1954 (50 U.S.C. App. 1218) is amended by inserting immediately after the fourth sentence thereof the following new sentence: "In such a proceeding the determination by the Board of both the existence and the extent of excessive profits realized by the contractor shall be presumed to be correct.".

(b) Repeal of Payment of Witness Fees.—The fifth sentence of section 108 of the Renegotiation Act of 1951 (50 U.S.C. App. 1218) is repealed.

Sec. 12. Reports to Congress.

The first sentence of section 114 of the Renegotiation Act of 1951 is amended by striking out "January" the second time it appears therein and inserting in lieu thereof "April" and by striking out "June" and inserting in lieu thereof "September".

Sec. 13. Minimum Amounts Subject to Renegotiation.

Section 105(f)(2) and section 105(f)(3) of the Renegotiation Act of 1951 are amended by striking out "$25,000" each time it appears herein and inserting in lieu thereof "$50,000".

Sec. 14. Authorization.

There are hereby authorized to be appropriated such funds as may be necessary to carry out the purposes of this Act.

Mr. MINISH (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the committee amendments.

Mr. MINISH. Mr. Chairman, I ask unanimous consent that the committee amendments be considered as read, printed in the Record, and considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The committee amendments are as follows:

Committee amendments: Page 2, line 11, strike out the comma. Page 2, line 13, strike out the comma. Page 7, strike out lines 9 through 17, and insert in lieu thereof the following:

(b) Amendment of Exemption for Standard Commercial Articles and Services.—Section 106(e) of the Renegotiation Act of 1951 (50 U.S.C. App. 1216(e)) is amended—

Page 7, line 18, strike out "(A)" and insert "(1)". Page 8, line 1, strike out "(B)" and insert "(2)". Page 8, line 2, strike out "(C)" and insert "(3)". Page 8, line 9, strike out "(D)" and insert "(4)". Page 10, line 6, insert a quotation mark at the end of the line. Page 10, line 11, after "articles" and before the period insert "and durable productive equipment". Page 13, strike out line 14 and all that follows down through line 2 on page 14. Page 14, line 3, strike out "9" and insert "8". Page 15, line 13, insert a close quotation mark after the period. Page 15, line 22, strike out "10" and insert "9". Page 17, strike out lines 4 through 23. Page 17, line 24, strike out "(c)" and insert "(b)". Page 18, line 23, strike out "(d)" and insert "(c)". Page 19, line 19, strike out "(e)" and insert "(d)". Page 19, line 23, strike out "(i)" and insert "(h)". Page 20, line 3, strike out "(f)" and insert "(e)". Page 20, line 6, strike out "11" and insert "10". Page 20, line 18, strike out "12" and insert "11". Page 21, line 1, strike out "13" and insert "12". Page 21, after line 6, insert the following new section:

"Sec. 13. Refunding of Overcollections.

Section 108 of such Act (50 U.S.C. App. 1218) is further amended by adding at the end thereof the following new subsection:

Any such refund shall be paid to the contractor or subcontractor in the manner prescribed by 31 U.S.C. 724a for payment of any other final judgments rendered by the Court of Claims against the United States.—

(1) Refunds (not in excess of $100,000 in any one case) shall be paid out of any general appropriation therefor, on presentation to the General Accounting Office or a certification of the judgment pursuant to 28 U.S.C. 2517; and

(2) Refunds (in excess of $100,000 in any one case) shall be paid by the Department of the Treasury upon application and presentation of original transcripts of judgments for certification to Congress for appropriation pursuant to 28 U.S.C. 2518.

The committee amendments were agreed to.

AMENDMENT OFFERED BY MR. M'KINNEY

Mr. McKINNEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McKinney: Page 12, strike out line 3 and all that follows thereafter through page 13, line 18.

Redesignate the succeeding sections accordingly.

Mr. McKINNEY. Mr. Chairman, this is a very simple amendment. It would simply change the inception date of the interest and penalties on a determination by the Renegotiation Board.

It has become clear during our study of this Board that there are sometimes very lengthy periods of time between the end of the contractor's fiscal year and the date when the Board makes a determination to the contractor that he must pay a fine.

It seems very unfair to me right now that when the Board is admitting that there are cases that are as much as 5 years old within the Board and suddenly the Board should make a determination, due to its own dilatory practices, and turn around and say that penalties and interest are due from the time of the contract rather than from the time of the decision as to whether or not there was an excess profit.

Mr. Chairman, the Minish bill as it is now before the House has very strict and very strong wordage in section 6 to protect the American public and the taxpayer against improper filing, against dilatory filing, and against fraud.

It seems to me, therefore, that if the manufacturer or business lives up to the letter of the law and finds because of the simple lack of staff or the dilatoriness of the Board, per se, that there is a decision 5 years later, we should not go back and fine him or penalize him for that 5-year period with interest payments.

Certainly some people may say that this is an excess profit and that he has had it in his possession for this period of time, but I would suggest that common practice would tell us that should this be in our possession for 5 years then we should not believe that we were going to be fined for it.

The Internal Revenue Service charges interest on their determinations but I would suggest that this is entirely a different situation. Also there are many who are within the House of Representatives who question this practice of the Internal Revenue Service.

I will not pursue that any further except to simply state now under this bill it is the responsibility of the Renegotiation Board to act and act promptly and accurately, and I do not think we can penalize the people for the lack of action on the part of the Board.

Mr. HAYES of Indiana. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, in the interest of time, I would simply like to point out that we do provide by this bill, that interest on excess profits that are amassed by a contractor accrues from the end of the year in which such profits were made. The provision is fair because of the fact that it does start at that point when the profits were made, and that is fair both to the contractor and the taxpayer.

What the gentleman from Connecticut (Mr. McKinney) would propose is a course of action by a contractor which simply eliminates any problem. He in effect has a loan and that loan is from the taxpayers' money which he may spend interest free. It is true that in some cases the contractors will not be apprised of the excess profits determination until several years after that excess profits was actually garnered. But it seems to me that it is fair to say to the contractors: You overcharged the American taxpayers 2, 3, or even 5 years ago, now you owe us the amount of the original overcharge plus some compensation for having had the use of that money.

We have had testimony from those who were familiar with the act, and this was pointed out as being a glaring defect in it.

I urge that we support the committee version of this provision and that we do not alter it at all.

Mr. DERRICK. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment offered by the gentleman from Connecticut (Mr. McKinney).

Mr. Chairman, I believe that the committee bill is very fair. To hold, as this amendment would hold, that one would only start paying interest at a later date would be very unfair.

It is very similar to the way one borrows money from a bank. One starts paying interest on that money when one gets the money. The committee bill makes one start paying interest at the time that the crime or misdeed is committed.

I would suggest that this is the fair way to do it.

Mr. FRENZEL. Mr. Chairman, I move to strike the requisite number of words and I rise in favor of the amendment.

Mr. McKINNEY. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from Connecticut.

Mr. McKINNEY. Mr. Chairman, I would like to point out to the gentleman from South Carolina, we heard testimony before the committee at this point that there are $105 billion worth of back cases unsettled by the Renegotiation Board, some stretching back for a period of 5 years. I think for the Board to subsequently make a determination that 5 years ago one made an excess profit and that he will start to pay interest from that point is just totally unfair. It should put the onus on the Board to make a decision on time and to then charge them interest from the date of the decision rather than delay, because of the Board's dilatory tactics.

Mr. FRENZEL. I thank the gentleman for his contribution.

Mr. Chairman, the most recent speaker said this was a little bit like borrowing money from the bank, and the interest should incur from the time of the billing. In fact, there is no definition of excess profits. The contractor, when he reads his billing, does not expect that his charges are unfair. He does not know what happens unless some faceless bureaucrat accosts him 5 years and later and says, "Hey, friend, you made an excess profit, and not only are you going to have to give some money back, but we are going to charge you interest on that, too."

The gentleman's amendment should be passed.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding.

There is a major difference in the example my good colleague, the gentleman from South Carolina, has given of borrowing money. At least, in that case, one has the use of that money while he is paying interest. In this case, we are charging interest on an amount which had not been determined to be excessive until after the Board completed its process and where we do not even define "excessive profits." Under the committee bill, we are going to charge him for all of that interest long after the fact because the Board may have used dilatory tactics and has not acted until 4 or 5 years have elapsed. If that is fair, I want to know if the gentleman from South Carolina would be willing to put all of his small subcontractors in that type of situation. I just cannot believe that the gentleman from South Carolina genuinely believes that this procedure is similar to borrowing money from the bank where at least one has the use of the money while he is paying the interest.

I compliment my colleague, the gentleman from Minnesota, in making the point that this situation is entirely different than borrowing from the bank.

Mr. DERRICK. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from South Carolina.

Mr. DERRICK. I thank the gentleman for yielding.

I will have to admit that I do not find the matter quite as emotional, but I would say this: They should pay for the excess profits from the time that they are made, and that is the time that they have the use of the money; from then henceforth. What are we going to do—let them have the use of this money for those 5 years free of charge while we are encouraging them to make excess profits?

Mr. FRENZEL. I thank the gentleman for his contribution, but, if he really believes that, I think he would have defined excess profits.

Mr. DERRICK. If the gentleman will yield further, I do believe it.

Mr. FRENZEL. Mr. Chairman, I hope this amendment is passed.

I yield back the balance of my time.

Mr. MINISH. Mr. Chairman, I move to strike the requisite number of words.

I rise in opposition to the amendment. I just want to state to the Members of this body that the same amendment was embodied in the Hansen substitute.

Mrs. FENWICK. Mr. Chairman, I would like to associate myself with Representative McKinney's remarks in support of his amendment to date the payment of interest on excess profits from the time when the judgment has been made.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut (Mr. McKinney).

The question was taken; and on a division (demanded by Mr. McKinney) there were—ayes 52, noes 77.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. M'KINNEY

Mr. McKINNEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McKinney: On page 20, line 10, strike "Review By The" through and including "Claims;" on line 11.

Strike all of Section 10 (a), beginning on page 20, line 12, through and including line 18 and renumber the succeeding sections accordingly.

Mr. McKINNEY. Mr. Chairman, section 10(a) would place the burden of proof in the Court of Claims, the only court of jurisdiction, on the contractor.

When the contractor decides to bring suit, the issue of the making of an excessive profit by the contractor is placed before the Court of Claims. The proceeding is de novo or "starts from scratch." Thus there is no record before the court on which the contractor can base his defense. With this bill, the contractor does not have a full record of the Board's determination proceedings but he has the burden of disproving the presumption that everything the Board has done in finding he has made an excessive profit is correct.

If I may analogize: He must prove his innocence without full knowledge of how the Board determined his guilt.

Mr. Chairman, the proponents of section 10(a) say that this section only puts the burden where it was previously when the Tax Court had jurisdiction, on the contractor. To that I would say that the Tax Court and Court of Claims are two different forums with differing procedures. One court may be more or less sophisticated as to the issues presented by a renegotiation case. I suggest that the burdens, in practice, may have realistically been more equitable on the contractor before the Tax Court.

The proponents of section 10(a) also say that the contractor has been having conferences with the Board's staff at times during the audit or negotiation proceeding. This is not a hearing nor is a formal record made of these conferences. In short, this is not due process. Those of us who have, as individuals, dealt with staff members of our bureaucracy know that some people in such position have the ability of talking and conferring with outsiders without saying anything of substance. It is possible for a contractor to have to deal with such people, and, certainly, if they are so inclined, never learn what the substantive issues are with regard to their claim of excess profits.

It is possible that the contractor is never advised what the substance of the disagreement is except that he made excess profits. At the least, he is entitled to have in writing the reasoning behind the Board's decision and the legal sufficiency for such decision. That is due process. How else can he decide whether the Board's decision is justifiable and in compliance with the Board's standards? The contractor has to decide at that point whether to defend himself against the charge and hire counsel to represent him at the potential cost of many thousands of dollars or settle. I speak only for his right to know the evidence against him—due process.

Further, the proponents of this bill would say that the contractor can always learn what the evidence is against him by going through discovery proceedings. Well, that is true, except that discovery can be, and is resisted by the Government, so that the contractor may be defending himself in court for as much as 2 years before he finds out what the Board's evidence is against him. That just seems unfair to me.

I urge my colleagues to vote for my amendment to strike section 10(a). Allow the burden to be on the Board to at least have to make its case in the court proceeding since it is de novo. I am particularly concerned about smaller contractors to whom large legal fees would be potentially very damaging. He has to hire counsel just to find out whether he has gotten a fair shake—no matter what our views may be, it is possible for the Government to make an error now and then. Require the Board to give this contractor due process, if not with a full written record, then at least make the Board prove its case by carrying the initial burden of proof. Strike section 10(a) from this bill.

Mr. MINISH. Mr. Chairman, will the gentleman yield?

Mr. McKINNEY. I yield to the gentleman from New Jersey.

Mr. MINISH. Mr. Chairman, we have this amendment here and this side of the aisle accepts it.

Mr. McKINNEY. I thank the chairman and I know the committee will thank him for the saving of time.

Mrs. FENWICK. Mr. Chairman, I would like to associate myself with Representative McKinney's remarks in support of his amendment to place the burden of proof upon the Renegotiation Board, rather than upon the contractor.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut (Mr. McKinney).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. ROUSSELOT

Mr. ROUSSELOT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Rousselot: On page 4, line 8, immediately following the word "date.", insert the following new section, and renumber the succeeding sections accordingly:

SEC. 4. DEFINITION OF "EXCESSIVE PROFITS."

Section 103(e) of the Renegotiation Act of 1951 (50 U.S.C. App. 1213(e)) is amended by striking all that follows the word "which" in the first sentence through the period at the end of the sentence and inserting in lieu thereof the following: "were not awarded on a competitive basis which is determined to exceed 110% of what the Board finds, in accordance with this title, the profits would have been if such contracts or subcontracts had been awarded on a competitive basis."

Mr. ROUSSELOT. Mr. Chairman, I am sure it seems impossible to most of my colleagues in this body that we would draft a bill where we would charge a board with making determinations as to what are "excessive profits," and yet we do not really define that term in the act.

My attempt in this amendment is merely to followthrough on what the chairman of the Renegotiation Board said, and I quote from the hearings on page 157. He responded to our inquiry and tried to give us some kind of help in arriving at a way that we could give some definition to "excessive profits." Quoting from the hearing:

> Mr. Holmquist. "Excessive profits occur when the forces of a free competitive market are thwarted by monopolistic practices or are rendered inoperative because of other abnormal economic or natural causes. In such instances, unreasonable prices result in excessive profits."

What I have tried to do with this amendment is establish some kind of formula within the legislation so that we give an objective guideline to the Renegotiation Board so that they have some more definite guidance from Congress as to what an "excessive profit" might be—not a tight definition, but a general definition. I have used the figure 110 percent of what the Board finds the make such subjective determinations. A great many of these determinations affect small contractors and subcontractors. They are the ones who many times are reviewed most carefully.

I think it is wrong for use to charge a board like this with responsibility to make such subject determinations. A great many of these determinations affect small contractors and subcontractors. They are the only one who many times are reviewed most carefully.

I believe that the formula established in this amendment will at least give the Board the benefit of our feeling that it ought not exceed 110 percent of the marketplace average profits in a given industry, giving full consideration to the fact that the Government had already had an opportunity when it negotiated the original contract, to limit the amount of profit which could be earned.

I hope my colleagues will see fit to support the amendment.

Mr. MITCHELL of Maryland. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from California (Mr. Rousselot).

Mr. Chairman, the comments of the gentleman from California (Mr. Rousselot) seem to imply that our subcommittee was remiss in not devising a new, all-inclusive, and all-encompassing, definition of excessive profits. We have, in fact, analyzed the present definition and we concluded that it provides for the requisite flexibility that is absolutely necessary in order to insure that each defense contractor will be treated fairly according to his particular situation. Let me read to you the present definition contained in article 103(E) of the act.

> Excessive Profits.—The term "excessive profits" means the portion of the profits derived from contracts with the Departments and subcontracts which is determined in accordance with this title to be excessive. In determining excessive profits favorable recognition must be given to the efficiency of the contractor or subcontractor, with particular regard to attainment of quantity and quality production, reduction of costs, and manpower; and in addition, there shall be taken into consideration the following factors:
>
> (1) Reasonableness of costs and profits, with particular regard to volume of production, normal earnings, and comparison of war and peacetime products;
>
> (2) The net worth, with particular regard to the amount and source of public and private capital employed;
>
> (3) Extent of risk assumed, including the risk incident to reasonable pricing policies;
>
> (4) Nature and extent of contribution to the defense effort, including inventive and developmental contribution and cooperation with the Government and other contractors in supplying technical assistance.
>
> (5) Character of business, including source and nature of materials, complexity of manufacturing technique, character and extent of subcontracting, and rate of turnover;
>
> (6) Such other factors the consideration of which the public interest and fair and equitable dealing may require.

Would the gentleman from California, (Mr. ROUSSELOT), like to eliminate the sixth factor which is designed solely to insure that all criteria will be considered if it means the public will be protected and the defense contractors will be fairly and equitably treated.

In the landmark Supreme Court decision, upholding the constitutionality of the Renegotiation Act—Lichter against United States, 1948—the Supreme Court expressed this point in a most succinct and accurate manner. The Court stated:

> It is not necessary that Congress supply administrative officials with a specific formula for their guidance in a field where flexibility and the adaptation of the congressional policy to infinitely variable conditions constitute the essence of the program.

When we conducted our oversight hearings on the Renegotiation Act, we asked the Renegotiation Board to comment on modifying the statutory factors. They stated, and I quote:

> The Board, after having thoroughly reviewed all the issues involved, has come to the conclusion that no substantial changes should be made in the language of the statutory factors.

They stated further that:

> The Board believes that the language of the factors is essentially sound; and that it reflects all the proper considerations that should play a role in the determination of whether excessive profits are, or are not, present in a given case. Rather than propose major changes in this section of the Act, the Board believes that a concerted effort to improve its application of the statutory factors in each renegotiation proceeding will prove to be more equitable and practical. To this end, it is endeavoring to provide contractors with more meaningful opinions portraying the results of the Board's evaluations under the statutory factors.

The Joint Committee on Internal Revenue Taxation stated in their September 30, 1975, evaluation of the Board that:

> In general, the consensus of industry opinion in comments received by the Joint Committee staff appears to be that there should be no significant changes in the statutory factors, but that the Board should clarify how the existing factors are applied by amending the regulations or issuing written guidelines.

The joint committee concluded that the "existing statutory factors are generally appropriate for consideration by the Board in determining whether a contractor had realized excessive profits." Our committee agrees with the joint committee and the Renegotiation Board and we had recommended no change in the statutory factors.

I would like to add a brief remark. I wonder whether the gentleman from California is aware that the first definition of what constituted an excessive profit was, and I quote:

> The term "excessive profit" means any amount of a contract or subcontract price which is found as a result of renegotiation to represent excessive profits.

I am sure we all agree that the first definition was inadequate. But, I think any specific formula devised by this body would be just as inadequate.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. ROUSSELOT).

The amendment was rejected.

The CHAIRMAN. Are there further amendments at the desk? If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. DANIELSON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 10680) to revise and extend the Renegotiation Act of 1951, pursuant to House Resolution 966, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment adopted by the Committee of the Whole? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. HANSEN

Mr. HANSEN. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. HANSEN. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. HANSEN moves to recommit the bill H.R. 10680 to the Committee on Banking, Currency and Housing with instructions to report the same back to the House forthwith with the following amendment: Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Renegotiation Act Amendments of 1975".

SEC. 2. EXTENSION OF TERMINATION DATE, DEFINITION OF DEPARTMENT.

(a) EXTENSION OF TERMINATION DATE.—Section 102(c)(1) of the Renegotiation Act of 1951 (50 U.S.C. App. 1212(c)(1)) is amended by striking "December 31, 1975" in the last sentence thereof and inserting "December 31, 1980".

(b) DEFINITION OF DEPARTMENT.—Section 103(a) of the Renegotiation Act of 1951 (50 U.S.C. App. 1213(a)) is amended by striking out "the Atomic Energy Commission," and inserting in lieu thereof the following: "the Nuclear Regulatory Commission, the Energy Research and Development Administration,".

SEC. 3. TERMS OF OFFICE AND POLITICAL AFFILIATION OF MEMBERS OF RENEGOTIATION BOARD.

(a) GENERAL RULE.—Section 107(a) of the Renegotiation Act of 1951 (50 U.S.C. App. 1217(a)) is amended by striking out "at the time of appointment" in the third sentence thereof and by adding at the end thereof the following new sentences: "The term of office of each member of the Board shall be 5 years; except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term. Not more than 3 members of the Board may be members of the same political party.".

(b) EFFECTIVE DATE AND TRANSITIONAL RULE.—

(1) IN GENERAL.—The amendment made by this section shall only apply to members appointed to the Renegotiation Board on or after January 1, 1976. The President shall make appointments to the Renegotiation Board on or after January 1, 1976, in a manner which will permit the composition of the Renegotiation Board to meet the requirements of the last sentence of section 107(a) of the Renegotiation Act of 1951 (as amended by subsection (a)) in the shortest possible time.

(2) TRANSITIONAL RULE.—Of the individuals who are members of the Renegotiation Board on December 31, 1975—

(A) one shall be deemed to have been appointed for a term ending December 31, 1976;

(B) one shall be deemed to have been appointed for a term ending December 31, 1977;

(C) one shall be deemed to have been appointed for a term ending December 31, 1978;

(D) one shall be deemed to have been appointed for a term ending December 31, 1979; and

(E) one shall be deemed to have been appointed for a term ending December 31, 1980;

as designated by the President on December 31, 1975. For purposes of this paragraph, any individual who is appointed on or before December 31, 1975, to the Renegotiation Board and who has not been confirmed by the Senate on or before such date shall be treated as a member of such Board on such date.

SEC. 4. PENALTIES FOR FAILURE TO FILE CERTAIN STATEMENTS OR FOR FILING MISLEADING INFORMATION.

(a) GENERAL RULE.—Section 105(e) of the Renegotiation Act of 1951 (50 U.S.C. App. 1215(e)) is amended by striking out the last sentence of paragraph (1) and by adding at the end of such subsection the following new paragraph:

"(3) PENALTIES.—

"(A) FAILURE TO FILE.—Any person who knowingly fails or refuses to file or furnish any statement, information, records, or data on or before the date on which such person is required under paragraph (1) to file or furnish such statement, information, records, or data shall be subject to a civil penalty (not to exceed $100,000 for any such failure) of $100 for each day thereafter occurring before the day on which such person files or furnishes such statement, information, records, or data in accordance with paragraph (1). Such penalty shall be assessed by the Board and may be collected in a civil action brought by the United States in a United States district court under section 1355 of title 28, United States Code.

"(B) False or misleading information.—Any person who knowingly furnishes any statement, information, records, or data pursuant to paragraph (1) containing information which is false or misleading in any material respect shall, upon conviction thereof, be punished by a fine of not more than $5,000 or imprisonment for not more than one year, or both.".

(b) Effective Date.—The amendments made by subsection (a) shall take effect on January 1, 1976.

Sec. 5. Amendments Relating to Authority and Functions of the Chairman.

(a) Appointment of Personnel by the Chairman.—

(1) The second sentence of section 107(c) of the Renegotiation Act of 1951 (50 U.S.C. App. 1217(c)) is amended by striking out "The Board" and inserting in lieu thereof the following: "Subject to such rules as may be adopted by the Board, the Chairman".

(2) The third sentence of section 107(c) of the Renegotiation Act of 1951 (50 U.S.C. App. 1217(c)) is amended by striking out "The Board" and inserting in lieu thereof the following: "Subject to such rules as may be adopted by the Board, the Chairman".

(b) Authority and Functions of the Chairman.—Section 107 of the Renegotiation Act of 1951 (50 U.S.C. App. 1217) is amended by adding at the end thereof the following new subsection:

"(e) Authority and Functions of the Chairman.—

"(1) In general.—The Chairman of the Board shall be its chief executive officer and shall direct the executive functions of the Board, which include but are not limited to the supervision of personnel, the distribution of business among such personnel and among the administrative units of the Board, and the distribution of funds. The Chairman may delegate to any officer or officers of the Board any function or power granted to the Chairman under this Act.

"(2) Specific limitations.—The preparation and revision of budget estimates and the determination of the distribution of appropriated moneys according to major programs and purposes shall be carried out by the Board.".

(c) Pay of the Chairman and Other Members of the Board.—The fourth sentence of section 197(a) of the Renegotiation Act of 1951 (50 U.S.C. App. 1217(a)) is amended to read as follows: "The Chairman shall receive compensation at the rate of basic pay in effect for level IV of the Executive Schedule, and the other members shall receive compensation at the rate in effect for level V of the Executive Schedule.".

Sec. 6. Amendments Relating to Administration and Powers of Renegotiation Board.

(a) Grant of Subpena Power.—Section 107 of the Renegotiation Act of 1951 (50 U.S.C. App. 1217) is amended by adding at the end thereof the following new subsection:

"(g) Issuance of Subpenas.—

"(1) In general.—A majority of the full membership of the Board shall have the power to issue subpenas requiring the production of any records, books, or other documents relating to the Board's functions under this title.

"(2) Enforcement of subpena.—If a person issued a subpena under paragraph (1) refuses to obey such subpena or is guilty of contumacy, any United States district court of the United States or its territories within the judicial district within which such person is found or resides or transacts business may (upon application by the Board) order such person to produce the records, books, or other documents required to be produced under such subpena. Any failure to obey such order of the court may be punished by such court as a contempt thereof.

"(3) Manner of service.—The subpenas of the Board shall be served in the manner provided for subpenas issued by a United States district court under the Federal Rules of Civil Procedure for the United States district courts.

"(4) Where served.—All process of any United States district court to which application may be made under this subsection may be served in the judicial district wherein the person required to be served resides or may be found.".

Sec. 7. Technical Amendments.

(a) Repeal of Payment of Witness Fees.—The fifth sentence of section 108 of the Renegotiation Act of 1951 (50 U.S.C. App. 1218) is repealed.

(b) Refunding of Overcollections.—Section 108 of the Renegotiation Act of 1951 (50 U.S.C. App. 1218) is amended by adding at the end thereof the following: "Any such refund shall be paid to the contractor or subcontractor in the manner prescribed by section 724a of title 31, United States Code for payment of any other final judgments rendered by the Court of Claims against the United States—

"(1) Refunds (not in excess of $100,000 in any one case) shall be paid out of any general appropriation therefor, on presentation to the General Accounting Office of a certification of the judgment pursuant to section 2517 of title 28, United States Code; and

"(2) Refunds (in excess of $100,000 in any one case) shall be paid by the Treasury Department upon application and presentation of original transcripts of judgments for certification to Congress for appropriation pursuant to section 2518 of title 28, United States Code.".

(c) Paragraph 5 of section 114 of the Renegotiation Act of 1951 (50 U.S.C. App. 1224 (5)) is amended by striking out the comma which appears immediately after "Court of Claims" and by striking out "the United States Tax Court, each United States Court of Appeals,".

(d) Section 106(a)(6) of the Renegotiation Act of 1951 (50 U.S.C. App. 1216(a)(6)) is amended by adding "and subcontract(s)" immediately after "contract(s)" each time it appears therein.

(e) The first sentence of section 114 of the Renegotiation Act of 1951 is amended by striking out "January" the second time it appears therein and inserting in lieu thereof "April" and by striking out "June" and inserting in lieu thereof "September".

(f) Section 105(f)(2) and section 105 (f)(3) of the Renegotiation Act of 1951 are amended by striking out "$25,000" each time it appears herein and inserting in lieu thereof "$50,000".

Sec. 8. Study and Investigation.—The Renegotiation Board shall conduct a comprehensive study and investigation of the cost and pricing data submitted to the Board pertaining to the mandatory exemptions for standard commercial articles and durable productive equipment. A report of such study with particular reference to the profitability of the exempted items shall be submitted to the Congress on or before December 31, 1976, together with such recommendations as it deems appropriate.

Sec. 9. Authorization.—There are hereby authorized to be appropriated such funds as may be necessary to carry out the purposes of this Act.

Mr. HANSEN (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the motion to recommit be dispensed with, and that it be printed in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

There was no objection.

The SPEAKER. Does the gentleman wish to be heard on his motion to recommit?

Mr. HANSEN. I do, Mr. Speaker.

Mr. Speaker, so that those present will know, the motion to recommit is substantially the same as the substitute language that was originally voted on earlier this afternoon except for a provision which provides for a study. This provision, of course, is the same as existing in the committee bill under section 5.

I would urge the approval of this motion to recommit, Mr. Speaker, because of the fact that there are a number of matters that just have not been cleared up to the satisfaction of all concerned. I feel it would be a very healthy move for the taxpayers of the country; for a fair business climate; for a low-cost, wide-access procurement potential; and for the effective operation of the Board which is so far behind in its deliberations on the renegotiations that it already is faced with.

I would urge the adoption of the motion to recommit.

Mr. MINISH. Mr. Speaker, in the interest of time, I will only take 30 seconds. I rise in opposition to the motion to recommit.

The gentleman from Idaho said that it was pretty much the same committee amendment which he introduced earlier, so I hope that every Member will vote against it.

Mr. SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MINISH. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

AUTHORIZING THE SELECT COMMITTEE ON INTELLIGENCE TO FILE ITS REPORT BY MIDNIGHT, JANUARY 30, 1976, AND FOR OTHER PURPOSES

Mr. YOUNG of Texas. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 982 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 982

Resolved, That the Select Committee on Intelligence have until midnight Friday, Jaunary 30, 1976, to file its report pursuant to section 8 of House Resolution 591, and that the Select Committee on Intelligence have until midnight, Wednesday, February 11, 1976, to file a supplemental report containing the select committee's recommendations.

With the following committee amendment:

Committee amendment: On page 1, after the first sentence, add the following:

"*Resolved further,* That the Select Committee on Intelligence shall not release any report containing materials, information, data, or subjects that presently bear security classification, unless and until such reports are published with appropriate security markings and distributed only to persons authorized to receive such classified information, or until the report has been certified by the President as not containing information which would adversely affect the intelligence activities of the CIA in foreign countries or the intelligence activities in foreign countries of any other department or agency of the federal government."

PARLIAMENTARY INQUIRY

Mr. BOLLING. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BOLLING. Mr. Speaker, my parliamentary inquiry is to determine the procedure in the process of considering the resolution just read.

The resolution is a resolution with an amendment. On the resolution with the amendment, if the previous question were ordered on the resolution and the amendment, would the next step after the previous question were agreed to be a vote on the amendment?

The SPEAKER. The Chair will state that the gentleman is correct.

Mr. BOLLING. I thank the Speaker.

The SPEAKER. The gentleman from Texas (Mr. Young) is recognized for 1 hour.

Mr. YOUNG of Texas. Mr. Speaker, I yield 30 minutes to the distinguished gentleman from Tennessee (Mr. Quillen)—and might I say, Mr. Speaker, at this point, that all time I yield will be for the purposes of debate only—pending which I yield myself such time as I may consume.

Mr. Speaker, we come here today with a rule that, in my judgment, might be one of the most important ever to confront this or any other Congress.

Mr. Speaker, the rule that we bring here to the Members today from the Rules Committee is for the purpose of giving the House of Representatives an opportunity to say whether or not they want a report from the Intelligence Investigating Committee containing classified material to go out over the official signature of this body.

Mr. Speaker, the reason that we considered it important to bring this matter to the floor of the House is because the House of Representatives, in creating the Intelligence Committee by House Resolution 591, in July 1975, performed what I think was a valiant but futile effort to protect the classified information that this committee would be handling.

I refer, Mr. Speaker, to section 6, paragraph 2, of that resolution, where it goes on to say that in regard to disclosure outside the select committee, it prohibits the disclosure outside the select committee of any information which would adversely affect the intelligence activities of the Central Intelligence Agency in foreign countries or the intelligence activities in foreign countries of any other department or agency of the Federal Government.

Mr. Speaker, section 7 of the Senate's resolution is identical.

The resolution that I bring here today by amendment simply provides that there not be published in the report of the House of Representatives any classified material unless that material bears the required classification and unless those reports are restricted to only people who are qualified to receive classified information And it goes on to say:

Or unless the report has been certified by the President as not having material that would be detrimental to the security of this country.

Now, Mr. Speaker, there will be much said about the President and much said about the wisdom of permitting the President to operate or to exercise any character of veto over the activities of the House of Representatives. I would say to this august body that the President is not exercising a veto. I am as sensitive to that as any Member of this House. What the President is doing is he is trying to live up to an agreement entered into between the President and the leaders of the committee that was set up to investigate intelligence.

I know that this committee will explain to this House how that committee works and how that agreement works, but I particularly want them to explain clearly to the House of Representatives how they can agree with the President not to disclose classified matter and then say that that agreement does not apply to the report of that committee.

So, Mr. Speaker, the committee agreed with the President. The committee has not received the President's approval. All this resolution would do would be to say to that committee, "You have to abide by your agreement with the President as to the report or any other disclosure of that material."

This is a very, very important consideration, Mr. Speaker, because I am advised that this material, while I have not seen it, contains some inflammatory matter involving covert operations in other nations, many of which I am sure we are all concerned about and want to see corrected. But for the U.S. House of Representatives to officially publish a report that contains this information is much more serious than to have it published by the media pursuant to a leak. However accurate the report, if it comes from the media, it is something different than if it comes from the House of Representatives.

Why is this so important? Does the report name names? I am told by reliable members of the committee in testimony before the Committee on Rules, that the report does name names, but that the names that it names are those of people who have appeared in open session. I take their word for that. I hope that their report did not in any way refer to Richard Welch, the unfortunate person who was murdered in Greece in December, and I am confident that it does not.

Mr. Speaker, if this report contains the inflammatory material that I understand it does and then we couple that with such organizations as the fifth estate in their published Counterspy and the material which has been published by other groups of a subversive nature, we can cause untold mischief, not only to the operations of our Nation abroad, but also we would endanger the lives of those people who, in good conscience, are representing the interests of this Nation abroad.

This fifth estate, as I get the information, is on the verge this month of disclosing the names of 32 CIA operators in foreign lands and then later this month they will disclose the names of operators in Sweden, France, and Angola, and later on, operators in Japan, Italy, and Spain.

In combination, then, Mr. Speaker, our responsibility in this House of Representatives is acute, it is serious, and it is deep.

Therefore, Mr. Speaker, what I urge this House to do is to adopt the amendment which I have attached to the requested rule. That will at least give us an opportunity to keep this report restricted until we can have a better chance to know what is in it and a better chance to evaluate what mischief it will do.

Mr. Speaker, I have agreed to yield 15 minutes en bloc to my distinguished friend, the gentleman from Missouri (Mr. Bolling), on the Committee on Rules. Again I say, I yield for the purpose of debate only.

Mr. BOLLING. Mr. Speaker, I understood the gentleman from Texas (Mr. Young) to yield me 15 minutes.

I ask unanimous consent that I may be permitted to yield, for debate, to other Members a portion of that 15 minutes without remaining on my feet.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. BOLLING. Mr. Speaker, I yield 5 minutes to the gentleman from New York (Mr. Pike), the chairman of the committee in question.

Mr. PIKE. Mr. Speaker, I thank the gentleman for yielding.

I would like to state first that being the chairman of this committee has not been an unmixed blessing. It brings up the old story: If it were not for the honor of the thing, I would just as soon have walked.

Mr. Speaker, let us start by saying that our committee was not unanimous in its approach to many things when I became the chairman of the committee.

What we are dealing with here today is one issue on which our committee was unanimous, and that is that we have until midnight tomorrow night to file our report and until the 11th of February to file our recommendations.

That unanimous agreement of our committee is now, under the amendment of the gentleman from Texas (Mr. YOUNG), being held hostage to a promise not to print or publish this report. That is the status. A unanimous agreement of our committee is being held hostage to a promise or to an amendment to prohibit its printing its report.

Mr. Speaker, there are two items that Members have expressed their concern about to me. One is, Are we giving away the basic secrets of the Nation? The other is, Are we violating some kind of agreement that we have?

A secret is a fact or an opinion as to which some bureaucrat has applied a rubber stamp. That is what it is in the final analysis. There are over 15,000 people in the executive branch of this Government who have the ability to create secrets and we are told that this body does not have any power to declassify anything.

I simply cannot accept that. I will concede that there is matter which has been classified in our report. The committee deliberately considered every objection which the CIA made, the State Department made, or the FBI made to the report and we voted on them.

I believe that as our report was adopted it was not a partisan thing. I think it tended to be more a philosophical thing.

The report was adopted 9 to 4 in the committee. All four who opposed it, for example, favored continuation of the aid to Angola, and they were from both parties. The nine who supported it, all opposed the continuation of the aid to Angola this week. So it was philosophical.

I think there is not the slightest question in the minds of any of us that we are giving away any dangerous secrets. We are giving away some things that are classified and that are going to embarrass some people. There is no question about it.

This amendment refers to what adversely would affect the intelligence activities.

Well, "intelligence activities" is a word of art. It has been used to cover assassinations. It has been used to cover secret wars. These are described as intelligence activities. Very frankly our report is a little critical about some of these things.

As to whether or not there was an agreement, let me get the Members back to the scene.

We had been cut off, I believe illegally, from any information whatsoever by the White House. At issue was a subpena to the Director of the Central Intelligence requiring the production of certain documents pertaining to the Tet offensive. We did make an agreement in order to receive those documents. The agreement, as I understood it, and as the majority of the committee understood it, did not apply to our final report. I would not have voted for such an agreement if I had thought that they were going to get the right to censor our final report or if I thought that the CIA was going to write the report or censor the report on the investigation of the CIA; I would not have agreed to any such a thing.

What happened to this agreement? Well, it is sort of a flexible agreement in the minds of the minority.

The SPEAKER. The time of the gentleman has expired.

Mr. BOLLING. Mr. Speaker, I yield 2 additional minutes to the gentleman from New York.

Mr. PIKE. Mr. Speaker, I thank the gentleman.

Mr. Speaker, as I started to say, the agreement is there when you want it and it is not there when you do not want it.

When we got to considering the same Tet documents, this Tet section in our report, it was the gentleman from Illinois (Mr. McCLORY) who moved that regardless of any so-called agreement, regardless of any secrets contained in that section and there were seven of them, and they were both applicable, that the Tet section be adopted, and it was adopted unanimously.

There was just one distinction between that section and all the rest of the report. That section involved goof ups and embarrassments that occurred in Democratic administrations. That is what happened.

The agreement only appeared and was raised when we had embarrassments that have occurred within Republican administrations.

Mr. Speaker, I yield back the remainder of my time.

Mr. BOLLING. Mr. Speaker, I yield 4 minutes to the gentleman from Illinois (Mr. MURPHY).

Mr. MURPHY of Illinois. Mr. Speaker, as the gentleman from New York (Mr. PIKE) has described to the Members, this committee has had a long history of division. About 6 months ago we were here fighting over the chairmanship of the gentleman from Michigan (Mr. NEDZI). This is one Democrat who supported the gentleman from Michigan (Mr. NEDZI) the whole way through a lot of fighting in the Speaker's office, the majority leader's office, and on the floor. I consider myself in this day of labels, if we are to apply labels, as a moderate.

The gentleman from New York (Mr. PIKE), our chairman, has worked hard on this committee to bring different political and philosophical factions together. I think he and we have done a great job with this report. The day the report was printed, the CIA got the report before some of the members got the report. The CIA sent down their corrections. We adopted about 90 of those exceptions the CIA cited.

To my good friend, the gentleman from Texas (Mr. YOUNG) let me answer a couple of speculations that he made in his opening remarks. Mr. Welch's name is not mentioned in the report. CIA agents' names are not mentioned in the report, unless those agents appeared and testified in public sessions. Sure, there are some embarrassing episodes in this report. What do the Members think we have been experiencing for the last 4 years with Watergate, abuses of the FBI, abuses of the IRS, and abuses of the CIA agency by the executive department?

Mr. Speaker, let me state this to the Members. After a careful reading of this report, the Members will come out with these conclusions: First, that we need a strong CIA, a stronger CIA than we do military intelligence agencies, because they were far more correct and accurate in our operations in Vietnam; and second, the CIA has been blamed for episodes that they were directed to do by people in the executive branch that were not thought up by the CIA. They were resisted by the head of the CIA but directed and overruled by members of the Democratic administrations and Republican administration. That is what the Members are going to find in this report.

It was about 6 years ago today that I stood in the well and raised my hand as a newly elected Member of the House of Representatives. I remember the oath in part was to uphold the laws of the United States. If we are not a coequal branch of this Government, if we are not equal to the President and to the Supreme Court, then let the CIA write this report; let the President write this report; and we ought to fold our tent and go home, or go swimming, or go golfing, because people are saying, "Where were you, Congress?"

This is another thing the Members will get out of this report. Where was the Congress when all this activity was taking place? We were sitting on our duffs. We were saying, "Please do not tell us about your activities because they are secret. We do not want to know about them."

We Members get paid a good salary each year to assume responsibilities for our actions. The Constitution directs the Members to oversee the purse of this country, the taxpayers' money. It is a responsibility that we should not take lightly. If we pass it now, I never want to hear another Member come up to me again and say, "When are we going to police the FBI? When are we going to police the IRS? When are we going to stop the abuses of intelligence agencies?" The Members forfeit that right when they vote for this resolution today that has come out of the Committee on Rules.

Mr. PHILLIP BURTON. Mr. Speaker, will the gentleman yield?

Mr. MURPHY of Illinois. I yield to the gentleman from California.

Mr. PHILLIP BURTON. I thank the gentleman for yielding.

I would like to commend the gentleman in the well. I rise in joining with him and the others in opposing the Young amendment. I think the gentleman adequately stated the very simple issue before us.

The issue before us is: Is the legislative branch a coequal branch of this U.S. Government?

The answer to that simply must be "Yes". We must inform the executive that we, ourselves, have confidence in the judgment of our colleagues on the committee.

We ought to support the committee in its effort and reject the Young amendment.

Mr. BOLLING. Mr. Speaker, I yield 2 minutes to the gentleman from Connecticut (Mr. Giaimo).

Mr. GIAIMO. Mr. Speaker, we have heard the arguments about the necessity to maintain the independence and separateness of the legislative branch.

I would like to just briefly talk to the Members about our chairman, the gentleman from New York (Mr. Pike). I say with all the seriousness I can muster from 17 years of service in this body, that Otis Pike is one of the most distinguished Americans who has ever served in the House of Representatives. That is Mr. Otis Pike, the gentleman from New York.

Mr. Speaker, I want the Members to know that if they think the gentleman from New York (Mr. Pike), the chairman of this committee, to say nothing of others on this committee—is going to release anything which in his judgment will jeopardize the security of the United States in any way, they are wrong, they are wrong.

But the smokescreen has been spread by those downtown that there are names in here and that countries are named. It is not so. Think back. The opponents of this committee have been consistent throughout its stormy existence, starting last January when we tried to establish this committee and they were strongly opposed to it. They tried to block and hamstring us in every possible way so as not to have any meaningful investigation of the intelligence community. We prevailed.

Then we had some difficulties involving division in the committee which were serious in nature, and through a stroke of good fortune we had the gentleman from New York (Mr. Pike) come in as chairman. He took this divided committee and pulled it together to a 9-to-4 majority position and point of view. I submit to the Members, a 9-to-4 position—and the four have been categorically opposed to any meaningful kind of investigation of the intelligence community at any time. The gentleman from New York has given this committee leadership and dignity and respect.

Are we to reject him now? Are we to say we do not trust him and his report and that the report of his committee must be censored and approved by the CIA?

I say there can only be a vote of confidence for our chairman and the committee.

Mr. BOLLING. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I endorse what the gentleman from Connecticut (Mr. Giaimo) said about the gentleman from New York (Mr. Pike), but I would like to add to it the other eight: The gentleman from Connecticut (Mr. Giaimo), the gentleman from Ohio (Mr. James V. Stanton), the gentleman from California (Mr. Dellums), the gentleman from Illinois (Mr. Murphy), the gentleman from Wisconsin (Mr. Aspin), the gentleman from Indiana (Mr. Hayes), the gentleman from Florida (Mr. Lehman), and the gentleman from Colorado (Mr. Johnson). Those nine are the nine who voted for this report, and they do not include among them one Member of this House who would damage this country.

The issue is not the report. The issue is whether the report, No. 1, can be sanitized by those who have fought every step of the way to keep everything secret, and the issue is very simply whether the House of Representatives is serious about exercising oversight not only of intelligence activities but also of all other secret activities.

I interjected myself into this operation when there was trouble in the Nedzi committee and I got involved in it for only one reason: Because I wanted a committee of the House of Representatives to recommend to the House how we could improve our security and how we could improve our oversight of our business which we share with the executive.

A vote for the Young amendment in my judgment destroys any hope in the near future and perhaps in the distant future of the House of Representatives ever exercising any effective oversight of the executive activities that involve secrecy.

I think it would be a sheer disaster if after the events of the last 10 years and the last year in particular we put ourselves in that position. There is nothing—there is nothing—in this report that will impair the United States. There is nothing in this report that compares to the importance of the Congress playing a responsible, sound role in the foreign policy and the defense policy of the United States.

Mr. Speaker, I urge that we vote down the Young amendment when the first vote comes after the previous question is ordered.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the able gentleman from Texas has sufficiently explained the amendment to the resolution which was adopted by the Committee on Rules yesterday in a very long session. I am amazed at some of the remarks which have been made here in the well after the open hearing and the activities which took place in the Committee on Rules.

The chairman of the Select Committee on Intelligence said that the report contained secret and classified material. I have not seen the report; but I think it is time that we ask ourselves a question down deep in our hearts. What comes first in our minds and our thoughts and our activities as Members of this great body? I think if I would ask each one individually that question, we would all say my country comes first in my activities as a Member of this body.

This Member says openly and without question that my country comes first and I will not vote to release classified information to anyone, either domestically or abroad.

I think we have been challenged on many fronts for many activities which have taken place. One member of the CIA has been assassinated because his name was revealed as being a member of the CIA.

We have covert activities. We have secret activities in practically every country on the globe, I am informed. I do not know the extent of those activities, but when we say here in the House that we are challenging the integrity of the committee, that is wrong.

What is at stake is this. What agreement did the committee have with the CIA and the President of the United States when this classified material was delivered for scrutiny by members of that committee? It was a bona fide agreement transmitted by letter with the understanding that none of the classified material would be made public, unless it was so authorized by the President of the United States.

Now, nine members of that committee, the majority of the committee, voted to have this report made public and printed for all the world to see. Now, what comes first, the majority action of the committee or the majority of this House of Representatives?

I say today that this House should decide the future course that we are going to take and we should not violate the security of this Nation and we should not give away secrets, particularly after the chairman of the committee said that there was classified material and there was secret material which was in the report.

I would plead with the Members to adopt the Young amendment to the resolution, and let us get on with our business. Now, should that fail—and I do not think it will—under a precedent of this House that goes back more than 135 years, I have in mind making a privileged motion that the House go in secret session and discuss some of these issues, because I think it is so vital to this Nation that we not violate our oath, that we not violate our conscience, that we not violate the conscience of the people of this great Nation of ours.

Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Illinois (Mr. McClory), the ranking minority members of the Select Committee on Intelligence.

Mr. McCLORY. Mr. Speaker, I supported the establishment of this committee. I do not think this committee would have been established if I had not consulted and cooperated with the gentleman from Missouri (Mr. Bolling) in connection with the restructuring of the committee and the establishment of the committee through House Resolution 591. It was established; I supported its activities to obtain information. As a matter of fact, I supported receiving all of the classified and secret information which the committee received, and again I do not think the committee would have received that information if it had not been for the efforts of myself and others who went directly to the President.

I did that in the first place, supported by the minority leader, by the Vice President, and by others. Following that, we went to the White House and met with the President in the Oval Office, the chairman of the committee (Mr. Pike), the Speaker of the House, the minority leader (Mr. Rhodes), Dr. Kissinger, Mr. Colby, and a few others, and we discussed the need of the committee for secret and classified information from the various intelligence agencies.

I represented to the President as I represent here today, that as the only member of the committee who served on the Judiciary Committee last year when we could not get information, and now as a member of this committee I said that I wanted this President to provide our Select Committee on Intelligence with the information we wanted and required. He said that he would, and he directed all the intelligence agencies to cooperate with us and provide us with the secret information which we required.

We have received over 90,000 pages of secret information from just the CIA—30 lineal feet of secret material. Now, did we receive that for the purpose of making it all public as we chose in our judgment? No; we got it because we were charged with investigating secret activities of our intelligence organizations.

We got the material and we did conduct the investigation. We did find a lot of wrongdoing. We want to criticize this, but we do not have to expose and spread out in the RECORD all of the secret information that we received, including information that might jeopardize the lives of individuals, and most assuredly would jeopardize our relations with foreign nations and be detrimental to our national security.

Now, it is true that in the resolution that we adopted the committee was directed to provide procedures which would prevent doing any disservice to the CIA and other intelligence activities in their activities overseas. Furthermore, following our meeting with the President, we adopted procedures—solemn procedures, not an alleged agreement, but, I repeat, solemn procedures—in which we agreed in fulfilling our pledge to the President that we would receive this secret and classified material under a promise that we would retain its confidentiality unless we communicated with the intelligence agencies, and gave them an opportunity to comment on it, and if we had disagreements, then the President himself could certify in writing whether national security was involved. Then, if we disagreed with the President on that issue we could still go to court to resolve our differences.

That is the agreement, and it is a solemn agreement. If we violate it, if we repudiate it, a great disservice to this House of Representatives and to the committee will have been committed.

It has been charged that the record is flexible, that I supported putting in some secret information in the report with respect to the TET offensive. That is not true. In the first place, the hearing with respect to the TET offensive was an open hearing on December 3. In the course of the objections of the CIA, they objected to several factual statements, and only with respect to one part was there a question of classified information. The gentleman from Texas (Mr. MILFORD) said that he wanted that part modified. It was modified, so that the CIA had absolutely no objections to the TET section on the basis of national security, when I made my motion to approve it. That is the truth.

Mr. Speaker, if we publish this report in violation of the agreement that we made with the President, in violation of the procedures that we adopted, in violation of the resolution which was adopted by this House and which created this committee, we are then going to be unworthy of the trust that was reposed in us.

Talking about having oversight in the future, what intelligency agency do the Members think will provide us with information, will provide us with data and documents, if we cannot be trusted? That is the question that is involved here today: Can a committee of the Congress be trusted to fulfill an agreement it makes with the executive branch?

I think we can be, and I think we should be.

To translate these leaks into some kind of official document of this Congress would be unworthy of the Congress of the United States. I urge the Members to adopt the amendment and to support the amendment offered by the gentleman from Texas (Mr. YOUNG).

The amendment offered by Mr. YOUNG was approved by the Rules Committee on a 9-to-7 vote. The initial effect of the Rules Committee resolution would be to extend until Friday night the filing of the select committee's report and to permit the filing of recommendations up to and including Wednesday, February 11. I would concur in those extensions.

However, I also want to concur emphatically in the committee amendment which would have the effect of requiring the committee to exclude from its report secret and classified information which the committee has received from the various intelligence agencies of our Federal Government.

There are three principal reasons why this amendment and the resolution should be adopted. First of all, the resolution (H. Res. 591) which created our committee set forth specifically that the select committee should institute and carry out rules and procedures "to prevent the disclosure outside the select committee of any information which would adversely affect the intelligence activities of the Central Intelligence Agency in foreign countries or the intelligence activities in foreign countries of any other department or agency of the Federal Government." In my view, the publication of the committee's report as presently drafted would be a direct violaation of that language.

In addition, at the meeting with the President of the United States in which the chairman of the committee, Mr. PIKE, and I participated as well as the Speaker of the House, the minority leader, the Director of Central Intelligence, Mr. Colby, Dr. Kissinger and several others, an agreed procedure was discussed which formed the basis for the decision of the President to direct the intelligence agencies to cooperate fully with our committee in furnishing secret and classified information. It was as a result of that solemn agreement, that the committee adopted procedures to provide that in the event it was proposed to disclose any classified or other secret information, the intelligence agencies affected would be notified and given an opportunity to comment thereon. If, following those comments there was a disagreement, the President of the United States would still have an opportunity to certify in writing to the committee that the disclosure of the material would be detrimental to the national security of the Nation and this would preclude the committee from disclosing the material except that the committee reserved the right for judicial determination.

Mr. Speaker, with respect to large portions of the committee's proposed report there is classified material which has not been subjected to this procedure and with respect to which the President has not been given an opportunity to certify whether in his opinion the national security of the United States would be adversely affected by the public disclosure of the proposed parts of the report.

Mr. Speaker, in connection with the adoption of the committe's procedures on October 1, the chairman of the committee summarized the agreement and policy of the committee when he said:

> I am afraid that if we accept these documents under these conditions, we are in effect setting a policy for no other committee except this committee, but I do think we are setting a precedent and a policy for this committee.

In connection with the classified materials at that time—and thereafter received by the committee, a covering letter read in part as follows:

> This is forwarded on loan with the understanding that there will be no public disclosure of this classified material nor of testimony, depositions, or interviews concerning it without a reasonable opportunity for us to consult with respect to it. In the event of disagreement, the matter will be referred to the President. If the President then certifies in writing that the disclosure of the material would be detrimental to the national security of the United States, the matter will not be disclosed by the committee, except that the committee would reserve its right to submit the matter to judicial consideration.

Mr. Speaker, there was never at any time any agreement or understanding, any warning to the intelligence agencies involved or any other basis for concluding that the requirements of section 6 of the resolution or of the agreement reached with the President or the procedures adopted by the committee would be inapplicable with respect to any committee report.

It was admitted directly and clearly in the Rules Committee hearing yesterday by the chairman of the committee that the committee report as presently drafted does indeed contain classified information—information which has not been declassified by any intelligence agency or authorized to be released by them or by the President.

The attempt to declassify and divulge secret information unilaterally does in my opinion violate House Resolution 591, the committee's agreement with the President and the committee's procedures, all of which are well understood and explained in the covering letter of the Central Intelligence Director William Colby: "There will be no public disclosure" until and unless the procedures adopted by the committee and agreed upon with him and with the President are adhered to.

Mr. Speaker, this is not a question of leaks. This is a case where a committee proposes by deliberate action to renounce a solemn agreement, to violate and breach a confidence and to make public information which it agreed not to make public. Furthermore, Mr. Speaker, while I support entirely the need for the committee to have received the classified information which was furnished to it, I have never contended and I do not think it was ever contemplated that the receipt of this information included any license or authority to unilaterally declassify and make public matters which might indeed adversely affect our national security or the foreign affairs of our Nation.

The procedures adopted by the committee unequivocally and deliberately and on a rollcall vote required that the committee not disclose classified or sensitive information received from the intelligence agencies unless and until the intelligence agencies were notified of an intention or desire to disclose such information giving the agencies involved an opportunity to comment with respect to that intention, and in the event of a disagreement to permit the President to personally certify that release would be detrimental to the national security, thereby precluding the committee from releasing such classified or sensitive information. This was subject, however, to the further exception that the committee would have the right to submit the issue to the court for final determination.

That was and continues to be the basis upon which the committee received virtually all of the classified and sensitive information which we were required to have in order to carry on our investigation.

Mr. Speaker, one other point was made at the Rules Committee which requires clarification and comment at this time; namely, that since a draft of the committee's report is reported to have been leaked to the New York Times and published and since other leaks are reported to have resulted in dissemination of classified information that, accordingly, no harm would result from the publication of an official report of the select committee containing such secret or classified information. This is not true.

Mr. Speaker, the rumors and leaks and reports of earlier drafts and revised drafts and a great variety of statements about what a staff put together in a draft of a committee report are quite different from an official document of the House of Representatives delineating or alluding to information which was theretofore secret and which could and, in my opinion, would seriously and in some respects permanently adversely affect our foreign affairs and even our national security.

Mr. Speaker, I do not interpret the mandate given to our select committee to permit it to undertake unilaterally to declassify secret information or documents nor to make public disclosures of the highly sensitive information which the committee was required to gather in the course of our investigation.

There is no suggestion in what I am saying that all the actions of all of the intelligence agencies of our Nation were appropriate and proper. On the contrary, the need for our investigation was apparent when House Resolution 591 was adopted. The responsibility for delving into many of the secret activities of our intelligence agencies was apparent and essential, but it was never the intent of this House—and the resolution itself deliberately and specifically circumscribes the select committee's authority with respect to disclosure of classified or secret information outside of the select committee which would adversely affect the intelligence activities of the Central Intelligence Agency in foreign countries or the intelligence activities in foreign countries of any other department or agency of the Federal Government. That language is clear and specific and certainly does not yield to any interpretation that when it came time for the filing of the committee report that classification restraints could be rejected and that the committee could unilaterally declassify and publish secret and sensitive information which in the course of our hearings we have had no authority to divulge.

Mr. Speaker, let us be perfectly clear about this: The issue here is most emphatically not whether the executive branch has a right to censor or veto a congressional report—that is not the issue here—the question is whether this House will allow the select committee to breach an agreement which was made in good faith with the administration by deliberately including classified information in its final report. If we are seriously interested in the honor and integrity of this House, we must not let this happen. I urge my colleagues to vote "aye" on the committee amendment and then approve the resolution as amended.

Mr. Speaker, I am the only member on the House Intelligence Committee who served also last year on the House Judiciary Committee. Any effort to liken the Intelligence Committee's experience with that of the Judiciary Committee last year must obviously fail. In contrast to the refusal and the so-called stone-walling which the Judiciary Committee experienced, the House Select Committee has had the cooperation and support of the President in directing the intelligence agencies of our Government to furnish the committee with more classified and secret information than has ever heretofore been received by any committee of the House. This flow of information from the executive branch is unprecedented in House committee experience. Indeed, virtually all of the information essential for the committee to carry on its work was made available to the committee and to the committee staff.

While subpenas were issued regularly by the committee—frequently at my request—this was the formal demand in response to which the agencies cooperated promptly and to the satisfaction of the staff and of the members of the committee.

Anyone who tries to manufacture an anology between this kind of cooperation with a committee of the House and the experience of the Judiciary Committee last year is failing to acknowledge the basic intelligence of this body and of the American people.

In other words, the President has been forthright and open and cooperative with the committee in a manner unprecedented in our congressional experience.

The crux of the issue today is whether or not the majority of the committee in its decision to release classified information in violation of proceduers which were adopted and which formed the basis for the receipt of this large volume of information—are not violating the solemn agreement made with the President and violating the procedures which the committee itself adopted overwhelmingly.

We are not talking here today about leaks from the committee. We are talking about an effort by a majority of the committee by deliberate action to divulge and disclose secret and classified information in violation of an agreement with the President, in violation of the committee's own procedures and, in my opinion, in violation of section 6 of the House resolution (H. Res. 591) which established this committee.

Mr. QUILLEN. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Illinois (Mr. ANDERSON).

Mr. ANDERSON of Illinois. Mr. Speaker, I frankly was appalled when I read in this morning's newspaper that the chairman of the Select Committee on Intelligence had, at least according to the report that I saw, accused the Committee on Rules, in reporting this legislation, of participating in the biggest coverup since Watergate.

I do not think the distinguished chairman really meant that extreme statement. I do not think the issue this afternoon is the popularity of the chairman. I like him very much. I do not think it is the integrity or the sincerity of any member of that Select Committee on Intelligence. I respect and admire each of them. But I think, as the distinguished ranking member, the gentleman from Illinois, has told us, the question is: Are we as the House of Representatives going to honor an agreement which one of our committees made and on the basis of which certain information was delivered to that committee?

That is where the honor of this body is involved. That is what is at stake on the vote on the amendment that will come in just a few minutes.

Mr. Speaker, I listened with surprise and chagrin to the statement that was made by my distinguished colleague on the Committee on Rules that the issue is whether or not the House intends to conduct meaningful oversight of the intelligence community and that unless we violate the agreement we simply cannot exercise what is our responsibility as the House to oversee in a meaningful way those agencies.

Mr. Speaker, let me just suggest one thing.

Mr. BOLLING. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. If I have time, I will.

Mr. BOLLING. Mr. Speaker, the gentleman referred to me.

Mr. ANDERSON of Illinois. I did not mention the gentleman's name.

Mr. BOLLING. Mr. Speaker, the gentleman made it very clear who he was speaking about.

Mr. ANDERSON of Illinois. I refuse to yield.

Mr. Speaker, I think this House should not launch a career of investigation on the basis of violating the clear language of an agreement. That agreement is in the Record. It was put in the Record on January 26, when the gentleman from Illinois took a special order. Also he put in the Record the statement that is in the transcript of the committee—and I have read it—the statement by the chairman, the gentleman from New York (Mr. Pike):

> I am afraid that if we accept these documents under these conditions, we are in effect setting a policy for no other committee except this committee, but I do think we are setting a precedent and a policy for this committee.

And indeed when the vote was taken, two of the distinguished members of that Select Committee on Intelligence said that one of the reasons that they voted against the agreement was because they did not want to set that kind of a biding precedent for the committee in connection with the rest of its deliberations.

Make no mistake about it, Members of this House, they knew when they voted on the first of October the conditions they were setting for the further delivery of material. And to violate that agreement now, by unilaterally undertaking a declassification through the report of this committee, is to truly violate the honor of this House.

Mr. Speaker, I digressed, and I want to go back and say that that is a very poor way in which to begin the awesome and important responsibility of conducting proper oversight of the intelligence community.

I am for that—FBI, CIA, DIA, all of them. But for heaven's sake, let us not make the mistake of beginning that oversight on a foundation erected on that kind of a basis where we deliberately set out to violate the promise that we made.

So in voting for the Young amendment, I want to reemphasize to the Members of the House that we are not in any way impeding the right of that committee to file its report, its classified report, and make it available to the Members of this House. Then if we decide, after reading that report, that it all ought to be put in the public domain and that it should be declassified and released, we can come in with a resolution; we can have the Government Printing Office authorized to print 250,000 copies or more of that document and have it distributed.

Mr. Speaker, the gentleman from Missouri says there is nothing in that report that will impair our security. I have not read it, but maybe he has. I do not know what is in the report. I do not think the gentleman from New York (Mr. Pike) or any other member of the committee would deliberately put anything in that report that would impair our security.

Mr. Speaker, all I want the Members of this House to do, through its committees, is to respect the agreements that it has already made.

Mr. QUILLEN. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from Colorado (Mr. Johnson).

Mr. JOHNSON of Colorado. Mr. Speaker, following the gentleman from Illinois, John Anderson, is a rare privilege, but it is a privilege that I would just as soon not have in this particular instance. As the only Republican who voted to release the report, I want to address myself to the two questions that have been raised concerning it. Those are the matters of the alleged violation of the agreement and, by implication, the honor of those who are involved, whether or not we lived up to our word.

The nine members who voted to release the report may or may not be men of honor in the eyes of other members, but that is not really the issue. If we are not considered men of honor, that is our personal problem as individuals. It might be a problem of others in dealing with us as colleagues, but that has nothing to do with the filing of this report.

A vote to receive the report is not an endorsement nor an acceptance of the conclusions or the recommendations contained in the report. It is simply an acceptance of the obligation that we have to fulfill to file the report.

There is nothing in the report that jeopardizes the safety of any individuals. Nobody has said that there is.

Mr. Speaker, as to the question of whether or not the release of the report will harm the national security, all I can tell the Members is that nine of the members of the committee felt that it would not and four of the members of the committee felt that it would, and the administration agrees with the minority.

As I see it, this is the issue: All the Members keep talking about what they think the issues are, so I will point out what I think the issue is as sincerely as I know how to do it. As I see it, the issue for us to decide today is whether or not we believe despicable, detestable acts should be reported.

I do not blame those who are responsible for trying to keep those acts secret. Shameful acts have been perpetrated, and lies have been told. Naturally, those who are responsible do not want their conduct exposed. There are those Members who believe it is more reprehensible to expose shameful conduct than it is to engage in it in the first place. We are being castigated by those who perpetrated the acts and then classified them.

The classification system is used and abused in many ways. It is used to hide failures of the intelligence-gathering system. Those failures are human and understandable. Wanting to keep failures secret is understandable, but the refusal of Congress to hear about them is not understandable to me.

The classification system is also used to hide from the American people conduct which the Government is ashamed to release. Allowing it to remain hidden by the cloak of the classification system for national security secrets makes Congress share complicity for the evil. Two examples of this kind of classification which are now in the public domain due to the release of classified information by congressional committees are the bombing of Cambodia and the assassination attempts against Castro.

Those reports were made by congressional committees from classified information. The Cambodians knew they were being bombed. Castro knew we were trying to kill him. We just kept it secret from the American people, in whose name these operations were being conducted for their alleged security.

Mr. Speaker, our choice today is whether or not to continue hiding shameful conduct and faulty judgment. Let us be honest enough to admit what it really is. It is not the national security that is involved; it is the national shame.

Jesus said: "Ye shall know the truth, and the truth shall make you free."

But, Mr. Speaker, the reverse is also true. If we refuse to face the truth and we refuse to deal with it, not only will we not be free, but we do not deserve to be.

Mr. QUILLEN. Mr. Speaker, I yield such time as she may consume to the gentlewoman from New Jersey (Mrs. Fenwick).

Mrs. FENWICK. Mr. Speaker, I thank the gentleman for yielding.

I rise in support of the remarks of the gentleman from Illinois (Mr. Anderson).

I cannot believe some of the things suggested to be followed when an issue of honor is at stake. The issue is not defending the horrible things that have been done. That is not the point. The point is, How are we going to do it?

Mr. Speaker, I would like to associate myself with the remarks of the gentleman from Illinois (Mr. Anderson).

Mr. QUILLEN. Mr. Speaker, I yield 5 minutes to the gentleman from Louisiana (Mr. Treen).

Mr. TREEN. Mr. Speaker, as a member of the select committee, I want to assure all who are here that I have the kind of respect that has been expressed here for the chairman of the committee, the gentleman from New York (Mr. Otis Pike). I think that he has done a very commendable job in a very difficult circumstance under very trying times, some of those trying which were caused by me. However, this is not the issue that is before the House. His competency, his dedication, those are not the issues at all.

Mr. Speaker, let us not turn this into a question of whether we are going to support one man in his point of view or not support that individual. I ask the Members to look at the record involved.

The Record of January 26, on page 877, in the first column, sets forth the terms of the agreement solemnly undertaken by our committee with the executive branch. This agreement, this contractual arrangement, grew out of a confrontation which our committee had with the executive branch in getting information. In order to get this information, we agreed—many of the members reluctantly agreed—to the arrangement.

Let me read the pertinent portion of that agreement that was entered into by a vote of 10 to 3 on October 1 of this past year.

The agreement provides that information would be forwarded to the committee "with the understanding that there will be no public disclosure of this classified material, nor of testimony, depositions, or interviews concerning it, without a reasonable opportunity for us to consult with respect to it."

Therefore, consultation was the first thing agreed to.

Next, and I continue to quote the agreement:

> In the event of disagreement, the matter will be referred to the President. If the President then certifies in writing that the disclosure of the material would be detrimental to the national security of the United States, the matter will not be disclosed by the committee, except that the committee will reserve its right to submit the matter to judicial determination.

Mr. Speaker, the argument here is not about the words of the agreement, nor about whether we entered into it. The argument is whether or not that agreement applies to the final report of the committee.

I suggest these three things for your consideration: Keep in mind that this agreement was entered into on October 1, 1975, 4 months before the expiration date of this committee. When we provide, in the final sentence of this agreement, for the committee to go to court for judicial determination if there is disagreement with the President of the United States, then I ask: If we had been in agreement that we could disclose all of this information in the final report what would have been the purpose of having that provision?

Second, just before our recess in December of last year we had several motions before the committee to declassify certain information, and we prepared documents of declassification and went through this process knowing that we could not possibly devote our attention to the response of the agencies until we returned on January 19, 11 days before our final report. Now, why would we go to all of that trouble if we thought we could put the information into the final report?

Third, some of the information that was given to us covers many years. And, incidentally, I have to dispute the chairman (Mr. PIKE) about the reference to events occurring in previous administrations. One of the motions I made was to take out classified material with respect to activities that went back over four administrations. So, many administrations were involved. This is not a partisan matter.

But does anyone think that the CIA and other agencies would come and give us, under the terms of this agreement, information going back over 15 or 20 years that was classified, if they felt that 4 months later we could release it to the entire world? That is outrageous and preposterous.

Again, contrary to what was said, this Member moved repeatedly to excise sections of this report that contained information that was submitted to us under the terms of this agreement, and for that reason only, because it was in violation of the agreement.

The SPEAKER. The time of the gentleman has expired.

Mr. QUILLEN. Mr. Speaker, I yield 1 additional minute to the gentleman from Louisiana.

Mr. TREEN. Mr. Speaker, I thank the gentleman for yielding me the additional time.

Mr. Speaker, in our daily workings with the executive branch of the Government, under our constitutional system, we enter into all kinds of agreements, and how, under our constitutional system of separation of powers we can expect to cooperate and work harmoniously, as the American people want us to do, if we do not live up to our agreements, I just do not know.

Mr. Speaker, the Bible has been invoked here. Well, I will invoke the sanctity of the obligations undertaken, freely and with complete understanding of what they were. I say that the integrity of this House is involved.

So, Mr. Speaker, I hope the Members will not be persuaded that the issue is something other than that which it is. I say to the Members, refer to the agreement and refer to the resolution that we voted on to create this committee in section 6(a)(2) which provides that we have the obligation not to disclose information that would hurt our intelligence activities.

The SPEAKER. The time of the gentleman has again expired.

Mr. QUILLEN. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker, I would suspect that this is a healthy effort in which we are engaged; far more healthy than it would have been had this report simply been filed and all of its many contents made public, with the attendant ramifications. Whatever the outcome, the full House of Representatives will have exercised its legislative prerogative on an historic occasion and the action will have the seal of a majority.

But, Mr. Speaker, I must confess I would have preferred a secret session in which the chairman of the committee could have explained in some detail to the Members what portions of the report he felt would not harm the international security of the United States, as he indicates he does not believe it would. We could have then made a much more intelligent decision on this issue.

I do not know that the very people in our midst who are anxious to impose sanctions and control the power of the executive branch over policies in international affairs, in security affairs, in defense matters, are the same ones who accord to the executive branch complete wisdom and power over every other aspect of our lives. When it comes to the international struggle with communism, they quite often cry that we must not fight against the evil force but instead examine our own national conscience at great and unreasonable length.

There is no doubt that when, for instance, the classified material regarding American assistance to the democratic parties in Italy was revealed the Italian Government fell. That was a direct result of the release of classified information. There is no doubt that America's position has been compromised repeatedly by committeees on both Houses of Congress, and some individual Members blatantly have used classified information entrusted to them for their own purposes.

There are Members of this body and the other body who do not want any intelligence activity on the part of this country, and I think that is a most unreasonable attitude to adopt in a real world where the international struggle is eminently clear.

Men have died as a result of the stupid or malicious revelations of matters that were classified not to cover shame, but to cover noble acts—acts by men who died believing correctly that they were acting on behalf of their country. Try to explain what we might do here to the late Mr. Welch's family—this zeal to confess and to expose everything, regardless of the consequence.

All of us want to solve the problem posed by the grave mistakes of agencies. We must do that. All of us want to make right what has gone wrong in this country. But this is not an exercise in "Watergate" politics; this is not a "coverup" and it is unworthy to suggest otherwise. We seek only a chance for this House to act carefuly in a very fundamental matter regarding whether or not our country is going to continue to exist at all; for there are people out there in the dark beyond the campfire kindled by this country's spark of freedom who look hungrily at the United States and seek its destruction. They are waiting for us to falter.

No, these Government agencies have not been perfect, nor should we bow to the Executive's every whim. But this is not just a matter of constitutional machismo with one branch vying against the other. We ought to join hands with an honest President of the United States, whom I respect and I think most of us respect for that honesty, and make a joint judgment as to what should or should not be revealed. If we are to err, let it be on the side of prudence, on the side of America.

Mr. QUILLEN. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Illinois (Mr. ERLENBORN).

Mr. ERLENBORN. Mr. Speaker, there are those who today have said the issue is: Do we trust the chairman of the committee? I do not think that is the issue. There are those who say: Are not the nine men who voted for this honorable men? Should we not trust them? I do not think that is the issue either.

Mr. Speaker, this is not a question as to whether the Congress or the House of Representatives is a viable and a coequal branch of Government. I believe it is, and I am jealous of the prerogatives of the House.

The question is: Do we let a committee act in the name of Congress? We do not when we pass legislation. We let the committee make recommendations to us. We then become informed, and we as informed Members pass judgment. I think that is what we should do in this case. The decision should be made by the House of Representatives, not by its committee. We should receive the report. We should look at the material. We should then cast an informed vote, and I think that means that to follow this process we should adopt the amendment.

The SPEAKER. The time of the gentleman has expired.

Mr. QUILLEN. Mr. Speaker, I would appeal again to the Members of this House that we should vote today for the Young amendment, because the security of this Nation is so important, and if we start whittling away our security measures, then the future of this Nation is not going to be secure.

As we celebrate our 200th anniversary and as we go forward for centuries to come, let us not destroy the very element that has made this Nation great—security around the globe and confidence in our people to carry out our activities abroad and here in America.

Mr. Speaker, I would urge the Members to vote for the Young amendment, and then if it is not adopted, against the resolution.

Mr. YOUNG of Texas. Mr. Speaker, I yield 1 minute to the distinguished gentleman from New York (Mr. STRATTON.)

Mr. STRATTON. Mr. Speaker, let me make just two points in this very brief time in support of the Young amendment. The first is that there is no question about the authority of the Congress to determine how to handle classified matter if we want to do it; but the fact is that we have already passed legislation that turns that whole responsibility over to the executive branch and has assigned to the Director of Central Intelligence the responsibility for protecting classified matter. If we want to change that law, if we want to release classified matter ourselves, let us change the law and let us do it in an orderly procedure, not by the action of just nine Members.

The other point I want to make is that there is nothing unusual at all in a committee of this Congress checking with the Pentagon for classified material before releasing a report. This is what the Armed Services Committee, which probably deals with more classified material than any other committee, has done for years; and we have issued some pretty stinging reports. For example, there was a report in 1968 by a committee, of which I was a member, on the Mylai incident, a very critical report too. But we cleared it first with the Pentagon for security before we released it.

And you may be interested to know that the gentleman from New York (Mr. PIKE) chaired a subcommittee on the *Pueblo* incident back in 1968, and issued a very critical report; but his subcommittee cleared that report with the Pentagon for security beforehand, too.

All the Young amendment does, Mr. Speaker, is to require that the Select Committee on Intelligence follow the usual procedures in this House, and the principles of the existing law on classified information, until such time as the Congress, in its wisdom, shall enact new laws regarding the safeguarding of classified security matter.

Mr. YOUNG of Texas. Mr. Speaker, I yield 1 minute to a very distinguished Member of the House, the gentleman from Ohio (Mr. HAYS).

Mr. HAYS of Ohio. Mr. Speaker, I find myself in a bit of a dilemma on this. My friend, ED KOCH, and I were discussing it at lunch and both of us agreed, and we may vote it opposite ways, that what we are being asked to do is vote on the report in the dark or let the President censor it. Neither of us liked that situation. It seemed to us that the ideal situation would be to have the report and then go into executive session like the Senate does and then debate it and then vote, and then vote whether to release it or not, or whether to release some parts of it.

I think we are put in a very untenable position. I probably will vote not to release it, because I do not know what is in it.

On the other hand let me say it has been leaked page by page, sentence by sentence, paragraph by paragraph, and drop by drop to the New York Times, but I suspect, and I do not know and this is what disturbs me, that when this report comes out it is going to be the biggest nonevent since Brigitte Bardot, after 40 years and four husbands and numerous lovers, held a press conference to announce that she was no longer a virgin.

Mr. YOUNG of Texas. Mr. Speaker, I yield the balance of my time to the distinguished gentleman from Texas (Mr. MILFORD), a member of the Select Committee on Intelligence.

Mr. MILFORD. Mr. Speaker, we have had several comments from our colleagues about the nine great Americans on the Select Committee on Intelligence who have voted for the release of the report. And I agree with them, those men are indeed nine great Americans.

I am one of the four nongreat Americans on that committee. And I would like to correct one impression that has been put forward concerning the opinions of the four nongreats.

First of all, not a single one of us was opposed to conducting this investigation. Indeed we wanted it done. We wanted it done in every intimate detail.

Mr. Speaker, the only thing we are concerned about is that we do not want to announce our intelligence secrets to the world.

Furthermore everyone of these classified details that we are concerned with, and most of them are mere technical details, could be eliminated from this report and it would not change a single thing. It would not cover up a single act or item.

The problem, and it is a practical problem that we have been facing, is that no one on this committee and no one on the committee staff had any expertise in intelligence technicalities. What is in dispute here is intelligence technicalities. When the House Members read that report, most are not going to be able themselves to recognize these intelligence details. However, an experienced intelligence analyst, with our adversaries, will find the report to be a virtual bonanza.

That is all we are concerned with. Every one of these technical details could be eliminated without harming a single thing. As has been stated here, and I plead to the House, all that the Young amendment is doing is forcing it to be published initially as a classified document. We will all get a copy of it. All we have to do is sit down and read it ourselves and, if we think it should be made public or this House thinks it should be made public, it will take a simple resolution to publish it to the world.

The real issue involved here, the real gut issue, is: "Can nine Members of this House unilaterally release information that could be damaging to this Nation?" You see, once it is published, it is kind of like the fellow jumping off the Empire State Building and wanting to change his mind halfway down. It simply cannot be done.

My friends, I plead that we vote for the Young amendment.

The argument has been made that—

> Since much of the report has already been leaked to the press, we might as well turn the rest loose.

That argument should be rejected for two good reasons: First, the American press is not an official organ or spokesman for the U.S. Government; the Congress, or an official congressional report is. Second, "official" acknowledgement of certain past or present intelligence activities can seriously damage foreign relations by forcing some countries to take unpleasant reactions that otherwise could be avoided.

While it is true that a large part of the report has already been leaked to the press and, if every Member is given a copy, undoubtedly much more of the report will be leaked. The leaks will involve sensational or scandalous types of information. I am not concerned with these matters.

My concern deals with a number of classified technical details that are scattered throughout the report. These technical details will not make good headlines and will largely be ignored by the press. These same technical details will be a virtual bonanza for our adversaries' intelligence analysts.

By far, the greatest danger in publicly releasing the report would stem from the damage it would cause in our foreign relations with certain countries.

Relations with underdeveloped countries or politically unstable countries are at best an extremely difficult problem. The committee report will seriously aggravate these problems and may seriously harm the interest of the United States.

Many of these countries are vital to our Nation's welfare. Some produce and sell vital natural resources needed for our industries. Others are strategically vital for our economic well-being and our national defense. Normal diplomatic relations with these countries are often difficult or impossible.

For example, we may be receiving vital copper ore from country X, whose head of state is a virtual tyrant over an enslaved people and who constantly denounces the United States as a "capitalistic monster." Obviously normal diplomatic relations would be impossible. Yet, we need the copper ore from country X and that country needs our manufactured goods.

While we may be in sympathy with the people and strongly opposed to the tyrant, the blatant fact of life still remains—we need each other. Furthermore, the tyrant has an option. He can sell his ore to our adversary. We cannot obtain the ore elsewhere. Therefore, it is vital to this Nation's welfare to maintain some sort of relation with country X, even though it is very distasteful to our people.

This type of situation is not unusual and it is the type that is often resolved through clandestine arrangements that are carried out by the CIA. The tyrant cannot openly do business with the United States, because of his own internal political situation. These internal political problems may stem from the tyrant's fear of internal upheaval, relations with his neighboring countries or many other factors.

Several Members argue that most of the revelations in the report have already been published in the newspapers. This is true. However, the American press is not an official organ of the U.S. Government. While publication of such items create problems, they are not usually fatal, because history has shown many such press accounts to be incomplete, inaccurate, and even untrue. Furthermore, the tyrant can denounce press reports without upsetting his neighbors or losing internal control.

Publication by the Congress or statements by the executive departments makes it official to the world. Such pronouncements force actions that would not otherwise have occurred.

In the hypothetical example given herein, once the clandestine relations are "officially" known, the tyrant of country X would be forced to terminate the mutually beneficial trade with the United States and go over to our adversaries. His people would still be enslaved and we would have lost an irreplacable source of ore.

I urge you to vote for the Young amendment.

Mr. RIEGLE. Mr. Speaker, for the House to delay or not release the Select Committee on Intelligence's report at this time would destroy the credibility of this committee and its recommendations for revamping our intelligence agencies.

There has already been enough material released to the public on intelligence activity in the country to convince most people that the intelligence agencies have exceeded the authority granted them by the Congress. In fact, a number of these matters have already been referred to the Justice Department for investigation.

One of the lessons of Watergate is that Government secrecy can be injurious to the democratic process. Any unnecessary delay or administration restrictions on the release of this report merely adds to the distrust that people already have about their Government as a result of Watergate.

I support the chairman of the Select Committee on Intelligence (Mr. PIKE) in his effort to release the committee report without prior clearance from the executive branch.

Mr. BINGHAM. Mr. Speaker, I have listened carefully to the debate on House Resolution 982 and the Young amendment, and I am prepared to vote against the latter and for the former.

I have no difficulty in concluding that the Select Committee has the obligation to give us its best judgment on the matters we asked it to investigate and that it cannot allow the executive branch to censor the committee's report. Moreover, it was clear from the start that that report would have to deal with, and discuss, many matters that have until recently been regarded as highly secret. And I have sufficient confidence in the chairman and the eight members of the Select Committee who voted for the report to have no fear that their report is going to damage the security interests of the United States or the strength of future intelligence operations.

However, I am somewhat troubled about whether the report constitutes a violation of the agreement the committee made with the Executive. On this point I have come to the conclusion that this is a matter for the committee itself, not the House, to decide. Again, I am satisfied to accept the judgment of the majority of the committee that they have violated no agreement.

Mr. FRENZEL. Mr. Speaker, I shall support the committee amendment to House Resolution 982 forbidding the publishing of classified material. I would like to have the report published, but I do not see how we can do so under these circumstances.

In the first place, we do not even know what is in it. I think we all believe that classification is overdone, and is often used for purposes of censorship. Nevertheless, until we know what we are unilaterally unclassifying, I think discretion is the better part of valor.

The committee apparently made an arrangement with the Executive about withholding classified material. I do not think we should vote to abrogate that agreement until we know what is in it.

I understand that there is some precedent for publishing classified material. Since I have strong objections to over classification, or misuse of classification, I might vote to do so, but not blindly.

Therefore, Mr. Speaker, I shall have to support the committee amendment prohibiting release of classified material to unauthorized persons.

Mr. BROOMFIELD. Mr. Speaker, I am deeply disturbed by the latest confrontation between the President and the House Select Committee on Intelligence. At the heart of the issue is whether or not this body, or a component thereof, can keep its word. If we cannot, I seriously question whether we should ever again be entrusted with any investigative responsibility that requires a bond of trust.

For those of you that yet have not had the opportunity to delve into this matter, I invite your attention to the transcript of the Select Committee's October 1 meeting that decided how the committee would handle classified information. You will find that the committee voted, by a 9 to 3 majority, to be formally bound by procedures that precluded the present unilateral effort to declassify information.

A review of the debate within that meeting will also reveal no indication whatsoever that the adopted procedures were not also applicable to the use of classified information in the select committee's final report. Moreover, both Chairman PIKE and the ranking minority member flatly declared that the acceptance of classified materials under the conditions stipulated by the executive branch constituted a binding precedent and policy that obtained for the full life of the select committee.

Knowing all that, it is beyond my comprehension how anyone can conclude that there is a distinction between releasing classified information in a final report versus some other means at an earlier date. That is a nuance that defies credibility.

I am a proponent of strong congressional oversight of the intelligence community, and have cosponsored legislation to bring that about. With such oversight, however, goes the heavy responsibility to practice it in a manner that does not jeopardize our national security interests.

Adoption of the select committee's majority opinion on this issue would call into serious question our ability to recognize that responsibility.

Mr. Speaker, it is imperative that we take action today that will insure that the word of this House will continue to mean something. Therefore, I endorse House Resolution 982 and urge its passage without further delay.

Mr. WIRTH. Mr. Speaker, we have heard and said a lot lately about the sensitive issue of whether a free society can or should carry out secret intelligence activities and covert operations in foreign countries. That debate will no doubt continue. But while we may hold different views about what is proper conduct for the CIA abroad, I would suggest that most of us can agree on two essentially procedural goals which affect the role of the Congress in this arena. These goals are: First, effective oversight of the intelligence agencies of Government; and, second, responsible control of congressional access to end disclosure of legitimately classified national security information.

In my judgment, the Congress has made very respectable progress in performing its oversight function. Chairman PIKE, Senator CHURCH, and their committees and staffs, deserve our thanks for that hard job.

I am less encouraged, however, by our performance with respect to disclosure of classified information. Of course, discussion of this issue is made more complicated by a number of related problems: the well-known deficiencies in the present system of classification, the resulting overclassification of information by the executive branch, and the unfortunate tendency of some members of both the Executive and the Congress to ignore classification when it serves their purposes to divulge documents

The question posed by Mr. YOUNG's amendment seems to me to be relatively less complicated. We are not being asked to give our blessing to abuses of classification by the Executive, nor to leaks by Members of Congress or their staffs. We are simply being asked to decide whether the House should adhere to an honest agreement which was reached by Chairman PIKE, Representative McCLORY, and the President. As I understand it, that agreement in effect pledged the Select Committee on Intelligence and this House not to release classified information in the committee's report without Presidential acquiescence. Now is not the time to second guess the merits of that agreement, no matter how regrettable it may appear in retrospect. There can be no question that we should live up to our commitment.

Finally, I would hope that we can build on this constructive debate, and develop policies and procedures to cover the larger issue of proper congressional treatment of legitimately classified information.

Mr. YOUNG of Texas. Mr. Speaker, I move the previous question on the amendment and on the resolution.

The previous question was ordered on the amendment and on the resolution.

The SPEAKER. The question is on the committee amendment.

The question was taken; and the Speaker announced that the noes appeared to have it.

Mr. YOUNG of Texas. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device; and there were—yeas 246, nays 124, not voting 62, as follows:

[Roll No. 29]

YEAS—246

Abdnor
Alexander
Allen
Anderson, Ill.
Andrews, N.C.
Archer
Ashbrook
Ashley
Bafalis
Baldus
Barrett
Bauman
Beard, Tenn.
Bedell
Bennett
Bevill
Biaggi
Biester
Blanchard
Boggs
Bonker
Bowen
Breaux
Breckinridge
Brinkley
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carter
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conlan
Conte
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
de la Garza
Delaney
Dent
Derrick
Derwinski
Devine
Dickinson
Downing, Va.
Duncan, Oreg.
Duncan, Tenn.
du Pont
Edgar
Emery
English
Erlenborn
Esch
Eshleman
Evans, Ind.
Evins, Tenn.
Fary
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flynt
Forsythe
Fountain
Frenzel
Frey
Fuqua
Gaydos
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Gude
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hansen
Harsha
Hays, Ohio
Heckler, Mass.
Hefner
Henderson
Hicks
Hightower
Holt
Horton
Hubbard
Hughes
Hutchinson
Hyde
Jarman
Jeffords
Jenrette
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Tenn.
Kasten
Kazen
Kelly
Kemp
Kindness
Krueger
Lagomarsino
Landrum
Latta
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Lott
Lujan
McClory
McCloskey
McCormack
McDade
McDonald
McKinney
Mahon
Mann
Martin
Matsunaga
Mazzoli
Michel
Milford
Miller, Ohio
Mills
Minish
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Mosher
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nowak
O'Brien
O'Hara
Passman
Patten, N.J.
Perkins
Pettis
Pickle
Poage
Pressler
Preyer
Quillen
Railsback
Regula
Rinaldo
Roberts
Robinson
Roe
Rogers
Rooney
Rostenkowski
Roush
Rousselot
Russo
Santini
Sarasin
Satterfield
Schneebeli
Schulze
Sharp
Shuster
Sikes
Sisk
Slack
Smith, Nebr.
Snyder
Spellman
Spence
Staggers
Stanton, J. William
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stratton
Stuckey
Symington
Symms
Taylor, Mo.
Taylor, N.C.
Teague
Thone
Thornton
Treen
Van Deerlin
Vander Jagt
Vigorito
Waggonner
Walsh
Wampler
Whalen
White
Whitehurst
Whitten
Wilson, Bob
Wilson, Tex.
Wirth
Wright
Wydler
Yatron
Young, Alaska
Young, Fla.
Young, Tex.
Zablocki
Zeferetti

NAYS—124

Abzug
Adams
Addabbo
Ambro
Anderson, Calif.
Annunzio
Aspin
Badillo
Baucus
Beard, R.I.
Bergland
Bingham
Blouin
Boland
Bolling
Brademas
Brodhead
Brown, Calif.
Burke, Calif.
Burton, John
Burton, Phillip
Carney
Carr
Chisholm
Collins, Ill.
Conyers
Corman
Cornell
Danielson
Davis
Dellums
Dingell
Downey, N.Y.
Drinan
Early
Edwards, Calif.
Eilberg
Evans, Colo.
Foley
Ford, Mich.
Ford, Tenn.
Giaimo
Hannaford
Harkin
Harrington
Harris
Hawkins
Hayes, Ind.
Hechler, W. Va.
Helstoski
Holtzman
Howard
Howe
Hungate
Jacobs
Johnson, Colo.
Jordan
Kastenmeier
Keys
Koch
Krebs
Leggett
Lehman
Long, Md.
McFall
McHugh
McKay
Macdonald
Madden
Maguire
Melcher
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Mink
Mitchell, Md.
Moakley
Moffett
Moorhead, Pa.
Murphy, Ill.
Nolan
Oberstar
O'Neill
Obey
Ottinger
Pattison, N.Y.
Pike
Price
Pritchard
Rangel
Rees
Reuss
Richmond
Rodino
Roncalio
Rosenthal
Roybal
Ryan
St Germain
Sarbanes
Scheuer
Schroeder
Seiberling
Shipley
Simon
Smith, Iowa
Solarz
Stanton, James V.
Stark
Stokes
Studds
Thompson
Tsongas
Ullman
Vander Veen
Vanik
Waxman
Weaver
Wilson, C. H.
Wolff
Yates
Young, Ga.

NOT VOTING—62

Andrews, N. Dak.
Armstrong
AuCoin
Bell
Brooks
Clay
Diggs
Dodd
Eckhardt
Edwards, Ala.
Fascell
Flowers
Fraser
Gibbons
Green
Guyer
Hanley
Hébert
Heinz
Hillis
Hinshaw
Holland
Ichord
Johnson, Calif.
Jones, Okla.
Karth
Ketchum
LaFalce
McCollister
McEwen
Madigan
Mathis
Meeds
Metcalfe
Morgan
Moss
Mottl
Murphy, N.Y.
Nix
Patman, Tex.
Patterson, Calif.
Pepper
Peyser
Quie
Randall
Rhodes
Riegle
Risenhoover
Rose
Runnels
Ruppe
Sebelius
Shriver
Skubitz
Stephens
Sullivan
Talcott
Traxler
Udall
Wiggins
Winn
Wylie

The Clerk announced the following pairs:

On this vote:

Mr. Hébert for, with Mr. Udall against.
Mr. Hanley for, with Mr. Pepper against.
Mr. Mottl for, with Mr. Riegle against.
Mr. Mathis for, with Mr. Green against.
Mr. Flowers for, with Mr. Meeds against.
Mr. Rose for, with Mr. Diggs against.
Mr. Stephens for, with Mr. Karth against.
Mr. Guyer for, with Mr. Nix against.
Mr. Runnels for, with Mr. Clay against.
Mr. Gibbons for, with Mr. Metcalfe against.
Mr. Ichord for, with Mr. Holland against.
Mr. Rhodes for, with Mr. Moss against.
Mr. McEwen for, with Mr. Patterson of California against.

Until further notice:

Mr. LaFalce with Mr. Andrews of North Dakota.
Mr. AuCoin with Mr. Ketchum.
Mr. Murphy of New York with Mr. Ruppe.
Mr. Brooks with Mr. Sebelius.
Mr. Dodd with Mr. Wylie.
Mr. Fascell with Mr. McCollister.
Mr. Fraser with Mr. Shriver.
Mr. Morgan with Mr. Madigan.
Mr. Patman with Mr. Wiggins.
Mr. Randall with Mr. Talcott.
Mr. Risenhoover with Mr. Peyser.
Mrs. Sullivan with Mr. Quie.
Mr. Traxler with Mr. Winn.
Mr. Eckhardt with Mr. Heinz.
Mr. Hillis with Mr. Johnson of California.
Mr. Jones of Oklahoma with Mr. Skubitz.
Mr. Armstrong with Mr. Hinshaw.
Mr. Bell with Mr. Edwards of Alabama.

Mr. RYAN changed his vote from "yea" to "nay."

So the committee amendment was agreed to.

The resolution, as amended, was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. YOUNG of Texas. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

AUTHORIZING A TECHNICAL CHANGE IN LANGUAGE OF CONFERENCE REPORT ON H.R. 5247, LOCAL PUBLIC WORKS CAPITAL DEVELOPMENT AND INVESTMENT ACT OF 1975

Mr. MINETA. Mr. Speaker, I ask unanimous consent for the immediate consideration of the concurrent resolution (H. Con. Res. 535) authorizing a single technical change in the language

of the conference report on H.R. 5247, the Local Public Works Capital Development Investment Act of 1975, which passed the House earlier today.

The Clerk read the title of the concurrent resolution.

The **SPEAKER**. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 535

Resolved by the House of Representatives (the Senate concurring), That in the enrollment of the bill (H.R. 5247) to authorize a local public works capital development and investment program, to amend the Public Works and Economic Development Act of 1965 to increase the antirecessionary effectiveness of the program, and for other purposes, the Clerk of the House of Representatives shall make the following correction:

In subsection (c) of section 301 strike out "paragraphs (2) through (10) as (3) through (11), respectively," and insert in lieu thereof "paragraph (2) as (3),".

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON INTERIOR AND INSULAR AFFAIRS TO HAVE UNTIL MIDNIGHT, FRIDAY, JANUARY 30, 1976, TO FILE REPORTS ON H.R. 4979, H.R. 10370, AND S. 217.

Mr. WEAVER. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs may have until midnight, Friday, January 30, 1976, to file reports on H.R. 4979, H.R. 10370, and S. 217.

The **SPEAKER**. Is there objection to the request of the gentleman from Oregon?

There was no objection.

COMMUNICATION FROM THE CHAIRMAN OF THE COMMITTEE ON WAYS AND MEANS—U.S. AGAINST NASUTI

The **SPEAKER** laid before the House the following communication from the Chairman of the Committee on Ways and Means, which was read and ordered to be printed:

WASHINGTON, D.C.,
January 28, 1976.

Hon. CARL ALBERT,
Speaker of the House
House of Representatives.

DEAR MR. SPEAKER: Enclosed is a copy of a subpoena to produce document or object in the United States District Court for the District of New Jersey which was served on one of the Committee's employees, Mr. William K. Vaughn, Jr., of the Oversight Subcommittee staff.

The subpoena indicates that Mr. Vaughan is to appear in U.S. District Court on the 17th day of November, 1975. Mr. Vaughan has discussed the subpoena with the attorney involved and the trial date was postponed from the 17th of November but is now scheduled for the near future.

I transmit the copy of this subpoena for your advice and guidance under the Rules of the United States House of Representatives for the 94th Congress.

Sincerely,

AL ULLMAN,
Chairman.

The **SPEAKER**. The Clerk will read the subpena.

The Clerk read as follows:

SUBPENA TO PRODUCE DOCUMENT OR OBJECT

[In the U.S. District Court for the District of New Jersey, No. 75–171]

United States of America v. Sam Nasuti.

To William Vaughn, Room 1539 Longworth Building, Washington, D.C. You are hereby commanded to appear in the United States District Court for the District of New Jersey at U.S.P.O. and Courthouse, 401 Market Street, in the city of Camden on the 17th day of November 1975 at 9:00 o'clock A.M. to testify in the case of United States v. Sam R. Nasuti and bring with you all transcripts, reports, work papers, documents and all other material relating to a study or studies which may have been done or investigations performed concerning the advice given to taxpayers by the Internal Revenue Service concerning the preparation of tax returns.

This subpena is issued upon application of the Defendant.

ANGELO W. LOCASCIO,
Clerk.

Mr. O'NEILL. Mr. Speaker, I send to the desk a privileged resolution (H. Res. 1001) and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 1001

Whereas, in the case of United States against Sam R. Nasuti, (Criminal Case No. 75–171), pending in the United States District Court for the District of New Jersey, a subpena duces tecum was issued by the said court and addressed to William Vaughn, Administrative Officer, Subcommittee on Oversight, Committee on Ways and Means, directing him to appear as a witness before said court for the trial of Sam R. Nasuti now scheduled for the week of January 26, 1976, and to bring with him certain and sundry papers in the possession and under the control of the House of Representatives: Therefore be it

Resolved, That by the privileges of this House no evidence of a documentary character under the control and in the possession of the House of Representatives can, by the mandate of process of the ordinary courts of justice, be taken from such control or possession but by its permission; be it further

Resolved, That when it appears by the order of the court or of the judge thereof, or of any legal officer charged with the administration of the orders of such court or judge, that documentary evidence in the possession and under the control of the House is needful for use in any court of justice, or before any judge or such legal officer, for the promotion of justice, this House will take such action thereon as will promote the ends of justice consistently with the privileges and rights of this House; be it further

Resolved, That William Vaughn, Administrative Officer, Subcommittee on Oversight, Committee on Ways and Means, be authorized to appear at the place and before the court named in the subpena duces tecum before-mentioned, but shall not take with him any papers or documents on file in his office or under his control or in possession of the House of Representatives; be it further

Resolved, That when said court determines upon the materiality and the relevancy of the papers and documents called for in the subpena duces tecum, then the said court, through any of its officers or agents, have full permission to attend with all proper parties to the proceeding, and then always at any place under the orders and control of this House, and take copies of any documents or papers; and the Clerk of the House is authorized to supply certified copies of such documents and papers in possession or control of the House of Representatives that the court has found to be material and relevant (except that under no circumstances shall any minutes or transcripts of executive sessions, or any evidence of witnesses in respect thereto, be disclosed or copied) and which the court or other proper officer thereof shall desire, so as, however, the possession of said papers, documents, and records by the House of Representatives shall not be disturbed, or the same shall not be removed from their place of file or custody under any Member, officer, or employee of the House of Representatives; and be it further

Resolved, That a copy of these resolutions be transmitted to the said court as a respectful answer to the subpena aforementioned.

The resolution was agreed to.

A motion to reconsider was laid on the table.

RESIGNATION FROM JOINT COMMITTEE ON DEFENSE PRODUCTION

The **SPEAKER** laid before the House the following resignation as a member of the Joint Committee on Defense Production:

WASHINGTON, D.C.,
January 29, 1976.

Hon. CARL ALBERT,
House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I hereby submit my resignation as a member of the Joint Committee on Defense Production, effective this date.

Sincerely,

HENRY S. REUSS,
Chairman.

The **SPEAKER**. Without objection, the resignation is accepted.

There was no objection.

LEGISLATIVE PROGRAM

(Mr. **MICHEL** asked and was given permission to address the House for 1 minute.)

Mr. **MICHEL**. Mr. Speaker, I have asked for this time in order to inquire of the distinguished majority leader, the gentleman from Massachusetts (Mr. O'NEILL), the program for the balance of this week, if any, and for next week.

Mr. **O'NEILL**. Mr. Speaker, will the gentleman yield?

Mr. **MICHEL**. I am happy to yield to the gentleman from Massachusetts.

Mr. **O'NEILL**. I am pleased to announce that the program for next week, that is the week of February 2, 1976, is as follows:

Monday we will have the Consent Calendar and the following five suspensions:

H.R. 2771, nonimmigrant visa waiver for Guam;

H.J. Res. 784, Defense Production Act amendments;

H.R. 4979, Chickasaw National Recreation Area, Okla.;

H.R. 10370, Canaveral National Seashore, Fla.; and

S. 217, Pueblo Indian lands, New Mexico.

For Tuesday and Wednesday we will have the Private Calendar and there are no suspensions scheduled at this time.

We will take up H.R. 9464, natural gas emergency, with an open rule and 3 hours of debate.

For Thursday and the balance of the week, H.R. 11552, voter registration, subject to a rule being granted.

And of course, there is the usual proviso that conference reports may be brought up at any time and any further program will be announced later.

Mr. MICHEL. Mr. Speaker, I thank the majority leader, and I would ask the gentleman if he anticipates that there will be a Friday session next week?

Mr. O'NEILL. Mr. Speaker, I would have to reply to the gentleman from Illinois that from looking at the calendar at this time that we do not anticipate a session for Friday next.

However, I might add that I made the statement to the Democratic Planning Committee and the Democratic whip organization that we were notifying them that for the week of Monday, May 10, and that will be May 10, 11, 12, 13, 14, and 15, May 15 being the last day in which we can consider authorizations under the new budget, we are intending to have night sessions every night that week.

Further, Mr. Speaker, I told the whip organization this morning that from June 15 until July 2 or 3 that we intend to have daily sessions with the gentleman from Texas (Mr. MAHON) reporting, daily, the appropriation bills.

So for those who are making future plans, I would advise them again that the week of May 10 to May 15 that we will have night sessions and that from June 15 to July 2 or 3, we will have full programs every day concerning the budget, everyday, that is for the 5 days of the week.

Mr. MICHEL. I appreciate the majority leader's spelling it out for the Members.

Mr. O'NEILL. May I further say that it has been bruited about through the Halls that we are dispensing with the program that we announced and printed earlier in the year. We intend to work the original days of the Lincoln recess week. We will not take the week off. As per scheduled, we will work as the schedule was dictated earlier in the year.

Mr. MICHEL. I appreciate the response by the majority leader.

ADJOURNMENT TO MONDAY, FEBRUARY 2, 1976

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

DISPENSING WITH BUSINESS IN ORDER UNDER THE CALENDAR WEDNESDAY RULE ON WEDNESDAY NEXT

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

A BILL TO ESTABLISH A COMMISSION TO STUDY THE RESULTS OF AND OTHER QUESTIONS RELATING TO THE RACIAL INTEGRATION OF PUBLIC SCHOOLS AND THE USE OF BUSING TO ACHIEVE IT

(Mr. KOCH asked and was given permission to address the House for 1 minute to revise and extend his remarks and include extraneous matter.)

Mr. KOCH. Mr. Speaker, there are few issues that are the subject of as much controversy as that of busing schoolchildren to achieve racial or ethnic integration and none that generates greater heat, emotion, or rhetoric.

I am one of those who has consistently supported the option of busing to achieve the goal of racial balance in our school system.

I will continue to vote to allow the busing of schoolchildren to achieve racial balance in schools, unless and until I am shown by an impartial source that such busing does not achieve or frustrates the purposes for which it was designed. I continue to support the racial integration of schools. I support the rights of all children—regardless of ethnic or racial identity—to a good education. I support the integration of neighborhoods, the access of all to a decent job.

But, I am no longer certain that I am correct in my belief that compulsory busing and racial balance in schools help to achieve the goals of quality education for all and an integrated, stable society. My heart tells me that in certain circumstances we should bus, but my gut tells me it is not working, and my mind asks why not ascertain the facts for review? No matter how controversial this issue has become, whatever the facts are, we should ferret them out.

When I mention "compulsory busing to achieve racial balance," most listeners are aware of what I am describing. Put quite simply, the courts have ordered school systems, whose schools are racially imbalanced because of past decisions on pupil assignment, location of new schools, and other administrative or legal practices, to redress the racial balance of all schools to reflect that of the school district. Three such court orders are in effect in the New York City Metropolitan area: two in Brooklyn and one in Queens. To do this, pupils need to be reassigned and distributed throughout the school system. If the distances are great, schoolbuses are needed. Pupils take the buses to schools to which they are ordered—by the school board and/or the court—to attend. This is compulsory school busing to achieve racial balance, and it is a remedy most recently used in Detroit, Boston, and Louisville.

I have read a number of reports from distinguished educators who have come to different conclusions on the effect of compulsory racial balance in school systems on the students and on the populations involved. I have, in recent weeks, discussed this issue with leading educators. I have seen faces contorted in hate on television screens and I have read of the flight of middle-class families from the great cities of our country to the suburbs to send their children to schools which they believed to be better.

My congressional district on the east side of Manhattan, sometimes known as the "silk stocking" district, is not affected by busing at all. My mail is overwhelmingly supportive of the position which I have taken, which is to vote consistently for busing. But, much of that mail comes from families whose children do not attend the public schools, but are educated in private or parochial schools. Indeed, 50 percent of the elementary and secondary schoolchildren in my district attend such schools.

I think we should know whether black, white, Puerto Rican, Asian, Chicano, and other children have gained or lost as a result of being bused to schools that are supposedly more uniformly balanced racially—and alternatively whether those children in the schools receiving bused-in children have suffered. We should know what the effect has been on the communities into which or out of which children have been bused. Have middle-class families indeed left the cities to avoid compulsory racial balancing and busing—or have they left for other reasons?

There are a number of such questions of fact that should be the subject of as definitive a study as possible, prepared in the most nonpolitical manner possble. Some have pointed out that a Senate Select Committee on Equal Education prepared a report 3 years ago on school desegregation. I do not denigrate that report, but merely point out that the issue is still here and the public and many school systems are still in turmoil.

I believe a study, perceived by the public and Congress as less political in its preparations, is necessary, if it is to be widely accepted by the general public and the Congress. Of course, previous hearings and research will be helpful to the new Commission. At the study's conclusion, the Congress, the courts, and the Nation can better decide what should or should not be done.

To make this study, I am proposing that we establish, through legislation, a 13-member Commission, 11 members of which would be selected by the 11 chief judges of our Federal circuit courts of appeals and 2 members of which would be selected by the Chief Justice of the United States. The Commission's responsibility would be to take testimony across the country on all the paramount factual issues involved in achieving racial balance in schools and the means of effecting it, in particular by busing. The Commission would report its findings, as well as any recommendations for appropriate legislation, to the Congress no later than 12 months from the time the Commission commences its work. The Commission members would be required to serve full-time and would be supported by a professional staff and adequate appropriations.

Some people may question whether such a Commission should be appointed by the courts. If someone has a better way to obtain Commissioners who are perceived as disinterested and impartial and who can make findings of fact, not opinion, about the effects of compulsory school busing, I will be delighted to incorporate such a recommendation in the final bill.

I want these Commissioners to act similarly to a "special master" appointed by a Federal court in a complex case, to make findings of fact and report to the court; in this matter, the Commissioners will make their report to the Congress and the public. The ultimate decision as to the appropriate action concerning busing and other school integration methods is still with the Congress. The findings of the Commission are not intended and will not be binding on the courts in pending desegregation or racial integration cases, nor as to future such cases filed in the courts. This is not a school busing moratorium bill.

Let us dispose of this exceptionally controversial issue with reason based on facts instead of emotionally charged ideology. The questions I believe the Commission should address itself to are the following:

First. What are the fundamental goals of racial integation of our educational systems, and how effective have been the various methods to achieve them?

Second. What are the standards that should be used in evaluating the quality of education in our schools?

Third. What has been the impact of compulsory racial integration, achieved through busing or other means, on the quality of education and on other social goals?

Fourth. What has been the impact of measures other than busing taken by communities to achieve the goals of racial balance among schools, and have these methods been more or less effective than busing in meeting educational and social goals?

Fifth. What has been the impact of the effort to insure racial balance among schools on school enrollment, on violence and discipline problems, and on the reported movement of middle-class families from central city areas?

Sixth. Has the effort to ensure racial balance in school systems had a positive effect in promoting the goal of a racially integrated society or has it intensified racial divisions within the community?

Seventh. What has been the effect of differing allocations of resources—Federal, State, and local—among and within school districts on the quality of education, and to what extent does the taxing method—for example, local property tax versus general appropriations—affect these disparities?

Eighth. Are there any important educational or social values to be gained by maintaining a commitment to the so-called neighborhood school?

Ninth. What disparities, if any, exist in the training, experience and qualifications of teachers assigned to schools whose pupils are predominantly white, black, Puerto Rican, Mexican-American, Indian, or any other race?

Tenth. What are the effects, if any, of the racial balance or imbalance of the teaching staff on the educational program of a racially balanced or imbalanced school? What are the problems of maintaining a racially integrated teaching staff in a racially imbalanced school?

There may be better questions to ask and I hope they will be proposed by others and they should be included in the bill when considered. This proposal to create a Commission should receive the endorsement both of those who support imposed racial balance in schools and of those who are opposed. Some may not want to know the truth, and some may take the position that no matter what the facts may tell us about the effects of compulsory racial balance and busing, there should be no change in the Federal Government's position, because there are other, overriding considerations.

There are some who believe that these questions cannot be answered; that they are imponderables. If that is true and I hope it is not, the Commission should advise us accordingly.

There may be those who fear that if we open these issues to serious discussion, emotion will reign and busing will become the scapegoat for many of the difficulties our cities and our educational systems are suffering today. I would agree that we must be careful that this does not happen. I am not proposing to alter the Constitution, nor to turn away from remedies that are constitutionally required. I just want to know the best way to insure that scholchildren of all races obtain a good education in an atmosphere free of racial turmoil and recrimination. It is my belief that the establishment of an independent Commission which would be allowed to make a thorough analysis of all the factors involved, separating the rhetoric and emotion from the facts, will aid us as we go forward more securely and more effectively toward our common goals.

There may be remedies other than compulsory school busing which will help achieve this for all our children. We need to know the facts.

A copy of my bill follows:

H.R. 11613

A bill to establish a commission to study the results of and other questions relating to the racial integration of public schools and the use of busing to achieve it

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

Section 1. This Act may be cited as the Commission on School Integration Act of 1976".

ESTABLISHMENT

Sec. 2. There is established a commission to be known as the Commission on School Integration (hereinafter in this Act referred to as the "Commission").

DUTIES OF COMMISSION

Sec. 3. The Commission shall conduct a detailed study, from legal and factual perspectives, of the following questions:

(1) What are the fundamental goals of racial integration of our educational systems, and how effective have been the various methods to achieve them?

(2) What are the standards that should be used in evaluating the quality of education in our schools?

(3) What has been the impact of compulsory racial integration achieved through busing or other means, on the quality of education and on other social goals?

(4) What has been the impact of measures other than busing taken by communities to achieve the goals of racial balance among schools and have these methods been more or less effective in meeting educational and social goals than busing?

(5) What has been the impact of the effort to ensure racial balance among schools on school enrollment, on violence and discipline problems, and on the movement of middle-class families from central city areas?

(6) Has the effort to ensure racial balance in school systems had a positive effect in promoting the goal of a racially integrated society or has it intensified racial divisions within the community?

(7) What has been the effect of differing allocations of resources (Federal, State and local) among and within school districts on the quality of education, and to what extent does the taxing method (for example, local property tax as against general appropriations) affect these disparities?

(8) Are there any important educational or social values to be gained by maintaining a commitment to the so-called "neighborhood" school?

(9) What disparities, if any, exist in the training, experience and qualifications of teachers assigned to schools whose pupils are predominantly white, black, Puerto Rican, Mexican-American, Indian, or any other race?

(10) What are the effects, if any of the racial balance or imbalance of the teaching staff on a racially balanced or imbalanced school? What are the problems of maintaining a racially integrated teaching staff in a racially imbalanced school?

MEMBERSHIP AND RELATED MATTERS

Sec. 4. (a) Number and Appointment.—The Commission shall be composed of 13 members as follows:

(1) Eleven, consisting of one appointed by each chief judge of the circuit of the United States Court of Appeals for the several circuits.

(2) Two appointed by the Chief Justice of the United States Supreme Court.

(b) A vacancy in the Commision shall be filled in the manner in which the original appointment was made.

(c) Each member of the Commission shall be appointed for the life of the Commission, and shall hold no other office or employment, public or private, during the period of that person's membership on the Commission.

(d) The Commission shall elect from among its members a chairman.

(e) Pay and Travel Expenses.—

(1) Each members of the Commission shall be entitled to receive a salary at the rate of $44,000 a year for that member's service.

(2) While away from their homes or regular places of business in the performance of services for the Commission, members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government

service are allowed expenses under section 5703(b) of title 5 of the United States Code.

(f) Any officer or employee of the United States shall be granted an unpaid leave of absence from that office or employment for the purposes of accepting membership in the Commission.

STAFF OF COMMISSION

SEC. 5. STAFF.—The Commission may appoint and fix the pay of such personnel as it deems desirable to carry out the work of the Commission under this Act.

POWERS OF COMMISSION

SEC. 6. (a) HEARINGS AND SESSIONS.—The Commission may for the purpose of carrying out this Act hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the Commission may deem advisable. The Commission may administer oaths or affirmations to witnesses appearing before it.

(b) SUBPENA POWER.—

(1) The Commission shall have power to issue subpenas requiring the attendance and testimony of witnesses and the production of any evidence that relates to any matter which the Commission is empowered to study under section 3. Such attendance of witnesses and the production of such evidence may be required from any place within the United States at any designated place of hearing within the United States.

(2) If a person issued a subpena under paragraph (1) refuses to obey such subpena or is guilty of contumacy, any court of the United States within the judicial district within which the hearing is conducted or within the judicial district within which such person is found or resides or transacts business may (upon application by the Commission) order such person to appear before the Commission to produce evidence or to give testimony touching the matter under investigation. Any failure to obey such order of the court may be punished by such court as a contempt thereof.

(3) The subpenas of the Commission shall be served in the manner provided for subpenas issued by a United States district court under the Federal Rules of Civil Procedure for the United States district courts.

(4) All process of any court to which application may be made under this section may be served in the judicial district wherein the person required to be served resides or may be found.

(c) OBTAINING OFFICIAL DATA.— The Commission may secure directly from any department or agency of the United States information necessary to enable it to carry out this Act. Upon request of the Commission, the head of such department or agency shall furnish such information to the Commission.

REPORT

SEC. 7. The Commission shall transmit to the President and to each House of Congress a report not later than one year after the Commission is duly organized. The report shall contain a detailed statement of the findings, conclusions, and recommendations of the Commission relating to the questions it is directed to study under this Act.

TERMINATION

SEC. 8. The Commission shall cease to exist 90 days after submitting its report pursuant to section 7.

TIME TO RESTUDY THE SCHOOL-BUSING PROBLEM

(Mr. SCHEUER asked and was given permission to address the House for 1 minute to revise and extend his remarks and include extraneous matter.)

Mr. SCHEUER. Mr. Speaker, I support the legislation introduced by my colleague from New York, (Mr. KOCH). Never has the folly of applying attractively simple solutions to complex sociological problems been more precisely illustrated than in the case of court ordered busing to achieve racial integration. The experience of the past 21 years, dating from the 1954 landmark Supreme Court decision first mandating busing has indicated rather clearly that busing as a tool of integration has little redeeming social value, to borrow a phrase from a second noteworthy Supreme Court decision.

A rapid survey of several recent studies, analyses and articles debating the alleged advantages of busing is enough to convince even the most conscientious liberal that mass transportation of school age children into, out of, and around school districts is not a logical solution to the problem of providing equal educational opportunity. Furthermore, forced busing to achieve integration of schools is counterproductive to the longrun stability of the surrounding communities or to any noticeable easing of racial tensions.

As debate in the United States rapidly heats up once more over this emotionally charged issue, it is imperative that we in the Congress step back from the political overtones of the schoolbusing issue and rationally examine the arguments that originally resulted in the 1954 Brown against Board of Education Supreme Court decision. Even the most vocal supporters of busing among my colleagues will find the arguments of 1976 opponents of busing more cogent and compelling than the arguments of 1954 supporters of court-ordered busing.

Throughout the 1960's, this Congress and the Supreme Court have made many attempts to defuse potentially explosive problems surrounding school discrimination in the United States. Some of these many attempts were successful—some were dismal failures. To my knowledge, only one of the programs which proved to be fully useless has maintained any prominence in the thinking of Congress—that program is busing.

Mr. Speaker, encouragement of an outmoded concept, one which was developed with every good intention, but which, despite massive expenditures of time, money and effort, has not produced quantifiable improvements in the education results of the children involved, is not responsible government. I have prepared an extended text summarizing some of the major arguments surrounding this difficult issue. I would urge all our colleagues with any interest in the problem to turn to my statement in the appendix of today's RECORD.

JACK ANDERSON ERRS IN ATTACK ON RODINO

(Mr. SEIBERLING asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, as every Member knows, the occasional inaccuracies and innuendoes of the news media are among the crosses that must be borne by anyone in public life. If we tried to respond to all such inaccuracies, we would have time for little else. However, sometimes such reporting involves a matter of such importance and is so unfair and distorted that it requires an answer.

Such is the case with the article by Jack Anderson and Les Whitten in today's Washington Post attacking the distinguished chairman of the House Judiciary Committee, PETER RODINO, and the chief counsel of the committee, Mr. Earl Dudley. The article deals with the parens patriae antitrust bill, which was, without warning, and, in my view, without justification, tabled by the Rules Committee in November. I trust that upon further consideration the Rules Committee will reverse their previous action.

The article implies that, after the bill had been approved by the Subcommittee on Monopolies and Commercial Law, Chairman RODINO bowed to pressure of big business and called a "secret" meeting to water down the bill. The article goes on to state that I "gamely tried to keep the bill alive but agreed to 'unload' some provisions."

The fact is that, having been designated by the chairman to be floor manager of the bill, I asked for the meeting to consider further changes in the bill, and I proposed the changes which were discussed in the briefing session and were later adopted by the subcommittee in open session. I did so because, after hearing and reading criticisms of the bill originally approved by the subcommittee, it seemed to me that some of them were valid and should be brought to the attention of the members. I also felt that my proposed changes did not go to the essence of the bill and should be eliminated to prevent the bill from being attacked for reasons that had nothing to do with its essential merit.

At all times, I have been in complete accord with Chairman RODINO on the substance of this legislation. In fact, my efforts to strengthen the bill and to assist in the preparation of the committee report were undertaken at the request of and with the complete support of Chairman RODINO.

Jack Anderson's attack completely misses the mark and reflects unfairly on our distinguished colleague, PETER RODINO, whom we, and indeed the entire Nation, admire for his integrity and devotion to the public interest.

THE 58TH ANNIVERSARY OF UKRAINE'S INDEPENDENCE AND OUR AMERICAN REVOLUTION BICENTENNIAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 60 minutes.

Mr. FLOOD. Mr. Speaker, each year at this time Americans of Ukrainian heritage and their friends celebrate the Independence of Ukraine, which was regained in 1918 and destroyed by Soviet Russian imperialism 3 years later.

This is the 58th anniversary of the independence achieved by the Ukrainian nation on January 22, 1918, and as shown by celebrations across the country, it has particular significance because the spirit of the Ukrainian National Revolution is of the same historical essence as that of our own American Revolution, the 200th anniversary of which we have begun to celebrate.

LASTING INDEPENDENCE FROM EMPIRE

In a letter sent to all Members of Congress, Dr. Lev E. Dobriansky of Georgetown University, and also president of the Ukrainian Congress Committee of America, asks us to share in the Bicentennial theme he advances, "Lasting Independence From Empire." The acronymism is LIFE which is as fundamental to nations as to individual persons.

The great distinguishing mark of our American Revolution—in sharp contrast to the French and Russian Revolutions—is this "independence from empire," the British Empire then.

Bridging 200 years, the theme raises the real question as to whether this unique American independence will be lasting—whether it will survive the mortal threat of the Soviet Russian Empire in our day.

There is a basic and natural identity of interest between the invincible efforts and aspirations of the large Ukrainian nation to realize again its independence and to make it lasting and our continuing struggle to cope with the worldwide challenges and penetrations of the Soviet Russia Empire, the designs of which ultimately point to a similar destruction of our national independence.

It is high time, Mr. Speaker, that we perceived this essential national alliance between those who have lost their independence by Moscow's imperalist conquests and those, like ourselves, who are spending considerable resources to safeguard our independence and to make it lasting.

In the Bicentennial Year this operational truth must be emphasized, and there is no more appropriate relationship to start with than with the almost 50 million Ukrainian nation, which is the largest non-Russian nation both within the Soviet Union and in Eastern Europe.

THE FINAL ECLIPSE OF A SPURIOUS DÉTENTE

On this 58th anniversary of Ukraine's independence it is also quite pertinent and timely, and certainly not premature, to witness the process of the final eclipse of a spurious détente as pursued by our Secretary of State. Observe the sole fact that under his tenure three more captive nations in Southeast Asia emerged.

It appears that a new captive nation is emerging today in the form of Angola, while Dr. Kissinger seeks a trade-off with imperial Moscow in SALT negotiations.

Also, 6 months have passed by since the Helsinki accords, which were a psycho-political victory for Brezhnev, and there is little evidence of Moscow cooperating in establishing a genuine détente based on reciprocal action of more than a cosmetical sort.

Our people have begun to sense the spurious content of the Kissinger brand of détente and, as in the case of Hitler's empire, one of the most false assumptions of current détente is that we could blind ouselves to the existence of of Soviet Russian Empire, particularly its primary base within the Soviet Union itself, and in the face of its aggressiveness in Asia, the Mideast, Africa, the Panama Canal, and Latin America, delude ourselves as to the absence of a cold war.

In the Bicentennial spirit of "lasting independence from empire," we must increasingly focus our attention this year on the grave shortcomings and pitfalls of the current type of détente, and this occasion of Ukrainian independence celebration is a fitting beginning.

As an indication of what is in the offing, I append to my statement examples of thought I am sure my colleagues will find highly instructive:

JANUARY 19, 1976.

"Lasting Independence From Empire" is our theme for the Bicentennial Year, and I hope you will share it with us. "LIFE" realistically bridges our 200 years of independent national existence—independence from the British Empire then and hopefully a lasting one from the Soviet Russian Empire now. In sharp contrast to both the French and Russian revolutions, our American Revolution is unique in its essence of independence from empire. And if we're to make this essence existentially lasting, we cannot ever shrink from our moral responsibility to help other nations—especially those at the very core of the Soviet Russian Empire—partake in time of this God-ordained essence.

The plain fact is that, with a mental block to the captive non-Russian nations in the USSR, we have not as yet fully assumed this world-centered, politico-moral responsibility, as befits a free world leader. However, the Bicentennial can be our historical moment for truth. Indeed, in this first month we can begin to relate, bravely and truthfully, our Independence to the 47 million Ukrainian nation that rewon its freedom on January 22, 1918, but by 1922 became one of the first victims in the new Soviet Russian Empire. Struggling for "LIFE", Ukraine is the largest non-Russian nation not only in the primary land-empire of Soviet Russia, namely the USSR itself, but also in its extensions in Central Europe and Asia.

In this globally meaningful spirit of '76, we cordially invite you to observe this 58th Anniversary of Ukraine's Independence. Words are powerful weapons of truth, and yours will help immensely the struggle for independence by the Ukrainian nation. In the House, Representative Daniel J. Flood has requested a special order to observe the event on Thursday, January 29, and with Representative Edward J. Derwinski, a bipartisan voice is planned. In the Senate, expressions individually and in colloquy will be highlighted during the period. In all sections of our Nation, citizens will conduct observances as part of the Bicentennial and a necessary continuation of the eclipse of the Nixon-Kissinger brand of détente set in motion during the '75 Captive Nations Week.

We urge the Congress to seize this historic opportunity for the indispensable revision of our policy toward the USSR on grounds of a genuine détente marked by strict politico-economic reciprocity and renewed conformity with our traditions and principles of '76, which in the nuclear age bear even greater meaning. Once the land-empire nature of the USSR is truthfully faced, concrete, winning measures to cope with Moscow's hostile "peaceful coexistence" will evolve. We underwrite Jack Anderson's New Year's Day column on "Soviet Strength—and Suppression—at Peak", and logically go beyond it to call for the resignation of Secretary of State Kissinger whose basic errors and cosmetic diplomacy have contributed substantially to this peak. No responsible American leader concerned with vital US–USSR relations can continue to accept Kissinger and his myopic brand of détente.

With gratitude and wishing you a most glorious Bicentennial,

Sincerely,

LEV E. DOBRIANSKY,
President, UCCA, Georgetown University.

PROCLAMATION: UKRAINIAN NATIONAL INDEPENDENCE DAY—JANUARY 22, 1976

The Ukrainian National Republic was born on January 22, 1918, the date the Ukrainian people chose to become an independent national state.

Only two years later, in 1920, the Ukrainian National Republic was forcibly annexed to the USSR. Despite this, those of Ukrainian descent continue to celebrate Ukrainian National Independence Day.

Throughout the course of history, many Ukrainian intellects, writers, poets, artists and scientists have contributed to the well-being of all mankind. Ukrainians have also displayed their courage, valor, heroism and indestructible determination to obtain freedom and to preserve the dignity of the individual while exemplifying the principles of brotherly love.

Many Pennsylvanians proudly trace their ancestry to Ukrainian roots and fervently hope and pray for the liberation of their Fatherland.

Therefore, I, Milton J. Shapp, Governor of the Commonwealth of Pennsylvania, do hereby proclaim January 22, 1976, as Ukrainian National Independence Day in Pennsylvania and urge all of our citizens to join our neighbors of Ukrainian descent in paying tribute to the brave Ukrainian patriots.

PROCLAMATION: UKRAINIAN INDEPENDENCE DAY

Whereas . . . We, the people of the United States of America, solemnly celebrate the Bicentennial of the glorious American Revolution which formulated the best workable principles of free men constituting a Free Society, and

Whereas . . . The Ukrainian people, adhering to the principles of national self-determination, on January 22, 1918, declared through their duly elected representatives the Independence of Ukraine in the spirit greatly resembling that of the Spirit of 1776, and

Whereas . . . After three years of heroic defensive war, the Ukrainian National Republic became part of the Union of Soviet Socialist Republics; and

Whereas . . . The Ukrainian people have not given up hope for restoration and enjoyment of liberties outlined in the Declaration of Independence of Ukraine of January 22, 1918, inspired greatly by the American Revolution and the Declaration of Independence of the United States of America, and

Whereas . . . Many Ukrainian intellectuals, including Valentyn Moroz, professionals, workers, and village farmers are suffering imprisonment for their continued struggle for freedom of the Ukrainian nation;

Now, therefore . . . I, Frank L. Rizzo, Mayor of the City of Philadelphia, do hereby proclaim Thursday, January 22, 1976, as Ukrainian Independence Day in Philadelphia, and do urge all citizens to pray for the liberation of the Ukrainian people.

UCCA PRESIDENT ASKS FOR PROCLAMATION OF A UKRAINIAN INDEPENDENCE DAY

THE PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: As you know from your long participatory experience on the Hill, January 22 is celebrated in Congress, as well as in all of our large States, as

Ukrainian Independence Day. January 22, 1976 will mark the 58th Anniversary of the Independence of Ukraine—the largest non-Russian nation both in the USSR and Eastern Europe.

With the beginning of our Bicentennial Year and its unique stress on the '76 spirit of national independence, it would be most timely and appropriate to have the January 22 date proclaimed by Executive Order as "Ukrainian Independence Day." In what may be properly held as a strictly internal affair, your proclamation at the start of our Bicentennial would inspire millions of our citizens, not only those of Ukrainian heritage but others as well, to propagate and advance the unsurpassed meaning of our American Revolution of Independence for all peoples on this earth.

With gratitude for your positive action on this and best personal wishes,

Sincerely,

Lev E. Dobriansky,
UCCA, President.

Ukrainians in Massachusetts Ask President Ford To Designate Ukrainian Independence Day

Boston, Mass.—(UCCA) Ukrainians in Massachusetts (Boston, Ludlow/Springfield, Fall River, Salem) sent over 300 letters to Pres. Gerald R. Ford, urging him to designate January 22, 1976, as "Ukrainian Independence Day" in the nation.

The designation of January 22, 1976, as "Ukrainian Independence Day" by President Ford would have a special significance because of the Bicentennial of American Revolution and the 100th anniversary of Ukrainian settlement in America.

The letter writing action was initiated by Boston UCCA and coordinated by Orest Szczudluk, Boston UCCA vice president, with assistance from Mrs. Maria Kajko.

The Boston Chapter of the Ukrainian Congress Committee of America asked all Massachusetts Congressmen to write letters to President Gerald R. Ford and urge him to designate January 22, 1976, as "Ukrainian Independence" in the nation. The designation would be in connection with the 58th anniversary of Ukraine's independence and the 100th anniversary of Ukrainian settlement in the United States.

Letters were sent to following Massachusetts Congressmen: Edward P. Boland, James A. Burke, Silvio O. Conte, Robert F. Drinan, Josephy D. Early, Margaret M. Heckler, Michael J. Harrington, John J. Moakley, Torbert Macdonald, Thomas P. O'Neill, Jr., Gerry E. Studds and Paul E. Tsongas.

Cong. John J. Moakley informed the Boston UCCA that he supports "the establishment of January 22 as a day of remembrance" and urged Pres. Ford to issue a proclamation.

January 22: Birthday of Ukraine's Independence

Today, January 22, 1976 marks the 58th Anniversary of the proclamation of Ukraine's Independence, and the 57th Anniversary of the Act of Union—two of the most important dates in the modern history of Ukraine, underlying the establishment of the Ukrainian National Republic and the unification a year later of a Ukrainian lands into one independent and sovereign republic of the Ukrainian people.

These illustrious dates, as well as the heroic struggle of the Ukrainian people in defense of their independence, will remain forever as a source of inspiration and strength for new generations of Ukrainians in their struggle to free their native land from oppressive alien rule. This struggle goes on today in Ukraine in various forms and under most difficult hardships, regardless of ruthless reprisals inflicted upon the Ukrainian people by Communist Russia.

It is entirely proper that Ukrainians and their descendants in this country, Canada, South America, in various countries of Europe, and Australia observe these great anniversaries as a reminder to the world that Ukraine is not free and that the 48-million Ukrainian people are enslaved and downtrodden; that their culture, their national traditions, religion and their very ethnic substance are being subverted, falsified and outrightly destroyed.

This is why our commemorative observances should be well planned and attended, so as to imbue our younger generation with an unswerving faith in the legacy of the independence of Ukraine and to spotlight the continued struggle of the Ukrainian people for freedom and independence and to belie the Ukrainian SSR which Moscow claims is a "sovereign and independent republic.

In reality, the colonial status of Ukraine in the USSR is characterized by systematic arrests and trials of Ukrainian intellectuals, an insidious policy of Russification, discrimination against the Ukrainian language, wholesale economic exploitation of Ukrainian resources and deportation of Ukrainians to Eiberia, Central Asia, and the Far East.

The current struggle of Ukrinians for national human rights, and for self-rule assured them by the "most democratic Soviet constitution, and the emergence of new and young Ukrainian leaders who suffer torture, physical and mental degradation but who refuse to bend their heads and spines to a ruthless alien despot—all this only proves the undying spirit of freedom and independence deep in the hearts and minds of the Ukrainian people.

These modern heroes of Ukraine need our moral and material support. One of the most effective ways is to take their suffering known to the American people, members of the U.S. Congress and State Legislatures, the press, radio and TV media, and our academic world.

This we shall attain by such public commemorations of Ukrainian Independence—for January 22 is our national holiday—at which we must speak out for the inherent right of the Ukrainian people to freedom and national statehood.

Let us perform this duty by rededicating our efforts to the legacy of Ukrainian Independence and voice our message to our brave but captive brethren in Ukraine that in their struggle for freedom they are not alone, that behind them are millions of their brothers and sisters in the free world, as well as millions of other freedom-loving people everywhere.

Mr. McCOLLISTER. Mr. Speaker, today I would like to join with my colleagues in the House as well as all the citizens of the free world to recognize the 58th anniversary of the struggle for independence by the Ukrainian people. With determination and valor, the Ukrainians gained their independence in 1918 much as we gained our own in 1776. But their independence was shortly ended by the Communist aggression of the Bolsheviks. Unfortunately, these people were never able to benefit from the hard-won efforts of their battle. Their unique culture and heritage has all but been eliminated by the Soviet Government which seeks to erase their identity.

I think it is important that we as representatives of the strongest and most enduring democracy in the world recognize the plight of these people and all people who want to be free to determine their own destiny. We may have little effect by what we say here in this Chamber today, but let it be known to the oppressors of freedom that the United States will continue to stand as an example of what was once a dream of a few and is now reality for hundreds of millions throughout the free world. Let our Bicentennial serve as a symbol for all oppressed nations. Let it be a time where we can reflect and evaluate where we have come from, what we have accomplished and the goals which we want to achieve in our next hundred years. And equally as important, let it be a time for other nations of the world, especially our adversaries, to reflect on our success, achievements and contributions to mankind. Our Nation proves that self-determination, pride, and freedom are fundamental ingredients for the betterment of society.

The Ukrainians face a formidable oppressor. They face an unyielding Communist ideology cemented in a doctrine of denying basic freedoms of speech, religion, and self-esteem. The creative and productive minds of a great nation have been repressed. But they have not been conquered. The flame of freedom has not been extinguished. The coals of their hopes have been banked, but still smolder and will continue to burn until they regain their national independence. Our actions and those of thousands of Americans today will reassure the Ukrainians that their desire for independence, their struggle against aggression, and their hope for human rights endures interminably.

Mrs. PETTIS. Mr. Speaker, it is indeed a great pleasure for me to join with the many thousands of Americans throughout this Nation in commemorating the 58th proclamation of the Ukrainian National Republic. January 22, 1918, was a day which marked the culmination of century-old dreams of national independence from the Soviet Union. On that occasion, in the city of Kiev, the Ukrainian National Republic was born. Today, 48 million ethnic Ukrainians form the largest of the captive nations subject to the control of the Communist regime in Moscow. I would like to take this opportunity to submit part of a letter which was sent me by Mr. Alexander S. Bunka, a constituent of Ukrainian descent. His letter serves as a painful reminder to us of the continual struggle these people fight for self-determination:

> For many years now, the 22nd day of January has been proclaimed and celebrated in our American cities and states from coast to coast as Ukrainian Independence Day.
>
> American citizens of Ukrainian descent are solemnly observing every year this proclamation of Independence of Ukraine which took place on January 22, 1918, in Kiev, the capital of Ukraine.
>
> Together with other captive nations, we are grateful that the President of the United States, Dwight D. Eisenhower, who recognized the legitimate rights of the Ukrainian people to freedom and independence, and the Congress of the United States for enacting the "Captive Nations Week Resolution," in July, 1959 (now Public Law 8690), which enumerates as one of the captive nations enslaved and dominated by the communist Russia.
>
> Tyrannical power of Soviet Union not only deny (sic) to Ukrainians the blessing of freedom, but by unheard of methods prosecute and torture Ukrainian intellectuals.
>
> To reaffirm their desire and their rights to live as a free and independent nation,

> Ukrainians living in the free world, and those in your constituency are prepared to celebrate January 22nd as Ukrainian Independence Day with prayer and solemn spirit appropriate for this occasion.
>
> We invite you to join us in this important event . . . as a tribute to this unfortunate people who are denied the human right in their own land and their own homes.

Let the plight of these 48 million people in the Ukraine be a reminder to us, in our bicentennial of independence, of how truly fortunate we are to live in America.

Mr. WYDLER. Mr. Speaker, we join our fellow Americans of Ukrainian descent, today, in commemorating the 58th anniversary of Ukrainian Independence Day. This Bicentennial Year's fitting theme is "lasting independence from empire." The Ukraine courageously proclaimed her independence on January 22, 1917. Within a few short years, naked Soviet aggression had extinguished the flame of freedom. The Soviet regime has maintained its control over this proud country ever since, through the use of armed might. The sons and daughters of the Ukraine have resisted valiantly. For this many have paid a dear price—imprisonment, torture, and even death.

The Ukraine's rich history as an independent nation dates back to the ninth century. The spirit of independence remains undaunted, despite considerable Soviet efforts to make the country conform to its mold. That spirit certainly will outlive the present generation and, if necessary, future generations of oppressors.

We should take this occasion to reflect on the fact that détente, to date, has not brought tangible benefits to the many nationalities under Soviet domination. Alexandr Solzhenitsyn has eloquently reminded us that the Soviet regime continues to carry out affronts to human civlization behind détente's shield, even while, in Solzhenitsyn's words, it says to the West:

> Don't interfere in our internal affairs, let us strangle our own citizens quietly.

Détente will become more meaningful only if Soviet leaders accept the right of Ukrainians and other nationalities to freely build their futures in harmony with their own great cultural traditions.

Mr. BIAGGI. Mr. Speaker, on January 22, 1976, millions of Ukrainians in America and around the world commemorated the 58th annual observance of Ukrainian Independence Day. But the celebration inside the Ukraine was tragically silent, because the 47 million people of that nation continue to suffer under the rigid domination of the Soviet Union, that they have known for nearly six decades.

Ukrainian Independence Day marks the anniversary of the Proclamation of Independence issued by the Ukrainian people in 1918. A year later, on that same date, an act of union joined all Ukrainian lands into one free and sovereign nation. But in 1920, the Soviet Union brutally overran the young nation, stripping the Ukrainians of all the rights they had fought so valiantly to obtain.

For 56 years, the Soviets have denied Ukrainians the right to speak freely, to practice their religious beliefs, to determine their lives as individuals and their destiny as a nation. They have been subjected to manmade famines, mass slayings, deportations, and near-annihilation at the hands of their captors. Thousands have been arrested, tried, and convicted for daring to speak out against cruel Soviet tyranny.

Yet, despite these tremendous adversities, the Ukrainian people have bravely continued their struggle to regain the freedoms they knew only briefly. Their constant efforts are proof of the inability of the Soviets to break the Ukrainian nationalist spirit. Though they have tried every means to obliterate the deep strong culture of this proud land, they have failed. The dream of freedom that is still alive in Ukrainian hearts cannot be destroyed.

As the greatest free nation in the world, America must continue to champion the rights of oppressed people everywhere. Particularly in 1976, the 215 million citizens of our Nation who are celebrating the rights and freedoms we have so gloriously enjoyed for 200 years, must reassure the people of the Ukraine of our deep commitment to liberty for all people everywhere. Ukrainian-Americans have contributed immensely to the growth and development of the United States, and the people of their homeland deserve a pledge of our full support in their fight to regain freedom.

I condemn the unspeakable persecutions which the Ukrainian people have suffered, and for which the Soviet Union is to blame. One of the greatest failures of détente has been that it has done nothing to improve the quality of life for the millions held captive by the Soviets in satellite nations like the Ukraine. The time has come to seriously question the feasibility of continuing relations with a nation that can so cruelly deny basic human rights to so many millions of people.

We must continue to support the cause of freedom for all who seek its fruits. I urge my colleagues and all the American people to join me on this day in saluting the brave Ukrainian fight for independence and self-determination. It is my sincere hope that in 1976, they will attain their goal.

Mr. WALSH. Mr. Speaker, while we celebrate our heritage and freedoms during 1976, I think it is necessary to recall those struggling peoples across the world who fight daily to enjoy the independence many Americans take for granted. I speak today in particular of the Ukrainian nation, dominated by the Soviet Government since its takeover in 1920. Two years before Russia's conquest of the Ukraine, the largest non-Russian nation, the Ukrainian people had declared their independence to form the Ukrainian National Republic. Although they have yet to regain the freedom they deserve, the people of the Ukraine have not given up hope they will enjoy someday independence from fear, violence and torture that has become part of their lives under Soviet domination.

The Ukrainian Congress Committee of America, Inc., has chosen "Lasting Independence From Empire" as its theme for the Bicentennial Year. The first letters of the theme form the word "LIFE," a concept and dream the Ukraine struggles for against the Soviet Union. The committee has urged all Americans to share the message of "LIFE" and to relate it to our own heritage and revolution which freed us from international dominance.

In 1973 and 1974, many Ukrainian intellectuals, writers, professors, students, literary critics, scientists, and representatives were arrested and charged with "anti-Soviet agitation and propaganda." These charges stemmed from petitions, letters, and written appeals by political prisoners from concentration camps to the Communist Party and government officials of the Ukraine and U.S.S.R. questioning treatment of citizens and violations of constitutional and human rights.

Torture and psychiatric methods of inhuman treatment have been used on these prisoners by Soviet authorities in an attempt, no doubt, to keep them from surviving their sentences.

These actions do not seem real in our modern 20th century civilization, but they are happening now against people who have the same interests at heart about freedom and civil rights as Americans.

The Ukraine recently celebrated the 58th anniversary of its independence, commemorating that 2-year span of time beginning January 18, 1918, when these people were able to control their way of life and respect each other as individuals in freedom. All hope to regain that independence is not lost as the Ukrainian Congress Committee of America continues its drive to fight for freedom for the Ukrainian people.

As Lev E. Dobriansky of Georgetown University, who is president of the committee, said to me in a recent letter:

> The Bicentennial can be our historical moment for truth. Indeed in this first month we can begin to relate, bravely and truthfully, our Independence to the 47 million Ukrainian nation that rewon its freedom on January 22, 1918. . . . Words are powerful weapons of truth, and yours will help immensely the struggle for independence by the Ukrainian nation.

I strongly support the efforts of my Ukrainian-American friends and pledge to do all I can to help them achieve their goals.

Mr. WHALEN. Mr. Speaker, January 22 marked the 58th anniversary of the Proclamation of Independence of the Ukraine, which was declared in the city of Kiev in 1918. Unfortunately for that nation, and the world, the independence of the Ukraine was shortlived—lasting only 3 brief years. Ever since 1920, the Ukrainians have waged a continual struggle to regain their freedom.

We commemorate not merely the importance of January 22, 1918, to the Ukrainian people, but more importantly the significance of their struggle for independence to other freedom-loving people of the world. Certainly, their efforts serve as a source of inspiration for oppressed people everywhere.

In this, our Bicentennial Year, I think it is especially fitting to honor the Ukrainian Americans who have come to this land to make their homes. Their strong and courageous spirit is a valuable addition to the United States, and their history and love of freedom are a living reminder to the rest of us that ours is an extremely fortunate heritage.

All too often in a nation which has long known independence, citizens take for granted freedoms which other people do not enjoy. Thus, our celebration of the 58th anniversary of Ukrainian Independence Day, hopefully will serve as a time of reflection for us who live in freedom. In addition, this should be a time when we reaffirm our desire to continue to secure these blessings for "ourselves and our posterity."

Mr. DERWINSKI. Mr. Speaker, I commend the gentleman from Pennsylvania (Mr. FLOOD) for leading the House this afternoon in honoring the Ukraine's Independence Day. The official independence day of the Ukraine was January 22, 1918, but the formal program here in the House is being conducted today.

At a time when the leaders of the free world are questioning the determination of the United States to effectively maintain leadership in the face of Communist pressure, I urge the Congress not to retreat under the cover of neoisolationism, but to recognize that we must work with freedom-loving people throughout the world in a necessary effort to turn back the Communist menace, and support the aspirations of those captive nations of Eastern Europe in restoring their rights of self-determination.

The obvious characteristic of the U.S.S.R. is not socialistic but rather technocratic, totalitarian, and militaristic, with most of the Kremlin rulers being trained in the Stalin mold—armed to the teeth, intent on achieving military superiority, and ready to furnish arms to all the trouble spots of the world.

The Kissinger diplomacy of accommodating compromise, which always seems to result in the net advantage of the Red aggressor, is scarcely a guarantee of continued freedom from Communist domination. Although we long for an easing of global tensions, we must not be so dazzled by treaties, negotiations, cultural exchange, trade and other such activities that we forget the nations within the U.S.S.R. struggling to preserve their identity and regain independence.

The Ukraine is one of the greatest of the captive nations within the U.S.S.R. The Ukrainian territory, covering 232,046 square miles, is a land possessing tremendous agricultural and industrial resources and boasting a cultural background that is centuries old.

No fewer than 74 nations have become independent since the close of World War II, and 55 of them are smaller in size than the Ukraine with only 5 having more inhabitants than Ukraine's 48,100,000.

During the five decades since the time of the Russian Communist takeover, the Ukrainian people have not given up hope of once more regaining their freedom by their refusal to resign themselves to enslavement as they continue their struggle despite overwhelming odds.

Here in Washington and in hundreds of communities across the country and in our neighboring country of Canada, and wherever else Ukraines are residing in the free world, this independence day has been commemorated with appropriate festivities, with reaffirmation of devotion to the ultimate restoration of freedom to the Ukraine.

Mr. Speaker, it is especially appropriate that as we start this Bicentennial Year in the Congress, that we not forget that millions of people throughout the world and more than 100 million within the U.S.S.R. are deprived of the basic freedoms that we take for granted.

Mr. ROE. Mr. Speaker, I am pleased to join with our colleagues in today's congressional observance of the 58th anniversary of the Proclamation of Ukrainian Independence and Unification.

Last week I was privileged to participate in the commemorative program of the New Jersey Ukrainian Congress Committee of America in which residents of my congressional district reflected upon the historic Ukrainian Independence Day of January 22, 1918, when the Ukrainian nation declared its independence and founded the Ukrainian National Republic.

With your permission, Mr. Speaker, I would like to enter at this point in our historical journal of Congress a copy of the proclamation of the Governor of our State of New Jersey, the Honorable Brendan T. Byrne, in commemoration of the Ukrainian Independence Day. The text of the proclamation is as follows:

Proclamation

Whereas, January 22, 1976, will mark the 58th Anniversary of the proclamation of the free and independent Ukrainian Republic, and the 57th Anniversary of the Act of Union by which Western Ukraine was united with the Ukrainian National Republic in Kiev; and

Whereas, although Ukraine is presently under forcible occupation by Communist Russia, the love of freedom lives on in the hearts of the Ukrainian people, whose heroic resistance to oppression continues unabated; and

Whereas, their struggle for freedom throughout history is and should be an example to all other freedom loving peoples throughout the world; and

Whereas, Ukrainians in America, upon the occasion of this important anniversary, will honor their long suppressed kindred by appropriate ceremonies and gatherings; and

Whereas, it would be appropriate for all citizens of the state of New Jersey who cherish their freedom and who champion human rights, to join in the commemoration of the day with the hope that such a demonstration of sympathy would strengthen the hopes and beliefs of the Ukrainian people throughout the world;

Now, therefore, I, Brendan Byrne, Governor of the State of New Jersey, do hereby proclaim January 22, 1976, as Ukrainian Independence Day in New Jersey, and I call on all our citizens, regardless of their national background, to observe this day in recognition of the gallant struggle of the Ukrainian people for the most precious goal cherished by our own nation and liberty loving people everywhere: freedom!

Mr. Speaker, may I also commend to you the outstanding efforts of the Ukrainian-American community of my congressional district and particularly New Jersey's Coordinating Council of the Ukrainian Congress Committee of America whose untiring efforts in representing those of our citizens of Ukrainian heritage through their many civic and religious organizations are applauded by all of us. I know you will want to join with me in a congressional salute to the members of the Ukrainian Congress Committee of America. The current officers of the Coordinating Council in my congressional district who have distinguished themselves by the excellence of their endeavors and sincerity of purpose in seeking national and international recognition for the courageous people of the Ukrainian Republic in their struggle for freedom, human justice and human rights are, as follows:

The Honorable Severin Palydowicz, president; Kenneth Wanio, vice president; John Vurtyk, vice president; Christina Buk, corresponding secretary; Luba Ostapiak, secretary; Larissa Herman, human rights officer; Frank Wirstiuk, treasurer.

Mr. Speaker, since coming to the Congress in 1969, I have vigorously and strenuously sought the enactment of legislation as well as administrative remedies to eliminate the oppression of people and their basic human rights. During the current 94th Congress I have joined many of our colleagues in introducing the following legislative proposals on behalf of the valiant people of the Ukraine:

H. Con. Res. 31, January 15, 1975—Concurrent resolution expressing the sense of the Congress that the President acting through the U.S. Ambassador of the United Nations organization take such steps as may be necessary to place the question of human rights violations in the Soviet occupied Ukraine on the agenda of the U.N. organization.

H. Res. 48, January 15, 1975—Resolution, concerning the safety and freedom of Valentyn Moroz, Ukrainian historian.

H. Con. Res. 190, March 21, 1975—Concurrent resolution requesting release of two Ukrainian intellecturals—Valentyn Moroz, 38-year old historian; Leonid Plyushch, 34-year old mathematician.

H. Con. Res. 205, April 18, 1975—Concurrent resolution to seek the resurrection of the Ukrainian Orthodox and Catholic Churches in Ukraine.

H.R. 11169, December 15, 1975—To establish a Commission on Security and Cooperation in Europe to monitor acts of signatories which reflect compliance with the articles of the final act of the Conference on Security and Cooperation in Europe, with particular regard to the provisions relating to Cooperation in Humanitarian Fields, and report to House and Senate on periodic basis. Eleven Members: 4 appointed by Speaker, 4 by Senate President, 3 by President—1 from Dept. of State; 1 from Dept. of Defense; 1 from Dept. of Commerce.

Mr. Speaker, during our Bicentennial Year, in commemoration of the 58th anniversary of the Ukrainian Independence Day Proclamation, I appreciate the opportunity to rise in support of these legislative measures for early action by the Congress in our mutual endeavors to help bring about a communion and effort and understanding among all nations and all peoples of the world in seeking to right the wrongs of tyrnannical nations who dominate, through government controls, the personal freedoms of the individual and his right to live and worship in the land of his choice.

GENERAL LEAVE

Mr. FLOOD. Mr. Speaker, I ask unanimous consent that all Members may have 5 days in which to revise and extend their remarks on the subject of my special order today and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

DÉTENTE: THE TESTING OF A POLICY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 30 minutes.

Mr. KEMP. Mr. Speaker, yesterday the Congress defeated the President's request for financial assistance to the embattled people of Angola.

I addressed the House both last week and during the debate this week about the implications of defeating that request. I spoke in terms both of the strategic implications of Angola—because of its location in central West Africa and on the southern Atlantic, and of the way in which such a vote would be interpreted in determining whether the Congress of the United States was any longer willing to help free people defend themselves against known foreign aggression, even when that help would be in the form of only financial assistance.

After listening to and after having read thoroughly the House debate on the vote in the RECORD the following morning, I came to the conclusion that much more needed to be said about the implications of that vote, particularly in light of its probable impact upon détente.

This morning I addressed the 900 delegates at the Young Republican National Federation leadership training conference here in Washington, and I addressed them, among other points, on what I perceive to be the most likely implications of this week's vote. A number of people have asked me if I would summarize those remarks in the RECORD, today, and I use this opportunity to bring these points to the attention of my colleagues.

Let me say, from the outset, that the President's request for aid to Angola was—and is—only one portion of a highly complicated problem. The other aspects must be frankly and carefully examined, too.

We are being tested as a nation. Détente is being tested as a policy. And, it is the Soviet Union which is doing that testing. We seem to be failing in a manner which is dangerous not only to this Nation and its future but to the Soviet Union itself and the chances for a real, enduring peace.

When détente was initiated as a policy, it was on the basis of mutual need in both Moscow and Washington. The agreements signed in Moscow and Washington in 1972 clearly stressed the mutuality of the matter. Moscow wished to develop trade, aid, and exchange relationships with the United States. Both parties agreed that the nuclear arms race needed a scaling down. There was a distinct tone of reciprocity in the agreements.

In 1976 the Soviet Union has greatly altered its tone and behavior. Détente has been described by the Soviet leadership as a policy which offers great opportunities for advancing the Soviet support of wars of liberation wherever the vulnerabilities present themselves. Not only that, but the Soviet Union has even exported old-fashioned aggression, using 10,000 Cuban troops in Angola in direct contradiction of Mao Tse-tung's war of liberation theory—and Mao practically invented the theory—so that even Peking opposes the Soviet tactics in Angola by supporting the UNITA faction.

What has happened?

How could this shift take place in 4 short years?

What can we do to restore the détente policy to a path bringing us closer to real peace and a genuine end to the arms race?

The Soviet leadership has witnessed the collapse of an American policy in Asia. Moscow has noted the trauma that the Asian outcome has created within the United States. The Soviets can see also that inflation and recession are far more important items on the public agenda of almost all of the political contenders in the Presidential primaries—more so than the issues of foreign policy. The bitter aftermath of Watergate and the resignation of a President of the United States added to this sense of drift and doubt within the United States; at least, this is how Moscow perceives it.

Yet Moscow also has a moment of leadership selection approaching. The Politburo of the Soviet Union is a closed club. Those in it are the 11 persons who will write the foreign and domestic policy decisions for the next 10 years. They are not a monolith. At least three groups can be discerned.

The first group is a moderate group that feels détente with trade and aid between the United States and the Soviet Union is a sensible course—avoiding conflict and resulting in the long-range peaceful competition of the two societies, while lessening the crushing burden of armaments on both the Soviet and U.S. economies and allowing at the same time the Marxist system to exploit what they consider to be the fatal flaws of the capitalist system. They expect to win. They expect to bury us, but only after we have died of natural causes. This moderate view stresses that the alternative is an eventual confrontation with the United States which would allow U.S. military and geographic position to provide the United States with an advantage too dangerous for Soviets to risk. A war between the two superpowers would produce only survivors, not winners, in the perspective of this viewpoint. Therefore, détente is necessary, and while wars of liberation can be supported, the Moscow role must remain discreet and the fighting carried out by local indigenous forces in the various countries involved.

The second point of view is held by the internationalists in the Politburo. They believe that much can be done to weaken the West, but it must not be reckless or premature. U.S. trade and aid is important in the interim. A quiet military front has to be maintained with the West in the event that deep differences with China take a turn for the worse and actual fighting occurs on the long and turbulent border between the two nations. The situation in Western Europe is developing favorably for this policy viewpoint in Moscow. The troubles in Portugal, Greece, and Italy are examples where the real foundation of NATO can be eroded without military risk and through parliamentary competition, but even there restraint is the key to success since each situation has such local political sensititives that an open political grab by Moscow would ruin the chances for local Communist political success. The internationalists believe that the United States is confused and adrift. But they do not believe that Soviet action to take open advantage will result in anything but the United States being awakened to the threats involved, and the resulting U.S. policy changes will discard détente, strengthen the American military posture and seek to more actively exploit the Soviet weakness in relationships with China, Romania, Yugoslavia, India, and the countries of Africa, the Middle East, and Latin America. These Soviet vulnerabilities are then balanced against all of the economic benefits that détente is providing to the Soviet Union. It is, after all, rather important when you are the operator of the worst producing agricultural system in the world to be able to rely on U.S. wheat and grain to feed your people. The technology of the United States and Western Europe and Japan is available to the Soviet Union in the same fashion if the subtle course, that the internationalists in the Moscow leadership advocate, is followed.

The third group is the extremist faction of the Politburo—a faction which simply asks its two rival factions to take off the blinders and look at the United States—a bewildered and tormented nation which now lacks the will and determination to make its diplomatic and military strength significant. This is the faction that would favor the shipping of strike forces of 10,000 Cubans across the Atlantic Ocean to the tortured land of Angola. They would favor it because they are convinced the United States would be unable and indeed unwilling to do anything decisive about it. This Soviet-Cuban combination, if successful in Angola, can be expected to show up again and again in other nations of the Third World, such as perhaps in Guinea Bissau, Sao Tomi, and Yemen. This extremist policy also can be expected to give the least on nuclear arms control and the military questions of détente.

These three Moscow factions advance their contrasting policies to a Politburo that is considering the question of post-Brezhnev leadership. The Soviet Union does not hold primaries. Moscow chooses new leadership on a highly competitive totalitarian basis. Policies advocated are given a test. Those that seem to be correct in assumptions and result are given power and support. Three factions of Soviet leadership contenders have been tested. In 1969 to 1972 the nod was given to the détente faction of moderates to try to work out the policies with a United States that was militarily disengaging from Southeast Asia but doing so with efforts aimed at leaving behind a viable, non-Communist area. At the same time real war with China appeared to Moscow to be a genuine threat to Soviet Siberia and above all the Soviets wanted a quiet and predictable flank in Western Europe if major Soviet military effort was necessary on the Sino-Soviet border. The environment for policy was in the hands of the moderates.

The internationalists took greater priority in 1972 and from then until 1975 stressed that more flexibility could be exercised as a result of the apparent passing of the major threat of war with China and the chain-reaction sequence of Watergate, President Nixon's resignation, and the collapse of U.S. policy in Southeast Asia and their effect on the U.S. Congress and the U.S. public. The internationalists played on the parliamentary vulnerabilities of the Western European nations and exploited the détente relationship to the hilt for Soviet domestic and economic priorities without really complying with the Helsinki agreements or the requirements to open their society to the West in social, cultural, and information terms.

In 1975 the extremists in the Politburo were ready, however, to push their view that far too much caution was being shown and that the United States was only a shadow of its former self in real power as measured by its will, its determination and its strength of national purpose. This faction gained the opportunity to test their proposals in Angola. They imported the 10,000 Cubans. This was an incredible act. They then felt strong enough to invite the United States to Moscow to discuss the next step in the SALT negotiations while those strike force Cubans were raining Soviet rockets on the two groups of Angolese forces resisting a Moscow-sponsored military takeover.

I think this last fact reveals how confident the extremists in the Moscow Politburo are. Can anyone imagine a reverse situation with the United States playing such a role? Let us imagine, for example, that in early April of 1961 as American supported Cuban exiles were just landing on the beaches of Cuba, before any one could determine whether the invasion would be a success or failure, that at that moment the President of the United States issued a request for the Soviet Union to come immediately to Washington for a discussion of the relaxations of tensions and nuclear arms control between our two countries.

Why, that would have been so insulting that even the Washington Post would have editorially commented that to invite the Soviet Union to discuss détente at such a moment when American-supported Cuban troops are invading Cuba to overthrow a Soviet-backed Cuban leader would be in such poor taste—not to mention humiliating—that the Post could only wonder how a Harvard man could fail to see it. Yet in spirit that is exactly what the Soviet Union did to the United States this year, when it supported the Cuban forces attacking in Angola and literally summoned the American Secretary of State to hurry to Moscow to discuss what he said must be a new Soviet proposal on arms control, détente, and perhaps Angola.

It turned out that the Soviets were mainly interested in seeing if we were so weak and irresolute that we would make the trip without prior guarantees of agenda and outcome. They found that we were that weak. And we found that the Soviets refused to modify their Angola position. Brezhnev said to the press:

> Angola? Angola is not my country. I have nothing to say about Angola.

And on arms control the Soviets appeared to say we will reduce the ceiling on missiles allowed each side but you must not count the Soviet Backfire bomber as a delivery vehicle. The Backfire bomber is a delivery vehicle and that makes the ceiling higher, not lower than it was agreed to at the previous SALT talks. But note the real significance.

The Soviets tested a policy of open aggression by Cubans invading Angola. Then, when the Congress and the President were beginning to formulate some kind of response, the Soviet derailed that momentum by summoning us to an ill-defined conference at which they refused to discuss Angola and only served to worsen our position in the SALT negotiations. Knowing now what they intended, we never should have gone. And even then when they invited us, we should have insisted on an agenda guarantee.

We, in essence, financed a trip that demonstrated our own lack of policy resolve and purpose. We have strengthened the extremists in Moscow who are contending for leadership in the future almost on the very eve of the Communist Party Congress which will be held in Moscow to look beyond the Brezhnev years. We have encouraged the most dangerous elements in the Soviet Politburo to gain prestige and policy clout. The Politburo choice to new leadership will—like a U.S. Supreme Court appointment—have to be lived with by the world for a long time.

What can be done?

We are not able to undo the past. The refusal of the Congress to grant military aid to the people of Angola who are trying to resist the Soviet-supported Cuban invaders is lamentable. But in fact, the aid would only help to buy time to enable a compromise to be worked out. It would not create the compromise.

It is time for a settlement in Angola.

It is time for a clarification of détente with the Soviet Union.

I believe that the United States should meet in Vienna with the leadership of the Soviet Union—at the Foreign Minister level or the summit—and advance the quid pro quos of détente which will govern our future relationship.

We have been open and forthcoming with trade, aid and exchange of ideas. The Soviets have not. We have been trying to genuinely and mutually scale down the level of armaments and nuclear delivery vehicles. The Soviets have not. Soviet policy in Angola violates all of the spirit and substance of détente. They have not even attempted to be covert. They are open in their violation.

Yet they insist that they desire a détente that is mutual. We respect their stated desire. We must put it to the test on the Angola issue. Not in Angola but in Moscow and Washington.

The Soviet Union must understand that the extremist policy it has adopted regarding Angola puts into jeopardy the trade, aid, exchange, wheat, grain and technology which has been such a large part of what they are gaining from the détente relationship. The Soviet Union must withdraw the Cuban forces from Angola. Until this is done there will be a suspension of all economic, technical and cultural exchanges included in détente. The United States will guarantee the withdrawal of other foreign elements from Angola. The Angolan factions will under pressure from Soviet and United States Governments call a cease-fire and begin talks for a coalition settlement. Even if the Angolan factions resist talks, the cutoff and withdrawal of military support on all sides would curtail the conflict and eventually improve chances for a political not a military settlement. The United States and the Soviet Union should cosponsor a request to the U.N. Security Council for a full debate on the Angola issue. Representatives of the three Angolan factions should be invited to attend and participate in this emergency session.

This is what I think the American people believe détente is supposed to mean. We can no longer accept the one-way street. I have discussed the fact that the Soviet Union does not have a series of Presidential primaries but I believe we as a nation should make it clear to the Soviet Union that the United States does in fact have such a system where those seeking leadership present themselves and their ideas to the American people. And we should emphasize that no candidate for the Presidency of the United States can appear before the American people with the shabby and one-dimensional policy that the Soviet Union has created and that it calls détente. It is a good thing for the Soviets to contemplate that the pressures of the American political system make certain policy sensitivities a necessary part of Soviet considerations.

Détente as practiced by the Soviets in Angola just will not be acceptable to the American people in this year of our elections. The Soviet extremists have misjudged their policy and their timing. It may be a healthy thing for all concerned that they have done so if we now redefine our relationship and our meaning of détente. If we fail to do this, we are ushering in an era of heightened risk of miscalculation and confrontation and the stakes are nuclear.

If both we and the Soviet Politburo understand the real significance of this moment the advocates of moderation and peace will be strengthened. If we fail to seize this moment, we only postpone the awakening cruelly and increase the eventual and human cost immeasurably. The American people instinctively sense this.

This is one of the reasons for their deep dissatisfaction with the events of these moments. They know that if our present policy is unaltered, we are not sowing the seeds of peace. They all too realistically fear that unless reciprocity is a genuinely central feature of détente, the harvest that we and the world will reap will be the bitter fruit of tensions, war, the blood of sons and the devastation of nations. The Soviet Union has as much to lose as we do. And from their point of view with their belief in the Marxist imperative that they will be the eventual winners in the long process of history, they indeed have more to lose than other political systems such as ours based on risk and with no real guarantee beyond the creativity and striving of diverse methods rooted in free choice and constant tinkering with the machinery.

That is why neither the United States nor the Soviet Union can allow the misperceptions that presently color détente to remain unaltered. If it cannot be settled in the context of détente, what other issue can?

Perhaps we will learn whether détente with mutual respect and restraint has a future.

We must try.

CHOU EN-LAI'S DEATH REPRESENTS A SERIOUS LOSS TO THE UNITED STATES

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Delaware (Mr. du Pont) is recognized for 15 minutes.

Mr. DU PONT. Mr. Speaker, the international community has recently lost a statesman who, through his perceptive grasp of the complex issues of world affairs, had earned the respect of those he encoutered in parleys and negotiations around the globe. Chou En-lai, the Premier of the People's Republic of China, passed away after a long illness on January 8.

Chou's death represents a serious loss to the United States. Although I would not want to characterize Chou as a friend of the United States, Chou was a pragmatist and as a pragmatist, he realized that a lessening of the tensions between the United States and China was crucial to both nations. Chou, therefore, directed his efforts toward promoting Chinese willingness to open a dialog with Western nations and consequently to establish diplomatic relations with many of these nations. Most observers credit Chou En-lai with being instrumental in arranging the visit of President Nixon to China in 1972 and his meetings with Chairman Mao Tse-tung. This meeting was much more than tea and ceremony. Through it, Mao was able to confer his "blessing" on the Chinese opening to the West and make it difficult for opponents of a United States-People's Republic of China connection to discredit as "anti-Mao" the establishment of diplomatic relations between the United States and China once Mao passes from the scene.

This historical visit and meeting also produced a communique issued by the United States and by the People's Republic of China. In it, the two countries stated that progress toward normalization of relations between China and the United States is in the interests of all countries. The significance of the Shanghai communiqué, beyond signaling a desire by both nations to improve their bilateral relations, was that, for the first time, the United States confronted the crucial question obstructing the normalization of relations between the United States and the People's Republic of China: Taiwan. In a separate statement, the United States recognized the territorial integrity of China, that there is but one China and that Taiwan is an integral part of China. This U.S. acknowledgement of the existence of one China initially enabled great strides to be made in United States-People's Republic of China relations. Liaison offices were installed in the two capitals; trade and educational exchanges between the two countries multiplied.

During the last year and one-half, however, little progress toward the establishment of bilateral relations has occurred. Further improvement in the relations between the United States and the People's Republic remains dependent upon a willingness to resolve the Taiwan issue. Without a mutually satisfactory solution to the issue of Taiwan, there can be no significant improvement in U.S. relations with the People's Republic of China.

United States relations with the People's Republic of China are important. Lately, many have touted U.S. relations with the People's Republic of China as a counterbalance to Soviet provocations which are in the mutual interest of both the United States and the People's Republic of China to curtail. However, we should not view an improvement in United States-People's Republic of China relations only from this negative aspect. The United States has interests in Asia which it could better guarantee should some concrete foundation exist for relations with the People's Republic, a growing power in Asia. One of those interests is South Korea.

The situation in Korea, always likely to remain delicate, is one example of how an improvement in United States-People's Republic of China diplomatic relations would aid U.S. interests. A restraining hand from Peking is crucial in deterring North Korean aggression against South Korea. Significantly, the North-South talks concerning the status of the two Koreas were convened in 1972 following President Nixon's visit to Peking. The possibility for future multilateral discussions of the Korea issue will directly relate to Chinese willingness to encourage them. Demilitarized Japan, which lies at the hub of U.S. involvement in Asia, would also be in a more secure position should United States-People's Republic of China relations improve, thereby promoting stability in the Far East.

There is little reason to expect that much progress in the improvement of diplomatic relations between the United States and the People's Republic of China will occur this year. 1976 is an election year and as such will permit little American attention to international issues other than those which reach crisis proportions.

Also, Vietnam remains a clear image in American minds with the recriminations and self-reproaches which followed the fall of Saigon still making this country sensitive to changes in U.S. international involvement. The wounds of Vietnam need more time to heal, permitting the United States to reevaluate its overseas involvement, to redefine the intent of U.S. involvement, and to ensure the integrity of those commitments the United States considers vital to U.S. security and to world stability.

There is also the need to generate an understanding of the issue of U.S. relations with the People's Republic of China among the American public. Before President Ford's visit to Peking a Gallup poll conducted to discover American attitudes toward the establishment of diplomatic relations between the United States and the People's Republic, noted that 61 percent of those surveyed approved. At the same time, however, 70 percent of those surveyed felt that the United States should not alter its relations with Taiwan. The issue of U.S. relations with the People's Republic of China and its implications needs to be thoroughly discussed and evaluated.

There is no doubt that President Ford's recent visit to Peking was important to express the ongoing U.S. concern with building better relations with the People's Republic of China. However, the United States needs to work more actively to develop relations with the People's Republic of China.

This country cannot hope, by ignoring the issue of Taiwan, to further its interests in Asia. One of those with whom the United States might have most easily been able to work toward a resolution of the issue of Taiwan is gone. Hopefully, Chou's successors will indicate to the United States a readiness to improve and develop bilateral relations which this country will, in turn, reciprocate.

RELIEF FOR OPERATORS OF NONCOMMERCIAL PRIVATE AIRCRAFT AND VESSELS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. Bob Wilson) is recognized for 5 minutes.

Mr. BOB WILSON. Mr. Speaker, I am today introducing a bill to relieve the operators of noncommercial private aircraft and vessels of the obligation to pay the costs of inspections for the purpose of entering the United States incurred during overtime hours. Enactment of this bill is necessary to eliminate discriminatory provisions in existing law which inhibit and penalize international travel by private aircraft and vessels.

Persons and goods entering the United States are required to be inspected by one or more of four Federal agencies, the U.S. Customs Service, the Immigration and Naturalization Service, the Animal and Plant Health Inspection Service, and the Public Health Service.

The Federal Government now bears the full cost of these inspections during what it establishes as "regular hours." Generally speaking, regular hours are those from 8 in the morning until 5 in the evening Monday through Friday. Outside of those hours, and on Saturdays, Sundays and holidays, inspectors are required to be paid overtime and travel expenses if called back to duty from home.

Those who enter the country on foot or by auto, and this accounts for 92 percent of those inspected, are not obligated to reimburse the Government for overtime inspection costs. But the other 8 percent who enter the country by aircraft or boat are required to reimburse the Government for these inspection costs. There is no good reason for this discriminatory difference in treatment except that modernization of the applicable laws has not kept pace with the development of international travel by air and by water.

The cost of relieving noncommercial operators of aircraft and vessels of this discriminatory obligation that inhibits international travel is insignificant. Moreover, it will eliminate a situation that aggravates many people who are unable to travel and enter the country during the regular hours established by the inspecting agencies.

I urge the Ways and Means Committee to give this bill early consideration and report it to the floor for action as soon as possible.

DEFENSE?

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Louisiana (Mr. WAGGONNER) is recognized for 10 minutes.

Mr. **WAGGONNER**. Mr. Speaker, President Ford's 1977 budget requests an increase of $14 billion for national defense. Even though half of this would just make up for inflation, $14 billion is still a great deal of money and it behooves us to ask why he would propose an increase of this magnitude in a budget characterized by painful restraints in other areas.

I hope it is clear to all of us that if we do not maintain defense forces that are adequate to protect our freedom and assure the flow of international trade and supplies that are vital to our security and economic well-being we will not have the opportunity to enjoy the benefits of resources devoted to our national priorities.

If our military forces are going to be able to do their job, they must be able, at the very least, to counter any challenge from our main potential rival and only other superpower—the Soviet Union. As long as our capabilities effectively counterbalance theirs, the threat of conflict is reduced and the chances for success in arms limitations negotiations are increased.

But the record will show that since 1968, the United States has reduced the size of its military by over 40 percent, from 3.5 million men and women to 2.1 million. In contrast, the Soviet Union has increased its military establishment to over 4 million. Today, they have twice the military personnel we have. The share of the gross national product the Soviets devote to defense is two to three times as much as we spend: 10 to 15 percent of the smaller Soviet GNP versus 5–6 percent of ours. In recent years their output has surpassed ours by several times in the production of submarines, surface naval ships, tactical aircraft, tanks, and other ground forces equipment. I do not believe that Soviet forces are ahead of United States and allied forces yet, but they soon will be if the Soviets continue to do more and we continue to do less.

For the past 7 years between 1968 and 1975 while Soviet military efforts have been increasing, the real purchasing power of the dollars we devote to defense has declined. As shown in the following table, after adjusting for inflation, and setting aside non-baseline items, our real defense buying power declined $14 billion between 1968 and 1975. An increase of $2 billion was provided by Congress in 1976. An additional increase of $7 billion is proposed for 1977. Even if this increase were fully appropriated, 1977 baseline defense resources would still be $5 billion below the 1968 level. At the very least, to assure that U.S. military capabilities do not fall behind, we must support the President's proposal to reverse the decline in defense resources and begin to get back on a long-term trend that will keep our military capabilities first class—second to none.

The table follows:

Department of Defense baseline[1] *total obligational authority*

[$ Billions, Constant Fiscal 1977 Prices]

	Total	*Baseline*
1964	115.4	110.4
1965	112.6	105.8
1966	140.3	102.7
1967	149.0	108.2
1968	150.2	106.5
1969	148.0	104.3
1970	132.7	100.7
1971	121.2	97.2
1972	116.5	98.3
1973	111.6	95.8
1974	107.3	94.9
1975	100.7	92.3
1976	105.3	94.2
1977	112.7	101.5

[1] Baseline resources are funds provided for basic defense needs, excluding retired military pay, foreign military assistance, the cost of the Vietnam war and other expenditures that do not contribute to current defense capabilities.

HUMANITARIAN CRISIS IN ANGOLA

The **SPEAKER** pro tempore. Under a previous order of the House, the gentlewoman from New Jersey (Mrs. MEYNER), is recognized for 5 minutes.

Mrs. **MEYNER**. Mr. Speaker, the House of Representatives has rightfully concerned itself with the political and strategic aspects of the Angolan situation. It would be unfortunate, however, if we lost sight of the human dimension of this civil war.

Tens of thousands of Angolans have lost their lives as a result of this conflict. Tens of thousands more have been forced to flee their homes to avoid the fighting. Medical personnel have been leaving that war-torn country in large numbers at the same time as the medical needs of the country have drastically increased.

The war has disrupted, if not destroyed, the intrastructure of the Angolan economy. As a result, malnutrition and the threat of starvation are spreading throughout the country.

The International Red Cross—IRC—is attempting to expand its operations in the country. Funds are in short supply, however, especially because of the increasing relief needs in Lebanon and the continuing refugee problem on Cyprus. The Agency for International Development—AID—has already contributed $400,000 to this effort.

The humanitarian needs in Angola continue to grow, however. The budget of the IRC operation is now running about $400,000 a month. The Disaster Relief Coordinator at AID has recommended that an additional $200,000 be contributed to the IRC and that an initial grant of $50,000 be given to the relief effort of the Church World Service. These recommendations are currently making their way through the State Department bureaucracy.

I have written to Secretary of State Kissinger urging him to approve these recommendations. I believe that substantial American assistance to the Angolan relief effort would reflect the natural generosity and concern of the American people toward people in need. In addition, I believe such assistance would enhance America's image in Africa, an image which has suffered greatly in recent months.

I urge all of my colleagues who share my concern to communicate their feelings to Secretary Kissinger. The following is the text of the letter that I sent to him:

CONGRESS OF THE UNITED STATES,
Washington, D.C., January 28, 1976.

Hon. HENRY A. KISSINGER,
Secretary of State, Department of State, Washington, D.C.

DEAR MR. SECRETARY: I was pleased to discover that the Agency for International Development (AID) has contributed $400,000 to the International Red Cross for their relief effort in Angola.

I understand that the Foreign Disaster Relief Coordinator at AID has recommended that the U.S. Government contribute an additional $200,000 to the Red Cross and $50,000 to the Church World Service for their humanitarian work in that country. I urge you to approve this recommendation.

I am sure that you are aware of the magnitude of human misery that has befallen Angola as a result of the civil war there. Tens of thousands of Angolans have had to flee their homes to avoid the fighting. The need for medical assistance has drastically increased, while medical personnel continue to flee the country in large numbers. Continued conflict and the disruption and blockade of food supplies to certain areas can only mean malnutrition and the threat of starvation.

I believe that increased humanitarian assistance to Angola would be of enormous help to the unfortunate civilian casualties of this war and would substantially enhance America's image in Africa.

I look forward to hearing the good news that you have approved this latest request.

Best wishes.

Sincerely,

HELEN MEYNER.

H.R. 5247, PUBLIC WORKS EMPLOYMENT ACT

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Montana (Mr. BAUCUS) is recognized for 10 minutes.

Mr. BAUCUS. Mr. Speaker, I rise to express my support for the conference report on H.R. 5247, the Public Works Employment Act.

I believe this bill is vitally needed both for the Nation and for western Montana. National unemployment continues to be a problem. The latest national unemployment statistic is 8.3 percent. While there are favorable signs for the economy—in terms of increased economic growth—there still remain more than 8 million people out of work who are seeking jobs.

I am particularly concerned about the problem of unemployment in my district. According to the most recent statistics I have seen for the State of Montana, unemployment appears to be rising, not falling. Our unemployment rate at the end of November was 8.1 percent. Although that is one-tenth of a percent below the October rate, it is three-tenths of a percent over the August and September rate. In short, it appears that the recession may be deepening in my State, whereas in the rest of the country, we may be pulling out of it.

In my judgment, all three titles of this bill are vital to the economy of Montana. Title I would provide $2.5 billion nationally through the end of 1977 for public works projects. I know there are many such projects that are designed and ready in my State that could be funded almost immediately if and when this title becomes law.

Title II provides $125 million nationally, plus $62.5 million for each half a percentage point of unemployment above 6 percent. Thus, based on recent unemployment, this program would offer $375 million on an annualized basis. The money would be allocated on the basis of one-third to States and two-thirds to local governments. The purpose of title II is to provide financial assistance to State and local governments to insure that they are able to keep their employees working.

Based on estimates made available to me, Montana would receive $3.3 million—$0.6 million would be allocated directly to the cities and counties with high unemployment rates. Among those cities is Missoula, which would receive $184,700.

I should point out that these estimates are based on unemployment statistics for the first 3 months of 1975 and are probably below our current entitlement, for, as I noted earlier, unemployment in Montana went up steadily in 1975.

In addition to the specific city and county allocations, $1.4 million would be made available for undesignated localities, and $1.2 million would be made available for the State.

To insure that other Federal employment programs operate as intended, I think it is important to provide additional financial assistance to those State and local governments who are experiencing economic hardship. For that reason I support title II.

The third title of this bill would fund a variety of Federal public service employment programs, the most important of which, in my judgment, is title X of the Economic Development Act. That program has been extremely helpful in supporting a variety of public service projects that are administered by local, State and Federal agencies.

It may be helpful here to give a brief background on title X. In late December of 1974, the job opportunities program—title X—authorized $500 million to be administered by the Department of Commerce. Initially, $125 million was appropriated, and several months later the remaining $375 million was made available.

The first $125 million was used extremely well in Montana. Nationally, the U.S. Forest Service asked for $15 million and was awarded $14.2 million. Of this amount, my district received $1.6 million. The money was used to hire unemployed workers to improve the national forests. Among other things, these workers helped to clean up public areas, thin trees, improve trails, and perform a variety of other tasks making our national forests more productive and more usable by the public. In short, the program was successful not only in putting money in the pockets of unemployed Montanans, but in meeting the needs of the Forest Service.

However, the second allocation of funds under title X did not provide much benefit to my district. Although the national amount was three times that of the first allocation, western Montana received substantially less funds, despite the fact that our unemployment rate had actually risen.

Specifically, the Forest Service requested $40 million nationally, $6.6 million of which was to go to western Montana. However, unlike the first allocation, the Forest Service received a small fraction of the title X funds. Indeed, in western Montana the Forest Service received less than $70,000.

Why did this happen? I believe it was because the Forest Service prepared numerous applications for title X funds without a clear knowledge of the criteria that the Department of Commerce would use in deciding which projects to fund. Had the Forest Service known that several criteria were weighted more heavily than others, the proposals could have been changed to meet Department of Commerce specifications. For example, the Forest Service applicants thought that as long as their projects reflected a 70 percent labor intensity factor, they would qualify for funding. Actually, DOC placed heavy weighting on the labor intensity of the projects and the higher the intensity rating was, the greater was the weighting.

The point I am trying to make is this. If we pass this law, it is imperative that the Department of Commerce and any other Federal agency responsible for administering it should provide clear and specific instructions to all the potential applicants. Moreover, these instructions should be made available to the congressional offices so that we can assist potential applicants in submitting their project proposals. Finally, there should be adequate lead time for applicants to prepare and submit their proposals.

With respect to the last point, another example in my district may help demonstrate the severity of the situation. The city of Anaconda has an unemployment rate in the neighborhood of 15 percent. In an effort to put some of their citizens back to work, the city latched upon title X as a potential program to provide funds to rebuild their streets and thereby put people back to work. Accordingly, an application was compiled in the space of a few days and submitted just in time to meet the deadline established by the Department of Commerce.

Subsequently, Anaconda was informed that, although their project was a good one, it had not rated high enough to qualify for funding. At that time I looked into the situation and discovered that a mistake had been made by the Department of Commerce in calculating the score for Anaconda's application. We recalculated it and found that it should have qualified for funding. Fortunately, EDA had enough funds to award the grant to Anaconda, thereby providing more than a half a million dollars for that city's economy.

IS THIS LEGISLATION NEEDED?

Undoubtedly, there will be some who argue that this program is but another example of Congress spendthrift ways. To those, I would respond that this program fits within the congressional budget and is vitally needed to get our national and local economies back to healthy levels.

I am not a proponent of spending money simply for the sake of spending money. Federal funds are hard to come by. They are, after all, taxes paid by American citizens. We should use these moneys wisely and well.

However, we do have an obligation to keep our economy healthy. If we provide these funds now, more money will be pumped back into the economy, employment will rise, and ultimately, so will revenues. In short, if we do not make Federal expenditures of this type, I believe that national unemployment will continue to be high and Federal deficits will be inevitable, unless we decide to eliminate such vital programs as national unemployment insurance.

I will only say in closing that although we may be generous during times of economic disaster, we must be prepared to be stingy during times of economic prosperity. Accordingly, I wish to bring to the attention of this body my bill, H.R. 10504, the Full Employment Surplus Budget Act of 1975, which requires that our national budget be in surplus during periods of national prosperity, which I define as being a national unemployment rate of 4.5 percent or below.

I would urge all Members to look into this bill, and I welcome all support for it.

In closing, I want to express my hope that once this bill passes both Houses, it is immediately signed by the President and that the moneys be made available in an expeditious but reasonable fashion for State and local governments.

HUNGARIANS IN ROMANIA PROTEST DISCRIMINATION

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. HELSTOSKI) is recognized for 30 minutes.

Mr. HELSTOSKI. Mr. Speaker, I spoke on two occasions in 1975 about continuing discrimination practiced against the 2.4 million Hungarian minority in Romania, as did a number of my colleagues. On July 22, 1975, 39 Members of Congress addressed President Ford in a common letter asking him to raise the issue of the abridgement of human rights of the Hungarians in Romania during his visit with President Ceaucescu. During the final session of the hearings on the United States-Romanian trade agreement, I also discussed the issue with Assistant Secretary of State Arthur Hartman and received State Department assurance of their willingness to take this matter up with the Romanian Government.

Since last August several developments have occurred substantiating the accuracy of our concern and analysis and transforming the problem of the lack of human and civil rights in practice into both a domestic and an international problem for Romania.

Let me focus on internal developments in Romania. One of the few positive measures of the Ceaucescu regime toward national minorities was taken in the fall of 1968 following the Soviet occupation of Czechoslovakia. It consisted of the creation of a National Council for the Hungarian and German national minorities under the name "National Council of Hungarian Workers," and "National Council for German Workers." While the membership consisted mostly of party members and no general elections were ever held, the councils do include some outstanding literary and scientific leaders of the national minorities. The councils served President Ceaucescu's purpose well in the beginning. They acted as a lightning rod and gave hope to the national minorities of having a direct line to the President and the Government.

Matters started to deteriorate in 1974 as oppressive measures of the Romanian Government on schools, cultural and archival materials and visitors and the worsening economic conditions curtailed activities and living standards alike. During the 1974 meeting, members already complained of discrimination on the local levels and asked for an election of the membership by constituent bodies to make it more representative.

Before the December 3, 1975, meeting of the two national councils, the membership addressed a memorandum to President Ceaucescu in October. The memorandum spelled out in detailed form their desiderata for remedying the intolerable situation. The most authoritative West German daily, the Frankfurter Allgemeine Zeitung, obtained a copy of the memorandum and published it in excerpted form on November 11, 1975. The English translation of the article follows:

> RESISTANCE AGAINST ROMANIZATION
>
> Hungarian and German Minorities Complain of Discrimination—K.A.O. Frankfurt. November 10.
>
> Delegates of the Hungarian and German minorities in Romania asked the Bucharest Government in an appeal to end discrimination against the non-Romanian mother-tongue minorities. The appeal is based obviously on the Declaration on European Security at Helsinki. At this conference, Romania acted as the chief defender of national sovereignty. The appeal demands that domestically, too, the rights of national minorities should be respected. The Declaration is circulated in copies within the country and states:
>
> "The Hungarian and German minorities in Romania—2 million Hungarians and 600,000 Germans in Transylvania and the Banat, altogether 13 percent of the population of Romania, will continue to resist the discrimination practiced against them in all areas of public life. They want that their state should, in correct manner, guarantee the human rights of its minorities.
>
> "They demand, therefore: (1) Freedom of the use of the mother-tongue, especially in schools and public administration; (2) Hungarian and German autonomous schools from the elementary to the university level; (3) Equal rights in all areas of political, cultural and scholastic life (literature and press, free cultural contacts with other countries); (4) Return of the confiscated national cultural treasures (museums and archives) if they had been Romanized; (5) Constitutional recognition of a "Federation of Nationalities" as the constitutional, freely elected representation of the minorities in Romania; (6) Establishment of a 'Transylvanian Commission' in the U.N. to guarantee their rights.
>
> "With these demands for a recognition of human rights to all Romanian citizens, the national minorities in Romania would like to contribute their part to peace and security in Europe."

It is of particular interest that the 6 demands raised in the memorandum of the members of the 2 national councils are substantially the same as the 6 areas of concern listed by me and 38 of my colleagues in our letter to President Ford which we requested him to discuss during his state visit to Bucharest.

May I also point out that this memorandum of the leaders of the two national councils involved a great amount of personal risk to them in the totalitarian system of President Ceaucescu and the Romanian Communist Party. And they did not have the support of the Western media like their Russian counterparts who were denouncing the sad plight of human rights in the U.S.S.R. They were even more vulnerable to the trumped-up charge of nationalist-chauvinist agitation if the Government were to react through "administrative" measures.

Therefore, they have to be congratulated for their courage and indomitable commitment to the cause of human and civil rights and I believe that I am talking in the name of my colleagues as well in sending them our greetings and good wishes in their struggle for the full implementation of human and civil rights in their country.

The situation aroused the interest of the Hungarian Government as well which is run by a "brotherly" Communist government. On November 21, 1975, the same West German newspaper reported from Budapest that the government is concerned about the worsening living standards of the Hungarian minority in Romania and about the effect of the law forbidding Romanian citizens to put up foreign visitors in their homes unless they are immediate relatives—parents, children, brothers, and sisters—a measure primarily affecting Hungarian visitors to Transylvania who now are required to live in expensive hotels which, in most cases, they cannot afford.

Interestingly, the leaders of the appeal to President Ceaucescu were not punished, indicating the depth of support behind them among the Hungarians and Germans in Romania.

On December 3, 1975 at their annual convention, President Ceaucescu delivered a speech—this was the first time in 4 years that he attended the convention. Ceaucescu appealed to the common Marxist-Leninist commitment of the members whether Romanian, Hungarian, or German and emphasized that the solution of the national problem is only possible within the framework of the Romanian Communist Party and by the constant improvement of the living standards of all Romanian citizens by higher production and better productivity rates.

President Ceaucescu, however, admitted shortcomings, and reaffirmed the right of every citizen to use the mother-tongue in schools and in public and the inadequacy of TV and radio programs in the languages of the national minorities and promised that the coming Cultural Congress in the spring of 1977 would deal with these problems in detail.

Simultaneously, the President went on to attack "chauvinist-nationalist concepts and manifestations" and called for a struggle against them, an unvarnished warning to the council members calling for immediate improvements. He also described the policies of the Romanian Communist Party toward the national question as "correct." In a left-handed compliment to us and the leaders of the American Hungarian Federation, the Transylvanian World Federation and the American Transylvanian Federation and other people in the west who had been spearheading the fight for the past 10 years, he added:

> Therefore, we must really be more active in combating various manifestations of this kind, including manifestations that occur on

> the international plane and that can reflect on our country, in one form or the other.

Finally, President Ceaucescu raised a distressing prospect to those of us in the U.S. Congress who, despite personal reservations, voted to approve the United States-Romanian Trade Agreement and Romania's status as a most favored nation.

After calling for a struggle against "chauvinist-nationalist manifestations" he continued:

> This also applies to the problem of reunification of families and migration which is particularly evident in the case of certain citizens of German nationality.

If his statement is followed up by restricting family reunification cases, the administration will have grave difficulties in gaining the consent of Congress for an extension of Romania's most-favored-nation status after the expiration of the 12-month probationary period in the summer of 1976.

On October 22, 1975, the State Department replied to my letter of July 22, 1975. The answer described the Romanian Law on National Cultural Treasures as nondiscriminatory in regard to Hungarians, and noted the lack of sufficient information on other issues which my letter had raised. It did, however, reaffirm the Department's willingness to speak out firmly in favor of fundamental human rights and stated that our Embassy in Bucharest had been asked "to collect as much material as possible" and that the Department would thereupon reply to the issues raised in my letter.

We are no longer dealing with an internationally insignificant issue that is dear only to the conscience of our fellow citizens of Hungarian descent. This is an issue which could have grave implications, particularly if unrest were to develop in Yugoslavia. It is a problem which cannot help but influence Hungarian-Romanian relations and, indirectly, Romanian-Soviet relations as well. The abridgement of the human and civil rights of the 2.5 million Hungarians and 600,000 Germans in Romania can no longer be swept under the rug as even President Ceaucescu has admitted its existence and promised some remedial action in the future.

It is in the interest of our country to work for a peaceful and just solution of the problem of equal human and civil rights of the Hungarian and German minorities in Romania. Under articles 7 and 8 of the Helsinki Declaration of August 1, 1975, the Romanian Government assumed at least declaratory obligations under international law and our agreement of 1973 with the Romanian Government on the discussion of humanitarian issues gives us the legal means for raising the issue without being accused of interference into the domestic affairs of Romania. The cause of peace and the cause of human rights, both of them basic commitments of U.S. foreign policy, demand some action from us and from our administration.

Mr. HOWARD. Mr. Speaker, the stirrings of human feelings of freedom cannot be denied these days even in the Communist-dominated countries of East Central Europe. The promises made by all signatories to the Helsinki declaration on August 1, 1975, encourage those whose human and civil rights have been violated to appeal to their governments for remedial action.

A case in point is Romania which despite her maverick foreign policies within the Warsaw Pact Alliance continues to pursue very totalitarian domestic policies at home and oppresses particularly the churches and cultures of her national minorities, the 2.5 million Hungarians and 600,000 Germans.

In October 1975, according to authoritative West German sources and the daily Frankfurter Allgemeine Zeitung, the leaders of the National Councils of the Hungarian and German Workers, although the councils had been the creation of the Ceaucescu regime in 1968, openly appealed to the government for an abatement of the present discrimination and for a restoration of their confiscated cultural properties and schools. They asked for the establishment of a "Transylvanian Commission" at the Human Rights Commission of the United Nations to enforce the human and civil rights due to them. In doing so, they referred to articles 7 and 8 of the Helsinki declaration of which the Rumanian Government is a signatory.

The brave fighters for human civil rights did not disappear in prison basically because they have the solid backing of their groups regardless of whether they are party members or non-Communists. On December 3, 1975, President Ceaucescu came to their annual meeting and delivered an address which failed to remedy the grievances, but at least admitted some shortcomings. He promised discussion of the issues at the coming Cultural Congress of 1977 and appealed to their commitment as Marxist-Leninists to fight chauvinist-nationalist manifestations. This, of course, was a threat that if they continue they might be branded as such by the government.

At the same time, Romanian oppression of the national minorities is presently pending before two international forums, the Human Rights Commission of the United Nations through the action of the American Hungarian Federation and before the General Secretary of the World Council of Churches where the original resolution has expressly referred to Romania together with the Soviet Union and the names were only eliminated by the threat of the Russian Orthodox delegation to walk out. But the General Secretary was charged with investigating the situation and reporting back to the executive committee within 1 year. The latter action was the result of the tireless efforts of Bishop Zoltan Beky, D.D., of the American Hungarian Federation who had attended the meeting as a representative of his denomination which is a full-fledged member of the World Council of Churches.

Indeed, I believe that it is our duty to work even harder now to expose the existing deficiences and violations of human and civil rights in the hope that such exposure would help to persuade the present Romanian Government to remedy at least the major grievances of the national minorities because of the upcoming review of Romania's most-favored-nation status by Congress in August of 1976.

Mr. BELL. Mr. Speaker, last year, together with 38 of my colleagues, I reiterated my concern about the abridgment of the human and civil rights of the 2.5 million Hungarians in Romania, who live mostly in Transylvania and the Banat regions.

Now the problem is again becoming an issue both on the domestic and international levels.

In October 1975, the National Councils of the German and Hungarian Workers in Romania appealed to the Government to restore school autonomy; to restore free use of the mother tongue in schools and public offices; to return confiscated museums, archives and other cultural treasures; and to reestablish equal rights for the national minorities in the cultural, political and economic life of the country. Finally, they have asked for the establishment of a "Transylvanian Commission" under the Human Rights Commission of the United Nations to insure the implementation of their human rights. This information comes to us from the West German equivalent of the New York Times, the Frankfurter Allgemeine Zeitung, in its November 11, 1975, issue.

The courageous initiative of the leaders of the Hungarian and German communities in Romania resulted in President Ceaucescu attending their annual convention, admitting some deficiencies, praising the party's national policies and promising some remedies at the coming Cultural Congress.

But, in addition, President Ceaucescu also spoke against what he called "chauvinist-nationalist manifestations." This statement represents a dire threat against further activity on the part of the councils in this direction. He also spoke harshly against those trying to emigrate, including the members of separated families.

The Romanian President also referred to such "chauvinist-nationalist manifestations" on the international level. This reference was apparently aimed at various activities in the U.S. Congress by our colleagues and at the appeal of the American Hungarian Federation to the Human Rights Commission of the U.N.

I believe that we should continue with our exposure of the oppressive measures of the present Romanian Government and should encourage our administration to use the provisions of our agreement with Romania in 1973 about the discussion of humanitarian issues of interest to either side for discussing the plight of the national minorities and separated families in Romania.

Mr. CRANE. Mr. Speaker, last July 28, the House gave final approval to a trade agreement between the United States and Romania under which Romania was granted most-favored-nation status. However, at the time, it was provided that this agreement would come up for renewal after a 1-year period, with renewal being contingent on Romanian emigration policies. Now that the year period is approximately half over, it seems only appropriate that we look around and see where we stand.

While there is general agreement that the renewal mechanism was aimed at insuring the right of Jews to emigrate from Romania, I would like to remind my colleagues that those of the Jewish faith are not the only people being discriminated against by the Ceaucescu regime. As was pointed out at the time this most-favored-nation trade status was approved, there are some 2.5 million Hungarians and 600,000 Germans in Romania who are also being discriminated against.

Mr. Speaker, in view of the recent developments in Romania, developments which suggest that the situation these minority groups face may be worsening, I think that Congress should carefully reevaluate this trade agreement before approving its continuation next summer. If, as President Ceaucescu has recently warned, the Romanian regime might contemplate further restrictions on the ability of German or Hungarian Romanians to rejoin their families in foreign lands, then there can be no justification for any extension.

Certainly, the six point memorandum drafted last October by members of both the National Council of Hungarian Workers and the National Council of German Workers and directed to President Ceaucescu indicates the concern of these minorities about discrimination in education, culture, and public life. Given the dictatorial nature of the Ceaucescu regime, these people have put their futures on the line and the least we can do, in the name of individual liberty, is not make things more difficult for them. Granting Romania another year of most-favored-nation status might do just that.

Mr. PEPPER. Mr. Speaker, I was pleased to join my able and distinguished colleague, Representative HENRY HELSTOSKI in cosponsoring his bill, House Concurrent Resolution 326, deploring the discrimination against the Hungarian minority in Romania.

We must remember that the abridgement of human rights is still an observable issue in Eastern Europe despite the Helsinki Declaration of August 1, 1975. Some of these abridgements have been a consequence of the nature of Communist governments in the region; others are a mixture of Communist and nationalist considerations. The mixture of Communist and nationalist considerations are evident in the only country of the region which still has considerable national minorities, the Socialist Republic of Romania.

My colleagues and I have deplored this discrimination on a national origin basis in Romania. This position is in connection with the debates on the United States-Romania trade agreement and the awarding of Romania "a most favored nation" status. We also wrote to President Ford on the eve of his Bucharest trip to raise the issue of human rights of the national minorities in Romania in his talks with President Ceaucescu.

In October 1975, courageous leaders of the National Councils of Hungarian and German Workers, which were handpicked nominees of the Communist Romanian Government, approached the same government and President enumerating substantially the same grievances as we did in our common letter to President Ford. The common letter to President Ford was signed by 39 Members of the House of Representatives. The stand of the National Councils of Hungarian and German Workers was admirable despite the fact that they could have been tried for "chauvinist-nationalist agitation." It must also be remembered that they did not have the same influential backers in the Western media as Professor Sakharov and other major Soviet dissidents.

Their interpellation was not completely without result, although we must await the implementation of the promises made by President Ceaucescu at their annual convention on December 3, 1975. Even if the promises in regard to further actions by the coming Cultural Congress in the spring of 1977 would not come true, the issue has been recognized as a real one even by the Romanian President and no longer can be ignored. Interestingly, however, while the Bucharest Rumanian daily, Scientia, published the speech in full, the Hungarian-language newspapers were only allowed to print a press release. In the case of the Cluj-Napoca Hungarian daily, Igazság, an additional commentary was restricted mostly to a reproduction of the parts of the speech appealing to Marxist-Leninist solidarity and proving the "correctness" of the Communist Party's policies on the national question.

Faced with enormous economic problems in the wake of the July 1975 floods, wasteful investments, exorbitant foreign loans and investments, and ambitious goals of the next 5-year plan, Ceaucescu is using all means, including the nationality newspapers, to enhance the work norms and production of all Romanians. Keep in mind that the present living conditions and standards in Romania are the lowest within the Warsaw Pact, with the possible exception of the less industrialized Bulgaria.

President Ceaucescu again spoke against family reunification and emigration. We hope that this was only for domestic consumption. If the reunification of families again slows to a snail's pace, Romania will have considerable difficulty in getting the most-favored-nation status extended over the 12-month probationary period which comes to an end in August 1976.

Thus, my colleagues and I appeal to the administration to apply the humanitarian issues provision of our 1973 agreement to discuss the sad situation of the Hungarian and German minorities in Romania with the Bucharest Government and ask for remedial action along the lines proposed by the October 1975 memorandum of the National Councils of Hungarian and German Workers and our common letter to President Ford of July 22, 1975.

GENERAL LEAVE

Mr. MINETA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous matter, on the subject of the special order today by the gentleman from New Jersey (Mr. HELSTOSKI).

The SPEAKER pro tempore (Mr. NOLAN). Is there objection to the request of the gentleman from California?

There was no objection.

SMITH TOWNSHIP BICENTENNIAL COMMUNITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. HAYS) is recognized for 5 minutes.

Mr. HAYS of Ohio. Mr. Speaker, a few week ago I had the pleasure of attending ceremonies during which Smith Township in Belmont County, Ohio, was designated an American Revolution Bicentennial Community.

I was particularly proud of the participation by the entire community in the festivities.

Most especially, I would like to congratulate Mrs. Charlotte Walters of Jacobsburg, Ohio, chairman of the Bicentennial event, for her dedication and hard work in planning such a splendid program.

I would like to share with my colleagues a vivid description of the Smith Township, Ohio, Bicentennial program:

SMITH TOWNSHIP BICENTENNIAL COMMUNITY

Smith Township in Belmont County, Ohio became an American Revolution Bicentennial Community on Saturday, January 10, 1976 in special ceremonies held in the Centerville Elementary School. Mr. Duane Moore was Master of Ceremonies. The Invocation was given by Rev. Donald Wilson. The Nation's Flag was presented by the Belmont Post of the American Legion with Commander Jeffrey Groves and Lowell Gladden.

The Pledge of Allegiance was led by Cub Scouts Michael Bulian, Bobby Gillespie, Brian Jost, Harry Wells, Michael DeLaney, Ray Campbell and Timmy Edgar. Cubmaster is Orval Dilly. The National Anthem was then sung by all.

Distinguished Guests then presented were Mayor Edgar White of St. Clairsville; County Commissioner Mel Sargus; Smith Township Trustees Paul Clegg and Stanley Knollinger; County Superintendent of Schools Charles Jones; County School Board Members Robert Olexo and Roger Toothman; Union Local School Board Member R. L. DeVault; President of St. Clairsville Council Wilson Fulton; Mr. Fred Bennett of the Belmont County's Engineer's Office.

A portrayal of early American events was portrayed by members of the Centerville Highland Lassies and Centerville Hi-Lighters 4–H clubs under the direction of Mrs. Francis Hart, Advisor.

Paul Revere was portrayed by Jeff Williams saying "The British are Coming! The British are Coming! One if by Land, Two if by Sea."

With Carson Bartolomucci playing the Drum and Tammy Stoice playing the Fife, Revolutionary War Soldiers, Jeff Kemp, Greg Kemp, Chris Kemp, Jerry Williams, Steve Williams, Ronnie Toothman, Joe Hart, marched in to the tune of "Yankee Doodle."

As the Highland Lassie Chorus sang "The Battle Hymn of the Republic" John Hart signed the Declaration of Independence representing his Great, Great, Great, Great, Great Grandfather John Hart, one of the original Signers of the Declaration of Independence on July 4, 1776.

Martha Bartels was Betsy Ross carrying and displaying the Flag as the Chorus sang "How Betsy Made the Flag."

The Liberty Bell, a symbol of our Nation's Freedom was Presented by Darrell Rubel and Keithe Stonebraker as the Chorus sang "My Country Tis of Thee".

John Adams, our Second President, was portrayed by Greg Nicholes stating "You will never know how much it costs the present generation to preserve your freedom, I hope you make good use of it."

"America, America, Shall we tell you how we feel? You have given us your riches we love you so!" was then sung by the 4-H Members.

Chorus members were Sandra Dunfee, Susan Dunfee, Donna Stonebraker, Jeannette Stonebraker, Hope Hart, Faith Hart, Cathy Stonebraker, Michele Nagy, Joyce Weekley, Carla Wharton, Kristin White and Debbie Toothman. Providing music under the direction of Mr. Walt Shade were Tim Stoica, John Phillips, Paul Eddy and Bob Gladden of the Union Local Band.

State Representative A. G. Lancione commended our Chairman Charlotte Walters and co-chairman Gladys McGaughy for the fine program and representation of nearly two hundred people at this Presentation. He presented the Community with an Ohio State Flag.

Congressman Wayne L. Hays expressed his appreciation to the Community for the fine cooperative effort put forth to make this the most outstanding program he had participated in for our Country's Bicentennial's Celebration. Congressman Hays presented the Chairman with American Revolution Bicentennial Community Certificate and Flag.

"God Bless America" was sung by the Centerville School Children accompanied by Miss Eleanor Bovenizer with the Audience joining them on the second chorus.

Mrs. Walters expressed her appreciation to all who helped in planning and participating in the program.

Rev. James Thomas offered the Benediction.

Refreshments were served by the Bicentennial Committee.

DISCRIMINATION AGAINST HUNGARIANS IN ROMANIA

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from New York (Mr. ADDABBO) is recognized for 10 minutes.

Mr. **ADDABBO**. Mr. Speaker, today I join my colleagues in a discussion of the discrimination against the 2.5 million Hungarians in Romania. While the Romanian Constitution guarantees a number of civil rights to the citizens without distinction as to national origin or religion, these promises are kept more in their breach and are breached more than they are kept by the present government.

In the summer of 1975, 39 Members of Congress, including myself wrote to President Ford asking him to raise six areas of our concern during his Bucharest visit.

In the meantime, it is no longer only informed Members of the U.S. Congress and the American Hungarian Federation which protest the prevailing situation, but the handpicked leaders of the Hungarian and German communities in Romania who are for the most part members of the Romanian Communist Party have done so. In an appeal to President Ceaucescu they pointed to the same areas as we did; that is:

First. Freedom of the use of the mother tongue, especially in schools and public agencies;

Second. School autonomy on the elementary, secondary, and college levels;

Third. Equal rights in political, cultural, and scientific life;

Fourth. Constitutional recognition of a Federation of Nationalities as the freely elected representation of the national minorities; and finally

Fifth. The return of confiscated national cultural treasures—museums, archives—where they have been Romanized. They have also asked for the establishment of a Transylvanian Commission at the U.N. Human Rights Commission to insure the implementation of their human rights.

This took a great deal of courage on their part as they could have been prosecuted for "chauvinist-nationalist agitation" under Romanian laws. However, they reflected the overwhelming sentiment of the 2.5 million Hungarians and 600,000 Germans and even President Ceaucescu was forced to deal with their complaints by attending their annual conference and speaking to them in an emotional appeal for Marxist-Leninist unity and stressing that only Communist ideology and increased production could solve the problem. He did acknowledge some of the deficiencies and promised that the coming Cultural Congress in the spring of 1977 would discuss improvements particularly in regard to radio and TV programs and literature.

We believe that now is the time for the Congress and our administration to utilize Romania's signature to the Helsinki Declaration of August 1, 1975 and the provisions of our agreement with Romania in 1973 about the discussion of humanitarian issues of interest to either parties and remind them that their performance in the fields of human rights and family reunification will have a decisive bearing on the outcome of the congressional vote on continuing the most-favored-nation status for Romania once the present probationary period expires in the summer of 1976.

A FAIR METHOD OF APPRAISING FARMS AND RANCHES FOR ESTATE TAX PURPOSES

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Montana (Mr. MELCHER) is recognized for 5 minutes.

Mr. **MELCHER**. Mr. Speaker, I have sent to the desk for introduction a bill which proposes three amendments to the internal revenue laws. It increases the exemption from estate taxes from $60,000 to $200,000; it raises the marital deduction to $100,000, and it provides an alternative method for the appraisal of agricultural lands designed to result in a valuation that reflects the land's true productive value rather than speculative values.

There are a number of bills before the House to raise the estate exemption from $60,000, which was set back in 1942, up to $200,000 to reflect the tremendous inflation in all values which have occurred in the 34 years since it was last modified, and I am sure there is general agreement that the exemption must be raised. The proposed increase in the marital deduction is in line with that increase.

The proposed alternative method of valuing agricultural lands is a new concept and proposal which strikes at an inequity in the assessment of farm taxes which today unjustly makes it difficult and often impossible for the heirs to family farming and ranching enterprises to retain those operations and continue them. Under current high, speculative markets for agricultural land in many areas in the United States, the families of deceased farmers and ranchers who would like to continue the operation, find it necessary to liquidate in order to pay the estate tax.

A study released by the Department of Agriculture in July of 1975, "Alternative Futures for U.S. Agriculture," advises us that—

> One-fourth of all farm real estate transfers are for the purpose of estate settlement.

There are several reasons why the market for agricultural land has become a speculative market, considerably above the investment, or valuation, that its productivity justifies.

A considerable amount of nonfarm money is coming into the agricultural land market as a hedge against inflation—a pure speculation that land values will continue to move up as fast or faster than the inflation index and is therefore a better investment than bonds, savings accounts or fixed dollar securities.

Farmers and ranchers are having to expand their operations to have viable operations. In order to achieve economies of scale, they are willing to pay more than the real productive value of land adjoining them. If a farmer has purchased the new machinery available today, he can afford to pay a little more than he would normally pay for the land beyond his fence to make efficient use of the bigger and more efficient machinery.

Additionally, agricultural lands lying well beyond urban and suburban boundaries are being purchased for speculation on their future development value at prices sometimes far above their agricultural productive value.

The alternative formula for valuation of farm and ranch land proposed in my bill is to base the valuation on net rental value for agricultural purposes. Cash rents reflect the productive value of the land far better today than the markets. Net cash rent reflects the investor's net return from his investment in the land.

The true productive value of the land can reasonably be evaluated by dividing these net cash rent figures by the prevailing mortgage interest rates.

The formula has been tested in areas where the Department of Agriculture currently obtains net cash rental data. In the central corn belt, net cash rent over the past 3 years has been $52.90 an acre. The average interest rate on Federal Land Bank mortgages throughout the country for the past 3 years has been 7.91 percent. Dividing the interest factor into the rent gives an average per acre land value of $669. As of March 1, 1975, the average market value of land in that area was $845 per acre—indicating that the net cash rental valuations would run about 20 percent below the market, which reflects the speculative pressures.

The bill I have introduced provides for the use of a 3-year average figure to eliminate abnormalities which might occur in a single year.

The bill also provides that if land is sold by heirs which has been appraised under this alternative formula within 5 years for nonagricultural use, the alternative valuation election shall be revoked and the estate tax reassessed on market value.

Mr. Speaker, this bill has an objective beyond fair evaluation of farm real estate for estate tax purposes and that is to protect family farm and ranching operations from extinction. High capital costs make it nearly impossible for young people to enter farming. Estate taxes are forcing competent and experienced young farm people to liquidate and go into professions other than food production.

The Department of Agriculture is now estimating that by the year 2000 we will have less than a million farm units in the United States—a decline from 6.7 million in the late thirties. The free private enterprise system—and agriculture is its principal bastion today—is not strengthened by driving everyone out of it. Nor is our reservoir of skilled agriculturalists.

I was pleased that the President recognized the serious problem estate taxes create for the heirs to family farming enterprises. His proposal to give heirs to family farm and business operations up to 20 years to settle estate taxes is meritorious, but in my opinion, not adequate, without an increase in the basic exemption and a formula for fair valuation of agricultural land, to meet the problem and adjust the inequities of our present estate tax laws.

LATIN AMERICAN ARMS EXPENDITURES

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. FASCELL) is recognized for 5 minutes.

Mr. FASCELL. Mr. Speaker, the traditional North American view of Latin America is largely composed of a series of myths bearing little resemblance to the dynamic realities of the area. One of these myths is that Latin governments squander vast sums on excessive armaments. While much more can be done in Latin America, as elsewhere, to curb competitive arms purchases, the region has made impressive progress in arms control as I outlined in the CONGRESSIONAL RECORD on October 9, 1975.

Because of the great interest in Congress in Latin American military expenditures, I would like to bring to the attention of the House an article from the Miami Herald of January 2, 1976, entitled, "Latin Area Defense Budgets Lowest":

LATIN AREA DEFENSE BUDGETS LOWEST

WASHINGTON.—Latin America, with 1.5 million persons in its military, paramilitary and security forces, spends proportionately less on its defenses than any other region of the world.

Governments of the region allocate an average of only two percent of their gross national product for defense budgets, according to a recent study.

Only the seven European countries—Austria, Ireland, Finland, Yugoslavia, Spain, Sweden and Switzerland—which are neither members of the North Atlantic Treaty Organization nor the Warsaw Pact, compare favorably with Latin America on defense expenditures. They allocate 2.3 percent of their gross national product to the military. Europe as a whole, however, far surpasses Latin America in money earmarked for defense purposes.

The figures are from a comparative study of the world's military establishments in the current issue of Air Force magazine, published by a Washington-based private organization with ties to the Defense Department.

Latin America and the Caribbean (including Cuba) are reported to be spending about $4.5 billion annually on a total defense establishment of some 1.5 million persons.

The totals include Central America and Panama although these countries are not individually included in the study. Neither are the English-speaking Caribbean countries detailed individually.

Brazil continues to lead the way with the largest armed force in the region (550,000) as well as the biggest defense budget ($1.3 billion.) Argentina, Cuba, Mexico, Chile, Colombia, Peru and Venezuela follow in that order.

The percentage of gross national product allocated to defense in 1974 is cited by the study for seven specific Latin American countries. They are: Argentina, 1.9 per cent; Brazil, 1.3 per cent; Colombia, 0.8 per cent; Mexico, 0.7 per cent; Peru, 2.4 per cent; Uruguay, 3.1 per cent; and Venezuela, 2.1 per cent.

By contrast, there are at least seven countries whose percentage of gross national product for defense is in the double digits. They are: Israel, 32 per cent; Egypt, 22.8 per cent; Syria, 15.7 per cent; Saudia Arabia, 15 per cent; Jordan, 14.2 per cent; Iraq, 14.2 per cent; and the Soviet Union, 10.6 per cent. The comparable figure for the United States is six per cent.

A breakdown of defense budgets and military establishments for selected Latin American countries shows:

Argentina—armed forces, 133,500, defense budget (1975), $1 billion; paramilitary forces, 21,000; combat aircraft, 132.

Bolivia—armed forces, 27,000; defense budget (1974), $35 million; paramilitary forces, 5,000; combat aircraft, 37.

Brazil—armed forces, 254,500; defense budget (1975), $1.3 billion; paramilitary forces, 200,000; combat aircraft, 160.

Chile—armed forces, 73,800; defense budget (1974); $213 million; paramilitary forces, 30,000; combat aircraft, 32.

Colombia—armed forces, 64,300; defense budget (1974), $102 million; paramilitary forces, 5,000; combat aircraft, 16.

Cuba—armed forces, 117,000; defense budget (1971 estimate), $290 million; paramilitary forces, 113,000; combat aircraft, 205.

Dominican Republic—armed forces, 15,800; defense budget (1974), $36 million; paramilitary forces, 10,000; combat aircraft, 32.

Ecuador—armed forces, 22,300; defense budget (1973), $52 million; paramilitary forces, 5,800; combat aircraft, 24.

Mexico—armed forces, 82,500 plus 250,000 reservists; defense budget (1974), $423 million; combat aircraft, 15.

Paraguay—armed forces, 14,500; defense budget (1973), $19 million; paramilitary forces, 5,000, combat aircraft, 13.

Peru—armed forces, 56,000; defense budget (1974), $226 million; paramilitary forces, 20,000; combat aircraft, 94.

Uruguay—armed forces, 22,000; defense budget (1973), $68 million; paramilitary forces, 22,000; combat aircraft, 6.

Venezuela—armed forces, 44,000; defense budget (1975), $494 million; paramilitary forces, 11,500; combat aircraft, 85.

WHAT IS THE ROLE OF CONGRESS IN OUR BICENTENNIAL YEAR?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Colorado (Mr. WIRTH) is recognized for 5 minutes.

Mr. WIRTH. Mr. Speaker, as I begin my second year in Congress, I find myself wondering what the future holds for our country and our political system. I especially wonder what the role of the Congress will be in this, our Bicentennial Year.

It has been my feeling for some time now that we are on the verge of something new in American politics. Old coalitions are breaking up, old ideological labels are being discarded. What does "liberal" mean nowadays? Or "conservative"? If Jerry Brown can run for Governor of California as a progressive, and then proceed to cut Ronald Reagan's health and education budgets, then either he is not a progressive after all, or we have to alter our understanding of the term.

I think we have to alter our understanding of the term. We have to strip the word of the associations it has acquired over the years, and recover what it originally stood for.

People at both ends of the spectrum of political opinion have come to link progressivism—or liberalism, or whatever you want to call it—with the idea of big Federal Government. It is assumed that progressives stand for an activist Presidency, a strong regulatory bureaucracy, a pump-priming economic policy based on generous Government spending, and attempts to eliminate forms of prejudice through the coercive power of the law.

But the link between progressivism and strong Central Government was not inevitable. It was something of an historical accident. In the late 1800's, the prevailing attitudes on economic and social issues were indifferent and pitiless. "Survival of the fittest" was the rule. Rising in opposition to this notion, the progressive idea called for compassion, for social and economic justice.

When progressives looked for means to realize these ends, they found that they lacked confidence in business and in State and local governments. By the 1930's, when the progressive idea took hold in this country, the free enterprise system had shown itself incapable of coping with economic crises. Meanwhile, often incompetent and sometimes corrupt State and local governments had been unwilling or unable to produce social justice for their citizens. Progressives called on the Federal Government to step in and do the job, and thus the love affair between them and Big Government got started.

Today that love affair is ending. Central Government has gotten so big and so complicated that it has created anew many of the problems it was supposed to solve. It was supposed to bring permanent prosperity, but it is to some extent responsible for the inflation that plagues us today. It was supposed to regulate business in the interests of the public, but today many of the regulations themselves have tangled us in a seemingly never-ending web. Instead of ending prejudice, some of its antidiscrimination actions have rekindled prejudice. Instead of serving the people, many of its agencies have grown remote and unresponsive, and in some cases—the FBI, the CIA, the IRS—threatening to our privacy and our liberties.

The time has come to insist on a return to the original humane idea, to the ideals of social and economic justice, of simple decency and compassion. If this requires abandoning our increasing dependence on the Federal Government to fulfill these ideals, so be it. Progressivism does not need government; government needs progressivism.

As you can tell from what I have said here, I am skeptical about the Federal Government's ability to solve all of our problems. We should not cling to the defense of big government because there once was a time when government was the right answer.

As I look forward to this new year, it seems to me that the role of Congress will be more important than ever. As the branch of Government that is closest to the electorate, Congress can create a new atmosphere of responsiveness and responsibility. Congress can also enforce a new modesty on the executive branch, because Congress holds the pursestrings. Congress, through its new budget process, can set the priorities to govern our spending. And Congress can reform the programs that so need reform—welfare, health care delivery, our tax system, and our foreign commitments.

Of course, the question is, will all of this be done? The answer lies in each of us serving in the House and Senate. Are we continuing to press for needed change? Are we asking the right questions? Do our priorities reflect the decent, pragmatic and progressive spirit that is the best of America?

There is no question in my mind that we have the makings we need to achieve our goals. We are at a watershed in our political history, poised to move forward into our third century as a nation. We can stride boldly, or we can stumble. I hope that this 2-year period, 1975 and 1976, will turn out to have been—so to speak—a Continental Divide, where we strode boldly from aging notions on one side to a new coalition of commonsense on the other.

UNITED STATES APPROACHES SOVIET UNION ON NAZI WAR CRIMINAL INVESTIGATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. Eilberg) is recognized for 15 minutes.

Mr. EILBERG. Mr. Speaker, I met today at some length with Lawrence S. Eagleburger, Deputy Under Secretary for Management, Department of State, to discuss the Department of State's efforts in obtaining statements in other countries from possible eyewitnesses to atrocities committed by alleged Nazi war criminals now residing in the United States.

I was pleased to learn that our Government has formally approached the Soviet Union seeking its assistance in this matter.

Secretary Eagleburger assured me that the cases presented to the Soviet Union will be pursued at the highest levels and that the Russians' assistance in finding witnesses for the other cases will be requested as quickly as possible once their cooperation is established.

Last May, I led a delegation to the Soviet Union and discussed this matter at length with high-level Soviet officials. At that time they promised unconditional cooperation including the location of witnesses, their availability for interview by American authorities in the Soviet Union and their travel to the United States to testify in deportation or denaturalization procedures, if necessary.

I have been pressing the State Department to ask for Soviet assistance in this matter for more than 2 years, but have always been told that the Soviets would not cooperate and that it was futile to make the attempt. I am encouraged that this excuse for inaction has been discarded and trust that we will see continued effort on the part of the State Department.

SUSPENDING RATE OF DUTY ON MATTRESS BLANKS OF FOAM RUBBER LATEX

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, today I am introducing along with my colleague, Mr. Richmond, legislation to suspend for a 3-year period the rate of duty on mattress blanks made of foam rubber latex. I would like to briefly describe the compelling circumstances facing the foam rubber mattress industry which makes the introduction of this bill necessary.

Last year in a nationally known case of arson, the Nation's only producer of natural foam rubber latex, a rubber plant in Shelton, Conn., was totally destroyed, thus leaving the United States without a domestic supplier of this commodity. However, the 15-percent ad valorem duty on the material has remained in effect, a fact which has imposed a severe hardship on the manufacturers of foam rubber mattresses and box spring sets, as they have no alternative now but to import all the foam rubber necessary for production. This unfortunate situation was brought to my attention by Mr. Jack Freilicher of Yonkers, N.Y., president of Rite Foam Sleep Products, and it has been verified by the U.S. International Trade Commission.

The entire rationale for imposing a duty on imported merchandise is to protect an American manufacturer of a like or similar product. Yet, such a situation does not exist with regard to natural foam rubber latex, as there is no longer any domestic industry producing the material. Thus, there is clearly no basis for the continuation of a tariff imposition on the foam rubber imports of Rite Foam and other such firms.

Economic conditions as they are today make it extremely difficult for many small businesses to operate successfully. It seems inexcusable to me that the Government would allow an obsolete duty to remain in effect and further add to the burden certain small businesses must bear. I therefore call for my colleagues to join me in support of this measure.

The text of the bill follows:

H.R. 11605

A bill to suspend for a three-year period the rate of duty on mattress blanks of rubber latex

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subpart B of part 1 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by inserting immediately after item 912.05 the following new item:

"	912.08	Mattress blanks of rubber latex (provided for in item 727.86, part 4A, schedule 7).	Free	No change	On or before 3/31/78.	"

Sec. 2. (a) The amendment made by the first section of this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this Act.

(b) Upon request therefor filed with the customs officer concerned on or before the ninetieth day after the date of the enactment of this Act, the entry or withdrawal of any article—

(1) which was made after March 31, 1975, and before the date of the enactment of this Act, and

(2) with respect to which there would have been no duty if the amendment made by the first section of this Act applied to such entry or withdrawal,

shall notwithstanding the provisions of section 514 of the Tariff Act of 1930 or any other provision of law, be liquidated or reliquidated as though such entry or withdrawal had been made on the date of the enactment of this Act.

CIVIL RIGHTS IN NORTHERN IRELAND: NEW YORK CITY PREHEARINGS II

(Mr. WOLFF asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. WOLFF. Mr. Speaker, once again I am privileged to join with 11 distinguished colleagues in urging this House, and this administration, to address the question of the tragic situation in Northern Ireland, a land which has given so many of her sons and daughters to our own land.

The colleagues joining me today, many of whom participated in the ad hoc prehearings on civil rights in Northern Ireland which I chaired in New York City last October 15, wish to begin the new year by once again stressing the need for official congressional hearings here in Washington. It is our hope that official hearings will shed a cleansing light on the many sides of the "Irish Question" which are presently obscured by years of harsh words, ill feelings, and horrifying violence. Indeed, it is our hope that official congressional hearings might provide a forum for the voices of reason, peace, and understanding in Northern Ireland which presently can find no outlet across the sea.

The previous special order of December 4, 1975, page 38721, contained the first installment of testimony received October 15 in New York City. Today's special order completes the submission to the RECORD.

I must say that I am dismayed that the new year must be begun by once again calling attention to the inability of my Subcommittee on Future Foreign Policy to follow through on the commitment for official hearings inherited from the distinguished gentleman from New York (Mr. ROSENTHAL) who chaired similar hearings in 1972.

It would seem to me that in this of all years—our Bicentennial Year—all of us should be united in the wish that the voices of the oppressed, wherever and whomever they may be, should receive a full hearing in our country.

As the following correspondence with the Department of State will show, this administration appears to be acting in what I am certain is a mistaken belief—namely, that civil rights hearings constitute an unwarranted interference in the internal affairs of another nation. Such is obviously not the case, as I have noted many times in the past. This Congress has held and will continue to hold human rights hearings involving many nations across the globe, regardless of those nations' relations with the United States, because the question of human freedom is a universal one, and cannot be segregated by national boundaries.

As we have learned, or, as we should have learned during the past decade, the foreign policy of the United States is best served when we hold true to our principles, and when we live up to those principles first articulated by the Founding Fathers, and which we are celebrating this year.

I will now conclude with my heartfelt thanks to those colleagues joining me today, and will submit for the RECORD the following correspondence between myself and the Department of State:

DEPARTMENT OF STATE,
Washington, D.C., September 12, 1975.
Hon. LESTER L. WOLFF,
House of Representatives,
Washington, D.C.

DEAR MR. WOLFF: Secretary Kissinger has asked me to reply to your letter of September 5. He is deeply appreciative of your kind remarks about his role in the recent negotiations for an interim agreement between Israel and Egypt.

With respect to your interest in conducting hearings on the situation in Northern Ireland, that decision is, of course, a matter for the Congress, or for its respective committees, to make. In response to your letter, however, I am glad to provide you with the Department of State's views on the subject of Northern Ireland.

We completely understand and indeed share your concern about the tragic situation in Northern Ireland. As a nation, the United States has close ties of friendship and kinship to all those involved—Irish, British and the people of Ulster alike. Therefore, we have offered and will continue to offer moral support and encouragement to all those of good will among the parties directly concerned who are working to break the vicious circle of violence and to build a peaceful, just society in that area.

At the same time, the policy of the United States Government has long been and remains one of specifically avoiding direct involvement in Northern Ireland, since we do not believe that any such unsolicited involvement would serve a useful purpose. In our judgment, a solution to this centuries-old dispute can come about only through the efforts of the parties directly concerned. Inasmuch as those parties are now engaged in delicate and difficult negotiations, we believe that outside efforts at this stage would be particularly inopportune and could have an unfavorable impact on the negotiations.

If all the parties directly concerned were to conclude that the United States Government could play a useful role, we would naturally consider what we might do to be helpful. To date, however, none of the parties concerned has requested that the United States take any active part in this matter. In the absence of requests from all parties, the Department is convinced that U.S. intervention would be both inappropriate and counterproductive.

I hope that the above information will be useful to you. Please do not hesitate to let me know whenever you feel we can be of assistance.

Sincerely yours,
ROBERT J. MCCLOSKEY,
Assistant Secretary for Congressional Relations.

HOUSE OF REPRESENTATIVES,
Washington, D.C., September 17, 1975.
Hon. HENRY A. KISSINGER,
Secretary of State,
State Department, Washington, D.C.

DEAR MR. SECRETARY: Thank you for so promptly responding, through my good friend, Asst. Secretary Robert McClosky, to my letter of Sept. 5 on my planned hearings on human rights in Northern Ireland. While I appreciate the swiftness of your answer, I am compelled to write again for fear that your position, as outlined by Mr. McClosky, is not responsive to the question that I addressed to you.

As I read your reply of Sept. 12, you feel that I am asking what your position is on a suggestion that the United States, through either the State Department or the Congress, intervene in the affairs of Northern Ireland. Further, you state that such intervention could only be justified if all parties to the dispute—the Republic of Ireland, the people of Northern Ireland, and Her Majesty's Government, were to request it.

Let me state at the outset that it can hardly be the contention of the State Deparment that hearings on human rights in a foreign nation cannot be held because the government of that nation—or the supervising power—has not requested them. Further, I do not believe that you would contend that the hearings which were held on human rights in Korea and the Philippines, for example, constituted intervention in the sovereign affairs of those nations.

Speaking to this latter point, however, let me assure you that in my letter of Sept. 5 I did not and am not asking your sanction for American intervention in Northern Ireland. Similarly, let me state that both my subcommittee and I are in complete agreement that our hearings should not and will not constitute intervention in Northern Ireland. So we are in complete agreement on this point. We also agree that, as you note, final determination on whether or not to hold human rights hearings in Northern Ireland must be made by the Congress, or its respective committees. Along these lines, I am glad to be able to reassure you that my subcommittee has already voted to hold human rights hearings on Northern Ireland.

To the issue of a request from the parties involved, let me repeat one of the points raised in my earlier letter, namely, that the Embassy of the Republic of Ireland, once its representatives were assured as to my purpose and intent, has been most cooperative, and has expressed much interest in my hearings. In fact, twice in the past two weeks an embassy official has contacted my office to check on a date for the hearings, and has told my staff that the Republic plans to bring over expert witnesses from Ireland to participate to the fullest extent possible.

Further, in my most recent visit to Ireland last Fall, and through people who visited last month, I have been contacted by members of all factions both North and South, elected and non-elected. I can assure you that my office is in contact with representatives of all factions, and that full and vigorous presentations are planned at the hearings.

While officials of Her Majesty's Government have frankly stated their fears that hearings on Britain's role in Northern Ireland might prove provocative at the present time, I hope that I have assuaged any fears you might have on this point. In any event, I can state without reservation that no member of Her Majesty's Government has indicated in any way to me that Great Britain does not respect the position of the Congress or the American people on this matter, or that the sincerity of my subcommittee is in any way in doubt.

In sum, then, let me say that I sincerely hope that the above has cleared up the apparent misunderstanding which prompted your reply to me of Sept. 12. My subcommittee and I look forward to working with all persons of good will in helping to secure basic human rights for the people of Northern Ireland through a rigorous examination of the present situation. We especially hope to have the cooperation of the Department of State in working out the details of the hearings.

Sincerely,
LESTER L. WOLFF,
Chairman, Subcommittee on Future Foreign Policy, Research and Development, House Committee on International Relations.

Mr. ADDABBO. Mr. Speaker, I rise to express my continued efforts in my congressional duties for human rights, fair and equal treatment of all humans throughout the world.

I am disturbed by the statements and allegations made by the "Ancient Order of Hibernians in America, Inc." regarding the suppression of individual and human rights.

I strongly believe these important issues and related subjects are proper issues to be reviewed and examined by the House International Relations Committee in order to determine the full truth relating to these allegations.

Mr. Speaker, I believe the following statements made part of my remarks vividly point out the serious questions that should be aired:

ANCIENT ORDER OF
HIBERNIANS IN AMERICA, INC.,
New York City, October 15, 1975.

Statement by John Bownes, Nassau County, representative of Jack Keane, A.O.H. national president, and Nassau County President Jack Irwin, at pre-hearing forum in New York City on 10/15/75

BACKGROUND

For the past five years men and women in Northern Ireland have been interned in concentration camps. The alleged purpose of these camps is to end violence whereas, in fact, their very existence has aggravated an already deteriorating situation.

The effects of this harsh and inhuman policy has had repercussions even here. For example, it has been a year since the "Baltimore Four" were accused, tried and convicted of conspiracy to ship firearms to Northern Ireland and received an excessively harsh term of six years in prison. Those men, Jim Conlan, Harry Hillick, Mike Larkin, and Frank McMahon, have been categorized as "special offenders". This label has the effect of making them ineligible for furloughs and greatly reduces their chances for parole in the future. Why do we allow American authority to harass them so? Could it be that British policy in this instance is our policy?

A proposed hearing on these and other subjects to be held in Washington, D.C. on Foreign Policy Planning by the House Foreign Affairs Committee has been held up for some time. In the meantime, British suppression of individual rights and their punishment without legal judgment continues. Any honest, sensible observer knows that the rights of all peoples in Northern Ireland must be respected before any reasonable settlement can be reached. We cannot expect the nationalistic people of Northern Ireland to end their resistance to foreign rule while they are denied recourse to the very law of that alien government. Accordingly, the members of the Ancient Order of Hibernians in New York State feel that hearings like this should proceed as soon as possible. Anything the United States can do to encourage Britain to change her policies and stop the terrible oppression of the Catholic minority should be done now.

Such considerations should not be restricted to these subject of illegality and inhumanity both abroad and here, but should also include—if possible—the long neglected matter of the Irish immigration quota to the U.S., which is in desperate need of reform, so that those who would like to leave Northern or Southern Ireland to seek opportunity here in America on a long-term basis would be able to do so. In the interim, political refugee status for the minority in Ulster should also be considered to afford those interested in asylum here a temporary hospice from tyranny.

On still another facet of the problem, one of your fellow Congressman, the Hon. Mario Biaggi, visited Ireland recently on behalf of insuring legitimate immigration and traveling rights for Irish people interested in simply touring the United States, and was accorded a very unfriendly reception ostensibly for his espousal of equal rights to visas for all Irish Nationals.

This brief summary of the Irish situation might be ludicrous if it weren't so sad that a people who have spent so much of their own lives and substance in defending America for 200 years must seek in vain—so far—not far a champion—mind you—but a plain ordinary democratic hearing of their grievances and aspirations for basic freedoms guaranteed by the American Bill of Rights and supposedly protected by English Law and tradition going back to the Magna Charta.

We—the American-Irish people of this Nation—look thankfully to you to assume and discharge your responsibility in this area of grave need now.

Accordingly, we urge your earnest attention be given to achieving six objectives:

1. Relieve the general social and legal conditions in the North by protesting the violation of human rights in the area.

2. Lower immigration and travel barriers to the U.S.

3. Pass tough U.S. legislation designed to penalize Northern Ireland companies engaging in economic or religious discrimination against Catholics and others living or working there.

4. Urge the Red Cross to exercise aggressive leadership in insuring more humane conditions in the political prisons of Northern Ireland, as well as in the streets and public places of Northern Ireland.

5. Continue to build our trade bridges with the South for obvious reasons. The Irish are on the verge of developing offshore oil and gas reserves of interest and importance to the free world. These reserves represent a future with economic hope for the whole island. In the past, the North has looked upon the South as economically backward. This need not be so . . . and is increasingly changing.

The Irish worker is among the most reliable and honest in the world. Indeed, Britain itself has a problem with getting its workers to perform as productively or as well. Blocked from immigration here such workers have a right to work in Ireland on energy interests of importance to them and the rest of the Free World.

6. Revive and old 19th Century word and activity invented by the Irish—Boycott. Let all Americans interested in freedom and justice in Northern Ireland boycott goods, products and personalities originating from there. That includes the famous British Overseas Airlines and embraces tourist trips to those parts of the British Isles which either by omission or commission perpetuate the inhumane and degrading practice of repression and prejudice.

Mr. HARRINGTON. Mr. Speaker, during the previous session I urged Chairman Morgan of the House International Relations Committee to initiate hearings on the continuing violence and division in Northern Ireland. I want to stress once again the importance of addressing this issue. The breakdown of the truce effort in Northern Ireland deserves our close attention, and serious human rights questions are raised by some of Britain's policies, such as internment.

Last fall, in his capacity as chairman of the Future Foreign Policy Subcommittee, Congressman Wolff held ad hoc hearings in New York to lay the groundwork for such an investigation. I am pleased to join him today in placing testimony from those hearings in the Record for the attention of my colleagues. I include the prepared statement of Mrs. Rita Mullan on "British Repression in Northern Ireland" in the Record at this point:

British Repression in Northern Ireland

(Statement by Mrs. Rita Mullan)

Mr. Chairman and Gentlemen: I am grateful for the opportunity to speak before this pre-hearing forum on Northern Ireland.

The British Government has used internment, in the form of arbitrary imprisonment, without a fair, just or public trial with proper means of defence available: in every colony it has occupied and repressed. Ireland is by no means an exception, in fact it is the classic example. Ireland has known internment and its attendant horrors for longer than any country in the so-called free world. The British Government refers to this procedure as detention without trial.

The situation of Irish Political Prisoners in Northern Ireland is indeed desperate, they now number almost 2,000 in number. Since I have worked in a voluntary capacity in an effort to alleviate some of the sufferings resulting from the indefensible policy of internment, I feel qualified to make the following assessment.

Internment is a moral and social problem of the greatest magnitude now afflicting the Irish community. Britian has imprisoned men, women and children without trial for periods two, three and four years. It has sown deadly seeds of frustration and resentment—one has only to visit any prison camp waiting area to see wives, mothers, fathers, brothers, sisters and children waiting to visit their loved ones.

Remembering these prisoners are detained without trial unjustly imprisoned, hostages, held by successive British institutions. There is no talk of justice, human rights or fair play, instead, repression, degradation and corruption of law.

Last week the British Secretary of State for Northern Ireland signed 73 Detention Orders against men held on Interim custody orders. The prisoners and their families view this situation with a certain cynicism. They would seriously dispute with the Northern Secretary of State the necessity, not to mention the desirability of interning anyone presently held on an Interim Custody order. The fact that Mr. Rees (Sec. of State) has elected to sign indefinite internment orders on 73 out of the 91 cases considered by him and his advisor must surely alarm those who would have trusted his Christmas "Pledge" (in which he stated that internment would be phased out by Christmas 1975) Mr. Rees' description of internment as a "valuable weapon" is closer to the truth of his feelings; his detention policy is the restoration of Mr. Brian Faulkner's internment which was condemned throughout the world, even by Rees himself as a member of the British opposition. Obviously the British Government anticipates prisoners of war in Ireland in the 1980s.

The reality of life in prison camps indicates a build up to indefinite imprisonment of Irishmen. Petty restrictions on craftwork have been introduced. Search procedures are more stringent, movement within the camps between cages has been steadfastly refused. The building of 25 ft. high, 3 ft. wide concrete walls around the cages is an indication of worse to come.

It is not sufficient to listen to the hypocritical talk of British politicians, duplicity in complaining about the wanton slaughter of the five Spaniards is sickening for those who have witnessed the cold blooded murder of an unarmed internee, and countless other defenceless people in Northern Ireland. British protests about Spain ring very hollow remembering the devastation which that country has been responsible for in the past five years. British politicians condemn internment in Spain as immoral, reprehensive and wrong, yet they are instrumental in its application in Ireland. It is the only Government in Western Europe to intern women and children without charge or trial.

In the past the British ordered forced feeding of young Irish men and women in English gaols, and to-day the general torture of Irish prisoners is acceptable in England. The British should be the last to criticize another country. British atrocities in Ireland are a fact of History.

Amnesty International visited Northern Ireland several times. Their report published recommended the abolition of detention without trial, the re-inforcement of the legal rights of arrested persons, improvements in their conditions while imprisoned, facilities for relatives visiting to be less harrowing.

The International Red Cross has been consistent on the humanitarian aspect, and are concerned about long term psychological effects of detention on prisoners whose average age is twenty.

All these reports are very useful, however the children of internees do not know that internment without trial is a savage discriminatory practice offending Article 5 of the European Convention on Human Rights. They *do* know the bewilderment of the suddenly enforced absence of a father or brother, they realise only too well the anxiety of their mother's face and the feeling of insecurity that now pervades their home. They do not know that conditions in British prison camps are a serious breach of "The United Nations Standard minimum Rules for The Treatment of Prisoners". They only know the frightening experience of visiting the drab wired encampments sensing the tension of each visit building up. Experiencing themselves the degrading procedures of searching by hard-faced camp personnel. It is only too clear that such considerations are disregarded by the corrupt Special Branch of the Royal Ulster Constabulary and by the politically-minded generals of the British army, who with the willing connivance of Sec. of State Merlyn Rees stubbornly continue to manipulate their inhuman policy solely against the minority community.

It is folly therefore to expect an impartial hearing from Britain on the treatment of Irish political prisoners. Therefore it is of the utmost importance to stress the value of a full congressional hearing before a subcommittee on future foreign policy, hopefully bringing to the attention of the American people the very serious situation existing in Northern Ireland.

Mr. OTTINGER. Mr. Speaker, I am once again pleased to participate in a special order related to the hearings on the situation in Northern Ireland which my colleague, the Senator from New York (Mr. WOLFF) held last October.

I insert herewith, for inclusion in the RECORD, the statement presented by Mrs. Judith McParland. Mrs. McParland offers a unique insight into the situation in Northern Ireland as she was born and raised in New York and was able to view the strife, discord, violence, and death in that troubled land through the eyes of an American. I found her testimony to be quite perceptive and believe it will be of interest to our colleagues:

STATEMENT OF JUDITH MCPARLAND

My name is Judith McParland and I was born and brought up in New York. In 1966 my husband and I moved to Belfast, Ireland to take up residence. I now consider Belfast my home and would very much like to return there to live, but not until the British Army is withdrawn.

Like most residents of the Nationalist districts of Belfast, in 1969 I was very happy to see that Army march up the Falls Road. We had been attacked the previous night by armed bands of Loyalists who moved onto the Falls Road behind a convoy of police vehicles. The men of the Falls went out to meet this attack armed with stones and petrol bombs. The IRA, whom I had always been told were supposed to protect the people from Sectarian attack, at the same time as they fought for a 32-County Irish Republic were as useless as the civilian population at that time. So after a night of violence, so unexpected and so terrifying that I called the American Consulate the next day to try to get sent home, the British government complied with a request from the 6-County government at Stormont that British troops be brought in to prevent further violence and to act as a peace keeping force, since the police, the Royal Ulster Constabulary, barely tolerated in Nationalist areas prior to this, were unable to handle the situation.

So the British troops were welcomed, if not with open arms, at least with open minds for the most part. There were many people who would never trust an English politician or a British soldier, but to most of us at that time, they were an armed force who would prevent further assaults on us, and until they showed us otherwise, they would be trusted to do that much.

I was very badly disillusioned some months afterward when I discovered that the doubters had been right and that the British Army's idea of peace keeping was to stand on our necks while the Loyalists did exactly what they pleased.

I should have been forewarned, for the British troops were on the streets of Belfast on August 15, 1969, when a Loyalist mob burned Bombay Street to the ground. This was around 3:00 in the afternoon, and most of the men who lived there were out at work. That left defenceless women and children who were put out of their homes at gunpoint while a fully trained, fully equipped army stood watching, unable to act because they were under orders from the R.U.C. and the R.U.C. had no intention of disrupting the work begun the previous night. I remember standing at the corner of the Springfield Road and listening to a woman from Lucknow Street tearfully pleading with a young soldier to help her, that she and the other residents had been told to get out because their homes were going to be burned. The soldier shrugged and told her there was nothing he could do. She had a small suitcase under her arm, with bits of clothing hanging out, and two little children huddled together in a pram, a sacred heart picture and a statue of the Blessed Virgin sharing it with them. It wasn't my idea of what to save in the event of having to leave my home, but evidently those religious symbols meant very much to her.

She kept sobbing and asking the soldier "where can we go." It was evident that he was very uncomfortable, since he had no answer for her, and she wasn't inclined to leave him without a satisfactory answer. Naturally I assumed that the British Army had some great master plan in mind. They were waiting for the civilians to leave the street so they could go in and catch the arsonists at their work, without endangering innocent civilians. More fool I. The only reason that Lucknow Street didn't follow Bombay Street was that the men had heard about the burnings down the town and had left their jobs early to come home and protect their own. I am not quite so naive now about the actions and intentions of the British Army.

In that fall of 1969, things did improve to a certain extent. We lived behind barricades which had been erected in August, and there was a great feeling of community spirit. The soldiers were not allowed behind the barricades, not because we had anything to hide but because everyone felt that another attack was eminent, and this time we could and would defend ourselves without help or hindrance. By that time the IRA had whipped themselves into some sort of order and some weapons had come in, and we could sleep at night knowing the vigilantes were at the barricades ready to alert the IRA at the first sign of trouble, and the IRA were ready to do their job this time, and protect us.

My personal feelings at this time were mixed. I had never before seen street violence or thought the day would come when my husband would have to go out into the street with stones to protect me and our home. I didn't want him to have to do that, nor our friends nor our family. That was what the British Army was there for, and I figured it should be their job. But at the same time, I understood the attitude of the men. They had been emasculated back in August, helpless to prevent the shootings and burnings. The Loyalists had attacked the Falls many times in the past, but never before had they marched up the road with their Union Jack and planted it in the street. They had done that in August, and now that the men were able to fight back with more than stones, they were determined to do it. That might sound like foolish pride to us, but I'm married to an Irishman, and I understand exactly how he and the other men felt. They didn't want to stand behind the British Army when the fight came. They were willing to face their enemies themselves and fight for what was their's.

But the attack never came, and finally the barricades were dismantled due to the intervention of the clergy. Those barricades served as more than a protection. Behind them, the Nationalist population were rediscovering their own heritage. There were outdoor ceili's and block parties, bicycle races, sing-songs, and real feeling of neighborliness and companionship. We had our own radio station, run by the people's democracy, and they played rebel songs and made dedications to the men manning the barricades. It was one of the most enjoyable times I had in Belfast.

A senior British officer in a TV interview stated that had the barricades been allowed to remain, the war would never have escalated. Every street flew a tricolor and rebel songs were sung all the time, two small things that were forbidden before 1969, and two things so significant that had they been granted by the Stormont government, could have prevented its own downfall. Behind the barricades we were free. And that was all freedom really meant then to the majority of the people, freedom to fly their flag and sing their national anthem.

But the Loyalists screamed bloody murder. The Queen's Writ was not operating in those areas, they said. Their contention was that the IRA were forcing the "good and decent" people of the Falls to live under their orders, to pay them protection money, to defy the law. The sudden concern for our welfare as well as the knowledge that they thought some of us were "good and decent" was touching. It was a shame they hadn't thought of it a couple of months before when they were going to slaughter us. Never was I approached, nor anyone I knew approached for protection money, nor to live under orders from the IRA. But I do know that there were groups who used the name of the IRA and demanded money from people. When these groups were reported to the IRA, they were quickly told to desist, or else. Most of them chose the former; the latter wasn't very pleasant.

But the pressure from Unionist politicians and the threat that the Loyalists would build their own barricades was enough to persuade the British Army that our barricades would have to go. And they went peacefully, taken down by the same men who built them, a concession from the army who were still treating us with kid gloves.

But there was a subtle change taking place. The first hint I personally got of it was in October, 1969. The Loyalists had been rioting on the Shankill Road for several days, and the army came in to discourage looters. Their solution was CS gas and baton charges, and the Loyalists screamed brutality and asked that the RUC be sent in instead of the troops. Seeing how the army operated in our areas after that, I have no doubts the brutality charges were true, but somehow when the shoe was on the other foot and we were getting battered around, the Loyalists couldn't believe such a thing of "our boys". Wanting to cool the situation the Minister of Home Affairs agreed to pull the army out and put the RUC in. The Loyalists were so delighted they promptly shot a young police constable named Victor Arbuckle dead.

The people on the Falls were very smug about the whole thing. We gathered in groups on the corners, huddled around the radio carrying soldiers and heard a play-by-play of the whole affair and we counted the ambulances that came down the Springfield Road to the Royal Victoria Hospital. We were sure that the army would finally see just what a rotten crew the Loyalists were. Imagine our surprise then when a young soldier informed us that their officer had told them that it was the IRA men on the

Shankill who had started the trouble and killed the cop. It was so insane that we laughed, but that was what the troops had been told and that is what they believed. The IRA may be very brave, but none of them were crazy enough to show his face on the Shankill Road during a riot. The Loyalists knew their own, just like the Nationalists did.

A few weeks later it was our turn. Teenagers in Ballymurphy were stoning buses and the British Army was sent up there in force to put an end to it, a move which was looked on with approval by everyone. The only ones who suffered by stoning the buses were the residents of the upper Springfield who lost their bus service. The method the army used was CS gas. This poison, which is manufactured here is horrible, vile stuff and shouldn't be used anywhere. Several prominent members of the medical profession, British, Irish and American have condemned its use and stated it could be lethal to babies, old people and those suffering from respiratory illnesses.

Now the use of CS gas in itself wasn't the bone of contention between the residents of Ballymurphy and the army, it was the method in which it was used. The troops weren't content to use this stuff against the kids, who could usually get out of the way before they got the full effects of it anyway; they bombarded the entire Ballymurphy Estate with this stuff, so that for days afterward this noxious white cloud hung over the whole district. Ballymurphy is built on the slope of a mountain, with the Springfield Road running above it. The gas clung there, permeating the houses, the food, the clothing, everything. Babies and old people began vomiting and the parents came out to protest against the army's indiscriminate use of the gas. Their protests were met with more gas, rubber bullets and the snatch squad.

These were specially trained troops who were to pinpoint the ringleaders in a riot, run into the crowd and snatch him or her out. This was understandable as a defensive measure. What was not understandable was the soldier's attitude that anyone who got in their way was a ringleader, and could be snatched, and once snatched was liable to be batoned and booted into unconsciousness. These riots lasted a week, and the word went out to take the pressure off the people of Ballymurphy. That night there was a riot in Ardoyne. After several nights up there the venue was changed to the New Lodge, then back to Ballymurphy. It was harassment of the troops, pure and simple, but so far not a shot had been fired in a Nationalist district either by or at the British Army.

My personal relationship with the British Army in the winter or 1969 and the Spring of 1970 was nil. They were like telephone poles or cracks in the sidewalk. They were there. It wasn't going to make any great difference to me if they stayed or if they went. I was still going to be going to work every morning and making soup on a Saturday night. Nobody was denying me my rights, and as long as they left me alone, Irish or British, Catholic or Protestant, Republican or Unionist, I was willing to accept the status quo.

Then came the Falls Road Curfew in May of 1970. The story that I heard was that on that Friday afternoon the soldiers had raided a house in Servia Street where a young girl who had died of leukemia was being waked. They said they were acting on information received and they came in and looked around. The distraught parents resented this and ordered them out, and since they had found no weapons, the wise thing would have been to leave. But before they went, they wanted the names and addresses of the people in the house. This was just a bit too much, an a shouting match ensued, and stones were thrown at the soldiers and they fired CS gas, and before anyone really realized what happened, a full scale riot was in progress. As word came up the road, people flocked down to join in, and more troops were called and things just got worse and worse. When I heard about it I walked down to see if I could find my husband. He and his brothers used to take their father down to Walsh's bar on the corner of Clonard Street every Friday night after work for a few drinks, and since my father-in-law only had one leg and was unable to get around very well, I was going to tell them to bring him to our house, just in case the trouble got worse. But when I got up to Walsh's, the barman was out boarding up the windows, and he told me that my husband and his brothers were down in the middle of the melee and that they had put their father in a taxi and sent him home.

The road was like bedlam. Men were digging up the pavement to use as ammunition (we were still fighting with stones and petrol bombs), cars and lorrys were being parked across the road, women and children were running around crazily with nowhere to go. I spotted my husband and his brothers walking up the road and I went over to find out what was going on. As we were talking a man ran past with a baby in his arms, maybe a month or two old. It was like clay, white, almost blue, and it was completely limp. He was crying and shouting that the soldiers had thrown a CS gas canister into the front room of his house where the child was sleeping. We told him to get up the road to the hospital, fast. I personally thought the child was dead, but I never heard any more about it, so I guess I'll never know for sure. We went out into the middle of the road and looked down the Falls. It looked like the battle of the Bulge. The army was lined across the road with saracens and pigs and jeeps. They even had a flame thrower. All they needed was John Mills or Trevor Howard to come up and yell "for Queen and country."

The curfew and the deaths that occurred because of it (not one of the four people shot by the British army that night was ever connected to the IRA or any other organization) could have been prevented had the British army pulled down the road. But they used a pincer movement and began to throw CS gas from the Springfield Road corner. We got the hell out of there fast.

We were not curfewed that night since we lived on the Springfield Road and it was only the streets which ran onto the Springfield that were affected. But I took my first physical action against the British army that night. We piled the furniture against the front windows and lay our mattress on the floor in case a bullet should come through the front of the house. Then I went down to close the big front door. In the little hallway a British soldier was crouching. We could hear gunfire now, some from the street opposite ours. The thought of him drawing fire on our place made me mad. I yanked open the inside door, told him to get the hell out and slammed the street door in his face. Somehow I felt I had evened the score for that baby.

After that the situation deteriorated rapidly between the Nationalist population and the British army, and also between myself and the British army. Their pleasant "good morning, ma'am," changed to "bloody Irish whore." This delighted me no end. It proved they were really dumb. They didn't even know I wasn't Irish. I didn't want to stand out in any way from the rest. I wanted to be just like them.

After that life seemed to evolve into a series of riots and shootings and bombings. The IRA had started a bombing campaign in the center of the town where I worked, but that didn't really scare me. They always gave a warning, and I wasn't stupid enough to stick around to see the blow up, which was why a lot of innocent people got hurt. The riots didn't really bother me either. One didn't get hurt if one wasn't there, and I made a special effort not to be there. The shootings were another matter. Many times I had been told to clear the streets by a passing man or woman, and I knew the IRA were about to shoot at the soldiers.

By when the soldiers shot back they didn't have the same consideration. And if anyone got killed who couldn't be labeled IRA (two year old kids and 80 year old women being the only exceptions), the IRA always got the blame anyway. But I didn't like the British army using me as a shield. This was a special habit of theirs. They would walk down the road behind a woman, or a kid, or if they were lucky enough to find one, a woman with a pram, knowing the IRA wouldn't shoot. It was easy enough to get out of their way by ducking into a shop or turning a corner, but it was a very eerie feeling to know this clown was behind you with a gun and somewhere another clown with a gun was waiting for you to get off side so he could shoot.

We moved that October to a little house in the Clonard district. It is very hard for someone who has never been in Belfast, or more specifically lived there to understand the parochialism they feel about their little ghetto's. Each district has its own history and its own local characters and the people who live there are proud of themselves and where they come from. I spoke different and I thought different and my background was different, but the people in Clonard proved to be really good friends. We shared a lot together in the three years we lived there.

One Saturday morning in the spring of 1971, I woke up to hear a commotion in the street. I went out to see what was up and was told that two men on their way to work had been shot on the Springfield Road, and one of them was dead. A soldier on sentry duty had mistaken the backfiring of their van for a shot and had returned fire.

I wasn't a trained soldier and I could tell the difference between a shot and a backfire, but I wanted to know first whether any weapons had been found. It wouldn't be the first time the IRA had shot at a police barracks from a passing car. To do it on a Saturday morning when there was little traffic was suicidal, but some of the younger boys in the IRA were inclined to be a bit foolish sometimes. So me and some of the neighbors went down to the barracks to see what was going on. There was a small crowd standing around, and someone had built a wee altar in the road where Henry Thornton had died. The people who had seen the whole thing were telling everyone what had happened, that no weapons had been found and that there had been no gunfire from the van. But the British army didn't like to admit to a mistake. It was over a year before the inquest on Henry Thornton was held and it was established that he had been shot by a sentry who had mistaken a backfire for a gunshot. The result of the inquest was buried in the center of the newspaper, and I guess there are still people who believe the man got his just desserts for firing a shot at the army. The man with him was another story.

The soldiers knew from the very moment they surrounded the van that neither man was armed. Yet they hauled this man out and beat him to a pulp. As we stood at the barracks they brought him out to take him to the hospital. His arm was broken and the bone was protruding through the skin, his eyes were swollen shut, and one of his eyeballs was bumping against his cheek as he walked, hanging against his face by a thread. He later sued the RUC and the army for damages, but they provided a slew of witnesses to testify that his injuries were sustained by a fall in the barracks, or some other such nonsense.

After that the British Army could do no right in my eyes. I went around to the shops one Wednesday afternoon and they were lined across the Springfield, their backs turned to the workers from Mackie's foundry, Loyalists to a man, who were throwing bolts at some school kids who were home for lunch. Of course the parents went out and started to throw stones back, the British troops fired CS gas and rubber bullets and we had another riot on our hands. As I was going back home I saw three young girls armed with hurls beating on a British soldier they had cornered in the doorway of a shop. His head was split open, and he was trying to protect his face with his hands. The girl's faces were contorted with hate, and I began to shake when I realized that I hoped they'd kill him. What a horrible way to feel, happy to see another human being suffering.

Internment arrived. Several months prior to this, Ian Smith of Rhodesia had interned a young woman named Judith Todd because of her outspoken opposition to apartheid. She went on hunger strike, was forcibly fed, and was soon released after agreeing to some ridiculous terms to make Smith happy. And the British politicians roared with righteous indignation. Smith was a barbarian, a megalomaniac, he must be taught that in this day and age such things as internment and force feeding would not be tolerated by the free world. Do as I say, not do as I do. On the 9th, August, 1969, over 400 men were rounded up from all over the 6-Counties and tossed into prison without charge or trial. Some they tortured, some they released, some are still being held. It didn't stop the violence, it didn't end the war, it didn't defeat the IRA. All it did was drive thousands of people who could have cared less about the reunification of Ireland straight into the arms of Republicanism, hundreds of young men and women into the ranks of the IRA, and ended the Stormont government.

We women had a very active role to play after internment. Any man was liable to be picked up and arrested, and when the army came raiding and couldn't get the man they wanted, they'd just lift anyone they could get their hands on. So we went out on vigilante duty, patrolling our districts with whistles and garbage can covers to raise a din if the army tried to raid a house. We were not to attack or molest the army in any way, just harass them with noise, and warn the men that they should get out of the area if possible.

The bin lid brigade were experts in their field. You can't imagine the din as metal bin lid met cement pavement accompanied by a continuous blowing of whistles. At night the noise would carry all over the city, and if we stopped banging, we could hear the lower falls or Beechmount, or the Whiterock as they took over. Then they'd stop and we'd pick it up again. It drove the soldiers nuts. Not only were we preventing them from arresting anyone, we were threatening their hearing and their sanity as well.

It had a twofold purpose. It warned the men to get off side, and it relieved a lot of the tension and frustration of living in such an unstable environment. Ever want to punch a wall or kick a door. Well this was the same thing, without any physical damage to ourselves aside from a headache, of a good drenching if it was raining.

The British army must have thought we were more of a hindrance to them than we thought we were. One night in Oranmore Street they opened up and fired a few rounds over our heads as we knelt in the street banging away. The olympic selection committee missed their chance that night. I didn't know I could move as fast as I did. We all piled into the nearest house and stood shaking like leaves, still not believing it had really happened. The street outside was like a cemetery at midnight. Someone opened the door and we peeped out. The soldiers were still there, and the women who had run to the opposite side of the street came out and began to bang on the pavement again. We laughed at our own nervousness and moved out toward the road. There was one shot, a scream and a lot of shouting. I would love to say I was terribly brave, but I ran like hell up the nearest entry and straight into the biggest, broadest, meanest looking soldier that ever lived. (He could have been two-foot three and weighed twenty-seven pounds soaking wet, but that was my impression at the time). I prayed my end would come quickly, but he set me on my feet and I ran off again, not stopping until I was inside our house.

Shortly after that Maura Meehan and Dorothy Maguire were shot dead as they toured the Lower Falls in a car equipped with a siren to warn the residents that the army were raiding. At first the army said they were women dressed as men, and had been firing at the troops. Then they were men dressed as women (makes one wonder how the English ever manage to procreate if they have such difficulty telling the difference), then they were women dressed as men again. But the media, usually quite willing to go along with any story the British army told, ruined their little game for them. They printed a picture of the two dead women, Maura with her bright yellow hair matted with blood, which also saturated her very feminine looking tunic top, and Dorothy with her long brown hair and a brown print blouse. So the army gave up on that story and maintained that their men had been fired on from the car. Forensic tests proved otherwise. No shots were fired from the car, and none of the occupants had handled a weapon. But the truth didn't really matter. The two women were dead, and Maura was a neighbor.

Bloody sunday was next. The murder of those people and the coverup that followed was disgusting, and nobody who calls themselves a human could excuse it. After it, I wanted very much to join the IRA myself. But I realized that I would be more a hindrance than a help, my accent would make it impossible to blend in with everyone else if the army were to come looking for me, and it wouldn't be fair to me or the movement to use it only to get revenge not for the men who died in Derry but rather for my total disillusionment with everything I had been taught from childhood to believe in.

One Sunday afternoon as I was working on a jigsaw puzzle with the little kid from down the street, I looked out the front window and saw a lot of people passing. At first I thought something was up, but when I went to the door, there was no trouble and the girl next door who had also come out to the door said there had been a special mass at Clonard Monastery for the young men's confraternity. I noticed a pig turn the corner but paid little attention as the soldiers passed the door about every fifteen or twenty minutes on regular patrol. I went back inside and saw the pig pull up outside our door and soldiers jump out and take up positions.

This was also pretty routine. They used to do this all the time, hiding in bushes and behind fences, and when everyone in the street would come out to see what was up, they'd get into their vehicles and drive off, leaving everyone bewildered. It served to keep the adrenalin flowing, theirs as well as ours I guess.

But this time it wasn't exactly routine. As Jim Gorman, the kid, and I sat staring like we had seen the Martians land, two soldiers tore through the front door and toward the back of the house, one going up the stairs and the other out into the yard. Two more rushed in after that with a might clatter of their boots and shouting. I grabbed Jim and held him under one arm and in the other I held the dog, fearing he'd run out in the street. They never spoke to me or the kid. I had heard about them "planking" gear in a house to have an excuse to arrest someone, so I went into the back room to keep an eye on them. They were poking through the coal hole and the kitchen cabinet. I knew there was nothing for them to find except a few copies of the Republican News and the Tattler, but there had been people arrested for less, and I didn't relish the thought of even being questioned by them. I knew they couldn't hold me, but it wasn't me I was really worried about. If Joe, my husband came home from work and found I'd been lifted, he might have done something rash, like started a fight at the barracks or something. So I figured I'd get their attention before they found the papers which were stuffed under the chair cushions in the parlor. I began to scream. Not tiny little feminine screams, but gigantic huge horrible screams, wails, screeches. The kid looked up at me as if I had lost my mind, and the two soldiers looked at me with some confusion.

Outside a crowd had gathered as it always did when the soldiers were raiding, and when they heard this horrible caterwauling they were convinced I was being beaten, raped, murdered. An officer came running in, waving his pistol around, took one look at me and demanded to know of his men what they had done on me. They shrugged helplessly and said they hadn't touched me, which was true. But I was rather enjoying the whole thing now. I continued screaming while the officer threatened, soothed, cajoled, did everything in his power to shut me up. But I knew I had the advantage. We took a step forward, his hand extended as if to comfort me. I cringed, the dog growled, and Jim's mother came running in. Naturally she assumed he had hit me, and she laid into him, telling him I was an American citizen (I forgot even to tell them that), and that he had no right to touch me. Looking at it now, it was pretty funny. This poor guy was stuck between the two of us, his men looking at him for some sort of action, and he looked so helpless. He ordered Mary Gorman out of the house, and as she went, at rifle point, one of the soldiers hit the kid in the back of the head with a rifle butt. That made the crowd outside even madder. Meanwhile I was still screaming like a banshee, and the officer offered to get me a doctor, a priest, and finally wanted to take me to the barracks to file a complaint against him and his men if I wished. The look on his face when I stopped screaming, straightened up and very calmly told him I wanted nothing but for him to remove himself from my house was beautiful. He knew he'd been had. For some reason he didn't want to press the issue. Whether it was my nationality or the impending riot outside that stopped him I don't know. They left, throwing a warning that they'd be back, but they never did. I went down and complained at the American consulate the next day, not about the raid but about the kid being hit. The consulate was falsely sympathetic, and Mary Gorman never heard anything about it, but for me that was the highpoint in my relationship with the British Army. For weeks afterward the folks in our street called me Sarah Bernhardt.

My husband began considering our move back to America after that. He had promised my father that he wouldn't let anything happen to me, and it was getting increasingly difficult for him to keep that promise. The assassinations were getting worse, twice gunfire had raked our street from the Loyalists, and I had narrowly missed getting it coming home from work one night when snipers fired on an army vehicle that had been passing the car I was riding in. I didn't want to leave, however. But Pat Crossan's death changed my mind. Pat Crossan was a bus driver, like my husband, and he was very active in community affairs in Ardoyne. He was doing Shankill's one Wednesday afternoon when two boys got on the bus, shot him dead and took off. Joe's bus was the next one up the road, but before he could leave the city hall he was told to take the bus to the depot, all buses were called off. I knew nothing about this at the time. Wednesday was my day off, and after cleaning the house and putting the dinner on, I had sat down to do some knitting, knowing Joe was due in soon. But the people in the street heard there was a busman shot dead, and they were at their doors. God love them, they decided not to tell me or Betty across the street, her husband Christy was on the buses too. They knew I tended to be a little hysterical as far as Joe was concerned, especially since he had once lost a bus at gunpoint to hijackers, and been shot at coming home from work, and I would have probably gone berserk had I known. When he came in he was white in the face. All he said was "It was Paddy Crossan". I said "What was Paddy Crossan" and he told me the story. But his sister, on her way home from work had been told it was a big guy called Joe Mc something, and she came in nearly in tears, sure it was my Joe. Then his brother Dessie came in to see was it Joe, and later that night a few friends stopped by, and I began to realize it could have been Joe. He never told me until we were here in America that Paddy Crossan and himself and a few others in the Ardoyne depot had been told there was "one with your name on it."

It was a tribute to the people of Belfast that Paddy Crossan's funeral was attended by almost every bus driver in the corporation, a lot from Ulster bus and some from the CIE. Paddy was a Catholic, but all of the men went to his mass, and marched down the Crumlin road behind his coffin, intending to escort it all the way through the town and up the Falls to Milltown Cemetery. On that day they were busmen first, Protestant and Catholic second. They all knew how vulnerable each of them was. There was nothing to stop gunmen on either side from repeating Paddy's murder if they wanted to start a tit-for-tat killing spree of Catholics and Protestants.

But half way down the Crumlin, Loyalist women blocked the roads and called Paddy Crossan all kinds of a Fenian Bastard. He who had driven up and down their road for years bringing them to and from work and shopping. Now he was a Fenian Bastard. Instead of being ashamed of what had been done to him on their street, they booed and catcalled and threatened the Protestant busmen with retribution for attending a Fenian funeral. Such is the mentality of the Loyalists. But the British Army, true to their own, told the busmen they'd not be able to protect them and they had to climb on the buses instead of paying Paddy the honor of walking "all the way".

Months later we boarded a plane at Aldergrove. I left in tears, cursing the soldiers and special branch who searched us as we left. Joe had to practically drag me onto the plane as I had worked myself up into a good state, screaming that I couldn't go as they would murder everyone. They's done their damdest.

Mr. AMBRO. Mr. Speaker, it was a pleasure to have an opportunity to participate in Chairman Wolff's prehearing forum in New York last October concerning human right in Northern Ireland. At that time, those Members of the New York delegation who were present heard a sad chronology on the situation in Northern Ireland. Mr. James V. Callaghan, Jr., delivered a thought provoking statement on American involvement in Northern Ireland. With no intent to endorse or condemn any of the testimony, I simply present his testimony for the Record and call it to the attention of my colleagues:

American Involvement in Northern Ireland

Testimony of James V. Callaghan, Jr., Wednesday, October 15, 1975, 26 Federal Plaza, New York City

I'm here today to put to rest the myth that the Government of the United States is not involved in the problems of a place called Northern Ireland. We, in this country, and particularly in New York City, have for the past few years been bombarded with public statements, press releases, and official handouts from the British Information Service telling us that the fight for freedom and independence in six of Ulster's nine counties is a matter wholly within the jurisdiction of the United Kingdom. We are usually told this when the question is raised as to what the solution is to fifty-five years of discrimination against a minority of six hundred thousand people. We are told that the separate entity created by gerrymander in 1920 lies solely within the jurisdiction of Great Britain. We are told in this country, that Americans "should not get involved" in dealing with a solution to this problem. The loudest voices of the "non-involvement" forces come from government agencies in Washington, who are very much involved but who are—unfortunately—on the side of the oppressor.

The facts are clear for all those who wish to have an understanding of the problem. The facts are that Washington has been a willing partner in the subjugation of the people in the six counties. The involvement may not be as blatant as in other parts of the world. We do not read in *The New York Times* of Henry Kissinger flying to Belfast and back to London and back to Washington. There is not much said of the involvement of the C.I.A., or the harassment of Irish-Americans by the Justice Department, or of the denial of visas by the State Department to Irish Republican spokesman who seek to come to America to present their side of the picture. There is little written of the training of eight hundred British Marines in Camp LeJeune in North Carolina, courtesy of the United States Marine Corps.

We do not read much about the Navy Base in Derry, or about the approval given by the President of the United States for the withdrawal of four thousand NATO troops from Germany to be stationed in the six counties, in every sense of the word as an occupying army. The propaganda seems to have been doing its job. At a recent forum held in New York City for presidential candidates, a question was asked of one of the aspirants as to what America's role should be to get itself un-involved in Northern Ireland. The answer to the question was, quite simply, "That's a problem for the British to solve, I don't think America should get involved." This answer came, of course, after a full explanation of exactly what the American presence was.

There is no need for me to tell this group of the American involvement all over the world. I know you are familiar with the amount of money our country spends on foreign aid. I am sure you are familiar by now with the operations of the Central Intelligence Agency. We all know the role that we have played in areas such as the Middle East, Indochina, Korea, Spain, Greece, South America, Portugal, Cuba, Panama, India and Pakistan. Involvement in other countries is not something new to America nor is it something that I am proclaiming to be justified in every case. I am not here to plead for American troops to be sent to the six counties of Ulster, nor do I expect Congress to solve the problem. I am here to ask that this Government use its good offices to attempt in its way to do what the British have failed so miserably to do for the past eight hundred years.

It should be apparent to any student of history that the solution that Britain has tried to impose is no more valid today than it was in 1920 or in 1798 or in 1866. It should be apparent that Britain has never been interested in seeking a fair and just solution. Britain has given the minority a murderous army in the streets, internment without trial, torture of political prisoners and denial of civil rights and civil liberties. Britain has shown that they are interested in one thing: propping up a small group of hard line Unionists politicians and businessmen. Propping them up so that they can exploit both the Protestant and Catholic working class of Northern Ireland.

We are approaching a 'Doomsday' situation, which can only mean massive bloodshed on both sides, with no final solution. The ghetto dwellers of the Falls Road, Ballymurphy, and the Bogside will once again be subjected to the terrorists of the British Army, the paramilitary organizations and the hoodlum police force. Once again we will see reports on television of fighting in the streets, of bombings and shootings and the murder of unarmed civilians.

As in the past, Americans will turn to each other and bemoan the fact that Catholics and Protestants are fighting over religion. You will have the three-minute spots on the national networks, the superficial reporting by the wire services. *The New York Times* will serve up slanted articles telling us that religion is the major factor. We will not be told that it is a deliberate policy of sectarianism by the British Government that nas caused the working class to be divided. We will not be told that it is a complete lack of any semblance of human decency that causes people to join freedom-fighting organizations. There will be no one to tell the stories of the atrocities committed on prisoners who have been stashed away in concentration camps. In fact, we will read virtually nothing about the day to day lives of people who have been invaded by a foreign country and have been left to the whims of a government in Dublin that has completely abdicated any responsibility for protecting other Irish citizens.

The minority in the Six Counties in fact, have no one really, to speak for them. The Government of the Republic of Ireland claims no jurisdiction. They have said repeatedly, they will not come to the aid of the minority if civil war breaks out. Yes, the minority have spokesmen on the local level. They have spokesmen in the few cities left with large Irish populations—Boston, New York, Chicago—but they have no spokesman on an international scene. There is no one to bring their case to the United Nations. Documented instances of torture have never gone before the Human Rights Commission. There has been no public tribunal for those beleaguered nationalists to come and tell the world what Britain has done to their country. No major newspaper has correspondents permanently stationed in Belfast; most of the news is covered by wire services which get handouts from public relations attaches traveling with the British regiments.

The appeal for American peace-making intervention must be on a humanitarian basis, to show the American people what Britain has attempted to thrust upon its neighboring country. I will not give you detailed accounts of the injustices that have been an integral part of the Government of Northern Ireland since 1920. I will not cite chapter and verse of cases of torture, murder and discrimination. You will hear that in due course. There are others who are capable of telling you just what those cases are.

Perhaps the most glaring example of how the Government of Great Britain has divided the working class of Ulster was demonstrated last year when the Unionist para-military organizations called a general strike, a dramatic demonstration of the strength of the Unionists and their friends. The entire province was virtually shut down by a strike of the Ulster Workers Council. The television cameras showed us a demonstration dominated by bigots, the same people who called a halt to the Government while the British supinely surrendered to a lawless mob and brought down a Government which was supposedly devoted to power-sharing, the only hope for a reasonable temporary solution. From then on, neither the Government of Britain or Dublin seemed to have a real solution. As of today, there seems to be nothing than can avoid a genocidal 'Doomsday.'

It is ridiculous for anyone to say that our Government is not involved when the facts clearly show that we are.

Can America stand by while the British, who claim to be a democracy, have given the people of Northern Ireland the following Emergency Powers Act:

1. Arrest without warrant
2. Suspension of the writ of habeas corpus
3. The denial of a right to an attorney for up to 72 hours for questioning
4. The suspension of trial by jury
5. The right of the British Army to enter and search a home without a warrant or without just cause
6. The arrest of people merely on suspicion of being members of "illegal organizations"

Is this what the Bicentennial should be celebrating in a country that we have always felt close to? What would we say to Benjamin Franklin and to General Richard Montgomery and to John Barry? Shall we say to them that the very same place that drove them into the ranks of the Continental Army is the place where persecution still prevails?

Shall we say to them that the country whose independence they fought for now supports the same colonial powers that sought to keep America under its Empire? Are we willing to stand by on the 200th Anniversary of our Independence and Freedom and let six hundred thousand people be lead to a slaughter? I think not.

Surely we cannot let this happen. If we had two next door neighbors or two friends and one was setting fire to the other one's house, would we let it happen? Would we say we could not become involved? Would we not attempt to stop it? Both Britain and Ireland have close ties to this country. The Government in London and the Government in Dublin have diplomatic relations with Washington and have, in fact, been allies on the side of many causes. We share a common interest in seeing peace in the Middle East, we shared the same interest when we fought the concentration camps of another generation, and another dictator who thought the solution to the world's problem was to eliminate one race. Next year, exchanges will be made between students in Britain and the United States. I have been told that even the Queen herself will be visiting with the President and, no doubt, they will sit and talk about the glorious traditions of the United States and the British Empire.

The "glorious tradition" of Britain however, has never existed in the country of its closest colony. Where are the glorious traditions of liberty and equal justice under the law, the glorious traditions of the Magna Carta which told us seven hundred years ago that no man could be found guilty of a crime except by a jury of his peers? Where is America's glorious tradition? It is seeing to it that our friends can come together and work out a reasonable solution. This does not require massive sums of money, it does not require a commitment to send arms or equipment or military advisors, or a commitment to send observers, or C.I.A. agents, or our latest nuclear weapons. All it really requires is the good will of the American people once they have been presented with the facts. It is the responsibility of Congress to launch a full scale investigation into the last seven years, the concentration camps, the American involvement in that part of the world, indeed into the entire sordid history of British involvement in Ireland. When the facts are known and told to all of us. Congress will no longer be able to say that America should not get involved. The American people will be *demanding* that we at least cut off our present involvement if not proceed with an active peace-keeping role, either through our own Government or through the United Nations.

It has been written that those who do not learn from the mistakes of the past are doomed to repeat them. Never has this been more true than in England's dealings with Ireland.

It is, as John F. Kennedy said, not so long ago: "Those who make peaceful evolution impossible make violent revolution inevitable." And it has been England, through the years, who has made peaceful evolution impossible.

They can hardly justify their moral outrage at the consequences.

Mr. DOWNEY of New York. Mr. Speaker, on October 15, Congressman LESTER WOLFF conducted a Pre-Hearing Forum on Northern Ireland in New York City. I submit the following testimony of Thomas A. Holman, an Irish-American Legal Aid attorney, for the RECORD.

The testimony follows:

STATEMENT OF THOMAS A. HOLMAN, OF IRISH-AMERICAN LEGAL AID AND ATTORNEY FOR BALTIMORE FOUR TO PRE-HEARING FORUM ON NORTHERN IRELAND, COMMITTEE ON INTERNATIONAL RELATIONS

Mr. Chairman, my name is Thomas A. Holman, and I am speaking in behalf of the Irish-American Legal Aid Fund. I am an attorney practicing in the State of New York. My testimony today will largely concern itself with the prosecution by the United States Government of a group of four Irish-Americans who are known as the "Baltimore Four". I represented these men as their attorney in the United States District Court for the District of Maryland and the United States Court of Appeals for the Fourth Circuit and presently in the Federal District Courts in Pennsylvania and Connecticut. While these men are, perhaps, not as well known to this Committee as another group of Irish-Americans, the "Fort Worth Five", again the same question is raised by the treatment of the "Baltimore Four". Are all the people of this country treated equally and fairly by the United States Government as guaranteed by the Fourteenth Amendment to the United States Constitution?

The "Baltimore Four" were charged with violations of the Gun Control Act of 1968, which included their attempt to ship arms for the protection of their Catholic brethren in Northern Ireland.

James Conlon, one of the Four, is a resident of Queens County, New York. He is married with four children. His helpless people were being firebranded in their Belfast ghetto homes and he sought to help them in their frightened plight. In doing so, he violated our laws. His co-defendants, with similar motivation, were Henry Hillick, Francis M. Larkin, and Kieran F. McMahon.

You may recall that it was the Federal Court in Baltimore that granted amnesty to former Vice President Agnew in 1973. Other Federal courts have handed down sentences ranging from six months to one year for a group of individuals involved in a scandal which rocked the Nation and brought down the National Administration. The Federal Courthouse in Baltimore saw these four Irish-Americans sentenced to six years in prison while New York Federal Judges, passing sentence on individuals who similarly violated the law, placed convicted men on probation.

"You are not criminals in the true sense of the word", said Federal Judge Edward S. Northrop, the Chief Judge of the District. "Your motive", he continued, "was to help people who you felt under the circumstances, needed help, namely, the Catholics of Northern Ireland, and you appear to be ordinary human beings with good instincts."

This truly revealing evaluation and insight on the part of the Federal Court might have suggested treatment at least equal to the concern shown for 18 White House men whom no one has yet ventured to credit with "good instincts". Judge Edward S. Northrop, however, proceeded to condemn them each to six years in jail.

After leaving the District Court's jurisdiction on July 9, 1974, these men entered prison at the mercy of the Department of Justice's Bureau of Prisons. Mercy they were not shown in July of 1974. Their case was certainly not regarded as a case similar to the "Watergate" group when a truly sympathetic Department of Justice sent their former colleagues to the most pleasant confinement, suggestive of a country club, and close to home and loved ones. For the four Irish-Americans, their sentence was separation and to the most dismal penal institutions in this country—the maximum security penitentiaries of Leavenworth for Conlon; Terre Haute for Hillick; Lewisberg for Larkin; and Atlanta for McMahon—all far from home, family and friends.

This part of their story has an encouraging chapter as Conlon was transferred after six months of maximum security incarceration to Lewisberg at least close to his wife and children; Hillick and McMahon after eight months were transferred to Danbury. Still, the memory of Krogh at the Allenwood Farm, Dean in Lampoc, California; Colson at Ft. Holabird; and Spiro Agnew walking out scot free lingers in the mind.

The unmerciful nature of the confinement of the "Baltimore Four" has not been their only extra-judicial punishment. Mr. Conlon received a visit from Federal Alcohol, Tobacco, and Firearms special agents who suggested that deportation was soon in order for him. The agents told him that he could win freedom from deportation by cooperating with the Attorney General. After telling the agents that he chose to serve his sentence out quietly, he was presented two days later with a Notice from the Immigration and Naturalization Service informing him that he was under investigation for possible deportation to Belfast. Mr. Hillick, also a native of Belfast, has been presented in prison with a similar notice from Immigration and Naturalization Service indicating that he too, would be deported to Belfast. This would be a death sentence for both of them.

Then sometime later, after transfer from maximum security to medium or minimum security penal institutions, which I should add, happened as a result of the outcry of concerned members of Congress and of many concerned citizens, all four were classified by the Bureau of Prisons as "special offenders". Recently, the Second Circuit Court of Appeals held that on virtually the same set of facts, classification of a "special offender" without notice or a hearing is violation of the due process rights of a Federal prisoner. To this date, I have not been told in my capacity as their attorney of record why this special offender classification was necessary, although inquiries on the subject have received the uniform answer that the "only reason" was to administratively assure separation from a "co-defendant" who was in prison in Oxford, Wisconsin.

Notwithstanding the logic of this assertion I have been puzzled by the fact that the Oxford, Wisconsin prisoner in question has been free on probation. Regretfully, the special offender classification so capriciously imposed may delay or jeopardize the speedy parole of these men. For the moment, the men are denied access to certain programs in their respective institutions and have the uncomfortable feeling that they have been singled out for this special treatment only for political purposes and further establishing the validity of their claim that they are political prisoners.

While in no way can these injustices be taken lightly, I would like to briefly turn to the larger international question presented by the prosecution of these men under the Gun Control Act of 1968.

The integrity of our laws has been upheld by the conviction of these men, and under our judicial system, we are a nation *ideally* of laws equally applied to all. However, there may be a greater international truth. It was Aristotle who told us that the chief and universal cause of the revolutionary impulse is the desire for equality. We find revolutionary impulses in many parts of the world today which often arise from the desire for equality.

American arms are frequently involved probably on both sides of these conflicts but our laws do not apply equally to people on both sides. The reason is not just the military aid programs of the United States or the general availability of United States' arms. The reason involves a whole complex of actions by our government that makes American arms often available to a government in power and indeed to others if they are clever enough to obtain them here or abroad, but that revolutionary forces must act at their peril. At times, it is often unclear to the observer of swiftly unfolding worldwide conflicts why the United States chooses to support the side it does. It is somewhat clearer that the United States Government in taking the side of the British in the Northern Ireland conflict has also a foreign policy objective in prosecuting Irish-Americans who take a different side.

The use of the criminal justice system to carry out foreign policy objectives is not consistent with the rights guaranteed to Americans in The Bill of Rights. The Baltimore Four, given harsh sentences and unfairly treated while incarcerated, are another example following the case of the "Fort Worth Five", in a very short period where our American foreign policy seems to be carried on the backs of government prosecutors, prison officials, and others in the criminal justice system. The result in this case has been that equal justice under law has been set aside for these four men.

In conclusion, I suggest that nothing has been accomplished by the treatment accorded the Baltimore Four except to give Irish-Americans and fair-minded Americans everywhere in this country reason for believing that there is a dual standard of justice that can be only explained by making reference to the apparent efforts on the part of the United States government to carry out their foreign policy objectives on the Irish Question.

Mr. GILMAN. Mr. Speaker, I welcome this opportunity to join with my colleague from New York (Mr. WOLFF) in this special order on Northern Ireland.

On October 15, in New York City, our ad hoc committee on the Irish question, chaired by Congressman WOLFF, conducted indepth prehearings at which we gathered extensive information and testimony.

In keeping with our policy of gathering all relevant testimony, I am submitting the statement presented by Mr. Denis Cassin, the national organizer of the Irish Republican Clubs of the United States and Canada at the prehearing held in New York.

Mr. Cassin was held as a political prisoner on three occasions in Ireland and his testimony relates his experiences as a political prisoner while incarcerated in the Crumlin Road Prison in Belfast and the Long Kesh Concentration Camp, County Antrim, Northern Ireland.

Mr. Speaker, in the interests of providing a full disclosure on this important issue, I include Mr. Cassin's testimony as a part of today's RECORD:

Submission by Irish Republican Clubs U.S.A. and Canada, on Northern Ireland to U.S. Congressional Prehearing Forum, New York, October 15, 1975

(Denis Cassin)

I have been asked to give evidence to-day on the conditions of political prisoners in Northern Ireland. I qualify to speak on this subject by having been held on three separate occasions in both Crumlin Road Prison, Belfast, and Long Kesh Concentration Camp, County Antrim, Northern Ireland, under the notorious Civil Authorities Special Powers Act, 1922.

I spent 10 months in Long Kesh Concentration Camp from 9th. August, 1971 to the 6th June, 1972 without ever having been charged with a crime or being brought before a court of law. When I was released from Long Kesh there were still approx. 1,000 men and boys held in the camp without charge or trial. To-day there are 196 internees, approx. 30 detainees (this figure varies from day to day), and approx. 1,000 sentenced prisoners (male and female) held in Magilligan and Long Kesh Concentration Camps and in Armagh and Belfast prisons.

The words "concentration camp" is a very emotive phrase and brings forth images of Nazi Germany. I consciously use the term not for emotive or propaganda purposes but because in effect the British "detention centres" in Northern Ireland are concentration camps. Some of the Representatives on this panel have visited Long Kesh and should be able to verify the description I am about to give.

Long Kesh Concentration Camp was hastily built in 1971 on a disused World War Two airdrome. It is located 13 miles from the City of Belfast. The perimeter fence is made from corrugated iron 12 feet high and topped with barbed wire entanglements. On every corner of this perimeter fence there is a high gun tower manned by soldiers of the British Army armed with high powered rifles. Fifteen feet inside the perimeter fence there is another fence 10 feet high made from interlocking steel. This fence is also topped with barbed wire entanglements and the corridor created by these fences is patrolled constantly by armed British soldiers accompanied by German Shepherd dogs.

The interior of the camp is divided into rectangles 60 yards x 40 yards each surrounded by interlocking steel fences 10 feet tall and topped with barbed wire. There are four mission huts in each of these rectangles and these house from 80 to 100 men. The political prisoners call these rectangles, cages and that is what they are—cages for human beings. The center of the camp is dominated by a tower some 40 feet high which has a searchlight—more powerful than the searchlights on the perimeter towers—which can sweep the whole camp. This light sweeps back and forth over the camp all night.

The prisoners—some of whom do not belong to any political or para-military group—are subjected to constant harassment by the British Army in the form of searches which can mean standing with your face towards the cage fence for up to seven hours as the soldiers wreck the huts as they "search". In some cases prisoners have been severely beaten. At least two prisoners have lost an eye as a result of British Army beatings in Long Kesh. Numerous others have received broken and fractured limbs at the hands of British soldiers unleashed on defenceless men and women in both the camps and prisons of Northern Ireland.

There is practically no medical attention for the prisoners and two have died in Long Kesh because there was not a doctor available. Another young man took his own life in Long Kesh. To my knowledge there is no dental care at all for the prisoners, in the 10 months I spent in Long Kesh I never heard of a dentist visiting the camp. There is no library, no educational facilities and very little sports facilities, and those that do exist can be withdrawn by the camp commandant as a form of punishment. The men and women are expected to vegetate in their leaking huts and hopefully the over crowding will make them get on each others nerves. Have no doubt about it, Long Kesh is a concentration camp in every meaning of the words.

Long Kesh Concentration Camp is only one of the horrors facing anyone arrested by the British Army or the Royal Ulster Constabulary in Northern Ireland under the new Emergency Provisions Act 1973. Torture is being used every day by the British aggressor in Northern Ireland. The Universal Declaration of Human Rights and the International Convention on Civil and Political Rights are being violated at this moment by the British in Ireland.

Some of the torture methods are as follows:

1. Placing a man in the "search position", single finger of each hand to the wall, legs well apart and well back, on the toes, knees bent, for prolonged periods.
2. Heavy punching to the pit of the stomach to a person in the "search position".
3. Kicking the legs from under a person in the "search position" so that person falls to the ground, banging head on ground or wall.
4. Beating with batons on the kidneys and on the privates in the "search position".
5. Kicking between the legs while in the "search position". This is very popular among the R.U.C. officers and they often do it for periods of half an hour or an hour.
6. Putting a man in the "search position" over a powerful electric fire or a radiator.
7. Stretching a man over benches with two electric fires underneath and kicking him in the stomach.
8. Rabbit punching to the back of the neck while in the "search position".
9. Banging the head against the wall.
10. Beating the head with a baton in crescendo fashion.
11. Slapping the ears and face with open hand.
12. Twisting the arms behind the back and twisting fingers.
13. Prodding the stomach with straight fingers.
14. Chopping blows to the ribs from behind with simultaneous blows to the stomach.
15. Hand squeezing of the testicles.
16. Insertion of instruments in the anal passage.
17. Kicking on the knees and shins.
18. Tossing the prisoner from one officer to another and punching him while in the air.
19. Injections.
20. Electric cattle prod is used.

21. Electric shocks given by use of a machine.

22. Burning with matches and candles.

23. Deprivation of sleep.

24. Urinating on prisoners.

25. Psychological tortures:

(a) Russian roulette.

(b) Firing blanks.

(c) Beating prisoners in darkness.

(d) Blindfolding.

(e) Assailants using stocking masks.

(f) Wearing surgical dress.

(g) Staring at white perforated wall in small cubicle.

(h) Use of amphetamine drugs.

(i) Prisoners are threatened; threats to their families, bribes offered, false confessions are used.

At the present time a number of cases which involve torture are being brought before the European Court of Human Rights at Strasburg by the Northern Ireland Civil Rights Association because no redress can be had in a British court.

I mentioned the Royal Ulster Constabulary in passing in this statement, it is time for a closer look at this police force. Civilians in whose murders the RUC are known to have been involved include Patrick Rooney, John Gallagher, Hugh McCabe, Samuel Devenny, John Maughan, Michael Patrick Connors and Albert Kavanagh.

In one famous case, that of Samuel Devenny, policemen from England were imported in an attempt to apprehend the RUC men responsible for the murder—but they failed, reporting that they had been confronted by a "wall of silence".

All the British Commissions of Inquiry established to investigate the causes of violence in the North—Cameron, Scarman and Gardiner—have conceded that the RUC have on innumerable occasions displayed gross sectarianism in their law enforcement efforts.

Since 1971, 400 cases of brutality have been documented against the RUC. Between January 1, 1970 and February 1, 1975 more than 1,400 complaints of assault have been made against the RUC. During the spate of sectarian murders in recent months the RUC (and certainly individual members of it) are strongly suspected of setting up targets for and facilitating the escape of sectarian killers.

It is the RUC which was responsible for the selection of those who were to be interned over the past 4 years, they were responsible for the brutal ill treatment and torture of innocent civilians at Hollywood, Castlereagh, Ballykelly and 25 other centres throughout Northern Ireland.

Despite judicial reluctance to find any fault with members of the force more than 300,000 pounds has been awarded in compensation to people brutalised by them over the past three years.

To conclude, I say to you that the conditions in Long Kesh Concentration Camp have gotten worse instead of better since the full Congressional hearings of 1972. Torture, brutality and harassment has increased since 1972. The murders and maimings have increased. The prison population has increased. Now is the time for somebody of international repute such as the Congress of the United States to speak up, to expose to the world what England is doing in Northern Ireland.

QUESTIONS AND ANSWERS

Congressman WOLFF. Thank you for your statement. I can corroborate some of the information in it, having been inside Long Kesh myself—not as a Congressman—I couldn't get in as a Congressman. But I did manage to get in to speak to some of the prisoners as to what has occurred. I tried to get in again early this year, but I was denied permission. It was just after the burning and I wonder if you have any information with regard to the conditions that exist there today. I do recall that after the burning the people were sleeping under corregated metal tents of some sort—actually out in the open during the mid-winter. Has that changed?

CASSIN. I have two brothers in Long Kesh at this time and they were there during the burning. They did have to sleep for up to four months under metal sheeting and in the open air, etc. But I believe most of the huts have been replaced now.

Mr. SOLARZ. Mr. Speaker, I am certainly glad to help my distinguished colleague Mr. WOLFF in his vigorous efforts to explore the situation in Northern Ireland and I am pleased to aid him by placing this testimony in the RECORD on the very complicated questions involved:

WORLD HABEAS CORPUS,
Chicago, Ill., October 18, 1975.

Re: Irish Hearings
Mrs. JOY BROWN,
Office of Congressman Lester Wolff,
Port Washington, N.Y.

DEAR MRS. BROWN: Enclosed is draft statement of Mr. Edward Lowe, of Jones, Michigan. He is a member of the Commission and speaks for the small towns in the country, which comprise 83% of our population.

This should be of interest and possibly added to the agenda.

Very truly yours,

LUIS KUTNER.

DRAFT STATEMENT OF EDW. LOWE, JONES, MICHIGAN

Mr. Chairman, Members of the Committee, Ladies and Gentlemen: It is a privilege for me to be here today. And you might find it kind of strange that a small towner from mid-America would come to New York City from Jones, Michigan to talk to you about human rights and international affairs.

If you think about it a little bit, it isn't strange at all. Out in the boondocks, we've been accused of being isolationist and almost retarded as far as world affairs are concerned. As National Chairman of the American Small Town Lobby and a member of the Commision for International Due Process of Law, I'm here to demonstrate that we are every bit as concerned with troubles abroad and our country's rightful role abroad as any big city dweller on either Coast.

The Commission for International Due Process of Law has effectively utilized the instrument of the Writ of World Habeas Corpus to relieve and to free those who have been arbitrarily imprisoned in Northern Ireland. The Commission has also filed applications bfore the European Commission of Human Rights at Strasbourg, France. The end results of the Commission's actions, by Christmas 1975 will have caused the release of 2,246 prisoners.

There's another reason I'm grateful to the Committee and its Chairman for the invitation to speak here today—I happen to think our opinions could be helpful in the sorrowful Irish situation. I'd like to try to make a meaningful contribution to your investigation. Through our Small Town Lobby we are trying to put together what we consider is the real voice of the American people.

You know, a small country in the Family of Nations, is a whole lot like a small town in a highly urbanized country. It tends to get overlooked. It's fussing and feuding can seem pretty trivial compared to the hijinks the Big Fellows get involved in. With all respect to you New York people, when you get into a financial jam it is headlined as a "disaster," but when Jones, Michigan has to put in a sewer system, nobody notices it at all.

The thing is, when you're small and localized, you've got to deal in basic things. You're too close to your neighbor to put on a false front or to try to blow smoke when you should be digging or building or planting or something basic. The way it looks from Jones is that old Ireland is about as close as you can get, neighbor to neighbor, and the fuse has blown. I said it was sorrowful and it is very sorrowful, but no matter how long the killings, the bombings and the imprisonments go on, sooner or later somebody is going to have to get down to basics. If the United States can speed that day in any way, I'm pleased to be part of the action.

Here's what looks basic to me: A small town is a community. A small country is a community. In a small town you've got to look your troubles in the face because all your troubles are bigger than you are—whether it's a tornado, a fire or a free-for-all in the Saloon.

In the history of America we had a phenomenon that was fairly common for a long time. It was called "the Company Town." That was a small town, owned by the mine or the mill or the granary or even the railroad. It might not have been all owned by the Company, but it was mainly owned by the Company.

It was a common thing to pay rent on your house to the Company and to buy from the General Store that was owned by the Company. Many fine Companies started up towns across the country and my message is not to build up the Company Town as a social scourge or evil, for the most part.

But sometimes it didn't work. If hard times came, for any reason, all of a sudden the community of your town was divided into those that were pro-Company and those that were anti. The very presence of the Company became a divisive force, splitting neighbor against neighbor and bringing bad blood all over town.

I trust that the members of this Committee can see the analogy I am trying to draw. Over the years, for historical reasons too numerous and too complex for me to delineate, Northern Ireland has become, in effect, what we used to call in America . . . "a Company Town."

When civil strife hits a Company Town, it all depends on which side your bread is buttered. If your ties and attachments and your income are directly dependent upon the Company's interest, that's where you'll stand. If you are dispensable or disposable to the Company or feel slighted by the Company, you'll inevitably see the Company as the enemy. And you'll fight anybody who takes the Company's side.

You see, the first human right which makes life livable, in a small town or in a small country, is the human right to live at peace with your neighbors. You take in the situation I am describing, which also applies to Northern Ireland right now, that human right has been disrupted in a sad and violent way. But you have to consider the basics involved. . .

It's of no earthly good to go in there and say, "So many have died, and so many are in jail, now please forget about it and come out to shake hands." That appeal wouldn't work in Harlan, Kentucky or Herrin, Illinois and it won't work at all in Northern Ireland, as far as I see it.

The Company's property rights are involved, as well as the human rights of all the people. In the case of Northern Ireland, the "Company" is obviously British investment as augmented by the police power of the British Government. As a small towner, representing Jones, Michigan and small towns under 1,000 population—I have news for this honorable Committee—we don't look down our noses at property rights. Nossir! I think very highly of them.

But we still deal in basics. We know that when a whole little country is at war with itself, there's a "third party" involved, which is the Company, or an "outside force." Basically, when you've got two opposing factions of human rights all tangled up in a bloody confrontation, and you look around and find a "third party" which is basically a matter of property rights—then *something has to give.* That's the small town way of looking at it.

However, let me remind you, just getting that "third party" out won't in and of itself solve your problem. No sir—it's the way you get it out, the formula that is devised and how that formula is accepted. To bring a small town together, let me say, you could never get away with expropriating the Company and driving them out. That would be Castro's way of doing business.

When you get right down, cheek-to-jowl, with the basics of the thing, the formula that will bring the pro-Company and the anti-Company forces back to living together in peace again in Northern Ireland is the formula which finds a way to fuse or harmonize human rights with Company rights.

Do you know, there's hardly a small town in America that doesn't have an Irishman somewhere in its founding history? Wouldn't it be strange and wonderful if a formula from little old Jones, Michigan might end the bloodshed in Ireland? The whole point, I must say, is to help human beings help each other—be they Irish or redskins or any ethnic-racial subdivision. Don't ask me: is it good for Catholic or good for Protestant? Ask me: is it good for the human beings involved?

I think it is, and in conclusion, I am going to tell you the guidelines for the Jones formula. You must give your townspeople the opportunity to buy the Company out. It's as simple as that. In Northern Ireland, you set up a cooperative enterprise, no discrimination against anyone, which will permit the citizens of both factions to "own their piece of their own island." Then, by orderly, peaceful, fair and equitable business practices you retire the "Third Party," the British interests. In the course of so doing, passions will subside, the common human right will prevail and in time a neighborly peace will come about.

As I understand it, Ireland has been colonized one way or the other for about a thousand years. In the Northern Counties, the "Company" has found, at last, some stalwart allies. I understand why those folks are loyal to the Company—because the Company stands for their jobs, their homes, their well being. I don't want to take any of the real virtues away from them. Instead I want them to gain a stronger proprietary interest in the Company by making it home-owned, not a "Third Party" absentee owner.

As for the anti-Company crowd, I feel for them too. I don't think there's any doubt that they have real grievances. But shoving the Company out and losing any form of economic therapy won't help them a bit. They, too, should be entitled to a fair shake and a chance to be builders and partners in their own home-owned Company.

How can it be brought about? One way would be to form an International Trust, to which all British interests voluntarily assign their North Ireland rights in exchange for a bill of sale that's pegged to the market and acceptable. Then form the North Ireland Cooperative, just the way our farmers did with the Grange and the co-ops in America. Every citizen can join the Cooperative. Now the International Trust and the Irish Cooperative (including both sides of the fray) work out ways and means over a long-range period where the Irish can earn, buy, accrue or otherwise establish individual participation in a transfer of ownership from Trust to Co-op.

Other nations, including the U. S., of course, would have to loan money to the Irish to bring this about. As a small towner, I'd lots sooner loan them money than send them arms. And I'd feel so much better to know that my money was helping to settle things between neighbors, protecting life rather than killing it.

When it comes to a building project, such as a barn-raising, it's simple enough to get folks together—especially if they all have a stake in the barn. What I propose won't work like magic overnight, but it is a guideline and a way out of this mess. In terms of American foreign policy, a little thing like this program of mine will help straighten us out, too. We're tired of being the Bad Guys. Let's get creative and constructive for a change.

This is the message I bring you from Jones, Michigan, everybody's old hometown, and from the American Small Town Lobby which is proud to be associated with the Commission for International Due Process of Law and most privileged to be heard with its contribution to our country's policy in foreign affairs. I thank you.

Mr. BIAGGI. Mr. Speaker, I am pleased to join with the other members who participated in the Ad Hoc Prehearings on Civil Rights in Northern Ireland on October 15 in inserting the testimony from those organizations committed to promoting a lasting peace in this troubled nation. I have the honor of placing the testimony of the Northern Ireland Civil Rights Association of Belfast into the RECORD for the consideration of my colleagues.

I maintain the hope that in 1976 full hearings of the International Relations Committee can be held on the Irish question. The struggle for freedom has been a long one and thus far a fruitless one. Let us hope the trend will change in 1976.

The testimony follows:

PRESENTATION OF NORTHERN IRELAND'S CIVIL RIGHTS ASSOCIATION

(By Edna B. Zimmermann and Ed Walsh)

Since its formation the Northern Ireland Civil Rights Association has been concerned with the question of civil and human rights in Northern Ireland. Since 1968 it has consistently called for a codified Bill of Rights guaranteeing basic freedoms to the people of Northern Ireland. Such a bill would do much to create the necessary climate of confidence which will allow normal political activity. It would provide for redress and would help prevent the brutality and torture which has taken place and is now taking place in Northern Ireland. The need for such a Bill is now recognized throughout Northern Ireland as the quotations in the attached Northern Ireland Civil Rights Association's draft "Bill of Rights" show.

Almost unique amongst the nations of the civilized world, Britain, or rather the United Kingdom of Great Britain and Northern Ireland has no formal written constitution.

The foregoing will raise the hackles of any English Constitutional lawyer, who will at once spring to the defence of his Queen, Crown and—mark you—constitution!

For, strange as it may seem, although no one can point to a single written document and say that it is the constitution of Great Britain and Northern Ireland, yet the constitutional lawyer will point to the whole mass of active statutes now in existence together with the para-parliamentary conventions by which Britain is governed and say that there lies the British Constitution.

It is said that the cradle of democracy needs no formal constitution—that the citizenry alias the subjects and the institutions of this Kingdom are adequately protected by the strength of the country's laws; that the liberty of the subject is treated with respect equal in quantity to that devoted to the maintenance of the monarchy and the security of the State.

It is to demolish this argument and point out the necessity of a written document of constitution that we submit this thesis.

In 1791 the Government of the day was forced by the House of Commons to put on trial a Mr. Reeves for sedition arising out of remarks contained in a treatise published by Reeves shortly prior to that time. In his treatise Reeves stated that the constitution of the British was like unto a tree of which the Crown was the trunk and the other parts of the constitution were the branches and leaves. The conclusion was that the Crown was the source of all legal power and that the branches and leaves could be lopped off without damage to the trunk or basis of the constitution. The jury and court (the guardians of the constitution) were happy to find Mr. Reeves not guilty and thus endorsed his views. It is questionable if the British juryman of today would find differently.

The four statutes which Britain is pleased to say form the cornerposts of her constitution are Magna Carta, the Bill of Rights, the Act of Settlement and the Reform Act of '32. But these statutes are now known principally because of the large number of deletions from their tenets either by atrophy or updated replacements.

Indeed, in this day and age the British constitution—if we accept that in the corpus of British Law such exists, is concerned mainly with the distribution and exercise of sovereign power. There will be more debate in the House of Commons over infringement of Royal or parliamentary privilege than there will be over the infringement of the Habeas Corpus Act.

The basis of the British Constitution at this time is that there shall be but one Rule of Law and that that Law shall be the Law of Parliament alone. Thus Parliament in this day and age reigns supreme and is incapable of being checked. An alliance of Parliament and the Common Lawyer has ensured this pass. No person, body or document can have the right to override or set aside the legislation of Parliament. Parliament alone can perform this function and when Parliament changes the law then the courts of the land must implement the change in policy, no matter how fundamental the change. Unlike either the Supreme Court of the U.S.A. or that of Ireland, the Supreme Court of Britain has no role in deciding that a law is good, bad or indifferent. No court in Britain has such power and indeed no court has tried to exercise such power since the 17th century. It is likely that did any Judge endeavor to do so he would be removed from office immediately.

Accordingly it can be seen that unlike the constitutions of Europe (mainland) or the U.S.A. which stress the values of primary rights and give to these rights a certain permanency, which permanency in fact extends to the constitution itself, the British constitution is not geared toward the permanency of ideal and indeed it will be accepted that the British Constitution of 1885 is not the same as that of 1974 nor will the constitution of 1984 be the same as that of 1974. The views of the legislature of the time will reflect the moral and socio-political views prevalent in the country at any given time. To quote the definitive work on the British Constitution by Dioey, the tenets of that Constitution have about them a singular element of vagueness and variability.

Inevitably the government of Britain is from day to day concerned with regulating individual liberty of action and that liberty is seen as subservient to the whim of a particular government, without the guidance of a set of rules, a ne plus ultra or a ne plus inferior.

Indeed in relation to the conventions of the British Constitution the subject and guiding line is not that of law but that of politics. They need not in the view of the British legislator concern lawyers nor law classes. Assumptions of faith in democratic government are the sole protectors of individual liberty. It remains to be seen whether that faith is misplaced in the British legislator. In the experience of Northern Ireland and its people the faith has not been kept and today even in Britain the doubts in the minds of those concerned with civil liberties must indeed be great.

It is an accepted constitutional doctrine that the ministers of the Crown do not tamper with the administration of justice. It is the proud boast of the British legislature that they follow this rule and ensure judicial independence. The Judges of Great Britain and Northern Ireland may well be seen as independent but they have the duty to enforce whatever laws that the Parliament lays down. And what need is there to openly interfere with the course of justice when they can introduce repressive legislation almost at will.

In periods of national hysteria, Parliament can, without let or hindrance, enact legislation of a totally unpalatable nature infringing even the most basic of human rights. It is an accepted fact that when legislation of any nature is put on the statute books it is most unlikely to be changed either by its progenitors or indeed by sensitive governments except in cases of national revolution. In the British way of things it is extremely difficult to imagine a party in opposition which bowing to the dictates of this mass hysteria helped either by acquiescence or abstention to place such legislation upon the books, removing it should they come to power. The Special Powers Act and its successor the Emergency Provisions Act are cases in point, as is also the Prevention of Violence Act in Britain.

Today even the most august of British lawyers are becoming worried about the absence of constitutional guarantees for the protection of the subject's liberty. It has been suggested by more than one judge of the British Supreme Court that the time has come for the enactment of a Bill of Rights. Some would have this apply to Northern Ireland only but others argue for the extension of this to the British mainland.

The gravest fault in the British system as we have said is that for all intents and purposes Parliament is supreme. It is the broadly stated policy of Government in this country that the end of the conventions of the constitution is to ensure that parliament or the cabinet shall in the long run give effect to the will of the majority of electors. Nevertheless parliament has the unhappy knack of not being made responsible for its actions between elections. In theory, if the electorate does not approve of a piece of legislation they may signify this at the next election time. Unfortunately elections are most often clouded by the bread and butter economic issues of the day most of which have little if anything to do with the liberties of the individual, and any groundswell of opinion at the time of enactment of particularly repressive legislation may well have lost impetus during the period of years between elections. The traditional apathy and respect for parliament of the British subject are the greatest ally which the enemy of civil liberties has.

It is absolutely essential that the common lawyer of Great Britain be given a voice in the enactment of new legislation. The convention that no law or rule of morality which is in opposition to any Act of Parliament shall bind any court of the realm must be destroyed. Parliament cannot retain the privilege of being the sole protector of the rights of the citizens. The judicial scheme of protection extant in Europe and the U.S.A. must be introduced in Great Britain and Northern Ireland and the Courts must be given a charter broadly based on the European Convention of Human Rights and the International Declaration of Human Rights, by which to judge the acceptability of statutes introduced by the legislature of the country. The right of the individual to challenge such legislation must be upheld, and the task cannot be left to the judiciary alone. For reactionary Goverment is now using a reactionary judiciary to draft and implement the machinery of repression.

In the absence of such a charter of rights, it must clearly be seen therefore that the supposition that the British system claiming to support the rights of man against the State and establishment is false and that the individual's right does not rank equally with the preservation of order, monarchy and state. This supposition must be seen clearly for what it is—the perfect cover for the infiltration of totalitarian values and standards and the sure and gradual path for the erosion of democratic principles by unscrupulous and reactionary parliamentarians who play upon the fears of a ductile electorate.

Mr. PEYSER. Mr. Speaker, as everyone is well aware, the tragedy in Northern Ireland continues, with increasing violence and terror, and still there is no affirmative U.S. diplomatic action to help secure a resolution of the crisis. Millions of Irish Americans with relatives and friends in Northern Ireland simply cannot believe that our Government is incapable of undertaking diplomatic initiatives to help reach a solution.

I am submitting for the Record testimony which was given at an ad hoc prehearing on Northern Ireland. The testimony is indicative of the intense feelings that exist on this subject. I urge that there be full congressional hearings on this issue.

The testimony follows:

Hearing on Northern Ireland,
October 15, 1975.

Mr. Chairman: My name is Susan Fry and I am a resident of Staten Island, New York.

I've come before this hearing to tell you of my experiences, as a former newspaper reporter, in Northern Ireland; but, before I do, I want you to know first that I am not Irish nor am I a Catholic.

In July of 1973, I went to Northern Ireland to study its problems and to make a report for a course at Syracuse University where I was a journalism student. I also hoped to do some writing as a summer intern reporter with the Staten Island Advance.

I went to Belfast and other parts of Northern Ireland to learn because I somehow couldn't accept that two groups of people were divided and fighting over religious differences. And, for some reason, I didn't think we were getting all sides of the situation from American news sources.

To make a long story short, before my stay in Belfast was over, I had become entangled in a bombing incident in which two British soldiers were killed.

I was an alibi witness, along with another Syracuse student, for a 15-year-old Irish boy, Bobby Tohill, who was accused of causing that explosion.

We had been with young Tohill in a park close to where the bombing occurred just seconds after we heard the explosion. When he was arrested several days later, he told the police and Army that he was in the park and that two American girls, whose names he did not know, could prove it.

The police and Army did not attempt to find us, and we were not aware that he had been arrested until several weeks later when a friend of the Tohill family coincidentally found us.

When we were interrogated by the police for some six hours, a constable accused us of getting involved in developing an alibi for Tohill at the request of the Provisional Irish Republican Army. And when the police visited us at our guest house, to tell us we could leave the city, they did so after searching the premises with drawn guns.

I might add that, in the meantime, we visited the American consulate office in Belfast and were told that unless our lives had been threatened, it was not necessary for them to assist us.

Tohill was imprisoned until his trial the following February, when at the request of his attorneys, we returned to Belfast to testify.

Our testimony was to be crucial because Tohill had signed a confession. His defense attorney, however, attempted unsuccessfully to have the confession ruled inadmissable as evidence because he said Tohill had given it under extreme duress. He claimed Tohill had been interrogated for nine hours after being picked up at 4 in the morning. He said Tohill was not given rest or food during the questioning and was denied counsel.

Bobby's father, who was present during the questioning, said the boy had been so completely broken down to the point that he thought there would be no relief unless his son told police what he thought they wanted to hear.

During our testimony to the court, the government prosecutor attacked our motives for getting involved, claiming we did so for a hot news story.

Again, to make a long and difficult story short, Bobby Tohill was acquitted of all charges against him. He was acquitted by one man, a judge who at one time had been an attorney general for Northern Ireland. There was no jury.

As I left the courtroom after the trial, a British Intelligence Officer said to me, "He won today, but we'll get him yet."

And sure enough, four months later in the middle of the night, the Tohill home was again invaded by a detail of British soldiers who took their son away; the same son who had just been freed after a so-called "fair" trial.

Bobby Tohill was taken to the Long Kesh Concentration Camp where he remains today, with no charges against him and certainly no trial.

I believe that this account is not an isolated situation in Northern Ireland. We may, however, be particularly moved by this case because Bobby Tohill is but a child.

As a United States ctizen, I request that this hearing seek an investigation of similar situations where civil rights in Northern Ireland have been so blatantly denied.

I got involved because of my sense of justice and of my appreciation of this country's Bill of Rights.

I would ask the same of the United States Congress. Anything less would be an abdication of responsibility of the Congress. I also request that Congress see to it that our financial and military resources and our law enforcement agencies are not used to cooperate with a government that is holding 600,000 people in hostage.

Ancient Order of Hibernians
in America, Inc.,
October 15, 1975.

House Subcommittee on Future Foreign Policy—Prehearing Forum Concerning Northern Ireland

Mr. Chairman and members of the forum, my name is Frederick A. O'Brien, Massachusetts co-chairman of the Freedom For All

Ireland Committee of the Ancient Order of Hibernians in America. Thank you for the privilege of appearing before you and I hope that my report will be of some value in these proceedings.

One day seems but a fleeting moment to catalogue the past fifty odd years of tyranny, oppression, and barbarism, much less the past eight-hundred years. The Irish community in Massachusetts and indeed all the knowledgeable people of various ethnic and religious backgrounds are appalled at the denial of human and civil rights, and the inhuman treatment suffered upon the Irish nationalists by the British government and the highly privileged Orange Order. What is less understandable is our own government aiding the British war effort in northern Ireland by: domestic intelligence activities aimed at suspected sources of support in America for the cause of Irish freedom and unity; training British troops in North Carolina and Colorado; licensing the export of war materials to be used by British soldiers against the people of northeast Ireland, for example—rubber bullets, and more recently, the plastic bullets which killed a young boy who had been a recent guest in this country.

In this genocidal attack on the Irish, all-out assistance has been given to the British government and their allies in our government by the news media in this country. I believe the extremely biased reporting of the northeast Ireland situation should be investigated in depth. Is it the prejudice of the Anglo-Saxon publishers? Is it the thirty pieces of silver in the form of advertising offered by British conglomerates? Or, is it pressure from our own State Department? We have a right to know.

In closing, I will add that the Boston City Council president Gerald O'Leary has advised me that that body has passed a resolution urging the House of Representatives Committee on Foreign Affairs' Sub-Committee on Europe to hold hearings on the subject of northern Ireland. This resolution will be mailed to Chairman Lester Wolff this week. It is my sincere hope that these hearings will take place very soon and that the truth about northern Ireland will become known to all. The truth will lead to a united Ireland which is the only solution to peace in Ireland.

Thank you very much,

FREDERICK A. O'BRIEN,
Mass. Co-chairman—Freedom For All Ireland Committee, Ancient Order of Hibernians In America.

Mr. ZEFERETTI. Mr. Speaker, I was very gratified to join my colleagues in a prehearing forum held last October 15 in New York City and chaired by my distinguished colleague, LESTER WOLFF. This ad hoc group attempted to examine all aspects of the ceaseless strife and denial of human rights in Northern Ireland. People and organizations involved with all sides of this situation were invited to take part in our discussions. It was unfortunate that the British Government and the Republic of Ireland declined to help us ventilate the problem. One who did participate, Mr. Speaker, was Sean O. Cionnaith, Director of the International Affairs Bureau. I commend his most articulate and informative testimony to my colleagues:

SUBMISSION BY IRISH REPUBLICAN MOVEMENT ON NORTHERN IRELAND TO U.S. CONGRESSIONAL REPRESENTATIVES, OCTOBER 1975

(Submitted and Presented by Sean O. Cionnaith, Director, International Affairs Bureau)

It is no easy matter to introduce what is known as the "Irish problem" even to the most politically experienced. Such is the confusion abroad and, I might add, at home about what has been happening in Ireland since 1968 that people are inclined to suspend judgment and consign the whole issue to the limbo of problems that can only be solved by time.

However, we in the Irish Republican Movement have very clear views on the issues at stake in Ireland, have been involved in trying to resolve them over the years and can trace the origins of our Movement to the inspiration of Wolfe Tone and the French Revolution of 1789. In the time available I propose to present our view of the present struggle in Ireland as well as taking into account as far as is necessary the views of other parties.

The happenings in Ireland are difficult and complex but they are neither beyond understanding or resolution. American public awareness of what is happening in Ireland could be of distinct value to resolving the crisis and any action which might promote such awareness will be very much welcome to the Republican Movement.

Anyone looking at the ulcerous rash of murder, terror and atrocities of the last seven years as reported by the media will know only that "Catholics", "Protestants" and the British Army are involved in what appears to be a situation of incipient Civil War in the North of Ireland. The complexity of the crisis arises from the fact that issues of colonialism, civil rights, religion and constitutionalism all exist in varying degrees and are seen in varying degrees of importance by protagonists and antagonists on differing sides.

The main overall element to note is the British presence. Here I categorically differ from Mr. Garret Fitzgerald of the Dublin Government who recently in a speech in Chicago ruled out the British presence as being the main issue. Quite simply I can state that were it not for the British presence many of the other elements causing conflict would not exist: there is no denying this assertion, despite the prestige which the words of the Foreign Minister of the Irish Republic must carry with them. Under the Government of Ireland Act 1920, Northern Ireland, where all the bloodshed we speak of has taken place, is entirely under the control of the Westminster Parliament. Britain, since 1972 when it abolished the local parliament at Stormont, directly rules Northern Ireland and the British Army is directly responsible for security, for repression on a massive scale in minority areas and for the maintenance of Europe's largest concentration camp at Long Kesh outside Belfast.

That one million of the one and a half million population of Northern Ireland have a conditional allegiance to the British connection—and I want you to remember the qualifying word "conditional"—is beyond doubt. That the other half million, the nationalist population, desire a united Ireland is also beyond doubt. The former group usually appear in news bulletins as "Protestants" and the latter as "Catholics" though I stress that the basic difference is the national and not the religious allegiance. Northern Ireland exists because of the one million population loyal to the British connection and the boundary line of that State was drawn across the map of Ireland in 1920 to allow for the inclusion of as much territory consistent with that majority as possible. Since the foundation of Northern Ireland with its subject Parliament at Stormont a corollary of Stormont's allegiance to Britain has been the right to discriminate against the nationalist population trapped within that border. As it happened that for historical reasons Nationalists were mainly Catholic by religion the method of practising discrimination in jobs and housing was to ask the applicant his or her religion. It is in this practice that the "Catholic" and "Protestant" labels used today find their origin.

For fifty years a monolithic Unionist Government ruled in Northern Ireland and practised religions discrimination against Nationalists while uniting all Loyalists through propagating religious hatred to Catholicism. For fifty years the British Government completely underwrote the Unionist system in all its ugly details. For fifty years M.P.s at Westminster trying to air the grievances of discriminated against jobless Nationalists were met with the cast iron convention that internal affairs of Northern Ireland could only be aired at Stormont—where of course, they were thought out and applied in the first instance. Then in 1968, partly under the influence of similar events in the United States, the Civil Rights Movement got underway in the North of Ireland demanding 'one man, one vote', an end to gerrymandering in elections, an end to discrimination in housing and jobs. I do not need to go into the details of this well proved idictment of fifty years of Unionist local rule and British remote rule. Precisely at this time, however, an economic reapproachment was underway between the Republic of Ireland and the United Kingdom which meant that after fifty years of trying to go it alone economically the Dublin Government had surrendered to the difficulties caused internally in the Republic's economy and through the Anglo-Irish Free Trade Agreement of 1965 had thrown the country open to foreign investment. This, in the circumstances of Ireland, meant largely British investment though America is bringing up at rear at the moment. In Northern Ireland, for example, United States and Common Market investment is in the process of overhauling British investment. The following table shows the trend of events:

Total new jobs by country of origin

	1972	*Percent*
Northern Ireland	16,433	17.8
British	45,016	48.5
United States	10,430	21.9
EEC	11,650	12.6
Total	93,529	100

Roughly speaking United States and Common Market capital counts for 33% of all new jobs. This is close on the heels of British capital's 48% with local capital accounting for only some 17.8%. It also meant a change in relations politically between London and Dublin. Almost immediately the pressure came on Belfast to moderate the cruder forms of discrimination against the minority population there.

Caught between the pressure from London on the one hand (and from a Labour Government in this period) and the street pressures of the Civil Rights Movement the Unionist leadership began to quarrel as to how to deal with reform. The Prime Minister of the day, Captain O'Neill could offer gestures instead of real reforms and even these unleashed the cruder forces of Unionist sectarianism nourished over the years on a diet of sectarian hatred.

The Civil Rights Movement appealed over the head of Stormont to Britain to acknowledge its responsibility under the Government of Ireland Act 1920 and legislate for a Bill of Rights against sectarianism. Britain has resolutely refused to do this and from having few civil or human rights the North has gradually slipped into the position of having none at all. To this day Britain refuses a Bill of Rights because to guarantee absolutely equal rights in law to all citizens would dissolve the conditional loyalty of Loyalists who feel they have a right to do as they will with their Nationalist fellow citizens and to treat them as enemies of the State. For the same reason Britain has refused the political demand of a statement of intent to withdraw from Ireland—because Britain has no intention of withdrawing from her colonial foothold in Ireland which guarantees her the division and consequent dependence of both states on the island on the United Kingdom. So that far from being the 'honest broker' or referee trying to save the Irish from themselves Britain is an interested party, denying her responsibility, exercising absolute control and playing Loyalist against Nationalist in her own direct interest. In all this Britain has the support of the Dublin Government whose class interests approximate to the Unionist leadership of the North and who would have cause to fear a united Ireland with up to one million working class Northerners exercising a vote. But the Dublin Government attitude is not representative of the general body of public opinion in the Republic who desire the reunification of Ireland while being confused and revulsed by the Provisional bombing campaign, a campaign which has helped Britain obscure the real issues in Ireland, consolidated sectarian passions and confused public opinion in America and Europe. The Republican Movement has always condemned and opposed the Provisional bombing campaign and knows that originally it was funded by the previous Fianna Fail Government in Dublin with the object of smashing the civil rights mass movement in the North.

Now that the Provisionals have a ceasefire, other groups claiming to be republican are engaging in armed attacks mainly against Protestants. The newly formed Irish Republican Socialist Party has been involved in a number of tit for tat killings and the Provisional leadership are reported to have given their local military commanders a free hand to do the same. Since their ceasefire, the Provisionals have lost at least one of their members who was blown up while planting a no-warning bomb outside a Protestant public house. Against this type of activity Republicans seek to organise working people to emmancipate themselves politically. We reject all forms of sectarianism, either Catholic or Protestant. The Father of Irish Republicanism, Wolfe Tone, said that the object of Irish revolutionary Republicans must be to break the connection with Britain and to build an Irish nation in which the common name of Irishman had replaced sectional religious loyalties. The bombing and assassinations campaigns of the IRSP and the Provisionals is a betrayal of this principle.

However, the primary responsibility for bloodshed in Ireland rests with Britain. The primary responsibility for denial of civil rights also rests with Britain. To this extent it is not—and never was—an Irish problem: It is a British mess.

Not that Britain has not been trying to restore political stability in Northern Ireland. It has—but entirely along the lines suitable to and consistent with British interests. While refusing resolutely to legislate for a Bill of Rights in Northern Ireland, Britain has attempted what is known as the "Power-sharing" solution.

This involves bringing a minority of what Britain insists as describing as "Catholics" into whatever Cabinet is established in this Unionist statelet. Essentially the background idea is that as monolithic Unionist Protestant Government has failed to maintain political stability the best way to ensure it is to allow "Catholic" nationalist representation at Cabinet level and thus to give nationalist politicians status and a certain amount of patronage to dispense to their followings. "Power-sharing" to that extent is based on continuing Government on a sectarian basis and for that reason is opposed by the Republican Movement. The nationalist Social Democratic and Labour Party (S.D.L.P.) of Messrs. Gerry Fitt, John Hume and Paddy Devlin have welcomed and operated this sectarian concept and electoral support for this approach among the minority community has been considerable. Republicans, however, are opposed to making religious sectarianism a basis of Government particularly when that "Power-sharing" Government would be expected to—and indeed did—accept massive repression, a Special Powers or Emergency legislation that would shame the racialist Government of South Africa as well as maintaining a corrupt partisan police force and the biggest concentration camp in Europe.

The fall of that "Power-sharing" Executive was precipitated by another of Britain's constant attitudes in this crisis—not to do anything that would offend Unionist or Loyalist opinion. "When a Loyalist strike was organised against the Executive because Loyalist politicians wanted a return to "a Protestant Parliament for a Protestant people" the British Government ordered the British Army not to intervene with the result that the Executive was allowed to collapse."

Since then Westminster has attempted, through electing a Convention to advise it on the future good government of Northern Ireland, to restore some version of the original power-sharing idea in Government in Northern Ireland. It still completely refuses to legislate for a Bill of Rights and generally plays down the importance or gravity of the crisis—a good example of this was the spectacle of the Labour Party annual conference at Brighton in early October completely refusing any attempt to discuss Northern Ireland on a day in which sectarian attacks by the Ulster Volunteer Force (U.V.F.) claimed eleven lives in Northern Ireland.

Which brings me back to the basic contention that sectarianism is the greatest enemy in Northern Ireland, worse even than the repressive and murdering British Army, because it is its strongest native ally. Britain is determined that whatever might have to change in Northern Ireland sectarianism will flourish because without it Britain's grip in the North, and consequently in the whole island, is weakened to the point of extinction. Republicans believe that it is not only essential to be nonsecretarian; it is in the Northern Ireland of today necessary to be anti-sectarian. Sectarianism has deep roots in Northern Ireland society. Loyalist terror gangs such as the UVF and the UFF can claim to be the inheritors of a tradition going back for generations. The B Specials which until 1969 operated as an official military arm of the Unionist state, originated in the UVF of the anti-home rule campaigns of before the First World War. In the Belfast of the 1920s and 30s, terror gangs kept the Catholic population subdued by an unofficial campaign of assassination and bombings which were connived at by the Orange Unionist state.

Republicans seek to free the people from the shackles of sectarianism every bit as much as we want to free Ireland economically and politically. In fact we would argue that it is impossible to free Ireland economically and politically while sectarianism is as strong as it is at present.

This is why Republicans have been in the forefront in the campaign against sectarianism in the North. Currently members of Republican Clubs are braving the sectarian assassins' bullet to wage a campaign of anti-sectarian education among working people in the North. They are distributing hundreds of thousands of leaflets around homes and in work places. They are organising seminars and public meetings and are also engaged in a poster campaign. The theme of this campaign is "Sectarianism Kills Workers".

This work is also being taken up by the Trade Union Movement. Currently the Belfast Trade Council are organising a conference for trade union activists to devise new and more effective methods of combating sectarianism at work. This type of activity shows that the anti-sectarian forces in the North are not intimidated by the situation but are prepared to fight vigorously against sectarianism. But it is essential for the success of this work that the proper political conditions be created. This is why Republicans strongly demand a Bill of Rights from Britain as the first necessity for creating normal political relations in Northern Ireland. We also know that a declaration of intent by Britain to withdraw from Ireland would dramatically change the situation in Ireland and make the issue truly one for Irish men and women to solve. At the moment, and for so long as Britain is determined to cling to its foothold in Ireland—and, contrary to widespread opinion Republicans do not accept that Britain is on the point of departure—it is a patent falsehood for any Irish Foreign Minister to state that it is a problem entirely among Irish opinion.

In short the British presence in Ireland maintains sectarianism in the North, partition of the island, the direct colonial status of Northern Ireland and the indirect neo-colonial status of the Republic. It also maintains a situation of virtual martial law and a regime of repression in which torture, judicial murder and internment without charge or trial of hundreds of people is a feature of life. It is no secret that Britain is using Northern Ireland as a training ground in counter-insurgency tactics by its Army and that both Nationalists and Unionists, Catholics and Protestants are guinea pigs in this British laboratory or repression.

As a secular, socialist and separatist Movement, Republicans will continue to strive for the unity of all Irishmen of whatever denomination or of none under the common name of Irishmen.

I have dealt with the background to the current situation. What I want to deal with in concluding is the international context of that problem and particularly how it relates to the United States.

It is sometimes underestimated just how large the international involvement is in the events in Northern Ireland. This fact was frankly admitted in the influential Gardiner Report which was published in January '75. Paragraph 10 of the Report states: "There is one aspect of the problem of communal conflict which should not be overlooked . . . it involves the general international obligations of the Government of the UK.

"In the first place the UK and the Republic of Ireland are both members of the EEC whose members explicitly recognize an even greater degree of obligation to co-operate than is the case between sovereign states in general (as expressed, for instance in Section 224, in the Treaty of Rome, which specifically covers situations of internal disturbance in a member country). Secondly, the UK has for over 25 years, been a leading member of NATO. In the event of any hostile action on the part of either the majority or the minority community against the other, which implied the risk of civil war in Ulster or organised violence spreading over the border of the Republic, the Government of the UK would be obliged to deploy all the force at its disposal against such an action in order to honour its international, as well as discharge its domestic responsibility."

Quite clearly then, the British Government sees its role in Northern Ireland as part of its international obligations. This raises the question as to what Britain's NATO partners and particularly the United States are demanding of the British Government. For example, when the torture techniques are being used against prisoners in Northern Ireland, do American military personnel receive some of the feedback information about these techniques in the same way as they receive information about Brazilian and Chilean torture techniques? For American politicians one of the most alarming aspects of the last few years has been the number of Executive actions which were taken without reference to elected representatives—perhaps the most blatant example of this was former President Nixon's ordering of the bombing of the Bay of Tonkin. The same could happen with regard to Ireland, if in fact it hasn't already started.

At the present time there are two American bases in Northern Ireland and millions of dollars of American investment in Northern Ireland. This investment is bringing in substantial profits. For example:

Profits from monopoly capital

[In millions]

	Foreign	*Native*
1968 (total £109)	£65	£44
1970 (total £106)	£96	£40

If the total grants paid are added to profits leaving Northern Ireland in 1968 and 1970, the loss to Northern Ireland amounts to £100 million and £107 million respectively. The bulk of this outflow is going to the United States and Common Market multinationals.

This shows the extent of American involvement but there are also other sides to the involvement. For example Irish political leaders have been refused visas to enter the United States. Irish American support groups have been harassed by Federal and State authorities. People prominent in solidarity work have been jailed on dubious political grounds. While this crackdown can be partially explained by the general crackdown on American progressives and progressive organisations it can also be explained by secret deals between the American and British Governments.

We believe that our best ally in the United States is an alert and informed public opinion. Therefore we would strongly urge a Congressional Inquiry into Northern Ireland and all aspects of American involvement there.

We would suggest a number of areas of investigation for such an inquiry:

(1) The extent of NATO involvement in the current events in Northern Ireland

(2) The extent to which NATO equipment is being used in Northern Ireland, for example, rubber bullets are made in Dayton, Ohio

(3) C.I.A. involvement in Northern Ireland.

While we welcome any fair and impartial inquiry into the situation in Northern Ireland, we believe that the Irish people have the right to National Independence which would guarantee ownership of Ireland by the people of Ireland and that Britain has no right, never had any right and never will have any right in Ireland.

Two weeks ago, Thursday (October 2, 1975) eleven people died in a Loyalist blitzkrieg. As the death toll mounts the North lurches nearer and nearer to a sectarian civil war. Currently 980 civilians have died since the troubles started. Over 300 of these have been killed in sectarian assassinations. More of these assassinations on this scale could plunge the North irrevocably into a civil war. This disaster must be averted at all costs. It is therefore essential that the maximum pressure is put on the British Government to bring about the change of policy which would open up a new political situation in the North and free the people of Ireland from the terror and death of the past few years.

Mr. LENT. Mr. Speaker, as one of the Members who participated in the ad hoc prehearings on Northern Ireland in New York City last December 4, I include in the RECORD further testimony which we heard on that date, and commend it to the attention of my colleagues:

YONKERS, N.Y.,
October 16, 1975.

HON. LESTER WOLFF,
U.S. Congress,
Washington, D.C.

DEAR CONGRESSMAN WOLFF: Many thanks for inviting me to speak at your subcommittee yesterday.

I am sending (with his permission) the Honorable Kevin Boland's speech made in Detroit this year. It is our hope that you can enter it in the record as part of yesterdays hearings.

Mr. Boland was a Cabinet Minister for 13 years and resigned as a protest against the Dublin government's sellout of the six counties. Mr. Boland was a member of that government (as was Mr. Blaney and Mr. O. Morain).

The last paragraph of this speech gives us a view of Mr. Garrett Fitzgerald and Irish-Americans. I think that you and your colleagues will find it useful, Mr. Kissinger, too.

Mr. Boland found his own party to be true to Republican ideals. See the article in 1975 Year Book of ENCY. BR. and how Mr. Boland exposed the fallacy of Sunningdale.

Sincerely,

KENNETH TIERNEY.

KEVIN BOLAND SPEAKING AT AN EASTER WEEK COMMEMORATION CEREMONY AT DETROIT, MICH., MARCH 30, 1975

There is no State commemoration of Easter Week 1916 in Dublin today nor was there one last year. This is as it should be. Many of you will have seen some of the parades, which were formerly held annually in Dublin and which it was always understood were intended as a grateful tribute to the men who fought and died for the Irish Republic and as a formal rededication to the achievement of their aim. I have watched these parades, myself, for almost as long as I can remember; during the emergency of the second world war I was proud to march in them as a member of the Defence Forces; and on Easter Sunday in thirteen successive years I sat on the reviewing platform outside the G.P.O. while the salute was taken by the President of a State, which in its Constitution claimed the right to jurisdiction over the whole of the Irish nation.

That claim has been factually abandoned by two successive Irish Governments and, in view of the fact that the Republic proclaimed at the G.P.O. fifty nine years ago was the 32 Counties of Ireland, shameful though it may be to the nation, it is surely the decent thing to abandon what had come to be a cynical charade. The city apostrophised by John Mitchel from the convict prison ship transporting him to exile as "City of slaves and dastards" raised its head through the action of the small, unrepresentative and unauthorised group commemorated here to-day, who confronted the British Empire in all its imperial might, and, though affluence and self-interest has again put the mentality Mitchell experienced in the ascendant, the turn of the tide will come as it always has come. Irish people, who still retain the old allegiance to the cause for which Tone and Emmett died, will, however, naturally feel sad that at this the most favourable time in all our history for the achievement of their goal, the people of the free part of Ireland have allowed the professional politicians to betray the dead generations by refusing to ask for our country back.

The essential problem to be solved, if there is to be real and lasting peace in Ireland, is the longstanding international problem between Ireland and Britain. It is only when this has been resolved that the internal residual problem of finding a way for the whole Irish people to live peaceably together in their common homeland can be tackled. It is not true to say that the Irish have not been able to solve this second problem up to now. The truth is that they have never been allowed to try. The silly, anachronistic, jingoistic, British claim that part of Ireland is an integral part of the United Kingdom has for over fifty years stood between the two estranged Irish communities and kept them apart.

A British Act of Parliament, as an admitted concession to the violent blackmail of the U.V.F. who resorted to arms to oppose the implementation of the Home Rule Act passed by the British Parliament, separated Ireland for the first time into two parts, which previously had no separate existence of any kind. The partitioned area was selected without reference to the wishes of local majorities as the maximum, in which the dissident minority concentrated mainly in the comparatively small area East of the Bann could hope to continue as a permanent majority.

The British decided, in effect, that the 25% dissidence involved in the retention of Ireland as the unit, which had been joined to the United Kingdom originally, was intolerable and they dealt with this problem by creating a new area to be retained in the Union and involving a 40% disaffected population. They opted for the actual injustice of coercing 40% of the newly created area out of their own nation and into another from which they are separated by the sea rather than face the problem of the 25% minority, who refused to accept either the democratic decision of the Irish people in the 1918 General Election or the legislative decision of the British Parliament. The two nations we now hear of were not discovered until over fifty years later by the intrepid modern prototypes of Christopher Columbus and Vasco da Gama—Messrs. Garrett Fitzgerald and Cruise O. Brien. Now that it has been established that the 40 coercion cannot work, the vested interests that have grown up in the meantime are insisting on a revamping of the disastrous 1920 experiment. It is this that continues to make progress towards reconciliation out of the question.

As long as the Union persists, the aspirations of the majority and the minority of the Irish people are not capable of reconciliation and therefore not capable of peaceful normal coexistence. If the Union is no more, if Irish protestations of loyalty to Britain are rejected by a British declaration of intent to withdraw, then the status of loyalist disappears and all that can remain is the understandable and justifiable determination not to be absorbed into the existing Twenty six County State; the British dimension, which has caused centuries of strife and bitterness, disappears and the factual Irish dimension remains. For the first time the problem will rest between Irishmen—the simple, vital problem, which they will know must be solved, of devising a political structure in which they can coexist in peace and harmony with absolute freedom of conscience for all assured. Provided the British departure does not take place in an irresponsible way leaving chaos, distrust and almost inevitable Civil War behind, I can see no difficulty in the solution of this problem.

On the other hand, if a British decision to withdraw from Ireland is not made, if the Unionists are not put on notice by Britain that their future is as part of Ireland—not the United Kingdom—Loyalism will continue to be equated with Patriotism and the maintenance of the Union and therefore the maintenance of their own status as a majority will continue to be seen as a duty by the traditional unionist community. The nationalist community, whose inherent right to be members of an independent Ireland is, by any test, no less than the right of the people of the Twenty six Counties, will continue to aspire to break the British connection.

The existence of the Six County entity will, therefore, continue to be threatened. Victimisation will be as inevitable and as essential to the maintenance of the Union as it was when Partition was first imposed on Ireland and Bills of Rights, whether enacted by a Stormont parliament or by the Mother of Parliaments at Westminister, will have no effect. Institutional violence will continue to beget counter violence and the unaccomplished national objective will continue to inspire periodic resort to arms as the only method that ever produced results from the British—the only method that ever dislodged the British grip from any of its colonial possessions including the U.S.A.

This is the one solution that has not been tried. Failure to apply it now can only ensure a future for Ireland similar to the past fifty years. This is the inescapable lesson of our history—the struggle will continue until the connection with England is broken and every generation will contribute its quota of dedicated young men and women, who will dissipate in the never ending conflict, the energies, talents and idealism, which could otherwise be so invaluable in making the country a better place to live in, and, because of the pernicious 1920 arrangement, the conflict will be mainly between Irishmen.

The real tragedy of the present situation, the terrible effect of the British concession to the armed blackmail of the U.V.F. is that the two separate, self-contained political establishments have become too blind and selfish to contemplate any solution outside the partitioned context in which they subsist. Just as it was necessary after 1916 to sweep away the then existing political establishment and replace them with a new movement, it is necessary today that the two sets of politicians produced by Partition should be dispensed with. These two political structures make sense only in the context of the factual situation established by the 1920 Act and this has proved to be disastrous. In the present circumstances the partition orientated political establishments are equally disastrous. It is obviously too much to expect a long established political party—particularly one which has become used to power—to pursue a course of action, which, if successful, may well make the party itself no longer relevant.

The developments in the Six Counties, starting with the Civil Rights demands and their repression and culminating in the guerrilla war response to British Army terrorism, have established as a fact the essential nonviability of the Six County area. The climate has been created for the only possible new initiative—a British decision to commence the process of final withdrawal from Ireland. This initiative can be procured only by people whose enthusiasm for an end to the Status Quo is total and urgent and not tempered by the niggling fear that the new situation must produce new political alignments and probably new politicians thus constituting a danger to their way of life.

The sheer weight of numbers of the established political parties combined with the pro-British bias of the media of communication and public apathy, has so far made it impossible to get the people to see that there is a need for them to compel their representatives to work actively to extract this decision from the British and that, if this is not possible, it is their duty to provide themselves with representatives who will grasp this golden opportunity of ending the old animosity between the two countries. We have had over fifty years of a solution based on injustice and the negation of democracy and this has involved intermittent violence culminating in the present situation. Is it not time to try a solution based on justice and democracy?

I can understand that many Irish Americans are mystified by the refusal of the Irish politicians to demand that what used to be described as "the greatest injury one nation can inflict on another" should be rectified. I would like to help to confirm the view obviously taken by the majority of Irish people here. You have not made a mistake. You are not confused as Mr. Lynch and Dr. Fitzgerald say you are, nor are you, as the Lord Bishop of Derry told you, merely a crowd of ignorant Paddy Whacks living in a Celtic never-never land. You have been able to see the present situation in Ireland clearly in its true historical perspective, because you have been insulated by the 3,000 miles of the Atlantic Ocean from the corrupting influence of politicians, who have acquired a vested interest in the Twenty six County State. The Resolution put before the Committee on Foreign Affairs by Governor Hugh Carey and others is an authentic statement of the Irish case and it is only along these lines that peace can be estabilshed in Ireland.

There is no other way. The struggle, which has gone on for centuries, is not going to end now merely because of the offer of a compulsory coalition cynically called Power-sharing. Irishmen have been bought before by British bribes but the national cause has continued because, as Pearse put it, we have always been redeemed with a sacrifice. If the attitude of the politicians does not change or if they are not replaced, strife of one kind or another will go on and on into future generations. It can be ended now, if the Government or, indeed, if the Opposition will only demand firmly that the British proclaim their intention to disengage from Ireland, as they did when there was no likelihood of a positive response. Good relations can be based only on the removal of the injustice inflicted on the Irish nation.

THE ROCKAWAY WAVE—SPECIAL SST SUPPLEMENT

Mr. SCHEUER. Mr. Speaker, among the many communities in my district that are perched literally at the edge of JFK Airport are the group of townships which make up the Rockaway Peninsula. The peninsula is a narrow strip of land stretching 14 miles along the Atlantic Ocean. Its 140,000 residents are directly affected by every development that takes place at Kennedy Airport. They, as well as the communities of Rosedale, Laurelton, Howard Beach, and Lindenwood, in my district, surround JFK Airport.

The Rockaway Wave, the community newspaper which has served as the eyes, ears, and voice of the peninsula since 1893, has published a special supplement to its January 22, 1976 issue on the supersonic transport, the Concorde.

I believe that this incisive analysis ought to receive special attention from our colleagues around the country. Publisher Thomas F. Swift, Editor Leon S. Locke, and Business Manager Kenneth Huhn have performed a splendid public service by printing this supplement for their readers and I am confident that it will be of great interest to my colleagues:

Neither Side Will Give Up if It Loses in February 4 Ruling

Rockaway residents plagued by jet aircraft noise that won't let them sleep, talk, enjoy TV, and even permanently impairs hearing when it gets too close, cringed this week when the noisiest commercial plane yet produced—the Concorde supersonic transport—began regular scheduled flights thousands of miles away. (Flights so far are from Great Britain to Bahrain, in the Middle East, and France to Brazil, and back.)

Local people also envisioned rattling of dishes and belongings when the SST takes off and exhaust pollution far greater than anything we know here now.

Almost without exception, people who live and work in the vicinity of John F. Kennedy Airport (with runways plainly visible from many parts of Rockaway), and Dulles Airport in Washington (the two destinations chosen by Britain and France for SST flights to the United States) have been begging any authority who will listen to help them keep the Concorde away from this country.

As matters stand, many are looking to U.S. Transportation Secretary William T. Coleman to give them a ruling on February 4. Since extensive hearings were held early this month by Coleman, it was felt for some time that his ruling on February 4 would be the final one.

That view has changed, however.

Opponents have no intentions of giving up if Coleman lets the SSTs come here. For one thing, there is almost unanimous agreement that whatever Coleman, the Federal Aviation Administration and other federal spokesmen decide, the Port Authority of New York and New Jersey, which operates Kennedy Airport, still can keep the Concorde out.

Likewise, proponents have no intention of giving up if Coleman bars the SST's. Pressure from Britain and France is apparent, and there is a feeling that President Ford and Secretary of State Kissinger, among others, will act personally to overturn any bar.

In this issue of The Wave—especially in the SST Supplement included—are many stories about the fights to allow or to bar the SST, along with many stories relating views of people involved in the fights—especially local leaders.

Because this coverage is so extensive, this edition of The Wave will be entered in the Congressional Record.

Case of Concorde SST

On January 5, Secretary of Transportation William T. Coleman Jr. held final hearings on the supersonic transport, Concorde, whose Anglo-French manufacturers have requested landing rights for four daily flights to J. F. Kennedy Airport and two to Dulles Airport (one flight equals one landing and one take-off).

These hearings represent the culmination of years of debate between the Concorde's manufacturers and environmentalists, scientists and members of Congress in this country.

Secretary Coleman has promised to deliver his decision by February 4, but it appears increasingly likely that others may have decisions to make later on, among them the courts and, perhaps, President Ford.

THE PRO-CONCORDE ARGUMENT

The obvious difference between the supersonic Concorde and current subsonic aircraft is speed—the Concorde flies at 1,350 mph and can fly from Paris to New York in 3½ hours instead of the 7 hours now required by subsonic jets.

Concorde supporters suggest that this "new technology" represents a "major advance in commercial aviation" and will bring about prosperity similar to that which accompanied the arrival of the railroad, ocean liner, automobile and airplane.

And they claim that "the benefits of the innovation outweigh the environmental effects."

These environmental effects, they declare are "minimal" at best, and must be considered in light of the harm done by the hundreds of subsonic aircraft which currently fly into and out of J.F.K. and Dulles each day. "The imuact of the proposed Concorde operations can be judged objectively only in terms of their incremental effect on the existing environmental conditions," testified the French and British governments.

The Concorde manufacturers further dismiss other safety concerns by noting that their airplane is "the most extensively tested civil aircraft ever to have entered commercial air service."

Finally, and perhaps most important, is the Anglo-French argument that landing rights should be granted because of the "international and economic considerations" involved. England and France have already spent approximately $3 billion on their SST, and suggest that we must help our allies by permitting the proposed six daily flights into this country, abroad as inequitable and discriminatory," threaten the French and British, who imply possible economic retaliation.

THE ANTI-CONCORDE ARGUMENT

The major complaint leveled against the Concorde is that is is incredibly noisy. Its engines generate four times as much noise as the wide-bodied 747s and DC-10s and twice as much noise as the noisiest jets now flying, the 707s and DC-8s. The plane also produces up to five times the vibration of subsonic jets.

Concorde opponents stress that it is single-event noise—not incremental noise—which is critical. They note that those people already living under aircraft flight paths would be offended and annoyed to a much greater degree by the Concorde than by subsonic jets, and that thousands of people currently beyond aircraft "noise footprints" would be subjected to the intense noise and vibration produced by the Anglo-French SST. Concorde detractors add that introduction of the plane would represent a reversal of current United States noise-abatement policy intended to protect the American public from excessive aircraft noise.

Environmentalists note that the Concorde only meets the noise requirements of J.F.K. by making a 26 degree "beat-the-box" bank turn initiated only 100 feet above the ground. This turn, or "noise-abatement procedure," was designed so that the monitor at Kennedy would not register the otherwise impermissible noise levels produced by the Concorde on take-off. Concorde opponents charge that this extreme turn at such low altitude is unsafe and could result in accidents over the heavily populated areas surrounding the airport.

Opponents also point to the extremely fuel-critical nature of the plane, whose range and fuel reserves—substantially less than the minimum required of American planes—also raise safety questions. Special air traffic control procedures would be required if the Concorde encountered airport delays of more than 30 minutes or if the destination airport were closed due to weather conditions. Such disruption of present air traffic control procedures, they observe, could cause serious problems and potential disasters; the U.S. Professional Air Traffic Controllers Organization agrees.

In addition, the Concorde is highly fuel-inefficient, using at least two to three times more fuel per passenger seat mile than subsonic jets. According to the Federal Energy Administration, the Concorde is thus incompatible with a United States energy conservation policy aimed at reducing nonessential and inefficient fuel uses."

It is further argued that the damage which the Concorde could inflict upon the ozone layer could cause 200 or more additional cases of skin cancer each year in this country.

But perhaps the most significant of all anti-Concorde arguments is that the Anglo-French request for six daily flights is only a "foot-in-the-door" technique, and that if the Concorde is admitted now, this country would find it impossible to turn away future requests, from other nations such as Iran or Russia as well as from the French and British. With the greater number of flights expected within 10 years, environmentalists point out, the problems of noise, air quality, ozone depletion and safety hazards would be greatly magnified.

Juxtaposed against these considerations, Concorde opponents urge, international and economic considerations cannot be given much weight.

On February 4, Secretary Coleman will offer his decision for public consumption. It remains to be seen whether this will only be one more round in a battle which has raged beyond everyone's expectations.

"Deny SST Bid!" Caso

"One hundred and sixteen thousand Nassau County residents would be subjected to noise intensity high enough to interfere with speech communication inside their own homes."

This warning was issued by Nassau County Executive Ralph G. Caso in testimony before United States Transportation Secretary William Coleman on the British-French application to start commercial service into John F. Kennedy and Dulles Airports with the Concorde supersonic transport.

Caso, a founder and chairman of the National Organization to Insure a Sound-controlled Environment, urged Coleman to deny the application on grounds that the Concorde is "a giant step backwards from the hard-won, inch-by-inch progress over the past 10 years in the battle to reduce noise and air pollution."

Caso produced Nassau County population density maps showing that the noise contour for a single Concorde SST landing at JFK would subject 116,000 county residents to noise levels that would cause speech interference indoors as well as outdoors.

He pointed out that the 707 jet aircraft, the noisiest in the present commercial jet fleet, subjects only 18,000 county residents to that level of noise intrusion.

"The Concorde SST represents a 551 per cent increase," Caso stated. "Let's not lose sight of the fact, however, that these are more than just numbers. They are people; American citizens with the unalienable right to life, liberty and the pursuit of happiness guaranteed them by this nation's Declaration of Independence.

"I submit on behalf of these residents of my county that their unalienable rights would be abridged if this noise intrusion is allowed into their homes.

"I urge you to put the most basic interests of the American people before any other considerations and ban from the United States the Concorde or any other aircraft that cannot meet existing and future environmental standards."

Bar the Concorde

(By Congressman James H. Scheuer)

Concorde, the Anglo-French commercial supersonic transport, has been the subject of ever-intensifying debate over the past several months.

Because the North Atlantic route is of vital economic importance to the French and British manufacturers of the new aircraft, they have been exerting great pressure on officials of this country to grant landing rights for six daily flights (one flight equals one landing and one take-off) into the United States. Four of these flights would be to John F. Kennedy International Airport.

The sentiment of the American people is clearly growing in opposition to the granting of even such limited landing rights to the Concorde, or any commercial SST, as long as such aircraft degrade and diminish our environment, our health and our tranquility.

To their credit, scientists, environmentalists, Members of Congress and concerned citizens have succeeded in generating nearly as much noise as the Concorde. Yet, even their persistent and virtually unanimous vocal opposition has not yet succeeded in assuring that the Concorde will not thunder into our airports. Secretary of Transportation Coleman, who recently held final hearings on the Anglo-French request for landing rights, has promised his decision by February 4.

At one time it appeared that this might represent Concorde's last stand, but it now seems likely that Secretary Coleman's decision will only be another in a long series of skirmishes.

Court battles will surely follow, whatever the decision. But even more disturbing is the fact that Mr. Coleman may not be considered the Administration's final authority by others in the Administration itself. Secretary of State Kissinger closed his October 6, 1975, letter to the Transportation Secretary by asking that Mr. Coleman "weigh carefully the concerns of these two close allies" in making the Administration's "initial decision" on the Concorde. The pernicious word "initial" suggests the lack of weight being placed by the Administration on Mr. Coleman's decision, and represents clear interference with normal internal policy determinations over and above the already serious questions concerning Secretary Coleman's usurpation of a decision reserved for the Administrator of the Federal Aviation Administration. Certainly, neither Secretary Kissinger nor President Ford has any authority in this matter.

It is astonishing to me that the Concorde hasn't been stopped dead in its tracks long ago. For it deserves to be sent back to the drawing boards. The plane is four times as noisy as the wide-bodied 747 and twice as loud as the 707, the noisiest jet in the American fleet. Its noise and vibration—up to five times the intensity of subsonic jets—would affect 500,000 people around Kennedy Airport.

To these people, my friends and neighbors, I am expected by the British and French to suggest that "incremental noise" is the only important factor, that the noise of four landings and four take-offs each day would represent only a "small" annoyance.

For each of the select few travelers who flew on the Concorde, thousands on the ground would find their ordinary conversations, their reading and studying made difficult or impossible, their household furnishings systematically rattled along with their nerves and eye teeth.

Congress has demonstrated a clear intent significantly to reduce aircraft noise, to protect the American people from a problem, which, until recently, threatened to intensify uncontrollably. Even back in 1962, before the basic design of the Concorde was established, the International Civil Aviation Organization resolved to "urge all governments . . . not (to) create a noise exceeding the level then accepted for the operation of subsonic jet aircraft."

The United States, France and Britain were all, of course, parties to this organization.

Introduction of the Concorde now would fly directly in the face of expressed national noise abatement policy and would also represent a reversal of other environmental protection policies. The Concorde emits substantially more pollutants into the air than subsonic jets, and, due to its depleting effect on the ozone layer, would cause at least 200 new cases of skin cancer each year in this country alone. And Secretary Coleman concedes this.

How can any responsible public official permit the introduction of any new technology under these circumstances? Just the knowledge that 200 Americans would contract "usually non-fatal" skin cancer should be enough to keep this environmental nightmare from our skies. Just the noise and vibration levels which the Concorde produces should be enough. Or the harm to our air quality. And there are many other powerful arguments.

The Concorde is incredibly fuel-inefficient, using two to three times more fuel per passenger seat mile than subsonic jets. This, of course, runs directly counter to our national energy posture aimed at reducing nonessential and inefficient uses of fuel.

The Concorde is highly fuel-critical as well. Because of its limited fuel reserves, it would require special air traffic control procedures if airport delays of more than 30 minutes, or airport closings due to bad weather, were encountered.

We are asked to weight the value of the Concorde's speed, as well as so-called "international and economic considerations," against these and other factors. The British and French governments make bold claims for economic prosperity and technological advancement. Yet the EPA, astutely noting that "not only do the benefits diminish as we attempt to save more and more time, but the environmental costs of achieving each incremental amount of time savings escalate more rapidly as well," suggests clearly the rather minimal value of such a reduction in travel time.

The EPA further calls "highly questionable" the argument that granting landing rights to the Concorde "will somehow help to advance technology."

We may very well sympathize with the imprudent Anglo-French investment of $3 billion. Yet we have surely learned from such escapades as Vietnam and the obsolete ABM system the foolhardiness of throwing good money after bad—in fact, we scrapped our own SST, which was superior to the Concorde both environmentally and in terms of economic feasibility, after investing $2 billion. Why should we do for our allies what we sensibly refused to do even for—or to—ourselves? And surely we cannot permit the Concorde to disrupt our lives because of irresponsible charges of discrimination and protectionism or shallow threats of economic retaliation?

We have finally begun to learn our environmental lessons. Shall we destroy in such mindless fashion what took eons to evolve? Shall every "new technology" to come off the drawing boards carry an inherent right to violate all measures taken deliberately to prevent environmental disaster? Is this really progress, as the French and British so fervently claim?

Supersonic transports produced with current or outmoded technology are simply environmentally unacceptable. Permitting the intrusion upon our lives of a clearly imperfect technology would be similar to producing an imperfect bomb—eventually, it will explode in our faces.

The Concorde is already a technologically outmoded aircraft, born of political rather than environmental considerations. It exhibits astonishingly minor benefits for a tiny few while posing very significant environmental and safety hazards, at gross economic and energy penalties, for many.

The EPA, the Federal agency responsible for protecting our environment, has formally and strongly opposed the Concorde in a well documented, highly professional fashion.

The Professional Air Traffic Controllers Organization, whose members are responsible for handling the arrival and departure of aircraft at our nation's airports, has formally opposed the Concorde.

The Federal Energy Administration calls the Concorde "incompatible" with national energy policy.

We can accept nothing but the complete barring of the Concorde. Otherwise, the roar of Concorde engines may prevent us from ever again hearing the voices of concerned citizens opposed to the havoc wrought by imperfect and dangerous "new technologies" such as the SST.

"We Don't Want SST!"—Waichaitis

"We don't want the SST to be allowed to land at Dulles, Kennedy or any other airport in the United States."

This view was expressed by Henry Waichaitis, chairman of Community Planning Board 14, at a hearing this month.

Waichaitis repeated his view in a letter to the executive secretary of the Department of Transportation in Washington, D.C.

"Community Planning Board 14 represents the entire 11-mile-long Rockaway Peninsula and Broad Channel," he said.

"We are situated about five miles from Kennedy Airport and we are directly in the flight path of the planes going out and coming in from the ocean.

"Our schools and our hospitals are not sound proof and the high-decibel noise of the present planes is ear shattering. The air is polluted from the smoke emitted from the motors of the planes; family life is completely disintegrated since conservation has become extinct; for members of a family cannot hear what is being said as each plane soars low over the homes.

"The population of the Rockaways comprises a great number of senior citizens. The health and welfare of these residents must have the priority concern of the President, the Secretary of State and those elected Representatives and Senators who seem to have lost sight of their duty to the American citizenry whose safety they are duty bound to protect, and in particular that of the residents living in the vicinity of Kennedy Airport. These Officials are making it very clear that unknown commitments made to Britain and France take supersedence over their responsibilities to the people of these United States, who, under oath, the officials had promised to serve and protect.

"This is a democratic country and as such the voters and taxpayers do have the right to protect their own interests. Therefore, the members of Community Board 14, representing more than 130,000 residents, do hereby urge you to inform France and Britain that their Concordes are not welcome in this country and that the citizens of the United States are much too important to be destroyed by unnecessary additional noise, pollution and cancer.

Santucci Acts To Censure Foreign Threats on SST

State Senator John J. Santucci has drafted a proposed resolution for legislative censure of any Concorde sponsors' threats of retaliation if their demands to use JFK Airport in New York are rejected.

Santucci, whose district includes the airport and neighboring communities, said, "Such threats coming in this Bicentennial year raise anew the issue of American independence."

Santucci's resolution proposes that the New York State Legislature censure any explicit or implicit threats of retaliation directed at New Yorkers and other Americans on the question of the use of American airports by foreign supersonic transports. The resolution also calls on Congress to adopt appropriate legislation to permanently ban supersonic commercial jet aircraft from New York airports and other similarly situated airports in the United States.

Santucci said he is introducing the resolution because "New Yorkers and other Americans successfully opposed development of a U.S. supersonic transport. We did so principally because of justified safety, health and environmental concerns.

"But the Concorde sponsors' went ahead with development of their SST and now they demand to use it at New York and other American airports. New Yorkers and other Americans oppose that demand for the same reason we opposed development of an American SST.

"We appreciate the Concorde sponsors' concern for their own investment and their worry that it might prove an economic mistake for them. New Yorkers aren't insensitive to the economic problems of others. We respect their right to explain their financial concern and tell their side of the story.

"But we don't like threats of retaliation aimed at us. Americans wouldn't put up with that 200 years ago. I think we should make clear now that we reject that kind of thing in 1976 as well."

Santucci praised Governor Carey for his position and agreed with the governor that the SST is too great an imposition on too many people for the benefit of a very few.

"Back to Drawing Board With Concorde!"—Manes

"The Concorde, in its present form, should not be allowed to use Kennedy Airport."

This view was sent to The Wave by Borough President Donald R. Manes in a statement on his feelings about the supersonic transport.

"Experts can go into great detail on the question of the destructive impact the Concorde will have on our environment," said Manes.

"I am going to leave the scientific questions to those qualified in the field.

"But I want to point out that when we deal with the environment, which we know is a delicate mechanism, we cannot consider any proposal which might cause potential dangers as a minor matter.

"I am particularly concerned that because we are currently discussing only a limited number of SST flights we not lose sight of, first, the damage that even these limited number of flights can do, and secondly, the realistic assessment that if we now authorize a limited number of SST flights we are most certainly going to have to authorize an increased number in the future.

"My principal argument is fighting against approval of the Concorde flights has been based on what it means to our community to have an SST jet port—what it means to people who make up the neighborhoods surrounding JFK Airport—what it means to each one of the 2 million people of our borough.

"To begin with, we cannot judge the impact of SSTs in a vacuum. Keep in mind that we already have two great jet ports here in Queens. We are not talking just about a few flights a week. We are talking about a number of SST flights in addition to all the other jet flights we now have.

"I genuinely believe that you can find no other place in this nation where there are 2 million people as directly affected by existing jet noise, pollution, traffic, congestion and all the other potential dangers that we face here in Queens County. We have two of the most active airports in the world, and we have had to learn to live with the problems that are created.

"The teachers in schools under or near the flight paths constantly have to stop their instruction until the deafening noise subsides.

"Youngsters in playgrounds or on the streets have to halt their play and hold their ears until planes pass by.

"Countless social and civic meetings, and even religious services, are interrupted and impeded by the drone of jet engines.

"And even in our homes—whether it is around the dining table, in the living room, in front of the television set, or even in the not-so-quiet of the bedroom—our normal patterns of life are interrupted, altered and stopped as planes constantly land and take flight in and out of Kennedy.

"The simple and honest fact is that the normal pace of life cannot be maintained in these neighborhoods.

"I totally reject the argument offered by some that the only solution is for people to move—to leave their homes and communities.

"I totally reject the concept that we in New York City, with all of our problems, and with our pressing need for space and housing, have to establish barren wastelands around airports to accommodate machines rather than people.

"The Concorde, in its present form should not be allowed to use Kennedy Airport. It should not be allowed to further disrupt and damage the quality of life of the communities surrounding the airport, and our whole metropolitan area.

"The people of Queens, who already have the two major airports and major highways and parkways to serve these airports, should not be called upon to make even a greater sacrifice under the guise of aid to mass transportation.

"Our people are now carrying more than their share of the burden.

"And, while I do not wish to give the appearance of someone standing in the way of progress, I am proud to be a public official willing to stand up and say that I will not accept unnecessary burdens, on behalf of the 2 million residents of Queens, just for the sake of so-called 'progress'.

"The simple fact is that we in the United States and, indeed, in other industrial nations throughout the world, have made tremendous scientific progress.

"We are all very proud that we have sent men to the moon and cameras and scientific instruments to take photographs and tests of the furthest planets. Events in almost any part of this earth can be brought instantly into our homes through television.

"I have no doubt that with the proper stimulus a supersonic aircraft can be developed with a noise level even less than our standard subsonic jets.

"Just as certain as I am that an SST with acceptable noise levels can be developed, I am certain that unless industry is forced to do the research and development to produce a quiet SST it will take the easy route and produce a noisy SST.

"I am not saying an SST should never be seen in the skies over Queens. But I am emphatically stating that no SST should be allowed to enter our airways until those developing and promoting these crafts have perfected the means to reduce the impact to acceptable levels. The developers of the Concorde have not yet done this.

"If you will pardon somewhat of a pun, I am not looking for pie in the sky. I am looking for a reasonable and fair approach to the introduction of more modern aircraft.

"It can be done. It should be done.

"And it will be done if the United States Government clearly rejects the presently designed Concorde.

"The message which should be given by the government of the people of the United States to SST developers is: 'Back to the drawing boards.'

"We should unequivocally state that approval of any SST will not be forthcoming until the planes have been developed to an acceptable level—acceptable, that is, not only to the people who will fly them and the lines which will use them, but, more importantly, to the people who live near jet ports, and to our environment.

"Man in airplanes in the skies and man on the ground can live in harmony, if each respects the concerns of each other."

Charges "Beautiful" Concorde SST Carries Noise, Pollution, Disease

"The Anglo-French Concorde supersonic transport is a beautiful airplane . . . to look at. After that, it becomes a carrier of noise, pollution, and disease."

This view comes from Joseph R. Lewis, president of Metro Suburban Aircraft Noise Association and co-chairman of the Emergency Coalition to Stop the SST.

"The entire history of the Concorde SST is steeped in deceit—deceit by the British and French governments and the manufacturers of the airplane, a game of deceit and blackmail with the American people as the intended victims—and, to make matters worse, with the aid and abettance of the United States government," says Lewis.

"We now have concrete evidence that those in the highest offices of the United States did stand ready and still stand ready to sell out the American people, in the name of good will to two of our closest friends and allies," he continues.

"Let's start with a piece of evidence titled Minutes of the Concorde Marketing Meeting of the Commercial Aircraft Division of the British Aircraft Corporation. . . . Those taking part in this meeting agreed that it would be hard to present this aircraft (Concorde) to other operators in the face of present opinion on noise throughout the world and therefore this is a government problem.

"The conferees also said they had to decide just what figures they would present to the Federal Aviation Administration, which was preparing an Environmental Impact Statement. They also agreed that the FAA would not be awkward until 1977 and that New York would be difficult.

"The French Concorde people considered the problem (noise) insoluble and one that must be resolved on a political level. They also said that the public would just have to learn to live with Concorde noise levels. Since at that time they were experiencing difficulty in getting permits to both overfly supersonically and use airports in many countries, particularly the Arab countries, the conferees agreed that there should be a linking of government aid to sales requirements. That's a polite way of saying there must be blackmail practiced against any country that opposes the Concorde SST.

"Even before that, Britain and France went to work on the United States President and his Secretary of State. In a letter to then French President Pompidou, then President Richard Nixon wrote on January 19, 1973, 'I am sure that United States officials will make every effort to see that the Concorde can compete on its merits for sales in this country . . . In keeping with this policy, the Federal Aviation Administration will issue its proposed fleet noise rule in a form which will make it applicable to the Concorde.'

"And on January 23, 1973, Nixon wrote in a letter to then British Prime Minister Heath, 'I can assure you that my Administration will make every effort to see that the Concorde is treated fairly in all aspects of United States governmental regulations, so that it can compete for sales in this country on its merits. As a consequence of this policy, the Federal Aviation Administration will issue its proposed fleet noise rule in a form which will make it inapplicable to the Concorde.'

"A little more than a year later, we have the British Airways making a report to the British Department of Trade in which Chairman of the Board Mr. David L. Nicholson says that 'the uncertainties for successful economic operation of the Concorde are now greater than when the project was first started and that the conditions and assumptions necessary for profitable Concorde services are not those on which a commercial management could prudently plan its future operation.'

"He then goes on to forecast a loss of 25 million pounds in a typical year (1977–1978) of operation . . .

"'It must be envisioned that operating permits may not all be forthcoming, and with noise and supersonic boom restriction widely enforced, and industry objections to our pricing and marketing proposals, the resultant less-attractive scheduling and product features could inhibit traffic attraction and secure smaller market shares. In such circumstances, substantial financial losses would be in prospect.'

"This report also states that all their assumptions include 'Concorde will be permitted to operate with no restrictions imposed due to noise and other environmental considerations and that minimum safety fuel reserves have been employed.'

"During all this time, there were many meetings at which pressure was applied to the Port Authority and the Governor of New York State to fall in line with the illegal commitments made by the White House and State Department . . .

"We now get to the letter sent by and signed by Secretary of State Henry Kissinger on October 6, 1975, to Secretary of Transportation William Coleman. This date is a little over a month before the FAA released its Final Impact Statement on the Concorde. . . .

"The report was finally released on November 13, 1975, and Secretary Coleman chose to not make his decision known then but gave everyone until January 6, 1976, to make new statements at a hearing to be held in Washington . . . then wait another 30 days before making his decision on whether to allow the Concorde into the United States.

"It is the consensus of opinion of many that Mr. Coleman is doing this to gather as much support as possible to stand up to the pressures of the White House and State Department. If this is so, we can tell Mr. Coleman that he has the support of the more than a million people who make up the Emergency Coalition to Stop the SST.

"Meanwhile, on October 6, 1975, Kissinger sent a 'Dear Bill' letter to Secretary Coleman telling him that the British and French had expressed fears the Concorde would not be treated fairly by the American government but that he had assured them they would.

"Kissinger also reminds Coleman that the British and French have very large sums of money invested in the Concorde and that national prestige is involved. He goes on to say that rejection of the applications of the two airlines (British Airways and Air France) would be viewed as a serious blow by two of our closest friends and allies. . . . The impact would be particularly severe in the case of France in the light of the immense disappointment the French felt earlier this year in losing the international competition to the United States in providing a new military aircraft as the replacement for the F-104 fighter aircraft in the hands of certain other NATO countries. . . .

"The last few weeks, though, have seen opposition to the attempts of the White House and State Department to force an unwanted and unneeded airplane on the American people. The Environmental Protection Agency has spoken out, the Congress has voted a ban for six months on the Concorde and the Senate will get its chance in January to do the same. President Ford, though, has indicated he will veto the ban if it reaches his desk.

"People who have friends and relatives in other states should also write to them and ask them to write to their Senators and Congressmen for support. . . .

"The will of the people must prevail in this issue. Otherwise, our children and grandchildren will have noise, disease and air pollution as part of their heritage."

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Pepper (at the request of Mr. O'Neill), after 2:30 p.m. today, on account of official business.

Mr. MADIGAN (at the request of Mr. MICHEL), for today and the balance of the week, on account of illness.

Mr. MOTTL (at the request of Mr. O'NEILL), for today, on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. BEARD of Tennessee) to revise and extend their remarks and include extraneous material:)

Mr. KEMP, for 30 minutes, today.

Mr. DUNCAN of Tennessee, for 30 minutes, Monday, February 2.

Mr. DU PONT, for 15 minutes, today.

Mr. BOB WILSON, for 5 minutes, today.

(The following Members (at the request of Mr. MINETA) and to revise and extend their remarks and include extraneous matter:)

Mr. GONZALEZ, for 5 minutes, today.

Mr. WAGGONNER, for 10 minutes, today.

Mrs. MEYNER, for 5 minutes, today.

Mr. BAUCUS, for 10 minutes, today.

Mr. HELSTOSKI, for 30 minutes, today.

Mr. HAYS of Ohio, for 5 minutes, today.

Mr. ADDABBO, for 10 minutes, today.

Mr. FORD of Michigan, for 5 minutes, today.

Mr. DODD, for 10 minutes, today.

Mr. MELCHER, for 5 minutes, today.

Mr. FASCELL, for 5 minutes, today.

Mr. WIRTH, for 5 minutes, today.

Mr. EILBERG, for 15 minutes, today.

Mr. BROWN of California, for 20 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. SCHEUER, notwithstanding the Public Printer estimates it will be approximately three and three-quarter pages of the CONGRESSIONAL RECORD at a cost of $1,073, to extend his remarks.

Mr. WOLFF, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $3,146.

Mr. SCHEUER.

Mr. JONES of Alabama to revise and extend his remarks immediately after vote that occurred on Brooks amendment.

Mr. ASHBROOK to revise and extend his remarks before vote on conference report on H.R. 5247.

Mrs. FENWICK prior to the votes on the McKinney amendments.

(The following Members (at the request of Mr. BEARD of Tennessee) and to include extraneous matter:)

Mr. MCKINNEY in two instances.

Mr. KEMP in three instances.

Mr. WYDLER in two instances.

Mr. STEELMAN.

Mr. DEL CLAWSON in two instances.

Mr. MCCLORY.

Mr. HYDE.

Mr. GILMAN in two instances.

Mr. WALSH.

Mr. FISH in two instances.

Mr. ANDERSON of Illinois in two instances.

Mr. DERWINSKI in two instances.

Mr. STEIGER of Wisconsin.

Mr. WHALEN.

Mrs. FENWICK.

Mr. SARASIN.

Mr. MCDADE.

Mr. ROUSSELOT.

Mr. EMERY.

Mr. SNYDER.

Mr. FINDLEY.

Mr. KASTEN in two instances.

Mr. LAGOMARSINO.

Mr. GOODLING in two instances.

(The following Members (at the request of Mr. MINETA) and to include extraneous matter:)

Mr. GONZALEZ in three instances.

Mr. ANDERSON of California in three instances.

Mr. MAGUIRE in three instances.

Mr. LEGGETT.

Mr. HOLLAND in two instances.

Mr. SMITH of Iowa in two instances.

Mr. ST GERMAIN.

Mr. FRASER in 10 instances.

Mr. BAUCUS in two instances.

Mr. WOLFF in three instances.

Mr. TEAGUE.

Mr. SIMON in five instances.

Mr. OBEY in two instances.

Mr. BADILLO in five instances.

Mr. UDALL.

Mr. AMBRO.

Mr. HAWKINS in two instances.

Mr. VANDER VEEN.

Mr. RANGEL in two instances.

Mr. RIEGLE in two instances.

Mr. JAMES V. STANTON in two instances.

Mr. ROE in two instances.

Mr. ZEFERETTI.

Mr. BEDELL.

Mr. GINN.

Mr. HARRINGTON in two instances.

Mr. MOFFETT.

Mr. BONKER in two instances.

Mr. JACOBS.

Mr. ROBERTS in two instances.

Mr. HUNGATE.

Mr. RUSSO.

Mr. MCDONALD of Georgia in three instances.

Mr. CONYERS in two instances.

Mr. JOHN L. BURTON.

Mrs. BURKE of California.

Mr. HOWARD.

Mr. MIKVA in two instances.

BILLS PRESENTED TO THE PRESIDENT

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee did on January 28, 1976, present to the President, for his approval, bills of the House of the following title:

H.R. 9861. An act making appropriations for the Department of Defense for the fiscal year ending June 30, 1976, and the period beginning July 1, 1976, and ending September 30, 1976, and for other purposes; and

H.R. 11510. An act to provide for starling and blackbird control in Kentucky and Tennessee.

ADJOURNMENT

Mr. MINETA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 1 minute p.m.), under its previous order, the House adjourned until Monday, February 2, 1976, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2409. A letter from the Governor, Farm Credit Administration, transmitting the 42d annual report of the Farm Credit Administration and the Cooperative Farm Credit System, including a report on the activities of the Federal Farm Credit Board, covering fiscal year 1975, pursuant to section 5.18(3) of Public Law 92-181; to the Committee on Agriculture.

2410. A letter from the Director, U.S. Arms Control and Disarmament Agency, transmitting a report on scientific and professional positions of the agency during calendar year 1975, pursuant to 5 U.S.C. 3104(c); to the Committee on Post Office and Civil Service.

2411. A letter from the Secretary, Railroad Retirement Board, transmitting a report on positions of the Board in grades GS-16, GS-17, and 18 during calendar year 1975, pursuant to 5 U.S.C. 5114(a); to the Committee on Post Office and Civil Service.

2412. A letter from the Assistant Secretary of the Army (Civil Works), transmitting a letter from the Chief of Engineers, Department of the Army, submitting a report on Southern Branch of Elizabeth River, Chesapeake, Va., requested by a resolution of the Committee on Public Works, House of Representatives, adopted October 5, 1966 (H. Doc. No. 94-355); to the Committee on Public Works and Transportation and ordered to be printed with illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HAYS of Ohio: Committee on House Administration H. R. 11552. A bill to establish a Voter Registration Administration within the Federal Election Commission for the purpose of administering a voter registration program through the Postal Service, and for other purposes; with amendment (Rept. No. 94-798); Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. House Concurrent Resolution 225. Concurrent resolution to recognize the Washington-Rochambeau National Historic Route; with amendment (Rept. No. 94-799). Referred to the House Calendar.

Mr. HALEY: Committee on Interior and Insular Affairs. S. 217. An act to repeal the Act of May 10, 1926 (44 Stat. 498), relating to the condemnation of certain lands of the Pueblo Indians in the State of New Mexico; with amendment (Rept. No. 94-800). Referred to the Committee of the Whole House on the State of the Union.

Mr. FOLEY: Committee on Agriculture. H.R. 5808. A bill to amend the act of August 24, 1966, as amended, to assume humane treatment of certain animals, and for other purposes; with amendment (Rept. No. 94-801). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HAWKINS (for himself, Mr. Bingham, Mr. D'Amours, Mr. Florio, Mr. Matsunaga, Mr. Nolan, Mr. Patten, and Mr. Vigorito):

H.R. 11589. A bill to establish a national policy and nationwide machinery for guaranteeing to all adult Americans able and willing to work the availability of equal opportunities for useful and rewarding employment; to the Committee on Education and Labor.

By Mr. BOWEN:

H.R. 11590. A bill to amend the Internal Revenue Code of 1954 to increase the exemption for purposes of the Federal estate tax from $60,000 to $200,000; to the Committee on Ways and Means.

By Mr. CLANCY:

H.R. 11591. A bill to provide for the personal safety of those persons engaged in furthering the foreign intelligence operations of the United States; to the Committee on the Judiciary.

H.R. 11592. A bill to amend title 18 of the United States Code to provide the death penalty for certain destructive acts to airports, airplanes, and related things and places; to the Committee on the Judiciary.

By Mr. CONTE:

H.R. 11593. A bill to amend title II of the Social Security Act to increase to $4,800 the amount of outside earnings which (subject to further increases under the automatic adjustment provisions) is permitted each year without any deductions from benefits thereunder, and to reduce the rate at which such deductions are made on account of earnings exceeding such amount; to the Committee on Ways and Means.

By Mr. CORMAN (for himself, Mr. Baldus, Mr. Bedell, Mr. Bergland, Mr. Dominick V. Daniels, Mr. Haley, Mr. Hamilton, Mr. Hefner, Mr. Jenrette, Mr. Martin, Mr. Sikes, Mr. Waxman, Mr. Zablocki):

H.R. 11594. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors; to the Committee on Ways and Means.

By Mr. DENT (for himself and Mr. Vigorito):

H.R. 11595. A bill to amend the Tariff Schedules of the United States; to the Committee on Ways and Means.

By Mr. DRINAN (for himself and Mr. Patterson of California):

H.R. 11596. A bill to amend the Impoundment Control Act of 1974 to provide that no rescission of budget authority proposed by the President shall take effect unless and until the Congress has passed a bill incorporating such rescission; to the Committee on Rules.

By Mr. ESCH:

H.R. 11597. A bill to amend title 18 of the United States Code to provide criteria for the imposition of the death penalty for certain explosives related offenses; to the Committee on the Judiciary.

By Mr. HAYS of Ohio:

H.R. 11598. A bill to authorize appropriations for the U.S. Information Agency for fiscal year 1976 and for the period July 1, 1976, through September 30, 1976; to the Committee on International Relations.

By Mr. KASTENMEIER (for himself, Mr. Steelman, Mr. Adams, Mr. Burke of Massachusetts, Mrs. Chisholm, Mr. du Pont, Mr. Lloyd of California, Mr. Santini, and Mr. Zablocki):

H.R. 11599. A bill to require candidates for Federal office, Members of the Congress, and officers and employees of the United States to file statements with the Comptroller General with respect to their income and financial transactions; jointly to the Committees on the Judiciary, and Standards of Official Conduct.

By Mr. KETCHUM:

H.R. 11600. A bill to amend the Fair Labor Standards Act of 1938 to require that employers be given notice of complaints alleging violations of that act, the identity of the complainant, and the basis for the complaint; to the Committee on Education and Labor.

By Mr. KOCH (for himself, Mr. Ambro, and Mr. Roe):

H.R. 11601. A bill to establish a Commission on the Humane Treatment of Animals; to the Committee on Agriculture.

By Mr. MELCHER:

H.R. 11602. A bill to amend the Internal Revenue Code of 1954 to increase the exemption for purposes of the Federal estate tax, to increase the estate tax marital deduction, and to provide an alternate method of valuing certain real property for estate tax purposes; to the Committee on Ways and Means.

By Mr. MOAKLEY:

H.R. 11603. A bill to revise chapter 99 of title 18 of the United States Code to provide for the punishment of sexual assaults in the special jurisdiction of the United States; to the Committee on the Judiciary.

By Mr. MOSHER (for himself and Mr. Breaux):

H.R. 11604. A bill to deny Members of Congress any increase in pay under any law passed, or plan or recommendation received, during a Congress unless such increase is to take effect not earlier than the first day of the next Congress; to the Committee on Post Office and Civil Service.

By Mr. OTTINGER (for himself and Mr. Richmond):

H.R. 11605. A bill to suspend for a 3-year period the rate of duty on mattress blanks of rubber latex; to the Committee on Ways and Means.

By Mr. PATTEN:

H.R. 11606. A bill to amend the Internal Revenue Code of 1954 to provide a tax credit with respect to housing senior citizens in the principal residence of the taxpayer; to the Committee on Ways and Means.

By Mr. RANDALL:

H.R. 11607. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors; to the Committee on Ways and means.

By Mr. STEELMAN (for himself, Mr. Fascell, Mr. Anderson of California, Mr. Bedell, Mr. Blanchard, Mr. Matsunaga, Mr. Mikva, Mr. Studds, and Mr. Vigorito):

H.R. 11608. A bill to provide that meetings of Government agencies shall be open to the public, and for other purposes; to the Committee on Government Operations.

By Mr. BROWN of California:

H.R. 11609. A bill to amend certain acts for the purpose of limiting the authorization for appropriations for agricultural research under such acts to the fiscal years ending September 30, 1977, and September 30, 1978, and to establish an Agricultural Research Planning and Budget Advisory Committee within the Department of Agriculture; to the Committee on Agriculture.

By Mr. CHAPPELL:

H.R. 11610. A bill to regulate interstate commerce in wagering on horseracing, to maintain the stability of the horseracing industry, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. D'AMOURS (for himself, Mr. Nichols, and Mr. Mezvinsky):

H.R. 11611. A bill to amend Public Law 874, 81st Congress, to provide that children of parents employed on Federal property who attend school in a State contiguous to the State in which such property is situated may be counted for purposes of determining the aid entitlement of the local educational agency having jurisdiction over such school, and for other purposes; to the Committee on Education and Labor.

By Mr. EMERY:

H.R. 11612. A bill to promote, consistent with the Energy Reorganization Act of 1974 and the Federal Nonnuclear Energy Research and Development Act of 1974, research and development into expanding the use of alternative energy resources in transportation and power generation, through the establishment of experimental research and demonstration projects utilizing domestic synthetic fuels in the operation of certain government owned and maintained passenger vehicles and in the generation of peak electrical power from combustion turbines by public utilities, to report the scientific and environmental implications of such projects to Congress for use in developing energy and environmental policies, and for other purposes; to the Committee on Science and Technology.

By Mr. KOCH:

H.R. 11613. A bill to establish a commission to study the results of and other questions relating to the racial integration of public schools and the use of busing to achieve it; jointly to the Committees on Education and Labor, and the Judiciary.

By Mr. LITTON:

H.R. 11614. A bill to provide that local governments may be reimbursed for the cost of protective and security services provided by such governments in connection with visits by the President or Vice President of the United States; to the Committee on the Judiciary.

By Mr. MICHEL (for himself, Mr. Passman, and Mr. Young of Alaska):

H.R. 11615. A bill to reform the Food Stamp Act of 1964 by redirecting resources to those with the greatest need, by making program administration more effective, by making more realistic eligibility requirements, and by tightening accountability, and for other purposes; to the Committee on Agriculture.

By Mr. MOLLOHAN (for himself, Mr. Mr. McEwen, and Mr. Risenhoover):

H.R. 11616. A bill to amend the Solid Waste Disposal Act to prohibit the promulgation of certain regulations respecting beverage containers sold, offered for sale, or distributed at Federal facilities; to the Committee on Interstate and Foreign Commerce.

By Mr. ROGERS (for himself and Mr. Maguire):

H.R. 11617. A bill to amend the Federal Food, Drug, and Cosmetic Act to require the generic labeling of drugs and the disclosure to drug users of side effects, adverse reactions, and related information; to strengthen the records and reports authority under that act; to require the reporting of information respecting significant health hazards to authorize conditional approval of new drugs; to strengthen the Food and Drug Administration; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ROGERS (for himself, Mr. Archer, Mr. Bafalis, Mr. Bevill, Mr. Blanchard, Mr. Burgener, Mr. Carney, Mr. Eilberg, Mr. Fish, Mr. Hyde, Mr. Kasten, Mr. Lagomarsino, Mr. Lent, Mr. Lott, Mr. Mazzoli, Mr. Myers of Indiana, Mr. Murtha, Mr. Santini, Mr. J. William Stanton, Mr. Steed, Mr. Taylor of North Carolina, Mr. Wampler, Mr. Whitehurst, and Mr. Zeferetti):

H.R. 11618. A bill to amend title 18 of the United States Code to provide criteria for the imposition of the death penalty for certain explosives related offenses; to the Committee on the Judiciary.

By Mrs. **SULLIVAN** (for herself, Mr. Leggett, Mr. Oberstar, Mr. Ruppe, and Mr. Forsythe):

H.R. 11619. A bill to authorize further appropriations for the Office of Environmental Quality, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. **VIGORITO**:

H.R. 11620. A bill to amend part A of title XVIII of the Social Security Act to reduce the inpatient hospital deductible under the medicare program to its 1975 level; to the Committee on Ways and Means.

By Mr. **WALSH**:

H.R. 11621. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for occupational therapy services, whether furnished as a part of home health services or otherwise; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. **BOB WILSON**:

H.R. 11622. A bill to amend the Tariff Act of 1930 so as to exempt private vessels and aircraft entering or departing from the United States at night or on Sunday or a holiday from provisions requiring payment to the United States for overtime services of customs officers and employees, and for other purposes; to the Committee on Ways and Means.

By Mr. **YOUNG** of Florida (for himself, Ms. Abzug, Mr. Badillo, Mr. Bafalis, Mr. Bennett, Mr. Bingham, Mr. Blouin, Mr. Burgener, Mr. Chappell, Mr. de Lugo, Mr. English, Mr. Gilman, Mr. Harrington, Mr. Hechler of West Virginia, Mr. Ketchum, Mr. Murphy of New York, Mr. Ottinger, Mr. Nolan, Mr. Pressler, Mr. Russo, Mr. Solarz, Mr. Thone, Mr. Wampler, Mr. Waxman, and Mr. Yatron):

H.R. 11623. A bill to amend part A of title XVIII of the Social Security Act to reduce the inpatient hospital deductible under the medicare program to its 1975 level; to the Committee on Ways and Means.

By Mr. **BURLISON** of Missouri:

H.J. Res. 785. Joint resolution proposing an amendment to the Constitution of the United States relating to the nomination of individuals for election to the Offices of the President and Vice President of the United States; to the Committee on the Judiciary.

H.J. Res. 786. Joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States; to the Committee on the Judiciary.

By Mr. **du PONT**:

H.J. Res. 787. Joint resolution proposing an amendment to the Constitution of the United States providing that the Constitution does not require States to take into account the race or color of students in assigning them to schools; to the Committee on the Judiciary.

By Mr. **SCHEUER**:

H.J. Res. 788. Joint resolution calling for a White House Conference to evaluate the busing experience of the United States over the past two decades; to the Committee on Education and Labor.

By Mr. **BRADEMAS**:

H. Con. Res. 536. Resolution to authorize the printing as a House document "Our Flag", and to provide for additional copies; to the Committee on House Administration.

By Mr. **HAYS** of Ohio:

H. Con. Res. 537. Concurrent resolution to provide for the printing as a House document of the Constitution and the Declaration of Independence; to the Committee on House Administration.

H. Con. Res. 538. Concurrent resolution providing for the printing as a House document of the Constitution of the United States (pocket-size edition); to the Committee on House Administration.

By Mr. **RODINO**:

H. Con. Res. 539. Concurrent resolution to printing as a House document the Constitution of the United States; to the Committee on House Administration.

H. Con. Res. 540. Concurrent resolution to print as a House document "How Our Laws Are Made"; to the Committee on House Administration.

By Mr. **STUCKEY** (for himself, Mr. Railsback, Mr. Roncalio, Mr. Young of Florida, Mr. Mathis, Mr. Edwards of Alabama, and Mr. Taylor of Missouri):

H. Con. Res. 541. Concurrent resolution relating to the authority of the Federal Trade Commission to prescribe rules preempting State and local laws; to the Committee on Interstate and Foreign Commerce.

By Mr. **JONES** of Tennessee (for himself, Ms. Abzug, Mr. Adams, Mr. Allen, Mr. Andrews of North Carolina, Mr. Andrews of North Dakota, Mr. Ashley, Mr. Baucus, Mr. Benitez, Mr. Blouin, Mrs. Boggs, Mr. Bonker, Mr. Byron, Mr. Carney, Mr. Conyers, Mr. Danielson, Mr. Dellums, Mr. Diggs, Mr. Dodd, Mr. Edwards of California, Mr. English, Mr. Evans of Colorado, Mr. Fisher, Mr. Fountain, and Mr. Hagedorn):

H. Res. 1000. Resolution to authorize the President to issue a proclamation designating the week beginning April 4, 1976, as National Rural Health Week; to the Committee on Post Office and Civil Service.

By Mr. **JONES** of Tennessee (for himself, Mr. Hannaford, Mr. Ichord, Mr. Koch, Mr. Krueger, Mr. Latta, Mr. Lloyd of California, Mr. Long of Louisiana, Mr. McCollister, Mr. McFall, Mr. Martin, Mr. Mazzoli, Mr. Melcher, Mrs. Meyner, Mr. Mollohan, Mr. Murphy of Illinois, Mr. Neal, Mr. Nolan, Mr. Patterson of California, Mr. Preyer, Mr. Rees, Mr. Shipley, Mr. Snyder, Mr. Staggers, and Mr. Steiger of Arizona):

H. Res. 1002. Resolution to authorize the President to issue a proclamation designating the week beginning April 4, 1976, as National Rural Health Week; to the Committee on Post Office and Civil Service.

By Mr. **JONES** of Tennessee (for himself, Mr. Symington, Mr. Taylor of North Carolina, Mr. Traxler, Mr. Treen, Mr. Vander Veen, and Mr. Waggonner):

H. Res. 1003. Resolution to authorize the President to issue a proclamation designating the week beginning April 4, 1976, as National Rural Health Week; to the Committee on Post Office and Civil Service.

By Mr. **WHALEN**:

H. Res. 1004. Resolution to authorize the President to issue a proclamation designating the week beginning April 4, 1976, as National Rural Health Week; to the Committee on Post Office and Civil Service.

By Mr. **FORSYTHE**:

H. Res. 1005. Resolution concerning the safety and freedom of Valentyn Moroz, Ukrainian historian; to the Committee on International Relations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. **BUCHANAN**:

H.R. 11624. A bill for the relief of Minnie L. Peak; to the Committee on the Judiciary.

By Mr. **REES**:

H.R. 11625. A bill for the relief of Donald Shih Ta Chen; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

381. By the **SPEAKER**: Petition of the Oklahoma Association of Conservation Districts, Oklahoma City, relative to revenue sharing; to the Committee on Government Operations.

382. Also, petition of the Oklahoma Association of Conservation Districts, Oklahoma City, relative to the expansion of the jurisdiction of the Corps of Engineers; to the Committee on Public Works and Transportation.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 9464

By Ms. **ABZUG**:

(Amendment to the Krueger amendment)

In section 207, strike out the last sentence of subsection (h)(1) and insert in lieu thereof the following: "No information gathered or study made under the authority of this subsection may be withheld from disclosure under section 552 of title 5, United States Code, on grounds other than the grounds specified in section 552(b)(1), 552(b)(3), or so much of 552(b)(4) as relates to trade secrets. No provision of this subsection may be exercised so as to prevent the Congress (or any committee or Member thereof) from having access to any information gathered or study made pursuant to the provisions of this subsection.".

By Mr. **DODD**:

(Amendment to Krueger amendment)

Paragraph (3) of section 103 is amended to read as follows:

(3) "Independent producer" means a person, including any person controlling, controlled by, or under common control with such a person, which is engaged in the production of natural gas and not engaged in the refining, transportation, or marketing of natural gas or petroleum products (other than transportation through a gathering pipeline, as determined by the Commission).

By Mr. **ECKHARDT**:

(Amendments to Mr. Krueger's amendment Published in the Congressional Record of December 8, 1975, on pages 39152–39156.

Amend section 203, by striking the first provision of paragraph (2) and inserting in lieu thereof the following:

"(2) Subject only to the provisions of sections 4(a), 4(e), 5, 24, 25, and 26 of this Act, after the effective date of the Natural Gas Act Amendments of 1975, the authority of the Commission to regulate the sale of natural gas to a natural-gas company for resale in interstate commerce pursuant to this Act shall cease to exist with respect to, and shall not apply to, new natural gas."

In section 204, strike the existing paragraph (11) and insert in lieu of a new paragraph (11) to read as follows:

"(11) 'Federal lands' means any land or subsurface area within the United States which is owned or controlled by the Federal Government or with respect to which the Federal Government has authority, directly or indirectly, to explore for, develop, and produce natural gas. The term includes the Outer Continental Shelf, as defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a))."

Add a new section 210 to read as follows:

Sec. 210, the Natural Gas Act as amended by this title is amended further by adding at the end thereof the following new section 27 to read as follows:

Sec. 27. After August 1, 1976, all production of natural gas from Federal lands shall be sold or transferred to a pipeline for use in interstate commerce, except that a minimal amount of such gas may be sold to transport such gas into commerce, or if such gas is produced on the Outer Continental Shelf. to operate facilities at the drilling site.

In section 208, amend the second sentence of section 24(a) of the Natural Gas Act to read as follows:

"In establishing any such national ceiling the Commission shall consider the following factors:

"(1) the prospective costs attributable to the exploration, development, production, gathering, and sale of natural gas from offshore federal lands;

"(2) the rates and charges which the Commission determines necessary or appropriate to encourage (A) the exploration for natural gas, (B) the development, production and gathering of natural gas, and (C) the maintenance of proved reserves of natural gas from offshore federal lands;

"(3) the promotion of conservation practices in natural gas consumption which the Commission determines necessary or appropriate to contribute to the maintenance of a supply of energy resources at reasonable prices to consumers;

"(4) the rates and charges that will protect consumers of natural gas from price increases that would, in the absence of a national ceiling during periods of actual or anticipated shortages, exceed the rates and charges which the Commission determines necessary or appropriate to achieve the objectives of paragraphs (1) through (3) of this subsection; and

"(5) the natural gas produced from federal offshore lands belongs to the people of the U.S. as a whole and should be used for their benefit and not for the aggrandizement of any private interest."

In section 208, new Section 25 of the Natural Gas Act is amended by striking "or food packaging" wherever it occurs and place an "or" between "agricultural", and "food processing" where those words appear together.

(Amendment in the nature of a substitute to the Krueger amendment in the Congressional Record on December 8, 1975, pages 39152–39156.)

This Act may be cited as the "Natural Gas Emergency Act."

PURPOSE

Sec. 2. The purpose of this Act is to establish temporary emergency authorities for minimizing the detrimental effects on employment, food production, and public health, safety, and welfare caused by natural gas supply shortages.

DEFINITIONS

Sec. 3. As used in this Act—

(1) The term "Commission" means the Federal Power Commission.

(2) The term "essential user" means any existing user or class of existing users which user or class of users satisfies criteria which the Commission determines carry out the purposes of this Act. In establishing such criteria, the Commission shall consider—

(A) (i) the availability of alternative fuels, on reasonable terms and at reasonable prices, to such user or class of users as a substitute for curtailed supplies of natural gas, and

(ii) the extent to which conversion to such alternative fuel would require such user or class of users to incur unreasonable capital costs; and

(B) the significant impacts of curtailment of natural gas supplies to such user or class of users, taking into account the capability of such user or class of users to utilize alternative fuels and the costs associated with such conversion, upon—

(i) unemployment,

(ii) domestic food production, and

(iii) public health, safety, and welfare.

(3) The term "interstate commerce" has the same meaning as such term has in section 2(7) of the Natural Gas Act (15 U.S.C. 717(a)(7)).

(4) The term "Outer Continental Shelf" has the same meaning as such term has in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)).

(5) The term "new natural gas" means natural gas which—

(A) was not committed to interstate commerce on September 9, 1975, and

(B) is not produced from lands located on the Outer Continental Shelf.

Natural gas shall be considered to have been committed to interstate commerce on September 9, 1975, if—

(A) such natural gas was contractually obligated to an interstate pipeline on September 9, 1975, or

(B) such natural gas is produced from a reserve—

(i) which reserve was subject to a dedicated reserve contract on September 9, 1975, or

(ii) production from which reserve during a fixed term was subject to a dedicated production contract on September 9, 1975, termination of which production was subject to the provisions of section 7 of the Natural Gas Act.

(6) The term "person" includes any governmental entity.

(7) The term "interstate pipeline" means any person engaged in the transportation by pipeline of natural gas in interstate commerce and subject to the jurisdiction of the Commission under the Natural Gas Act (15 U.S.C. 717 et seq.)

(8) The term "distressed interstate pipeline" means any interstate pipeline (or a person acting on behalf of such a pipeline) which the Commission, taking into account any existing curtailment plan of such pipeline and the natural gas supplies projected to be available to such pipeline, determines is, to a significant extent, unlikely to obtain supplies of natural gas adequate to meet the projected requirements of essential users supplied directly by such pipeline or by any person to which such pipeline supplies natural gas for purposes of resale.

(9) The term "supply emergency period" means the period which begins on the date of enactment of this Act and ends on April 15, 1978.

(10) The term "national rate" means the maximum rate or charge for natural gas sales established pursuant to the provisions of title 18, Code of Federal Regulations, section 2.56(a).

(11) The term "local distribution company" means any person which purchases natural gas from an interstate pipeline for transportation, local distribution, and resale to natural gas users.

(12) The term "small commercial user" means any user of natural gas, for other than residential purposes, who uses less than 50 Mcf of natural gas per day on a peak day.

(13) The term "natural gas" has the same meaning as such term has in section 2(5) of the Natural Gas Act (15 U.S.C. 717(a)(5)).

(14) The term "base volume", with respect to a customer of a distressed interstate pipeline, means the volume of natural gas which such pipeline certifies, pursuant to section 5(b)(1)(B) would be available to such customer.

ACCESS BY DISTRESSED INTERSTATE PIPELINES TO NATURAL GAS

Sec. 4. (a)(1) Within 15 days after the date of enactment of this Act, the Commission shall, by order, designate distressed interstate pipelines. Thereafter throughout the supply emergency period the Commission shall, as necessary, upon petition or upon its own motion, designate distressed interstate pipelines.

(2) Within 21 days after filing of any petition by an interstate pipeline requesting designation as a distressed interstate pipeline, the Commission shall grant such pipeline designation as a distressed interstate pipeline or deny such pipeline such designation. Failure by the Commission to act on any such petition within such 21-day period shall be deemed a denial of such designation. Any grant or denial of such designation shall be deemed final agency action for purposes of judicial review authorized by chapter 7 of title 5, United States Code.

(b) Any petition filed with the Commission by any interstate pipeline, which petition requests the Commission to designate such pipeline as a distressed interstate pipeline, shall include a statement by such pipeline detailing—

(1) the efforts such pipeline is pursuing and will pursue, throughout the duration of the supply emergency period, to utilize administrative and judicial remedies available to it to assure compliance by any natural gas supplier of such pipeline with the terms of any contractual or certification obligation of such supplier to deliver natural gas to such pipeline at a prescribed or minimum rate;

(2) the efforts such pipeline is making and will make, throughout the duration of the supply emergency period, to secure additional supplies of natural gas from sources, which have previously supplied the interstate market, under rules and procedures of the Commission in existence on the date of enactment of this Act; and

(3) certifying that such pipeline is not in violation of the terms of any certificate of public convenience and necessity issued by the Commission to such pipeline.

(c) During the supply emergency period, sales of new natural gas for resale in interstate commerce may be made to any distressed interstate pipeline at a rate or charge in excess of the national rate. Any such rate or charge shall be deemed a just and reasonable rate or charge and shall not be subject to so much of the provisions of section 4(a) of the Natural Gas Act which would otherwise pertain to the justness and reasonableness of such rate or charge.

TREATMENT OF RATES OR CHARGES IN EXCESS OF THE NATIONAL RATE

Sec. 5. (a)(1) The excess of any rate or charge made pursuant to a sale authorized by section 4(c) of this Act over the national rate shall not be included in the general expenses of a distressed interstate pipeline for purposes of establishing or revising such pipeline's general schedule of rates or tariffs.

(2) Such excess shall be treated by such pipeline as a special operating expense and shall be passed through in a special surcharge schedule of rates or tariffs, which surcharge schedule of rates or tariffs shall be applicable to accounts, other than those of residential and small commercial users, of customers which receive natural gas in volume amounts in excess of such customer's base volume.

(b)(1) During the supply emergency period, each distressed interstate pipeline shall report to the Commission on a weekly basis—

(A) an estimate of the daily volumes of natural gas (excluding any volumes of natural gas available by reason of the purchase of such gas by such pipeline pursuant to the provisions of this Act) such pipeline is likely to have available for delivery to its customers;

(B) an estimate, by customer, of the daily volumes of natural gas such pipeline is likely to have available for delivery to each customer through application of such pipeline's curtailment plan to the daily volume of natural gas (excluding any volumes of natural gas available by reason of the purchase of such gas by such pipeline pursuant to the provisions of this Act) such pipeline estimates it is likely to have available for delivery to each customer; and

(C) the daily volumes of natural gas delivered by such pipeline to each customer during the preceding week.

(2) The Commission shall establish procedures by which distressed interstate pipelines shall comply with the requirements of this subsection.

(3) If the curtailment plan of any distressed interstate pipeline results in or provides for establishment of a seasonal, rather than a daily, entitlement for any customer, the estimate required by paragraph (1)(B) shall be calculated by—

(A) dividing the remainder of—

(i) such seasonal entitlement, less

(ii) the cumulative volume of natural gas delivered to such customer by such pipeline during the period to which such seasonal entitlement applies,

by the number of days remaining in the period to which such seasonal entitlement applies; or

(B) such method as the Commission may prescribe.

(c) Except as provided in subsection (d), natural gas in volume amounts in excess of a local distribution company's base volume may not—

(1) be delivered by a distressed interstate pipeline to such local distribution company unless such pipeline obtains an agreement from such local distribution company to treat as a surcharge applicable to accounts, other than those of residential and small commercial users, any surcharge rate or tariff charged such local distribution company by such pipeline pursuant to the requirements of subsection (a)(2); and

(2) be accepted by a local distribution company unless such local distribution company treats as a surcharge applicable to accounts, other than those of residential and small commercial users, any surcharge rate or tariff charged to such local distribution company by such pipeline pursuant to the requirements of subsection (a)(2).

(d) Natural gas in volume amounts in excess of a local distribution company's base volume may—

(1) be delivered by a distressed interstate pipeline to such local distribution company; and

(2) be accepted by a local distribution company; without regard to the requirements of subsection (c), if a State or local agency exercising regulatory authority over the rates or charges of such local distribution company finds that acceptance of such volume amounts in excess of such local distribution company's base volume would displace volumes of higher priced synthetic natural gas or liquefied natural gas and thereby reduce the rates which such local distribution company would otherwise charge residential and small commercial users.

RELATIONSHIP TO THE NATURAL GAS ACT

SEC. 6. (a)(1) The provisions of section 7 of the Natural Gas Act relating to abandonment of facilities or service shall not apply to any sale of new natural gas to a distressed interstate pipeline delivery of which new natural gas to such distressed interstate pipeline occurs only during the supply emergency period.

(2) Natural gas reserves, from which new natural gas subject to any such sale is produced, shall not be deemed dedicated to interstate commerce by reason of such sale and the provisions relating to abandonment of facilities or services of section 7 of the Natural Gas Act shall not apply to any such reserves solely by reason of such sale.

(b) Except as otherwise provided in this Act, provisions of the Natural Gas Act shall apply to the transportation or sale of new natural gas subject to the provisions of this Act to the extent that the provisions of the Natural Gas Act are applicable otherwise to such transportation and sale under the terms of such Act.

PUBLIC POLICY—UNENFORCEABLE CONTRACT PROVISIONS

SEC. 7. (a) It is hereby declared to be the public policy of the United States to facilitate during the supply emergency period the resale of quantities of natural gas, in excess of a purchaser's requirements or the requirements of such purchaser's normal customers, to distressed interstate pipelines.

(b) Contractual provisions prohibiting the commingling of natural gas subject to such contract with natural gas subject to the jurisdiction of the Federal Power Commission are hereby declared against public policy and unenforceable with respect to natural gas delivered to a distressed interstate pipeline, during the supply emergency period, pursuant to the provisions of this Act.

PRODUCTION OBLIGATIONS OF NATURAL GAS PRODUCERS

SEC. 8. During the supply emergency period, the failure by any producer of natural gas to comply with the terms of any contractual or certification obligation of such producer to deliver quantities of natural gas to any interstate pipeline at a prescribed or minimum rate shall be a violation of this Act which shall be subject to the provisions of section 11, but not the provisions of section 10, of this Act.

PIPELINE INTERCONNECTIONS

SEC. 9. (a) To carry out the purposes of this Act, during the supply emergency period the Commission may, by rule, direct any pipeline to establish a physical interconnection between any specified facility of any such pipeline and any specified facility of any other pipeline. The Commission may apportion the costs of any such interconnection and any such apportionment shall be equitable.

(b) The Commission may order any pipeline to transport new natural gas purchased by a distressed interstate pipeline pursuant to the provisions of this Act.

(c) Compliance by any pipeline with any rule or order issued pursuant to the authority of this section shall not subject such pipeline to regulation as a common carrier under any provision of State or Federal law. Compliance by any pipeline with any such rule or order shall not subject such pipeline to regulation under the Natural gas Act if such pipeline is not otherwise subject to such regulation.

PENALTIES

SEC. 10. (a)(1)(A) Any person determined by the Commission, after notice and an opportunity for a presentation of views, to have violated any provision of this Act or any rule or order promulgated pursuant to the authority of this Act, shall be liable to the United States for a civil penalty of not more $10,000 for each violation; and if any such violation is a continuing one, each day of violation shall constitute a separate offense. The amount of any such penalty shall be assessed by the Commission by written notice.

(B) In determining the amount of such penalty, the Commission shall take into account the nature, circumstances, extent and gravity of the violation committed and, with respect to the person found to have committed such violation, the degree of culpability, any history of prior offenses, ability to pay, effect on ability to continue to do business, and such other matters as justice may require.

(2) Such civil penalty may be recovered in an action brought by the Attorney General on behalf of the United States in the appropriate district court of the United States or, prior to referral to the Attorney General, such civil penalty may be compromised by the Commission. The amount of such penalty, when finally determined (or agreed upon in compromise), may be deducted from any sums owed by the United States to the person charged. All penalties collected under this subsection shall be deposited in the General Fund of the Treasury of the United States.

(b) Any person who willfully violates any provision of this Act or any rule or order promulgated pursuant to the authority of this Act shall be fined not more than $25,000, or imprisoned for not more than five years, or both, for each such willful violation.

ENFORCEMENT

SEC. 11. (a) The Attorney General, at the request of the Commission, may bring an action against any person to redress any violation of a provision of this Act, or any rule or order promulgated pursuant to the authority of this Act. Any person may bring a civil action against any other person alleging a violation of any provision of this Act or any rule or order promulgated pursuant to the authority of this Act.

(b) The district courts of the United States shall have jurisdiction with respect to any civil action brought under subsection (a). The court shall have the power to grant such equitable relief as is necessary to prevent, restrain, or redress the effect of such violation, including declaratory judgment, mandatory or prohibitive injunctive relief, and interim equitable relief, and the courts shall further have the power to award (A) compensatory damages to any injured person or class of persons, (B) costs of litigation including reasonable attorney and expert witness fees, and (C), whenever and to the extent deemed necessary or appropriate to deter future violations, punitive damages.

(c) A rule or order promulgated pursuant to the authority of this Act or any determination or designation made by the Commission pursuant to the authority of this Act is subject to judicial review to the extent authorized by, and in accordance with, chapter 7 of title 5, United States Code, except that (A) the second sentence of section 705 thereof is not applicable, and (B) the appropriate court shall only hold unlawful and set aside such a rule, order, determination or designation on a ground specified in subparagraph (A), (B), (C), or (D) of section 706(2) thereof. In the case of any appeal by any interstate pipeline from any denial of designation of such pipeline as a distressed interstate pipeline, the reviewing court shall have jurisdiction under this Act to grant such equitable relief, including mandamus to the Commission, as such court deems necessary, except that such court shall not have jurisdiction—

(A) to issue an ex parte temporary restraining order, or

(B) to restrain or enjoin any Commission action other than the denial of designation of such pipeline as a distressed interstate pipeline.

RULEMAKING

SEC. 12. The Commission is authorized to issue rules and orders which the Commission determines are necessary or appropriate to carry out the purposes of this Act.

EFFECT ON STATE LAW

SEC. 13. No law or regulation of any State or political subdivision thereof, or of any agency or instrumentality thereof, may prohibit a local distribution company from agreeing to treat, or from treating, any surcharge rate or tariff charged to such local distribution company by a distressed interstate pipeline pursuant to the requirements of section 5(a)(2) as a surcharge applicable to accounts other than those of residential and small commercial users. Nothing in this Act shall affect the authority of any State, political subdivision thereof, or of any agency or instrumentality thereof, to regulate the application of any such surcharge rate or tariff to accounts other than those of residential and small commercial users.

REPORT

SEC. 14. Not later than June 15, 1976, the Commission shall report to the President and the Congress with respect to: the volumes of new natural gas purchased or acquired by distressed interstate pipelines during the supply emergency period; the prices at which such gas was purchased or acquired by such pipelines; the extent of curtailments experienced by each such pipeline during such period; compliance by producers of natural gas with the terms of any contractual or certification obligation to deliver natural gas to interstate pipelines at prescribed or minimum rates; the extent to which interstate pipelines have pursued administrative and judicial remedies to compel compliance by natural gas producers with the terms of any contractual or certification obligation of such producers to deliver quantities of natural gas to interstate pipelines at prescribed or minimum rates; the efforts of interstate pipelines to secure additional supplies of natural gas under the rules and procedures of the Commission in existence on the date of enactment of this Act; and the effectiveness of this Act in reducing levels of curtailments and in reducing the adverse economic and employment consequences of curtailments which would have accurred if supplies of new natural gas had not become available to interstate pipelines pursuant to the provisions of this Act.

By Mr. EDGAR:

(Amendment offered to the amendment offered by Mr. FRASER in the Nature of a substitute to the amendment offered by Mr. Krueger in the nature of a substitute:)

After subsection (202)(16), insert the following new subsections:

"(17) The term 'small residential user' means any person heating a single or double family dwelling used for the principal place of residence, or otherwise consuming natural gas for non-commercial or non-decorative purposes.

"(18) The term 'non-essential user' means any person other than a small residential user, whose need for natural gas cannot practically be fulfilled by the use of an alternative fuel, such as, but not limited to crude petroleum, petroleum products, or coal.

"(19) The term 'natural gas distributing company' means a person involved in the distribution, transportation, sale, or resale of natural gas for ultimate public consumption for domestic, commercial, industrial, or any other use."

After subsection (208)(d), insert the following new subsections:

"(e) No natural gas distribution company shall sell or otherwise supply natural gas to a non-essential user to which such company was not supplying similar volumes of natural gas on the date of enactment of this Act.

"(f) No later than sixty days after the enactment of this Act, the Commission shall promulgate guidelines establishing criteria which it will employ, either upon its own motion or upon petition by a user, to determine whether a user's or class of users' need for natural gas cannot be practically fulfilled by the use of an alternative fuel."

(Amendment offered to the amendment offered by Mr. KRUEGER in the nature of a substitute.)

After subsection (202)(7), insert the following new subsections:

"(8) The term 'small residential user' means any person heating a single or double family dwelling used for the principal place of residence, or otherwise consuming natural gas for non-commercial or non-decorative purposes.

"(9) The term 'non-essential user' means any person other than a small residential user, whose need for natural gas cannot practically be fulfilled by the use of an alternative fuel, such as, but not limited to crude petroleum, petroleum products, or coal.

"(10) The term 'natural gas dispensing company' means a person involved in the distribution, transportation, sale, or resale of natural gas for ultimate public consumption for domestic, commercial, industrial, or any other use."

In section 208, the Natural Gas Act is further amended by inserting after subsection "(26)(g)" the following new subsections:

"(h) No natural gas dispensing company shall sell or otherwise supply natural gas to a non-essential user to which such company was not supplying similar volumes of natural gas on the date of enactment of this Act.

"(i) No later than sixty days after the enactment of this Act, the Commission shall promulgate guidelines establishing criteria which it will employ, either upon its own motion or upon petition by a user, to determine whether a user's or class of users' need for natural gas cannot be practically fulfilled by the use of an alternative fuel."

On page 23, after line 18, add the following:

"(15) The term 'small residential consumer' means any person heating a single or double family dwelling used for the principal place of residence, or otherwise consuming natural gas for noncommercial or nondecorative purposes.

"(16) The term 'non-essential consumer' means any person other than a small residential consumer, whose need for natural gas cannot practically be fulfilled by the use of an alternative fuel, such as, but not limited to crude petroleum, petroleum products, or coal.

"(17) The term 'natural gas distributing company' means a person involved in the distribution, transportation, sale, or resale of natural gas for ultimate public consumption for domestic, commercial, industrial, or any other use."

On page 28, after line 25, add the following:

"NATURAL GAS CONSERVATION

"SEC. 6. (h) No natural gas distributing company shall or otherwise supply natural gas to a non-essential consumer to which such company was not supplying similar volumes of natural gas on the date of enactment of this Act.

"(i) No later than sixty days after the enactment of this Act, the Commission shall promulgate guidelines establishing criteria which it will employ, either upon its own motion or upon petition by a user, to determine whether a user's or class of users' need for natural gas cannot be practically fulfilled by the use of an alternative fuel."

Renumber the following sections accordingly.

"Strike the last word."

(Amendment to amendments.)

"Strike the last word."

(Amendment to the Krueger substitute and amendments thereto):

To title I: "Strike the last word."

To title II: "Strike the last word."

By Mr. FRASER:

(Amendment to the Fraser amendment.)

In section 203(a) (as added by section 3), strike out "and except as provided in subsection (1)".

Insert the following at the end of section 206(b) (as added by section 3): "It shall be the duty of the State utility commissions to assure that the benefits of the old natural gas tariffs are reflected in the rates to such residential and small users".

By Mr. MAGUIRE:

(Amendment to the Krueger substitute.)

Section 204 of the Krueger amendment is amended as follows: In paragraph (8) delete all of clause (C).

By Mr. MOFFETT:

(Amendment to the Krueger amendment.)

In section 207, strike out the quotation marks at the end thereof and insert in lieu thereof the following:

"(4) The Commission shall conduct studies and investigations authorized by this section, if requested to do so by any duly established committee of the Congress having legislative or oversight responsibilities under the rules of the House of Representatives or of the Senate or by any subcommittee of such a committee having such legislative or oversight responsibilities, with respect to matters which the Commission is authorized to investigate or study under this subsection".

By Mr. ROGERS:

(Amendment to the Krueger amendment printed on pages 39152–39156 of the December 8, 1975, CONGRESSIONAL RECORD.)

Strike out paragraph (B) (as added by section 204) and insert in lieu thereof the following:

"(8) 'New natural gas' means natural gas sold or delivered in interstate commerce (A) which is dedicated to interstate commerce for the first time on or after January 1, 1975: *Provided*, That natural gas so sold or delivered from offshore Federal lands shall be committed for a contract term of not less than fifteen years or for the life of the reservoir if less than fifteen years: *Provided further*, That any natural gas sold by a producer in interstate commerce prior to the date of enactment hereof pursuant to limited term certificates (five years or less) or temporary emergency contracts shall not be considered, for the purpose of this provision, as having been committed to interstate commerce, or (B) natural gas produced from a reservoir discovered on or after January 1, 1975, or produced from wells initiated and completed in an extension of a previously discovered reservoir on or after January 1, 1975, regardless of whether or not the leases covering such newly discovered or extended reservoir were theretofore committed by contract or otherwise to the interstate market."

By Mr. WAXMAN:

Subsection (d) of section 105 is amended to read as follows:

"(d) The Administrator shall also exempt from any order under this section the burning of natural gas by powerplants for the purpose of operating pollution abatement systems (other than intermittent or supplementary air pollution control systems)."

In section 208, subsection (d) of the new section 26 of the Natural Gas Act of 1938 as amended by the Krueger amendment is amended to read as follows:

"(d) The Commission shall also exempt from any rule under this section the burning of natural gas by powerplants for the purpose of operating pollution abatement systems (other than intermittent or supplementary air pollution control systems)."

EXTENSIONS OF REMARKS

AMERICA'S VOLUNTEER FIREMEN

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. BAUMAN. Mr. Speaker, at a time when the news reports too often show us the behavior of the selfish and self-seeking, I would like to focus our attention for a moment on the work of a very different sort of person. I am referring to the volunteer firemen, who give so generously of their time to make their areas safer and their neighbors more secure.

They do not go on strike, do not seek double time, do not waste their efforts in job actions, do not cost the taxpayers huge sums of money.

In return, I do not think it is much to expect that we do all within our power to see that they can afford to continue their operations. Inflation has hit all of us, and the volunteer firemen are not immune to its impact. A not insignificant part of their economic woes comes in the form of federal taxation on commodities essential to the maintenance of fire prevention services—telephone and communication devices, gasoline, diesel, special fuels and vehicles. I have joined with several of my colleagues in sponsoring legislation to exempt these local departments from these Federal excise taxes, just as other nonprofit groups are exempted.

The following article written by Dan Tabler of the State News provides an insightful glance into the contributions and efforts of volunteer firemen:

VOLUNTEER FIREMEN

(By Dan Tabler)

The fellow in the big boots, heavy coat and fireman's helmet whirls a large axe and punches a hole in the roof of a burning building.

A couple of curious by-standers comment aloud: "That's all those guys do—break down doors, smash windows and throw a little water. They do more damage than the fire."

Somebody else chimes in: "Yeah, they just want to ride on the back of the fire engine, blow the siren and run red lights."

It is a bum rap 99 per cent of the time.

The volunteer fire fighter is a dedicated fellow who could be your next door neighbor, a state probation officer, a minister and, yes, even a newspaper editor.

It would be silly to say that all of the nearly 15,000 volunteers in Maryland are perfect and that some of them didn't join to blow the siren and become involved in the excitement of a fire.

But the small towns of America (and even bigger ones like Dover) would be mighty hard-pressed financially to pay high insurance premiums or fund full-time fire companies were it not for the guys who leave their businesses in the day and their homes at night to answer the alarm.

Property owners on the Eastern Shore and throughout the Delmarva Peninsula are fortunate that fire training classes are the rule rather than the exception in most small town firehouses. There is a fine, well-equipped fire school outside Dover, and the University of Maryland has one of the most modern such facilities in the nation.

An expected 250 firemen will give up watching that pro football game next Sunday to participate in a one-day fire school at Washington College in Chestertown, Md. They will start at 9 a.m. and finish about 5 p.m.

They won't be paid time and half, either.

George Mayer, a long-time member of the Easton Fire Company, is also a part-time instructor with the University of Maryland Fire School. He has given more than 100 classes throughout the Eastern Shore and is still going strong.

As of this year, those classes, with 15 to 20 men each, run three hours a night, once a week, for 26 weeks.

They don't cost the public a dime in wages to the firemen, but they may save thousands of dollars or, quite possibly, a life when the man gets on the scene of an actual blaze.

As an example, in Queene Anne's County at the present time, there are 75 volunteers taking the basic fire training classes in Centreville, Grasonville and Romancoke. Beginning the first of the year, 65 more men in Kent County will be enrolled in various classes.

These fellows, as all the volunteers in Delaware and Maryland, are not expected to be paid for overtime, and rarely do they ever think of striking for better wages.

The average volunteer fire fighter is not looking for a hero's mantle, but he sure as hell hates to get slugged with a bum rap when he carries an axe to the roof and attempts to ventilate a smoky building so the fire can be located and extinguished.

Remember that the next time your fire company announces its annual fund drive. It's an important non-profit organization in your community.

MICHAEL VALENTE: LONG BEACH, N.Y., LOST ONE OF ITS MOST DEDICATED AND CONTRIBUTING CITIZENS

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. WYDLER. Mr. Speaker, on January 10, the city of Long Beach, N.Y., lost one of its most dedicated and contributing citizens, Michael Valente.

Mike came to Long Beach when both he and the town were developing. His construction company took roots and over the years has provided Long Beach with its most outstanding homes. He not only gave of his talents through his homes, but contributed his citizenship through his activities as city marshal and court attendant until his retirement 8 years ago.

But Mike Valente's outstanding character and contributions did not stop in Long Beach. His meritorious service during World War I brought him the highest award this country can offer, the Congressional Medal of Honor.

I, of course, knew Mike Valente personally having been brought up in the city of Long Beach and always knew the pride the community had in this fine man who was one of our Nation's true heroes.

Mike died at the age of 80 in this, our Bicentennial Year. But his passing does not bring with it a forgetting of the man who gave so much to so many. He is memorialized in the list of men who so highly distinguished themselves in the line of duty—the Congressional Medal of Honor—and his name is inscribed in the hearts of the thousands who knew and loved him.

I insert an article which recently appeared in the local Long Beach newspaper, the Nassau Star, which provides a detailed and fitting memorial to this great citizen:

MICHAEL VALENTE, CONGRESSIONAL MEDAL OF HONOR HOLDER

Michael Valente, Congressional Medal of Honor holder and long time resident of Long Beach, died January 10th at the age of 80.

Mr. Valente came to Long Beach in its early, developing years. His construction company built many of Long Beach's beautiful homes. A solid and devoted citizen, he served as City Marshal and Court Attendant until his retirement eight years ago.

Having emigrated at the age of 18 from his native St. Apollinare, Italy, Valente made his first home in Ogdensburg, New York. He had been in the country only three years when he enlisted in Company D of the New York National Guard. It was then that Valente started down the road that would lead him to the trenches of World War I France and the immortality of having his name inscribed in the distinguished line of men on the Medal of Honor Roll.

Valente's regiment was activated during the American campaign against the Mexican bandit, Pancho Villa. Although the men were itching to see action on that front, Company D did not see action until it was absorbed into the 27th division instead and sent overseas to fight in France with the British.

The Medal of Honor is the highest distinction which can be earned by a member of the Armed Services. It is awarded by the President, in the name of Congress, to an individual who, while serving in the Armed Forces, "distinguished himself conspicuously by gallantry and intrepidity at the risk of his life above and beyond the call of duty." The first Medal of Honor was awarded during the Civil War.

The details of Michael Valente's act of courage are contained in the citation he received with the medal. It reads as follows:

For conspicuous gallantry and intrepidity above and beyond the call of duty in action with the enemy during operations against the Hindenburg line, east of Ronssoy, France, 29 September 1918. Finding the advance of his organization held up by a withering enemy machinegun fire, Private Valente volunteered to go forward. With utter disregard of his own personal danger, accompanied by another soldier, Private Valente rushed forward through an intense machinegun fire directly upon the enemy nest, killing two and capturing five of the enemy and silencing that gun. Discovering another machinegun nest nearby, which was pouring a deadly fire on the American forces, preventing their advance, Private Valente and his companion charged upon this strong point, killing the gunner and putting this machinegun out of action. Without hesitation they jumped into the enemy's trench, killed two and captured

16 German soldiers. Private Valente was later wounded and sent to the rear.

After recovering in England, Valente returned to the U.S. in March of 1919. Ten years later, President Herbert Hoover belatedly presented him with the Medal of Honor in Washington, D.C. During World War II, Valente served on the local board of the Selective Service in Nassau County.

"Mike" Valente became a popular and well-known figure in Long Beach. As an active citizen he was often called upon to lead the parade on Memorial Day or be the Guest of Honor at functions which represented the ideals he had fought for.

Michael Valente was a hero in Long Beach and in his unassuming way served as an inspiration for many throughout his fifty years in the community. He was part of Long Beach and enjoyed it to the fullest with his family around him. He is memorialized through the city by the houses he built, and the apartment building and the Jewish War Veterans' scholarship fund that bear his name. In addition, his name is forever inscribed in a stain glass window for Medal of Honor holders in his National Land Mark designated 7th Regiment Armory in New York. These tributes to his memory are lasting and appropriate, symbolizing the man in his context.

Valente is survived by two daughters, Mary Madalena, of Long Beach, and Josephine Cuneo, of Lido Beach; a son, Anthony, of Uniondale; three grandchildren and a great-grandchild.

Mr. Valente's family members also include Mr. John V. Scaduto, Long Beach Republican Leader and Treasurer of Nassau County.

PUBLIC WORKS BILL IS INVESTMENT IN FUTURE

HON. KENNETH L. HOLLAND

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. HOLLAND. Mr. Speaker, today the House is scheduled to vote on final passage of the conference report to H.R. 5247, the Local Public Works Capital Development and Investment Act. I strongly support this legislation and am hopeful that President Ford will sign it into law.

In fiscal year 1976 the Federal Government spent $19.4 billion on unemployment compensation. Surely we could better invest $6.2 billion in the employment of our citizens—mostly in the private sector—rather than perpetuating the expensive and demoralizing unemployment lines.

The advantages of H.R. 5247 over other public service jobs are numerous. The foremost is probably the fact that the jobs to be created are in the private sector and for the permanent benefit of a community. The money will not be spent on many of the traditional make-work projects but rather on the construction or renovation of permanent local facilities such as schools, municipal offices, water and sewage treatment plants.

This legislation is urgently needed by our hard-pressed State and local governments, by small businesses in distressed areas all over the country and by jobless Americans. There is not an area of the country which would not permanently benefit from one or more provisions of H.R. 5247. The equalizing of the complex formula written by the Office of Management and Budget for the allocation of water polution control construction moneys is of particular help to the 33 least urbanized States. My State of South Carolina, badly in need of construction money to curb pollution and able to use such funds immediately, will gain a much-needed 41 million dollars. Communities across the country can use these funds to supplement local, State and other Federal moneys to begin work immediately on long-delayed projects.

Of itself, this legislation will not and cannot resolve all the problems of recession, unemployment and inflation that have troubled us so long. However, this bill will remove hundreds of thousands of men and women from the unemployment and welfare rolls, making them contributing taxpayers and thereby ease significantly the financial drain on their communities. It will also enable their communities to get on with their job of providing proper public service to all their citizens.

Across our country in this Presidential election year, there is a great debate and division surrounding what is carelessly called "Federal spending." It is time for someone to distinguish between Federal spending and Federal investment. This legislation provides for investment in the future.

Officials and citizens await the passage of this legislation so that they may responsibly commence rebuilding our economy, our future and, indeed, our Nation itself.

UNENFORCED LAWS CONTRIBUTE TO THE DEATH OF THE FAMILY FARM

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. BROWN of California. Mr. Speaker, as legislators we all know the importance of our role in a democratic society. We are responsible for establishing national policies, and priorities. Among the policies we have adopted is a national policy in favor of the small family-owned farm. Our Western States were developed with Federal funds, under Federal programs that required that the benefits of the Federal dollar flow to the small landowner. Unfortunately, these Federal laws have been flagrantly violated, and the violations have been ignored by those pledged to uphold the law. These violations tend to make a mockery of the actions of the legislative branch.

I expect that we will be hearing more about this sorry state of affairs, especially since a Senate committee is looking into this matter. At this time I would only want to place a background article on this subject in the Congressional Record for the benefit of my colleagues.

The article from the January 11, 1976, issue of the San Francisco Sunday Examiner and Chronicle follows:

The $2 Billion Giveaway

(By Lynn Ludlow and Will Hearst)

Three Rocks, Fresno County.—Paper farmers, absentee landowners and several big corporations reap most benefits from a federal irrigation project that was supposed to redistribute huge landholdings into family farms.

Thousands of small farmsteads were promised within the Westlands Water District from a taxpayer investment estimated at $2 billion in various subsidies.

Shaped like a fat green cucumber on the dusty west side of the San Joaquin Valley, the 572,072-acre irrigation district was formed in 1952 by corporate growers and landowners seeking federal help to replenish their sinking water table.

Their spokesman in Congress, Rep. B. F. Sisk, D-Fresno, predicted family farms in the thousands "sharing the productivity and the bounty of fertile lands blossoming with an ample supply of water."

With the cheap water came reclamation law. This imposed a 160-acre limit per farm owner. He is supposed to inhabit or be "an occupant" of the 160 acres.

In return for up to 10 years of water at exceptionally low cost the great landowners signed agreements to sell off their holdings in 160-acre farms at the appraised pre-water price.

This would return people to the land, challenge the long trend toward corporate control of farmlands in America and test the ever-popular notion that bigness is better.

By now, with more than 100,000 acres sold off during the first decade of reclamation, 300 to 600 owner-operated farms of 160 acres or less should have been started.

The result so far: Two.

This remains corporation country with huge farming operations, vast fields and big tax advantages. Missing from its flat landscape are barns, chicken coops, 4–H clubs, silos, kids with fishing poles, John Deere tractors (too small) and inhabitants.

Not since Teapot Dome's oil lease giveaways have public resources been exploited so flagrantly—with the active aid of government officials—for private gain.

A two-month Examiner investigation shows the U.S. Department of the Interior and its Bureau of Reclamation are unable or unwilling to implement the land redistribution mandated by Congress, required by law, upheld by courts and promised by politicians.

To city folks, with problems of their own, it's more than a simple issue of law and order. Wetlands has become a fat example of growing corporate control of rural America and what might be termed the government-agribusiness complex.

One result is an industrial technology imposed on the nation's farms. This raises questions about use of energy, threats to the environment (the Delta, for example), tax subsidies of all kinds, migration to the cities and the reason why tomatoes feel like baseballs, taste like chemicals and cost 69 cents a pound.

To country people, the effects are less abstract. A two-room hovel on the edge of this drab hamlet illustrates the shattered promise of land for the landless—a promise buttressed by a decade of federally-subsidized irrigation that increased the value of farmlands here by tenfold.

Although some new housing was built here in a government self-help program, the shanty sits in a lot next to abandoned hulks of farm machinery. Windows are boarded. Part of the roof is open to the sky. Walls are chinked with cardboard. The house doesn't have electricity, water or sanitation.

This is home for a farm laborer, his pregnant wife, their two children and a dog. In Spanish, the young woman says her husband is at work in cotton fields nearby.

Like other tillers of the soil in corporation country, he is paid by the hour and commutes to his job like a factory worker.

These cotton fields are among the 100,000 acres already sold in 160-acre units in technical compliance with the law. As current agreements with landowners come due in the next 10 to 20 years, most of the 572,072 acres in the district will have been divided into quarter sections (160 acres).

If the law were strictly enforced, Westlands (and other federal reclamation districts) would have become a new frontier offering opportunity to thousands of men and women. In this district alone, more than 3,000 small farms would be possible.

Instead, these are fields without farmhouses. The laborer from Three Rocks works on 160-acre tracts owned by a consortium of absentee investors, leased to a management firm, farmed as a single unit and worked by cropdusters, D-8 Caterpillars, air-conditioned harvesting units and as few field hands as possible.

"It's the best land anywhere," says Jessie de la Cruz, a lifelong field worker who represents a farming cooperative that is trying, without success, to buy land here.

"I measured the land by the inch because I worked with an 8-inch hoe 10 hours a day," she told U.S. senators in July.

"When the canals were built out there, we were looking at it as a future for the farm workers to own our family farms, but the big growers would look at the water. Instead of seeing people and family farms, they were looking at dollar signs."

Because it involves so many dollar signs in direct subsidies to big landowners such as Southern Pacific and Standard Oil, the Westlands project has become Exhibit A in growing criticism of the federal Bureau of Reclamation.

Critics don't necessarily agree on whether the 160-acre limitation is practical today. Some sympathize with the bureau's role in attempting to enforce a complex set of laws without backing from rural congressmen, the White House or the Department of Justice. All agree the law's goals have been subverted into an arrangement between big corporations and government that one critic calls "state socialism."

The bureau's contract to provide water to Westlands is the costliest in history. The district itself is the largest in the nation.

With 894 square miles, most of its fields receiving federal irrigation, the district on the western fringe of Fresno and Kings counties is nearly as big as Rhode Island.

Author William Saroyan, in his recollections of boyhood among the fig and raisin farms near Fresno, referred to the San Joaquin Valley's west side as "the desert."

The same words are used today by Russell Giffen, 74, the shrewd corporate farmer who went there in 1934 to build a cotton empire.

With but 7 inches of annual rainfall, the west side wasn't good then for much more than spring grazing.

It was once included in the 14 million acres of California amassed by Henry Miller, the ranch king, in a tradition of government generosity that continues until this day. To qualify for grants under the Swamp Lands Act of 1850, for example, Miller hitched up a rowboat and dragged it across valley grass.

Water was discovered here as a consequence of oil drilling.

With wells as deep as 2,500 feet, Giffen and others mined water from the underground basin in prodigious amounts.

Laden with salts, the well water killed off most crops. It didn't seem to bother cotton, barley, melons and safflower.

The water table began to sink.

The owners of the few small farms were forced to sell out when their wells went dry. Giant pumps and 2,500-foot wells were for big operators.

It became corporation country. The major landowners are Southern Pacific, with 106,000 acres in checkerboard sections, and Standard Oil, Bangor Punta Inc. (Producers Cotton Co.), Giffen Inc., Anderson, Clayton Co. and Getty Oil.

The annual overdrafts from the water basin caused the land itself to subside in what geologist J. F. Poland calls "one of the great changes man has imposed on his environment."

Fields settled as much as 30 feet, cracking foundations and crushing well casings.

It was a crisis for the landowners. They formed the Westlands Water District in 1952 on the usual basis of one dollar (of assessed valuation), one vote.

The board sought help from the federal government. The landowners hoped to be exempted from the 160-acre limitation, which would mean, if strictly enforced, their departure from the land. The alternative was a new dust bowl.

THE LAW

Like the Swamp Lands Act, the Desert Lands Act and the grants of public land to railroads, the Homestead Act failed in its goal of placing independent settlers on the land.

When Congress drafted the National Reclamation Act in 1902, irrigation and land reform were tied together from the beginning.

President Theodore Roosevelt, who signed the law, saw it as a way to prevent revolution.

"Now I have struck the crux of my appeal," he told San Francisco's Commonwealth Club in a 1911 debate.

"I wish to save the very wealthy men of this country and their advocates and upholders from the ruin they would bring upon themselves if they were permitted to have their way.

"I wish to secure this country against ever seeing a time when the 'have-nots' shall rise against the 'haves,'" he told the clubmen.

The populist law was intended as a fair deal for landowner, buyer and society. Nobody is required to buy federally subsidized water. If he does, four basic rules are set forth in the 1902 law and later statutes.

Federally subsidized water cannot be delivered by the irrigation district, which acts as middleman, to more than 160 acres per farm owner.

The recipient must be a "bona fide resident on such land or occupant thereof residing in the neighborhood."

In return for up to 10 years of very cheap irrigation, land in excess of 160 acres must be sold off in 160-acre parcels.

The sale price must be appraised at the pre-project value at the signing of the 10-year agreement.

The law has been nibbled to pieces by legal decrees from the Department of the Interior.

First to go was the residency rule. It's the key to the law's effectiveness but tough to administer and police. It was voided arbitrarily on the argument that Congress, in strengthening reclamation laws in 1926, didn't repeat the part about residency.

Now pending in the Ninth U.S. Judicial Circuit Court of Appeals in San Francisco is the government's appeal of a 1971 ruling which upheld the residency requirement.

In the suit filed in 1969 by 123 land-seeking farmworkers in the Imperial Irrigation District, U.S. District Judge William D. Murray said an administrative agency cannot repeal an Act of Congress.

Officials of the Bureau of Reclamation and the Westlands district told the Examiner they hope his ruling will be overturned.

"Failure to enforce residency subverts the excess land limitation," said Murray. "The policy behind reclamation law, to aid and encourage owner-operated farms, requires enforcement of the residency requirement to prevent these violations."

San Francisco attorney Arthur Brunwasser, who argued the case for the landless farmworkers, finds it ironic that the opposition comes from government attorneys who are supposed to administer reclamation law.

Brunwasser expects the appellate court's decision, whatever it is, to be appealed to the U.S. Supreme Court.

The high court has already spoken. In 1958, basic provisions of reclamation law were upheld in Ivanhoe v. McCracken, a San Joaquin Valley case.

The court said the 160-acre limitation "insures that this enormous expenditure will not go in disproportionate share to a few individuals with large landholdings."

Decrees by the Bureau of Reclamation have expanded the limitation to 640 acres by permitting 320 acres for man and wife and 160 acres apiece in trust for two children.

The bureau also allows another gimmick not provided by the law itself. It says various members of a large family, including in-laws and children, may hold the equivalent of 160 acres in undivided interests. This is like owning a percentage of a large piece of property.

Groups of unrelated absentee buyers are also allowed to buy 160-acre parcels in land that will be leased or sharecropped as a single unit.

One such transaction was approved by the Bureau of Reclamation but led to a criminal conspiracy indictment by the U.S. Attorney's office. Trial is still pending for Fresno real estate developer John Bonadelle on a charge of evading the National Reclamation Act, but neither buyer nor seller were hauled into court.

THE WATER

Rafters on the American River, houseboaters at Shasta Lake and fishermen at Whiskytown have something in common with the corporate farm operators of the Westlands. They use the same water.

Stored in the great network of federal reservoirs and released in the dry season into the Sacramento River and its tributaries, the water is sucked from the Delta by the Tracy pumping plant and deposited in the San Luis Canal/California Aqueduct.

It's a joint federal-state operation for the first 102 miles, serving the Westlands and two small reclamation districts, Panoche and San Joaquin. The water is stored in the huge San Luis Reservoir, then released at 13,100 cubic feet per second down the concrete ditch that borders the Westlands district.

From the canal, water flows into an underground system of pipes five feet in diameter. Each quarter section has its own turnout, a great faucet rising above the grapes and tomatoes.

As the underground water basin is gradually recharged, the imported water is supplemented by water from the deep wells. These were turned over to the district by the landowners.

After irrigation, waste must be drained from the croplands because of a thick layer of clay—the ancient bottom of Tulare Lake—that might otherwise cause flooding by water now laden with salts, pesticides, fertilizer and other pollutants.

The drain system pumps the waste water to a drying pond to the north. Eventually, the Bureau of Reclamation hopes to build the San Luis Drain, which will dump the waste water into San Francisco Bay.

An acre foot of water is enough to fill an acre to the depth of one foot, or about 326,000 gallons. Under its pending contract with the Bureau of Reclamation, the Westlands district will get 1.15 million acre feet a year. This is 375 billion gallons.

Landowners are now paying $7.50 an acre foot, which is a third the cost to customers of the California Water Project and less than half the cost of pumping from deep wells.

The rationale behind this bargain in Westlands, of course, was the belief that family farmers could use the subsidies in water prices.

THE DEALS

Land transfer documents filed with the Fresno County recorder show that the 1902 law is treated by federal officials as something of an annoyance.

Title to one large holding passed through a dozen hands and a friendly foreclosure, all with the assent of the Bureau of Reclamation. Then it returned to the original excess landowner, Harris Farms, Inc.

In another case, 3,390 acres was sold by Giffen Inc. to 22 buyers. The list is headed by wives of adjoining farm property owners, Frank Telles and Jess P. Telles Jr. of Firebaugh. The others include various relatives and in-laws.

The acreage was sold in 17 parcels, put together as a single package and distributed to the 22 buyers in undivided interests. The share of each owner is less than 160 acres, assuming it could somehow be separated from the rest.

In yet another twist of the law, Anderson, Clayton & Co. sold 623 acres (for $320,000) to Dura-Style Homes, Inc., which is not a family farmer.

It was then resold to two married couples in San Jose, who held the acreage in undivided interests. The couples leased the property to Vista del Llano, a farm management operation.

Vista del Llano is owned by Anderson, Clayton & Co.

Without federal irrigation or an underground water table, most land in the district would be worth no more than $100 to $200 an acre, according to county appraisers and others.

Actual value today is about $1,500 an acre.

Because the law requires a "pre-project" price, the Bureau of Reclamation is generous by allowing $500 to $600 an acre.

Even so, it's the bargain of the century for the absentee investors. Virtually all buyers are friends and relatives of the sellers.

The public lost a mere $80 million in the Teapot Dome oil scandals that sent the secretary of the interior to prison 50 years ago as the fall guy. In the Westlands, the losses are more than money.

A district spokesman concedes that Westlands production would have dropped to $25 million or less without federal water.

The district's fields sank in elevation as much as 30 feet while the big farm operators pumped out the underground reservoirs.

As the vast majority of federal taxpayers, city folks pay most of the water bill. Over the next 40 years, the federal subsidies are estimated at about $2 billion.

The sum is unimaginable. If the dollar bills were taped end to end, a green ribbon would circle the earth seven times with enough left for a fancy bow. If $2,000 were put aside each day starting with the founding of Rome in 753 B.C., the cache wouldn't quite total $2 billion yet.

The belief that big farms are the price of progress is challenged by government studies that show the one-man farm is probably as efficient as the factory farm universal in these parts.

"In fact, it's even more efficient on occasion," says one U.S. Department of Agriculture report.

The trend toward factory farming could have been reversed in the Westlands Water District, but a search by the Examiner produced only two farm operations that appear to meet the law's land redistribution requirements.

Doyle Buhler, a bachelor, lives on his 40-acre parcel near Mendota. It includes 30 acres of pistachios, and Buhler says he supports himself entirely with his crop.

David Olivera farms 160 acres of cotton and sugar beets with his brother within the Westlands district, but both live 10 miles away in Tranquility. Olivera says the 160-acre farm wholly supports them.

More than 3,600 parcels of 160 acres or less are listed within the district. Most are leased to farm operators by their absentee owners. A few are home base for farmers who also lease nearby fields, and a few are owned by farm operators with supplemental income.

No farmhouses are visible along the 80-mile stretch of Interstate 5 as it skirts the district between the Mendota and Kettleman City turnoffs.

Orchards, vineyards and new row crops, nourished by water from the San Luis Canal/California Aqueduct, are planted in sections a mile square.

Scores of would-be farmers have petitioned without the slightest success for farm properties made available by the 160-acre limitation. Sales are controlled by the sellers. The Bureau of Reclamation has no formal rules to assist potential buyers.

"We're not in the right club," says Sal Gonzales, executive director of Westside Planning, which is sponsored by the U.S. Community Services Agency.

Gonzales has spent three years trying to find farmland in the Westlands district for low-income families, and he can tap banks and government institutions for some financial aid. It hasn't helped.

Public records show most 160-acre buyers are paper farmers. Like the fowls of the air, neither do they reap, nor do they sow, nor gather into barns. Instead, they have front money, inside connections, an interest in tax shelters and the direct aid of the Bureau of Reclamation.

Dominated by engineers and dam builders, the agency needs support from rural congressmen for an apparently endless series of dam and canal projects in western America.

Although land redistribution was supposed to be part of reclamation policy, bureau officials told the Examiner without hesitation that technical compliance is all that is normally required.

The same policies exist in dozens of reclamation districts, but the Westlands contract has caught the attention of a U.S. Senate panel.

Hearings are scheduled in California next month by Sens. Gaylord Nelson, D-Wis., and Floyd Haskell, D-Colo., co-chairmen of a joint committee on small business and the interior. Its special concern is survival of the family farm.

At earlier hearings in Washington last summer, spokesmen for the Bureau of Reclamation and Westlands Water District defended their administration of the law. They said rulings are based on interpretations of long standing.

Although simple in result, few issues of the century are so complex in detail as the Westlands tangle of land, water, law and deals.

TWO-HUNDRED YEARS AGO TODAY

HON. CHARLES E. WIGGINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. WIGGINS. Mr. Speaker, 200 years ago today, on January 30, 1776, the Continental Congress, to enforce the contractual obligations of the apprenticeship system, directed that apprentices from New Jersey, Pennsylvania, Delaware, and Maryland could be enlisted in the Continental Forces only if they had the consent, in writing, of their "master or mistress." The directive became necessary because many persons serving as apprentices had enlisted before they had completed their agreed voluntary service against the wishes of their masters and mistresses. Moreover, all apprentices enlisted without such consent were to be "immediately discharged from the service, on the application of * * * their * * * master or mistress, upon the payment of all just and reasonable charges of their (e)nlistment."

THE RIGHTS OF THE AMERICAN FISHING INDUSTRY

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. ZEFERETTI. Mr. Speaker, Americans making their livings from the sea are in trouble. Many countries with heavy investments in fishing are subsidizing their fishing industries to an unprecedented extent. In the cases of Russia and Japan, for example, fishing is a totaly government-subsidized undertaking. This is having a serious effect on our own fishing industry.

Increasingly in the past decade, foreign fishing fleets have ventured close in to our shores, depleting fish stocks in U.S. coastal waters at an astonishing rate. Many species are near extinction as a direct result. Cumulatively, our fishing industry is close to extinction itself.

Our own industry has frantically pleaded its legitimate case, only to meet with indifference from much of the public. Many Americans today, therefore, are eating fish caught off our own shores which have been sold and reshipped to this country from foreign lands. If the Government does not act with vigor swiftly, there shall be no industry to salvage.

The House passed, and I was among those who supported it, a measure which would go a long way towards correcting this situation. Its major provisions are: First, extension of our country's fishery zone from 12 to 200 miles, effective July 1, 1976, except in the Gulf of Mexico, where a 12-mile fishery zone is retained until such time as the Secretary of Commerce determines there is a need to extend it. Second, a comprehensive conservation and management program governing all fishing within the zone. Third, priority rights to U.S. fishermen within the zone, with excess stocks to be shared with foreign nations. Fourth, exemptions of highly migratory fish from the bill, which it is believed will protect the interests of American tuna fishing fleets.

The other day the Senate passed a comparable measure, with some differences, especially in the date when such legislation would take effect. While I feel that implementation of the measure is an urgent need, the difference of one year for implementation is certainly resolvable. Therefore, I urge that the conferees work out the differences as swiftly as possible so that the bill may be sent to the President for signature, a move he has indicated he will make.

The fishing business is one endeavor that built our country. Many thousands of jobs are at stake. The economic viability of many port cities is involved. Many millions of dollars are presently being expended for foreign fish imports which should be going into the pockets of American fishermen. Shipyards are sitting idle. Much of this state of affairs will change once the legislation in question is approved by the President and implemented. Certainly the bill is an important and overdue piece of legislation.

IN MEMORY OF MRS. LEONTYNE KING

Hon. Yvonne Brathwaite Burke

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mrs. BURKE of California. Mr. Speaker, last Friday, January 23, 1976, the city of Los Angeles and the State of California lost one of its most dedicated civic and social leaders, Mrs. Leontyne King. Active in religious and political circles, Mrs. King was a 12-year member of the Los Angeles Library Commission and a cofounder of the Church of Divine Guidance. She served on the Library Commission longer than any other black in Los Angeles. She also served as a national vice president of the National Library Association.

Funeral services for Mrs. King were held today, Thursday, January 29, 1976, in Los Angeles at the Church of Divine Guidance, 1518 South Grammercy Place. The Rev. Clayton Russell officiated.

There are many tributes that can be paid to Mrs. King and much that can be said. However, I feel that the following article which appeared in the Los Angeles Sentinel today best expresses the feelings of all of her friends who knew and loved her:

MRS. LEONTYNE KING—"SHE WAS A LADY OF CLASS"

(By Jessie Mae Brown)

As International Women's Year reaches its mid-way mark, Mrs. Leontyne King, a modern day champion for "Women's Rights" is being laid to rest today (Thursday) after a losing battle with cancer.

The dignity with which she went about her work in the city of Los Angeles won her the reputation of being a truly gracious lady.

For twelve years she was a Los Angeles City Library Commissioner. During her stint of service, she was elected to the presidency and served on the national board.

When her term as a City Commissioner ended in 1973, Mrs. King continued to serve on the National Board.

She worked to get more jobs for black librarians and almost singlehandedly, successfully led a drive to save the Vernum Branch Library in the East side area.

Recognized as an astute business woman for years, Mrs. King was engaged in the management of her family business and properties.

The present fight for equal rights in the work-a-day world was not necessarily shared by Mrs. King, who like most black women leaders had always worked with her husband.

She was dedicated to making this a better community in which to live and wanted to see young black women excel as students and business women.

Leontyne King served on the Board of the Willfandel Club and spearheaded fund raising drives for scholarships and for the brick wall that presently encloses the garden area of the 5th Avenue and West Adams Club house.

As an advisor to the Star-Liters Club, she encouraged scholarship programs and as an Honorary member of Alph Phi Chapter of Iota Phi Lambda Business and Professional Women's Sorority, she was pledged to encourage young women to strive for business careers through education.

Voted one of the 10 Best Dressed Women in the city of Los Angeles in the L.A. Sentinel Poll for a number of years, finally retiring to the Hall of Fame, Mrs. King attributed her fashion success to good grooming and wardrobe planning.

This she shared with many young people, as she coordinated fashion shows or lectured to them on the value of self improvement.

Funeral services will be held for Mrs. King today but the works of Mrs. King in this city, will live on . . . She was truly a lady.

REPORT THAT PRESIDENT FORD HAS ASKED ISRAEL NOT TO INTERFERE IN LEBANESE WAR

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. WOLFF. Mr. Speaker, I would like to call my colleagues' attention to a statement issued last month by Dr. Joseph Sternstein, president of the Zionist Organization of America and leader of Temple Beth Sholom of Roslyn, N.Y. Dr. Sternstein had some interesting comments on the position taken by President Ford on the possibility of intervention in Lebanon and the need for prior consultation on such a matter. The statement follows:

REPORT THAT PRESIDENT FORD HAS ASKED ISRAEL NOT TO INTERFERE IN LEBANESE WAR, PUZZLING AND DISTURBING TO ZOA PRESIDENT

The report that President Ford has urged Israel not to interfere in the war between Moslem and Christians in Lebanon without prior consultation with the United States is puzzling and disquieting. The war in Lebanon has been instigated, and carried on by the Arab states, particularly Libya. Thousands of Syrian paramilitary and regular soldiers are participating in the attack on the Christian communities in Lebanon. Libya is pouring money, arms and men to the Moslem fighters.

The Moslem attack on the Christians is clearly part of the Pan Arab strategy and policy which hopes to eliminate non-Islamic Arabic people from the area. This is clearly an overture for a later strategic move against Israel to liquidate the Jewish State. We are wondering why the President singled out Israel with his oblique presentation. By limiting his consultation request to Israel, the President cleared the Arab states from responsibility of their involvement in the Lebanese War.

We wish to remind all concerned that a victory for the Moslems in Lebanon would put the country completely under Syrian domination and constitute a mortal threat to Israel. We cannot expect Israel to remain indifferent to such a development. Israel had so far made clear that it has no intention of involving itself in the internal war in Lebanon. However, if the United States, the leading Western power, and the free world, especially the world Christian community, will continue to disregard the Moslem war for the liquidation of Christian Lebanon, the situation is bound to get out of hand with dire consequences for the situation in the Middle East.

It is worth noting that the United States commitment to Israel to consult on matters relating to the security and interest of the Jewish State was violated by the Administration, when it voted on November 30th in the Security Council against the wish of Israel for the Resolution which enabled the current President of the Council, the representative of the Soviet Union, to establish a precedent to recognize the PLO as a party to the Middle East conflict and invite the terrorist organization to participate in the Council's debate. Before asking Israel for consultations on Lebanon, our government should make certain that the United States itself is to live up to its commitment by consulting with Israel in matters relating to policies involving the Middle East developments affecting matters of peace and war.

To ask Israel to consult presents the possibility of situations developing that invite severe disagreements between Israel and the United States. Can Israel afford to permit her security to be determined by any other nation, including one as friendly as the United States? Should Israel be placed in a position where she is asked to refrain from action deemed necessary for her own security? Moreover, can the United States take the responsibility for the possibility that Israel will refrain from taking action and then find out when it is too late that her own judgment should have been followed? As a matter of fact, recent experience has indicated that intelligence information given to Israel by friendly powers has not always proved to be reliable.

Another factor to be considered, is the possibility that such "consultations" create a de facto military alliance. Should Israel take action with or without U.S. approval, it would ultimately involve the United States and therefore the question must be asked, is it a good policy for the United States to be so obligated or to be vulnerable to future charges of involvement in foreign military actions.

In the final analysis, the historic doctrine of self-defense, based on self-determination, is precious to every country, and Israel should not be asked to give up this important concept.

EULOGY OF PAUL ROBESON

HON. BARBARA JORDAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Ms. JORDAN. Mr. Speaker, it is my sad mission to call to the attention of the House the demise of Paul Robeson, an outstanding American and a leader of the black American community for the past half century and more.

He was not of my political persuasion, but no matter. He was a genius, a man of many talents, of great heart, great enthusiasm, remarkable personality, and a man of kindness and sympathy for sufferers in every land. His admirers numbered in the millions. Had he sought a political path less controversial in nature, he could easily have become a millionaire. That he chose another path and insisted on saying so, publicly, without fear, rendered him anathema to those in whom respectability alone is ever the issue of the moment.

He is gone and I am grieved by the news, as are the legions who regard him as the singer par excellence of our generation, and several other generations.

THE BIG GUYS GO AFTER MILO'S TINY HOSPITAL

HON. DEL CLAWSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. DEL CLAWSON. Mr. Speaker, the Washington Star of Tuesday, January 27 contained an editorial by Mr. James J. Kilpatrick which makes an excellent point concerning the lengths to which the people of this country can be driven as a result of reams of bureaucratic redtape. Since many of the rules and regulations which so disrupt the lives of individuals or the effectiveness of institutions bear little resemblance to the legislation they are intended to implement, I believe there is increasing momentum across the Nation for the form of increased congressional oversight provided by H.R. 8231 and identical bills. The column by Mr. Kilpatrick is included at this point in the RECORD:

THE "BIG GUYS" GO AFTER MILO'S TINY HOSPITAL

(By James J. Kilpatrick)

MILO, MAINE.—The little town of Milo (pop. 2,600) lies in north central Maine, somewhere south of Millinocket and somewhere north of Bangor. The casual traveler is not likely ever to get to Milo unless he has some particular business to attend to, but there's a story here worth a moment of your time.

Unless some new money is found by early February, the town will lose its hospital. All the old money has been exhausted; the bake sale money, the bean supper money, the town tax money—it's all run out. After a small-town struggle that would break your heart, the "big guys" may win after all.

The "big guys" are all those powerful people behind big desks somewhere else—at the Department of Health, Education and Welfare in Washington, at state agencies down in Augusta, wherever it is the Blue Cross and Blue Shield administrators sit. The "big guys" are the planners and policy-makers.

And Milo is pretty small. Its hospital has nine beds. One is reminded of Daniel Webster's argument in behalf of Dartmouth College—a small institution, but there are those who love it. The hospital in Milo has no such glorious history; it dates only to 1928, when it was established privately in a comfortable old three-story house. In 1960, the town formed a non-profit corporation and took it over.

In the course of time came the big guys with the big programs and the big ideas and the big books of rules and regulations. These factotums, dignitaries and policy-makers are not to be regarded as black-hatted villains; they have not acted as dictators, tyrants or despots. Obviously, there are a few hard feelings among the Friends of Milo Community Hospital, but the record suggests that the big guys have acted out of a sincere concern for greater efficiency and better medical care.

In any event, the last few years have been a chronicle of one discouraging hassle after another. The hospital trustees were put on notice that the building failed to comply with certain safety standards. Teams of inspectors came and went. Reports were filed, certificates were denied. Finally, in May of last year, it looked as if $100,000 to $150,000 would have to be spent if the hospital were to survive.

Such a sum is pocket change in Washington; it is the kind of trivial item that gets rounded off in a decimal point. In Milo, it looked like the national debt. Then the big guys relented: If the top two floors of the old building were lopped off, and if this were done and that were done, at a cost of maybe $30,000, perhaps a reprieve would be approved.

But the big guys had a bigger and better idea: If Milo would just go along with construction of a 52-bed regional hospital at Dover-Foxcroft, 13 miles away, everything would be solved. The little hospital in Milo could be abandoned. Fine medical care would be assured. It was all friendly, but there was an edge to it: If Milo didn't go along, Milo would lose its Medicare-Medicaid money.

The townspeople held town meetings. Repeatedly they rejected the friendly proposal. Instead, they plunged into renovation with their own hands. They raised $6,000 the old-fashioned way. And in November, spick and span, the bobtailed little hospital reopened.

Alas, the effort hasn't impressed the big guys behind the big desks. Medicare and Medicaid funds have been withheld. The Blue Cross-Blue Shield people say their contract lapsed while the hospital was closed for renovation. Presssure continues for the big regional institution at Dover-Foxcroft. The trouble with the stubborn people of Milo, it is said, is that they don't know what's good for them.

Well, maybe not. But here is a small town fighting for what its own townspeople, in their own town meeting, say they want to hold onto. That's a principle worth saving, if it takes a billion baked beans to do.

THE SONG OF SEVENTY-SIX

HON. JOHN L. BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. JOHN L. BURTON. Mr. Speaker, in this, our Bicentennial Year, I think that it is important to encourage the active participation of as many citizens as possible to help celebrate our Nation's birthday.

I am therefore pleased to have received an important contribution to this celebration from a constituent, Mr. Edward Herst of San Francisco.

Mr. Herst has taken the time and effort to compose and copyright the words and music to a Bicentennial song, called "The Song of Seventy Six."

As is the case with any birthday gift, it is the thought that counts. And the thought becomes that much more meaningful when comes from the heart, is offered in the spirit of patriotism, and is given with no thought of private gain.

Mr. Speaker, this is the case with Mr. Herst. I believe he deserves recognition for his contribution, and the thanks of Members of Congress for his efforts.

The lyrics of "The Song of Seventy Six" follow:

THE SONG OF SEVENTY SIX

Imbue us with new faith to dedicate this year.
Instill us with true love to consecrate this year.
The courage and wisdom of our forbears.
Sets an example to us, their heirs.
Rekindle that spirit is what we must do.
With hard work and foresight our goals will come true.
Let's forge on together in seventy six.
Forever the home of the Free.

PRIME MINISTER RABIN WELCOMED TO THE UNITED STATES

HON. ABNER J. MIKVA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. MIKVA. Mr. Speaker, I would like to welcome Prime Minister Yitzhak Rabin of Israel to this country and to the Congress. Throughout his distinguished career as a military and political leader, he has justifiably earned the respect and admiration of all people sincerely concerned with insuring the peace of the world. Americans have a particularly good reason to welcome Mr. Rabin because of our memory of the humanity and intelligence he demonstrated during the period in which he served as Israel's Ambassador to the United States.

In his address to the Congress, Mr. Rabin has eloquently outlined the history of Israel. His description is of special importance to all Americans as we celebrate the Bicentennial of our independence. Like Israel, the United States began as a small isolated country whose fight against enormous odds was primarily sustained by a deep conviction in the democratic process. We in the United States are fortunate to be living in a secure, democratic state, but Israel is still fighting for her independence. It is incumbent upon all Americans that we continue to support her efforts to maintain a secure democracy.

Although Mr. Rabin's accomplishments are great in number, none have surpassed his ability to conduct Israeli policy with dignity, even in the face of the scurrilous actions of his neighbors. The Arabs Nations and their allies have acted in a way that demeans not only their own motives but also the world body specifically designed to insure peace, the United Nations. Israel has steadfastly refused to participate in such shameful behavior, and Mr. Rabin's remarks indicate that she will continue to respond to unfair demands with dignity and strength.

Mr. Rabin's address again demonstrates the sincere desire of Israel to find a solution to the problems of Palestinians and others in the Mideast. He has offered to meet face-to-face with the leaders of the Arab world at any time and in any place. Unfortunately, the Arab leaders have not yet demonstrated an equal willingness to meet and frankly discuss their common problems. The different approaches to peace between the Arab countries and Israel is obvious. When Arab countries have actively pursued or covertly encouraged terrorist activities, Prime Minister Rabin has acted with restraint. When Arab countries have resorted to blackmail and extortion, Mr. Rabin has relied on reason. When Arab countries have viewed international diplomacy as an exercise in bellicosity and force, Mr. Rabin has consistently displayed a readiness to compromise and a sincere desire for peace.

It is sadly true that the State of Israel faces some difficult years ahead, but it should be of considerable solace to all her friends and to all people interested in peace, that her future course is being charted by a person with the skill and judgment of Prime Minister Yitzhak Rabin. It is even more reassuring to hear the prime minister make it clear to the world that there will always be an Israel in the Middle East.

WHAT BECAME OF CONGRESSIONAL INTENT?

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. BONKER. Mr. Speaker, in conjunction with our consideration of a new security assistance package, the House International Relations Committee was privileged recently to hear testimony from several senior Government officials who administer the Foreign Assistance Act and the Foreign Military Sales Act. Among others, they included Lt. Gen. Howard M. Fish, Director of the Defense Security Agency of the Department of Defense; Robert H. Nooter, Assistant Administrator for Near East and South Asian Affairs of the Agency for International Development; and Carlyle E. Maw, Under Secretary for Security Assistance of the Department of State.

I had the chance to address to them the concern of many Members that the executive branch has been slighting the expressed intent of Congress that some limits be placed on arms transfers to foreign countries, both in terms of sheer volume and in relation to observance of fundamental standards of human rights. The following excerpts from our exchange reinforce these concerns.

From hearings before the House International Relations Committee, November 12, 1975:

Mr. BONKER. In recent years Congress has attempted to enunciate new policy directions with respect to military sales and military assistance. And throughout these hearings members have referred from time to time to provisions in the Military Sales Act which attempt to develop these new guidelines.

Mr. NOOTER. I would like for you to respond specificially to two sections in the Military Sales Act and tell the committee precisely what the Administration is doing to carry out the Congressional mandate in this area.

The first is section 5, and I will read through these briefly, but I wish you would note them because I would like to have you provide specific responses.

Section 5: It is the sense of Congress that the President should continue to press forward urgently with his efforts to negotiate with the Soviet Union and other powers a limitation on the arms shipments to the Middle East."

Section 6: "It is the sense of Congress that the President should immediately institute a thorough and comprehensive review of the military aid program of the United States. That the President should take such actions as may be appropriate to initiate multilateral discussions with the major powers on the control of worldwide trade, armament; to commence a general debate in the United Nations with respect to the control of the conventional arms trade and, last, to use the power and prestige of his office to signify the intention of the United States to work actively with all nations to check and control the international sales and distribution of conventional weapons of death and destruction."

Specific responses, please.

Mr. NOOTER. That is out of my bailiwick, Mr. Bonker. General Fish may be able to respond to it in part, and anything else we can try to obtain for you from the Department for the record.

General FISH. In April '55 U.S. delegate to the Conference of the Committee on Disarmament in Geneva tables proposed statements, principles for limiting arms transfers. Response from the committee members representing both selling and buying nations was negative. A Report was made to Congress by State Department. A proposal is being prepared by State for staffing that would convene a U.S. intragovernment working group to study possible incentives and means for further encouragement of foreign governments to participate in international arms control discussion.

Dr. Kissinger has been asked in Congressional hearings where he stands on international arms control effort such as convening a conference and he has consistently said that is something we are prepared to explore.

Mr. BONKER. When Secretary Kissinger appeared before this committee last week he stated four criteria to be considered in the foreign transfer of defense services and equipments. General, are you familiar with the criteria that were established by the Secretary and can you apply them in each instance.

General FISH. We are familiar with those criteria and of course they are those that are used. That is of course what is the great and extent of the threat to the security of the recipient nation; what is U.S. interest in helping preserve that security. What are the nations that are involved in military transfers to the recipient countries.

Now, is the potential and what are the consequences for us if we fail to respond?

Mr. BONKER. I might add that the intent of Congress has been that we should not violate human rights in the distribution of sales of military equipment or arms to these countries.

Why is that not included in his criteria?

General FISH. I don't know why the Secretary did not include that.

From hearings before the House International Relations Committee, November 11, 1975:

Mr. BONKER. With respect to Section 502 (b), to which Mrs. Meyner referred a few moments ago, she said in quoting that section "It is the sense of Congress that except in extraordinary circumstances the President shall substantially reduce or terminate security assistance whenever it is found that a country violates human rights."

Judging from the information I have seen one can only conclude that Zaire is a repressive government, it is a totalitarian government, and it has been guilty of various charges that I think one can easily interpret as violating human rights.

In your answer to Mrs. Meyner, if I can say this graciously, it just appeared as bureaucratic nonsense. Are there any instances where the President has reduced or terminated security assistance to a country for violating human rights in the context of this section?

Mr. MAW. We have not made any such statement in respect of any country and have not gone further than to say it has been taken into account in arriving at our programs. Our primary question is the assessment of our own national interest and we have avoided making any findings or publicly condemning internal actions.

Mr. BONKER. Mr. Maw, excuse me. I was asking for specific instances where we have reduced or terminated security assistance programs to countries who have violated human rights.

Mr. MAW. There is not any instance where we have publicly so stated.

Mr. BONKER. Thank you.

TRUTH IN GOVERNMENT ACCOUNTING ACT

HON. ROBERT W. KASTEN, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. KASTEN. Mr. Speaker, Representatives CRANE, PRITCHARD, WAGGONNER, and I wrote a letter to our fellow Members in November seeking cosponsors for the Truth in Government Accounting Act, legislation which would require the U.S. Government to prepare and make public annual consolidated financial statements utilizing the accrual method of accounting. To date, over 100 Members of Congress have joined us as cosponsors.

In December, the Comptroller General, appearing before Chairman BROOKS of the House Government Operations Committee, endorsed the concept and gave a brief report on the implementation of the law which requires Federal departments and agencies to adopt accrual accounting.

Yesterday, before the House Appropriations Committee, Treasury Secretary Simon announced plans to publish a consolidated financial statement for the Federal Government as a whole based on the accrual method of accounting. Treasury has been publishing accrual statements for certain individual agencies since 1956. The target date for the first consolidated statement, according to Secretary Simon, is early 1978.

I applaud the decision of the Secretary and commend him for his initiative.

However, I believe that Congress should proceed with consideration of the Truth in Government Accounting Act in the spirit of the recent initiatives of Congress to develop a greater responsibility for—the formulation and control of the budget of the Federal Government. The implementation of a consolidated financial statement based on accrual methods of accounting should be a joint Executive-congressional project.

I urge my colleagues who have not done so to join as consponsors of the Truth in Government Accounting Act—for it is essential that we develop the tools we need to analyze and evaluate the long-range impact of all programs and policies of the Federal Government. If we limit our efforts to an examination of annual budgets comprising receipts and expenditures, congressional budget reform is mere window dressing, in spite of all the rhetoric to the contrary.

Mr. Speaker, I would like to insert excerpts from Secretary Simon's testimony in the Record at this point so that my colleagues will have the opportunity to review his excellent statement in support of this important concept:

Statement by the Honorable William E. Simon, Secretary of the Treasury, Before the House Committee on Appropriations, January 27 and 28, 1976

The balancing of the Federal budget by FY 1979 would have a favorable impact on the future development of the U.S. economy. Because of the cumulative nature of government spending programs over the years, decisions made during this budget-planning period will largely determine whether or not we will achieve responsible fiscal policy goals in the future. Thus, the long-term impact of current policy decisions should be the basis for all of our economic planning.

There can be confusion about what is necessary to deal with a current problem and the effect of that action on future fiscal flexibility. Too often we in government are prone to make decisions without proper consideration of the cumulative impact of those decisions on the future. To deal with this problem, I am proposing that government accounting be placed on an accrual basis where unfunded liabilities are fully recognized. This would thwart the natural tendency for those at all levels of government to want to claim revenues too early and expenditures too late, thereby postponing the day of reckoning. We have had recent examples of the sharp and painful adjustments that must occur to a local government when things are continually swept under the rug until eventually the rug will cover no more. With each sweeping, future fiscal flexibility is curtailed one more notch. Eventually a government has no flexibility to deal with current problems. The same thing occurs for the Federal government, except the rug can be stretched for a while because, after all the Federal government prints the money.

The Treasury has been publishing accrual statements for certain individual agencies since 1956 and we now plan to do this on a consolidated basis for the Federal government as a whole. Our target date for the first of these publications—for the Fiscal Year ending September 30, 1977—is early in 1978. I would emphasize that the initial publication will focus on significant accruals that have a major impact on the overall financial condition and operating results of the Federal government. The first set of statements are likely to be accompanied by extensive qualifications. As the reporting process and statement preparation procedures are improved, however, these qualifications will diminish.

Not only will the reader obtain a consolidated financial view of the Federal government but an idea of the magnitude of all liabilities, whether they be funded or unfunded and whether they be due for payment in the near future or the distant future. In these consolidated statements, revenues will be recognized only when they are earned and sure to be collected and expenditures will be recognized no later than the time the liability to pay them is firmly established. We believe that this will bring more responsible accounting to government. Financial problems will surface long before a crisis is imminent, thereby reducing unpleasant surprises. I believe this will permit more reasoned judgments on decisions which impact the future fiscal flexibility of our nation. Our children should not bear the albatross of paying for the excesses of this generation, while their government is unable to cope with problems because it lacks fiscal flexibility.

I realize that this committee has been concerned in the past about the cost of installing elaborate accrual accounting systems in agencies where the need is not clearly established. I want to assure you that I am not advocating a slavish application of textbook accounting to every agency and appropriation without regard to benefits. All Federal agencies have accrual accounting of some sort. What we intend to do is to supplement the data we already have with some missing pieces of major proportions, and by major I mean in terms of governmentwide magnitudes, not individual appropriations.

I also want to say that I am not proposing a change in the basis for calculating the official budget surplus or deficit, or in the manner of justifying appropriations. There are some who advocate accrual accounting for both of those purposes, but I do not want to let the controversy over those applications interfere with my objective of giving the American people a clear business-like disclosure of the overall financial condition of their Government.

FAMILY FARMS

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. OBEY. Mr. Speaker, as my colleagues know, I have long been an advocate of Government policy which promotes the economic health of dairy farming—especially family dairy farming. I was delighted that the Congress last month took a step in that direction by passing a bill to raise milk price supports to 85 percent of parity and institute quarterly adjustments. That bill is still sitting on President's Ford's desk and if he chooses to veto it, I intend to be in the forefront of the override effort.

As I have noted many times before, I represent far more consumers than dairy farmers, and some of my consumer constituents have a hard time understanding why I am so committed to dairy issues. In fact, many of them consider me an alarmist and believe that I am crying wolf when I talk about the way production costs are outstripping the prices farmers receive for their milk. "How in the world can any dairy farmer stay in business," they ask, "if his production costs are consistently higher than his income?"

The answer to that question lies in part in the way many farmers are forced to exploit the labor of their wives and children. It is not uncommon for a farmer's wife to put in longer, tougher hours than most men in other walks of life, or for children as young as 8 or 10 to operate heavy farm machinery. Most family farmers are able to stay in business only by putting the entire family to work and if they had to pay for all the labor their wives and children supply, they simply could not make it.

The Milwaukee Journal recently published an article by Reporter David Skoloda which explains just how much most dairy farmers depend on family labor and I insert it in the Record:

Children Often Double as Farmhands

(By David M. Skoloda)

Taylor, Wis.—The farmer was misty eyed as he faced four congressmen at a Wisconsin public hearing recently and poured out his story of frustration.

"The children are so tired they can hardly keep their eyes open—getting up early to help with the chores," he said.

Yet even with their help, the farm wasn't doing well, he said. For what purpose, then, had he worked his children so hard? he asked himself.

Another farmer said: "I've been on the farm 33 years and worked the hell out of my wife and kids and I finally got the farm paid off."

Thus did two of the many farmers who testified at the dairy hearings acknowledge the important role that children play on many of the state farms. Family labor has long given the farm an edge over operations that must hire labor.

Nationally, there are now about 3,005,000 family workers on farms, compared with 1,250,000 hired workers.

One of these family workers is Mark Simonson, 10, the son of Mr. and Mrs. Glenn Simonson of Taylor. Mark and his parents, along with Cathy, 13, Deborah, 8, Michael 5, and Tammie, 4, live on a scenic ridge six miles south of Taylor in Jackson County. The long, narrow road to their farm rises sharply though the wooded hillside and then emerges on the top.

The land drops sharply away on either side of the house and barn, and half of the 410 acres that Simonson works are steep and dotted with stands of woods.

In summer, the tillable slopes are carefully planted in strips along the contour of the land to slow the rush of water and loss of soil. It was on these slopes that Simonson, now 35, learned to farm.

He recalls that when he was 5, he was driving a tractor and tipped over a wagon on the steep slopes. No one was hurt and the incident has not deterred him from having his son operate the farm equipment.

Now, 10 year old Mark is learning on the land.

"He handles the tractors, and this summer he unloaded most of the chopper wagons, his father said. "We try to watch where he's going to work and don't let him go on the terribly steep land."

[Tractor accidents in which children are victims are a constant worry for farm families. The state's Bureau of Health Statistics says that an average of 20 children aged 14 and younger were killed in farm accidents each year from 1968 to 1972, and about one-third to one-half were in tractor accidents.

[Another source, Donald Jensen, University of Wisconsin Extension safety specialist, reports that in 1974 there were 21 farm fatalities of people 21 and younger, and about half were tractor accidents. Jensen did an accident analysis of some 3,000 farm families in 21 counties in 1969 and found that 24% of the accidents were in the age group 5 to 14.]

Mark shares the chores with Cathy and Deborah, rotating the morning and evening assignments and working with them on weekends. Deborah feeds the calves, Mark and Cathy change off working in the pit between the lines of cattle being milked. They wash and wipe the cows' udders and help their father determine when the animals have been milked out.

"I do feel that the children have a greater opportunity for responsibility out here," Simonson said. "Not just because of the jobs being avaliable, but because of the necessity of them having to be done. If we were to hire all the help our children give us, we couldn't farm."

The Taylor farmer added:

"We see young families that struggle to make a go of it on the farm. About the time the kids are old enough to give a lot of help, that's when they get over the hump and out of a financial bind."

While many farm families place top priority on the farm work, the Simonsons say they also see to it that their children have the opportunity to participate in extracurricular activities.

Cathy, an eighth grader, has a penchant for sneaking a book to bed with a flashlight, her mother says. Cathy also plays the piano and flute and is in the school jazz band. And she is an accompanist for the school chorus.

PRIVILEGE—AND RESPONSIBILITY

"One thing I stress; with the privilege of doing something special goes the responsibility to help at home, and that may mean a change in schedule," Mrs. Simonson said.

"If Cathy is on for chores in the evening this week (they change off every other week), and they have jazz band tomorrow night, she may have to negotiate and be nice to Mark so he will say 'Yes, Cathy.'

"They're having to learn to work with other people."

The Simonsons know that it won't be long before they will be turning their children out into the world.

"We have to get our values across to them now," she said.

That's why the family is trying to do more things together.

For example, the family is sharing time together looking over a new encyclopedia set recently purchased.

The family is crowded into the old farmhouse and the furnishings are worn. The Simonsons acknowledge that money has been a problem.

"WE WOULDN'T TAKE IT"

"Most of us out here qualify for food stamps and free lunches at school, but we wouldn't take it," Mrs. Simonson said. "We really have mixed feelings about qualifying but not participating. We feel it is not setting a good example for the children."

They explained that they have had difficulty recovering financially from the rebuilding necessary after a barn fire.

But, they added, milk prices have improved recently.

"There should definitely be a future on the farm for us," Simonson said. "We certainly want to farm. It is in our heart to stay."

In addition to her many duties, Mrs. Simonson has a business of her own—selling women's underclothing. The family also cares for a cemetery.

The cemetery money goes into a vacation fund. Last summer, the family traveled to Wisconsin Dells, Milwaukee's Zoo and then up to Kewaunee and Sturgeon Bay for some fishing and cherry picking.

They brought back 61 pounds of cherries and 150 pounds of fish.

Mrs. Simonson told the congressional dairy hearing in West Salem that the fringe benefits of farming were having responsible children and a family working and living together close to nature.

"Our families do not want welfare, but to stay on the land and have a future there," she said.

THE BECHTEL CASE

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. FISH. Mr. Speaker, the past several months have brought revelation after revelation concerning the Arab boycott of Israel. Incidents have come to light which indicate U.S. participation in the boycott, both in the private and public sectors. There is no question but that this participation in discriminatory practices by U.S. companies is immoral.

Now the Justice Department, in its recently filed suit against Bechtel Corp., has decided that this involvement in the boycott is also illegal. Because of the importance of this issue, I am including a copy of an excellent editorial by the Washington Post on the Bechtel case:

THE BOYCOTT ISSUE

A major battle of principle and policy has been joined by the Justice Department's civil suit charging the San Francisco-based Bechtel Corporation with supporting the Arab boycott of Israel. Justice's contention is that the huge heavy-construction firm, by refusing to deal with blacklisted subcontractors and by requiring subcontractors in general to refuse to deal with blacklisted companies, is in violation of American antitrust law. The State Department tried unsuccessfully to block the suit, privately but urgently protesting that even its filing risked alienating the diplomatic favor of, in particular, Saudi Arabia, Saudi Arabia is at once the bulwark of the boycott and a country whose cooperation is considered vital to American diplomacy, not to speak of American oil supplies. In the Treasury and Commerce Departments, moreover, and in the business constituencies they represent, fear was and is rampant that the suit will cost American companies billions of dollars worth of potential business throughout the Arab world.

We find it undeniable, nonetheless, that Justice was right to go ahead and file the suit. Nothing in the antitrust law reserves its application to situations which don't make foreign waves. In the Export Administration Act of 1969, moreover, it was declared to be "the policy of the United States to oppose restrictive trade practices fostered or imposed by foreign countries against other countries friendly to the United States." Whether Bechtel is in fact guilty of antitrust violations, we leave, of course, to the courts. But it is noteworthy that Bechtel responded to the suit not by denying the charges but by contending—evidently in reference to certain procedures of the Commerce Department—that "federal regulations and printed forms and statements . . . have expressly stated that compliance with (the boycott) is not illegal under American law." The corporation added that its Arab business is conducted "in areas and in ways compatible with U.S. foreign policy goals."

We sense here the development, within the U.S. government and within the larger political community, of another of those difficult issues that have made the conduct of American public life so bitter in recent years. The difference in this case lies in the fact that the challenge to the administration's economic habit and foreign policy comes from its own Justice Department, supported, to be sure, by a probable majority in Congress.

This puts a special burden on the State Department—a burden so far inadequately appreciated. For the Department's emphasis has been to complain that Justice and Congress were complicating the making of foreign policy. What the Department should be doing, however, is telling the United States' Arab friends that a deepening longterm relationship is only possible on the basis of mutual respect. That Arab league states conduct their own trade boycott against Israel is their business—regrettable to Americans but something that the United States, which has conducted its own politically motivated boycotts, is in a poor position to protest. That Arab states should expect to enlist American firms to support the Arab boycott, is however, very different. The issue is that simple.

The court proceeding is likely to be long and drawn out. This may provide the time and the extra pressure needed for the boycott issue to be worked out on a political basis between the United States and the various Arab governments. We hope so. The suit, if so used by American diplomats, could help Arab officials understand that they cannot properly expect to entangle American businesses in their fight with Israel. And it could bring an end to a situation—American participation in the boycott—which is a standing reproof to the values of the United States.

DISABILITY PAYMENTS

HON. MARTIN A. RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. RUSSO. Mr. Speaker, today I want to share with my colleagues part five of the Chicago Tribune series on the Veterans' Administration. This article, from the January 22 paper, focuses on disability payments:

VETS' DISABILITY PAY A COMBAT ZONE

(By James Coates)

Last year the American public paid more than $3.7 billion in monthly payments of between $35 and $1,028 to 2.2 million veterans for disabilities they received during military service.

Not surprisingly, the emotion-laden compensation program is continually embroiled in controversy, as some badly wounded veterans claim they are not getting enough money, some critics charge that many veterans are overcompensated, and others contend that aspects of the system are inequitable.

"President Kennedy [injured in World War II] still got compensation even when he was in the White House," a local Veterans Administration official noted in explaining Congress' intent to pay compensation without consideration of a veteran's other sources of income or whether his disability affects his work.

A five-year, $1.3-million VA study published in 1973 showed that the 30-year-old manual used for evaluating disabilities is outdated and fails to account for many medical advances. The result, the study says, is that many veterans—particularly those who are getting paid for minor disabilities not related to combat — are getting paid too much.

Another study, by the Paralyzed Veterans of America, shows that a special "aid and attendance" allowance of an additional $489 a month for severely crippled veterans falls far short of the average $1,649 such disabilities require for special care.

Beyond these thorny questions of public policy, which are debated almost annually in Congress, lies a thicket of bureaucratic regulations and complex medical considerations that often stands between the veteran and his compensation.

"Talking to the VA is like talking to a wall," complains Allan Spector, 58, who has been trying for several years to get increased compensation for a back injury he sustained in World War II.

Spector has become enmeshed in the difficult rating process for disabilities, in which every veteran who claims to have become injured or diseased during service is assigned a percentage of disability from 0 to 100, in 10 per cent increments.

The disability ratings are made according to a detailed rating schedule, which lists most maladies known to man, from flat feet (0 to 50 percent, depending on the severity), to amputation of the leg at the thigh (60 to 90 per cent), to epilepsy (10 to 100 per cent).

The manual also rates such things as ulcers, heart problems, hemorrhoids, and asthma. All such disabilities must be shown to have first occurred during service. The law and the VA make no distinction between combat and non-combat disabilities.

Spector applied for his rating increase to one of the three-man rating boards in the Chicago regional office. The boards make their decisions on the basis of a veteran's military records, his own doctor's reports, and usually an examination by VA doctors.

Although spector says the injury often confines him to a wheelchair, the board refused to increase his rating above the minimum 10 per cent. "I can't understand it," Spector said. "My neighbors feel sorry for me; they know I used to be able to walk good. How can the VA say I'm only 10 per cent disabled?"

The 10 per cent rating entitles Spector to $35 monthly as set by Congress. The monthly payments increase to $655 for 100 per cent disabilities, plus additional awards for amputation and blindness, which could push the total monthly benefit to $1,628.

Spector said the VA never told him that its doctors don't think his back injury is as severe as he claims, the explanation found in VA records. They agree he is sick, but they believe most of his problems are not "service connected."

Other veterans also complained to The Tribune that the biggest problem with the compensation program is fighting the red tape and onslaught of form letters.

"I worked 10 hours to put together all the documents for my case, and all they gave me was a two-line answer," fumed Leonard Wislow, who was denied compensation for a wrist injury he says he suffered at reserve training camp.

An examination by The Tribune of several veterans' files confirmed that the VA form letter—often sent after months of waiting for a decision—is disappointingly brief. The VA counters that a more complete explanation is available upon request.

Chicago Regional VA Director Claude Gilliam said, "It is not a case of our being unwilling to give the veteran more information. But we don't have the luxury [of time and money] available in every case."

Figures from the Board of Veterans Appeals in Washington, which handles claims from disgruntled veterans in all the VA's myriad programs, attest to the complexity of compensation. Three-fourths of the caseload concerns the disability compensation program alone.

Despite the complexity of compensation cases, the VA is insulated from challenge by outsiders, The Tribune found, and veterans are denied rights given applicants for nearly all other government programs.

One unique law says decisions by the VA are "final and conclusive and no other official or any court" can review them. In other words, the veteran may not sue the VA if he thinks he's being cheated. In nearly all other federal programs, including Social Security and welfare, the applicant's last resort is a court.

It is nearly impossible for the veteran to hire a lawyer to represent him before the VA's administrative hearings because another law limits a lawyer's fee for a VA case to $10. Social Security allows an applicant to pay up to 25 per cent of the award to the lawyer who helped him get it.

The VA counters that lawyers aren't necessary because the major veterans organizations provide representation [though usually not lawyers] free of charge. Calvin Young of Winfield has such a representative and he complains, "The VFW (Veterans of Foreign Wars) hardly knows anything about my case. They seem to have a lackadaisical attitude."

Another problem is that the head of the VA is required periodically to revise and update the disability rating schedule. But few administrators have dared tamper with it.

So, the VA now uses the same schedule it used in 1945, which fails to account for the great changes in medicine and rehabilitation that have occurred since then.

A 1973 attempt to issue a new disability schedule was beaten back by the powerful veterans organizations in a firestorm of protest. They argued that its proposed reductions in ratings would have created Viet Nam veterans.

The proposed 1973 schedule also would have increased some ratings, particularly for several chronically underrated psychological disabilities. VA Administrator Richard Roudebush has pushed through one set of changes along these lines, and says another set is in the work. His changes recognize such medical advances as heart pacemakers and artificial hip joints.

When those are implemented later this year, "then I think we'll have a modern rating schedule that will be responsive to the needs of veterans," he said.

None of Roudebush's changes involves decreases in ratings and, not surprisingly, they have gotten "excellent reception from both Congress and the veterans organizations."

VA PENSIONS "REDUNDANT"

(By James Coates)

Even the Veterans Administration's critics agree that there is a need for paying disability compensation to veterans injured in service.

But paying veterans pensions is another matter.

"The doubling of Social Security benefit levels from 1965 to 1974 and the enactment of Supplemental Security payments recently has made VA pensions virtually redundant," said Michael March, a professor of public affairs at the University of Colorado, Boulder.

The pension program currently provides monthly payments of up to $173 for a single veteran who served during a war period and whose income is $3,300 or less, and up to $186 for a couple earning less than $4,500. Pensions are strictly limited by a Veteran's income.

The 2.2 million veterans and survivors who qualify for pensions by being either over 65 or totally and permanently disabled, got about $2.7 billion last year.

Most pensioners are old and poor [although they include about 8,000 Viet Nam veterans who suffered accidents after they left the service]. But since the 1930s, other federal programs have arisen to help such people, veterans or not. Some critics say it is time to phase out VA pensions.

"I'm not so sure that a guy who spent 90 days picking up cigaret butts for the Army during the war is entitled to special treatment," said Olney Owen, a former chief benefits director of the VA who is a strong advocate of most of its programs for veterans.

Veterans groups have staunchly defended the program, arguing in part that anyone who ever served his country should never have to resort to "welfare."

But Government policy planners are worried about the threat to the budget that pensions may pose in the near Future, as the bulk of World War II veterans approach 65.

Colorado's Prof. March, a former senior staffer with the federal Office of Management and Budget, calculates that at current inflation rates, with no changes in the law, the pension program would in just 15 years surpass today's entire $16-billion VA budget, and would top $26 billion by the year 2000.

Even Sen. Vance Hartke [D., Ind.] a firm believer in the principle of VA pensions, fears that without changes skyrocketing pension costs could "result in federal expenditures which would become increasingly illogical and difficult to defend."

Hartke has introduced legislation to revamp and simplify the pension system, in part to iron out irregularities that have crept in as Congress has made piecemeal changes over the years. He estimates the reform package would cost an extra $1 billion annually at the outset, but that over the long term it will make it easier to defend pensions "against the attacks of those who would abolish veterans pensions altogether."

Some critics would rather see VA pensions combined with Social Security and Supplemental Security into a single, coherent system that would eliminate needless administrative duplication and assure fair treatment for all.

But so strident is the opposition by veterans groups to anything that smacks of welfare, a study by the 20th Century Fund notes wryly, that the political problems could perhaps be solved "only by making every needy individual an honorary 'veteran.'"

THE 100TH ANNIVERSARY OF THE FRANCISCAN MISSIONARIES OF MARY

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. WOLFF. Mr. Speaker, St. Francis' Hospital is well known to the residents of the Sixth Congressional District, including my small grandson who has gone there with the usual cuts and bruises and received outstanding care. I have long been impressed by not only the fine facilities, but by the compassionate treatment offered by the sisters who operate the hospital. I would like to join the many other friends of this excellent hospital, in congratulating the sisters of the Franciscan Missionaries of Mary on 100 years of loving service provided the world over.

The beginning of the 100th anniversary year of the sisters of the Franciscan Missionaries of Mary was celebrated by the Board of Directors of St. Francis Hospital on Sunday, January 18, with a solemn concelebrated mass at St. Mary's Church, Manhasset, and a reception at the hospital's St. Clare's Pavilion.

The board, besides honoring the sisters on their Centennial Year, is taking the opportunity to thank the sisters for more than 55 years of service and love for Long Islanders through their work at St. Francis in Roslyn. The sisters were presented with a specially designed flag to be flown at the hospital during the Centennial Year.

The Institute of the Franciscan Missionaries of Mary was founded in India on January 6, 1877, by a Breton, Helen de Chappotin, who took the name Mother Mary of Passion. The order has now grown to an international congregation of religious women in some 66 nations, where the sisters are involved in education, social work, health care, and pastoral ministries.

The sisters' apostolate at St. Francis Hospital began in 1920 as a camp for underprivileged children on land donated by a Quaker, Carlos Munson. St. Francis later developed into a convalescent hospital for children with rheumatic heart disease, then into a world renowned center for heart surgery on children, and now into a cardiac specialty hospital with general care beds, serving adults as well as children.

The mass and reception on January 18 was the first in a series of events planned for the coming year to highlight the work of the sisters, both at St. Francis and around the world. Three major symposiums with outstanding guest speakers are currently being planned for 1976 to highlight the role of the religious in the health care apostolate.

My sincere thanks and congratulations are added to those of the many people who have been helped by the Franciscan Missionaries of Mary in their century long history of aid to humanity.

NORMAN COUSINS CALLS FORCED BUSING A FAILURE

HON. GENE SNYDER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. SNYDER. Mr. Speaker, Saturday Review for January 24 carries a fine editorial by Editor Norman Cousins entitled, "Busing Reconsidered." Every Member of this body could read it with profit.

Mr. Cousins, long a leading liberal spokesman, states flatly—

> Busing hasn't desegregated the schools. It has resegregated them.

Advocating a White House conference to search out alternatives, Mr. Cousins concludes his editorial with a sensible comment that Congress should heed:

> There is no disgrace in having failed in an important social enterprise. The only disgrace is in persisting with failure in order to hold the commitments without regard to the need for keeping an open mind.

The full text of the editorial follows:

Busing Reconsidered

Busing was honestly conceived as a way of coping with the fact that schools in predominantly black neighborhoods were segregated as the result of local geography. The effect of this circumstantial segregation, it was believed at the time, was to lower standards of education for blacks.

But busing hasn't worked. After almost a decade, it seems clear that the principal mistake was to assume that we could create a more socially responsible society by putting the problem on wheels and expecting it to arrive at a daily solution. The evidence is substantial that busing is leading away from integration and not toward it; that it has not significantly improved the quality of education accessible to blacks; that it has lowered the standard of education available to whites; that it has resulted in the exodus of white students to private schools inside the city or to public schools in the comparatively affluent suburbs beyond the economic means of blacks; and, finally, that it has not contributed to racial harmony but has produced deep fissures within American society.

Busing hasn't desegregated the schools. It has resegregated them. Racial concentration, the core of the problem, continues. Some 30 percent of white families have moved to the suburbs, leaving many large northern cities with predominantly black schools. For example, in Washington, D.C., 96 percent of the students are black; in Newark, N.J., 72 percent; in Detroit, 70 percent; in Philadelphia, 61 percent; in Chicago, 58 percent; in Cleveland, 57 percent. Does this mean that we must now borrow white students from the suburbs and bus them back to the inner city?

The document that is generally regarded as having provided the impetus for school busing is the 1966 report titled "Equality of Educational Opportunity." It was written by James S. Coleman, professor of sociology, University of Chicago, under the sponsorship of the U.S. Office of Education. Coleman's research showed that deprived students did better when their schoolmates came from backgrounds strong in educational motivation. The general interpretation placed on the Coleman Report was that the practice of segregation had resulted in inferior education for blacks. The conclusion at the time was that putting blacks into white classes offered the best chance of meeting that problem.

Professor Coleman has recently completed a second report. He now presents his somber conclusion that busing has had the effect of replacing old patterns of segregation with new ones. "Ironically," he writes, " 'desegregation' may be increasing segregation." He reaffirms the need for ensuring equal protection under the Fourteenth Amendment, but he believes it is irresponsible to ignore or stand aside from the effects of measures taken for that purpose. "The achievement benefits of integrated schools appeared substantial when I studied them in the middle 1960s," he says, "but subsequent studies of achievement in actual systems that have desegregated, some with a more rigorous methodology than we were able to use in 1966, have found smaller effects, and in some cases none at all."

A major error in the original decision was to underestimate the extent to which family background is a controlling factor in education. Parents who are poorly educated themselves and who have to contend with prolonged joblessness, overcrowding, and malnutrition cannot reasonably be expected to create a home atmosphere supportive of a learning experience for their children.

What is happening is that we are bypassing the fundamentals in the search for an answer. It is the condition of the black in America that continues to be the central, overriding, and saturating issue. Everything involved in lifting a people out of their low estate in society—housing, health, economic opportunity, nutrition, access to justice under the law—fits into this total challenge.

The first thing that has to be done is to de-politicalize the issue. By this time, busing has become a battleground for liberals and conservatives. There appears to be a feeling among many liberals that to oppose busing is to renounce an essential commitment to a better life for blacks. Many conservatives feel that the busing program is proof positive of the hazards of severe governmental intrusion in matters involving racial and social injustice.

What is needed is a White House Conference for the purpose of making an objective analysis of the busing experience and for proposing alternatives.

It is to be hoped that the persons invited to such a conference would come from many professions and occupations, and not from education alone.

There is no disgrace in having failed in an important social enterprise. The only disgrace is in persisting with failure in order to hold to commitments without regard to the need for keeping an open mind. A country dedicated to human rights should not have to confess intellectual and moral bankruptcy in attempting to provide an adequate education for all its citizens.

STARLING AND BLACKBIRD CONTROL

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. LEGGETT. Mr. Speaker, I would like to inform my colleagues of a letter which was sent to the President by me and the ranking minority member of my Subcommittee on Fisheries and Wildlife Conservation and the Environment, the Honorable EDWIN B. FORSYTHE, on Wednesday, January 28, regarding H.R. 11510, a bill to provide for starling and blackbird control in Kentucky and Tennessee, which passed both Houses of Congress on Tuesday, January 27.

As set forth in this letter, the Subcommittee on Fisheries and Wildlife Conservation and the Environment will hold a hearing on this subject on Monday, February 2, 1976, at 10 a.m., in room 1334 of the Longworth House Office Building. Anyone wishing to present testimony should notify the subcommittee office at 225–7307.

The text of the letter to the President follows:

JANUARY 28, 1976.

Hon. GERALD R. FORD,
President of the United States,
Washington, D.C.

DEAR MR. PRESIDENT: H.R. 11510, a bill to provide for emergency starling and blackbird control in Kentucky and Tennessee, passed both Houses of Congress yesterday and has been sent to you for signature.

Because the bill was presented as an emergency measure, it passed the House by unanimous consent request without the approval of the Chairman of the Full Committee and without consideration by our Subcommittee on Fisheries and Wildlife Conservation and the Environment as well as the Full Merchant Marine and Fisheries Committee which has jurisdiction over the matters involved. Likewise, the other Body acted on the legislation unanimously, by voice vote, without hearings. Due to the nature of the legislation, particularly the provision which exempts actions taken thereunder from the requirements of the National Environmental Policy Act, many interested citizens and organizations with specific knowledge of the matters involved have requested an opportunity to present relevant testimony regarding the situation with which H.R. 11510 is designed to deal.

In view of our Subcommittee's oversight responsibilities and the continuing nature of the starling and blackbird problem which may require a more permanent solution, we have scheduled a hearing for 10:00 a.m. on Monday, February 2, to listen to all available evidence on the matters involved.

We are sure that you will want to have the benefit of this information as well. Accordingly, an analysis of the testimony presented at the hearing will be prepared and provided to you before the end of next week, which information should assist you in evaluating the merits of the legislation.

With best wishes,

Sincerely,

EDWIN B. FORSYTHE,
Chairman, Subcommittee on Fisheries and Wildlife Conservation and the Environment.

ROBERT L. LEGGETT,
Ranking Minority Member.

THE PASSING OF RALPH CLINE, "THE PATRIOT"

HON. DAVID F. EMERY

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. EMERY. Mr. Speaker, on Monday, January 26, Ralph Cline, a man who epitomized the spirit and tenacity of a true American, passed away. His face has been immortalized by the noted American artist, Andrew Wyeth, in a portrait entitled "The Patriot." The real Ralph Cline, however, will be immortalized by the lasting effect his character and indomitable spirit has had on all who have known him. It is truly sad to note the passing of a man who many of us assumed would continue like the eagle to serve as a living symbol of the pride we all have in our Nation.

As one who knew him, I feel compelled to share two articles which appeared on January 27 in the Courier Gazette of Rockland, Maine. These articles do much to accurately describe the spirit and dignity of a man known simply as "The Patriot."

The articles follow:

A MAN OF STRONG CHARACTER

(By Pat Mitchell)

They are blowing Taps now for Ralph Cline, signaling the end of the man, the passing of his era.

Withal, The Patriot will be remembered.

Like that time in the Augusta State Armory, when the bureaucrats and politicians decided that some sort of a public hearing was appropriate to the passage of a stiff gun control bill.

That meeting was originally scheduled for a small room in the new State Office Building. But, the hue and cry was such as to influence the government types that a larger room was needed to handle the expected hundred or so citizens who would attend. Then, as the clamor against such legislation grew, the bureaucrats finally decided on the Armory as a hearing room, a decision much heeded by the high-profile politicians who calculated that with a big crowd coming, their appearance was mandatory.

Ralph and this scribe showed up just a few minutes before the session formally began. The stage, the speaker's podium, the politicians were flood lit from front, top and sides. The press photographers and the TV camera men were at work. The politicos basked in their spotlit glory . . . until Ralph quietly walked into the room, unannounced. Lean, tall, stooped a little with his age, he walked down the center aisle, looking for a spare seat amidst the crowd of 2,500 citizens. As he strode, and Ralph always strode, he was recognized. Like a wave rolling to the beach, to crash with dramatic violence on the sands, a rolling wave of men, coming to their feet, paced Ralph's progress up that center aisle.

The photographers and TV men swung lenses away from the politicians and their satraps. Ralph hit the front line of chairs and an Armory full of men, all on their feet, applauded with a rising crescendo of approval for The Patriot.

Later in the session, while giving his testimony to the Legislative Commission, he was asked why he appeared.

He answered, "Gentlemen, there is an old enlisted man's credo to the effect that if you don't exercise your rights, you lose your rights. I'm an enlisted man (Cline was a heavy machine gun section sergeant in World War One) and I'm sure as hell exercising my rights."

Or that time when down at Cline's mill in the Spruce Head section of the Town of St. George, when a scribe dropped in, searching for a feature story.

As the journalist swung his Great White Beast into the mill yard, Cline was observed to be dusting his cover-alls clean of sawdust and re-arranging the shoulder straps.

"What happened, Ralph?"

"Well," said the 75 year old Patriot, "I was about to run that big oak log through the saw when I slipped and it slipped and I wound up under the log, with the machinery going and the carriage sort of slipping toward that spinning saw."

"How much does that oak log weigh?"

"As a guess, 700 or 800 pounds."

"How'd you get out?"

"Amazing what a man can do when he has to."

It was a flat, matter-of-fact statement, quite typical of the man. He was not shaking, as lesser men might have been in such a perilous situation. Instead, Ralph asked the scribe, who was something of a gun nut, if he happened to have a certain piece with him in the Beast. He did and it was a .45–70, Trapdoor Springfield, a single short military weapon of the late 19th Century, firing a 450 grain slug, the only weapon ever designed to shoot a horse at 1,000 yards. All of which minutiae is so dear to the hearts of gun nuts, and Ralph was one of those, too.

"Got any shells for the old beauty." The scribe did.

"Well, then," said Cline, as he loaded a round, "you see that there knot in the far spruce tree?" He pointed to a tree about 60 yards distant.

Then he fired, off-hand, and splintered the knot. Not bad for old eyes, a ten pound rifle held off-hand, less than a minute after what to many, if not most, men would have been an unnerving experience.

So, they are blowing taps for Ralph Cline. But, the echoes of that final bugle all roll on yet awhile.

RALPH CLINE, "THE PATRIOT," DIES

(By John Hammer)

His stiff, stern march, his curt and erect salute, and his compassionate Yankee-featured face will be seen no more, yet they will continue to be immortalized in the museums, galleries, and in the memories of those who knew him.

The Patriot, Ralph E. Cline of Spruce Head, is dead.

His passing Monday morning seems to strike many as a shock, as if the regimental, symbolic figure of such a man could never leave them. For year after year, Ralph would fastidiously dress in his World War I uniform and lead local parade units through Thomaston, at the Fourth of July celebration, in Rockland, during the Maine Seafoods Festival parade, and, as often as possible, in his home town of St. George for the traditional American celebrations.

It was not just the local folks, or those area visitors who witnessed his touching, prideful stride ahead of all of the parade units . . . his deep set eyes and weathered features have been seen throughout the country, as the subject of one of artist Andrew Wyeth's most noted portraits, "The Patriot." His dutiful appearances in the local parades have been covered by state and national television, his character and features have been captured in numerous journals, from local newspapers to the pages of Life Magazine.

To many, there was within this seemingly immortal statue of a soldier, a venerable tribute to the Maine Yankee image. There, to those who knew him well or just in passing, was an image of a man who worked his own land, founded and attended every day to his own lumber mill business, and took an active interest in the affairs of his neighbors and his home town.

You only had to meet Ralph Cline once to have the picture of a proud veteran etched in your mind. He was more than a symbol of some such all-inclusive term as "patriotism," he was a vestige to those who served in World War I and the conflicts of later eras.

As word of Ralph Cline's death circulated among local journalists, many who had talked to or photographed the lifelong Spruce Head resident on at least one occasion, the pensive looks and recollections of these first meetings seemed to reflect just how deep a loss the area must endure.

And to those who lived and talked with Cline as a friend and neighbor, perhaps shared a joke with him about the weather over the counter at Farmer's store, and who knew his personal manner and character to be what it was, the loss goes deeper.

Ralph E. Cline, Sr., 80, husband of Miriam Crockett Cline, died Monday at Togus VA Hospital.

A native of Rockland, he was born on March 19, 1894, the son of Melvin and Ella Rackliff Cline.

For many years, he operated the Ralph E. Cline and Son Sawmill in Spruce Head. He was a 70 year member of the First Baptist Church of St. George. He was a charter and life member of Rockland Memorial Post VFW; a charter and life member of Kinney-Melquist Post, American Legion, St. George; an honorary member of Boy Scout Troop 246, St. George; a member of Eureka Lodge of Masons, Tenants Harbor and Naomi Chapter, OES.

During World War I, he formed a unit of State Guard Reserve, known as Cline's Hellcats, and patrolled the shores of Spruce Head.

He was well known as a marcher in Fourth of July parades, marching in each of Thomaston's since 1923. In 1968, he served as marshal for the 22nd annual Maine Seafoods Festival Parade in Rockland.

Besides his widow of Spruce Head, Mr. Cline is survived by one son, Ralph E., Jr., Spruce Head; two daughters, Mrs. Olive Elliott of Standish and Mrs. Miriam Linscott of Thomaston; two sisters, Mrs. Viola Olsen, Gig Harbor, Wash. and Mrs. Mildred Elwell of Unity; 9 grandchildren; and several nieces and nephews.

Funeral services will be Thursday, 2 p.m., at the Wiley's Corner First Baptist Church of St. George, the Rev. Lewis Gesner, Jr. officiating, and with military honors by Kinney-Melquist Post, A.L. Interment will be at the Forest Hill Cemetery, Spruce Head.

Friends may call at the Burpee Funeral Home, 7 to 9 p.m. Wednesday.

CONGRESSIONAL ACTION NEEDED ON STRIP MINING IN OUR NATIONAL PARKS

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. BROWN of California. Mr. Speaker, it has been several months since the Congress was alerted to the fact that there has been an upsurge of strip mining in, of all places, our national parks. The public outcry was obviously against such actions, and the two congressional interior committees demonstrated their own concern by the speed in which they held hearings. Prior to the December recess it appeared that corrective legislation, legislation that would prevent strip mining in our national parks, would be passed. I still think this will happen, but as long as the law remains unchanged, strip mining will continue in our national parks. I would urge the House and Senate Interior Committees to take swift action on the legislation now before them, before more of our common national heritage is desecrated.

One of the leaders in the effort to stop the current upsurge of strip mining is Senator ALAN CRANSTON, who is well known for his concern for our natural resources. Senator CRANSTON recently wrote an article which appeared in the January issue of the Environmental Journal, which is a publication of the National Parks and Conservation Association, which describes what the strip mining is doing to just one National Monument, Death Valley.

The article follows:

THE BATTLE FOR DEATH VALLEY—DEATH VALLEY NATIONAL MONUMENT MUST BE PROTECTED FROM MINING

(By Alan Cranston)

It was early morning in Death Valley, barely sunup, and already the fierce desert heat had pushed the temperature over one hundred degrees. Khaki-clad mining engineers parked their trucks at Zabriskie Point scenic overlook beside California Highway 190 and began unloading wooden claim stakes. The men were employees of Tenneco, a Texas-based conglomerate. Before their work was done that morning, events were set in motion that would culminate in a national debate over the uses and abuses of our national parks.

The National Park Service, which supervises Death Valley National Monument, denied a Tenneco request to drive a jeep to the claim sites. So the men had to walk, carrying the orange-tipped claim stakes on their backs. They picked their way down the steep, yellow shale slopes to the public hiking trail that winds through Gower Gulch. After about one mile in the mounting desert heat, the Tenneco men began posting the stakes at fifty-foot intervals, eventually laying claim to forty-four new borate mining sites in direct line-of-sight with Zabriskie Point.

The Park Service was horrified. The rangers had watched with growing alarm over the last five years as open-pit mining for borates and talc had destroyed hundreds of acres of the national monument. The Tenneco claims in Gower Gulch were the last straw.

It was the view from Zabriskie Point, more than one hundred years ago, that had moved pioneer William Manly to write that he had "just seen all of God's creation" from one place. Every year now, hundreds of thousands of visitors see what Manly saw, just the way he saw it. With a slight turn to the south, visitors can gaze in reverence while the slanting rays of early morning and late afternoon sun create an awesome display of color and shadow on the convoluted landscape of Gower Gulch. The decisive showdown between park partisans and strip miners would come here.

In the past, lands have been placed off-limits to mining in the monument in order to build campgrounds, develop water supply, or preserve historic or archeological sites. This time the Park Service asked for departmental authority to withdraw areas near Zabriskie Point and Gower Gulch from mineral entry in order to preserve their scenic and recreational value. The NPS director argued that roadbuilding and drilling associated with mining claims would jeopardize a Park Service proposal pending in Congress to designate a Death Valley wilderness area.

The reply from the head office sent shock waves through the environmental movement. Michele B. Metrinko, associate solicitor for the Interior Department, said the government's authority in Death Valley "does not include withdrawal of monument lands for the purpose of scenic preservation." Such a withdrawal, she added, would be in "direct contravention of an express congressional intent."

Indeed, Congress did specifically open Death Valley to mining on June 13, 1933, four months after the area became a national monument during the last days of the Hoover administration. In its rationale, Congress then said, "it would be unfortunate if the prospector who had been responsible for building up the romance and mystery of Death Valley were not allowed to prospect and operate in the future as he has in the past." Harold Ickes, who had just been named Secretary of the Interior in Franklin Roosevelt's first administration [quoting a statement by National Park Service director Horace M. Albright] assured Congress that "in recommending the establishment of this area as a national monument . . . it was not the desire to prevent prospecting and mining within the area, as such activities would in no way interfere with the preservation of the characteristics of the area."

It is true that prospecting for gold, silver, and later borax—"the white gold of the desert"—is permanently linked in fact and popular fancy with the lore of Death Valley. Actually, the twenty-mule teams hauled borax over the grueling 250-mile trek to Mojave, California, for only six years from 1883 to 1889. But it is an enduring Old West image, made more so in later years by the radio and television program "Death Valley Days," which was sponsored by U.S. Borax. C. B. Zabriskie was a president of that company. Harry P. Gower was its mine superintendent in Death Valley for fifty years.

More ironic still, the first director of the National Park Service, Stephen Mather, was a wealthy westerner whose family fortune was made by mining borax in Death Valley before he entered government service. A former advertising executive for Pacific Coast Borax Company. Stephen Mather coined the trademark "20 Mule Team Borax" that its successor company uses to this day. The second director of the NPS was Horace Albright, whose term covered the period when Death Valley became a national monument and was subsequently reopened to mining. Albright later left government service to take an executive position with U.S. Potash Co., later merged with Pacific Coast Borax to become U.S. Borax.

But for all the romance of the mines and the mule teams, one fact is perfectly clear: the grizzled pick-and-shovel prospector of old is a far cry from the massive earth-destroying strip mine operations going on today inside Death Valley National Monument. It is highly unlikely that anyone in Congress or the Administration in 1933 could have foreseen the present consequences of the legal loophole that they had hoped to leave open for the "colorful miner."

All of the ballyhooed search for lost El Dorados and easy wealth netted only about $2 million between the 1880s and 1940. During World War II talc mines were opened in the monument to meet special military demands. The mines were underground and made little impact on the surface. Still, no more than $1.5 million worth of minerals was taken out in any one year between 1940 and 1970. Then in 1971 strip mining began for both borates and talc. The Park Service estimates that $12 million in those two minerals were stripped out of the monument in 1975, and Tenneco has told stockholders that it will increase its Death Valley operations by 50 percent over the next four years.

Borates are used principally in making glass, especially structural glass and insulation fiberglass. There are many lesser uses for borates in detergents, vitreous enamels, pharmaceuticals, and herbicides. Talc from Death Valley is used in paints and ceramics. Although talc is a common mineral, the only sizable reserves of borate found so far in the United States are in southern California and Nevada. But borate deposits at Boron and Searles Lake in California make Death Valley borate deposits small by comparison.

About 75 percent of the annual U.S. borate production is done at the U.S. Borax mine at Boron, about 110 miles southwest of the national monument. The reserves there are variously estimated at between forty and two hundred years at current production levels. Because of that comfortable supply, for more than fifty years U.S. Borax has not mined on its lands in Death Valley. The company holds extensive mining claims there, nowever, especially in the fifteen-mile borate-rich zone that includes the most popular scenic areas. Company officials are fighting hard to hang on to those claims as a potential source of borates "if and when we need them," according to one corporation spokesman.

Tenneco is the only company currently mining borate in Death Valley. Its Boraxo Pit, located about eight miles southeast of Zabriskie Point, gives some perspective to the scale of open-pit mining. The pit was begun in 1971. Today it is 3,000 feet long and 1,000 feet wide at the widest point. It has been dug to a depth of 240 feet and will go down another 180 feet before the depth makes mining unfeasible, later this year. Waste dumps from the Boraxo pit are 150 feet high and clearly visible from the heavily traveled road to Dante's View overlook. The "life span" of such a pit is about five years. Once exhausted, it is abandoned and a new pit is begun. Tenneco has already started on the Sigma Pit in the same general vicinity. The 180,000 tons of borate taken out of Death Valley each year amounts to less than 10 percent of total domestic production of that mineral.

In the early 1970s talc producers also found surface mining quicker and more economical in the short run than the old underground methods. Seven open-pit talc mines are now operated in the southern end of the monument by Johns-Manville Corp., Pfizer Inc., and Cypress Industrial Minerals Company. Talc mining is particularly destructive to the visual integrity of the valley because of the stark whiteness of the waste dumps and stockpiles, which stand out vividly against the darker rock background.

Competition for Death Valley minerals is often cutthroat. Environmentalists weren't the only ones taken aback when Tenneco staked its forty-four controversial claims in Gower Gulch. U.S. Borax was also surprised, because that company had owned the land for several generations. Tenneco maintains that there is a flaw in U.S. Borax's title to the property and that the borates under the surface are still up for grabs. One Tenneco spokesman even suggested that his company had staked claims on top of U.S. Borax land in Gower Gulch in order to clarify ownership and protect the scenery from exploitation by an unidentified third party.

The fever pitch of strip mining and claim staking goes on in the national monument. About two hundred new mining claims—ranging from 20 to 160 acres each—are filed each year in Death Valley. Active interest is maintained in 1,827 claims covering more than 36,000 acres, according to the Park Service. The cumulative effect on the fragile desert ecosystem is probably equivalent to the scarring done by the giant corporate open pits, inasmuch as each claim must be worked every year to remain valid.

Death Valley is indeed fragile, though it is hard to think of fragility in an area so vast and seemingly impenetrable. It is the hottest, driest, lowest place in the Western Hemisphere. For thousands of years the forbidding landscape has stayed the hand of man. Massive faulting in prehistoric times thrust the Panamints and Amargosa mountain ranges skyward, letting the land between fall away to a hole in the earth. A ninety-mile-long lake dried up after the most recent Ice Age, leaving the marks of the descending water levels 20,000 years old still visible on Shoreline Buttes. The tortured landscape left behind inspired pioneers to create a whole lexicon of despair: Coffin Canyon, Funeral Mountains, Devil's Golf Course, Poison Spring, and Suicide Pass. It is still possible to stand alone in some parts of Death Valey and imagine what our world looked like before man appeared—a world inhospitable to life as we know it.

Once scarred, the desert is slow to heal itself. There is no salving annual blanket of falling leaves. Yearly rainfall is often less than one and a half inches, and potential evaporation is one hundred times that amount. Trails left by wild burros leave their imprint for decades. A crude, manmade road will last centuries. The activities of a human lifetime measure a split second in the geologic time of Death Valley, but the results of what we do will last forever.

On September 10, 1975, months after mining engineers had carried claim stakes into lower Gower Gulch, the public became aware of what was going on. The *Washington* (D.C.) *Star* reported that widespread strip mining was due to begin in some of the most scenic areas of the national monument because of recent rulings by the Department of the Interior. The story was picked up by other papers and by the national television networks. The mail from my California constituents began to pour in to my Washington office. Within three weeks, three bills were introduced in Congress to curtail mining in Death Valley, and the subject was raised in at least four committee sessions in the House and Senate—including in the Senate hearings on the confirmation of Thomas Kleppe to be Secretary of the Interior.

Another significant development was noted. On September 30, less than three weeks after the first article appeared, a member of my staff, flying low over Gower Gulch in a small aircraft, verified that the last Tenneco claim stake had been removed from the Zabriskie-Gower Gulch area. Public outcry had forced the corporate retreat—at least for the present. But the area can be staked again—and legally—tomorrow, or whenever the public is no longer aroused. That message was made clear by the Interior solicitor's opinion. That is why I believe a change in the law is essential if this unique resource is going to be protected for the future.

I originally considered a special Death Valley bill, but instead joined other Senators on a bill (S. 2371) to forbid mining in Death Valley and five other units of the National Park System. The bill, which was introduced by Senator Lee Metcalf of Montana, would take two important steps with regard to Death Valley. First it would repeal the 1933 law that opens the national monument to mining. That action would effectively end the issuance of any new claims and would strengthen the authority of the government to withdraw specific lands within the monument in order to protect their scenic values. Secondly—and I think this is most important—the Metcalf bill places an immediate three-year moratorium on existing claims. During that three years the government would study whether it should acquire the land outright in the public interest.

Interior committee hearings were held on S 2371 on October 7, 1975. The testimony of several witnesses pointed out the basic contradiction posed by mining inside a national monument. Congress made its intent clear enough in 1916 when it passed the legislation creating the National Park System, declaring: "The fundamental purpose of the said parks and monuments . . . is to conserve the scenery and natural and historic objects and the wildlife therein and to provide for the enjoyment of the same in such a manner and by such means as will leave them unimpaired for the enjoyment of future generations."

Congress must make it clear now and for the future that the federal government does have the right—and indeed the duty—to protect Death Valley and other units of the National Park System from mining or any other activity that diminishes the quality of the environment within them. Because of the special history and colorful lore of the lone prospector and his burro, Death Valley has remained open to mineral entry. But that open door has allowed bulldozers, hydraulic trucks, and other heavy equipment of the modern strip miner to pass through.

That door must now be closed in the public interest.

HONOR RABBI ISRAEL KOLLER

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. LAGOMARSINO. Mr. Speaker, I do like to take this occasion to formally note that tomorrow night, Congregation B'nai B'rith in Santa Barbara will honor Rabbi Israel Koller at a special Oneg Shabbat Service commemorating his 10th anniversary with the temple.

Rabbi Koller, though young in years, is widely respected in the community for his active concern about community life, senior citizen needs, and education. He has written and published articles in many journals, in English, Hebrew and Yiddish, and is listed in the 1972 edition "Who Is Who in World Jewry."

To his many friends in the community and within the congregation, he has provided inspiration and guidance by both word and deed, and he and his wife, Margaret, have enriched and enlivened our community. I know the members will join me in extending their best wishes on this occasion to him and his congregation and Mazol Tov.

DISTRICT OF COLUMBIA'S FISCAL FUTURE

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. McKINNEY. Mr. Speaker, as you know, I have introduced legislation which would establish a nonresident income tax in the District of Columbia. I realize full well that this is not a very popular subject and I do not expect this action to make me a hero in any quarter, certainly not in Virginia and Maryland—for obvious reasons—and not in official Washington for it falls far short of that which has been proposed at City Hall. My decision to move ahead on this issue is based on what I believe to be a realistic assessment of future fiscal sanity.

There is no governmental entity—be it State, local, or Federal—which has not experienced an increase in expenditures in recent years. Further, there is no economist willing to speculate that that spiral will decrease in the foreseeable future. During this time, most cities and States across the Nation have been forced to seek new sources of revenue—through the obvious route of additional taxation—and those which did not face the issue honestly, like New York City—have reached the brink of financial disaster and bankruptcy. I would add that because of the current impasse on revenue sharing, there is an element of panic creeping through many of our city halls and State capitols today.

Through all this, one community has suffered more than the others because of its uniqueness and that of course is the District of Columbia. Obviously, the District has not escaped the increases in expenditures but it has been constrained from seeking additional revenue because it does not control its own destiny due to congressional restrictions on its ability to tax. What can the city do if it is to avoid financial ruin? What can it do especially if our Founding Fathers' principle of self-government is to retain any vitality and meaning in the Nation's Capital?

It should be remembered that the District has no State or county base to call on for additional revenues or aid in providing services. Despite that lack of assistance, the District must perform the functions not only of a city but of a State and county as well. While it carries that burden, an estimated $98.5 million worth of its real property tax base goes untaxed because of the Federal presence. Furthermore, nonresidents, who take 55 percent of the total personal income earned in the District, go untaxed.

Yes, there are alternatives. The first is an increase in the Federal payment. This, of course, would mean that the citizens of Chicago, Bridgeport, Los Angeles, Dallas, and so on would have to share an increased burden for the city's survival. Another alternative is the utilization of a well-known nuisance tax, one which is effectively employed by the city of New York—the toll bridge.

There are other possibilities but I believe that the most equitable alternative to be the one I have proposed today. Before I discuss the specifics of the bill, I think it is significant to note at this point that more than 40,000 residents of my congressional district in Connecticut pay a nonresident income tax to the city of New York. In fact, a tax of this nature is not unique for there are 51 municipalities employing this concept in the Nation today. I would say that in most instances, and I can speak particularly for my constituents, people do not pay this tax joyfully but they do so dutifully since they realize it must be paid for the economic well-being of the city in which they work depends upon it. They also know that the death of an urban center ultimately results in the slow strangulation of its suburbs.

Let me now turn to some of the bill's highlights:

First. Taxable income for the purposes of this tax defined as an individual's net income share of an unincorporated business, wages, and salaries whose source is in the District;

Second. Exemption of the first $6,500 in gross income;

Third. Tax rate of 1½ percent on taxable income. Exemption creates a graduation of the effective rate on gross income. Wage earner making $14,000 pays an effective rate of eight-tenths of 1 percent;

Fourth. This tax would be creditable against the nonresident's State income tax;

Fifth. Congress imposes tax and only Congress can change the rate;

Sixth. For the most part, tax collected through payroll withholding, eliminating the need for complicated forms;

Seventh. Removal of the tax exemption for Members of Congress and congressional employees;

Eighth. The elimination of the District's unincorporated busines franchise tax.

Preliminary estimates are that the net revenue yield for this proposal to the District of Columbia will be in the area of $37.5 million, an amount which accounts for only 3.3 percent of the District's proposed 1977 budget.

The average wage earner making $14,000 annually would pay $112.50 annually which could be credited against his or her Maryland or Virginia State income tax.

Expanding briefly on two of the points. I would remove the unincorporated business tax since it is one which already applies to nonresidents and for the most part, I find it to be inefficient and inequitable. Second—so as to bring my "antihero" status full circle—my bill would require Members of Congress and their employees to pay this tax. In all candor, I cannot go on and on about fairness and allow the congressional exemption to remain.

I would also like to speak briefly to the concept of a "fair share."

The Advisory Commission on Intergovernmental Relations has found that large cities with populations of 250,000 or more tend to have larger per capita costs and that "Part of these additional costs seem likely to result from the greater use that commuters * * * make of the larger central cities." Too often, the reasons given for taxing nonresidents rest solely upon a count of the direct benefits which a nonresident receives from the city in the course of a working day—police and fire protection and maintenance of a workplace. Forgotten in the debate are the more indirect costs which commuting imposes on the residents of the city. How does one quantify the exact cost of pollution. Or the cost in inconvenience of congested city streets. The costs are there, however, and are now entirely borne by District residents. This bill does not even come close to that proportion.

I would anticipate two major criticisms of this proposal, the first being the contention that through a number of other taxes—sales, parking, et cetera—the commuter already makes a significant contribution to the city. Certainly, this cannot be denied but the uncertainty of this type of revenue does little to give the city a firm hold on the future. There is no guarantee that everyone is going to use his or her car on a given day nor is it certain that a purchase will be made. Furthermore, it is felt that the commuting Federal employee generally stays within the Federal enclave—and not in the business community—during his or her normal workday. Also, there will be those who will say: "Taxation without representation." Therein lies the key to congressional consideration of this proposal for the people of Virginia and Maryland are well and energetically represented by voting Members in Congress and voting members on the District Committee. It is important to note that the congressional representative of the people of the District of Columbia brings the same vitality to his job but he is denied that all-important right to vote. If the District of Columbia City Council were to enact this measure, Virginia and Maryland Congressmen would have no say at all and then—and only then—would that criticism be true.

Last, let me say that if enacted this measure will not be the total answer to the District's financial woes. The city must take steps on its own and pursue a vigorous approach to responsible spending policies and a greater effort toward collecting that which is owed.

Preliminary reports from the District Building indicate that many members of the City Council agree and their performance in getting a handle on unnecessary growth in the District's budget will determine their success in pressing the case for a nonresident income tax. I believe in home rule, and I believe the City Council will make responsible attempts to achieve the goal of fiscal responsibility.

I would add that those who believe that more Federal money is the only answer to the District's fiscal problems will have a difficult time convincing the Nation's taxpayers and their Representatives in Congress of that if the city's commuters are not contributing some share for the city's expenses.

I am convinced that this is legislation which is necessary for the fiscal and economic well-being and viability of not only the District of Columbia, but the entire Washington metropolitan area.

BRITISH EDITOR DEPLORES PUBLICIZING OF U.S. NATIONAL SECRETS

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. McCLORY. Mr. Speaker, a very perceptive and well-thought-out guest opinion was included in the CBS News on Monday morning, January 26.

The opinion relates directly to the actions of our House Select Committee on Intelligence and other congressional units investigating the CIA and other intelligence agencies. The opinion expressed by Peregrine Worsthorne, deputy editor of the London Sunday Telegraph, warrants our most careful study and reflection.

It is one thing to investigate the secrets and secret activities of the intelligence community. It is quite something else to publicize these secrets and to expose individuals to the public reaction which can come from such revelations.

While the opinion expressed is that of Mr. Worsthorne, it deserves a serious examination and a most thoughtful review by the Members of this body and by the American people.

The CBS guest opinion follows:

STATEMENT BY PEREGRINE WORSTHORNE

A great many non-Americans throughout the world have done jobs for the CIA in the last quarter of a century for reasons ranging from love of money to love of freedom. So far as the Third World countries are concerned there can be few anti-Communist politicians or people of influence whose names don't appear on the CIA files. Yet these same people, these pro-Americans who never went along with the anti-American fashion of the post-war years, are now being put at risk by the Congressional and media hounding of the CIA, since we never know when our names may appear in some sensational revelation, with consequences varying from mild embarrassment to mortal peril. For a great power to indulge in cleansing its own domestic conscience by doing dirt on its foreign friends is, to my mind, deeply shocking. Imagine if the Soviet Union, in a fit of madness, were to compel the KGB to open its files and expose all the innumerable Communist fellow travelers throughout the world who've had dealings with it since the war! Such revelations would do the Soviet Union irreparable harm, since never again would its friends feel willing to hitch their wagon to so treacherous a star. No doubt the CIA does need investigating, but it's almost beginning to seem as if the American Congress and media are more concerned to punish those who spied for America than those who spied against her, determined to heap just as much moral condemnation on CIA officials as they were at the height of the McCarthy witch hunt on traitors like Alger Hiss, even to the point of putting their lives at risk.

As a life-long lover of the United States, who has publicly defended her actions for many years, I find this witch hunt against the CIA just as bad, if not worse, than any of the dirty tricks it's meant to expose. At least the CIA dirty tricks were aimed at destroying America's enemies. But this dirty trick endangers her friends. A great country can commit no worse crime than that.

GUNS DO KILL PEOPLE

HON. ABNER J. MIKVA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. MIKVA. Mr. Speaker, is it really true that if we place a ban on handguns, only criminals will have them? This question is constantly raised by some people who write expressing concern about handgun control and what it would do to those who depend upon a gun for protection. Is it equally true that, as the saying goes, guns do not kill people, people kill people?

The following remarks by Boston Police Commissioner Robert Di Grazia, which I would like to bring to the attention of my colleagues, respond to the many arguments used by opponents of gun control.

The article follows:

Excerpts From Forum Speech by Boston Police Commissioner Robert Di Grazia

It is my view that law must banish private handguns from this country. I am not asking for registration or licensing or outlawing cheap "Saturday Night Specials," I am saying that no private citizen, whatever his claim, should possess a handgun: only police officers and the military should. I want to see this accomplished by outlawing the manufacture, distribution, sale, ownership, and possession of handguns. During the first six months after the law is passed, all handgun owners should be permitted to turn in their guns receiving fair market value for them. After the end of that amnesty period, anyone caught with a handgun in his possession should be severely punished. Any crime committed with one should be punished far more severely than that same crime committed without a handgun. Many people think this is a radical position. My position is not radical. It is the current situation which is radical and unreasonable. They ask "Wouldn't you accept something less?" My answer to that is "No." Let me explain why.

As long as we have handguns available, they will continue to be misused. People will continue to accidentally shoot one another as well as themselves. Lives and limbs will be lost needlessly. They will continue to be the main source of violent crime. It is often said that guns don't commit crimes, people do. The supposition here is that if handguns were not available, the criminal would find something else. Undoubtedly, this would be true in some cases, although it may not lead to as many deaths. However, in many other cases, the unavailability of a handgun could mean the non-commission of a violent crime. The wife and husband arguing would not be able to grab a handgun and easily end a life. The juvenile robber might not have the perverted boldness to commit his crime without the handgun. The concealability of a handgun, its depersonalized lethal nature, all give him the slight psychological edge needed to commit his crime. Given another weapon, he might not think he has the force to commit his crime. With a handgun he knows he has the ultimate force, the power to kill easily. In short, people do commit crimes but handguns make it easier and in some cases, inspire the commission of violent crime.

"If we abolish handguns and have people turn them in, won't only the criminals have handguns? In the beginning, the answer to this is probably yes. But that is what the police are for. We have been entrusted with the responsibility for personal protection. Individuals need not, and in fact will not, be safer by carrying their own handguns. America has not yet returned to those yesteryears where the one gun-toting citizen must protect himself against another gun-toting citizen. In our more civilized society we have turned the use of lethal force over to the police. The police will continue to protect citizens against harm while handguns are removed from circulation. It will take time, but eventually the handgun will be as rare as the buffalo roaming the prairies. Perhaps then we will be as safe from the carnage of handguns as other civilized nations which long ago eliminated this deadly anachronism.

"National legislation is needed because scattered tough state laws can't do the job. Handguns don't observe state boundaries. As long as there is a pool of handguns available, there will always be the same problems. As this Nation celebrates its 200th birthday, it is perhaps appropriate to look at the goals set out for us by our founding fathers. The Preamble of the Constitution declares the need to "Insure domestic tranquility." Two hundreds years later I would hope that we now see that national legislation abolishing handguns is a substantial step toward that goal."

REVOLUTIONARY TERRORISTS HOLD EXPANSION CONFERENCE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. McDONALD of Georgia. Mr. Speaker, a national meeting organized by supporters of the terrorist Weather Underground Organization will be held this weekend, January 30–February 1, 1976, in Chicago. This meeting, the National Hard Times Conference, is the result of 7 months of work by the Prairie Fire Organizing Committee—PFOC—the aboveground support arm of the Weather Underground terrorists.

Prairie Fire organizers report that some 1,300 activists are expected to attend the meetings to be held on the Circle Campus of Roosevelt University. Eleven buses have been scheduled to leave Union Square in New York City tonight—January 29. In addition car pools and buses are being organized from Ithaca, Buffalo, San Diego, San Francisco, Milwaukee, Minneapolis-St. Paul, Boston, Seattle, Columbus, Philadelphia, Norfolk, and Oregon.

While the ostensible purpose of the conference is to organize pressure for socialist solutions to the economic slump, the true purpose of the National Hard Times Conference is to develop and expand the circle of sympathizers around the Weather Underground Organization.

As I pointed out in my CONGRESSIONAL RECORD reports on the PFOC on October 3, 1975, and October 28, 1975, the plans for the conference emerged from a secret meeting of the PFOC held July 11–13, 1975, in Boston and Cambridge, Mass.

In line with the Weather Underground Organization's new position calling for mass organizing, the Prairie Fire cadres called for a meeting ostensibly to discuss economic issues, to build "soliditary" with third world revolutionary movements and set the stage for a WUO-directed national political organization.

New York organizing is being coordinated by former Weather Underground fugitive Russ Neufeld, who has been working for the National Lawyers Guild's pro-armed struggle prison newsletter, the Midnight Special, and Marcy Isaacs from offices in Room 411, 156 Fifth Avenue, New York, N.Y. 10010 (212/691–9281); and by Ellen Afterman from a hole-in-the-wall office at 53 West Jackson, Room 1601, Chicago, Ill. 60604.

While having received only some fifty preregistrations—$3—Afterman has been directing those seeking housing during the 3-day conference to a "flophouse" called Liberty Hall at 2440 North Lincoln. Liberty Hall is owned by John "Johnny Appleseed" Rossen, an aging former Communist Party, U.S.A. organizer who previously served as landlord to the old SDS national office and as the revolutionary "grandfather" figure on the SDS National Interim Committee in 1968–69 when it was controlled by the Weatherman faction.

Rossen is also the founder of the People's Bicentennial Commission—PBC—a Marxist "educational" group currently receiving national media attention for their warped distortion of the principles of America's Founding Fathers. While former Chicagoan Jeremy Rifkin runs the PBC's national operation, Rossen is still its leading figure in Chicago.

Rossen has made Liberty Hall available to Hard Times conferees for a dollar-a-head per night, sleeping bags anywhere you can find space. Although Rossen's People's Bicentennial Commission denounces the free enterprise system, he expects to turn a tidy profit from his sleazy slum holdings this weekend.

The Hard Times conference will commence on Friday evening, January 30, with a "People's Tribunal" to denounce the "economic crimes" of the free enterprise system. The Saturday morning keynote speaker will be the PFOC national secretary, Jennifer Dohrn, sister of the fugitive WUO leader, Bernardine Dohrn.

The WUO support coalition will discuss plans for mass disruptions of the July 4 Bicentennial celebrations in Philadelphia. The Puerto Rican Socialist Party—PSP—a Marxist-Leninist revolutionary group backed by the Cubans, has already called for a mass mobilization to demand American abandonment of Puerto Rico—to PSP control—in the name of decolonization.

It is also noted in passing that the alienated anarchist drug abusers of the Youth International Party—YIP—report in their tabloid, the Yipster Times, that they too will attempt to bring numbers of street freaks and radical heads to Philadelphia for July 4. Since 1968, the YIP has served to bring numbers of alienated young people to the national political conventions where they have served as the shock troops for the more disciplined revolutionaries in street battles with police.

The PFOC is using the militant cadres of Youth Against War and Fascism—YAWF—the youth arm of the Workers World Party, a Trotskyist Communist group, to assist in the organizing.

YAWF has a record of more than a decade of violent street confrontations with police. YAWF members, male and female, have never shrunk from staging club-wielding battles with police, and before the Weatherman SDS faction went underground, YAWF often participated in running street rampages alongside the Weathermen.

YAWF and its parent party have provided political support for virtually every revolutionary guerrilla and terrorist movement in the third world. YAWF supports the Chilean MIR, the Argentinian ERP, the MPLA in Angola, the Soviet-backed guerrillas in Oman, the Vietnamese and the Eritrean revolutionaries in Ethiopia; but for nearly a decade, YAWF's most passionate devotion has been to the fanatical butchers of the Palestine Liberation Organization—PLO—whose slaughter of school children, athletes and tourists YAWF hailed with enthusiasm.

The cosponsoring groups for the National Hard Times Conference include a number of equally violent organizations and individuals. Sponsors include the Cuban-dominated Puerto Rican Socialist Party—PSP—the American Indian Movement—AIM—Attica Now; Friends of Indochina; CASA—General Brotherhood of Workers—United Black Workers; Harlem Fight Back; the San Quentin Six Defense Committee, a Communist Party, U.S.A.-dominated support group for prison inmates accused of murder during an attempted jailbreak; and the City Star underground newspaper.

The terrorist support groups and their allies are planning to mass thousands of radical demonstrators in Philadelphia on July 4 to disrupt the Bicentennial commemoration. Bicentennial officials have predicted that as many as half-a-million patriotic Americans may attend the July 4th festivities.

The potential for "affinity" wolf packs of revolutionaries rioting through the crowds of tourists is unmistakable. The tactics have been used before at the 1968 Democratic National Convention, at the 1969 Presidential Inauguration, during many large "antiwar" rallies, and in Miami at the 1972 Republican National Convention.

In addition there is a clear danger of terrorist bombings taking place during the Bicentennial celebrations. The Puerto Rican Socialist Party's rallies and meetings have been accompanied by support bombings by the FALN. The Weather Underground has also committed bombings in support of PSP causes. And both the WUO and its PFOC have said,

> The rulers have set the time for the party;
> Let us bring the fireworks.

The Hard Times conference is to consider plans for mass demonstrations during 1976. Dates targeted include March 8, International Women's Day; 2 weeks of demonstrations in Washington, D.C., tentatively set for April 15 through May 1 centering on the demand "Jobs for All"; July 4; and national or local demonstrations on November 1, 1976, the anniversary of the 1950 revolt in Puerto Rico and the assassination attempt on President Truman.

Revolutionary terrorists have often tended to mark special days of revolutionary significance with bombings. Prime target dates have included March 8—International Women's Day; May 1—May Day; July 4; July 26—Castro's attack on the Moncada; August 7–9—atomic bombs; September 11—downfall of the Allende regime in Chile; and November 1—Puerto Rican revolt.

At a time when the overt arm of the revolutionary terrorists is holding a national meeting, the Chicago Police Department has its hands tied and the revolutionaries know it. Members of the Chicago police force have recently testified before the Senate Internal Security Subcommittee that they have been forbidden to gather information on Communist revolutionary groups and their fronts.

Yet the Weather Underground Organization states in its publications that it is a Communist organization. Youth Against War and Fascism is a Trotskyist Communist organization. The Puerto Rican Socialist Party also states that it is a Marxist-Leninist, that is, Communist, movement. And many of the cosponsoring groups also fall within this category.

The disgrace is that politically oriented members of the Chicago Police Department, fearing radical courtsuits and liberal political pressure, have forbidden its officers to protect Chicago's citizens from the revolutionaries because the revolutionaries are "political." What has happened to the rights of American citizens in Chicago and other cities and States to be protected from terrorist assaults on their rights to "Life, Liberty and the Pursuit of Happiness"?

Let us hope that the citizens of Chicago will make their police force responsive to their need for protection before the Weather Underground, the FALN and their allies abolish our constitutional rights once and for all.

PERSONAL EXPLANATION OF CONGRESSMAN CONYERS

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. CONYERS. Mr. Speaker, today the House considered the conference report to the Public Works Employment Act of 1975. Inasmuch as this legislation will provide funding to local and State governments for local public works and provide needed jobs for unemployed Americans, I regret that I was unable to join my 321 colleagues who voted "aye" on the report.

CONGRESSIONAL SALUTE TO MRS. CORNELIA HARRINGTON SANDERS, YOUNGEST MEMBER OF 1960 U.S. WINTER OLYMPIC ICE SKATING TEAM NAMED TO THE OLD TIMERS ATHLETIC ASSOCIATION 1975 "SPORTS HALL OF FAME"

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. ROE. Mr. Speaker, as we celebrate our Nation's Bicentennial Year, it is most fitting that we reflect upon the outstanding accomplishments of our people and, today, I would like to call to the attention of you and our colleagues here in the Congress the standards of excellence and success of the achievements of a former resident of my hometown of Wayne, Mrs. Cornelia Harrington Sanders, who has been named to the roll of honor in the "Sports Hall of Fame" of the Old Timers Athletic Association of Greater Paterson, N.J., located in my congressional district.

Cornelia, widely known as "Pooch," when she came to Packanack Lake, Wayne, N.J., as a young miss from the place of her birth, Tarrytown, N.Y., achieved many plateaus of honor in our community including garden display awards, oratorical prizes, swimming races, and many, many friends. As a 4–H member, she attained the first "blue ribbon" championship award in Wayne Township for her garden display. As a student at Holy Cross Elementary School she won first prize in an oratorical contest for several years, and before she entered ice skating competition, she won several awards in swimming competition.

Ice skating championships for speed racing to her credit in "junior girls" competition in 1959, just prior to earning the right to represent the United States in the Olympics were:

The Tri-State Outdoor Championship;

The Eastern States Outdoor Championship in Saratoga, N.Y., breaking an 880-yard record of 26 years standing;

Middle Atlantic Outdoor Championship in Newburgh, N.Y.; and

Eastern Seaboard Speed Skating Championship at Saranac Lake, N.Y.

Mr. Speaker, I would like to have inserted at this point in our historical journal of Congress a recent news story that appeared in the Herald News, one of New Jersey's most prestigious newspapers, authored by their distinguished staffwriter, Joan Wiessmann, which most eloquently describes Cornelia Harrington Sanders' athletic endeavors that have earned her the highly esteemed election to the Sports Hall of Fame of the Old Timers A. A. of Greater Paterson. The news article is as follows:

"POOCH" NOW A HALL OF FAMER

(By Joan Wiessmann)

WAYNE.—There'll be a proud gleam in the eyes of Mr. and Mrs. Thomas Harrington when their daughter is inducted into the "Old Timers AA of Greater Paterson Sports Hall of Fame" on Nov. 30 at the Bethwood Inn, Totowa.

Cornelia Harrington Sanders, better known as "Pooch," at 16 was the youngest member ever to be placed on a Winter Olympic Squad speed skating team. That was in 1960. Actually, she was 15 when she won the 3,000 meter race at the Olympic trials at Minneapolis which catapulted her, coincidentally, onto the first Olympic women's skating team.

The vigorous brunette will be interviewed at 10 p.m. Sunday during a 30-minute program on Channel WTEN, an affiliate of CBS, out of Albany, N.Y. She'll be asked to review her life since the time she broke a 26-year standing record in the Eastern States Outdoor Race, and won the Middle Atlantic Outdoor and the Eastern Seaboard Speed Skating races prior to placing for the Olympics, to the present time.

These events must surge up memories for Tom Harrington, who timed daughter "Pooch" on early winter mornings when her blades flashed around the lake at the Packanack community where she was raised, and for the two years she practiced daily—at an ice skating rink then located where the massive Willowbrook Shopping Center is now situated—prior to the Olympic trials.

The 5 foot 2, 116 pound speed skater got an uproarious reception from her De Paul High School colleagues when she returned to classes after copping a berth on the Olympic team. At the time, she was also only the second 15-year-old to be included on this country's winter Olympic teams. The first was skiing sensation Andrea Mead Lawrence.

An ardent swimmer before she got the skating bug, Pooch (so named because she was "friendly as a puppy") later went on to get her BA and masters degree in psychology at Boston University and is a practicing psychologist at the Capitol District Psychiatric Center in Albany, N.Y.

The TV interviewer on Sunday's program will soon learn that Pooch moved rapidly around the college campus, too, earning another "first" when she became the first woman president of the Boston University honor society, The Scarlet Key. A member of Psi Chi, a national academic honor society in psychology, she was named "Outstanding Student of the Year 1975" at Boston University and was included in "Who's Who in American Colleges and Universities, 1965."

Married to Gerry Sanders Jr., Pooch and her husband return to her former 104 Beechwood Dr. home to visit her parents whenever busy schedules permit. Recent mild winters have been bummers for ice skating enthusiasts at Packanack Lake where Pooch's interest in skating was first aroused. But nostalgia must assail her at the sight of the lake where she developed an Olympian stride and later became the toast of her town.

She represented the Willowbrook Skating Club when she surprised her competitors and sports analytics by qualifying for the Olympic team. For this, the Old Timers Athletic Association has chosen to induct her in the Greater Paterson Sports Hall of Fame at a 1:30 p.m. banquet at the Bethwood.

The Hall of Fame is at Lambert Castle in Paterson.

Mr. Speaker, may I also commend to you the members of the Old Timers A.A. Association of Greater Paterson whose leadership endeavors and achievements above and beyond their career pursuits, civic and social endeavors which number them amongst the leading citizens of our community have interwined with the spirit of community interest and friendly cooperation of athletes and sports organizations to establish a "Sports Hall of Fame" to help preserve the historic significance and public acclaim of the extraordinary athletic achievements of the youth of America. I know you will want to join with me in extending our deepest appreciation to the following officers and members of the 1976 Sports Hall of Fame Committee:

SPORTS HALL OF FAME COMMITTEE

The Honorable: Dom Trouse, Chairman; Ben Marmo, Co-Chairman; Edward A. Haines, Honorary Chairman; Edward Madama, Sam Sibilio, Dinner Chairmen; Herman C. Madama, Souvenir Journal; Dom Dinardo, Treasurer and Secretary; Bob Potts, Historian; Abe Greene, Welcome; Sam Sibilio, Induction Officer; Bennie Borgmann, President Old Times.

Benny Borgmann, Robert J. Passero, Jack McFadyen, Anthony DeSopo, Mike Denice, Ted Ferguson, James LaBagnara, John Mayers.

Bert Bertani, Elmor Shaver, Don Caputo, Pat Felano, Charles Trombetta, Champ Snell, Tom Elm, Sr.

ADVISORY COMMITTEE

The Honorable: Bob Whiting, Retired Sports Editor, Record; Chuck Pezzano, Bowling Editor, Record; Jammy Salvato, News Outdoor Editor; Mike Batelli, Outdoor Editor, Record; Bob Curley, Sports Editor, Paterson News; Harry Lev, News Boxing Editor; Augie Lio, Sports Editor, Herald News; Ron Rippey, Assistant Sports Editor, Paterson News.

Mr. Speaker, I appreciate the opportunity to seek this national recognition of the youngest member of the 1960 U.S. Olympic Ice Skating Team and the youthful achievements of the former Cornelia "Pooch" Harrington. It is also interesting to note that in her maturity as Mrs. Cornelia Sanders she continues to serve as a shining example for, and champion of, the youth of America.

In June 1973, Cornelia married Mr. Gerald A. Sanders, Jr., at the Immaculate Heart of Mary Church in my hometown of Wayne at a nuptial mass concelebrated by Very Rev. Msgor. John P. McHugh and her cousin, Father William Bestos, C.S.C., Superior of the Holy Cross Fathers, Stonehill College, Mass. Mr. Sanders, who attained his degree in sociology from the college of St. Rose, is a national director of the Young Men's Christian Association and former director of the Youth Organization of Green Island, N.Y. Cornelia is a psychologist at the Capital District Psychiatric Center, Albany City Unit, a multidisciplinary treatment team in a community-based State hospital providing outpatient psychiatric care, where she has served with distinction since 1969.

Cornelia has always manifested the highest standards of excellence in everything she has set out to do and I am pleased to share the pride of her family and many, many friends in the success of her achievements since accepting her present position dedicated to individual and family therapy with emphasis on evaluation, crisis intervention, consultation and supervision services. We point with pride also to the Tuesday Night Twilight Social Club established in Albany in 1970 which she helped to develop and where she currently serves as staff consultant. This organization helps provide a low-key, non-threatening social experience and warm, easy-going atmosphere to provide social supports for troubled people in the community and help avert their rehospitalization.

In 1970 Cornelia was the architect of the program plan and design for the development of the widely acclaimed multiagency, multiservice center, the St. Johns Human Resources Center Project, which has been implemented by the Model Cities Program in Cohoes, N.Y.

Mr. Speaker, Cornelia Harrington Sanders' story relates a wonderful championship performance of a great young lady and I am pleased to present it to you during our Bicentennial Year in reflecting on the achievements of the people of our Nation. We do indeed salute Cornelia for her contribution to the "American Dream."

INNOVATION AND ACHIEVEMENT AT RAMAPO COLLEGE

HON. ANDREW MAGUIRE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. MAGUIRE. Mr. Speaker, today I want to congratulate Ramapo College of New Jersey on its initial accreditation by the Middle States Association of Colleges and Secondary Schools. The board of trustees, President Potter and the staff of the college deserve full recognition for this accomplishment which comes 4 short years after Ramapo opened its doors to students.

There are many aspects to this achievement that should be recognized:

It is quantitative. Several thousand New Jersey students have been enrolled.

It is qualitative. As the Middle States evaluation team indicated in the introduction to their report, "The very best aspects of the liberal arts experience are to be found here" at Ramapo College. This assessment of quality has been confirmed by the considered judgment of the nationally distinguished consultants who have reviewed the colleges programs for the New Jersey Board of Higher Education.

It is innovative. The college community has boldly designed a relevant and personalized interdisciplinary curriculum which deserves wider attention.

I am particularly impressed by the college's efforts to make higher education accessible to all types of students:

There is a Saturday College for working adults.

There is a transition program for veterans and mature women.

There are barrier-free facilities for physically handicapped.

There is a flexibility of program which eases access for senior citizens.

There is an educational opportunity program for disadvantaged populations.

All of these have been provided without compromising a strong academic program for traditional students in science, humanities, social science, business, and the arts.

For the citizens of its home county, Bergen, the college also offers a wealth of natural resources—its fine lecture halls, its new gymnasium, a modern science building, and its most valuable natural resource of all—its outstanding people.

Ramapo College of New Jersey is one of the successes of the social initiatives of the late 1960's in New Jersey. In this instance governmental planning worked; educational innovation was encouraged; and adequate budgetary support was provided. The newly created New Jersey Board of Higher Education and the Department of Higher Education were vital spurs, and the citizens of New Jersey by their votes for bond issues were supportive.

In my judgment we must continue to support such successes.

JUSTICE CONSTANCE BAKER MOTLEY'S 10TH ANNIVERSARY ON THE FEDERAL BENCH

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. RANGEL. Mr. Speaker, 10 years ago this week, Constance Baker Motley was appointed a Federal judge in the southern district of the State of New York. The significance of this appointment lies in the fact that she was the first black woman to be so named. Her appointment culminated a life of achievement and dedication to the cause of civil rights and justice for all Americans.

In my continuing effort to share with my colleagues the contributions that black people have made to our Nation, I insert the following biographical sketch of Judge Motley which appeared in the New York Times of January 26, 1966. After my colleagues have read this account of her life, I am sure they will agree with me that Constance Baker Motley is indeed a shining example of the true spirit of '76.

The full text of the article follows:

CHOICE FOR U.S. BENCH—CONSTANCE BAKER MOTLEY

There was a great and general sigh of relief in many city agencies yesterday. Constance Baker Motley, a singleminded woman, had been selected as a Federal judge, and the boat that she had been rocking in government since she became Manhattan Borough President would hopefully sail into calmer water. Mrs. Motley is tall and handsome (although the camera tends to make her appear larger than she is) and her smile is as warm as that of an old lady who has just been helped across the street.

But she has been, in turn, one of the toughest civil rights lawyers in the country, the first Negro woman to sit in the State Senate and, as Borough President, a head rattling questioner of, for example, city planners' favorite plans.

"I'm going to light a candle on the way home," a city official who had once opposed one of her redevelopment plans said after learning that she was moving on to the court.

Another said, in awe, that "she really senses the public feeling and moves in on it to get what she wants—a real dynamo, yes, a real dynamo."

To this sort of spoken or implied criticism, Mrs. Motley says, as she did recently: "City government is becoming highly centralized. Citizens and organizations are shunted sometimes from pillar to post as they seek to express to public officials legitimate needs and complaints."

HELPED THROUGH COLLEGE

Manhattan's first woman Borough President then promptly eliminated nine engineering positions from her office, replaced them with eight general assistants and summed up the reorganization as "reflecting the changing role of my office as the chief spokesman of the local communities in city government."

Constance Baker was born in New Haven on Sept. 14, 1921. Her parents had migrated from the British West Indies. Her father was a chef, and did not have the money to send her or her five sisters and two brothers to college.

When she was 18, and a year and a half out of high school with no prospect of going to college, she got up to talk about civil rights in a community house meeting. "You know how 18-year-olds can sound off," she said many years later.

A man in the audience, the late Clarence Blakeslee, a white businessman who had donated much to Negro welfare and education, was impressed, however. When the gangling, intense young Negro girl told him she wanted to go to college and become a lawyer, Mr. Blakeslee gave her the chance, financing her education.

After studying for more than a year at Fisk University, she graduated from New York University with a degree in economics. She then studied law at Columbia University graduating in 1946.

Her first job was as clerk to Thurgood Marshall in the N.A.A.C.P. Legal Defense and Educational Fund. Another lawyer in the office was Edward Dudley, now a State Supreme Court justice, who was Mrs. Motley's predecessor as Manhattan Borough President.

While working for the Defense Fund she moved with the civil rights storm as a lawyer noted as a persistent questioner, who was usually logical, always direct and simple in her summations and often quite witty.

In Albany, Ga., in the summer of 1962, several witnesses testified that Negro leaders had whipped their followers into a frenzy during mass meetings in Negro churches.

Mrs. Motley's response, in her final summation, was roughly as follows.

COUNSEL TO MEREDITH

"Now about those frenzied meetings, your honor. Weren't they held in Baptist churches? Everybody knows that Southern Baptists sometimes get pretty emotional in church. We wouldn't want to take that away from them, would we?" The judge grinned, numerous spectators smiled, and Mrs. Motley went on to a more direct argument.

In the same year Mrs. Motley represented James H. Meredith, a Negro who was seeking admission to the University of Mississippi.

In February, 1963, in a special election, she was elected as a Democrat-Liberal to the State Senate, where she served for two years as the only woman in that legislative body. She became borough President in 1965 when Mr. Dudley, also a Negro, was appointed to the court. She was elected to the post in November, running as a Democrat, Liberal and Republican.

In 1946 Mrs. Motley was married to Joel Motley, an insurance and real estate broker. They have one son, Joel Jr., 14. The family lives at 875 West End Avenue.

THE RIGHT MAN AT THE RIGHT PLACE AT THE RIGHT TIME

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. GOODLING. Mr. Speaker, on November 19, 1975, on the occasion of the 112th anniversary of Lincoln's Gettysburg Address, a distinguished group gathered in Soldier's National Cemetery in Gettysburg for the purpose of commemorating that event once again and, most importantly, for the purpose of dedicating the Kentucky State monument. I certainly wanted to be there to welcome the Honorable Julian N. Carroll, the Governor of Kentucky, but business here in the House prevented that. My father, former Congressman George Goodling, was present, however, and later advised me of the great success of the ceremony. My colleague, BILL NATCHER, of Kentucky, has obtained a copy of the Governor's remarks which he will later be inserting in the RECORD. At this time I would like to share with you the remarks of my own constituent, the Honorable John A. MacPhail, present judge of the Court of Common Pleas of Adams County, Pa. In addition to being a fine judge, Judge MacPhail is learned in the history of our area. I think all Americans will be interested in his comments on President Lincoln and the creation of the Gettysburg Address. Judge MacPhail's remarks follow:

THE RIGHT MAN AT THE RIGHT PLACE AT THE RIGHT TIME

Governor Carroll, distinguished citizens from the state of Kentucky, honored guests, members of the Lincoln Fellowship of Pennsylvania, ladies and gentlemen. At the outset I must confess that attempting to speak on this occasion is somewhat analogous to attempting to say something different about Christmas or the Fourth of July. But perhaps, like the message of Christmas and the Fourth of July, what happened here 112 years ago bears repeating again and again.

Throughout its 200 year history the United States of America in every crisis has somehow produced the right man at the right place at the right time. I would hope it would not be considered irreligious to observe that a George Washington at Valley Forge, a Thomas Jefferson in Philadelphia, a General Pershing in France and a Dwight David Eisenhower in Europe suggest something of Divine intervention in the affairs of this nation. No more perfect example of that observation could be found than Abraham Lincoln as President of this country at a time when it came closest to disintegration.

Until July 4, 1863, President Abraham Lincoln endured political and military reversals at almost every turn. It seemed like an almost endless wait for good news—*any* good news. On July 4, a date that time and again seems to be marked in our history by some kind of Divine designation since July 4, 1776, something approaching a change in military fortunes occurred in 1863. On that day General U. S. Grant won a victory at Vicksburg. On that day, General Robert E. Lee began his retreat from Gettysburg.

Shortly after July 4, 1863, Governor Andrew Curtin of Pennsylvania came to Gettysburg from Harrisburg to survey the human carnage strewing the fields of battle here. After a brief review of the situation the Governor designated a concerned Gettsyburg citizen and lawyer, David Wills, as his representative to make arrangements for the care of the wounded. A few days later, Mr. Wills informed the Governor that a task of more urgency than the care of the wounded here was the burial of the dead. Together with the problem, Mr. Wills proposed to the Governor a solution—the purchase of 17 acres of land to be used as a cemetery and to be financed by the 18 states whose loyal sons died here. He also suggested that the cemetery be symmetrically designed and that the ground be consecrated by appropriate ceremonies. The Governor of Pennsylvania and the governors of the other 17 states accepted the proposal. Thus was conceived the first cemetery in the United States devoted exclusively to the burial of soldiers.

With the help of others, Mr. Wills arranged for the exhumation of the bodies for reburial, engaged a landscape gardener from Germantown to design the cemetery plot and designated October 23 as the date to consecrate that ground by appropriate ceremonies. Edward Everett, former President of Harvard University and the nation's foremost orator was invited to be the main speaker. He informed Mr. Wills that he would be honored to perform this task but could not possibly do justice to the occasion unless the date was postponed at least until November 19 to permit him adequate time for preparation. Wills acceded to this request and immediately began to issue invitations to generals, congressmen, statesmen and even to the President of the United States.

That invitation bears some scrutiny. It may be the only invitation in the world which is bronzed on a plaque for the world to see. It is certainly the only invitation in the world to share equal space with what most of us believe to be the greatest speech ever given. There is some thought that the invitation was extended as an afterthought and that it was somewhat demeaning to ask the President to make a few appropriate remarks rather than inviting him to be the main speaker. Considering the wisdom of Mr. Wills, which was demonstrated in the way he handled his other tasks, I suggest that the invitation was extended out of deference to the President who had many important things to do besides preparing a speech. A close look at the invitation will reveal that in both length and substance the President's remarks responded to the invitation precisely. Permit me to read this excerpt from the invitation which appears at the Lincoln Speech Memorial in the National Cemetery at Gettysburg:

"The several states having soldiers in the Army of the Potomac who were killed at the Battle of Gettysburg or who have since died at the various hospitals which were established in the vicinity have procured grounds on a prominent part of the battlefield for a cemetery and are having the dead removed to them and properly buried. These grounds will be consecrated and set apart to this sacred purpose on the 19th instant. It is the desire that you as chief executive of the nation formally set apart these grounds to their sacred use by a few appropriate remarks. It will be a source of great gratification to the many widows and orphans that have been made almost friendless by the great battle here to have you here personally and it will kindle anew in the breasts of the comrades of these brave dead who are now in the tented field notably meeting the foe in the front a confidence that they who sleep in death on the battlefield are not forgotten by the highest in authority and they will feel that should their fate be the same, their remains will not be uncared for."

President Abraham Lincoln could not refuse an invitation extended with such sincerity and which appealed to his deepest feelings. His compassion for the widows, the orphans and the men in battle on both sides of the battle line has been well described by historians and authors. Somehow this man would fit into this busy schedule a few appropriate remarks if it would do anything at all to ameliorate the grief of his fellow citizens and rekindle the vision of their forefathers about this nation's unique structure and purpose. Therefore, in the early evening of November 18, the President arrived by train in Gettysburg on schedule. On November 19, at the time previously designated, he was in his appointed place for the military parade saddled on a horse his own stature dwarfed. The parade was delayed to await Mr. Everett's arrival. At the rostrum in the cemetery Mr. Lincoln was in his place at the appointed time while the crowd waited restlessly for Mr. Everett.

(Let me pause here for some personal reflections. Looking over this audience I know that some of you are speechmakers. I know that most of you, like your speaker today, have had to prepare your remarks in your spare time. I know that some of you, like your speaker today, often must apologize for lack of preparation and cite a busy schedule as a valid reason therefor. Now with that in mind I have tried, without any success, to place myself in the position of the President of the United States in 1863, making the daily decisions which are necessarily a part of that high office (none of which are routine), running a war without the benefit of expert military advice or personal training, trying to maintain some semblance of family stability in the most abnormal of conditions and then attempting to find time to prepare a "few appropriate remarks" knowing full well that whatever he said would be most assuredly compared with the speech of the nation's foremost orator. Could he be equal to such a task—could any human being be equal to such a task?)

We know approximately what time he retired the night of the 18th. What we don't know is how much he slept, if at all. No wonder he looked "sad," "tired" and "weary" the morning of the 19th. The train ride from Washington would have been enough to make him appear that way. However, I suggest that the train ride was of no consequence. His genuine concern was to say the right thing, to be worthy of the occasion, to speak as citizens would expect their President to speak and to find the words that would bring comfort to the bereaved.

The crowd had already been standing for more than 3 hours when he arose to speak at the rostrum. One thing about his speech that impressed some of those who were present, wrote William Barton, was Lincoln's intonation. "They had not thought of him as a native of Kentucky, but his pronunciation showed his origin. Speaking very slowly he tended to exaggerate, if anything, his native intonation. He pronounced the preposition 'to' as if it were written 'toe.' He passed lightly over the sound of the letter 'R.' When he spoke of 'our poor power' he showed his Kentucky idiom in every word. The prairies had done something for him but most of his Illinois neighbors were of Kentucky stock. The President talked as they talked."

There are nearly as many versions of how the speech was received by the crowd as there are versions of when and where and how many times he wrote it. One stenographer who was assigned to record it in shorthand (because the President seldom spoke from notes) was so overwhelmed by Lincoln's words and his manner of delivery that he failed to record the latter half of the speech in its entirety!

No matter how the crowd responded, the press was almost unanimous in adverse criticism. Few of the city papers had any complimentary remarks for the President or his speech. There were some notable exceptions. An unidentified reporter (isn't that part of the irony of life) for the Chicago Tribune proved to be one of the few prophets listening. He wrote, "The dedicatory remarks of Mr. Lincoln will live among the annals of man." The Providence Journal noted, "It is often said that the hardest thing in the world is to make a five minute speech. But could the most elaborate and splendid oration be more beautiful, more touching, more inspiring than those thrilling words of the President?" Harper's Weekly said, "The few words of the President were from the heart to the heart. It was as simple and felicitous and earnest a word as was ever spoken."

The events of November 19, 1863, did not end at the speaker's platform for Mr. Lincoln. His long delayed luncheon with Mr. Wills, his host during his stay in Gettysburg, was hardly consumed until he had to endure a public reception. Keeping on schedule, his next appointment was to attend a patriotic ceremony at the Presbyterian Church in the company of Gettysburg's sole participant in the battle, one John Burns, a 70 year old constable who took musket in hand to aid the Union forces, and was wounded in the battle. Lincoln's departure time compelled him to leave that service prior to its termination.

Finally, he was on his way back to Washington. It was another long journey. One can imagine his thoughts. Had he said the right thing, had he come anywhere close to Everett's monumental effort? Then to bed. Barton writes again in truth, "A speaker's inspiration does not cease with the platform. When the tumult and shouting have died and the speaker is alone in bed, weary and perhaps ashamed of himself, he is very likely to rehearse his speech and think of the things he ought to have said. That is what drives orators wild. . . . The clock strikes again and again while the orator wearily rehearses the speech he wishes he had made."

On the morning of November 20, Abraham Lincoln was ill. He remained in bed for several days with an ailment diagnosed as varioloid. More time to rehearse what he wished he would have said at Gettysburg! He was frank to state to a few close associates that he had not done well at Gettysburg. He certainly didn't impress the pastor of the Presbyterian Church who conducted the patriotic ceremony following the services in the cemetery. The author Barton, writes that copies of the good pastor's eulogy of Lincoln delivered after his assassination did not mention the speech he had made here, and, in fact, did not even mention that Lincoln had occupied a pew in the very church where the minister was preaching. In all fairness to Reverend Carnahan, we must admit that he was not the first learned man nor will he be the last who miss the obvious and embellish the obscure.

Time has treated the few words spoken here by Lincoln much more kindly, of course. Lord Curzon, Chancellor of Oxford in the early 1900's when asked to identify the supreme masterpieces of English eloquence, cited Pitt's toast after the battle of Trafalgar and two of Abraham Lincoln's speeches—the second inaugural address and the Gettysburg address. Of the latter, Lord Curzon said, "It joined the local to the national, the occasional to the permanent; it went straight at the declaration of purpose which animated the soul of Lincoln and for which the men buried at Gettysburg had given their lives."

From the moment after the words were uttered until the present, scholars, historians and even judges have explored, interpreted and probed the speech for its deepest meanings. Just a few months ago a scholarly article entitled "Reflections—The Gettysburg Address" appeared in the New Yorker magazine. Written by Mortimer J. Adler and William Gorman, the article claimed to pinpoint the source and purpose of each word and phrase. The article concluded with these words, "If the idea of democracy became at this nation's birth something the nation regarded itself as holding in trust for the world and for the future, and if Lincoln's oracular triad of prepositional phrases (government of, by and for the people) indeed epitomizes that idea, then we have been right in regarding Lincoln's last 16 words as the focal point of the American testament."

There can be no doubt that Abraham Lincoln at Gettysburg, Pennsylvania, on November 19, 1863 was the right man at the right place at the right time. No other mortal in God's world could have said what he said here. However, if he were living today, he would probably disavow any such acclamation, but I do suggest that he would be pleased to see a Kentucky coffee tree implanted not 100 yards distant from where he spoke.

I close with these words from Alistair Cooke's appraisal of Lincoln in his wonderful book, "America", "We know that he steeped himself in the subleties of Shakespeare, the cadences of the Bible and the hard humanity of Robert Burns. And somehow, and conspicuously during the war, he became what he always must have been: a shrewd, honorable frontiersman of very great gifts. Not the least of these was his ability to express a hard unsentimental truth in the barest language every tinker and tailor could understand. He exemplified better than any statesman until Churchill the Churchillian line, 'the short words are the best, and the old words are the best of all.' "

STATEMENT BY CONGRESSMAN FERNAND J. ST GERMAIN ON THE FLOOR OF THE HOUSE OF REPRESENTATIVES CONCERNING THE STATE OF RHODE ISLAND GENERAL ASSEMBLY HOUSE RESOLUTION MEMORIALIZING THE PRESIDENT OF THE UNITED STATES AND THE CONGRESS TO CONTINUE REVENUE SHARING BEYOND THE PROPOSED JUNE 1, 1976, TERMINATION DATE, ON JANUARY 29, 1976

HON. FERNAND J. ST GERMAIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. ST GERMAIN. Mr. Speaker, I am pleased today to bring to the attention of my colleagues in the House the following resolution passed by the House of Representatives of the State of Rhode Island General Assembly on January 16, 1976, memorializing the President of the United States and the Congress to continue the policy or revenue sharing beyond the proposed June 1, 1976, termination date.

RESOLUTION: MEMORIALIZING THE PRESIDENT OF THE UNITED STATES AND THE CONGRESS TO CONTINUE THE POLICY OF REVENUE SHARING BEYOND THE PROPOSED JUNE 1, 1976, TERMINATION DATE

Resolved, That the President of the United States and the Congress be and they are hereby respectfully requested to take the appropriate steps necessary to continue the policy of revenue sharing beyond June 1, 1976; and be it further

Resolved, That the secretary of state be and he hereby is authorized and directed to transmit duly certified copies of this resolution to the Congress, the President, and the senatorial and congressional delegation from Rhode Island serving in Congress.

PANAMA

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. SIMON. Mr. Speaker, Mr. Ben F. Meyer, a specialist in Latin American affairs who served with the Associated Press for 41 years, had a column recently in the Arkansas Gazette of December 12 which was forwarded to me.

It concerns the question of Panama and gives some background that I think is important for people to be aware of. His column follows:

U.S. UNDER PRESSURE ON PANAMA QUESTION

(By Ben F. Meyer)

WASHINGTON.—A bright new member of Congress from Illinois says "the Panama Canal issue will plague this Congress, this nation and this hemisphere until we come to a fair settlement with Panama."

Although these views put Representative Paul Simon in a minority in Congress, where there is widespread opposition to eventual control of the Canal by Panama, U.S. officials are pleading for a better undertaking of the problem.

Representative Simon says "We very much need a new treaty. We cannot longer ignore the fact that colonialism is dead and that the present arrangement sorely needs modernization.

Tremendous pressure is building up for an agreement with Panama. Ambassador Ellsworth Bunker, one of this country's most skilled negotiators, hopes Congress can be persuaded to support a new treaty, once it is worked out with Panama. Much of the present opposition to an agreement, Bunker says, "stems from false impressions and myths."

"We do not own the Canal Zone, a 50-mile strip 10 miles wide which cuts across the heartland of Panama, dividing the nation in two. We did not buy it, as we did Alaska or Louisiana. The $10 million dollars we sent to Panama in 1903 was not to buy territory, but rights."

Panama's unhappiness with the treaty has produced riots in that country, unceasing attacks on the United States in Latin America and angry criticisms of Washington by Third World countries, recently flexing their muscles—and their vocal chords—in international forums.

The last riot, in January, 1964, gave Lyndon B. Johnson, only recently become president, his first major international problem. Johnson acted swiftly to get negotiations under way. After three years the two countries announced, on June 26, 1967, agreement on three draft treaties. They gave Panama so little, however, that its government did not submit them for legislative approval. Neither did the White House.

Not surprisingly, U.S. officials deny reports that the canal question has been shelved until after the U.S. presidential elections November, 1976. But the current negotiations actually began June 29, 1971 and the complexities of an eventual pull-out of the canal operation, what to do with 13 military bases, about 10,000 military men, 29,000 civilian employes and their families in the Canal Zone, and 6,000 U.S. citizens living in Panama, and a satisfactory operation of the canal are not issues settled easily.

Brig. Gen. Omar Torrijos, chief of government of Panama, says the canal problem is so urgent that the United States should come to a speedy solution in its own interest. Bunker agrees. Yet Gen. Torrijos seems less concerned about the time needed to achieve a solution than about the sincerity of the U.S. Congress in desiring a fair settlement.

When a little nation is struggling for its liberation, the important thing is not so much a year or two longer to obtain a solution, if a solution is in prospect he says. Panama seems to trust Bunker, 81, but active, alert and hard working.

Internationally, the United States is on the spot. It used gunboat diplomacy in 1903 to obtain a document saying it had the right to build the canal and to operate and defend it "in perpetuity." But the whole transaction was such a shady deal that John Hay, then Secretary of State, termed the treaty "vastly advantageous to the United States and, we must confess, not so advantageous to Panama."

Actually both countries need a settlement. Panama could put the canal out of business with a few sticks of dynamite, but it would put Panama's economy out of business too. Most of its income comes from the canal.

TAMPERING WITH NATION'S SECURITY

HON. RAY ROBERTS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. ROBERTS. Mr. Speaker, there has come to my attention an excellent editorial concerning the CIA. It appeared in the February 1976 issue of the Torch, the monthly publication of the Veterans of World War I of the U.S.A., Inc. The editor of this outstanding veterans' publication is also an officer of the organization and had much personal experience during both World War I and II regarding the issue of releasing information regarding our national security. He is Harold B. Say, who is presently the legislative director of this organization.

I commend this article to the attention of all Members of the House regarding a subject of intense interest to all Americans:

TAMPERING WITH NATION'S SECURITY

What would have happened if some bright media man obsessed with the conviction he was bound to tell the world all he knew had ascertained General Eisenhower's date for assaulting the Germans in Normandy and promptly announced it to the world? Surprise was a major key in the success of the June 6 landings.

Best hindsight is if such divulgence had been made the assault would have failed.

The tight lock of security and censorship would have thwarted any irresponsible or traitorous purveyor of such vital information. And the man attempting to get such prohibited material out to the world would have been shot or locked up for keeps.

We thought back on this and other critical elements of information of World War I and II when we read the stories on the workings of the FBI and CIA recently. True, they are not in the same class, but they are on the same line.

We have no brief for illegal or obvious wrong doings of government agencies. But we do have the conviction that for good standing of the United States among nations of the world and for the continued effectiveness of our agencies charged with protecting our country's security that a clean up can be effected without hanging out our dirty laundry for the world to see.

Gathering of intelligence including espionage is essential. It cannot be accomplished if our agents have to wear identifying tags around their necks. Yet some of the media people seem to think that in effect is exactly what they should do.

This philosophy resulted in the murder of one conscientious CIA man in Greece recently. He may not be the last to pay with his life for irresponsible divulgence of secret information. Sad as is the untimely death of one agent, the real long range damage is the undermining of agencies charged with intelligence operations.

Again, let us clean up internally where cleaning is needed; get offenders off the government payroll; put competent, trustworthy men in their places. But don't wreck an essential arm of a great nation.

THE BURN FACILITIES ACT OF 1975

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. GILMAN. Mr. Speaker, there is presently pending before the Subcommittee on Health and the Environment an important measure, H.R. 8438, the Burn Facilities Act of 1975, which is identical to the measure I have cosponsored, H.R. 10265. The proposed legislation establishes 36 "burn centers" and "burn units" providing research, training, treatment, and rehabilitation for burn injury patients. Too many unnecessary burn injury deaths have occurred due to the absence of specialized burn care facilities.

Mr. Speaker, today I testified before the distinguished Subcommittee on Health and Environment, urging its prompt action on this measure. I insert my remarks at this point in the RECORD for my colleagues consideration and, hopefully, for their support:

I welcome this opportunity to appear before the Subcommittee on Health and the Environment to testify on the sorely needed measure, H.R. 8438, the Burn Facilities Act of 1975, which is identical to the measure I have cosponsored, H.R. 10265. Mr. Chairman, I commend you and the other members of this distinguished committee for your concern in this vital area and for scheduling these hearings.

The three tier thrust of H.R. 8438 is: (1) to establish 12 additional "burn centers" specializing in research, teaching, and the treatment of burn injuries, (2) to provide 24 additional "burn units" providing specialized facilities in general hospitals, and (3) to upgrade the "burn program" in general hospitals having no specialized facilities for burn care but containing a consistent plan for the management of burn patients and implemented by experienced physicians.

Of the more than 6,000 general hospitals in the United States, less than 100 are capable of providing specialized burn care. Of the 100 hospitals that do treat burn patients, very few—I do not have the exact figure—are "burn centers" capable of providing research, training, and the specialized patient care. Moreover, many of these hospitals treating burn patients in intensive care supervision are limited to only a few beds. . . . Some of our larger topnotch hospitals treating burn patients have less than eight beds. I have been informed that within the definitions of the proposed legislation before you today there is not one "burn center" in the entire State of New York. Our closest resource is Boston.

One of my unfortunate constituents who recently received severe burns found that while his local hospital care was excellent, it was not equipped to handle any major burn complication. In his crucial time of need, the facilities in Boston were unavailable to him and this critically burned patient had to be flown to the Brooke Army Medical Center in San Antonio, Texas.

Only last Friday, a 15-month old baby from the adjoining Congressional district in Sullivan County in N.Y. State received burn injuries covering 50% of her body. That child's condition still remains critical. Again, there was no local hospital facility capable of providing adequate care.

Underscoring this deplorable lack of medical care is the grim statistic that every year more than 600 individuals from New York State die from burns. I have been told that there is not one major medical center in New York State equipped to handle burn injuries on a large scale, not one burn center able to train the specialists, to treat and rehabilitate the patients, and to perform research on these injuries. With the burn centers and burn units provided in the proposed legislation, many of these deaths could have been avoided.

Only a few hospitals throughout the Nation are properly equipped for treating burn victims, and most of these hospitals can accommodate only a few patients. The necessity for establishing burn centers and burn units is obvious and urgent. The legislation before this committee is crucial for preventing any further unnecessary deaths resulting from burn injuries. There is a dire need for research, training, treatment, and for rehabilitation. Unfortunately, this type of medical specialty is extremely expensive, the average cost reportedly being 40% higher than treatment for other medical and surgical intensive care patients. This is attributed to complications arising from the extensive loss of skin tissue, which impair the internal bodily systems and which tax the heart, lungs and kidneys which are burdened with overcoming the traumatic shock of first, second, and third degree burns.

There are, however, some exciting developments in the area of burn treatment that I would like briefly to share with members of the committee. Underscoring the urgency of the needs for these facilities, some of our citizens have taken the initiative in waging war on this health problem.

Last June, volunteer firemen's associations from Orange, Ulster, and Sullivan counties established the Fire Fighters Burn Treatment Fund to try to raise $500,000 to establish a major regional burn treatment center for all burn victims. To date, our upstate firefighters, working with community leaders in business, industry, and labor have raised over $100,000. They have received the support of more than 200,000 New York State paid and volunteer firemen. The Times Herald Record, a daily newspaper in Middletown, New York, under the leadership of its publisher, R. John Van Kleek, and fund coordinator, Charles Crist, has generated community-wide enthusiasm for this program. The hard work of these dedicated citizens is beginning to yield substantial results.

But not all communities are fortunate to have this kind of impetus and, more importantly, the costs of such a project are high. After all, there are limits on fund raising capabilities.

Last year, Congress passed the Federal Fire Prevention and Control Act of 1974 establishing a National Academy for Fire Prevention and Control. Mr. Chairman, in the interests of enhancing fire fighting, your committee's action on H.R. 8438 is a logical extension of the 1974 act. The provisions of this measure are intended to benefit not only fire fighters, but all fire victims.

Editorializing the need for regional burn centers, the Middletown Times Herald Record, on May 5, 1975, stated:

"Congress and state legislatures appear to have been negligent in providing necessary funds and specialized hospital burn care treatment services.

"Unwilling to wait for government to act, the firefighters of New York have launched a drive for funds to develop a highly specialized burn treatment center. . . .

"Death from any cause is a tragedy. An avoidable death is the greater tragedy. It is, in fact, a crime."

"Mr. Chairman, I thank you and members of this committee for focusing attention on this vital problem and I urge the favorable consideration of my colleagues for this important measure.

SECRECY AND FOREIGN POLICY

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. BONKER. Mr. Speaker, Secretary Kissinger appeared this morning on Capitol Hill finally to state for the public record the administration's reasoning for involving this country in a remote civil war in Angola. Reportedly, our aid has been flowing to the underground for years and was sharply increased a full year ago.

Occasionally there may be legitimate reasons for the covert nature of some of our most sensitive foreign policies, but it should be recognized in the balance that on significant and controversial matters the public has a countervailing need to know. This is especially true when an involvement holds out the possibility of deepening—to the point where, when it is revealed, Congress suddenly finds itself confronting something that has assumed the sacred aura of a commitment. Because of bureaucratic inertia and our often valid concerns of prestige and the appearance of resolve, commitments are difficult to reverse.

There was once hope that the Ryan-Hughes amendment would prevent Congress from being boxed in. There is now fear that it has aggravated, rather than solved, the problem. Senator DICK CLARK addressed this issue from painful personal experience in today's New York Times.

If we are to put Angola behind us, we must avoid other Angolas that lurk in front of us. I commend Senator CLARK's article to my colleagues as we begin to explore ideas for making the formulating of our foreign policy more democratic.

The article follows:

FRUSTRATION

(By DICK CLARK)

WASHINGTON.—Recent disclosures of our year-long involvement in the Angolan civil war raises serious questions about Congressional oversight of foreign policy, particularly the conduct of covert operations.

Administration leaders argue that Congress was given an oversight role in covert operations when an amendment sponsored by Senator Harold Hughes and Representative Leo Ryan passed in December 1974. Actually, the matter is much more complex. The amendment provides for nothing more than an ex-post-facto communication to Congress of decisions already reached. There is still nothing in existing law giving Congress a voice in covert operations; there is no provision for advice or consent.

Indeed, classified briefings actually become an impediment to effective oversight. Once the information is made available, there is no way the Congress can properly use it to oppose or influence policy without taking public action. Congress is saddled with the illusion of co-responsibility for the covert action without having any say in the decision. This is the worst of all possible arrangements.

I found out how inhibiting the possession of classified material can be during hearings held before the African Affairs Subcommittee of the Senate Foreign Relations Committee. As subcommittee chairman, I had asked for and received a briefing late in July on our covert activities in Angola. A short time later in public hearings the then Assistant Secretary of State for Africa, Nathaniel Davis, asked not to be pressed on certain points because, as he indicated in a note passed to me, "we both know" about these covert activities. Therefore, I was cautious in my questioning. Had I not had the classified briefing, I could have proceeded on the basis of newspaper reports with much more vigorous questioning, which would have put a more honest statement of United States policy into the record.

Later, in an effort to express objection to what I considered an unwise involvement in a tribal war in Angola, I asked Deputy Secretary of State Robert S. Ingersoll at a closed session of the subcommittee to explain United States policy. The objections were ignored.

Determined to get a first-hand view of the situation in Angola and southern Africa, I traveled there during the August recess and talked with the heads of each of the three Angolan liberation factions plus the heads of state in Zambia, Zaire and Tanzania, and the South African foreign minister. I returned convinced that our involvement was a mistake, could only end in embarrassment, and could only impede the development of the rational African policy we need.

Upon returning I met with the Director of Central Intelligence, William E. Colby, told him what I had learned, and registered my discord with United States policy. To no avail. Later in the month I learned that the Administration had doubled the funding for military equipment to pro-Western Angolan factions.

In frustration, I went to the full Foreign Relations Committee, reported on my trip and explained my objections. The committee called Mr. Colby and Secretary of State Henry A. Kissinger for a complete review of Angolan and African policy.

When they appeared—with Under Secretary Joseph J. Sisco sitting in for Mr. Kissinger—many of us expressed doubts about the deepening involvement. But the warnings went unheeded. Within a month the Administration had decided to significantly increase our covert commitment for the fourth time in four months.

Having tried to oppose this policy through every avenue available to me within established channels, I took the only course remaining—I offered an amendment to the pending Security Assistance Act to prevent any funds from being spent in Angola without specific Congressional approval. This brought our concern, though not the secret details, out into the public.

Subsequently, the Senate passed an amendment to the Defense Appropriations Act that barred further funds in that bill for intervention in Angola. The House on Tuesday accepted the same restriction. My amendment, broader in that it would bar all expenditures in any category, is in the bill about to go to the Senate.

The Angolan experience convinces me—and I believe the majority of my colleagues—of the inadequacy of the present oversight system. It does not allow for Congressional consultation or veto. In practice, access to classified information after a decision has been reached and action initiated becomes in itself a restriction on a member's action and leaves no alternative for influencing policy except to go public through legislative action.

I am convinced that the nation is better served by not conducting covert military or political activities (as opposed to information collection, which I support). But Congressional and public sentiment probably does not support that view. Thus it is vital that in the restructuring of its oversight apparatus the Congress define for itself a more responsible and unambiguous role in covert activities.

PARENS PATRIAE LEGISLATION

HON. WILLIAM L. HUNGATE

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. HUNGATE. Mr. Speaker, those interested in Chairman RODINO's position on the parens patriae legislation should welcome a chance to read the speech he gave to the Grocery Manufacturers of America last November 19:

ADDRESS OF CHAIRMAN RODINO TO GROCERY MANUFACTURERS OF AMERICA, INC., NOVEMBER 19, 1975

This morning you have asked me to discuss the priorities of the House Judiciary Committee on antitrust matters. As I do, I hope that you will understand that I do not come here to lay before you the dictates of the Congress. Instead, I want to say at the beginning that I believe we both have an important mutual interest in the field of antitrust.

I see that virtually every major producer of food products in the country is represented here. Most of you are not insulated in the corporate offices; you are face to face with the public and press each day.

And from these encounters you know firsthand the suspicion, distrust and animosity with which large segments of the public today view so-called big business, including the conglomerates of the food industry.

I come from another group that often is held in something less than admiration by the public; Congress, the Federal Government. Sadly, much of the public has concluded that politicians and businessmen are cast in the same mold of expediency and self-interest.

Are these images of us false ones? Are we the victims of bad press and unfair judgments? In general, I don't think so. The traumatic events of the last two years have shown to my satisfaction, and I think to yours as well, that the public is far more perceptive than any of us may have imagined.

The people of this Nation have put us all on notice that they will have little patience with anything less than honesty and integrity. They realize that government and business share a single obligation: to serve the public interest.

This principle is clearly evident in the field of antitrust legislation and enforcement. The antitrust laws of the United States comprise the principal rulebook of the marketplace.

They are designed to protect both business and the consumer, promoting a climate that is competitive, profitable, and as free from Government intervention as possible.

I don't think any of us is satisfied that this is the case now. Businesses complain bitterly about the mass of bureaucratic Government paper that burdens them. Consumers protest uneven quality and unstable prices that seem to rise of their own volition without control or competition. Shareholders and boards of directors demand greater profits.

And beneath this all runs the current of public opinion: Business and Government are corrupt, irresponsible. The past three years have produced little evidence to convince the public that its dollars invested in business and Government are going to good use.

Money is wasted and misspent while prices go higher. Yesterday, the Washington Post quoted a Library of Congress report saying that American corporations had paid out bribes, kickbacks and contributions here and abroad of at least 300 million dollars in the past few years. Citizens reading this might justifiably draw some skeptical conclusions about the freedom of the American marketplace.

I was heartened, however, by another newspaper story yesterday in the Wall Street Journal. Michael Blumenthal, president of Bendix Corporation, and other business leaders have begun exploring the possibility of a code of ethics for American business. Whether their effort bears fruit or not, the concern they are showing for the responsibility of business is encouraging.

I would find it difficult to quarrel with those who advocate a similar undertaking by those of us in Government, because public faith, so easily lost, is not quickly regained. If your purchasers and our voters are to once again have confidence in us, it will be only because we have earned it.

The antitrust field may offer one of the finest opportunities that either of us has. Here we must demonstrate that the imbalances in the marketplace can be corrected by responsible business and responsible Government. It is not a question of punishing or penalizing any segment of industry or any group of consumers.

It is an obligation as incumbent upon business as it is upon Government: To examine carefully and prudently the Myriad problems that beset our economy. If legislation is needed, we of the Congress will enact it. If better, more balanced enforcement is required, we will demand it.

But I can assure you of this: The Judiciary Committee will be fair, thorough and careful in its work. However, it will move with persistence once it reaches a conclusion.

And it is your responsibility to provide us with the facts and opinions that will aid in our deliberations. Your obligation is as great as ours. The public will no more tolerate the business that creates questionable statistics to justify anti-competitive practices than it will the congressional committee that tries to substitute rhetoric for action.

There is no doubt that on many occasions, and on many points, we will disagree. But if dispute is inevitable, it need not be destructive or bitter.

I am sure, however, that on one thing we would agree—there has not been for many years a close examination of the antitrust statutes, their enforcement and effect. We plan to furnish this oversight to give us an overall picture of antitrust policy in the United States, its successes, shortcomings and imbalances.

There are, of course, many imbalances, both in the marketplace and in the law, about which we are already well informed.

The Federal Trade Commission has identified 17 major areas of food production where monopolistic overcharges cost consumers more than 2½ billion dollars a year. If meat packing plants are added to this, the total climbs to more than 3 billion dollars.

Such concentrated imbalances cannot be ignored. If there is no willingness by industry to permit improved competition in the areas of soft drinks, soaps, canned goods, bakery products and the like, then the Congress, and in particular the judiciary committee, may have no alternative but to act.

The Justice Department has also been impressed with the lack of competition in many of these areas. In recent years it has brought lawsuits alleging price-fixing in the bread and bakery industries in Philadelphia, Baltimore, New York, Chicago and San Diego. Similar charges have been filed against the milk industry in Washington, Wyoming and Alaska, against the soft drink industry in Tulsa and sugar refiners nationally.

These actions have reflected the department's interest in protecting competition, but they have also brought home the need for improved enforcement in the antitrust field at the local level.

To correct this legal imbalance, the Judiciary Committee in July approved the parens patriae bill with the support of the Justice Department. The House Rules Committee decided recently not to schedule the bill for house debate, but the measure certainly is not dead. I intend to go before the Rules Committee again at the appropriate time and urge that the bill be sent to the floor for action.

Parens patriae would permit state attorneys general to bring suit in Federal Court on behalf of their citizens injured by antitrust violations. Such authority not only would protect consumers against arbitrary practices but would stimulate competition to the benefit of business itself.

Recently, Thomas Kauper, assistant attorney general for the Antitrust Division, wrote me in support of the bill. He had this to say: "The parens patriae concept, as embodied in H.R. 8532, is both desirable and useful from the perspective of better antitrust enforcement. Such a provision is also consistent with the enforcement goals of the Clayton Act."

There have been published reports that the business roundtable conducted a well-organized lobbying effort to block the bill in the Rules Committee. If so, I question whether it really served the public's interest.

Opponents of Parens Patriae argue that it will result in frivolous lawsuits. I cannot accept that. State attorneys general are responsible for protecting the interest of their constituents, businessmen as well as consumers. Their duty is clear and I reject the notion that they will not exercise it judiciously.

Another imbalance in the law will be corrected when the Congress repeals the so-called Fair Trade Enabling Acts. Earlier this year the Judiciary Committee reported and the House overwhelmingly approved the repeal. On the House floor, the bill was superbly managed by Representative Barbara Jordan of Texas, who outlined to the satisfaction of all sides the anticompetitive aspects of the old laws.

Repeal of these outdated statutes may be the single most effective action the Congress can take to prevent inflation in some areas of the economy. Although I am pleased with the action of the House, I cannot claim that the idea originated with us. At least 15 States have repealed their fair trade laws, including those in my own State of New Jersey. Today, fewer than 30 States have such statutes.

Other possible areas of legal imbalance are under exmination. The House Small Business subcommittee is studying the Robinson-Patman Act of 1936 which has troubled many in business and government.

The Department of Justice has recommended either repeal or amendment of the act. The Judiciary Committee has taken no position on this matter, but it is receiving the close attention of our staff attorneys.

There are some proposals that I believe would aggravate, rather than correct, existing imbalances. One of these is the so-called "bottlers bill" that would create special exemptions for manufacturers of soft drinks and private-label food products.

The recent decision of an FTC administrative law judge has virtually mooted this legislation. I believe, as I have said publicly before, the courts are the proper arena to settle such disputes, and it would be unwise for the Congress to write such exemptions into law.

This brings me to one of the most perplexing and crucial problems of both industry and consumer: Energy.

The American Food Industry, the most efficient and stable in the world, consumes a disproportionately small percentage of the Nation's total energy. Yet by 1980, the consumption of energy by the industry is expected to increase 19 percent over 1971.

As energy costs move inexorably upward, industry has no alternative but to pass them on to the consumer.

Whether this spiral can be broken is very much in question, but the Judiciary Committee intends to find out. We recently held hearings on the vertical integration of the petroleum industry and we intend to hold more later this year and early in 1976.

We have received excellent cooperation from most segments of the oil industry. But one witness before the committee suggested that Congress was approaching this subject with a punitive legislative attitude.

I feel that these remarks were unfounded. I regret this unnecessary conflict over a subject that is far too important to be clouded with emotional judgments. The committee has a clear obligation to inquire into the structure of the oil industry, just as it has an equally clear responsibility to examine other aspects of the antitrust field.

The lack of competition, whether it be in petroleum products or food, is ample cause for scrutiny by both the legislative and executive branches. Unnecessary costs to consumers caused by imbalances in the marketplace damage not only the individual but business as well.

The judiciary committee has earned a reputation for fairness and propriety that I am committed to uphold. We will investigate, but we are eager to hear the opinions and evidence of all sides. This is not an all-or-nothing battle. It is an effort to promote the economic well-being of the nation, keeping always in mind the need for a free and responsible business community.

Today, we need another community as well, a community of purpose to resolve such problems as these.

What you, as businessmen and women, and we, as politicians, do and say in the future will determine whether our mutual constituents reinvest their faith in us, or turn away, convinced that our 200-year old experiment in democracy has been a failure.

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200 YEARS AGO TODAY

HON. CHARLES E. WIGGINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. WIGGINS. Mr. Speaker, 200 years ago today, on January 29, 1776, Congress demonstrated its complete confidence in Washington by declaring his action to be, "prudent, consistent with his duty, and a further manifestation of his commendable zeal for the good of his country" when he requested the colonies of Massachusetts, Connecticut, and New Hampshire to each raise a regiment for service in Canada immediately after he received word of the disaster at Quebec. He then wrote to the President of the Continental Congress explaining his action. Washington stressed that he had written to the colonies, without first receiving authorization from the Congress, because he felt that it was essential to raise the needed forces without delay. He added that if Congress thought his action unwise, it should countermand his request.

JESSICA SMITH: FIVE DECADES OF SERVICE TO THE SOVIETS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. McDONALD of Georgia. Mr. Speaker, a luncheon in tribute to Jessica Smith Ware Abt will be held in New York City on Sunday, February 1, 1976, in the Grand Ballroom of the Hotel Roosevelt at noon. The affair will honor Miss Smith on the occasion of her 80th birthday and her 40th year as editor of Communist magazines extolling the virtues of the Soviet Union and the Red Army.

According to an adulatory profile of Jessica Smith entitled "The Most Important Job in the World," by Joseph North, the Communist Party, U.S.A.'s former Moscow correspondent in the World magazine supplement to the CPUSA newspapers, Miss Smith's revolutionary work began "with her feeling of exultation when word came that the workers and peasants had taken power in Russia on November 7, 1917." Wrote North:

> She was among the first to hear John Reed's eyewitness account of the ten days that shook the world, and his report-back roused her to go and see for herself. She set to work arranging mass meetings so that many other Americans could hear Reed and another eye witness, Albert Rhys Williams.

North's article continued:

> By 1922, Ms. Smith herself made her way to the USSR with the American Friends Service Committee (Quakers) to help alleviate * * * the famine * * *. She is one of the few foreigners in the world today who heard V. I. Lenin speak—at the Comintern Congress in 1922, where she was a Federated Press correspondent.

Joe North's article confirms several interesting historical points: first, that Jessica Smith was holding responsible Communist Party and Comintern positions by 1922. Federated Press was a Communist front news service and propaganda organ. North's article also serves to indicate how long term is the Communist penetration of the American

Friends Service Committee, an organization which is now spearheading the shipment of light industry supplies to the Vietnamese Communists.

Jessica Smith on her return to the United States married into one of the Communist Party's leading dynasties, becoming the wife of Harold Ware, a son of Mother Ella Reeve Bloor, who served on the CPUSA National Committee for decades. Smith and Ware, under the direction of the Comintern, worked to infiltrate American agriculture; and they received a letter of thanks from Lenin himself for their organizing delegations of agricultural experts and shipments of modern tractors and equipment to the infant Bolshevik regime.

In the early 1930's, Ware was assigned to establish Communist espionage cells in U.S. Government agencies in Washington, D.C. Members of the Ware group included Nathan Witt; Alger Hiss and his brother, Donald Hiss; Lee Pressman; Henry Collins; Charles Kramer; Victor Perlo, now head of CPUSA's Economics Commission; and John J. Abt, now general counsel to the CPUSA and a member of its Political Commission. After Ware's death in the mid-1930's, Jessica Smith married John Abt, and she has shown a continuing association with the surviving members of the Ware group.

Jessica Smith herself has also been identified as a member of the CPUSA, serving on its national committee since the late 1930's. In 1936 she became editor of Soviet Russia Today, and in 1951 became editor of that magazine's successor, New World Review. Among the staff of New World Review is David Zimmerman, also known as Dan Mason, a member of the CPUSA History Committee. Zimmerman, under the alias of David Carpenter, was a courier for the Alger Hiss Soviet spy ring in the State Department.

Speakers at the tribute luncheon are to include:

Gus Hall, CPUSA general secretary.

John J. Abt, CPUSA political commission and general counsel.

Nadine Brewer, Metropolitan Opera singer.

Abe Feinglass, CPUSA member; vice president, Amalgamated Meatcutters & Butcher Workmen's Union.

Valentin M. Kamemev.

Anatoly A. Mkrtchyan, editor of Soviet Life, an official propaganda publication of the U.S.S.R.

Richard Morford, CPUSA member; a leader of the National Council of American-Soviet Friendship, a leading CPUSA front.

John Randolph, CPUSA member and actor.

Augusta Strong, CPUSA member.

Pete Seeger, a folksinger active in innumerable CPUSA causes and fronts since the 1940's.

Chairwoman of the tribute luncheon will be Thelma Dale Perkins.

The tribute committee, operating not surprisingly from the New World Review offices at 156 Fifth Avenue, room 308, New York, N.Y. 10010, 212/CH 3-0666, includes such well-known CPUSA members and supporters of its fronts as:

Marilyn Bechtel, associate editor, New York Review.

Alan Howard, national office, Chile Solidarity Committee.

Josh Kornbluth.

Max Kurz, U.S. Committee for Friendship with the German Democratic Republic, a CPUSA front in support of the East Germans which was developed from a study group at Columbia University in the late 1960's.

Tony Monteiro, CPUSA and Young Workers Liberation League leader who now serves as executive secretary of another CPUSA front for support of Marxist-Leninist guerrilla movements in Southern Africa, the National Anti-Imperialist Movement in Solidarity with Africa Liberation (NAIMSAL).

George B. Murphy, Jr., an aged CPUSA member and writer for the Afro-American newspaper chain active in many CPUSA fronts such as the American-Korean Friendship and Information Center.

Muriel Neuberger.

Nilsa Pietri.

Pauline Royce Rosen, CPUSA member and U.S. coordinator of the U.S. sector of the World Peace Council, an international Soviet-controlled Communist front.

Daniel Rosenberg.

James Steele, head of CPUSA's youth group, the Young Workers Liberation League (YWLL).

Dorothy Steffens, executive director of the Women's International League for Peace and Freedom (WILPF), an organization and an individual who work closely with domestic and international Communist fronts and causes, including the Peoples' Coalition for Peace and Justice, the World Peace Council and the Women's International Democratic Federation.

Hy Wallach.

The Jessica Smith Anniversary Committee numbers nearly 100 persons and is a rollcall of leading U.S. Communist and front activists. They include:

Anniversary Committee

John J. Abi, Michael Balanoff, Vita Barsky, Minna Bayer, Marilyn Bechtel, Jane Benedict, Constance E. Berkley.

Harry Bridges, Alva Buxenbaum, Marvel Cooke, Eleanor Crain, Irving J. Crain, M.D., Ernest Crichlow, Angela Davis, Ossie Davis, Ruby Dee, Ernest De Maio.

Freda Diamond, Robert W. Dunn, Ethel Ellis (Mrs. Fred Ellis), Stephen H. Fritchman,, Judy Gallo, Simon W. Gerson, Sophie M. Gerson, Sally Gorton, Sara Gottlieb, Harry Gottlieb, Gilbert Green, Helen North Green, Maurine A. Green.

William Gropper, Robert Gwathmey, Lem Harris, Peter K. Hawley, Carroll Hollister, Dorothy K. Hunton, Esther Cooper Jackson, James E. Jackson, Arnold Johnson, David B. Kimmelman, M.D., Edythe Kimmelman, David Laibman, Edward Lamb, Corliss Lamont, John Howard Lawson.

Susan E. Lawson, Clara K. Leet, C. Robert Leet, Walter Lowenfels, Dorothy Lumer, Hyman Lumer, Tony Monteiro, Richard Morford, Leith Mullings, George B. Murphy, Jr.

Helen and Scott Nearing, Edith and Gibby Needleman, Howard L. Parsons, Florence and Morris Pasternak, Louise F. Patterson, William L. Patterson, Thelma Dale Perkins, Sandy Pollack, Annette Provinzano, Anton Refregier, Beatrice Rippy, Holland Roberts.

Bella Rodman, Pauline Rosen, Frederick L. Schuman, Earl Scott, Helen Scott, Emil Senuk, Phyllis and Matthew Silverman, Norma Spector, Jack D. Spiegel, James Steele, Dirk J. Struik.

Sylvia Hall Thompson, Leon Tolopko, Anthony Toney, Jarvis Tyner, Willard Uphaus, Joe Walker, Mr. and Mrs. Lester Wickstrom, Carl Winter, Helen Allison Winter, Henry Winston, Nathan Witt, Maxine Wood.

TENNESSEE'S REPRESENTATIVE, HAROLD FORD, DOING A GOOD JOB IN CONGRESS

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. JONES of Tennessee. Mr. Speaker, during the recent recess of the 94th Congress, a very well written article appeared in the Memphis Commercial Appeal newspaper regarding our distinguished colleague from Tennessee's Eighth Congressional District, Harold Ford.

Mr. Ford has built a reputation in his district as a hardworking Representative and one who is truly dedicated to good government. As a Member of the freshman class of the 94th Congress, he has maintained a close relationship with his constituency and demonstrated an attitude of determined hard work.

The recognition that this newspaper affords him is well deserved. His dedication and hardworking attitude has won him a position on the Ways and Means Committee and a position of leadership within the freshman class. Moreover, it has won for him a good measure of respect and appreciation among his constituents.

I would like to share the words printed in the Commercial Appeal with our colleagues in the House and insert the story in the Record at this point:

(By Morris Cunningham and A. B. Albritton)

Rep. Harold Ford's Washington lifestyle is remarkably austere for a healthy, active, 30-year-old.

An evening meal usually centers around a can of something he opens himself in his apartment, about three blocks from his Washington office where he serves as a Democratic member of the U.S. House of Representatives from Memphis.

After dinner, the freshman representative may read a newspaper or work on something he has brought from the office. Until recently, he didn't have a radio or television in his apartment.

When his wife, Dorothy, is in Washington, Ford fares better and gets bacon and eggs for breakfast. Otherwise, it is juice, cereal and maybe some fruit.

"I eat a big lunch at the Capitol every day. That is my main meal," says Ford.

Until the weather turned cold he rode a bicycle to and from his office. Now he walks the three blocks, though sometimes a staff member will drop him off at night.

Ford prefers bicycles to airplanes, but uses both. "I get a little scared about flying. Sometimes I get on a plane and I just don't feel right. I ask for my ticket back and wait for another flight."

Sometimes he doesn't like the next flight either and takes an even later one.

Despite his fears, Ford flies to and from

Memphis every week when Congress is in session. He hasn't spent a weekend in Washington since he arrived last January.

Ford gets off the airplane at Memphis with a load of dirty clothes to be laundered.

That is only the beginning of a typical weekend at home for the young representative.

Ford heads from the airport to his new home in Whitehaven where he visits his wife and three sons briefly while signing a batch of letters on the kitchen table, and then he's off for a Friday night banquet or some kind of meeting. Ford may even make two meetings on Friday night if the timing is right.

Saturday mornings start in a hurry too. The representative whips by the local cleaners and then he's off to keep a series of appointments at his four Memphis district offices.

On every other Saturday, Ford holds a town hall meeting at a local library or other public place. The average attendance is about 150 people, but he says about 800 or more constituents have turned out a couple of times.

Another Saturday ritual for Ford includes what he calls, "walking my district." He simply goes out on the streets and shakes hands with the voters.

The last Saturday of 1975 was a special day for Ford's never-ending campaign. From his storefront district office on South Lauderdale, the representative hit the streets with his new year's gift to the voters—a calendar with a color picture of the nation's Capitol and the signature of Harold Ford.

A week earlier, Ford had put together 100 food baskets for the needy with the help of local merchants and grocers.

Ford, as a member of Congress, gets 2,000 free calendars every two years. He picked up another 2,000 from a fellow representative who doesn't use them.

So Harold Ford was armed with 4,000 new calendars. They went fast. First, Ford went into a grocery store where he said what he usually does: "I just wanted to come by and say happy new year and give you this calendar." Ford even offered to hang the calendars himself.

On down the streets went Ford, calling most people by their first names as he slapped backs and hands. He forged into liquor stores, barber shops, beauty salons and auto parts stores. "You're a fine young fellow," said Gerald Clifton at the auto parts store.

Earnest Morgan, out for a Saturday stroll, said Ford "is doing a fine job."

Mrs. John Webster, another constituent, says the young representative "is doing great. I don't say he's perfect, but at least he's trying."

Another woman called out as Ford came down the street, "he really gets with the people."

Ford represents about 518,000 Memphis residents who live east of Perkins inside the Interstate 240 loop along with some in Parkway Village, southwest Memphis and part of Whitehaven.

On Saturday nights, Ford tries to make three or four appearances at local meetings where he often speaks.

Sundays are just as busy. Ford usually attends three or four church services during the day and night.

Church is important to Ford as a religious institution and as a political base. "It's really the strong point of my organization," he says.

Sandwiched between all of Ford's weekend activity, there is usually time for some home-cooked meals. Spaghetti and meat balls is one of his favorite meals. Another is neck bones, white beans and turnip greens.

Ford's busy weekends home in Memphis are by design. "You have to love it," says the representatvie. "If you really love your work it doesn't bother you."

The long days away from Memphis and the busy days at home "have an effect on your family life. My wife is always on me about it. But I asked for this job and I've got to do it."

Mrs. Ford admits her husband's schedule and long absences "are rough on you. There's just no easy answer."

"But," she says, "I think he's done a beautiful job. I enjoy his work just about as much as he does."

The Ford family has recently moved to a large, two-story home in Whitehaven which cost $80,000. It's the first house Ford has ever owned and it is lavishly decorated with fine furniture.

The Fords have three sons: Harold Jr., 5, Jake, 3, and Sir Isaac, 1. Younger Isaac is named for singer and entertainer Isaac Hayes of Memphis who is a strong Ford supporter.

Ford's style of representing his constituents is tailored for constant campaigning. He has four district offices in Memphis. The federal government pays the rent for three of those offices and Ford pays for the fourth out of his own pocket.

Ford employs 18 full-time staff members in Memphis and Washington. Their salaries are paid by the federal government.

All his Memphis offices are open during regular business hours. Ford's telephone number is listed in the Memphis directory.

When Ford beat Rep. Dan Kuykendall, a Republican, in 1974 to gain his seat in Congress, he told supporters: "I assure you that you will not have trouble getting in touch with your congressman when you have a problem."

Ford has become more accustomed to the ways of life in Washington as a member of Congress after a year. He says the work is harder and the days longer than the job he held for four years as a member of the Tennessee General Assembly.

Life in Washington, however, is not without its moments of frustration and even embarrassment for a freshman representative.

For instance, take the time nearly a year ago when Ford voted at a Democratic caucus to strip Rep. Wright Patman (D-Texas) of his chairmanship of the House Banking Committee.

After Ford recorded his vote against the veteran committee chairman, he strolled for the first time down to the congressional dining room for lunch. An "older gentleman," according to Ford, "asked me to join him. I though he was a lobbyist or something."

Ford started the conversation by telling the man how he had just voted against Wright Patman, because "I just thought it was time for us to get a new face."

Ford's luncheon partner then stuck out his hand and said: "My name's Wright Patman."

A freshman representative, according to Washington manners, generally should be seen and not heard in the halls of Congress anyway.

As a first-term representative, Ford generally has filled that bill. And, he has apparently kept his campaign promise to remain available.

While his voice seldom is heard during important debates in the U.S. House of Representatives, Ford has been there most of the time, delivering his vote.

A high absentee rate in the Tennessee legislature, one of the complaints lodged against him in his 1974 campaign, has given way to a different record in Congress.

Of the 590 recorded votes in the House through Dec. 16, Ford voted in 531, a participation record of 90 per cent. And those votes usually were recorded in line with the moderate Mid-South Democratic majority.

His biggest political plus during 1975, however, was gaining assignment to the House Ways and Means Committee, possibly the chamber's most influential committee.

His work there has pleased Rep. Al Ullman (D-Ore.), the committee chairman.

"Harold Ford brings a good mind and a fresh point of view to the committee sessions. He has demonstrated a sense of responsibility and he has cooperated with the chairman very closely."

Ford, says Ullman, also has been diligent in committee session attendance. "He always has been there when we needed him."

"He has done the things a new member should do to get along with the committee."

But since most any form of political clout is denied a freshman, Ford has been using much of his time mending the home fences, trying to protect his seat from challenges. Ford says he has heard of no potential threats so far.

Still, while a freshman is given little authority with which to make himself known, Ford has not been swamped by Washington's waves.

He recently won election as secretary of the Democrats' freshman class, a post from which he will help coordinate the regular Monday briefings for the party's newcomers.

Shelby County Mayor Roy C. Nixon has been impressed with Harold Ford's first-year performance as a member of Congress. "I have found him to be one of the most responsive elected officials for those things our office has contacted him on," says Nixon.

Mayor Wyeth Chandler isn't complaining either about Ford's record so far. He says the freshman representative "has generally backed the programs he has asked us to back and answered the questions we have asked him to answer."

Chandler, who has had at least one political spat with Ford over a mayoral appointee to the local housing authority, rates the Memphis representative as "very cooperative."

Harold Ford has come a long way up the political ladder since he was first elected to the Tennessee General Assembly in 1970. His family has been helpful in his climb to prominence.

His father, Newton J. Ford, 61, owns and operates a funeral home in Memphis. Ford's brother, John, is a member of the City Council and the state Senate. Another brother, Emmitt, is also a member of the state House of Representatives.

Ford got his first taste of politics almost 10 years ago when his father ran for a legislative seat from Memphis. It was a losing batle for the family patriarch, but the sart of a successful political career for Harold Ford.

The climb hasn't been all easy, however. In 1972, Ford, who was then a state representative, took a pauper's oath in circuit court contesting more than $2,000 in judgments against him in back debts.

Ford now earns more than $44,000 a year in salary as a representative. But even that salary doesn't make him a wealthy man, even with a travel allowance.

Ford's financial plight, the result he says of running for state representative, was "just one of those things.

"We've just about tied it all up now," he says with a smile.

The costs of running an operation like Ford's political machine are high. He comes home every weekend and the government pays for only half of those trips.

"The worst part of my work is traveling back and forth," Ford said. "That's why I can't bring my wife up to Washington every week."

The Memphis representative manages to save a few dollars by buying his $153.46 airline tickets in advance at a slight discount. And when he makes a weekend speech for a fee somewhere in the South, Ford usually gets a free ride on the airplane to Memphis.

Ford feels like he must keep making the weekly junket from Washington to Memphis, however. "You made a promise at the beginning of the campaign and you have to stick with it."

Although the money Ford earns is seldom enough to buy him a first-class airplane ticket home, he turned down a $1,000 campaign contribution from a group associated with a local bank in early 1975 even though he owed a campaign debt of about $6,000.

So the young representative is spending part of his time alone in Washington, part with his family in Memphis, and flying back and forth each week on airplanes he fears.

And how does he like being a member of the U.S. House of Representatives?

"I love it," he said.

"I don't think in terms of re-election," says Ford, but still this year's campaign is on his mind.

Local Republicans would like to recapture the seat in Congress they lost in 1974. GOP State Rep. Brad Martin is considered among those who might entertain the idea of tackling the incumbent under the right set of circumstances.

There also has been speculation that W. Otis Higgs, the former criminal court judge who ran second to Chandler in last year's mayoral election, might consider a race against Ford.

Ford, however, remains confident. He says his campaign network "is a little better organized now. With a year's experience and a good staff, the people will decide.

"I think the people will reward you."

GUN OWNERS SHOULD TAKE THE OFFENSIVE

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. ASHBROOK. Mr. Speaker, a propaganda war is being waged. The target is the law abiding American who owns a gun. It is an insidious battle. It creeps into panel shows on television. It is observed in cartoon after cartoon on editorial pages of our newspapers. It is written matter of factly into news stories. It crops up in biased polls.

The gun owner should strike back. He, too, must wage a determined battle against those who would encroach on his rights. He must insist that these same people who would take away his firearm turn their attention to the punk and thug who illegally use firearms, not the farmer, small businessman, or factory worker who poses no danger to anyone.

Typical of what I would like to see more of are these responses from two constituents. First, Dick Rench, realtor and gun enthusiast from Norwalk, Ohio, recently fired off this letter to Washington:

DECEMBER 31, 1975.

DEPARTMENT OF THE TREASURY,
Bureau of Alcohol, Tobacco and Firearms, Washington, D.C.

GENTLEMEN: Just received this date a large poster printed and mailed at Government expense stating "The Theft of Firearms by Criminals Is on the Rise".

How right you are; however, it is not the fault of us gun dealers, but the ridiculous way criminals are released, even after repeated offenses. Every gun shop that I have been in the past few years has electronic burglar equipment that rivals the largest banks to prevent burglary. The truth is it only keeps the honest persons out.

Criminals steal guns and will continue to do so. This is why the Guns Control Act is not working. I suggest that you send a large red poster of the type I received to all judges in the United States advising them that "Soft Judges Make Hard Criminals."

Please direct your work against the criminal and not give us gun dealers more paperwork.

Sincerely,

RICHARD E. RENCH,
President.

Mr. Speaker, this letter hits the issue right on the head. More of this should be done by the thousands of gun owners who are being assaulted daily in the press and by the liberal special interest groups and organizations. Congratulations to Dick Rench.

In the Mansfield, Ohio, News-Journal, I have noted an increasing number of letters to the editor both pro and con on the antigun issue. Let us get that straight right off the bat. The antigun people would like to label their battle as one of gun control. It is not gun control, it is an antigun drive. It may take the form of a restriction here, a requirement there or a proposal for bureaucratic study but it all adds up to the same target and that is a nationwide drive against firearms.

This letter by David H. Schuck typifies the type of letters we should be writing to newspapers everywhere in the country.

[From the Mansfield (Ohio) News-Journal, Dec. 8, 1975]

I have just finished reading Rod Blahnik's letter on "tough federal gun laws." In it, Mr. Blahnik writes about "the big money gun lobbyists" and implies that the people swaying our legislators against gun control are not legitimate voting citizens. I believe that, like many people today (including Rep. Conyers), Mr. Blahnik has lost his grip on reality. If you want to see which side of the issue the big money is on, check out the assets of Sen. Ted Kennedy as well as the membership rosters of anti-gun organizations such as Fund for Animals and Friends of Animals.

Living in today's society, we have been told time and again that, when confronted by a mugger or rapist or burglar, we should do whatever he asks, give him all he asks for, and then, hopefully, he'll let us go unharmed. After all, we are told, no possession is worth risking life and limb. Well, I'd say that it is a pretty sad state of affairs when people won't defend what is rightfully theirs. It is even sadder when they can't. Gun control would not take weapons out of the hands of criminals; it would simply deprive the honest citizen of an equal chance against the armed criminal, and rob him of the right to defend himself, his family, and his home.

What this country needs is not more "tough federal gun laws," but tougher judges, fewer legal loopholes, and bigger prisons. Too many people today are concerned about the poor, socially-deprived criminal. It's about time we started worrying more about his victims and how they may defend themselves against him. The police can do nothing until the crime has already been committed.

DAVID H. SCHUCK.

Mr. President, the nationwide drive against firearms is a part of the overall propaganda battle which has been waged during the past decade. The liberals would turn everything upside down. The FBI, CIA and the police are the problem in society. The muggers and rapists are the victims of not only the police but also society and the antiwar activists and radicals who brandish machine guns and use dynamite are the visionaries of our time. The draft dodgers in Canada and Sweden are the true Americans, those who went to Vietnam were misguided at worst and stupid at best. All authority is bad and therefore the children should tell their parents, not vice versa, the prisoners should dictate terms to the jailers, the students tell the teachers and the welfare classes tell the productive worker what he must give them. Laugh if you will but it is deadly serious. Conservatives are bad guys, the liberals alone care. The United States is the threat to the world, the Communists and the beggar nations called the third world will straighten things out. And yes, the average law-abiding gun owner is the threat, the criminal is not. Do not think this is Alice in Wonderland. This is the propaganda battle in which you are engaged today and the stakes are very high. Get into the fight, Mister Gun Owner and use the legal means you have to defend your rights.

U.S. MUST MOVE FORWARD ON ILLICIT DRUG CONTROL PROGRAM

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. RANGEL. Mr. Speaker, the CONGRESSIONAL RECORD of December 8 included a detailed statement by the distinguished Senate Majority Leader Mike MANSFIELD which was quite critical of our country's international drug enforcement efforts. The Senator uses an article entitled "The Drug Enforcement Agency Abroad" which appeared in the November Foreign Service Journal as a basis for much of this criticism. His analysis of our drug policy together with certain erroneous assumptions must, I feel, be brought to the attention of this body lest we revert to totally unsatisfactory measures for dealing with this most crucial matter.

The Senator finds fault with our international cooperative drug enforcement efforts and cites instances where U.S. officials displace local law enforcement agents in apprehending drug traffickers. Such action, he claims, creates a cloud of ambivalence with respect to our foreign policy and he alludes to the Journal article which cites "DEA catching criminals—including American criminals—while U.S. consulates try to protect U.S. citizens' rights to the fullest." To conclude on this basis, as the Senator does, that this country bears the responsibility for the mistreatment of its own citizens jailed on narcotics charges is without foundation.

Mr. Speaker, as an active advocate of penal reform in our own country, I would be the last to condone reported acts of brutality inflicted upon our citizens incarcerated in other countries; to this extent, I strongly support investigations which have been undertaken by several of my colleagues on the issue and am as concerned as they are for a prompt redress. At the same time, however, we must insist on the apprehension of those who are feeding this deadly poison to our Nation's youth regardless of what side of the border they come from. The fact that leaders of many nations can come together and effect such control efforts should be a recognized achievement and not negated.

Mr. Speaker, the distinguished Senator's statement could not come at a more inopportune time. The Senate Subcommittee on Foreign Operations will soon be considering the funding level for our contribution to the United Nations Fund for Drug Abuse Control—The Fund—and it is imperative that we at least continue our contribution at the present funding level. Through The Fund we have been most effective in impacting on those campaigns designed to interdict and eradicate illicit narcotics throughout the world. Crop replacement, air and ground surveillance to guard against unauthorized poppy planting, and the U.N. Central Training Unit are examples of activities that The Fund has provided.

In connection with the training function, it is important to note that both Customs and drug enforcement officials have been invited to participate and have, according to the United Nations, contributed an invaluable service to the program. Our international cooperative efforts simply cannot be minimized. High level reports and my own direct involvement with leaders of other nations suggest that we must intensify our efforts in educating others in the international arena on ways by which we can, together, effectively control this deadly menace.

Our contribution to the fund is minimal in comparison with the tremendous cost to this country's community-at-large both in taxpayers' dollars—now estimated to be $12 billion and upward—and the untold number of broken homes and other forms of human suffering that the problem of drug abuse causes. To further illustrate my point, I need only to bring to my colleagues' attention a summation of a social cost study which was prepared several years ago by the Special Action Office for Drug Abuse Prevention. The study reported the following:

SOCIAL COST STUDY

HEALTH COSTS

Under this category, the number of primarily drug-related emergency room visits, and inpatient general care and mental hospital days devoted to the treatment of drug disorders accounted for almost $200 million.

PRODUCTIVITY LOSSES

For those drug abusers who are employed or looking for work, productivity losses of approximately $1.5 billion can be assumed based on the number of drug-related deaths and consequent foregone earnings; number drug-related inpatient hospital days resulting in foregone productivity costs; and estimated number of unemployed individuals whose unemployment is associated with drug use.

CRIMINAL JUSTICE SYSTEM COSTS

The proportion of state and local police salaries, estimated share of state and local legal, court and corrections costs and federal correction costs devoted to drug-related crime and offenders totals $620 million.

PROPERTY LOSS

The drug-related social cost of income-producing crime committed to support heroin habits is estimated at $6.3 billion. This figure is derived by multiplying the number of addicts times the days per year of heroin use times the average cost per day of habit times a fencing factor for stolen goods.

DIRECT PROGRAM COSTS

Government and private efforts devoted to drug abuse education, treatment, rehabilitation and drug traffic prevention cost an estimated $1.1 billion annually.

Mr. Speaker, given the foregoing, I find it difficult to conceive how we can provide the necessary resources and wherewithal to join hands with an adversary in order to explore the unknown and at the same time listen to suggestions that we turn inward in our battle against drug abuse. To breach a number of agreements that we have made over time, which require that we join with the international community in resolving this problem, would be an affront to our neighbors around the world and a disservice to the American people.

THE URGENT NEED FOR FULL EMPLOYMENT LEGISLATION

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. HAWKINS. Mr. Speaker, I would like to call the House's attention to the excellent editorial appearing in today's New York Times. This editorial describes the crisis situation confronting the Nation in terms of the eminent exhaustion of unemployment benefits of 2.5 million workers during the first quarter of 1976. The Times then goes on to point out the urgent need for full employment legislation introduced by Senator HUMPHREY and myself, together with Representative REUSS, and cosponsored by over a hundred other Senators and Congressmen, H.R. 50 and S. 50, which draft legislation should be ready in revised form within 1 or 2 weeks from this date.

The editorial follows:

UNINSURED JOBLESS

The State of New Jersey's intention to borrow $300 million from the Federal Government this year to keep its overstrained unemployment insurance fund from going broke is dramatic evidence of the crushing burden joblessness is putting on employers, who pay the taxes to support the Federal-state job benefit system.

New Jersey, with an unemployment rate far above the intolerably high national level, already owes Washington $400 million in funds it borrowed to defray past shortages. It is one of 16 states which, along with the District of Columbia and Puerto Rico, are currently in debt to the Federal Government because direct payroll taxes from their recession-hit industries are insufficient to meet the benefit load. The total borrowing by these states now exceeds $2 billion. Unless Congress approves higher employer taxes recommended by the Administration, the combined deficit in Federal and state trust funds is expected to pass $22 billion by 1978.

Even more distressing in human terms is the rapid rise in the number of idle workers who are exhausting all the payments to which they are entitled without yet being able to find new jobs. The normal six-month maximum for benefit payments has been extended to 15 months through a series of Federally-financed emergency programs authorized by Congress and approved by President Ford.

Yet, even with these liberalizations, the Labor Department estimates that upward of 2.5 million workers will use up all the benefits for which they are legally eligible in the first quarter of 1976. Neither the White House nor Congress plans any further extensions—in part, because constantly extended benefits paid out of general revenues would negate the insurance principle and convert the system into a variant of public welfare.

The hardships which mass exhaustion of benefits will inflict on workers and their families, plus the spreading crisis in state insurance reserves, make it clear that the nation must accord much higher priority to full employment than does the President in his State of the Union and economic messages. Up to now the Democrats in control on Capitol Hill have been almost as derelict as the White House in this field, confining themselves to pie-in-the-sky programs with no real chance of passage.

However, Senator Humphrey says that the somewhat visionary Full Employment Bill which he co-sponsored in the last Congress is being rewritten along more realistic lines. To the extent that the revised measure offers genuine hope for putting the unemployed back to work without reigniting the inflationary fires, it will represent an invaluable contribution toward meeting the country's most pressing domestic need.

HOLY NAME HOSPITAL

HON. ANDREW MAGUIRE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. MAGUIRE. Mr. Speaker, Holy Name Hospital of Teaneck, N.J., recently marked its first 50 years of dedicated service.

The Holy Name Hospital School of Nursing is the largest hospital school in New Jersey, and the devotion and humanitarian approach of the nurses and doctors, under the direction of Sister Evelyn, indicates the service that all those who have needed help have received from Holy Name Hospital.

The regional hemodialysis center, the institute of prenatal studies, the self-care unit, and the poison control center meet and respond to the needs of the community in an extraordinary manner.

Teaneck's Holy Name Hospital and all its centers of study, research and services are geared toward improving the quality of life of all people.

The Holy Name Hospital will continue to serve, in the years ahead, in its traditions of care and caring.

NEW WORK FOR PUBLIC WORKS

HON. RAY ROBERTS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. ROBERTS. Mr. Speaker, I have recently noted with great interest an article in the Corps of Engineers' Water Spectrum magazine by our esteemed colleague, BOB JONES of Alabama, the chairman of the Committee on Public Works and Transportation, who has long been nationally recognized as an expert and leader in the programs under the jurisdiction of his committee.

Mr. Speaker, I insert for the RECORD a copy of the article contained in the Water Spectrum, and I recommend it to all Members:

NEW WORK FOR PUBLIC WORKS

The House Committee on Public Works and Transportation exercises legislative authority over a broad sweep of national activities that profoundly influence the development of America and the lives of her people.

In the early life of the Nation, public works were linked directly and almost exclusively to the needs of commerce—roads, inland waterways, coastal harbors, and navigational aids. This initial emphasis soon broadened into new and more sophisticated forms of public works necessitated by the Nation's westward expansion and its growing interest in the markets of Europe and the Far East. Railroads received Federal land grants and the eastern rivers and harbors were overhauled to facilitate a growing maritime commerce. With the 1900's came realization that the arid lands of the West must be made fertile and the rivers harnessed. A new era of public works began and Congress turned its attention to irrigation and dams and flood control projects.

Until 1946, House involvement in the areas of public works came under the jurisdiction of four separate committees—Rivers and Harbors (established in 1883), Roads (1913), Flood Control (1916), and Public Buildings (1837). In 1946, the functions of the four committees were consolidated into subcommittees of a new Committee with the broader title of Public Works.

In recent decades there have been various alterations in the structure of that Committee, with the most significant being this year's reorganization. The former Public Works Committee was expanded to include two new areas—civil aviation and all surface transportation modes except railroads. Now, with six subcommittees on Water Resources, Surface Transportation, Public Buildings and Grounds, Economic Development, Investigations and Review, and Aviation, our all-important challenge is to make the optimum use of both public works and transportation investments. Our Public Works and Transportation Committee wants to use careful planning to give the future a more rational shape.

THE COMMITTEE AND WATER RESOURCES

Our efforts in this Congress are directed toward three major areas: employment, economic development, and planning for the future. In writing this article, I want to discuss the significance of public works and transportation policy as related to these three areas and the pivotal relationship of water to all our activities.

The Committee plans to work toward the most efficient and beneficial use of the Nation's water resources. This focus includes a reexamination of the means by which water resources projects are formulated and evaluated; consideration of adequate water supplies, deepwater port programs, and improvement of our inland waterway system; and an investigation of the Federal Government's role in waterborne transportation. I will comment on each of these Committee considerations.

Some modifications of the Water Pollution Control Act Amendments of 1972 (Public Law 92-500) are being considered in this session, but a decision on the majority of proposals is being deferred until the National Commission on Water Quality submits its report on the economic, social, and environmental effects of achieving the effluent limitations required by 1983. Additional legislation on water resources development may be required this year—depending on the submission of Corps of Engineers project reports. Also, under the authority of Section 80 of the Water Resources Development Act of 1974, the Water Resources Council is studying the principles and standards used in formulating and evaluating water resources projects and the means of dividing Federal and non-Federal cost sharing for such projects. Its recommendations of major importance to the future of water resources development, are expected later this year.

More specifically, the Committee wants to consider multiple methods for flood control and water pollution abatement. For example, we should be able to more efficiently plan tht Nation's highway construction so that roadfill can also function as a levee or be used protectively to block and concentrate polluted sediment until it can be treated. At 42,000 miles and a projected cost of $76 billion, the Interstate Highway System is the biggest public works project ever undertaken. The role of a project of this magnitude cannot be overestimated in terms of its effect on the Nation's growth patterns. We should be able to locate and extend these highways so that they function as an integral part of our total investment planning. Highways and waterways, as the physical links between communities, can be used to influence community planning and thus alter population growth and economic development.

Airports can be planned to complement the characteristics of the surrounding land and water. Airports are often located on flood plains and even more frequently are sited next to rivers or harbors. Planners should more carefully consider the effect of the airport on the surrounding flood plain—it is likely that a facility of this size would increase the elevation and velocity of flood waters and thus magnify flood damage.

The Committee also wants to consider the design and construction of deepwater ports under the provisions of the Deepwater Port Act of 1974. The purposes of this act are to regulate commerce, promote efficiency in transportation, and protect the environment by establishing procedures for the location, construction, and operation of deepwater ports.

Improvements in the navigability of the Nation's harbors and streams also merit our consideration. This is particularly important now because of current economic and energy conditions and because about 60 percent of the freight moved on inland and intracoastal waterways is coal and petroleum products. The growth and expansion of water-based industries has traditionally been linked to the successful operation and maintenance of waterways and harbor facilities. Such industries provide an abundance of low cost basic materials for consumer goods industries and indirectly generate additional jobs and higher incomes. Industrial expansion also raises the taxation base of a community, which in turn helps provide local schools, hospitals, roads, and other community services. Modern highways permit workers residing in localities remote from a river to commute daily to jobs in these water-related industries. Thus, the mutual benefits shared by public works and transportation are many.

A long-range goal of our expanded Committee is to submit an overall plan of improvement for the inland navigation system that will maximize its net contribution to the Nation's total transportation system. It is important to maintain the dimensions and operating conditions of waterways so that they are safe and economical for waterborne commerce, but we do not want a disproportionate investment of time and effort on any particular navigation feature.

AN EMPLOYMENT PLAN

The Committee's long-range focus is economic development through "investment planning." By way of further explanation, we want to implement programs that will develop depressed areas and increase employment. And we can use public works and transportation policies to do so.

Among the pieces of legislation intended to stimulate employment is the Emergency Local Public Works and Capital Development Investment Act of 1975. It authorizes up to $5 billion for direct, 100 percent grants-in-aid to State and local governments for construction, repair, or other improvement of local public works facilities—projects of the type which can be initiated promptly and which will have an immediate impact on local unemployment. Stipulations are that each project must stimulate employment and be started within 90 days after grant approval. An additional feature is that the project will be automatically approved if a decision is not made on the application within 60 days after receipt. I consider passage of this type of legislation to be a clear signal that Congress is determined to break the rising spiral of unemployment.

ECONOMIC DEVELOPMENT

As long ago as 1935, the National Resources Committee wrote that regional planning should "confine itself to dealing with the physical resources and equipment out of which socio-economic progress arises." At the time, the Federal Government's only point of entry into regional planning was through water resources. If water resources were developed for a multiplicity of uses within a watershed, it was hoped that social and economic advances would spin-off from that development. Thus, the physical setting for regional planning was always a major drainage basin organized for comprehensive resource development.

The overall strategy in developing the existing regional planning commissions was threefold: to alter supply characteristics by investment in the public infrastructure; to encourage new private investment and thereby induce self-generating growth; and to prevent re-emergence of depressed area problems by establishing Federal-multistate institutions with powers to initiate and coordinate regional plans and guide regional economic growth. The consensus developed that long-term economic planning for lagging regions was relatively ineffective if individual States operated economically only within their own boundaries and if Federal-State cooperation was molded by narrowly conceived bilateral deals between individual agencies and States. Multiple agency Federal involvement was seen as the genuine answer to the social and economic problems generated by unemployment and persistently low incomes within a multistate region.

Thus, an entirely new dimension in U.S. regional planning began in 1965 with the Public Works and Economic Development Act, which authorized the Coastal Plains, Four Corners, New England, Ozarks, Upper Great Lakes, Old West, and Pacific Northwest Regional Commissions, and the Appalachian Regional Development Act of 1965.

The Appalachian Regional Commission has jurisdiction over all of West Virginia and parts of 12 States extending along the Appalachian ridge from New York to the northern tiers of Alabama, Georgia, and Mississippi. In this Congress, Federal support of economic development programs in the 13-State Appalachian region is being continued through a renewal bill that authorizes $300 million for the highway program and $340 million for non-highway programs, such as pollution control, timber development, and special projects in the areas of health, education, and housing.

PLANNING FOR THE FUTURE

All of the current legislation—on water resources, employment, and economic development—stresses a Committee emphasis on planning. Here is where a public works and transportation investment policy becomes crucial. Too often in the past similar projects have been used merely to "catch up" on the problems created by unplanned urban expansion, rather than as a force to shape more orderly growth of communities. However, there are steps we can take to make our declining rural areas and our decaying central cities—which share the problems of unemployment and a depressed economy—more attractive places to settle.

For example, we can make it more attractive to build high-density housing in the inner city to accommodate the smaller families and single individuals we expect would want to congregate there if suitable facilities were available. Also, better transportation links to rural areas can bring them within the orbit of the cities. And, we can switch planning for mass transportation systems from demonstration- to service-oriented programs. As an example of this program transition, the personal rapid transit system developed at West Virginia University's Morgantown campus can be converted into a viable transportation alternative for that city. The personal rapid transit system, generally referred to as PRT, is a sort of hybrid monorail and minibus, using fixed railways to guide small, driverless, computer-controlled cars. With a capacity of only 3,300 riders per hour, PRT is not to be regarded as a substitute for the faster, high-capacity rail systems, but it can be a convenient way of moving persons around downtown areas, airports, and campuses.

In formation of a public works and transportation policy, there are certain problem areas. For example, the Federal Government must come to terms with the inequality of public spending as it relates to different modes of transportation. This investment imbalance reflects a lack of comprehensive planning and policy oversight at different levels of government. It is all too obvious that we need to work on establishment of a consistent national policy on Federal sources of investment funds for transportation.

The related question of transportation subsidies is also complex and controversial—one that will not be quickly resolved. But the Committee wants to look at the problem and consider the various methods of equalizing Federal investments. One proposal is to tax all fuel used for commercial shallow-draft shipping and recreational boating on navigable waterways constructed and maintained at Federal expense. This proposal, along with others, will be reviewed by the Committee in its study of Federal and non-Federal cost sharing for water resources development.

Clearly, all transportation modes—air, land, and water—have a role to play in the total national requirement to move commodities and people, and each mode has unique advantages given a particular transportation objective. Frequently overlooked in the competition among models is the fact that waterborne commerce must continue to play an ever-increasing role. Multimodal transportation planning should not be considered just in relation to urban development—the role of waterways in population redistribution must also be emphasized. Similar to highways, the waterways have opened formerly isolated areas to initial commercial development. This ongoing industrial expansion is vital to maintaining economic growth. Thus, the quality of the Nation's overall water management program is critical to maintaining a viable economy and the improving quality of life.

U.S. HOUSE OF REPRESENTATIVES COMMITTEE ON PUBLIC WORK AND TRANSPORTATION

(Chm-Robert E. Jones-Ala.)

Water Resources

(Chm-Ray Roberts-Tex.)

Economic Development

(Chm-Robert A. Roe-N.J.).

Surface Transportation

(Chm-James J. Howard-N.J.).

Investigations and Review

(Chm-Jim Wright-Tex.).

Public Buildings and Grounds

(Chm-Teno Roncalio-Wyo.).

Aviation

(Chm-Glen M. Anderson-Calif.).

Flood control and improvement of rivers and harbors.

Measures relating to Capital Building and Senate and House Office Buildings.

Measures relating to construction and maintenance of roads.

Measures relating to construction and maintenance of buildings and grounds of the Botanic Gardens, the Library of Congress, and the Smithsonian Institute.

Measures relating to construction of post offices, customhouses, Federal courthouses, and Government buildings within the District of Columbia.

Oil and other pollution of navigable waters.

Public buildings and improved grounds of the United States.

Public works for the benefit of nagivation.

Water power.

Transportation, including civil aviation, except railroads, railroad labor, and pensions.

Roads and their safety.

Water transportation subject to the jurisdiction of the Interstate Commerce Commission.

Related transportation regulatory agencies, except the Interstate Commerce Commission as it relates to railroads, the Federal Railroad Administration, and Amtrak.

Structure and functions of the House Committee on Public Works and Transportation.

RETAIL CLERKS OPPOSE GAS DEREGULATION

HON. AL ULLMAN

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. UDALL. Mr. Speaker, soon this House will take up the momentous question of whether or not to permit deregulation of the price of natural gas.

I am a strong believer in free market economics, but I recognize—as Adam Smith did—that this theory cannot function unless there is in actuality a free, competitive market. And the lamentable fact is that there is no free market in energy resources today.

Every Member of this House knows that deregulated natural gas would skyrocket in price—and every one of us knows that this will not be due to "free market" forces, but to the concentrated market power of the OPEC nations and the energy conglomerates.

A vivid letter I received from James T. Housewright, international president of the Retail Clerks International Association, describes the devastating impact of such a violent economic disruption. Mr. Housewright points out the human costs—at least 1 percent of additional inflation; several hundred thousand jobs wiped out; and an added $400 cost to the average American family—this year alone. And he points out where the money would go—as much as $14.6 billion to the gas companies in 1976.

The gas producers are not going bankrupt. Current price levels guarantee them an equitable rate of return on their investment. But to an administration dedicated to the principle that "the business of America is Big Business," a fair return on investment apparently is not enough.

I urge my colleagues to read this informative letter. Mr. Housewright speaks, not just for the 660,000 American members of his union, but for the 215 million Americans who would be penalized by the deregulation of natural gas prices. Our choice is not between a "fixed" price and a "free market" price. It is between an extortionate price fixed by the energy conglomerates and a fair price set by the American people, acting through their elected government. It is the duty of this House to side with the people.

Mr. Housewright's letter follows:

RETAIL CLERKS INTERNATIONAL ASSOCIATION,

January 14, 1976.

DEAR REPRESENTATIVE: When the Second Session of the 94th Congress convenes, you will be faced with a decision on whether or not the price of natural gas, now regulated by the Federal Power Commission, should be deregulated.

You have been told by the Administration and some powerful lobbyists that deregulation will be good for the economy, that jobs will be saved and that producers will have an incentive to produce gas. For the reasons that follow, the Retail Clerks International Union, which represents over 700,000 workers, strongly disagrees with this view and urges you to oppose any efforts to deregulate the price of natural gas, either temporarily or permanently.

According to a December 31 Library of Congress study, deregulation will cost consumers between $12.7 and $14.6 billion by the end of 1976 for no extra supply at all. According to the report, "This implies that an additional 8/10ths to 9/10ths of a percentage point will be added to the inflation rate, creating some form of energy shock. Ripple effects could enlarge this by at least 50 percent, causing the 1976 inflationary impact to be 1.2 to 1.4 percentage points. Employment would be several hundred thousand jobs lower than it would have been without this economic shock." In simpler terms, we have computed that an average family would be paying an additional $400 a year in higher prices due to deregulation as passed by the Senate. Frankly, our members and their families simply cannot afford this increase. Nor can our economy afford the increase.

It is unlikely that deregulation will provide producers with any additional incentive to end the shortage. It must be understood that the market for the natural gas producer is not competitive and that, therefore, prices will be set by monopoly power. The producers—that is, the major oil companies—that control most of the gas reserves in this country will continue to constrain supply in order to keep prices up.

The only way to protect consumers and provide producers with a fair rate of return is for the Federal Power Commission to continue to regulate prices in a just and reasonable manner. In addition, we would urge that you support efforts to extend regulation to the unregulated intrastate market, which so dramatically affects interstate commerce, so that all consumers and all producers can be treated equally.

We urge you, in the strongest possible terms, to oppose deregulation of any form.

Sincerely,

JAMES T. HOUSEWRIGHT,
International President.

THE CASE THAT PUT JIM CROW OFF THE BUS

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. CONYERS. Mr. Speaker, 20 years ago last December 1, the civil rights movement was launched. Mrs. Rosa Parks had boarded a bus in downtown Montgomery and taken a seat in the so-called no man's land, an area in the center of the bus which both whites and blacks could occupy, but which blacks had to relinquish to whites who had no other seats. A white man asked for the seat and Mrs. Parks refused. "I felt I was being treated wrong," she explained years afterward, "and I didn't have any other means of letting it be known that I objected to being treated as I was." She refused to move when the bus driver ordered her to. A few days later, stirred by the quiet courage of Rosa Parks, Edgar Nixon, leader of the Montgomery NAACP chapter, succeeded in organizing a bus boycott and obtaining the assistance of a young Baptist minister, Rev. Martin Luther King, Jr.

The segregation of buses in Montgomery ended within a year. And the resolve and organized will of black people there reverberated throughout the Nation. Rosa Parks is today a symbol of supreme courage. When asked why she acted as she did, Mrs. Parks responds simply by saying, she did what she thought was right. But the fact of the matter is, her action is a testament to the power of the single individual who takes a determined stand against injustice.

Nicholas C. Chriss eloquently recounts in the December 1, 1975, issue of the Los Angeles Times the story of that event as it happened then and as it is remembered by its participants today. Most were transformed by it, as was the Nation. I commend this article to the attention of my colleagues.

THE CASE THAT PUT JIM CROW OFF THE BUS

(By Nicholas C. Chriss)

MONTGOMERY, ALA.—It was 5 a.m. on a December day in 1955—cold, damp and dark—when one of the city's segregated buses rolled up to downtown's Court Square for a load of passengers—whites up front, blacks in the back.

The bus driver was edgy. There had been stories of a massive bus boycott, perhaps violence, to begin that morning by Montgomery's 50,000 black citizens. There was a crude, freshly painted sign on the square proclaimed: "People, don't ride the bus today. Don't ride it for freedom."

Across the street, with only three weeks until Christmas, a banner was stretched across the front of a department store, the Montgomery Fair. It read, Peace on Earth, Good Will Toward Men."

The bus stopped. The driver saw a lone Negro on the square, paint on his shoe and jacket. The driver opened the door cautiously. Are you gittin' on the bus?" he asked.

"I ain't gittin' on, till Jim Crow gits off." the black man replied. The driver closed the door and drove away.

The Montgomery bus boycott had begun.

The historic moment that had set it in motion had come four days before, on Thursday, Dec. 1—20 years ago today—when Mrs. Rosa Parks, a black, refused to give her seat to a white man on the driver's orders. Mrs. Parks, who was subsequently arrested, was the secretary of the local chapter of the National Assn. for the Advancement of Colored People and she had just finished a long day's work as a seamstress at the Montgomery, Ala. Fair.

Rosa Parks' arrest was a landmark in the movement to end Jim Crow—the tradition of segregation—in this country. It sparked what has been called the black revolution."

The fuse lighted by Mrs. Parks' arrest sputtered across the country in the years that followed, occasionally causing explosions of violence.

From it emerged the Montgomery bus boycott, which eventually broke the back of some of the city's harshest segregation laws, brought the bus company into bankruptcy and gave tangible signs of hope to blacks throughout the Deep South.

One year after the boycott began, on Dec. 13, 1956, the U.S. Supreme Court invalidated Montgomery's bus segregation laws.

The bus boycott gave birth to the Southern Christian Leadership Conference, the Student Nonviolent Coordinating Committee and the Congress of Racial Equality. It altered the work of the NAACP and the National Urban League, and gave rise to marches, riots, beatings, assassinations and legislation—all part of the struggle over something that was becoming known as the civil rights movement.

There had been another bus boycott, in Baton Rouge, La., a year earlier. And there had been other racial injustices, beatings, arrests, murders. But, for reasons no one has ever been able to explain fully, it took Mrs. Parks' arrest to mobilize the forces that had been bubbling beneath the surface for years.

Today, Mrs. Parks, known as the mother of the civil rights movement, is a secretary in the Detroit office of Rep. John Conyers Jr. (D-Mich.). She remains, her friends say, a humble and shy woman with a vast reservoir of courage.

Mrs. Parks had boarded the bus that day in 1955 around 6 p.m. at Court Square, after a long day of raising and lowering hemlines at Montgomery Fair. She had seated herself in a sort of "no man's land" in the center of the bus—a section that both whites and blacks used on a first-come-first-served basis.

In those days the bus driver had police powers bestowed on him by the city's bus segregation code. The driver that day was J. F. Blake, now retired at 62, after 32 years with the bus line.

"The very first mention he made of us vacating the seats, didn't any of us move," Mrs. Parks recalled recently in an interview.

She and three other blacks were in the no-man's-land of seats which, as the bus filled, they were expected to vacate in favor whites. A white man was standing near by, waiting for a seat.

He knew what was coming. He told the Negroes, "Y'all better make it light on yourselves and let me have those seats," Mrs. Parks recalled.

Jim Crowism had been around for a long time in Montgomery. No one suspected that Mrs. Parks would not move. The other blacks did. But she refused.

"I felt I was being treated wrong," she said. "I didn't have any other means of letting it be known that I objected to being treated as I was, and that's why I didn't move."

She was arrested by officers F. B. Day and D. W. Mixon, after Blake called the police. The officers asked the driver if he wanted to swear out a warrant for her arrest, or simply let her go after they took her off the bus. Blake chose the warrant.

Looking back on those moments, Blake said in an interview recently that he had no other choice because the bus line had ordered the drivers to carry out the city code.

Segregated bus seating, he said, "was a pain all the way you went."

"I couldn't see it a lot of times," he said, especially for crowded runs in black sections where the seats reserved for whites in the front of the bus remained vacant.

Mrs. Parks was booked at the city jail the day of her arrest and at least 50 persons, including a few whites, showed up to offer to sign her $100 bond. It eventually was signed by Edgar Daniel Nixon, head of the local NAACP and a fighter for black civil rights since the 1930s.

Nixon, now 76, is the man who, on the day after Mrs. Parks' arrest, first proposed the bus boycott. Today, he is an adviser to several housing projects in Montogomery.

Most of those who took part in the episode 20 years ago are still in Montgomery, including Blake, the police officers, the desk sergeant who booked Mrs. Parks and others.

It was Edgar Nixon who was responsible for bringing together the people who gave impetus to the boycott. They met at the Dexter Ave. Baptist Church two days after Mrs. Parks' arrest. The pastor was a 25-year-old minister named Martin Luther King, a man with a divinity degree from Boston University, steeped in the philosophy of Thoreau, Hegel, Kant and Gandhi.

King had gained some repute in Montgomery for his speaking abilities and Edgar Nixon chose him to lead the boycott in the Montgomery Improvement Assn. Nixon, a longtime churchgoer, knew a good speaker when he heard one, and he had heard King in August.

"I turned to a friend," he recalled recently, "and, after we heard Rev. King speak. I said, 'Some day I'm gonna hang him to the stars.'

"We needed a leader who could speak. I suggested that we organize the bus boycott. I selected Rev. King as a spokesman. A lot of people think he started the boycott; people all over the world think that. But it was me. Course, I don't pay no mind. As long as the job got done. That's what was important!

A new generation has grown up since the day Edgar Nixon signed Mrs. Parks' bond, and its members may have difficulty recalling the temper of the times.

But during the week of the arrest and the start of the boycott—just those few days—the mutilated body of an NAACP leader was found near Schulenberg, Tex., and the Ku Klux Klan gave another NAACP leader in Elloree, S.C., one day to leave town.

Also that week, 37 black garbage men failed to show up for work one rainy day in Montgomery. They were being paid $6.60 a day.

And in neighboring Georgia, Gov. Marvin Griffin kicked up a segregation storm because Georgia Tech was scheduled to play Pittsburgh in the Sugar Bowl. The Pittsburgh team had a black second-string tailback. If the game took place, Griffin warned, "The relentless seas will rush in and destroy us. The South stands at Armaggedon."

A. B. Champion, a white citizen in Montgomery, became so incensed by the black boycott that he wrote a letter to the Montgomery Advertiser, the local newspaper: "I can tell you what Alabama needs. It needs an 1860 model Ku Klux Klan, and I would like to be the one to call the signals." The Klan reportedly had its beginning in 1860.

Champion is 82 years old now, and has suffered two heart attacks. His wife said he was sunning himself in the back yard and probably should not be questioned about the boycott. But, she added, "We are real Southerners."

G. J. Ruppenthal, Montgomery police chief in 1955, had little to say during the boycott and less to say today. He refused to be interviewed.

Ruppenthal was the city's first Roman Catholic police chief and therefore was under some suspicion in this largely Protestant area. He once ordered one of the city's two black policemen to accompany Edgar Nixon home with $700 collected at a mass boycott rally. There were rumors that Ruppenthal had sympathy for the blacks. Today he is a Circuit Court bailiff in Montgomery.

The Rev. Ralph Abernathy, who worked side by side with Edgar Nixon and King, and was King's companion during the civil rights movement, today is leading a march in Mississippi on behalf of a black youth sentenced to death in the slaying of a white woman.

W. A. (Packy) Gayle, mayor of Montgomery in 1955, has been dead about 10 years. Clifford J. Durr, one of the whites who offered to sign Mrs. Parks' bond, died a year ago. K. H. Bagley, the bus company manager, also is dead.

One of the more interesting figures in the boycott episode was Juliette Morgan, a white librarian who gained brief national fame for a poignant letter she wrote to the Montgomery newspaper in which she sympathized with the black bus boycott:

"It is hard to imagine a soul so dead, a heart so hard, a vision so blinded and provincial as not to be moved with admiration, at the quiet dignity, discipline and dedication with which the Negroes have conducted their boycott."

Miss Morgan committed suicide about a year later. According to some reports, she did so because of harassment from whites.

Mrs. Jo Ann Robinson was the woman who wrote the first pamphlets about the boycott that flooded the black areas. She now lives in Los Angeles.

The pamphlets showed up in the Negro sections on Saturday but it is unlikely the proposed boycott would have received major publicity had not a story about it appeared on the front page of the Sunday Montgomery Advertiser.

NAACP leader Edgar Nixon had tipped off Joe Azbell, the Advertiser's city editor, about the boycott. The four-paragraph story of Mrs. Parks' arrest Thursday had appeared on Page 9 of Friday's paper. But as more information became available about the likelihood of a massive boycott, the story became more important.

Azbell's front page story Sunday outlined plans for the boycott and the details of the planning.

The next day, Monday, Azbell attended a mass meeting of 5,000 blacks at the Holt St. Baptist Church. He then wrote a column that surprised many whites because it praised the Negroes for their discipline and described the warmth and feeling at the meeting. Many whites had thought the meeting might erupt into violence throughout the city.

Azbell today is Alabama Gov. George C. Wallace's chief publicist, as he has been for years. It was he who coined the Wallace slogans "Send 'em a Message" and "Trust the People."

"It was an unusual period for me," Azbell recalled recently. He called the entire episode of Mrs. Parks' arrest and the bus boycott, including the eventual bankruptcy of the bus line and the eventual overthrow of the Jim Crow laws, a "$14 disaster" that could have been avoided with some understanding, or even some pragmatism, on the part of white leaders.

Mrs. Parks' fine and court costs for refusing to leave her bus seat amounted to $14.

Azbell was and still is a friend of Nixon, the NAACP leader who first had the idea of the bus boycott.

"And here I sit today writing speeches for George Wallace," Azbell remarked.

Another ironic twist may be the occasional meetings these days between Edgar Nixon and Clyde Sellers, the hard-line segregationist police commissioner at the time of Rosa Parks' arrest and the bus boycott. Sellers was one of the black community's toughest antagonists in those days.

They are probably the only two persons from the episode who still see each other regularly. Both are members of a senior citizens aid committee.

Nixon said he was introduced at a meeting of their senior citizens group, whereupon Sellers said, "I know that gentleman. We were on different sides of the fence then."

Nixon said he told Sellers, "Yes, and I'm not sure you still aren't on the same side."

In an interview, Sellers said, "I was a segregationist, and I'm still a segregationist, but I believe every man has his rights. The boycott's over and done with and dead and gone. It was a lost weekend. The only thing I hate is that Martin Luther King had to end up the way he did."

USE OF TERGITOL ON ROOSTS OF BLACKBIRDS

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. JONES of Tennessee. Mr. Speaker, earlier this week, the House passed, by unanimous consent, H.R. 11510, an emergency bill allowing the States of Tennessee and Kentucky an exemption from certain provisions of the National Environmental Pesticide Control Act.

That bill will allow both States to spray the chemical Tergitol on roosts of blackbirds in areas that are certified as emergency areas by the Governors of both States and the Secretary of the Interior. I would like to take this opportunity to commend the bipartisan effort on the part of both the Tennessee and Kentucky delegations that made the passage of this bill possible.

Speaking for my own Seventh District of Tennessee, this legislation is extremely important to the people of west Tennessee. They have been attempting to combat this growing nuisance for a number of years without much success due to the interest in the eradication of the birds from several out of State animal protectionist organizations.

I would like to take this opportunity to share with this body the problems that these flocks of birds have posed for my area.

They have inflicted an enormous amount of economic damage on my district and the districts surrounding mine, represented by my colleagues, Mr. ALLEN, Mr. BEARD, and Mr. HUBBARD. Tennessee Commissioner of Agriculture Ed Porter, reports farm losses of $1 million per day due to the presence of the birds.

More importantly, they have posed an even more dangerous health hazard to the people who live in these areas. In Milan, Tenn., there is a roost of these birds that contains an estimated 8.5 million birds. Their droppings have been proven to be carriers of the debilitating disease histoplasmosis. During the past year, 13 cases of this disease were reported in the Milan Hospital. Let me add that there is no known cure for this disease.

This enabling legislation was an extreme measure, but due to the severity of the situation, a necessary measure. At the outset, the issue surrounding the eradication of the birds seemed to be of an environmental and economic nature, but as time progressed, health quickly became the overriding issue. There could be no more of the time-consuming action required by court orders.

Time has been of the essence and with each passing day, the possibility of another child or an adult, for that matter, being struck with histoplasmosis, has grown greater and greater.

I am hopeful that the eradication program can be undertaken as quickly as proper certifications by Governors Ray Blanton and Julian Carroll are made. On behalf of the people of Tennessee, I would like to offer my thanks for the responsive action taken by this body.

THE PRESIDENT'S PRAYER BREAKFAST

HON. MILLICENT FENWICK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mrs. FENWICK. Mr. Speaker, at the President's prayer breakfast this morning, during which our colleague, Representative RICHARDSON PREYER, presided, and Senators ALLEN and HATFIELD spoke, the President quoted Benjamin Franklin in a passage particularly relevant to our deliberations in this House.

The President said:

> Benjamin Franklin, addressing himself to religious faith and worship of God in the society in which he lived, told the framers of the Constitution: "Without God's concurring aid, we shall succeed in this political building no better than the builders of Babel. We shall be divided by our little, partial, local interests. Our projects will be confounded and we ourselves shall become a byword and a reproach down to future ages."
>
> Often, as I walk into the office, I realize that man's wisdom and strength are not sufficient, so I try to practice the truth of proverbs 3:5–6: "Trust in the Lord with all thy heart; lean not on thine own understanding; in all thy ways acknowledge Him and He shall direct thy path."

NEW NATURAL GAS NOT WORTH 42 TIMES THE REGULATED PRICE

HON. ANDREW MAGUIRE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. MAGUIRE. Mr. Speaker, my friend and colleague from New Jersey's Second Congressional District, William J. Hughes, put the controversy over regulation versus deregulation in proper perspective through his testimony January 22 before the House Interstate and Foreign Commerce Subcommittee on Energy and Power.

Working with the General Accounting Office's own estimate of obtainable production additions available through deregulation within 3 years, Congressman Hughes concludes that the 400 billion cubic feet of natural gas has a hidden price tag of $22.50 per thousand cubic feet. This contrasts with the current average regulated price of 53 cents per thousand cubic feet.

And that, Congressman Hughes testified, is a conservative estimate.

It did not consider the near certainty of a new price increase that would surely be dictated by the OPEC oil cartel which would be in the driver's seat once deregulation occurs.

Mr. Hughes, in his statement, offers alternatives to capitulating to the international oil cartel and its multinational oil corporation partners.

I commend Congressman Hughes for his presentation and urge, Mr. Speaker, that our colleagues consider the issues he raises which I submit at this point in the Record:

Statement of the Honorable William J. Hughes

Mr. Chairman, distinguished Members of this Subcommittee.

It was predicted six months ago that by now we might be meeting to discuss long-term resolution of the natural gas emergency amid the backdrop of industrial plant closings and thousands of new unemployed.

As the representative of an area with numerous factories that use natural gas as a feedstock, the thought of such a prospect is best not dwelled upon.

From all indications, most if not all sections of the country will likely ride out this winter's shortage originally forecast to be as great as 52 percent of the contract commitments of several interstate pipelines.

A warmer winter, some say.

Add to that emergency purchases of natural gas by interstate pipelines, the utilization of more expensive fuel substitutes and, I would add, the scrutiny of this and other Congressional Committees, and this winter's supply picture has considerably improved.

Now those who overstated this winter's emergency are advising this Committee that our long-term interests are best served by deregulation, phased or sudden. These deregulation advocates include not only the gas industry but the Federal Energy Administration and the reluctant regulators at the Federal Power Commission as well.

I suggest, Mr. Chairman, that they are guilty of overstating their case once again.

I do not doubt that production is declining, that is obvious. What I do question is the industry's assessment at how we arrived at where we are today and where we go from here.

Deregulation in the absence of government access to the same reserve and production data available to the industry and the authority to order maximum production or lose lease rights on existing federal lands would, in my opinion, be sheer folly.

It is no less attractive in the phased setting as contemplated by the Senate passed Pearson-Bentsen bill, S. 2310. Because in the present non-competitive market in which oil prices are set, immediate or phased deregulation is tantamount to a surrender announcement to the oil exporting nations.

Clearly, we cannot permit our energy policy to be determined by nations that produce oil for 11 cents a barrel and sell it to us for $12.

THE COST OF DEREGULATION

In the last few weeks, in separate reports issued by the Library of Congress and the General Accounting Office, we are able to assess the economic trade-offs that would follow House agreement to the Pearson-Bentsen bill.

The GAO, citing what it believes are obtainable goals under deregulation, forecasts a difference of an additional 400 billion cubic feet of natural gas over what would be produced in three years should regulation continue.

The Library of Congress' December 31 estimate of the first-year impact of gas deregulation to consumers is in the range of $12.8 to $14.9 billion for little, if any, additional supply. This is because of the two to three year lead time between accelerated exploration and marketing of new commercial quantities of gas.

What we would not have to await is an energy shock throughout the economy.

The Library of Congress further estimates the ripple effect of $13 to $15 billion as likely to produce an inflationary rate of between 1.2 and 1.4 percentage points. Unemployment is forecast to increase by several hundred thousand.

And for what? To transfer dollars from consumers to producers on the somewhat shaky premise that these mega-bucks will be invested in starches for new gas supplies in sufficient quantities to make it all worthwhile.

Further, we have no guarantee that this new found wealth would be reinvested in exploration at all. It could just as easily be used to purchase department stores or a three ring circus.

A commendation is in order at this point to the Chairman and the majority on this Subcommittee who drew the line on deregulation and, instead, approved limited deregulated sales to interstate commerce for this winter season and next.

Because despite what those in the industry say publicly, Mr. Chairman, this issue has not been studied to death and won't be as long as this Committee continues to have its requests for reserve and production estimates denied on grounds of protecting proprietary information.

AN ALTERNATIVE TO CAPITULATION

My constituents and those of many other Congressmen are on the receiving end of interstate pipelines. In the case of my South Jersey district, we have one pipeline, one distributor and no choice.

In the next few days, I will be introducing for reference to this Subcommittee legislation which in my opinion will insure maximum domestic production at lowest possible consumer prices.

It presents an alternative to capitulation to the OPEC cartel and the major multinational oil companies by establishing a fair price for natural gas and procedures to end the wasteful misallocation of this precious resource that has resulted from the lack of a uniform and coherent national policy.

Most importantly, it would end uncertainty. As long as producers believe there is a good chance that they may enjoy deregulated prices tomorrow, they are not likely to strive for maximum production today.

First and foremost, the bill establishes parity between the interstate and intrastate markets by setting a single pricing system for all gas.

Prices set by the bill would be adjusted for inflation, and could be raised by showing the Federal Power Commission that actual costs are not recouped but, aside from these adjustments, will remain in force for five years.

Other sections establish a fair system for allocating existing supplies throughout the country, incorporates conservation features and, provides for the forfeiture of non producing leases, and, as even deregulation advocates now endorse, phases out the use of natural gas as a boiler fuel.

Philosophically, I do not advocate tight government regulation. In a competitive industry, the fewer controls the better—the market will set the price.

But we need only examine the most commonly cited argument for deregulation to expose the myth of competition in the oil and gas industry.

21 YEARS OF REGULATION

The most absurd assertion, usually compounded by the appearance of a full page ad is that the Congress and the Federal Power Commission are responsible for the present crisis by keeping prices artifically low through 21 years of federal regulation.

Up until 1968, when President Nixon was elected on a pledge to reduce federal regulation, we had all the natural gas we thought we could possibly use.

The producers, the pipelines and the distributors couldn't sell it fast enough. They entered into 10, 15 and 20-year contracts. Discounts were given to builders who agreed to pipe in gas to housing developments.

For many years after the Supreme Court ordered the F.P.C. to regulate gas prices at the wellhead in 1954, the industry continued to get a better price on the interstate market than within producing states.

This remained the case until late 1970 when interstate gas was sold at a good profit for an average price of 29 cents per thousand cubic feet in both markets.

Proven reserves in fact peaked at 292.9 trillion cubic feet in 1968 but, despite significant price increases in recent years, continues to decline.

Coinciding with a decline and revision of reserve estimates was a gradual shift to the unregulated intrastate market which became a stampede in the winter of 1973 where gas producers were obtaining cartel prices.

Since 1970, more than 90 percent of reserve additions in the lower 48 states have been dedicated to the intrastate market.

In the meantime on federal lands, where gas discoveries are by law dedicated to the interstate regulated system, discoveries and production continued a rapid decline.

Which brings forth a second industry argument, that of industry concentration. It is said that there are some 30,000 producers; that the four major oil companies control but 24 percent of the market and that the 8 largest firms 42 percent, low when compared to other industries.

INDUSTRY CONCENTRATION

Dr. David Schwartz, former Assistant Chief of the Office of Economics at the Federal Power Commission, draws an important distinction between market holdings and new reserves. In the latter category, an FPC study found that the eight largest natural gas companies which, not incidentally, are among the largest oil producers, control between 62 percent and 99 percent of new reserves depending on the gas field involved.

And there are not 30,000 producers operating offshore where the Interior Department through witless leasing policies has assisted industry concentration to a handful of major firms.

Eight major firms control 70 percent of the available known supplies of natural gas onshore and offshore South Louisiana, four of which hold nearly 50 percent; the eight largest firms in the Texas Gulf Coast control 90 percent of available new gas not yet under contract there, the four largest just under 80 percent.

In the combined fields, eight majors control three-quarters of the new gas finds with the concentration ratio around 50 percent for the four major firms. An eight firm concentration ratio of 50 percent or more is generally regarded as indicative of non-competitive structure within a given industry.

Is it really any wonder, then, given the level of industry concentration in our regulated offshore waters, that these are not being produced with all due haste? The prospect of total deregulation by 1981 as contemplated by the Pearson-Bentsen bill and an initial price hike to $1.60 per thousand cubic feet would make it all worth waiting for.

More than 750 or 52 percent of the 1,497 leases in the Gulf of Mexico are in nonproducing status. Those that are, according to testimony before the Senate Antitrust and Monopoly Committee are operating at less than half capacity.

The number of leases in extended term, at last count, was 74. By law, the Interior Department is empowered to yank those leases and resell them to another buyer who can come across with a reliable production plan.

To determine why these offshore reserves are not being developed, I sought and was granted the right to intervene in current proceedings before the F.P.C. into the status of nonproducing reserves.

It was a real education. Producer witness after producer witness claimed equipment shortages, lack of capital and repair delays as excuses for nonproduction.

Yet while these producers were shouting equipment shortages to the F.P.C. across town, at the Export-Import Bank, international representatives for the very same firms were whispering surplus into the ears of those from whom they were seeking loan guarantees.

This, then, is the root of the suspicion of many in this country who believe we'll get all the gas we need domestically at $2.50 or more per thousand cubic feet, or whatever the escalating cost of Btu equivalent alternative fuels is six months or a year from today.

I do not share the belief that production will suddenly leap upon deregulation, but I am dead certain that whatever we do get we'll pay cartel prices for it.

AUTOS AND ENERGY

To the argument that the gas industry is no more concentrated than, say, the automobile industry, the obvious reply is that you can take a bus, ride a bike, or keep the repair shop happy. There are alternatives which automobile manufacturers must keep in mind in pricing their product, but there is only one commodity that can come out of the end of that pipe to heat your home or run our factories.

A constant supply of new energy, unlike a constant supply of new cars, has become a necessity of life. During this period of extreme shortage, thoughtful allocation of this resource is essential.

Unlike the auto industry, gas producers don't offer rebates to stimulate sales.

A final word on the implications of price fixing, especially as it bears on new contracts suggested by the few producers of Alaskan natural gas.

As a member of the House Judiciary Subcommittee on Monopolies and Commercial Law, I was recently furnished a copy of a classic cartel contract under negotiation between Arco and a California utility.

It said, simply, that in no case will gas be sold for less than the maximum price then being obtained by any supplier of Alaskan pipeline gas. Were I an antitrust lawyer at the Justice Department, I would gladly volunteer to prosecute that case.

These, then, are several arguments and rebuttals to deregulation.

It may be that what this nation needs is a restructuring of the oil industry rather than deregulation of natural gas prices.

As a member of the Judiciary Committee, I am currently reviewing the legal obstacles to the timely prosecution of antitrust suits. There is no reason why antitrust suits at the Federal Trade Commission and in the Justice Department should drag on for years without resolution.

The Judiciary Committee's Subcommittee on Monopolies and Commercial Law continues to hold hearings on legislation that would accomplish vertical and/or horizontal divestiture of the oil industry.

Pending the outcome of these hearings, it is a serious mistake to precipitously deregulate natural gas prices and further surrender the power of the government to keep any lid at all on prices.

THE GAO BLUNDER

In closing, permit me to comment on the principal conclusion, and therefore the principal blunder, contained in the January 14 General Accounting Office report entitled: "Implications of Deregulating The Price on Natural Gas."

Total new gas discoveries under deregulation would amount to approximately 400 billion cubic feet more after three years when compared to continued regulation.

This, trumpets the report, could reduce our oil imports by 750,000 barrels per day and improve our balance of payments by up to $3 billion.

While 400 billion cubic feet of natural gas sounds impressive in isolation it is, after all, only a two percent increase over the 19.4 trillion cubic feet of natural gas that the GAO estimates will be available under continued regulation.

The total additional cost to consumers under deregulation is estimated by the G.A.O. at $9 billion. So, for $9 billion, industrial, commercial and residential users would have access to an additional 400 billion cubic feet of natural gas which is the equivalent of $22.50 per thousand cubic feet.

Thus, for a two percent increase in natural gas supplies through deregulation the consumer would pay 42 times the current regulated price. And that is a conservative estimate.

Where the GAO report errs, fatally, is in forecasting figures based upon the preposterous assumption that the OPEC oil cartel, now in the driver's seat with deregulation, will not act to recoup any loss in revenues occasioned by a drop in U.S. oil imports.

The GAO compounds its error by assuming in the ten-year life of its study (1975–1985) that the international market will remain stable with no OPEC price hikes.

There are other serious deficiencies in the latest GAO report—assumptions which, I am sure, many on this Subcommittee have already challenged.

The report in assessing consumer impact, for example, considers a rise in natural gas prices to the Btu equivalency of crude oil (about $1.70 per Mcf) rather than to its actual rivals, propane and No. 2 fuel oil which have a Btu price equivalent of around $2.50 per Mcf. The latter estimate, again by the Library of Congress, is more reliable since it measures comparable fuels.

This accounts for the first-year impact difference of $9 billion by the GAO and the $12 to $15 billion price tag affixed by the Library.

Finally, nowhere does the GAO report examine the option of regulating the intrastate market as an alternative to the status quo or deregulation.

A final argument could be made that even 400 billion cubic feet at an exorbitant rate is better than no new gas at all. I disagree that we necessarily have to make such a choice.

Uncertainty is the real culprit. I am not convinced that this is an either/or situation. The establishment of parity between the interstate and intrastate system that provides for a good return on investment may very well be all that is required to again attract exploration investments.

In the final analysis, the central question is not as complex as the side issues.

What we must decide is whether we can afford to let an international oil cartel and the multinational oil corporations which owe allegiance to no nation determine our future energy policies. An industry that can set the price for gas and oil will ultimately determine the price for alternative fuels as well. An industry that powerful will soon be telling the government how much tax it will pay and under what conditions it will continue to supply this nation with energy.

Clearly this we cannot permit.

LEAKING OF INTELLIGENCE

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. HYDE. Mr. Speaker, this morning's Washington Post contained the comments of Eric Sevareid concerning the unfortunate situation we find ourselves in regarding oversight of our country's intelligence community. The leaking of the proposed report of the Select Committee on Intelligence to the media indicates a fatal weakness in permitting access to information concerning covert operations to large groups possessing varying degrees of reliability.

I should like to share Mr. Sevareid's comments with my colleagues:

COMMENTS OF ERIC SEVAREID

The Senate's doubt about Mr. Bush's suitability springs from his career in party politics . . . A more real question is his toughness. The CIA requires a man with a touch of ruthless, to keep the CIA activities within the bounds of common sense, but also to stand against the current crop of zealots, including some congressmen and their assistants who do not seem to care how badly this weapon for security is weakened in a rough world.

New supervisory monitoring machinery can be tried but it will not solve the dilemma of a democracy struggling short of war, but worldwide, with a totalitarian regime: The need for frequent secrecy versus the need of Congress and the public to know what is being done in the country's name. Solution is impossible, a better balance is not . . .

We've had CIA officials domestically breaking the domestic law in the name of some higher law of their own selection. We've had congressmen breaking solemn agreements with executives by leaking classified information in the name of higher laws of their selection. We've had journalists breaking their word on information received off the record by leaking it to other journalists . . .

And we've had much worse. We've had American zealots publishing the names of

American intelligence personnel, which in this time of terrorists everywhere increases the risk of kidnapping and murder . . . To do this is to commit the moral equivalent of treason, treason to the very humanitarian principles the zealots think they are upholding. When these agents die—and they are not all American nationals by any means—they die as anonymously as they live. So we may never know.

STATE OF THE UNION, 1976

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. HAMILTON. Mr. Speaker, I include my Washington Report entitled, "State of the Union, 1976":

STATE OF THE UNION, 1976

In the 188th State of the Union Message given by an American president, President Ford, appealing for a "new realism", struck the grand design of his 1976 campaign for the Presidency: a reduced role for government, the focus on domestic, rather than foreign affairs, a bigger defense budget, tax incentives to spur the economy, and the consolidation of many federal programs with more flexibility given to the states and localities in their use of federal money.

The President's address, which will probably be his most important speech this year, was substantially more upbeat than his address last year when he said that the State of the Union was not good. This year, taking a favorable view of the state of the nation's health, he said, "The state of the union is better—in many respects a lot better—but still not good enough." The prevailing tone of the speech was optimistic.

Repeatedly he used the Bicentennial theme and references to the founding fathers to call the nation back to the great principles upon which it was founded. He employed the phrase "common sense" often, drawing from Tom Paine's revolutionary war publication of that title. He stressed that America in the recent past has overreached itself, suggested that massive federal programs worsened the economy, and said that the time had come to start putting things right by slowing the increase in government's spending and trying to balance the budget in four years. He does not expect to reduce the size of government, but he wanted no massive new government incursions into society, and stressed that government must have modest ambitions. He carefully avoided any sharp changes in government policy that might disrupt the economy or the social system.

In his major new legislative proposals, he asked the second sesion of the 94th Congress to cut federal taxes by $10 billion, to slow the recent average annual federal budget growth rate of 10 percent to 5 percent with expenditures of $394.2 billion, to bolster the Social Security Trust Fund with additional taxes, to consolidate 59 Federal grant programs, and to provide tax breaks for family farms, small investors and small businesses.

The President took credit for the partial economic recovery and he confidently asserted it would continue, rejecting the claims of some persons who believe that the economic upturn may peter out or be swallowed up in a resurgent inflation. The health of the economy, he said, is dependent on a leveling off in the growth of government spending and a reduced role for government. Taking a dim view of the capacity of federal programs to produce jobs, he called on Congress to provide tax incentives for business to help create new jobs in the private sector.

By proposing a deflationary economic policy, the President is gambling that inflation is a more serious liability than unemployment (which runs counter to the traditional political principle that the unemployment rate is the most sensitive statistic in a campaign).

Reflecting his polling data, which show that his position on law enforcement was not clear to the American people, the President, in an unusually lengthy section of his speech, mapped his anti-crime proposals, including longer and mandatory prison terms and more federal prisons. He also followed the polls by focusing principally on the domestic economy. He devoted less than $1/6$ of his speech to foreign policy and called for military power without equal and an intelligence capability that is the best in the world. He was not specific on how he would reform the nation's intelligence services. Some of his sternest language dealt with his concern that Congress has imposed unwarranted restrictions on foreign policy. He appealed for "strong central direction" of American foreign policy.

Politically, it was obvious that the President was seeking to place himself on the conservative middle ground. He swiped at Governor Reagan's controversial proposal for a $90 billion cut-back in federal welfare spending by saying that we cannot drop welfare into the laps of state and local government. But he also rejected proposals that the federal government be the employer of last resort and that larger public jobs and public works programs be undertaken. He proposed a catastrophic health insurance program limited to the elderly and abandoned entirely his support for national health insurance.

The President is on sound ground in urging that the deficit in the Social Security Fund be closed. To shore up the Social Security System, which he said was headed for trouble, he called for an increase in the tax rate, but he reversed his position of last year and endorsed the payment to social security recipients of the full cost of living increase due this year. The debate in the Congress on this proposal will come on whether the increased taxes should be raised as the President suggests by higher taxes on workers and employers, or by a combination of a rate increase and a rise in the income base to make the tax change less regressive.

The chief criticism of the President's speech centers on what was not said. The unemployed are not given much hope. Neither are public institutions, like schools, hospitals, libraries, parks and transit systems. No mention is made of race relations or urban and rural development. Welfare reform was brushed aside as too complex. Foreign policy problems were ignored, as were the claims of those who want cleaner air and water.

The President's address was not especially challenging, nor was it intended to be. His speech reflects a modest vision of America, with no great plans to change American society, and a limited role for government.

SCRANTON, PA., CELEBRATES BICENTENNIAL

HON. JOSEPH M. McDADE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. McDADE. Mr. Speaker, last Saturday evening the Bicentennial city of Scranton, Pa., officially began its celebration of the Nation's 200th birthday with a gala community dinner dance at the St. Mary's Center in Scranton. This birthday ball was a sparkling way to kick off the community's Bicentennial, and it attracted a spirited crowd of over 750 residents.

It was my great privilege to address this distinguished gathering of Scrantonians, and, under the leadership of Bicentennial Coordinator David Wenzel and Bicentennial Citizens Chairman Betty Fleth, a number of our leading citizens participated in the evening's program. The Reverend Vernon Searfoss served as toastmaster for the evening and introduced a program of speakers such as Rev. Kenneth Trexler, St. Peter's Lutheran Church, and Rt. Rev. Anthony M. Rysz, Bishop of the Polish National Catholic Church; Hon. James J. Walsh, Lackawanna County court judge; Mrs. Jeanne Madden Martin, who led the group in song; Mayor Eugene Peters, and Miss Mary Savage, the Bicentennial Logo Award Winner.

Mr. Speaker, the city has adopted an ambitious program of events for the coming year that will involve all segments of the community and touch all phases of our Bicentennial program. In the coming months there will be special celebrations in our schools, a town meeting to openly discuss the needs and problems of the city, a "Trash Ball" combined with environmental improvement programs, recreation, and numerous other cultural, historical, and social activities, all designed to stress that the Bicentennial in Scranton will not be a spectator sport but will be open to participants from all across the community.

The city of Scranton has set numerous goals to making the Bicentennial a meaningful experience: to contribute to the national Bicentennial celebration, to establish greater civic pride, to reaffirm the ideals of the American Revolution, to increase our awareness of the rich cultural heritage of northeastern Pennsylvania, to improve the quality of life in America, and to leave a lasting reminder of the effort put forth by the citizens of Scranton.

A tremendous bicentennial salute should go forth to Scranton Mayor Eugene Peters, to Mr. Wenzel, and to Mrs. Fleth. Under their exceptional planning and leadership, last Saturday's kickoff celebration was a tremendous success. I know the people of Scranton can look forward to an exciting and enjoyable bicentennial year.

CONGRESSMAN CONYERS DISPUTES OFFICIAL UNEMPLOYMENT FIGURES

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. BADILLO. Mr. Speaker, President Ford unveiled his budget last week and, appealing to "commonsense," tried to justify an unemployment rate of 7.7 percent for this year and 6.9 percent for 1977. Such joblessness, he assures us, is necessary to fight inflation and "meet the test of fiscal responsibility."

Appalling as these figures are, they grossly understate the true level of unemployment. The Department of Labor calculates unemployment in such a way as to conceal its real extent, an unemployment rate closer to 15 percent. In an article on the Op-Ed page of the January 1, 1976, issue of the New York Times, my good friend and distinguished colleague from Michigan, Mr. JOHN CONYERS, JR., takes a hard look at unemployment figures, what they hide and what they mean. He calls to our attention the fact that, because of the Labor Department's method of computation, some 5.3 million discouraged workers who have been searching for jobs so long that they have stopped looking do not fit the official designation of unemployed and thus are not included in published statistics. He also points out that, by not taking into account the plight of the 3.6 million additional workers who are forced to work part-time because they cannot find full-time jobs, the published statistics further mislead us.

I found his humane and accurate assessment of our unemployment situation informative and helpful and would like to take this opportunity to share it with my colleagues:

JOBLESS NUMBERS

(By John Conyers, Jr.)

WASHINGTON.—Early this month, the Labor Department announced its latest statistics on employment in the United States. The number of jobless dropped from 8 million in October to 7.7 million in November, causing the unemployment rate to decline from 8.6 percent to 8.3 percent (a good sign!). At the same time, the number of jobs decreased slightly, from 85.44 million to 85.28 million (not such a good sign!).

These figures had to be disappointing to the Ford Administration, which hoped that the upsurge in jobs and production registered during the third charter of this year would continue. Nevertheless, it assured us that economic recovery was still rolling along. Just more slowly than hoped.

A closer look at the figures, as appalling as they are, reveals a chilling picture. The fact is that for millions of blacks as well as whites the job scene is incredibly bleak. The crucial statistic, the one showing the number of employed, remained almost motionless.

Even more critical is the fact that the Government's method for calculating unemployment is rigged, deliberately designed to conceal the true level, understating it by almost half.

According to the National Urban League, nearly 15 million persons (not the 7.7 million officially admitted by the Labor Department) are jobless, and the unemployment rate is 15 percent. For blacks, conditions are worse, for the official rate of 13.8 percent, when adjusted, soars to 26 percent.

How does the Labor Department slant the statistics? The method is fairly simple. It merely defines in very narrow terms who is unemployed and calls many people employed who are not, in any real sense.

Amazingly, millions who searched for jobs so long that they stopped looking are not considered officially jobless, because they don't fit the department's "unemployed" category (they must have looked for jobs within the four weeks preceding the monthly survey). Thus, in a stroke, some 5.3 million discouraged workers are written off the rolls.

Who else is omitted? The 3.6 million forced to work on the average half a week because they can't find full-time jobs but who, when asked in the monthly survey, say they would take one immediately if it were offered.

If we add the 5.3 million discouraged workers and just half the part-time workers (1.8 million) to the official 7.7 million, the number of unemployed soars to 14.8 million. For blacks the numbers surge from 1.5 to 3.1 million.

Who is called employed? The Labor Department includes the 3.6 million part-time workers. It also includes the unpaid family workers who don't receive wages but help on family farms and stores and share in the family income, generally because no other jobs are available. The department also labels employed those millions who work for wages beneath the official poverty line ($5,400). At present, over 25 percent of black workers in this country work for poverty wages, but they, like the part-time and unpaid family workers, land in the Labor Department's "employed" column, just as if they earned, say, $35,000 a year.

What does this mean? For those forced into part-time work, life is a daily search for more secure, full-time work with full-time pay. For those working for poverty wages, there is the incessant struggle to survive on that pay, as well as the realization that they must hang on to their jobs.

And for those luckier workers with better paying jobs, there is a vivid awareness that they must tame any demands for higher pay or improved work conditions.

For industry, the vast numbers of jobless, part-time and low-paid workers mean a huge supply of cheap labor when the business cycle picks up.

For obvious reasons, the Government must hide the extraordinary extent of unemployment, of wasted, idle lives and productive capacity. Indeed if the truth were known, the public outcry would be so great, so unrelenting, that it would be forced to act, to guarantee jobs now and at livable wages. And this is precisely what the present Administration is unwilling to do. Instead, it would leave the matter to the "market," to "supply and demand," to chance.

In fact, Government spokesmen now talk of acceptable unemployment rates in the 7 percent range. Yet only a few years ago, such pronouncements would have been attacked as intolerable. But since the Administration is aware that vast unemployment is the tool that allows big business to extract its profits it asserts that joblessness is an economic necessity.

To reduce the current "official" unemployment rate to 5 percent by 1985, over 37 million jobs are needed; 8 million for the present jobless, 15 million to accommodate the normal population increase, and 12 million more to compensate for those jobs lost because of technological advances in industry.

But over the last ten years, according to "The 1975 Manpower Report of the President," only 16.5 million new jobs were created, and most of these were in low-paying industries.

The task of public policy must be to turn that around, to put people to work for people, rather than for profits. Unless we act now and support legislation being proposed in Congress that would insure each worker, the right to a job the outlook for American workers will be only a replay of the present—No work, no wages, no self-respect and no hope of change.

NEW YORK: THE CRISIS STILL LOOMS

HON. DEL CLAWSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. DEL CLAWSON. Mr. Speaker, the "day of reckoning" for New York City can be postponed. That is what has been accomplished. But if the Federal Government continues to act in the apparent assumption that the reckoning can be permanently avoided it becomes a partner in the evasive tactics described in the column by George F. Will which appeared in this morning's Washington Post. The column follows for the information of my colleagues:

NEW YORK: THE CRISIS STILL LOOMS

(By George F. Will)

NEW YORK—An ominous question again is banking like a thunderhead on the political horizon. It is whether Washington should cough up yet another "final" installment of "emergency" aid for this city. In just six weeks the most recent "solution" to the city's crisis has begun to wilt.

That solution was the federal government's "Seasonal Financing Act." It was so named to convey the fiction that all the city needed, or wanted, was aid to help it through a hard but short "season." But the fact, which city politicians at least understood, is that the city won federal aid by making scary noises, not sacrifices. That guaranteed that the city would shun major sacrifices, and let the crisis become permanent—a crisis for all seasons.

In mid-October New York's Gov. Hugh Carey announced that the city had "exhausted all of its resources." In fact the city had not moved to cut expenditures or raise revenues by attacking the major middle-class subsidies—rent control which depresses the tax base; free tuition at City University; lavish pension plans for the strongest municipal unions. The city still has not seized these nettles.

(Zebras do not vote, so the city has closed the Bronx Zoo's zebra house. The city also is extending the sales tax to massage parlors.)

The city's charade of trying to avoid default—a charade that stopped short of major sacrifices—was part of a test of wills between the city and Washington. It was a test the city won easily.

In exchange for loans of $2.3 billion in each of the next three years, the city merely promised to balance its budget, and pay back each year's loan at the end of that year. The city buttressed this promise with encouraging projections of revenue increases and expenditure cuts.

At that time, a few sober persons asked two pertinent questions: Why does Washington believe that the city's promised economies will become real economies, and that its revenue projections, which are usually wrong (not to say crooked), are suddenly trustworthy? And what will Washington do if—when, really—it becomes apparent that New York City's promises regarding the money it borrows from Washington are no more serious than New York City's promises to people why buy its notes and bonds?

Already an independent auditing firm has told Washington that the city's current plans will not produce the promised balanced budget by 1978. Acording to the report, the city has made only $12 million of the $110 million in budget cuts it must make by mid-year. And the report warns that city revenues may have a $571 million shortfall over the next three years. The city also needs an additional $400 million to meet its cash requirements between now and June 30. Finally, the report says the city may need "additional permanent financing" from Washington in order to repay Washington's loans.

So, soon the Ford administration may be back at square one, squarely confronting this question: Why not force New York City to file for bankruptcy?

Six weeks ago the city won aid by successfully sowing the seeds of panic, saying that incalculable—but surely horrible—consequences would follow any default by the city on its debt obligations. But as part of that very aid deal—a deal struck to avoid an "unthinkable" default—the city declared a "moratorium" on payment of its short-term debt.

Although lawyers can draw a distinction between "default" and "moratorium," the distinction is about as important as the distinction (devised for the government's convenience during Vietnam) between "bombing" and making "protective reaction strikes." Because the city declared a moratorium, some people did not get paid when the city had promised to pay them. The city abrogated its contracts with note-holders, and it did so because it was politically easier to abrogate contracts than to raise taxes or cut expenditures.

But this default-called-moratorium did not reduce the economy to rubble. So when New York again comes to Washington as a mendicant, probably this spring, Washington should recognize that the "unthinkable"—orderly bankruptcy—is today, as it was six weeks ago, preferable to the alternative. The alternative is to allow the city to fasten itself on the nation's treasury like a permanent leech.

GRAIN SCANDAL SHOWS NEED FOR LEGISLATION—VI

HON. NEAL SMITH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. SMITH of Iowa. Mr. Speaker, on previous occasions I have called attention to the massive grain inspection scandal at New Orleans and elsewhere, and have pointed out the need for reform.

If any additional evidence is needed to support the arguments for strong corrective legislation, it is provided by two developments in the last several days.

In the first development, Federal officials, merely by chance, visited a huge supertanker docked near New Orleans and prepared to set sail for Poland with a cargo of 3.2 million bushels of corn.

The grain, worth millions of dollars, had already been inspected by a private firm licensed by the U.S. Department of Agriculture. The private agency graded the corn as No. 3 Yellow.

In fact, according to press reports, the corn was musty and contaminated with rocks, seashells, and other foreign material and should have been given a much lower grade.

As the ship was being inspected, three Federal inspection supervisors somehow became trapped in one of the cargo tanks. The inspectors, one of whom has played a leading role in uncovering the scandal, managed to escape.

According to news accounts, Federal officials are investigating to determine whether the supervisors were intentionally locked in the cargo hold.

The Polish tanker incident can only be described as astonishing and bizarre.

Before the ship left for Poland, Federal officials revised the cargo certificate to reflect the actual condition of the corn. This will provide the basis for purchase price revisions.

In the second development, shortly before the tanker left for Poland, a Federal grand jury in New Orleans returned indictments for bribery and conspiracy against three federally licensed grain inspectors.

The inspectors were employed by a State-chartered grain inspection agency at Baton Rouge.

For the benefit of my colleagues, I am inserting in the RECORD two articles by Mr. James Risser, a member of the Washington Bureau of the Des Moines Register.

It should now be clear to anyone who takes the time to study this problem that it is essential to reform the inspection system without further delay.

The House Agriculture Committee, late last session, voted to amend the U.S. Grain Standards Act to provide for Federal inspection of export grain.

The same provision, plus several other important changes which I feel are badly needed, is contained in a bill, H.R. 8764, which I have sponsored. While the House Agriculture Committee was working toward approval of a bill several weeks ago, the Senate Agriculture Committee announced that it would not act on any House-passed bill until a GAO report had been concluded. This delay until February also assured a further delay due to the Budget Act prohibiting action after January 1, 1976, on bills to be funded prior to October 1 of 1977.

The problems were already apparent and such a report should not have been a condition precedent to proceding with legislation. The fact that the Senate was determined to delay further action naturally torpoedoed progress on the House bill. It should now be even more obvious that further delay awaiting GAO reports is unnecessary and that action should be taken as soon as possible.

Following are the articles by the Mr. Risser, as well as a report from the New Orleans Times-Picayune of January 7 which is also of interest:

CORN CARGO MUSTY, DIRTY, CLARK SAYS

(By James Risser)

WASHINGTON, D.C.—A supertanker, docked near New Orleans, La., to carry grain to Poland, has been loaded with musty corn and corn containing rocks, seashells and other foreign material, Senator Dick Clark (Dem., Ia.) said Friday.

The Iowa Democrat said there is "substantial evidence" of "willful misgrading" of the 3.2-million-bushel cargo.

The corn was loaded last week at the Bayside Elevator at Destrehan, La., owned by Cook Industries, Inc., a major grain exporter. A cook spokesman said Friday the company believes the shipment was properly graded.

It was inspected and graded as "No. three yellow corn" by licensed inspectors of the Destrehan Board of Trade, a private inspection agency designated by the U.S. Department of Agriculture (USDA) to conduct inspections at the Cook elevator.

"The high-level of foreign material, rocks and dust clearly puts it into the lower-priced 'sample' grade," Clark said.

THREE LOCKED IN TANK

The Register also learned that three Agriculture Department supervisory inspectors who went aboard the ship last Saturday to check on the condition of the cargo became locked inside one of the tanks.

One managed to escape by wriggling through a small hole, and released the other two. Federal agents reportedly are checking into the incident to determine if the three supervisors were intentionally locked in by someone else.

One of those locked inside was Harlan L. Ryan, the grain division's field office supervisor in New Orleans, sources here said. Ryan has played a leading role in uncovering the continuing export grain scandal.

Clark, who was in Des Moines Friday, said in a statement that information about the grading discrepancy was uncovered by Senate Agriculture Committee staff investigators who have examined the ship and interviewed participants in the incident.

WASHINGTON TALKS

Clark said he has information that Cook officials have been in Washington, meeting with Agriculture Department officials on the matter. Representatives of the department's grain division went to New Orleans Friday to examine the cargo.

"In one hold of the ship, after licensed private inspectors had certified the grain as clean and had assigned a relatively high grade, federal supervisory inspectors found seashells the size of quarters, a pile of golf-ball size rocks that would fill a bushel basket, and substantial amounts of broken kernels and other foreign matter," Clark said.

"Another hold was filled with sour and musty corn—conditions which should have resulted in rejection by the licensed inspector," he said.

"A third hold disclosed a pile of corn screenings (small pieces of broken and damaged corn generally screened out of shipments) almost 25 feet high, and another contained a pile of pure corn dust that, I am told, had to amount to more than 10,000 cubic feet," said Clark.

SHIP STILL AT DOCK

The ship still is tied up at Cook's dock, while company and federal officials attempt to resolve the dispute.

Clark, who has been a leader in the congressional investigation of bribery, theft, misgrading, and misweighing of U.S. export grain, said. "There is no excuse for the high quality of grain being produced in this country being delivered to our overseas customers in less than the legally contracted condition."

A spokesman at Cook Industries headquarters in Memphis, Tenn., said "we do not know of any evidence of any problems" with the shipment.

File samples of grain retained by the Destrehan Board of Trade inspectors appear to uphold the grades assigned by the inspectors to the shipment, the Cook official said.

"ERRONEOUS, MISLEADING"

"We have appealed through the proper channels," he said, adding that statements claiming willful misgrading are "erroneous and misleading."

The spokesman said that Cook had a similar dispute with federal supervisory inspectors over another shipment about a month ago. Cook was upheld in an appeal to Washington, he said.

Both Cook Industries and the Destrehan Board of Trade are under investigation by the U.S. attorney's office in New Orleans and by a federal grand jury there, as part of the continuing probe into corruption in the export grian trade.

In testimony apparently unrelated to the Polish corn shipment, more than a dozen Cook employes appeared before the grand jury this week, it was learned.

Federal investigators suspect short-weighting and misgrading of grain shipped from the Cook elevator in the past.

[From the Des Moines Register, Jan. 20, 1976]

THREE GRAIN INSPECTORS INDICTED IN LOUISIANA

(By James Risser)

NEW ORLEANS, LA.—Three inspectors employed by a state grain inspection agency at Baton Rouge, La., were indicted by a federal grand jury Monday for bribery and conspiracy in the intentional misgrading of export grain shipments.

The three, including the chief inspector of the agency, made $67,000 in a six-month period by misrepresenting the quality of soybean shipments and sharing the profits with an elevator operator who participated in the scheme, the grand jury charged.

Named in the indictment were Dommenic Corrent, Jr., chief inspector for the Greater Baton Rouge Port Commission, and inspectors Anthony A. Danna and Edward M. Wyble.

The commission, a state-chartered agency, inspects, weighs and grades grain shipped to foreign buyers from the Cargill, Inc., elevator at Baton Rouge. All three are state civil service employes.

The new charges brought to 60 the number of inspectors, grain firms and grain company employes indicted in Louisiana and Texas in the past 17 months in a continuing investigation of corruption in the export grain trade.

It marked the first time that inspectors employed by a state-run agency have been accused. Inspectors previously indicted have been employes of private inspection firms, including boards of trades and grain exchanges.

Monday's charges are expected to be used by congressional proponents of all-federal grain inspection as evidence that state, as well as private, grain inspectors are susceptible to corruption.

Federal prosecutors said the investigation at Baton Rouge will continue and may produce more indictments. U.S. Agriculture Department officials are watching the situation closely and believe they may have to take over the commission's inspection duties.

The three inspectors were charged in a four-count indictment which could bring them sentences of up to five years in prison and $10,000 in fines.

The indictments were presented in Baton Rouge to U.S. District Judge E. Gordon West by U.S. Atty. Douglas Gonzales.

Meanwhile, a Polish tanker loaded with 3.2 million bushels of corn was given qualified clearance to sail from New Orleans Monday after grain inspectors turned over their findings on the shipment to federal investigators.

"The ship will sail promptly," said a spokesman for Cook industries, the giant Memphis, Tenn., grain export firm that owns the corn in the holds of the tanker Rysy II. The ship has been swinging at anchor since investigators for the Senate Agricultural Committee and federal supervisors claimed they discovered evidence the corn had been misgraded.

ENTERED INTO CONSPIRACY

According to the grand jury, Corrent, Danna and Wyble entered into a conspiracy in September, 1973, with Rufus J. Hebert, a Port Barre, La., grain elevator operator.

The three inspectors promised to "upgrade" soybeans which Hebert would ship to the Cargill elevator. As a result of a false high grade being assigned to the soybeans, Cargill would unknowingly pay Hebert for better quality beans than it actually received.

The inspectors then would collect from Hebert 20 to 30 per cent of the extra profit Hebert made as a result of the upgrading, the grand jury said.

In addition, it was alleged, the three inspectors "downgraded" other loads of grain coming into the Cargill elevator from other sellers so that the elevator's inventory records would match the quality of grain in the elevator.

PAID LESS

Some sellers apparently were paid less for their grain than they deserved.

Payments received by the three indicted inspectors from Hebert ranged from $500 to $9,000 on the 17 shipments of grain covered by the indictment.

Hebert's testimony before the grand jury was a key factor in Monday's indictment, prosecutors said.

Hebert pleaded guilty last fall to participating in a separate scheme involving the fraudulent sale of non-existent soybeans. He was sentenced to 30 days in prison, but the sentence later was suspended because of his poor health and because of his cooperation with the prosecutors investigating the Baton Rouge Commission.

INSPECTORS ARE LICENSED

All inspectors who examine and grade U.S. export grain, whether they work for private firms or state agencies, are licensed by the Grain Commission of the U.S. Agriculture Department.

While drafting a grain inspection reform bill last November, the House Agriculture Committee first voted to retain state inspection of export grain, largely on the strength of assertions by Representative W. Henson Moore, a Republican from Baton Rouge, that the Port Commission had been investigated and cleared of any wrongdoing.

However, after The Des Moines Register reported that the commission was still under active investigation, with criminal indictments imminent, Moore apologized to the committee for his error and the committee reversed itself, voting for all-federal inspection at export points.

The legislation is still pending in the House committee.

The Register also reported last August that the Senate Agriculture Committee had obtained Agriculture Department documents indicating a number of improper activities at the Baton Rouge Commission in the late 1960s and early 1970s, including:

Falsification of overtime work records by inspectors to obtain extra pay.

Acceptance by inspectors of dinners, football tickets, and other favors from grain and shipping officials in exchange for misgrading grain or certifying grain ships as being clean.

The rejection of a grain ship as being unfit for loading due to the presence of "water and rotten grain," followed by its approval one day later after commission inspectors and their wives were "wined and dined" by the shipowners.

Also, U.S. Atty. Gerald J. Gallinghouse of New Orleans has publicly criticized the Baton Rouge Commission managers for not responding to his warnings more than a year ago of corrupt activities by their inspectors.

[From the New Orleans (La.) Times-Picayune, Jan. 7, 1976]

CONGRESSMEN FAVOR CHANGE IN GRAIN INSPECTION SYSTEM

A congressional inspection tour of grain elevator operations here may result in a revamping of the present grain inspection system throughout the United States.

Four members of the U.S. House Agriculture Committee on the tour declared Tuesday they are strongly in favor of a change, and said their positions were reaffirmed as a result of their visit.

Claiming they will vote for legislation to replace private grain inspectors with an increased staff of federal inspectors were Reps. John Melcher, D-Mont.; Charles Thone, R-Neb.; and Tom Harkin and Berkley Bedell, both Democrats from Iowa. A fifth member of the visiting group, William Wampler, R-Va., also said he was leaning toward endorsing a federal inspection system, a reversal of a previously stated position.

The congressmen, on a three-day tour of Louisiana grain facilities, claimed they received new information here about the widespread nature of corruption in the grain industry.

The five congressmen said federal inspection at export elevators will almost certainly be included in a reform bill in the next session of Congress, which convenes Jan. 19. If that happens, three private inspection agencies which inspect grain in the New Orleans area would be put out of business and the Greater Baton Rouge Port Commission would lose its authority to inspect grain.

The congressional group visited the Destrehan elevator of the Bunge Corp. late Tuesday afternoon and observed the process of diluting high quality grain to meet federal grade specifications. Bunge was convicted of stealing grain systemically by shortweighing its customers.

Wampler said his change of position in favor of federal inspectors came following a briefing Monday from U.S. Attorney Gerald Gallinghouse, who is conducting a federal probe into grain industry corruption. The Virginia congressman said he was impressed with Gallinghouse's contention that the grain companies had not tried to clean up corruptive practices within the industry.

Eugene Moos, agriculture committee staff analyst, said Gallinghouse depicted the current system of federally licensed but private grain inspectors as so corrupt and filled with conflicts of interest that it had to be replaced with a federal inspector system.

PASSAGE OF LEGISLATION TO PROTECT CIA AGENTS IS NEEDED NOW

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. BIAGGI. Mr. Speaker, I have joined in cosponsoring legislation which will make it a crime to disclose information leading to the identification of U.S. foreign intelligence agents by both employees and ex-employees or other persons, including the press.

The death of station chief Richard Welch in Athens on December 23, 1975, raised a serious question concerning governmental protection for CIA employees and their families. Clearly some type of legislation is needed to prevent leaks of sensitive information endangering the lives of agents.

In November, the Athens News printed Mr. Welch's name and address in a list of agents known to be staying in Greece. One month later Welch was gunned down in Athens. He was 1 of 32 CIA officers known to have died in the line of duty since 1947.

The Athens News extracted its information from other publications, including "Counter Spy," a Washington based anti-CIA magazine which has in the last 2 years identified 225 intelligence operatives around the world. Other similar publications include "Fifth Estate," and books written by former CIA agents Victor Marchette and Philip Agee.

Prosecution of either employees or ex-employees would take place if any information had been disclosed "willfully." Prosecution of others would take place if the information was released with the intent or belief that the release would prejudice the safety of the individual agent. A maximum fine of $10,000 and a maximum sentence of 19 years or both would be established.

This bill in no way should be seen as a restrictive measure on the right to freedom of the press, but should be seen as a protective measure insuring the right to privacy and the basic right to life. A member of any governmental agency, whether he is an elected official or a U.S. intelligence agent, should be secure in knowing that his Government is providing for his safety and well-being.

The CIA is a governmental agency involved in a controversy concerning its functions now and its eventual role in governmental operations. Both the Senate and the House have been conducting wide range investigations into official activities and possible reorganization of the agency. Their final report will soon be released.

But this controversy should not cloud our responsibilities to the agency employees. The question of the future need for the operations of the CIA is in no way connected with the present need to provide their employees and their families with protection.

I, for one, feel that the certain limits probably should be set on the activities of the CIA, but the need for overseas intelligence gathering both overt and covert is as valid today as it was during the 1940's when the CIA was first established.

If Congress and the American people decide at a later date to drastically reduce or eliminate the operations of the CIA, then this legislation will not be necessary. However it is needed today. It is needed to protect those Americans employed in service to the CIA from being assassinated. It is needed to prevent their families from enduring the anguish and hardships which the Welch family was forced to endure. It is needed for our national security and ability to survive in international affairs.

As a former policeman I am fully aware of the importance of keeping secret, certain operations of undercover men and informants engaged in police work. Failure to adhere to the secrecy rules many times resulted in their deaths. The need to protect CIA employees is no less important, and in fact is very essential to our national security.

I consider this to be priority legislation which deserves the swift attention and approval of Congress. We must demonstrate to the beleaguered employees of the Central Intelligence Agency that their safety and well-being is indeed our concern.

FEASIBILITY OF A 3 PERCENT IN 3 YEARS UNEMPLOYMENT GOAL

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. HAWKINS. Mr. Speaker, I would like to call to the attention of the Members the following thoughtful and valuable memorandum prepared by Leon H. Keyserling, former Chairman of the Council of Economic Advisers, which deals with the question of the feasibility of reducing unemployment to 3 percent within 3 years of enactment of H.R. 50–S. 50, as revised—the Hawkins-Humphrey-Reuss Full Employment legislation:

Feasibility of Reducing Unemployment to 3.0 Percent Within 3 Years of Enactment of Humphrey-Hawkins Bill

(Leon H. Keyserling*)

The Humphrey-Hawkins *Full Employment and Balanced Growth Act of 1976* proposes, in its present form and subject to further discussions among its principal sponsors, that unemployment be reduced to 3.0 percent within not more than three years of the enactment of such Act. (Accordingly, the contents of this memorandum represent only the views of its author at this stage, and these views are still open to further consideration.) Even assuming enactment toward the end of 1976, this would be *nearly four years* from the start of 1976.

In a *Conference on Economic Progress* study, *Full Employment Within Three Years,* authored by Leon H. Keyserling and published for release on February 2, 1976, the goal of reducing unemployment to 3.0 percent by the end of 1978 (three years from the start of 1976) is accompanied by the estimate that this would require an average annual U.S. real economic growth rate of 9.5 percent during this three year period, which would import less than 9.0 percent if the period were extended to nearly four years as indicated above.

On page 8 of Business Week of February 2, 1976 (in an article *Is Samuelson drifting to the Right?,* and citing his view that a U.S. real economic growth rate of 6–7 percent would be just what the nation needs in order to rekindle [sic] inflation), reference is made to the views of Professor James Tobin of Yale University, former President of the American Economic Association, recipient of many other high honors, and one of the ablest former members of the Council of Economic Advisers. These views are set forth as follows:

"Tobin argues that, after coming out of the steep recession, a 6 to 7 percent rate is just too low a target to shoot for, and that, given the low level of capacity ultilization, the economy can grow *9 percent this year without any inflationary impact* (Italics added). Tobin wants fiscal and monetary stimuli to push the economy to this higher growth level."

Moreover, the *Humphrey-Hawkins* legislative proposal is not limited to "macro" fiscal and monetary measures, but in addition provides for a variety of specialized or "micro" measures to reduce unemployment. It also provides for a variety of measures to help restrain inflation. And the Keyserling study, referred to above, develops in detail the empirical evidence 1947–1975 that, contrary to the theory of the "trade-off", lower idle resources promote more price stability, and *vice versa*. On page 10 of Challenge, January-February 1976 issue, Federal Reserve Board Chairman Arthur Burns states: "Whatever may have been true in the past, there is no longer a meaningful trade-off between unemployment and inflation."

Dr. Burns further states in the same article:

"I believe that the ultimate objective of labor market policy should be to eliminate *all* (italics added) involuntary unemployment. This is not a radical or [sic] impractical goal. It rests on the simple but often neglected fact that work is far better than the dole, both for the jobless individual and the nation. A wise government will always strive to create an environment that is conducive to high employment in the private sector. Nevertheless, there may be no way to reach the goal of full employment short of making the government an employer of last resort. This could be done by offering public employment—for example, in hospitals, schools, public parks or the like—to anyone who is willing to work at a rate of pay somewhat below the Federal minimum wage."

The author of this memorandum applauds this statement by Dr. Burns, except for complete dissent on all economic and social grounds to the proposal to depress all wage levels and standards by public example. The author is also puzzled as to how Dr. Burns can reconcile his awakening as to the invalidity of the "trade-off" with the persistent policy of the Federal Reserve Board, directed toward recurrent high levels of idle workers and other productive resources in the name of restraining inflation, but accompanied in fact by increased inflation.

The Keyserling study, referred to above, also develops the fact that the basic performance of the economy, in terms of employment, production, and sound and equitable distribution of real purchasing power and of goods and services, is more important than price trends *per se,* and that price trends are to be evaluated primarily by their effects upon these other objectives.

The *Humphrey-Hawkins* proposal is consistent with all of the foregoing positions taken in this memorandum.

In addition to Professor Tobin and the author of this memorandum, there are other leading economists who join in the position that a more rapid rate of real economic growth than the 6–7 percent rate of real economic growth forecast by the current national Administration (and some others) in consequence of its declared fiscal policies (and Federal Reserve Board policies) is necessary and attainable. For example, on page 54 of the Business Week of February 2, 1976 (cited above), Walter Heller and others are referred to as follows:

"Heller and other Keynesians stress the relationship between fiscal policy and economic growth. For the short run the liberals—including these who fully expect the recovery to keep to a six percent path—think the economy can afford to grow faster without any significant risk of higher inflation. With the amount of unemployment and idle capacity that the Administration itself forecasts for the next few years [note also its forecasts for inflation] liberals see no excuse for not pushing harder to end what they consider a waste of $150 billion or more a year in potential output [clearly now $250 billion or more (see Keyserling study, cited above)]."

Further support for the economic growth and reduction of unemployment set forth in this memorandum (consistent with the *Humphrey-Hawkins* proposal), the following forecasts of the consequences of adherence to the Administration's proposals are set forth in the above cited issue of Business Week.

Walter Heller (p. 51), former President of the American Economic Association and former Chairman of the Council of Economic Advisers, is skeptical as to whether even a 6–7 percent forecast is realistic without a money growth rate of 8–10 percent, above the upper end of Dr. Burns' 5–7.5 percent targets, and way above the 2 percent monetary growth rate of the past six months.

Otto Eckstein, President of Data Resources Inc., aware that the annual rate of real economic growth was only 5.4 percent in fourth quarter 1975, states (p. 51): "In terms of final sales, [real] growth this year [1976] will be about 4.6 percent—the lowest gain for any postwar recovery."

Lawrence Klein, President-elect of the American Economic Association, and head of Wharton-EFA Inc., predicts (p. 51) that real growth will drop to 4.0 percent in the second half [of 1976]."

Arthur Okun, former Chairman of the Council of Economic Advisers, states (p. 54): "What the optimists are saying is that we were 15 ft. under water before, and that by election time we'll be 7 ft. under water, and that's supposed to make everybody happy.

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* Chairman, Council of Economic Advisers under President Truman. President, Conference on Economic Progress.

With [as of November 1976] inflation still eroding incomes at a 6 percent rate, and unemployment still above 7 percent, I just can't believe that levels won't matter."

Business Week also says (p. 54): "Furthermore, liberals are not about to miss the point that Ford's proposed increase of 9 percent in defense spending and an allowance for an 18.7 percent increase in interest costs on the Federal debt [a poignant illustration of Federal Reserve Board policies] bite still deeper into funds available for civilian programs. After adjusting for these increases and inflation federal outlays would drop by 5.1 percent."

And Business Week further states (p. 55): "Gary Fromm of the National Bureau of Economic Research, for example, estimates that Ford's budget would cut next year's [1977] real growth rate by $19 billion, and other economists calculate it would cost the economy half a million jobs in 1977. To Klein of Wharton, who sees the economy flagging even without Ford's $395 billion spending ceiling, the new budget could tip the economy back toward recession."

These depressing forecasts—whether right or wrong in detail—reflect the wrong emphasis. Our national interests and future depend upon an immediate shift of emphasis from forecasts of what will happen to us if we continue to do the wrong things to progressive attention to what we can and must do to get the right results. This, in a nutshell, is the core meaning of the Humphrey-Hawkins proposal.

SENATE—*Friday, January 30, 1976*

The Senate met at 9:30 a.m. and was called to order by Hon. DALE BUMPERS, a Senator from the State of Arkansas.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Eternal God, in this reverent moment, before facing the pressing problems of state, or talking to one another, we would talk to Thee and hear again Thy "still small voice" deep within us. Help us to "be still and know that Thou art God"—reigning in majesty and holiness above all men and nations—but speaking in love and wisdom to all who open their lives to Thee. Into Thy hands we commit ourselves, our causes, our country. Keep us steadfast and true, pure in motive and clean in heart. Subdue all low impulses, and grant to us the higher grace of loving Thee with our "whole mind and soul and strength and our neighbor as ourselves."

We ask it in that name which is above every name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The second assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., January 30, 1976.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. DALE BUMPERS, a Senator from the State of Arkansas, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. BUMPERS thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Thursday, January 29, 1976, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations placed on the Secretary's desk.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

NOMINATIONS PLACED ON THE SECRETARY'S DESK

The second assistant legislative clerk proceeded to read sundry nominations in the Coast Guard placed on the Secretary's desk.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

Mr. ROBERT C. BYRD. Mr. President, I ask that the President be notified of the confirmation of the nominations.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(All nominations confirmed today are printed at the end of the Senate proceedings.)

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Does the Senator from Michigan desire to be recognized?

ADDITIONAL COSPONSORS OF SENATE RESOLUTION 302

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the Senator from Utah (Mr. GARN) be added as a cosponsor of Senate Resolution 302, a resolution to establish a select committee of the Senate to conduct an investigation and study of the extent, if any, to which criminal or other illegal, improper, or unethical activities are engaged in by any persons acting individually or in combination with others in the field of labor-management relations; and also add the name of the Senator from Arkansas (Mr. BUMPERS) now in the chair.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Utah (Mr. GARN) is recognized for not to exceed 15 minutes.

PRODUCTION OF MINUTEMAN III

Mr. GARN. Mr. President, last week, the President issued his budget, which by and large takes the correct direction with respect to our economic and defense problems. I was happy to see the modest increase in military spending requested by the President. The realities of the international situation, and the relative decline in our defensive capability over the last few years certainly justify that action.

In that connection, there is one aspect of the budget that has really upset me. That is the lack of continued funding for production of the Minuteman III ICBM. The reason for the elimination of this important program was not given, of course, in the budget message, and it is not yet entirely clear. Explanations given by the President's advisers at briefings on the budget, and appearing in the press, attributed to anonymous sources, have not made sense to me. Secretary of Defense Rumsfeld has made the most systematic attempt to defend the decision, and I will deal with his argument in a moment.

For a moment, Mr. President, I would like to discuss the Minuteman system, the strategic balance between the United States and the Soviet Union, as I see it, and the impact of elimination of the system on our defensive capability and on our economy.

To begin with, we need to consider the accords reached as a result of the first round of strategic arms limitations talks—SALT I.

Under the 1972 agreement, the United States was limited to 1,054 ICBM's, as compared to the Soviet limit of 1,618. These limits, besides being unequal on their face, ignored the fact that actual Soviet throw weight was many times greater than ours.

In the years following SALT I, the Soviet Union converted many light missiles to heavy ones, again increasing the disparity in throw weight, and both sides began to equip existing missiles with multiple independently retargettable reentry vehicles—MIRV's. The SALT I agreements did not place any limits on MIRV's.

The changeover from light to heavy missiles has been pointed out, among other things, as an example of Soviet violations of SALT I, and while I personally think it is a violation, that is really irrelevant. The important thing is that the disparity in throw weight has definitely increased, and our general strategic position is worse.

In response, Secretary Kissinger negotiated and President Ford signed the Vladivostok accords in 1974 which established limits on all strategic vehicles, including missiles, submarines, and airplanes, of 2,400 for each side, and limited the number of MIRVed vehicles to 1,320. While these numbers appear equal, I should note that there is no actual limit on throw weight, and no limit on the number of reentry vehicles which can be placed on a single missile. Obviously, the side that has more throw weight can install the greater number of reentry vehicles.

Vladivostok represented only an interim agreement, a target toward which both sides would work. It has not yet been submitted to the Congress, and is not at this time binding. Since November of 1974, Secretary Kissinger has been trying to reach a final accord in a second round of Strategic Arms Limitations Talks—SALT II. He has just returned from Moscow where he apparently negotiated some kind of definition of "light" and "heavy" missiles. But no real details are available at this point, and we would be foolish to build a foreign policy or defense strategy on the tentative results he might have reached. In any event, there have been clear indications that no proposals will be submitted to the Congress until after the November elections. For that reason, we should, in my view, proceed now in our own best defense interests, as long as we can later make whatever adjustments are necessary to meet arms limitations agreed to by the people and Congress of the United States.

Now, Mr. President, I would like to discuss the place of the Minuteman system in this framework of negotiations. At the present time, we have 1,000 Minuteman missiles in the ground. When this number is added to the 54 very old Titans also deployed, it is easy to see that we are within the limit agreed to in SALT I; and even when one adds the 656 Polaris/Poseidon missiles, and the 397 B-52's, which would also be included under the Vladivostok targets, we are well within the 2,400-missile limit.

Of the Minutemen in the ground, 550 are Minuteman III's, equipped with MIRV's. The rest are single RV Minuteman II's, some of which are as much as 10 years old. The Minuteman II's have known deficiencies which were not corrected because the original plan was to convert the total force to Minuteman III's. For one thing, they are not hardened against dust and debris on flyout. For the layman, that means that after there has been an attack on a missile site, the dust must be allowed to subside before the missile can be fired. For another thing, the Minuteman II cannot be automatically retargeted. It must be done physically, and takes as long as 24 hours.

In contrast, the Minuteman III is hardened against dust and debris, and thus can be launched immediately following an attack. In addition to the missile hardening, the Minuteman III system has the capability to be automatically retargeted within 36 minutes from the launch control center. The Minuteman II requires the crew to go to the silo itself to make any changes. Obviously, Minuteman III is vastly superior to the Minuteman II, and that is the reason that the Pentagon originally wished to continue to convert all Minuteman II's to Minuteman III's. Now it is clear to me that modification of the Minuteman II's would add significantly to our defensive capability over the short run. In the long run, of course, we will need some more survivable missile if we are to maintain a credible deterrent ability.

Now, Mr. President, I would like to examine the specific arguments against continuing Minuteman presented this week by Secretary Rumsfeld in his defense posture statement before the House Committee on Armed Services. To my knowledge, no one has treated these reasons in any detail, and since they appear to me to be somewhat defective, I would like to give them full attention.

To begin with, the thrust of Secretary Rumsfeld's remarks underline the precarious nature of our present defense capability, and the growing Soviet threat. For instance, the Secretary pointed out that the U.S.S.R. is "unwilling to practice restraint" in strategic arms development, and that even within present limitations, "a continuation of current Soviet strategic programs—could threaten the survivability of the Minuteman within a decade." Rumsfeld then went on to outline the costs of an entirely new missile system, and the length of time involved in getting one.

In the face of these facts, which to me seemed adequate justification for continuation of one of the most effective deterrent systems we have, Rumsfeld then went on to try to justify dropping Minuteman III production line. The arguments were three: First, additional deployments of Minuteman III missiles would not add significantly to our defense capability; second, any additional deployments of Minuteman III's beyond the 550 level would require offsetting reductions in Poseidon launchers; and three, Minuteman will in the future be vulnerable to the Soviet attack, and resources should be put into the next generation missile, the MX. I would like to consider these arguments in turn.

First. "Any additional deployments—of Minuteman III's—beyond the current level of 550 would not add significantly to the U.S. military capability." Of course, Mr. President, a great deal turns on the word "significantly." I am not certain what that means to Secretary Rumsfeld, but let me point out a few of the advantages of Minuteman III over Minuteman II, and let every Senator judge for himself.

The Minuteman II's are not hardened against dust and debris, while the Minuteman III's are.

Mr. MORGAN. Mr. President, will the Senator yield at that point?

Mr. GARN. I am happy to yield to the Senator from North Carolina.

Mr. MORGAN. Would the Senator explain to me what he means when he says hardened against dust and debris? I think that is a term most of us do not follow.

Mr. GARN. That is a good question. To the layman, it means that after a Soviet first strike, we would not be able to fire our missiles until after the dust kicked up by the nuclear explosion had subsided. As the Senator knows, a nuclear explosion puts a great deal of dust into the air, the ordinary dust we see around us and the debris created from the explosion itself. This dust has a very corrosive effect upon the skin of the missile and actually wears the skin away as it moves through the air, particularly just after takeoff. It affects the guidance system, makes it inaccurate, and it also affects the warhead.

So our Minuteman II's are subject to this sort of destruction, while the Minuteman III's have hardened cases against this, maintaining their accuracy and their warheads.

Mr. MORGAN. I thank the Senator.

Mr. GARN. The reentry vehicle, as I have just explained, is hardened also against electromagnetic pulse, thus protecting the warhead against the electrical discharges that would accompany a missile attack against our missile silos.

The III is much more accurate than the II. In fact, it is the most accurate of all our missiles, including the Poseidon and Trident. This is increasingly important as the Soviets increase their numercial lead in reentry vehicle.

The Minuteman III can be retargeted in 36 minutes or less, as I have noted. This is particularly important in reaching time-sensitive targets, such as unfired missiles. Since most of the Minuteman II's are probably aimed at such targets, time is of the essence.

Tests have indicated that the Minuteman III booster may have a longer life than the boosters on the Minuteman II's, some of which are 10 years old. Use of the III booster on the II missiles will extend the life of the whole system into the late 1980's.

Use of Minuteman III boosters on the II missile would significantly increase the range of the missile.

Some of these factors were mentioned on the same page of the posture document on which the Secretary claimed that additional III's would not add "significantly" to our capability. Well, in my view, these advantages are significant enough that further deployment would be worth the relatively minor costs.

Second. "Under the provisions of the Vladivostok understanding, additional deployments of Minuteman III would require offsetting reductions in Poseidon launchers in the 1980's." Now there are two things to be said about this argument. The first is that the Vladivostok accords have never been submitted to the Congress, and are not binding on the United States.

Mr. MORGAN. Will the Senator yield again for another question?

Mr. GARN. I am happy to yield.

Mr. MORGAN. Something that I am not quite sure of is, what are the limits under the original SALT I agreement and also the Vladivostok agreement, what were the limitations?

Mr. GARN. Under the 1972 SALT I agreements, we were limited to 1,054 ICBM's and the Soviets to 1,618.

The numbers were unequal to begin with, but equally ignored is the greater throwweight the Russians had, even if there were equal numbers. Therefore, they were able to carry more MIRV's or other warheads within each missile, and SALT I did not even consider the MIRV's.

So we are way behind in numbers as well as throwweight and the actual warheads.

At Vladivostok in 1974, a limit on total strategic weapons was agreed to. The limits included planes, missiles, and submarines. The limit was 2,400 on both sides, both the Soviets and our side.

At Vladivostok, they also agreed to limit MIRV's to 1,320 on each side.

I emphasize again, as I have just said, that Vladivostok was never submitted to the Senate and is not binding. It is simply an agreement in principle.

So we are starting, in my opinion, to unilaterally move backward when the United States has no binding agreement with the Soviets.

Any limitation we observe because of Vladivostok is a self-imposed limitation. My understanding of those accords is that they were targets toward which SALT II would work. The work is going on, but it is unclear how much progress is being made. In the meantime, it appears to me that we are foolish to limit ourselves to an understanding of future action which might never take place.

The alternative possibility is that there is a SALT II agreement already reached by Secretary Kissinger. If so, it should be submitted at once to the Senate for our deliberation and ratification. If there is not, let us stop acting as if there were. On January 14, the Associated Press reported that the administration will not submit any new treaty to the Senate for ratification until after the November elections. Well then, let us wait until after the elections before we make a decision to cut off our only missile production line.

But, Mr. President, even if Vladivostok were binding, the MIRV limits would still not affect deployment of 700 Minuteman III's until 1982, at the very earliest. The limit agreed on at Vladivostok was 1,320 MIRV's. At the present time, we have 550 Minuteman III's and 432 Poseidon missiles, for a total of 982 MIRV's. If we were to continue replacing Minuteman II's with Minuteman III's at the present rate, we would reach the 700 level by the end of 1978. At that time, we would also have 496 Poseidons, for a total 1,196 MIRV's. At that time, the Trident is scheduled to come on stream, but not until almost the end of 1982 do its missiles push us past the 1,320 MIRV ceiling.

Now, I hasten to point out that the whole Trident system is uncertain at this point. Originally, the production schedule for Trident called for one submarine in 1979, two in 1980, one in 1981, two in 1982, and so on. But according to a briefing by Assistant Secretary of Defense Terence McClary on January 20, that production schedule has already begun to slip. Only one ship a year will be produced for at least the first 4 years, he says. That would push the breach point back to 1984 or 1985.

Now, it is possible that SALT II will reach some sort of lower MIRV limit, or a freeze on Minuteman III's at 550. Should that happen, it is a relatively simple and inexpensive operation to replace the MIRV system on the Minuteman III with a new single reentry vehicle which would give us what amounts to a vastly improved Minuteman II, with all the capabilities of the III, except the MIRV. The important point is that our flexibility would have been preserved, where the present plan cuts off all our options.

Third. "Since Minuteman will become more vulnerable in the future, any additional resources should be invested in the development of a new, larger and more survivable ICBM," again quoting Secretary Rumsfeld. That logic, Mr. President, if carried to its logical conclusion, would mean that we should stop funding the Poseidon/Trident system, the B-1, or any other strategic system, since eventually all of them will become vulnerable. We have a capital investment in Minuteman of almost $20 billion. It is incumbent on Congress to protect that investment, and the best way I know to do it is to make the small expenditure that maintains its viability. The worst thing to do is to throw it away.

Now I would be the last to argue against a new generation of missiles. I do indeed think that we will need one. But even the most optimistic forecasters admit that there can be no follow-on missile before 1984, and as Federal budgets get tighter and tighter, the chances are very great that it will not be available that soon. What are we to do in the meantime? The flexibility I have mentioned, coupled with the silo upgrade programs provided for in the budget, gives us a much better chance of having a surviving missile force. The Minuteman missile could likely be adapted to an MX-type mobile system as well, providing additional survivability.

In sum, Mr. President, the arguments given for not funding the Minuteman III in the fiscal year 1977 budget do not stand up. If anything, they can be turned into strong arguments for continuation of this important program.

Now let me make it clear what I am asking for. In my view, it would be best to move as rapidly as possible to a Minuteman mix of 700 III's and 300 II's. However, if for some reason that is not found to be possible, let us by all means keep the production line open, by producing Minuteman III boosters and guidance systems to replace the present Minuteman II's.

One of our senior military officials, with major responsibility for strategic systems, put it this way in a recent memo to the Pentagon:

> Continued production and deployment of Minuteman III provides at least a modest counter to the extensive Soviet development of new ICBM systems, and gives us some hedge against the uncertainties of the future.

He went on to point out that once the Minuteman production line is closed:

> It will never reopen and production of a follow-on system may not begin for years. I don't think our country can afford that gap.

Nor do I, Mr. President.

Back in the early 1960's, Secretary of Defense Robert McNamara sold the country on the idea that if we just let the Soviets catch up to us in missile production, just let them achieve "parity," that they would then stop. Well, Mr. President, they reached parity some time ago, and they did not stop, and as Mr. Rumsfeld noted, show no indication of stopping now. They are now producing four separate lines of ICBM's, three of which are MIRV'ed, and all of which are larger than our Minuteman III. I sincerely hope that we will not again allow ourselves to be deluded into thinking that if we just restrain ourselves the Soviets will cease deploying bigger and better missiles. It does not work that way.

The years 1979–83 will, in my estimation, be critical years for U.S. foreign policy. In recent years we have seen U.S. prestige decline in the world to the point where our leadership is openly and increasingly challenged. Within the last few months, we have seen a few signs that a change may be possible. The performance of Ambassador Moynihan at the U.N., and the expression of will that some of us have seen in our mail from home, give hope that we can summon the will to reassert our standard of liberty.

The crises through which we have just come can, if we wish it, temper us and strengthen us, rather than accelerate our decline. But if we are to make that effort, we will need adequate military strength, and the Minuteman system, properly improved, can be an important and vital part of that strength. Where we can make so much of an improvement at such a little cost, we should do it. The costs of this program, carried to its conclusion in fiscal year 1982 would be about $1.5 billion. In my view, Mr. President, that compares very favorably with the $30 billion Secretary Rumsfeld projects as the cost of the follow-on system, or even with the more than $1.1 billion involved in producing a single Trident submarine.

When we come right down to it, let us listen to those who have lived through the Communist horror, and are aware of the psychology that drives the men of the Kremlin. Let us listen to the voice of Alexandr Solzhenitsyn:

> There is no guarantee for anything in the West. You want to believe otherwise, so you cut down your armies, you cut down your research. But believe me, the Soviet Union is not cutting down anything.
>
> Soon they will be twice as powerful as you, and then five times, and then ten times. And some day they will say to you: "We are marching our troops into Western Europe and if you act, we shall annihilate you." And the troops will move, and you will not act.

And even more recently. His Excellency, the Prime Minister of Israel, Yitzhak Rabin, told the Members of this body:

> Of this I am certain: it will be our future strength that will largely determine the resources of peace in our region. Weakness is no prescription for negotiation. If it be perceived that Israel is not weak, so shall our neighbors perceive the wisdom of mutual compromise, reconciliation, and peace.

Mr. President, this wisdom is applicable to us as advice. I hope we will have the sense to take it.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from North Carolina is recognized for not to exceed 15 minutes.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. MORGAN. I yield.

ORDER VITIATING THE ORDER FOR RECOGNITION OF SENATOR GRIFFIN AND SENATOR MANSFIELD

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the orders for the recognition of Mr. GRIFFIN and Mr. MANSFIELD today be vitiated.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

POSITION PAPER: ON REPRESSION

Mr. MORGAN. Mr. President, in the North Carolina Constitution there is an admonition that a frequent recurrence to fundamental principles is absolutely necessary for the preservation of liberty.

I believe as we begin this 2d session of the 94th Congress, the year in which we celebrate the 200th anniversary of the Declaration of Independence, it is appropriate that we pause during these morning sessions from time to time and refer to some of the fundamental principles that have made our country great, and also perhaps some of the threats to the cherished liberties that we hold so dear.

This morning, Mr. President, I want to address my remarks to the subject of repression in our country as I have observed it and had occasion to observe some of the signs during the last few years.

The opposing goals of our culture are: first, the desire for a socially responsible society; and, second, the desire for more personal freedom. If our society is to be socially responsible, we must clearly support the growth of social programs. Even a conservative must now be willing to support social security, unemployment insurance, some form of national health insurance, and some kind of family assistance plan. And if our society is to expand or even preserve the realm of personal freedoms, we must guard against repression of every form. We cannot tolerate domestic surveillance, bugging, and preventive detention, for example, and we must also guard against governmental overregulation which will ultimately infringe upon our civil liberties. We must, in other words, recognize that repression has two sides.

Repression is on the march in the world. Freedom House has recently reported that as of January 1976, only 19.8 percent of the world's population is free, and that this percentage is decreasing every year. Given the current situation in Portugal and Angola, the growth of the French and the Italian communist parties and their willingness to work within the framework of democracy to achieve communistic ends, 1976 may be the year in which a majority of the world's population will have lost its freedom, for 44.9 percent of the world's people are already enslaved by totalitarian governments of one form or another.

Freedom House reports that only 35.3 percent of the world's people are still partially free, and the extent of their freedom shrinks as repressive social programs grow. Although we usually think of repression as coming from the right, we must remember that no totally socialistic nation is tolerant of civil liberties. The left enslaves as surely and as cruelly as the right. Repression is not the instrument of any one dogmatic position; it is the instrument of all dogmatic positions.

Thus if we are to attain the two opposing goals of our society, we must tread with the care of statesmen. We must not let ourselves be overwhelmed by demands from the right for more repressive techniques of law enforcement, for more secrecy in Government, or for more surveillance in the name of national security. But we must also not let ourselves be overwhelmed by demands from the left for more repressive kinds of bureaucratic regulation in the lives of ordinary citizens, for such repression is as enslaving as any other. Regulation is the essence of repression, for all forms of repression are constituted by one form of regulation or another.

For instance, since the passage of legislation regulating pension plans, cancellations have occurred at four times the predicted rate. Small businessmen cannot afford to keep up with the repressive paperwork involved with Federal regulation, and we now have before the Congress an economic planning bill which would impose overall governmental economic planning. All of these circumstances are repressive: they restrict an individual's freedom to operate. The Real Estate Settlement Procedures Act was so regulatorily repressive, it was changed within 6 months. Regulation of particular industries in this country began in 1887, and since that time our freedom of operation has significantly been limited. The more such limitation grows, the more repressive our Government becomes.

The idea of changing a government peacefully, through the democratic process, is after all a democratic idea. Such peaceful change requires the use of human rights, for the right to assemble and speak are essential to such peaceful change. In a socialistic government, however, repression is an instrument of government: social programs are the goal of society and anything is to be sacrificed for that goal, for socialism seeks ever ever greater ownership and control. Furthermore, a socialistic society is not democratic—the people do not decide what social programs to put into force. This is done by a state planning commission which cannot brook dissension or opposition, for such dissension and opposition is thought of as a form of subversion.

Because of our open society and the directions various groups within it have taken within the last half century, we are vulnerable to repression from both the right and the left, for repressive law enforcement and creeping socialism make us vulnerable to both pressures. Repression is squeezing freedom from both sides.

We must be careful then in both our design of law and our design of social programs. We must be careful that neither spreads repression in our society. We must design laws that do not circumscribe the civil liberties we enjoy, and we must design social programs that do not overregulate the lives of people. What we need is a minimum of regulation and a maximum of efficiency. We must design our social programs so that while they provide needed security and comfort to the individual they do so with a minimum of bureaucratic intrusion in the individual's affairs.

Two hundred years ago, our forefathers began this great experiment in freedom. It would be tragic, if we, during our bicentennial celebration, allowed Western Democracy to decline through inattention to that eternal vigilance which the preservation of freedom demands. It is my hope that our vigilance will be retained and our freedoms preserved, for our Nation is apt to be the last bastion of freedom on this planet.

Mr. President, I yield back the remainder of my time.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements therein limited to 5 minutes.

QUORUM CALL

Mr. STONE. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. STONE). Without objection, it is so ordered.

AUTHORITY FOR THE COMMITTEE ON FOREIGN RELATIONS TO REPORT BILLS AND FILE REPORTS UNTIL MIDNIGHT TONIGHT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations have until midnight tonight to report bills and file reports.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. GRIFFIN. Mr. President, I rise to ask the distinguished majority leader if he could give us information concerning the schedule for next week and anything about today that he might be able to tell us.

Mr. MANSFIELD. Mr. President, I am delighted that the acting Republican leader has seen fit to raise this matter at this time, so that the Senate can be aware of what confronts it next week.

Before getting into next week, we will, of course, spend as much time as possible today on the rice bill, which is the pending business. When that matter finally will be concluded is something to conjecture about; there is no certainty as to when that will be.

On Monday next, the rice bill will continue to be the pending business. It is hoped that on the second track on that day, we will be able to take up H.R. 6516, 8835, Truth in Lending Act amendments.

On Tuesday, I anticipate that the rice bill will still continue to be the pending business; and on the second track we would like to take up S.2371, the regulation of mining in national parks.

On Wednesday, the rice bill, if it is the pending business, will remain so; and on the second track we will take up H.R. 5512, national wildlife refuge, and S. 1640, the Santa Monica seashore and recreation area.

If the rice bill is not concluded on Wednesday, it will, of course, be the pending business on Thursday.

When the rice bill is finished—and hopefully it will be disposed of before the Lincoln's birthday recess—it is the intent of the leadership to follow it with the copyright bill, S. 22, or the Foreign Military Assistance Act.

So we have a full schedule for next week; and I think the Senate can take for granted that in just about that order, with some deviations, that will be the schedule.

Mr. GRIFFIN. I thank the majority leader.

I suppose we might add this: If a cloture motion on the rice bill should be filed today—there is some possibility that that might be done—then there would be a cloture vote on Tuesday.

Mr. MANSFIELD. That is correct. Of course, if a cloture vote is successful, the leadership will be guided accordingly insofar as the legislative scheduled announcement is concerned.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session, the Acting President pro tempore (Mr. Bumpers) laid before the Senate a message from the President of the United States submitting the nomination of Jean McKee, of New York, to be Deputy Administrator of the American Revolution Bicentennial Administration, which was referred to the Committee on the Judiciary.

MESSAGES FROM THE HOUSE

At 9:35 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House disagrees to the amendments of the Senate to the bill (H.R. 9803) to postpone for 6 months the effective date of the requirement that a child day care center meet specified staffing standards for children between 6 weeks and 6 years old in order to qualify for Federal payments for the services involved under title XX of the Social Security Act, so long as the standards actually being applied comply with State laws and are no lower than those in effect in September 1975; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. Ullman, Mr. Corman, Mr. Rangel, Mr. Stark, Mr. Waggonner, Mr. Schneebeli, and Mr. Vander Jagt were appointed managers of the conference on the part of the House.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5247) to authorize a local public works capital development and investment program.

At 11:17 a.m., a message from the House of Representatives announced that the House has passed the bill (H.R. 10680) to revise and extend the Renegotiation Act of 1951, in which it requests the concurrence of the Senate.

The message also announced that the House has agreed to the concurrent resolution (H. Con. Res. 535) directing the Clerk of the House of Representatives to make a correction in the enrollment of H.R. 5247, in which it requests the concurrence of the Senate.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. FORD (for Mr. Moss), from the Committee on Aeronautical and Space Sciences:

S. Res. 368. An original resolution authorizing additional expenditures by the Committee on Aeronautical and Space Sciences for inquiries and investigations. Referred to the Committee on Rules and Administration.

By Mr. PROXMIRE, from the Committee on Banking, Housing and Urban Affairs:

S. Res. 369. An original resolution authorizing additional expenditures by the Committee on Banking, Housing and Urban Affairs for inquiries and investigations. Referred to the Committee on Rules and Administration.

By Mr. SPARKMAN, from the Committee on Foreign Relations:

S. Res. 371. An original resolution authorizing additional expenditures by the Committee on Foreign Relations for a study of matters pertaining to the foreign policy of the United States (Rept. No. 94-603). Referred to the Committee on Rules and Administration.

By Mr. HARTKE, from the Committee on Veterans' Affairs:

S. Res. 372. An original resolution authorizing additional expenditures by the Committee on Veterans' Affairs for inquiries and investigations (Rept. No. 94-604). Referred to the Committee on Rules and Administration.

By Mr. MANSFIELD (for Mr. Magnuson), from the Committee on Commerce:

S. Res. 374. An original resolution authorizing additional expenditures by the Committee on Commerce for inquiries and investigations. Referred to the Committee on Rules and Administration.

By Mr. SPARKMAN, from the Committee on Foreign Relations, with an amendment:

S. 2662. A bill to amend the Foreign Assistance Act of 1961 and the Foreign Military Sales Act, and for other purposes (Rept. No. 94-605).

By Mr. EASTLAND, from the Committee on the Judiciary:

S. Res. 375. An original resolution authorizing additional expenditures by the Committee on the Judiciary for inquiries and investigations. Referred to the Committee on Rules and Administration.

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

S. 1786. A bill for the relief of Kam Lin Cheung (Rept. No. 94-606).

H.R. 1399. An Act for the relief of Maria Del Carmen Alvarado Martinez (Rept. No. 94-607).

H.R. 1758. An Act for the relief of Terrence Jarome Caguiat (Rept. No. 94-608).

H.R. 4046. An Act for the relief of Valerie Ann Phillips, nee Chambers (Rept. No. 94-609).

H.R. 4113. An Act for the relief of Mitsue Karimata Stone (Rept. No. 94-610).

H.R. 4939. An Act for the relief of Manuel Bonotan (Rept. No. 94-611).

H.R. 5750. An Act for the relief of Ghu Wol Kim (Rept. No. 94-612).

H.R. 8451. An Act for the relief of Jung Shik Yang (Rept. No. 94-613).

H.R. 8555. An Act for the relief of Angel Pader Cabal (Rept. No. 94-614).

H.R. 8907. An Act for the relief of Yong Won Lee (Rept. No. 94-615).

By Mr. EASTLAND, from the Committee on the Judiciary, with an amendment:

S. 804. A bill for the relief of Zoraida E. Lastimosa (Rept. No. 94-616).

By Mr. PHILIP A. HART, from the Committee on Commerce, with amendments:

H.R. 7108. An Act to authorize appropriations for environmental research, development, and demonstration (Rept. No. 94-617).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary:

Peter B. Bensinger, of Illinois, to be Administrator of Drug Enforcement.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. EASTLAND, from the Committee on the Judiciary:

George N. Leighton, of Illinois, to be U.S. district judge for the Northern District of Illinois.

HOUSE BILL REFERRED

The bill (H.R. 10680) to revise and extend the Renegotiation Act of 1951 was read twice by title and referred to the Committee on Finance.

ORDER FOR REFERRAL—S. 2902

Mr. MANSFIELD. Mr. President, I ask unanimous consent that S. 2902, the National Health Research and Development Act of 1976, be referred to the Committee on Labor and Public Welfare initially, and, upon its being reported by that committee, that the bill be referred immediatly to the Committee on Finance.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. BUMPERS:

S. 2904. A bill to amend "an act to provide for the establishment of the Buffalo National River in the State of Arkansas, and for other purposes" (86 Stat. 44) and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. PHILIP A. HART (for himself and Mr. McGovern):

S. 2905. A bill to extend and revise the commodity supplemental food program. Referred to the Committee on Agriculture and Forestry.

By Mr. HATFIELD:

S. 2906. A bill to strengthen the warning label required on cigarette packages, extend such warning to cigarette advertisements, regulate smoking in Federal facilities and in facilities serving interstate common carrier passengers, and for other purposes. Referred to the Committee on Commerce, the Committee on Finance, the Committee on Labor and Public Welfare, and the Committee on Public Works, by unanimous consent.

By Mr. McGovern (for himself, Mr. Abourezk, and Mr. Hruska):

S. 2907. A bill for the relief of innocent victims of the occupation of Wounded Knee, South Dakota. Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BUMPERS:

S. 2904. A bill to amend "an act to provide for the establishment of the Buffalo National River in the State of Arkansas, and for other purposes" (86 Stat. 44) and for other purposes. Referred to the Committee on Interior and Insular Affairs.

Mr. BUMPERS. Mr. President, in 1972 the Congress had the foresight to protect one of the first scenic and recreational areas in Arkansas and the Nation by establishing the Buffalo National River. The citizens of Arkansas are most appreciative of this national designation of one of our favorite areas. At the time that the Buffalo National River was established an authorization of $16 million was approved to purchase the necessary lands. The final $4 million of this authorization has been appropriated during the present fiscal year. I am informed by the Department of the Interior that when these funds are spent only about 60 percent of the lands within the park boundaries will have been purchased.

The unprecedented rise in land prices, above and beyond the incredible inflation rate of the past few years, could not have been forecast by those who determined that the original authorization would be adequate. Not to complete the timely purchase of the authorized lands will only cost the taxpayers more, as land values continue to rise during the coming years. Furthermore, postponing purchase will confront landowners with a significant hardship as they are denied effective use of their land or any compensation while they wait for their property to be purchased by the Government.

The best estimate I have been able to obtain shows that it will take approximately $14 million more to complete the necessary land purchases. I realize that this is a lot of money, but as I have indicated, to delay purchases further will only cost us more. I would like to point out that I am not being extravagant on behalf of my State since it is my understanding that this is the only project that the National Park Service would be funding from the land and water conservation fund in Arkansas during fiscal year 1977.

I am introducing this bill to amend the act establishing the Buffalo National River in Arkansas so as to increase the authorization limit from $16,115,000 to $30,071,500.

Mr. President, I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2904

Be it enacted in the Senate and House of Representatives of the United States of America in Congress assembled, That section 7 of the act of March 1, 1972 (86 Stat 46), is amended by changing $16,115,000" to "$30,071,500".

By Mr. PHILIP A. HART (for himself and Mr. McGovern):

S. 2905. A bill to extend and revise the commodity supplemental food program. Referred to the Committee on Agriculture and Forestry.

Mr. PHILIP A. HART. Mr. President, I would like to introduce for Senator McGovern and myself legislation which would authorize Federal payment of administrative costs to improve a Federal program which provides iron- and protein-rich foods to low-income women who are pregnant and to children under 6 years of age.

This important piece of legislation is being introduced at a time when, as shown in the recently published 1977 budget, the administration seeks to end the supplemental feeding program. The logic of the administration must be questioned when it asks for still more money for weapons capable of killing the Russians 10 times over but eliminates funds for feeding programs.

The child whose brain is damaged or whose growth is stunted because of a poor diet faces a life of dependency and poverty. If the moral considerations of taking every possible step to prevent such damage are not compelling enough, then cost-cutters should at least consider the cost to future generations in terms of lost earning capacities and, perhaps, public assistance.

There are presently about 140 supplemental feeding programs serving about 140,000 women and children, the largest being Focus Hope in Detroit. The Department of Agriculture provides about $21 million worth of food a year for the programs but no funds to pay administrative, delivery, storage, or public information costs. This has meant that program sponsors have been forced to seek money for those activities from local and State agencies or other Federal departments. As a result, at times some of the programs have had food available but no way to get the commodities to the people they seek to help.

This legislation would require the Agriculture Department to provide additional funds of up to 20 percent of each local program's budget to pay administrative and other nonfood costs. Based on an annual food budget totaling $21 million, the proposal would cost no more than $4.2 million in additional funds per year.

The bill would also require the Agriculture Department to:

Provide nutritional food recognizing the cultural patterns of the recipients;

Provide equivalent substitutions if a shortage of a particular item occurs;

Give a clear mandate for the program to operate in areas where food stamps are available;

Provide specific types of food which are to be made available, including any special formulas for babies or pregnant women declared necessary by qualified medical personnel.

Perhaps it is going too far to suggest that these children who are permanently damaged by diet deficiencies are victims of a war not yet fought. But when billions of U.S. dollars are budgeted for cruise missiles while nothing is budgeted for supplemental feeding programs, a human dimension is added to the sterile rhetoric about misplaced spending priorities.

Mr. President, I ask unanimous consent that a list of the supplemental feeding programs in operation in August, three articles about the effect of malnutrition on children and the text of the bill be printed in the Record.

There being no objection, the bill and material were ordered to be printed in the Record, as follows:

S. 2905

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Commodity Supplemental Food Program Act of 1976".

Sec. 2. The Child Nutrition Act of 1966, as amended, is amended by redesignating section 18 as section 19 and adding a new section 18 to read as follows:

"Sec. 18. (a)(1) In carrying out the supplemental feeding programs (hereinafter in this section called the commodity supplemental food program) referred to in section 4(a)(1) of the Agriculture and Consumer Protection Act of 1973, the Secretary shall pay to each State or local agency administering any such program all administrative costs in any fiscal year not in excess of an amount equal to 20 per centum of the total amount made available to such State or agency for such program in such fiscal year. In no case shall any State or local agency receive less for administrative expenses in any fiscal year than it received in the fiscal year in which this section was enacted.

"(2) Within six months after the date of enactment of this section, each State or local agency participating in the commodity supplemental food program shall submit to the Secretary a report describing the manner in which nutrition education services are being provided to the recipients of food under such program. The payment of administrative expenses by the Secretary under paragraph (1) shall not in any respect be conditioned upon the submission of such report by any State or local agency.

"(3) Notwithstanding the limitations prescribed in paragraph (1) of this subsection, during the first 90 days after the date of enactment of this section or until the commodity supplemental food program has reached its projected caseload level, whichever first occurs, the Secretary shall pay the total expenses necessary to successful operation of such program.

"(b) The Secretary shall take into account medical and nutritional objectives and cultural eating patterns to the extent necessary to provide a nutritionally adequate diet for recipients under the Commodity Supplemental Food Program.

"(c) The Secretary shall make appropriate provision for equivalent substitutions of commodities where shortages occur in the Commodity Supplemental Food Program.

"(d)(1) Administrative costs shall include but not be limited to expenses for: information and referral, medical certification, operation, monitoring, nutrition education, and general administration, including staff, warehouse and transportation personnel, insurance, and administration of the State or local office.

"(2) The same types and varieties of commodities in the same proportional amounts as is currently available or as were available in the fiscal year ending June 30, 1974, whichever is greater, shall be maintained. In carrying out the Commodity Supplemental Food Program, the Secretary shall require by regulation or otherwise that the food made available to any recipient under such program shall include, but shall not be limited to: dried egg mix, canned fruits, canned fruit juice, canned vegetables, farina, canned meat and canned poultry, evaporated milk, instant fortified nonfat dry milk, peanut butter, instant potatoes, and corn syrup. In addition, such food shall contain commercially formulated preparations specifically designed for women or infants in those cases where it is the opinion of qualified medical personnel that such formulations are necessary to meet the medical and nutritional needs of the individual program recipient involved.

"(e) The Commodity Supplemental Food Program may be carried out in the same geographic area in which a food stamp program or other food distribution program is in operation if the State or local agency responsible for carrying out such Commodity Supplemental Food Program establishes safeguards to prevent participation by households and individuals in both the Commodity Supplemental Food Program and one or more of the other types of food assistance programs.

"(f) No State or local agency shall prohibit children under six years of age from receiving benefits under the Commodity Supplemental Food Program if they are otherwise eligible to receive such benefits.".

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State	Number of programs	Amount	Participation
Arkansas	10	$93,634	8,874
California	3	103,780	10,620
Colorado	7	109,526	11,184
District of Columbia	1	118,118	11,927
Illinois	1	57,551	5,255
Iowa	31	67,976	6,318
Louisiana	2	170,271	15,756
Michigan	1	253,099	22,431
Minnesota	1	6,363	835
Missouri	47	123,854	11,546
Nebraska	1	28,467	3,319
New Jersey	1	332	52
New York	1	878	153
North Carolina	6	25,644	2,468
North Dakota	4	2,224	321
South Dakota	3	15,944	2,038
Tennessee	9	187,106	17,939
Utah	10	72,269	6,962
Total	139		

[From Psychology Today, September 1975]

STARVED BRAINS

(By Roger Lewin)

(An infant deprived of nutrition or stimulation will never develop to full mental capacity. There's no second chance. Today, 70 percent of the world's population seriously risks permanent damage.)

We know the picture well: the bloated bellies, stick-thin arms, and sad listless eyes that mark severe malnutrition. Countries sapped by chronic food shortages or thrown into despair by sudden devastating famines and war have burned those images into our conscience. But less dramatic, and therefore more insidious, are the effects of long-term undernutrition, which more than 300 million children already suffer.

Although these children may escape the worst rigors of starvation, there is now mounting and inescapable evidence that their intellectual development suffers damage from which there is no chance of complete recovery.

The beautifully complex architecture of the human brain follows an innate blueprint, but factors in the environment of the growing infant partly influence its final form, and therefore its final performance. One major factor during the early stages of brain development, we now realize, is an adequate supply of food. Without the necessary flow of nutrients the brain simply cannot create the structures—the cells, the wiring, and the complex circuits—that fuse to form the functioning human mind.

Researchers in Europe, Africa and South America are also learning of a delicate but crucial interplay between adequate diet and environmental stimulation in the first two years of life. During this critical period the brain's potential has to be reached, or it is too late. There is no second chance. An infant deprived of nutrition or stimulation will never develop to full mental capacity. The implications of this situation are frightening: cycles of poor nutrition and environmental poverty enhance each other, leading to personal suffering and chronic social malaise. Today 70 percent of the world's population seriously risks permanent brain damage.

The critical period of development of the human brain results from its peculiar pattern of growth. At birth an infant's brain has already reached 25 percent of its adult weight, and by six months it is half way to the final target. In comparison total body weight at birth is a mere five percent of its adult maximum, and reaches the 50 percent mark only at age 10.

Until recently we had no clear picture of the stages and timing of human brain growth. Now, John Dobbing and Jean Sands of the University of Manchester, England, have examined the composition of almost 150 human brains ranging in age from 10 weeks of gestation to seven years. What they found helps us understand the effects of malnutrition in children.

PROGRESS OF THE BRAIN

Basically, the brain grows in two stages. First, between weeks 10 and 18 of pregnancy, the adult number of nerve cells develops. Second, beginning about week 20, the brain's packing cells (the oligodendroglia) begin to appear, followed by the production of the insulating material (myelin) that coats the long fibers along which the nerve cells send their messages. This second stage continues for at least two years after birth; myelination progresses at a lower rate until the age of four years. The second stage, known as the brain-growth spurt, represents the most vulnerable period of brain development. It is the critical period when inadequate nutrition and lack of stimulation inflict the most lasting damage.

Before Dobbing and Sands laid out clearly the timing of the human brain's growth spurt, we assumed that most of the brain's important development took place prenatally and was more or less complete by birth. But their demonstration that about five sixths of the growth spurt comes *after* birth forced an awareness of the hazards of prolonged malnutrition in the early years of life.

There are several ways of exploring what happens to an infant nurtured in an impoverished womb and born into a world where he or she is deprived of food. One can study what physically happens to the brain or one can examine the physical and behavioral consequences of malnutrition in animals. Or one may observe children born under deprived circumstances and determine the effect of environmental factors in improving or worsening their condition.

One thing that is more or less safe from nutritional insult in the growing human brain is the number of nerve cells it contains. Because this number is established very early in pregnancy, at a time when outside nutritional factors fail to impinge on the developing fetus, the brain's basic nerve cell complements escapes unscathed. There is, however, a major exception. The cerebellum, a wrinkled structure at the back of the brain that coordinates movement of the arms and legs, is vulnerable to nutritional deprivation because its nerve-cell generation and growth spurt are delayed. A starving brain risks delayed creation of the oligodendroglia and the later myelination of the nerve fibers.

Post-mortem examinations of human beings can't answer questions about these early developmental phases, so we have to rely on animal experiments. This approach is justified, because although the *timing* of the growth spurt in human and other animal brains differs, the *stages* are identical. Dobbing and his colleagues find that rats with malnutrition have significantly smaller brains than healthy rats, with the cell deficit concentrated in the oligodendroglia. Starved rats also show reduced myelination, and some enigmatic enzyme imbalances too. The cerebellum, compared with the rest of the brain, suffers more: it weighs less and doesn't have the adult complement of nerve cells, due to its delayed growth spurt. The particular vulnerability of the cerebellum is important because damage to this structure goes a long way toward explaining the reported clumsiness and reduced manual skills of malnourished children.

MALNOURISHED NEURONS

One thing that brain researchers readily admit is that they have measured what is easiest to measure. The feature of brain development that is probably most difficult to quantify, but is almost certainly the most important, is the lacework of connections between the nerve cells (neurons). Reliable reports show that the major part of the nerve fibers, the axons, shrink in diameter in malnourished animals. But the really crucial area of internueron communication centers on the end of the axon, where it branches into literally thousands of tiny fingers that make contact with the neighboring neurons. B. G. Cragg from Monash University, Australia, has had a crack at this problem, and what he finds is most disturbing.

Cragg did some microscopic investigations of the cerebral cortex in rats malnourished early in life. In what must have been a crashingly tedious experiment, he counted the number of minute nerve endings (the synapses) in the cortex of undernourished animals. He found a 40 percent reduction, compared to normal rats. Cragg suspects too that some of the synapses may have been unable to function because of molecular breaks. The creation of the interneural network is one of the brain's major construction projects during the first two years of life, so Cragg's result is crucial and needs to be confirmed. If the undernourished cerebral cortex really lacks almost half of its interconnections (or even a 10th), the consequences for brain function are frightening. The planet may be raising a generation of clumsy, feeble-minded millions.

A crucial point about all these experiments is that moderate degrees of malnutrition—of the sort that 300 million children experience daily—can produce these physical side effects and deficiencies. More important, we cannot repair these physical deficiencies by normal feeding once the brain growth spurt has passed.

The typical undernourished child is shorter and lighter than his counterpart in affluent countries. He is about 70 percent of his correct weight, and the brain weight and head diameter are marginally smaller as well. The next step we've taken is to find out what this means for intellectual and social activity.

In the attempt to find the consequences of chronic undernutrition, most research groups have used the longitudinal study, observing the progress of a group of children over a period of years. For example, Joaquin Cravioto and Elsa DeLicardie studied a group of infants born in 1966 in a small rural village in southwest Mexico. They have been observing the children ever since. The village has a "normal" background of undernutrition, but the researchers concentrated on 22 children who at times had had almost no food and thus had been severely malnourished.

FOOD AND LANGUAGE

Cravioto and DeLicardie studied nutrition and mental development against the background of social and economic factors. Their outstanding discovery was the effect of malnutrition on language development and verbal-concept formation. As a group, the severely malnourished children began to lag behind in language at about six months. At the age of one year the matched control group had language development equivalent to 334 days, compared with 289 days for the hunger group. By three years the gap was 947 days to 657.

Because verbal concepts are a basic area of human intelligence, the researchers gave children tests to measure their understanding of 23 pairs of opposites (such as big-little, long-short, in-out). At 31 months of age the control group of normals understood an average of 5.46 concepts, compared with 3.92 for the malnourished children; by 46 weeks their scores were 16.92 and 12.16; and at 58 weeks the controls knew 20 of the concepts, three ahead of the malnourished group. Even after 40 months the children who had suffered malnutrition in infancy were behind the control children in language development and concept formation. Although the worst physical symptoms of their malnutrition were gone, and although they did make up some of the lost ground, they didn't catch up with their healthier playmates. The trend line suggests they never will.

Because the poverty that produces severe malnutrition also produces deprived environments, Cravioto and DeLicardie compared the home lives of the children. They used the Caldwell Inventory of House Stimulation to measure factors such as frequency and stability of adult contacts, the number of voices the child hears, availability of toys and games, whether the child's needs are met, and how many restrictions there are on the child's activity. The researchers found that the malnourished infants came from homes that were significantly impoverished in activity that brings the human mind alive.

Although this poor environment of the malnourished children contributes to their slowed intellectual development. Cravioto claims that it is not the sole explanation. This conclusion is supported by Stephen Richardson and his colleagues, who studied a community of children in Jamaica, and found that malnutrition is as damaging as an improverished social life. Richardson measured the physical and intellectual status of a group of boys, aged seven to 11 years, who had during the first two years of their lives suffered severe malnutrition. These children were smaller in stature, lighter in weight and had smaller heads than normal children. Behaviorally, they were disadvantaged too: they did less well in formal tests of reading, writing and arithmetic; teachers found their school performance to be poorer, with more special problems in classwork (see chart page 33).

Further, the previously malnourished children were less popular among their schoolmates. When Richardson asked all the children to pick the three peers in their class with whom they most preferred to spend their time, they named the malnourished children much less frequently. This is a tricky result to untangle, but the cause may have some parallels with the observation that malnourished animals are socially disturbed and more irritable. Perhaps the children were too.

Teacher's overall evaluation

[Numbers]

	Malnourished children	*Comparison*
Outstanding/above average	11	27
Below average	18	20
Poor or severely retarded	32	18
Special problems in classwork:		
Yes	50	40
No	12	25

POOR NUTRITION VS. POOR ENVIRONMENT

The researchers also measured the children's home environments, and this time found that not all of the malnourished children came from impoverished homes. So they were able to compare four groups: malnourished children from rich environments, malnourished children from deprived environments, healthy children from rich environments, and healthy children from deprived environments.

The results showed clearly how a home that is poor in stimulation and opportunity for a child will impair his or her intellectual development, regardless of the extent of malnutrition. Among healthy children, those from stimulating environments averaged 71.4 on an intelligence test, while those from deprived environments averaged 60.5. Malnourished children from enriched homes scored 62.7. But the combination of malnutrition and a poor environment produced the deadliest deficit in learning of all, averages of only 52.9.

One report that seemed to counter the evidence for the prolonged effects of malnutrition comes from the Columbia University School of Public Health and Administrative Medicine, which detailed the intellectual performance of 19-year-old Dutch youths entering the army. These men had either been born or were young infants during the famine the Nazis imposed on their country during World War II. These young men showed normal intelligence, which suggested that malnutrition has no lasting effect on mental development. The crucial fallacy in such a conclusion is that the Dutch famine was very short, only six months, and before and immediately after the famine there was no severe food shortage. Any brain-growth deficit inflicted by this brief famine would therefore be made up for by enhanced development within the two and one quarter year brain-growth period. The Dutch infants, who went hungry for a brief period but otherwise were well-nourished in infancy and childhood, are thus not comparable to the Mexican and Jamaican children, who live in a state of chronic malnutrition.

CURING DEPRIVED CHILDREN

Now researchers are beginning to ask what can be done to help children who do not get adequate food and environmental enrichment. Leonardo Sinisterra and his colleagues in Cali, Colombia, are giving malnourished children food and supplemental schooling from the age of three and a half on. Compared with their fellows, the children in his program have a marvelously rich environment indeed. They build with wooden blocks and even make large-scale structures with poles and planks; they paint pictures of their environment, make up stories, and even act out adult situations; and they get an expanded view of the world by going on trips into the country, all of which are outside the experience of most of the poor children of Cali. These children are now five years old, and have made remarkable strides toward catching up with the intellectual ability of more affluent children, both in verbal reasoning and general intelligence.

Sinisterra gave a second group of formerly malnourished children one part of the treatment but not the other: they got good food, but no extra schooling. So far, it looks as though they are doing no better than malnourished children who have had no supplementary program. The reason seems to be that the children did not get the additional food until they were three and a half, well after the critical brain-growth period had passed.

One aspect of intellectual performance remains resistant to repair in malnourished children, regardless of whether or not they get additional food and special schooling—short-term memory. So far no program has been able to help deprived children gain a normal ability to remember what they just learned.

Another compensation study is underway in a poor agricultural village in Mexico, Tezonteopan. Few families in Tezonteopan show signs of severe and clinical malnutrition, but almost all are chronically underfed, barely managing to survive. Passive children and tired mothers barely communicate, rarely play. Adolfo Chavez is studying the long-term effects of supplementary food on both parents and children. He began his food supplements with pregnant women and continued them throughout the brain growth spurt, i.e. until the children were over two years old.

For a start, the supplemented mothers produced babies that were roughly eight percent heavier than normal in the village, and this weight advantage continued and expanded. But behavioral differences appeared rapidly too. The test children showed superior language development within the first year, and in simple physical activity they far outshone their underfed fellows. On a measure of movement, they were three times as active by age one year, and four times as active by age two.

Further, the well-fed children spent less time in their cots, walked at a younger age, were more vigorous in play, and were more likely to take the lead in play, and were generally much more independent. And because of their great activity and exploratory behavior, their parents and siblings took a greater interest in them, which in turn, was strengthened by the infants' tendency to smile more. The whole family dynamics gained a higher level.

Some Tezonteopan fathers even took an active part in child care, something they almost never do. They were enthused by having a vigorous, alert child. Several were so impressed with their "special" children that they declared to Chavez, "This child will not be a farmer like me."

Chavez's work reveals the tragedy and the promise. Millions of people today accept deep, grinding hunger and poverty as normal and inevitable, and pay the price with lowered intellect and activity. We know that if the brain is not well fed during its critical peroid of growth, it will never develop to the full and rich potential that is our heritage. We also know that massive doses of good diet, fun and games, teaching and stimulation can help to overcome the intelligence gap that malnutrition leaves in its wake.

Ultimately, the efforts to untangle the effects of malnutrition and a poor environment may make little difference in the real world, where the two exist in a vicious circle. Poverty inflicts a double insult—its victims condemned to a dearth of food and a sterile environment. The combination is at work daily, eroding the mental capacity of 300 million children.

[From the Community National Institute Weekly Report Nov. 6, 1975]

Scientists Estimate One Million Children Have Stunted Brains

University of California researchers estimate that more than one million U.S. infants and young children have either suffered stunting of brain growth, or are at risk of such damage, because of malnutrition.

The findings, first reported last weekend by the New York Times, are based on an analysis of national nutrition surveys conducted several years ago for the federal government, including the HEW Department's Ten-State Survey and a study of the nutritional status of pre-school children performed by Ohio State University and the University of Georgia. The surveys compiled data on eating habits, income, and physical characteristics such as body size, weight and development as well as evidence of biochemical deficiencies.

The California researchers matched nutrition and income data from the surveys with head circumference measurements that give clues to impaired brain development. They estimated the average deficit in brain weight among severely malnourished children at 125 grams, or about 9 percent of the 1,400 gram weight of a normal brain in a four-year-old child. These estimates correlate with the findings of Paulus Zee and other observers of malnourished infants and children at the St. Judes Hospital clinic in Memphis, they said.

Many individuals living at or below the poverty level showed serious biochemical deficiencies, the surveys showed. Furthermore, the malnourished infants and young children had head circumferences so far below the normal range for their ages as to suggest hampered brain development, the scientists said. One of the scientists told the Times that the degree of deficit in the malnourished children appeared to be so great that he estimated the odds at less than one in a million that it could represent normal variation.

Using 1970 Census data, the California scientists estimated that the total number of pregnant women in the U.S. suffering malnutrition serious enough to endanger their babies was more than 945,000 then and is presumably greater now. They estimated the number of infants and children in the jeopardized group already born at more than 1.1 million.

"Finding evidence that a substantial proportion of the population of an affluent country like the United States is in jeopardy for brain growth and development comes as a shock to us," the scientists say in a forthcoming report. "It implies that a corrresponding proportion of the difficulties children experience in school and later in their career development may be due to undernutrition affecting their brain growth in utero and during early life, Thus interfering in the most serious way with the quality of their lives, and placing an unmeasured but probably significant burden on the rest of United States society."

NO IMPROVEMENT SEEN

Doris H. Calloway, a University of California (Berkeley) nutritionist who participated in the study, told CNI Weekly Report that nothing has happened in recent years to suggest improvement in the situation outlined in her group's analysis. "The food stamp and commodity programs were in effect at the time the data was gathered," she noted, "and the institutional barriers to food stamp participation remain at the present time. The WIC (women, infants and children) program has not yet been evaluated, but its impact has been fairly limited up to now. There are still these large pockets of poverty and malnutrition."

Robert B. Livingston, a University of California (San Diego) neuroscientist, headed the project. In addition to Calloway, other researchers included John S. MacGregor, Gary J. Fisher and A. Baird Hastings, all of San Diego. A report of their work has been written for a volume on brain growth and development to be published this fall by Raven Press, New York, for the International Brain Research Organization.

Two Million Children Risk Underfed Brains

(By Robert B. Livingston)

(Dr. Livingston is a neuroscientist at the University of California, San Diego, School of Medicine, which published this article as a news release. For further background, see CNI Vol. V:44A)

We have developed strong statistical evidence that, in the United States, there are approximately two million pregnant women, infants, and young children who are in serious jeopardy for the growth of the developing brain.

This serious developmental problem is attributable to insufficient nourishment, which in turn is associated with low family income. Testimony concerning low nutrition intake within this population is corroborated by the fact that many individuals living below and close to the poverty level of income show low and deficient blood and urine levels for substances that are diminished by chronic undernutrition.

Furthermore, infants and children living below the poverty level of income have, in the aggregate, unexpectedly small head circumferences. This is strong presumptive evidence for diminished brain volumes. Indeed, the head circumferences in this population are so small that the likelihood of their constituting a normal population is less than one in a million. The average deficit in brain volume between this socioeconomically deprived population and an average population of children comes out to be approximately 125 grams, a conspicuous brain deficit. Infants and children from successively higher family income levels move progressively nearer to normal head circumferences suggesting that low socioeconomic conditions or factors associated with low socioeconomic conditions are operative.

This study was initiated by the Institute for Information Systems and the Neurosciences Department at the University of California, San Diego, as a result of student initiative, and with special assistance from Professor Doris H. Calloway, of the Department of Nutritional Sciences at the University of California, Berkeley. The study involves statistical analyses applied to existing information on human nutritional, medical, laboratory, and physical measurements obtained from The Ten State Nutrition Survey (TSNS), conducted by the Health Services and Mental Health Administration of the Center for Disease Control, HEW, and A Study of Nutritional Status of Preschool Children in the United States (PNS), carried out collaboratively by Ohio State University and the University of Georgia. These two surveys were designed and conducted independently during the period 1968 to 1970. They represent the first comprehensive investigation of nutrition and health status applied to large sectors of the U.S. population and constitute the best available pertinent information. The present study reveals that these two surveys strongly corroborate one another in relation to this problem. We were privileged to have access to the statistical working tapes from both of these national surveys. We utilized these two data sources to secure information especially relevant to brain development.

JEOPARDY CRITERIA

Independently of the nutrition surveys, we established levels of nutrition intake below which we had reason to believe there would be serious jeopardy to brain development affecting the unborn, the infant, and the young child. We selected levels below which 97.5 percent of all normally healthy individuals are known to be deleteriously affected, as manifested by growth retardation in children and by weight loss below normal levels in adults. According to these criteria, people would be in jeopardy for brain development if they were ingesting less than two standard deviations below their minimum daily requirements for either energy or protein. Thus, all but 2.5 percent of individuals ingesting below 70 percent of their Recommended Daily Allowance (RDA) for energy and less than 40 percent of their RDA for protein, would be in such jeopardy. These percentages are at levels two standard deviations below average requirements for these nutrients as determined by the Food and Nutrition Board of the National Academy of Sciences-National Research Council. Jeopardy criteria relating to RDA levels can be readily applied to the nutrition intake of any individual according to age, sex, weight, occupation, and the special requirements of pregnancy and lactation.

These criteria for nutrition intake, selective for serious jeopardy to brain development, were then utilized for analysis of data from two national nutrition surveys in relation to the evidence they had gathered respecting socioeconomic, demographic, nutritional, medical, biochemical, and anthropometric measures on large numbers of individuals throughout the United States.

It was found that nearly 60 percent (59 percent) of pregnant women living in poverty were, as of 1970, in serious jeopardy for the brain development in their unborn children due to their low total energy intake (see Table I). Some 25 percent of pregnant women living in poverty were consuming less than 40 percent of their energy RDA, that is, less than half of the jeopardy criterion for energy. Some 14 percent of pregnant women in poverty were in simultaneous jeopardy for both energy and protein. The poverty level of income is not a magic threshold, because more than 40 percent of pregnant women living at 1 to 2X poverty (47 percent) and 2 to 3X poverty (44 percent) were in similar jeopardy for energy intake.

When these percentages are projected in relation to the numbers of pregnant women at these income levels in the United States (as estimated from data in the U.S. 1970 Census), we find that nearly a quarter of a million pregnant women living in poverty (243,951) and roughly a third of a million of them living at 1 to 2X poverty (360,892) and at 2 to 3X poverty (340,712) are ingesting below the brain jeopardy criteria for energy. The overall total of pregnant women within these income levels was greater than 900,000 (945,555).

HEAD CIRCUMFERENCE

Infants and children, according to this analysis, are distinctly better nourished than the pregnant women. The incidence of nutrition intake below criterion for energy, in the TSNS, for both infants under one year of age and children under four living in poverty, was 18 percent and for children aged one to four years, in PNS, in the same income category, was 24 percent. For children living at 1 to 2X and 2 to 3X poverty, in both surveys, this rate drops to less than half the incidence in the below poverty income population. The total number of infants and children below their fourth birthday in jeopardy with respect to energy intake, projected for the whole U.S., is more than one million (1,176,569 for infants and children in the TSNS, and 1,011,536, only including children aged 1 to 4 years, in the PNS).

By these criteria, the total of pregnant women, infants and young children living at poverty and near-poverty levels of income is more than two million (2,122,124 projected from the TSNS alone, and more than 2.3 million if evidence from both surveys are consolidated).

As noted above, the evidence concerning low nutrition intake within poverty and near-poverty income level populations is corroborated by the fact that many of these individuals show low and deficient blood and urine levels for substances that are diminished by chronic undernutrition, such as hemoglobin, hematocrit, serum albumin, red cell folacin, vitamin A, and urinary riboflavin among others. This evidence was presented in detail at the Society for Neuroscience Annual Meeting.

Perhaps the most compelling evidence for brain jeopardy due to undernutrition, as reflected in the TSNS and PNS surveys, relates to head circumference measurements. Table II shows that an unexpectedly large number of infants and children with small head circumferences was found among low income families.

The data in Table II, which was derived from the two independent surveys (TSNS and PNS), are very closely similar. The probability that the impoverished populations represented by these two surveys constitute a normal population with respect to head circumference standards is less than one in a million. Since head circumference correlates with brain volume, the smaller head circumferences reflect smaller brain dimensions. This observation implies confirmation of the prediction from nutrition intake data that there are likely to be a large number of infants and children whose brain development was thwarted by undernutrition.

It should be noted that these measurements were made simply by placing a tape around each head and that they are completely independent of the methods for measuring nutrition intake as well as independent of the brain jeopardy criteria.

This work was conducted by Robert B. Livingston, M.D., John S. MacGregor, Gary J. Fisher, and A. Baird Hastings, Ph. D., at the University of California, San Diego School of Medicine; and Doris H. Calloway, Ph. D., at the University of California, Berkeley.

TABLE I.—ESTIMATES OF BRAIN JEOPARDY

	Number	Percent below 70 percent of energy RDA	Projected U.S. totals
TSNS pregnant women: [1]			
Below poverty	151	59	243, 951
1–2X poverty	102	47	360, 892
2–3X poverty	61	44	340, 712
TSNS infants: [2]			
Below poverty	201	18	99, 235
1–2X poverty	172	13	133, 095
2–3X poverty	34	15	154, 869
TSNS children: [3]			
Below poverty	556	18	297, 110
1–2X poverty	280	9	275, 876
2–3X poverty	132	7	216, 384
PNS children: [4]			
Below poverty	246	24	396, 146
1–2X poverty	570	11	337, 182
2–3X poverty	398	9	278, 208

[1] Total pregnant women in jeopardy, 945,555.

[2] Total infants in jeopardy, 387,199.

[3] Total children (TSNS) in jeopardy, 789,370.

[4] Total children (PNS) in jeopardy, 1,011,536.

TABLE II.—HEAD CIRCUMFERENCE COMPARISONS

Percent below	3d	10th	25th	50th	75th	90th	97th
Expectations for a standard population	3.0	10.0	25.0	50.0	75.0	90.0	97.0
Below poverty:							
TSNS (N=1382)	17.3	33.7	51.6	73.2	86.7	94.5	97.4
PNS (N=249)	14.9	28.1	44.6	72.7	89.6	97.2	99.6
1–2X poverty:							
TSNS (N=714)	10.8	21.3	43.7	69.2	84.6	92.3	97.3
PNS (N=584)	11.6	23.0	42.1	64.2	84.4	96.1	99.7
2–3X poverty:							
TSNS (N=269)	6.7	20.1	39.8	68.0	85.9	94.4	97.4
PNS (N=404)	9.4	20.5	35.2	61.6	86.6	95.1	98.3

Legend: Head circumferences for poverty and near poverty populations are compared with Boston standards for head circumference. In a population meeting the Boston standards for normal growth 3 percent of all individuals would be found below the 3d percentile, 25 percent below the 25th percentile etc. Note that when the infants and children from the TSNS are compared with the standards 17.3 percent are found below the 3d percentile, an excess of 14.3 percent.

By Mr. HATFIELD:

S. 2906. A bill to strengthen the warning label required on cigarette packages, extend such warning to cigarette advertisements, regulate smoking in Federal facilities and in facilities serving interstate common carrier passengers, and for other purposes. Referred to the Committee on Commerce, the Committee on Finance, the Committee on Labor and Public Welfare, and the Committee on Public Works, by unanimous consent.

SMOKER AND NONSMOKER HEALTH PROTECTION ACT OF 1975

Mr. HATFIELD. Mr. President, it has been over a decade now since the Surgeon General of the United States released his findings regarding the serious health hazards of cigarette smoking. In the intervening years intensive scientific research into both the short- and long-term effects of smoking have resulted in a nightmare of evidence linking cigarette smoking with bronchitis, emphysema, cancer, and other disorders of human health. It has been reliably estimated that smoking is responsible for the deaths of some 300,000 Americans each year. The U.S. Public Health Service in a recent report puts the dangers of smoking to the general public in clear and precise language: "Cigarette smoking remains the largest single unnecessary and preventable cause of illness and early death."

And yet despite these overwhelming statistics and the passage of legislation by Congress aimed at reducing the smoking epidemic, Americans now consume over 600 billion cigarettes a year. This consumption level is higher than at any time in our past.

In light of these dismal facts, Mr. President, and out of a concern over the health of both smokers and nonsmokers alike, I am today introducing the Smoker and Non-Smoker Health Protection Act of 1976.

This omnibus measure is designed to fortify the Federal Government's campaign to bring the hazards of smoking to the attention of the public, and to help protect the rights of the nonsmoker. I am hopeful that this bill, as well as others that have been introduced in Congress, will provoke a serious debate resulting in positive action in this most significant area.

Congressman DRINAN, who has been instrumental in bringing this matter to the attention of Congress, has introduced a companion bill in the House to the one I present today. He has compiled a thorough explanation of the provisions and intent of the legislation. I recommend it strongly to my Senate colleagues and I ask unanimous consent that his remarks be printed in the RECORD, together with the text of the Smoker and

Non-Smoker Health Protection Act of 1976.

There being no objection, the statement and bill were ordered to be printed in the RECORD, as follows:

CONGRESSMAN DRINAN'S REMARKS UPON INTRODUCTION OF THE SMOKER AND NON-SMOKER HEALTH PROTECTION ACT OF 1975

Title I of the bill, "The Public Health Cigarette Smoking Act of 1975," would improve and expand the Cigarette Labeling and Advertising Act of 1965 in a number of key respects. First, it would strengthen the cigarette package warning label in accordance with a recent recommendation of the Federal Trade Commission and in keeping with the latest medical evidence. The new warning would read: "Warning: Cigarette Smoking Is Dangerous to Health, and May Cause Death from Cancer, Coronary Heart Disease, Chronic Bronchitis, Pulmonary Emphysema, and Other Diseases."

Second, the bill would require that cigarette tar and nicotine content be printed on every package in both absolute and relative terms. This would enable smokers to shop comparatively for the least noxious product.

Third, the bill would require that all cigarette advertisers carry both the strengthened warning label and information on tar and nicotine content. This provision also follows a recommendation made by the F.T.C.

Fourth, the present pre-emption of state action to control cigarette advertising and labeling would be repealed. There is no reason why states desiring to enact stringent anti-smoking laws should not be permitted to do so.

Fifth, the bill would require that cigarettes manufactured in the United States and subsequently exported carry a warning label in the predominant language of the recipient country. At the present time, exported cigarettes need not carry any warning at all. The cigarette industry has a responsibility to warn every smoker, whether American or foreign, of the proven health hazards of smoking.

Sixth, the bill would increase the federal excise tax on cigarettes by a penny per pack with the proceeds used to expand medical research by the National Heart and Lung Institute into smoking-related diseases. This section, which would raise some $300 million annually for vital research programs, is based upon legislation I filed earlier this year along with 28 co-sponsors. (H.R. 1605)

THE FEDERAL NON-SMOKERS PROTECTION ACT OF 1975

The second title of this omnibus legislation would provide federal protection of the rights of non-smokers for the first time. The bill would require all Federal agencies to promulgate regulations to prohibit smoking in their elevators, hallways, conference rooms, reception areas, and areas serving the general public in which the effective separation of smokers from non-smokers would not be practical. Separate smoking sections would be established in cafeterias, recreation areas, and lounges of federal buildings. Federal office buildings, courthouses, post offices, military bases, V.A. hospitals, and Congress itself would be among the thousands of facilities covered by the bill.

The most serious difficulty in protecting the rights of non-smokers is how to deal with smoking on the job. A non-smoker whose desk assignment is next to that of a smoker is virtually a captive to involuntary smoking. If the non-smoker is one of those 40 million Americans with particular susceptibility to tobacco smoke, he or she may find the predicament intolerable. This situation exists in thousands of federal facilities throughout the nation. Disgruntled employees can ask to be transferred to a different office, but there is no assurance that they will be listened to. Action on Smoking and Health (A.S.H.) has received numerous complaints from federal employees who have been forced to resign to protect their health due to involuntary smoking.

The legislation I have filed would require federal agencies to permit non-smokers to have separate work areas or offices whenever such separation would be practical. A worker submittng medical documentation of particular susceptibility to tobacco smoke would be assigned a separate work area in any event. Moreover, in planning, purchasing, or leasing future workplaces, federal agencies would have to take into account the need for effective separation of smoking from non-smoking employees. This carefully drafted provision would serve to protect the health of federal employees who don't smoke without infringing upon the rights of smokers or placing a large financial burden upon all federal agencies.

In addition to protecting non-smokers in federal facilities, the bill would prohibit smoking in waiting lines, lobbies, and boarding areas of airports, train stations, airport buildings and bus terminals involved in interstate commerce. Separate smoking sections would be established in the cafeterias and lounges of such facilities. At the present time, federal regulations limit smoking on trains, buses, and airplanes, but the regulations do not apply to the corresponding stationary facilities covered by this bill.

GROWING DEMAND FOR NON-SMOKERS RIGHTS

During the past few years, the majority of Americans, who don't smoke, have grown increasingly vocal in the assertion of their right to breathe air uncontaminated by tobacco smoke. There are 150 million non-smoking Americans who find themselves breathing the smoke emitted by others in elevators, offices, conference rooms, restaurants, and nearly everywhere else that people congregate. Most Americans who don't smoke consider such "involuntary smoking" an unpleasant nuisance. It may cause their eyes to water, their noses to itch, and their heads to ache.

To 34 million Americans with heart conditions, lung disease, allergies, or other particular susceptibility to tobacco smoke, involuntary smoking is not merely annoying; it is dangerous to their health. According to the U.S. Public Health Service, "People with certain heart and lung diseases may suffer exacerbations of their symptoms as a result of exposure to tobacco smoke-filled environments." In effect, your cigarette may be killing me.

Scientific research indicates that sidestream smoke, which is released into the air by a burning cigarette, contains 2½ times the carbon monoxide, 2½ times the nicotine, and more than 100 times the ammonia of mainstream smoke which goes into the smoker's own lungs. Scientists have measured carbon monoxide in the air of a smoke-filled room which exceeds the maximum permissible standard set by O.S.H.A. for the safety of employees. To quote the latest report by the U.S. Public Health Service once again, "Carbon monoxide generated in a confined area by the smoking of tobacco products reaches excessive, irritating, and potentially hazardous levels." There is nothing funny about non-smokers' rights, at least not to the majority of Americans who want their health to be protected from smoke contamination forced upon them by a few.

EXISTING MEASURES HAVE NOT CURBED THE SMOKING PROBLEM

Shortly after the release of the Surgeon General's report on the health consequences of smoking in 1964, Congress acted to inform Americans of the dangers of smoking by passing the Cigarette Advertising and Labeling Act of 1965. In 1970, with additional scientific evidence linking smoking to serious diseases then available, Congress strengthened the cigarette package warning label and prohibited cigarette advertising on radio and television effective January 2, 1972. The National Clearinghouse on Smoking and Health has been established to conduct research and inform the public regarding the consequences of smoking.

All of these measures were aimed at reducing cigarette consumption in the United States, but none has succeeded. Americans smoked more than 600 billion cigarettes in 1974, an all-time record. Several factors help to explain the ineffectiveness of the federal government's campaign to reduce smoking. First, cigarette companies have circumvented the law by printing miniscule warnings in their advertisements or neglecting to include the warnings altogether. In July, 1975, the Federal Trade Commission voted to bring civil suit against six major cigarette manufacturers for failing to adhere to consent agreements in this area.

Second, the health warning is still not specific or blunt enough to provide the smoker with an accurate appraisal of the risk he or she takes in lighting up. The fact is that smoking can kill, and every cigarette package or advertisement should so state. Moreover, cigarette consumers do not have readily at hand information concerning the relative amount of contamination in each of the popular brands offered for sale.

Third, under existing law, individual states are not permitted to enact laws which restrict cigarette advertising or labeling more rigorously than existing federal statute.

Finally, the Federal government continues to pay large subsidies to tobacco growers even as it proclaims that smoking is dangerous to health. More than $60 million was spent last year to help the tobacco industry produce more of its unhealthy product. Farmers are encouraged to grow as much tobacco as possible since the government guarantees a federal price support. While medical evidence demonstrating the danger of smoking to health has mounted during the past 10 years, tobacco subsidies have risen 34 percent.

The Department of Agriculture helps to promote the export of cigarettes on behalf of the tobacco industry. Incredibly, the Department ships thousands of tons of tobacco to foreign nations under the so-called "Food for Peace" program which was designed to help starving people overseas to regain their good health not to bring them additional sickness through a certified health hazard. It is difficult to take a government seriously when it talks so blatantly out of both sides of its mouth.

RIGHTS OF NON-SMOKERS REMAIN LARGELY UNRECOGNIZED

The recognition and protection of non-smokers' rights by the federal government has, up to now, been virtually nonexistent despite the issuance of a Public Health Service report in 1972 which termed involuntary smoking a health hazard to some 40 million Americans and an annoyance to many millions more. The absence of federal legislation to minimize involuntary smoking is in sharp contrast with the flurry of activity on this issue undertaken by state and local governments. Thirty states and hundreds of localities have enacted laws to protect the non-smoker during the past two years alone.

Prompted by a deluge of consumer complaints and by court action threatened or undertaken by non-smoker advocates such as John F. Banzhaf III of Action on Smoking and Health (A.S.H.), the I.C.C. and the C.A.B. have acted to restrict and isolate smoking on trains, buses, and airplanes engaged in interstate commerce. This approach has been generally successful, but it has gone far enough. A train traveler, for example, is likely to emerge from a non-smoking car into a waiting area or cafeteria at the next station which is filled with smoke. Regulatory agencies have the power to safeguard nonsmokers in such way-stations of public transportation, but they have chosen not to do so.

In 1973, the General Services Administration made an effort to protect more than 1.5 million non-smoking federal employees by issuing federal guidelines on smoking to the heads of all federal agencies. The GSA declared that it recognized "the right of individuals working or visiting in GSA-controlled buildings or space to an environment which is reasonably free from contamination." GSA also recognized "the right of individuals to smoke in such buildings, provided this not endanger life or property, cause discomfort or unreasonable annoyance to non-smokers, or infringe upon their rights.

The GSA went on to ask all agency heads to take steps to prohibit smoking in conference rooms, auditoriums, and elevators; and to separate smokers and non-smokers to the extent feasible in cafeterias and work areas. Unfortunately, these laudable guidelines have been ignored by virtually the entire federal bureaucracy since their adoption two years ago. Even if the GSA regulations had been adhered to, they would not have affected the 2.1 million military personnel or the employees of agencies not located in GSA-controlled buildings. While the Executive branch is willing to talk at times about non-smokers' rights, it is not willing to take the requisite steps to protect those rights against infringement by smokers.

CONCLUSION

The protection of public health is one of the federal government's chief responsibilities. The medical verdict is in on smoking—smoking is dangerous to health and may cause death. Moreover, it is now apparent that the majority of Americans who don't smoke may suffer minor irritation or more serious health damage from the contaminants released into the air by the smoking. The Federal Government has toyed with measures to discourage smoking since 1965, but it has not yet taken sufficiently strong steps to combat this public health hazard. Congress has lagged behind both state and local governments in protecting the rights of nonsmokers to breathe air uncontaminated by tobacco smoke. If we are serious about saving lives and protecting the health of smokers and non-smokers alike, Congress must be willing to stand up to the powerful tobacco lobby and adopt the forceful measures contained in this bill.

S. 2906

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Smoker and Nonsmoker Health Protection Act of 1975".

Sec. 2. (a) The Congress makes the following findings and declarations—

(1) cigarette smoking is dangerous to health;

(2) cigarette smoking is the primary cause of chronic bronchitis in the United States;

(3) cigarette smoking is the primary cause of lung cancer in the United States;

(4) cigarette smoking may cause death from coronary heart disease, pulmonary emphysema, and other diseases;

(5) cigarette smoke within a confined area creates a serious health hazard to nonsmokers who suffer from heart disease, respiratory disease, or allergies related to tobacco smoke; and

(6) cigarette smoke within a confined area may be irritating and annoying to nonsmokers and violates their right to breathe air which is relatively free from tobacco smoke contamination.

(b) The purpose of this Act is to protect the health and welfare of smokers and nonsmokers alike by—

(1) strengthening the cigarette package warning in accordance with recent medical research findings;

(2) enabling States to enact laws which regulate the advertising and promotion of cigarettes;

(3) requiring that all cigarette packages exported from the United States carry a warning label in the predominent language of the recipient country;

(4) protecting the rights of nonsmokers in Federal buildings;

(5) protecting the rights of nonsmokers in instrumentalities of interstate commerce;

(6) providing for an annual report on the health consequences to non-smokers of involuntary inhalation of cigarette smoke; and

(7) increasing the funds for medical research with respect to cigarette-related diseases by raising the Federal excise tax on cigarettes and by authorizing to be appropriated for such medical research an amount which includes the amount of revenue raised by such tax.

TITLE I—CIGARETTE LABELING AND ADVERTISING

Sec. 101. This title may be cited as the "Public Health Cigarette Smoking Act of 1975".

Sec. 102. Section 4 of the Federal Cigarette Labeling and Advertising Act (15 U.S.C. 1333) is amended to read as follows:

"LABELING

"Sec. 4. (a) It shall be unlawful for any person to manufacture, import, or package for sale or distribution within the United States any cigarettes the package of which—

"(1) fails to bear the following statement: 'Warning: Cigarette Smoking is Dangerous to Your Health and May Cause Death from Cancer, Coronary Heart Disease, Chronic Bronchitis, Pulmonary Emphysema, and Other Diseases.'; and

"(2) fails to bear a statement of the tar and nicotine content of each cigarette in such package, as determined by the most recent test conducted for that purpose by the Federal Trade Commission and expressed in terms of—

"(A) weight of the tar and nicotine content of each such cigarette; and

"(B) the percentage by which such tar and nicotine content varies from the mean tar and nicotine content of all cigarettes tested in such test.

Such statements shall be located in a conspicuous place on every cigarette package and shall appear in conspicuous and legible type in contrast typography, layout, or color with other printed matter on the package.

"(b) It shall be unlawful for any person to disseminate or cause to be disseminated any cigarette advertisement which fails to contain the statements required by paragraphs (1) and (2) of subsection (a) and which is either disseminated by United States mails or in commerce or which is likely to induce, directly or indirectly, the purchase in or have an effect upon commerce of cigarettes. Such statements shall be located in a conspicuous place in each cigarette advertisement and shall appear in conspicuous and legible type in contrast by typography, layout, or color with other printed matter in such advertisement.

"(c)(1) Any violation of subsection (a) or (b) of this section shall be an unfair or deceptive act or practice in or affecting commerce within the meaning of section 5 of the Federal Trade Commission Act (15 U.S.C. 45).

"(2) In any proceeding for a temporary restraining order or preliminary injunction to enjoin a violation of subsection (b) of this section, if it appears to the satisfaction of the court—

"(A) that restraining the dissemination of a cigarette advertisement in any particular issue of a newspaper, magazine, periodical, or other publication published at regular intervals would delay the delivery of such issue after the regular time for such delivery; and

"(B) that such delay would be due to the method by which the manufacture and distribution of such publication is customarily conducted by the publisher in accordance with sound business practice, and not to any method or device adopted for the evasion of this section or to prevent or delay the issuance of an injunction or restraining order with respect to such advertisement or any other advertisement,

the court shall exclude such issue from the operation of the restraining order or injunction.".

Sec. 103. Section 5 of the Federal Cigarette Labeling and Advertising Act (15 U.S.C. 1334) is repealed.

Sec. 104. Section 8(a) of the Federal Cigarette Labeling and Advertising Act (15 U.S.C. 1337(a)) is amended by inserting ", including the effects on nonsmokers of involuntary inhalation of cigarette smoke immediately after "of smoking".

Sec. 105. Section 11 of the Federal Cigarette Labeling and Advertising Act (15 U.S.C. 1340) is amended to read as follows:

"CIGARETTES FOR EXPORT

"Sec. 11. Each package of cigarettes manufactured, imported, or packaged for export from the United States shall bear the statements required by section 4(a) in the predominant language of the country to which such package is exported, except that such statements on any package of cigarettes manufactured, imported, or packaged for sale or distribution to any member or unit of the Armed Forces of the United States located outside of the United States shall be in English.".

Sec. 106. The amendments made by this title shall take effect at the end of the 6-month period beginning with the date of enactment of this Act.

TITLE II—SMOKING IN FEDERAL BUILDINGS AND INTERSTATE FACILITIES

SHORT TITLE

Sec. 201. This title may be cited as the "Federal Nonsmokers Protection Act of 1975".

PURPOSE

Sec. 202. The purpose of this title is to protect the rights of nonsmoking Federal employees and members of the public within Federal facilities and public facilities associated with common carriers in interstate commerce by prohibiting smoking in certain areas in such facilities and by providing for the separation of smokers and nonsmokers in other areas in such facilities.

DEFINITIONS

Sec. 203. For the purposes of this title—

(1) the term "smoking" means the smoking or possession of a lighted cigarette, cigar, or pipe containing a tobacco product; and

(2) the term "effectively separated" means the separation of areas in which smoking is permitted and in which smoking is not permitted in a manner which minimizes, to the extent practicable, the drift of smoke from the smoking area into the nonsmoking area.

PART A—FEDERAL FACILITIES

DEFINITIONS

Sec. 211. For the purposes of this part—

(1) the term "instrumentality of the United States" means—

(A) an Executive agency, as defined at section 105 of title 5, United States Code;

(B) the United States Postal Service;

(C) the Congress;

(D) the courts of the United States; and

(E) the governments of the territories and possessions of the United States; and

(2) the term "Federal facility" means—

(A) any building, installation, or facility owned by the United States; or

(B) any part of any other building, installation, or facility, which part is owned or leased by the United States.

SMOKING PROHIBITED

SEC. 212. Except as provided in section 213, smoking shall not be permitted in any enclosed area open to the public in any Federal facility or in any stairway, elevator, hallway, conveyance, waiting room, reception room, conference room, or hearing room in any such facility.

SEPARATION OF SMOKERS AND NONSMOKERS

SEC. 213. (a) Smokers shall be effectively separated from nonsmokers in any restaurant, cafeteria, snack bar, other dining facility, recreation room or lounge in any Federal facility.

(b) (1) Nonsmoking employees in Federal facilities shall be given the opportunity to be assigned to separate and physically distinct offices or workplaces from those of employees who smoke; except that when such physical separation would result in excessive costs or administrative disruption, all reasonable efforts shall be made to otherwise effectively separate the workplaces of employees who do not smoke from those of employees who do smoke.

(2) Whenever any employee in any Federal facility presents a written statement from a physician that exposure to tobacco smoke may have an adverse effect upon such employee's health, and such employee's supervisor is unable, because of excessive costs or undue administrative disruption, to provide such employee a separate and physically distinct smoke-free work environment, smoking shall be prohibited in such employee's work area.

"NO SMOKING" SIGNS

SEC. 214. In every area in any Federal facility where smoking is prohibited under this part, "No Smoking" signs shall be clearly and conspicuously posted in sufficient numbers and prominence to give notice to any person entering or occupying such area that smoking is prohibited in such area.

NEW FACILITIES

SEC. 215. In planning, designing, purchasing, leasing, or otherwise obtaining new facilities, each instrumentality of the United States shall, to the maximum extent practicable, ensure the effective separation of smoking and nonsmoking employees in such facility.

ENFORCEMENT

SEC. 216. (a) The executive head or chief administrative officer of each instrumentality of the United States shall be responsible for enforcing this part in any Federal facility in which such instrumentality maintains offices.

(b) Not later than 90 days after the date of enactment of this Act, the executive head or chief administrative officer of each instrumentality of the United States shall publish in the Federal Register regulations for the enforcement of this part. The Administrator of General Services shall, upon the request of any such executive head or chief administrative officer, provide assistance in the preparation of such regulations.

(c) The regulations promulgated pursuant to subsection (b) shall include—

(1) measures to ensure strict and consistent compliance with this part;

(2) procedures for monitoring the extent of noncompliance with this part;

(3) procedures for receiving and processing complaints of noncompliance with this part; and

(4) appropriate sanctions for noncompliance with this part comparable to sanctions for failure to comply with any other applicable regulation affecting the health, safety, or well-being of the public or the work force.

REPORTS

SEC. 217. (a) The executive head or chief administrative officer of each instrumentality of the United States shall each year submit to the Administrator of General Services a report on the enforcement of this part by such officer. Such report shall include the procedures used to ensure compliance, the number of complaints received, and the actions taken to resolve such complaints.

(b) The Administrator of General Services shall each year submit to the Congress a report on the enforcement of this part, together with any recommendations for legislation such Administrator may have.

INJUNCTIVE ENFORCEMENT

SEC. 218. (a) Each United States district court shall have jurisdiction, with respect to any Federal facility located within the district of such court, to enjoin any violation of this part and to enjoin any failure to enforce this part.

(b) Any person who successfully brings a suit under subsection (a) shall be allowed court costs and reasonable attorneys fees, as determined by the court.

EFFECTIVE DATE

SEC. 219. This part shall take effect 90 days after the date of enactment of this Act.

PART B—INTERSTATE PASSENGER CARRIER FACILITIES

DEFINITIONS

SEC. 221. For the purposes of this part:

(1) the term "interstate passenger carrier facility" means any airport, bus station, railroad station, or port facility serving passengers of any common carrier which is in or affects interstate commerce; and

(2) the term "interstate commerce" means (A) commerce between any State, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, or Johnston Island and any place outside thereof; and (B) commerce between points in any State, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, or Johnston Island, but through any place outside thereof.

SMOKING PROHIBITED

SEC. 222. Smoking shall be unlawful in any ticket office, waiting line, or boarding area in any interstate passenger carrier facility.

SEPARATION OF SMOKERS AND NONSMOKERS

SEC. 223. Smokers shall be effectively separated from nonsmokers in any cafeteria, restaurant, other eating facility, waiting room, recreation area, or lounge in any interstate passenger carrier facility.

"NO SMOKING" SIGNS

SEC. 224. (a) In any area of any interstate passenger carrier facility where smoking is prohibited under sections 222 or 223, "No Smoking" signs shall be clearly and conspicuously posted in sufficient numbers and prominence to give notice to any individual entering or occupying such area that smoking is prohibited in such area.

(b) Each sign posted under subsection (a) shall—

(1) bear the statement "NO SMOKING" in letters at least two inches high; and

(2) bear the statements (A) "OR CARRYING A LIGHTED CIGARETTE, PIPE, OR CIGAR", (B) "BY ACT OF CONGRESS", and (C) "REPORT VIOLATIONS TO ———", each of which shall be in letters at least three-quarters of an inch high.

INJUNCTIVE ENFORCEMENT

SEC. 225. (a) Each United States district court shall have jurisdiction, with respect to any interstate passenger carrier facility in its district, to enjoin any owner or lessor or any such facility from failing to enforce this part.

(b) Any person who successfully brings a suit under subsection (a) shall be allowed court costs and reasonable attorney fees, as determined by the court.

CIVIL PENALTIES

SEC. 226. Any individual who smokes in any place where smoking is prohibited under this part shall be assessed a civil penalty of not to exceed $100 for each such violation.

EFFECTIVE DATE

SEC. 227. This part shall take effect 60 days after the date of enactment of this Act.

TITLE III—CIGARETTE-RELATED DISEASE RESEARCH

SEC. 301. (a) Paragraphs (1) and (2) of section 5701(b) of the Internal Revenue Code of 1954 (relating to rate of tax on cigarettes) are amended to read as follows:

"(1) Small cigarettes.—On cigarettes, weighing not more than 3 pounds per thousand—

"(A) $4 per thousand, plus

"(B) an additional $0.50 per thousand.

"(2) Large cigarettes.—On cigarettes, weighing more than 3 pounds per thousand—

"(A) $8.40 per thousand, plus

"(B) an additional $1.05 per thousand; except that, if more than 6½ inches in length, they shall be taxable at the rate prescribed for cigarettes weighing not more than 3 pounds per thousand, counting each 2¾ inches, or fraction thereof, of the length of each as one cigarette.".

(b) The amendment made by subsection (a) shall apply with respect to cigarettes which the manufacturer of such cigarettes removes (within the meaning of section 5702(k) of the Internal Revenue Code of 1954) after the date of the enactment of this Act.

SEC. 302. Section 419B of the Public Health Service Act (42 U.S.C. 287i) is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 419B. (a) For purposes of carrying out this part (other than section 414), there is authorized to be appropriated—

"(1) for the fiscal year ending September 30, 1977, an amount equal to the sum of (A) $475,000,000 and (B) the amount determined by the Secretary of the Treasury to be the amount received in the Treasury during the 12 months ending September 30, 1976, due to the additional tax imposed by paragraphs (1)(B) and (2)(B) of section 5701(b) of the Internal Revenue Code of 1954; and

"(2) for the fiscal year ending September 30, 1978, an amount equal to the sum of (A) $475,000,000 and (B) the amount determined by the Secretary of the Treasury to be the amount received in the Treasury during the fiscal year ending on September 30, 1977, due to the additional tax on cigarettes imposed by paragraphs (1)(B) and (2)(B) of the Internal Revenue Code of 1954.

"(b) All sums appropriated under paragraphs (1)(B) and (2)(B) of this subsection shall be reserved for programs under this part respecting diseases which are caused in whole or in part by cigarette smoking.".

Mr. MANSFIELD subsequently said: Mr. President, I ask unanimous consent that a bill to strengthen the warning label required on cigarette packages, extend such warning to cigarette advertisements, regulate smoking in Federal facilities, and in facilities serving interstate common carrier passengers, and for other purposes, introduced earlier by the distinguished Senator from Oregon (Mr. Hatfield) be referred jointly to the Committees on Commerce, Finance, Labor and Public Welfare, and Public Works.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 2853

At the request of Mr. Helms, the Senator from Oregon (Mr. Hatfield), the Senator from Texas (Mr. Bentsen), the Senator from Vermont (Mr. Leahy), the Senator from New York (Mr. Buckley), the Senator from Nebraska (Mr. Curtis), the Senator from South Carolina (Mr. Thurmond), the Senator from Arkansas (Mr. McClellan), the Senator from Oklahoma (Mr. Bellmon), the Senator from Idaho (Mr. McClure), the Senator from Wyoming (Mr. Hansen), the Senator from Oklahoma (Mr. Bartlett), the Senator from Utah (Mr. Garn), the Senator from Texas (Mr. Tower), the Senator from Arizona (Mr. Goldwater), the Senator from New Mexico (Mr. Domenici), the Senator from Tennessee (Mr. Baker), the Senator from Nevada (Mr. Laxalt), the Senator from Tennessee (Mr. Brock), the Senator from Delaware (Mr. Roth), the Senator from Maryland (Mr. Beall), the Senator from Nebraska (Mr. Hruska), the Senator from Kentucky (Mr. Huddleston), and the Senator from North Dakota (Mr. Young) were added as cosponsors of the bill (S. 2853) to amend the Food Stamp Act of 1964 to insure a proper level of accountability on the part of food stamp vendors.

S. 2589

At the request of Mr. McGovern, the Senator from Colorado (Mr. Haskell) and the Senator from New Mexico (Mr. Montoya) were added as cosponsors of the bill (S. 2589) to foster and continue the family farm in the United States.

S. 2897

At the request of Mr. McGovern, the Senator from Kentucky (Mr. Ford) and the Senator from New York (Mr. Javits) were added as cosponsors of the bill (S. 2897) to amend the Internal Revenue Code of 1954 to exempt farmers from the highway use tax on heavy trucks used for farm purposes.

SENATE RESOLUTION 302

At the request of Mr. Griffin, the Senator from Utah (Mr. Garn) and the Senator from Arkansas (Mr. Bumpers) were added as cosponsors of the resolution—Senate Resolution 302—to establish a select committee of the Senate to conduct an investigation and study of the extent, if any, to which criminal or other illegal, improper or unethical activities are engaged in by any persons acting individually or in combination with others in the field of labor-management relations.

SENATE RESOLUTION 368—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON AERONAUTICAL AND SPACE SCIENCES

(Referred to the Committee on Rules and Administration.)

Mr. FORD (for Mr. Moss), from the Committee on Aeronautical and Space Sciences, reported the following resolution:

S. Res. 368

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by section 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Aeronautical and Space Sciences, or any subcommittee thereof, is authorized from March 1, 1976, through February 28, 1977, in its discretion (1) to make expenditures from the contingent funds of the Senate, (2) employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

Sec. 2. The expenses of the committee under this resolution shall not exceed $169,000, of which amount not to exceed $27,500 shall be available for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202 (i) of the Legislative Reorganization Act of 1946, as amended).

Sec. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1977.

Sec. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 369—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON BANKING, HOUSING AND URBAN AFFAIRS

(Referred to the Committee on Rules and Administration.)

Mr. PROXMIRE, from the Committee on Banking, Housing and Urban Affairs, reported the following resolution:

S. Res. 369

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Banking, Housing and Urban Affairs, or any subcommittee thereof, is authorized from March 1, 1976, through February 28, 1977, for the purposes stated and within the limitations imposed by the following sections, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department of agency concerned and the Committee on Rules ond Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

Sec. 2. The Committee on Banking, Housing and Urban Affairs, or any subcommittee thereof, is authorized from March 1, 1976 through February 28, 1977, to expend not to exceed $884,000 to examine, investigate and make a complete study of any and all matters pertaining to each of the subjects set forth blow in succeeding sections of this resolution, said funds to be allocated to the respective specific inquiries in accordance with such succeeding sections of this resolution.

Sec. 3. Not to exceed $477,000 shall be available for a study or investigation of—

(1) banking and currency generally;

(2) financial aid to commerce and industry;

(3) deposit insurance;

(4) the Federal Reserve System, including monetary and credit policies;

(5) economic stabilization, production, and mobilization;

(6) valuation and revaluation of the dollar;

(7) prices of commodities, rents, and services;

(8) securities and exchange regulations;

(9) credit problems of small business; and

(10) international finance through agencies within legislative jurisdiction of the committee.

Sec. 4. Not to exceed $249,000 shall be available for a study or investigation of public and private housing and urban affairs generally.

Sec. 5. Not to exceed $158,000 shall be available for an inquiry and investigation pertaining to the securities industry.

Sec. 6. The committee shall report its findings, together with such recommendations for legislation as it deems advisable with respect to each study or investigation for which expenditure is authorized by this resolution, to the Senate at the earliest practicable date, but not later than February 28, 1977.

Sec. 7. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

SENATE RESOLUTION 370—SUBMISSION OF A RESOLUTION CONTINUING AND AUTHORIZING ADDITIONAL EXPENDITURES BY THE SPECIAL COMMITTEE ON NATIONAL EMERGENCIES AND DELEGATED EMERGENCY POWERS

(Referred to the Committee on Foreign Relations.)

Mr. CHURCH (for himself and Mr. Mathias) submitted the following resolution:

S. Res. 370

Resolved, That the Special Committee on National Emergencies and Delegated Emergency Powers, established by Senate Resolution 9, Ninety-third Congress, agreed to January 6, 1973, as continued and supplemented by Senate Resolution 242, Ninety-third Congress, agreed to March 1, 1974, and Senate Resolution 10, Ninety-fourth Congress, agreed to July 26, 1975, is continued through April 30, 1976, or thirty days after the bill entitled "An Act to terminate certain authorities with respect to national emergencies still in effect, and to provide for orderly implementation and termination of future national emergencies" (H.R. 3884) or other comparable legislation has been enacted into law, whichever shall first occur.

SEC. 2. In carrying out such function, the special committee is authorized from March 1, 1976, through April 30, 1976, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, (3) to hold hearings, (4) to sit and act at any time or place during the sessions, recesses, and adjourned periods of the Senate, (5) to require, by subpena or otherwise, the attendance of witness and the production of correspondence, books, papers, and documents, (6) to take depositions and other testimony, and (7) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 3. For the period from March 1, 1976, through April 30, 1976, the expenses of the special committee under this resolution shall not exceed $12,500.

SEC. 4. The special committee shall make the final report required by section 5 of that Senate Resolution 9, Ninety-third Congress, and modified by Senate Resolution 242, Ninety-third Congress, and Senate Resolution 10, Ninety-fourth Congress, not later than May 31, 1976, instead of February 28, 1976.

SEC. 5. Expenses of the special committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the two cochairmen of the special committee.

SENATE RESOLUTION 371—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON FOREIGN RELATIONS

(Referred to the Committee on Rules and Administration.)

Mr. SPARKMAN, from the Committee on Foreign Relations, reported the following resolution:

S. RES. 371

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Foreign Relations, or any subcommittee thereof, is authorized from March 1, 1976, through February 28, 1977, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $1,167,940, of which amount not to exceed $60,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended.)

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 29, 1976.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 372—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON VETERANS' AFFAIRS

(Referred to the Committee on Rules and Administration.)

Mr. HARTKE, from the Committee on Veterans' Affairs, reported the following resolution:

S. RES. 372

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Veterans' Affairs, or any subcommittee thereof, is authorized from March 1, 1976, through February 28, 1977, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $318,600, of which amount (1) not to exceed $60,000 may be expended for the procurement of the services of individual consultants or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1977.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

SENATE RESOLUTION 373—SUBMISSION OF A RESOLUTION CONTINUING AND AUTHORIZING ADDITIONAL EXPENDITURES BY THE SPECIAL COMMITTEE ON AGING

(Referred to the Committee on Rules and Administration.)

Mr. CHURCH (for himself, Mr. FONG and Mr. MOSS) submitted the following resolution:

S. RES. 373

Resolved, That the Special Committee on Aging, established by S. Res. 33, Eighty-seventh Congress, agreed to on February 13, 1961, as amended and supplemented, is hereby extended through February 28, 1977.

SEC. 2. (a) The committee shall make a full and complete study and investigation of any and all matters pertaining to problems and opportunities of older people, including, but not limited to, problems and opportunities of maintaining health, of assuring adequate income, of finding employment, of engaging in productive and rewarding activity, of securing proper housing, and, when necessary, of obtaining care or assistance. No proposed legislation shall be referred to such committee, and such committee shall not have power to report by bill, or otherwise have legislative jurisdiction.

(b) A majority of the members of the committee or any subcommittee thereof shall constitute a quorum for the transaction of business, except that a lesser number, to be fixed by the committee, shall constitute a quorum for the purpose of taking sworn testimony.

SEC. 3. (a) For purposes of this resolution, the committee is authorized from March 1, 1976, through February 28, 1977, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to hold hearings, (3) to sit and act at any time or place during the sessions, recesses, and adjournment periods of the Senate, (4) to require by subpena or otherwise the attendance of witnesses and the production of correspondence, books, papers, and documents, (5) to administer oaths, (6) to take testimony orally or by deposition, (7) to employ personnel, (8) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel, information, and facilities of any such department or agency, and (9) to procure the temporary services (not in excess of one year) or intermittent services of individual consultants, or organizations thereof, in the same manner and under the same condition as a standing committee of the Senate may procure such services under section 202(i) of the Legislative Reorganization Act of 1946.

(b) The minority shall receive fair consideration in the appointment of staff personnel pursuant to this resolution. Such personnel assigned to the minority shall be accorded equitable treatment with respect to the fixing of salary rates, the assignment of facilities, and the accessibility of committee records.

SEC. 4. The expenses of the committee under this resolution shall not exceed $507,000, of which amount not to exceed $20,000 shall be available for the procurement of the services of individual consultants or organizations thereof.

SEC. 5. The committee shall report the results of its study and investigation, together with such recommendations as it may deem advisable, to the Senate at the earliest practicable date, but not later than February 28, 1977. The committee shall cease to exist at the close of business on February 28, 1977.

SEC. 6. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 374—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON COMMERCE

(Referred to the Committee on Rules and Administration.)

Mr. MANSFIELD (for Mr. MAGNUSON), from the Committee on Commerce, reported the following resolution:

S. RES. 374

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Commerce, or any subcommittee thereof, is authorized from March 1, 1976, through February 28, 1977, for the purposes stated and within the limitations imposed by the following sections, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The investigations referred to in section 1 shall include, but not be limited to, investigations of (1) national ocean policy, (2) tourism, and (3) regulatory reform. The investigation of national ocean policy shall be conducted in accordance with and subject to the provisions of S. Res. 222, Ninety-third Congress, agreed to February 19, 1974. The investigation of tourism shall be conducted in accordance with and subject to the provisions of S. Res. 347, Ninety-third Congress, agreed to October 10, 1974. The investigation of regulatory reform shall be conducted in accordance with and subject to the provisions of S. Res. 71, Ninety-fourth Congress, agreed to July 28, 1975.

SEC. 3. The Committee on Commerce is authorized from March 1, 1976, through February 28, 1977, to expend not to exceed $2,459,700 to examine, investigate, and make a complete study of any and all matters pertaining to each of the subjects set forth below in succeeding sections of this resolution, said funds to be allocated to the respective specific inquiries and to the procurement of the services of individual consultants or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended) in accordance with such succeeding sections of this resolution.

SEC. 4. Not to exceed $260,000 shall be available to continue the study of the purpose and current effectivenesss of certain Federal agencies authorized under S. Res. 71, Ninety-fourth Congress, agreed to July 26, 1975, of which amount not to exceed $150,000 may be expended for the procurement of individual consultants or organizations thereof.

SEC. 5. Not to exceed $2,199,700 shall be available for studies or investigations of all other matters within the jurisdiction of the Committee on Commerce, of which amount not to exceed $200,000 may be expended for procurement of individual consultants or organizations thereof.

SEC. 6. The committee shall report its findings, together with such recommendations for legislation as it deems advisable with respect to each study or investigation for which expenditure is authorized by this resolution, to the Senate at the earliest practicable date, but not later than February 28, 1977.

SEC. 7. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

Mr. MANSFIELD. Mr. President, on behalf of the distinguished Senator from Washington (Mr. MAGNUSON), the chairman of the Committee on Commerce, I send to the desk a resolution and ask that it be appropriately referred.

The PRESIDING OFFICER. The resolution will be received and appropriately referred.

SENATE RESOLUTION 375—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON THE JUDICIARY

(Referred to the Committee on Rules and Administration.)

Mr. EASTLAND, from the Committee on the Judiciary, reported the following resolution:

S. RES. 375

Resolved, That in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate so far as applicable, the Committee on the Judiciary, or any subcommittee thereof, is authorized from March 1, 1976, through February 28, 1977, for the purposes stated and within the limitations imposed by the following sections, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services or personnel of any such department or agency.

SEC. 2. The Committee on the Judiciary, or any subcommittee thereof, is authorized from March 1, 1976, through February 28, 1977, to expend not to exceed $4,274,400 to examine, investigate, and make a complete study of any and all matters pertaining to each of the subjects set forth below in succeeding sections of this resolution, said funds to be allocated to the respective specific inquiries and to the procurement of the services of individual consultants or organizations thereof (as authorized by section 202 (i) of the Legislative Reorganization Act of 1946, as amended) in accordance with such succeeding sections of this resolution.

SEC. 3. Not to exceed $497,000 shall be available for a study or investigation of administrative practice and procedure, of which amount not to exceed $14,500 may be expended for the procurement of individual consultants or organizations thereof.

SEC. 4. Not to exceed $799,100 shall be available for a study or investigation of antitrust and monopoly, of which amount not to exceed $8,000 may be expended for the procurement of individual consultants or organizations thereof.

SEC. 5. Not to exceed $323,000 shall be available for a study or investigation of constitutional amendments, of which amount not to exceed $10,000 may be expended for the procurement of individual consultants or organizations thereof.

SEC. 6. Not to exceed $390,000 shall be available for a study or investigation of constitutional rights, of which amount not to exceed $10,000 may be expended for the procurement of individual consultants or organizations thereof.

SEC. 7. Not to exceed $245,700 shall be available for a study or investigation of criminal laws and procedures.

SEC. 8. Not to exceed $20,000 shall be available for a study or investigation of Federal charters, holidays, and celebrations.

SEC. 9. Not to exceed $233,500 shall be available for a study or investigation of immigration and naturalization.

SEC. 10. Not to exceed $267,100 shall be available for a study or investigation of improvement in judicial machinery.

SEC. 11. Not to exceed $295,300 shall be available for a complete and continuing study and investigation of (1) the administration, operation, and enforcement of the Internal Security Act of 1950, as amended, (2) the administration, operation, and enforcement of other laws relating to espionage, sabotage, and the protection of the internal security of the United States, and (3) the extent, nature, and effect of subversive activities in the United States, its territories and possessions, including, but not limited to, espionage, sabotage, and infiltration by persons who are or may be under the domination of the foreign government or organization controlling the world Communist movement or any other movement seeking to overthrow the Government of the United States by force and violence or otherwise threatening the internal security of the United States.

SEC. 12. Not to exceed $419,800 shall be available for a study or investigation of juvenile delinquency, of which amount not to exceed $14,000 may be expended for the procurement of individual consultants or organizations thereof.

SEC. 13. Not to exceed $168,00 shall be available for a study or investigation of patents, trademarks, and copyrights.

SEC. 14. Not to exceed $102,900 shall be available for a study or investigation of national penitentiaries, of which amount not to exceed $500 may be expended for the procurement of individual consultants or organizations thereof.

SEC. 15. Not to exceed $220,000 shall be available for a study or investigation of refugees and escapees, of which amount not to exceed $5,000 may be expended for the procurement of individual consultants or organizations thereof.

SEC. 16. Not to exceed $293,000 shall be available for a study or investigation of separation of powers between the executive, judicial, and legislative branches of Government of which amount not to exceed $10,000 may be expended for the procurement of individual consultants or organizations thereof.

SEC. 17. The committee shall report its findings, together with such recommendations for legislation as it deems advisable with respect to each study or investigation for which expenditure is authorized by this resolution, to the Senate at the earliest practicable date, but not later than February 28, 1977.

SEC. 18. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 376—SUBMISSION OF A RESOLUTION CONTINUING AND AUTHORIZING ADDITIONAL EXPENDITURES BY THE SELECT COMMITTEE ON NUTRITION AND HUMAN NEEDS

(Ordered held at the desk, by unanimous consent.)

Mr. McGOVERN (for himself and Mr. PERCY) submitted the following resolution:

S. RES. 376

Resolved, That the Select Committee on Nutrition and Human Needs, established by S. Res. 281, Ninetieth Congress, agreed to on July 30, 1968, as amended and supplemented, is hereby extended through February 28, 1977.

SEC. 2. (a) In studying matters pertaining to the lack of food, medical assistance, and other related necessities of life and health, the Select Committee on Nutrition and Human Needs is authorized from March 1, 1976, through February 28, 1977, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, (3) to subpoena witnesses and documents, (4) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel, information, and facilities of any such department or agency, (5) to procure the temporary services (not in excess of one year) or intermittent services of individual consultants, or organizations thereof, in the same manner and under the same conditions as a standing committee of the Senate may procure such services under section 202(i) of the Legislative Reorganization Act of 1946, (6) to interview employees of the Federal, State, and local governments and other individuals, and (7) to take depositions and other testimony.

(b) The minority shall receive fair consideration in the appointment of staff personnel pursuant to this resolution. Such personnel assigned to the minority shall be accorded equitable treatment with respect to the fixing of salary rates, the assignment of facilities, and the accessibility of committee records.

SEC. 3. The expenses of the committee under this resolution shall not exceed $439,000 of which amount not to exceed $25,000 shall be available for the procurement of the services of individual consultants, or organizations thereof.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

NUTRITION COMMITTEE EXTENSION AND BUDGET AUTHORIZATION

Mr. McGOVERN. Mr. President, I am submitting, on behalf of myself and Senator PERCY, the ranking minority member, a resolution extending the Select Committee on Nutrition and Human Needs through February 28, 1977, and authorizing additional expenditures by the committee for that period.

The committee met in executive session yesterday morning and following a poll of the members, unanimously approved this resolution and the budget expenditure which it would authorize.

Mr. President, the proposed extension and budget of the select committee reflect two important realities: First, the need for fiscal restraint in Government; second, the increasing need for congressional oversight and action in the vital areas of nutrition policy.

The proposed committee budget for the 2d session of the 94th Congress is $439,000—approximately a 10-percent increase over the budget approved for the 1st session. The fact that this increase barely equals the likely rate of inflation does not reflect a diminished salience or priority of nutrition issues. Indeed in areas ranging from food stamps to child nutrition to problems of nutrition and health, the value of the committee's work continues to grow. Rather the size of the proposed budget increase, which in real dollars represents virtually no increase and in fact provides no additional staff, is a result of my strong conviction, and that of the committee in general, that every part of Government ought to restrain spending to the maximum possible extent and achieve the maximum return for each dollar of expenditure. There has been no attempt to inflate the budget request to absorb an anticipated cut. It is actually $46,000 less than the sum requested for the first session. The committee believes this to be a realistic, minimum budget which includes a small increase almost exclusively to account for the costs of inflation.

Mr. President, I ask unanimous consent that the resolution be printed in the RECORD, but not be referred or printed because we are seeking agreement to refer it directly to the Rules Committee and will ask unanimous consent for such referral next Monday assuming the agreement is reached.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 1330

At the request of Mr. PELL, the Senator from Illinois (Mr. STEVENSON) was added as a cosponsor of Amendment No. 1330, intended to be proposed to the joint resolution (H.J. Res. 549) relating to the establishment of a Commonwealth of the Northern Mariana Islands.

ANNOUNCEMENT OF HEARINGS

Mr. PHILIP A. HART. Mr. President, I wish to announce a special one-day hearing to be held by the Subcommittee on Antitrust and Monopoly on S. 1284, the Hart-Scott Antitrust Improvements Act. This hearing will be held on Tuesday, February 3, at 2 p.m., in room 2228 Dirksen Senate Office Building. If further information is required, please contact Howard E. O'Leary, Jr., Staff Director, Antitrust and Monopoly Subcommittee, 224-5573.

ADDITIONAL STATEMENTS

THE SUPREME COURT DECISION ON THE CONSTITUTIONALITY OF THE FEDERAL ELECTION CAMPAIGN ACT OF 1971

Mr. PELL. Mr. President, this morning the Supreme Court handed down its decision on the constitutionality of the Federal Election Campaign Act of 1971, as amended in 1974.

This is a momentous decision, one whose impact will be felt immediately by all candidates and prospective candidates in this election year. I cannot emphasize too strongly that the central issue at stake in our campaign and election laws is not partisan advantage, nor advantage to incumbents or challengers. The central concern is protection of the integrity of our democratic electoral process, from the abuses associated with the financing of political campaigns. It is with this public interest in mind that the impact of the Court's decision should be viewed and considered.

The Court upheld the constitutionality of the contribution limitations, the disclosure and reporting requirements and the public financing provisions for Presidential candidates.

The Court, however, declared unconstitutional—as a violation of first amendment guarantees—the expenditure limitations.

The Court upheld the constitutionality of all of the powers of the Federal Election Commission except the investigatory and informational powers.

The various opinions of the eight justices who took part in the decision are not yet available. At this point, I ask unanimous consent that the syllabus of the Court's decision be printed in the RECORD, at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. PELL. As chairman of the Subcommittee on Privileges and Elections and as one who participated in the long hours and days of deliberation that went into fashioning this act, I am aware of the enormity of the Court's decision. It is vital that we in the Congress study the decision carefully and in great detail as the decision may require remedial legislation.

EXHIBIT 1

[Supreme Court of the United States]

SYLLABUS

Buckley et al. *v.* Valeo, Secretary of the United States Senate, et al.

Appeal from the United States Court of Appeals for the District of Columbia Circuit

No. 75-436. Argued November 10, 1975—Decided January 30, 1976*

The Federal Election Campaign Act of 1971 (Act), as amended in 1974, (a) limits political contributions to candidates for federal elective office by an individual or a group to $1,000 and by a political committee to $5,000 to any single candidate per election, with an overall annual limitation of $25,000 by an individual contributor; (b) limits expenditures by individuals or groups "relative to a clearly identified candidate" to $1,000 per candidate per election, and by a candidate from his personal or family funds to various specified annual amounts depending upon the federal office sought, and restricts overall general election and primary campaign expenditures by candidates to various specified amounts, again depending upon the federal office sought; (c) requires political committees to keep detailed records of contributions and expenditures, including the name and address of each individual contributing in excess of $10, and his occupation and principal place of business if his contribution exceeds $100, and to file quarterly reports with the Federal Election Commission disclosing the source of every contribution exceeding $100 and the recipient and purpose of every expenditure over $100, and also requires every individual or group, other than a candidate or political committee, making contributions or expenditures exceeding $100 "other than by contribution to a political committee or candidate" to file a statement with the Commission; and (d) creates the eight-member Commission as the administering agency with recordkeeping, disclosure, and investigatory functions and extensive rulemaking, adjudicatory, and enforcement powers, and consisting of two members appointed by the President *pro tempore* of the Senate, two by the Speaker of the House, and two by the President (all subject to confirmation by both Houses of Congress), and the Secretary of the Senate and the Clerk of the House as *ex officio* nonvoting members. Subtitle H of the Internal Revenue Code of 1954 (IRC), as amended in 1974, provides for public financing of Presidential nominating conventions

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*Together with No. 75-437, *Buckley et al.* v. *Valeo, Secretary of the United States Senate, et al., on* appeal from the United States District Court for the District of Columbia.

and general election and primary campaigns from general revenues and allocates such funding to conventions and general election campaigns by establishing three categories: (1) "major" parties (those whose candidate received 25% or more of the vote in the most recent election), which receive full funding; (2) "minor" parties (those whose candidate received at least 5% but less than 25% of the votes at the last election), which receive only a percentage of the funds to which the major parties are entitled; and (3) "new" parties (all other parties), which are limited to receipt of post-election funds or are not entitled to any funds if their candidate receives less than 5% of the vote. A primary candidate for the Presidential nomination by a political party who receives more than $5,000 from private sources (counting only the first $250 of each contribution) in each of at least 20 States is eligible for matching public funds. Appellants (various federal officeholders and candidates, supporting political organizations, and others) brought suit against appellees (the Secretary of the Senate, Clerk of the House, Comptroller General, Attorney General, and the Commission) seeking declaratory and injunctive relief against the above statutory provisions on various constitutional grounds. The Court of Appeals, on certified questions from the District Court, upheld all but one of the statutory provisions. A three-judge District Court upheld the constitutionality of Subtitle H. *Held:*

1. This litigation presents an Art. III "case or controversy," since the complaint discloses that at least some of the appellants have a sufficient "personal stake" in a determination of the constitutional validity of each of the challenged provisions to present "a real and substantial controversy admitting of specific relief through a decree of a conclusive character, as distinguished from an opinion advising what the law would be upon a hypothetical state of facts." *Aetna Life Ins. Co.* v. *Haworth,* 300 U.S. 227, 241. Pp. 6–7.

2. The Act's contribution provisions are constitutional, but expenditure provisions violate the First Amendment. Pp. 7–53.

(a) The contribution provisions, along with those covering disclosure, are appropriate legislative weapons against the reality or appearance of improper influence stemming from the dependence of candidates on large campaign contributions, and the ceilings imposed accordingly serve the basic governmental interest in safeguarding the integrity of the electoral process without directly impinging upon the rights of individual citizens and candidates to engage in political debate and discussion. Pp. 17–33.

(b) The First Amendment requires the invalidation of the expenditure provisions, since those provisions place substantial and direct restrictions on the ability of candidates, citizens, and associations to engage in protected political expression, restrictions that the First Amendment cannot tolerate. Pp. 33–52.

3. The Act's disclosure and recordkeeping provisions are constitutional. Pp. 54–79.

(a) The general disclosure provisions, which serve substantial governmental interests in informing the electorate and preventing the corruption of the political process, are not overbroad insofar as they apply to contributions to minor parties and independent candidates. No blanket exemption for minor parties is warranted since such parties in order to prove injury as a result of application to them of the disclosure provisions need show only a reasonable probability that the compelled disclosure of a party's contributors' names will subject them to threats, harassment, or reprisals in violation of their First Amendment associational rights. Pp. 58–69.

(b) The provision for disclosure by those who make independent contributions and expenditures, as narrowly construed to apply only (1) when they make contributions earmarked for political purposes or authorized or requested by a candidate or his agent to some person other than a candidate or political committee and (2) when they make an expenditure for a communication that expressly advocates the election or defeat of a clearly identified candidate is not unconstitutionally vague and does not constitute a prior restraint but is a reasonable and minimally restrictive method of furthering First Amendment values by public exposure of the federal election system. Pp. 69–76.

(c) The extension of the recordkeeping provisions to contributions as small as those just above $10 and the disclosure provisions to contributions above $100 is not on this record overbroad since it cannot be said to be unrelated to the informational and enforcement goals of the legislation Pp. 76–78.

4. Subtitle H of the IRC is constitutional. Pp. 79–103.

(a) Subtitle H is not invalid under the General Welfare Clause but, as a means to reform the electoral process, was clearly a choice within the power granted to Congress by the Clause to decide which expenditures will promote the general welfare. Pp. 84–86.

(b) Nor does Subtitle H violate the First Amendment. Rather than abridging, restricting, or censoring speech, it represents an effort to use public money to facilitate and enlarge public discussion and participation in the electoral process. Pp. 86–87.

(c) Subtitle H, being less burdensome than ballot-access regulations and having been enacted in furtherance of vital Governmental interests in relieving major-party candidates from the rigors of soliciting private contributions, in not funding candidates who lack significant public support, and in eliminating reliance on large private contributions for funding of conventions and campaigns, does not invidiously discriminate against minor and new parties in violation of the Due Process Clause of the Fifth Amendment. Pp. 87–102.

(d) Invalidation of the spending-limit provisions of the Act does not render Subtitle H unconstitutional, but the Subtitle is severable from such provisions and is not dependent upon the existence of a generally applicable expenditure limit. Pp. 102–103.

5. The Commission's composition as to all but its investigatory and informative powers violates Art. II, § 2, cl. 2. With respect to the Commission's powers, all of which are ripe for review, to enforce the Act, including primary responsibility for bringing civil actions against violators, to make rules for carrying out the Act, to temporarily disqualify federal candidates for failing to file required reports, and to authorize convention expenditures in excess of the specified limits, the provisions of the Act vesting such powers in the Commission and the prescribed method of appointment of members of the Commission to the extent that a majority of the voting members are appointed by the President *pro tempore* of the Senate and the Speaker of the House, violate the Appointments Clause, which provides in pertinent part that the President shall nominate, and with the Senate's advice and consent appoint, all "Officers of the United States," whose appointments are not otherwise provided for, but that Congress may vest the appointment of such inferior officers, as it deems proper, in the President alone, in the courts, or in the heads of departments. Hence (though the Commission's past acts are accorded *de facto* validity and a stay is granted permitting it to function under the Act for not more than 30 days), the Commission, as presently constituted, may not because of that Clause exercise such powers, although it may exercise such investigatory and informative powers as are in the same category as those powers that Congress might delegate to one of its own committees. Pp. 103–137.

No. 75–436, — U.S. App. D.C. —, 519 F. 2d 821, affirmed in part and reversed in part; No. 75–437, 401 F. Supp. 1235, affirmed.

The Court issued a *per curiam* opinion, in which Brennan, Stewart, and Powell, JJ., joined; in all but Part 1–C–2 of which Marshall, J., joined; in all but Part I–8 of which Blackmun, J., joined; in all but Part II–B–1 of which Rehnquist, J., joined; in Parts I–C and IV (except insofar as it accords *de facto* validity for past acts of the Commission) of which Burger, C. J., joined; and in Part III of which White, J., joined. Burger, C. J., and White, Marshall, Blackmun, and Rehnquist, JJ., filed opinions concurring in part and dissenting in part. Stevens, J., took no part in the consideration or decision of these cases.

FOREIGN AGRICULTURAL POLICY

Mr. HATFIELD. Mr. President, last week a Senate Agriculture Subcommittee held hearings on the incoherent state of U.S. foreign agriculture policy. Although I was unable to attend those hearings, I did prepare a statement which was submitted for the record by my good friend and colleague, Senator Dick Clark.

My statement is basically a reiteration of the clear need for the creation of a central office in the Executive Office of the President to monitor, coordinate, and administer our foreign food policy. I first put forth this proposition last February in introducing S. 881, to create the Office of Food Administration in the Executive Office of the President. Senator Clark and Senator McGovern joined me in cosponsoring that legislation. It has been discussed in hearings of the Select Committee on Nutrition and Human Needs and the Senate Agriculture Committee. I recently noted with interest Senator McGovern's bill which, among other things, would create an office in the Executive Office of the President responsible for the development and implementation of a national nutrition policy. Certainly our foreign agricultural policy is in equal need of central guidance.

Mr. President, I again call the attention of my colleagues to my bill, S. 881, and ask unanimous consent that my statement in support of this legislation presented to the subcommittee last week, be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

The Need for a Food Administrator

(By Senator Mark O. Hatfield)

On February 27, 1975, I introduced legislation, cosponsored by Senator Clark and Senator McGovern of this Committee, to create in the Executive Office of the President an Office of Food Administration to be headed by an Administrator appointed by the President by and with the consent of the Senate. The bill, S. 881, was referred to this Committee, and is most pertinent to this discussion of foreign agricultural policy. My legislation would create a single office to make and implement U.S. policy with regard to foreign food aid, commercial exports, and improvement of agricultural production abroad.

The bill is designed to create an operation similar to that managed from 1914 to 1924 by Herbert Hoover at the request of President Wilson. The history of that effort is readily available, so let me just briefly outline the dimensions of Hoover's food relief program.

During and after World War I, millions of people in central and eastern Europe and Russia were threatened by starvation. The United States responded magnificently. American food relief for Europe began in 1914 with the creation of the Commission for the Relief of Belgium under the chairmanship of Herbert Hoover and continued under other auspices until 1924. In all, 33 countries and millions of people were aided by the shipment of 34 million tons of commodities at a cost of $5 billion. Today's cost would be about $20 billion.

This was accomplished even in years when there was no "statistical" surplus in Germany, against the stubborn opposition of some allies and those who denounced the relief as treasonable feeding of the enemy. Also in Russia in 1922 and 1923, an estimated 20 million people were fed, despite objections to assisting "Bolsheviks."

But the most rewarding operation was the child feeding program. Hoover realized that "stunted bodies and deformed minds in the next generation were not the foundation on which to rebuild civilization." Under his direction, 14 to 16 million children were fed at a cost to the United States of $325 million, the largest part of which came from charitable contributions.

When a similar situation arose in Europe in World War II, President Truman took the lead in urging Americans to adopt voluntary conservation measures. With little or no commodity surplus, increased aid had to be managed by reducing consumption. So Truman proposed that Americans eat no meat on Tuesdays; no poultry or eggs on Thursdays; save a slice of bread every day; and that restaurants serve bread and butter only on request. He also asked that distilleries close temporarily to save grain.

As a result of Truman's plea, 2½ million tons of grain were sent to Europe in just 60 days. That is nearly half the food we will send in this entire fiscal year.

The world's need for food aid has never been greater. We have spent considerable time in the past two years discussing the causes and ramifications of the world food crisis. Yet our response has been sluggish at best. It is not because we lack food—shortly after the World Food Conference we learned that the grain was available if we were willing to pay for it. It is not because we lack the funds—the $2 billion needed to meet our share of the world food contribution is less than 0.2 percent of our GNP. It is not because we do not care—nongovernmental agencies report that contributions have increased. We simply lack leadership.

After the United States committed itself at the World Food Conference to increasing its food aid through Public Law 480, the final funding decision took months as the Agriculture Department, the State Department, and the Office of Management and Budget haggled over how much, to whom, and at what cost. When Congress declared that at least 70 percent of title I, Public Law 480, aid had to be sent according to humanitarian rather than political needs, the State Department balked at this supposed "interference" and further delay resulted.

All this took 3 months. If we had moved at Truman's pace, we could have shipped between 3 and 4 million tons of food in that time, and we would not have worried whether we could ship all the aid by June 30, 1975.

The food administrator I propose could put an end to this bureaucratic delay and exert the leadership to mobilize Americans in support of a coherent and humane food aid policy.

Equally as important, the Office of Food Administration could develop a coherent commercial export policy on which our farmers and our customers alike could rely. Last year, after earnest promises to grain producers across the country that yes, indeed, they would have full and free access to all overseas markets in order to sell the harvest of fence-to-fence production, the Administration embargoed grain shipments to the Soviet Union after political pressure forced negotiation of a long-term agreement. The price of grain fell, and producers were furious, and rightfully so. After shipments have begun is no time to begin negotiation.

Like it or not, in this world of increasingly scarce resources our agricultural abundance will inevitably become a more critical factor in the relations between nations. In the past two years, I have repeatedly emphasized the dangers of a division between the world's fed and the world's hungry, and urged increased food aid and production assistance. Commercial exports cannot forever be insulated from the political tensions of that division, and determined only by the lure of the dollar. A laissez-faire attitude toward agricultural exports cannot survive if we become the sole exporters of food.

At the same time, we must insist on a fair return for farmers so that they will continue to produce at the full capacity necessary to even approximate the food needs of the world. How that is to be done, of course, is a hotly debated issue which has not been successfully resolved as yet. I have no ready solutions myself. I do believe, however, that the inextricably interrelated issues of the role of food in foreign relations and the best means of assuring full production can be resolved most successfully in one office of food administration, rather than in power struggles between jealous bureaucracies, and I certainly hope this Committee will give thoughtful consideration to the proposal in S. 881.

GENOCIDE CONVENTION

Mr. **PROXMIRE**. Mr. President, during the 27 years of debate in this country over the ratification of the Genocide Convention as adopted by the General Assembly of the United Nations, many objections have been raised. I have repeatedly refuted these arguments.

A new issue, however, has achieved great importance in this controversy. It is an issue which transcends the mere ratification of any single treaty. That matter is the U.S. continued involvement as a member nation in the United Nations. Cries of outrage have sprung up across the country in response to the "Zionism Is Racism" resolution approved by the U.N. General Assembly. Certainly such pronouncements cannot be condoned, and the United States should vigorously register its dissent.

Yet in order to be heard as a credible voice in the organization—a voice representing and defending basic human rights—we cannot refuse to ratify such important guarantees of those rights as the Genocide Convention.

The convention grew out of the incalcuable suffering inflicted on many ethnic groups during the Second World War. The passage of time since then seems to have softened the impact of those crimes. Yet we cannot afford to ignore the positive implications of the Genocide Convention's ratification, regardless of the fact that this generation has not known the horrors of genocidal crime.

The protection of the right of any national, ethnical, racial, or religious group to exist is as basic today as it was in 1948. Eighty-four nations have already recognized that primary humanism should not be eroded, and have acted upon that belief by ratifying the convention. Let us show that we are not hypocrites, and that our belief in human rights is genuine, by ratifying the United Nations Genocide Convention.

Mr. President, there has been much talk of this country's freedom-loving spirit in view of the Bicentennial. Ratification of this convention would represent the action which must accompany that spirit.

THE FAMILY HOUR

Mr. **HATFIELD**. Mr. President, I am sure all of us are aware, both personally and through constituent opinion, of the impact of television programs on children and efforts to improve the quality of programing. The commercial networks' response to this has been the institution of the "family hour" between 8 and 9 p.m., during which time the sex and violence that is so much a part of television programs these days is deemphasized in favor of gentler themes.

The family hour concept has been attacked as an excuse for censorship and an additional impetus to the downward slide in the quality of programing. I disagree with those criticisms. Surely the networks can determine what they will and will not broadcast—all production decisions involve the selection of appropriate material—and it can hardly be argued that the quality of programing during the family hour is appreciably different than that after 9 p.m. A truly worthwhile television program is a rare thing indeed.

How best to generate quality programing on commercial television without undue Government interference is a difficult problem. The networks' family viewing hour is no final answer, but it is at least a manifestation of good intent, and I am glad of it.

A recent editorial in Advertising Age magazine endorses the family hour concept, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Advertising Age, Nov. 10, 1975]

KEEP FAMILY VIEWING TIME

TV viewing is down—a development deplored by broadcasters, advertisers and all members of the public who appreciate the contribution good TV makes to the public's entertainment and welfare. Even before the facts are in, there are those who blame the family viewing hours.

Fortunately, major advertisers are playing it cool. Some viewers may find family viewing bland, but sex and violence after 9 p.m. isn't pulling them in either. The point here is that viewers don't want me-too programs foisted on them anymore than they want me-too products or meaningless line extensions.

Apparently, viewing drops because broadcasters are failing to satisfy changing audience tastes. Some of the most popular programs of the past still hold their own, and the best World Series in years packed them in. So the audience obviously is there.

Nothing that has happened justifies a decision to jettison the principles protected by the family viewing concept. Program producers and writer cry "prior restraint." But all editing is prior restraint. Does anyone seriously argue that writers have a right to get into print or on the air without filtering through editors who determine suitability?

As custodians of the airwaves, broadcasters cannot ignore the fact that the early evening audience includes large numbers of children. Critics object to the fact that the family viewing experiment is an industrywide action. But public concern for children is industrywide, calling for a common response.

If experience shows editors make wrong decisions, there are ways to get these issues into the open. But who can deny that no publication or network will amount to much unless the content is reviewed by someone who sees the whole need? In reviewing TV fare, it is right, we believe, to include the understanding that some things which are appropriate later are off limits when large numbers of children are tuned in.

MINNESOTA COMMISSIONER OF AGRICULTURE RAISES FARM QUESTIONS

Mr. McGOVERN. Mr. President, Jon Wefald, the commissioner of agriculture of South Dakota's good neighbor, the State of Minnesota, has sent me a long and thoughtful letter containing the questions Midwest farmers raise most often when talking with him. He also offers some of their suggested solutions to these problems. The problems he raises run from the farm imports to export policy to domestic farm program deficiencies.

Since I have high personal regard for Mr. Wefald and consider him an accurate reporter of events and sentiments in the agricultural community, I ask unanimous consent that his letter to me dated January 21, 1976 be printed in the RECORD, with hopes that it will be read by other Members of the body and also by the Secretary of Agriculture.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

STATE OF MINNESOTA,
DEPARTMENT OF AGRICULTURE,
St. Paul, Minn., January 21, 1976.

Hon. GEORGE MCGOVERN,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR MCGOVERN: An increasing number of telephone calls and letters are being received by the Minnesota Department of Agriculture from farmers throughout the state, expressing their unhappiness and anger over their agricultural situation today.

With these complaints in mind, I would like to sum up in this letter some of the reasons why farmers and ranchers are so upset and irate today.... and some recommendations for helping the farmer out of his present slump.

Farmers are not to blame for their present dilemma.

The number one reason for the recent serious slump in farm prices is federal government intervention in the farm economy—intervention designed to drive prices down.

That government intervention—which now seems to constitute a ceiling above which farm prices cannot go—has taken the form of unbelievable imports, export embargoes, and vetoes of positive, fair farm legislation.

First, what about the importance of competitive imports in driving down farm prices?

Beef imports for 1975 were the third highest on record—nearly equal to the record beef and veal imports in 1972 and 1973. Indeed, what it boils down to is that in 1975 America imported one-half of the world's total exports of beef and veal. America did not have to import these near record beef and veal imports—if for no other reason than this nation had record domestic beef and veal production in 1975, 17 per cent more production than we had in 1973.

America's beef producers are supposed to be protected by the 1964 Meat Imports Law.

But the truth is that the 1964 Meat Imports Law does not protect our farmers and ranchers at all. Indeed, the law is counterproductive—mainly because it says that imports of beef and veal have to increase as our own domestic beef and veal production increases.

The law should be changed now so that beef and veal imports increase only if our domestic beef and veal production decreases.

The United States produces 30 per cent of the world's beef and nearly 25 per cent of the world's pork. The United States produces nearly 30 per cent of the world's milk and more than 26 per cent of the world's vegetable and animal fats and oils.

We also produce over 60 per cent of the world's soybeans, nearly 50 per cent of the world's corn, nearly 20 per cent of the oats, over 16 per cent of the wheat and nearly 16 per cent of the cotton.

No nation on earth is more self-sufficient in production of basic foods.

No nation on earth imports more competitive food products—and this has been going on for years.

No nation disregards more its essential industry of agriculture—and this has been true for years.

Yet the imports continue to come into America while virtually every other food-production nation tightly regulates imports. America is, in many ways, a dumping ground for the world.

Further, America has no quotas or restrictions on vegetable oil imports. This is perhaps the most devastating new problem for American agriculture.

Sharp increases in world production of vegetable oils, stimulated by American technology, and investments, and subsidized by American foreign aid and investments, are undermining our domestic and foreign markets for all fats and oils.

Palm oil from Indonesia and West Africa is alarmingly replacing soybean oils in our own domestic market. Combined with sharply increasing Brazilian soybean production, palm oils are seriously eroding our export markets for vegetable oils. In fact, palm oil imports for 1975 will exceed America's soybean oil exports.

Imports, restricted and unrestricted, are continuing to be used to carry out a cheap food policy that has plagued American farmers for most of the last quarter century, regardless, it seems, of the Administration in power. These imports have had an impact in driving down farm prices.

Second, export embargoes and export restrictions have also had a major impact in driving farm prices down.

While farmers have been urged since late 1972 to provide full production of food, they have also been promised a restoration to a totally free economy with full authority to raise whatever crops they wanted with unlimited access to world markets.

Farmers responded, as they always have, to opportunity and encouragement by their government.

But the promise of free access to world markets has been repeatedly broken by embargoes against export sales—in 1973, in 1974, and again in 1975—despite the fact that in two of those years, 1973 and 1975, farmers produced and harvested record crops.

Indeed, the upshot of imports, full production, and export embargoes, has been to drive American grain prices generally back to the levels of 1947. The drop in prices in the past year to year-and-a-half has been disastrous for many farmers.

Third, there are at present, no good farm programs to help farmers get a fair price. Indeed, what we have in American agriculture today is a ceiling on farm prices—a ceiling that is maintained by embargoes on exports and unlimited imports. But the truth is that today American agriculture has no floor—just a ceiling.

The present Administration has vetoed almost every major farm bill passed by the Congress.

Congress occasionally triumphs over the exercised prerogatives of the Executive branch, but not often enough. The most recent triumph forced the Administration to release the full $175-million Congress had authorized to help restore the agricultural conservation practices program. The Administration earlier had released only $75-million of the appropriation.

Given reasonable opportunity, like they were in 1973 and part of 1974, farmers can contribute more to peace, progress, prosperity and full employment than any other industry in America. American agriculture is the largest industry in the nation—by far. This most efficient and largest industry has to be treated with the same respect, fairness and income accorded to the nation's corporations and organized working force. Food is in our national security. That means our nation's farmers are vital to the future of America. In short, if our nation's farmers and ranchers receive a fair price for their production, this will do more than anything to give America full production, full employment, and a balanced budget.

Some recommendations:

1 Limit imports of all competitive agricultural products to the quantities necessary to assure ample supplies for domestic consumers. That means we should sharply cut back almost all agricultural imports. That means the 1964 Meat Imports Law should be drastically revised.

2. There is no justification for the embargoes that have been applied these past three years to export grain sales. American farmers are consistently producing plenty ... plenty ... plenty. Congress should restrict and specify the conditions under which such embargoes may be fairly imposed.

3. The Congress has to establish a floor under farm prices—either higher target prices or the setting up of 90 per cent of parity five-year, non-recourse loans. I personally believe that the five-year, non-recourse loan at 90 per cent of parity would help farmers the most. This kind of loan program would tend to set a floor under farm prices below which farm prices could not go. This would help make up for the fact we have a ceiling. This loan program should be set up so that the grain could be under the control of the farmer. This, for example,

would permit the farmer to hold his grain for a more favorable price above the 90 per cent of parity. The way it is now there is no floor and many farmers have to sell their grain when the banker tells him to.

4. Soil and water conservation practices should have higher priority than they do now. In 1972, after nearly 40 years of soil and water conservation emphasis, America had over 60-million acres of agricultural land invested in its conservation reserve. Now, after three years of full production, virtually that entire conservation reserve has disappeared. Much of that reserve was marginal land that should never have been cropped . . . land that is erosion prone . . . land far more valuable in preserving our environment than its current potential for food production. Farmers need government incentives to restore and to maintain desirable environmental practices. Special emphasis is needed to restore tree shelterbelts and windbreaks throughout rural America. . . . Trees conserve soil, moisture, wildlife, and are a renewable natural resource for energy, lumber, paper, resins, nuts, fruits and almost countless industrial and consumer products.

5. Establishment of a national transportation policy is an essential companion to the affirmation of a sound new agricultural policy. The energy crisis underscores the need for an inventory of national transportation resources and development of a long-range plan for maintenance and development of these resources. Inland water transportation resources will be increasingly important in economical and energy-efficient movement of bulk materials, including fuels, fertilizers, and farm grain, will help relieve the car-truck congestion on our national highway system, or help offset the abandonment of rural railroad freight services. Congress should order a moratorium on railroad abandonments until it has developed and is ready to implement a complete, integrated national transportation policy. Congress should also expedite action on the pending essential maintenance project on the important Upper Mississippi Waterway, the replacement of the locks and dam at Alton, Illinois. Failure of this deteriorating old lock facility would severely damage Upper Midwest agriculture.

6. Federal Crop Insurance protection should be expanded to permit all farmers to participate and coverage should be offered to include all commodities and livestock. According to a recent response to a repeated request by farmers in Morrison County seeking Federal Crop Insurance coverage, this Minnesota county is one of more than 800 agricultural counties in the nation which are being denied this important economic protection against natural disaster experiences.

7. While apparent agreement in national government indicates that oppressive inheritance taxes on farms and small businesses will be reformed to give young people a better opportunity to continue these family farming and business operations, there will still be a major void of opportunity for young farmers to enter the industry. The federal farm loan program should be expanded to include a special low interest loan service to help young farmers establish the collateral base that the credit community requires to finance farm real estate purchases. Minnesota is considering a modest program of its own in this regard, to assist capable young farmers who cannot inherit or marry a farm.

In summary, agriculture is our biggest and most essential industry. Agriculture has demonstrated, given a fair chance, that it can do more than any other segment of our American economy to promote peace, prosperity, full employment, and a balanced budget.

Sincerely,

Jon Wefald,
Commissioner.

DR. VIVIAN W. HENDERSON

Mr. **TALMADGE**. Mr. President, the city of Atlanta and the State of Georgia mourns the death Wednesday of Dr. Vivian W. Henderson, the president of Clark College in Atlanta.

Dr. Henderson was a great educator and a distinguished gentleman. He achieved national prominence in economics, as an author, college administrator, and adviser to government, municipal, State, and Federal. He held Federal appointments under the administration of President L. B. Johnson and worked very clearly in advancing the goals of the governments of the city of Atlanta and the State of Georgia.

Dr. Henderson's career was characterized by outstanding public service, leadership in education, compassion for his fellow citizens, and an untiring effort to improve the quality of life for all.

I know Dr. Henderson's presence will be sorely missed by his many friends and associates, and Mrs. Talmadge joins me in extending our heartfelt sympathies to the family.

Mr. President, I ask unanimous consent that there be printed in the Record articles concerning Dr. Henderson, along with editorial tributes from the Atlanta Journal and the Atlanta Constitution.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the Atlanta Constitution, Jan. 29, 1976]

During Heart Surgery—Dr. V. W. Henderson Dies; Clark President

(By Bill King)

Dr. Vivian W. Henderson, one of Atlanta's most respected educators and a nationally recognized educator and a nationally recognized economist, died Wednesday afternoon at St. Joseph's Infirmary during heart surgery.

Dr. Henderson had been the president of Clark College, one of the six units of the Atlanta University Center, since 1965. He had served on numerous federal education and economics task forces.

According to E. L. Simon, chairman of the Board of Trustees of Clark College, the 52-year-old Dr. Henderson checked into Northside Hospital Sunday complaining of chest pains.

He had undergone open-heart surgery five years ago for the implantation of a plastic heart valve, and doctors determined the valve was leaking.

Dr. Henderson was transferred to St. Joseph's Tuesday night and entered surgery at 9 a.m. Wednesday morning. He died on the operating table shortly after 2 p.m., a school spokesman said.

Atlanta Mayor Maynard Jackson characterized Dr. Henderson as a man "never too busy to accept the call to service," who "shared the vision of our city's future while acknowledging the problems of our past and laboring within the struggles of our present."

Jackson praised Dr. Henderson's "dedication to Atlanta, his creative approach to issues and his boundless enthusiasm for new ideas," saying that "his presence at any meeting" was an "invaluable asset."

"I personally am indebted to Dr. Henderson for his help and guidance during the first two years of my administration. I always knew I could call upon him for advice, for guidance and for strength," Jackson added.

Atlanta University Center Chancellor Lisle C. Carter called Dr. Henderson's death "a deep loss."

"Dr. Henderson was a national leader in education and a recognized authority on manpower economics. He made important contributions to the civil rights movement and was a consistent advocate of equal employment and, more recently, full employment for Americans," Carter said.

"At Clark College, as president, his presence has been felt through innovations, advancement and expansion over the last decade," Carter added.

Atlanta Chamber of Commerce President Joel Goldberg said that Dr. Henderson's "pride in Atlanta and his contributions to her progress will be sorely missed."

Goldberg cited Dr. Henderson's efforts "in assuring the orderly desegregation of the Atlanta public schools in 1972" as an important contribution to Atlanta.

"Both Atlanta and the Chamber have lost a loyal and valued friend," Goldberg said.

Dr. Albert Manley, retiring president of Spelman College of the Atlanta University Center, mourned Dr. Henderson's death as the loss of a close friend of 30 years.

"It is a sad day for the Atlanta University Center as well as the city of Atlanta," Manley said, adding that his own retirement would have made Dr. Henderson the senior president at the consortium of six black institutions.

Dr. Henderson came to Clark College as the 18th president of the predominantly black school in 1965 from Fisk University in Nashville, Tenn., where he had served as an administrator, professor and chairman of the Business Administration and Economics department.

A nationally known economist, he conducted pioneer studies of the black labor market and potential buying power of the black community and was the author of numerous articles on economics, race relations and education.

Dr. Henderson was appointed to numerous presidential task forces and commissions under former President Lyndon B. Johnson. He prepared papers for the 1966 and 1967 White House conferences on civil rights and was named to the Commission of Rural Poverty in 1967–68.

He also served as chairman of the Georgia Advisory Committee to the U.S. Commission of Civil Rights and was a member of the U.S. National Commission to UNESCO from 1969 to 1972, serving on committees on education and human rights.

Known as a progressive liberal, Dr. Henderson started a program of expansion at Clark College while chiding the white community in Atlanta for its lack of support for the school.

He once took the rostrum of the Georgia House of Representatives to criticize the lack of financial support for black colleges from the business community, saying, "We have grown and developed in spite of Atlanta and the South."

On another occasion, he chastised then-Secretary of Agriculture Clifford Hardin for "discriminatory" practices in the department and a lack of concern for black farmers.

Dr. Henderson said blacks should support the expansion of Atlanta because they "don't have the economic muscle to keep Atlanta viable" if the city became all black.

He called the "economic insecurity" of blacks the nation's biggest problem and called for more federal spending and guaranteed employment.

Dr. Henderson justified the role of black colleges in a society seeking racial integration by noting that "we live in a pluralistic society, and each group has a right to exist according to its own self-determination, and black colleges are an important avenue to that determination."

Along those lines, he supported consolidation of the six campuses in the Atlanta University Center in order to improve its educational effectiveness.

Dr. Henderson was a member of the Board of Trustees of the Ford Foundation and was president and chairman of the executive committee of the Southern Regional Council.

He was also a director of the National Urban Coalition, the National Bureau of Economic Research, Common Cause, the Atlanta Chamber of Commerce, the Citizens and Southern National Bank, the Martin Luther King Jr. Center for Social Change and was a member of the board of trustees of The American University.

He was co-chairman of the Interstate Committee on Human Resources and Public Services of the Southern Growth Policies Board and was chairman of the Atlanta Regional Commission Health Manpower Task Force.

He was a founding member of the Black Academy of Arts and Sciences and was a fellow in the American Academy of Arts and Sciences.

Dr. Henderson was a life member of the National Association for the Advancement of Colored People and was a director of the Voter Education Project.

He had formerly been a director of the Atlanta Urban League, a member of the advisory committee of the Atlanta Charter Commission and a member of the state Manpower Advisory Committee. He had been a director of the Atlanta Community Chest, the Atlanta chapter of the National Conference of Christians and Jews, the Atlanta Civil Liberties Union, the board of trustees of Wesley Homes and numerous other groups.

Dr. Henderson served as co-chairman of Mayor Jackson's Reorganization Task Force in 1973 and as education cochairman of former Gov. Jimmy Carter's Goals for Georgia Progress. He participated in President Gerald Ford's White House Conference on Inflation in 1974.

A native of Bristol, Tenn., Dr. Henderson graduated from North Carolina Central University in Durham, N.C., and received his masters and doctoral degrees in economics from the University of Iowa.

During his career he also taught at North Carolina State University, North Carolina Central University and Prairie View A&M College in Texas.

Dr. Henderson was the recipient of the W. E. B. DuBois Award of the Association of Social and Behavioral Scientists in 1974 and received the Medal for Distinguished Service from Teachers College, Columbia University in 1970.

Funeral services will be held at 11 a.m. Saturday at the Warren Memorial United Methodist Church. Burial will follow a 4 p.m. service the same day at the John Wesley Memorial Chapel at Bristol, Tenn.

Dr. Henderson is survived by his widow, the former Anna Powell; daughters, Miss Wyonella Marie Henderson, Miss Kimberly Ann Henderson; sons, Dwight Cedric Henderson and David Wayne Henderson. Miss Wyonella Henderson is a law student at Emory University, and Dr. Henderson's two sons attend Clark College.

Also surviving are sisters, Miss Frieda L. Henderson of Bristol, Tenn., Mrs. Edward Boyden of West Virginia, Mrs. John Valentine of Landover, Md.; brothers, W. T. Henderson, Arthur Henderson and Forrest Henderson, all of Bristol and J. J. Henderson of Durham, N.C.

DR. HENDERSON

Dr. Vivian W. Henderson, president of Clark College in Atlanta since 1965, was a man preeminently unafraid to speak his mind.

A native of Tennessee, he was educated and was an educator for many years in North Carolina before coming to Atlanta to assume duties as president of Clark College. An expert in economics, he was the author of numerous books on economic and racial subjects and on the South.

Nobody ever fought harder for quality in education, whether in colleges essentially for blacks, like Clark and the Atlanta University complex, or colleges in general.

He was president of a black college and was recognized as one of the nation's most distinguished educators. But his vision was wider. Back in the days when "benign neglect" was a fashionable idea—the neglect being mostly applied to black programs and institutions—Dr. Henderson kept the faith. "As I look into the future," he said, "I see the college continuing to be a Negro college for some time to come, but at the same time I see it as a college good enough for all—black or white—who seeks a quality education. Negro colleges are an extension of this nation's multiracial character. To lose that pluralism and multiracialism would be to close the heart of this nation."

Death came Wednesday to Dr. Henderson while still relatively young—he was 52. He will be sorely missed.

[From the Atlanta Journal, Jan. 29, 1976]

CLARK PRESIDENT HENDERSON DIES

Dr. Vivian W. Henderson president of Clark College here since 1965 and an educator and economist of national note, is dead at age 52 of heart disease.

The famed black educator died Wednesday in a local hospital while undergoing surgery to repair damage from a recent heart attack.

He had successfully undergone similar surgery once before, in 1970, when he was stricken with a first heart attack.

Funeral service will be at 11 a.m. Saturday at Warren Memorial United Methodist Church. Burial will follow a 4 p.m. service the same day at John Wesley Memorial Chapel in Bristol, Tenn.

The body will lie in repose from 11 a.m. until 6 p.m. Friday in Davage Auditorium on the Clark campus.

Survivors include the widow, the former Anna Powell; daughters, Wyonella Marie Henderson and Kimberly Ann Henderson, both of Atlanta; sons, Dwight Cedric Henderson and David Wayne Henderson, both of Atlanta; sisters, Frieda L. Henderson of Bristol, Mrs. Edward Boyden of West Virginia, Mrs. John Valentine, of Landover, Md.; brothers, W. T. Henderson, Arthur Henderson and Forrest Henderson, all of Bristol, and J. J. Henderson, of Durham, N.C.

"Dr. Henderson's death is a great loss to the city," said former Atlanta Mayor Ivan Allen. "He brought a whole new dimension of high ideals to the city and has been a vigorous force in helping to build Atlanta during the last decade."

"He left a vital and lasting impact," said George Esser, director of the Southern Regional Council.

"Both Atlanta and the Chamber have lost a loyal and valued friend," said Joel Goldberg, president of the Atlanta Chamber of Commerce.

Atlanta University Center Chancellor Lisle C. Carter called Henderson's death "a deep loss," and Mayor Maynard Jackson lauded him as a man "never too busy to accept the call to service."

In a wide-ranging career, Henderson had in turn achieved distinction as economics professor, college administrator, author, civil rights spokesman, and appointee to an astonishing number of boards and committees that engaged him in big business as well as philanthropy, job opportunities, foreign affairs, and government.

In government, he held appointments under President Lyndon B. Johnson at the national level and had a hand, closer home, in two notable recent efforts to restructure governments for efficiency and economy.

One was the big reorganization of the Georgia state government undertaken during the term of Gov. Jimmy Carter. Henderson was co-chairman for education of the Georgia Goals Commission Carter created in preparation for the reorganization.

The other was the restructuring of the Atlanta city government three years ago. Henderson was on an advisory committee serving the Atlanta Charter Commission. The commission rewrote the old city charter and redesigned the roles, titles and functions of city officials.

At his death, Henderson was chairman of the board of the Southern Regional Council, one of the oldest civil rights organizations in the South, and was on the board of the Martin Luther King, Jr. Center for Social Change.

He also was a member of the board of the Voter Education Project (VEP), the Atlanta-based agency that has fostered registration of and voting by blacks throughout the South.

He was Georgia advisory committee chairman of the U.S. Commission on Civil Rights and, years earlier, had been in on the creation of this commission during the Johnson administration.

Henderson also served on the boards of the Atlanta Urban League, the Butler Street YMCA, the Atlanta Community Chest, the Ford Foundation, the National Sharecroppers Fund, the Dag Hammarskjold College, the Potomac Institute, the Atlanta Civil Liberties Union, the Atlanta chapter of the National Conference of Christians and Jews, the Institute for Services to Education, and Wesley Homes.

He was founding member of the Black Academy of Arts and Sciences; vice president of the National Association for Equal Opportunity in Higher Education; member of the national advisory committee for "Project Upward Bound;" on the steering committee of the National Urban Coalition; vice president of the National Assembly on Social Welfare; member of the National Manpower Advisory Committee of the U.S. Department of Labor; trustee of the Teachers Insurance and Annuity Association of America; member of the Manpower Advisory Committee of the State of Georgia; on the delegate assembly of the National Urban League; member for Fulton County on the Georgia Equal Employment Opportunities Committee; member of the Mayor's Housing Resources Committee at Atlanta City Hall; life member of the National Association for the Advancment of Colored People, and fellow of the American Academy of Arts and Sciences.

Along wtih his burgeoning national prestige, Henderson had emerged in the broader Atlanta community, ascending to the board of the Atlanta Chamber of Commerce and being named to the board of the Citizens and Southern National Bank.

Henderson's appointments in Washington were not only by President Johnson (to the Commission on Rural Poverty in 1968) but by Secretary of Labor W. Willard Wirtz (to a task force on equal job opportunities), and Secretary of Commerce C. R. Smith (to a presidential task force on job training).

Henderson was born Feb. 10, 1923, in Bristol, Tenn. He began his education there at Slater High School. He matriculated to North Carolina College, Durham, where he obtained the B.S. degree, and moved on to the University of Iowa, where he obtained both his M.A. and Ph.D. degrees in economics.

His teaching career began in 1948, with a one-year stint at Prairie View A & M College in Texas. He returned to North Carolina College as a professor of economics in 1949, then moved to Fisk University in Nashville in 1952.

Except for stints as visiting professor at North Carolina State University, Raleigh, in the early 1960s, Henderson was on the faculty of Fisk until he came to Atlanta in 1965 to become president of Clark College. He had risen to chairman of the economics department at Fisk by then.

Clark is one of six predominantly black institutions of higher education clustered in southwest Atlanta in what is officially the

Atlanta University Center. It is one of the schools that since the Civil War made Atlanta a center for black education in the South.

As private colleges, schools like Clark have faced financial problems that threatened their existence. And Henderson showed an increasing concern over the future of his and similar schools.

He wrote in the Journal of Negro Education on "The Role of the Predominantly Negro Institutions," and in Daedalus on "Negro Colleges Face the Future."

As author of articles and books, however, Henderson concerns were with economics and how blacks fit into the economic picture.

He co-authored "The Advancing South: Manpower Prospects and Problems," published in 1967; wrote "The Economic Status of Negroes" in 1963; was contributing author to "Principles of Economics," a textbook published in 1959; and also was contributor to "Race, Regions and Jobs," edited by Arthur Ross and Herbert Hill in 1967.

His work is considered to have had an important impact in convincing industry and business of the buying power of the black American community.

VIVIAN HENDERSON

The death of Dr. Vivian Henderson, president of Clark College, is a loss to this community.

Dr. Henderson was one of the strong men of the Atlanta University complex and this complex as a center of black intellectual achievement and political progress has been one of the greatest influences on the development of this city and the South.

Dr. Henderson was an economist and a believer in the theory that economic security was the great need of the blacks and if this were achieved other things would follow. His voice was a respected one in the councils of this city, state and nation.

The Journal joins his many other friends in extending sympathy to his family.

A BICENTENNIAL TRIBUTE TO CHINESE IN AMERICA

Mr. KENNEDY. Mr. President, as President Kennedy once wrote, we are a nation of immigrants. And during our Nation's Bicentennial, it is especially fitting that Americans honor our immigrant heritage, and acknowledge "a nation of people with the memory of old traditions still fresh but building anew—people who came eager to build lives for themselves in a country that would allow them to do so."

This Saturday marks the beginning of the New Year for millions of Americans of Chinese descent. The Lunar New Year ushers in the Year of the Dragon, and it is appropriate that on this occasion our Nation pays tribute to Chinese-Americans, and recalls our revolutionary associations with China and the many significant contributions made by Chinese-Americans on behalf of our Nation—and I should note, the special place Massachusetts Chinese-Americans have had in our history.

The Chinese who immigrated to the United States in the 19th century came in search of liberty and economic opportunity. When the history of Chinese immigration to the United States is viewed in retrospect, it is clearly an immigration of constant struggle in the face of great hardship. Prejudice against Chinese in the United States was widespread, and oppressive laws were passed by Congress to bar them from the United States. It took rare courage and determination for the Chinese to leave their homeland and begin life in a prosperous but less than hospitable and tolerant land.

Even before the American Revolution, Americans had their first contact with China. The earliest record contact by Americans with China came through New England traders who set sail from Boston to open trade with China.

After our independence, President Washington appointed Maj. Samuel Shaw, a Boston merchant, as first American diplomatic consul to China in 1786. And among the first Americans to arrive in China to initiate scientific exchanges between the United States and China was Dr. Peter Parker of Massachusetts, who would later open the first hospital in China and introduce Western medicine to that nation.

The first Chinese to set foot on American soil were students in search of knowledge. In 1847, an American missionary arrived home from China with three young Chinese boys to be educated in my home State of Massachusetts at the Monson Academy. Later, one of these young boys would return to China to establish the first Chinese-American student exchange program.

The first great wave of Chinese immigrants arrived in California soon after gold was discovered in 1848. To the first Chinese immigrants, the United States soon became known as the "Mountain of Gold," and word soon made its way to China of the riches and opportunities to be had in the new land.

During the Civil War, Chinese-Americans helped unite our continent when they completed our Nation's first transcontinental railroad. Their work would later be recorded in history as one of the greatest engineering accomplishments of the last century.

Oswald Garrison Villard—in testimony to a House committee in which he called for the defeat of the Chinese Exclusion Act—paid tribute to the heroism of the Chinese in America who worked with him on the transcontinental railroad:

> I want to remind you of the things that Chinese labor did for us in opening up the western portion of this country. I am a son of the man who drove the first transcontinental railroad across the American Northwest, the first rail link from Minnesota to Oregon. I was near him when he drove the last spike and paid an eloquent tribute to the men who had built that railroad by their manual labor for there were no road-making machines in those days.
>
> He never forgot and never failed to praise the Chinese among them, of whom nearly 10,000 stormed the forest vastness, endured bitter cold, and heat and the risk of death at the hands of the hostile Indians to aid in the opening of our great north-western empire.
>
> I have a dispatch from the chief engineer of the Northwestern Pacific, telling how the Chinese laborers went out into eight feet of snow with the temperature far below zero to carry on the work when no American dared face these conditions.

In the face of such adversity, Chinese-Americans set a courageous example for all Americans to follow.

In later years, Chinese-Americans would make vital contributions to our Nation in the fields of medicine, science, and education.

Gim Lue, of North Adams, Mass., became one of America's most respected horticulturists. His significant contribution to our Nation's agricultural development would later win him the Wilder Medal, one of the Nation's most prestigious horticultural awards.

And in 1957 two Chinese-Americans, Prof. Tsung Dao Lee and Chen Ning Yang, were awarded a Nobel Prize for their outstanding scientific work in the field of physics.

Mr. President, the Chinese in America have found a home in a grateful Nation. Their heritage is interwoven with the accomplishments of our country. And their spirit and determination to pursue a life dedicated to the preservation of our Nation's heritage serves well to remind all Americans that we are a Nation of immigrants. In this Bicentennial Year, a grateful Nation pays tribute to a people and a culture whose lives have enriched our own since America's independence.

RETIREMENT OF CONGRESSMAN THOMAS E. MORGAN

Mr. SPARKMAN. Mr. President, Congressman THOMAS E. MORGAN, chairman of the House International Relations Committee, and an old friend, today announced that he will retire from the House of Representatives at the end of this session.

I have worked with Congressman MORGAN closely for the more than three decades he has been in Washington and well know his importance in the shaping of U.S. foreign policy.

Representative MORGAN, a physician by profession, is known to most of us as DOC MORGAN.

To me, he was more than a doctor of medicine, he also was a superb doctor of international relations. Over the years, he has played a key role in keeping the body of our foreign policy healthy and robust.

I congratulate him on his proud record. I will miss his cooperative and congenial attitude and advice. I wish him the best, for Congressman THOMAS E. MORGAN is truly a good man.

S. 2718, THE RAILROAD REVITALIZATION AND REGULATORY REFORM ACT OF 1976

Mr. HARTKE. Mr. President, during consideration of the conference report yesterday on S. 2718, the Railroad Revitalization and Regulatory Reform Act of 1975, several modifications were made in conference that have not been completely and fully expanded in the conference report on this legislation.

The first area that needs additional clarification is an amendment that was made to section 508 of the Regional Rail Reorganization Act of 1973 by section 616 of the Railroad Revitalization and Regulatory Reform Act of 1976.

Section 508 mandates labor-management accords as a precondition to transition of railroad operations from one carrier to another, pursuant to the final system plan. It is a substitute for the consideration normally given to labor dislocations by the Interstate Commerce Commission in proceedings to authorize Abandonments, Consolidations, and Certificates of Convenience and Necessity (49 USC 1, (18–20)), *R.L.E.A.* against *United States,* 387 F. Supp. 818, affirmed 315 U.S. 373, 62 S. Ct. 717.

The purpose of the amendment is to make it clear that there are no circumstances under which railroad operations can be commenced in consequence of an action or failure to take action under the final system plan without satisfying the public interest in peaceful and orderly labor-management relations in the railroad industry.

Even without the amendment this intention appears by construction since the words "rail properties" are defined in section 102(10) to mean "assets or rights owned, leased or otherwise controlled," and section 508 imposes the obligation with respect to labor agreements on railroads acquiring "properties or facilities."

In the absence of this requirement, erstwhile lessor railroad owners who have never been authorized to operate by the Interstate Commerce Commission might claim a vestigial property right exempting them from the statutory pattern of regulation in the railroad industry. Even assuming that such inchoate rail carriers could qualify to operate their own rail line formerly operated by a bankrupt carrier, they may not commence operations without a transfer of those operating rights in accordance with the principles set forth in section 206(d) and the procedures specified in section 303(b).

A second area that needs further clarification relates to the amendments that have been made to title IV of the 1973 statute in this bill.

Title IV of the Rail Reorganization Act of 1973 has been amended to increase the level of Federal participation in rail service continuation payments to 100 percent in the first year and 90 percent in the succeeding year.

The clear intent of these changes is to forestall discontinuance of rail service to facilitate rational decisions by the States and to give the Association and the States an opportunity to more fully evaluate, under actual operating conditions, the viability of lines excluded from the basic system. If they are to be properly evaluated, these lines must be given a chance to operate in a fair and nondiscriminatory manner.

Agreements negotiated between ConRail and the States with respect to routing of traffic, operating arrangements, service levels, and rehabilitation should reflect this fundamental principle.

Many lines that will be subsidized have historically carried overhead traffic. Such traffic has made up an important portion of the revenue base of these lines and would, under RSPO formulas, continue to contribute to revenues attributed to these lines. In many cases these historical routings have been chosen by shippers because they are most efficient. These routings should remain available to shippers and should not be closed simply because they were not included in the basic system.

Operations on subsidized lines should be carried on as efficiently as possible. For example, separate crews should not be taxied to these lines where it would improve the efficiency of overall operations to operate a through train and duplicate administrative functions should not be established for the sole reason of segregating the subsidized lines from the basic system, unless there is a compelling need for segregation of functions.

Insofar as possible, service should be provided at levels sufficient to meet demand. In fact, under the new bill Congress is permitting ConRail and other carriers to earn a management fee as an incentive to improve the quality of service and the revenue generating capability of the subsidized lines.

With regard to rehabilitation, the act authorizes the States to use portions of their basic entitlement funds to upgrade and maintain subsidized lines. A State choosing to apply those funds in this manner must not be precluded from doing so by administrative action of a railroad or the DOT. The viability of many of these lines cannot be tested without upgrading them to track standards which are appropriate to service needs.

In summary, subsidized lines should be allowed to fairly compete for their fair share of traffic with lines included in ConRail. Service on these lines should be sufficient to meet demand and should be provided efficiently. Only under these conditions can a valid judgment of the viability of these lines be made.

WHEAT CONFRONTATION DEVELOPS

Mr. McGOVERN. Mr. President, the National Association of Wheat Growers met in annual session recently in Billings, Mont. An outgrowth of that meeting was a decision on the part of the organization, with the support of other farm organizations, to proceed with legal action against the Government to contest the embargoes imposed by the administration last year on export sales of wheat and other grains.

Contending that the President violated the Export Administration Act of 1969 and further acted in restraint of trade, the NAWG seeks to raise $1 million to finance the law suit. They claim that sales were lost to Canada, Australia, and Argentina during the period of the alleged illegal embargo.

Such action should be of interest to Members of this body. An excellent discussion appeared in the January 25 edition of the Denver Post. I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FARMER VERSUS UNITED STATES ON SALES: WHEAT CONFRONTATION DEVELOPS

(By Bruce Wilkinson)

Leaders of the nation's wheat farmers have set the stage for what may be a historic confrontation between agriculture and the government over who's going to sell U.S. grain.

Representatives of the bulk of the country's wheat growers in Billings, Mont., last week at the annual convention of the National Association of Wheat Growers authorized NAWG's Executive Board to file suits challenging the government's right to interfere with the free marketing of grain.

Specifically, the 14-man board approved a resolution setting up a legal action fund of $1 million primarily to finance a complex constitutional attack on President Ford's actions in the marketplace last year.

Late last July, under mounting consumer-oriented pressure from Congress, the administration arranged a moratorium on further grain sales to the Soviets that lasted until a five-year grain sales agreement was concluded with the Russians in October.

Growers angrily contend that millions of tons of sales of grain (wheat and corn) were lost to competitors such as Canada, Australia and Argentina during the nearly three months of the moratorium. They maintain further that the price of wheat dropped precipitously about a dollar a bushel because of the restraints imposed by the administration on the world market.

Secondly, growers say that they lost much more than they gained from the five-year grain agreement under which the Soviets have promised to buy six million to eight million tons of grain a year from U.S. producers. They claim that even though additional purchases may be made with the approval of the government, the deal will act to put a lid on sales to the Soviets rather than a floor.

Although there's no assurance growers will declare this legal war against the government—their old price-support benefactor—hardly any industry observers doubt that the money necessary for the weighty court initiative will be contributed by producers. Checks already have begun to pour in to Jerry Rees, executive vice president of the Washington, D.C.-based organization.

Farmers of almost every political stripe are incensed over what they see as betrayal of their legitimate interests by a government that exhorted them on every hand to plant their fields "from fence row to fence row." The government took this position that was a reversal of a policy of many years' standing to limit production with acreage controls and set-asides to help feed the world. And to assure a positive balance of payments for this country in a world economy newly dislocated by quadrupled oil prices.

The farmers responded, so they say, and achieved huge production—a record 2.2 billion bushels of wheat in 1975. Just as they began selling a sizable part of this great crop last year at good prices, the free market-talking administration suddenly did an about face by banning more sales to the Soviets.

Not only did the administration go back on its word and against the free-enterprise philosophy most growers cherish, but it violated provisions of statutes under which it might have legally taken some of these actions, according to a 10-week study of the isues undertaken by a prestigious Washington legal firm for NAWG.

A key point of that study was that, "We seriously question whether the President had authority under either the Constitution or any of the applicable statutes to negotiate an agreement which directly affects the foreign commerce of the United States." This was noted by Samuel Efron, a senior partner in the firm of Arent, Fox, Kintner, Plotkin & Kahn, during a press conference at the convention shared with Don Woodward, president of NAWG.

"Since the grain agreement specifically defines the terms and conditions under which trade in grains with the Soviet Union will be conducted, we believe it is a regulation of foreign commerce reserved exclusively to the Congress under the Constitution," Efron's press statement said.

Efron's firm advised the association of the "likelihood" that the President violated the provisions of the Export Administration Act of 1969 by imposing restrictions on farm exports without first making the necessary legal findings required by the act.

The moratorium also may have violated various antitrust laws through the conduct of the involved grain companies and administration officials to Efron.

Export controls may be applied to farm products to protect the domestic economy only when U.S. supplies are insufficient to meet demand at home or when foreign policy reasons justify this course under the Export Administration Act. Neither of these situations was present last year during a bountiful harvest, Efron's study concluded.

If the farmers pitch in enough dollars to go to court, their case will be one of determining law much more than facts, according to the 59-year-old Easterner who will be in charge of the legal staff for the Washington firm. The facts are in plain view for the most part.

Efron, in and out of government during a career that has included service with the Securities & Exchange Commission and the Departments of Labor, Justice and Defense, says it would be a "landmark case."

Defense of the government's right to do what it did would fall under the direct jurisdiction of Robert Bork, the solicitor general, who gained fame for his action in firing Watergate special prosecutor Archibald Cox one Saturday night in October 1973.

Outside the government's legal defense force, one of the top officials of the Department of Agriculture likely to be involved is Don Paarlberg, an assistant secretary of agriculture during some of the Eisenhower years and now chief economist under Agriculture Secretary Earl Butz.

Nobody to duck out on a good fight, Paarlberg showed up at the NAWG convention as scheduled and backed the decisions he helped make. Paarlberg delayed the delivery of his prepared noncontroversial text to give a stout defense of the administration moves.

Paarlberg told the wheat men there was ample reason to develop a special policy for trading with the Soviets.

Because of the Soviets' unique position as one of the world's largest buyers operating outside the market mainstream, Paarlberg said, the U.S. government concluded the Soviet Union should not be treated just like any other buyer. He said to avoid market dislocations caused by sudden Soviet moves and yet stay clear of getting into a state monopoly marketing plan, the government decided to halt further sales while a long-term program was effected.

"We make no apologies for that approach," Paarlberg said, contending the guaranteed grain sales "will do away with market gyrations." He said the arrangement "will relieve consumers of the apprehension, however unfounded, that the Soviets might suck an undue amount of grain from the U.S. supply."

Paarlberg told the farmers he believes their chances of a court victory are poor, and warned that even if they won they might end up losing more ground than they gained.

Paarlberg said winning in court presumably would overturn the grain agreement with the Soviets (assuming a Supreme Court decision against the government) and thus would leave no assured market with them.

Winning big—possibly even collecting damages—is something that has worried some growers who are afraid it might trigger unwelcome congressional action. However, Jerry Rees, NAWG's top paid spokesman, said, "If you're going to get involved with big government you have to go all the way. I don't think there's any choice as to legal action."

Rees predicted "We'll be able to make a determination very quickly" (of financial capability) and said the only problem in reaching the $1 million goal is logistics. A point made repeatedly by Rees and growers is that the commodity in question "is the wheat farmer's grain, it's not the government's grain."

He cited expressions of interest in joining the suit from the Montana Farmers Union, the National Farmers Union and the National Farmers Organization. Rees speculated corn growers will want to cooperate in the fight and said the National Farm Coalition will consider getting aboard.

Tom Mick, executive vice president of the Colorado Wheat Administrative Committee, said Colorado growers don't feel that raising the money will be a problem. He said Ken Mauck, president of the Colorado Association of Wheat Growers, plans to meet with his board of directors to act on the call for funds.

SENATOR KENNEDY ON PROTECTION OF THE CONSUMER

Mr. PHILIP A. HART. Mr. President, on January 21–23 the Consumer Federation of America held its annual consumer assembly in Washington. The assembly meets annually to discuss legislation and progress in their fight for protection of the consumer.

The Consumer Federation has filled an important need in our country—that of being the voice of the American consumer. It has brought to the attention of and urged the action of the executive and legislative branches and was highly instrumentive in the passage of Consumer Protection Agency bills in both Houses of Congress.

On January 22, the senior Senator from Massachusetts, EDWARD M. KENNEDY, spoke before the Consumer Federation on the continuing problems and priorities for consumer protection. In selecting Senator KENNEDY, the Consumer Federation underscored what all of us who have sought to protect and strengthen the consumers of America recognize, that his voice is preeminent in that effort. Senator KENNEDY outlined a list of important problems which must be examined, from establishing an independent consumer protection agency and reforming regulatory agencies to the President's new budget, which, Senator KENNEDY says, "turns its back on jobs for the unemployed, on the education of our children and violates our commitment to the nation's elderly."

I ask unanimous consent that the speech given by Senator KENNEDY at the consumer assembly be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS TO THE CONSUMER ASSEMBLY OF THE CONSUMER FEDERATION OF AMERICA

It is a pleasure to be here with you today at the Consumer Assembly of the Consumer Federation of America.

I want to express my appreciation to your president, George Myers, and to your board for the invitation to join with you this afternoon.

I want to extend a particular word of thanks for the kind introduction of Bill Hutton, executive director of the National Council of Senior Citizens, and a longtime advocate of the interests of American consumers and American workers. Wherever the people's interests need defending, that is where you will find Bill Hutton.

Also let me add a tribute to the effective, skillful and determined advocacy of your executive director, Carole Tucker Foreman. She has been a major reason why we can point to some consumer successes in this Congress, why we have Consumer Protection Agency bills passed by both Houses of Congress, and why the Administration has suddenly discovered the existence of the American consumer.

The Consumer Federation draws together a host of groups and organizations—organizations representing workers and farmers, young and old, city and town—organizations committed through decades of struggle to the protection of the consumer.

The Consumer Federation has done what has needed doing for a long time—it has pounded on the doors of the executive and legislative branches and demanded that consumers be let in.

When the regulators at the CAB met more than 750 times with airline representatives last year, I say it is time to let the consumers in.

When 150 employees at the FDA are cited by the GAO for conflict of interest, I say it is time to let the consumers in.

And when the advisory groups of the Department of the Interior still read like the registry of the American Petroleum Institute, I say it is time to let the consumers in.

Two hundred years ago, the blistering anger of the people of Massachusetts and Pennsylvania and Virginia coalesced into a force for revolution. They joined to protest the abuses of a regime that had failed to represent their interest or to respond to their needs.

A litany of those failures peppered the Declaration of Independence, a litany that began: "He has refused his assent to laws the most wholesome and necessary for the public good."

And today, we have another regime that has refused its assent to legislation that is "most wholesome and necessary for the public good," legislation that would create an independent consumer protection agency.

The number one priority for the nation's consumers should be the enactment of legislation to establish an independent consumer protection agency. It has passed both the Senate and the House of Representatives. Only the opposition of the Administration has prevented its enactment.

We don't need a revolution to respond to this regal disregard for the public interest. If that bill is vetoed, we have the right—and the obligation—to override that veto.

Ultimately, we have another mechanism to assure that the power to assent does not remain in the hands of individuals who continue to disregard the interests of the nation's consumers. And that mechanism will be available to the consumers of America next November.

Nor should consumers accept the counterfeit concoction served up by the administration. The consumer representation road show has not put any more teeth into the 170-odd pages of admonitions and platitudes that cluttered the Federal Register last November.

It remains now what it was then—a cosmetic mixture of P.R. slogans and legal jargon—to mask the Administration opposition to an independent federal advocate agency for consumers. And I don't think the American people are going to be fooled.

Consumers may not know what "input" and "throughput" is all about, but they know a "put down" when they see it.

The President's consumer representation plan could not have passed the deceptive packaging and false labeling tests of the

Federal Trade Commission—and he knows it.

You have been fighting for an independent consumer protection agency, as I have, for more than six years. In fact, I recall introducing in 1969 a bill to set up a public counsel corporation for the sole purpose of representing consumers in government agency proceedings.

It is time to see the consumer bill enacted into law.

There is a second topic that should be on the priority list for the nation's consumers and that is regulatory reform.

We were told Monday night in the state of the Union address that what we need is "Common Sense"—and we do, but that isn't what we heard.

The angry comments aimed at regulatory agencies may have been designed to promote red-hot reaction from conservative quarters. But it did not shed much light on a subject of serious national concern.

I would urge that we examine carefully the role of regulatory agencies, the industries they regulate and the interests they promote. If regulatory reform is to serve the interests of the consumer, it must relate to reality, not to blind adherence to a philosophy of ending government regulation.

First, for those industries which are potentially competitive, regulation frequently has been the bane of the consumer interest rather than the bearer. In those industries, we need an end to much regulation.

The classic example may be the Civil Aeronautics Board. Our Senate Subcommittee on Administrative Practice and Procedure examined the regulatory practices of the CAB.

We found that the CAB is not part of the solution to high air fares; it is the cause of high air fares.

Prices for flights regulated by the CAB were nearly twice as high as prices for comparable flights in areas that the CAB does not cover.

The interstate passenger pays $51 to fly 499 miles from Boston to Washington. But the traveler in California pays only about half as much for comparable flights from San Francisco to Los Angeles and San Diego to Sacramento. The same is true in Texas where intrastate flights are not regulated by the CAB.

High air fares are compounded by excessive scheduling that produces half-empty jumbo jets burning precious fuel and clogging airport terminals. Regulation in the airline industry has virtually killed competition and denied its benefits to the consumer. In fact, the CAB has had 94 applications since 1950 for entry by firms outside the industry and approved not a one.

The answer for the airlines is more competition, not more regulaton. A similar diagnosis fits the case of the ICC and the trucking industry where outmoded regulations promote empty trucks crowding the streets and highways. The one-way trucker represents a waste of energy, a waste of resources, and a guarantee of higher freight rates and higher prices.

But let me discuss with you briefly a second category of government regulation where regulatory reform may mean more inspectors, more regulation and more enforcement—and that involves those activities that directly affect the health and safety of the American people.

Inadequate regulation for these industries means not solely higher prices but greater risks to the life and health of the American people.

Our Administrative Practice and Health Subcommittees has demonstrated this all too conclusively in the past with regard to the Federal Food and Drug Administration.

We found too many instances where any doubts on a product always seemed to be resolved in favor of industry. We found there is virtually no follow-up on the effects of drugs or on prescribing habits of doctors. After the initial approval is made and the drug appears on the market, the wraps are removed and no mechanism exists to check adverse reactions by users. It is caveat emptor in the worst way. We found drug companies not only sending questionable information to the FDA, but allegations of deliberate falsifications as well. It is difficult to understand any other explanation—test rats are either alive or dead. And when this sort of misinformation is consistently being supplied and not double-checked, the adequacy of the regulatory process as well as the honesty and integrity of the individual companies come under question.

Regulatory reform here means tighter standards and more adequate enforcement. Even setting aside all of the defects within the FDA, they are asked to do a monumental job with inadequate resources.

For that reason, I have introduced legislation to overhaul and upgrade the FDA. It would separate it into two distinct and independent agencies, one to deal with drugs and medical devices and the other to oversee the agency's food, cosmetics and other existing responsibilities. This is a minimum first step; but it does not mean less regulation. It represents more effective regulation. And that spells common sense.

The same prescription of more effective regulation is necessary for the Consumer Product Safety Commission, for EPA, for OSHA, and other regulatory agencies whose concerns are the health of the consumer public.

Deregulating these industries means stripping the American consumer of safeguards. The protection of the consumer will not be the end result of permitting free and unfettered competition between drug companies or toy manufacturers regardless of the safety of their product—the end result could well be the risk of serious illness, serious injury or death.

There is a third category of industries in which regulation also must continue and be more effective—those industries which have monopoly control and where there is no likelihood of benefits to the public interest resulting from an end to regulation.

The classic example is the electric utility company as it applies to the service in our homes. We do not want competing electric utilities in every community. We do not want regulation to be flawed or based more on the desires of the public utilities than the interest of the consuming public. We want regulation but we want it to ensure adequate service at the lowest possible price.

Finally, there are certain industries—like the oil industry—for which regulatory reform is irrelevant until after they undergo structural changes to become more competitive. For these, the prescription is vigorous antitrust action in both the legislative and judicial arena.

The Administrative Practice and Procedure Subcommittee found that regulation by the FEA could not affect the basic structure of the industry. Regulation designed to protect the consumer and small business wound up hurting them and rewarding the major oil companies.

We found the FEA had collected $800,000 in penalties from small retailers and wholesalers for violations totaling $88 million. But FEA had not collected a single penny in penalties from the integrated oil companies.

For certain industries like the oil industry, basic structural change is needed for them to become more competitive. For these industries the prescription is vigorous antitrust action in both the legislative and judicial arenas.

If the oil companies want less regulation by the Federal Power Commission, there is one prior step required—and that is divestiture—vertical and horizontal.

When major oil companies can intertwine themselves throughout the industry, from OPEC countries to U.S. ports, from the oil well to the service station pump, and from the gas well to the furnace in your home, an end to regulation means more national energy policies will be made in corporate board rooms. And we have had enough of those policies.

If we have seen the result of a failure to adequately regulate those industries in the past, the answer today is not deregulation. It is antitrust action—and that power does not lie solely with the Justice Department and the Federal Trade Commission. It lies with the Congress as well.

But we need citizen action to help bring us closer to the enactment of that legislation. We obtained 45 votes on vertical divestiture and 39 votes on horizontal divestiture last session.

When angry citizens begin to mobilize into energy action groups, those numbers will begin to mount.

Of the ten top profit makers in America, six are oil companies. Exxon alone can match its $44.5 billion worth of revenues against most of the countries of the world.

And if even a portion of the recent disclosure of offshore natural gas withholding by the majors is proven, it represents another example of the monopoly power of oil giants—most of whom have incestuous joint arrangements for every offshore well they drill.

The power of the oil giants does not rest on oil and gas assets alone. Not one corner of the energy industry has been left untouched by the persistent expansion by acquisition and merger of these companies.

Oil companies now own more than 35% of our coal reserves. They account for more than 25% of the nation's coal production. They control more than 50% of our vital uranium reserves and some 25% of our uranium milling capacity. And they dominate every offering of leases for geothermal resources as well.

Existing regulation has been ineffective in halting the spread of power of these major companies into other energy resources—resources which, if developed by competing companies, might already provide near-term answers to our current dependence on foreign oil.

Nor does their power—and it is increasing—over energy policy relate solely to the massive economic weight they can cast over government efforts to control them. We now know that they are perhaps the chief exponents of under-the-table politics, a system that distorted public policy-making in the past and one which we must insure has come to an end today.

The kind of government action required in the case of the oil and gas industry is not more regulation or less regulation, it is divestiture of the major companies, pure and simple—to promote competition within the oil industry, to promote competition within the energy industry, and to reduce the power in political decisionmaking of these corporate behemoths.

A renewed national commitment to uphold antitrust policies and to enforce antitrust laws is needed in other areas as well. Senator Philip Hart has labored for a decade to build a record upon which Congress can act to reinvigorate the antitrust laws, to enforce those laws against the oil industry and other effective monopolies. But there has been a record of apathy from the public and the Congress and opposition from the Administration.

We need consumer action to see that new

legislation is passed for this purpose. We need consumer action to help keep pressure on the agencies that enforce the antitrust laws. And we need consumer action to expose the absence of substance behind the Administration rhetoric.

One look at the new budget from President Ford tells you that we are not going to get more than rhetoric from this Administration when it comes to the interest of the consumer.

There is no common sense in a Ford budget that proposes to reduce the funds available to the Bureau of Consumer Protection of the Federal Trade Commission.

There is no common sense in a budget that proposes a reduction in the funds available to the Consumer Product Safety Commission.

There is no common sense in a budget that proposes reduced funding for consumer education.

There is no common sense in a budget that proposes no increase in the number of antitrust cases planned for filing by the Department of Justice.

We all agree that we want common sense in government. But a budget that proposes either to cut back or to stand pat in virtually every area of concern to the American consumer makes no sense at all.

This budget turns its back on consumers. It turns its back on jobs for the unemployed. And it turns its back on the education of our children.

But its most serious failure is its violation of our commitment to the nation's elderly. Not only are community service jobs programs for the elderly killed and social service programs cut back but the health care policy proposed would perpetrate a fraud on the nation's elderly.

The President actually called this program a new benefit for the elderly, to be paid for by a modest tightening up of other parts of Medicare. But before any senior citizen accepts that view at face value, he had better read the fine print. He had better check his wallet, and then check his health to be sure he isn't sick. Because if he is, he is going to start paying much more than the President suggested.

What the President wants to do is to start charging the elderly 10% of the cost of every doctor's visit and every hospital stay—to the tune of an incredible $2.2 billion more than they are paying now for health care. And then the President offers to provide a paltry $500 million rebate in the form of insurance against catastrophic illness.

The net result is to drain almost $2 billion entirely out of Medicare—not to help the elderly against serious illness, but to help the President with his serious budget problems. In effect the President is trying to balance the Federal budget on the backs of the elderly who are sick.

Only one percent—one out of a hundred—persons now on Medicare would get any benefit at all from the catastrophic illness coverage the President is proposing, compared to what Medicare already provides today.

But the other 99 will pay the bill, amounting to billions of extra dollars in new health costs they should not have to pay. For the vast majority of persons over 65, the only catastrophic health costs they are likely to face are the catastrophic costs that President Ford is trying to impose.

At best, this proposal was badly misrepresented in the State of the Union Address. At worst, it is a deception on the nation's 25 million elderly.

You and I both know what is now at stake. America's senior citizens bled and died for Medicare. John F. Kennedy was elected President in 1960 in part because he understood this issue, because he was helping to lead the fight for Medicare in a Congress struggling against the powerful forces of organized medicine and the insurance industry. For a generation, those forces had blocked this basic goal for America's senior citizens.

And if you don't believe that, ask your parents or your grandparents what they think of Medicare.

I urge the President to withdraw this unfortunate proposal. If this is the best the Administration can do on health care for the elderly, I say to them, leave Medicare alone. It is working better now than it will ever work if left to the tender mercies of this Administration.

There is only one answer, ultimately, to turn around the attitude of this Administration or any Administration—concerned and committed citizens organizing and acting at the local level, at the state level and at the national level.

The Consumer Federation of America can continue to provide leadership here in Washington, but it must translate these efforts down the line to every local community.

That must be a priority if we are to make this bicentennial a celebration of the potential of this nation.

We have a capacity to move the best of our nation's heritage forward, to call forth from the past those ideals that have been reflected beyond our borders, and to reach out for a new beginning at this bicentennial.

I stand ready to work with you to achieve these goals and to make that new beginning.

MEETING WORLD FOOD NEEDS

Mr. CULVER. Mr. President, there is growing concern about the ability of farmers to meet national and world food needs. How are we going to feed the 6.5 billion or more people who are expected to inhabit the Earth by the year 2000?

Mr. Talcott W. Edminster, Administrator of the U.S. Department of Agriculture's Agricultural Research Service, heads an agency that is determined to meet this challenge. In a recent talk before a National Press Club Headliner Luncheon audience, Mr. Edminster described agricultural research as the answer to feeding the ever-growing population. He outlined the factors involved in meeting food production goals and stressed the need for the most urgent priority for agricultural research if this country is to contribute its best efforts toward meeting the food production challenge.

Mr. President, I ask unanimous consent that Mr. Edminister's talk be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WHERE IS THE FOOD COMING FROM

(By T. W. Edminster)

Mr. Vice President, Club members, and guests. I had a bit of a dilemma when I came here because I was sent a copy of your announcement and down here at the bottom it talked about the three-week visit that I had in Russia recently. It left the implication that maybe that is what you were going to hear about when you came today.

It's true that in Russia we had an interesting period of planning and negotiations in the field of agricultural and scientific technical cooperation. But when it comes down to priorities, we can't cover both Russia and food and I am going to stick to my original subject and talk about where the food is coming from. This is a compelling subject of interest to all of us.

What is the food situation? Is there a crisis? It seems as though every day we read about the food crisis, the production crisis, the nutritional crisis. Do we actually have a crisis? Who do you listen to? You hear one story on one side that has Doomsday written all over it, and on the other side you have the optimist saying, "We're going to have tremendous surpluses again. Just watch out, it's only another year or two." If there is such a crisis, what are the real short-term and long-term consequences? And what is the role of agricultural research in meeting these consequences?

First of all, let's agree on one thing. Malnutrition is wide-spread. I think there's no debate on this. In the official assessment of the world food situation presented before the 1974 World Food Conference in Rome, it was estimated that 460 million people are seriously malnourished. Now what's the immediate cause of this if we just accept that little bit of data? It's poverty. Poor people cannot buy enough food.

We go back another step. Not enough food is produced where the hungry people live so that it is available at a price they can pay. The countries where the hungry people live cannot always afford the imports that are necessary to supplement this lack of food. And furthermore, the distribution of food within these countries or between countries that do have adequate supplies is not always available quick enough or effective enough to fill in the gap.

Now, food production has increased in the developing countries. In fact, in the 1950's and 1960's it increased at about the rate of 2.8 percent a year, but the demand increased at the rate of about 3.5 percent, because of the population increase and because of income increases. Greater affluence meant people wanted to buy—and could buy—more food.

If we look at this in real terms, the needed annual production increase is something like three to four percent if the nutritional level is going to be adequate and actually improve to meet the demands. And I don't mean increased from the standpoint of just calories or just energy, but increased in quality as well, having the right amino acid balance, having the right vitamins and minerals. But this margin, being able to meet this demand, cannot be reached without some reduction in the world-wide increase of population which is growing at a rate of about two and a half percent on a world-wide basis.

Now, what can we do? Can we put more land into this production? That's the first reaction, "Well, we'll just plow up more land, put some more into cultivation." This isn't too likely a prospect. It probably won't increase the available cropland more than about one percent, because increased acreage is costly acreage. In many instances it has to be cleared. It has to be irrigated. It has to be drained. Equipment has to be made available. Supply systems have to be developed. Many times the land that's availabel is inaccessible. There are many reasons why putting more land in the picture is not necessarily the answer to the problem.

Another rather simplistic way of looking at it is this. In 1973 the world population was estimated at about 3.8 billion. Now, this is an increase of one billion in the last 16 years. The demographers from the United Nations estimate that by the year 2000—they've given us three figures and you can pick the one you want—the high population will be about 7.1, the medium would be about 6.5, and the low 5.9 billion. The developed nations are increasing at a little less than one percent and the developing nations at more than 2.5 percent. The developing nations hold 70 percent of the world population and they produce 90 percent of the population increase. This gives you a little idea of the population concentrations and the difficulty of getting a balance from a world standpoint.

If we look at this in terms of food demand in the year 2000, it means that at the low projection of 5.9 billion, we must increase food production to meet a new increased food demand of 68 percent. At the high projection of 7.1, it's a 100 percent increase.

Now, I want to state something in very simple terms. This means that we must learn to produce as much more food in the next 25 years as we have learned to produce since the dawn of time. Think that one over again. We must learn to produce to meet this high level of population in the year 2000 as much more food as we have learned to produce since the beginning of time. This, friends, is a sobering thought.

I think it is a challenge to every individual in this room and certainly it's a challenge to those of us who are professional researchers because we've got to look at some gambles that go along with this—climate and weather.

You know, agriculture is one of the biggest gambles in the world. Climate and weather are two of the things that make it that way.

Short-term variations, as you can well realize, can be devastating. Just one year of bad weather and look at what can happen. And you have to remember that a large proportion of the grains that serve as the backbone of food for millions of people are grown in those zones prone to drought and wide variations in weather conditions. Remember that one year of adverse weather in Asia, Australia, India and Africa in 1972 depleted our grain reserves on a world-wide basis and forced world prices up at a terrific rate.

Long-term trends—we read all sorts of things about how the world is cooling off, that we're going to have shifts in the whole monsoon pattern, and so forth and so on. We can hear and read many things. Frankly, I don't think there's enough evidence yet to really know which way this is going, whether this is real or imagined. But it's something we can't discount. It's one of the gambles we have to learn more about.

All right, how about the availability of arable land and water? It's estimated that the world has about 3,000 million hectares of potentially arable land, and that only about one-half of this is under cultivation at the present time. This sounds like a big margin of new land but, as I've said before, much of this land is, first of all, inferior for production. If it had been good, it would already be in use. It has low fertility in many instances, is subject to flooding, subject to drought. It may be very inaccessible and very costly to develop. For example, of the 344 million hectares of potentially irrigable land, only about 200 million hectares are now receiving water. The most conservative estimate is $1,200 per hectare to develop the necessary irrigation. So think of the investment that would be involved.

Now, let's look at energy. As you can well appreciate, energy is used at just about every phase of agriculture—in preparation of the land, in production, harvesting, fertilizer manufacture, drying, transport, and processing. Any change in availability of this energy, any change in the energy pricing system can drastically influence the production potential, even in a labor intensive country.

What are some of the other gambles? Well, we have insects, new outbreaks, new epidemics, insects new to a country ill-prepared to cope with them, new disease problems, the movement of diseases from one location to another. With modern transportation, both diseases and insects can move around so rapidly, so quickly. Let's remember our own little episode right here in this country in 1970 when Southern corn leaf blight struck through the corn belt. We had a 15 percent reduction in our corn crop that year when we look at it on a national basis. Some areas had a 50 percent reduction. It didn't really bother you or me or someone else here, because we had reserves in 1970 that cushioned out the impact of 15 percent reduction. We don't have those reserves today and as time goes on, in the long term, we may not have them again. There are also many things, economic and social constraints, wars, embargoes, strikes, recessions. You could keep adding them up.

With this background, let's ask the primary question, "Where will our food come from?" I think the basic answer to this is simply in three words: yield-increasing technology. The business of putting increased land into production, yes, that's one phase of yield-increasing technology. But it's going to be a slow, costly, and not too significant input, and it's going to be a long time coming. It isn't going to meet some of the needs in the next 15 or 20 years.

Increased trade—just moving the stuff we have between countries with better distribution and more adequate capital to accomplish this—yes, this is another phase, but it too is a slow and costly approach and doesn't really hit at the heart of the problem.

Another phase involves improved population policies. From a long-term standpoint, this is a critical and a very necessary proposition. Population control at least blunts the rate of increase until the technology for food production can catch up with it. But that's still 20 to 25 years ahead. The child-bearing ages are already here, and that curve is not going to change a great deal.

All right, increasing technology for yields—this is the challenge. Who does it challenge? First of all, it challenges every country that has a population that needs to be fed an adequate, nutritious diet. It challenges that country to recognize this as being a critical problem now and, more specifically, in the future. It challenges these countries to think of their priorities and their planning and funding for the future. It's a challenge to the government institutions within each of these countries and of the legislative units, the parliaments, congresses, whatever it may be, that will have to clear the way for action through effective organizational planning. It's a challenge to the public, to you, to me, to our children, and to our neighbors to support the policies and programs that will have to be developed and financed to meet this food need 25 years from now.

There are three principal ingredients for yield-increasing technology. One is a strong, sound, aggressive agricultural research program that is adequately supported to permit flexibility in meeting both basic and applied research opportunities, not just for today's needs, but for those needs 25 years from now. A second ingredient is a strong technology transfer system that permits the necessary adaptive research to fit new findings to individual geographic, environmental, and social conditions in the countries that have the greatest need for this technology, and have the need for not only the technology, but the method of adapting it and utilizing it. The third ingredient is a strong education and demonstration program worldwide, backed up with adequate incentive programs to assure the use of new technology. This means developing an extension capability that takes the knowledge down to the peasant farmer, not just to the developed farms of the nation.

Time is limited, so I'm only going to elaborate on the first of these three ingredients, that of agricultural research. I think you realize with me that this Nation's strength as a world power has been largely predicated upon its tremendous ability to produce, collect, process, and deliver food not only to our own people, but to many people throughout the world. We've been blessed with good food, but we've been blessed with that good food because we had good soil, good water, and good climate with which to produce this food. But more important, we've also been blessed with a highly effective agricultural research program, one that's over 100 years old. Just this last week, the agricultural experiment stations—the State stations—celebrated their 100th anniversary, over 100 years of Federal, State and industry research that has made possible this Nation's production capability. It's been the basis for the improved crop varieties, for the improved animal breeding, for the fertilizers, for the irrigation, for the drainage, for the tillage, for the mechanization, for the storage capability, for the processing capability. All of these have gone into developing today's unparalleled food production efficiency in this country.

Let's just look at a couple of figures. Since 1950—I'm looking back 25 years—crop production in this country per acre has risen 45 percent. Farm production per hour of labor has doubled. The number of people supplied by a single farm worker has gone from 15 to 52 and sometimes you see the figure 54. Acreage harvested per consumer has been reduced by nearly half.

This is a story of tremendous accomplishment, of what research can do in meeting food needs, and it's one that too often is taken for granted. The public has been complacent. I think all of us have been guilty of complacency because food was always available, it was always good and, I was going to say, "always at low cost," but that's comparative. After you've just bought a meal in Denmark and then buy one here, our food is still low cost.

The decision-makers have become complacent along with us. Agricultural research has become a low priority item, while other phases of our national system of research have gone up—space, health, transportation, and defense have new priorities, but the agricultural research area has become static. Budgets and staffing have been static.

Costs, on the other hand, have continued to go up as the complexity of the research has increased. The easy research has been done. New issues have come into the picture, for instance, the environmental protection issues of the last ten years as we've taken a new and a very worthwhile look at the needs in that area. But this has meant whole new fields of research that had to be undertaken with a static budget. At the same time, food safety and food quality research have increased.

This is one of the important areas from a consumer standpoint. New work has had to take precedence over production research to meet this demand. And then, of course, the thing that all of us get every day, the inflationary costs of supplies, materials, labor, have escalated during this period.

So, during the past 10 years agricultural research on a national basis within this country has essentially stood still. It has been barely keeping pace with the new demands on it, and has not been able to really look forward to the solution of things we're going to need 10, 15, 25 years from now.

It's time to reevaluate priorities—not just to meet our food needs for next year or for 1977, or maybe even 1980, but for 20 or 25 years from now. Those are the priorities we've got to be looking at. The crisis isn't today. The crisis is going to be down the road 25 years from now. So when I hear people talk about today's food crisis, I just don't get too excited. But I do get excited about the problems 25 years from now when we look at it on a global basis. Research and technology take time. Even the simplest idea, the simplest theory, the simplest concept that a scientist may have generally takes from 5 to 10 to 15 years to develop to the point where it can be put into widespread use, where it can be adopted, where it will have an influence on production.

Complex concepts, particularly, take time. You know, one of the things we need to meet that problem 25 years from now is to increase photosynthetic efficiency by just 1 percent—just 1 percent. But I'm willing to bet it will take at least 25 years to unravel the very complex biochemistry, genetics, and other mysteries that go into this, so that we can begin to approach that 1 percent. I think it can be done, but we've got to get started on it. It's time for reevaluation of priorities.

This is not just an administrator's concern. It's the concern of many thinking and knowledgeable people. I just want to cite a couple of examples. Many of you may have already seen these reports.

A two-volume report, "Research to Meet U.S. and World Food Needs," was recently released by the USDA and the Land Grant College Association. Four hundred and fifty pages of analysis, priorities, and situation analysis sum up a three-day conference in Kansas City last July where over 400 consumer representatives, scientists, administrators, and industry people looked at the food production problems of this Nation and the priorities that they felt were important. This was an extremely important conference and an extremely worthwhile one. Some priorities have been set in this report.

More recently, Dr. Philip Handler, president of the National Academy of Sciences, sent to President Ford a two-volume World Food and Nutrition Study. Part One of the report is titled "Enhancement of Food Production for the United States." Part Two is an "Interim Report of the World Food and Nutrition Study." The final report will take longer. These reports were prepared following a request by the President last December. The Academy did a terrific job in coming out with the first report in a matter of just months because of the feeling of need to get on with the job. In September, the Academy also published a report, "Population and Food—Crucial Issues," a revealing publication.

The American Society of Agronomy released within the last few weeks a symposium report, "All Out Food Production—Strategy and Resource Implications." Agricultural engineers and several other professional groups are devoting their entire professional meetings to the subject of food production, pulling material together to see where these groups fit from a long-term standpoint. A few weeks ago I met with representatives of some 18 nations in Paris under the OECD, and we got the same reaction from the directors of research in these 18 nations—a concern for the present static and complacent look at research, concern for what was down the road 25 years from now, and the need to get going in this area.

To date, these messages have been pretty much the same. Research to enhance the production of food must be given high priority if we are to do two things: (1) Retain our domestic standard of living at a reasonable cost; and (2) provide the technology to developing nations to help meet their critical food needs in the fairly immediate future and certainly in the long future.

The establishment of new priorities cannot be kept waiting. The research we undertake today may not mature for 10, 15, or 20 years. This we must remember. It will take maybe 5 or more years just to adapt technology we already have today and put it into use in a developing country. You just can't take raw data from a developed country and expect it to work perfectly in a developing country. We are still learning about the adaptation of many of the things that were taking place under the Green Revolution concept.

The United States has the base for providing, in concert with researchers from a number of other developed nations, the research that is necessary to meet this food production challenge. But we, the researchers, the decision-makers, and the public must give this first place in our order of priorities. We can't keep waiting to do this. Thank you.

QUESTION AND ANSWER PERIOD

Question: Will the reestablishment of a science advisory unit in the White House benefit agricultural research, at least in some greater degree than it did the last time around?

Answer: I think any time you have qualified people looking at the coordination of research, the coordination of science, with the other many pressing priorities that face a nation, you can't help but have some advantage. I do hope that as this science advisory unit is developed, due consideration will be given to having adequate representation from the agricultural sector. That is one of the important things because, again, agricultural interests have been taken for granted and have not always had the same attention given to them as perhaps was necessary. So I do hope that in the development of this unit, agricultural interests will be represented so that the full impact can be felt.

Question: How important in agricultural research is the role of our land-grant colleges in their broadened educational roles? Are many such schools falling short in their responsibility to agricultural education?

Answer: We like to think of ourselves as a very highly integrated team with the Federal research looking at national and broad regional problems and at some of the international problems while the land-grant colleges work within the States in teaching, research, and extension programs that are tied closely with the Federal programs. I think there is no way that we can get along without them. They form an extremely important segment of the total national approach, and I don't think they're falling short in their responsibility.

One of the interesting things is that the enrollment of students in agriculture is increasing rather drastically in many of the colleges. I've heard figures all the way from 10 to 21 percent in the last few weeks. This is good, because if we're going to meet the needs that I have outlined today, we're going to need new young scientists. We're going to need dedicated young scientists and these colleges can do much in producing them for us. We can work together, and I think this is an extremely important part. No, they're doing a good job.

Question: What role will advances in communications and computer technology play in the application of breakthroughs made in yield-increasing technology?

Answer: You can't do it without the computers. Every phase of our research is now being touched with computer inputs. From the time a taxonomist begins to look at insects or look at plant materials, he's putting the information in a computer, so that he can pull back those characteristics and use them in a breeding program later on. I met with the Wheat Growers Improvement Committee yesterday and one of the basic questions was, "How quickly can we get some of our genetic information on a tape, so we can do a better job of pulling it out and using the information for breeding for increased yield, for increased protein, or other characteristics?"

Or look at the dairy industry. With fewer cows we're producing almost twice as much milk simply because we have learned with the computer to do an excellent job of picking the sires and the dams that have been bred to give us increased milk production at a lower production cost.

So the computer fits in everywhere. You know, efficiency demands a lot of data upon which to make judgments, and that's where the computer fits in. Agriculture is very modern nowadays.

Question: Why can't the government finance the development of farmlands for future use? It spends fortunes on less important things. And what about farmers being paid not to grow?

Answer: Well, I think you're all aware that we aren't paying farmers not to grow anymore. That's the thing that really got us into this period of complacency. When we had surpluses, this was true. Today, it's an open, produce-as-much-as-you-can situation. Now, as far as the government financing development of farm lands for future use, there are a number of things along this line. The Department of Interior's development of water resource systems and so forth in the West is in a sense something of that nature. I think that when the crunch comes down harder and harder as the years go by, we'll see more and more public programs for the development of either water resources or drainage systems, or other similar development situations. But in many cases this won't necessarily be the U.S. Government. It may be a quasi-government of a district or something where people work together.

Question: Do you foresee the United States using its role as a food producer in the diplomatic struggle with oil-producing nations? Would we ever resort to cutting off food exports in the same manner that OPEC nations banned oil exports?

Answer. Well, you know, I'm a research scientist and not a diplomat, so that question is a little out of my field, but let me just, as a scientist, make this comment. I think food is going to be an extremely important element in any kind of decisionmaking in the next 25 years. Whether it's diplomatic negotiations, whether it's financial or trade negotiations, food is going to become one of the key factors. Now, to what extent food will be used as a tool in terms of cutting off or something like that, frankly, I'm going to have to leave that up to someone else. We'll try to produce the food so they'll have a tool to work with.

Question: What automation techniques does the U.S.S.R. use in agricultural data collection, and is it similar to the much publicized methods of SRS—that is, crop forecasting and so forth?

Answer: In our negotiations with Russia we have two basic working teams, one that deals with science and technology and one dealing with economics. I happen to be on the science and technology side, and I'm not too familiar with the other side. I know they do use a number of techniques that are automated, and I know that they are using some of the systems we use, but you'll have to invite somebody from the economics group to come and really give the answer to that one. I'm just not that close to it.

Question: When will the Russians begin to purchase U.S.-made farm machinery, storage facilities, and chemicals? Will they buy seeds from the United States?

Answer: The Russians are already buying some things. I had the pleasure of going out on a feed lot with a capacity of 20,000 head about 250 kilometers east of Rostov-on-the-Don. This was purchased from a Colorado company. It was a key—you know, a turnkey job. Everything on there, even the printing on the sides of the thing were in English. I took a picture of it and I thought, "You know, I've got to put something in here or I'll never know where I took the picture, if it was Colorado or Russia." They've got Kenworthy trucks. They've got Ford trucks delivering the feed and there's a contract that says, "Look, you're going to feed those cattle with this kind of a ration, it's going to have this much protein, and so forth and so on, for three years." It looks beautiful. Those 20,000 head were fat and sassy and the Russians were doing a fine job. They had good sanitation, good control.

They're going to build some more feed lots, I think. I don't know if they're going to buy them from the United States or whether they'll just use the mold they've got over there now. But they've learned a lot from it.

The Russians need other machinery and storage facilities and chemicals but I'm not aware of how much they are purchasing. I do know they are buying, and not only from the United States. I saw a complete glass-house operation—a greenhouse operation—with Dutch insignia all over it. The addition to it looks just the same, but it doesn't have the Dutch markings. So you pick your own there.

Question: Will either USDA or the general public be getting more specific production forecasts from the U.S.S.R. in the future? Why should we feel any responsibility for food problems stemming from the developing nations' failure to control population and other policy mistakes that are theirs, not ours?

Answer: Well, as to the first question, I think we're getting better production forecasts. Maybe not quite in the form we'd like, and not quite as effective a projection. We're learning more all the time, and I think there's a growing understanding of the need for this. It just takes time to understand each other's motives and needs.

On the second question. "Why should we feel any responsibility for the food problems?" I guess I have trouble with answering that in other than one way. I like to think that we're all good Christians and that, regardless of another's mistakes, we do try to do our best to help mankind as a whole. We hope that help can extend to the point where the same mistake isn't made twice. We hope that AID can also set forth some suggested policies of change so that it doesn't continue to be an over population situation. But somehow or another, I do not believe the people of the developed nations can turn their backs on other people of the world. We are of one world.

Question: Why was the grain embargo placed on shipments not only to the Soviet Union, but also to Poland?

Answer: Here, again, you'll have to invite Assistant Secretary Bell or someone like that or, better yet, perhaps somebody from the State Department, to answer that one because it's out of the research field, and I'm not going to try to answer it.

Question: What guarantees do we have now to insure that U.S. agricultural inspection teams are permitted to see the Soviet areas they are supposed to see?

Answer: Well, we've discussed this with top people on the Joint Commission, and while we've had an occasional situation where some of our people did not get to just where they wanted to go, this has been easing up. With each trip we've been getting more and more nearly to see what we wanted to see with a very fine degree of openness, particularly on a scientist-to-scientist basis. I think they recognize that we are letting them see what they want to see, and there's a growing understanding between the two nations on this. We had tried for a long time to get someone in to see the particular feed lot situation that I mentioned earlier.

It seemed, that we could never quite make it. We asked for this permission one more time for the team that I was with, a team of administrators—and they said, "Yes." And when we left, I said, "Look, I want some of our veterinarians and some of our management people from livestock to visit." The answer was, "Just tell us when and we'll be glad to have them." So I think this is breaking down.

Question: Why does the Soviet Union have agricultural weather forecasting abilities superior to those of the United States?

Answer: Do they? I'd like to learn more about that. I'm not sure they have superior ones. Perhaps just when you look at some of the basic atmospheric physics over a large land mass like that, maybe they have a little easier situation, because you're dealing with a continental type of air flow. Maybe they can predict a little closer on some things simply because of the nature of the atmospheric physics involved. But I didn't know they were that much better.

Soviet Union, is increased production of soy-

Question: Now, turning away from the beans considered one of the means for answering the food crisis in the next 25 years?

Answer: Yes, the increased production of any of our high-protein crops is going to be an extremely important phase in food production for the next 25 years. Increased protein level of all the grain crops—that is, picking up just the protein level a percent or two—is an extrmely important item, and I hope our plant breeders can help bring this about. I think they can. I don't think you can separate out any one crop and say it's not going to be important 25 years from now. Some just have higher importance than others. Certainly, high protein, high production of crops that are adaptable for both animal and human use—all of these things help set your priorities between crops.

Question: You have mentioned the high cost of development of new lands. What about potential near-future problems, particularly in the West where ground water development has been depleting underground water, and the need for harnessing surface water flows to maintain the existing irrigation of several million acres of crop land? This is high yield of 150 to 200-bushel corn land compared to 20-bushel dry-land corn.

Answer: You have struck on a very important, very critical item. Certainly this matter of water mining or depletion of ground water is something we cannot overlook. We undoubtedly will have to do a more thorough job of finding alternate means of supplying water to areas that, perhaps, now are depending on ground water.

But there's one other point. Water has been cheap. Fertilizer's been cheap. We've had good crops. One of the things we forget is that we can become more efficient. We can use that water more efficiently. And in many cases where we see that the ground water table may be depleted in 10 years, we can with good management, good utilization, selection of the proper crops and management techniques, using the water at the critical time and not just sloshing it on, extend this period of use considerably.

I think this is part of the whole thing—of learning to be more efficient in the use of water during the time we develop new sources or, perhaps, changing our whole type of production. Maybe when the water is gone from some of these areas that are now in intensive 100 to 200-bushel corn, we'll have to go to a type of crop that doesn't require that much water and develop the higher production somewhere else where water is available.

I foresee some rather drastic changes in our patterns of management and in our patterns of production around the world in order to fit the crop to the resources that we will have and in order to fit the production practices to the demands of food production at that time.

CHINESE NEW YEAR

Mr. WILLIAMS. Mr. President, on Saturday, January 31, 1976, Chinese-Americans throughout the United States will celebrate the beginning of the Year of the Dragon as they observe the Chinese Lunar New Year. First observed in this country more than 100 years ago, it is a joyous holiday, marked by colorful parades, traditional dragon dances, and exploding firecrackers.

America is a land of cultural diversity, and in this diversity lies a unique national strength. The cultures of many nations are closely woven into the fabric of our society, each group contributing its own special traditions and customs to the total American experience. During the Chinese New Year, which coincides with the beginning of this country's Bicentennial celebration, it is highly fitting that we acknowledge the contributions of Chinese-Americans to the growth and progress of our society.

The Chinese began to come to the United States in great numbers just before the Civil War. From the first, they encoutered outright discrimination and prejudice, and their struggle for equality has been long and difficult. Even today, that struggle continues. Yet they are a wonderfully resilient and resourceful people, and despite the obstacles that been placed in their path, many have achieved prominent positions in all walks of American life.

In the field of public service, my distinguished colleague, Senator HIRAM FONG of Hawaii, is the first Chinese-American to be elected to the Senate, and has served his State since its incorporation in 1959.

Chinese Americans also play an important role in the business world. Joseph Shoong, founder of the National Shoe Co., and George Tsai, founder and president of the Manhattan Fund, a mutual investment company, symbolize the achievement of Chinese Americans in this area of endeavor.

Artist Dong Kingman, who has combined the traditional arts of both East and West, is today represented in over 40 museums and galleries, while Oscar-winning James Howe is recognized as one of Hollywood's most talented cinema photographers. Tsung Dao Lee and Chen Ning Yung were awarded the Nobel Prize in 1957 for their brilliant work in the field of physics.

Because of these and the thousands of other Americans of Chinese origin, the life of this Nation has been truly enriched.

In Chinese culture, the dragon symbolizes health and energy. May this Year of the Dragon prove to be a year of joy, health, and success for all our Chinese-American citizens.

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

Mr. JOHNSTON. Mr. President, I think that the facts of this rice controversy——

The PRESIDING OFFICER. The Senator is advised that the Senate is in morning business until 10:30.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that morning business be concluded.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

THE RICE PRODUCTION ACT OF 1975

Mr. MANSFIELD. Mr. President, what is the next order of business?

The PRESIDING OFFICER. The order is that the Senate, at this point, resume consideration of the unfinished business, which will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 8529) to establish improved programs for the benefit of producers and consumers of rice.

Mr. JOHNSTON. Mr. President, I think it is becoming increasingly clear as this debate goes on that the facts about rice are fairly well uncontroverted. I thought, as this debate began, that we were going to have some real debate about the essential facts; because it seemed to me that the essential facts, as we portrayed them on the floor, led to only one conclusion and that is that to go into this kind of expensive rice program, likely to glut the market with rice, would be the worst thing in the world to do. But, to my surprise, I find that the facts are pretty well uncontroverted.

What are those facts? First of all, the present system is giving us as much supply as we can use. Indeed, we have four times the amount of the carryover—in other words, four times more than we would ordinarily have—in terms of rice stocks: 34 million hundredweight.

Mr. BUMPERS. Mr. President, will the Senator yield for a question?

Mr. JOHNSTON. I yield.

Mr. BUMPERS. Does the Senator have the statistics as to what the Department of Agriculture estimated that carryovers were going to be for the last 3 years and what they actually were?

Mr. JOHNSTON. I do not know what they estimated them to be. I can tell the Senator what they were. They have averaged, for the last 4 years, about 7.5 million hundredweight.

Mr. BUMPERS. The Senator has used the figure of 34 million hundredweight carryover, and I assume he is using the same sort of estimate.

Mr. JOHNSTON. That is correct.

Mr. BUMPERS. Because nobody will know until August 1 what the carryover is going to be Is that not correct?

Mr. JOHNSTON. That is correct. But 34 million hundredweight, I think, is a very conservative estimate. It may well exceed 34 million hundredweight. The rice people in my part of the country tell me that they cannot sell rice. Their bins are full, and they cannot sell it.

I have no reason to expect that it will be less than 34 million hundredweight. If the Senator from Arkansas has reason to doubt that figure, I will be glad to spread on the R[illegible] the actual estimate should be.

Mr. BUMPERS. For example, last year, the estimate of the Department was that the carryover would be 23 million hundredweight, and it turned out to be 7 million hundredweight. This year, the projection is that it will be 27 million hundredweight. I am not sure where the Senator got 34 million hundredweight.

Mr. JOHNSTON. That is the latest estimate from USDA. I can find it and put it in the RECORD in just a moment. The latest estimate is 34 million hundredweight.

Mr. BUMPERS. The only point I wanted to make in asking the Senator the question was this: Is the Senator aware that the Department of Agriculture has been off by 300 percent in each of the last 3 years in their estimates?

Mr. JOHNSTON. I am willing to concede, and I will stipulate—in fact, it is one of the points I have been trying to make—that the Department of Agriculture has a very poor record in recommending legislation to the Senate and in making projections of different kinds of crops.

The Department of Agriculture is the one that brought us the wonderful Russian grain sale a few years ago that sent the price of grain through the roof and deprived the American farmer——

Mr. BUMPERS. May I also add, if the Senator will permit me, that one of the reasons we have surpluses of wheat, corn, soybeans, and rice right now, in my opinion—certainly, one of the major contributing factors—is the moratorium the President declared against further sales of grain to Russia, about 4 months ago.

The point I tried to make in my statement yesterday afternoon is that if you are going to be an exporter of grains, you must be a reliable exporter. The Soviet Union had already made arrangements to buy—it is my understanding—up to 10 or 11 million metric tons. Twenty-five million tons of grain is all the facilities of the Soviet Union will permit them to import in 1 year.

As the Senator knows, they suffered such agricultural reverses in 1975 that they were prepared to import that much in a year when the United States has, without question, had the greatest bonanza in its history. But the Soviet Union, as anybody else, will turn to other sources when the President shows that we are not dependable and reliable as an exporter.

Mr. JOHNSTON. I wish to endorse that statement of the distinguished Senator from Arkansas. I think that it is entirely correct. I think that to be an exporter of grain and agricultural products, we must indeed be reliable, and we must also know what they are up to. The problem with the Department of Agriculture has been, first of all, with the first big grain sale, that they had no idea that our market on grain was being cornered. Indeed, the Russians came in and bought off I do not know what percent of our whole grain crop, without the Department of Agriculture knowing about it initially or being able to do anything about it finally. That has marked the Department of Agriculture—fits and starts.

There was an embargo against further shipments of soybeans a few years ago to Japan, because we had a small shortage, which sent tremors and shockwaves throughout the islands of Japan, and the damage is only now beginning to be repaired. The same is true with the Russian grain sale. We must, I think, build up a good, strong export market, not only in corn and soybeans and other feedgrains, but in rice.

I hope that we can continue the trend that we have begun of increasing slowly our exports. In 1971–72, we exported 1,700,000 metric tons of rice. Last year, we exported 2,270,000 metric tons of rice. Each year in between, there has been a fairly slow and steady increase in our exports.

Exports of rice, though, as well as consumption of rice, are fairly inelastic. In other words, if we could produce twice the amount of rice we are producing today, we could not absorb it in domestic markets, because most people in this country, unfortunately, have not come to realize what a good product rice is and how much better it is than potatoes and tobacco. We have been trying to encourage the consumption of rice, but the consumption rate has only very slowly increased and the export rate has only very slowly increased.

I wish to point out one thing which I think is key and central to this whole argument. That is the wishes of the rice farmer. Under the present rice laws, an election is provided for among all who plant rice, whether they be allotment holders or nonallotment holders. When the Secretary of Agriculture certifies that there is an undue overage in the supply of rice, then he will call for an election. The Secretary of Agriculture has called for that election among rice farmers. By the middle of February, we will have certified results as to what the wishes of rice farmers are with respect to rice planting. If a majority are for the imposition of quotas, then those quotas will be imposed. If the majority of rice farmers—allotment holders and nonallotment holders, people who plant rice—if they are against the imposition of quotas, then we will have free and open production of rice.

Mr. President, it seems to me very clear that for us to proceed ~~in~~ the Senate, with an election going on, which is provided for by law, and not even wait for the results of that election, much less obey the results of that election, is highhanded autocracy and tyranny of the most extreme sort.

At the very least, Mr. President, we ought to wait and get the results of that election and determine what people out there, who are planting rice, who are tilling the soil, who are providing this product for both domestic and foreign consumption, think ought to be done with respect to rice.

Mr. President, if it were a question of rice farmers asking for a great subsidy, if it were a question of rice farmers trying to make a raid on the Treasury, then we could say it does not make any difference whether they want it or not, we will proceed with a change in the law. But here, we have the curious and incredible situation of rice farmers, not asking for any subsidy, but asking the Government not to impose the subsidy, and the Government saying, we will not even wait to hear what you rice farmrers want to do, even though we have this oversupply; we want to impose on you the system which may cost the taxpayers $168 million each and every year and be, perhaps, totally contrary to what the rice farmers want to do. I am confident that the rice farmers will vote, in a free and open election, for the imposition of quotas. I am confident of that

Mr. BUMPERS. Will the Senator yield for a question?

Mr. JOHNSTON. Yes, indeed.

Mr. BUMPERS. Under the legislation we are considering here, what would be the target price of rice? In other words, let us assume that the market does not improve from where it is right now. How much would farmers get for their rice that they raise this year, under this bill?

Mr. JOHNSTON. Nonallotment holders, of course, would get whatever the market is. We are informed that the present world market price of rice is $6.25 a hundredweight. So a nonallotment holder would get $6.25 a hundredweight, if that in fact is the price, and I am advised that it is. The allotment holders would get $8, assuming that that $6.25 price lasts for the first 5 months of the year. They would get the $8. The Government would pay the difference between $6.25 and $8.

Mr. BUMPERS. So the Government would subsidize rice farmers under this bill, those who have allotments, to the extent of that allotment, $1.75 a hundreweight. Is that correct?

Mr. JOHNSTON. That is correct.

Mr. BUMPERS. Can the Senator tell me what the loan price of rice is under the present law, not considering the legislation now pending? How much is a farmer entitled to borrow in order to plant rice?

Mr. JOHNSTON. Of course, that borrowing figure is based, as I recall, on parity, which varies from year to year.

Mr. BUMPERS. It is 65 percent of parity, is it not?

Mr. JOHNSTON. I believe it is.

Mr. BUMPERS. Can the Senator tell me what parity is right now? If the Senator will permit me, it is a little over $13 and the loan price right now is $8.52.

Mr. JOHNSTON. Right.

Mr. BUMPERS. And it is anticipated by the Department of Agriculture that the loan level will range around $9.25 this year.

Let us assume, just for easy figuring, that the loan price is going to be $9. Does that not mean that the Government will be obligated, assuming the world price stays below that loan value, to buy the farmer's rice at $9 a hundredweight?

Mr. JOHNSTON. Assuming that 65 percent of parity equals the $9, that is correct.

Mr. BUMPERS. So the loan value alone would cost the Government $1 a hundredweight more than the target price would be under this bill?

Mr. JOHNSTON. I believe the Senator's mathematics are correct.

Mr. BUMPERS. I thank the Senator.

Mr. JOHNSTON. Mr. President, it is quite obvious that the central question in this bill is, really, who is going to plant the rice. We have enough supply; in fact, we have an oversupply. I think that is admitted here. There is some question about whether the Department of Agriculture can be counted upon accurately to forecast what this supply is going to be. I recognize that there are difficulies there. They may not be much, but they are all we have got.

They say it is going to be 34 million hundredweight, which is 4 times the average carryover.

The Senator from Arkansas has pointed out that the present program does cost the Government some money, and we understand that, and we recognize it. But the difference is, Mr. President, that under the present program you can keep down this glut of supply on the market, and that means you can keep the price up to a reasonable amount and, therefore, the difference between a loan value and a market price will not be that much.

Under this bill you are going to have—well, our friend from northeast Louisiana who just got into the rice business 2 years ago and called the other day, and said he had just planted 7,500 acres of rice and was going to increase that to 11,000—and I do not know whether that is typical or not, but I know it has happened to me—if that happens very much you are going to have a tremendous supply of rice so that the difference between that target price of $8 and the market price is much more likely to be a larger amount than it is under the present law.

That is why rice farmers are so upset in my part of the country. They are upset, first, because they know the Government is not going to sit by and subsidize rice at $8 a hundredweight forever. There will be screams of protest in this Senate if that happens very long.

Second, they know that the whole plan of this, the great Butz plan, put forth in the President's budget for not only rice, but for tobacco and peanuts as well, is to get out of the quota business and get into the target price business.

I mean, if you can read, the plan is there, and what is behind that plan is Mr. Butz' feeling that it is more advantageous to have bigger farms because, as he says, they are more efficient, they can produce larger amounts for less price, and all that. What that means is, get rid of the small farmer, bring in the big farmer. He said that affirmatively, explicitly, it is in the budget, and that is what is behind this plan. That is the whole thought, the whole philosophy, of this Department of Agriculture.

Mr. BUMPERS. Mr. President, will the Senator yield for two or three questions?

Mr. JOHNSTON. I yield.

Mr. BUMPERS. In 1975 can the Senator tell me how much rice we exported or what percentage of the crop we exported?

Mr. JOHNSTON. In 1975 we exported 774,000 metric tons of rice—wait a minute, that is Public Law 480—a total of 2,291,806 metric tons of rice.

Mr. BUMPERS. Can the Senator convert that to hundredweight for me?

Mr. JOHNSTON. Let me say, a metric ton is 2,200 pounds.

Mr. BUMPERS. It is 22 hundredweight.

Mr. JOHNSTON. Twenty-two hundredweight.

Mr. BUMPERS. How many metric tons did the Senator say we exported?

Mr. JOHNSTON. 2,291,000 metric tons.

I see the Senator with his Texas Instruments instrument. I hope it works. I will rely upon that rather than apply my mental arithmetic.

Mr. BUMPERS. That is a little over 50 million hundredweight, but that is milled rice. When we talk about the crop of 1975 being 125 million hundredweight, we are talking about rough rice. When the rice is milled, it is considerably less.

But for easy figuring, would the Senator concede to me that we exported about 60 percent of the crop, within 2 or 3 percentage points?

Mr. JOHNSTON. It is a very large percentage. I would not want to get married to 60 percent, but it is a very large percentage, that is correct.

Mr. BUMPERS. Now, the 125 million hundredweight we produced this year were produced on 2.8 million acres; would the Senator agree with that?

Mr. JOHNSTON. That is correct.

Mr. BUMPERS. And would he further concede that if this bill is defeated, the 1976 acreage allotments will total 1,652,000 acres—is that correct?

Mr. JOHNSTON. That is correct.

Mr. BUMPERS. And that is roughly 1,150,000 acres less rice this year than in 1975?

Mr. JOHNSTON. If this bill is defeated and if the Senator and the Senate will not agree to our compromise which, of course, increases the amount of acreage in the allotment.

Mr. BUMPERS. Well, I am considering two things: first, passage of the bill; or second, defeat of the bill.

Mr. JOHNSTON. That is correct.

Mr. BUMPERS. If the bill is defeated, we will have 1,150,000 acres less rice planted this year than were planted last year.

Mr. JOHNSTON. That is correct.

Mr. BUMPERS. Or roughly two-fifths less.

Mr. JOHNSTON. That is correct.

Mr. BUMPERS. And now that would mean, assuming all other things are equal, that instead of producing 125 million hundredweight of rice this year, we will produce 75 to 80 million hundredweight; would that be correct?

Mr. JOHNSTON. If the Senator's machine says that, I will not argue with it.

Mr. BUMPERS. The machine is made in Texas. The Senator does not want to argue with it?

Mr. JOHNSTON. Yes; since the Senator mentions that, I will argue with it. [Laughter.]

Mr. BUMPERS. Will the Senator then also agree if we produce even 80 million hundredweight of green rice, unmilled rice, it will be only slightly more than what we have exported in this past year, which, I am told, was 50 million hundredweight of milled rice, or approximately the equivalent of 72 million hundredweight of green rice? The point I am trying to make, may I say to the Senator, is if we export 72 million hundredweight of rice again in 1976, we will not be producing but 8 million hundredweight for domestic consumption or, to put it another way, we would have 65 million hundredweight for domestic consumption and 15 million hundredweight for export, where we have been exporting 70 million hundredweight.

Mr. JOHNSTON. Is the Senator aware of the world conditions on rice?

Mr. BUMPERS. Yes.

Mr. JOHNSTON. Is the Senator aware that we have the largest bumper crop this year that, I guess, the world has ever known worldwide, and that the carryover worldwide is 30 percent in excess of the average? Is the Senator aware of that?

Mr. BUMPERS. I am not aware that it is 30 percent in excess. I do not know of any country in the world, including the United States, Taiwan, Korea, the Philippines, Thailand, or any of the other rice-producing countries, that had a 30-percent excess above last year—above 1974. I know the Philippines exceeded their crop in 1974.

Mr. JOHNSTON. I am talking about the carryover is 30 percent in excess of the average.

Mr. BUMPERS. Not the production.

Mr. JOHNSTON. No. The world production was 6 percent above the average, and the carryover is 30 percent above the average.

Mr. BUMPERS. As of what date?

Mr. JOHNSTON. I think that was as of the 1st of January.

Now, that being so, American exports, even though they may be 60 percent which is the figure the Senator uses, 60 percent of our crop, those exports—I mean the whole crop in the United States constitutes only 2 percent of production worldwide.

Mr. BUMPERS. Less than that.

Mr. JOHNSTON. All right, less than 2 percent. The Senator makes the point even better.

When you increase world supplies of rice by the varryover, 80 percent, or the production by 6 percent, that increase of 6 percent is three times the amount of the American crop, exports and domestic consumption, and the carryover—I cannot give the Senator the figures, but I can tell the Senator that that carryover exceeds the American crop many times over, exports and domestic consumption together.

It is because of that world condition and because of our inability to export and because of our lessening affection for Public Law 480 and its cost to the American taxpayer that rice farmers consider that they had better cut back on that production because they are not going to be able to sell it worldwide.

Now, to the extent that this Congress wants to increase Public Law 480 and subsidize rice, either give it away or give it away on concessionary loans with, you know, 2 percent interest, with 30 years to pay it back or give it away for 60 percent of the cost, we can export all the rice we want. There is almost no limit to the amount of rice we can sell if we are willing to give it away.

But the figures show and the temper of this Congress shows that Public Law 480, if not a dying animal, is very sick, and it is getting less and less, even.

I can give the figures on Public Law 480 in exports; 1971–72, there were 1,200,000 metric tons, the next year down to 1.1 million, next year 600,000, 700,000, 800,000.

There are now about two-thirds what they were 5 years ago. I think they are going to continue to go down.

There are some Senators in this Chamber from rice-producing States. They voted against the whole foreign aid bill last year. I think the Senator from Arkansas mentioned to me that he voted for it with the same kind of sentiment I did, thinking about our rice farmers, thinking about feeding the world is hungry, but maybe thinking a little more about rice farmers than the world's hungry.

But the rest of the Senators in here are getting less and less affection for that program. It is running out, and without subsidized exports there is no way we can move our crop on the world's markets. The carryover, and 6-percent increase in production, there is no way we can do it.

Mr. BUMPERS. Will the Senator yield?

Mr. JOHNSTON. Certainly.

Mr. BUMPERS. We all know, and there is certainly no point in arguing, that other nations in the world had the biggest rice crop in their history. Now they have these bumper crops occasionally when the monsoons come at the right time and fertilizer is within their financial reach, but this only happens but once every 10 years.

In 1975, it happened, but 1975 is past. We are going into 1976, a new crop.

Mr. JOHNSTON. 1975 is past, but the excess rice is still there, a 30-percent increase.

Mr. BUMPERS. But what happens if in 1976 these people not only revert back to their normal crop, but have a bad year?

I saw on television last night, and I do not know how reliable CBS News is, but they reported a drought all the way from North Dakota to Texas, and in certain parts of California, they are selling off cattle herds. It does not look too prosperous here right now.

Mr. JOHNSTON. Right, that is a wheat crop, and if we do have a drought that affects the wheat crop, that will not affect the rice crop because we do not substitute that for wheat.

Mr. BUMPERS. But what happens if the rest of the world suffers agricultural reverses, which are not uncommon at all, in 1976?

Mr. JOHNSTON. I can say this, it it would not hurt the American taxpayer one whit. On the other hand, if they have an average rice crop, then this carryover is going to prevent us from exporting and it is going to mean the American taxpayer is going to pay through the nose if we open up this rice acreage, as under this present bill, and produce this flood of rice.

Mr. BUMPERS. Is the Senator suggesting that the United States in 1976 ought to abandon the rice export market?

Mr. JOHNSTON. No, I do not think we ought to abandon it. If I had my way, I would increase Public Law 480 and have food for peace.

Mr. BUMPERS. I understood the Senator earlier to say he agrees with me that it is important for the United States to be a reliable supplier of agricultural products.

Mr. JOHNSTON. I think it is essential, critical, yes.

Mr. BUMPERS. How does the Senator reconcile that with his suggestion that we go back to 1,600,000 acres, which will barely produce enough for domestic consumption and would not permit us to export any quantity of rice?

Mr. JOHNSTON. That will exceed domestic consumption considerably. As a matter of fact, carryover will almost take care of domestic consumption.

We can almost feed America's domestic needs with the present carryover and we could use that whole 1,600,000 acres for the export crop.

There is going to be plenty of rice to handle domestic needs and export needs out of the quota system.

If that is not enough, then the bill which my colleague and I introduced will increase that acreage up to 2 million acres and, as the Senator knows, we have offered compromise to increase it more than that, although I think it is bad to increase it more than 2 million, but I was willing to do so in the spirit of compromise.

Mr. BUMPERS. May I ask the Senator——

Mr. JOHNSTON. Under this bill, my colleague and I have gotten estimates, that they may plant as much as 4 million or 5 million acres of rice.

Mr. LONG. Will the Senator yield to me?

Mr. JOHNSTON. Yes.

Mr. LONG. I have to leave the floor and I will be back later on today.

What we have here is something which departs completely from the spirit and the whole intent of our agriculture laws.

As I understand it, the philosophy in this started back under Franklin Roosevelt, and it was the theory that when we are going to have overproduction of a commodity, we let the farmers vote.

I would like to ask my colleague if this is not correct. When we are going to have overproduction of a commodity, we let the farmers vote to see whether they are willing to limit production, limit acreage, with the understanding that the Government would assure them of price so they could stay alive and survive.

Mr. JOHNSTON. That is correct. Not only assure them of price where they can stay alive, but save the American taxpayers from depressed prices where the Government has got to put up the difference.

Mr. LONG. Now, we have had this rice program for some time. Of course, with the worldwide shortage of food and the shortage of rice up until now, it really has not made much difference. Anybody who wanted to produce could produce, because the rice was needed. But now we have three times as much carryover as we have any business keeping on hand.

Mr. JOHNSTON. Four times, according to the latest figures.

Mr. LONG. It keeps going up.

So here we come with a program where we need now a program to save the small farmers.

We know some of these rich farmers, like Mr. Hunt, can go out and clear thousands of acres, and shift thousands, or even plant new land in rice. With the enormous money Mr. Hunt made out of a lot of things like that, those people can use that money to mechanize and produce the rice.

Mr. JOHNSTON. And get a tax break along with it.

Mr. LONG. And they could not pick a better time to run their competition out of business because in planting thousands of acres of rice, these little farmers with small units, manual, no mechanization, are not in a position to compete.

So here is a time to pick to take off all acreage controls and say, "All right, we will let Mr. Hunt and all his people go in there, and their successors, and plant all this new rice."

By doing this—of course, assuming, as I assume would be the case, that they are generally efficient producers, but even if not, they have enormous wealth to work with—they can go in this business of producing large quantities of rice and selling it cheaply for whatever they can get for it.

That forces all the old farmers, little farmers, to put their rice into storage so it will not move.

For some reason, those who have never had sympathy for keeping the little farmers in business would push this thing, where we get these huge surpluses on hand.

The taxpayers would have to pay for buying all this rice, but it would also force down the market price. There is no doubt about that.

Mr. JOHNSTON. I do not think there is a doubt in the world about it, not a doubt in the world. Farmers cannot survive on an $8 target price. If they could, they would be in here supporting this bill.

Do we think farmers who do not get a guaranteed price of the Government of $8 will turn it down? Of course they will not.

Mr. LONG. Here we would have the situation where the Government waits until the product is in great surplus and then comes up with the program for the big people who have never been in this business to come in and tell the small people, who have worked a lifetime and even second generation farmers whose fathers and grandfathers were small producers. It will put them out of business for the benefit of the rest. Is that how it looks to the Senator?

Mr. JOHNSTON. That is the central question here. It is not whether we have enough rice. Everybody thinks we have enough rice. It is not whether the consumer is being ripped off. Everyone knows the price is low. Mr. Butz thinks we ought to have big corporate giants because they can do it more efficiently. Maybe they can.

Actually, the figures show that the Louisiana rice farms average 96 acres each and they are fairly efficient. But they are not rich and they cannot survive a bad year or maybe 2 bad years. They are marginal. Out of that 96 acres they make a few bucks when the price is all right, and they hope they can hold on. They are the backbones of the communities and great people. They are a great culture. The Senator has been down there and had the good dishes they make with rice. They are great people, but they cannot survive like the rich companies.

Mr. LONG. I did want to get in one other word while the Senator was discussing this subject.

There will be windfalls. The little rice farmers are to be crushed now, put out of business. Of course, rice is selling for a reasonable price the way it is now, but the price will continue to go down. The people in manufacturing will make a big profit out of this. They will get their rice cheaper.

Mr. JOHNSTON. I will bet the price of beer will not come down.

Mr. LONG. No, the price of beer will stay where it is or maybe go up.

Then the various big industrial consumers will get a windfall. As I understand it, the margin between what they are paying for rice and what they are selling it for, the difference between what the rice farmer gets and what it sells for at retail, has already increased 250 percent during the last 5 years.

Mr. JOHNSTON. I believe the figures show it is selling now for 500 percent of what they pay the rice farmers. What do they do with it? They do not do much with rice. They take it, put in the mill, get the hull off of it, polish it a little bit, and put it in a sack.

Mr. LONG. In the meanwhile, they are producing this vast amount of excessive rice and that will all have to be milled, will it not?

Mr. JOHNSTON. That is correct.

Mr. LONG. Even though it cannot be sold anywhere, there is nobody to sell it to, nobody to give it to, even though we have all of that rice. When the rice is produced, it has to be milled. That means a windfall profit to the miller to mill the rice that should not have been produced in the first place. So they make a windfall profit.

I am not here to criticize the millers. They are good people. But if I had to make that choice, I guess I would take the side of thousands of small rice farmers compared to the millers. The millers are usually pretty well fixed fellows. They usually have a lot of acreage. That is how the miller came to buy the mill. He was successful and made good money and after making money producing the product, got big enough so he could build a mill. It is not that that is always the case. I do not criticize those people, as they are good folks. But they are people in business.

The people being sacrificed here are the very people for whom the rice program was put into effect to begin with, small farmers with limited resources, limited economic power. They are not necessarily as efficient as the large corporate producers and do not have as much machinery. They are the sort of people that, under Democratic administrations starting back with Franklin Roosevelt, we developed a program to try to protect.

Does the Senator really agree that this is sort of a case of whether we are going to take the side of the little fellow as some of us have tried to do down through the years, or the economic royalists?

Mr. JOHNSTON. I do not think there is any question on that. We cannot make that point strongly enough. We are not being sentimental here about the small farmers and about a return to the land and all that. This is guts. This is gut politics. This is gut economics—whether we are going to allow to survive the farmers whose average farms are 96 acres. They are the ones complaining. They are the ones motivating us to make this plea in the Senate. Who is on the other side? It is the big boys?

We are not trying to be romantic or sentimental here but those are the facts. If they were doing a bad job for this country, it would be different. But they are producing plenty of rice. They are pretty efficient. When the price is reasonable they can make a living, pay taxes, go to church and help run their towns. But if they do not survive, then I guess it will just hasten this move from the country into the city and we will let the huge corporate combines continue.

I mentioned the fellow who is planting 7,500 acres but wants to plant 11,000.

Mr. HUDDLESTON. That is the fourth time I have heard the story about the 7,500 acres. Will the Senator yield?

Mr. JOHNSTON. I will.

The Senator may get tired of hearing the story, but it happened. I would suggest to the Senator that he contact some of his tobacco people because he is next. He will have a lot of stories about some big company such as Liggett and Myers that wants to come in and plant 1,000 acres of tobacco. Mr. Butz will tell how they can do it more efficiently and run all the little people from the country into the big city of Louisville.

Mr. HUDDLESTON. Until that time, and concentrating on the legislation at hand, and before we eliminate the small farmer from the face of the landscape of the United States, we should point out that all the current rice producers are not all small farmers. Is that correct?

Mr. JOHNSTON. They are not all small farmers. I am talking about the industry.

Mr. HUDDLESTON. The legislation is specifically designed to protect the current producers, whether large or small. They get the benefits of the loan rate and the target price. Those who would undertake to plant their 7,500 acres or any acreage in excess their quota would do so at their own risk. They would take the chance of whether or not they would receive a profitable return for their production. The essence of the present bill is to protect those the Senator is so concerned about from being put out of business.

Mr. JOHNSTON. If the Senator will yield at that point, there are some words in there that, if they are not read too carefully and one does not look at the figures, do indeed seem to contain a protection. But the facts are that to lower the loan price from $8.30, I think being the present loan price—is that correct?

Mr. HUDDLESTON. $8.52.

Mr. JOHNSTON. To lower that from $8.52 to—what is it under the bill? $6?

Mr. HUDDLESTON. The target price is $8, and the loan price is $6.

Mr. JOHNSTON. My farmers do not see that as a protection. Maybe they do not have Texas Instruments calculators, but they seem to regard that as being the opposite from protection.

Mr. HUDDLESTON. It is a protection. Those figures are based on cost of production. They have escalating provisions that if the costs change, the prices change. The producer can be assured, if he is one of the quota holders that the Senator is concerned about, that he is not going to suffer any severe financial loss, regardless of what the market does. If the market goes below anything we have known yet, he is not going to suffer total financial loss.

Mr. JOHNSTON. That is a matter of point of view. Maybe it is not total financial loss, but they think they would be severely wounded. If they thought they could make any money and survive at $8, they would be in here supporting this bill.

Mr. HUDDLESTON. This is, of course, what producers of other crops have, such as the grain crops, which are under the target system.

On another point, the supply situation and this great glut we have that the Senator is talking about. I would point out that this glut came about under the Senator's plan, the program that is now in effect. That apparently is no guarantee that we are not going to have surplus production. It is no guarantee because nobody can predict what the weather conditions and the growing conditions are going to be for a particular market in advance. Certainly, we cannot predict the worldwide weather conditions.

Mr. JOHNSTON. But the bill we put in has self-correcting measures to readjust the amount of acreage planting.

Mr. HUDDLESTON. And so does the legislation we are considering. It, of course, gives the Secretary the authority to carry over 15 percent of the crop and make adjustments in production.

Now, while production cannot be predicted and weather conditions cannot be predicted, there are two things that are very predictable in this world today. One is that population is continuing to increase at a very rapid rate, and that in countries where there is already difficulty with food supply the population is increasing fastest. So that is not only predictable, it is certain. The needs for food in the world are increasing at a much more rapid rate than production capacity.

Mr. JOHNSTON. Now, that, the Senator recognizes, does not apply to rice. Rice production has increased faster than population, and the carryover in world production of rice is, to my knowledge, now 30 percent greater than it has ever been.

Mr. HUDDLESTON. Because of a particular situation with respect to growing conditions, which can be reversed very rapidly. We had surpluses at the beginning of a year just a few years ago, and wound up the year with shortages in many commodities. This can happen.

So we know we have to have a flexible, continuing production capacity in all our foodstuffs, to meet world needs. It is the objective of this legislation to provide that, utilizing the free market system to the fullest extent possible, at the same time providing protection against financial disaster. I think this is a very important aspect. This is the approach that is sought to be arrived at here.

Mr. JOHNSTON. If I may interrupt at that point, with respect to world needs for rice, does the Senator recognize that a world cash market for rice has, over the last 10 years, been almost nonexistent? I say almost nonexistent; at least in order to export the rice we have, we have had to rely on heavy subsidization through Public Law 480 and AID exports; is that not correct?

Mr. HUDDLESTON. That is true of other commodities also.

Mr. JOHNSTON. Let us say there was a drought, and we had a shortage of rice, which I think is unlikely, and is certainly not the basis on which we put in a brand new set of legislation that the farmers do not want, thinking that maybe there will be this shortage of rice which we have not had in a long time; but if that happens, the only way we are going to be able to export a lot of rice is through heavy subsidization. Is the Senator prepared to say that Congress will vote heavy subsidies under Public Law 480 and dramatically increase that program?

Mr. HUDDLESTON. No, I am not prepared to speak for Congress.

Mr. JOHNSTON. Yesterday I heard a dramatic speech about that Public Law 480 program, and Food for Peace, and exports, and feeding hungry mouths, and feeding starving people around the world. You know, I went back and checked the RECORD, and that Senator had voted against foreign aid last year.

Everyone, in the abstract, is for feeding hungry mouths and checking starvation, and for exporting the abundance of our agricultural crops, but when it gets down to voting hard dollars for foreign aid—and that is what Public Law 480 is—a lot of us get a little timid, and Congress as a whole gets very timid, and that is why those Public Law 480 exports have been going down every year. I think they are going to continue to go down.

The Senator has talked about this protection for rice farmers. I wonder if the Senator can make a prediction for me as to what rice farmers in this country are going to vote in the quota or nonquota elections which are going to be conducted in the near future. How does the Senator think they are going to vote on the imposition of quotas?

Mr. HUDDLESTON. I think when you consider that there are some 13,000-plus quota-holding farmers who are going to be voting, compared with 3,000 who are eligible to vote because they are new growers and you are talking about guaranteed income, I think it is predictable how they will vote.

Mr. JOHNSTON. Mr. President, I shall yield in a moment to my friend from Arkansas, but I wanted to make this point, and that is that of the 1.2 million acres planted in excess of present quotas, a lot of that is planted by present quota holders. A lot of them are planting a good deal beyond their quotas right now, and they have a double interest, because they have a lot of land that they can put into rice production. But I think the Senator is very candid when he says both quota holders and nonquota holders are going to vote overwhelmingly for the imposition of quotas.

Mr. HUDDLESTON. Because that means a $9.35 guaranteed price.

Mr. JOHNSTON. Well, whatever 65 percent of parity will be.

Mr. HUDDLESTON. It is predicted to be $9.35.

Mr. JOHNSTON. That is correct. You know, we had this situation a few years back. I forget what the last year was when we did not have quotas, when we had the tremendous production, and rice farmers were driven out of business by the hundreds. The bankruptcy courts were full.

You know, it is fine to sit up here in Washington in the Department of Agriculture and say, "Well, we made a mistake."

Mr. HUDDLESTON. What year was that?

Mr. JOHNSTON. I think it was back in the sixties. I can find the exact year.

Mr. HUDDLESTON. It would be very helpful to have that information submitted for the RECORD.

Mr. JOHNSTON. In any event, it was a number of years ago.

Mr. HUDDLESTON. We have had quotas every year since 1955 except for the last 2 years.

Mr. JOHNSTON. Well, it was a year in which they did not impose quotas.

Mr. HUDDLESTON. They were not going broke when they were getting $10 and $13.

Mr. JOHNSTON. No, they were making money. That is when the market price was up.

Mr. HUDDLESTON. The only other time would have been prior to 1955.

Mr. JOHNSTON. I will check on it and get the actual year. The point is that if we do break these rice farmers, as they tell me they will be broken, it is not enough just to say, "Sorry, we made a mistake."

You know, that is what we have done to so many small farmers. We have a parish—a county, if you will—in my State that used to be the largest cotton producing parish in the whole State, and my State was one of the largest cotton producers in the Nation. There are a lot of small farms, and there is not a bale of cotton produced in that parish now. I am not saying that is the Government's fault, but that is rather typical of the way things have happened in this country. We used to have a lot of people engaged in small farming; they did not make a lot of money, but they had an awfully good life. They were the backbone of this country.

Mr. HUDDLESTON. Mr. President, will the Senator yield?

Mr. JOHNSTON. I yield.

Mr. HUDDLESTON. They are producing something there, are they not? Are they out of production altogether?

Mr. JOHNSTON. Pretty well out of production altogether now.

Mr. HUDDLESTON. They are receiving no income from the land?

Mr. JOHNSTON. I am not blaming the Government for that. It just sort of happened. In a lot of areas they have consolidated and gone to big farms now. People are moving off the farms and moving to the cities, and in the process of producing more of the urban plight.

I am not here to make a speech for urban plight, and all the problems that that produces, but I am here to defend the plight of small farmers whose average size is less than 100 acres. I daresay the Senator from Kentucky is going to be in here unless he can stop in the Committee on Agriculture and Forestry the grand design of adding the same benefit to tobacco and to peanuts.

Mr. HUDDLESTON. I might point out that this program protects the farmer that the Senator is concerned about.

Mr. JOHNSTON. Protection by lowering the loan value two and a half bucks a hundredweight.

Mr. HUDDLESTON. Protection to assure when he produces a crop he is going to get a break-even return for it.

I have a few points on Public Law 480 which has concerned the Senator so much. The use of rice under Public Law 480 has increased, I say to the Senator, fairly consistently since 1960.

In 1961–62 it was about 12 million hundredweight, and has increased now to 25 million hundredweight for the most recent year. That is over a 100 percent increase.

So I do not think the rice program is suffering a great deal under Public Law 480 and the attitude of Congress toward that particular program. I think the supply question needs to be looked at rather closely.

Mr. JOHNSTON. If the Senator will yield at this point, it is quite true that exports have been climbing, because exports have climbed from 1.7 million metric tons to 2.2 million metric tons in the past 5 years.

Mr. HUDDLESTON. I am talking about Public Law 480, which was the Senator's concern.

Mr. JOHNSTON. Under Public Law 480 it has gone down for the reason——

Mr. HUDDLESTON. But not for rice, I say to the Senator.

Mr. JOHNSTON. AID and Public Law 480 exports have gone down from 1,203,514 metric tons in 1971–72 to 800,000 metric tons in 1975–76.

Mr. HUDDLESTON. In selecting 1971–72 the Senator is picking the highest year ever.

Mr. JOHNSTON. Take 1972–73. That was 1,120,000 metric tons.

Mr. HUDDLESTON. Take the historical picture and one sees the trend has been generally upward.

Mr. JOHNSTON. The only figures I have, and I did not purposely pick these out, were just for the last 5 years. We have 1.2 million, 1 million, 610,000, 774,000, and 800,000. So that for the last 3 years it stayed within between 600,000 and 800,000, but prior to that it was well over a million. But our overall exports have increased, and that is because there has been a cash market, with some demand worldwide.

I am only saying of all the years that one could pick to go into this land experiment, with the economic lives of small rice farmers, this is the worst year one could possibly pick. It is one in which there is a carryover of stocks of four times the average in this country, and we cannot sell rice here and carry over stocks of 30 percent above the average worldwide, with production of 6 percent. Production is up more than three times the total American production. That is only the incremental amount by which the world production exceeds its average.

I could not think of the worst year one can pick than this year to commence this land experiment, as I say, an experiment with the economic lives of small rice farmers.

Mr. HUDDLESTON. I think the supply situation is not nearly as grim under the present program from the standpoint of oversupply as the Senator might indicate because with the present quota of 1.6 million, there is predicted to be produced about 72 million hundredweight. Carrying over 30 million, that gives us 102 million. We expect to use some 41 million domestically. That could be up or down. With 60 million export it leaves about 1 million hundredweight, which is not enough to fill up the pipeline.

So we could be very well right back into a shortage situation if something should happen weatherwise to cut those average yields down, not only in this country, but elsewhere in the world.

Mr. JOHNSTON. The Senator is aware that we have almost as much carryover predicted right now as our total domestic production; in other words, we could virtually supply the American consumption by what is predicted to be in the bins right now and not plant an acre of rice next year.

Mr. HUDDLESTON. My figures would indicate the carryover somewhat lower than the estimate the Senator is making, which is not——

Mr. JOHNSTON. It is somewhat lower. It is 41 million. We have a carryover expected, according to the USDA, of 34 million and domestic consumption is 41 million. There is a shortfall there of 7 million hundredweight. But it is pretty close to domestic consumption, is it not?

Mr. HUDDLESTON. Domestic consumption is estimated to be 41 million hundredweight.

Mr. JOHNSTON. Forty-one million and 34 million is substantially close. I do not know. It misses it by what, 20 percent, or whatever, and that is without planting an acre of rice.

Does the Senator have any reason to believe that, with new technology in farming, new kinds of rice being put in production around the world, and increasing utilization of the so-called grain revolution, we are going to have some kind of disastrous crop year in rice next year, worldwide?

Mr. HUDDLESTON. There is no reason to believe it could not happen. It has happened.

Mr. JOHNSTON. When is the last year we had a disaster in rice crop, worldwide?

Mr. HUDDLESTON. I know that within the last 2 or 3 years we have had a rather dramatic downturn in production, and we have seen surpluses or so-called surpluses being eliminated very quickly. Production in 1973–74 and 1974–75 was not anything to crow about.

Mr. JOHNSTON. In 1975–76 the USDA says that our world production was up 355 million metric tons, 5 percent above last year's record level. Last year was a record, and this year is 5 percent above the record, is that not right?

Mr. HUDDLESTON. In 1973 it was down 324 million.

Mr. JOHNSTON. That is not exactly what one calls a disaster.

Mr. HUDDLESTON. No, but it is a substantial difference if the Senator is talking about whether the difference between what we have here on hand and what we need is only 7 million hundredweight.

Mr. JOHNSTON. What I am talking about is this year the revised estimate is 345 million metric tons. Now that is a record.

Mr. HUDDLESTON. Yes.

Mr. JOHNSTON. That is 5 or 6 percent.

Mr. HUDDLESTON. I acknowledge we have a record. That is why we have a surplus.

Mr. JOHNSTON. That is 5 or 6 percent above last year which was a world record, and then the Senator is saying that 325 million metric tons is a disaster, and that is barely 10 percent of less than the record; it is less than 5 percent less than last year which itself was a record.

Mr. HUDDLESTON. If the Senator is going to take a position that a 5- or 6-percent increase represents a great glut, then I think he can take the position that 25 percent difference or 25 million tons represents a pretty sizeable increase.

Mr. JOHNSTON. Twenty-five million tons, but not 25 percent less.

Mr. HUDDLESTON. I recognize that is a difference.

Mr. JOHNSTON. About 5 percent less than the previous record is what it amounts to.

Mr. HUDDLESTON. But the point is, I say to the Senator, that he cannot predict with any kind of certainty that we are not going to have a substantial reduction in production. It has happened. We have seen situations where we have gone out of surplus years into shortage years. It can happen.

Mr. JOHNSTON. Is this program really being designed and implemented on the thought that there might be a world drought in rice?

Mr. HUDDLESTON. The thrust of the legislation is to put the rice program in a flexible position, from which it can respond to market needs on the basis of what the producers anticipate those needs to be. It puts us in the world position in which we will have the production to be a strong and reliable supplier. It provides the minimum protection that is necessary in order to protect the producer from financial ruin after making the investment in putting out his crop.

Mr. JOHNSTON. That is what USDA and Mr. Butz say. The rice farmers say it does not give them much protection against financial ruin.

Mr. HUDDLESTON. I know they think that. If the rice farmers agreed on what kind of program they want we probably would not be here today.

Mr. JOHNSTON. We are having an election that can tell the Senator precisely what the rice farmers want, what they believe, what their opinion is. We are having an election right now.

The proponents of this bill want to run roughshod over the present program, over free elections, and tell the rice farmers the kind of program they want. Not only is this failing to follow what their wishes are, but also, it is not even waiting to listen to what they want.

Mr. HUDDLESTON. We pointed out the situation that prevails in that particular referendum. We have, in effect, farmers voting as to whether or not to continue a program they are locked into, which gives them a $2 differential with respect to what they want to receive for their crop. There is no question how they are going to vote in that kind of situation.

Mr. President, I ask unanimous consent to have printed in the Record a letter from Mr. Richard E. Bell, Assistant Secretary of Agriculture, relating to the concern that the Senator from Texas mentioned yesterday in submitting his amendment No. 1358, which would have prevented a set-aside program for rice for the year 1976.

We told him at that time that we had assurances that the Secretary would not institute a set-aside program for the 1976 crop of rice. This is confirmation of that position by the Secretary. We indicated to him that we would make it part of the Record, and I submit it at this time.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Department of Agriculture,
Washington, D.C., January 30, 1976.

Hon. Walter D. Huddleston,
Chairman, Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices, U.S. Senate, Washington, D.C.

Dear Senator Huddleston: H.R. 8529, the "Rice Production Act of 1975", which is currently under consideration by the Senate, provides the Secretary of Agriculture with discretionary authority to implement a set aside for rice in the event he estimates the carryover of rice at the end of the current marketing year will exceed 15 percent of total supply of rice for that marketing year.

In the event H.R. 8529 is passed by the Congress and signed into law by the President, the Department does not plan to implement a set aside for the 1976 crop of rice.

Sincerely,

Richard E. Bell,
Assistant Secretary.

Mr. JOHNSTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. Ford). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSTON. Mr. President, I should like to outline for the Senate the condition that we see this rice bill in and the present status of negotiations.

Obviously, there is a great split in the various States and among rice farmers within the various States. In my State of Louisiana, we do have people in the northeastern part of the State—mostly big farmers, as I say, but good people—who are very much for S. 2260, because they would like to plant more rice. The Senators from Arkansas and Mississippi have the same kind of split, but I suppose the majority in their State come down on the side of the big people.

Nevertheless, Mr. President, we all have been conscious of the competing interests in rice, and I am sure that all Senators involved have been in contact with people back home. I think that all the Senators involved have tried and are trying to seek some kind of accommodation, some compromise measure, that would accommodate all the interests.

The bill that my colleague and I introduced, S. 2385, sought to make that compromise. It is the so-called Houston plan. It provided for increasing the allotments to 2 million acres, from 1,652,000 to 2 million. Apparently, that has been unacceptable.

We also have in the works separate negotiations, or further negotiations, that would allow for the increase in allotments to 2.2 million acres, which is 600,000 above the present quota.

I hope that somewhere among these formulae, we might come up with an acceptable formula that will be agreeable to the rice-producing States, will be agreeable to the Secretary of Agriculture, and will be agreeable to the Senate. I can promise the Senate this: My colleague from Louisiana and I will continue to search for that accommodation.

In the meantime, we are having this election among all rice farmers. The results of that election will be in on February 15. We do not want to take the time of the Senate indefinitely. This will not be a filibuster. But, Mr. President, we think it is downright outrageous not to wait at least until the result of that election are in. That will be February 15.

So far as our schedule is concerned, we have only next week before the recess. We will return on the 16th. So far as the schedule to vote is concerned, we will be ready to vote at a time certain on Wednesday, February 18. That would give us 2½ days of debate after we return from the recess.

Why do we want that delay? Chiefly because we think that when the rice farmers express themselves through their election, they will vote in favor of our program. It will give the Senators further time, hopefully, to work out a compromise, and it will save the time of the Senate with respect to further debate. Frankly, we hope that as rice farmers begin to consider the implications of this legislation, they will speak to some of the sponsors of this bill and get them in a more compromising mood.

I want the Senate to know that this is not a filibuster, that we are ready to vote by February 18, that we are willing to make that unanimous-consent agreement at any time that the Senators in support of the bill are ready to do so.

Mr. HUDDLESTON. Will the Senator yield on that point?

Mr. JOHNSTON. Yes, sir.

Mr. HUDDLESTON. The Senator from Kentucky certainly has no objection to setting a date for voting. But the Senators representing the rice-growing areas that introduced this legislation have indicated that the time is at hand to make preparations to planting the crop. Rice producers need to know what the outcome of this legislation is going to be. That is the reason, I think, that the Senator has had difficulty in reaching agreement with those Senators to delay the vote until that time.

Mr. JOHNSTON. I realize there is a problem there. But there is some problem already existing. If we passed this bill today, there would be some problem existing. But it is not an insurmountable problem. We have no quota imposed right now. There is no quota under S. 2260. So, if a farmer took it upon himself to plant beyond that quota and S. 2260 passes, he has no problem at all. If one of the compromises passes, the chances are that his additional acreage planted may well be within the additional acreage which that compromise legislation would reflect. If he has already planted or already prepared his ground or made very much effort in that direction, I believe that he would have to be protected under the Constitution. I think lawyers in the USDA will tell the Senator that right now. So the quota cannot be imposed upon any such farmer.

It is only in Texas, which is not one of our biggest rice producers, that they will be planting rice by mid-February. Most other areas are behind that and would not be affected by this compromise deadline.

Mr. President, it seems to me that that short amount of time, which represents, in terms of days that the Senate will be meeting, only 6 or 7 days, is not too much time to give us to compromise, to talk to our farmers back home, and, most of all, to let Americans and rice farmers have the results of their free election certified and brought to the Senate. I do not ask for an answer right now. I simply submit that as what we are willing to do, so that, hopefully, we can have that accepted and move onto some other matters while we seek to work out a compromise.

The PRESIDING OFFICER. Who yields time?

Mr. BUMPERS. Mr. President, I recognize that this referendum is being held. I believe it is being held between January 25 and January 30, and the result will probably be known very shortly.

I also wish to point out that I think the Senator from Louisiana assumes correctly that the people who are voting in that referendum are going to vote to maintain the Secretary's allotments.

However, I think it ought to be pointed

out that one of the problems of the whole rice program is that rice, by its very peculiar nature, requires a certain kind of land. Rice cannot be raised on just any kind of land. I have heard it said in this Chamber that there will be 4 to 5 million acres of rice planted this year if this bill is passed. The Department of Agriculture says that the very most that can be planted to rice will be something like 3½ million acres, because of water requirements and soil peculiarities. If every suitable available acre of land that could be planted to rice right now in the country were planted, it would be 3½ million acres of rice, according to the Department of Agriculture.

Mr. JOHNSTON. I ask the Senator, does he have that reference handy?

Will the Senator from Arkansas yield for a question?

Mr. BUMPERS. Yes.

Mr. JOHNSTON. Will the Senator answer the question I asked before he yielded?

Mr. BUMPERS. The amount of land available now, it is my understanding, with water available, that could be planted to rice, is about 3.5 million acres, and an additional 800,000 acres of land that could be made suitable. That is a maximum of 4.3.

Getting back to the subject, the problem I started to address is the fact that there is not an unlimited amount of land available for planting rice. I admit that the State of Arkansas is in a very happy position of having a lot of land that is available for the planting of rice, while Louisiana, Texas, and California do not enjoy a similar position. Mississippi also happens to be a State that has a lot of acreage that can be put to rice.

When the Senator talks about the referendum, obviously, most of the farmers in those three States, simply because they cannot plant more rice, no matter how badly they want to, are going to vote for the allotments, because they want to stay within them. Last year, the State of Arkansas alone raised 20,000 acres more, in excess of their allotments, than all three of those States combined. Louisiana, California, and Texas, last year, exceeded their minimum allotments by 472,000 acres. Arkansas alone exceeded its by 495,000 acres—a little less than that. But Arkansas and Mississippi, together, exceeded their allotments by 614,000 acres. The allotment holders in Louisiana, Texas, and California, compared to the Nation's total, hold 61 percent of the allotments.

I think it would be fair to say, in answer to the question of the distinguished Senator from Louisiana about waiting for the referendum that a vote is not going to be held in this body, even if cloture is invoked, before Wednesday of next week at the earliest. I assume the referendum results will be in by then. All I am saying is that I think all of us can predict about what the results are going to be.

Then there is an additional point that I want to make. That is that when it comes to the small farmer, my State is full of small farmers.

If we got into a contest involving the Senators from rural States about who loves small farmers more, it would be a never-ending debate. We would not invoke cloture on that, I promise.

In fairness to the Senator from Louisiana, I am sure he does not intentionally suggest that the vote for this bill in the House of Representatives, where it passed by a vote of over 3 to 1, or in the Senate Committee on Agriculture, which reported this bill out by a unanimous vote—I do not think he would suggest that all the members of the Committee on Agriculture or the over 300 Members of the House of Representatives who voted for this bill are dedicated to the proposition of putting all the small farmers in this country under.

I stated in my opening speech yesterday that I am concerned about the bill because I have a lot of farmers who are against it. It is not easy for any Senator, and certainly, I confess it is not easy for me to be a proponent of a bill that has caused as much controversy and acrimony and recrimination in my State as this bill has.

We talk about compromises. I am always willing to compromise. I must say that, during the 4 years I was Governor in my State, almost every time I compromised, I wound up making everybody mad. But I am interested in what is best for the country and best for the rice farmers of this country.

I submit that the people who are the proponents of this bill have no less interest in the viable economic future of the rice farmers of this country than those who oppose it.

Mr. SPARKMAN. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. BUMPERS. I would be happy to.

The PRESIDING OFFICER. The Chair recognizes the Senator from Alabama.

ORDER EXTENDING TIME OF FILING OF REPORT ON FOREIGN ASSISTANCE BY THE COMMITTEE ON FOREIGN RELATIONS

Mr. SPARKMAN. Mr. President, we formally have an order that permits the filing of the report on foreign military assistance by the Committee on Foreign Relations until midnight tonight. We find we cannot get it ready by that time, and I would like to ask unanimous consent that we be given until midnight tomorrow night.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. SPARKMAN. I thank the Senator from Arkansas.

THE RICE PRODUCTION ACT OF 1975

The Senate continued with the consideration of the bill (H.R. 8529) to establish improved programs for the benefit of producers and consumers of rice.

Mr. BUMPERS. Mr. President, I am always willing to talk compromise, willing to listen to reason, talk about every possible alternative in solving difficult problems such as this one. But when it comes to the small farmer, what happens to the 1.2 million acres of land that were planted to rice in 1975 that will not be planted to rice this year?

I can tell you, first of all, my State is discriminated against very heavily. The State of the Senator from Louisiana will lose about 160,000 to 170,000 acres from what they planted this year. Texas, Louisiana, and California will all lose minimal amounts of acreage if this bill is defeated. My State goes from 900,000 to 400,000 acres, over a 50-percent loss of rice acreage, and I am concerned about it. But I can tell you in my State what will happen to those 500,000 acres, they will be put in soybeans, and I daresay the same thing is going to happen in all of the other States that produce rice. Ninety percent of the acreage above allotment in this country that was planted to rice in 1975, if this bill fails, will be planted in soybeans this year.

So, let us talk about the small farmer. What is the price of soybeans right now? in my State about $4.25 to $4.30; and what are the farmers doing? The same thing they are doing with rice. They are holding on to it because they do not want to sell it for that price.

You talk about a glut, there is a glut of corn, wheat, and soybeans in this country that makes the glut of rice look very small in comparison. And yet what we are going to do is shift all of this acreage over to soybeans where there are many, many more small farmers trying to compete. How about what happens then to the world glut of soybeans? What happens to the farmers who are loaded down with alternatives like corn and wheat to soybeans? Well, it is just not a very happy situation.

But, you know, I was just noticing that Louisiana has two kinds of allotments. They have an allotment just like all the other States have, which is so many acres that a farmer may have on his total farm acreage. But Louisiana also has some allotments, about 94 of them, to be exact, which are called hip-pocket allotments, that they go to the man. Those allotments average 177.5 acres.

I ask the Senator from Louisiana if he can tell me whether those allotments are negotiable or not. Can a man sell them?

Mr. JOHNSTON. Those are transferrable. They are a very small percentage of our allotments in Louisiana. Everything west of the Atchafalaya goes with the farms.

Now, up in northeast Louisiana they do have these so-called hip-pocket allotments, as they do in California. The whole State of California has the so-called hip-pocket allotments, and this has been a very difficult debate for farmers.

I have tried to figure out what they want. In northeast Louisiana they seem to like it that way; in southwest Louisiana they like the allotment to go with the farm.

Mr. BUMPERS. Does the Senator have

any personal knowledge of any sales of allotments in that area of the State and, if so, what the price was last year?

Mr. JOHNSTON. I do not have personal knowledge of it. I would not argue if the Senator can tell me there are some.

Mr. BUMPERS. Let me say this: I think I am reliably informed that those allotments sold last year for as high as $350 an acre. Now, that makes riceland pretty valuable. Maybe they will not bring that much this year. I do not know. But I do know——

Mr. JOHNSTON. I would suspect they would not bring that much this year.

I would also suggest that to tell these rice farmers they can go into the soybean business with different equipment, with a new investment when they already have their combines for rice paid for or being paid for, still have notes for that, and to go to a new crop, as the distinguished Senator has already pointed out, in surplus is not very much choice. It is sort of like saying, "Let them eat cake."

Mr. BUMPERS. Mr. President, there is one thing I would like to correct. We corrected this in the Record yesterday, but I would like to correct it on the floor today, and that is I may have led some people to believe yesterday that under this bill if an allotment holder plants more rice than his allotment he will lose the benefits of the target price and the loan price, in other words, he will lose the benefits of the program. I was told immediately after I left the floor yesterday that that was in error, and I want to correct it because if a farmer holds a 500-acre allotment and chooses to plant 1,000 acres of rice, under the bill he will still be entitled to the benefits of the program to the extent of the 500 acres. This is a considerably more generous benefit than I had anticipated, because if the bill is defeated now it would mean, with the 1,652,000 allotment which the Secretary has imposed, that any farmer who exceeded his allotment would be subject, I assume, to both civil and criminal penalties.

Then there is one final point I would like to make regarding export subsidies. I think there has been some confusion about that because it is my understanding that under the present program, with a loan value of $8.52, if the Government winds up buying a farmers' rice because the world price, which the Senator from Louisiana this morning stated was a little over $6, is less than the present loan price, which is $8.52, the Government is obligated to buy the rice, and if it then exports it, which it normally does, and the world price is $6, there is an export subsidy of $2.52.

Now, those subsidies get pretty expensive, and as I say, this bill only has a target price of $8, and the loan price, which is anticipated for this coming planting season, of $9.25 is 75 cents above the present loan price, and, if the world price of rice stays at $6 or if the world surplus continues and it stays in that vicinity, that means that without this bill the Government will be picking up at least $3.25 in export subsidies.

This bill carries no export subsidies with it. It is the old program that has the export subsidies. I thought that ought to be clarified.

Mr. JOHNSTON. Mr. President, will the Senator yield?

Mr. BUMPERS. Yes.

Mr. JOHNSTON. All I think this bill changes—neither one of these bills, neither our bill 2385 nor this one, 2260, deals with export subsidies, Public Law 480, or AID, Is that not correct?

Mr. BUMPERS. Yes, I think that is correct.

Mr. JOHNSTON. Very well.

Has the Senator yielded the floor?

Mr. BUMPERS. Mr. President, I will yield the floor to the Senator.

Mr. JOHNSTON. Mr. President, we have had a lot of conversation here about the question of whether the acreage of rice ought to be limited to 1,625,000 acres.

Mr. President, I think that amount of rice is too small an amount of rice, and that is why we have introduced legislation to increase that rice allotment to 2 million acres. We further have an outstanding compromise offer right now to increase that amount of rice to 2.2 million acres.

So we are not saying that we ought to hold the present acreage of rice down to the present allotment. We think it ought to be increased, and we are prepared to offer that compromise.

But what we are saying is it would be a disaster for the American rice farmer to increase the amount of rice acreage to 3 million, 4 million, 4.3 million, whatever the figure is. I am willing to accept the figure that 4.3 or 4.4 or 4.5 million, whatever the figure was, can be planted in rice. But the fact is if we keep rice production at present levels, that is, 2.8 million acres, and we keep our exports the same, and we keep our domestic production the same, then instead of having a carryover of 34 million hundredweight we would expect a carryover of 53 million hundredweight.

So that just keeping everything as it is portends, I think, somewhat of a disastrous supply, in price for rice.

Mr. President, I am saying that the direction we are headed with this bill would produce a glut of rice the likes of which this country has never seen, and with a glut of rice, according to the law of supply and demand, we would see a price that would be absolute disaster for the American rice farmer.

I hope that we can defeat this bill. I hope we can at least delay the bill, delay the vote on this bill to give us time to work some sense out of this thing and come up with a decent compromise.

We have certainly been in the mood to compromise. The outstanding offers we have right now, 2.8 million acres, a substantial increase over the present allotments, I think is entirely reasonable.

I hope the proponents of this bill will allow that time to work out a compromise so that we can not only attend to the needs of the American consumer, who is being well supplied right now, not only provide adequate rice for exports and adequate rice for American consumption at prices we can all afford, but a plan that would allow for the survival of the American rice farmers and particularly the small American farmer who is the backbone of our American rice industry.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. Allen). The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CORRECTIONS IN THE ENROLLMENT OF S. 2718

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Chair lay before the Senate a message from the House of Representatives on House Concurrent Resolution 533.

There being no objection, the Presiding Officer (Mr. Stone) laid before the Senate a message from the House of Representatives announcing its action on the amendment of the Senate to the concurrent resolution (H. Con. Res. 533), which was read, as follows:

> *Resolved*, That the House agree to the amendment of the Senate to the resolution (H. Con. Res. 533) entitled "Concurrent resolution directing the Secretary of the Senate to make corrections in the enrollment of S. 2718" with the following amendment: At the end of the matter proposed to be inserted, insert the following:
>
> "(75) In section 208(a) of the bill, strike out 'Section 5a' and insert in lieu thereof 'effective 270 days after the date of enactment of this Act, section 5a'."

Mr. MANSFIELD. Mr. President, I move that the Senate concur in the amendment of the House of Representatives.

The motion was agreed to.

ORDER FOR COMMITTEE ON COMMERCE HAVE UNTIL MIDNIGHT TONIGHT TO FILE REPORT—H.R. 7108

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Committee on Commerce have until midnight tonight to file a report on H.R. 7108.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE READING OF WASHINGTON'S FAREWELL ADDRESS TO OCCUR ON FEBRUARY 16, 1976

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of Washington's Farewell Address this year occur on February 16 instead of on February 22 as provided in the order of the Senate on January 24, 1901.

The PRESIDING OFFICER. Without objection, it is so ordered.

DIRECTION TO THE CLERK OF THE HOUSE OF REPRESENTATIVES TO MAKE A CORRECTION IN THE ENROLLMENT OF H.R. 5247—HOUSE CONCURRENT RESOLUTION 535

Mr. MANSFIELD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on House Concurrent Resolution 535.

The **PRESIDING OFFICER**. The clerk will state the resolution by title.

The legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 535) directing the Clerk of the House of Representatives to make a correction in the enrollment of H.R. 5247.

The **PRESIDING OFFICER**. Is there objection to the immediate consideration of the concurrent resolution?

There being no objection, the concurrent resolution (H. Con. Res. 535) was considered and agreed to, as follows:

Resolved by the House of Representatives (the Senate concurring), That in the enrollment of the bill (H.R. 5247) to authorize a local public works capital development and investment program, to amend the Public Works and Economic Development Act of 1965 to increase the anti-recessionary effectiveness of the program, and for other purposes, the Clerk of the House of Representatives shall make the following correction:

In subsection (c) of section 301 strike out "paragraphs (2) through (2) though (10) as (3) through (11), respectively," and insert in lieu thereof "paragraph (2) or (3),".

QUORUM CALL

Mr. **MANSFIELD**. Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER**. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. **HUDDLESTON**. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **HUDDLESTON**. Mr. President, I yield to the distinguished Senator from Mississippi.

The **PRESIDING OFFICER**. The Chair recognizes the distinguished Senator from Mississippi (Mr. STENNIS).

THE RICE PRODUCTION ACT OF 1975

The Senate continued with the consideration of the bill (H.R. 8529) to establish improved programs for the benefit of producers and consumers of rice.

Mr. **STENNIS**. Mr. President, I first want to thank the members of the Committee on Agriculture and Forestry for their work on this bill, the hearings that they held and putting together the bill, and also their presentation here in the Chamber about the problem and the bill they propose and sponsor.

I must say in the beginning, Mr. President, that I have given this matter the most exhaustive consideration. Fortunately, we have rice growers in Mississippi, and there is some division of opinion there among the growers about what the law should be, whether it should be changed or not, and how much, if at all.

In accordance with my responsibility to all of them, of course, I have made more than an ordinary study and perusal of all the matters involved. After doing that, I felt compelled to come down on the side of additional legislation, Mr. President, in this field and on this subject matter.

It is the background of my thought on the subject that in modern day world affairs one of the great economic weapons, we might call it, or economic resources is the enormous capacity we have in America to produce agricultural products, more particularly food products. We have the annual capacity to produce over and over with our vast acreage and our adequate rainfall.

We produce food for the world markets. That is the reason I believe we have made a step forward, and it is almost a necessary step, with reference to grain sales, which we are getting on a better foundation and on a better footage, which have already increased our balance-of-payments position tremendously. It opens up new fields for agricultural production of all kinds.

Now coming to rice, it is a food and one in great demand around the world, as everyone knows. Like anything else, it has the habit of price fluctuations.

Of those who now have allotments of acreage I can readily understand where their judgment on the situation would be, that we had better leave things as they are so far as the rice law is concerned. But, Mr. President, the overwhelming question here is the same as in any other agricultural production: What is fair? What is fair to the producers, to all the producers, to all the people who have land who may want to go into this business?

Down home we are familiar with extensive farming, even before there were any laws passed in connection with regulations, subsidies or anything else. We know what the fluctuations in price are. We know what the fluctuations are with reference to droughts or to floods. We have been through all of that for more than a century. We still love the land and want to farm. I think in rice as in anything else, we just cannot afford to have a policy which becomes permanent that would let some landowners who want to grow rice do it and prohibit all others who have land, who own it or lease it, who want to grow rice.

If it is fair that we extend this acreage some, the question then becomes how much we are going to extend it and what are we going to do about it.

Looking at the terms of this bill, with the background that it has concerning the allocated acreage and the price support for certain allotments—the old allotments, we call them—the bill certainly tries to be fair to both groups. It is not to unduly injure those who have their acreage allotments, who have already spent their money to go into this kind of farm production. The bill acts with restraint as to them. It certainly does not destroy their business, their investment, although it may put it to some extra hazard. It preserves the status quo as to what benefits the old growers have, that is, the growers already in the business, and at the same time opens the doors, as a matter of fairness, to others who own land capable of producing rice. No one has to go into it, but there are those who want to, who have the land or who can lease the land, who are willing to spend their own money in the special preparation of the land, the special machinery costs that are involved, to make their own investment, give of their own money, their own time and take their own chances, too, with price and with seasons. The fairness of this bill on its face is apparent. It is with that sense of fairness that I ask my colleagues to vote for the bill.

I can understand why some would oppose the bill. As I have said, I was urged to oppose it myself. But on balance, I think the hard judgment here is that something ought to be done to open this type of farming to more people, who want to spend their money, their time, to use their land in order to grow more rice, even though there is a hazard of the price being run down or staying down. Their desire is to grow more rice for whatever they can get for it.

That, in quick summary, is what this bill does. It does not put any punishment on the so-called allotment growers. It continues the program in their behalf.

I hope when this finally gets before the Senate and each Senator has had a chance to get into the facts as they are, the fairness of the situation will cause a great majority of the membership of this body to pass the bill as the Members of the other body have already passed it. It will open up the opportunities to people who are now really denied that privilege to produce rice under law, with their coming in at their own hazard.

Mr. President, I repeat, it is just not the American way to box out and totally exclude anyone else, who is using his own money, particularly, from engaging in certain agricultural pursuits as he may see fit. This is altogether different, of course, from the cotton situation back in the hard days of the depression and later. With respect to those cotton programs, they, too, had a situation of fairness worked into them, as I believe that this bill has.

I am grateful for the chance to use this time; and at a later time I shall again seek the floor for the purpose of presenting this case as I see it, and attempting to answer some of the arguments of those who oppose it.

Mr. President, I yield the floor.

Mr. **HUDDLESTON**. I thank the distinguished Senator from Mississippi.

CLOTURE MOTION

Mr. **HUDDLESTON**. Mr. President, I send to the desk a cloture motion.

The **PRESIDING OFFICER**. The cloture motion having been presented under rule XXII, the Chair, without objection, directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We the undersigned Senators hereby move, pursuant to rule XXII of the Standing Rules of the Senate, to bring to a close debate on H.R. 8529, the Rice Production Act.

1. Dale Bumpers
2. Walter D. Huddleston
3. Wendell H. Ford
4. Gary Hart
5. Gale W. McGee
6. Patrick J. Leahy
7. Philip A. Hart
8. Harrison A. Williams
9. Hugh Scott
10. Hiram L. Fong

11. Thomas F. Eagleton
12. Claiborne Pell
13. Daniel K. Inouye
14. John A. Durkin
15. Robert P. Griffin
16. Richard (Dick) Stone

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the hour under the rule to be devoted to debate on the cloture motion before the vote begin at 1 o'clock on Tuesday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. The vote will, therefore, occur a little bit after 2 o'clock that same afternoon.

THE EMERGENCY FOOD STAMP VENDOR ACCOUNTABILITY ACT (S. 2853)—ADDITIONAL COSPONSORS

Mr. HELMS. Mr. President, on January 22 Senators ALLEN, DOLE, and I introduced S. 2853, the Emergency Food Stamp Vendor Accountability Act. That legislation is limited in scope and applies only to those who sell food stamps.

As my colleagues are aware, it has come to light that some food stamp vendors have either not been depositing receipts from the sale of food stamps, or they have been holding on to the receipts for extended periods of time, and using the money for their own benefit. A few weeks ago, responding to the increasing magnitude of the scandal, the Secretary of Agriculture ordered an audit and investigation of the 6,700 food stamp vendors nationwide.

Additionally, one of the leading newspapers in my State, the Raleigh News and Observer, stated by editorial on January 13, 1976 that—

> Certain middlemen in this (food stamp) program have been fooling around with stamp revenue. Some of the funds never reach Uncle Sam, according to U.S. auditors. Other receipts are unlawfully used by stamp vendors before they are finally deposited in federal reserve banks.
>
> Recently, the U.S. Agriculture Department ran a preliminary check on several vendors. Investigators found 18 stamp outlets (12 of them in the District of Columbia) whose undeposited receipts totaled $8.7 million.

Continuing, the editorial stated that—

> Such abuses are thought to be commonplace and could total significant losses for the government.

And it noted that—

> A startling aspect of the scandal is that food stamp administrators in Washington apparently have known about it for some time without taking action. Middle-level employees in the program said that the attitude from above was: "Keep it quiet, don't rock the boat."

Finally, the editorial suggested the need to "demand an explanation as to why the cheating was tolerated for so long."

Mr. President, as this editorial went on to point out, much has been said about so-called welfare loafers who are receiving the benefits of programs for which they are not eligible, or who are using the generosity of the American taxpayers as an excuse for not working, but all too little has been said about those "middlemen" who would take advantage of both the taxpayers and the truly needy.

It is my view—and, I believe that most Americans share this view—that the disabled, and the truly needy should be provided for. But, I cannot sanction those who would enrich themselves out of the misfortune of others.

The full Agriculture Committee will proceed to markup pending food stamp reform legislation on February 17. As a member of that committee, I intend to urge the committee to include the Emergency Food Stamp Vendor Accountability Act in any food stamp reform legislation that may be reported. I believe that both the taxpayers and the truly needy of this country deserve no less.

This bill would: First, clarify that receipts from the sale of food stamps are Federal funds. Any vendor using such funds for his own benefit would be guilty of embezzlement, punishable by a fine of not more than $10,000, or a sum equal to the amount embezzled, whichever is the greater; or imprisonment for up to 10 years, or both; second, require timely, verified reports of receipts and deposits to State agencies responsible for the administration of the program and to the Department of Agriculture; and third, direct the Secretary of Agriculture to establish procedures to monitor the food stamp inventories in the hands of vendors and provide standards to safeguard them against misuse.

Mr. President, the need for this legislation is obvious. Indeed, Assistant Secretary of Agriculture Richard Feltner testified that the legislation is needed, and we have been working closely with representatives of the Food and Nutrition Service of USDA on this bill. I am most encouraged by the support that the bill has received in the Senate. While it was introduced only a few days ago, a total of 25 Senators have asked to cosponsor.

Mr. President, in connection with the Food Stamp Vendor Accountability Act, I ask unanimous consent that in addition to the distinguished Senator from Alabama (Mr. ALLEN), and the distinguished Senator from Kansas (Mr. DOLE), who cointroduced the bill, that the following Senators be added as cosponsors of S. 2853:

The distinguished Senator from Oregon (Mr. HATFIELD), the distinguished Senator from Texas (Mr. BENTSEN), the distinguished Senator from Vermont (Mr. LEAHY), the distinguished junior Senator from New York (Mr. BUCKLEY), the distinguished Senator from Nebraska (Mr. CURTIS), the distinguished Senator from South Carolina (Mr. THURMOND), the distinguished Senator from Arkansas (Mr. MCCLELLAN), the distinguished Senator from Oklahoma (Mr. BELLMON), the distinguished Senator from Idaho (Mr. MCCLURE), the distinguished Senator from Wyoming (Mr. HANSEN), the distinguished Senator from Oklahoma (Mr. BARTLETT), the distinguished Senator from Utah (Mr. GARN), the distinguished Senator from Texas (Mr. TOWER), the distinguished Senator from Arizona (Mr. GOLDWATER), the distinguished Senator from New Mexico (Mr. DOMENICI), the distinguished Senator from Tennessee (Mr. BAKER), the distinguished Senator from Nevada (Mr. LAXALT), the distinguished Senator from Tennessee (Mr. BROCK), the distinguished Senator from Delaware (Mr. ROTH), the distinguished Senator from Maryland (Mr. BEALL), the distinguished Senator from Nebraska (Mr. HRUSKA), the distinguished Senator from Kentucky (Mr. HUDDLESTON), and the distinguished Senator from North Dakota (Mr. YOUNG).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. I thank the Chair.

Mr. President, I might say that we will welcome additional cosponsors as they are able to assess this bill and add their names as cosponsors.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. MANSFIELD. Mr. President, I do not know of any further business to come before the Senate this afternoon, but before I move to adjourn I would like to enunciate the program for next week.

The pending measure, H.R. 8529, the so-called rice bill, will be the unfinished business when we convene again next Monday. A cloture vote is expected on this measure on Tuesday of next week.

The Senate will, however, be on a two-track schedule next week, with the rice bill being given primary consideration. On the second track, commencing on Monday, the Senate will consider H.R. 6516, an act to amend title VII of the Consumer Credit Protection Act, and H.R. 8835, an act to amend the Truth in Lending Act. It is the leadership's expectation that both those measures will be completed on Monday.

On Tuesday we will continue consideration of the rice bill, and on track 2 commence consideration of S. 2371, a bill to provide for the regulation of mining activity within areas of the National Park System.

On Wednesday, the Senate will consider, on the second track, S. 5512, the National Wildlife Refuge System Administration Act of 1966, and S. 1640, the Santa Monica Seashore Recreation Area, both of which should be disposed of on that day.

On the first track, we will either still be on the rice bill or, if that measure is no longer before the Senate, we will consider either S. 22, the Copyright Revision Act, or S. 2662, the Foreign Military Assistance Act, as the primary business before the Senate during the latter part of next week.

Thus the schedule for next week will be full, and record votes can be expected each day, Monday through Friday, on each of these measures.

ADJOURNMENT TO 11 A.M. MONDAY, FEBRUARY 2, 1976

Mr. MANSFIELD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 11 a.m. Monday, February 2, 1976.

The motion was agreed to; and at 12:38 p.m. the Senate adjourned until Monday, February 2, 1976, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate January 30, 1976:

AMERICAN REVOLUTION BICENTENNIAL ADMINISTRATION

Jean McKee, of New York, to be Deputy Administrator of the American Revolution Bicentennial Administration, vice Marjorie W. Lynch.

CONFIRMATIONS

Executive nominations confirmed by the Senate January 30, 1976:

IN THE COAST GUARD

Coast Guard nominations beginning David A. Bailey, to be lieutenant commander, and ending Samuel R. Hardman, to be lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on December 15, 1975.

EXTENSIONS OF REMARKS

SAN ANTONIO'S FAME FAR SPREAD

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. GONZALEZ. Mr. Speaker, all of us here in the House of Representatives come from every part of our great Nation. It is our high privilege to represent our own respective district in the Congress and, quite naturally, we are justly proud of our own area.

I have the honor of being one of the Representatives of the great State of Texas, and my particular constituency embraces mainly the core of the city of San Antonio. It is the third largest city of the "Lone Star" State and the banking, transportation and retail trade center for south central Texas. According to the latest U.S. Census Bureau figures, San Antonio's population has risen to the point where it is now among the 10 largest cities.

San Antonio played a leading role in the history of early Texas, and today presents a fascinating variety of the new and the old, a progressive and modern American city flavored with the grace and charm of Spanish influence. Originally established in 1718, long before the original American colonies—the original 13 States—formed a new Nation, San Antonio was a Spanish military post and has always been militarily important. Today, it is still important and its fame has spread throughout America and, indeed, all around the world.

As evidence of San Antonio's vitality and its recognition as a city of considerable significance, I should like to invite the attention of my colleagues in the Congress to an interesting article which was printed in the Evening Sun of Baltimore, Md., on December 18, 1975, entitled "City Famed for Alamo."

This article is as follows:

CITY FAMED FOR ALAMO

SAN ANTONIO.—San Antonio is a fooler.

It's the third largest city in Texas with a population of some 800,000 but has such small-town charm and friendliness that you'd never guess it.

Interstates from every direction lead to within a few blocks of downtown, but even after you leave the expressways, traffic is not much of a problem.

It's a different downtown, too.

Right in the center of the city is the famed Alamo, with a plaza around it. A block or so away are the grounds of Hemis-Fair '68. Nearby is LaVillita, a restoration of the city's earliest settlement, almost hidden by trees and shrubbery.

And beneath downtown is the River Walk, or Paseo del Rio as it is called in Spanish.

It's a fascinating mile and a half, tree-and-flower lined walkway along the San Antonio River, with restaurants, cafes, nightspots, shops, art galleries, a couple of hotels and even an outdoor theater. There's nothing quite like it anywhere else in the United States.

You can cruise under the main streets, hire a do-it-yourself pedalboat, go strolling, or just sit at one of the outdoor tables and "people watch." Fifty per cent of San Antonio's residents are Mexican Americans and you'll hear a lot of Spanish.

Many of the shops on the streets above have river entrances at their back doors.

The river was rerouted during HemisFair '68 to take passengers to the fair area—and it still does. A boat can deliver you to the Civic Center, which includes an exhibit hall, the Theater for the Performing Arts seating 2,800 on three levels and the arena with 10,500 seating capacity.

INCENTIVE NEEDED

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. FINDLEY. Mr. Speaker, I have often defended the free market system for agricultural production. Incentive is the method needed to encourage production of food and fiber in a food-short world. Christopher Wren's recent article in the New York Times points to the need for the Soviet leadership to "challenge the basic ideological concept of collective and state farms or otherwise fathom why farmers produce better for themselves than for the state." Weather is not the only factor in reduced Soviet grain output.

We, as a nation, must not take our production capabilities for granted. A combination of factors including the incentive and profit factor have made this Nation's agricultural machine the envy of the world. Our farmers would be embarrassed if we had to pass legislation tc prevent machinery abuse. But in Russia, according to Mr. Wren, legislation has been enacted providing prison terms for criminal negligence in abusing machinery.

I recommend the following article from the New York Times so that all might reflect on the advantages of our own system:

NOT ONLY DROUGHT HURTS SOVIET CROPS

(By Christopher S. Wren)

MOSCOW.—When the Soviet Union suffered its worst harvest in a decade last year, the Kremlin blamed the weather. But the prolonged drought of 1975 was not solely responsible for the sad yield that officials implied was only 135 million tons, or more than one-third below plan.

For the problems of Soviet agriculture entail more than just the vagaries of a severe climate. The nation's 47,300 state and collective farms are saddled with an impersonal, centrally planned system that responds clumsily to the sort of emergencies that sprang up last year after the rains stopped.

Since the Communist Party plenum of March, 1965, increasing investments have been plowed into agriculture, accelerating from 131 billion rubles over the last five years to 171.7 billion rubles (about $227 billion) in the new five-year plan. Yet, one Western diplomatic analyst contends, "They're stuck with the system, and the farmer who is actually doing the work still doesn't have either the tools or the incentive to do a good job."

The comparison with American agriculture is not flattering. About one-quarter of the Soviet labor force works in agriculture, in contrast to only 4 percent in the United States. A 1972 Department of Commerce study found that one Soviet farm worker fed seven persons while his American counterpart fed 46.

A basic reason for the inefficiency, Western agricultural specialists believe, is that Soviet farmers are told from Moscow what to grow and when to plant and harvest, rather than be allowed to follow their instincts. The chairmen of the 29,600 collective farms and the directors of the 17,700 state farms are usually not entrusted with the most crucial decisions but must try to cope with a flood of directives from above.

There is evidence that productivity flourishes with sufficient incentive. About 3 percent of sown acreage in the Soviet Union reportedly consists of private plots, generally a half-acre or less, allotted to farmers. Yet, recent Soviet statistics show that the private plots provide consumers with 64 percent of their potatoes, 53 percent of their vegetables, 41 percent of their eggs and 22 percent of their meat and milk.

Such efficiency does not seem to carry over to the state sector. Even before the 1975 drought was fully felt, the Soviet press was raising its perennial complaints about poorly maintained machinery, untrained operators and a widespread shortage of spare parts.

In late 1974, a senior agricultural official reported that over 50,000 farm machines had been left out in the rain. He added that farmers had junked nearly 15,000 tractors, combines and other agricultural machinery prematurely. Some operators, he said, were parking their harvesters at home for personal transportation.

Regional reports last year, such as that of 2,500 combines sidelines in Kazakhstan, indicated that machinery was still being abused, despite legislation providing prison terms for criminal negligence.

The uneven support by Soviet industry includes more than just lack of spare parts. Last September, the newspaper Pravda disclosed that a special harvester first developed in 1964 was still not in full production. Of 10,000 harvesters ordered, only 30 had been delivered, Pravda said, calling the delay "incomprehensible."

Agriculture has been further hampered by lack of sufficient transport and storage facilities. Even after modest harvests, some grain has been left out in the open to rot. Following the 1973 bumper harvest of 222.5 million tons, the Soviet party chief, Leonid I. Brezhnev, charged that post-harvest losses were so extensive that nobody would "estimate the sum total." Some Western analysts have guessed that possibly 20 percent of the grain is lost to negligence or theft, not infrequently by the farmers themselves.

Life remains hard for the farm worker, particularly if he lives in one of the many villages that still lack running water and inside toilets. To help resolve the low pay, the state has called for collective farm salaries to rise to 90 rubles a month this year (about $119), which is well below the projected industrial wage of 150 rubles. But in many rural stores, consumer goods are so scarce that there is relatively little for him to buy.

One consequence in some areas has been an exodus of young male skilled workers to the cities, leaving the brunt of farm labor to be performed less efficiently by the elderly and female. A recent report called the migration problem "urgent" and noted that between 1959 and 1970, the rural population between 20 and 29 years old had declined from 16.7 percent to 9.6 percent, while the proportion of those 55 years and older rose.

The Kremlin's answer has been to try to raise output with massive infusions of machinery, fertilizer and land improvement. Even with the 1975 disaster, the average harvest yield during the last five-year plan rose 8 percent while falling short of the original 21.7 percent target.

But the Soviet leadership appears unwilling to challenge the basic ideological concept of collective and state farms or otherwise fathom why farmers produce better for themselves than for the state. For the short-term, it has resigned itself to meeting expanded needs in part by buying grain from the West. It is a measure of the Kremlin's discomfort that such purchases have been kept a secret from the Russian people.

KASTEN CONGRESSIONAL CLUB

HON. ROBERT W. KASTEN, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. KASTEN. Mr. Speaker, since taking the oath of office as Representative of the Ninth District of Wisconsin, one of my top priorities has been the planning and implementation of comprehensive, open communications with the constituents I represent.

To assist in reaching this objective, the Kasten Congressional Club was organized on June 4, 1975. For the record, I want to briefly summarize the purposes, membership, receipts, and disbursements of the organization in 1975.

Purposes of the club, as stated in its articles of organization, are as follows:

> The purposes of the Kasten Congressional Club shall be to assist the Representative to the United States House of Representatives from the 9th Congressional District of the State of Wisconsin in communicating from time to time with the constituents of the 9th Congressional District and to provide financial assistance for those ongoing functions of office which may not be adequately provided by the United States government. It is the intent of this Club that the fulfillment of such purposes will enable the electorate of the 9th Congressional District to be served more effectively and openly in the United States House of Representatives, and it is the belief of the Club that two-way communication between citizens and their elected officials is an essential ingredient of effective democracy.

I want to stress that campaign involvement by the club is strictly forbidden by its articles of organization which state:

> Under no circumstances shall this Club participate in any way or in any activity which has as its purpose influencing the nomination for election, or election, of any person to Federal office.

Mr. Speaker, the club is governed by an executive committee consisting of four outstanding community leaders in the ninth district. It includes Henry O. Allen, chairman; Mrs. James Englander, secretary; Ralph S. Huiras, and M. E. Nevins.

Membership is open to any resident of the ninth district who voluntarily pays annual dues of no more than $25 per person. All 1975 contributions were personal, and no funds were contributed by corporations or labor unions.

As of December 31, 1975, the club consisted of 303 members. Total receipts for the year were $7,581 and total disbursements $7,503.90.

The following account covers the operation of the Kasten Congressional Club from June 4, 1975, through December 31, 1975:

Receipts	
Memberships (303 at $25 per person)	$7, 575. 00
Miscellaneous contributions	6. 00
Total receipts	7, 581. 00
Disbursements	
Newsletters	$4, 200. 00
Meetings	1, 377. 90
Travel	1, 033. 34
Membership appeals	772. 72
Supplies	119. 94
Total disbursements	7, 503. 90
Cash on hand, Dec. 31, 1975	77. 10

Organization of the Kasten Congressional Club has provided a service to the constituents of the Ninth District by increasing the opportunities for two-way communications. It has served as a valuable supplement to the official duties of my congressional office.

ENVIRONMENTALISM AND JOBS

HON. ALAN STEELMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. STEELMAN. Mr. Speaker, I would like to bring to the attention of my colleagues the following editorial which appeared in the Washington Star on December 27, 1975. The first Environmental Industry Conference, sponsored by the Council on Environmental Quality, was held here in Washington on December 10, 1975. The Conference brought together representatives of the environmental industry, the academic community, and the Government in a valuable forum to discuss present and expected future contributions of the environmental industry to the economy.

Speakers at the Conference pointed out that as pollution control requirements become more stringent, the technology to meet those requirements expands, creating a new job source. This first Environmental Industry Conference brought to light previously seldom-considered ways in which environmental quality and economic goals can be pursued in harmony. I commend the editorial to my colleagues for their consideration:

ENVIRONMENTALISM AND JOBS

> Time and again we've heard it—how the environmental protection movement is taking a heavy economic toll, in curtailed industry and lost jobs, at a time when the country can ill afford it. The familiar line is that sacrifices of payroll for the sake of purer air and water can best await another time—after work has been found for our 8 million unemployed. Large scale depollution is portrayed as a hazardous luxury in our parlous economy, so let us allow the smokestacks to belch and the rivers to be fouled, for a while yet.
>
> For the most part, though, this scare talk has been unspecific and undocumented, and those who have been talking may wish they hadn't. For the President's Council on Environmental Quality was provoked this year into gathering the specifics, which seem to prove dramatically that just the opposite it true—that the environmental effort is, by dizzying leaps and bounds, creating more jobs and production than it eliminates.
>
> This salutary trend was the major revelation during the first Environmental Industry Conference, held here earlier this month under CEQ sponsorship. The highlight was a study report showing that pollution control programs now provide about 1.1 million jobs in the U.S., much of this in growing industries that produce equipment for these purposes.
>
> By stunning contrast, Environmental Protection Agency studies show 75 plant closings, from January 1971 to June of this year, affecting 13,900 employes. But all of those jobs weren't lost; in some cases production is shifted to other plants when a polluting plant is shut down.
>
> In fact, the CEQ study (by a team of Wall Street analysts) concludes that "environmental control-related employment has been one of the relatively few areas of job strength during the recent recession," and that this employment could well "expand several fold over the next decade." Much of this is in public work and construction, of

course, but industrial and technological expansion to cope with the depollution challenge is a big factor. One aspect has been noted all too seldom. The U.S. is the world leader in this field, and our exports of antipollution equipment have been growing rapidly—and are projected to expand in the years just ahead at a much faster rate.

So there is a real economic plus in the depollution initiative—many more jobs to be gained than lost, so it seems. "Today," says Russell Peterson, chairman of the CEQ, "plants that pollute are obsolescent and inefficient. Their failure to modernize will threaten the jobs of their employes." But the modernizing itself, along with the rest of the necessary environmental cleanup, will furnish a great deal more employment than is lost, while enhancing our health and quality of life in general.

And how much more satisfying it will be to produce the stuff that saves us, rather than asphyxiates us, even if it doesn't come quite as cheap.

LET'S MAKE A TREATY

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. OBEY. Mr. Speaker, at this time I would like to insert in the RECORD an article concerning the U.S. military sales policy by Mr. Art Buchwald which appeared in the Washington Post this morning.

The United States is to the military sales game what Hertz is to the rent-a-car business: We are No. 1. The game described by Mr. Buchwald is, unfortunately, not all that far from reality.

The article follows:

LET'S MAKE A TREATY: US MILITARY AID FOR WORLD FRIENDSHIP

(By Art Buchwald)

The United States has just signed a new military treaty with Spain. In exchange we will, of course, supply the Spanish with armaments so we can keep our bases there.

It seems that we can't make a deal with any country without giving them arms in exchange for friendship. There is a suspicion that the State Department has been influenced by all the TV game shows and it seems to me that since the American people pay for most of the military aid, we should at least be permitted to watch the U.S. hand out the stuff on television in a game show format.

This is just a suggestion. Every week the State Department would produce a TV program called "Let's Make a Treaty."

Henry Kissinger would be the master of ceremonies and the audience would be made up of ambassadors from all the countries of the "free World."

He would call out a number and the ambassador from that nation would jump up on the stage.

Henry would say, "Where are you from, sir?"

"Zambia," the ambassador would reply excitedly. (Applause)

"All right. I'm going to ask you a question. If you can answer it correctly I will give you $100 million. Are you ready?"

The ambassador, jumping up and down, says, "Yes, yes."

"The question is: 'Who is the President of the United States?' "

The ambassador hesitates. "Gerry Ford?"

"That is correct." Henry shouts, and he counts out $100 million. The ambassador hugs and kisses Mr. Kissinger as the audience goes wild.

"Now don't go away," says Henry. "You can keep the $100 million or give it back to me in exchange for what is behind one of the three curtains over there. Joan Braden, will you tell us some of the prizes that are behind the curtains?"

"Henry, we have the new version of the Hawk missile, a 1976 super Sherman tank, a year's supply of cruise missiles, a complete nuclear energy plant which will be installed absolutely free, and a squadron of F-15 fighter planes."

"All right, Mr. Ambassador," Henry says, "do you want to keep the $100 million or do you want to go for the prizes behind the curtains?"

The ambassador clutching the money looks out at the audience. "Keep the money," some ambassadors scream. Others yell, "Go for the curtain."

The ambassador says to Henry, "Can I consult with my government?"

"I'm sorry, we don't have time. What's it going to be?"

The ambassador hands back the $100 million. "I'll go for what's behind the curtain."

The audience applauds loudly.

"All right," Henry says. "He's going for what's behind the curtain. We have curtain number one, curtain number two and curtain number three. Which one will you choose?"

The ambassador hesitates as the audience shouts out, "Two." "One." "Three."

Finally, he says, "Curtain number three."

The curtain opens and there is a pile of rotten wheat.

The audience groans.

"Well, Mr. Ambassador, it looks like you made a mistake. But since you've been such a good sport we've got a consolation prize for you. Joan, what's the consolation prize?"

Ms. Braden pushes away the pile of rotten wheat and behind it is a brand-new nuclear submarine.

Henry grinning says, "You gave up $100 million in cash, but you have won a new nuclear submarine which is worth $450 million. Here are the keys to it."

The audience goes crazy as the ambassador jumps up and down and rushes over to the nuclear submarine and climbs up on the conning tower.

Henry, beaming, says to the audience, "Well, that's it for tonight, folks. If you are an accredited member of any freedom loving country in the world and you would like to be on 'Let's Make a Treaty,' write to me at the State Department for tickets. All the prizes given away on this program were donated through the courtesy of the American taxpayer in the interests of world peace. Thank you, God bless you, and we'll see you all next week."

MINUTEMAN PRODUCTION NECESSARY FOR SALT TALKS

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. LAFALCE. Mr. Speaker, the President's budget proposes that we stop production of one of our two main deterrent weapons, the Minuteman III ICBM. This is in spite of the fact that the Russians have four different ICBM's in production right now—"production," not research or development. The Minuteman III is our only ICBM in production today, and it is unlikely that we could have a new one into meaningful production for nearly a decade, according to Defense Department officials.

Does Secretary Kissinger think that arms limitation talks will proceed more easily, and that an agreement will be easier to achieve, if we stop production on one of our major strategic components and then threaten to start it back up again if progress is not achieved? If he does, I think he is dead wrong.

The Russians are aware of how the American economic system works. They know that if we do in fact stop production on the Minuteman III, a long series of highly skilled technicians who work for the contractors and subcontractors will be put out of work. They will not sit idly by. They will find new jobs, to the extent they can in today's economy, and they will move to new locations if necessary. Given this, how credible is it to say that we will start production again? Not credible at all, Mr. Speaker, for it will take years to reassemble the manpower needed to get the production line going again.

Reducing Federal expenditures is something with which we all agree. But it cannot—or should not—be done blindly.

Earlier this week Secretary of Defense Rumsfeld testified before the Armed Services Committee. Much of his testimony dealt with ICBM's and our overall strategic posture. I believe that his analysis is an important component in this debate. At this point in my own analysis I am convinced that stopping production of the Minuteman III now would be taking an unnecessary and unacceptable risk, and I believe that the Secretary's warnings support that position.

Accordingly, Mr. Speaker, I seek permission to introduce a copy of the Washington Post article which reported on the Armed Services hearings and Secretary Rumsfeld's testimony:

U.S. MAY NEED $30 BILLION MISSILE PROGRAM

(By George C. Wilson)

The United States may have to spend $30 billion in the next decade to replace its present force of land-based strategic missiles to combat a growing Soviet threat, the Pentagon said yesterday in releasing its annual posture statement.

Defense Secretary Donald H. Rumsfeld, in presenting his report to the House Armed Services Committee, also disclosed that additional billions must be spent on submarines, ships and bombers unless the United States and Soviet Union find new ways to brake the arms race.

"While the Soviets advocate restraint in the development of new strategic weapon systems by others," the Pentagon statement complained, "they appear unwilling to practice restraint in their own strategic weapons development."

To offset the Soviet threat, Rumsfeld said the President was recommending that Congress approve these amounts for strategic weaponry for fiscal 1977:

—$84 million to explore the possibilities of a new land-based missile, dubbed the MX, more than double the $36 million earmarked for it in fiscal 1976.

—$2.9 billion for the Navy's Trident submarine, which carries 24 missiles, $1 billion more than in fiscal 1976. The Pentagon is planning to build more than the 10 Tridents previously authorized, defense officials said.

—$1.5 billion for the Air Force B-1 bomber—more than double the $661 million for fiscal year 1976.

—$262 million to accelerate development of long-range cruise missiles which would be launched by airplanes and submarines—compared to $144 million for the current 1976 fiscal year.

The Ford administration is trying to work out some trade-off of U.S. cruise missiles and Soviet Backfire bombers as part of a new strategic arms limitation agreement with the Soviet Union.

"Pending outcome of these negotiations," said Rumsfeld, the two cruise missile programs are proceeding "at a deliberate pace."

Former Defense Secretary James R. Schlesinger and his principal deputy, William P. Clements Jr., had urged the Navy to consider building a nonnuclear-powered aircraft carrier of medium size, with the downpayment to be made in the fiscal 1977 budget.

But the Pentagon's report to Congress shows that the revised plan is to stick with nuclear-powered carriers—with money for the next two carriers projected for the fiscal 1979 and 1981 budgets.

The Pentagon is asking Congress to increase its budget in real dollars—as opposed to having extra money appropriated and eaten up by inflation.

The strategic weapons account will start a sharp upward surge this coming year if Congress goes along—rising from $7.3 billion to $9.4 billion from fiscal 1976 to 1977.

New tanks, ships and planes contained in the general purpose warfare account would push that category up from $33.4 billion to $40.2 billion in the same period.

Defense officials consider "total obligational authority"—the money available for commitment and expenditure even if it is not actually spent—the most important measure. The fiscal 1977 budget in that category is $112.7 billion compared to $100.1 billion for spending.

Looking ahead, the Pentagon estimated it will need $121.9 billion in hand in fiscal 1981 and would actually spend $113.7 billion that year.

One of the most hotly debated questions in Congress is expected to be what the United States should do after Minuteman in the field of land-based strategic missiles.

Soviet intercontinental ballistic missiles targeted on the United States are being made more accurate, Rumsfeld said, and "could threaten the survivability of the Minuteman force within a decade."

The Minuteman is the ocean-spanning ICBM the U.S. Air Force has under tons of concrete in below-ground silos in the West. There are 1,000 of them deployed—550 armed with a cluster of H-bombs rather than just one big warhead.

Rumsfeld said that he would like to avoid building a new generation of land-based missiles to replace the Minuteman.

However, he said that "a continuation of current strategic programs—even within the constraint of SALT (strategic arms limitation talks)—" by the Soviets might give them the ability to knock out the highly accurate Minuteman force, depriving the American President of being able to use them for surgical strikes before resorting to all-out war.

"Our ability to respond to less-than-full-scale attacks in a controlled and deliberate fashion would be severely curtailed" if Soviet missiles keep improving while the United States settles for its present force of Minuteman. "Strategic stability could be endangered," Rumsfeld said.

The new Defense Secretary—who inherited most of the posture statement from Schlesinger—stopped short of recommending a brand new missile building program—a step Pentagon officials said would cost $30 billion over 10 years.

Instead, he told Congress that "we must decide what to do about Minuteman"— making 1976 a crucial year for attempts to control the world's arms race in strategic weapons.

The options for President Ford and the Congress include abandoning efforts to protect fixed targets like Minuteman missiles and putting even more of the American H-bomb arsenal in submarines; pouring more concrete on top of Minuteman silos and putting larger missiles inside them or making the next generation of land-based missiles mobile and therefore harder to hit.

Rumsfeld rejected that first option yesterday.

Without Minuteman to worry about, Rumsfeld argued, the Soviets could concentrate on ways to knock out our other long-range nuclear forces—submarines and bombers.

Also, Rumsfeld said, an ICBM located in a fixed position on the ground offers the President maximum accuracy and control of the missile.

"In a world containing totalitarian and antagonistic powers, vulnerable allies and possible increases in nuclear proliferation," Rumsfeld argued, "the capability for controlled and deliberate responses is essential."

The second option—pouring more concrete on top of the Minuteman silos and putting a new and bigger missile inside—is favored by some Air Force leaders. They envision a missile with an H-bomb in its nose that could blow up Soviet ICBMs in their silos.

FREE TUITION AS PUBLIC POLICY

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. SIMON. Mr. Speaker, there are many mistakes New York City made in moving in the direction that has caused the fiscal problems which erupted so dramatically on the national scene.

But one of the mistakes for which they have been criticized is not a mistake at all. That is their policy of free tuition in their colleges.

One of these days we are going to become a wise enough Nation to realize that we have to maximize our human potential and we have to encourage young people and older people to take advantage of their potential. The GI bill following World War II was a great example of doing precisely that, an investment in national policy that paid off.

The Nation has been blessed by New York City's no-tuition policy. I was pleased to see in the New York Times an article by Barbara A. Thacher and Edward S. Reid, both former members of the New York City Board of Higher Education, who pointed out the benefits that New York City and the Nation have received from this policy.

The article follows:

FREE TUITION AS PUBLIC POLICY

(By Barbara A. Thacher and Edward S. Reid)

For 128 years New York City has provided higher education for its residents at the lowest possible cost to students. The City University of New York has been for thousands of young people a ramp out of poverty; it has kept many from welfare rolls and moved others off; it has produced a roster of distinguished graduates including four living Nobel laureates. Tax collections from those whose economic circumstances have been bettered by their C.U.N.Y. education amply repay the city's investment.

Tuition charges for public higher education were first imposed in this state under Gov. Nelson A. Rockefeller with the expansion of the State University network outside of New York City.

Today in a time of fiscal upheaval the State Regents urge that City University follow suit, substituting tuition at State University of New York levels ($650 to $800) for the modest fees C.U.N.Y. now charges all students (up to $200 in the senior colleges). There are powerful reasons for declining.

More than 80 percent of City University students have net taxable family incomes of under $12,000 a year. (The corresponding figure for the State University is 60 percent, suggesting that tuition, even when mitigated by state aid, is a significant deterrent to low-income students seeking higher education.)

While present state aid-formulas would keep four-fifths of City University students from paying more than they do now, tuitions, like most tolls, inevitably rise, and if the principle of tuition at State University levels is accepted, an effective brake on State University increases will be eliminated.

And, as Dr. Clark Kerr has noted with regard to public tuition increases proposed nationwide by the former Carnegie Commission on Higher Education, of which he was chairman, concern that aid will not keep pace with tuition rises is "a very legitimate fear."

State Education Commissioner Edward B. Nyquist says imposition of formal tuition would make students eligible for additional state aid, increasing by $25 million the funds effectively available to C.U.N.Y. students for each semester.

As others have pointed out, the state contributes $3,300 to each student in a state-supported senior college, but only $1,300 to each C.U.N.Y. full-time undergraduate.

Elimination of such funding discrepancies—which is proposed by the Regents in exchange for the imposition of tuition at C.U.N.Y.—would bring over $200 million in additional state aid to C.U.N.Y., approximately four times as much as the city would save by imposing tuition at C.U.N.Y. levels. Clearly there is room for adjustment without insisting upon the creation of a uniform tuition system.

The tuition burden currently recommended for the City University would fall overwhelmingly upon students from middle-class families earning $12,000 to $20,000 a year in the state's highest cost-of-living area.

The aggregate yield from those best able to pay—families with incomes in excess of $20,000 a year—would be minimal.

The university needs students from every income level if it is to perform its public function; it now serves as the best kind of natural integrating force in higher education, attracting families that might otherwise leave the city, as well as those with limited choices including many from minority groups.

Harnessing C.U.N.Y. with a tuition structure in order to reach that 20 percent of students from families earning over $12,000 would surely not be worth subverting a system of proved value.

It has been New York City's historic mission to receive impoverished migrants, from within the country and abroad, and provide them and their children the education and opportunity to work into the mainsteam of society. Tuition-free higher education, reinforced by open access, recognizes that more than secondary-school training is needed to move ahead today.

As we figure new ways to operate this city, for whom will it be "saved" if not for its citizens? How can they participate in the social process without the understanding and skills to do so?

The concept of free tuition as public policy has served the city well. It has survived attacks from the state in recent years, and economic depression far worse than the current one. If we let ourselves be pushed or panicked into abandoning it now, any savings by the city and state will be far outweighed by costs resulting from wasted ability and lowered achievement.

IMPROVEMENTS IN THE GOVERNMENT PRINTING OFFICE

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. STEIGER of Wisconsin. Mr. Speaker, last session I entered in the CONGRESSIONAL RECORD many criticisms concerning the inaccurate nature of the reported debates in the RECORD. As I said on several occasions, these criticisms were not directed to the Government Printing Office or the Official Reporters of Debates, who do extraordinarily good work on our behalf.

I have met with the GPO and the reporters on the proposal to use a distinctively different typeface for inserted material (H.R. 568, 589, 570, 581, and 630) and they have been cooperative and helpful.

The 70-odd House cosponsors of these resolutions felt that a bracket would be more economical than different typeface and agreed with this change proposed by Senator CANNON, the then chairman of the Joint Committee on Printing, and Mr. Thomas F. McCormick, the Public Printer. The matter is still before the Joint Committee on Printing. Senator BOB PACKWOOD, author of an identical Senate proposal, and I are meeting with the staff of the Joint Committee and representatives of the GPO in the near future.

I would like to call the attention of the Members to an article in the January 1976 issue of "Government Executive" which indicates that the GPO, under Mr. McCormick, has made significant efforts in improving management, reducing costs, and increasing productivity, including an effort to reduce the number of typefaces:

GPO: AGGRESSIVELY MARKETING THEIR UNIQUE SERVICES

The Government Printing Office, for decades an introverted, sometimes arrogant entity surrounded by a self-generated aura of mysterious controls and authority, is going through a complete reversal in personality.

It is working more effectively with the private sector printing industry, improving its own productivity in large bites and actively seeking out the rest of the federal structure with details on its operations and how to do better with less money.

Part of the change is due to Public Printer Thomas F. McCormick, an experienced executive who is demonstrating an ability to move his organization while capably handling the demands of his overseers, the U.S. Congress.

A cum laude graduate in business from Holy Cross College, a Navy veteran and a veteran of the financial management ladders of General Electric, McCormick was tapped for his current position shortly after a four-year stint running a large G.E. printing subsidiary.

Just prior to joining GPO on March 1, 1973, he was managing G.E.'s Power Generation Strategy Development, concentrating on long-range planning.

In a business where deadlines are routine, McCormick has opened the GPO rapidly—setting up communications links between the organization and all interested outsiders. And his major thrust is to substantially improve government printed media while keeping cost effective.

Much of what GPO does is labor intensive—Congressional hearings, reports, bills and the like.

The two major publications handled by the GPO are the Congressional Record and the Federal Register. "The typesetting for both of these is, on a daily basis, capable of filling the news sections of six daily metropolitan newspapers."

The GPO is the largest hot lead typesetting house in the world. Hundreds of casting machines work out huge volumes daily. But the GPO is moving to electronic and photo composition techniques. They are into optical scanning systems and are continually expanding.

"It is my estimate," says McCormick, "that by 1980 we will have very little hot metal composition in house. There will always be a need for some of this."

And McCormick is anticipating—attrition, retraining and other aspects are constantly examined, in order to move as fairly as possible over the next several years.

McCormick, in the short time he has been aboard GPO, has actively encouraged a host of productivity improvements. Many have come through mechanization and systematizing of lines—again primarily in the movement and distribution of materials.

"We are focusing on productivity, the whole emphasis is on this. There is a great need for it, and, equally, many opportunities."

One approach is in management training—GPO now has an in-house effort and every manager, from top down to first line supervisors have been run through it to acquaint them with the basics of management thinking and techniques.

"We have put together a productivity operation—brought in some new, young people into the comptroller's shop to develop measurement approaches. They have made some significant improvements in some minor areas but hopefully, they will branch out into the major areas—specifically the distribution side of the house where we are filling orders, handling cash, warehousing and other non-printing activities."

Very careful about setting standards, McCormick notes that just the mere developing of productivity measurements has resulted in a productivity rise.

Among other things, GPO is now operating a publications receipt and control system. This system keeps track of all of the GPO's 27,000 items on line and interactively. And with this system, McCormick feels the GPO has pretty good control over its bulk inventory.

The next step is to automate the order fulfillment process so that a complete record is kept, and available, on the status of any order in house.

McCormick is busy broadening both industry and government knowledge of the functions, purpose and moves of the GPO. He regards the attention of the printing industry on GPO as fully legitimate and works with them—through their associations and various organizations.

Though he is involved in it, he says the growing use of more effective graphic design in government printed media is primarily the work of the National Endowment For The Arts and Nancy Hanks.

The GPO has courses on printing production for federal editors and a separate set for designers.

"There is a terrific potential for savings in government printing in standardization," says McCormick, "and the Labor Dept, is a prime example." The idea is to get away from settling in on sizes and formats peculiar to government and so set up these to reflect the ability in the private sector. "It makes it more competitive and has a solid cost cutting effect."

Labor had nearly 50 different trim sizes—which severely limited the GPO's ability to produce or produce publications economically. Labor's plan will result in the use of four basic trim sizes, four typefaces and four types of paper.

There are countless ways to reduce government printing costs and most start right in the originating agency. Early contact with the GPO can be a tremendous help. (So can internal discipline—author's alterations, which is re-writing inside of the printing cycle, cost more than $3.7 million in 1974.)

There is an unkillable myth that the GPO does all government printing or wants to control all government printing.

Actually, almost 70% of the dollar printing volume handled by the GPO is done, under contract, in the private sector. In FY '74 this amounted to more than $222 million and it will be higher in the current year.

McCormick wants to raise the dollar value on individual jobs to allow agencies more leeway in handling small jobs. Anything above a certain amount must go through the GPO—the problem is that inflation and materials costs raises over the years has rendered this lower limit far too low.

As McCormick looks at it, the theory behind a centralized production and/or procurement function is to increase efficiencies. For instance, the GPO's in house production is primarily devoted to Congress. But this has its ups and downs. By having most government printing coming through the GPO, "we can decide, based on our loadings, whether it is more efficient to do it in house or farm it out."

In addition, the GPO has a body of highly skilled printing procurement specialists unmatched by any other government agency. Writing printing specifications is a technical task and it is always costly to the non-expert.

McCormick also sends a team to any agency, on request, to run a one-day seminar on what the GPO is all about. "And the attendees cover all interested parties—not just the editor or the printing specialists."

The seminars, just moving out of the experimental stages, touch on all aspects of the problem—standardization, building in flexibility, late changes, quality control, delivery elements and distribution alternatives.

Even the very basic question as to should there be any printing at all in a specific case is addressed—this is the microform conversion area where moving to film in the first place could create savings, increase communications and still allow the generation of "hard copy" if needed.

Since the late sixties, there has been a growing shift in moving government printing, through the GPO, into the private sector instead of doing it all in-house. McCormick estimates that GPO produces or contracts for about a half billion dollars annually in printing and allied services. "Yet there are over 300 agency printing plants doing an estimated equal amount in dollar volume."

These agency plants are not out of control—they are required to justify their operation periodically before the Joint Committee on Printing.

Because of the drive to move as much printing as economically possible into the private sector, "some hard decisions are coming up, especially with those agencies whose plants have been in existence for a number of years," says McCormick. But there are many of these plants that are easily justifiable because of their highly specialized nature.

"It doesn't take a genius to see that the GPO spends as much time and money moving paper as we do in putting ink on it," says McCormick. So the GPO is planning to relocate—into a new facility which is "designed to allow us to do the work we must do, the in-house work, more effectively and efficiently."

It is not, McCormick stresses, an increase in capability. Rather it is an effort to reduce, or eliminate, much of the flow and housekeeping problems now existing.

"By relocating, we can save $11 million annually in such things as cleaning, guards and materials handling—all administrative costs and nothing to do with printing technology. Yet there is almost another $15 million in annual savings in taking advantage of new printing technology in developing the new plant."

The relocation itself is merely a move of several miles within the District of Columbia to an area which is being developed as an industrial sector. The GPO currently sits in the midst of the new visitor's center complex in D.C. which is swiftly shifting to offices and hotels.

McCormick notes that, in the two years of planning that has already gone into this move, the GSA Public Buildings Service has been tremendously helpful. And there is a very thick environmental impact statement already in being.

SCHOOL BUSING

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. SCHEUER. Mr. Speaker, the Brown against Board of Education decision in 1954 has been interpreted in two very different ways. One interpretation is that busing can be ordered simply on the grounds that segregation exists. However, the qualitatively different interpretation postulates that the Constitution must be applied in a colorblind fashion to all Americans—that a legal wrong must be proved before a remedy, however socially desirable, may be implemented. In other words, busing may only be ordered under the law where illegal action has resulted in a segregated school district. Clearly, this second interpretation is far more logical and compelling, as the Supreme Court stated in 1974 in its Detroit ruling on Milliken against Bradley, and as my colleague from New York, Mr. RANGEL, pointed out on January 19, of this year.

The background and motivations behind the original Brown case thus became paramount. Only in the years following the High Court's decision did integration become a solution for low minority achievement. As early as 1951 the NAACP approached sociologist Kenneth B. Clark to establish this hypothesis. Clark admitted that psychological and sociological analysis had not yet reached necessary levels of sophistication to split off the effects of segregated schools from other variables in the education process.

Yet, in 1954, only 8 months following Clark's conclusions, "evidence" was presented to the court that has formed the first tenet of what might be called the "integration hypothesis"—that school integration would raise the expectations, morale and achievement of black students. The second tenet of this "integration hypothesis" was based on the contact theory of Gordon Allport—school integration would invariably improve race relations in communities where busing was implemented.

Mr. Speaker, with our 20/20 hindsight we can see clearly that those 1954 assertions were grounded in little quantifiable evidence when originally formulated. More to the point, these same assertions are backed by even less hard evidence today after two decades of experience. Leon Kamin, chairman of Princeton's psychology department, and David Amor, world renowned sociologist, both join Harvard's David K. Cohen in stating with confidence:

> There had been no evidence of the educational impact of desegregation at the time of Brown.

A popular "liberal" program was pressed into action prior to the development of any shred of acceptable evidence that integration helped achieve any desirable education goals.

With all due respect to William Coleman and the fine work he has done, it is now clear that his internationally famous report of 1966 extended in an inappropriate fashion the issue of forced integration out of the South where de jure segregation was the problem. When the Court ordered busing in the South, the prohibition extended to actions by Southern States which legislated mandatory dual school systems for blacks and whites. This de jure education segregation should not be confused with the de facto condition of racial imbalance which existed in the North—the Supreme Court simply did not refer to school segregation caused by segregated neighborhoods. Compounding this error, the Coleman report intentionally shifted the ground from equal opportunity to equal results. Finally, the Coleman report casually slipped in the following assertion:

> If a minority pupil . . . is put with schoolmates with strong educational backgrounds, his achievement is likely to increase.

Henry S. Dyer, of the Educational Testing Service, writing in the Harvard Educational Review in 1968, was one of the first of a long line of experts to criticize Coleman for this last allegation:

> There is nothing whatever in the Coleman report that can justify such an inference.

Perhaps even more damaging was the criticism of Coleman's quantitative methodology. His utilization of cross sectional data—test scores taken from all types of pupils at the same time—has been severely criticized as an invalid method of hypothesis testing. The accepted procedure is the use of longitudinal analysis—measuring the performance of different types of students over time.

Mr. Speaker, due to a general misconception of the Coleman data by journalists, civic, business and church leadership as well as national legislators—a misconception founded in the optimism that a solution to the problem of educational inequalities had finally been isolated—the educational goal of equality of opportunity became translated into a goal of equality of educational results. Biloine Whiting Young, Illinois, and Grace Billings Bress, Harvard, writing for the Phi Delta Kappan in 1974, forcefully concluded:

> This shift in goals led directly to the massive busing programs undertaken in our major cities.

And thus, the present situation is put into proper perspective. Where do these theories stand today? From 1970 to the present virtually every study published on forced busing to achieve integration concluded that without a shadow of a doubt neither tenet of the widely accepted "integration hypothesis" holds any relevance today.

Mr. Speaker, the proven reality that the stated rationale for busing—increased achievement for blacks and better race relations—has not and cannot be realized through compulsory busing seems to me to be a logically compelling argument against further systematic use of compulsory busing to achieve such goals.

The following documentation is provided as a sampler of the new wisdom:

David Armor—The Public Interest, 1972:

> Induced integration did not raise minority achievement and in fact, increased tensions and conflict.

Jeffrey Leech—Indiana Law Review, 1973:

> Busing to achieve racial integration may in fact produce no educational gains, may hinder the psychological development of black children, and may intensify racial misunderstanding.

Tom Wicker—New York Times, 1974:

> There is little evidence to show that the education test scores of minority children have been improved in those districts that have been integrated.

David K. Cohen—Society, 1974:

> Evidence on the educational impact of Brown began to flow in as schools integrated. Sometimes it showed modest gains and sometimes it showed no change over expectations, but it never showed that desegregated schools came close to eliminating achievement differences between blacks and whites.

Biloine Whiting Young and Grace Billings Bress—Phi Delta Kappan, 1974:

> At least two major studies, the Carnegie Commission's and the New York Times; reported increased racial hostility, intimidation and violence in racially balanced schools throughout the country.

Nancy St. John—Integrated Education, 1972:

> Children of low socioeconomic status (black and white) can expect to be academically and socially threatened by desegregation. . . . In their (social scientists, lawyers and educators) zeal for one valued principle, they often ignore others and forget that integration, however important, is only one component of quality education, and not necessarily, for all children at all stages, the most important component.

Norman Cousins—Saturday Review, 1976:

> Busing hasn't worked. . . . Busing is leading away from integration and not towards it; [the evidence tends to suggest] that it has not significantly improved the quality of education accessible to blacks; that it has lowered the standard of education available to whites; that it has resulted in the exodus of white students to private schools inside the cities or to public schools in the comparatively affluent suburbs beyond the means of the blacks; and finally, that it has not contributed to racial harmony but has produced deep fissures within American society.

Nathan Glazer—Commentary, 1972:

> Much integration through transportation has been so disappointing in terms of raising achievement that it may well lead to a reevaluation of the earlier research [Coleman] whose somewhat tenuous results raised what begin to look like false hopes. . . . If, then, judges are moving toward a forcible reorganization of American education because they believe this will improve relations between the races, they are acting neither on evidence nor on experience but on faith.

Mr. Speaker, these experts' credentials speak for themselves. There is little I could add to highlight the uniformity of opinion that busing in no way lives up to its false billings. Clearly, the years since Brown have resulted in greater opportunities for some blacks—those able to move into the middle class. But I find myself forced to argue along with Young and Bress, among others, that schools have given up trying to equalize upwards—instead they are equalizing downwards. Bress and Young noted that some school districts in New York City have eliminated all courses in subjects such as calculus and enriched English on the grounds that they would not have "the correct racial balance."

Even more alarming is the phenomenon some call "resegregation." This process involves the middle class parents of both black and white students removing their children from the integrated environment and placing them in private schools or in schools in the suburbs. The final result is an increase in the racial imbalance in the city schools—the same imbalance that the well-intended reformers attempted to remove. Our colleague **Joe Moakley** provided us with figures from the U.S. census and the Boston Board of Education at the Democratic Caucus meeting on the proposed constitutional amendment prohibiting busing just 3 months ago. The figures are startling enough to give each and every one of us the flavor of the destructive phenomenon we call resegregation. In 1973 Boston's school system was 37 percent nonwhite. In 1975 it was 56 percent nonwhite. These startling percentage changes took place in a city which is still 81 percent white.

In 1968, 72.1 percent of minority students in the New York State public school system attended schools whose composition was more than half minority. In 1974 that figure rose to more than 75 percent. Further, Young and Bress reported in 1974 that half of the black and Hispanic children in New York attend schools that are over 90 percent minority. New York City spent $70 million on busing in 1974 to achieve this "balance."

Particularly disturbing is the behavior of probusing forces which uniformly tend to ignore examples that run counter to their arguments. Thomas Sowell, a black economist, drew the Nation's attention to Dunbar High School right here in Washington. For 85 years Dunbar has consistently placed first in citywide tests for achievement. Dunbar produced the Nation's first black general, our first black Cabinet member, and the discoverer of blood plasma. The first black Senator since Reconstruction was a Dunbar graduate. It is illuminating that Dunbar High School is an all black segregated high school. Race was an irrelevant factor in Dunbar's incredible success story; what was important was the motivation toward excellence.

Life is full of ironies, but it seems that our busing epic has more than its share. For example, Kenneth Clark, the original sociologist arguing for integration to increase black achievement, now claims:

> Courts and political bodies . . . should decide questions of school spending and integration not on the basis of uncertain research findings, but on the basis of constitutional and equity rights of all human beings regardless of color.

Norman Cousins, the liberal's liberal, wrote just yesterday:

> Busing hasn't desegregated the schools. It has resegregated them . . . Some 30 percent of white families have moved to the suburbs, leaving many northern cities with predominantly black schools.

And most revealing of all, William Coleman writes:

> Ironically, desegregation may be increasing segregation. . . . The achievement benefits of integrated schools appeared substantial when I studied them in the mid 1960's, but subsequent studies of achievement in actual systems that have desegregated . . . have found smaller effects, and in some cases none at all.

Mr. Speaker, we have come full circle. The very experts upon whom we relied just 10 years ago have bowed to the massive weight of evidence that has been presented since 1966. Any supporter of court-ordered busing in the 1960's would quote Clark and Coleman as the literal gospel mandating integration. In 1976, Clark and Coleman have backtracked and admitted that the evidence does not support busing as the solution of educational inequality or educational segregation.

My colleagues and I, being forced to face the reality that busing to eliminate segregation will in all probability neither raise black achievement nor ease racial tensions, must weigh anew the costs and benefits of busing to achieve integration. The benefits upon examination appear to be only cosmetic. The costs are very clear and very dear.

Assuming that there remain enough whites in the major cities to integrate—a very dubious assumption at best—the results seem to be a lowering of educational quality for the blacks and whites, with lower achievement for the whites and stationary achievement for the blacks. Racial tensions seem to increase along with the development of an environment where all students are forced to fail—fail to the degree that they will not learn to their full potential, be they black or white.

The implementation of busing as a solution to the discriminatory environment in the United States is just another case of trying to melt the tip of the iceberg in order to insure safe passage for the Titanic. The condition of the minority groups in America is the fundamental challenge confronting us. As Cousins points out—

> Everything involved in lifting a people out of their low state in society—housing, health, economic opportunity, nutrition, access to justice under the law—fits into this total challenge.

We should not feel embarassed in having failed in this one social program. The culpable error is in refusing to step back and honestly reexamine the issue in light of accumulating new evidence. Support of busing in this day and age, with all of the evidence before us, is an abuse of the public trust. The abuse is compounded when, at one and the same time that New York City spends $70 million a year on a busing program with no identifiable educational or learning payoffs, vital and time-tested educational programs such as adult education, enriched English, intensive foreign language study and evening classes have all been axed.

For all these reasons, Mr. Speaker, I am initiating a congressional request for a White House Conference on Compulsory Busing. This afternoon, I am sending a telegram to President Ford with this request. In addition, I am introducing the following joint resolution to the Congress:

> Joint resolution calling for a White House Conference to evaluate the busing experience of the United States over the past two decades.
>
> *Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That the President shall announce and convene a White House Conference to evaluate the success of compulsory busing to achieve integration in equalizing educational opportunity and to reassess the role of forced busing in improving the relative lot of disadvantaged Americans and to issue a comprehensive report including policy recommendations for alternative positive steps for equalizing educational opportunity and providing excellence in education for all Americans.
>
> This Conference should openly examine the busing experience and propose alternative plans for improving the condition of all the disadvantaged citizen in the United States. In reality, this was the intention of the busing supporters of the 1950's and 1960's. Their tool has been proven ineffectual and innocuous at best, harmful and counter productive at worst. It will be the challenge of the White House Conference in 1976 to forge the workable programs which will make a reality of the decent hopes and high intentions of the 1950's and 1960's.

TAXATION WITH CONSULTATION

HON. KEN HECHLER

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. HECHLER of West Virginia. Mr. Speaker, there have been all sorts of suggestions on what to do with the 36-page, 1976 Federal income tax form 1040 which arrived in the mails right after Christmas to mar the holiday spirits of millions of Americans. Some of these are not repeatable, others are. One excellent idea from Arlington, Va., would let the taxpayers tell the Federal Government how they want their tax dollars spent. The following column by Colman McCarthy, which appeared in the January 26 edition of Newsweek magazine, elaborates on this fine proposal.

TAX MONEY FOR WHAT?

(By Colman McCarthy)

The 1975 income-tax forms arrived in the mailbox the day after Christmas. Exquisite timing, IRS. But what is more offensive than that is the form itself. I don't mean the 36 pages of the 1040 that even the IRS, in a burst of unavoidable crust, admits is "more complex than last year's." Complexity can be justified. What can't be, though, is an offensiveness that goes deeper, directly to the emotions of the citizens and to the meaning of participatory democracy: there is no desire by the government to learn what the citizen wants his money used for, or not used.

The government takes our money—period. To the IRS mind, this works out to a neat balance: the government doesn't know where the money comes from and the citizens don't know where it goes. This unaccountability that the Federal government builds in for itself is at the heart of why so many citizens are angered, disillusioned or uncaring about their servants in Washington. But some citizens persist in caring. With this in mind, I would like to elaborate on an idea that an Arlington, Va., woman named Renee Henninger is talking about among her neighbors. It is simple, quick, comprehensive: the IRS tax form would include in its pages a section where the citizen can express his priorities. A possible format would be this: "Enter below the ten ways you most desire the Federal government to spend the money that it is now taxing you."

YEAS AND NAYS

The citizen would itemize his choices. The wording would have to be brief to make it chewable by the computer; tirades, sermons and threats would only jam the machine and give the IRS an excuse to say the priorities list is too troublesome. Following his ten positive choices would be another list: ten ways in which the citizen does not want his money spent.

The purposes of these expressions of taxpayer preferences are both political and practical. Politically (the Greek *politeia* means the state of being a citizen), it is a voicing of sentiments at the one moment—when the pocketbook is being squeezed—when feelings ride high to express those sentiments. Americans are told to express their views at the ballot box, but more and more people are not bothering to vote. Why should they? Often the November elections offer choices between mediocrities, demeaning citizens seeking excellence.

Polls are said to be an expression of the citizen's voice, but they are small samplings and too many people are suspicious of them. The IRS tax form is the one steady lightning rod down which the citizen can send the government a bolt of personal feeling: here is my money, this is what I want for it. With income-tax forms being filled out by 95 per cent of all Americans including their dependents, an invaluable opportunity exists to learn definitely about public sentiment. The results would be headline national news. We would have no more guessing about "the mood of America," however much this would force the columnists to exceptions for new material on slow days.

LAYING IT ON THE LINE

If large parts of the population are hostile or indifferent to the government, it is not because Big Brother tells the little man what to do, but because Big Brother does what he wants regardless of the little man. What does the stupid citizen know about the need to stop the Russians in Angola? What does the ignorant little man know about the need for more weapons in the arms race? It is the supreme government that knows, not the lightweight governed.

The IRS priorities survey would put an end to that. With precise information coming from the bottom to the top, the top would be held accountable for the way America's money is spent. We would have accurate knowledge of how many citizens want or don't want their taxes given to such expenses as mass transit, national health insurance, welfare, low-cost housing, libraries, missiles, C-5A airplanes, the CIA and the FBI, alternatives to prison, park lands, abortion clinics, schools, hospitals, tobacco subsidies and so on. If the citizens choose to allot their wages for the Angolas of the world, then let it be determined, so at least there is an end to the government preaching to us that it acts only "in the national interest." As an aid to those citizens who may need help in getting their juices going—though small chance exists for this—the IRS should be required to put in the tax forms the 30 or 40 leading Federal expenses.

Has such a proposal a chance? The odds are against it, at least for now. The IRS isn't likely to be enthused. It recently resisted allowing even four tiny questions to be added to the 1975 form about where the taxpayers live. The purpose of the questions was to get more specific facts as an aid to better allocation of Federal revenue-sharing funds. But that means *giving* to the people, not taking, so the IRS resisted. But the major opposition will likely come from the policy experts in the government. Many of them maintain their bureaucratic empires by spending vast amounts of citizen money on what they, and they alone, see as "the public good." These experts—in the Office of Management and Budget, but elsewhere too—have no desire to hear from the citizens; the latter can be messy, and they have a history of upsetting the established way, even the one on which the experts keep congratulating themselves as the happy American way.

THERE'S GOT TO BE A LAW

Should the idea of a priorities survey ever get into the tax forms, it will probably do so by a law. That means Congress will get its chance to maul the idea, as it has mauled to death so many other ideas that have come up from the people. But hope is strong now because never before have so many politicians been saying that government is unresponsive, remote and self-serving. Those in the government find it fashionable to be agin-the-government. If so, we need to know what the governed want for themselves—not what Gallup or Harris say they want, or Gerald Ford, Henry Kissinger, politicians, candidates, bureaucrats, experts or editorial writers. It is likely that all but a few citizens would be passionately eager to express themselves on the tax form. It is in the old American tradition of a person putting his mouth where his money is.

DADE JETPORT

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. LEHMAN. Mr. Speaker, an article recently appeared in the Miami Herald regarding the Dade County Jetport. Since Congress will ultimately be called upon to provide funds for site acquisition, I would like to take this time to bring this article to my colleagues' attention.

There is currently a training jetport north of Everglades National Park on the Dade-Collier County line. When it appeared that the needs of the Greater Miami area might require construction of a new commercial airport, the training jetport site was considered likely to be developed. However, there were great fears that such an expanded facility would cause severe damage to the delicate ecology of the Everglades. Accordingly, the county, the State of Florida, and the Departments of Transportation and the Interior agreed, in the Everglades Jetport Pact of 1970, that the county would select an alternate location and that, with the approval of the other parties, the new site would be acquired with total Federal funding. During the site selection process, and now, during the approval process for site 14 in northwest Dade County, training flights have continued at the Glades Jetport.

Since 1970, however, there have been a number of significant changes in the situation, as the article points out in detail. A study discussed in the article states that operation of the present site in the Everglades has not produced any evidence of environmental damage in 4 years, nor would similar training operations cause any damage at site 14. Development of full commercial airport facilities at either site, however, would cause extensive damage to ecosystems. Nevertheless, the study also indicates that it is questionable that the Miami area will actually need a new commercial airport until close to the end of the century. Why, then, spend an additional $69 million, over four times the original price of the Glades facility, to acquire a new site?

I hope the members of the Subcommittee on Transportation of the Committee on Appropriations will take these factors into consideration when the time comes to act on the $69 million request, and will prevent this waste of Federal funds on the acquisition of site 14 for a new Dade County training jetport.

Mr. Speaker, the article follows:

STUDY: TRAINING JETPORT WON'T HURT

(By Don Bedwell)

South Florida's environment would not suffer from the construction and operation of a new training jetport in northwest Dade County, according to a voluminous impact study just completed on the $69 million project.

And, despite the outcries that forced county officials to seek a replacement site for its existing training facility north of Everglades National Park, the new study concludes that four years of flight operations there have not damaged the wilderness.

The proposed 23-square-mile training complex on the Broward line at U.S. 27 "will have no significant effect on the South Florida ecosystem as a whole," summarizes the study.

A training facility alone, it states, would cause "no significant noise impact" on populated areas, would have "no appreciable effect on water flow to Everglades Park and would disturb less than 700 of the site's 8,819 acres.

A full-blown commercial airport at that location—which the study suggests wouldn't be needed until near the year 2000—is projected to have more far-reaching ecological consequences.

The impact study—379 pages long with a 115-page appendix—carries the support of Dade County, the State of Florida and the U.S. Departments of Interior and Transportation.

Copies of the document can be reviewed by the public at the FAA and Dade Aviation Department offices at Miami International Airport, the Broward aviation director's office and Broward Planning Council offices in Fort Lauderdale and at most Dade libraries and the Miramar library.

A joint federal-state-county site team selected the northwest Dade tract as an alternate location for the Everglades jetport, a facility opened in 1970 in a compromise between Dade's Aviation Department, which built it, and federal agencies and conservationists who considered it a threat to the park and the South Florida water supply.

Through the 1970 Jetport Pact, federal officials allowed the training runway to open temporarily for airline pilots practicing touch-and-go landings. Dade agreed in that pact to operate the strip only until a less-sensitive tract could be found and acquired, at no cost to the county.

The FAA currently is processing a county application for a $69 million federal grant to acquire the new site, construct a runway and land-bank the remaining acreage for possible development later into a commercial airfield.

According to the new study, any development beyond the single runway at the northwest Dade site—"whether it be one additional runway or the ultimate potential development"—would have to meet all local and federal environmental laws and be acceptable to the secretary of transportation.

Dade's application for federal funds has proven to be a hot potato because of the new site's cost, four times that of the larger Everglades tract that was developed before speculators and inflation could take their toll.

It also promises to be controversial because airline training operations at the existing runway, after peaking at 100,000 in 1972, have steadily declined to a low of 22,000 last year. Training flights are being reduced as airlines rely ever more on ground simulators to conserve fuel.

Thus, Congress ultimately will be asked to chip in $69 million to replace a facility that cost just $15 million and which, according to the study isn't causing any ecological damage where it is.

After four years of flight operations, "there has been no evidence of environmental change in the vicinity of the present training facility," the new study concludes.

Many of the warnings voiced in the late 1960s, though, were directed not at the training operation but at the feared disruption that could result from a fully developed commercial airport in the wilderness.

The study acknowledges that the construction of such an airport at the northwest Dade site could disturb almost 5,000 acres, destroy entire wildlife and plant communities and wreak other damage.

And, it adds, full-scale development could force the soundproofing of two elementary schools, three churches and two hospitals east of the field.

The study summarizes that acquiring that tract and building a runway will bring about "a relatively short period of disturbance to the environment in a limited and essentially controlled area."

In return, "it will establish a land bank and facilities capable of handling potential aviation needs past the year 2000."

PRESIDENT VERSUS VETERANS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. McDONALD of Georgia. Mr. Speaker, the December 1975, issue of the Veterans of Foreign Wars magazine includes an editorial by VFW Commander-in-Chief Thomas C. Walker which reveals a shocking unconcern, for the welfare of those who have honorably served our country, by the President and his top advisers. The VFW is concerned not only by the administration's failure to act on such necessary programs as improving Veterans' Administration hospitals, but on the dangerous foreign policy maneuvers with regard to the Panama Canal and relations with Communist Cuba.

I recommend the VFW positions for the attention of my colleagues:

PRESIDENT VERSUS VETERANS

(By Thomas C. Walker, VFW Commander-in-Chief)

(The VFW has requested an audience with President Ford to discuss the issues cited here and others equally important. The VFW has been refused the courtesy of presenting the mandates of the delegates to the National Convention. The President's aides have either ignored or failed to be receptive to the VFW's efforts. Recently, the VFW declined an invitation issued on two days' notice to 16 other veterans' organizations to meet with the President. Participating in such a mass gathering would have been a disservice to the 1.8 million members of the VFW. President Ford is the first Chief Executive in more than 40 years who has not met on a one-to-one basis with the VFW Commander-in-Chief to discuss veterans' problems. He also has failed to invite the Buddy Poppy girl to the White House. We believe we speak for not only our membership, but also the great majority of the 29 million living veterans, their widows and orphans.)

Recently, it has become evident that advice given the President of the United States has been causing the loss of veterans programs and rights.

It is time each veteran knows what is happening. To do less—to sit quietly by and watch our programs be eroded, cut and lost—would be an injustice to the veteran and his widow.

Item: The President requested that compensation payments for service-connected disabilities be held to 5%. In view of the increase in the cost-of-living, this was a slap in the face to the man who fought for his country, was wounded and disabled.

Item: The President is attempting to hold proposals to increase a veterans pension to 5%. The 8% Social Security increase of July would cut or eliminate hundreds of thousands of veterans and widows from the rolls if this proposal is passed.

Item: A recent survey showed that pensioners over age 72 were not getting along on their present pension. The President's Veterans Administration attempted to "whitewash" this report by saying that the program was in good shape.

Item: There is a crying need for a revision in the present pension program. Veterans need an income that will allow them to live above the poverty level and with dignity. The President's Director of the Office of Management and Budget tells us there will be a cut in veterans programs next year.

Item: Veterans need a place for an honorable burial in a National Cemetery if they so desire. The President's Veterans Administration has had the cemetery program for two years and has not opened one new gravesite during that time.

Item: It took this President months to read and act on the Survey of VA hospitals. An attempt to patch up the flaws is being made. Pray it is not too late.

Item: The 76th National V.F.W. Convention was the first in many years at which neither the President nor Vice President appeared to address the delegates.

Item: The President vetoed the GI Bill education assistance increase which would primarily benefit Vietnam veterans. It brings much more back to the country in taxes alone than it costs.

Item: The President vetoed an increase in travel payments for disabled veterans. He approved the increase for other government people. Apparently, it costs them more to travel than a wounded veteran.

Item: The President expresses concern for the unemployed and handicapped veteran, yet many of the federal agencies have not implemented regulations to employ these veterans.

Item: The President established a "clemency board." Four members of that board charge that full Presidential "pardons" were given. This makes a deserter or repeated AWOL offender eligible to buy a gun, hold political office or be a member of the V.F.W.

Item: Detente has been a policy disaster for America, confusing and dividing our allies and our own people. We have traded U.S. technology and agricultural products for televised news pictures of the President and his Secretary of State toasting "peace." We, today, are the second strongest power in the world in a contest where our very survival is at stake.

Item: The United States Canal, located on the Isthmus of Panama, is being recklessly offered up to a leftwing dictatorship incapable of either protecting or operating our strategic jugular vein in the Western Hemisphere. A part of America, as American as Alaska, Hawaii, or Grand Rapids, Mich., is being put on the block simply because an authoritarian Panamanian brigadier general seeks to hold power by grasping something he never created or owned. And the national Administration is the giveaway artists. The Soviets haven't even asked us to do this.

Item: An Administration that apparently knows the price of everything and the value of nothing is seeking to end the armed forces' commissary stores, the Defense Department-funded GI educational benefits as a recruiting inducement and the civilian medical program, but still unrealistically hopes to assure the success of an all volunteer military force. The draft has ended, but now the Administration will not give our armed forces the tools needed to succeed.

Item: Equipment badly needed by our own forces soon will be furnished to both sides of the Arab-Israeli dispute. This is cynical blank check payouts in the foolish hope of buying peace.

Item: "Normalization" of relations with Communist China and Castro's Cuba takes clear policy precedence over a sturdy assertion of American interests and unapologetic support for allies who have stood with us in the past.

The Soviet Union respects only power. The Soviets call it "objective correlation of forces." Before this global challenge, this Administration offers only transparent words and business-as-usual.

In short, it appears not only is our beloved country being hurt, but so is the man who answered its call.

These and other matters are the things we had hoped to discuss with the President. We feel that they are sufficiently important to the nation and those who fought for their beloved country.

There is a move to cut and eliminate veterans programs and rights.

The V.F.W. is mandated to fight these injustices. Let no one—President or veteran—fail us in our time of need.

As a former President said, "The nation which forgets its veterans, will itself be forgotten."

TIME TO FACE REALITY ON NATURAL GAS

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. SARASIN. Mr. Speaker, we will soon be taking up the question of deregulation of prices on new natural gas supplies. For many Members of Congress this is a difficult decision, since we are faced with voting for a possible increase in consumer prices in the short term to assure the long-term availability of this environmentally desirable and economically essential fuel.

The difficulty is not because the American people, given the factual situation, would not choose to have natural gas, and the jobs which depend upon it, even at a slight increase in price, the difficulty arises because there are those, including Members of this body, who prefer to tell people what they wish to hear rather than the less politically attractive facts of the case.

Fortunately, the reality of the situation is increasingly clear to the electorate and much of the media, who are not being misled by demagoguery or wishful thinking. Our economic future and our ability to provide the jobs needed by our work force, particularly in New England, are dependent on our taking this action to assure the natural gas supplies we need, now and in the future.

I would like to offer for inclusion in the RECORD this excellent editorial from the Hartford, Conn. Times, a leading newspaper in Connecticut and a voice of reason and responsibility regarding our energy needs:

KRUEGER-BROYHILL BILL IS ESSENTIAL TO THE NATION

The Congress upon its return to Washington next week will find itself confronted with yet another opportunity to take meaningful action to resolve the nation's energy crisis: Deregulation of new natural gas supplies.

The Congress failed disastrously in its last attempt to resolve the energy crisis when it enacted the national energy bill, insuring continued shortages of petroleum, perhaps severe shortages, indefinitely.

There are two proposals on natural gas now before the Congress. One, the "Dingell Bill," or Natural Gas Emergency Act of 1975, would provide no solution to the natural gas industry's problems and would, in fact, make the problems considerably more severe over the long run by functioning as a disincentive for natural gas exploration and development. The other, the "Krueger-Broyhill Natural Gas Bill," which is a companion to legislation already enacted by the Senate, would deregulate new gas sales at the wellhead for on-shore production immediately and would establish a Federal Power Commission price authority over off-shore production on federal lands for a term of only six years, thus insuring that industry would be provided with the incentive essential to insure exploration for and development of natural gas supplies.

Adoption of the Krueger-Broyhill Natural Gas Bill is critical to the nation's future energy security and it must be enacted.

When the Congress enacted the disastrous national energy bill regulating petroleum, United States Senator Lowell Weicker was prompted to call it "a dishonest piece of legislation." He said it "fails on every count. While we need to reduce consumer demand, the bill steers clear of mandatory conservation and offers 40 more months of price controls, rewarding consumption. While we need to increase supply, there is little incentive for more energy production. Instead, we establish artificial prices on oil that are entirely unrealistic."

The same danger now exists for the nation's natural gas industry, which already is experiencing critical shortages resulting in serious curtailments that in some areas of the country already have meant the loss of employment.

The nation's future energy security is far too critical an issue to be affected adversely by political gamesmanship, yet that is exactly what happened with the legislation regulating petroleum prices: Congressmen and Senators did not want to see petroleum prices affecting basics like gasoline and electricity increase during an election year, choosing instead to continue a policy insuring disincentives for exploration and development for at least 40 more months.

The Krueger-Broyhill proposal would confront the immediate crisis, this winter and next winter, by permitting 180-day emergency purchases by curtailed interstate pipelines to meet the need of high priority customers; would permit emergency conversions of natural gas boilers on a short-term basis with compensation to the affected user, and would permit short-term allocation and price controls on propane, with appropriate directions to protect high priority users.

But most important, it would deal with the long-range problem by decontrolling new gas prices at the wellhead to stimulate the exploration and development essential to insuring continued essential supplies of energy.

There is no real natural gas "shortage" in the United States, a fact that American consumers must understand. Natural gas is available in sufficient quantities to meet the nation's demand for the next 35 to 65 years—and those estimates are conservative. The gas must be located, however, and then it must be developed. Wells must be drilled and pipelines must be constructed. The cost of exploration and development to bring those supplies to the nation's consumers will be astronomical.

Under the existing regulatory legislation, it too often is not economically feasible for natural gas suppliers to explore for and develop potential reserves: Deregulation would resolve that problem by allowing the price consumers pay to rise to the actual level of cost incurred in exploration for and development of the new resources.

The Krueger-Broyhill proposal has a six-fold purpose: To alleviate, to the extent possible, natural gas emergencies this winter; to increase supplies of new natural gas for the benefit of the American consumer; to protect the consumer against inflationary price increases for gas presently flowing in interstate commerce; to assure efficient allocations of dwindling natural gas supplies to high priority residential and agricultural usages until the gas shortage is alleviated; to inhibit the demand for natural gas consumption in boilers when alternate fuels can be obtained reasonably, and to authorize collection of comprehensive data on natural gas supplies, production, transportation, sale and consumption.

Those are primarily long-term objectives. The Dingell Natural Gas Emergency Act of 1975 would deal only with the short-term problems of this winter and next winter, with the result that exploration for and development of new supplies will be delayed for at least two more years—at untold cost to American consumers.

Connecticut Natural Gas Corporation has estimated that state residents in that single company's franchise area will save $22.5 million if the Krueger-Broyhill bill is selected over the Dingell proposal. That is the difference annually between the cost of importing natural gas and using synthetic gas over the cost that consumers would bear if deregulation became a reality.

Consumers would actually save millions each and every year in Connecticut if decontrol becomes a reality. Higher costs to consumers would result from curtailments requiring acquisition of natural and synthetic gas from outside sources rather than from developing new domestic resources.

The Krueger-Broyhill proposal must be adopted in the House of Representatives. The Senate already has enacted a similar proposal. The nation's consumers have far too much to lose if the Congress is again allowed to cop-out rather than confront the harsh realities involved in stimulating new exploration and development.

A "solution" to the natural gas crisis must not be allowed to follow in the same manner as the "solution" the Congress has imposed upon the nation to deal with petroleum shortages.

FIRING LINES, PART II

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. HARRINGTON. Mr. Speaker, as I have previously noted in the RECORD, I plan to offer an amendment to the military aid bill now before the International Relations Committee which would outlaw the "covert action" functions of the Central Intelligence Agency and restrict future Agency operations to the gathering and analysis of intelligence. For now, I would like to continue to bring background material on this important issue to the attention of my colleagues.

Earlier this week, I began the insertion of a thoughtful article by Garry Wills that appeared in the January 22 issue of The New York Review of Books. In part II, which is excerpted below, Mr. Wills examines the key characteristics of the "secret agent" mentality:

THE CIA FROM BEGINNING TO END

II

Just as other empires were dissolving, America was coming into its own. We tried to take up some of the old imperial tasks, in Indochina and the Congo. But mainly we thought of ourselves as a new thing, an anti-empire. We meant to check, wherever it arose—indigenously, by outside inspiration, or both—every movement toward communism, which we conceived as a monolithic empire growing up all around us (and maybe in our midst). This called for intelligence operations even more extensive and ambitious than those of the conventional empire.

For one thing they would have no defined sphere of interest, no specific network of colonies to protect. Every place was a potential communist colony, and therefore a target for preventive action on our part. We had to *foresee* communist action in order to block it. And since this was a war for the minds of men, even ideas were enemies to be countered. That is why ideological training and purity were needed, to supplant older ties of mere patriotic national interest, professional pride, or material reward.

Everything in spy work depends on judging the reliability, first, of one's own employees and their catspaws (agents). Allen Dulles made ideological orthodoxy the main qualification for a CIA man: "The ideological volunteer, if he is sincere, is a man whose loyalty you need rarely question, as you must always question the loyalties of people who work chiefly for money or out of a desire for adventure and intrigue."

There is something puzzling about Dulles's emphasis on ideological conformity in the CIA. At a cold-war time when all of America was in the grip of rigid anticommunism, the CIA had the reputation among knowledgeable people of being a free and enlightened refuge for the least timorous. Those opposed, say, to the House Committee on Un-American Activities tended to be admirers of the CIA. They rejoiced in the skill that kept the Agency outside Joe McCarthy's reach. How on earth do you explain a society in which the secret police are the last guardians of men's freedom? The situation is so odd that it deserved study on a scale made impossible by the Agency's discipline of secrecy. CIA defenders have a point when they say that recent investigations take the Agency at a time in its career when it is unfairly judged. What it was doing in the Nixon era looked typical of that degraded time; but what it was doing in the McCarthy period looked, to those who knew what was going on, very atypical. How explain that?

Well, for a start, from the genealogy of CIA—out of MI–6 by way of OSS. The secret of disciplining free spirits in a shadowy elite corps was passed on from a dying imperialism to a nascent one. The first OSS teams were trained in Canada.

Terminology was taken over, along with tactics—e.g., "special operations" for covert activities. There was competition and resentment too, just as in Buckley's tale of a Queen sadistically "banged" even as she is saved. But, for all its attempts at correction of the imperial model, the OSS ended up mimicking its tutor-rival. This shows in all three areas considered above—those which tended to make the spy a Clubman, Colonizer, and Coriolanus.

1) *Clubman*. The OSS was a "well-born" crew, according to the Alsop-Braden book, *Sub Rosa*.[1] It was the place where college professors got back together with their brighter (or wealthier) students during the war. Paul Mellon and his brother-in-law, David Bruce, served there along with J. P. Morgan's sons, a duPont, and C. Douglas Dillon. Commissions came easy (one in every four OSS personnel were officers) and regular army discipline was rather ostentatiously ignored. Since the OSS wanted glib operators in both gray and black propaganda for MO (Morale Operations), it nursed the infant "Madison Avenue"—the J. Walter Thompson advertising agency gave it a European director (Kenneth Hinks) and ended up with men in charge of the OSS Planning Staff, the London MO branch, the Casablanca MO branch, and the Cairo office. The advertising men got back from the organization a future vice-president, Richard de Rochemont. No wonder the Thompson types on Nixon's staff later expected (and got) a few courtesies from CIA, the OSS descendant.

The elite spirit of the OSS extended even more forcibly to the early CIA. OSS was a refuge for some of the privileged who had to go to war, as well as for the mobile university faculties of wartime. But CIA thought of itself as the same kind of organization purified by pace. Those who renewed their service in the later agency could have wealth and position in society; but they chose obscure, dangerous, and ill-paid service to their country. What little credit they got must come from their peers. Today we hear veterans of that regime lament the unsung heroes, whose very decorations from the government were of a secret sort to begin, with and could not be worn or displayed despite their unrecognizability. The links forged were unrecognizability. The links forged were fairly mystical. Buckley tries to convey the feeling in his novel:

> There's a funny incorporealized solidarity out there. You don't know who they are, but you *do* know that you are all straining to achieve the same end, and a day comes when their invisible forms are as palpable as the members of your swimming team.

There was a prolongation and intensification of both schoolboy and wartime emotions. A wealthy ex-OSS man who knew Howard Hunt during the war offered money to his defense, even though he disapproved of his more recent activities. One does not let the swimming team down. And this was not even a CIA member—just part of the prior organization. The gesture makes us understand the loyalty that made Tom Braden call a dinner in honor of Richard Helms when Congress had "forced" him into apparent perjury. Toasts were made by Robert McNamara and Averell Harriman, and drunk by Henry Kissinger. It was the real-life equivalent of Buckley's hero being cheered in secret for refusing to cooperate with Congress. (The fact that Buckley takes this position after his defense of Joe McCarthy and his assault on "Fifth-Amendment" non-cooperation with Congress shows just how overriding are ties with the Agency when competing moral claims come into play.)

The CIA became America's mystery elite for twenty years, the only agency loved by both right and left. Its employees ordered ambassadors around. The organization's very secrecy made it difficult to know how high any officer really was in the service. Any man might be a Bones brother in disguise. Field officers often had money to throw around—Howard Hunt's account of the Bay of Pigs operation (*Give Us This Day*, Arlington House, 1973) shows how powerfully self-seductive that kind of cash is: Hunt was the patron, sorting out precedence among rival Cuban factions by the way he sluiced US money to each group's spokesmen. He affects regret that plausible "cover" made it necessary for him to live in such high style; but his spy tales show how important this extravagance can be to the job's appeal. Even danger sheds its glamour. And danger mixed with money is aphrodisiac. Hunt's heroes, like Ian Fleming's, get the prettiest girl in the casino. Buckley's hero, Blackford, has to travel better-class—he "penetrates" the Queen of England, after elaborately playing on that technical term from the outset. Spying is supposed to be sexy, and some spies labor to maintain that view, as pornographers dutifully cultivate a taste for their own product.

The perks were fittingly bestowed. The CIA did form an elite of the sort Thomas Jefferson feared in the Cincinnati. They were a king's secret army. Their leader had immediate access to the highest authority in the land, to the most secret budget and wildest research, to knowledge very embarrassing to one's country if the employees should turn out to be not entirely trustworthy.

They were required to think big and think wild, to freewheel and brainstorm, to deal with the shadiest sorts as well as the brainiest. Other intelligence agencies are larger and better funded; they multiply the same tasks indefinitely; but the CIA is supposed to do different things. In theory, there was nothing they could not do if doing it was thought necessary at the top. . . .

(2) *Colonizer*. Edward Lansdale, the legendary CIA man of the 1950s, tried to frighten Philippine communists by draining the blood from Huk bodies and putting marks on their throats to simulate vampire killings. Later, in Vietnam, he specialized in tricks like printing the ballot for Diem's opponents on green paper, since green was supposed to be a symbol of cuckoldry and cowardice. The dirty tricks more recently revealed—experimenting with LSD for use on enemies, or with potions to make Fidel Castro's beard fall out—have a long tradition in the secret police of colonizing forces. It shows a Ku Klux Klan mentality: we can spook the natives by dressing up like ghosts.

Like most colonizing forces, the CIA treated native lives as cheap. Speaking before the Senate intelligence committee, Thomas Keramessines, head of special operations, said he would resign from the CIA if he knew of any assassinations it carried out. He obviously didn't consider the large-scale terrorist assassinations in the CIA's Phoenix program to be assassinations. The Church committee deferred to this point of view when it issued the report on assassinations, whose whole emphasis was on plans to kill foreign leaders. Other kinds of ambush, terrorism, and "liquidation" do not seem to count. . . .

More important, the CIA's direction of various cultural operations reflects the importance of "in place" thinking among secret agencies. Spokesmen for clandestine intelligence often complain that military or political leaders, wanting information in a specific area, think a spy can be planted there and begin to produce results immediately. That is unlikely all the time, and impossible much of it. There is a far better chance to find and recruit some sympathizer already "in place" or—best of all—to have a person previously planted for some such eventuality. That was what the Agency was up to in the 1950s. The need for an orchestrated cultural offensive might not arise; but if it did, the Agency would have its own officers, their agents, and those beholden or compromised by collaborating, in the right places to direct such an assault. Liberals did not mind the generally anti-McCarthyite tenor of CIA-funded projects in the Fifties. The story would have been different if that cultural apparatus had been revealed at the peak of the Vietnam crisis or in the current time of investigations aimed at the Agency itself.

This is the real threat implied in the *Encounter* episode—it reveals a belief that the open processes of democracy are not sufficient for our government, that they need some "help" afforded them from behind the scenes. The actions in Chile and elsewhere show such a tendency in its blatant form. The *Encounter* affair reveals it in a subtler and more dangerous guise. The Agency was expressing its instinct that even the best informed people in the freest kind of constitutional government need manipulation by their invisible guardians. For Chile, "destabilizing" operations. For America, "stabilizing" ones. The colonizing government, which has one kind of politics for its own citizens and another for colonial "natives," ends up having to impose some colony-discipline even on its own—if for no other reason, to hide the steps it feels it must take in "backward" parts of the empire. Thus England itself had to live under the Official Secrets Act if the Empire was to be governed by methods best left in the dark. The CIA, in order to accomplish an Iranian coup abroad, must impose a discipline of silence on all citizens at home—voluntary for its own members, unwitting for most of the populace.

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[1] Harcourt Brace Jovanovich, 1964.

The CIA's higher knowledge about the "real" struggle in the world gives it access to a higher code of morality. Richard Helms, testifying before the Church committee, expressed sympathy with the viewpoint of the CIA scientist who hid away shellfish toxin after President Nixon signed an international agreement to destroy all such weapons of biological warfare—the man, said Helms, was just acting "for the greater good." The higher code gives special license. The lawyer for the Cuban defendants in the "plumbers" trial said that his clients felt entitled to break the law since they had broken other laws in the past and been decorated for it by the CIA.

The higher code also imposes special duties. If there is any overriding imperative for the Agency, it is "Protect your agents." You might have to "protect" an agent by killing him; but in a world of endlessly mirrored mutual deceptions the minimal social glue is an agreement never to reveal an agent's ties with the CIA. The CIA usually has a double pledge for the secrecy of its operations. In the *Encounter* case, for example, it tried to keep its actions secret to maintain their effectiveness; but even if that motive had, for some reason, disappeared, it would still be bound to silence in order to protect Melvin Lasky, who was the agent in this instance.

Buckley's novel, of course, is a dramatization of the "higher law" ethic. The hero not only defies Congress at the novel's conclusion. The action he is hiding was undertaken, in the first place, to protect the Queen of England from her own indiscretions. (At the climax of the novel, the hero is almost assassinated by the Agency to protect his CIA identity.) The "real" governors of the world must prop up the governments that need propping, just as they tear down those that deserve "destabilizing." In a world view so shaped, it is laughable to expect "improved accountability" from the CIA. How can the superior organization be accountable to the inferior?

3) *Coriolanus.* The basic training for clandestine intelligence is in "tradecraft"—the rules to be observed for keeping one's role and task and identity secret. These rules are based on an assumption that one is being watched, suspected, betrayed. You must always presume the worst, to be on guard against any surprise. The result is a kind of shadow-awareness, always, of some Other watching you, of the Foe, of the invisible man on the other side of the chess board. It would be foolish to think that the enemy is any less intelligent than we are. Indeed, to protect its own officers, the Agency must instill in them a healthy respect for "the other side." This is needed, as well, to get funds and freedom of maneuver from one's own government—the more it fears an enemy, and suspects it of extensive and effective espionage, the more it will demand intelligence work on its own side. Furthermore, when defectors are found, they must be presented as important and serious figures (as when the CIA forged the Penkovsky memoirs for a prize defector).

So the Soviet spy is portrayed as a mistaken but dedicated adversary. Here is the way Allen Dulles puts it:

"He is blindly and unquestioningly dedicated to the cause, at least at the outset. He has been fully indoctrinated in the political and philosophical beliefs of Communism and in the basic motivation which proceeds from these beliefs, which is that the ends alone count and any means which achieve them are justified. Since the ingrained Soviet approach to the problems of life and politics is conspiratorial, it is no surprise that this approach finds its ultimate fulfillment in intelligence work. When such a man does finally see the light, as has happened, his disillusionment is overwhelming. The Soviet intelligence officer is throughout his career subject to a rigid discipline and, as one intelligence officer put it who had experienced this discipline himself, he "has graduated from an iron school." On the other hand, he belongs to an elite; he has privileges and power of a very special kind. [*Craft of Intelligence*, pp. 95–96]

Watching yourself through such an adversary's eyes, trying to think along with him to stay one step ahead of him, leads to a kind of intellectual marriage. *He* understands the stakes, just as you do. That is a bond that sets you apart from the duller and manipulated masses. Winning him over is the true victory. Arthur Koestler said, apocalyptically, that the final struggle for the world would be between communists and ex-communists. That was a view Whittaker Chambers expressed at times—and William Buckley brought Chambers onto the editorial staff of *National Review*, a magazine that seemed at first, principally made up of ex-communists and ex-CIA employees. The CIA would like to amend the Koestler formula slightly, making the final struggle occur between the CIA and the KGB.

In a sense the formula, however expressed, is tautological: the final struggle can only take place among those who know there is a final struggle. The rest of us, who do not live on that high plane of awareness and conflict, may suspect that thinking there is a "final" struggle is the only thing that can produce one—which just shows that we do not know the stakes. We are blind to the scale of our own danger, and must be protected, despite ourselves, by our clandestine benefactors. A spy can easily come to respect his highly conscious foe more than he does the sheep on his own side. This may explain the equivocal, oddly generous attitude of some British intelligence sorts to Kim Philby when he fled. Miles Copeland, the retired defender of the CIA, wrote in *Beyond Cloak and Dagger* (Pinnacle, 1975, p. 282): "To those deep inside the intelligence establishments, both East and West, it often seemed that the term 'the company' should apply to all of them considered together. Considering that the interplay between them is what determines the future of the world, they may have something."

The respect can also magnify the Enemy, turning him into an omnipresent threat, almost superhuman in his prescience and skill. Every move he makes must be presumed to be a feint. Even his setbacks may be staged ones to throw us off guard. For this reason James Burnham used to claim that the Sino-Soviet split was all a charade, played out for our deception. Even he gave up that analysis some time ago. It was no longer tenable anywhere but in the John Birch Society and in the CIA.

The bright university lads of the CIA do not agree with the real kooks of the John Birch Society, who find a communist under every bed. They pooh-pooh such talk, even though they sometimes encourage it for people who cannot get a more sophisticated grasp upon the communist danger. But the bright lads are also tough, not naive liberals. They reengage kookish specters at a higher level. After all, if there is not a communist under every bed, whose bed might better have a communist bug placed under it than a CIA agent's? Shouldn't one act as if one is there, just to be on the safe side? Thus does the higher Birchism creep in upon our saviors.

The CIA man is only important if his foe is. The stature of the enemy gives him his pride, as Aufidius and Coriolanus must boast of the other man's prowess to establish their own. They are totally oriented toward each other. Each is the other's Destiny.

Thou hast beat me out
Twelve several times, and I have nightly since
Dreamt of encounters 'twixt thyself and me;
We have been down together in my sleep,
Unbuckling helms, fisting each other's throat,
And waked half dead with nothing.

If communism were to disappear overnight from the face of the earth, some totally devoted anticommunists would find their lives not fulfilled but disintegrating. Life would be robbed of the normative thing that gave it meaning. Coriolanus want to beat Aufidius, yet still to have Aufidius around to fight. . . .

William Buckley has said that Stimson's famous 1929 remarks about gentlemen not opening other people's mail was well enough in some other kind of world, but the menace of communism makes it necessary for us first to make the world safe for gentlemen. It is easy to predict that the world will never be thus safe: if virtue had to wait until vice disappeared before venturing to exist, the world would see no virtue. But it is true that the KGB and the CIA give each other their reason for being. They live for each other. The rest of us are not supposed to interrupt this clash of higher powers over our heads. They were born for this.

DEVELOPING APPROPRIATE TECHNOLOGIES

HON. JEROME A. AMBRO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. AMBRO. Mr. Speaker, there is a developing area of thought in the world of science policy that merits the close attention of all who argue for sound investment of U.S. research and development funds. Called appropriate technology, it promises to alleviate the problems inadvertently created when scientific advances lost sight of their central purpose: to enhance the general environment of the society it serves. A recent review of E. F. Schumacher's "Small Is Beautiful" published in Technology Review stated:

> We must develop a lifestyle, he says, compatible with the real needs of people. Technology has its uses, and was probably very helpful during the 19th century in the production of more goods with less labor. Now it produces too many unwanted hands. People are losing their human drive and becoming biological misfits. Meanwhile cheap energy is running out; nuclear power plants are alarmingly dangerous, the environment is progressively devastated. High technology, now dominant in both agriculture and industry, is on an anti-survival track. Yes, we need technology, but on a more intelligent plane—"technology with a face."[1]

Every society develops a technology appropriate to it. The problem we now seem to be facing is not so much a problem of technology as it is a reflection of the changing society we live in. But technology is a flexible servant, restrained only by the organizations that manage them. Unfortunately, those organizations often lack the kind of flexibility seen in the technologies they manage:

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[1] Stuart Chase, "Technology With a Human Face," *Technology Review* (October/November, 1975); page 68.

> The implications of the way we choose to do things are far wider and more significant than the criteria of the dollar cost of the immediate actions. Smaller scales and regional autonomy in the ways we produce our goods, make available our services, and control our social processes is possible. Such technology is necessary to our political and economic health. . . .[2]

In discussing this, I find it wholly applicable to the problems of implementing energy conservation methods and the alternative energy plans that are being proposed. These are, in fact, regionally tailored processes difficult to manage from a central bureaucracy. This difficulty in no way diminishes their importance. The opposite is true. We must organize our political and scientific communities to be responsive to these new demands our society is making on our technological base. These demands are the logical outcome of an educated society that has close contact with the products of our research and development efforts. Understanding has brought a desire to fully realize the potential technology offers. We must work to make sure Federal policies meet this new demand.

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[2] Tom Bender, "Sharing Smaller Pies," monograph.

GAO QUESTIONS PAY COMPARABILITY FOR FEDERAL "BLUE-COLLAR" WORKERS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. GILMAN. Mr. Speaker, in 1972, Public Law 92-392 was enacted to provide for a fair and equitable procedure for setting and annually adjusting the pay of wage board or "blue-collar" employees in the Federal Government.

These employees include skilled and unskilled laborers, craftsmen, and tradesmen.

Under this law, it is intended that the rates of pay for Federal "blue-collar" employees shall be consistent with the rates of pay of their counterparts in the private sector within a local labor market area.

Public Law 92-392 provides that pay rates be based on the principles that:

There will be equal pay for substantially equal work within the same local wage area;

There will be relative differences in pay within a local wage area when there are substantial or recognizable differences in duties, responsibilities, and qualification requirements among positions;

The levels of pay will be maintained in line with prevailing levels for comparable work within a local wage area; and

The levels of pay will be maintained to attract and retain qualified employees;

On an annual basis, the Federal agency with the largest number of employees in the 137 appropriated fund and 147 nonappropriated fund wage areas established by the Civil Service Commission throughout the Nation conducts a wage survey to determine the proper rates of pay.

As a result of these surveys, true comparability is supposedly attained for these employees.

However, according to a recent General Accounting Office report entitled "Improving the Pay Determination Process for Federal Blue-Collar Employees," this is not so.

The GAO report points out that because of certain provisions of Public Law 92-392, Federal blue-collar wage rates often exceed local prevailing rates, putting the Government at a competitive advantage in the labor market. This situation arises because of the following legislative provisions:

> The Federal pay range at each non-supervisory grade is 16 percent with five equal steps. In contrast, most private sector employees are paid under single-rate pay schedules. When multiple-step schedules exist in the private sector, many have fewer steps than the Federal system. The second Federal step is equated to the prevailing private sector rate, but most Federal employees moved to the fifth step in May 1975—placing them 12 percent above market.
>
> Under certain conditions private sector wage rates used in setting Federal rates may be based on private rates of other localities. (The so-called Monroney Amendment.)
>
> Federal night differentials are based on percentage of employees' scheduled wage rates. This often results in a more generous differential than the prevailing private sector differential.
>
> To insure that the legislative pay principle of comparability is attained, the Congress may wish to reconsider these legislative provisions.
>
> More representative survey coverage needed:
>
> Annual surveys are made of private industry wages in 137 geographic areas. State and local governments are excluded by law and certain segments of the private sector by administrative action.
>
> To insure that wage date is sufficiently representative of local prevailing wages, the Congress may wish to consider allowing State and local governments to be included in the survey process. Also, the Chairman of the Civil Service Commission should:
>
> Expand wage surveys to cover the broadest feasible universe of private sector establishments;
>
> Reassess periodically and adjust as necessary wage and survey area boundaries;
>
> Require appropriate agencies in areas having a specialized Government industry to determine whether sufficient applicable industry exists in the entire wage area before going outside of the area for wage data;
>
> Require that the predominant Federal jobs in each wage area which have comparable private industry jobs be surveyed in addition to the required jobs.
>
> Improving data collection process:
>
> Teams of Federal employees, selected from the local area, match private sector jobs with descriptions of Federal jobs and collect private sector wage rates for the jobs. It is likely that many errors have been introduced into the wage data because of fundamental weaknesses in collection techniques.
>
> To improve these, the Chairman of the Civil Service Commission should:
>
> Establish a permanent body of carefully selected and thoroughly trained full-time collectors to minimize errors.
>
> Establish additional quality controls of the data collection process.

Mr. Speaker, recently, the General Accounting Office testified on this report before the Subcommittee on Employee Rights and Intergovernmental Programs of the Post Office and Civil Service Committee. In a colloquy with H. L. Kreiger, Director of Federal Personnel and Compensation Division, I stressed the importance, in fact the necessity of having a competent wage survey team review a representative number of firms in the private sector to insure that the data collected is a valid basis for setting and adjusting wage rates.

Mr. Speaker, this seems to be the keystone in carrying out the policy outlined in Public Law 92-392.

Some of the aforementioned recommendations of the General Accounting Office to improve the process of achieving comparability for Federal blue-collar workers are already being implemented administratively by the Civil Service Commission. Others will require legislation.

Last week, Mr. Speaker, President Ford, in his budget for fiscal year 1977, proposed to reform certain aspects of the law governing Wage Board pay rates in accordance with the recommendations of the President's "Panel on Federal Compensation." These recommendations were similar to those contained in the GAO report.

The proposed reforms listed in the budget report are: first, repeal of the Monroney amendment; second, amend the night shift differential provision; third, provide step rate increases which are more consistent with national private industry practice; fourth, adjust wage schedules to compare with the coverage of private industry and Wage Board salaries; and fifth, including State and local government salaries in wage surveys.

It is estimated that if these recommendations are enacted into law, a substantial savings will accrue to the Federal Government annually.

The Civil Service Commission informs me that appropriate legislation implementing these proposed reforms will be submitted to the Congress within the next few weeks.

Mr. Speaker, if the Government intends to adhere to the concept of comparability for its blue-collar employees, then immediate attention must be given to the recommendations of the General Accounting Office.

INAUGURAL ADDRESS OF BUENA VISTA COLLEGE PRESIDENT

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. BEDELL. Mr. Speaker, last fall, Mr. Keith G. Briscoe was inaugurated as the 16th president of Buena Vista College in Storm Lake, Iowa. In his acceptance address, Mr. Briscoe spoke of the problems which face our Nation while reminding us of our ability to find their solution. And, most importantly, he emphasized that, in our young people, we have an invaluable resource with which to meet the challenges of the future.

As we in Congress grapple with the many complex issues of the 1970's, I think that we would do well to reflect for a moment on Mr. Briscoe's message. I thus hereby submit this distinguished educator's inaugural address for inclusion in the Record, and commend his remarks to my colleagues:

Inaugural Address

President Keith G. Briscoe delivered the following address on the occasion of his Inauguration as sixteenth President of Buena Vista College on Saturday, October 18, 1975.

Mr. Chairman, Trustees, Honored Guests, Members of the College community, special guests representing great colleges of the State and Nation, our students, my friends, my family:

I am honored to stand here—at this time, in this place—as part of Buena Vista College. But the honor you have bestowed upon me is one that I must share with those who have molded the foundation upon which I seek to build.

I feel that this day should focus also on my wife Carmen, who assumes with me responsibilities for the future and without whose love and dedication I would not be here today. Because of her and of the love and trust of my family, I look to the future with confidence.

Then, too, on this day I have memories of great teachers: the Raulps, Warrens, Debowers, Clarks, and Siewerts. A people blessed with such great teachers has much to be proud of. I remember them . . . I stand in their debt. Their legacy was helping to build leaders for this nation. Our legacy, as mentors, scholars, and businessmen, will be not only how we teach others, but also how we answer and respond to the critical issues of our time.

The American dream, said Archibald MacLeish, "was promises". And the promises of life, liberty, and the pursuit of happiness inspired the dreams of Americans for generations. How do we prepare our potential leaders to cope with true independence? It is the preparation of young people for America's future that I wish to speak today.

How does one expand dreams into visions, and visions into realities? History gives us a clue. We have not forgotten that the founders of this nation were men of vision who conceived a form of government unique to civilization. Nor have we forgotten that, even before the constitution, they also conceived the American private college—an institution designed to prepare men and women to broaden their horizons and to pursue their dreams through the study of the liberal arts. Just as men of breadth and vision built our constitution, so will citizens of breadth and vision solve the critical problems of our own time.

Today we have need for new dreams. Our vistas are narrower; our last frontier has a new pipeline; our virgin land is gone. America is no longer a developing nation. In marked contrast to the third world, we are a developed nation—one which has exchanged its growing pains for internal discomforts.

Our churches are being divided again as they were in Luther's time . . . yet we see no Calvin or Wesley on the horizon. Our major political parties spend millions campaigning against each other . . . yet they are so similar philosophically that each has its right and left segments. Scientists strive to conquer space . . . yet they fail to solve the challenges of human suffering or to conquer cancer, heart disease, pollution-related health disorders, birth defects, and emphysema. Social concerns exist within every type of organization . . . yet many leaders become self-serving and lose interest when the issues no longer yield high lecture fees or no longer gather votes.

Government regulations are established without research or concern for their environmental impact; rather, many are established to gain support from special interest groups. And once passed, they remain on the books forever, causing millions to condemn laws of the land which limit their own personal dreams. The world monetary system has been adjusted to the point that the original concept is lost. A new economic order must be found not only for America—but for the world. And it must be built upon the powerful sense of mission to other people that we Americans possess.

We have great resources, great wealth, great strength. Our nation has the vital material ingredients with which to establish this new order. But it will be those Americans who are broadly trained in economics, sociology, science, commerce, political science history, religion, languages, and the arts who will conceive this new order. These graduates, understanding the interrelationships of these courses, will take to the world the American dream, demonstrate the economic dimension of our multi-cultural civilization, harness the human and raw energy of the world, and bring us to realize that we are a nation among nations of equal interdependence.

Walt Whitman characterized us as "a teeming nation of nations," he saw us as a nation of diverse nationalities, races, religions. Other nations have, throughout history, built upon or are yet building upon a single people, a single nationality, a single race, or a single religion. No other nation has ever accepted the challenge of becoming a melting pot for all tongues, cultures, religions, and ideals as has America.

It was not the sword that changed the cultures of the world . . . rather it was ideas. Conquest always failed to make men from many cultures brothers . . . it took the fulfillment of the American dream to do that.

Disparate peoples embraced America, accepting her as their own without coercion. They came with courage, not fear. They came with hope, not despair. They came prepared to face hardships, and they created a new nation of nations. They came knowing that what made them different made them Americans. And the cultures they represented and that their descendants represent are still alive for those who study the liberal arts.

Can America's story become a world-wide story? Or will we go as other great nations have gone before us? Our civilization, built upon the great wealth of our land, has given us the world's most productive system of agriculture and industry. But history warns us that earlier civilizations had most the same opportunities—but lost after the rape of the land had badly depleted the natural resources. New priorities toward our future use of resources will not come from those trained only in one segment of agriculture, or of technology, or of industry; instead they will come from those who understand that each solution to a problem has psychological, biological, sociological, and economic consequences—and that each solution creates a new problem.

Only those with solid, broad foundations of knowledge can plot a course for a nation with a shrinking frontier; sprawling, decaying cities, and polluted, abused land. Only they can lead us to grasp that with private ownership go personal responsibilities. Only they can convince us that, in America, to take away economic freedom is to weaken the work ethic.

America is a productive place because it is a work place. Working in America is our greatest strength—it is our ethic. Americans have always believed that hard work made their dreams come true. But there is developing a new work ethic. On the positive side, we no longer accept slavery or exploitation; on the negative side, we have many Americans who are employed below their capacities . . . if at all.

Our problem now is to create a climate for life that is both productive and leisure-centered. The problem will not be solved by unions demanding greater remuneration without correspondingly greater productivity; nor by a welfare state that finds third generations enrolled—generations whose lives are meaningless because they have never learned to enjoy the fruits of labor; nor by people unprepared to enjoy leisure hours away from work and in retirement. Nor will it be the technocrat, the labor leader, or the bureaucrat who solves these problems, for they are reactors . . . seldom producers.

No, he who finds the new American work ethic will be someone trained in the meaning of life, the profit of work, and the pleasures of the arts—someone from our liberal arts colleges.

Just as America is a work place, it is also a market place, unexcelled in bringing technology and marketing together. Entrepreneurs have transformed the energies and natural resources of this nation into the greatest wonder of the economic world, and today in this audience are some of the great ones.

The term "profit" was viewed with excitement for 200 years; so also was "free enterprise". Today both are under suspicion. Yet profit and free enterprise have brought us to the highest level of civilization ever achieved. Our nation is, in fact, so strong as to permit the heavy taxing of corporations in an attempt to solve all of today's problems today, rather than following the wiser course of permitting a better depreciation allowance for recapitalization (not to mention double taxation), thereby guaranteeing our future.

Private education, like business, cannot operate at a deficit—nor can we levy taxes to cover inefficiency. The public cost, per student, in private education is the least expensive in America; yet the private sector of higher education proudly maintains its reputation for excellence. And it is the profit of the businessman, the farmer, the corporation that continues to ensure our quality and our survival, because they, too, believe that the nation needs and will continue to need those with liberal educations.

Private colleges are the leaders of the free enterprise system in education. If our nation is to continue to grow, it will be those trained in business at liberal arts colleges who will help to stimulate it. The effect of a Christian college asking social questions, operating as a business based on Christian ethics, and serving as a model for aspiring young businessmen will both strengthen and enhance the image of free enterprise in America.

Today we have discussed America as it has grown up and has established its place in the world as a land of plenty . . . not only as a nation of nations, but as a nation of farmers, workers, and businessmen—as a people still striving as did their forefathers to create a more perfect union. We are a dream . . . a work ethic . . . a religious nation . . . an economic marvel. We are a collection of rugged individuals—a democracy with equal voices in the affairs of man which can return great dividends when used. Collectively, government can take away our incentive to work . . . our freedom of worship . . . our desire to dream and explore . . . our characteristic individualism. Collectively, broadly educated voters have the tools to measure the effectiveness of those who represent them and to approve or disapprove any or all of their actions.

It might appear that I am biased toward a liberal arts education for all. That is not totally correct, for we need well-trained persons from our fine technical institutions for immediate work placement. And we need the research and services of our great universities. We as a nation cannot survive without the distinctive contributions of all three.

My major point today is that a significant part of this nation must be liberally educated if we are to identify with accuracy our divergent needs and problems, to chart a future course for America, and to establish its priorities for continued greatness . . . for the liberal arts graduate is the very mortar of the foundation of this nation.

It is my firm belief that the creative, capable leaders we seek will have been educated in the liberal arts tradition, for it is the private liberal arts college that develops a sense of family . . . it does more than create belongers—it unites. It is the private liberal arts college that educates for work and life . . . it creates more than wishers—it creates productive workers who enjoy living. It is the private liberal arts college that believes "In God We Trust" . . . it creates thinkers—but it also creates believers.

Mr. Chairman, it is with honor that I accept the presidency of Buena Vista College, a liberal arts college that has a mission in America. To you, the trustees and faculty of this college. I accept your charge, understanding fully that this is more than just a day to inaugurate the sixteenth president. Rather, it is a day that we all . . . trustees, alumni, friends, faculty, students, administration and staff . . . must rededicate our belief in Buena Vista College, striving ever to achieve our fullest potential in institutional support and in developing our collective and individual talents in order to better fulfill our mission. For in John's gospel, Jesus said, "We must work the works of Him who sent me, while it is day; night comes, when no one can work."

The old know only too well how brief is the day of a person's working life; the young who stand on the threshold of their productive years hold a rich treasure. We must renew our dedication to nurturing this treasure, so that their dreams—their visions of their future and America's—can become realities.

For it is in the Lord's name this college was created . . . it is in the Lord's name it continues to exist. I ask that from this day on you join me in demonstrating this renewal.

MAYOR DORA GAINES OF ECORSE, MICH., JOINS THE RANKS OF MORE THAN 500 BLACK WOMEN ELECTED OFFICIALS

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. CONYERS. Mr. Speaker, the struggle for equality for all citizens has been long and difficult. During the 1950's and early 1960's significant advances in the area of civil rights were made. In the past few years the momentum has shifted from political equality to sexual equality.

Today more than 500 black women hold public office, four times the number in 1969. Among those who have recently become public officials is Mrs. Dora Gaines of Ecorse, Mich., a city of 17,500 people. Active in politics since the age of 18, educated at Wayne State University, Dora Gaines has served on the city council since 1972 and was appointed mayor of Ecorse in November 1975. Mayor Gaines is more than equal to the challenge of being the mother of nine children, keeping active in the First Baptist Church and in her many other community involvements, and being mayor.

Two articles in the Michigan Chronicle on January 10 and the Detroit Free Press on January 2 highlight the growing importance of black women in politics. I wish to bring to the attention of my colleagues the admirable work of Mayor Gaines and of several other women in State politics. I believe they are the wave of the future:

[From the Michigan Chronicle, Jan. 10, 1976]

Captures Two Firsts With Appointment—Ecorse's New "Hizzoner" Is a Lady

(By Darcelle Kanoyton)

History was made in Ecorse recently as, for the first time, a Black woman is serving as mayor. The city has never had either a Black or a woman serve in that post.

The new mayor is Mrs. Dora Gaines, who has been active in politics since she was 18, but says she had always been content to be the woman behind the candidate.

It was not until after she was appointed to the City Council in 1972 that she realized she wanted to run for office. Mayor Gaines served as a precinct delegate in Ecorse in 1968. She was appointed to the Council in 1972 and was later elected to the Council. She then served as mayor pro tem from November, 1975, until just a few weeks ago when she was appointed mayor upon the death of former Mayor Charles Coman.

Some of the goals Mayor Gaines has in mind include development of a senior citizen high-rise, increased recreation facilities, increased business for the area and more adequate transportation.

The new mayor is a lifetime resident of Ecorse. She attended school there and also attended Wayne State university.

Commenting on the challenges she faces in her new position, Mayor Gaines stated that one of the greatest challenges will be "to let my fellow men in this community know and feel that I am no different from any other official and that they can come to me with their problems."

She added, "I want them to know that I am not just a Black mayor but mayor of the entire city."

Mayor Gaines states that she does not call herself a women's libber. However, she commented, "I am a firm believer that women can do some jobs equally as well as men and some others even better."

Commenting on the general attitude in the Ecorse community, she stated, "I think some men feel that no women qualify to sit in top positions or to sit alongside them."

She added, "My greatest achievement will be to prove to this community and other communities that we can achieve our goals under the direction of a woman as mayor."

Mayor Gaines stated that her only goal in politics is to give service and she plans to remain strictly on the city level in politics. Her current term runs until November, 1977.

Although her family is understandably proud of her appointment, they have reacted quietly. She explained, "We are not a family that thrives on prestige. We have long since passed that because I was either the first woman or the first Black in every position I've had in the city."

Mayor Gaines and her husband, John, have nine children ranging in age from 13 to 26. She is a member of First Baptist church and many community organizations.

The overall community reaction to her appointment has been very gracious, according to Mayor Gaines. She stated that she does expect to be faced with certain obstacles but added, "I will meet them and overcome them with an open mind."

[From the Detroit Free Press, Jan. 2, 1976]

Black Women Mayors—One of Them Says "Not Bad for a Little Old Lady"

(By Charlote Robinson)

In 1971, Ellen Walker Craig, 69, a black woman, defeated her younger male opponent by nine votes to become the mayor of Urbancrest, Ohio.

Urbancrest has an all-black population of 729, and her election was hardly a significant political coup, but still Mrs. Craig is proud. She was the first black woman elected mayor in the United States.

"Not bad for a little old lady," she recalled recently.

Out of more than a half-million elective offices in the United States, there are 530 black women elected officials.

"Black women are just starting to go into politics, and it's about time," said Mrs. Craig. "It took two social movements to get black women out front—the civil rights movement and the feminist movement."

The combination of the two movements has had its effect in the '70s. According to statistics from the Joint Center for Political Studies in Washington, D.C., in 1969 there were only 131 black women elected officials in the United States.

The 530 black women elected as of November, 1975 include four U.S. representatives—Barbara Jordan, Shirley Chisholm, Yvonne Brathwaite Burke and Cardiss Collins; 35 state government officials; 31 in county government posts; 203 in municipal government; 34 in law enforcement (judges, etc.) and 214 in education (college and school boards).

Now there are 10 black women mayors, including Dora Gaines who was recently appointed by the Ecorse City Council to serve out the two-year term of Mayor Charles Coman who died Nov. 29.

Dora Gaines, the new mayor of Ecorse, points out she had no choice in whether she would be a man or woman, black or white . . . "but I did have a choice of whether I wanted to do something to help make this city a better place to live in."

With the exception of Mrs. Gaines, who heads a city with a population of 17,515, and Doris Davis, mayor of Compton, Calif., population 69,000, the women are running small, predominantly black towns with populations of less than 7,000. The towns include Richwood, La.; Fairplay, Colo.; Rendville, Ohio; Easton, Texas; Mansfield, La., and South Bay, Fla.

One woman, Eunice Matthews of Highland Beach, Md., runs a town of six people. It's 200 people in the summer but during the winter the whole town occupies Mrs. Matthews' household: she, her husband and four children.

Mrs. Verdiacee Goston, 48, runs the town of Richwood, La., a newly incorporated town with a population of 2,500, three miles south of Monroe.

At the third National Institute of Black Elected Officials, held recently in Washington D.C., Mrs. Goston talked about her town and her office.

Early in 1974, Mrs. Goston petitioned the governor of Louisiana to incorporate Richwood as a township. The town was created Dec. 31, 1974. "I thought if we became a town we could participate in revenue sharing," she said. "None of the federal dollar had ever trickled down to us in our community."

The average income in Richwood is under $3,000 a year. There are two people who make over $8,000—one a farmer, the other a teacher. About 15 percent of the population is on welfare, and many are receiving some form of Social Security. "It's a community of small farmers—backyard gardens, mainly—women who do general housework in the city of Monroe and laborers," she said.

As mayor, Mrs. Goston takes no salary. Her husband, John, is the town's chief of police and he gets $250 a month. He was appointed by the governor at the same time she was appointed mayor.

"It happened by accident," she recalled. "John had driven me to Baton Rouge to be sworn in as mayor, and the governor told us we had to have a chief of police right away. John was the only one handy."

The town's community center—an old dance hall that the townspeople remodeled—houses the town hall. "While the government is in session, children may be roller-skating in the main hall. The community center houses just about everything," she said.

"The state put in a meals-on-wheels program to feed 18 elderly people at the community center. We already had a volunteer program at the center to feed all the elderly people in the town," she said.

Mrs. Goston's first year in office has not been without waves. "I get a lot of criticism from the two people who are making more than $8,000," she said, smiling. And one newspaper recently called her an "ignorant little old lady."

"Now I didn't mind being called ignorant. I'm self-educated: I never went to school for very long when I was growing up. I don't mind being called old—I'm a grandmother.

"But," she said, indicating her ample figure, "I ain't little."

Mrs. Goston has big plans for little Richwood. "We're going to grow," she said. "We have got a lot of land out here that can be developed. Some industry could come out here. We'd like to get our own school." (Now the town's children go to school in Monroe).

And Mrs. Goston plans to institute a town garbage collection service—right now the citizens have private collection paid individually.

"It's not going to be no big I's and little you's in Richwood," she said. "We're going to grow together."

Mrs. Craig, mayor of Urbancrest, has always been involved in the government of her town.

If she wasn't on the city council herself, her husband or her uncle or her brother was. She's lived in the town all of her life, and most of its residents are relatives or close friends.

"That's one of the reasons I don't like to hold Mayor's Court (like a traffic court). It would create all kinds of problems with family and friends," she said.

Mrs. Craig, a former domestic and her husband, a former maintenance man, are both retired and live on Social Security. The mayor's salary is $500 a year. "This is my last year as mayor," she said. "I'm not going to run again. I owe it to my husband to stay home and be with him now. He's been my biggest fan and my biggest encouragement."

During her term, she said, the town has bought and renovated an office building to house the government, and a youth council has been established to give the town's young people a say in the running of the government. "I haven't done too bad," she said. "I just got out there and did my thing."

Dora Gaines, the new mayor of Ecorse, as the top vote-getter on the city's council, was mayor pro tem until her appointment.

Mrs. Gaines is a lifelong resident of Ecorse. She said she has been in politics since she was 18 years old. "I worked for candidates in virtually every kind of election," she said. She first took office as a councilwoman in 1972 when she was appointed by then Mayor Albert Zukonik after a recall of three councilmen. She was reelected in 1973.

Her husband, John, is a painter for the city and also operates a painting business of his own. He was once nominated to be appointed the city's DPW superintendent, at $20,000 a year, but he turned it down.

In her address to the City Council after her appointment, Mrs. Gaines noted that having a black woman mayor "must bring some fear and apprehension to many of our citizens."

But, she said, "I am exactly what you are, a fellow citizen of this city. And I'm here tonight for the same reasons you are—because I want to live in a better community."

Mrs. Gaines pointed out that she had no choice in whether she would be a man or a woman, black or white.

"But I did have a choice of whether I wanted to do something to help make this city a better place to live in," she said.

REVIEWING OUR FOREIGN POLICY—II

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. HARRINGTON. Mr. Speaker, yesterday I inserted in the RECORD the first half of an article by Richard Barnet appropriately titled "The Great Foreign Policy Debate We Ought To Be Having." Our experience in Vietnam, according to Mr. Barnet, indicates a need for a sweeping reassessment of our foreign policy, not only in tactical detail, but in terms of our most fundamental goals and assumptions.

Today I am inserting the remainder of Mr. Barnet's article as it appeared in the January 17 issue of the New Republic. It is my hope that the Congress will heed his suggestion and conduct a thorough review of the U.S. role in the world, perhaps through a select committee created expressly for that purpose.

Mr. Barnet's observations continue as follows:

THE GREAT FOREIGN POLICY DEBATE WE OUGHT TO BE HAVING—II

(By Richard J. Barnet)

Much of our official anti-communism has not involved the Soviet Union directly. Well over half of the military budget is for what used to be called conventional forces (ships, planes, tanks and ground combat units) and these, along with the CIA covert action operations, have been used to bring about or prevent internal political changes in other countries, mostly in Asia, Africa and Latin America. A partial list of countries in which a U.S. military intervention or a U.S.-backed coup has been attempted since the end of World War II includes the Congo, Cuba, Dominican Republic, Greece, Guatemala, Guyana, Iran, Laos, Lebanon, the Sudan, Syria and Vietnam.

The U.S. has found itself fighting nationalist movements around the world in the name of anti-communism for three basic reasons. (Since we are likely to encounter similar nationalist movements closer to home in the next few years—Panama and Puerto Rico, for example—it is especially urgent to examine them.) We are implementing our global counterrevolutionary policy by maintaining forces not needed for the defense of the U.S. at a cost of about $36 billion a year. What are we buying? Why are we buying it?

The first argument for fighting a nationalist, revolutionary movement led by Communists as in Vietnam, has been containment of Soviet power. From the early days of the cold war to the Johnson administration the official US belief was that insurgent movements were secret weapons of the Kremlin. Mao was Stalin's agent. Ho was a puppet on a long string from Moscow. It was legitimate and necessary to intervene internally in the affairs of other countries to forestall Russian conquest by Trojan Horse. The historical evidence suggests otherwise. Nationalist movements, whether inspired by Marxist-Leninism or not, are fiercely independent. When they succeed they do not automatically increase the power of the Soviet state. (Indeed the relations between the Kremlin and Communist regimes that have come to power independent of the Red Army—China, Albania, Cuba, Vietnam—have often been stormy.) Soviet arms shipments to North Vietnam followed massive US military intervention. It was the US that set the pace of the competitive intervention. So also in Cuba. Both the Cubans and the Vietnamese have made it clear that they would like normal, even friendly relations with the US to lessen their dependence upon the USSR. If the motive behind the counterrevolutionary policy is containment of the Soviet Union, we should consider whether a policy of competitive non-intervention would serve our purposes better. We now know that the more engaged the US has become in aiding governments threatened with insurgency, the more Russia and China have aided the revolutionaries and the more weak independence movements have fallen under their sway.

But there is a second argument for using American power to influence internal political and economic changes in other countries. There is a missionary spirit behind American imperialism. With technical aid and foreign investment we can rescue the poor countries of the Third World from the irrationalities of socialism. We can transplant the American model of development and in the process create a congenial world for the flourishing of the American economy. But there is now abundant evidence that the American model is a failure for most poor countries, that without basic structural reform for the redistribution of wealth a veneer of capitalism in feudal societies perpetuates and exacerbates poverty.

True Communist approaches to development have at times been dogmatic, impractical and punitive. But if we take as the criterion of success the welfare of the majority of people—literacy, nutrition, health care, jobs—the Communist revolutions that we oppose—China, Cuba, North Vietnam—seem to do far better than the "Free World" governments we support. There should be a candid discussion about why the United States so often appears to be on "the wrong side" in revolutionary struggles. Indeed why is it in the interest of the United States to be on any side? If we do not have the answers for poor countries, why should we not encourage a variety of experiments? (The Chilean case is instructive. By helping to overthrow the Allende experiment we helped to bring into power a government that is not only repressive but incompetent. Because of disastrous economic policies the position of the Chilean middle class for whose benefit the coup was supposedly carried out is much worse than it was under Allende.)

The third argument behind global anti-communism is the threat of totalitarianism. Communist regimes do not offer freedom of the press or other democratic liberties traditional to the United States. Political repression and executions have taken place under left-oriented nationalist regimes. But the argument that the US is fighting communism in the name of freedom is wearing thin since the level of repression in such leading members of the Free World as Brazil, Iran and Indonesia is high. By ignoring repression in the countries it supports most closely, the United States has undermined whatever moral influence it might have over other countries. It is difficult after welcomng the Salazar dictatorship as an ally for over 20 years to emerge as a convincing defender of Portuguese democracy. The issue of totalitarianism is central. But the debate should focus on the extent to which the US in its present policies, particularly military aid and arms sales, is promoting and legitimizing dictatorship and the extent to which the spread of dictatorship around the world ultimately threatens the survival of democracy in America.

In short we need a debate about how the U.S. should relate to the process of political and economic developments taking place around the world. President Ford and Secretary Kissinger repeatedly warn of a wave of "neo-isolationism" that will engulf Americans and cause them to shirk their "responsibilities." These expletives are the current official favorites. Every imperial power has asserted its responsibilities for other people and has killed a good number of them in the process. "Isolationism" had a real meaning in 1940. It was a convenient label to apply to the significant number of Americans who didn't, for a variety of reasons, want to fight Hitler. It is now used in political discourse like a Pavlovian bell. Everyone wants to fight Hitler. But the contemporary meaning of the word is hopelessly confused. (Adding a "neo" merely makes matters murkier.)

The links of interdependence between the American economy and the world economy are so pervasive that isolationism is not a possibility for the United States. The choice is not whether the United States is to be integrally involved in the international system but the terms of the involvement. This is the crux of the debate we are not having. The self-perpetuating elite that has run our foreign policy for a generation have assumed that the United States cannot afford to share its power by accepting limits on its right to make crucial unilateral decisions—whether to use nuclear weapons, whether to invade other countries, whether to change the ground rules of the international monetary system. The strategy has been to perpetuate for as long as possible the preeminent military and economic position the United States enjoyed at the end of World War II. As the ruined economies of West Europe and Japan recovered and the Soviet Union became a formidable military rival, the tactics for achieving continued American preeminence have been modified. The issues concerning the management of the world economy and distribution of resources are crowding out the older issues of the cold war, many of which like Germany, Vietnam and Cuba have more or less been settled. But the resistance to sharing power remains. The hostile reaction of the Ford administration to the efforts of the poor countries to create a more equitable "new international economic order" reflects a deep-seated isolationism. We are in the unenviable position of defending privilege against the majority of people in an increasingly desperate world.

There is nothing exceptional about such a posture. Every great nation tries to hold on to what it has. But empires collapse because they lose touch with their own time and employ self-defeating strategies for maintaining their power. The issue is whether the security of Americans will be better served by trying to perpetuate the era of American hegemony after the conditions for it have passed or by taking the lead in building a more equitable international economic order and a less militarized international political order. Candor, now in vogue as a political virtue, requires a painful assessment of the real conflicts between American comfort and the survival of a majority of mankind.

One of the most deceptive words in the foreign policy lexicon is "we." Discussion of the American national interest assumes that all Americans share the same interests, that what is a good US policy for Anaconda in Chile or for Gulf Oil in Italy is necessarily a good policy for American wage earners and consumers. It has become clearer in recent months that CIA covert operations have to a significant degree been for the direct support of US-based multinational corporations. That is one example—the Soviet wheat deal is another—of a foreign policy intitiative from which the benefits flow to a small group of Americans and the costs are borne by a much larger segment of society. It is by no means clear that unemployed workers in Detroit, supermarket shoppers and small businessmen have the same foreign policy interests as the largest banks and corporations. Yet it is the representatives of these institutions who continue to make policy in the name of all Americans. There can be no serious consideration of alternative goals and policies without enlarging the circle of policy makers to include representatives of many domestic interests which are vitally affected by foreign policy decisions but which now have no voice in deciding what "we" do as a nation. Until foreign policy is seen for what it is—a reflection of present domestic policy and a context for evolving domestic policy—discussions will never rise above emotionalism and abstraction. A redefinition of America's role in the world will come, if it does, only as part of a process of redefining American society.

CRIMINAL JUSTICE REFORM ACT

HON. VIRGINIA SMITH

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 30, 1976

Mrs. **SMITH** of Nebraska. Mr. Speaker, many emotional misconceptions and incorrect impressions have been generated over those provisions of the proposed Criminal Justice Reform Act dealing with the use of force to repel a night intruder or prowler. I would like to take this opportunity to comment on some of these inaccuracies.

The prime concern has been that an armed burglar could invade a private home with evil intent, and the homeowner would have to withdraw and subject his family to grave danger because his natural reaction to protect would be unlawful. This concept is misleading for several reasons: First, and most important, the Criminal Justice Reform Act would only apply to areas of exclusive Federal jurisdiction. Second, the bill upholds the right to reasonably protect oneself or family from a risk of serious bodily harm. And third, the provisions now in the bill are simply a codification of law that has always been operative.

This codification effort would not have any impact at all on the ordinary American home because it would apply only to areas under exclusive Federal control, such as ships at sea, military bases, Federal Government buildings, or other Federal enclaves. Each State maintains its traditional responsibility to enact and enforce criminal sanctions. These are the statutes which will continue to govern any incident not within Federal jurisdiction.

Contrary to the impression held by many, the bill would permit the use of a weapon to protect against an invading criminal except when it would be obvious to a reasonable person, even under the stress of the situation, that there would be no danger to himself or others in his home. For instance, there would be little excuse for shooting a trespasser clearly recognized as an unpopular neighbor who mistakenly stumbled into the wrong home. Another classic example of the situation this provision is meant to prevent is the placement of a spring gun to automatically injure whoever enters a vacant home. This is clearly not justified because the person wounded may be a good neighbor trying to set the mail inside, or even a relative arriving on a surprise visit. But again let me emphasize, these provisions would only apply to Federal enclaves.

Finally, this bill merely carries forward what has always been the law. In the case of a homeowner trying to repulse a night invader, he would be justified in using deadly force to avoid a threat of bodily harm—a threat generally inherent in the typical instance of night crime. The homeowner would then be judged only on the basis of the threat he reasonably perceived, whether or not the threat was actual.

It is my feeling, however, that we need to take a lesson from the misunderstandings I have tried to outline. Whenever Congress undertakes legislation with the scope, complexity, and detail of this bill, it is my hope that consideration would be thorough and open to assure the American public that in the effort to enact worthy goals we are not acting irresponsibly. For my part, although the immediate effect of this legislation on Nebraska may be minimal, it will receive my closest attention throughout its consideration, because criminal justice is one area in which we must maintain a firm standard.

THE LEGACY OF APOLLO-SOYUZ

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. **TEAGUE**. Mr. Speaker, the joint American-Russian orbital mission has been criticized by some as a "useless stunt." But a special feature article which appeared in the Analog Science Fiction/Science Fact magazine in August calls it a "useless stunt" like Apollo, like sputnik, like Lindbergh, Columbus, and Marco Polo. I commend this well-written article by James E. Oberg to my colleagues:

THE LEGACY OF APOLLO-SOYUZ

(By James E. Oberg)

Sixty days before blastoff, the main Salyut crew module arrived at Cape Canaveral in a Soviet AN-22 jet transport. After unloading at the runway, the spacecraft was taken to the Payload Assembly Building and placed into the payload bay of Space Shuttle number three in preparation for mission SS-22.

The Japanese equipment was still being mated to the Spacelab pallet in Germany, and anxious trans-Atlantic messages were exchanged concerning a possible launch delay. The Soviets expressed unofficial concern about impacting tracking requirements for their planned lunar landing flight.

The standard pre-launch Space Shuttle preparations unfolded without a hitch. Mission SS-22 proceeded to the Vehicle Assembly Building for mating with the fuel tank and solid boosters. Shortly before rollout, pyrotechnics and batteries were installed. The companion pallet payload, which had finally arrived safely, was installed in the second operational Space Shuttle being prepared as mission SS-23 in an adjacent bay of the VAB.

Launch day arrived for the first mission. The three American crewmen and the four Russian passengers entered the spaceship on the pad. Flight commander Dick Truly was on his sixth spaceflight, his second with Russians along. The two groups exchanged pleasantries in Russian and English before strapping themselves in for takeoff.

With its three main engines and two solid fuel boosters firing in unison, the giant space plane rose from the flames. Following a nominal launch sequence, the solids burned out and fell away as planned, while the fuel from the main tank took SS-22 nearly into orbit. The tank separated with a clang and a thud of explosive bolts, to disintegrate over the Pacific Ocean, while the Orbiter vehicle pushed into orbit with its own onboard maneuvering engines. The retrograde orbit needed for this mission had been obtained through the relaxation of some safety requirements, but past successful experience had prompted NASA officials to authorize the overland launch on these two flights. The alternative would have been to wait for the West Coast facility to become operational in four more years.

After twelve hours of trims and minor rocket maneuvers, the spaceship was in the required sun-synchronous orbit several hundred miles above the Earth. The cosmonauts transferred into the Salyut for the final pre-separation checkout.

The four Russians strapped themselves in at the Salyut control station, and Space Shuttle flight engineer Carl Konkel fired the charges which cut the connections between the two vehicles. The grappler arm slowly swung the payload free. When it was sufficiently clear, Salyut test commander Yuri Romanenko opened the craft's solar panels and radio antennas. They were now ready for independent flight, and the American spaceship returned to Earth a few hours later.

Six days later mission SS-23 was launched, after Romanenko had reported that the Salyut equipment had been completely checked out. Mission commander Bruce McCandless completed the rendezvous with the Salyut and prepared to disgorge his vehicle's special cargo. The grappler arm swung the twenty-ton package out into space, where Colonel Romanenko lined up his own vehicle for a manual docking. The modules linked together, and two spacesuited cosmonauts completed a permanent welding job on the attachment interface. The spacecraft was ready.

Through an inflated fabric transfer tunnel, the Space Shuttle and the Salyut prepared to exchange crews. The four cosmonauts who had checked out the Salyut would now turn it over to the actual mission crewmen who had ridden up in the Space Shuttle.

Congratulations and best wishes were exchanged among the American Shuttle crew, the Soviet Salyut test crew, and the four men who were about to undertake the most difficult manned space voyage ever attempted.

Spacemen Vladimir Dzhanibekov, Maarten Houtman, Akinori Nakamura, and Franklin Musgrave were to spend 365 days in orbit. They would test the regenerative life-support systems that would enable men to reach Mars and beyond.

Their year-long international flight had been prepared by scientists and engineers all over the world. It would have been science fiction a decade before. Now it was just the inevitable legacy of Apollo-Soyuz.

In 1975, an American Apollo and Soviet Soyuz had linked up in orbit. Cosmonauts and astronauts had shaken hands in space. Although important engineering and scientific research was carried out on ASTP (the Apollo-Soyuz Test Project), the primary impact on the world was political and psychological. Cooperation was possible in space.

The immediate consequence of the joint ASTP flight was the opening of possibilities for new cooperative unmanned space missions. Even before the launching of the five spacemen, follow-on efforts were initiated. Late in 1975 an American instrument package spent three weeks in space on board a Soviet "Kosmos" biosatellite, the first time that Soviet and American scientists had exchanged hardware on a single mission. More advanced biosatellites were launched in the following years, and by 1978 American instruments had "hitchhiked" to the Moon aboard a robot "Luna" orbiter. In that same year a small Soviet satellite was launched into an equatorial orbit from the Italian San Marco platform off the coast of Africa.

Cooperation opened the route to the planets as well, although the Soviets had some difficult habitual barriers of their own to overcome. Following the successful Soviet Venus orbiter in 1975 and the American Mars landing in 1976, both countries began to discuss future research goals. It was hard for the Soviets to break with tradition and actually announce their future plans, but it slowly happened. The first really combined planetary exploration began in 1978 with the launchings of a pair of Venus probes by both countries.

Also in 1978, the International Deep Space Network was inaugurated with the reception at Goldstone of signals from the first Soviet Jupiter probe. NASA needed the use of similar Soviet tracking antennas in the Crimea to replace the 210-foot Spanish facility. Tied in to Goldstone and the Australian receivers, Soviet deep space probes could increase their data rate by an order of magnitude. Cooperation in space began to pay off.

One of the main advantages of the Apollo Soyuz docking was its spectacular symbolism, emphasized and accentuated by the fact that it was a manned space mission. Planners in both countries sought a feasible follow-on manned project which would continue to attract the surprisingly large worldwide public enthusiasm for the joint mission and other efforts like it.

A backup Apollo spacecraft and Saturn booster were available to NASA, and suggestions were discussed for an American visit to a planned six-man Soviet Salyut complex scheduled for space assembly in 1977. However promising these plans appeared, the Americans were compelled to back out for budgetary reasons.

Since the Soviets were also anxious to maintain this forward momentum which had been started with ASTP, they proposed an interim program for the five years before the US Space Shuttle became operational. US astronauts were invited to fly aboard Soviet Soyuz spacecraft in a special test program to try out new spacesuits and space rescue techniques.

A Russian cosmonaut and an American astronaut rode a Soyuz ship into orbit late in 1977 on the first shot of a three-flight "Intersoyuz" program. Both men wore American-built spacesuits of a radical new design. During their four days in orbit, spacemen Valery Bykovsky and Ronald Evans performed an extensive series of EVA experiments, including the first open-space untethered tests of the Astronaut Maneuvering Unit (AMU) first tried out inside the Skylab. The landing in Kazakhstan was normal in every respect.

The second jointly-manned flight the following spring called for a visit to the derelict Skylab space station, which had decayed in its orbit low enough for Soviet rockets to reach it. The Soyuz docking gear had to be replaced with equipment cannibalized from a surplus Apollo command module so that the Soviet ship could make a linkup with the Skylab's Multiple Docking Adaptor. Lieutenant Colonel Vladimir Dzhanibekov and Lieutenant Colonel Jack Lousma crossed into the space station and managed to activate the life-support systems with residual consumables left in the tanks.

This allowed the two pilots to work in shirt sleeves during their three-day visit, during which they tested various pieces of scientific equipment and made test observations of the Earth and the sun. They retrieved a special "time capsule" package of specimens designed to show the effects of long-term space exposure on various materials. During the last two days of the flight, after they had separated from Skylab, the men performed several EVAs to test the inflating and deorbiting procedures for a revolutionary new "space bailout"' system.

This space bailout system was a new project initiated by the United States but shared with the Soviet Union. Once operational, the system would allow stranded spacemen of either country to leave their crippled spaceships and return to Earth unaided. Compact kits to be included on all future manned spacecraft would deploy into one-man heat shields. A small solid-fuel retrorocket could knock the space-suited man out of orbit. Once through the flames of reentry, the pilot would freefall until he deployed his individual parachute and recovery beacon.

This system worked well in theory, in ground tests, and on the space tests during the second joint Soyuz flight. Now it was time to try it for real. On the last planned Intersoyuz flight in 1979, Soviet cosmonaut General Aleksey Leonov commanded the ship while American astronaut Lieutenant Colonel Robert Overmyer prepared to play human meteor. The whole world watched in tense expectation, as the greatest space drama since Neil Armstrong's Moon step a decade before began to unfold.

The launching from Baikonur cosmodrome was routine, and the first day in orbit was spent checking out the bailout kit. Thirty-three hours after blastoff, astronaut Overmyer was descending by parachute through a Texas sky while recovery forces tuned in to his radio beacon. His purely ballistic uncontrolled re-entry brought him down sixty miles from his planned landing point, and the world held its breath until he was picked up. Cosmonaut Leonov urged on the rescuers from orbit, and he expressed his ultimate relief with a string of mixed Russian and English curses.

The following day Leonov conducted a surprise experiment of his own. After placing the Soyuz on autopilot, he donned the alternate bailout kit in the spaceship and cast himself off. His unexpected landing in the Ukraine turned out to be an authentic case of a real space emergency pickup, and he was severely reprimanded for taking the unnecessary risk. Leonov, who had been a champion parachutist and parachute instructor, confessed that he would never have forgiven himself if he had passed up this chance for the highest jump ever made.

The maturation of the new approach to joint space planning occurred during the Mars-9 and Mars-10 missions in 1977–1978, when the Soviets announced the flight schedules and experiments in advance of the actual launchings. A Soviet-American planning board was set up in Moscow, where they drew heavily upon U.S. Viking experience to put together the optimum science program for the three planned orbiter-lander probes. When the third shot failed to reach orbit, Moscow discovered that nobody held it against them, despite the twenty years of official Soviet gloating over American space failures (which were always prominently reported in the world press, even when American successes were ignored). The remaining two missions did much to fill in the gaps left by the Viking experiments, and a permanent cooperative Mars exploration directorate was established.

This joint effort led directly to the planning for the 1981 Mars sample-return mission, in which pairs of Soviet and American vehicles would be launched independently. The unmanned Soviet spacecraft would land on Mars and deploy a "Marsokhed" robot car similar to those landed in 1978. Soil samples would be collected and loaded into a small rocket stage for launch into orbit around Mars, just as Soviet robots had been returning soil samples from the Moon since 1970.

Once in orbit, the soil canister would be chased down by an American orbiter spacecraft, which would automatically dock with the Soviet satellite and transfer the soil samples by remote control from Earth. Blasting out of orbit, the American vehicle would begin a ten-month return voyage to Earth. It would eventually parachute back to waiting scientists in the USSR's Kazakhstan recovery zone.

Space cooperation would pay off again. A mission too complex and too expensive for either country was made possible by both countries. ASTP had shown American and Soviet space engineers how to work together, and the lesson was not forgotten or wasted.

By the late 1970s, Soviet and American space specialists were well on their way toward construction of their nations' next generation of manned spacecraft. The American "Space Shuttle" and the European "Spacelab" would carry payloads and scientists crews into orbit for research expeditions into the nature of space, of the Earth, of the sun, and of the universe.

The Soviets had a broader array of space vehicles under development. Their "Proton" and "Kosmograd" (or "G-class") boosters continued to make expendable flights into orbit. They had launched their 24-man Kosmograd space station in 1979, an impressive space outpost which was the size of Skylab but weighed half again as much. The two-man Soyuz manned spacecraft had become obsolete in all but its lunar versions, when a reusable twelve-man space ferry (launched on an expendable Proton booster) became operational in 1980.

Soviet and American space officials realized that the vehicles being developed in both countries could be complementary to each other if managed and coordinated carefully. To cooperate in such mission planning, permanent liaison offices were established at Houston and in Moscow, with branch offices in Washington and in Zvyozdniy ("Star Town," the home of the Soviet cosmonaut detachment). Both sides brought valuable and different approaches to the same problems: the Soviets adopted the American-designed weightless toilet, while the Americans began to use the USSR's water recycling equipment. Cooperation paid off.

Space pilot training also improved. All new spacemen of both nations (and later, from Europe and Japan) were required to learn and use a special two-hundred-word Russo-English space vocabulary in the event of an emergency space rescue situation. Voice transmission frequencies were standardized, and a worldwide alert system for emergency communications and landings was set up. Soviet cosmonauts trained for Extravehicular Activity in the Huntsville underwater facilities, and also trained for jungle landings at the US Air Force survival school in Panama. American students were regular visitors at Soviet arctic survival schools. Cooperation paid off economically and psychologically.

With the first Kosmograd and Space Shuttle missions carried out by 1980, NASA and the USSR Academy of Sciences realized that both countries had left gaps in their manned spaceflight capabilities. The large permanent Soviet space station was a valuable platform for space research, but it was also expensive and inflexible when new equipment was needed for special time-critical experiments. The first vehicle had been orbited in 1979, and a second was not planned for another three years. Heavy equipment was sent into space on strictly scheduled unmanned Proton launches every four months.

At the same time, U.S. officials realized that their total dependence on the Space Shuttle meant that no manned flight could be longer than the 30-day mission duration of the reusable space plane's orbiter section. This would eventually be overcome with the development of the "free-flying Spacelab" module which would be ready for testing in a few years. Meanwhile, all U.S. manned flights were restricted to a maximum of thirty days.

These restrictions were overcome in a makeshift fashion by new cooperative exchange programs. Soviet scientists flew on a Space Shuttle mission early in 1980, and two American scientist-astronauts spent three months in the Kosmograd station later that year. Space cooperation paid off.

It paid off again the following year when NASA's Space Shuttle mission 12 carried a Soviet Salyut module into orbit in response to the supernova in Auriga. The vehicle had been outfitted in two weeks and launched with a three-man crew on an extended monitoring mission. An American astronomer, Robert Parker, was included at the last minute in the crew. The flight was put together quicker than the Soviet could have done, and stayed in space longer than the Americans were capable of.

With the exciting results from Viking–2 in 1976 and Mars–9 in 1978, world scientists began to press for a manned expedition to Mars as soon as possible. The 1981 cooperative unmanned sample return mission was seen as only an intermediate step in a program of exploration which would see men on Mars by the late 1980s.

Simultaneously, two startling facts were noticed by space planners looking at the problems of manned flight to Mars. Even the best Soviet atmosphere, water, and food regenerative systems—chemical, mechanical, or biological—could not be made light enough and compact enough for the best American boosters to launch toward Mars. Better systems and better boosters were needed.

Meanwhile, one of the world's leading industrial and technological nations, whose population had always been fascinated with space exploration, had been left out of the US-Soviet-European space combine. Suddenly, the unique skills of Japan were crucial to success in the next step in man's conquest of space.

The resulting Ussuriysk conference in 1979 saw a formal invitation extended to Tokyo to design the regenerative life-support systems for a two-year manned expedition to Mars. The Japanese reacted enthusiastically. As the excitement engulfed the nation, thousands of private citizens began experimenting with "organic space gardens" to grow "Mars food." It was from the garden of postal inspector Shinobu Tsukahara that the now-famous "Japple" fruit was developed, to feed men on Mars as well as starving multitudes in Bangaldesh, Brazil, and Ethiopia.

Japan had always been a resource-limited nation, where efficient recycling of all by-products was an absolute necessity. In the late 1970s, the Japanese had finally overcome their suffocating industrial pollution to develop a resource-regeneration industry which became a model for the rest of the world. Now traditional virtues were combined with futuristic visions, and the result in national pride and ingenuity was astounding to foreigners and Japanese alike.

Preliminary systems were ready for space testing within eighteen months, but space planners were dismayed to find out that there were no appropriate vehicles to test them with. The Kosmograd was too inflexible, the Space Shuttle was too brief, and the ferry vehicles were too small.

So a new space mission was born from the unique and complementary capabilities of the four main space powers. A Soviet Salyut laboratory would be modified to carry control and communications gear and living quarters for the men. The Europeans modified a "Spacelab" pallet to support the Japanese garden. The two separate payloads would be launched by American Space Shuttles into "sun-synchronous" retrograde orbits where they would experience continuous sunlight for the duration of the mission.

Four spacemen would represent the world on this test of new engineering skills needed to fly to Mars, and of man's ability to withstand the long periods of weightlessness on the way. The mission commander would be a Russian, since the main spacecraft was Soviet. The mission engineer would be a European, since they had designed the supporting equipment for the experiments. The mission scientist would be Japanese, since they had designed the botanical systems. The mission flight surgeon would be American, since thy had the most experience in space medicine. The common language would be English. By late 1981, the four men were picked, trained, and ready.

The success of this bold mission, and the success of the joint Soviet-American automatic Mars sample return effort under way at the same time, would be critical for the planning for a manned flight to Mars. If all went well, the pieces would fall into place within five years. It would not cost anywhere near the horrible fifty-billion-dollar figure quoted by opponents a decade before; the total US expenditure would be closer to ten billion dollars in 1975 prices.

The Americans, meanwhile, pushed on with plans for the development of a nuclear rocket stage for use in space. It would reopen the road to the Moon and make flight to Mars possible. The effort had temporarily been stalled when the designed vehicle appeared to be far too large and heavy for the limited payload bay of the Space Shuttle. This restriction was overcome when the Soviets volunteered (on an exchange reimbursable basis) the use of their large Kosmograd booster which had three times the lifting power of the Space Shuttle. Space cooperation paid off again, and men all over the world turned their eyes on Mars.

When the first man stepped out onto the surface of Mars several years later, the whole Earth watched. The whole Earth had sent him. It was the legacy of Apollo-Soyuz.

HOUSE OF REPRESENTATIVES—*Monday, February 2, 1976*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Let the words of my mouth and the meditation of my heart, be acceptable in Thy sight, O Lord, my strength and my redeemer.—Psalms 19: 14.

Eternal Father, from whom all blessings flow, make us conscious of Thy presence as we lift our hearts unto Thee in prayer. Prosper us in our noble endeavors, sustain us in our times of trouble. And keep us humble in periods of happiness and success.

We pray for those who guide our Nation. And in so doing contribute to peace and justice within our borders and beyond.

Enlighten with Thy wisdom and strengthen with Thy power our President, our Speaker, Members of Congress and all who work on Capitol Hill and throughout our land, that they may guard our rights, keep us free, and make us good.

Grant that our faith in Thee and in America may be strong enough to exalt our Nation in righteousness and good will.

In Thy holy name we pray. Amen.

THE JOURNAL

The **SPEAKER**. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Heiting, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 535. Concurrent resolution directing the Clerk of the House of Representatives to make a correction in the enrollment of H.R. 5247.

The message also announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 5608. An act to extend until the close of 1983 the period in which appropriations are authorized to be appropriated for the acquisition of wetlands, to increase the maximum amount of such authorization, and for other purposes.

The message also announced that the Senate agrees to the amendment of the House to the amendment of the Senate to a concurrent resolution of the House of the following title:

H. Con. Res. 533. Concurrent resolution directing the Secretary of the Senate to make corrections in the enrollment of S. 2718.

The message also announced that the Senate had passed concurrent resolutions of the following titles, in which the concurrence of the House is requested:

S. Con. Res. 84. Concurrent resolution authorizing the printing of the report of the proceedings of the 47th biennial meeting of the Convention of American Instructors of the Deaf as a Senate document.

S. Con. Res. 88. Concurrent resolution authorizing the printing of additional copies of the open hearings and the final report of the Senate Select Committee on Intelligence Activities; and

S. Con. Res. 90. Concurrent resolution to provide for a Committee on Inaugural Arrangements.

CONSENT CALENDAR

The **SPEAKER**. This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

PROVIDING FOR ADJUSTING AMOUNT OF INTEREST PAID ON FUNDS DEPOSITED WITH TREASURY OF THE UNITED STATES BY LIBRARY OF CONGRESS TRUST FUND BOARD

The Clerk called the bill (H.R. 8627) to provide for adjusting the amount of interest paid on funds deposited with the Treasury of the United States by the Library of Congress Trust Fund Board.

There being no objection, the Clerk read the bill as follows:

H.R. 8627

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the Act of March 3, 1925, chapter 423, as renumbered by the Act of April 13, 1936, chapter 213 (2 U.S.C. 158), is amended by striking out "the rate of 4 per centum per annum," and inserting in place thereof "a rate which is the higher of the rate of 4 per centum per annum or a rate which is 0.25 percentage points less than a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such investments, adjusted to the nearest one-eighth of 1 per centum".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROVIDING FOR ADJUSTING AMOUNT OF INTEREST PAID ON FUNDS DEPOSITED WITH TREASURY OF THE UNITED STATES PURSUANT TO AN ACT OF AUGUST 20, 1912, TITLED "AN ACT TO ACCEPT AND FUND THE BEQUEST OF GERTRUDE M. HUBBARD"

The Clerk called the bill (H.R. 8628) to provide for adjusting the amount of interest paid on funds deposited with the Treasury of the United States pursuant to an act of August 20, 1912, titled "An Act to accept and fund the bequest of Gertrude M. Hubbard" (37 Stat. 319).

There being no objection, the Clerk read the bill as follows:

H.R. 8628

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3 of the Act of August 20, 1912, chapter 309 (37 Stat. 319, 320), is amended to read as follows: "That in compliance with said conditions the principal of the sum so received and paid into the Treasury of the United States shall be credited on the books of the Treasury Department as a perpetual trust fund; and the sum of two thousand dollars, being equivalent to 10 per centum on the principal of said trust fund, be, and the same is hereby, appropriated, out of any moneys in the Treasury not otherwise appropriated, and such appropriation shall be deemed a permanent annual appropriation and shall be expended in the manner and for the purposes herein authorized and as provided in the said bequest: *Provided, however,* That the United States of America shall pay interest on said principal only at an annual rate which is the higher of the rate of 4 per centum per annum or a rate which is 0.25 percentage points less than a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such investments, adjusted to the nearest one-eighth of 1 per centum: *Provided further, however,* That such rate shall not exceed 10 per centum per annum.".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The **SPEAKER**. This concludes the call of the eligible bills on the Consent Calendar.

PUNXSUTAWNEY PHIL PREDICTS

(Mr. **MURTHA** asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. **MURTHA**. Mr. Speaker, there may be over 2 million groundhogs in the United States, but there is one that is more important than all the others—Punxsutawney Phil.

Punxsutawney Phil—who happens to be a constituent of mine—is the premier groundhog who each February 2 has his special day. Emerging from his home in Jefferson County, Phil either sees his shadow—insuring 6 more weeks of winter—or fails to cast his shadow—meaning an early spring thaw. When people ask me about his accuracy, I tell them that in predicting the weather, Phil is every bit as good as the Government's economists are at predicting our economic future.

I am proud to report to the Members on the results of this morning's excursion to Phil's home on Gobbler's Knob. Phil saw his shadow in the early morning sunlight, so we can look forward to 6 more weeks of winter.

In celebration of Groundhog Day I hope you will all go home this evening and toast Phil with a cup of Punxsutawney Punch. The receipt calls for 1 gallon of fresh cider, 1 pint of applejack, and thin slices of red apple.

On behalf of the Punxsutawney residents and Phil, I wish the House a happy Groundhog Day.

APPOINTMENT OF CONFEREES ON H.R. 7988, NATIONAL BIOMEDICAL, HEART, BLOOD VESSEL, LUNG, BLOOD, AND RESEARCH TRAINING ACT OF 1975

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 7988) to amend the Public Health Service Act to revise and extend the program under the National Heart and Lung Institute, to revise and extend the program of National Research Service Awards, and to establish a national program with respect to genetic diseases; and to require a study and report on the release of research information, with Senate amendments thereto, disagree to the Senate amendments and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia? The Chair hears none, and appoints the following conferees: Messrs. STAGGERS, ROGERS, SATTERFIELD, PREYER, SYMINGTON, CARTER, and BROYHILL.

CHANGE IN LEGISLATIVE PROGRAM

(Mr O'NEILL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. O'NEILL. Mr. Speaker, I rise to announce a change in today's program. After the Consent Calendar, the first bill listed on today's calendar, H.R. 2771, will follow the fifth bill listed. So we will proceed in the following order; House Joint Resolution 784, H.R. 4979, H.R. 10370, S. 217, and H.R. 2771.

SUPERVISION OF ELECTIONS

(Mr. FRENZEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FRENZEL. Mr. Speaker, the Supreme Court decision struck down two of the five principal elements of our Federal elections law: the expenditure limits and the structure of the Federal Elections Commission. It left unchanged the contribution limits, the disclosure provisions, and public financing of Presidential elections.

The expenditure limits were overly protective of incumbents, and we are well rid of them. However, we do need some supervision of elections, so Congress must now establish a new Federal Elections Commission, or some other agency to do much of what the Commission has been doing.

The court's objection to the Commission's structure was that the appointment of a majority of its members was by the legislative branch. Recreating the FEC with Presidential appointments and Senate ratification, is a simple legislative task and would cure the constitutional infirmities. However, that may be extremely difficult politically, because there are those among us who really do not like any independent supervision at all.

In addition, however, some of those who do support reestablishment of an FEC would burden such a bill with additional features such as congressional public financing, post card registration, and so forth, which might attract a veto.

Therefore, it will take extraordinary leadership in this Congress to see that a means for supervision of elections is created within the 30-day time limit imposed by the Court. Defending such a bill from its overzealous friends may be as difficult as defending it from its enemies.

I am today introducing a bill to reestablish the FEC in the manner indicated above.

CALL OF THE HOUSE

Mr. RUSSO. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 30]

Abzug
Adams
Addabbo
Ambro
Anderson, Ill.
Andrews, N.C.
Andrews,
  N. Dak.
Badillo
Barrett
Bedell
Bell
Biaggi
Bingham
Boggs
Boland
Brademas
Brown, Mich.
Brown, Ohio
Burke, Fla.
Burke, Mass.
Burton, John
Burton, Phillip
Chappell
Chisholm
Clancy
Clay
Cleveland
Collins, Ill.
Conable
Conte
Conyers
Cotter
Crane
Daniels, N.J.
Dellums
Derwinski
Diggs
Dingell
Dodd
Downey, N.Y.
Drinan
du Pont
Eckhardt
Edwards, Calif.
Eilberg
Erlenborn
Esch
Eshleman
Fisher
Ford, Mich.
Ford, Tenn.
Fraser
Frey
Gilman
Goldwater
Green
Hanley
Harrington
Harsha
Hébert
Heinz
Helstoski
Hinshaw
Holtzman
Howard
Hungate
Ichord
Jacobs
Jeffords
Kastenmeier
Keys
Koch
Lagomarsino
Leggett
Lehman
Litton
McCollister
McCormack
McEwen
McKinney
Macdonald
Maguire
Metcalfe
Mezvinsky
Mills
Minish
Mink
Moakley
Moffett
Moore
Mosher
Murphy, Ill.
Nix
O'Hara
Patman, Tex.
Patten, N.J.
Pattison, N.Y.
Peyser
Rhodes
Riegle
Risenhoover
Rodino
Roe
Rogers
Rooney
Rostenkowski
Ruppe
Scheuer
Shuster
Snyder
Solarz
Stanton,
  James V.
Steelman
Studds
Sullivan
Symington
Teague
Udall
Walsh
Whitten
Wilson, C. H.
Wolff
Wydler
Young, Alaska
Young, Ga.
Zeferetti

The SPEAKER. On this rollcall 306 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PERSONAL EXPLANATION

Mr. BURKE of Massachusetts. Mr. Speaker, on the rollcall just taken, No. 30, a quorum call, I was presiding over the Subcommitte on Social Security, and I was unable to respond when my name was called.

TENTH ANNUAL REPORT OF THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT — MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94-346)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Banking, Currency and Housing, and ordered to be printed with illustrations:

To the Congress of the United States:

I am transmitting today to the Congress the Tenth Annual Report of the Department of Housing and Urban Development, describing its activities for the calendar year 1974.

GERALD R. FORD.

THE WHITE HOUSE, *February 2, 1976.*

PROVIDING FOR ADJUSTING THE AMOUNT OF INTEREST PAID ON FUNDS DEPOSITED WITH TREASURY OF THE UNITED STATES BY LIBRARY OF CONGRESS TRUST FUND BOARD

Mr. NEDZI. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 2619) to provide for adjusting the amount of interest paid on funds deposited with the Treasury of the United States by the Library of Congress Trust Fund Board, a bill similar to H.R. 8627, which was passed earlier on the Consent Calendar, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 2619

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the last paragraph of section 2 of the Act entitled "An Act to create of a Library of Congress Trust Fund Board, and for other purposes", approved March 3, 1925 (2 U.S.C. 158) is amended to read as follows:

"In the absence of any specification to the contrary, the board may deposit the principal sum, in cash with the Treasury of the United States as a permanent loan and the Secretary of the Treasury shall invest such sum in Treasury obligations which shall earn interest at a rate which is the higher of (1) a rate which is 0.25 percentage points less than a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States with the longest periods to maturity, adjusted to the nearest one-eighth of 1 per centum, or (2) the rate of 4 per centum per annum; and the Secretary of the Treasury shall threafter credit such deposit with such interest semiannually, and such interest, as income, shall be subject to disbursement by the Librarian of Congress for the purposes specified: *Provided, however,* That the total of such principal sums at any time so held by the Treasury under this authorization shall not exceed the sum of $10,000,000.".

MOTION OFFERED BY MR. NEDZI

Mr. Nedzi. Mr. Speaker, I offer a motion.

The Clerk read as follows:

> Mr. Nedzi moves to strike out all after the enacting clause of the Senate bill, S. 2619, and to insert in lieu thereof the provisions of H.R. 8627, as passed.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill, H.R. 8627, was laid on the table.

PROVIDING FOR ADJUSTING OF INTEREST PAID ON FUNDS DEPOSITED WITH TREASURY OF THE UNITED STATES PURSUANT TO ACT OF AUGUST 20, 1912

Mr. NEDZI. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 2620) to provide for adjusting the amount of interest paid on funds deposited with the Treasury of the United States pursuant to the act of August 20, 1912 (37 **Stat.** 319), a bill similiar to H.R. 8628, which was passed earlier on the Consent Calendar, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 2620

> *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 3 of the Act entitled "An Act to accept and fund the bequest of Gertrude M. Hubbard", approved August 20, 1912 (37 Stat. 320) is amended to read as follows:
>
> "Sec. 3. In compliance with said conditions the principal of the sum so received and paid into the Treasury of the United States shall be credited on the books of the Treasury Department as a perpetual trust fund; and the Secretary of the Treasury shall invest such sum in Treasury obligations which shall earn interest at a rate which is the higher of (1) a rate which is 0.25 percentage points less than a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States with the longest periods to maturity, adjusted to the nearest one-eighth of 1 per centum, or (2) the rate of 4 per centum per annum; and the Secretary of the Treasury shall thereafter credit such deposit with such interest semiannually, and such interest, as income, shall be subject to disbursement for the purposes herein authorized and as provided in the said bequest.".

MOTION OFFERED BY MR. NEDZI

Mr. NEDZI. Mr. Speaker, I offer a motion.

The Clerk read as follows:

> Mr. Nedzi moves to strike all after the enacting clause of the Senate bill, S. 2620, and to insert in lieu thereof the provisions of H.R. 8628, as passed.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

A similar House bill, H.R. 8628, was laid on the table.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 3(b) of rule XXVII, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to, under clause 4 of rule XV.

After all motions to suspend the rules have been entertained and debated and after those motions to be determined by "nonrecord" votes have been disposed of, the Chair will then put the question on each motion on which the further proceedings were postponed.

AMENDING THE EFFECTIVE DATE OF CERTAIN PROVISIONS OF THE DEFENSE PRODUCTION ACT AMENDMENTS OF 1975

Mr. REES. Mr. Speaker, I move to suspend the rules and pass the joint resolution (H.J. Res. 784) to amend the effective date of certain provisions of the Defense Production Act Amendments of 1975, as amended.

The Clerk read as follows:

H.J. Res. 784

> *Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 9 of the Defense Production Act Amendments of 1975 is amended by striking out section 9 and inserting in lieu thereof the following section:
>
> "Sec. 9. This Act and the amendments made by it shall take effect at the close of November 30, 1975, except that the amendment made by section 3 shall take effect upon the one hundred and twentieth day beginning after the date of its enactment.".

The SPEAKER. Is a second demanded?

Mr. J. WILLIAM STANTON. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from California (Mr. Rees) will be recognized for 20 minutes, and the gentleman from Ohio (Mr. J. William Stanton) will be recognized for 20 minutes.

The Chair now recognizes the gentleman from California (Mr. Rees).

Mr. REES. Mr. Speaker, this bill is a very simple one; it merely corrects a mistake that was made in the final drafting of the agreement between the House and the Senate on legislation amending the Defense Production Act. The Senate bill dealt only with voluntary agreements under the Defense Production Act; the House bill dealt with voluntary agreements, and, in addition, it amended legislation which created the National Commission on Supplies and Shortages.

In the Senate version of the Defense Production Act Amendments there was a section which stated that the amendments would become law 120 days after enactment of the statute. This was to allow the various affected agencies time to develop their own criteria so they could comply with the new requirements dealing with voluntary agreements.

Unfortunately, in the drafting, the Commission on Supplies and Shortages was included under the 120-day phrase; as a result, the Commission on Supplies and Shortages has no authorization for new funds, despite the fact that the House intended the Commission to have the authorization as soon as the act was signed.

So all this bill does is to state that the act and the amendments made by it shall take effect as of the close of November 30, 1975, except that the amendment made by section 3 shall take effect the 120th day beginning after the date of the enactment. Section 3 was the section dealing with voluntary agreements.

Mr. J. WILLIAM STANTON. Mr. Speaker, the able gentleman from California has once again outlined the case for this legislation. As the gentleman has fully explained, there was an oversight when the Defense Production Act was amended last session. We are here today to correct that error by exempting the National Commission on Supplies and Shortages from the 120 days funding delay in the act.

Mr. Speaker, I fully concur with the gentleman from California. We both have been serving on this Commission.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. Rees) that the House suspend the rules and pass the joint resolution House Joint Resolution 784, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the joint resolution, as amended, was passed.

A motion to reconsider was laid on the table.

CHICKASAW NATIONAL RECREATION AREA

Mr. TAYLOR of North Carolina. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4979) to establish the Chickasaw National Recreation Area in the State of Oklahoma, and for other purposes, as amended.

The Clerk read as follows:

H.R. 4979

> *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That in order to provide for public outdoor recreation use and enjoyment of Arbuckle Reservoir and land adjacent thereto, and to provide for more efficient administration of other adjacent area containing scenic, scientific, natural, and historic values contribute to public enjoyment of the area and to designate the area in such manner as will constitute a fitting memorialization of the Chickasaw Indian Nation, there is hereby established the Chickasaw National Recreation Area (hereinafter referred to as the "recreation area")

consisting of lands and interests in lands within the area as generally depicted on the drawing entitled "Boundary Map, Chickasaw National Recreation Area," numbered 107–2000–A and dated February 1974, which shall be on file and available for inspection in the offices of the National Park Service, Department of the Interior. The Secretary of the Interior (hereinafter referred to as the "Secretary") may from time to time revise the boundaries of the recreation area by publication of a map or other boundary description in the Federal Register, but the total acreage of the recreation area may not exceed ten thousand acres.

SEC. 2. (a) The Secretary may acquire land or interests in lands within the boundaries of the recreation area by donation, purchase with donated or appropriated funds, or exchange. When any tract of land is only partly within such boundaries, the Secretary may acquire all or any portion of the land outside of such boundaries in order to minimize the payment of severance costs. Land so acquired outside of the boundaries may be exchanged by the Secretary for non-Federal lands within the boundaries, and any land so acquired and not utilized for exchange shall be reported to the General Services Administration for disposal under the Federal Property and Administrative Services Act of 1949 (63 Stat. 377), as amended. Any Federal property located within the boundaries of the recreation area may be transferred without consideration to the administrative jurisdiction of the Secretary for the purposes of the recreation area. Lands within the boundaries of the recreation area owned by the State of Oklahoma, or any political subdivision thereof, may be acquired only by donation: *Provided*, That the Secretary may also acquire lands by exchange with the city of Sulphur, utilizing therefor only such lands as may be excluded from the recreation area which were formerly within the Platt National Park.

(b) With respect to improved residential property acquired for the purposes of this Act, which is beneficially owned by a natural person and which the Secretary determines can be continued in that use for a limited period of time without undue interference with the administration, development, or public use of the recreation area, the owner thereof may on the date of its acquisition by the Secretary retain a right of use and occupancy of the property for noncommercial residential purposes for a term, as the owner may elect, ending either (1) at the death of the owner or his spouse, whichever occurs later, or (2) not more than twenty-five years from the date of acquisition. Any right so retained may, during its existence, be transferred or assigned. The Secretary shall pay to the owner the fair market value of the property on the date of such acquisition, less the fair market value on such date of the right retained by the owner.

(c) As used in this Act, "improved residential property" means a single-family year-round dwelling, the construction of which began before March 1, 1975, and which serves as the owner's permanent place of abode at the time of its acquisition by the United States, together with not more than three acres of land on which the dwelling and appurtenant buildings are located that the Secretary finds is reasonably necessary for the owner's continued use and occupancy of the dwelling: *Provided*, That the Secretary may exclude from improved residential property any waters and adjoining land that the Secretary deems is necessary for public access to such waters.

(d) The Secretary may terminate a right to use and occupancy retained pursuant to this section upon his determination that such use and occupancy is being exercised in a manner not consistent with the purposes of the Act, and upon tender to the holder of the right an amount equal to the fair market value of that portion of the right which remains unexpired on the date of termination.

SEC. 3. The Secretary shall permit hunting and fishing on lands and waters within the recreation area in accordance with applicable Federal and State laws: *Provided*, That he may designate zones where, and establish periods when, no hunting or fishing will be permitted for reasons of public safety, administration, fish or wildlife management, or public use and enjoyment. Except in emergencies, any regulations issued by the Secretary pursuant to this section shall be put into effect only after consultation with the appropriate State agency responsible for hunting and fishing activities.

SEC. 4. (a) Except as otherwise provided in this Act, the Secretary shall administer the recreation area in accordance with the provisions of the Act of August 25, 1916 (39 Stat. 535; 16 U.S.C. 1, 2–4), as amended and supplemented.

(b) Nothing contained in this Act shall affect or interfere with the authority of the Secretary by the Act of August 24, 1962 (76 Stat. 395), to operate the Arbuckle Dam and Reservoir in accordance with and for the purposes set forth in that Act.

SEC. 5. The Act of June 29, 1906 (34 Stat. 837), which directed that certain lands now included by this Act in the recreation area be designated as the Platt National Park, is hereby repealed, and such lands shall hereafter be considered and known as an integral part of the Chickasaw National Recreation Area: *Provided*, That within such area the Secretary may cause to be erected suitable markers or plaques to honor the memory of Orville Hitchcock Platt and to commemorate the original establishment of Platt National Park.

SEC. 6. Notwithstanding the provisions of section 7 of the Act of June 16, 1906 (34 Stat. 272), which retain exclusive jurisdiction in the United States, upon notification in writing to the Secretary by the appropriate State officials of the acceptance by the State of Oklahoma of concurrent legislative jurisdiction over the lands formerly within the Platt National Park, the Secretary shall publish a notice to that effect in the Federal Register and, upon such publication, concurrent legislative jurisdiction over such lands is hereby ceded to the State of Oklahoma. *Provided*, That such cession of jurisdiction shall not occur until a written agreement has been reached between the State of Oklahoma and the Secretary providing for the exercise of concurrent jurisdiction over all other lands and waters within the Chickasaw National Recreation Area.

SEC. 7. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act, but not to exceed $1,600,000 for the acquisition of lands and interests in lands, and $4,567,000 for development.

The SPEAKER. Is a second demanded?

Mr. SKUBITZ. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. TAYLOR of North Carolinia. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 4979, as reported by the Committee on Interior and Insular Affairs, would establish the Chickasaw National Recreation Area in southern Oklahoma. The area would include the lands and waters presently managed by the National Park Service as Platt National Park and Arbuckle Reservoir, as well as additional lands, which, when acquired, will join these existing areas together. I might point out that Platt National Park was established many years ago and contains only 912 acres and does not in any way meet today's standards for a national park. It is used today extensively as a recreation area.

Our hearings on this legislation last October were marked by a high level of agreement on most of the features of this bill. In fact, no controversy developed. Speaker ALBERT, who represents the area involved, testified to the great acceptance this proposal has found among the interested parties in the local area. Officials from the town of Sulphur confirmed this desire to consolidate and expand this National Park Service operation.

The initial recommendation of the Department of the Interior was that action be deferred on this bill until the Department completed a final review of the project. The review was completed and additional information was furnished by the Department through staff discussions.

The result of the review and additional recommendations was a reduction in boundary so as to require less privately owned land. This change reduced the land acquisition cost estimates from some $6 million to $1,600,000.

The name designation for the area will commemorate the Chickasaw Indian Nation, whose history has been an important part of this region. One of the interpretive themes which would be developed in the recreation would be that of the Chickasaw people.

Mr. Speaker, H.R. 4979, as reported, represents an opportunity for the Federal Government to greatly improve its ability to meet the recreation needs of the region served by the Platt National Park and Arbuckle Reservoir at relatively little cost. I urge my colleagues to join me in voting for the enactment of this measure.

Mr. SKUBITZ. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, H.R. 4979 is a bill which has had as complete support as I have seen on a bill for a long time. There has been no disagreement that I am aware of during any of the time that it has moved through the Interior Committee.

The principal thrust of this bill is to formalize and embellish what is already taking place. The new Chickasaw National Recreation Area will constitute a formal recognition of the recreational lands and activities now associated with the Arbuckle Reservoir currently operated by the National Park Service under cooperative agreement with the Bureau of Reclamation. The Bureau operates, and will continue to operate, the dam and associated facilities.

This new national recreation area is to be named after the Chickasaw Indian Nation, whose history is a prominent feature of the region. The area will continue to satisfy much of the outdoor recreation demand for the growing population centers of Oklahoma City and the Dallas-Fort Worth areas.

Mr. Speaker, this is a bill worthy of the support of all Members of the House, and I urge its adoption.

The SPEAKER. The question is on the motion offered by the gentleman from North Carolina (Mr. TAYLOR) that the House suspend the rules and pass the bill H.R. 4979, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

AMENDING THE ACT OF JANUARY 3, 1975, ESTABLISHING THE CANAVERAL NATIONAL SEASHORE

Mr. TAYLOR of North Carolina. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 10370) to amend the act of January 3, 1975, establishing the Canaveral National Seashore.

The Clerk read as follows:

H.R. 10370

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6 of the Act of January 3, 1975 (88 Stat. 2121, 2125), is amended as follows:

(1) in subsection (a) delete "five members" and insert in lieu thereof "six members" and

(2) delete (a)(3) in its entirety and insert in lieu thereof

"(3) two members representing the general public: *Provided,* That one member shall be appointed from each county in which the seashore is located."

The SPEAKER. Is a second demanded?

Mr. SEBELIUS. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The Chair recognizes the gentleman from North Carolina (Mr. TAYLOR).

Mr. TAYLOR of North Carolina. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 10370 makes a simple change in the act establishing the Canaveral National Seashore to permit a sixth member to be added to the Advisory Commission there.

Early in 1975 Congress created the seashore. The bill established an Advisory Commission of five members, one of them being designated as a public member. Now Congressman CHAPPELL and Congressman FREY have a problem. The seashore is located in two counties and each county is endeavoring to get one of its citizens appointed as the public member of the Advisory Board. The bill would settle this controversy by amending the original act to provide that two members of the Advisory Commission would represent the general public and that one member should be appointed from each county in which the seashore is located.

The bill has the support of the Department of the Interior.

Since members of the Advisory Commission serve on a volunteer basis, no substantial increase in cost is involved to the Government.

Mr. SEBELIUS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is a very simple bill which does no more than make a couple of adjustments in the composition of the Advisory Commission which was established last year for the Canaveral National Seashore in Florida, when that area was authorized.

This bill adds one additional member to the present five-member Commission, and it also adjusts the geographic area from which these members are chosen. Two members will now be selected from each of the two counties in which the seashore is located and two will come from within the State of Florida.

Mr. Speaker, the administration supports this bill, and I commend its support to my colleagues.

Mr. Speaker, I yield such time as he may consume to the gentleman from Kansas (Mr. SKUBITZ).

Mr. SKUBITZ. Mr. Speaker, I support this very simple bill which does no more than authorize a couple of adjustments in the structure of the Advisory Commission for the Canaveral National Seashore in Florida.

This bill adds one more member for a new total of six, and restructures the geographic area from which these members are chosen. Four members will now be chosen from the two local counties embraced by the seashore, and two will come from within the State of Florida.

I urge the adoption of this bill by the House.

Mr. TAYLOR of North Carolina. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore (Mr. MCFALL). The question is on the motion offered by the gentleman from North Carolina (Mr. TAYLOR) that the House suspend the rules and pass the bill H.R. 10370.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. TAYLOR of North Carolina. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bills H.R. 4979 and H.R. 10370 just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

REPEALING THE ACT OF MAY 10, 1926, RELATING TO CONDEMNATION OF CERTAIN LANDS OF PUEBLO INDIANS IN NEW MEXICO

Mr. MEEDS. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 217) to repeal the act of May 10, 1926 (44 Stat. 498), relating to the condemnation of certain lands of the Pueblo Indians in the State of New Mexico, as amended.

The Clerk read as follows:

S. 217

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act to provide for the condemnation of the lands of the Pueblo Indians in New Mexico for public purposes, and making the laws of the State of New Mexico applicable in such proceedings", approved May 10, 1926 (44 Stat. 498), is hereby repealed.

SEC. 2. Immediately upon enactment of this Act, all proceedings and actions pursuant to the Act of May 10, 1926 (44 Stat. 498), pending on or commenced on the date of enactment of this Act shall be held and considered to have terminated as of the date of enactment of this Act, and thereafter to be of no force and effect: *Provided, however,* That nothing herein shall be interpreted as terminating or otherwise affecting any right of timely appeal (otherwise available but for the enactment of this Act) from any such proceeding or action in which a final decree or order has been entered before the date of enactment of this Act.

SEC. 3. The Act of April 21, 1928 (45 Stat. 442), is hereby amended by striking all after the enacting clause and inserting, in lieu, the following:

"That the provisions of the following statutes:

"Sections 3 and 4 of the Act of March 3, 1901 (31 Stat. 1083 and 1984);

"The Act of March 2, 1899 (30 Stat. 990), as amended;

"Sections 1 and 2 of the Act of March 11, 1904 (33 Stat. 65), as amended; and

"The Act of February 5, 1948 (62 Stat. 17), are extended over and make applicable to the Pueblo Indians of New Mexico and their lands, whether owned by the Pueblo Indians or held in trust or set aside for their use and occupancy by Exectuive order or otherwise under such rules, regulations, and conditions as the Secretary of the Interior may prescribe: *Provided,* That, notwithstanding such provisions, and in the event the owner of an existing right-of-way and the Pueblo officials involved cannot reach agreement within a sixty-day period after renewal or widening have been requested or have not entered into a binding submission to arbitration concerning the terms of the requested renewal or widening, then and in that event, consent of the Pueblo Indians to renewal or widening of existing rights-of-way shall not be required so long as the compensation paid to the Pueblo involved is determined in such manner as the Secretary may direct and shall be subject to his final approval.".

The SPEAKER pro tempore. Is a second demanded?

Mr. LUJAN. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Washington (Mr. MEEDS) will be recognized for 20 minutes, and the gentleman from New Mexico (Mr. LUJAN) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Washington (Mr. MEEDS).

Mr. MEEDS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the purpose of S. 217 is to repeal the act of May 10, 1926, which granted the State of New Mexico the power, by eminent domain, to condemn the Pueblo Indian lands.

That act was passed to resolve a special problem at a precise time. The act secured a right-of-way across Pueblo lands for railroad purposes and was on behalf of the Santa Fe Northwestern Railroad Co.

In 1928 and 1948, legislation was enacted which was intended to repeal this act. However, a New Mexico district court has recently decided that the 1926 act was not, in fact, repealed. The 1926 act is still valid due to the ambiguous wording of the later acts.

In the nearly 50 years since the 1926 act has been in effect, it has been used 12 times to obtain rights-of-way across Pueblo lands. The most frequent reason has been that of highway purposes. Another condemnation suit is currently pending.

This act should be repealed for a number of reasons. The most glaring one is the fact that it exposes Pueblo Indians to a wider liability for condemnation than that of other Indians in the United States. The act was passed with the intent of dealing with a specific problem. The act should have been repealed after serving its purposes.

Mr. LUJAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to commend the chairman of the subcommittee for getting this legislation together in the manner that was acceptable. It is not totally acceptable to everyone, but I suppose that indicates that it was a fair compromise.

Mr. Speaker, it is an attempt to correct something that has not been proper, and I urge the passage of the legislation.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Washington (Mr. MEEDS) that the House suspend the rules and pass the Senate bill S. 217, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MEEDS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

NONIMMIGRANT VISA WAIVER FOR GUAM

Mr. SARBANES. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2771) to waive the visa requirements for aliens visiting Guam for not more than 15 days, as amended.

The Clerk read as follows:

H.R. 2771

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 212(d)(4) of the Immigration and Nationality Act (8 U.S.C. 1182(d)(4)) is amended by adding the following new sentence: "The requirements of section 212(a)(26)(B) may be waived by the Attorney General and the Secretary of State, acting jointly, in the cases of temporary visitors for business or pleasure solely for entry into and stay on Guam for a period not to exceed fifteen days if the alien is a national of a country designated by the Secretary of State on the basis of his determination that such designation would promote the foreign policy of the United States: *Provided,* That no extension of stay shall be granted and no change in classification or adjustment of status shall be authorized under any provision of law.".

The SPEAKER pro tempore. Is a second demanded?

Mr. FISH. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Maryland (Mr. SARBANES) and the gentleman from New York (Mr. FISH) will each be recognized for 20 minutes.

The Chair recognizes the gentleman from Maryland (Mr. SARBANES).

Mr. SARBANES. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 2771 which is designed to waive the nonimmigrant visa requirement for certain aliens visiting Guam for not more than 15 days.

The Subcommittee on Immigration, Citizenship and International Law and the full Committee on the Judiciary unanimously approved this legislation and all of the witnesses who appeared before the subcommittee supported its enactment.

The bill which we have brought to the floor is simple and straightforward and authorizes the Attorney General with the concurrence of the Secretary of State to waive the visitors visa requirement for aliens of countries which are designated by the Secretary of State after his determination that such designation would promote the foreign policy of the United States.

In effect, this legislation would enable foreigners who desire to visit Guam for a few days to enter that territory without obtaining a visitors visa from a U.S. consulate abroad. Consequently, an additional benefit of the bill would be to reduce the consular workload in certain foreign countries and reduce processing delays for other categories of nonimmigrants.

In order to insure that this bill is not used as a vehicle to enter the United States illegally, or to circumvent the general law, H.R. 2771 specifically provides that no extension of stay, change in nonimmigrant classification or adjustment of status shall be granted to aliens who are admitted to Guam under this visa waiver procedure.

In 1974 approximately 200,000 aliens visited Guam—95 percent of whom were natives and citizens of Japan. The vast majority of these arrivals were short-term visitors for pleasure and such tourism is essential to the economy of Guam.

It is clear from the testimony received by the Subcommittee on Immigration, Citizenship and International Law that the enactment of this legislation will greatly facilitate brief trips to Guam by foreign visitors and businessmen and will substantially increase the tourist trade in that territory.

It should be noted that this legislation is noncontroversial in nature, is supported by the administration, particularly the Department of Commerce, and I strongly urge my colleagues to approve this legislation.

Mr. FISH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the bill, H.R. 2771, as reported by the Committee on the Judiciary. Waiving the visa requirements for short-time visitors to the island of Guam.

Section 212(a) of the Immigration and Nationality Act as amended enumerate the classes of aliens ineligible for entry into the United States. There are 31 excludable categories, only one of which is affected by this legislation.

Presently an alien is ineligible who at the time of applying for admission does not have a valid nonimmigrant visa. That is section 212(a)(26)(B).

Section 212(d)(4) now permits waivers of visa requirements for three initial categories: unforeseen emergencies, nationals of foreign contiguous territories, and aliens in transit.

H.R. 2771 proposes to amend section 212(d)(4), the waiver section to provide an additional category for possible waiver of the nonimmigrant visa requirement.

The Attorney General and the Secretary of State jointly may waive such requirements in the cases of temporary visitors for business or pleasure solely for entry into and stay on Guam for a period not to exceed 15 days. Specifically H.R. 2771 provides that no extension of stay shall be granted and that no change in classification or adjustment of status shall be authorized.

Mr. Speaker, this legislation is narrowly drawn to accommodate Japanese visitors to Guam. In 1974, there were 190,000 visitors to Guam, of these, 95 percent were Japanese.

It should be emphasized that this bill does not waive any ground for exclusion other than the lack of valid visitors visa to Guam.

In this isolated case, we feel that a restricted waiver such as this bill provides, will not result in illegal entries into our country. Guam, of course, is in a remote part of the United States. It is over 3,000 miles from Guam to Hawaii, and plane service from the island to Hawaii or mainland United States is limited. It should be relatively easy to verify that passengers leaving Guam for Hawaii are in fact entitled to enter one of the 50 States and have proper documentation. After enactment of this legislation, we understand the Immigration Service will set up departure control in Guam, similar to those presently operating in the Virgin Islands and Puerto Rico. The bill as I have said does not allow a person to extend his stay or change his classification or status during his limited visit to Guam. As the gentleman from Maryland has said the administration has no objection to this legislation, and I urge a favorable vote to suspend the rules and pass H.R. 2771, as amended.

Mr. SARBANES. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Guam (Mr. Won Pat).

I simply wish to state to the House how much the subcommittee and the committee appreciate the very fine leadership which he has provided with respect to this legislation. He has been enormously helpful to the committee in spelling out to us the importance of this legislation to the Territory of Guam, and it is a pleasure to be able to yield to him at this point.

Mr. WON PAT. Mr. Speaker, first, let me thank the gentleman from Maryland (Mr. Sarbanes) and the gentleman from New York (Mr. Fish), on the other side of the aisle, for their support of this measure.

Mr. Speaker, I rise in support of this legislation and to ask my colleagues in the House to cast their votes in favor of the measure now pending before us, H.R. 2771, a bill to waive the visa requirements for aliens visiting Guam for business or pleasure for not more than 15 days.

The passage of this measure, which I introduced, and its subsequent enactment into law, will help facilitate the flow of tourism to the Territory of Guam and thus enhance that island's long-term economic outlook.

Under present law, foreigners wishing to visit Guam, even for a few days, are required to first undergo a lengthy processing period to obtain their passports and then a visa from the U.S. Embassy or consulate in their home countries.

Guam has been doing all it can in recent years to encourage and promote tourism to our island. It is our belief that as the overwhelming majority of foreign visitors to Guam fall within the tourist category and seldom stay for more than a week. Asking these visitors to contend with innumerable bureacratic processes when they could more readily visit other places in the Pacific or the Orient is detrimental to Guam's best interests. Further, requiring that foreigners have a visa to come to Guam overloads the capabilities of our already limited embassy staffs.

During hearings before the House Judiciary Committee, the U.S. Departments of State and Justice readily agreed that Guam's relative geographical isolation 3,500 miles from Hawaii serves as sufficient protection to prevent unauthorized entrance for aliens into other American ports of entry. The bill under consideration is only applicable to Guam and will not allow aliens to enter the mainland United States via Guam.

Tourism is a relatively new addition to Guam's economy. Our principal source of revenue is and will continue to be military spending associated with Guam's Naval and Air Force facilities. In 1975, the island was estimated to have been host to over 225,000 visitors, most of them coming from nearby Japan. This, of course, contributes toward improving our balance-of-payments posture.

In view of the serious economic decline both in Guam and in the world in general, Guam officials are deeply concerned that our fledgling tourist industry may face tough waters ahead unless we move now to facilitate the flow of visitors to the island. Removing unnecessary visa requirements would be an important step toward ensuring the viability of Guam's tourist potential in the western Pacific.

Because of Guam's location in the periphery of the Far East, we compete with numerous other attractive places for the dwindling tourist dollar. With an island-wide unemployment rate of 14 percent, and limited economic opportunities in Guam, we are determined to do all within our power to give this important new source of jobs and revenue all the support it deserves. I ask that you join me today in this effort by voting in favor of H.R. 2771.

I stand ready to answer any questions about this measure. Thank you.

The SPEAKER pro tempore. Does the gentleman from Maryland desire to yield further time?

Mr. SARBANES. Mr. Speaker, I have no further requests for time.

Mr. FISH. Mr. Speaker, I have no requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Maryland Mr. Sarbanes that the House suspend the rules and pass the bill H.R. 2771, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SARBANES. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to revise and extend their remarks on the bill H.R. 2771 just passed by the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

ROSEDALE, IND., GROUNDHOG PREDICTS MORE WINTER

(**Mr. MYERS** of Indiana asked and was given permission to address the House for one minute and to revise and extend his remarks and include extraneous matter.)

Mr. MYERS of Indiana. Mr. Speaker, with all due respect to our colleague, John Murtha, of Pennsylvania, whose Punxsutawney groundhog has been reported as seeing and not seeing his shadow this morning, I want to report that reliable Old Blue, the Rosedale, Ind., groundhog left no doubt about his prediction. Old Blue saw his shadow, darted back into his burrow, thus setting the stage for another 6 weeks of winter.

Those of us who have lived in and around Rosedale in Parke County, Ind., have always had complete faith in the weather forecasting expertise of Old Blue whose record of accuracy deserves a place in the "Guinness Book of Records". To be sure we have never had the publicity that has been showered on Punxsutawney. We chose to keep Old Blue's professional touch to ourselves, at least until now, for fear that it might provide some advantage to the non-Hoosier. But, alas, the secret is out and I wish to share with you the story of Old Blue as told in this morning's edition of the Indianapolis Star by Ben Cole, native of western Indiana, chief of the Star's Washington bureau, and professional groundhog watcher:

"Old Blue"

Washington.—The Punxsutawney groundhog up in Pennsylvania is going to get all the publicity today.

But as far as I'm concerned, there will never be another Groundhog like Old Blue who used to predict the weather up in Rosedale, Ind., back in the 1920's when I was a kid in Terre Haute.

Old Blue was legendary. Folks said he could predict how much more winter was left right down to a whisker. And he could, too.

Communications weren't as good then as they are today, so sometimes it took a few days for the news of Old Blue's Groundhog Day prediction to reach Terre Haute.

Rosedale back then was a quiet little village back in the hills between Terre Haute and Rockville, taking the back roads. Sometimes the snow would hamper travel. There were a few telephones in Rosedale, but Old Blue didn't operate right in town. He was located in a field about a mile out of the village, next to a cornfield. He was tolerated in the summer, despite what he did to the green corn, because of his fame as a weather forecaster.

Along about the end of January, when winter got to be mighty tedious even in the city, and the coal bills started getting bigger and bigger, people started looking wistfully toward Rosedale.

And somebody would say, "Wonder if Old Blue's going to see his shadow this year?"

Then the room would get still while every body stopped and did some thinking about Old Blue and how much help it would be if he could defer coming out of his burrow until he was sure no shadow would be lurking around for him to see.

Old Blue wasn't the kind of groundhog to come out, spy his shadow and just jump right back into his burrow without thinking. He would ease out of the hole in the ground, sniff the air a little, then creep stealthily outdoors and start looking around. The loafers around the general store in Rosedale used to know every little detail about Old Blue and how he operated.

Once, they said, he stuck his nose out of the burrow, then his head, and finally he hauled out clear to his tail when a little beam of sunshine flickered over his left whisker.

Right then, Old Blue scratched four times with his left paw and six more times with his right paw, then he just sank back down out of sight.

Well, after that there were exactly four more weeks and six days of winter. An early thaw came just after that, and green things started showing around in the country. Old Blue called it right down to a hair.

The late Representative Leon Gavin (R-Pa.) used to get up on the floor of the House every Feb. 2 and bawl about what a great groundhog they had up in Punxsatawney, Pa., and how their groundhog was the absolute, United States general issue, official groundhog. The late Representative John P. Saylor (R-Pa.), who succeeded Gavin as the groundhog's press agent, used to try to wax eloquent about the Punxsatawney groundhog, but his heart was never in it, you could tell.

All their fine words, though, didn't have any effect on a thorough going Hoosier. Anybody who knows anything abount groundhogs knows that only one groundhog ever had any sense at all about weather forecasting.

That was Old Blue, the Rosedale groundhog.

LANDMARK DECISION BY U.S. SUPREME COURT ON FEDERAL ELECTION CAMPAIGN ACT OF 1974

The SPEAKER pro tempore (Mr. LLOYD of California). Under a previous order of the House, the gentleman from Wisconsin (Mr. STEIGER) is recognized for 60 minutes.

Mr. STEIGER of Wisconsin. Mr. Speaker, the Supreme Court of the United States on Friday handed down a landmark decision involving the Federal Election Campaign Act and its 1974 amendments.

That suit was originated in January 1975 by Senator BUCKLEY, former Senator Gene McCarthy, and the New York Civil Liberties Union. The original plaintiffs were later joined by a number of other plaintiffs, including myself.

The Supreme Court's decision did, in fact, concur with some of what the plaintiffs asked. The Court did find invidious and unconstitutional the limitations on expenditures by candidates for public office. The Court did find unconstitutional the limitations on expenditures that are made independently by citizens and private organizations, and the court did find unconstitutional the current makeup of the Federal Election Commission, because four of its six members are appointed by Congress rather than by the President. The Court did not find unconstitutional the limitations on contributions.

In striking down the limitations on political expenditures, the Court's opinion is a strong endorsement of the right of citizens, candidates, and private organizations to spend their own money to publicize their political beliefs.

The Court said:

> The first amendment denies government the power to determine that spending to promote one's political views is wasteful, excessive or unwise. In the free society ordained by our Constitution, it is not the government but the people—individually as citizens and candidates and collectively as associations and political committees—who must retain control over the quantity and range of debate on public issues in a political campaign.

We must think carefully about the state of the law, given the Court decision. Let me quote from the Chief Justice's dissenting opinion:

> I cannot join in the attempt to determine which parts of the Act can survive review here. The statute as it now stands is unworkable and inequitable.

The Chief Justice goes on to say:

> I agree with the Court's holding that the Act's restrictions on expenditures made "relative to a clearly identified candidate," independent of any candidate or his committee, are unconstitutional. * * * Paradoxically the Court upholds the limitations on individual contributions, which embrace precisely the same sort of expenditures "relative to a clearly identified candidate" if those expenditures are "authorized or requested" by the candidate or his agents." * * * The Act as cut back by the Court thus places intolerable pressure on the distinction between "authorized" and "unauthorized" expenditures on behalf of a candidate; even those with the most sanguine hopes for the Act might well concede that the distinction cannot be maintained.

The Chief Justice then goes on to quote the Senate report on the bill, and then he says:

> Given the unfortunate record of past attempts to draw distinctions of this kind, * * * it is not too much to predict that the Court's holding will invite avoidance, if not evasion of the intent of the Act, with "independent" committees undertaking "unauthorized" activities in order to escape the limits of contributions. The Court's effort to blend First Amendment principles and practical politics has produced a strange offspring.
>
> Moreover, the Act—or so much as the Court leaves standing—creates significant inequities. A candidate with substantial personal resources is now given by the Court a clear advantage over his less effluent opponents, who are constrained by law in fundraising, because the Court holds that the "First Amendment cannot tolerate" and restrictions on spending. * * * Minority parties, whose situation is difficult enough under an Act that excludes them from public funding, are prevented from accepting large single-donor contributions. At the same time the Court sustains the provision aimed at broadening the base of political support by requiring candidates to seek a greater number of small contributors, it sustains the unrealistic disclosure thresholds of $10 and $100 that I believe will deter those hoped-for small contributions. Minor parties must now compete for votes against two major parties whose expenditures will be vast. Finally, the Act's distinction between contributions in money and contributions in services remains, with only the former being subject to any limits.

The Chief Justice has accurately and perceptively outlined the challenge Congress now faces. As one of those who participated in the suit, I am pleased the Court dealt with the most onerous features of the Campaign Act, and I think now we must think clearly and carefully about what we do.

The Court in its ruling has done a number of things: One, it has indirectly put a premium on wealth. It has made it possible for an individual candidate or his or her family to fund campaigns without limits. This means that individuals who come from well-to-do backgrounds can without any limit whatsoever spend their own money to finance a campaign for Federal office. Those who are not so fortunate, who are not wealthy, because the limits on expenditures are correctly removed, will now be forced to compete in raising money in small donations.

As Justice Burger notes in his dissenting opinion, it would be wise now to eliminate—or at least to raise—the limits on contributions. Candidates who are not wealthy must rely on seed money to get campaigns started. Now that the expenditure ceilings are removed, the present $1,000 contribution limit increases the campaign advantage of incumbents and those who have personal wealth. It is now more difficult than ever before for an unknown to become a known candidate.

Second, the Court has almost explicitly in its decision and in its footnotes put the stamp of approval on special-interest funds. These can be from a corporation, a union, or from some other organization or group; contributions to them are not limited nor are expenditures from them limited so long as there is no direct relationship with any candidate or cause they espouse. I suspect this part of the ruling will serve to create far more special groups than we have heretofore seen.

The Court is very clear that there cannot be any limit at all on the right of organizations or associations to form and to decide to back a particular group of candidates or even a single candidate, so long as they do so independently.

Third, the Court has, I am afraid, in its decision placed Congress in a most uncomfortable position.

The ruling clearly requests immediate legislative action. In noting that the Federal Election Commission is unconstitutional because four of its six members are appointed by Congress rather than by the President, the Court granted a stay of 30 days.

The opinion specifically states:

> This limited stay, will afford Congress an opportunity to reconstitute the Commission by law or to adopt other valid enforcement mechanisms without interrupting enforcement of the provisions the Court sustains, allowing the present Commission in the interim to function *de facto* in accordance with the substantive provisions of the Act.

After the 30-day period expires, the Commission can do no more than can a committee of Congress.

It is true, Mr. Speaker, that many of the problems with the Election Commission stem from the expenditure ceiling. That is where much of their work has drawn most controversy. Congress must now decide shall there be an independent commission to exercise the powers we grant to it and, if so, how many Members shall it have?

The Court has said we cannot do this in the way we did under the Act to start with. It must be by Presidential appointment. It must be by confirmation by the Senate. It cannot be by confirmation of both Houses.

It is possible that Congress may devise a mode of appointment that would ask the President to choose his nominees from a list submitted by the Senate.

As Professor of Law Joel L. Fleishman noted in the September 1975 Duke University Law Journal:

> A careful search of precedents has turned up no other federal agency similarly constituted, and the present arrangement must be regarded as unconstitutional. As is the case with so many features of the Amendments, the substance of this arrangement could have been attained with more care in the drafting. So long as the President formally appoints, it is entirely permissible for the Congress to specify a nomination procedure, such as that intended by the 1974 Amendments, which would be binding on the President.

"The Analysis and Interpretation of the Constitution of the United States," that magnificent volume produced by the Congressional Research Service, also hints that a list arrangement may be a constitutional mode of appointment. It notes that "the Senate may suggest conditions and limitations" to a President about to make his nominations.

There are some precedents for such conditions and limitations. The Board of Directors of the Corporation for Public Broadcasting offers one example. The U.S. Railway Association, another example, has a Board of 11 members appointed by the President, 7 of them from lists submitted from a range of sources.

If we decided not to have an independent Commission, then who is to do the job? Who is to issue rulings? Who is to certify which candidates are eligible for subtitle H funds? Who is it that will carry on the vital work now carried on by the Federal Election Commission?

Mr. Speaker, for myself, I happen to believe an independent Commission is the proper route to take. There is a bill pending before the Committee on House Administration (H.R. 9076) which would reconstitute the Commission as an independent agency appointed by the President and confirmed by the Senate. My hope is that our committee in the House will move expeditiously in order to ascertain what can be done on this issue. The time is short.

Then, Mr. Speaker, one other problem. There will, I suspect, be an increase in pressure from groups like Common Cause to provide financing of congressional campaigns. The Court's decision to uphold the constitutionality of Federal contributions, of matching contributions to campaigns will, I am sure, put more steam into such a stampede.

I am not persuaded that that is the right approach at this moment. I am skeptical of decisions reached in haste.

And, I think it is a problem which the Court decision poses for us; that is, given the fact the premium now is put on wealth; given the fact special groups and organizations can be formed without limits on expenditures, what does one do to offset that obvious advantage that will go to certain groups or individuals in the society as compared to the nonwealthy individual running for a Federal office?

I think the wise answer is to follow the advice of the Chief Justice and basically go back and look at how low we set the contribution limits. The Court clearly sustained the contribution limits imposed by the Federal Election Campaign Amendments of 1974, though its reasoning leaves something to be desired. I think now we must weigh that constitutional judgment against the obvious inequity it has created.

As for myself, I think we should raise the contribution limits to, let us say, a figure of $10,000 for an individual to contribute to a Federal campaign; and perhaps something like $20,000, or $25,000 for groups or committees who contribute to an individual's campaign. If that is done, the nonwealthy candidate will have a chance to obtain seed money and will do more to correct the inequity created by the court.

Yes, there is a state of confusion. My own view is that it is time, within the limits imposed by the Court, to reshape the Commission. If we fail to do so, the Congress of the United States will deserve a very low standing amongst our constituents. Congress ought not to pass up the chance to correct the law and to make sure that we do our work within the time framework established by the Court.

Mr. Speaker, I would urge my colleagues to look carefully at the decision. It is long, though it is not quite as long as some might at first think. Much of the decision—about 100 pages—is a republication of the law. There actually are about 137 pages, from page 1 to page 137, that each Member should read. I will include here a copy of the summary read by the Chief Justice on Friday morning:

[In the Supreme Court of the United States, No. 75-436. Argued November 10, 1975—Decided January 30, 1976[*]]

Syllabus: Buckley et al. v. Valeo, Secretary of the United States Senate, et al.

APPEAL FROM THE UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT

The Federal Election Campaign Act of 1971 (Act), as amended in 1974, (a) limits political contributions to candidates for federal elective office by an individual or a group to $1,000 and by a political committee to $5,000 to any single candidate per election, with an overall annual limitation of $25,000 by an individual contributor; (b) limits expenditures by individuals or groups "relative to a clearly identified candidate" to $1,000 per candidate per election, and by a candidate from his personal or family funds to various specified annual amounts depending upon the federal office sought, and restricts overall general election and primary campaign expenditures by candidates to various specified amounts, again depending upon the federal office sought; (c) requires political committees to keep detailed records of contributions and expenditures, including the name and address of each individual contributing in excess of $10, and his occupation and principal place of business if his contribution exceeds $100, and to file quarterly reports with the Federal Election Commission disclosing the source of every contribution exceeding $100 and the recipient and purpose of every expenditure over $100, and also requires every individual or group, other than a candidate or political committee, making contributions or expenditures exceeding $100 "other than by contribution to a political committee or candidate" to file a statement with the Commission; and (d) creates the eight-member Commission as the administering agency with recordkeeping, disclosure, and investigatory functions and extensive rulemaking, adjudicatory, and enforcement powers, and consisting of two members appointed by the President *pro tempore* of the Senate, two by the Speaker of the House, and two by the President (all subject to confirmation by both Houses of Congress), and the Secretary of the Senate and the Clerk of the House as *ex officio* nonvoting members. Subtitle H of the Internal Revenue Code of 1954 (IRC), as amended in 1974, provides for public financing of Presidential nominating conventions and general election and primary campaigns from general revenues and allocates such funding to conventions and general election campaigns by establishing three categories: (1) "major" parties (those whose candidate received 25% or more of the vote in the most recent election), which receive full funding; (2) "minor" parties (those whose candidate received at least 5% but less than 25% of the votes at the last election), which receive only a percentage of the funds to which the major parties are entitled; and (3) "new" parties (all other parties), which are limited to receipt of post-election funds or are not entitled to any funds if their candidate receives less than 5% of the vote. A primary candidate for the Presidential nomination by a political party who receives more than $5,000 from private sources (counting only the first $250 of each contribution) in each of at least 20 States is eligible for matching public funds. Appellants (various federal officeholders and candidates, supporting political organizations, and others) brought suit against appellees (the Secretary of the Senate, Clerk of the House, Comptroller General, Attorney General, and the Commission) seeking declaratory and injunctive relief against the above statutory provisions on various constitutional grounds. The Court of Appeals, on certified questions from the District Court, upheld all but one of the statutory provisions. A three-judge District Court upheld the constitutionality of Subtitle H. *Held:*

1. This litigation presents an Art. III "case or controversy," since the complaint discloses that at least some of the appellants have a sufficient "personal stake" in a determination of the constitutional validity of each of the challenged provisions to present "a real and substantial controversy admitting of specific relief through a decree of a conclusive character, as distinguished from an opinion advising what the law would be upon a hypothetical state of facts." *Aetna Life Ins. Co.* v. *Haworth*, 300 U. S. 227, 241. Pp. 6–7.

2. The Act's contribution provisions are constitutional, but the expenditure provisions violate the First Amendment. Pp. 7–53.

(a) The contribution provisions, along with those covering disclosure, are appropriate legislative weapons against the reality or appearance of improper influence stemming from the dependence of candidates on large campaign contributions, and the ceilings imposed accordingly serve the basic governmental interest in safeguarding the integrity of the electoral process without directly impinging upon the rights of individual citizens and candidates to engage in political debate and discussion. Pp. 17–33.

(b) The First Amendment requires the invalidation of the expenditure provisions, since those provisions place substantial and direct restrictions on the ability of candidates, citizens, and associations to engage in protected political expression, restrictions that the First Amendment cannot tolerate. Pp. 33–52.

3. The Act's disclosure and recordkeeping provisions are constitutional. Pp. 54–79.

(a) The general disclosure provisions, which serve substantial governmental interests in informing the electorate and preventing the corruption of the political process, are not overboard insofar as they apply to contributions to minor parties and independent candidates. No blanket exemption for minor parties is warranted since such parties in order to prove injury as a result of application to them of the disclosure provisions need show only a reasonable probability that the compelled disclosure of a party's contributors' names will subject them to threats, harassment, or reprisals in violation of their First Amendment associational rights. Pp. 58–69.

(b) The provision for disclosure by those who make independent contributions and expenditures, as narrowly construed to apply only (1) when they make contributions earmarked for political purposes or authorized or requested by a candidate or his agent to some person other than a candidate or political committee and (2) when they make an expenditure for a communication that expressly advocates the election or defeat of a clearly identified candidate is not unconstitutionally vague and does not constitute a prior restraint but is a reasonable and minimally restrictive method of furthering First Amendment values by public exposure of the federal election system. Pp. 69–76.

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[*] Together with No. 75-437, *Buckley et al.* v. *Valeo, Secretary of the United States Senate, et al.*, on appeal from the United States District Court for the District of Columbia.

(c) The extension of the recordkeeping provisions to contributions as small as those just above $10 and the disclosure provisions to contributions above $100 is not on this record overbroad since it cannot be said to be unrelated to the informational and enforcement goals of the legislation. Pp. 76–78.

4. Subtitle H of the IRC is constitutional. Pp. 79–103.

(a) Subtitle H is not invalid under the General Welfare Clause but, as a means to reform the electoral process, was clearly a choice within the power granted to Congress by the Clause to decide which expenditures will promote the general welfare. Pp. 84–86.

(b) Nor does Subtitle H violate the First Amendment. Rather than abridging, restricting, or censoring speech, it represents an effort to use public money to facilitate and enlarge public discussion and participation in the electoral process. Pp. 86–87.

(c) Subtitle H, being less burdensome than ballot-access regulations and having been enacted in furtherance of vital Governmental interests in relieving major-party candidates from the rigors of soliciting private contributions, in not funding candidates who lack significant public support, and in eliminating reliance on large private contributions for funding of conventions and campaigns, does not invidiously discriminate against minor and new parties in violation of the Due Process Clauses of the Fifth Amendment. Pp. 87–102.

(d) Invalidation of the spending-limit provisions of the Act does not render Subtitle H unconstitutional, but the Subtitle is severable from such provisions and is not dependent upon the existence of a generally applicable expenditure limit. Pp. 102–103.

5. The Commission's composition as to all but its investigatory and informative powers violates Art. II, § 2, cl. 2. With respect to the Commission's powers, all of which are ripe for review, to enforce the Act, including primary responsibility for bringing civil actions against violators, to make rules for carrying out the Act, to temporarily disqualify federal candidates for failing to file required reports, and to authorize convention expenditures in excess of the specified limits, the provisions of the Act vesting such powers in the Commission and the prescribed method of appointment of members of the Commission to the extent that a majority of the voting members are appointed by the President *pro tempore* of the Senate and the Speaker of the House, violate the Appointments Clause, which provides in pertinent part that the President shall nominate, and with the Senate's advice and consent appoint, all "Officers of the United States," whose appointments are not otherwise provided for, but that Congress may vest the appointment of such inferior officers, as it deems proper, in the President alone, in the courts, or in the heads of departments. Hence (though the Commission's past acts are accorded *de facto* validity and a stay is granted permitting it to function under the Act for not more than 30 days), the Commission, as presently constituted, may not because of that Clause exercise such powers, although it may exercise such investigatory and informative powers as are in the same category as those powers that Congress might delegate to one of its own committees. Pp. 103–137.

No. 75-436, —— U.S. App. D.C. ——, 519 F. 2d 821, affirmed in part and reversed in part; No. 75-437, 401 F. Supp. 1235, affirmed.

The Court issued a *per curiam* opinion, in which Brennan, Stewart, and Powell, JJ., joined; in all but Part I-C-2 of which Marshall, J., joined; in all but Part I-B of which Blackmun, J., joined; in all but Part III-B-1 of which Rehnquist, J., joined; in Parts I-C and IV (except insofar as it accords *de facto* validity for past acts of the Commission) of which Burger, C. J., joined; and in Part III of which White, J., joined. Burger, C. J., and White, Marshall, Blackmun, and Rehnquist, JJ., filed opinions concurring in part and dissenting in part. Stevens, J., took no part in the consideration or decision of these cases.

As a result of the Court decision, we now have a restatement of the first amendment rights of the American people to participate fully in the political process. We have undone the single greatest harm of the Federal Election Campaign Act so that now incumbents can be effectively challenged at the polls. As Chief Justice Burger concluded his remarks:

> Congress can no more ration political expression than it can ration religious expression. . . . There are many prices we pay for the freedoms secured by the First Amendment; the risk of undue influence is one of them, confirming what we have long known: freedom is hazardous, but some restraints are worse.

We did a good job in establishing an independent Commission; we merely did a poor job in drafting the appointment language that we did.

In the next few days I hope the Members of this House will give most careful attention to the challenges now posed to us as legislators by the dictum of the Court. The Court has said, in summary, "Much of the law is bad, go back and correct it."

I hope we will have the courage and the willingness to do so.

Mr. Speaker, I would also like to include as part of my remarks the editorial from today's Washington Post:

Campaign Finance: Second Thoughts

One function of the Supreme Court is to provide a sober second thought about laws and policies adopted in times of stress. The Court has met this reflective obligation with impressive care in its decision on the 1974 campaign financing law, Congress' complex attempt to reduce the corrosive influence of money in politics. In upholding many parts of the law and striking down others, the Court has established a legal framework for this year's campaigns. It has also emphasized some constitutional issues which the advocates of regulation, including ourselves, may not have paid enough attention to in the first post-Watergate clamor for controls.

The most important aspects of the ruling define how far the regulation of campaign spending may reach without running into the First Amendment's guarantee of free political expression. The Court emphatically upheld detailed disclosure of the sources and uses of campaign funds. A majority also approved limits on contributions to presidential and congressional campaigns, but rejected ceilings on spending as an interference with free speech. This means that candidates are free to spend as much as they can raise from their own funds or contributions that do not exceed the limits. It also means that individuals and groups may not give huge amounts to candidates, but may spend whatever they want to independently. The only private political outlays Congress may constitutionally limit, the Court concluded, are those involving some transaction between a candidate and a supporter—a contribution, a loan, a prearrangement or a deal. Those are the areas in which corruption and the appearance of corruption most readily arise.

Full disclosure and contributions limits should do much to combat the excessive or improper influence of monied interests. But serious problems remain. Without spending ceilings, some well-financed candidates may still be able to drown their opposition in a flood of advertising, mailings and telephone appeals. Wealthy candidates will have at least an initial edge over those who have to solicit large numbers of small contributions. Moreover, in practice the distinction between "coordinated" and "independent" spending will be hard to make; groups backing candidates are likely to launch lavish 'independent" drives to get around the contribution limits.

Many opponents of unchecked spending view these possibilities as loopholes opened by the Court. But one man's loophole is another man's liberty. To the Court, these are fundamental aspects of freedom which, however troubling in some ways, may not be abridged. "The First Amendment," the Court said, "denies government the power to determine that spending to promote one's political views is wasteful, excessive, or unwise." The Constitution leaves such judgments to the people. In our view this is persuasive—which is another way of saying that the Court's well-reasoned opinion has afflicted us with some sober second thoughts about our advocacy of spending controls. While we persist in our belief that we had our eye on the right problem—the inequitable advantage which easy access to money gives to some well-situated candidates—we may well not have had the right solution. We are persuaded by the constitutional questions raised by the Court. But we remain convinced that there are important inequities which the Court's constitutional argument leaves unresolved, and indeed some which the decision has aggravated.

The Court did sanction one promising alternative by upholding public financing of presidential campaigns. This approach, being tried for the first time this year, gives a financial boost to all qualified candidates and lessens their dependence on private funds. It also offers a means of holding down campaign costs because the Court did approve the imposition of spending limits as a condition of public grants—as long as candidates are free to forego public funds and spend unlimited amounts from private sources if they prefer. All this makes public financing attractive. But the program is still at an experimental stage and should not be touted as a panacea, especially not until it can be evaluated after this year's campaigns.

Finally, in the step that will have the greatest immediate impact, the Court unanimously struck down enforcement of any campaign laws by the Federal Elections Commission on the ground that Congress had violated the principle of separation of powers by retaining too large a role in appointing the panel's membership. The Court thus slapped the hands of Rep. Wayne L. Hays (D-Ohio) and other legislators who have tried to keep the FEC under their thumbs. Congress, the Court said in effect, must choose between truly independent enforcement and no elections board at all. Furthermore, the choice must be made in the next 30 days, before the FEC closes its doors. Otherwise all the parts of the law upheld last week—including public disclosure and matching grants to presidential candidates—will be in limbo. Such disarray would be intolerable with so many campaigns already under way. The task for Congress could not be more clear. Both houses should resist any impulses to toy with the law, and quickly pass a simple act reshaping the elections panel in a form that will meet the constitutional test.

THE NATURAL GAS RULE

The SPEAKER pro tempore. Under a previous order of the House, the gentle-

man from Illinois (Mr. Anderson) is recognized for 30 minutes.

Mr. ANDERSON of Illinois. Mr. Speaker, over the past few weeks there has been a rash of "Dear Colleague" letters and statements in the press and Congressional Record attacking the natural gas rule (H. Res. 937) as being extraordinary, unusual, almost unprecedented, unfair, unjust, immoral, perverted, irregular, shameful, high-handed, underhanded, heavy-handed, and left-handed. To all this I say, "Hogwash." What all these criticisms boil down to is one simple fact: The opponents of this rule do not want to give the House a chance to debate and vote on the issue of long-term deregulation of natural gas, even though the House will have to go to conference with the Senate on this very proposition.

WHY A SPECIAL RULE

The Rules Committee, by a 12 to 4 margin, granted this rule after hearing from nine witnesses over several hours on Tuesday, December 16, 1975. Why did we grant a rule permitting any member of the Interstate and Foreign Commerce Committee to call up the bill once the rule has been adopted? Quite simply because the chairman of the committee and chairman of the Energy Subcommittee testified that they did not seek nor want a rule on the bill, even after being denied their request to bring up the bill under suspension of the rules which permits only 40 minutes of debate and no amendments. All this despite the "committee bill of rights" incorporated in our rules with the 1970 Legislative Reorganization Act which obligates a chairman "to report or cause to be reported promptly to the House any measure approved by the committee and to take or cause to be taken necessary steps to bring the matter to a vote." (House rule XI, clause 2 (l)(1)(A).)

We are still mindful of the case of the metric conversion bill in 1974 in which the chairman, unhappy with the type of rule granted, decided to circumvent the regular procedure by calling the bill up under suspension of the rules. After it failed to receive a two-thirds vote he explained he had brought it up under suspension "to get rid of it."

If, as the Energy Subcommittee chairman promised under questioning, he would call up the bill after House Resolution 937 were adopted over his objections, this whole question of recognition will become academic since he would obviously be the first person recognized for that purpose. If for some reason he were reluctant to call up the bill after this rule were adopted, the House would be assured that someone on the committee would call it up. This is not so different from another portion of the "committee bill of rights" incorporated in our House rules in 1970 which gives the Speaker authority to recognize any member of the committee to call up a bill if the chairman has not done so within 7 days after adoption of the rule—House rule XI, clause 2(e)(7). That rule does require that the Member be duly authorized by a committee majority to call up the bill.

House Resolution 937 differs only in that it does not contain the 7-day or committee authorization conditions. This was done in recognition of the fact that a committee majority may not be pleased with a rule making in order the offering of two amendments rejected in committee, even though a House majority has already agreed to consider the amendments by adopting the rule. There should be no question as to which majority should prevail in such a situation. One of the roles of the Rules Committee is to make it possible for the full House to work its will on legislation, despite the objections of a determined minority.

IS THE RULE UNPRECEDENTED?

Is all this unprecedented? Certainly not when you consider that there are several instances in which the Rules Committee has granted rules making in order the immediate consideration of bills not even reported from committee. Citing from Deschler's Procedure:

> On August 19, 1964, the House adopted House Resolution 845 which provided for immediate consideration of a reapportionment bill still pending in the Judiciary Committee (Chapter 21, § 20.4); on June 25, 1965, the House adopted House Resolution 433 which provided for the immediate consideration of an Area Redevelopment Act extension still pending in the Banking and Currency Committee (Chapter 21, § 20.3); on February 9, 1972 the House adopted House Resolution 796 providing for the immediate consideration of emergency dock strike legislation still pending in the Education and Labor Committee (Chapter 21, § 20.1); on August 17, 1972, the House adopted House Resolution 1090 providing for the immediate consideration of an equal educational opportunities bill still pending in the Education and Labor Committee. (Chapter 29, § 1.5).

Keep in mind that in each of these instances, upon adoption of the rule, the House automatically resolved itself into the Committee of the Whole to consider these measures, and it was not left to the discretion of the committee chairmen to call up the bills.

The most recent instance of this, ironically, occurred on January 31, 1973, on House Resolution 176 which provided that, and I quote, "Immediately upon the adoption of this resolution the House shall proceed to the consideration of the resolution (H. Res. 132)." That resolution, you will recall, created a select committee to study the reform of our House committee system. This particular rule, House Resolution 176, is referred to in Deschler's Procedure as follows:

> Where the House adopts a resolution providing for the immediate consideration of a resolution in the House, the Speaker directs the Clerk to report that resolution without its being called up by the Member in charge. (Chapter 29, § 1.3)

I say this is ironic because the Member in charge of House Resolution 132 and who ordinarily would have been recognized under a regular rule to call up that resolution was the gentleman from Missouri (Mr. Bolling) who will be handling this natural gas rule tomorrow and who convinced me in the Rules Committee that we should not grant such an automatic consideration rule. That is why, in the alternative, we drafted the rule we did, which authorizes the Speaker to recognize any member of the committee to call up the bill and thereby leave the door open for the chairman to exercise his prerogative. So we have granted a more regular rule than those cited in the precedents I have just mentioned. Moreover, it is a rule for a bill which has been properly reported from committee and, therefore, is not as drastic as those rules which discharged committees of further consideration of bills not yet reported.

WHY MAKE NONGERMANE AMENDMENTS IN ORDER?

The natural gas rule has been criticized because it makes two nongermane amendments in order for consideration by the House. Is this so unusual? Of course not. The Rules Committee has granted such rules on numerous occasions in order to give the House the fullest possible options to choose from. Last year, for instance, the Rules Committee, under binding instructions from the Democratic Caucus, granted a special rule on the Tax Reduction Act making in order not only a nongermane amendment, but a completely unrelated and irrelevant amendment—the Green oil and gas depletion allowance repealer, contrary to the request and wishes of the chairman and majority of the Ways and Means Committee which had reported the tax bill. Incidentally, 9 of the 10 Democrats on the Interstate Subcommittee on Energy voted for that very extraordinary rule: Chairman Dingell, Mr. Wirth, Mr. Sharp, Mr. Brodhead, Mr. Murphy of New York, Mr. Eckhardt, Mr. Ottinger, Mr. Moffett, and Mr. Maguire (Congressional Record, February 27, 1975, Roll No. 30). Many of these same people are now complaining about this more germane natural gas rule because it is not what the chairman and committee majority want.

In the present instance, at least, the two substitute amendments made in order by the rule are directly related to the subject matter of the bill—natural gas. Moreover, testimony taken in the Rules Committee reveals that the Krueger deregulation amendment would have been germane to the original H.R. 9464, which amended the Natural Gas Act, but was ruled nongermane to the substitute offered in markup which did not amend that act. As subcommittee Chairman Dingell testified before the Rules Committee:

> The chairman of the subcommittee and committee also crafted it (the substitute) so we could not find ourselves affronted with immediate deregulation of natural gas. . . .

Congressman Bolling summarized as follows:

> I think that the testimony would make it very clear that circumstances beyond their control and circumstances within their control caused them to use, I hesitate to say the word "trickery," but to use legislative techniques in order to avoid the opportunity of the opponents of the majority's point of view to have their position heard or acted on in a generous fashion.

The other substitute made in order by this rule, the Brown 7-year deregulation experiment, was not ruled nongermane in the subcommittee or full committee, but lost on a 19-to-19 tie vote in full committee. Nevertheless, it, too, must be protected against a point of order because of its contract terms. It would be unconscionable to deny the House a chance to vote on these two important alternatives—one of which was bumped by a procedural swap in midstream, and the other of which was supported by half the committee's membership.

DOES THE RULE DISCHARGE THE INTERSTATE COMMITTEE?

The charge has been made that this rule discharges the Interstate and Foreign Commerce Committee from further consideration of long-term deregulation legislation. This is sheer nonsense. The rule does not discharge the committee of anything. It simply makes in order two substitute amendments to H.R. 9464 which were offered in committee and subsequently printed in the CONGRESSIONAL RECORD of December 8, 1975. The fact that the energy subcommittee may have subsequently begun hearings on various long-term solutions to the natural gas problem does not ipso facto grant ex post facto discharge status to the rule we granted. The rule makes no reference to any bill other than H.R. 9464.

The most recent hearings are relevant only to the extent that they should further prepare Members to debate the deregulation issue once this rule has been adopted and the two substitutes made in order. As the gentleman from Ohio (Mr. BROWN) recently observed, though, the hearings have been "redundant." That is understandable since this ground has already been gone over in two sets of House hearings in this Congress alone, not to mention the volumes of hearings and reams of studies compiled on the deregulation issue over the last 20 years. In fact, the House first voted for deregulation of natural gas back in 1955.

IS THE RULE LOADED?

The charge has been made that the rule is loaded in favor of deregulation proponents. It is no more loaded than any other rule we have granted which gives the authors of major substitutes made in order time to explain their position during general debate. And in this case, Mr. KRUEGER has already promised to allot half his debate time to opponents of his amendment. The other 2 hours are divided between the majority and minority parties and not between opponents and proponents of deregulation. I am certain that those controlling time on both sides will be completely fair in granting time to those who wish to speak, regardless of their position. At this point, we would do well to recall that under the tax reduction rule, which made in order the Green and Wilson oil and gas depletion amendments, and for which they were each given a half-hour of general debate time, only 10 minutes were permitted for debate on each amendment due to the closed nature of the rule prohibiting even germane amendments to those amendments. In the present instance, there is no such prohibition on amendments and any amendments to either the Krueger or Brown substitutes, including the Fraser substitute, may be debated under the 5-minute rule for as long as any Member wishes to use his 5 minutes. There was no need to make the Fraser amendment especially in order under the rule we granted, since we were informed that no germaneness problem was involved.

CONCLUSION

In conclusion, Mr. Speaker, the Rules Committee majority has been unfairly maligned, in my opinion, with respect to this rule. One dear colleague letter even accused us of being in league with the gas industry or unwitting dupes. This is absurd and an insult to our intelligence and integrity. As I have attempted to bring out in this special order, there were ample legitimate reasons for granting such a special rule, based on the testimony we received. First, because the appropriate chairmen sought to limit debate and preclude amendments by bringing their bill up under the suspension procedure; second, because they did not seek a rule even after being refused the suspension route by the Speaker; and third, because they even objected to House consideration of a proposal defeated on a 19-to-19 tie vote in the committee and used procedural gimmickry to prevent consideration of another proposal.

In short, Mr. Speaker, the leaders for this bill have clearly demonstrated that they do not want to give the House a choice and are even reluctant to bring up any bill. The Rules Committee acted as it did in order to give the full House a chance to vote on the widest possible range of choices. If the House should choose to deny itself that opportunity by defeating this rule, then so be it; at least our committee will not be vulnerable to the charge of thwarting majority will. Every decision we make is in public session and subject to acceptance or rejection by a House majority. Our rules do not pass judgment on the substantive merits of an issue, but rather are procedural devices to give the House a chance to make a determination on such issues.

Mr. Speaker, I am a bit disappointed that the most vociferous critics of this rule are of the same stripe as those who fought for the so-called committee bill of rights to permit the full House to work its will despite the delaying and obstructive tactics of a determined minority. I find it difficult to reconcile their past sunshine and openness reformer zeal with their present efforts to block House consideration of various alternatives. What they are saying in effect is, "It is all right to give the House a very limited choice and prevent consideration of other options, so long as that limited choise happens to be the approach we favor."

Mr. Speaker, this is nothing more than blatant hypocrisy and a clear demonstration that they do not trust the House majority to exercise its independent judgment on such matters. If they are truly interested in openness and trust the House to make the wise decision on the basis of the facts, then they should support this rule as reported and permit us to proceed with debate on the substantive merits of the alternatives involved. The merits of these issues obviously cannot be adequately discussed or resolved during the brief hour of debate on the rule. I, therefore, urge my colleagues to vote for the adoption of House Resolution 937 as reported by the Rules Committee when it comes up for consideration tomorrow.

DISCRIMINATION AGAINST HUNGARIANS IN ROMANIA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. GOLDWATER) is recognized for 5 minutes.

Mr. GOLDWATER. Mr. Speaker, people living under Communist rule still yearn for the restoration of their human and civil rights despite the propaganda put out by détente politicians that they are now satisfied with their lot and that détente is helping to improve their situation.

Besides the celebrated Russian dissidents who are awakening the world's conscience, we have a new case in point in the leaders of the National Councils of Hungarian and German Workers in Romania.

According to the very authoritative West German daily, the Frankfurter Allgemeine Zeitung of November 11, 1975, these leaders, mostly nominal party members and handpicked candidates of President Ceaucescu and the Romanian Communist Party to lead the 2.5 million Hungarian and 600,000 German origin citizens in Romania have accused the government of discrimination against their communities and asked for remedial action by the government and also the establishment of a "Transylvanian Commission" at the U.N. Human Rights Commission.

In view of the Provisions of the Romanian Constitution making "chauvinist-nationalist agitation" a crime and the past practices of the police, the memorandum took great personal courage. It is notable that the demands of the memorandum were substantially identical with the areas of concern outlined in our letter to President Ford which I and 38 colleagues signed on July 22, 1975, before the President's departure to Bucharest.

It is an eloquent testimony to the solid popular support these leaders enjoy in their respective communities that even President Ceaucescu, plagued by economic inefficiency, floods and low productivity rates while ambitiously trying to expand industry failed to proceed with secret police means. Rather, he appeared at their annual convention, appealed to their commitment as Marxist-Leninists, emphasized that only higher production rates and devotion to ideology can solve the national question and admitted shortcomings. He even promised some remedies at the coming Cultural Congress in 1977.

At the same time, however, he also warned against "chauvinist-nationalist manifestations" which cannot be tolerated. He even referred indirectly to the activities of my colleagues in the House and the Senate who had denounced last year the oppression of Romanian citizens, particularly those of non-Romanian mother tongues and the actions of the American Hungarian Federation and the American Hungarian Reformed Church who have submitted the case to the Human Rights Commission of the U.N.

President Ceaucescu called them "chauvinist-nationalist manifestations on the international plane which reflect on our country in one form or another."

At this juncture we have the duty to press for the improvement of the human and civil rights situation of the 2.5 million Hungarians and the 600,000 Germans in Romania, for that matter demands the full implementation of the human and civil rights guarantees to all Romanian citizens under the Romanian Constitution which so often have been trampled by the present government.

We have two legal precedents to fall back upon: First, Romania's signature of the Helsinki declaration, particularly articles 7 and 8 to which the National Councils also referred in their October memorandum. Second, the United States-Romanian Declaration of 1973 in which both parties agreed to consult each other on humanitarian issues of interest to either parties.

In the past, our State Department has been reluctant to proceed along the lines of the 1973 Declaration referring to a lack of concrete data on the subject. Now, the October memorandum provides hard evidence within Romania by Romanian-appointed public bodies of the discrimination against the national minorities. It is high time that we speak out firmly in favor of the fundamental human freedoms of these people who are our allies instead of remaining guilty of a conspiracy of silence in the name of détente.

NATURAL GAS EMERGENCY STANDBY ACT OF 1975

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. KRUEGER) is recognized for 60 minutes.

Mr. KRUEGER. Mr. Speaker, I wish today to offer a section-by-section analysis and a discussion of the legislative intent of an amendment in the nature of a substitute for H.R. 9464 which I intend to offer on the floor and which was printed in the CONGRESSIONAL RECORD of December 8, 1975, pages 39152–39156. My intent is to use this section by-section analysis to both simplify and clarify the language of the bill which I expect to be discussed on the floor tomorrow:

SECTION-BY-SECTION ANALYSIS AND DISCUSSION OF LEGISLATIVE INTENT: AN AMENDMENT IN THE NATURE OF A SUBSTITUTE FOR H.R. 9464, OFFERED BY MR. KRUEGER, APPEARING IN THE CONGRESSIONAL RECORD OF DECEMBER 8, 1975

TITLE I

Section 101.—Names the title as the "Natural Gas Emergency Standby Act of 1975."

Section 102(a).—Sets forth a Congressional finding that the nation will suffer a natural gas shortage during the period November 1975 through March 1976, creating an emergency which can be alleviated by providing for limited exemptions from regulation of natural gas and for the prohibition of the use of natural gas as boiler fuel.

Section 102(b).—States the purpose of the title to grant the Federal Power Commission (FPC) authority to allow interstate pipeline companies with inadequate natural gas for their high priority customers to acquire natural gas from intrastate sources (and other interstate pipeline companies) on an emergency basis free from the provisions of the Natural Gas Act, except for the reporting requirement contained therein; the grant of authority to the Federal Energy Administration (FEA) to prohibit the use of natural gas as a boiler fuel and to provide the President authority to allocate propane during periods of actual or threatened severe shortages of natural gas.

Section 103.—Definitions.

Section 104.—Amends section 7(c) of the Natural Gas Act to require the FPC, within 15 days after the effective date of the Natural Gas Emergency Standby Act of 1975, to exempt from the provisions of the Natural Gas Act (except the reporting requirements) the transportation, sale and delivery, transfer or exchange of natural gas in connection with emergency acquisitions of natural gas by interstate pipelines from sources other than offshore federal lands. Exemptions could be granted for transactions between a producer, interstate pipeline company, a producing affiliate of such a company, intrastate pipeline company, a producing affiliate of such a company, or gas distributing company, to or with an interstate pipeline company which does not have a sufficient supply of natural gas to fulfill the requirements of its high-priority consumers of natural gas, and which is curtailing deliveries during the November 1975 through March 1976 heating season pursuant to a curtailment plan on file with the FPC. Exemptions could not exceed 180 days. The FPC shall not have authority to deny recovery by an interstate pipeline company in its jurisdictional rates of the amount paid for natural gas purchased under such an exemption, except to the extent that prices paid to an affiliate exceed prices paid to nonaffiliated companies in comparable transactions.

Neither the gas sold or delivered under such an exemption, nor any person otherwise exempt under the provisions of the Natural Gas Act, shall become subject to the jurisdiction of the FPC through sales, transportation or deliveries pursuant to such an exemption.

Section 105.—The purpose of this section is to increase the availability of natural gas to high-priority consumers by authorizing the FEA, under certain emergency conditions, to require the use of coal or petroleum products as alternative fuels by powerplants and major fuel burning installations.

The FEA may prohibit any power plant or major fuel burning installation from using natural gas as a boiler fuel if (1) such users have in place the equipment and capability to convert to petroleum products, coal or derivatives thereof, (2) the use of such alternative fuels is practicable, (3) such alternative fuels are available, (4) the reliability of utility service will not be impaired, and (5) the prohibition will result in making natural gas available to a pipeline which does not have adequate quantities to meet the needs of its high-priority consumers and which is curtailing pursuant to a plan on file with the FPC, and the EPA within fifteen days after issuance of a conversion order does not find that such order will result in a violation of the Clean Air Act (including applicable implementation plans). Utility fuel conversion orders issued pursuant to this section may be modified or suspended in order to alleviate air quality or pollution crisis. All authority to require power plants or major fuel burning installations conversion to alternative fuels under this section will expire on April 4, 1976. Provision is made for the compensation of enterprises affected adversely by a conversion order under this section by means of increased rates and charges to the benefitting priority users as designated by the FPC.

Section 106.—The purpose of this section is to provide standby authority for the President (or his delegate) to allocate propane during periods of actual or threatened severe shortages of natural gas.

The section provides standby authority to the President to issue such orders and regulations as may be appropriate in order to provide for systematic allocation and pricing of propane. Prior findings are required that shortages of natural gas exist or are imminent and that such shortages constitute a threat to public health, safety or welfare.

The section sets forth civil and criminal sanctions for violation of regulations and orders made pursuant to the section, as well as authority to issue orders to insure compliance and to afford restitution to injured parties.

The section provides a defense under antitrust or contract law for failures or delays in providing, selling or offering for sale propane if such failures or delays result in compliance with the section.

The section further prescribes administrative procedures including the manner by which rulemakings are to be initiated. It also set forth the requirement for administrative procedures by which any inequities or hardships arising from the administration of the program can be prevented.

The section provides injunctive and other remedies for insuring compliance. It specifies subpoena power and the authority to inspect premises, inventories, documents and other items to carry out the provisions of the section. It also provides for paying witnesses' fees and mileage and for compelling attendance of witnesses.

The section further establishes a private right of action based upon any legal wrong suffered because of acts or practices arising out of the implementation of its provisions.

Finally, the section provides for the relationship of its terms to state and municipal laws, rules, regulations, orders or ordinances.

Section 107.—Provides that all provisions of the title shall expire on midnight, April 4, 1976.

TITLE II

Section 201.—Names the title as the "Natural Gas Act Amendments of 1975."

Section 202.—Re-designates sections in the Natural Gas Act.

Section 203.—This section, in conjunction with section 208, is the essence of the Natural Gas Act Amendments of 1975. In order to terminate Federal wellhead price regulation over new on-shore natural gas, and phase out Federal wellhead price regulation of new offshore gas while preserving the present structure of regulation of "old natural gas" and pipeline operations, section 203, directs that, from and after the effective date of this legislation, the Federal Power Commission's (FPC) authority to regulate sales of "new natural gas" for resale in interstate commerce "shall cease to exist . . . and shall not apply." This provision is self-executing, and it shall not be necessary for an independent producer to apply for abandonment authority under section 7(b) of the Natural Gas Act. FPC authority over sales of "new natural gas" shall automatically cease.

Federal wellhead price regulation, for a 5-year period, of "new natural gas" sales from the off-shore Federal domain is then re-established in section 208 of the bill, but with the express provision that the Natural Gas Act Amendments of 1975 shall in no way modify, or affect, the FPC's existing authority (a) to regulate the transportation of natural gas or sale of "old natural gas," or (b) to regulate pipeline rates and services, or transactions between a pipeline and its affiliate. Facilities utilized by producers in gathering natural gas would remain exempt under the provisions of section 1(c). The first proviso further guarantees that there will be no impairment of the FPC's authority to regulate curtailments of service by interstate pipelines, since this authority is derived from the Commission's authority over the transportation by pipelines of natural gas in interstate commerce. At the end of the 5-year period, FPC authority over sales of "new natural gas" from the off-shore Federal domain shall automatically cease and no abandonment authorization shall be required under section 7(b).

The present FPC authority to regulate wellhead sales of natural gas derives, by judicial construction, from existing sections 4, 5 and 7 of the Natural Gas Act. Thus, section 203 first terminates all existing FPC authority over wellhead sales, then reestablishes regulatory authority only as to new off-shore sales for the years 1976 through 1980, inclusive. As section 203 makes clear, however, existing authority over "old natural gas" and pipeline operations is unchanged.

Section 204.—This section sets forth the new definitions essential to application of the Natural Gas Act Amednments of 1975, the most important of which is that of "new natural gas." "New natural gas" is defined as:

1. Natural gas dedicated to interstate commerce for the first time on or after January 1 1976. If an FPC certificate of public convience and necessity has been accepted by the seller prior to January 1, 1976, such gas shall be considered to have been dedicated to interstate commerce; conversely, if an FPC certificate of public convenience and necessity has not been accepted by the seller prior to January 1, 1976, such gas shall not be considered to have been dedicated to interstate commerce. Further, any natural gas sold by a producer in interstate commerce prior to the date of enactment hereof pursuant to limited certificates (five years or less) or temporary emergency contracts shall not be considered, for the purpose of this provision, as having been dedicated to interstate commerce.

2. Natural gas continued in interstate commerce after the expiration of a contract by its own terms (and not through the exercise of any power to terminate or renegotiate contained therein).

3. Natural gas produced from wells commenced on or January 1, 1976.

Section 205(a).—Section 205(a) amends existing section 4 of the Natural Gas Act to accommodate the new regulatory structure mandated by the Natural Gas Act Amendments of 1975. Existing section 4 requires FPC regulation of all sales for resale in interstate commerce through a determination of rates which are "just and reasonable." By judicial construction, and through Commission precedent, the "just and reasonable" standard has come to mean that all rates must be determined by reference to "cost plus return on investment." For pipeline rates, this is entirely appropriate and no change is required; for producer rates, however, section 208 of the bill requires the Commission to consider factors other than costs during the 5-year period of continuing regulation of new gas sales from off-shore Federal lands. Amendment of existing section 4 of the Natural Gas Act is necessary to ensure that the proposed new standards are properly incorporated into the Natural Gas Act.

Section 205(a) amends section 4 of the Natural Gas Act to provide that producers may be denied their contract rates for new off-shore gas only if such contracts exceed the Commission-set ceiling rate for such gas. If the contract rate is excessive, the Commission may reject producer rate filings to the extent that the rate sought exceeds the applicable ceiling set pursuant to section 8 of the bill.

Section 205(b).—Amends existing section 4(a) of the Natural Gas Act to prohibit the Commission from denying to interstate pipelines their cost of purchased gas except in the following two specific instances:

1. When the pipeline purchases new offshore gas and pays more than the Commission-set ceiling price applicable to such gas; or

2. When the pipeline purchases gas from an affiliate or its own properties and pays more than it pays to a nonaffiliate producer.

In these instances, and only in these instances, is the Commission empowered to deny the pipeline recovery of the wellhead price paid to producers.

Finally, section 205(b) brings to producer rate regulation (with respect to old gas sales and new off-shore gas sales) the requisite degree of finality and certainty that has heretofore been lacking in the regulatory structure. Proposed section 205(b)(2) prohibits the Commission from reducing a rate after having determined the rate to be "just and reasonable." Without this amendatory language establishing sanctity of contract, the Commission would retain authority to readjudicate and reduce producer rates at any time it chooses (without regard to prior "final" FPC decisions establishing such rates.)

It is the intent of this proposed section to make only those changes in existing section 4 of the Natural Gas Act as are necessary to effectuate the basic restructuring of producer regulation set forth in section 203 of the Natural Gas Act Amendments of 1975 (i.e., that Commission authority over "old natural gas" and over pipeline sales for resale, transportation, and curtailment should remain intact; that Commission jurisdiction over sales of "new natural gas" from offshore Federal lands should continue in modified form only through 1980; and that all Commission jurisdiction over sales for resale in interstate commerce of new on-shore gas should cease to exist upon the effective date of the Natural Gas Act Amendments of 1975). Nothing contained in proposed section 205 of the bill is to be construed as authorizing the FPC to exercise any wellhead rate jurisdiction over a sale of new onshore gas to an interstate pipeline, except where it produces natural gas from its own properties or purchases from an affiliate.

Section 206.—Section 206 amends existing section 5(a) of the Natural Gas Act to accommodate the new regulatory structure mandated by the Natural Gas Act Amendments of 1975. The amendment of existing section 5 is comparable to the amendment of existing section 4(e) which is set forth in section 205(b) of the Natural Gas Act Amendments of 1975, and which is described above.

It is necessary to amend both existing sections 4(e) and 5(a) of the Natural Gas Act because of the interaction of the two sections on producer regulation. Existing section 4(e) establishes the Commission's authority to act on producer rate filings, while existing section 5(a) empowers the Commission to act on its own initiative to review producer rates. Thus, the amendment of existing section 5(a) of the Natural Gas Act, as set forth in section 206, is a conforming amendment necessary to maintain internal consistency.

It is through sections 4(e) and 5(a) that the wellhead sales price has been a pertinent inquiry under section 7(c), the certificate provision of the Natural Gas Act. After the effective date of the Natural Gas Act Amendments of 1975, the price of only such natural gas as remains subject to FPC jurisdiction shall be pertinent in a section 7(c) proceeding and the FPC may not consider the wellhead sales price of "new natural gas" in pipeline certificate proceedings under section 7(c).

It is the intent of section 206 of the Natural Gas Amendments of 1975 to make only such changes in existing section 5(a) as are necessary to effectuate the basic restructuring of producer regulation established in section 203 of the bill that authority over "old natural gas" and over pipelines sales for resale, transportation, and curtailment should remain intact; that Commission jurisdiction over sales of new gas from offshore Federal lands should continue in modified form only through the end of 1980; and that all Commission jurisdiction over sales for resale in interstate commerce of new onshore gas should cease to exist upon the effective date of the Natural Gas Act Amendments of 1975. Nothing contained in proposed section 206 of the amendment is to be construed as authorizing the FPC to exercise wellhead rate jurisdiction over a sale of new on-shore gas to an interstate pipeline, except where such pipeline produces from its own properties or such sale is by an affiliate to its parent pipeline.

Section 207.—This section of the Natural Gas Act Amendments of 1975 creates new authority in the FPC to gather information, conduct studies and report to Congress on matters relating to natural gas supplies, production, transportation and consumption.

The FPC currently does not have statutory authority to engage in comprehensive data collection. Its authority is limited to the power to compel reports from companies on sales and services subject to its jurisdiction. The Commission has consistently sought broadened powers to enable it to secure comprehensive data on natural gas. Section 207 would grant such authority.

Section 208.—This section of the Natural Gas Act Amendments of 1975 proposes the following three new sections to the Natural Gas Act:

1. New section 24 establishes regulatory criteria for sales of new offshore gas.

2. New section 25 establishes, in the context of pipeline by pipeline curtailment proceedings, priorities for essential uses of natural gas but should not be construed as authorizing or directing the allocation of natural gas as between pipelines.

3. New section 27 establishes a basis for phasing out consumption of natural gas for boiler fuel use in generating electricity for distribution.

New section 24 grants to the FPC, for a period of five years, wellhead jurisdiction over sales of "new natural gas" produced from offshore Federal lands. It is the intent that FPC wellhead rate jurisdiction over new gas sales to interstate pipelines be expressly limited to only one category of new gas; namely, gas produced from offshore Federal lands.

During the 5-year period of phased-out regulation of new offshore gas, the Commission is directed to discard strict utility-type cost-of-service rate regulation, and to establish rates, instead, on the basis of the following four enumerated criteria (and only those criteria).

1. Prospective costs;

2. The rate necessary to achieve optimum deliveries of natural gas;

3. The rate necessary to promote conservation of natural gas; and

4. The rate necessary to protect consumers from price increases attributable to shortage conditions.

The FPC is directed to set a national ceiling rate for new offshore gas as soon as practicable by rule-making, through consideration of the four criteria set forth above, and to modify such ceiling rate as necessary from time to time prior to Dec. 31, 1980. The Commission also is empowered to authorize rates in excess of the national ceiling for high-cost production areas or vertical drilling depths.

New section 25 directs the Commission to give first priority in curtailment proceedings, during time of shortage, to residential users, small users, and to hospitals and similar services vital to public health and safety. After these priority uses are protected, the Commission is directed to give next priority to gas service for essential agricultural, food processing and packaging purposes. The Secretary of Agriculture shall determine by rule the essential agricultural, food processing, or packaging purposes for which natural gas is essential.

Interruption or curtailment of service for essential agricultural purposes will be prohibited (except where necessary to protect service to residential and other first priority uses), and the Commission will be required to meet existing and expanded needs for such agricultural purposes as fertilizer manufacture, irrigation pumping and crop drying.

New section 26 will bring about conservation of natural gas for higher priority utilization by phasing out the use of natural gas as a boiler fuel for the generation of electricity for distribution. Proposed section 26(a) directs the Commission to prohibit, by rule-making, any new sale of natural gas for boiler fuel purposes, unless the Commission expressly finds that there is no alternate fuel (other than crude oil, crude oil derivatives or propane) available to the purchaser, or that use of alternate fuel is not feasible or practicable.

Proposed section 26(b) requires the termination of the use of natural gas as a boiler fuel by electrical utilities within twelve years after the date of enactment. Alternative fuels, other than crude oil, crude oil derivatives or propane, must be available and their use must be feasible and practicable.

Proposed section 26(c) provides sanctity of contract for electrical utilities who acquired a supply of natural gas for boiler fuel use prior to January 1, 1976. Such contracts for natural gas supply would, however, be subject to the overriding requirement for phaseout within twelve years, and would further be subject to all curtailment orders issued by the Commission under authority of other provisions of the Natural Gas Act.

Proposed sections 26(d), (e) and (g) exempt from this section the use of natural gas for pollution abatement, environmental protection and necessary processes of ignition, startup, testing and flame stabilization.

Proposed section 26(f) mandates that the FPC cooperate with appropriate state regulatory commissions in the implementation of section 26.

Proposed section 209 amends the Natural Gas Act so as to permit the transportation of intrastate gas, within the state of production via an interstate pipeline, so long as such transactions do not preempt the capacity of an interstate pipeline to serve its jurisdictional customers and commands a transportation rate equal to the full distributive costs of the facilities utilized. The implementation of such transactions shall not subject the intrastate gas so transported, the reserves from which it is produced, or any intrastate facilities utilized in the gathering, transportation or distribution of such intrastate gas to the jurisdiction of the FPC.

Transactions such as those contemplated by this provision will benefit the customers of the interstate pipeline involved by permitting the use of excess pipeline capacity, thereby increasing revenues to the pipeline and reducing per unit transportation costs to interstate customers.

TREASURY FOOTDRAGGING GIVES ORGANIZED CRIME A FREE PASS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, the U.S. Treasury Department has issued a press release in response to my statement before the Commission on Review of National Policy Toward Gambling. I am inserting for the RECORD my statement to the Commission at a hearing held in Cleveland, Ohio, on January 16, 1976; the Treasury Department news release of the same date; Treasury Department Order 221-3; and a letter to the Secretary of the Treasury containing my further views on this issue:

TREASURY FOOTDRAGGING GIVES ORGANIZED CRIME A FREE PASS

Through recent inquiries, I have learned that because of bureaucratic bickering and footdragging, the Department of the Treasury has failed to collect hundreds of millions of dollars in gambling taxes. Because of a lack of cooperation between the Bureau of Alcohol, Tobacco, and Firearms, the Internal Revenue Service, and main Treasury, the nation's gambling tax laws have not been enforced during the past year. This means that gamblers, many of whom are among the most dangerous organized crime figures, have escaped taxation and that the rest of us taxpayers will have to make up the difference.

This is a shocking situation which I am calling to the attention of my colleagues on the Ways and Means Committee. I think we are entitled to an explanation for this dereliction of duty.

I might add that when one considers the actions of the Treasury Department during the past year—the failure to cooperate with the Department of Justice in organized crime drives and now this revelation about the failure to enforce the gambling tax laws against organized gambling rings—one finds that there has been a complete collapse in law enforcement efforts. In effect, organized crime has a Godfather in the Department of the Treasury.

Public Law 93-499, 93rd Congress, effective December 1, 1974, which amended the wagering tax laws contained in the Internal Revenue Code, provides that commercial gamblers must (1) annually purchase a $500 tax stamp, and (2) pay a wagering excise tax of 2 percent on gross wages. Congress provided careful safeguards to protect the privacy of those individuals who pay the tax. Such data may be used by the Federal government only in connection with the administration or enforcement of the Internal Revenue taxes.

Federal officials maintain that illegal gambling is the main source of funds for organized crime. When Congress enacted this new law effective for calendar year 1975, it was intended to give the government a powerful weapon to combat organized crime. However, the Treasury Department has created chaos by dividing enforcement resopnsibilities between two of its subsidiary agencies.

In announcing the responsibilities of the Bureau of Alcohol, Tobacco and Firearms under the newly enacted statute, Director Rex D. Davis, on January 9, 1975, stated:

"Revenues to the U.S. Government under the Wagering Law could be substantial. ATF officials have estimated that revenues owed to the government from the $500 special tax stamps and the 2 percent excise tax could be as much as $385 million a year."

Reality has been far different from Mr. Davis' optimistic projections. According to his testimony before Congress, gambling is a 67 billion dollar a year business. That's big business.

For the first nine months of 1975, the Treasury Department found only about 1100 gamblers to tax. The collections under the gambling tax laws during that period amounted to less than 4 million dollars. That is a tax rate of only .00006 on a 67 billion dollar industry.

Congress has not been advised of any problem with enforcing the new statute. Treasury Secretary Simon did not ask Congress for an appropriation necessary to enforce the new law. In a hearing before the House Appropriations Subcommittee on March 13, 1975, he asked Congress for an appropriation for the fiscal year 1976 of 101.3 million dollars. He stated, at page 13, "virtually all of the increase . . . represents funds necessary merely to maintain the presently authorized operating level." No funds were requested to enforce the wagering tax law.

The Director of the Bureau of Alcohol, Tobacco and Firearms stated at page 826 of these hearings, "Not only is this a potential source of large revenues for the Government, it is most surely a criminal activity carrying with it the most dangerous enforcement requirements." Yet he was not prepared to request an appropriation with which to enforce the law.

In his January 9, 1975 statement, Director Davis stated that enforcement of the new law had been delegated to the Bureau of Alcohol, Tobacco and Firearms. That is not accurate. According to my reading of Treasury Order 221-3, dated December 24, 1974, only criminal enforcement authority was given to the Bureau. The penalties for criminal violation are fines up to $10,000 and/or imprisonment up to five years. The job of assessing and collecting the 2 percent excise tax and the registration fee, as well as income tax, was left with the Internal Revenue Service.

The failure of the Bureau to enforce the criminal provisions of the tax code relating to gamblers does not excuse the IRS from its failure to enforce the civil provisions (26 U.S.C. 4401-4414).

Every day state and local authorities arrest and convict gamblers. The Federal Bureau of Investigation is assigned the responsibility of investigating violations under Section 1952 (interstate transportation in aid of racketeering) and Section 1955 (interstate gambling business) of Title 18 of the United States Code. Last year the Department of Justice obtained more than 900 convictions in cases investigated by the FBI under Sections 1952 and 1955.

Virtually all of these convicted gamblers owe additional income tax, and many of them would owe gambling excise taxes. When a conviction is obtained under the interstate gambling statutes, the Department of Justice turns these cases over to the Internal Revenue Service for civil assessment and collection of the tax due from these gamblers. State and local authorities often advise the IRS of gambling convictions.

The Internal Revenue Service refuses to accept these cases and denies that it has any responsibility for assessment of the tax. The IRS maintains that the Bureau of Alcohol, Tobacco and Firearms has that responsibility. When the Justice Department or local authorities take the cases to the BATF, Justice is told that the BATF has no authority or any auditing personnel capable of making the assessments.

On Tuesday of this week, a staff member called Director Davis to obtain clarification of who is responsible for enforcing civil penalties. Mr. Davis insisted that it was "a secret."

This bureaucratic wrangling must stop. In Chicago, the IRS has refused to open an audit on an illegal gambling operation earning one million dollars a month in untaxed wagers. In Cleveland the IRS has refused to open an audit to assess taxes owed by a twice convicted Youngstown gambler. After his first conviction, this same gambler paid $100,000 in gambling taxes. The Youngstown gambler was convicted again last February and the Internal Revenue Service refused to assess and collect taxes from him this time.

There has been talk of a bill to be introduced in Congress to remove all criminal law enforcement responsibility from the IRS. One of the reasons I oppose this proposal is the experience we have had with the wagering tax law. I fear that if one agency of the government is assigned to criminally enforce the tax laws and the IRS is assigned civil responsibility, we will create a special class of citizens who are exempt from accountability. A divided responsibility is more often no one's responsibility.

I gather from what the Internal Revenue Commissioner has testified before my Oversight Subcommittee and before other committees of Congress that he believes that the IRS should have a very minimal role in criminal law enforcement because of its extensive contacts with the general public. I disagree. I think that it is important for the general public to perceive that all citizens pay their fair share of taxes.

Resistance to our voluntary tax system is more likely to occur if citizens perceive that the IRS is giving a free pass to the white-collar criminal. The IRS cannot stop collecting taxes from gamblers, extorters and bribers simply because they are not nice people.

If no special enforcement effort is made against the cleverest tax evaders, then the result will be selective enforcement against the poor, the middle class and the weak. If we are to give meaning to our democratic principles, we must take steps to insure that those in high places and white-collar criminals pay their fair share of taxes and obey the laws of the land.

The last people we want to exempt from taxation is the criminal element. The Supreme Court stated in *Marchetti*, "that the unlawfulness of an activity does not prevent its taxation."

Congress has enacted a law to tax gamblers. Gambling income is the lifeblood of organized crime. The upshot of Treasury Department bungling has been the *de facto* repeal of the gambling tax laws. I don't think the American people—and especially the millions of honest taxpayers—want those laws repealed.

[From the Department of the Treasury News, Washington, D.C.]

Memo to Correspondents

In response to queries, the Treasury Department today released the following:

The Treasury Department will resolve any administrative problems regarding the assessment and collection of excise and occupational taxes on wagering. The Bureau of Alcohol, Tobacco and Firearms, with the assistance of Internal Revenue Service agents detailed to it, is taking immediate action to assess and collect all excise and occupational taxes that may be levied as a result of pending investigations of illegal wagering by all law enforcement agencies.

The transfer of new responsibilities for wagering tax enforcement from the Internal Revenue Service to the Bureau of Alcohol, Tobacco and Firearms on December 24, 1974 has necessitated a restructuring of the operations of and cooperative arrangements between both agencies. New procedures still have not been fully implemented but we expect to have this done shortly.

The responsibilities of ATF for enforcement and investigation of Federal firearms regulations and the agency's involvement in criminal investigations of recent terrorist bombing incidents have placed a considerable strain on its resources. As a result ATF has not been able to devote a high level of resources in the wagering tax area. Nevertheless, the Treasury Department collected $5,500,000 in wagering excise taxes and $227,000 in occupational taxes in fiscal year 1975. Receipts from the occupational $500 stamp tax have increased markedly recently. In the third quarter of 1975, the most recent period for which data is available, $439,000 in occupational taxes was collected.

A number of agencies of the federal government are actively involved in combating illegal gambling. The Federal Bureau of Investigation and organized crime strike forces have been moving against illicit gambling operations in all regions of the country. The Department of Justice was able to obtain more than 900 gambling convictions last year. ATF itself, with the resources available to it, has been able to open over 200 investigations in 1975 where violations of the wagering tax laws have been in issue. These investigations involved the execution of 460 federal search warrants and the seizure of 116 vehicles. Forty-seven individuals were recommended by ATF for prosecution for wagering tax law violations in 1975.

The IRS has continued to work closely with the Justice Department in resolving the income tax aspects of illegal gambling cases. In many instances monies discovered in gambling raids will be used to satisfy income tax liabilities of the gamblers involved. For example, in a recent case in Philadelphia where $115,000 was seized in a raid, income tax liens and levies have been filed by IRS against the entire sum.

It is highly misleading to suggest that the IRS, or any other Treasury unit, is reluctant to enforce the criminal laws within its jurisdiction. The IRS considers income tax evasion to be a serious crime and believes that criminals should be among the first to be required to pay their taxes. The IRS has a vigorous program for enforcing the criminal tax laws. It is not giving and will not give any "free pass" to white collar criminals, gamblers, extorters or bribers—or to any other tax evader.

[Department of the Treasury, Treasury Department Order 221-3]

Transfer of Functions to the Bureau of Alcohol, Tobacco and Firearms

By virtue of the authority vested in me as Secretary of the Treasury, including the authority in Reorganization Plan No. 26 of 1950, it is ordered that:

1. There is hereby transferred, as specified herein, the functions, powers and duties of the Internal Revenue Service arising under laws relating to wagering, to the Bureau of Alcohol, Tobacco and Firearms (hereinafter referred to as the Bureau).

2. The Director of the Bureau shall perform the functions, exercise the powers, and carry out the duties of the Secretary in the administration and enforcement of the following provisions of law: Chapter 35 and Chapters 40 and 61 through 80, inclusive, of the Internal Revenue Code of 1954 insofar as they relate to activities administered and enforced with respect to Chapter 35.

3. All functions, powers and duties of the Secretary which relate to the administration and enforcement of the laws specified in paragraph 2 hereof are delegated to the Director. Regulations for the purposes of carrying out the functions, powers and duties delegated to the Director may be issued by him with the approval of the Secretary.

4. All regulations prescribed, all rules and instructions issued, and all forms adopted for the administration and enforcement of the laws specified in paragraph 2 hereof, which are in effect or in use on the effective date of this Order, including amendments thereto, shall continue in effect as regulations, rules, instructions and forms of the Bureau until superseded or revised.

5. All existing activities relating to the assessment, collection, processing, depositing, or accounting for taxes (including penalties and interest), under the laws specified in paragraph 2 hereof, shall continue to be performed by the Commissioner of Internal Revenue until the Director shall otherwise provide with the approval of the Secretary.

6. (a) The term "Commissioner of Internal Revenue" whenever used in regulations, rules, instructions, and forms issued or adopted for the administration and enforcement of the laws specified in paragraph 2 hereof, which are in effect or in use on the effective date of this Order, shall be held to mean the Director.

(b) The terms "internal revenue officer" and "officer, employee or agent of the internal revenue" wherever used in such regulations, rules, instructions and forms, in any law specified in paragraph 2 above, and in 18 U.S.C. 1114, shall include all officers and employees of the United States engaged in the administration and enforcement of the laws administered by the Bureau, who are appointed or employed by, or pursuant to the authority of, or who are subject to the directions, instructions or orders of, the Secretary.

7. All delegations inconsistent with this Order are revoked.

8. This Order shall be effective immediately.

William E. Simon,
Secretary of the Treasury.

Date: December 24, 1974.

House Committee on Ways and
Means, Subcommittee on Oversight,
Washington, January 26, 1976.

Hon. William E. Simon,
Secretary of the Treasury,
Washington, D.C.

Dear Mr. Secretary: We are gratified by the prompt attention of the Treasury Department to the issues which I raised in my speech before the Commission on Review of a National Policy Towards Gambling on January 16, 1976, regarding the need for coordination within Treasury on the enforcement of the nation's wagering tax laws. It would be appreciated if you would keep me advised of the steps taken by the Treasury Department to resolve these administrative problems.

Subcommittee hearings on this issue are not anticipated until the Department has had a reasonable opportunity to develop procedures. We would appreciate a preliminary report on the new procedures within the next 30 days.

In the meantime, I see no reason why the Internal Revenue Service cannot immediately begin to assess income taxes on wagering income while the Treasury Department is trying to decide which of its sub-agencies should assess the excise taxes. For example, the Miami Police Department raided a numbers operation on January 17, 1976, and seized alleged wagering records and approximately $150,000 in cash. While neither the Bureau of Alcohol, Tobacco and Firearms nor the Internal Revenue Service is presently willing to set up the excise tax, there is no policy reason why the Internal Revenue Service cannot assess the income tax, the assessment of which is clearly the responsibility of the IRS.

As a permanent solution, it would seem to me that one agency should handle all of the enforcement actions based on the same set of facts. There is no apparent reason why one agency should assess the excise tax and another the income tax. The facts needed to make both determinations are substantially the same.

Let us take, for example, a numbers business which has gross wagering income of $10,000,000. The excise tax on that amount would be $200,000. A conservative estimate of taxable income of that business would be $500,000. Taxable income would be gross wagers less disbursements to winners and commissions to runners and writers.

The starting point in computing both the excise and the income tax is gross wagers. Since the government is dealing with people who do not keep the books and records required by law, estimates of gross wagers must be made.

Estimates of gross wagers are customarily based on surveillances, statements from bettors, bet slips, and adding machine tapes. A raid is conducted after a particular business has been observed for a considerable period of time, bettors have been interviewed, and undercover agents have made bets. The raid itself yields bet slips, adding machine tapes and cash. Daily gross wages are derived from the tapes and bet slips. These daily gross wagers must then be projected over the period during which the government can prove that the business was being conducted.

Taxable income is gross income less expenses. The expenses are customarily based on information contained on the adding machine tapes and court ordered wiretaps where applicable.

Since the same investigative file and facts are needed to make both the excise and income tax assessments, it seems cost effective to have the IRS assess both taxes. Furthermore, to have two separate Treasury agencies making their own projection of gross wages based on the same facts only invites embarrassment.

It is also helpful if the agent who sets up the tax and is familiar with the case is readily available to the Internal Revenue officer who has to collect the tax. The collection of tax from a convicted criminal is not a mere ministerial duty. It requires ingenuity and imagination.

While I have the highest regard for the dedicated public servants employed by the Bureau of Alcohol, Tobacco and Firearms, I don't think that agency should be assigned the responsibility of enforcing a law that has traditionally been enforced by the IRS. BATF has neither the budget nor the personnel for this role.

The resources of BATF have been strained to the limit in its important responsibility for enforcement of Federal firearms regulations and investigations of bombing incidents. Its burden will be even heavier during this year when it will have added responsibilities for candidate protection.

BATF has already borrowed three dozen agents from IRS. If BATF is to enforce the excise tax laws, it will have to borrow still more agents from IRS.

In my opinion, it would be best to leave civil enforcement with IRS and to return the responsibility for enforcing criminal penalties for failure to comply with the gambling excise tax laws to the Internal Revenue Service.

Sincerely yours,

CHARLES A. VANIK,
Chairman.

94TH CONGRESS: BANNER YEARS FOR SENIOR CITIZENS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, the 1st session of the 94th Congress has seen great strides forward in the status of senior citizens. New laws have been passed that will bring improvements in almost every aspect of the lives of our older Americans. I am very hopeful that the second session will see even greater advances.

To begin with, Congress passed a cost of living increase of 7.8 percent in social security benefits. This was particularly vital to those living on fixed incomes.

While benefits received under the Social Security and the Railroad Retirement Act are fully exempt from Federal income tax, the retirement income of individuals covered by other pension plans is taxable. Before 1975 the existing law provided relief for employees receiving taxable pensions in the form of a retirement income credit. This credit is designed to extend benefits to retired persons receiving taxable income benefits similar to the exemption received by persons receiving tax-free social security payments. While social security benefits have risen steadily, the tax credit for retirement incomes was raised this year for the first time in 11 years. The final draft of this bill encompassed the scope of legislation which I introduced early in 1975.

The Older Americans Act amendments were also passed in 1975. These amendments extended the life of the original Older Americans Act by 3 years and provided funding for the programs authorized in this act in the amount of $1.1 billion. This law will allow the more than 400 area agencies funded by this program to continue in operation. Many of these local agencies serve as centers for a network of services vital to senior citizens.

Among the programs funded under this act are the retired senior volunteers program, the foster grandparents program and the senior companions program run by ACTION. These are vital programs, not only because they provide useful occupations for our older Americans but because they make a wealth of experience and expertise available to younger workers that will help them gain the perspectives necessary to become good workers.

In addition, the Older Americans Act amendments authorize a step in an entirely new direction with regards to senior citizens by authorizing the Civil Rights Commission to undertake a study on age discrimination in programs and activities receiving Federal financial assistance. Within 1 year of the completion of the study, the Department of Health, Education, and Welfare is empowered to enact regulations designed to completely eliminate any form of age discrimination in federally funded projects.

This act even deals with the area of adequate transportation needs for the elderly by establishing this as an era for priority grants.

Congress even chose to support senior citizens in the face of a Presidential veto by passing the Nurses Training, Special Health Revenue Sharing and Health Services Act. This act provides training geared to home health care, an area of special importance to housebound elderly patients.

In addition, the 1st session of the 94th Congress saw the passage of the Equal Credit Opportunity Act amendments, legislation I introduced which prohibits discrimination in the granting of credit based on race, religion, color, national origin and age. This bill passed the House unanimously and is now pending before the Senate. This bill will make many of the abuses we learned of at the hearings held before the Subcommittee on Consumer Affairs, which I am fortunate to chair, a thing of the past. No longer will a company be able to revoke a person's credit cards or deny him a mortgage loan simply because he has reached an arbitrarily established age.

Among other bills relating to senior citizens, the second session of Congress will confront the issue of mandatory early retirement. Hearings on this subject are scheduled to be held on February 9 of this year. Information gained at these hearings will be used to amend the Age Discrimination in Employment Act of 1967. At the present time, the existing law merely prohibits job discrimination between the ages of 40 and 65. I am very hopeful that Congress will put an end to what I have referred to in the past as a waste of one of America's great national resources.

While we have indeed made great strides forward in the areas related to our older Americans, it is my hope that Congress will use the coming year to further increase the stature in which we hold our valued senior citizens.

GAS: PRICES AND PROFITS

The SPEAKER pro tempore. Under a previous order of the House, the gentle-

man from Colorado (Mr. Wirth) is recognized for 5 minutes.

Mr. WIRTH. Mr. Speaker, tomorrow the Members of the House will be called upon to vote on yet another complex and difficult set of choices in the field of energy policy. The Washington Post of Saturday, January 31 carried a very thoughtful analysis of the options we face in natural gas supply and consumption, and I would like to call this analysis to the attention of my colleagues. I find particularly compelling the author's contention that "oil and gas prices must be closely linked by regulatory policy" in the absence of a free market which would produce the same result. I submit the article herewith:

Gas: Prices and Profits

(By Paul A. London)

The U.S. Senate on Oct. 22 passed legislation to deregulate prices for "new" natural gas. A vote is now possible on this issue in the House of Representatives as early as Feb. 2. In the meantime, the usual arguments dominate the debate.

Proponents of low gas prices through Federal Power Commission regulation see themselves protecting small consumers against the monopolistic major oil companies, unconscionable profits, deliberate withholding of reserves, and unjustified contract violations. Gas producers on the other hand argue that they need higher prices to end shortages and declines in U.S. reserves. In this 20 year dialogue of the deaf, more complicated and even more important economic issues are ignored by both sides.

One such issue is who benefits from low prices. Proponents of regulated low natural gas prices imply that most gas is consumed by residential users, but this is not the case. Only 25 per cent of U.S. natural gas used in homes, plus another 7 per cent if electricity generated from gas is added to this total. Forty-two per cent of U.S. gas is used by industry directly, plus another 7 per cent in the form of electricity. So FPC price controls for the most part force gas producers to sell to industrial users at low prices. The result is higher profits for these industrial users compared to their competitors who must pay higher prices for oil, which is partially controlled also, but at a much higher price.

Even if it is argued that low gas prices are justified because 32 per cent of the benefits go to residential users the distribution of these benefits is haphazard, unintentional and inequitable. Wealthy as well as poor homeowners in Houston, St. Louis and Topeka are likely to be gas users because most homeowners in these areas use gas. In New England and in the Mid-Atlantic area, on the other hand, most homes are heated with oil. So chances are a poor widow in Newark, N.J., Stamford, Conn., New Bedford, Mass. or Portland, Me. will not get the advantage of FPC price regulation no matter now needy she is. The limited number of residential gas-users in these areas benefit to be sure from FPC's relatively low prices, but not based on any calculation of need, economic or social justice. They and other gas-users are simply the lucky ones, the ones who got in before the door was closed.

A glaring but little discussed problem is the regional impact of relatively low gas prices on industrial location and jobs. While New England gets about 9 per cent of its energy from natural gas, the East North Cetnural region around Chicago and the West North Central region around Minneapolis get 30 to 39 per cent respectively of their energy from natural gas.

The West South Central producing region, including Texas and Louisiana, gets 68 per cent of its energy from natural gas. What this means is that the benefits of lower cost natural gas are not spread evenly around the country, but are focused in lucky regions. Industries and regions which get large amounts of natural gas obviously have an enormous advantage in competition with industries and regions which use oil. This has resulted in a significant shift of industry and income to these areas. Although the gas-using regions now are suffering the worst gas "shortages," what this means is that some consumers in these regions must now shift to oil which less fortunate consumers have been forced to use all along.

The price differential between natural gas and other fuels is the key point underlying all these economic issues. FPC reports show that the price of gas delivered to large users is about one-third the price of oil. While oil costs these large users $12 per barrel, gas if they can get it costs them the equivalent of $4 or $5 per barrel.

This kind of price imbalance between alternative fuels means that the "shortages" of gas can never be eliminated. With a price difference equivalent to $7 per barrel, every oil consumer in his right mind should convert to gas if he can get it. A "shortage" will exist at present prices, therefore, until enough gas is found to completely replace oil. The only way to meet this problem if oil and gas prices are not brought much closer together is through rationing. Haphazard rationing is what we have now through FPC end-use guidelines and informal allocation by gas distributors. New plants can not get gas. New residences can not get gas. Residential users rich or poor are getting priority over industry and electric utilities. Some old industrial users are losing their gas contracts. A more detailed FPC rationing program would only decide in more detail who the lucky are to be.

The major problem which emerges from this analysis is the economic distortion and haphazard injustice which results from the huge price differential between oil and natural gas fostered by present disjointed policies. This does not mean that total decontrol of natural gas or oil prices is required. What is needed is recognition that oil and gas prices must be closely linked by regulatory policy as they would be in a free market which does not now exist for either. If oil prices can be rolled back, then additional large increases in natural gas prices can be reduced, but gas prices still will have to rise appreciably to bring prices of the two fuels into a reasonable relationship. There is the danger of additional inflation in such gas price increases particularly if oil prices can not be rolled back in tandem. Therefore, such increases must be gradual. But the present arrangement which directs oil and gas prices along separate paths is economically destructive. Those who see justice in relatively low gas prices largely because they want to hold big oil company profits down are so blinded by the "excess" profits issue that they are not looking closely enough at less obvious economic impacts which are both unfair and harmful to the U.S. economy.

THE DEATH OF BENET D. GELLMAN—A TREMENDOUS LOSS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. Patman) is recognized for 30 minutes.

Mr. PATMAN. Mr. Speaker, Benet D. Gellman—one of the finest individuals who ever worked on Capitol Hill—died yesterday and I am extremely saddened that we have lost one who contributed so much to the public interest.

Benet Gellman worked for me throughout my chairmanship of the Banking and Currency Committee and I am very proud that he was on my staff. His contributions were many. He was a dedicated worker who came to Capitol Hill because he wanted to get things done—in the public interest.

Benet played a key role in virtually all of the financial legislation of the 1960's and 1970's and he has gained wide recognition for his outstanding staff work on studies of the ownership of commercial banks, interlocking directorships, the activities of bank trust departments, and the bank holding companies. In addition, he participated in a number of special investigations such as the collapse of the Penn Central Transportation Co. In all of these assignments, Benet performed brilliantly and his work continues—and will continue—to influence the direction of financial and consumer legislation.

Mr. Speaker, Benet Gellman was a man of the highest integrity. His conduct is a model for congressional staff members. He could be trusted under any kind of circumstances and he always came up to the highest standards.

Mr. Speaker, one of Benet Gellman's finest and strongest characteristics was his loyalty—not only to people but to causes.

Our sympathy goes out to his lovely wife, Sheila, and his two sons, Stephen and David. They are a wonderful family.

The family's loss is tremendous, but I hope sincerely that they are comforted by the knowledge that Benet Gellman contributed so much of lasting value in his short stay on this earth. He has filled his 41 years beautifully.

Mr. Speaker, I have lost a friend and we have all lost a dedicated young man who could always see the public interest first. I would like to include at this point in the Record an article from today's Washington Star about Mr. Gellman.

[From the Washington Star, Feb. 2, 1976]

Benet D. Gellman, 41, Led House Probe of Banking

Benet D. Gellman, who combined an expertise on banking law and structure with a lively interest in electoral politics, died Sunday at his home in Northwest Washington. He was 41.

At the time of his death, Gellman was vice president in Washington for Gellman Research Associates and associated with a law firm here, Stein, Halpert and Miller. He spent 10 years until last June on the staff of the Housing Banking Committee under then Chairman Wright Patman, D-Tex.

As investigative counsel for the committee, Gellman played a principal role on such things as a landmark study of the interlocking relationships among financial institutions and an investigation of the financial collapse of the Penn Central Railroad.

A native of Richmond, Gellman was an enthusiastic political buff and frequently found time to work for liberal Democratic candidates in Virginia. He served as an adviser in the Senate campaign of William B. Spong Jr. and the gubernatorial campaign of William C. Battle in the late 1960s.

From 1962 through 1964, when he joined the Patman committee, Gellman served as a planning officer in the White House Office of Emergency Planning.

He was graduated from the University of Virginia with a B.A. degree with honors in 1957, spent a year studying international affairs at the University of London, then received an M.A. degree from the Columbia University School of International Affairs and a law dtgree from the Columbia Law School in 1962.

He is survived by his wife, Sheila, and two sons, Stephen, 12, and David, 9. Their home is at 4674 Garfield St. NW.

A funeral service will be held at Temple Micah, 600 M St. SW, at 11 a.m. Tuesday. Burial will be at 3 p.m. Tuesday in the Hebrew Cemetery in Richmond.

AGRICULTURAL RESEARCH—THE NEED FOR REFORM

(Mr. BROWN of California asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. BROWN of California. Mr. Speaker, last week I introduced H.R. 11609 concerning the vital issue of agricultural research. We are all aware that food prices have been sharply rising over the past few years, largely as a result of growing world populations, increasing affluence in the OPEC countries causing a proportional increase in their demand for food, and the increased prices of farming inputs—such as energy-intensive fertilizers, costly pesticides, and fuel to run the multitude of expensive production, processing, and distribution machinery. The future holds even greater problems as ecological abuse such as deforestation, overgrazing, desert encroachment, and the increase of flooding due to the slow destruction of natural vegetation, gradually eliminates more and more of the world's farm land; as the global population continues to increase and demands more food and more land for housing; as air pollution, insects, and diseases increasingly injure our genetically vulnerable crops; and as our natural, nonrenewable fossil fuel resources are slowly exhausted, leaving our present agricultural system, which is so dependent on fuel for its continuation, in a state of crisis.

It is time for our country to accept the existence of these problems and their possible consequences and to look toward the one main factor which could help to eliminate the cause or result of their existence—agricultural research.

Agricultural research has been the main factor leading to our present position as the major food-producing Nation of the world. The dedicated work of our scientists has developed new methods of farming, new strains of our major crops which produce in ever greater yields, more efficient marketing plans, and the like. Still, a crisis is upon us.

In the last few years, various groups have been involved in contracts to study our agricultural research system and provide suggestions as to possible reforms that might increase the responsiveness and scientific output of our agricultural research system. "Hard Tomatoes, Hard Times," a 1972 report by the Agribusiness Accountability Project Task Force, sparked new interest over the decline of the family farm and the increasing role of the vertically integrated corporate farm, the degree to which USDA and State research systems support agribusiness, the budgeting and planning system of our agricultural process, and the increasing role of technology and energy in agriculture. The report had many strong criticisms regarding the administrative process and the priorities chosen to be funded by our Federal dollars.

In the same year, the Pound report was published. This report was based on a USDA request to the National Academy of Sciences to conduct a study evaluating the quality of science in agricultural research, if and where there existed administrative problems, the "extent to which scientists in the basic disciplines relate their research to agriculture and the extent to which agricultural scientists contribute to basic science" and finally, "to make recommendations as might be appropriate." The National Research Council of the NAS conducted this study and a report was submitted in April 1972. This report came out with many disturbing findings including, and I quote "that much of agricultural research is outmoded, pedestrian, and inefficient, and that bold moves are called for in reshaping administrative philosophies and organizations, in establishing goals and missions, in training and management of research scientists, and in allocation of resources."

The report goes on to make specific recommendations for changes in research priorities, allocation of funds, the system of peer review, and the administrative process, to name a few.

Since that report, and as a result of the intensifying of interest in our food system due to the aforementioned problems, many new analyses and reports have been published on the need for changes and closer scrutiny.

The most recent, indepth report was prepared by the Board on Agriculture and Renewable Resources of the National Research Council of the National Academy of Sciences as a response to the President's request for a study of our food production system, and the need for changes and additions to the agricultural research process. This Board chaired by the distinguished Dr. Sylvan Wittwer of Michigan State University, produced many recommendations pointing toward the need for better coordination of our agricultural research, a reassessment of national and global priorities, greater emphasis on basic research, especially nitrogen fixation, photosynthesis, and a large increase in funding, especially in the vital areas of energy alternatives, pest management which uses less chemicals and more integrated biological systems, environmental protection, waste utilization, human nutrition, and weather modification.

I agree with Dr. Wittwer and the board's report. As a result of this and many other such articles on these problems, I realized that the Congress should conduct more oversight in this complicated area and provide reforms where necessary. At present, practically 100 percent of all the agricultural research laws since 1887 have permanent authorization. Due to this, only the Appropriations Committee sees the yearly budgets for USDA agricultural research. I believe it is time for us to take a closer look at the entire process. The Appropriations Committee cannot be expected to conduct oversight on all these complex areas of priorities, planning and administration of agricultural research, nor should it be the responsibility of that committee.

The bill I have introduced provides for a change in this process by ending the permanent authorization for the many agricultural research bills enacted in the last century, so that the appropriate committees of the Congress may study this serious issue in greater depth. The laws I am amending to provide authorization for fiscal year 1977 and fiscal year 1978 only, include the Hatch Act of 1887 which established the agricultural experiment stations, and all the acts which have given the Secretary of Agriculture authority to conduct forestry research, farmer cooperative research, cotton research, dairy research, crop insurance research, research in the Agricultural Research Service, disease research, sugar research, special grants research, soil erosion research, marketing research, nutrition research, et cetera. By doing this, the appropriate committees of both houses will then be able to thoroughly study our agricultural research process, priorities, and budget to see if and what areas need greater funding, if new priorities should be emphasized, and if the agricultural research process is well-coordinated and well-administrated, and the like.

In addition, title II of my bill provides for the establishment of an Agricultural Research Planning and Budgeting Committee within the USDA which would have the responsibility of assessing national and global priorities, consulting with other Federal Agencies and with profit and non-profit institutions which conduct agricultural research in order to avoid duplication and advance the coordination of planning agricultural research programs, and preparing a budget to submit to the appropriate committees based on this assessment of our national needs and problems.

In my opinion, agricultural research is a critical issue which deserves a greater position of importance and greater funding than it has received to date. I hope that this bill will receive consideration by my colleagues because I believe it would spark the necessary studies, oversight, and increased funding to bring agricultural research into the forefront of our thoughts. Food is a necessity, and its continued production is based on the protection of our soil, our water, our air, and the quality of the crops themselves. The time has come to take a second look at our agricultural research.

I would like to submit three articles on our agricultural research process which address the problems I have summarized here:

AGRICULTURE NEEDS A "MANHATTAN PROJECT"

(By Dr. S. H. Wittwer)

Agricultural research, technology, and development are at a crossroads in our nation today.

Billions of dollars are expended annually by regulatory agencies to enforce social, political, environmental, and economic constraints. Some of these efforts ignore or sometimes adversely affect our agricultural productivity. Other billions are being spent in energy research. By contrast, only a few million are directed toward greater efficiency in the biological processes—including yield stabilization, photosynthesis, and nitrogen fixation—that undergird all agricultural, food, and other renewable resource productivity.

What support there is for agricultural and food research is fragmented among a multitude of federal agencies including USDA, HEW, NSF, USAID, USDI, ERDA, NOAA, EPA, FDA, DOD, and DOL.

The U.S. currently produces about 86% of the world's surplus food. Last year farmers exported three-fourths of the wheat, two-thirds of the rice, half of the soybeans, cattle, and hides, two-fifths of the cotton, and one-fourth of the corn produced in the U.S. The total farm export value for 1974 was $22 billion with an incredible $11.7 billion net to the balance of trade. Products from 30% of our crop acreage went abroad.

Yet our agricultural research has been under continuous fire for the past three years. We're going through a powerful environmental movement. There is a keen consciousness of the importance of protection, preservation, and conservation of our non-renewable resources.

As a nation, we are increasingly aware of the difference between our renewable and non-renewable resources. With that awareness, we are entering a time of paradox and crisis—prompted in part by the four-fold increase in the cost of imported oil. The fossil fuel age, historically brief, is rapidly coming to a close, and the era of biology is emerging.

The inseparable relationship of energy and food is now painfully clear. And the interdependence of nations of non-renewable resources (food, feed, fiber, timber) has come as a shock to us and the people of other nations. This interdependence and the renewability or lack of renewability of resources with the associated costs will greatly modify future agricultural research strategies.

Paralleling the waging of environmental, energy, and food campaigns, are the more hysterical ones against population growth, said to be the greatest threat to the future welfare of mankind.

But little can be done in the immediate future to reduce population growth short of famine, pestilence, or war. These alternatives are neither acceptable nor inevitable. The immediate solution lies in all-out food production. The victory over famine will be an agricultural victory, if there is a victory at all.

In spite of the much publicized energy-dependence of agriculture, food production itself still gives a positive energy return. Contrary to many popular reports, production of the major food crops—cereals and legumes—results in 3 to 5 calories of food and feed energy produced for every calorie of cultural energy consumed. This is because plants harvest solar energy over the landscapes of agriculture.

While the expenditure of energy in food production, which amounts to about 3% of our total energy budget, cannot be ignored, there is a much greater consumption of energy in processing, packaging, storage, transportation, and in-home and commercial preparation. These energy inputs exceed by several-fold that of actual on-farm food production.

There should be a major agricultural effort to assess comparable energy inputs into alternative production, processing, storage, packaging, delivery, and preparation practices for the total food system. This is needed for each commodity.

The message should ring loud and clear. Food production strategy in the past was to grow two ears of corn or two blades of grass where one grew before. Enhancement of productivity should still rank first in agricultural research priorties. But there are now other urgent priorities. They include improvement or maintenance of nutritional quality. There should be environment improvement and not additional threats to its deterioration. Resource inputs (land, water, energy, fertilizers, chemicals, equipment), their costs, their availability and renewability have become critical. We must seek the greatest return per unit input of each.

Economics or research investments—cost effectiveness and cost benefits—must be projected and made known. Objectives should be realized quickly and results forthcoming in a relatively short time span. Consideration should be given not only to local adaptation of the results of food research, but to national and global expectations.

The impact of changing climatic patterns and weather on food production can be enormous and is the most determinant factor in food and other renewable resource productivity. Agricultural research should be directed toward achieving a stability of yield—research strategies that will lessen climatic vulnerability. The horizons for food production now limited by weather could be extended.

MODIFYING THE WEATHER

Weather modification research for enhancement of food crop production is almost a void in the corn belt. There is also a lack of emphasis on climatic and weather information useful to agriculture.

Related to weather modification should be an assessment of the magnitude and extent of the rapidly increasing acid precipitation; its atmospheric and soil relationships and potential effects on food crop production. Air quality standards, have, in the past, given no consideration to effects on plant growth and the production of other renewable resources.

Finally, a solution to the world food problem is more than production research. It is also getting the food to where the people are. Present means of delivery now produce enormous waste, spoilage, insect and rodent damage, and problems of collection, storage, transportation, packaging, and marketing.

There are targets of great opportunity for investment in neglected areas of agricultural and food research. And I direct attention to one target, one of the most gross omissions in the agricultural research efforts of the nation. It relates to the two most important biochemical processes on earth—photosynthetic carbon dioxide fixation by the green plant with the bioconversion of solar energy, and biological nitrogen fixation. Efforts in these areas were identified by a recent National Academy of Science policy review committee as receiving totally inadequate attention.

We are currently spending less than $5 million on research in biological nitrogen fixation and scarcely more than $10 million on photosynthesis.

There are still other crucial research areas. Pest management, environmental quality, and improved crop and livestock protection should be pursued as environmental improvement considerations.

Overall, there is an urgency for the reassessment of national and global priorities and strategies in agricultural research.

That reassessment must include better communications between those in agriculture and the makers of national policy. Currently agricultural leaders and scientists have little input as to national research policy. Among the 21 national problems warranting greater research efforts, according to the 1973 report of the National Science Board of the National Science Foundation, food production was not on the list. There was a complete absence of people even remotely connected with biology—let alone agriculture—in this top echelon of the National Science Foundation.

Motivation and incentives in research are important, both for scientific discovery and for farmers. Only farmers produce food, and they will do it if there are incentives. If the economic incentives are sufficiently great, food will be produced.

Future research investments, however, must be managed differently than in the past. Any new strategy for increased research support for agriculture must be accompanied by changes in administative procedures of involved agencies. One guarantee for more efficient use of new research funds would be to recruit the very best scientific talent and create interdisciplinary teams that would focus on crucial research areas.

I propose a massive "Manhattan Project" in U.S. agricultural research to achieve a victory over famine. Our productive capacity reserves include not only land, water, energy, fertilizer and chemicals, and labor-saving equipment, but technology that can yet be created through agricultural research. There is no acceptable alternative to agricultural victory.

WHAT'S FOR DINNER?

What is it to be? A continuation and scientific expansion of our accustomed protection of food crops against the ravages of insects, or the increasing appearance of distracting elements on dinner tables?

This potential "dinner dilemma" is only one of many subjects delved into by the Committee on Agricultural Efficiency of the National Academy of Sciences. In its published

1975 report, "Agricultural Production Efficiency," the committee makes the following provocative observations about the paradox between pesticide production and the public welfare.

As the beneficiary of our food production system, the public needs to recognize that a double-edge regulatory system that outlaws insect and mold fragments on the one hand, and restricts the development of insecticides and pesticides on the other, is bound to reduce agricultural production efficiency, increase food costs, and reduce the quantity and quality of food produced. This is a reality that the public has not yet fully faced.

The number of new crop protection chemicals appearing on the market is decreasing and their cost is rising precipitously. Yet there is no convincing evidence that chemical pesticides can be replaced in the foreseeable future. All indications are that to achieve an acceptable level of pest management, an ever-changing and increasing diversity of chemicals will continue to be required for at least some phases of integrated programs.

In spite of this weighty evidence, pesticide control laws and the administration of those laws are sometimes implemented in a manner that discourages agricultural production efficiency. To the extent that the regulation of agricultural chemicals is unnecessarily restrictive or sluggish in its administration, new research aimed at safer and more effective pest control chemicals will be discouraged and, over the long haul, the public will be the big loser.

HOW RESEARCH DOLLARS ARE DIVIDED

Federal budgets for research and development show five times as much projected for both Health, Education, and Welfare (HEW) and the Energy Research and Development Administration (ERDA) as for agriculture. Almost eight times as much goes to the National Aeronautics and Space Administration (NASA). Fifty percent more than for agriculture is committed to the National Science Foundation (NSF). Most of it is for basic research. That assigned to defense is over 20 times that allocated to food production research.

Projected increases show a disproportionate 50% plus for both the Department of the Interior (USDI) and the Environmental Protection Agency (EPA), compared with a modest 11% for USDA and the State Agriculture Experiment Stations. There is admittedly an over-commitment for basic research in some agencies coupled with the lack of a demonstrated delivery system, i.e. state and federal extension service that characterizes the agricultural research system.

[From Change, November 1975]

THE GREEN REVOLUTION: SOME NEW PERSPECTIVES

(By Don F. Hadwiger)

"The real hotbeds of world revolution," confided a spokesman for the land-grant colleges, "are the agricultural college research laboratories." It was an admission full of both pride and the realization that the life of a revolutionary becomes less comfortable when others realize what he is doing.

The agricultural colleges have been making a quiet revolution for years in a setting of conventional campus communities. Agricultural science has transformed food and its production. It has made the family farm perhaps irrevocably obsolete by introducing new strains of capital- and energy-intensive farming. The vast arsenal of technology developed primarily at the land-grant colleges has provided the means for historic advances in agricultural "productivity" and "efficiency."

However, as production has increased, so has criticism. A nascent consumer movement has begun to ask whether, for all the visual changes in our food, it is any safer or more nutritious than it was. Others have noted that while the green revolution has kept supplies of rice and wheat rising with the world's population, more and more of the food supply finds its way to the bellies of the affluent. Still others have wondered if corporate agriculture, combining maximum productivity with minimum employment, can be adapted to those poorer nations where what is needed is both more food and more jobs.

At the heart of such criticism lies the agricultural research establishment, for the policies that affect the massive food industry—from the packaging of tomatoes at A&P to the price of tea in Sri Lanka—are tied closely to the research laboratories in the land-grant colleges. So adept at genetic and environmental manipulation, this establishment seems to have been itself manipulated by a congeries of interests not wholly outside its control. Despite the potential of the agricultural scientists for easing—or exacerbating—the world food shortage, their institutional and sociological biases have not always been in full accord with a commitment to humanitarian goals.

The great collective achievement of the land-grant colleges is the "agricultural revolution," one of whose spectacular manifestations is the train of busy machines that crosses a commercial farm. Nowadays, the farmer may sit a lofty, air-conditioned, glass-walled cab with carpeted floor and ceiling, working a bank of levers and buttons as he listens to country music. Implements drag behind, each spread wide, each sporting unique combinations of hoses, wheels, discs, and tanks, hissing chemicals into the soil while also stirring and seeding it. Here is a product of many subsystems, as complex and integrated as those that support a spaceship.

Agricultural scientists have taken charge of evolution, and to a large extent also of the environment in which growth occurs. Their systems import tons of food for plants and animals, attack insects, diseases, weeds, and other hostile organisms, deliver the output from the farm, and automate the whole endeavor to the point where cropland the size of a county might be handled by 50 or so master farmers.

The man-made systems that underlie agriculture are continually challenged by nature, but scientists have struck back aggressively. When one of the thousands of serious animal scourges hits the U.S., animal scientists seem always to find a weapon—vaccine, antibiotic, chemical spray—and they may even pursue the disease to its foreign habitat, as our navy once pursued the Barbary pirates. Their preventive medicine keeps hogs and cattle healthier than humans.

Entomologists are ganging up on damaging insects that were once barely kept at bay. They are trapping southern cotton's old nemesis, the boll weevil, in early-planted cotton plots where they release sex attractants to confuse breeding, then sterile males to cause breeding failures. "Technology is now available to eliminate the boll weevil," says the U.S. Department of Agriculture, and cotton congressmen, whose influence, like the boll weevil's, is in decline, can take satisfaction that the funds they poured into boll weevil research have paid off, even though farmers in the South now seem to prefer raising soybeans.

While agricultural scientists have been shaping their systems, however, they have themselves been shaped by an effective political system put together by commercial farmers during this century.

Agricultural research is conducted primarily at 55 state agricultural experiment stations. These research agencies are located within the colleges of agriculture at the land-grant universities, where research is interwoven with the training of new agricultural scientists. The land-grant colleges were founded under the Morrill Act of 1862 with the express function of teaching better farming practices. The "experiment stations" or research arms were created under the Hatch Act of 1887, but today receive only about a quarter of their funds from the federal government, with the rest coming from the states and private sources. There are, in addition, six research agencies within the Department of Agriculture, a large proportion of whose scientists are stationed on university campuses. And agribusiness corporations, while developing brand products in their own laboratories, receive considerable assistance from the publicly subsidized researchers.

Agricultural research is a highly decentralized activity. Individual researchers or teams of researchers receive funds for projects with rather vague titles that would presumably allow researchers some degree of freedom. But in fact, the mission of the research institutions is quite constained. They have been integrated into a social and political system that has shaped their growth and function and determined the careers and values of the researchers. As a result, the agricultural colleges have departed considerably from their original purpose of providing research and education for small farmers. The common farmers were never great champions of education and research to begin with, and the great farmers' mass movements of the nineteenth century seem largely to have ignored agricultural education. But the colleges finally did become politicized with the creation of the county extension agent under the Smith-Lever Act of 1914.

These county agents were supported by state, local, and private as well as federal funds, and were supervised by the land-grant colleges. Their function was to "extend" college research findings to local groups of innovative farmers in farm bureaus, usually organized by the agent himself. The farm bureaus affiliated as a national organization in 1919, and the county agents continued for many years to serve the American Farm Bureau Federation as grass-roots organizers. The bureau became a national lobby, instrumental in developing three complementary strategies that together gave producers firm control over land-grant agricultural research, indeed, control over all agricultural policy.

The first of these strategies was a coalition of commodity interests (producers and processors of a farm product like wheat, cotton, or sugar), organized around the congressional agriculture committees. It asserted control over congressional decisions, and its leaders acted as permanent secretaries of agriculture supervising quotidian administration. Committee members tended to represent one-commodity districts. Each major commodity had its own subcommittee, and even a federal bureau or two. Farm policy was, in effect, commodity policy—an amalgam of commodity programs put together by the committees, the general farm organizations, and the Secretary of Agriculture. This coalition, after some initial failures, enacted and reworked the price support programs under Roosevelt and Truman, and stifled efforts by those administrations to provide some benefits to rural Americans not well-served by commodity subsidies. While conflict among farm interests caused a temporary impasse during the 1950s, the coalition successfully reasserted itself during the Kennedy and Johnson administrations.

A second strategy was to solicit farmer electoral support for commodity programs, in Presidential elections and the few two-party congressional races.

The third strategy was administrative cooptation—giving rural power groups control over state and local branches of federally subsidized agencies—giving the Farm Bureau, for example, control over state and local extension services. In the state legislatures, commercial farmers exercised leverage because the states provided matching funds for research and extension. Representatives of the commercial farmers and agribusiness firms sat on college advisory boards.

This political subsystem is still a principal sponsor of agricultural research, though its strength is diminishing for several reasons. Farmers as voters have become a tiny minority. Cotton is going out as the commodity that mobilized the rural South. The conservative heads of the congressional agriculture committees were defeated in their battle against the food stamp program (now the largest single item in the Department of Agriculture budget). The department itself has been on the defensive during recent decades. The agricultural research establishment, which before World War II received almost half of all federal research funds, is now a minor claimant. And the number of scientist-years within the agriculture experiment stations has suffered a decline during the past decade.

Meanwhile the clientele of agricultural research has changed, as functions have been transferred from the farm to the large agribusiness firms that furnish the inputs and process the outputs. The colleges, of course, are understandably reluctant to change the image of a small-farmer clientele; the National Association of State Universities and Land-Grant Colleges recently reported on agricultural research in a publication entitled "People to People," and the extension service defined itself in a report called "A People and a Spirit." But at a recent national conference to consider future agricultural research priorities, the list of invited participants was top-heavy with representatives from agribusiness.

Service to big firms has come about gradually and with little or no soul searching. In fact, agricultural researchers were always proponents of growth, helping innovative farmers obtain profits (capital) and technology for expansion. Today, most of our farm production comes from a relatively few advanced farmers, while others—still the majority—together produce comparatively little. The colleges have long been important, too, in training the people and providing the technology for the development of agribusiness firms.

In the agricultural system, bigness seemed the inevitable by-product of greatest efficiency and productivity—the unquestioned goals of agricultural research, at least until recently. "Productivity" refers to production per acre (which has doubled in the last four-and-a-half decades), or production per man (the average U.S. farm worker now feeds 52 people as compared to a Russian farm worker who feeds only 7 people); it also refers to total output (livestock output per animal are up 130 percent in 45 years). "Efficiency" refers to the blending of these elements to make a profit.

Many of the costs of attaining efficient production, however, are untallied and in some cases ignored. Farmers are squeezed by corporate suppliers and corporate purchasers, and sometimes the same corporation squeezes at both ends. Researchers trained to serve farmers have had to adjust to serving the corporations. The commercial agriculture system tolerates increased soil loss, chemical pollution of air, lakes, streams, and underground waters, destruction of wildlife, and dangers to the health and safety of those who work in agriculture as well as those who consume its products.

Agricultural scientists and administrators are increasingly cognizant of these costs, and a search is on for ways to alleviate them. But the face they present to the world is resentful of critics—both inside and outside the establishment—who have helped them evaluate the consequences of their revolution. Presumably, the research establishment fears criticism will detract from its public status, demean its self-image, threaten its relationship within the subsystem still its principal source of support, and urge upon its larger changes in values, structure, and associations than it is prepared to make at this time. Critics within the establishment are not appreciated, and outside criticism that cannot be dismissed as malicious, romantic, or uninformed is viewed as trivial in the context of agriculture's record of increased food production.

There remains a functional faith that society demands greater productivity. Secretary of Agriculture Earl Butz is an ebullient spokesman for this mentality. "The United States," he has said, "is still a young, vigorous, and growing nation," and he predicts 100 million people by the year 2000. "As we expand to meet the needs of 300 million people at current consumption rates, we will have a new market each year for at least 500,000 beef cattle, 50,000 dairy cows, 1 million hogs, and 2.6 million hens. And that's just to keep even."

Secretary Butz gave further expression to the establishment view of itself and its critics in a speech to land-grant college administrators:

"Throughout history, land-grant colleges and state universities have identified with the business and professional life in the states. You have taught the technology of production. You have functioned to create useful knowledge and then you have translated that knowledge in such a way as to train useful people—people who could produce for society and serve the needs of society. With some notable exceptions, the demonstrations and disruptions of recent years have sprung from universities and from colleges within universities in inverse ratio to the production-orientation of that school. . . . We have, thank goodness, seen a trend away from such foolishness in recent years."

Butz urged administrators to let students know that "the public expects a substantial return in the form of allegiance to the American system."

Not all agriculture experts have been as wholeheartedly supportive of the status-quo as has Mr. Butz, who was an agricultural college official and a board member of several of the largest agri-business corporations at the time of the student demonstrations. Some farm economists had for years been pointing out that most farm program benefits went to the largest farms and were ultimately capitalized into the value of agricultural land. And land inflation, they noted, added noththing to productivity. A few rural sociologists had expressed anxiety about the social consequences of displacing farmers into the cities, long before the term "black ghetto" was invented. Some home economists were concerned about the diets of the rural poor. A research task force of land-grant administrators that met in the early 1960s suggested shifts in the distrbution of agricultural research toward people-oriented problems like health, housing, nutrition, living standards, community services, and environment.

But not much happened as a result of inside studies. Existing research was retitled to fit into the people-oriented category. Some research being conducted for the lumber and housing industries, for example, was so reclassified. The extension services began to publicize those rare local projects serving low-income people or blacks—projects local staffers may have risked their careers to initiate and which even after being praised were not given the resources needed for expansion.

Outsiders have raised several issues more effectively. The black-led Poor People's Movement of 1968, which camped for several weeks on the mall outside Secretary of Agriculture Orville Freeman's office, demanded food and jobs. Black and civil rights leaders, by publicizing the conditions of rural blacks, supplied a sedimentaton test that revealed that agriculture institutions were being used, on balance, *against* the interest of small farmers and farm workers. This was documented by reports from a Presidential commission on rural poverty and from the U.S. Civil Rights Commission.

Another report, ***Hard Tomatoes, Hard Times,*** was issued by a group of young muskrakers headed by Jim Hightower and Susan DeMarco. They charged that "the tax-supported, land-grant complex has come to serve an elite of private, corporate interests in agriculture, while ignoring those who have the most urgent needs and the most legitimate claims for assistance." The term "hard tomatoes" referred to a thick-walled tomato developed by agricultural scientists so that tomatoes could be picked by a special machine. An economic analysis of the "benefits" of this machine concluded that it has displaced thousands of farm workers while returning large profits to manufacturers and those producers who could afford to buy it.

The analysis also concluded that consumers as well as producers had benefited, but Hightower argued that tomato prices were no lower and that the new tomatoes were hardly edible.

Hightower's book was a combination of sarcasm about useless sociological studies, horror stories about the willingness of researchers to release findings despite hazards to the environment or to human health and safety, and angry lectures on the neglect of the rural poor. "The great majority of rural Americans," he wrote, "are strangers to these public laboratories that were created to serve them. When research does not ignore them, chances are it will work against them. If they do get help, it comes either in the form of a meager trickle that has been carefully sluiced and strained upstream, or in the form of irrelevant and demeaning sociological probes into their personal habits."

Hightower was astute in getting news coverage and in seeking legitimation through hearings before the Senate Labor Subcommittee on Migratory Labor chaired by Senator Adlai Stevenson. But agriculture college representatives were equally astute in winding down public and senatorial interest in the subject. Rather than being respectful and responsive, as they customarily were before the agriculture committees, they assumed a haughty stance. One official even distributed "hard" tomatoes to the chairman and the audience, claiming that they were tasty and consumers liked them. (In a subsequent national survey, consumers ranked tomatoes *lowest* in quality among *all* food items available in the grocery store.)

The principal spokesman for the land-grant schools, President Harry G. Caldwell of North Carolina State University, also came to the defense of agribusiness corporations. "Who is going to furnish the viable and reliable seed?" he asked. "Who the fertilizers? Who the insecticides? And when the crop is ready, who is going to buy it and store it and transport it and get it to market at a time and in a condition that makes it salable?" Implied in his questions is the answer to the question, Who are now the principal clients of the land-grant research establishment? Agriculture has in effect become like other production sectors, where large corporations are the main clients of training and research. The farm has become so relatively small a part of the total production process that the question of who will farm, still highly disputed, may not be important except on romantic grounds. President Caldwell took note that some critics of big agriculture "bring with their concern an ignorance, an innocence, and a romanticism that misses the point entirely."

Lack of realism exists on both sides. Although agriculture and research administrators are ready—though not always publicly—to accept the changed structure of agriculture and their new role in it, their defensiveness reveals a pathetic reluctance to confront the social and environmental consequences of their revolution.

But they have proved, on occasion, they can confront these issues in a constructive way—with outside support. Such support helped spur Congress to pass a Rural Development Act in 1972 to help small towns cope with the decline in their farming populations. The agricultural research establishment embrased rural development with considerably more enthusiasm than did the congressional agricultural appropriations subcommittees (which provided little more than token funding under the new law).

There are also abundant opportunities for new directions in research in farm production that have yet to be addressed with a sense of urgency and commitment, and in these cases it becomes clear that the weakening commodity coalition can not be singled out for full blame. Although agricultural researchers have not ceased to be curious or to desire challenging problems, they have nevertheless become a mature and comfortable bureaucracy. They are slow to respond to new demands and are certainly not aggressive in seeking new missions and clienteles. They have been reluctant, for example, to think in terms of alternative agricultural systems, which might have a mix of different farming practices. They will have nothing to do with the organic farmers who regard themselves as the antithesis of the existing system. Organic farmers minimize the use of chemicals and of heavy-power tillage.

Land-grant scientists view the organic farmer as a modern version of the antiscience preachers. "The logic of arguing against machinery and fertilizer," President Caldwell exclaimed, "would take mankind back to primitive practices and to doomsday." In the eyes of his critics, however, President Caldwell's orthodoxy in support of the agribusines establishment is itself a path to doomsday.

On the world scene, graver shortcomings of our technology are coming into public view. One is the fact that much of our research technology is committed to making our food luxurious, often at the expense of making it plentiful. It is a simply fact, borne out by production and trade statistics, that the world food shortage has been caused not by population growth in the developing countries but by increased per-capita food consumption in affluent nations. We have switched to richer diets, like grain-fed beef. Indeed, the most ominous population growth is that of meat animals in the developed nations, especially beef cattle whose numbers in the U.S. alone have more than doubled in the last two decades.

The spread of luxurious diets in the developed nations may become a major cause of mass starvation among the world's poor, and certain aspects of agricultural technology may contribute to such an occurrence. Others, however, benefit the poor. Witness, for example, the "green revolution," which increased the production of wheat and rice in a number of hungry nations. Still, the producers who currently support agricultural research are primarily interested in research that increases food exports to dollar markets.

While research benefits have a mixed impact on world food supplies, their impact is more clearly perverse with respect to solving a larger problem—that of increasing the world's supply of agricultural jobs. India, Pakistan, Indonesia, Bangladesh, and other poor, heavily populated nations must find places for more rather than fewer farmers simply because the rural work force in those countries will grow faster than the number of nonagricultural jobs, even by optimistic estimates.

Neither the agricultural scientists nor the peasants can make the final decision for a developing country about whether a labor-intensive technology will be used or whether our own production system will be imposed. Such decisions are generally made by landlords and by the governments that depend upon them to siphon food from the countryside to the urban poor. Desperate governments, seeking food and imports to quiet their urban masses, thus seem by and large to be permitting the development of a mechanized, energy-intensive agriculture that increases the number of unemployed urban people to be fed while increasing the burden of imports. American policy and technology probably encourage these trends. Even the green revolution may have served merely as a reprieve for governments unable to make productive use of agricultural labor.

Developing countries need a different mix of labor and technology than we do. But developed nations have yet to find a synthesis that respects the interests of human beings involved in production, that protects the environment, and that accepts the possibility of new lifestyles in agriculture. The research establishment may argue that such changes are for political institutions to bring about, not learning institutions (viz. China). Unfortunately for that argument, the two have often interacted each to narrow the other's options.

How is the circle broken? In earlier periods, giants emerged from the scientific community, grasping public leadership to institutionalize a new ethic. Gifford Pinchot established the Forest Service. Hugh Hammond Bennett created the Soil Conservation Service. Seaman Knapp introduced demonstration farms. But no giant is yet visible within today's agricultural establishment. Those who are sent forth as its philosophers are as yet only conciliators and apologists.

Yet U.S. agricultural scientists are presumably as concerned as anyone about the welfare of the world's people—and are perhaps more frustrated than others by the perversity of systems. Although they cannot wholly control the impact of their technology, many of these scientists are searching for a better understanding of social and political environments and some envision research programs that will have a more constructive effect on the human condition.

The agricultural research establishment remains a ship full of riches, though long at the mercy of the prevailing winds of commercial agriculture interests, which have secured its public funding and have manipulated its outputs. New winds buffet this establishment—consumers, environmentalists, the media, some elected officials, enlightened insiders, and in the future, maybe, antithetical farmers and even a giant or two. But these have yet to form a coalition that can give agricultural research the breadth of perspective that a great research establishment ought to have.

Producers who want exclusive benefits have long known the public research expenditure is a good investment from their point of view. It is time to realize that it is also a potentially good investment from the point of view of those interested in spreading its benefits more equitably. In the meantime, the academic community should accept the responsibilities implicit in its position as a determinant of the world's food and job situation.

Scientists should insist on engaging in research that is worthy in their own eyes, and insist on funding for it from new, as well as existing, sources. This could well mean a collective effort to corral national support for agricultural research. Moreover, they should free themselves from their present status as hired hands for the agricultural business. This will involve repudiation not only of grants for certain specific research areas and funds for graduate students, but also most travel money, which is perhaps the most corrupting influence in the scientifc community. (Many agricultural scientists are in fact encouraged to seek travel money from private agribusiness firms.)

It is likely that each discipline has a few distinguished scientists who care about the impact of their work upon the world. The influence these people will have depends entirely on the degree to which others are keen enough to take their example. Unfortunately, such individuals have too often in the past been ignored or dismissed as eccentrics.

Finally, the various agricultural sciences should, as a discipline, devote more effort to formulating research strategies that maximize their contribution to world problems. Contrariwise, scientists should cease to take comfort from those who pass among them making light of these responsibilities; whose stock in trade must be crude humor ("Meat," quipped one agricultural school dean, "is good to eat.") rather than serious questions.

[From Nature, Nov. 27, 1975]

A Thought for Food

(By Colin Norman)

To help avert "mass hunger for future decades", there should be an immediate, massive infusion of funds into research on food production and a major overhaul of the agricultural research system in the United States, according to two reports submitted last week to President Ford by the National Academy of Sciences. The reports outline preliminiary findings of a two-year study, due to be completed in June 1977, of how research in the United States can help combat the grim prospect of increasing hunger and starvation throughout the world.

Specifically requested by President Ford in response to the World Food Conference, which was convened in Rome a year ago, the reports are surprisingly critical of agricultural research policies in the United States. Although there have been spectacular increases in domestic agricultural production during the past three or four decades—to the point, in fact, where North America is now virtually the world's breadbasket—the reports suggest that research efforts lack central coordination, receive insufficient funds, and pay too little attention to basic studies. The preliminary reports, which are designed to influence the Ford Administration's budget for next year (which is now being prepared), thus offer a prescription for improving the research system, and suggest a number of specific projects requiring an immediate injection of funds.

One of the reports, prepared by a committee headed by Dr. Harrison Brown of California Institute of Technology (*World Food and Nutrition Study: interim report*) presents an overall view of how agricultural research in the United States can assist in coping with the world food problem. It draws heavily on the findings and recommendations of the second report, concerned mostly with domestic agricultural research policy (*World Food and Nutrition Study: Enhancement of Food Production in the United States*), which was prepared by a committee headed by Dr. Sylvan Wittwer of Michigan State University.

Although it is tempting to suggest that the world food problem could virtually be solved by better distribution of food supplies, the Brown committee points out that, with world population increasing by about 2.5% a year, better food distribution will offer at best a stop-gap solution. A few summary facts speak for themselves.

Developing countries increased their food production by about 2.8% a year during the 1950s and 1960s, an impressive achievement which reflects both increasing yield from individual farms and increasing acreage under cultivation. But their effective demand for food in the 1960s increased even more sharply, by about 3.5% a year, and it will continue to do so for several decades. The result has been a rapid escalation in food imports by the developing countries—a trend which, according to estimates of the Food and Agriculture Organisation, will result in total cereal imports of 100 million tons by 1985.

The Brown committee therefore argues that "the key to adequate feeding of peoples in the developing countries over the coming decades is a sustained trend of very substantial increases in the yield of their farms". The increases, in fact, will have to be even more spectacular than those brought about by the recent introduction of high-yielding varieties of wheat and rice—the so called Green Revolution—and the committee also notes that "there is a parallel requirement for continuing rapid expansion of US yields on our principal export crops".

Such achievements will require "a greatly strengthened research base", the committee argues, and its recommendations essentially boil down to three requirements: increased participation by research institutions and scientists from the United States in international research and development activities; increased attention to several lines of research in the United States which have worldwide implications; and some overdue reforms in the planning and execution of domestic agricultural policy.

Proceeding from the observation that "it is not feasible in the next decade or two to meet the developing world's massive requirements for research capabilities and research results one country at a time", the committee urges "redoubled US efforts" to help build collaborative international research networks—such as CIMMYT, the International Centre for the Improvement of Maize and Wheat, where Norman Borlaug developed his high-yield wheat varieties. In addition to increased funding for such networks, the committee also urges greater participation by universities and other institutions within the United States in the work of the international research centres.

As for research projects which merit increased attention, the Brown committee notes that the "prevailing bias" among politicians and research administrators is toward applied research likely to yield quick results. The Wittwer committee is less charitable: "Fundamental research undergirding food production technology has languished for two decades", it asserts. "Because of crop surpluses, political pressures from commodity groups, budgetary reductions, and emphasis on immediately applicable results, a formerly substantial basic research effort . . . virtually disappeared".

The Wittwer committee has consequently drawn up a list of research efforts which have been relatively neglected in the rush for quick results. An expanded research programme on photosynthesis is "urgently needed", the committee suggests. It recommends that federal support of such activities be doubled, from $10 to $20 million a year, and that two or three research institutes be established to spearhead the effort. Similiarly, research on nitrogen fixation should receive a large injection of federal funds. "The current funding level of less than $5 million from all sources in this nation for research on biological nitrogen fixation is grossly inadequate", the committee states, and suggests that an immediate escalation to $25 million is needed, followed by a 25% annual increase for the next five years.

Basic genetic research to improve plant yields—including DNA recombination techniques—should also receive a five-fold increase in the present funding level of about $500,000 a year, the committee urges. Other areas singled out for increased attention are the adaptation of chemical fertilizers for use in tropical regions, improved methods of pest control, ways to combat livestock diseases, and a better assessment of land and water resources in the United States.

The Brown committee accepts the need for increased efforts on those projects, notes that "there is little to be gained from identifying research work that needs acceleration unless US Government food research budgets are increased sharply", and recommends that expenditures on agricultural research should be increased by at least 50% over the next two or three years.

Agricultural research in the United States is funded chiefly by block grants to a conglomeration of many federal, state and private research institutions, and both the Brown and Wittwer committees suggest that it lacks central coordination and direction. It is not the first time that committees of the National Academy of Sciences have criticized the system. Three years ago, is one of the most candid assessments of a federal research effort ever to emerge from the academy, a committee under the chairmanship of Dr. Glenn Pound of the University of Wisconsin argued that agricultural research supported by the Department of Agriculture is often pedestrian, badly managed and inefficient.

The Wittwer committee seems to have accepted the thrust of that assessment It recommends that a top-level National Agricultural Research policy Committee should be established to develop a national research policy. Moreover, the committee states that "many agricultural rsearch administrators are of the opinion that (the Department of Agriculture) has not been an effective proponent of agricultural research, that it does not now provide for adequate consideration of the problems and needs of research in its top-level deliberations, and that it lacks administrative and budgeting arrangements that can effectively guide research in response to national and regional needs" It therefore suggests a number of administrative changes within the Department of Agriculture designed to coordiate the activities of its fifteen research divisions, and to enhance the status of agricultural research.

As for funding mechanisms, the committee urges that diverse sources of support for agricultural research be brought together. It also suggests that more funds should be available for support of individual research projects, assessed by peer-review panels and supported in the same manner that biomedical research is supported by the National Institutes of Health.

Although some of those suggestions were incorporated into the report of the Brown committee, it promised to give more thought in its final report to the manner in which overall food and nutritional policy should be developed.

Finally, it should be noted that the Brown committee clearly acknowledges that, in dealing only with the limited topic of agricultural research, it necessarily neglects some of the prime considerations in the world food problem, such as population, education and economic planning. Moreover, the committee also states that it does not "assume superior US wisdom on how to achieve development purposes, but only a capability and willingness to handle research problems and to collaborate with others in problem solving where our participation is welcomed".

DEREGULATION OF NATURAL GAS PRICES

(Mr. BROWN of California asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BROWN of California. Mr. Speaker, after a great deal of soul-searching I have come to the conclusion that the continued regulation of the wellhead price of natural gas in interstate commerce by the Federal Power Commission no longer serves a useful public purpose. Since I have long held strongly to the opposite view, I feel compelled to offer some reasonable explanation for my change of position.

First, I must say that I am not under any illusion that the natural gas industry is competitive, or that it suffers from lack of reasonable profit. I am familiar with the statistics on competition in the industry and have in fact testified before the FPC within the past 3 years in favor of continued regulation of wellhead prices on a cost plus reasonable profit basis, because of the lack of workable competition. I am also quite aware that historically onshore natural gas is probably the cheapest form of energy to produce and that even under regulation profits have been extremely good. Under deregulation industry profits, at least in the shortrun, will probably be obscene. I am also well aware that even under regulation there is no present way to compel the commitment of these profits to increased capital investment in exploration and production of new gas supplies, and under deregulation there is likewise, no way to compel such commitment.

This situation is of course true of the entire petroleum industry, not just the natural gas producing phase of the industry.

However, if we are concerned about workable competition and economic concentration within an industry as a basis for regulation we must in all fairness consider other industries where the situation is as bad or worse than the natural gas and petroleum industry. A list of such industries would include automobiles, steel, aluminum, chemicals, and a host of others. Obviously we are not about to consider regulation of prices and profits in these industries, and in fact we see little evidence of the vigorous enforcement of existing antitrust statutes.

It has become increasingly obvious over the past 3 years that regulation of the wellhead price of natural gas in interstate commerce has permitted the development of major inequities within the overall energy market. While all prices for nonreplenishable fossil energy materials are inherently artificial, requiring that a valuation be placed on the needs and market demands of generations yet unborn, the regulated price of natural gas at the wellhead is the most artificial of all. Since it is the most desirable form of fossil fuel, and yet the form in the shortest supply, any rational public policy would assign a premium value to it in comparison with oil or coal. Yet it is now the cheapest of all fossil fuels. If public policy were concerned with achieving a proper valuation by the consumer, while limiting profits by the producer to a reasonable level, then regulation of well-head price should be coupled with a tax levy sufficient to produce a rational cost to the consumer.

The present system of limiting regulation to interstate gas only, while disregarding the price of interstate gas, has compounded the inequities of regulation. Intrastate gas commands an unregulated price two to five times higher than regulated gas in interstate commerce. The intrastate consumer, if he can pay the price, is free to use, and to waste, a smuch gas as he chooses. Regulated, and lower priced, gas in interstate commerce is available to some consumers, but other consumers find such gas increasingly unavailable or curtailed, forcing them to use higher priced fuels.

The FPC, caught in the maze of such illogical regulatory results, has increasingly made a farce of its pricing decisions. By a series of legally questionable rationalizations it has succeeded in pushing wellhead prices up at the rate of about 30 percent per year, and will probably continue to do so until regulated interstate and unregulated intrastate prices are roughly equal. That level will probably be at our sligthly above the price of OPEC oil.

Since the end-result prices of the present regulatory practices, as compared with a phased deregulation, are probably going to be the same at the end of some reasonable period of time, it seems to me to be far better and less hypocritical, to enact a reasonable deregulation measure at the present time.

If the Congress is unwilling to deregulate, then it should move swiftly to end the present pricing inequities by passing legislation to regulate intrastate natural gas prices, set reasonable production levels by field and nationally, allocate supplies on a priority basis, and compel production of the required levels at the regulated prices. I am willing to support such legislation as soon as the Commerce Committee reports it to the House.

I must express one additional concern. Natural gas, as well as oil, and to a lesser extent coal, are precious and nonreplenishable resources. They must be used carefully and economically. The remainder of the world recognized this fact and prices them accordingly. Despite recent price rises Americans still pay about half what Europeans, Japanese, and others pay for fossil fuels. This encourages the U.S. consumer to continue to use a far larger share of these resources than is necessary or reasonable. I believe, although the proof is lacking, that higher natural gas prices resulting from deregulations will force an end to many wasteful uses of energy. It will also encourage consumer investment in energy conserving practices such as better design and better insulation of homes and businesses. It will also encourage investment in other, replenishable, types of energy sources, such as solar and geothermal energy, and may even encourage a complete reexamination of our energy-profligate life styles.

In coming to the conclusion to support deregulation I have had to face the twin arguments that it would result in an unconscionable profit windfall to the natural gas industry, claimed to be in the order of $20 to $40 billion, and a consequent exhorbitant added cost to the consumer, claimed to be possibly several hundred dollars per year. I prefer to accept the figures presented by the General Accounting Office that the average consumer will face an annual price rise of 6 to 7 percent—equivalent to $10 to $15 per year—and the gas-producing industry will increase its income by about $1 billion per year. I regret both the increase in consumer cost and producer income.

However, compared to the average cost increase of about $200 per year for gasoline which the automobile user has already absorbed in the last 2 years, and the tens of billions of dollars in increased profits accruing to the petroleum industry, the economic effects of natural gas deregulation are miniscule. In any event, if such results are contrary to public policy, this should be addressed by other means than the perpetuation of indefensible irrationalities in natural gas pricings.

I shall, therefore support the Krueger substitute to H.R. 9464 with any reasonable perfecting amendments, when it is offered on the floor.

MRS. PHYLLIS GALANTI

(Mr. DAN DANIEL asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. DAN DANIEL. Mr. Speaker, on January 9, it was my privilege to attend a meeting sponsored by the Blackstone, Va., Chamber of Commerce, honoring Mrs. Phyllis Galanti, the wife of Lt. Comdr. Paul E. Galanti, who was a prisoner of war in Vietnam for a number of years.

Mrs. Galanti is a charming and gracious lady who responded to her time of trial in a manner which deserved the kind of community recognition which was accorded her on that occasion. During her long period of waiting, she not only participated in a very significant way in efforts to arouse national attention on the POW question but offered inspiration to hundreds of other wives and mothers in similar circumstances.

Her activities and general spirit of patriotism were brought out in the remarks which were made on that occasion. It is my feeling that these deserve recognition and readership beyond the audience which heard them on the occasion of this dinner, and I would therefore like to include them here with my remarks and commend these to the reading of the Members of the House:

PHYLLIS GALANTI DAY

On Jan. 9 the Blackstone Chamber of Commerce will launch its area's bicentennial celebration with *Phyllis Galanti Day*.

Who is Phyllis Galanti? She is the wife of Lt. Comdr. Paul E. Galanti who was a prisoner of the North Vietnamese for more than six years. Last month, Mrs. Galanti and her husband became parents of their first child.

During the years her husband spent in North Vietnamese captivity, Mrs. Galanti campaigned vigorously to secure the release of all American POWs. Her efforts took her to Paris where she, with others, negotiated with North Vietnamese and Viet Cong representatives.

On Jan. 9, Governor Mills E. Godwin Jr. will be the guest speaker at a banquet and will present Mrs. Galanti with a citation on behalf of the Blackstone Chamber of Commerce.

This is one of those stories that warm the heart. It is so . . . *fitting*. American POWs suffered horribly while in North Vietnamese hands, but their wives suffered equally at home, and sometimes more so. Many, if not most, had children. They were confronted with keeping the family together, often getting by on meager funds, never knowing from one hour to the next whether their husbands were alive. Mrs. Galanti and the wives of other POWs, endured anxiety and torment for years—but never gave up hope and never gave up the fight.

The wives of hundreds of MIAs—those missing in action—remain in the same fix.

Many have since learned that their husbands are presumed dead, but some even yet continue to hope and work for their return.

These women have earned the nation's eternal respect and admiration. They exemplify the highest ideals not only of womanhood, but of humanity. What, could be more fitting than a Phyllis Galanti Day? Who—including other POW wives—deserves it more? And what could be more fitting than to start the bicentennial year with such recognition?

A Great Beginning

Whatever else may happen in this community during the coming year, one thing is bound to stand out and that is the tribute last Friday night to Mrs. Paul Galanti. It was one of the finest events ever sponsored by the Chamber of Commerce and was a fitting beginning to this community's contribution to the Bicentennial. The presence of Governor and Mrs. Godwin and other important people added much to the occasion.

Mrs. Galanti, husband Paul, and her mother, Mrs. James Eason, are all highly respected in this community and it was plainly evident that everyone truly enjoyed honoring them Friday night. As Governor Godwin said, it was Phyllis' night, but there was no hiding the radiance beaming from a proud husband and a proud mother, or for that matter, from a proud group of citizens who consider Paul and Phyllis part of this community. Everyone shared the enthusiasm initiated by the Chamber to honor a very deserving person, and everything went off smoothly.

Phyllis Galanti Day was another one of the good ideas that come out of the head and heart of Ed Silverman who also suggested the theme, "Lest We Forget.' Silverman took his idea to the Chamber, and after months of planning and even waiting for the Galanti's first child to be born, it was all put together brilliantly. Chamber President Carroll Bradley, Charles H. Beale, Silverman and Mrs. John M. Milroy all worked to produce the event.

The program was another splendid example of the excellent relations which exist between Fort Pickett and Fore Lee, for without the help of officials or both installations it would not have been quite such an evening to remember. General Dean Van Lydegraf and his wife were among the first persons who accepted invitations to be present and his support together with that of Colonel Henry Sachers, Pickett Commander, paved the way for all the help the Army could give.

Once again the beautiful Non-Commissioned Officers Club at Pickett was opened to this community and the personnel there spared nothing in their efforts to cooperate. The food was delicious, as usual, and the service at the "social centers" was superb. The Army's "touch" with Military Police to handle traffic and open doors was one of the extras which add so much. An attractive female MP at the main entrance was a pleasant surprise.

Blackstone is off to a fine start in the first month of the Bicentenntial year. It is hoped that before the year has ended there will be other programs and other events to honor those who have served their country and made significant contributions in the cause of freedom. Phyllis Galanti Day was a great beginning.

Phyllis Galanti Day

OPENING AND INTRODUCTORY REMARKS BY CARROLL BRADLEY, PRESIDENT, CHAMBER OF COMMERCE

Honored Guests, Ladies and Gentlemen, welcome to this special meeting of the Blackstone Chamber of Commerce. As a result of this meeting, our theme for the bicentennial year, "Lest We Forget", will be engraved in the hearts and minds of each of us gathered here this evening.

We have many honored guests, and I would like to recognize a few of them now. There are several guests that will be introduced later, so I will not recognize them at this time. Please hold your applause until I have finished.

Senator Jim Edmunds—our Senator for the 17th District; Mrs. Van Lydegraf; Mrs. Mills Godwin; General Van Lydegraf—Commanding Officer, Fort Lee, Virginia; Lt. Cmdr. Paul Galanti; Colonel Henry Sachers—Commanding Officer, Fort Pickett, Virginia; Our very special Guest—Phyllis Galanti.

I am happy to quote a famous woman of yesteryear as we gather to honor one of our own famous Virginia women of today. If Abigail Adams were alive today, she would be pleased with the progress and great contributions women have made in our society. She would attribute that progress to the courage and patriotism that America's women have displayed from pioneer times up to today. I believe that she would agree with me that we are this evening celebrating the two hundredth anniversary of the greatest revolution the world has ever known.

Abigail Adams said, "It is a revolution I have worked for with all my energy and ability and one of the keys to its greatness is the fact that it has never ended."

Proof of Abigail Adams' words of wisdom live this evening in our program dedicated to a woman of greatness in our time. As the information unfolds, and as you hear from our honored guests, I am sure each of you will be proud to be here, proud to be Americans and proud to live in this great land of ours.

Phyllis, I am pleased to present to you a certificate of recognition signed by Governor Mills Godwin declaring this day, January 9, 1976 as "Phyllis Galanti Day."

It gives me a great deal of pleasure to present to you the Mayor of Blackstone, Copeland E. Adams.

WELCOME TO MRS. GALANTI BY HON. COPELAND E. ADAMS, MAYOR, TOWN OF BLACKSTONE

No Mayor on earth could have a more satisfying job to do than I have tonight.

It is a genuine pleasure as Mayor of the Town of Blackstone to join, on behalf of the Town, with the Blackstone Chamber of Commerce, in starting the events of this Bicentennial year, by honoring a lovely, determined and courageous lady: Phyllis Eason Galanti.

I am going to read, and present to her, a resolution of the Blackstone Town Council, making her an Honorary Citizen of Blackstone, and to present her with a key to the Town; the Resolution is as follows: Resolution Presented on behalf of the Town of Blackstone to Phyllis Galanti

Whereas, it is the considered opinion of the Mayor and Council of the Town of Blackstone, Virginia, that your unceasing and untiring efforts for the release of the American Prisoners of War in the conflict with North Vietnam were successful, and in addition to being personally gratifying to you, were such an admirable example of courage and determination in the face of overwhelming odds that public recognition of that fact is due.

Now, therefore, be is *resolved*, by the Council of the Town of Blackstone, Virginia, that we do express to you our deep admiration and respect for your determined and constant efforts directed toward, and resulting in, the release and return of the American Prisoners of War in the conflict with North Vietnam; and with great pride, we hereby make you an Honorary Citizen of the Town of Blackstone, Virginia, this 9th day of January, 1976.

Copeland E. Adams, Mayor.
Marvin Inge, Jr., President.
James D. Coleburn, Councilman.
J. A. Wilson, Jr., Councilman.
James S. Harris, M.D., Councilman.
Carole L. Hagaman, Councilman.
P. J. Sheffield, Councilman.
Luin F. T. Coleman, Councilman.

Mrs. Galanti, you will honor us by accepting these mementos.

Now I present to you Mr. W. B. Thomas, Jr. of Blackstone, Chairman of the Nottoway County Board of Supervisors.

Thank you, Mr. Adams.

At this time, I would like to read a resolution that was unanimously adopted by the Nottoway County Board of Supervisors on December 16, 1975.

RESOLUTION: NOTTOWAY COUNTY BOARD OF SUPERVISORS, COMMENDING PHYLLIS GALANTI

Patrons: Messrs. A. T. Jenkins, Chairman, W. B. Thomas, Jr., Vice Chairman, P. H. Fitzgerald, J. W. Coleman, T. G. Leath, Jr.

Whereas, the Town of Blackstone and the Blackstone Chamber of Commerce has designated January 9, 1976 as Phyllis Galanti day; and

Whereas, the Nottoway County Board of Supervisors hereby joins the town of Blackstone and the Blackstone Chamber of Commerce in recognizing this significant event in our Bi-Centennial celebration; and

Whereas, Phyllis Galanti has demonstrated courage and determination while working on behalf of our prisoners of the Vietnam conflict; now therefore be it

Resolved, that the Nottoway County Board of Supervisors does hereby commend Phyllis Galanti for her outstanding services.

Done this 16th day of December, 1975 for a unanimous Board.

Attest:

A. Taylor Jenkins,
Chairman.
Ronald E. Roark,
Clerk.

It is with great pleasure, Phyllis, that I present this resolution to you on behalf of the Nottoway County Board of Supervisors and extend to you our very best wishes.

It is a distinct honor and my sincere pleasure to introduce our next speaker of the evening. The gentleman whom I will present to you is a special friend to the people of our area. He is constantly working and meeting with his constituents both here and in the county and in Washington.

I now present our own Fifth District Congressman, the Honorable Dan Daniel.

REMARKS OF CONGRESSMAN DAN DANIEL

It is a privilege and pleasure for me to participate in your special honor this evening for a fine, courageous and patriotic lady.

Certainly, nothing that I can say will add to the significance of this occasion, but I am happy to be here.

What this lady did and the high sense of spirit she displayed during her years of adversity are the reason we are gathered to pay her honor.

It is fitting too that you should do this.

Her fine husband received recognition for his brave response to an ordeal—and we shall forever be in the debt of him who paid a high price for our freedom.

We shall never erase from our memory those happy days when our prisoners of war began returning home. It marked the end of an experience which only they can fully measure.

But what of those who remained behind? Can we forget their contribution?

Wives and children, parents and friends who waited in hope and prayer—even when things seemed least promising that their loved ones would return—should not be forgotten.

Those who waited in patient hope—trusting in the future and in the hand of Providence—likewise are heroes of our time.

For, unlike some of their countrymen, they did not despair. They did not seek to undermine the cause for which we fought.

They did not question the American creed and forsake the tenets of democracy.

The eyes of America were on these families of our POW's in a very special way. Sometimes the spotlight may have been uncomfortable—at times frightening.

But when the measure was taken, these families on balance stood well the test—and we were proud of them.

Nowhere was the symbol of patriotic Americanism better demonstrated than in the attitude and activities of Mrs. Phyllis Galanti. Her radiant smile, her calm approach to a heart-rending experience and her constant belief in an eventual solution won her the respect and admiration of all.

Her experience is another reminder that in today's complex world heroism is found in many places and under many guises. Some go to battle; some stay at home. Some preach sermons on how to live; others live so that their lives are sermons themselves. Some make laws in the hope of making life better for their fellow-men; others improve the quality of life through their example. And as John Milton so aptly said they also serve who only stand and wait.

Phyllis did all those things—and continues to play a vital role.

It has been said that what is wrong with so many programs today is that there is too many chiefs and not enough Indians.

When the going got tough, this fine lady worked in the ranks as well as fulfilling her leadership role.

Other POW wives and mothers gained spirit and hope because of her example.

Phyllis, I join with your many friends in not only paying you honor but in thanking you for giving us a better appreciation of America. You have made what we believe a great deal more believable.

You have my continued best wishes.

Thank you Dan.

Honored guests, ladies and gentlemen: It has been said that in the honoring of a great man we primarily honor ourselves. This is indeed true here tonight. I am pleased to present to your our speaker for this very, very special occasion, but there is nothing I might say which would add one whit to the singular honor already bestowed upon him by the citizens of the Commonwealth who twice elected him to be their Head of State.

In this difficult era for the State and the Nation, with its enormous and rapid changes in our life styles, in our economy, in our ways of doing business, in scientific advances, and in the role of government, a steady hand on the helm is essential. We are most fortunate to have the leadership of a man of his integrity and good common sense. He has exhibited the rare qualities of statesmanship by remaining responsive to the electorate while, at the same time, making those tough decisions of responsibility for all the people.

Without further ado, it gives me great pleasure to present to you his excellency Mills E. Godwin, Governor of Virginia.

REMARKS BY MILLS E. GODWIN, JR., GOVERNOR OF VIRGINIA

The Governor is called upon to make a number of speeches—my staff indicates to me that it is an unconscionable number—but I cannot recall any occasion that I approached with more pleasure or personal warmth or anyone who is more deserving of having a day named after her.

Of course, I knew the name Phyllis Galanti well before I met her, and I have been supplied with a great deal of information about her and her accomplishments.

But none of this information mentioned how attractive she is, and this is the first thing I noticed about her.

As a matter of fact, when my appointments secretary told me she had set aside Phyllis Galanti Day on my calendar, I thought she meant a day with Phyllis Galanti and I was most disappointed to find out this was not the case.

But it is indeed a signal honor for anyone to have a day named after her. It is a rare occasion indeed when we take this means of recognizing particular ability and accomplishments.

We do not accord honors of this kind often or lightly in Virginia because we so expect outstanding performance.

We would expect the wife of a Navy flier imprisoned in a far off land not only to be concerned but to search for ways she could get him back home again. But few indeed would launch such a mission in the face of a hostile enemy with which this nation was at war in an unknown land half-way around the world with any great hope of success.

And few would have persisted through the difficulties that faced Phyllis Galanti and the others who undertook this effort.

For nearly four long years this young woman explored one avenue after another.

She and those who helped her launched one of the most effective publicity campaigns I have even seen to call attention to the plight of their men.

In one campaign in the Richmond Metropolitan area, they generated more than 450,000 letters to Hanoi expressing concern for prisoners of war and those missing in action.

But Phyllis Galanti did not feel this was enough, and so she joined nine others in carrying those letters along with 300,000 more from Northern Virginia to Stockholm, Sweden, to meet with the officials of the Swedish government and the Swedish Red Cross and the officials of the North Vietnamese Embassy.

With two other wives she went to Paris the following year to talk again with Communist delegates from 75 countries who were attending an international conference on Indo-China at Versailles.

She was elected by the National League of Families to be one of three wives to talk to President Nixon and later that same year she was chosen as chairman of the board of the League itself.

These were but the highlights in a steady and continuing effort, a model of perseverance that this young woman has given all of us.

There were television appearances including some on national networks. There were awards and election to offices and then finally in February of 1973, she dropped it all when Paul Galanti came home and devoted herself once again to her responsibilities as a wife and mother.

I guess I am responsible for the exceptions to that statement I just made, at least to some degree, because I appointed her a member of the Virginia Commission of the Arts and Humanities.

And her abilities are also recognized by University of Richmond which elected her to its Board of Associates, and the Boys Club of Richmond where she is a member of the women's board. She has also exercised her citizenship by taking an active part in various political campaigns. I am proud to say that one of them was my own.

Sometimes history has a way of providing us with the kind of leadership that the times demand, and of this I think Phyllis Galanti is an outstanding example.

Across our state, across our land, I sense that the frustration and the disenchantment that so many of our people express stems in large part from their feeling of helplessness in the face of big government, of big business, of big problems over which they feel they have no control.

They suffer the gnawing feeling that gradually they are losing control of their own destiny and that as individual private citizens their voices are not being heard or their needs attended to, that they are instead up against monolithic institutions that ignore them.

Phyllis Galanti has given the lie to that opinion.

One dedicated woman and the handful of others have had more influence on the Communist world than many legions of diplomats.

Not only as Phyllis Galanti engraved her name forever in our hearts, but she has given us new hope for the frustrations that seem to beset our people.

This Phyllis Galanti Day will be long remembered for its pomp and ceremony and for the honor it bestows on a native Virginian and her family.

But far beyond that it gives each one of us the opportunity, when we are tempted to shirk some task we have undertaken or not to undertake it at all, to remember her example and see it through as we should.

PHYLLIS GALANTI'S RESPONSE

Abigail Adams never had a night like this I can assure you! Congressman Daniel said something earlier about my being calm and maybe that was the old days—I'm not at all calm tonight! I'm completely overwhelmed!

As I stand here and see all of these honored guests, and I don't mean just the people at this table, each one of you tonight to me is an honored guest. That you would do all of this, make all of these efforts in my behalf is just something I can't comprehend.

I've heard about this special night for several months now, and it seemed wonderful enough to me then; but as I drove up tonight and saw all of you getting out of your cars, I just knew that I must be coming to honor somebody else. I still can't believe that all of this has been done for me.

When I started out working for the POW's, I was a pretty shy person. Maybe it's hard to remember that now because I do speak out a little bit more than I used to. Mrs. Maben said to me a little earlier that she could remember me when I was a very shy and quiet girl and I've come a long way. Maybe it's good and maybe it's bad, but I have learned to speak out for things that I think are important, and it's only because this was something very very important to me and to my country.

It was a very hard thing for me to do to start speaking before large groups of people, and I never thought it could be done; but when you believe in something that much, you can do anything that you have to.

I just can't tell you what it means to me to be honored as you kick off your Bicentennial year because you must have some idea of what this country means to me.

My husband spent six years and eight months in a Communist prison camp for this country. He believed in what this country is doing, what it has done, and I had that same belief. And all the time I was working for him, I knew that I had to be worthy of what he believed in.

I just wish I had on a red, white and blue dress tonight to make you realize just how much this means to me! All the expressions that you have given me tonight, the wonderful speeches—again, I keep feeling that they must be for somebody else. I just don't think I'm worthy of all the wonderful words I've heard here tonight. The expressions from the Chamber of Commerce, the Town of Blackstone, and earlier today the Blackstone VFW honored me with a certificate. I'm just overwhelmed!

It's very appropriate to me that you should have chosen the phrase "Lest We Forget" as your Bicentennial theme because we used that quite a bit in our campaign for the POW's making sure that people didn't forget the men who were left behind. And I'm sure Congressman Daniel remembers that; and I must mention to you tonight that from the very beginning when the wives started speaking out on behalf of their men, Congressman Daniel was with us all the way when it wasn't always the popular thing to do—when Congress wasn't really too interested in what we had to say—he was there helping us the whole time.

As we begin 1976 let's rededicate ourselves to the ideals of this country. I know that it means—this country means so much to each one of us—and as a new mother I have even another perspective. I don't mind saying that it kind of scares me to be bringing a child into the world—this uncertain world today—and I don't take it lightly. But because I have a son whom I hope will be proud of this country and want to continue working for its ideals, I feel so strongly that we have to rededicate ourselves to what this country has stood for and regain the confidence and our ideals and in the institutions of this country and in our leaders.

Again, I just can't tell you how much it means to me to have you all here to honor me tonight, and I hope that I can be worthy of that honor.

Thank you again.

CLOSING REMARKS BY CARROLL BRADLEY

It is indeed fitting that as we come to the close of one of our great days, "Phyllis Galanti Day", that we pause and humbly remember the great sacrifice of Americans over the past 200 years. Let us all stand and close with a prayer:

Our Heavenly Father, we ask thy blessings on this Group, this Event and on our Nation and its Leaders. Grant us the courage to face the trials and temptations that each of us faces in life. Help us to remember this evening and what it has meant to each of us. Help us that in some small way each of us can work toward making our community and our Nation a better place in which to live. This we ask in Christ's name and for his sake. Amen.

BEACH ENRICHMENT PROGRAM IS REQUIRED TO OFFSET HURRICANE ELOISE DAMAGE

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, the excitingly beautiful beaches along northwest Florida's gulf coast from Pensacola to Port St. Joe have, through the years, achieved increasing reknown. The clean, sparkling white sands are the prettiest to be found anywhere and have a quality which is very unusual. The sound of footsteps on the sands is the same as that encountered in hard-packed snow, but what a difference in temperature. The beauty of the beaches is enhanced by clear waters with varying shades of color that reflect the depth of the water and the climatic conditions of the atmosphere above. Generally clear blue skies add to the romantic atmosphere of the area. The beaches are fringed with luxuriant green vegetation, which further adds to their attractiveness. This magnificent natural resource has produced a thriving tourist industry which has assumed a significant role in the economic activities of the area. Tourists find the beaches particularly attractive during the summer months. The development has been concentrated primarily at Panama City, at Pensacola and at Destin and Fort Walton Beach. There also are thriving beach activities at a number of communities in Walton County, at Mexico Beach, and at Port St. Joe.

The beachfront oriented recreational industry with its hotels, motels, and associated developments is dependent upon the beaches and existing dunes along with structural measures for protection from the elements of the weather and the Gulf of Mexico.

Unfortunately, the story does not end here. Historically the receding of the beaches has gradually reduced the beach area and exposed the developments to potential erosion damages and hurricane generated wave destruction. This has been in process for a number of years and has created considerable concern, particularly in the area of the Panama City beaches. Through the assistance of the Corps of Engineers and with the sanction of Congress, a study to determine sound and economic procedures for erosion control is in progress. A new factor has now appeared due to the occurrence of Hurricane Eloise in September 1975. This highly destructive hurricane, the first in many years to adversely affect the northwest Florida area, has greatly reduced the remaining natural beach and dune elements and inflicted considerable damage on waterfront developments, particularly on the Panama City beaches. Restoration of the beach areas is essential for the viability of the recreationally oriented industry, and measures for hurricane and erosion protection are needed to avoid the potential for further destruction to the currently exposed structures. The recovery of the tourist industry, continued growth of the dependent local economy, and prevention of further ravagement of the exposed beachfront developments can only be assured by the expedient implementation of beach nourishment and hurricane protection measures.

This situation has led to a presentation by the Corps of Engineers to local interests on a recommended beach enhancement and hurricane protection proposal. It is considered the most desirable of the alternatives for beach protection which are in use in various areas in the United States. In substance, it would provide an added beach area by pumping sands offshore to provide an insulating beach sufficiently high to counter future storms and foreseeable erosion. The plan recommended by the Corps of Engineers is considered the optimum available in terms of economic efficiency, preservation and restoration of the natural resources, aesthetic qualities, and local desirability. The cost is anticipated at $12 to $14 million. However, the area to be enriched comprises 18½ miles of the most heavily developed portion of the 150-mile strip of northwest Florida gulf coast beaches. This area extends from the Panama City Harbor entrance to Phillips Inlet. Beach protection studies for the Bay County area have progressed to the point that a suggested program can now be undertaken at the recommendation of the Corps of Engineers. There remains a need for completion of studies for beach erosion and hurricane protection for Okaloosa and Walton Counties as well as all other areas along the northwest Florida gulf coast. I am assured by the Engineers that upon completion of data collection, alternative plans will be formulated and cost and benefit analyses prepared for these additional areas where protective measures are indicated to be feasible. Apparently, they can be expected to be similar to those which have been investigated in the Panama City beaches areas and comparable in unit cost.

I am today introducing suggested language for action by the Congress of the United States to initiate phase 1 design memorandum stage of the advanced engineering and design of the hurricane erosion protection at the Panama City beaches. The cost is estimated to be $165,000. I shall, as soon as additional information is made available by the Corps of Engineers, request congressional action for similar protection for other beach areas in northwest Florida.

FAREWELL REMARKS BY FORMER SECRETARY OF DEFENSE

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, Secretary James R. Schlesinger, during his tenure of public service, was one of the most highly regarded officers in the President's cabinet. As Secretary of Defense he was expert in the work of that Department and his appearances before the committees of Congress inspired confidence in his ability to administer this highly important program. It is my understanding that his farewell remarks, delivered at a Pentagon ceremony on November 10, 1975, have not appeared in the CONGRESSIONAL RECORD. His words addressed the need to redefine the relationship among foreign policy, defense posture, and the public support. I feel that his comments are of such importance and carry a message of such great significance that they should be reprinted in the RECORD. I submit his statement for that purpose:

THE MILITARY AND NATIONAL PURPOSE

(By James R. Schlesinger)

The time has come to say farewell.

In so doing I should like to return to those larger issues of national purpose, raised in my remarks at the welcome ceremony some twenty-eight months ago. I do this for several reasons. First, the vitality of the nation's military establishment, its perception of itself, its precision of mission, flow from a sense of purpose deriving from that larger national unity and spirit. Second, in our Western democracies we face a testing time. Around the world the number of states with a vibrant faith in the values of freedom continues to fall. Among the remainder there has in recent years been an evident malaise. Vision and confidence have diminished; a vacuum of the spirit has appeared. It has become a grave question whether national unity, combined with freedom, still elicits a response sufficient that, in Lincoln's phrase, nations "so conceived and so dedicated can long endure."

Necessary in no small measure to the restoration of that larger vision is a revitalized sense of history—for it is that sense of history that defines us as a nation, that defines the values that we represent, and also underscores the differences between these values and the customs and values prevailing in other societies. That perception conveys to our citizens why it is that we seek to defend this particular national entity.

In a period of cultural relativism, observers comment on the problems common to all societies. Each, it is also said, has its distinctive advantages and weaknesses. Everything seems complex and gray. International trends may therefore appear to be of lesser significance. The critical distinction between totalitarian and free states becomes blurred.

We need again to sharpen our sense of values. Perhaps in this Bicentennial Year we shall rekindle an historical feel for that which defines this nation—ultimately recreating that sense of national purpose and national destiny that inspires unity.

Today, along with some serious thought, there is a widespread picking at our national institutions: government, industry, unions . . . the armed forces. A national mood of skepticism has gone too far. While a judicious skepticism indeed is always necessary, a mood of undiluted skepticism forces concentration on the inconsequential and ignores the permanent and valuable. Institutions are indispensable; they organize men for common purposes. Without them we would have unproductive conflict and no pooling of effort.

This larger social vision bears on the health of the nation's armed forces. No institution, no more than any nation or man, can live by bread alone. Unless we articulately redefine our values, identifying those we are prepared to fight for, the health of the nation's military forces will ultimately suffer.

The Department of Defense is sustained by the general health of the society, but it, in return, contributes in many ways to sustaining that social health. I cite but one. In the political and constitutional difficulties of recent years, the nation's military establishment served as a pillar of stability. All were impressed and reassured by its steady performance, and from it the nation drew confidence in troubled times.

But will the Department's ability to perform its mission display equal stability? In part, its continued strength will require a redefinition of the overall relationship among foreign policy, defense posture, and public support. Changes have occurred. From Pearl Harbor, reinforced by the Korean War, until the middle of the Vietnam War, there was only limited public debate regarding our foreign policy. Perhaps there was too little. Nonetheless, support for the defense establishment derived from that consensus regarding foreign policy—and from the established premise that politics should stop at the water's edge.

Plainly there is no emotional or political base for that attitude today. The broadest elements of foreign policy will inevitably—and properly—be debated. The rise of the third world, the dispersion of power, the breakdown of political bipolarity imply complexities that make unanimity about foreign policy unattainable. Since politics can no longer be counted on to stop at the water's edge, a major element of support for the nation's military establishment, derivative from the older attitude, has ceased.

For it we must substitute a broader understanding of the role of our military establishment—abstracted from most foreign policy alternatives. Without that understanding, our own military strength will continue to dwindle, perhaps absolutely, but certainly in relation to that of the Soviet Union. Irrespective of foreign policy debates and foreign policy alternatives, this nation's military establishment plays a critical role. Whether we are successful in pursuing détente or we hedge against the possible failure of détente, a military balance remains necessary. Debate regarding specific foreign policy actions or proposals will and should continue. But unless we are prepared to withdraw into the North American continent, the contribution of the United States to the worldwide military balance remains indispensable to all other foreign policies.

We must establish public understanding and public support on that basis. We must make this Department immune to partisan attack. To earn support, we must keep our defense establishment stable and reliable, characterized by high morale and a high ethical sense.

The nation's military structure represents the shield of the republic and the underpinning of our foreign policy. It represents the security of all our people. It is not an issue of left or right or center; the nation's military establishment must protect all quarters. We must be the captive of no political group. On the Hill we seek the understanding of moderates and liberals and conservatives, Democrats or Republicans, freshmen or seniors.

We must correct this misleading impression reflected in headlines, "The Pentagon demands," which suggests that the Pentagon somehow is an organism detached from the American public. We must convey that the military establishment is the shield of all and warrants the support of all. It is not an institution demanding something for its own purposes separate from the national purpose. We must seek support not on the basis of what it will do for the Pentagon but what it will do for this nation.

The adverse trend in military power, in the production of military hardware, military manpower, military expenditures has repeatedly been underscored. It is not a matter of theory; it is a matter of simple arithmetic. A continuation of this trend will inevitably bring a drastic and unwelcome alteration to the preferred way of life in the United States and among our allies.

Though we should pursue détente—vigorously—we should pursue it without illusion. Détente rests upon an underlying equilibrium of force, the maintenance of a military balance. Only the United States can serve as a counterweight to the power of the Soviet Union. There will be no *deus ex machina;* there is no one else waiting in the wings.

A democratic electorate has the right, every right, to allow the military balance to deteriorate. It is a decision that can be made unconsciously though by right it should be made consciously. Given the character of the modern world, that decision would be a mistake, which in the nature of things the American democracy would be denied the opportunity to repeat.

In the 1930s, there was a similar disinclination to face up to reality—etched in Churchill's volume, *While England Slept*. Let not such lethargy and, this time, irreversible developments be captured in a future volume "While America Was Self-Absorbed."

The problem faced by our democracies was put most eloquently by de Tocqueville more than a century ago:

"... it is especially in the conduct of their foreign relations that democracies appear to me decidedly inferior to other governments ....

". . . a democracy can only with great difficulty regulate the details of an important undertaking, persevere in a fixed design, and work out its execution in spite of serious obstacles. It cannot combine its measures with secrecy or await their consequences with patience."

I have referred to this as de Tocqueville's challenge. Let us be sure it is not an epitaph.

America today remains the most resilient nation in the world. Its sources of strength are deep-seated. I acknowledge her defects, which but reflect the common limitations of mankind. But I continue to see the generosity, the dedication, and the glory.

Our destiny, forged in the aftermath of World War II, lies before us—beckoning, demanding. There can be no question regarding our ultimate moral and political responsibility. The only question that remains is whether we acquit ourselves well or ill. The ultimate answer, I hope, is foreordained. Therefore, let no one here or abroad believe that this great nation will fail in its historic destiny as the principal guardian of freedom.

Good luck and God speed!

NEW STUDY RECOMMENDS ABANDONMENT OF WASTEFUL BREEDER REACTOR PROJECT

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, during the debate last year on the ERDA authorization, some of us endeavored to point out the risks in going ahead with the liquid metal fast breeder reactor project until the completion of studies as to its feasibility and costs. Unfortunately, our warnings were not heeded by a majority.

Now a new study has concluded that this program is not worth the billions it will cost, is endangering development of other energy resources, and should be abandoned. This new economic analysis was published by the American Enterprise Institute, a conservative organization which in the past has been sympathetic toward the nuclear power program.

The study points out that AEC—now ERDA—has traditionally underestimated the expected cost of projects and that the projected costs of the entire breeder reactor program have increased from $2.96 billion to $7.2 billion. The study states that even the latest estimates are unreliable and will probably rise significantly higher.

The study further states that safer reactors and energy sources are in the works and that there is practically no justification for a parallel breeder program. It charges that ERDA, in order to justify and continue building the breeder, has overestimated future energy demands, underestimated the future supply of uranium, and overestimated the net benefits of breeder plants.

Despite the study, ERDA has quietly signed contracts to begin the design of a large commercial size breeder reactor, even though the pilot plant is not yet off the drawing boards and the test facility is not yet finished.

It is especially important that these facts be brought to the attention of the Budget Committee for its evaluation before any large new amounts for this program are projected in its fiscal year 1977 budget proposals.

A copy of an article about the new study, in the Akron Beacon Journal of January 20, follows these remarks:

IGNORED . . . BREEDER REACTOR GETS AGENCY'S NOD DESPITE CRITICAL REPORT

(By Saul Friedman)

WASHINGTON.—A new in-depth study has concluded that the government's largest nuclear power program is not worth the billions it will cost, is endangering the development of other energy resources and should be abandoned.

The economic analysis of the "Liquid Metal Fast Breeder Reactor" program was published by the American Enterprise Institute for Public Policy Research, a conservative think-tank, which has been sympathetic toward the problems of utilities and the need for nuclear power.

Despite the study, the Energy Research and Development Administration (ERDA), without announcement, has quietly signed contracts to begin the design of a large commercial-size breeder reactor, although the demonstration-size plant is not yet off the drawing boards and the costly facility to test reactor designs and parts is not yet finished.

It was also learned that costs for the test facility and the demonstration reactor, which were originally estimated at $787.5 million, have more than tripled—to $3 billion—and are expected to rise higher.

The rapidly soaring costs were only one of the reasons cited in the American Enterprise Institute (AEI) study for calling off the project and transferring the expenditures to other energy programs.

The AEI study was written by Brian G. Chow, a physics professor at Saginaw Valley State College in Michigan, with the help of the University of Michigan School of Business Administration.

"It is apparent," Chow said, "that the Atomic Energy Commission (ERDA's predecessor) traditionally underestimates the expected cost of projects."

And because the nuclear power agency allowed projected costs of the entire breeder reactor program to increase from $2.96 billion to $7.2 billion, Chow concluded present estimates are "unreliable" and probably will rise "significantly higher."

Furthermore, Chow said, "it is very doubtful that the nuclear and utilities industries will absorb the major share" of future construction costs. That means the taxpayer will foot virtually the entire bill to develop breeder reactors to be used by private industry.

One example of this is the controversial program to build a relatively small plant—the "Clinch River Breeder Reactor" at Oak Ridge, Tenn.—to "demonstrate" that such a reactor will work.

The government claims the nation must build breeders because it is running short of Uranium-235, a hard-to-get element which is growing more costly.

Uranium-235 is used in the presently operating "Light Water Reactors," in which the heat of chain reaction boils water and generates electricity.

A breeder-reactor uses Uranium-238, which is very plentiful and actually creates more nuclear fuel—in the form of plutonium—that it uses.

The original 1972 cost estimate for the Clinch River Reactor was $700 million, of which $258 million was to come from 720 privately-owned utilities and nuclear power companies.

The private contribution has remained the same. But the estimated cost of the project has risen to $1.7 billion, and ERDA officials acknowledge that they are about to give Congress a new estimate which will be close to $2 billion. And construction on the project, now nearly two years behind schedule, has not yet begun.

Why the runaway cost overruns? ERDA officials blame it on inflation, construction problems, technical difficulties, and delays in obtaining parts.

The breeder program, according to ERDA, will supply U.S. energy needs between the end of the next decade and 20 years after the turn of the century, when other reactors and energy sources will be available.

But Chow's study says that with other, safer reactors and energy sources in the works "there is practically no justification for a parallel breeder program."

Chow's analysis charges that ERDA, in order to justify and continue building the breeder program, has overestimated future energy demands, underestimated the future supply and overestimated the costs of Uranium-235 and the net benefits of breeder plants.

THE ABSURDITY OF MR. KISSINGER'S LATEST DEAL WITH SPAIN

(Mr. **SEIBERLING** asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. **SEIBERLING**. Mr. Speaker, some of the proposals of the administration that call for the United States to pay other nations so that we may have the privilege of protecting them would be humorous if they were not so serious. The proposed new treaty allowing this country the privilege of continuing to have some bases in Spain—while phasing out our nuclear submarine base—is the latest example.

This is the same country that refused to allow American planes to fly over its territory to resupply Israel during and after the 1973 war. This is the regime that has shown so little inclination to move toward a restoration of democratic government that the nations of the European Common Market are still unwilling to consider its application for membership. For like reasons, our partners in NATO are unwilling to admit Spain to NATO. Evidently, they do not consider Spain threatened militarily nor that an authoritarian Spanish regime would make a significant contribution to the common defense.

Nevertheless, Dr. Kissinger has initialed a proposed new military defense treaty with Spain and reportedly has agreed to provide $1.2 billion worth of military hardware in exchange for the treaty.

The political effects in Spain are obvious. This action can only serve to bolster the position of Franco's political heirs, who have already announced the postponement for 1 year of the elections which they promised for this coming April, who have made no disclosure as to whether such elections will indeed take place on democratic lines or merely be a perpetuation of the present "appointed" parliament, and who are continuing many of the repressions and all of the repressive laws of the Franco era.

Only yesterday, we saw on television massive demonstrations in Barcelona, with the demands of the demonstrators for restoration of basic political liberties being met with brutal reprisals by the police. One may well ask whether bases in a country with such a dubious and precarious regime are worth the political price, quite apart from the financial one.

It is unfortunate indeed that our Secretary of State did not inform the Spanish regime that the initialing of a treaty would have to wait until we have a clearer picture as to the steps the regime is prepared to take to restore at least a modicum of democracy to the Spanish people. Since he has failed to do so, it is to be hoped that the Senate will defer action on such a treaty until the situation in Spain becomes clearer. Certainly, I would hope that the House will take no action to appropriate $1.2 billion or any other sum to bolster the oppressive Spanish regime until we have some satisfactory answers to these basic questions.

As to the humorous aspects of this situation, I offer for inclusion in the RECORD following these remarks a column by Art Buchwald that appeared in the Washington Post on January 9:

LET'S MAKE A TREATY: U.S. MILITARY AID FOR WORLD FRIENDSHIP

(By Art Buchwald)

The United States has just signed a new military treaty with Spain. In exchange we will, of course, supply the Spanish with armaments so we can keep our bases there.

It seems that we can't make a deal with any country without giving them arms in exchange for friendship. There is a suspicion that the State Department has been influenced by all the TV program called "Let's Make a Treaty."

Henry Kissinger would be the master of ceremonies and the audience would be made up of ambassadors from all the countries of the "free world."

He would call out a number and the ambassador from that nation would jump up on the stage.

Henry would say, "Where are you from, sir?"

"Zambia," the ambassador would reply excitedly. (Applause)

"All right. I'm going to ask you a question. If you can answer it correctly I will give you $100 million. Are you ready?"

The ambassador, jumping up and down, says, "Yes, yes."

"The question is: 'Who is the President of the United States?' "

The ambassador hesitates, "Gerry Ford?"

"That is correct." Henry shouts, and he counts out $100 Million. The ambassador hugs and kisses Mr. Kissinger as the audience goes wild.

"Now don't go away," says Henry. "You can keep the $100 million or give it back to me in exchange for what is behind one of the three curtains over there. Joan Braden, will you tell us some of the prizes that are behind the curtains?"

"Henry, we have the new version of the Hawk missile, a 1976 super Sherman tank, a year's supply of cruise missiles, a complete nuclear energy plant which will be installed absolutely free, and a squadron of F-15 fighter planes."

"All right, Mr. Ambassador," Henry says, "do you want to keep the $100 million or do you want to go for the prizes behind the curtains?"

The ambassador clutching the money looks out at the audience. "Keep the money," some ambassadors scream. Others yell, "Go for the curtain."

The ambassador says to Henry, "Can I consult with my government?"

"I'm sorry, we don't have time. What's it going to be?"

The ambassador hands back the $100 million. "I'll go for what's behind the curtain."

The audience applauds loudly.

"All right," Henry says. "He's going for what's behind the curtain. We have curtain number one, curtain number two and curtain number three. Which one will you choose?"

The ambassador hesitates as the audience shouts out, "Two." "One." "Three."

Finally, he says "Curtain number three."

The curtain opens and there is a pile of rotten wheat.

The audience groans.

"Well, Mr. Ambassador, it looks like you made a mistake. But since you've been such a good sport we've got a consolation prize for you. Joan, what's the consolation prize?"

Ms. Braden pushes away the pile of rotten wheat and behind it is a brand-new nuclear submarine.

Henry, grinning, says, "You gave up $100 million in cash, but you have won a new nuclear submarine which is worth $450 million. Here are the keys to it."

The audience goes crazy as the ambassador jumps up and down and rushes over to the nuclear submarine and climbs up on the conning tower.

Henry, beaming, says to the audience, "Well, that's it for tonight, folks. If you are an accredited member of any freedom loving country in the world and you would like to be on 'Let's Make a Treaty,' write to me at the State Department for tickets. All the prizes given away on this program were donated through the courtesy of the American taxpayer in the interests of world peace. Thank you, God bless you, and we'll see you all next week."

COMMON SITUS PICKETING BILL AND LABOR

(Mr. **MICHEL** asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. **MICHEL**. Mr. Speaker, I was interested to read over the weekend that a study has been done showing the contributions by organized labor to Members of Congress who voted for the common situs picketing bill last December.

I remember that Mr. Meany had some interesting things to say when President Ford vetoed that bill. He said the President had sold out his principles to contractors and other businessmen who had promised big campaign contributions.

Well, perhaps it takes one to know one, but the simple fact is that if anyone has been buying votes with contributions, it is Mr. Meany's own forces of organized labor.

The study shows that the Senators and Representatives who voted for this unwise and destructive legislation received a total of $5,758,780.64 in direct, reported contributions in 1974. You may be sure that their loyalty to their contributors, as evidenced by the common situs vote, will be repaid again in this election year.

It is time to set the record straight on this matter. The American people are entitled to know what pressures are being put on their representatives. I am therefore asking that the Member-by-Member list of the recipients of these contributions be printed here in the RECORD.

ORGANIZED LABOR 1974 CAMPAIGN CONTRIBUTIONS TO SENATORS AND CONGRESSMEN WHO VOTED FOR THE COMMON SITUS PICKETING BILL

Member	State	Democrat	Republican
SENATE			
John Durkin	New Hampshire	[1]$172,065.93	
Birch Bayh	Indiana	170,949.53	
Mike Gravel	Alaska	170,701.78	
Harrison Williams	New Jersey	153,466.30	
Thomas Eagleton	Missouri	120,000.00	
John Culver	Iowa	110,688.12	
Richard Schweiker	Pennsylvania		$107,266.1
John Tunney	California	105,850.00	
Stuart Symington	Missouri	103,060.50	
Warren Magnuson	Washington	94,560.00	
Vance Hartke	Indiana	93,531.85	
Jacob Javits	New York		86,871.08
Claiborne Pell	Rhode Island	86,746.15	
Wendell Ford	Kentucky	86,436.45	
Walter Mondale	Minnesota	85,025.00	
Lee Metcalf	Montana	84,824.00	
Alan Cranston	California	83,967.51	
Philip Hart	Michigan	81,521.25	
Dick Clark	Iowa	78,595.70	
James Abourezk	South Dakota	76,830.00	
Adlai Stevenson	Illinois	74,350.00	
Frank Moss	Utah	70,421.95	
George McGovern	South Dakota	65,375.69	
Hubert Humphrey	Minnesota	63,000.00	
Gary Hart	Colorado	62,610.53	
Charles Mathias	Maryland		58,675.00
Joseph Biden	Delaware	58,351.00	
Patrick Leahy	Vermont	49,847.80	
William Proxmire	Wisconsin	46,381.00	
Gale McGee	Wyoming	45,940.00	
Frank Church	Idaho	45,000.00	
Quentin Burdick	North Dakota	44,781.00	
Clifford Case	New Jersey		39,900.00
Edmund Muskie	Maine	39,350.00	
William Hathaway	Maine	36,913.00	
Floyd Haskell	Colorado	33,135.40	
Russell Long	Louisiana	32,800.00	
Edward Kennedy	Massachusetts	30,965.00	
Daniel Inouye	Hawaii	30,500.00	
Ted Stevens	Alaska		20,300.00
Jennings Randolph	West Virginia	17,475.00	
Abraham Ribicoff	Connecticut	16,850.03	
John Pastore	Rhode Island	16,100.000	
Bob Packwood	Oregon		14,300.00
Henry Jackson	Washington	13,825.00	
Charles Percy	Illinois		3,700.00
Mike Mansfield	Montana	12,050.00	
Edward Brooke	Massachusetts		9,150.00
Robert Byrd	West Virginia	7,150.00	
Robert Stafford	Vermont		0
Robert Taft	Ohio		0
Lowell Weicker	Connecticut		0
Subtotal		2,871,992.44	350,162.69
Total		3,222,155.1	
HOUSE			
Robert Traxler	8—Michigan	[1]88,355.00	
Robert Carr	6—Michigan	57,093.00	
Richard Vander Veen	5—Michigan	50,852.00	
James Blanchard	18—Michigan	48,211.99	
John Burton	5—California	37,430.00	
Thomas O'Neill	8—Massachusetts	35,750.00	
Les AuCoin	1—Oregon	35,508.43	
Mike Blouin	2—Iowa	35,200.00	
Allan Howe	2—Utah	32,550.00	
Edward Mezvinsky	1—Iowa	31,525.00	
Richard Nolan	6—Mississippi	30,775.00	
Pat Schroeder	1—Colorado	30,715.00	
John Dent	21—Pennsylvania	29,275.00	
Alvin Baldus	3—Wisconsin	28,650.00	
John Murphy	17—New York	28,450.00	
Robert Cornell	8—Wisconsin	28,415.00	
Paul Simon	24—Illinois	28,075.00	
James Santini	At Large—Nevada	28,050.00	
James Florio	1—New Jersey	26,600.82	
Frank Thompson	4—New Jersey	26,300.00	
Philip Sharp	10—Indiana	26,250.00	
Tim Wirth	2—Colorado	24,894.74	
Norman Mineta	13—California	24,636.50	
Martha Keys	2—Kansas	24,063.57	
John LaFalce	36—New York	23,739.30	
William Brodhead	17—Michigan	23,674.50	
Herb Harris	8—Virginia	22,595.00	
Mark Hannaford	34—California	23,430.00	
Lloyd Meeds	2—Washington	22,500.00	
Floyd Fithian	2—Indiana	22,425.00	
Philip Hayes	8—Indiana	22,100.00	
Don Bonker	3—Washington	22,050.00	
	District and State	Democrat	Republican
HOUSE			
Peter Peyser	23—New York		$21,555.00
Lester Wolff	6—New York	$21,290.00	
Jerry Patterson	38—California	20,750.00	
Joshua Eilberg	4—Pennsylvania	20,570.00	
William Roush	4—Indiana	19,750.00	
William Clay	1—Missouri	18,850.00	
James Oberstar	8—Minnesota	18,850.00	
John Brademas	3—Indiana	18,700.00	
Andrew Jacobs	11—Indiana	18,650.00	
William Lehman	13—Florida	18,550.00	
Martin Russo	3—Illinois	18,525.00	
Gladys Spellman	5—Maryland	18,160.00	
Toby Moffett	6—Connecticut	17,916.62	
Chris Dodd	2—Connecticut	17,737.50	
Claude Pepper	14—Florida	17,700.00	
Joseph Karth	4—Minnesota	17,150.00	
Ronald Mottl	23—Ohio	16,900.00	
Ted Risenhoover	2—Oklahoma	16,900.00	
Brock Adams	7—Washington	16,750.00	
Lenore Sullivan	3—Missouri	16,700.00	
James Hanley	32—New York	16,600.00	
John Melcher	2—Montana	16,525.00	
Gerry Studds	12—Massachusetts	16,468.82	
James Lloyd	35—California	16,050.00	
Wayne Hays	18—Ohio	15,900.00	
Andrew Maguire	7—New Jersey	15,500.00	
Joe Minish	11—New Jersey	15,400.00	
Robert Duncan	3—Oregon	15,100.00	
George Shipley	22—Illinois	15,100.00	
Leo Zefferetti	15—New York	14,762.96	
Helen Meyner	13—New Jersey	14,700.00	
James O'Hara	12—Michigan	14,300.00	
John Murtha	12—Pennsylvania	14,150.00	
George Miller	7—California	13,950.00	
Frank Annunzio	11—Illinois	13,600.00	
Gus Yatron	6—Pennsylvania	13,600.00	
James Symington	2—Missouri	13,380.00	
Philip Burton	6—California	13,300.00	
Henry Waxman	24—California	13,000.00	
Bob Mollohan	1—West Virginia	12,950.00	
Max Baucus	1—Montana	12,737.30	
Andrew Young	5—Georgia	12,635.00	
James Stanton	20—Ohio	12,575.00	
Dominick Daniels	14—New Jersey	12,550.00	
Frederick Richmond	14—New York	12,550.00	
Teno Roncalio	At Large—Wyoming	12,500.00	
Fortney Stark	9—California	12,290.00	
Thomas Downey	2—New York	11,772.00	
Robert Edgar	7—Pennsylvania	11,500.00	
Edward Patten	15—New Jersey	11,450.00	
Mike McCormack	4—Washington	11,282.62	
Les Aspin	1—Wisconsin	11,262.00	
James Burke	11—Massachusetts	10,950.00	
Matthew Rinaldo	12—New Jersey		10,840.00
William Ford	15—Michigan	10,650.00	
James Howard	3—New Jersey	10,500.00	
Fernand St Germain	1—Rhode Island	10,300.00	
Robert Bergland	7—Minnesota	10,250.00	
James Ambro	3—New York	10,178.55	
Ray Madden	1—Indiana	10,100.00	
Donald Riegle	7—Michigan	9,750.00	
James Weaver	4—Oregon	9,668.27	
John Joseph Moakley	9—Massachusetts	9,650.00	
Joseph Early	3—Massachusetts	9,550.00	
Doc Morgan	22—Pennsylvania	9,350.00	
Robert Giaimo	3—Connecticut	9,100.00	
Charles Carney	19—Ohio	8,900.00	
John Dingell	16—Michigan	8,750.00	
Tim Hall	15—Illinois	8,650.00	
Harold Ford	8—Tennessee	8,650.00	
Charles Wilson	31—California	8,500.00	
John Moss	3—California	8,450.00	
Clifford Allen	5—Tennessee	8,400.00	
John Slack	3—West Virginia	8,350.00	
Frank Horton	34—New York		8,280.00
Margaret Heckler	10—Massachusetts		8,120.00
Torbert Macdonald	7—Massachusetts	8,100.00	
William Cotter	1—Connecticut	7,500.00	
Mario Biaggi	10—New York	7,450.00	
Matthew McHugh	27—New York	7,300.00	
Louis Stokes	21—Ohio	7,300.00	
Ralph Metcalfe	1—Illinois	7,250.00	
James Scheuer	11—New York	7,250.00	
James Delaney	9—New York	7,250.00	
George Danielson	30—California	7,200.00	
Thomas Foley	5—Washington	7,150.00	
Bob Eckhardt	8—Texas	7,150.00	
Lindy Boggs	2—Louisiana	6,850.00	
Peter Rodino	10—New Jersey	6,600.00	

ORGANIZED LABOR 1974 CAMPAIGN CONTRIBUTIONS TO SENATORS AND CONGRESSMEN WHO VOTED FOR THE COMMON SITUS PICKETING BILL—Continued

	District and State	Democrat	Republican
HOUSE			
George Brown	36—California	6,350.00	
John McFall	14—California	6,275.00	
Daniel Flood	11—Pennsylvania	6,100.00	
Robert Leggett	4—California	6,050.00	
Dan Rostenkowski	8—Illinois	6,000.00	
David Obey	7—Wisconsin	5,950.00	
Glenn Anderson	32—California	5,900.00	
Otis Pike	1—New York	5,900.00	
Joel Pritchard	1—Washington		$5,850.00
Joseph Addabbo	7—New York	5,800.00	
Gillis Long	8—Louisiana	5,650.00	
Donald Fraser	5—Minnesota	5,550.00	
Richard Bolling	5—Missouri	5,510.00	
Joseph Fisher	10—Virginia	5,423.64	
Bill Hungate	9—Missouri	5,350.00	
Edward Beard	2—Rhode Island	5,350.00	
Morgan Murphy	2—Illinois	5,150.00	
Paul Tsongas	5—Massachusetts	4,953.08	
Robert Drinan	4—Massachusetts	4,900.00	
David Evans	6—Indiana	4,860.00	
Bella Abzug	20—New York	4,850.00	
Stephen Solarz	13—New York	4,650.00	
Joseph McDade	10—Pennsylvania		4,600.00
John Conyers	1—Michigan	4,550.00	
Spark Matsunaga	1—Hawaii	4,550.00	
Samuel Stratton	28—New York	4,500.00	
Morris Udall	2—Arizona	4,400.00	
Paul McCloskey	12—California		4,150.00
Romano Mazzoli	3—Kentucky	4,050.00	
Clement Zablocki	4—Wisconsin	4,050.00	
Leo Ryan	11—California	4,000.00	
Henry Nowak	37—New York	3,975.00	
Barbara Jordan	18—Texas	3,875.00	
Edward Roybal	25—California	3,750.00	
William Barrett	1—Pennsylvania	3,600.00	
Patsy Mink	2—Hawaii	3,560.00	
Floyd Hicks	6—Washington	3,500.00	
William Walsh	33—New York		3,500.00
Ronald Dellums	8—California	3,460.00	
Lucien Nedzi	14—Michigan	3,450.00	
Charles Rangel	19—New York	3,450.00	
Richard Ottinger	24—New York	3,400.00	
Lionel Van Deerlin	41—California	3,350.00	
Al Ullman	2—Oregon	3,210.00	
John Seiberling	14—Ohio	3,200.00	
Yvonne Burke	28—California	3,150.00	
Don Edwards	10—California	3,000.00	
Cardiss Collins	7—Illinois	2,950.00	
Jerry Litton	6—Missouri	2,950.00	
James Corman	21—California	2,860.00	
Melvin Price	23—Illinois	2,800.00	
Henry Reuss	5—Wisconsin	2,750.00	
Thomas Ashley	9—Ohio	2,650.00	
John Fary	5—Illinois	2,600.00	
Silvio Conte	1—Massachusetts		2,600.00
Robert Roe	8—New Jersey	2,597.30	
Benjamin Rosenthal	8—New York	2,550.00	
Charles Wilson	2—Texas	2,500.00	
Parren Mitchell	7—Maryland	2,450.00	
Ronald Sarasin	5-Connecticut		2,350.00
Robert Kastenmeier	2—Wisconsin	2,300.00	
William Moorhead	14—Pennsylvania	2,250.00	
Jack Brooks	9—Texas	$2,200.00	
Shirley Chisholm	12—New York	2,125.00	
Dante Fascell	15—Florida	2,100.00	
Bill Burlison	10—Missouri	2,100.00	
Edward Koch	18—New York	2,075.00	
William Randall	4—Missouri	2,050.00	
Al Quie	1—Minnesota		$2,000.00
Fred Rooney	15—Pennsylvania	2,000.00	
Lee Hamilton	9—Indiana	1,950.00	
Michael Harrington	6—Massachusetts	1,950.00	
Harold Johnson	1—California	1,950.00	
Alphonzo Bell	27—California		1,900.00
Thomas Rees	23—California	1,700.00	
Benjamin Gilman	26—New York		1,600.00
Richard Ichord	8—Missouri	1,600.00	
Augustus Hawkins	29—California	1,450.00	
B. F. Sisk	15—California	1,350.00	
Elizabeth Holtzman	16—New York	1,250.00	
Charles Diggs	13—Michigan	1,050.00	
Don Clausen	2—California		1,000.00
Hamilton Fish	25—New York		800.00
Elwood Hillis	5—Indiana		800.00
Paul Sarbanes	3—Maryland	800.00	
Jonathan Bingham	22—New York	750.00	
Robert Jones	5—Alabama	560.00	
Ken Hechler	4—West Virginia	550.00	
Carl Perkins	7—Kentucky	500.00	
Edward Biester	8—Pennsylvania		300.00
Henry Gonzalez	20—Texas	300.00	
Sidney Yates	9—Illinois	250.00	
Robert Lagomarsino	19—California		250.00
Herman Badillo	21—New York	240.00	
Charles Bennett	3—Florida	0	
Edward Boland	2—Massachusetts	0	
John Breaux	7—Louisiana	0	
Joe Evins	4—Tennessee	0	
Barry Goldwater, Jr	20—California		0
Gilbert Gude	8—Maryland		0
Stewart McKinney	4—Connecticut		0
William Natcher	2—Kentucky	0	
Robert Nix	2—Pennsylvania	0	
Neal Smith	4—Iowa	0	
Burl Talcott	16—California		0
Charles Vanik	22—Ohio	0	
Joseph Vigorito	24—Pennsylvania	0	
Charles Whalen, Jr	3—Ohio		0
Subtotal		2,368,675.51	80,495.00
Total		2,449,170.51	
"PAIRED" HOUSE MEMBERS			
Abner Mikva	10—Illinois	36,325.00	
John Jenrette	6—South Carolina	15,600.00	
Henry Helstoski	9—New Jersey	13,350.00	
Mendel Davis	1—South Carolina	8,600.00	
John Heinz	18—Pennsylvania		5,850.00
William Green	3—Pennsylvania	5,180.00	
Harley Staggers	2—West Virginia	2,550.00	
Subtotal		81,605.00	5,850.00
Total		87,455.00	

The amount of contribution to John Durkin represents both the General and Special Elections.

Total:	
Senate	$3,222,155.13
House	3,449,170.51
"Paired Members"	87,455.00
Grand total	5,758,780.64

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

Mr. Lehman (at the request of Mr. O'Neill), for today, on account of illness in the family.

Mr. Conte (at the request of Mr. Michel), for today, on account of weather—snowbound in Massachusetts.

Mr. Hungate (at the request of Mr. O'Neill), for today, on account of official business.

Mr. Jeffords (at the request of Mr. Michel), for February 2, 3, and 4, on account of death of close personal friend.

Mr. Lagomarsino (at the request of Mr. Michel), for today, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Patman, for 30 minutes, today; and to revise and extend his remarks and include extraneous matter.

(The following Members (at the request of Mr. Gradison) to revise and extend their remarks and include extraneous material:)

Mr. Anderson of Illinois, for 30 minutes, today.

Mr. Goldwater, for 5 minutes, today.

(The following Members (at the request of Mr. Evins of Indiana) to revise and extend their remarks and include extraneous material:)

Mr. Krueger, for 60 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. Vanik, for 5 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Wirth, for 5 minutes today.

Mr. Moss, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Brown of California and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost $1,573.

Mr. Dan Daniel and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost $787.

Mr. Milford in three instances and to include extraneous matter.

(The following Members (at the request of Mr. Gradison) and to include extraneous matter.)

Mr. Fish.

Mr. Findley.

Mr. Young of Florida in five instances.

Mr. Ketchum.

Mr. McClory.

Mr. Carter.

Mr. Crane.

Mr. Sarasin in two instances.

Mr. Rousselot.

Mr. Symms.

(The following Members (at the request of Mr. Evans of Indiana) and to include extraneous material:)

Mr. Annunzio in six instances.

Mr. Anderson of California in three instances.

Mr. Gonzalez in three instances.

Mr. Sisk.

Mrs. Lloyd of Tennessee in five instances.

Ms. Abzug.

Mr. Karth in two instances.

Mr. Rangel in 10 instances.

Mr. Obey in eight instances.

Mr. Santini.

Mr. Natcher in two instances.

Mr. McDonald of Georgia in five instances.

Mr. Vanik in two instances.

Mr. Stokes in two instances.

Mr. Florio.

Mr. Long of Maryland.

Mr. Meeds.

Mr. Evans of Indiana.

Mr. Edgar.

Mr. Giaimo in 10 instances.

SENATE CONCURRENT RESOLUTION REFERRED

Concurrent resolution's of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. Con. Res. 84. Concurrent resolution authorizing the printing of the report of the proceedings of the 47th biennial meeting of the Convention of American Instructors of the Deaf as a Senate document; to the committee on House Administration.

S. Con. Res. 88. Concurrent resolution authorizing the printing of additional copies of the open hearings and the final report of the Senate Select Committee on Intelligence Activities; to the Committee on House Administration.

ENROLLED BILLS SIGNED

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 508. An act to amend title 5, United States Code, to authorize civilians employed by the Department of Defense to administer oaths while conducting official investigations; and

H.R. 5247. An act to authorize a local public works capital development and investment program, to amend the Public Works and Economic Development Act of 1965 to increase the antirecessionary effectiveness of the program, and for other purposes.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 2718. An act to improve the quality of rail services in the United States through regulatory reform, coordination of rail services and facilities, and rehabilitation and improvement financing, and for other purposes.

ADJOURNMENT

Mr. EVANS of Indiana. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 18 minutes p.m.), the House adjourned until Tuesday, February 3, 1976, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2413. A letter from the President of the United States, transmitting requests for supplemental appropriations for fiscal year 1976 and the transition quarter, for the legislative branch (H. Doc. No. 94–356); to the Committee on Appropriations and ordered to be printed.

2414. A letter from the President of the United States, transmitting a report of actions taken to control and restrain Federal travel, pursuant to section 205(c) of Public Law 94–157 (H. Doc. No. 94–357); jointly, to the Committees on Government Operations and Appropriations and ordered to be printed.

2415. A letter from the Secretary of Agriculture, transmitting the annual report of the Rural Electrification Administration for fiscal year 1975, pursuant to 49 Stat. 1366; to the Committee on Agriculture.

2416. A letter from the Assistant Secretary of Agriculture, transmitting the eighth annual report on operations under the Food Stamp Act of 1964, pursuant to Public Law 90–552; to the Committee on Agriculture.

2417. A letter from the Secretary of Defense, transmitting the second report on the standardization of NATO systems, pursuant to section 302(c) of Public Law 93–365, as amended and section 814(b) of Public Law 94–106; to the Committee on Armed Services.

2418. A letter from the adjutant general, Veterans of Foreign Wars of the United States, transmitting the proceedings of the 76th National Convention of the Veterans of Foreign Wars, held in Los Angeles, Calif., August 17–22, 1975, pursuant to Public Law 88–224 (H. Doc. 94–358); to the Committee on Armed Services and ordered to be printed with illustrations.

2419. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the appropriations to the Smithsonian Institution for "Salaries and expenses," have been apportioned on the basis which indicates a necessity for supplemental appropriations for fiscal year 1976, pursuant to section 3679(e)(2) of the Revised Statutes 31 U.S.C. 665(e)(2); to the Committee on Appropriations.

2420. A letter from the acting executive director, National Center for Productivity and Quality for Working Life, transmitting a report on the activities and plans of the Center (augmenting the fourth annual report of the National Commission on Productivity and Work Quality), pursuant to section 208 of Public Law 94–136; to the Committee on Banking, Currency and Housing.

2421. A letter from the vice president and general manager, Chesapeake & Potomac Telephone Co., Washington, D.C., transmitting a statement of receipts and expenditures and balance sheet of the company for the year 1975, pursuant to 33 Stat. 375 and 43 D.C.C. 313; to the Committee on the District of Columbia.

2422. A letter from the senior vice president, Potomac Electric Power Co., Washington, D.C., transmitting a copy of their balance sheet, pursuant to paragraph 14, section 8, of the act of March 4, 1913 (37 Stat. 979); to the Committee on the District of Columbia.

2423. A letter from the Executive Secretary of the Department of Health, Education, and Welfare, transmitting notice of proposed regulations for the guaranteed student loan program, pursuant to section 431(d) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

2424. A letter from the Chairman, National Advisory Council on Education Professions Development, transmitting the annual report of the Council for 1975, pursuant to section 502(c) of Public Law 90–35, as amended 20 U.S.C. 1091a(c); to the Committee on Education and Labor.

2425. A letter from the Chairman, Civil Aeronautics Board, transmitting notice of proposed changes in the Board's system of records, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2426. A letter from the Chairman, Advisory Commission on Intergovernmental Relations, transmitting the 17th Annual Report of the Commission, pursuant to Public Law 86–380; to the Committee on Government Operations.

2427. A letter from the Public Printer, transmitting the Annual Report of the Government Printing Office for fiscal year 1975; to the Committee on House Administration.

2428. A letter from the Secretary of the Interior, transmitting a proposed plan for the use and distribution of the judgment funds awarded to Mohave Indians who are members of the Colorado River Indian Tribes, and others, and the Mohave Tribe of Indians of Arizona, California, and Nevada, and others in dockets 283 and 295 before the Indian Claims Commission, pursuant to 87 Stat. 466; to the Committee on Interior and Insular Affairs.

2429. A letter from the Secretary of the Interior, transmitting an evaluation report in which it is recommended that the Long Trail, Vermont, not be included in the National Trail Systems, pursuant to Public Law 90–543; to the Committee on Interior and Insular Affairs.

2430. A letter from the Assistant Secretary of the Interior, transmitting a copy of a proposed concession contract providing for the operation and maintenance of facilities and services for the public within Everglades National Park during a term ending December 31, 1977, pursuant to 67 Stat. 271 and 70 Stat. 543; to the Committee on Interior and Insular Affairs.

2431. A letter from the Chairman, Indian Claims Commission, transmitting the final determination of the Commission in docket No. 280, *C. W. McGhee Ruby Z. Weatherford, John V. Phillips and John Williams, as members of and on the relation of The Creek Nation East of the Mississippi,* Plaintiffs, v. *The United States of America,* Defendant, pursuant to 60 Stat. 1005 [25 U.S.C. 70t]; to the Committee on Interior and Insular Affairs.

2432. A letter from the chairman, Pennsylvania Avenue Development Corporation, transmitting a draft of proposed legislation to amend the Pennsylvania Avenue Development Corporation Act of 1972 to authorize appropriations and further borrowings for implementation of the development plan for Pennsylvania Avenue between the Capitol and the White House, and for other purposes; to the Committee on Interior and Insular Affairs.

2433. A letter from the Secretary of the Treasury, transmitting the second annual report on developing countries' external debt and debt relief provided by the United States, pursuant to section 634(g) of the Foreign Assistance Act of 1961, as amended; to the Committee on International Relations.

2434. A letter from the Director, ACTION, transmitting a draft of proposed legislation to amend further the Peace Corps Act; to the Committee on International Relations.

2435. A letter from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting a report covering the month of December 1975, on the average number of passengers per day on board each train operated, and the ontime performance at the final destination of each train operated, by route and by railroad, pursuant to section 308(a)(2) of the Rail Passenger Service Act of 1970 as amended; to the Committee on Interstate and Foreign Commerce.

2436. A letter from the Director, Community Relations Service, Department of Justice, transmitting the annual report of the Service for fiscal year 1975, pursuant to section 1004 of the Civil Rights Act of 1964, as amended; to the Committee on the Judiciary.

2437. A letter from the controller, Boys' Clubs of America, transmitting a report on the audit of the accounts of the organization for the fiscal year ending September 30, 1975, pursuant to section 3 of Public Law 88-504; to the Committee on the Judiciary.

2438. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to authorize appropriations for the Coast Guard for the procurement of vessels and aircraft and construction of shore and offshore establishments, to authorize for the Coast Guard an end-year strength for active duty personnel, to authorize for the Coast Guard average military student loads, and for other purposes; to the Committee on Merchant Marine and Fisheries.

2439. A letter from the Principal Deputy Assistant Secretary of Defense, transmitting a report on positions in the Department of Defense in grades GS-16, 17, and 18 during calendar year 1975, pursuant to 5 U.S.C. 5114 (a); to the Committee on Post Office and Civil Service.

2440. A letter from the Chairman, Civil Service Commission, transmitting a report on positions in the Commission in grades GS-16, 17, and 18 during calendar year 1975, pursuant to 5 U.S.C. 5114(a); to the Committee on Post Office and Civil Service.

2441. A letter from the Administrator, General Services Administration, transmitting a revised prospectus for construction of a Courthouse, Federal Office Building and Parking Facility in Anchorage, Alaska, pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

2442. A letter from the Administrator, U.S. Environmental Protection Agency, transmitting a report on alternative methods of financing wastewater treatment, pursuant to section 317 of Public Law 92-500; to the Committee on Public Works and Transportation.

2443. A letter from the Administrator, U.S. Environmental Protection Agency, transmitting a draft of proposed legislation to amend the Federal Water Pollution Control Act; to the Committee on Public Works and Transportation.

2444. A letter from the Federal and State Cochairmen, Upper Great Lakes Regional Commission, transmitting the annual report of the Commission for fiscal year 1975, pursuant to section 510 of the Public Works and Economic Development Act of 1965; to the Committee on Public Works and Transportation.

2445. A letter from the Federal Cochairman, Ozarks Regional Commission, transmitting the annual report of the Commission for fiscal year 1975, pursuant to section 509 of the Public Works and Economic Development Act of 1965; to the Committee on Public Works and Transportation.

RECEIVED FROM THE COMPTROLLER GENERAL

2446. A letter from the Comptroller General of the United States, transmitting his review of 1 rescission, 9 new deferrals, and 11 revised deferrals of budget authority contained in the message from the President dated January 19, 1976 (H. Doc. 94-328), pursuant to section 1014(b) of Public Law 94-344; to the Committee on Appropriations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[*Pursuant to the order of the House on Jan. 29, 1976, the following reports were filed on Jan. 30, 1976.*]

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 10370. A bill to amend the act of January 3, 1975, establishing the Canaveral National Seashore (Rept. No. 94-802). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 4979. A bill to establish the Chickasaw National Recreation Area in the State of Oklahoma, and for other purposes; with amendment (Rept. No. 94-803). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CARTER (for himself, Mr. Maguire, Mr. Scheuer, Mr. Steiger of Wisconsin, Mr. Vander Jagt, and Mr. Murphy of New York):

H.R. 11626. A bill to establish the National Diabetes Advisory Board and to take other actions to insure the implementation of the long-range plan to combat diabetes; to the Committee on Interstate and Foreign Commerce.

By Mr. DUNCAN of Tennessee:

H.R. 11627. A bill to amend title II of the Social Security Act to permit retirement of all persons in the United States at the age of 60 years with benefits sufficient, in the absence of any other resource, to assure elderly persons freedom from poverty and also to assure elderly persons generally full participation in prevailing national standards of living, to provide like benefits for physically, mentally, or vocationally disabled persons aged 18 and over, and to provide benefits for certain full-time students aged 18 to 25, and to provide benefits for certain female heads of families and for certain children, and to provide for the establishment and operation of this system of social security by an equitable gross income tax, and for other purposes; to the Committee on Ways and Means.

By Mr. FRENZEL (for himself and Mrs. Fenwick):

H.R. 11628. A bill to amend the Federal Election Campaign Act of 1974 to establish an independent establishment of the executive branch of the Government of the United States, a commission to be known as the Federal Election Commission, and for other purposes; to the Committee on House Administration.

By Mr. GREEN:

H.R. 11629. A bill to amend the Federal Election Campaign Act of 1971 to provide that members of the Federal Election Commission shall be appointed by the President, by and with the advice and consent of the Senate; to the Committee on House Administration.

By Mr. LATTA:

H.R. 11630. A bill to amend the Education Amendments of 1972 to provide that Boys State, Boys Nation, Girls State, and Girls Nation conferences conducted by the American Legion and American Legion Auxiliary shall not be subject to title IX of such act, and for other purposes; to the Committee on Education and Labor.

By Mr. MILLS:

H.R. 11631. A bill to amend title 38 of the United States Code to authorize a presumption of service connection for cause of death in certain cases involving veterans who had been rated permanently and totally disabled due to service-connected disability for at least 1 year immediately preceding death; to the Committee on Veterans' Affairs.

By Mr. OBERSTAR (for himself and Mr. D'Amours):

H.R. 11632. A bill to amend the Land and Water Conservation Fund Act of 1965, as amended, to establish the National Historic Preservation Fund, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. SIKES:

H.R. 11633. A bill authorizing a project for beach erosion control and hurricane protection at the Panama City Beaches, Fla.; to the Committee on Public Works and Transportation.

By Mr. STEED:

H.R. 11634. A bill to modify the project at Wister Lake, Arkansas River Basin, Okla., as it relates to the recovery and preservation of archeological data; to the Committee on Public Works and Transportation.

By Mr. TALCOTT:

H.R. 11635. A bill to amend the National Labor Relations Act to include agricultural laborers under the provisions of the act; to the Committee on Education and Labor.

By Mr. TREEN (for himself, Mr. Bauman, Mr. Breaux, Mr. Duncan, of Oregon, Mr. Jones of Oklahoma, Mr. Devine, Mr. Kasten, Mr. Collins of Texas, Mr. Goldwater, Mr. Lott, Mr. Rodino, Mr. English, Mr. du Pont, Mr. Mitchell of Maryland, Mr. Melcher, Mr. Cochran, Mr. Oberstar, Mr. Charles Wilson of Texas):

H.R. 11636. A bill to extend from February 1, 1976, to October 1, 1977, the period during which payment may be made for certain child day care services under titles IV and XX of the Social Security Act without regard to certain new staffing standards imposed by or under such title XX; to the Committee on Ways and Means.

By Mr. WEAVER (for himself, Mr. AuCoin, Mr. Bonker, Mr. D'Amours, Mr. Eckhardt, Mr. Hughes, and Mr. Jenrette):

H.R. 11637. A bill to amend the Farm Credit Act of 1971 (85 Stat. 583) to extend the term for production credit association loans to producers or harvesters of aquatic products; to the Committee on Agriculture.

By Mr. WHALEN:

H.R. 11638. A bill to establish a commission to develop measures for improving the method of collecting and analyzing national employment and unemployment information and statistics; to the Committee on Education and Labor.

By Mr. LOTT:

H.J. Res. 789. Joint resolution proposing an amendment to the Constitution of the United States with respect to the offering of prayer in public buildings; to the Committee on the Judiciary.

By Mr. OBERSTAR (for himself, Mr. Moakley, and Mr. Vigorito):

H.J. Res. 790. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

284. By the SPEAKER: Memorial of the General Assembly of the State of South Carolina, relative to establishing the Old Ninety Six and Star Fort National Historical Park in the State of South Carolina; to the Committee on Interior and Insular Affairs.

285. Also, memorial of the Legislature of the State of Nebraska, relative to abortion; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

383. By the SPEAKER: Petition of Andrew L. Bordas, Dawson, Pa. and others, relative to black lung benefits; to the Committee on Education and Labor.

384. Also, petition of the city council, Worcester, Mass., relative to revenue sharing; to the Committee on Government Operations.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 9464

By Mr. BLANCHARD:

(Amendment to Krueger amendment.)

Section 106(b) (1) and (2) is amended to read as follows:

"(b) (1) Whoever violates any order or regulation under this section shall be subject to a civil penalty—

"(A) with respect to activities relating to the production or refining of propane, of not more than $20,000 for each violation;

"(B) with respect to activities relating to the distribution of propane (other than activities entirely at the retail level), of not more than $10,000 for each violation; and

"(C) with respect to activities—

"(i) entirely relating to the distribution of propane at the retail level, or

"(ii) activities not referred to in subparagraph (A) or (B) or in clause (i) of this subparagraph,

of not more than $2,500 for each violation.

"(2) Whoever willfully violates an order or regulation under this section shall be imprisoned not more than one year, or—

"(A) with respect to activities relating to the production or refining of propane, shall be fined not more than $40,000 for each violation;

"(B) with respect to activities relating to the distribution of propane (other than activities entirely at the retail level), shall be fined not more than $20,000 for each violation; and

"(C) with respect to activities—

"(i) entirely relating to the distribution of propane at the retail level, or

"(ii) activities not referred to in subparagraph (A) or (B) or clause (i) of this subparagraph

shall be fined not more than $10,000 for each violation;

or both.

"(3) Any individual director, officer, or agent of a corporation who knowingly and willfully authorizes, orders, or performs any of the acts or practices constituting in whole or in part a violation of paragraph (1) or (2) shall be subject to penalties under this section without regard to any penalty to which that corporation may be subject under this section except that no such individual director, officer, or agent shall be subject to imprisonment under paragraph (2) of this subsection, unless he also has knowledge or reasonably should have known of notice of noncompliance received by the corporation from the President."

Redesignate paragraph (3) of section 106(b) as paragraph (4).

By Mr. BRODHEAD:

(Amendment to Krueger amendment published in the Congressional Record of December 8, 1975 on pages 39152–39156.)

In section 104, before the period at the end of the first sentence in the first proviso, add the following: "and which have taken all appropriate actions to enforce compliance with any contractual obligation by producers to deliver natural gas to such pipeline."

By Mr. BRODHEAD:

(Amendment to the Krueger amendment published in the Congressional Record of December 8, 1975, on pages 39152–39156.)

Strike out section 105 and designate the succeeding sections of title I accordingly.

By Mr. BRODHEAD:

(Amendment to the Krueger amendment published in the Congressional Record of December 8, 1975, on pages 39152–39156.)

Strike out section 106 and redesignate section 107 as section 106.

By Mr. BRODHEAD:

(Amendment to the Krueger amendment published in the Congressional Record of December 8, 1975, on pages 39152–39156.)

In new section 26 of the Natural Gas Act (as added by section 208) strike out "Commission" wherever it appears and insert in lieu thereof "Administrator."

By Mr. BRODHEAD:

(Amendment to the Krueger amendment published in the Congressional Record of December 8, 1975, on pages 39152–39156.)

At the end of new section 26 (as added by section 208) add the following:

"(h) As used in this section the term "Administrator" means the Administrator of the Federal Energy Administration."

By Mr. ECKHARDT:

(Amendment to the Krueger amendment published in the Congressional Record of December 8, 1975, on pages 39152–39156.)

Strike out subsection (i) of section 106 and redesignate the succeeding subsections (and any cross-references thereto) accordingly.

By Mr. ECKHARDT:

(Amendment to the Krueger amendment published in the Congressional Record of December 8, 1975, on pages 39152–39156.)

In section 204, immediately after paragraph (11), add the following:

"(12) 'Federal lands' means any land or subsurface area within the United States which is owned or controlled by the Federal Government or with respect to which the Federal Government has authority, directly or indirectly, to explore for, develop, and produce natural gas. Such term includes offshore Federal lands."

After section 26 of the Natural Gas Act (as added by section 208), and the following:

"PRODUCTION ON FEDERAL LANDS

"Sec. 27. After August 1, 1976, all production of natural gas from Federal lands shall be sold or transferred to a pipeline for use in interstate commerce, except such gas may be used as is necessary to transport such gas into commerce, or if such gas is produced on the Outer Continental Shelf, to operate facilities at the drilling site."

By Mr. ECKHARDT:

(Amendment to the Krueger amendment published in the Congressional Record of December 8, 1975, on pages 39152–39156.)

Section 205(b) is amended to read as follows:

(b) Section 4 of the Natural Gas Act (15 U.S.C. 717c(e)) is amended by adding at the end thereof the following:

"(f) Notwithstanding the provisions of subsection (e), the Commission shall have no power to deny, in whole or in part, any rate or charge made, demanded, or received by any natural-gas company for, in connection with, the purchase or sale of new natural gas, or that portion of the rates and charges of such company which relates to such purchase or sale, except (A) to the extent that such rates or charges, or such portion thereof, for new natural gas produced from offshore Federal lands exceed the national ceiling, established or modified by regulation of the Commission pursuant to section 24 of this Act, or (B) in any case where a natural-gas company purchases natural gas from an affiliate or produces natural gas from its own properties, to the extent that the Commission determines that the rates and charges therefor exceed the current rates and charges, or portion thereof, made, demanded, or received for comparable sales by any person who is not affiliated with any natural-gas company.".

By Mr. ECKHARDT:

(Amendment to the Krueger amendment published in the Congressional Record of December 8, 1975, on pages 39152–39156.)

Section 206 is amended to read as follows:

Sec. 206. Section 5(a) of the Natural Gas Act (15 U.S.C. 717d(a) is amended by inserting "(1)" after "(a)" and by adding at the end thereof the following:

"(2) The Commission shall have no power to deny, in whole or in part, any rate or charge made, demanded or received by any natural-gas company for, or in connection with, the purchase or sale of new natural gas, or that portion of the rates and charges of such company which relates to such purchase or sale, except (A) to the extent that such rates or charges, or such portion thereof, for new natural gas produced from offshore Federal lands exceed the national ceiling, established or modified by the Commission pursuant to section 4 of this Act, or (B) in any case where a natural-gas company purchases natural gas from an affiliate or produces natural gas from its own properties, to the extent that the Commission determines that the rules and charges therefor exceed the current rates and charges, or portion thereof, made, demanded, or received for comparable sales by any person who is not affiliated with any natural-gas company.

By Mr. ECKHARDT:

(Amendment to the Krueger amendment published in the Congressional Record of December 8, 1975, on pages 39152–39156.)

Amend section 208 by amending the first sentence of the new section 24(a) of the National Gas Act to read as follows:

"As soon as practicable after the effective date of the National Gas Act Amendments of 1975, and by rule pursuant to section 553 of title 5, United States Code, the Commission shall establish and may thereafter from time to time modify national ceilings for rates and charges for the sale or transfer by any person of new natural gas produced from offshore Federal lands on or after January 1, 1976, through December 31, 1980."

By ECKHARDT:

(Amendment to the Krueger amendment published in the Congressional Record of December 8, 1975, on pages 39152–39156.)

In the second sentence of new section 25(a) (as added by section 208) insert "essential" after "shall determine by rule the" and before "agriculture, food processing".

By Mr. MOFFETT:

(Amendment to the Krueger amendment published in the Congressional Record of December 8, 1975, on pages 39152–39156.)

Amend section 204 by striking existing paragraph (7) and inserting a new paragraph as follows:

"(7) 'Boiler fuel use of natural gas' means the use of natural gas as the primary source in a generating unit of more than 25 megawatts rated net generating capacity or in any generating unit which is part of an electric utilities system with a total net generating capacity of more than 150 megawatts."

By Mr. MOFFETT:

(Amendment to the Krueger amendment published in the Congressional Record of December 8, 1975, on pages 39152–39156.)

Section 25 of the Natural Gas Act (as added by section 208) is amended by inserting "commercial" after "small" and before "user" in the first sentence of subsection (a).

By Mr. MOFFETT:

(Amendment to the Krueger amendment published in the Congressional Record of December 8, 1975, on pages 39152–39156.)

Add at the end of new section 25 (as added by section 208) the following:

"(c) As used in subsection (a), the term 'small commercial user' means any user of natural gas, for other than residential purposes, who uses less than 50 Mcf of natural gas per day on a peak day."

By Mr. MOFFETT:

(Amendment in the nature of a Substitute to the Krueger amendment.)

In lieu of the matter proposed to be inserted by the amendment offered by Mr. Krueger, insert the following: That this Act may be cited as the "Natural Gas Production and Conservation Act of 1975".

Sec. 2. The Natural Gas Act (15 U.S.C. 717 et seq.) is amended by strikng out section 24 thereof (15 U.S.C. 171w) in its entirety and by inserting immediately after the enacting clause thereof and before section 1 thereof (15 U.S.C. 717) the following: "That this Act may be cited as the 'Natural Gas Act'."

TITLE I—GENERAL PROVISIONS

Sec. 3. The Natural Gas Act (15 U.S.C. 717 et seq.) is amended by adding at the end thereof the following new title:

"TITLE II—PRODUCTION AND CONSERVATION INCENTIVES

"SHORT TITLE

"Sec. 201. This title may be cited as the 'Natural Gas Production and Conservation Act'.

"DEFINITIONS

"Sec. 202. As used in this title:

"(1) The term 'affiliate' means any person directly or indirectly controlling, controlled by, or under common control or ownership with any other person as determined by the Commission by rule. In promulgating rules under this paragraph to specify when one person is an affiliate of another person, the Commission shall consider direct or indirect legal or beneficial interest in another person or any direct or indirect legal power or influence over another person, arising through direct, indirect, or interlocking ownership of capital stock, interlocking directorates or officers, contractual relations, agency agreements or leasing arrangements.

"(2) The term 'boiler fuel use of natural gas' means the use of natural gas or synthetic natural gas as the source of fuel for the purpose of generating steam or electricity in amounts in excess of 50 Mcf on a peak day.

"(3) The term 'Federal lands' means any land or subsurface area within the United States which is owned or controlled by the Federal Government or with respect to which the Federal Government has authority, directly or indirectly, to explore for, develop, and produce natural gas, except that nothing in this Act shall amend or change in any way any grant of land or right in land created by the Alaska Native Claims Settlement Act (18 U.S.C. 437) or any Act granting statehood to a State. The term includes the Outer Continental Shelf, as defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)). The term excludes lands which the Federal Government acquired by mortgage foreclosure and continues to hold mineral interests.

"(4) The term 'intrastate commerce' means commerce between points within the same State, unless such commerce passes through any place outside such State; except that all sales of new natural gas produced from Federal lands within a State and consumed within the same State shall be treated as sales of natural gas in interstate commerce.

"(5) The term 'joint venture' means any undertaking by two or more persons who have a community of interest in the purposes of the undertaking, and who share the right to control or direct the conduct of the undertaking."

"(7) The term 'major integrated petroleum company' means any company that, together with all affiliates, (A) owns or controls total assets that exceed $1,000,000,000 in value, (B) which is engaged in the production of crude oil, and (C) which is engaged in (i) the refining of crude oil, (ii) transporting of crude oil or refined petroleum products by major pipeline, or (iii) marketing of refined petroleum products;

"(7) The term 'Mcf' means one thousand cubic feet of natural gas at 60 degrees Fahrenheit and 14.73 pounds per square inch pressure;

"(8) The term 'new natural gas' means natural gas that is dedicated to interstate or intrastate commerce which the Commission in its discretion determines was not dedicated to interstate or intrastate commerce prior to January 1, 1976; *Provided*, That all such natural gas must be dedicated for a term of not less than 20 years, or until earlier depleted, to be eligible for sale at a price that does not exceed the applicable price pursuant to section 203; if such dedication is for a term of more than 10 years but less than 20 years, then a producer or small producer may sell such natural gas at a price not to exceed 75 percent of the price that would otherwise be applicable pursuant to section 203. No dedications of new natural gas after January 1, 1976, may be for a term of less than 10 years (unless earlier depleted).

"(9) The term 'old natural gas' means natural gas that, prior to January 1, 1976, was dedicated to interstate commerce on the date of the first delivery of such natural gas as determined by the Commission in its discretion.

"(10) The term 'pipeline' means a person engaged in the transportation by pipeline of natural gas in interstate commerce except that the term does not include persons who are exempt from the Commission's jurisdiction pursuant to sections 1(b) or 1(c) of this Act.

"(11) The term 'producer' means a person who (A) produces and sells more than 10 million Mcf of natural gas per year or (B) produces and sells natural gas and does not otherwise qualify as a small producer.

"(12) The term 'purchaser' means a person who purchases or acquires natural gas from a producer or small producer.

"(13) The term 'residential user' means a person who uses natural gas for personal, family, or household purposes.

"(14) The term 'small user' means a person or governmental entity that used not more than 50 Mcf of natural gas on its peak day of natural gas usage in the preceding calendar year.

"(15) The term 'small producer' means a person as determined by the Commission (A) who is not an affiliate of a person who produces and sells more than 10 million Mcf of natural gas; (B) who is not an affiliate of a person engaged in, or who is not himself engaged in, the transportation by pipeline of natural gas in interstate or intrastate commerce; and (C) who, together with all of his affiliates, if any, has not produced and sold more than 10 million Mcf of natural gas in any calendar year (subsequent to 1973) preceding the year in which he seeks to qualify for small producer pricing under section 203 (k): *Provided*, That the provisions of section 203(k) shall be applicable only to the first 10 million Mcf of natural gas production in any year following such qualification.

"(16) The term 'user' means a person or governmental entity using any natural gas after it is delivered in interstate or intrastate commerce. The term includes a producer or small producer who consumes natural gas (except for transporting or processing natural gas) in facilities owned or controlled or under common control by such producer or small producer.

"NEW NATURAL GAS

"Sec. 203. (a) General.—Notwithstanding the provisions of sections 4 and 5 of this Act and except as provided in subsection (1), new natural gas may be sold or transferred in interstate commerce or may be sold or transferred in intrastate commerce on or after the date of enactment of this title, by a producer only if its price does not exceed the sum of—

"(1) a base price at the wellhead as determined in accordance with subsection (g);

"(2) any applicable adjustment in accordance with subsection (b) or (c); and

"(3) an additional or lesser amount, if any, authorized or required to be charged under subsection (d) or (f).

"(b) Base Price Adjustment.—Commencing January 1, 1977, and at annual intervals thereafter, the national base price enumerated in subsection (g) shall be adjusted by the Commission for any inflation or deflation by multiplying it by a number whose numerator is the annual implicit price deflator for gross national product as of the date of computation and whose denominator is the implicit price deflator for gross national product by the base year 1975 as compiled by the Bureau of Economic Analysis as initially published by the Department of Commerce. The adjusted base price shall only be applicable to new natural gas first delivered during the year for which such adjusted base price is applicable.

"(c) Additional Price Increase.—A producer may, at the time of dedication of new natural gas, provide by contract for an automatic annual increase in the price of such natural gas which is delivered in a particular year. The amount of such increase may not exceed 2 percent per year of the adjusted base price of such natural gas at the time of such dedication, except the Commission may authorize an increase in the price that may be charged by a particular producer or small producer for flowing new natural gas by an additional amount if, at any time during the contract period, such an additional increase is shown to be necessary to cover the cost of production of such new natural gas and to provide a reasonable rate of return on investment to such producer or small producer.

"(d) Special Price.—(1) The Commission may authorize a person to charge for new natural gas an amount in excess of the price authorized in subsection (a) in any high-cost production area or at any vertical drilling depth designated by the Commission. The Commission shall consider the establishment of such special prices simultaneously with the establishment of a national base price pursuant to subsection (g) of this section. The cost data for any such high-cost production or vertical drilling shall not be considered in establishing or reviewing the national base price. The Commission may designate one or more high-cost production areas or depths, and, pursuant to subsection (g), it may establish one or more high-cost rates if the Commission finds that—

"(A) the current and prospective costs of production over the next 5-year period in any such high-cost production area or depths as designated by the Commission are substantially above the current and prospective real costs of production upon which the national base price authorized under subsection (g) is based; and

"(B) the production of new natural gas in such designated high-cost production areas or depths promotes the public convenience and necessity.

"(2) The Commission shall authorize a person to charge a special price for new liquefied, regasified, or synthetic natural gas. Such special price may exceed the price authorized under subsection (a) if such person establishes to the satisfaction of the Commission that (A) such liquefied or synthetic natural gas production or regasification promotes the public convenience and necessity; and (B) such special price is just and reasonable.

"(3)(A) Any person receiving Commission authorization to produce, or to acquire from an affiliate, such synthetic natural gas, may include in its cost of service reasonable interest expenses on borrowed funds and a reasonable return on equity expended in connection therewith during the construction period of any plant constructed and operated for the purpose of manufacturing synthetic natural gas for sale.

"(B) Any such plant, any sales or transportation of such synthetic natural gas, and any person owning and/or operating such plant shall be subject to—

"(i) the jurisdiction and authority of the Commission under title I of this Act to the same extent as if it were a natural-gas company; and

"(ii) the provisions of this title,

except that such jurisdiction shall not include the feedstock of such plant.

"(e) EXCEPTION.—(1) The Commission shall prohibit a producer of new natural gas from selling such natural gas at a price authorized in this section if—

"(A) such producer had discovered such natural gas on Federal lands 2 years or more prior to the date of enactment of this title; and

"(B) such producer does not establish to the satisfaction of the Commission that it was reasonable for him to have failed to dedicate such natural gas to interstate commerce prior to the date of enactment of his title.

"(2) A producer of new natural gas who is prohibited by paragraph (1) from selling such natural gas at a price authorized under this section shall only be permitted to sell such natural gas in interstate commerce as if it were old natural gas, and as if it had been dedicated to interstate commerce as of the date of enactment of this title. Such a producer shall also be subject to the production requirements of section 207(d).

"(f) ADDITIONAL ADJUSTMENTS.—A producer or small producer shall increase or reduce the price at which he sells natural gas to a purchaser by the following factors:

"(1) a gathering allowance as specified by the Commission for any gathering actually performed by the producer or small producer;

"(2) the actual costs of removing carbon dioxide, water, sulfur, or other impurities incurred by the producer or small producer to deliver pipeline quality natural gas;

(3) any amount actually paid by a producer or small producer for State or Federal production, severance, or similar taxes;

(4) a proportional adjustment for British thermal unit (Btu) content from a base of one thousand Btu's per cubic foot of natural gas at 60 degrees Fahrenheit and 14.73 pounds per square inch pressure; and

(5) an amount equal to the uncompensated value of any advance payments or any other form of compensation paid to the producer or small producer.

(g) COMMISSION BASE PRICE DETERMINATION.—(1) Within 180 days after the date of enactment of this title, the Commission shall establish an initial national base price (to be retroactive to January 1, 1976) for new natural gas. The Commission shall review and reestablish the national base price and any high-cost production base price at 5-year intervals after the date of such initial establishment pursuant to paragraphs (2) and (3). Any subsequent price so established shall apply only to new natural gas first delivered during that 5-year period.

"(2) In establishing the initial national base price of new natural gas and initial high-cost production base prices, if any, and in establishing subsequent national and subsequent high-cost production base prices, the Commission shall consider with respect to new natural gas in the relevant area current and prospective real costs of production over the next 5-year period, plus a reasonable rate of return on investment which is conducive to attracting the capital necessary to discover and produce such natural gas.

"(3) In establishing any base price for new natural gas, the Commission shall proceed in accordance with the provisions of section 553 of title 5, United States Code. In addition the Commission shall afford interested persons an opportunity to present testimony in oral hearings, and it shall permit limited cross-examination by representative parties on any issue of fact which the Commission, in its discretion, determines is material if such cross-examination is necessary and appropriate in light of the time constraint under paragraph (1).

"(h) CONTRACT SANCTITY.—The Commission shall not order a decrease in the price of new natural gas with respect to any sale thereof which is made pursuant to the applicable base price, or special prices, if any, for new natural gas and which were in effect at the time such new natural gas is first delivered to the purchaser.

"(i) COST PASSTHROUGH.—The Commission shall permit the passthrough, on a dollar-for-dollar basis, of the cost of all new natural gas incurred by any pipeline unless such costs exceed the applicable base price together with any adjustments or special prices, if any, for new natural gas in which case the Commission shall not permit such passthrough the amount that exceeds the amount permitted under this title.

"(j) TREATMENT OF OTHER GAS.—(1) the date of enactment of this title, all sales of natural gas in interstate commerce that are not sales of old natural gas shall comply with the provisions of this title concerning new natural gas.

"(2) After the date of enactment of this title, all dedications of natural gas in intrastate commerce shall comply with the provisions of this Act concerning new natural gas.

"(3) Notwithstanding the provisions of paragraphs (1) and (2) and section 202(10), of this title, any Federal agency, State, political subdivision of a State, Indian tribes, bands, or Alaska Natives may, with respect to new natural gas that they are entitled to taken as a royalty (not to exceed a combined and cumulative total of one-eighth interest within any State), withdraw such gas from interstate commerce after deliveries are commenced and may use or resell such gas in intrastate commerce as new natural gas. Nothing in this paragraph shall restrict the amount of royalties that may be taken by any landowner.

"(k) SMALL PRODUCER PRICING.—Notwithstanding the provisions of sections 4 and 5 of this Act, a small producer may sell new natural gas in interstate or intrastate commerce at a price that exceeds the price authorized to be charged by a producer pursuant to subsection (a) so long as such price does not exceed the applicable authorized price by more than 50 percent except that a small producer may not sell new natural gas in interstate or intrastate commerce at a price that exceeds the price authorized to be charged by a producer pursuant to subsection (a) if such new natural gas was discovered by a producer, as determined by the Commission.

"FILING REQUIREMENT

"SEC. 204. All purchasers shall file with the Commission all new natural gas sales contracts, transfer agreements, or any other transfer arrangements.

"OLD NATURAL GAS

"SEC. 205. The Commission, notwithstanding any other provision of law, shall not authorize an increase in the price charged by a producer or small producer of old natural gas unless such an increase is necessary—

"(1) to cover the cost of production (including deeper drilling or reworking operations) of such old natural gas and to provide a reasonable rate of return on investment to such producer or small producer; or

"(2) to afford (A) such a producer a price which is equal to a cost-based price which the Commission has authorized a similarly situated producer of old natural gas; or (B) such a small producer a price that is equal to a cost-based price which the Commission has authorized a similarly situated small producer to charge for old natural gas.

"RESIDENTIAL AND OTHER SMALL USERS

"SEC. 206. (a) GENERAL.—The Commission shall—

"(1) require all pipelines to file separate tariffs with respect to (A) old natural gas, (B) new natural gas, and (C) synthetic or liquefied natural gas in such form and manner as to reflect the price and average annual volumes of each which enter each such pipeline;

"(2) require all pipelines to give first priority for sales or transfers under the applicable tariff for old natural gas to local distribution companies, to the extent such old natural gas is available, to meet the requirements of each such company's residential users and small users; and

"(3) promulgate rules to govern sales, exchanges, or transfers among pipelines and sales, exchanges, or transfers to local distribution companies served by multiple pipelines, to the extent necessary to achieve the purpose of this section.

"(b) ENFORCEMENT.—It shall be unlawful for local distribution companies to charge residential users and small users rates which do not reflect the lesser cost of old natural gas for such users.

"INCREASING NATURAL GAS SUPPLIES

"SEC. 207. (a)(1) PROMPT CERTIFICATION.—All applications, except where two or more natural gas companies file competing and mutually exclusive applications under section 7(c) of this Act, for the construction of pipeline facilities subject to the jurisdiction of the Commission shall be decided by the Commission in accordance with paragraph (2).

"(2) The Commission shall grant (with or without conditions) or deny such applications within 120 days of the filing of an application, or within 120 days after the date of enactment of this title in the case of applications pending before the Commission on such date. The 120-day period shall commence on the date on which such applications contain all of the information required by the Commission. If the Commission fails to grant or deny any such application within the applicable 120-day period, the Commission shall be deemed to have approved such application as last submitted.

"(b) Exemption.—Notwithstanding any other provision of law, sales of new natural gas (except synthetic or liquefied natural gas) by producers or by small producers may be made without any application for a certificate of public convenience and necessity under section 7(c) of this Act and such sale shall be made at a price pursuant to the applicable provisions of section 203.

"(c) Common Carrier.—After date of enactment of this title the Commission shall, as a prerequisite to granting any certificate of public convenience and necessity for facilities for transporting or gathering natural gas on Federal lands, require such transportation and gathering facilities to be common carriers for use by any pipeline to transport natural gas upon payment of a reasonable transportation fee. The Commission shall require other natural gas gathering and transportation systems to operate on such a common-carrier basis for use by any pipeline to the extent that surplus capacity is available.

"(d) Resource Evaluation.—In estimating the value of natural gas on Federal lands for the purpose of determining the sufficiency of any bid, the Secretary of the Interior shall utilize the appropriate applicable price ceiling established by the Commission as adjusted pursuant to section 203.

"(e) Dedication Requirements.—After the date of enactment of this title, all production of new natural gas from Federal lands shall be sold or transferred to a pipeline.

"(f) Reserve Information.—(1) The Commission is further authorized and directed to conduct studies of the production, gathering, storage, transportation, distribution, and sale of natural, artificial, or synthetic gas, however produced, throughout the United States and its possessions whether or not otherwise subject to the jurisdiction of the Commission, including the production, gathering, storage, transportation, distribution, and sale of natural, artificial or synthetic gas by any agency, authority, or instrumentality of the United States, or of any State or municipality or political subdivision of a State. It shall, insofar as practicable, secure and keep current information regarding the ownership, operation, management, and control of all facilities for production, gathering, storage, transportation, distribution, and sale; the total estimated natural gas reserves of fields or reservoirs and the current utilization of natural gas and the relationship between the two; the cost of production, gathering, storage, transportation, distribution, and sale; the rates, charges, and contracts in respect to the sale of natural gas and its service to residential, rural, commercial and industrial consumers, and other purchasers by private and public agencies; and the relation of any and all such facts to the development of conservation, industry, commerce, and the national defense. The Commission shall report to the Congress and may publish and make available the results of studies made under the authority of this subsection.

"(2) In making studies, investigations, and reports under this section, the Commission shall utilize, insofar as practicable, the services, studies, reports, information, and programs of existing departments, bureaus, offices, agencies, and other entities of the United States, of the several States, and of the natural-gas industry. Nothing in this section shall be construed as modifying, reassigning, or otherwise affecting the investigative and reporting activities, duties, powers, and functions of any other department, bureau, office, or agency in the Federal Government.

"NATURAL GAS CONSERVATION

"Sec. 208. (a) General.—The Commission shall by rule prohibit all boiler fuel use of natural gas in interstate and intrastate commerce if such use is not initially contracted for prior to January 1, 1976, by users other than residential or small user unless, upon petition by a user, the Commission determines that—

"(1) alternative energy supplies, other than crude oil or products refined therefrom or propane, produced in any State are not available to such user; or

"(2) it is not feasible to utilize such alternative fuels at the time of such Commission determination.

"(b) Existing Contracts.—The Commission shall promulgate, by rule, a national plan to prohibit as soon as practicable boiler fuel use of natural gas initially contracted for prior to January 1, by users other than residential or small users. In determining practicability, the Commission shall consider all relevant factors, including the availability of alternative energy supplies produced in any State, other than crude oil or products refined therefrom or propane, the ability to satisfy applicable pollution prevention standards when using such alternative fuels, and the need to avoid imposing unreasonable economic hardships. The Commission shall coordinate its activities with other Federal agencies to assure that boiler fuel use of natural gas by users other than residential or small users is ended to the maximum practicable extent 10 years after the date of enactment of this title. The Commission shall also encourage conservation and more efficient use of natural gas by all other users.

"(c) Procedure.—In implementing the provisions of this section with respect to intrastate commerce, the Commission shall apply the provisions of section 17 of this Act.

"(d) Effect on Other Laws.—Nothing in this title shall impair any requirement in any State or Federal law pertaining to safety or environmental protection. The Commission, in determining feasibility or practicability, where required by this section, shall not assume that there will be any lessening in any safety or environmental requirement established pursuant to State or Federal law.

"NATURAL GAS CURTAILMENT

"Sec. 209. (a) Essential Agricultural Purposes.—(1) Except to the extent that natural gas supplies are required to maintain natural gas service to residential users, small users, hospitals, and similar services and products vital to public health and safety, and notwithstanding any other provision of law or of any natural gas allocation or curtailment plan in effect under existing law, the Commission shall, by rule, prohibit any interruption or curtailment of natural gas and take such other steps as are necessary to assure as soon as practicable the availability in interstate commerce of sufficient quantities of natural gas for use for any essential agricultural, food processing, or packaging purpose for which natural gas is essential, including but not limited to irrigation pumping, crop drying, use as a raw material feedstock or process fuel in the production of fertilizer and essential agricultural chemicals in existing plants (for present or expanded capacity) and in new plants. The Secretary of Agriculture shall determine by rule the essential agricultural, food processing, or packaging purposes (other than boiler fuel use of natural gas) for which natural gas is essential. The Secretary of Agriculture shall also certify to the Commission the amount of natural gas which is necessary for such essential uses to meet requirements for full domestic food production.

"(2) Notwithstanding any other provision of law, any regulation promulgated by the commission to implement paragraph (1) shall also apply with respect to the availability of natural gas sold in intrastate commerce in any State which the Commission determines has not, within 180 days after the date of enactment of this title, taken action substantially consistent with the purposes of his subsection.

"(b) Facility Interconnections.—Notwithstanding the provisions of section 7 of this Act, the Commission may, by order in accordance with this subsection, direct any pipeline to establish a physical interconnection between any specified facility of such pipeline and any specified facility of any other such pipeline. The Commission shall apportion equitably the costs of any such interconnection to the pipeline or pipelines initially benefiting therefrom. The Commission may issue such an order upon petition of any natural-gas company, producer, small producer, or user, or appropriate State agency, or on its own motion, after (1) publishing a notice thereof in the Federal Register; (2) allowing interested persons an opportunity to submit written data, views, and arguments and providing an opportunity for a hearing; and (3) finding (and publishing such finding together with the reasons therefor) that the establishment of such interconnection is in the public interest for the purpose of facilitating the transportation or sale of natural gas in the event that a natural-gas supply emergency develops within the service area of any pipeline affected by such order.

"(c) Natural-Gas Supply Emergency.—The Commission may declare that a natural-gas supply emergency, as ascertained by the Commission, exists along the transmission routes or within the service area of a pipeline which is unable or may be unable to supply its residential users, small users, hospitals, and other services and products vital to public health and safety, and other users using natural gas as a raw material in uses other than boiler fuel for which there is no substitute, with the amount of natural gas determined by the Commission to be necessary after all possible conservation measures are taken to preserve public health or safety or to avoid extreme economic hardship. Any such declaration shall state the nature and extent of such supply emergency, its likely duration, and the remedial steps proposed or ordered by the Commission to deal with such emergency. Whenever such an emergency is declared, the Commission may, by order, direct any pipeline or pipelines which is not itself experiencing such an emergency to make specified deliveries of natural gas, directly or indirectly, to the pipeline which is experiencing such emergency. The amount of natural gas specified to be delivered pursuant to such order may not exceed the amount which such pipeline can deliver without creating a comparable emergency or significant unemployment along its own transmission routes or within its own service area. A pipeline delivering natural gas pursuant to such an order shall be compensated for such gas at a rate equal to the highest rate at which natural gas is sold for resale by such pipelines.".

Sec. 4. Section 2 of the Natural Gas Act (15 U.S.C. 717a) is amended (1) by inserting in paragraph (7) thereof after "thereof," and before "but only insofar" the following: "or between a point upon Federal lands within a State and any other point,"; (2) by inserting in paragraph (5) thereof (A) after "gas" and before "unmixed" the following: "produced from a gas well or an oil well" and (B) by inserting after "natural" and before "and" the following: "synthetic"; and (3) by inserting the following new paragraph:

"(10) 'synthetic natural gas' means gas entering a pipeline or intrastate pipeline or local distribution company produced from any source other than a gas well or an oil well. As used in this paragraph 'intrastate pipeline' means a person engaged in the transportation by pipeline of natural gas in intrastate commerce.".

Sec. 5. Section 20 of the Natural Gas Act (15 U.S.C. 717s) is amended by adding at the end thereof the following new subsection:

"(d)(1) Any district court of the United States in which venue is appropriate under section 1391 of title 28, United States Code, shall have jurisdiction, without regard to the citizenship of the parties or the amount in controversy, with respect to any civil action involving any alleged violation of—

(A) this Act, the Federal Power Act, or any other Federal Law under which Congress directs the Commission to exercise any independent regulatory function;

(B) any duly authorized rule, regulation, or license issued under any such law; or

(C) any condition of any certificate of public convenience and necessity issued by the Commission under any such law.

(2) The Court shall have the power to grant such equitable relief as is necessary to prevent, restrain, or remedy the effect of such violation, including declaratory judgment, mandatory or prohibitive injunction relief, and interim equitable relief, and the court shall further have the power to award (A) compensatory damages to any injured person or class of persons, (B) costs of litigation including reasonable attorney and expert witness fees, and (C) whenever and to the extent deemed necessary or appropriate to deter future violations, punitive damages. Any court of appeals of the United States in which venue is appropriate under section 1391 of title 28, United States Code, shall have jurisdiction, upon petition by the Commission, to grant appropriate mandatory or prohibitive injunctive relief, and, at any time interim equitable relief.".

Sec. 6. The Bureau of Economic Analysis shall continue to compile, and the Department of Commerce shall continue to publish, the implicit price deflator for gross national product, in accordance with procedures consistent with those in effect on January 1, 1976, in order to carry out the purposes of this Act.

SENATE—*Monday, February 2, 1976*

The Senate met at 11 a.m. and was called to order by the President pro tempore (Mr. Eastland).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Hear the words of St. Matthew:

Seek ye first the kingdom of God, and his righteousness; and all these things shall be added unto you.—Matthew 6: 33.

We thank Thee, O Lord, for showing us that all life falls into order when we seek first Thy kingdom for Thy kingdom's sake and righteousness for righteousness' sake. Help us in our witness and in our work to seek first Thy kingdom above all selfish ambition, above all party programs, above all ethnic advantages, above regional requirements, above exclusively national interests; in the confidence Thou art a God of history whose grace is sufficient for all nations and whose love encompasses all men. Invest us with Thy transforming spirit that we may work with clean hands and pure hearts in moving forward Thy kingdom. In Thy holy name we pray. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Friday, January 30, 1976, be dispensed with.

The **PRESIDENT** pro tempore. Without objection, it is so ordered.

ORDER FOR TECHNICAL AND CLERICAL CORRECTIONS IN ENGROSSMENT OF SENATE AMENDMENTS TO H.R. 5608

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of Senate amendments to H.R. 5608, the Wetlands Loan Extension Act of 1976.

The **PRESIDENT** pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The **ACTING PRESIDENT** pro tempore. Without objection, it is so ordered.

CONGRESS DIDN'T VOTE WITH ITS FEET

Mr. MANSFIELD. Mr. President, I ask unanimous consent that an editorial published in the Christian Science Monitor of January 30, 1976, entitled "Congress Didn't Vote With Its Feet," be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Congress Didn't Vote With Its Feet

President Ford might have preferred less devotion to duty by his former congressional colleagues last year, since so many of their votes went against him. But at least he cannot call them a do-nothing Congress in the sense of failing to vote. Though it sometimes seemed as if Congress were on vacation more than it was minding the store, the Senate and House took 79 more roll-call votes than ever before, for a total of 1,214, according to the Congressional Quarterly. And the average member of Congress participated in 91 percent of them, 2 percent above the record set in 1956.

The 94th Congress was obviously not voting with its feet, as recommended by Mr. Ford's Republican opponent, Ronald Reagan, to Americans who don't like things where they are. Particularly dedicated to staying on hand to be counted was Senator Proxmire of Wisconsin, who has made all the votes since 1966 and was the only Senator to do so in 1975. In the House, Representative Natcher of Kentucky completed his 22nd perfect year among seven representatives who scored 100 percent in 1975.

Alas, two of those now most actively seeking the votes of others were among the least active voters in Congress—Representative Udall winding up second lowest (47 percent) in the House and Senator Bayh at the very bottom (56 percent) in the Senate. Other presidential candidates found more time to be present, with Senator Byrd hitting 99 percent of the votes, Senator Jackson 95 percent, and Senator Bentsen 83 percent.

Of course, such bald statistics are only a part of anyone's record. A 48-point spread between the voting percentages of Udall and Jackson hardly measures the differences between them as candidates. And who is to say how few enlightened votes it takes to outweigh how many misguided ones?

But, on balance, voting is better than a lot of things members of Congress might be doing when they happen to be in Washington. And their impressive figures for 1975 surely give the lie to those who greet each announcement that Congress is in recess with: "How can you tell?"

ORDER OF BUSINESS

The **PRESIDENT** pro tempore. The minority leader is recognized.

Mr. HUGH SCOTT. Mr. President, I yield back my time.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the recognition of Mr. Muskie at this time be vitiated.

The **PRESIDENT** pro tempore. Without objection, it is so ordered.

Under the previous order, the Senator from Montana (Mr. Mansfield) is recognized.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, on behalf of Mr. Mansfield, that the order for his time be vitiated.

The **PRESIDENT** pro tempore. Without objection, it is so ordered.

WAIVER OF CALL OF THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, at the majority leader's request, I ask unanimous consent that the call of the legislative calendar, under rule VIII, be dispensed with.

The **PRESIDENT** pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

The **PRESIDENT** pro tempore. Under the previous order, the Senator from Michigan (Mr. Griffin) is recognized for not to exceed 15 minutes.

Mr. GRIFFIN. Mr. President, I yield back the time allotted to me.

ROUTINE MORNING BUSINESS

The **PRESIDENT** pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business, for not to exceed 30 minutes, with statements therein limited to 5 minutes each.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The **PRESIDENT** pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask

unanimous consent that the order for the quorum call be rescinded.

The **PRESIDENT** pro tempore. Without objection, it is so ordered.

DISAPPROVAL OF SENATE JOINT RESOLUTION 121—ADJUSTMENTS IN THE SUPPORT PRICE FOR MILK—MESSAGE FROM THE PRESIDENT RECEIVED DURING ADJOURNMENT

On January 30, 1976, during the adjournment of the Senate, a message from the President of the United States was received returning to the Senate the joint resolution (S.J. Res. 121) to provide for quarterly adjustments in the support price for milk, and for other purposes, together with a message of disapproval thereon.

The **PRESIDENT** pro tempore. The Chair lays before the Senate the President's veto message on Senate Joint Resolution 121, a bill to increase the Federal support price for milk, which was received after the Senate adjourned on Friday last.

The clerk will read the message and it will be spread in full upon the journal.

The legislative clerk proceeded to read the message from the President.

Mr. **MANSFIELD**. Mr. President, I ask unanimous consent that the message be considered as read and that it be spread upon the record.

The **PRESIDENT** pro tempore. Without objection, it is so ordered.

The veto message ordered to be printed in the RECORD is as follows:

To the Senate of the United States:

I am withholding my approval from S.J. Res. 121, which would increase the Federal support price for milk and require mandatory quarterly adjustments, for the following reasons:

1. It would saddle taxpayers with additional spending at a time when we are trying to cut the cost of government and curb inflation.
2. It would stimulate excessive production of milk, discourage consumption, force the Federal Government to increase purchases of dairy products under the milk support program and build up huge and costly surpluses.
3. It would result in unnecessarily high consumer prices.

Under this bill, government outlays would be increased by $530 million, including $180 million during the 1976–77 marketing year and $350 million during the subsequent 1977–78 marketing year. In addition, consumers would be required to pay an estimated $1.38 billion more at retail for dairy products over the next two years.

If S.J. Res. 121 became law, the support level for milk would be set at 85 percent of parity, with adjustments at the beginning of each quarter, through March 31, 1978. This would result in substantial increases in the support level over the next two marketing years without taking into account either changing economic conditions or agricultural policies.

In disapproving similar legislation last January, I said: "To further reduce the demand for milk and dairy products by the increased prices provided in this legislation would be detrimental to the dairy industry. A dairy farmer cannot be well served by Government action that prices his product out of the market." This is still the case.

As far as this Administration is concerned, future changes in the price support level will be based, as in the past, on a thorough review of the entire dairy situation. Major economic factors, including the level of milk production, recent and expected farm prices for milk, the farm cost of producing milk, consumer prices and government price support purchases and budget outlays, will be considered. Elimination of this thorough review by mandating an inflexible support price would be inadvisable.

As you know, present legislation provides the Secretary of Agriculture with sufficient flexibility to increase the level of milk price supports between 75 and 90 percent of parity whenever the conditions indicate that an increase is necessary and advisable. The two increases announced by the Secretary of Agriculture last year—one in January and another in October—should make it clear that this Administration intends to provide the price assurance dairy farmers need.

In this regard, to ensure adequate milk price support levels, I have directed the Secretary of Agriculture to review support prices quarterly, starting April 1. If it appears necessary and advisable to make price support adjustments to ensure the supply of milk, the Secretary of Agriculture will do so.

In vetoing S.J. Res. 121, I urge the Congress to join me in this effort to hold down Federal spending, milk surpluses, and consumer prices.

GERALD R. FORD.

THE WHITE HOUSE, *January 30, 1976.*

ORDER TO HOLD VETO MESSAGE AT THE DESK

Mr. **MANSFIELD**. Mr. President, I ask unanimous consent that the veto message be held at the desk.

The **PRESIDENT** pro tempore. Without objection, it is so ordered.

SENATOR PHILIP A. HART

Mr. **MANSFIELD**. Mr. President, in the years I have served in this body, I have never met a more kindly nor more courageous Senator than the distinguished senior Senator from Michigan (Mr. PHILIP A. HART).

In this morning's Washington Post there is a story about Mr. HART entitled "PHILIP HART: The Gentle Way as the Effective Way," written by Colman McCarthy. I ask unanimous consent that the story about this great Senator be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Feb. 2, 1976]

PHILIP HART: THE GENTLE WAY AS THE EFFECTIVE WAY

(By Colman McCarthy)

A few years ago, a Washington journalist wrote a book in which he called Sen. Philip Hart "a man widely regarded as the gentlest and kindest in the Senate." The galleys of the book were sent to then-Sen. Paul Douglas of Illinois, who had been asked to review the book for The Washington Post. He read the reference to Hart but was troubled. It took Douglas several phone calls to track down the author, who was at his vacation retreat. Talking with him, Douglas explained that he knew it was unusual for a reviewer to call an author before the book came out, but he had a suggestion for a galley change. Must it say that Senator Hart is "widely regarded" as the Senate's gentlest and kindest man? Couldn't the book just state "he is," and avoid the cop-out qualifier?

This story is not one of the vintage political tales that float to the top of the air currents in Congress, so many of the stories flavored to put down another member or raise up the teller. But the solicitude of Sen. Douglas—authentic feeling, not the hollow "my distinguished colleague" kind—suggests that nothing less was due Philip Hart than unqualified esteem. The session of Congress now beginning is Hart's last. His recent retirement announcement has prompted a number of Michigan politicians to seek to replace him. They can stop now. The seat will be replaced, but not the man.

In his 18 years in the Senate, Philip Hart has practiced as pure a style of politics as that body has ever seen, elevating not only the level of thought but also the vocation itself. In a profession often trivialized by fitful hacks who think political impact is made by the raised voice or eyebrow, Hart has remained loyal to the Greek meaning, politikos: of the citizens. What concerns the citizen? What possibilities can he be drawn to, or to what form of humanized service can the politician, the server, give himself?

Before a politician can adopt this cast of mind, he has to think first of keeping his job. From the record, it could seem that Hart has represented not Michigan at all, but a territorial outback whose citizens sent him to Washington with a moral compass, not a political one: point the needles not merely to our wishes back home, they instructed, but also to honesty and fairness. We will be served that way. Thus, with the auto industry as Michigan's largest employer, Hart has persisted in attacking the monopoly practices of the Big Three. He began or supported every major safety or environmental regulation involving Detroit. The state has the nation's second largest hunting force, but no one in the Senate has called for stronger gun controls. He supported busing in Michigan (because he believed in the rightness of it in the South) when other Democrats ran for pillows to make the issue more comfortable for fence-sitting.

Electoral risks put senators on slide rules, moving them along exponentials that make the conscience a variable. The issues, like logarithms, are said to be complex. Perhaps. But Hart has remained the still point in the middle of complexity. Situation ethics make as little sense as situation politics. He was the only Senator to speak out in 1972 against Sen. James Eastland's becoming president of the Senate. The courage of Hart's stances has been perceived by the voters. He has never had a close re-election race; in 1970, he received as many votes as Gerald Ford in Ford's home district.

How is it possible for a man to be in the Senate 18 years, a defender of periphery causes, and yet to be held in deep affection by most other members? It is assuredly something more than Hart's soft voice or the merry Irish twinkle in his eye that does it. One explanation is that he has a style of personal humility that keeps his convictions from being crusted with either blowhard or diehard righteousness. He is known, much to staff impatience, for spending as much time examining an opposing position as in presenting his own.

"You never know your own motive most of the time," he said recently, "but most people are always assuming they know the motives of everyone else. But it's hard. It's hard for a politician looking at another politician. It's even more difficult for the public looking at the votes and the positions taken by a politician to determine what motivated that man. I am sure that there are people in Michigan, for example, who believe that the reason I have a voting record that conforms generally with the labor movement is because labor gave me money. And certainly in the liberal group, there's much too much of the assumption that the reason some conservative around here is conservative is because some company or corporate officials fund him. We liberals don't credit conservatives with what we credit ourselves. I say I vote in a way that finds approval with labor because it happens that I believe that this is the best for the people. Our goals are common, but we arrive at them independently. The liberal is apt not to give the conservative credit for the same thing. A conservative may conclude quite independently of constituent pressure that the program of, say, the National Manufacturers Association makes good sense."

If Hart can look at liberals dispassionately, he also sees his own role in the Senate with a measure of restraint. "There's a terrible tendency here to think that everything we do and say, or omit to do, is of world consequence. But you know full well that you can go across the street and the bus driver couldn't care less." If caring is present, it must come from within the man. "I remember the expression that the politician is the lay-priest of society. The corporal works of mercy are part of the business of how the government runs. A solid case can be made that whatever the venality that attaches to the profession, politics is still a high vocation. . . . I have regarded it as an opportunity to make a more humane life for everybody."

Hart's humanism was shaped by what he calls a typical education within the church school system: the Sisters of Mercy for eight years, the Christian Brothers for four, the Jesuits (at Georgetown) for four. At a moment when politicians and their families are being examined, Hart says of his children: "I won't try and guess what my own children may have felt about my being in politics or about me as a father, but I think my strong love for them has been reciprocated."

Little of Hart's Senate work has made him a national figure. He caught the glare during the ITT scandal when he was in the Senate contingent that went to Dita Beard's bedside, and he was on the committee that Richard Kleindienst deceived. Instead, he has been committed to the hidden and unshowy work of the hearing room. He came early and has stayed late on such issues as pesticide poisoning, lead gas fumes among inner city children, amnesty, no-fault insurance, decriminalization of marijuana, freedom of information, divestiture of the oil and auto companies. He will be gone before these matters are resolved in a way that citizens deserve, and others will likely be on hand to take winner's credit. But those who have watched closely will know who began the bold struggles.

Hart has no bitterness that his issues have attracted little press attention. It is hard to expect reporters to sit through unglamorous economic or antitrust hearings he says, "when at the same time in the next room you have some hoodlum invoking the fifth amendment." For the occasional reporter who does cover the unnoticed hearing, Hart has special feelings. He speaks of one Washington journalist: "he has excitement in his stories simply because he is able to describe the way certain private interests have been able to twist debate or cause decisions to be made that disserve the general interest. But more often than not, this man is reporting the important issue though it is relatively heavy and unexciting."

In recent months, Sen. Hart has been hospitalized for cancer. On the subject of death and dying, he is as gently candid as on anything else: "When the doctor walks in and says it's cancer, and they chase around for weeks trying to find the original source and still can't, you'd have to be a very insensitive fellow not to be shaken up. Sure you think about it. (Death) becomes not something vague that everyone knows is going to happen. It's something that not only is on schedule . . . but is in motion. And you do review the bidding and test the faith. I think now I'm prepared."

For the rest of the session, news reporters will tell of other members of Congress retiring. Careers will be reviewed and testimonies given. It is likely to be different for Philip Hart. The public won't fully know how valuable and towering he has been in the Senate until next year, when he is not there.

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

REPORT OF THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—MESSAGE FROM THE PRESIDENT

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was referred to the Committee on Banking, Housing and Urban Affairs:

To the Congress of the United States:

I am transmitting today to the Congress the Tenth Annual Report of the Department of Housing and Urban Development, describing its activities for the calendar year 1974.

GERALD R. FORD.

THE WHITE HOUSE, *February 2, 1976.*

EXECUTIVE MESSAGE REFERRED

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States submitting the nomination of R. Tenney Johnson, of Maryland, to be a member of the Civil Aeronautics Board, which was referred to the Committee on Commerce.

MESSAGES FROM THE HOUSE

ENROLLED BILLS SIGNED

At 1:02 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

H.R. 508. An act to amend title 5, United States Code, to authorize civilians employed by the Department of Defense to administer oaths while conducting official investigations.

H.R. 5247. An act to authorize a local public works capital development and investment program, to amend the Public Works and Economic Development Act of 1965 to increase the antirecessionary effectiveness of the program, and for other purposes.

The enrolled bills were subsequently signed by the President pro tempore.

At 1:19 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House disagrees to the amendment of the Senate to the bill (H.R. 7988) to amend the Public Health Service Act to revise and extend the program under the National Heart and Lung Institute, to revise and extend the program of national research service awards, and to establish a national program with respect to genetic diseases; and to require a study and report on the release of research information; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. STAGGERS, Mr. ROGERS, Mr. SATTERFIELD, Mr. PREYER, Mr. SYMINGTON, Mr. CARTER, and Mr. BROYHILL were appointed managers of the conference on the part of the House.

ENROLLED BILL SIGNED

The message also announced that the Speaker has signed the enrolled bill (S. 2718) to improve the quality of rail services in the United States through regulatory reform, coordination of rail services and facilities, and rehabilitation and improvement financing, and for other purposes.

The enrolled bill was subsequently signed by the President pro tempore.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT OF THE FARM CREDIT ADMINISTRATION

A letter from the Governor of the Farm Credit Administration transmitting, pursuant to law, the annual report of the Farm Credit Administration and the Cooperative Farm Credit System for the fiscal year ended June 30, 1975 (with an accompanying report); to the Committee on Agriculture and Forestry.

REPORT OF THE OFFICE OF MANAGEMENT AND BUDGET

A letter from the Deputy Director of the Office of Management and Budget reporting, pursuant to law, a necessity for a supplemental estimate of appropriation for the Smithsonian Institution for the fiscal year 1976; to the Committee on Appropriations.

REPORT OF THE POTOMAC ELECTRIC POWER CO.

A letter from the Vice President of the Potomac Electric Power Company transmitting, pursuant to law, a report of the balance sheet of Pepco and of December 31, 1975 (with an accompanying report); to the Committee on the District of Columbia.

REPORT OF THE CIVIL SERVICE COMMISSION

A letter from the Chairman of the Civil Service Commission reporting, pursuant to law, on positions in grades 16, 17, and 18 during the calendar year 1975 (with accompanying papers); to the Committee on Post Office and Civil Service.

REPORT OF THE ARMS CONTROL AND DISARMAMENT AGENCY

A letter from the Director of the Arms Control and Disarmament Agency transmitting, pursuant to law, a report for the calendar year 1975 on the fourteen scientific or professional positions authorized in the Agency (with an accompanying report); to the Committee on Post Office and Civil Service.

REPORT OF THE RAILROAD RETIREMENT BOARD

A letter from the Secretary of the Railroad Retirement Board transmitting, pursuant to law, the annual report of the Board for the calendar year 1975 on positions in grades 16, 17, and 18 (with an accompanying report); to the Committee on Post Office and Civil Service.

PROPOSED LEGISLATION OF THE ENVIRONMENTAL PROTECTION AGENCY

A letter from the Administrator of Environmental Protection transmitting a draft of proposed legislation to amend the Federal Water Pollution Control Act (with accompanying papers); to the Committee on Public Works.

PROSPECTUS OF THE GENERAL SERVICES ADMINISTRATION

A letter from the Administrator of General Services transmitting, pursuant to law, a prospectus for construction of a courthouse in Anchorage, Alaska (with accompanying papers); to the Committee on Public Works.

PROPOSED LEGISLATION OF THE PENNSYLVANIA AVENUE DEVELOPMENT CORP.

A letter from the Chairman of the Pennsylvania Avenue Development Corporation transmitting a section-by-section analysis of proposed legislation to amend the Pennsylvania Avenue Development Corporation Act of 1972 (with accompanying papers); to the Committee on Interior and Insular Affairs.

REPORT OF THE COMPTROLLER GENERAL

A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "U.S. Dependence on Imports of Five Critical Minerals: Implications and Policy Alternatives" (with accompanying papers); to the Committee on Government Operations.

REPORT OF THE JOINT COMMITTEE ON CONGRESSIONAL OPERATIONS

A letter from the Chairmen of the Joint Committee on Congressional Operations transmitting, pursuant to law, a report entitled "Court Proceedings and Actions report); to the Committee on Government Operations.

SUPPLEMENTAL APPROPRIATION FOR THE LEGAL SERVICES CORPORATION

A letter from the President of the Legal Services Corporation transmitting a request for a supplemental appropriation for the fiscal year 1976 (with accompanying papers); to the Committee on Appropriations.

REPORT OF THE CHESAPEAKE AND POTOMAC TELEPHONE CO.

A letter from the Vice President of the Chesapeake and Potomac Telephone Co. transmitting, pursuant to law, the annual report of receipts and expenditures for the year 1975 (with an accompanying report); to the Committee on the District of Columbia.

REPORT OF THE UPPER GREAT LAKES REGIONAL COMMISSION

A letter from the Cochairmen of the Upper Great Lakes Regional Commission transmitting, pursuant to law, the annual report of the Commission for the fiscal year 1975 (with an accompanying report); to the Committee on Public Works.

REPORT OF THE COMMUNITY RELATIONS SERVICE

A letter from the Director of the Community Relations Service transmitting, pursuant to law, the annual report of the Service for the fiscal year 1975 (with an accompanying report); to the Committee on the Judiciary.

PUBLISHED REGULATION OF THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting, pursuant to law, a copy of proposed regulation under the General Education Provisions Act (with accompanying papers); to the Committee on Labor and Public Welfare.

REPORT OF THE COASTAL PLAINS REGIONAL COMMISSION

A letter from the Cochairman of the Coastal Plains Regional Commission transmitting, pursuant to law, the annual report of the Commission for the fiscal year 1975 (with an accompanying report); to the Committee on Public Works.

REPORT OF THE NATIONAL RAILROAD PASSENGER CORPORATION

A letter from the Vice President of the National Railroad Passenger Corporation transmitting, pursuant to law, the report of the operation of the Corporation for the month of December 1975 (with an accompanying report); to the Committee on Commerce.

PROPOSED LEGISLATION BY THE SECRETARY OF TRANSPORTATION

A letter from the Secretary of Transportation transmitting a draft of proposed legislation to authorize appropriations for the Coast Guard (with accompanying papers); to the Committee on Commerce.

RESTRAINT OF TRAVEL TO CONSERVE ENERGY

A communication from the President of the United States transmitting a memorandum prepared by the Office of Management and Budget outlining actions taken to restrain travel (with accompanying papers); to the Committee on Appropriations.

REPORT OF THE NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE

A letter from the Executive Director of the National Commission on Libraries and Information Science transmitting pursuant to law the annual report of the Commission (with an accompanying report); to the Committee on Labor and Public Welfare.

REPORT OF THE PUBLIC PRINTER

A letter from the Public Printer transmitting, pursuant to law, his annual report for the fiscal year 1975 (with an accompanying report); to the Committee on Rules and Administration.

REPORT OF THE OZARKS REGIONAL COMMISSION

A letter from the Federal Cochairman of the Ozarks Regional Commission transmitting pursuant to law, the annual report of the Commission for the period ending June 30, 1975 (with an accompanying report); to the Committee on Public Works.

REPORT OF THE ENVIRONMENTAL PROTECTION AGENCY

A letter from the Administrator of Environmental Protection transmitting, pursuant to law, a report entitled "Alternative Methods of Financing Wastewater Treatment" (with an accompanying report); to the Committee on Public Works.

REPORT OF THE COMPTROLLER GENERAL

A letter from the Comptroller General of the United States transmitting a confidential report entitled "Rationalization/Standardization Within NATO" (with an accompanying report); to the Committee on Armed Services.

PETITION

The PRESIDENT pro tempore laid before the Senate the following petition, which was referred as indicated:

Concurrent Resolution No. 590 adopted by the Legislature of the State of South Carolina; to the Committee on Commerce:

"A CONCURRENT RESOLUTION MEMORIALIZING CONGRESS TO RECONSIDER ALL FEDERALLY-IMPOSED MANDATES ON AUTOMOBILE

"Whereas, the automobile and dependent industries deeply affect every American citizen and are directly responsible for more than thirty percent of the economy of South Carolina and a relatively high proportionate share of our entire nation's economic wellbeing; and

"Whereas, the automobile and its use are indispensable to meet the essential transportation needs of commerce and of all our citizens, and the imposition of governmental mandates on the automobile industry has so increased their prices as to severely reduce sales, thus creating mass unemployment and drastically reducing revenues to all levels of government at a time of dramatically increased need for public revenues for essential humane requirements. Now, therefore,

"*Be it resolved* by the Senate, the House of Representatives concurring:

"That Congress is strongly urged to review and reconsider all federally-imposed mandates, including those adopted by authorized government departments or agencies as they pertain to or govern the manufacture and use of automobiles.

"*Be it further resolved* that wherever it is found that the cost or effects of such mandates are unreasonable in relation to the environmental, safety and social benefits intended, Congress in its own right and in accord with its own wisdom is hereby requested to forthwith take action to promptly modify or rescind all mandates imposed on the automotive industry which are counterproductive, notwithstanding the unproven and detrimental theories commonly advanced by bureaucratic zealots.

"*Be it further resolved* that copies of this resolution be forwarded to each member of Congress from South Carolina and to the Clerks of the United States Senate and the House of Representatives.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McCLELLAN, from the Committee on the Judiciary, without amendment:

H.R. 1607. An act to amend title 18 and title 39 of the United States Code to make parallel the exemption from lottery prohibitions granted to newspapers and to radio and television (Rept. No. 94–618).

By Mr. McCLELLAN, from the Committee on the Judiciary, with an amendment:

S. 14. A bill to provide cost-of-living adjustments in retirement pay of certain Federal judges (Rept. No. 94–619).

By Mr. McCLELLAN, from the Committee on the Judiciary, with amendments:

S. 2129. A bill to provide for the definition and punishment of certain crimes in accordance with the Federal laws in force within the special maritime and territorial jurisdiction of the United States when said crimes are committed by an Indian in order to insure equal treatment for Indian and non-Indian offenders (Rept. No. 94–620).

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that today, February 2, 1976, he presented to the President of the United States the enrolled bill (S. 2718) to improve the quality of rail services in the United States through regulatory reform, coordination of rail services and facilities, and rehabilitation and improvement financing, and for other purposes.

REFERRAL OF SENATE RESOLUTION 376

Mr. **MANSFIELD**. Mr. President, I ask unanimous consent that the resolution (S. Res. 376) continuing and authorizing additional expenditures by the Select Committee on Nutrition and Human Needs, be referred to the Committee on Rules and Administration.

The **PRESIDENT** pro tempore. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. CRANSTON (for himself, Mr. HARTKE, and Mr. RANDOLPH):

S. 2908. A bill to amend title 38, United States Code, to improve the quality of hospital care, medical services, and nursing home care in Veterans' Administration health care facilities; to require the availability of comprehensive treatment and rehabilitative services and programs of certain disabled veterans suffering from alcoholism, drug dependence, or alcohol or drug abuse disabilities; to make certain technical and conforming amendments; and for other purposes. Referred to the Committee on Veterans' Affairs.

By Mr. FANNIN:

S. 2909. A bill to amend the Internal Revenue Code of 1954 to provide incentives for additional capital formation in the United States. Referred to the Committee on Finance.

By Mr. SCHWEIKER (for himself, Mr. MCGEE, and Mr. WILLIAMS):

S. 2910. A bill to establish the National Diabetes Advisory Board and to ensure the implementation of the Long-Range Plan to Combat Diabetes. Referred to the Committee on Labor and Public Welfare.

By Mr. SCHWEIKER (for himself, Mr. BEALL, Mr. CRANSTON, Mr. HASKELL, Mr. MATHIAS, Mr. MONDALE, and Mr. STAFFORD):

S. 2911. A bill to amend the Federal Election Campaign Act to provide that members of the Federal Election Commission shall be appointed by the President, by and with the advice and consent of the Senate, and for other purposes. Referred to the Committee on Rules and Administration.

By Mr. KENNEDY (for Mr. CLARK) (for himself, Mr. KENNEDY, Mr. EAGLETON, Mr. HUGH SCOTT, Mr. MATHIAS, and Mr. PHILIP A. HART):

S. 2912. A bill to abolish the office of member of the Federal Election Commission, to establish the office of member of the Federal Election Commission appointed by the President by and with the advice and consent of the Senate, to provide public financing of primary elections and general elections to the Senate, and for other purposes. Referred to the Committee on Rules and Administration.

By Mr. RIBICOFF (for himself and Mr. PERCY):

S. 2913. A bill to establish the National Center for Women, and for other purposes. Referred to the Committee on Government Operations.

By Mr. PELL:

S. 2914. A bill for the relief of Ana Serra Pinheira de Oliveira. Referred to the Committee on the Judiciary.

By Mr. TOWER:

S. 2915. A bill to amend the Rail Passenger Service Act in order to provide reduced rates for certain services for the handicapped. Referred to the Committee on Commerce.

By Mr. TAFT (for himself and Mr. RIBICOFF):

S.J. Res. 161. A joint resolution regarding the conduct of recent negotiations concerning the International Monetary Fund (IMF) and the position of the United States with respect to future sales of IMF gold and a proposed trust fund. Referred by unanimous consent to the Committee on Foreign Relations; and, if and when reported by that committee, to the Committee on Banking, Housing and Urban Affairs.

By Mr. DOMENICI (for himself and Mr. CRANSTON):

S.J. Res. 162. A joint resolution to authorize and request the President to issue a proclamation designating the period of February 15, 1976, through February 21, 1976, as "National League of United Latin American Citizens Week." Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CRANSTON (for himself, Mr. HARTKE, and Mr. RANDOLPH):

S. 2908. A bill to amend title 38, United States Code, to improve the quality of hospital care, medical services, and nursing home care in Veterans' Administration health care facilities; to require the availability of comprehensive treatment and rehabilitative services and programs for certain disabled veterans suffering from alcoholism, drug dependence, or alcohol or drug abuse disabilities; to make certain technical and conforming amendments; and for other purposes. Referred to the Committee on Veterans' Affairs.

VETERANS OMNIBUS HEALTH CARE ACT OF 1976

Mr. CRANSTON. Mr. President, I introduce, for appropriate reference, the proposed Veterans Omnibus Health Care Act of 1976, a bill to improve the quality of hospital care, medical services, and nursing home care in Veterans' Administration health care facilities; to require the availability of comprehensive treatment and rehabilitative services and programs for certain disabled veterans suffering from alcoholism, drug dependence, or alcohol or drug abuse disabilities; to make certain technical and conforming amendments in title 38, United States Code; and for other purposes

This is the principal legislation which will be considered in the 94th Congress by the Health and Hospitals Subcommittee which I am privileged to chair on the Veterans' Affairs Committee.

Joining with me as cosponsors of the omnibus bill are my good friend and colleague from Indiana, the chairman of the Committee (Mr HARTKE), and the distinguished ranking majority member of the subcommittee (Mr. RANDOLPH).

The legislation we introduce today is the product of more than a year of preparation. It represents our first coordinated effort to tackle a major pressing issue: how to provide first-class hospital and health care within the limits of a tight Federal spending ceiling, at a time when the number of potential VA hospital and medical system patients is increasing and inflation is rapidly depleting the purchasing power of the Federal dollar During the past decade, the Veterans' Administration health care budget has more than tripled. The President's budget proposes spending almost $4.7 billion in fiscal year 1977 for the VA medical and hospital program.

I believe that we have reached a critical moment of decision as we approach the new fiscal year 1977. In the context of the new Congressional Budget Act of 1974, it must be asked: Is it reasonable for the VA's health care budget to continue to expand at the rapid rate achieved over the last 5 years? Can the Department of Medicine and Surgery continue to provide more and more care and services for more and more veterans and still be able to make the treatment of veterans' service-connected disabilities its primary focus?

Or has the time come to take a hard look at the present priorities within this enormous health care system and to attempt to establish new priorities for the allocation of the VA's present health care capacity so as to redirect care and expenditures to that system's primary beneficiaries—veterans with service-connected disabilities?

The proposed Veterans Omnibus Health Care Act of 1976 represents, in part, our answer to these questions. It attempts to shape a new direction for the Department of Medicine and Surgery, one that will emphasize better and more comprehensive treatment primarily within the limits of existing resources, existing programs, and existing facilities.

In addition, the omnibus legislation is designed to resolve some of the long-standing legal and medical problems confronting the Department of Medicine and Surgery. Several issues dealt with by measures which have been passed by the other body are dealt with in the omnibus bill—CHAMPVA benefits for survivors (H.R. 1547), extension of the exchange of medical information program (H.R. 3348), release of patient information to public health or safety authorities (H.R. 10268), and rates of per diem payments to State nursing homes (H.R. 10394).

Also included is a comprehensive treatment and rehabilitation program for disabled veterans suffering from alcoholism or drug dependence. Legislation establishing a similar program passed the Senate in both 1972, as S. 2108, and in 1973, as S. 284. Changes have been made in these provisions to take into account the concerns of the Veterans' Administration and the House Committee on Veterans' Affairs.

The bill has three titles: general substantive amendments, drug, and alcohol amendments, and technical and conforming amendments. Mr. President, I will summarize the highlights in each title briefly.

Title I: General Veterans Health Care and Department of Medicine and Surgery Amendments. This title includes general substantive amendments to chapters 17, 73, 81 and 82 of title 38. Included are amendments to accomplish the following objectives.

First, require periodic reexaminations of VA beneficiary travel reimbursement rates in light of rates for Federal employees under title 5, and redirect payments for such travel toward veterans with service-connected disabilities and those who are seriously disabled.

Second, authorize mental health services, consultation and professional counselling for treatment of the family of a veteran, on an outpatient basis, when necessary to the treatment of the veteran.

Third, establish a new program to provide readjustment professional counselling for veterans—and, where necessary, family counselling—to assist with their readjustment problems arising within 4 years of discharge, or 2 years after enactment, whichever is later.

Fourth, provide total VA health care benefits, in the nature of a health maintenance organization, for any veteran with a service-connected disability rated at 50 percent or more—lowered from 80 percent under present law and expanded to include preventive health care.

Fifth, establish a system of priorities for outpatient care stressing treatment to veterans for service-connected disabilities, to those with 50 percent or more service-connected disabilities, to those with any service-connected disability, and to veterans with major non-service-connected disabilities.

Sixth, establish—effective January 1, 1977—a major new program in preventive health care, with a mandatory program for veterans being treated for service-connected disabilities and those with 50 percent or more service-connected disabilities, and a discretionary pilot research program for other veterans, with discretion being vested in the Chief Medical Director to phase in various components of a preventive health care program.

Seventh, provide clear statutory authorization for D.M. & S.'s work therapy program by allowing for arrangements with private industry and with nonprofit corporations to supply work projects for patient workers—with remuneration in accordance with the Fair Labor Standards Act—and by establishing a revolving fund to receive and disburse funds in connection with such work.

Eighth, allow for the transfer of veterans who have received maximum hospital benefits to intermediate care facilities—at lower reimbursement rates—at VA expense, in addition to skilled nursing care facilities, as presently authorized.

Ninth, increase—effective January 1, 1976—the per diem rates the VA pays for care to veterans receiving hospital, domiciliary, and nursing home care in State homes—by 10, 22, and 33 percent, respectively; encourage the construction of State domiciliary facilities in those States which are not now served by VA hospitals or domiciliary facilities—Alaska and Hawaii—and increase per diem reimbursements to such State homes; establish minimum standards of care for VA-assisted State homes; and provide for an increase of from 12.5 to 25 percent in the per diem rates the VA pays for care to veterans in community nursing homes.

Tenth, provide standards for insuring the informed consent of all patients and research subjects, guaranteeing the confidentiality of certain patient medical records, and preventing discrimination against alcohol and drug abusers in admission to VA health care facilities.

Eleventh, make changes in the financing and bookkeeping requirements of the Veterans Canteen Service.

Twelfth, authorize the release to Federal, State, and local public health or law enforcement agencies of the name and address of patients in VA health care facilities, under certain carefully circumscribed conditions and according to specified procedures.

Thirteenth, shorten the probationary period for title 38 employees—physicians, dentists, nurses, physician assistants, and expanded-duty dental auxiliaries—from 3 to 2 years, and establish statutory due process protections to govern adverse or disciplinary actions with respect to all title 38 employees.

Fourteenth, require the Chief Medical Director to study and prepare a report on long-range changes that should be made in the VA health care program to accommodate the growing number of aged veterans in the U.S. population.

Fifteenth, provide for mechanisms to achieve exchange of information, and coordination of communication with certain other Federal and community health care, quality assessment, and planning programs.

Title II: Veterans Drug and Alcohol Treatment and Rehabilitation Amendments. Mr. President, title II contains provisions based on those in S. 284, as passed by the Senate in 1973. The provisions require the VA to establish special medical programs, on both the inpatient and outpatient basis, to treat patients suffering from alcoholism or drug dependence. The drug abuse program stresses alternative treatment modalities, use of peer-group counselors outreach activities, rehabilitation services, employment assistance, close coordination with armed services, and followup to demonstrate program effectiveness.

Title III: Medical Technical and Conforming Amendments. Mr. President, included in title III are amendments of a technical, perfecting, or conforming nature, including amendments to do the following.

First, clarify the language authorizing biomedical, prosthetic, and health care services research.

Second, eliminate those remaining distinctions between peacetime and wartime military service, for purposes of eligibility for certain minor health care benefits—to conform to decisions made with respect to eligibility for hospital care, outpatient care and nursing home care in the Veterans Health Care Expansion Act of 1973, Public Law 93–82.

Third, change all references to "physician's assistants" or "physicians' assistants" in title 38 to "physician assistants"; and change all references to "dentists' assistants" to "expanded-duty dental auxiliaries."

Fourth, change all references to "pay", "compensation," or "wages" to a standardized reference to "rate of basic pay."

Fifth, eliminate all pronouns and nouns which are discriminatory on the basis of gender—for example, change all references to "his" to "such person's", and so forth.

Mr. President, I plan to make a detailed statement on the omnibus bill and submit a section-by-section analysis of its provisions later this week.

Mr. President, the Subcommittee on Health and Hospitals will hold hearings on the omnibus bill and related veterans health care legislation on Wednesday, February 18, and Thursday, February 19, at 9:30 in the morning on both days. After we have had an opportunity to hear from the Administration, veterans organizations, health care personnel, and other individuals and organizations wishing to comment on this legislation, I would hope to bring the bill through committee and to the floor very rapidly to comply with our responsibilities under the Congressional Budget Act of 1974.

Mr. President, I ask unanimous consent that the text of the proposed Veterans Omnibus Health Care Act of 1976 be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2908

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Veterans Omnibus Health Care Act of 1976".

TITLE I—GENERAL VETERANS HEALTH CARE AND DEPARTMENT OF MEDICINE AND SURGERY AMENDMENTS

SEC. 101. Section 111 of title 38, United States Code, is amended by inserting at the end thereof the following new subsection:

"(e)(1) In carrying out the purposes of this section, the Administrator, in consultation with the Administrator of General Services, the Secretary of Transportation, the Comptroller General of the United States, and representatives of organizations of veterans, shall conduct periodic investigations of the actual cost of travel (including lodging and subsistence) to beneficiaries while traveling to or from a Veterans' Administration facility or other place pursuant to the provisions of this section, and the estimated cost of alternative modes of travel, including public transportation and the operation of privately owned vehicles. The Administrator shall conduct such investigations not less often than annually and immediately following any alteration in the rates described in clause (C) of this paragraph, and, in any event, immediately following the enactment of this subsection, and, based thereon, shall determine rates of allowances or reimbursement to be paid under this section; but in no event shall such rates provide for reimbursement of privately owned vehicles travel costs unless public transportation is not reasonably accessible or would be medically inadvisable except with respect to a veteran receiving medical services under subsection (a) or (f)(2) of section 612 of this title, nor shall reimbursement exceed the actual expense incurred by the veteran as certified by the veteran. In conducting these investigations and determining such rates, the Administrator shall review and analyze among other factors—

"(A)(i) depreciation of original vehicle costs;

"(ii) gasoline and oil costs;

"(iii) maintenance, accessories, parts, and tires;

"(iv) insurance; and

"(v) State and Federal taxes;

"(B) the availability of and time required for public transportation; and

"(C) the per diem rates, mileage allowances, and expenses of travel authorized under sections 5702 and 5704 of title 5 for employees of the United States traveling on official business.

"(2) Before determining rates of allowances or reimbursement provided for in this section, and not later than sixty days after any alteration in the rates described in clause (C) of paragraph (1) of this subsection, and, in any event, not later than sixty days after the enactment of this subsection, the Administrator shall—

"(A) submit to the Committee on Veterans' Affairs of the House of Representatives and the Senate a report containing the rates the Administrator proposes to establish or continue with a full justification therefor in terms of each of the factors set forth in paragraph (1) of this subsection; and

"(B) proceed with a notice of proposed rulemaking in accordance with the procedures set forth in section 553 of title 5, without regard to the exceptions set forth in subsection (d) of such section, including publication in the Federal Register of the proposed rates and the full justification therefor under clause (A) of this paragraph. The justification provided under this paragraph shall specify the extent to which and the full reasons why the proposed rates would differ from the rates in effect under sections 5702 and 5704 of title 5 for employees of the United States traveling on official business.".

SEC. 102. Section 601 of title 38, United States Code, is amended by—

(1) redesignating paragraphs (2) through (7) as paragraphs (3) through (8), respectively, and inserting after paragraph (1) the following new paragraph (2):

"(2) The term 'veteran,' with respect to furnishing hospital care and medical services under this chapter for a service-connected disability, includes (except as otherwise provided in section 3103 of this title) a person who served in the active military, naval, or air service and who was discharged or released therefrom with other than a dishonorable discharge.";

(2) amending paragraph (6) (as redesignated by clause (1) of this section) by—

(A) inserting "and rehabilitative services" immediately after "medical services" in subclause (i) of clause (A);

(B) striking out clause (B) and the semicolon and "and" following such clause, and redesignating clause (C) as (B); and

(C) inserting "and" after the semicolon at the end of clause (A);

(3) amending paragraph (7) (as redesignated by clause (1) of this section) to read as follows:

"(7) The term 'medical services' includes, in addition to medical examination, treatment, and rehabilitative services—

"(A) optometrists' and podiatrists' services. and appliances as authorized in sections 612(b), (c) (d), and (e) of this title, and (except under the conditions described in section 612(f)(1)(A) of this title), wheelchairs, artificial limbs, trusses, and similar appliances, special clothing made necessary by the wearing of prosthetic appliances, and such other supplies or services including the maintenance of patient drug profiles, patient drug monitoring, and drug utilization education) as the Administrator determines to be reasonable and necessary;

"(B) such home health services as the Administrator determines to be necessary or appropriate for the effective and economical treatment of a disability of a veteran (including only such improvements and structural alterations as are of a minor nature and are necessary to assure the continuation of treatment or provide access to the home or to essential lavatory and sanitary facilities); and

"(C) such mental health services, consultation, professional counseling, and training of the members of the immediate family or legal guardian of a veteran, or, in the case of a veteran who has no immediate family members or legal guardian, the person in whose household such veteran certifies an intention to live, as may be necessary or appropriate to the effective treatment and rehabilitation of the veteran (including, under the terms and conditions set forth in section 111 of this title, (i) necessary expenses of transportation if such family member or person is unable to defray such expenses, or (ii) necessary expenses of transportation and subsistence of such family member or person in the case of a veteran who is receiving care for a service-connected disability or in the case of a dependent or survivor of a veteran receiving care under the last sentence of section 613(b) of this title).
For the purposes of this paragraph, a dependent or survivor of a veteran receiving care under the last sentence of section 613(b) of this title shall be eligible for the same medical services as a veteran.";

(4) amending paragraph (8) (as redesignated by clause (1) of this section) to read as follows:

"(8) The term 'domiciliary care' includes necessary medical services and rehabilitative services, and, in the case of veterans who are unable to defray the expense of transportation, transportation and incidental expenses."; and

(5) inserting at the end of such section the following new paragraph (9):

"(9) The term 'rehabilitative services' means those professional services (including appropriate vocational guidance) or treatment programs (other than those types of vocational rehabilitation services provided under chapter 31 of this title) necessary to restore the physical, mental, and psychological functioning of an ill or disabled person.".

SEC. 103. Section 602 of title 38, United States Code, is amended by striking out "an active" and inserting in lieu thereof "a".

SEC. 104. (a) Subchapter I of chapter 17 of title 38, United States Code, is amended by inserting after section 602 the following new section:

"§ 603. Presumption relating to internment as prisoner of war

"For the purposes of this chapter, the disability of a veteran who was for more than six months a prisoner of war, as specified in section 312(c) of this title, which disability, on the basis of sound medical judgment, could be attributable to or aggravated by such internment, shall be deemed to have been incurred in the active military, naval, or air service, unless the Administrator finds such claim without merit based on clear and convincing evidence.".

(b) The table of sections at the beginning of chapter 17 of title 38, United States Code, is amended by inserting

"603. Presumption relating to internment as prisoner of war."

below

"602. Presumption relating to psychosis.".

SEC. 105. (a) Section 612 of title 38, United States Code, is amended by—

(1) inserting after the first sentence of subsection (a) the following new sentence: "The Administrator may also furnish to such veterans such home health services as the Administrator finds to be necessary or appropriate for the effective and economical treatment of such disability (including only such improvements and structural alterations as are necessary to assure the continuation of treatment for such disability or to provide access to the home or to essential lavatory and sanitary facilities).";

(2) inserting in clause (4) of subsection (b) ""(A)" after disability and inserting a comma and "or (B) for which such veteran is receiving treatment (not including routine dental care)" before the semicolon;

(3) striking out "or" at the end of such clause (4); and redesignating clause (5) as clause (6) and inserting the following new clause after clause (4) in subsection (b);

"(5) which is a non-service-connected condition or disability of a veteran for which (A) treatment was begun while such veteran was receiving hospital care under this chapter and such services and treatment are reasonably necessary to complete such treatment; or (B) emergency care is necessary but only to the extent required to relieve pain or control infection, or both, and not to include major restoration, prostheses, or therapy; or";

(4) inserting after "Administrator" in subsection (f) a comma and "within the limits of Veterans' Administration facilities,";

(5 inserting in clause (1)(A) of subsection tiod (f) "(to the extent that facilities are available)" after "or" the first place it appears;

(6) inserting before the semicolon at the end of clause (1)(B) of subsection (f) "(for a period not in excess of 12 months after discharge from in-hospital treatment, except where the Administrator finds (i) that a longer period is required by virtue of the disability being treated, and (ii) with respect to private facilities for which the Administrator contracts, that alternative Federal reimbursement is not reasonably available to defray substantially the costs of such treatment)";

(7) striking out "80" and inserting in lieu thereof "50" in clause (2) of subsection (f); and

(8) inserting at the end thereof the following new subsection:

"(i) Not later than ninety days after the date of enactment of this subsection, the Administrator shall prescribe regulations to ensure that the highest priority in furnishing medical services under this section shall be accorded as follows, except in the case of medical emergencies which pose a serious threat to life or health:

"(1) To any veteran of a service-connected disability;

"(2) To any veteran described in clause (2) of subsection (f) of this section;

"(3) To any veteran with a disability rated as service-connected; and

"(4) To any veteran being furnished medical services under subsection (g) of this section.".

(b) Not later than one year after the date of enactment of this section, and annually thereafter, the Administrator shall report to the Congress on the results of the regulations adopted to carry out the amendment made by subsection (a)(8) of this section.

SEC. 106. (a) Subchapter II of chapter 17 of title 38, United States Code, is amended by inserting after section 612 the following new section:

"§ 612A. Eligibility for readjustment professional counseling

"The Administrator is authorized to furnish readjustment professional counseling and to make a general physical, mental, and psychological assessment in connection therewith (including the provision of appropriate counseling, mental health services (as specified in section 601(7)(C) of this title) and referral services with respect thereto) for any veteran who served after August 4, 1964, and who requests assistance with readjustment problems within a period not to exceed four years after the date of such veteran's discharge or release from service, or two years after the enactment of this section, whichever is later. Any hospital care and other medical services deemed necessary as a result of such assessment shall be furnished in accordance with the eligibility criteria otherwise set forth in chapter 17 of this title (including section 611(b) thereof), and where a particular veteran is not eligible for necessary care or services, the Administrator shall provide referral services to assure, to the maximum extent practicable, that such care or services are provided from sources outside the Veteran's Administration. The Chief Medical Director shall provide for such training of profession paraprofessional, and lay personel as is necessary to carry out this section effectively, and shall make maximum utilization of the services of paraprofessionals, voluntary (without compensation) workers and veteran students (under section 1685 of this title) in initial intake and screening activities. The Administrator, in cooperation with the Secretary of Defense, shall take appropriate action, as provided in section 241 of this title, to ensure that all veterans eligible for assistance under this section are advised of their eligibility for such assistance and are encouraged to take full advantage thereof.".

(b) The table of sections at the beginning of such chapter is amended by inserting

"612A. Eligibility for readjustment professional counseling."

below

"612. Eligibility for medical treatment.".

SEC. 107. Subsection (a) of section 613 of title 38, United States Code, is amended by amending clause (2) to read as follows:

"(2) the widow or child of a veteran who (A) died as a result of a service-connected disability or (B) at the time of death had a total disabililty permanent in nature resulting from a service-connected disability,".

SEC. 108. (a) Section 618 of title 38, United States Code, is amended by—

(1) striking out "The" where it first appears and inserting in lieu thereof "(a) In providing rehabilitative services under this chapter, the";

(2) striking out "hospitals and domiciliaries" and inserting in lieu thereof "health care facilities"; and

(3) inserting the following new subsections:

"(b)(1) In providing rehabilitative services under this chapter, the Administrator, upon the recommendation of the Chief Medical Director, may enter into arrangements with private industry or other sources outside the Veterans' Administration to provide the therapeutic work for remuneration for patients and members in Veterans' Administration health care facilities.

"(2) Notwithstanding any other provision of law, the Administrator may also provide rehabilitative services under this subsection through arrangements with nonprofit entities to provide or provide for such therapeutic work for such patients. The Administrator shall establish appropriate fiscal, accounting, management, recordkeeping, and reporting requirements with respect to the activities of any such nonprofit entity in connection with such arrangements.

"(c)(1) There is hereby established in the Treasury of the United States a revolving fund known as the Veterans' Administration Special Therapeutic and Rehabilitation Activities Fund (hereinafter called the 'fund') for the purpose of carrying out the provisions of subsection (b) of this section. Such amounts of the fund as the Administrator may determine to be necessary to establish and maintain operating accounts for the various rehabilitative services activities may be deposited in checking accounts in other depositaries selected or established by the Administrator.

"(2) All funds received by the Veterans' Administration under arrangements made under subsection (b) of this section, or by nonprofit entities described in paragraph (2) of such subsection, shall be deposited in the fund, and the Administrator shall pay out of the fund moneys to participants at such productivity rates (not less than the wage rates specified in the Fair Labor Standards Act (29 U.S.C. 201 et seq.) and regulations prescribed thereunder for work of similar character) as the Administrator shall prescribe in regulations in accordance with applicable law and regulations.

"(3) Any funds in the National Service Life Insurance Fund continued under section 720 of this title (hereinafter in this subsection referred to as the 'NSLI Fund') shall be available to the Administrator and shall be set aside by the Administrator as may be necessary to maintain the fund established by this section at an adequate level to carry out the purposes of subsection (b) of this section. Any such funds set aside shall be considered as investments of the NSLI Fund and while so set aside shall bear interest at a rate not less than the rate paid by the Secretary on other Treasury notes and obligations held by the NSLI Fund at the time such funds are set aside.

"(4) The Chief Medical Director shall prepare, for inclusion in the annual report submitted to Congress under section 214 of this title, a description of the scope and achievements of activities carried out under this section (including pertinent data regarding productivity and wage rates) during the prior twelve months, and an estimate of the needs of the program of therapeutic and rehabilitation activities to be carried out under this section for the ensuing fiscal year. Any balance in the fund at the end of the fiscal year in excess of the estimated requirements for the ensuing fiscal years shall be covered into the Treasury to pay the accrued interest and repay the principal on any NSLI Fund obligations set aside to the fund, and, in the event all such obligations have been met, shall be credited to the Veterans' Administration medical care appropriation.

"(d) In providing rehabilitative services under this chapter, the Administrator shall take appropriate action to make it possible for the patient to take maximum advantage of any benefits to which such patient is entitled under chapter 31, 34, or 35 of this title, and, if the patient is still receiving treatment of a prolonged nature under this chapter, the provision of rehabilitative services under this chapter shall be continued during, and coordinated with, the pursuit of education and training under such chapter 31, 34, or 35.

"(e) The Administrator shall prescribe regulations to ensure that the priorities set forth in section 612(i) of this title shall be applied, insofar as practicable, to participation in therapeutic and rehabilitation activities carried out under this section".

(b)(1) The Administrator is authorized to settle claims made by the Veterans' Administration against any private nonprofit corporation organized under the laws of any State, for the use of Veterans' Administration facilities and personnel in work projects as a part of a therapeutic or rehabilitation program for patients and members in Veterans' Administration health care facilities, and to execute a binding release of all claims by the United States against any such corporation, in such amounts, and upon such terms and conditions as he deems appropriate.

(2) For the purposes of this section, notwithstanding section 484 of title 31, or any other law, the Administrator may utilize any funds received under any settlement made pursuant to subsection (a) for any purpose agreed upon by the Administrator and such corporation.

SEC. 109. (a) Section 620 of title 38, United States Code, is amended by—

(1) inserting in subsection (a) "and except as provided in subsection (e)" after "subsection (b)";

(2) striking out "40 per centum" and inserting in lieu thereof "45 per centum" in clause (ii) of subsection (a);

(3) inserting before the period at the end of clause (ii) of subsection (a) a comma and "or not to exceed 50 per centum of such cost in geographical areas as determined necessary by the Administrator, upon recommendation of the Chief Medical Director, to provide adequate care"; and

(4) inserting at the end thereof the following new subsection:

"(e) For the purposes of this section, the term 'nursing home care' includes intermediate care, as determined by the Administrator in accordance with regulations which the Administrator shall prescribe. The cost of intermediate care for purposes of payment by the United States pursuant to subsection (a)(ii) of this section shall be determined by the Administrator except that the rate of reimbursement shall be commensurately less than that provided for nursing home care (as defined in section 101(28) of this title).".

SEC. 110. (a) Subsection (b) of section 624 of title 38, United States Code, is amended to read as follows:

"(b) The Administrator may furnish necessary hospital care and medical services to any veteran for any service-connected disability if the veteran (1) is a citizen of the United States sojourning or residing abroad, or (2) is in the Republic of the Philippines, Canada, or Mexico.".

(b) Subchapter V of chapter 17 of title 38, United States Code, is amended as follows:

(1) Section 641 is amended to read as follows:

"§ 641. Criteria for payment

"(a) Subject to the limitation in subsection (b) of this section, the Administrator shall pay each State at the per diem rate of

"(1) $5.50 for domiciliary care,

"(2) $8 for nursing home care, and

"(3) $11 for hospital care,

for each veteran receiving such care in (a) State home, if such veteran is eligible for such care in a Veterans' Administration health care facility under this title.

"(b) No payment shall be made with respect to any veteran under this section in excess of one-half of the cost of the veteran's care in such State home. For the purposes of this section and consistent with the limitation in the preceding sentence, the Administrator shall apply the definition of nursing home care set forth in section 5031(5) with respect to determining the rate of per diem payable for any veteran receiving care in a State home in any State described in such section.".

(2) Section 642 is amended by inserting at the end of subsection (a) the following new sentence: "No payment or grant may be made to any home under this subchapter unless such home is determined by the Administrator to meet such standards as he shall prescribe, which standards with respect to nursing home care shall be no less stringent than those prescribed pursuant to section 620(b) of this title.".

(3) The changes made by paragraph (1) of this subsection in the maximum per diem rates of payment to State homes under section 641(a) of title 38, United States Code, shall be effective as of January 1, 1976.

(c) Subchapter III of chapter 81 of title 38, United States Code, is amended as follows:

(1) Section 5031 is amended by—

(A) redesignating paragraphs (a), (b), (c), and (d) as (1), (2), (3), and (4), respectively, and inserting after "buildings" where it first appears in paragraph (3) (as so redesignated) "(including buildings not presently used for providing nursing home care)"; and

(B) inserting at the end thereof the following new paragraph:

"(5) The term 'nursing home care' shall be deemed to include domiciliary care provided in any State in which no Veterans' Administration hospital or domiciliary facility is located.".

(2) Section 5034 of title 38, United States Code, is amended by—

(A) striking out "subchapter" the first place it appears and inserting in lieu thereof "section or any amendment to it with respect to such amendment"; and

(B) inserting at the end thereof the following:

"(3) General standards for the furnishing of nursing home care in facilities which are constructed with assistance received under this subchapter, which standards shall be no less stringent than those standards prescribed by the Administrator pursuant to section 620(b) of this title, except that facilities constructed with assistance received under this subchapter pursuant to the definition in section 5031(5) of this title shall meet such standards as the Administrator shall prescribe. The Administrator may inspect any State facility constructed with assistance received under this subchapter at such times as the Administrator deems necessary.". (3) Section 5035 is amended by—

(A) inserting at the end of clause (4) of subsection (a) "except as provided in subsection (c) of this section,"; and

(B) inserting before the period at the end of subsection (c) a comma and "and the Administrator shall waive requirements set forth in subsection (a)(4) of this section in the case of an application from any State described in section 5031(5) of this title to the extent that such State provides reasonable assurance that the portion of the facility constructed with assistance received under this subchapter will be used principally for veterans and that not more than such proportion as the Administrator shall deem reasonable (not more than 50 per centum) of the bed occupancy at any one time will consist of patients who are not receiving care as veterans.".

SEC. 111. (a) Chaper 17 of title 38, United States Code, is amended by inserting at the end thereof the following new subchapter:

"Subchapter VII—Preventive Health Care Program

"§ 660. Purpose

"The purpose of this subchapter is to provide for a preventive health care program under which the Administrator (1) shall ensure the best possible health care for veterans with service-connected disabilities by furnishing them preventive health care services, and (2) may, in connection therewith, carry out a pilot program (including research) on a geographical or other basis to determine the cost-effectiveness and medical advantages of furnishing preventive health care services to veterans and persons eligible for hospital care and medical care and services under this title.

"§ 661. Definition

"For the purposes of this subchapter, the term 'preventive health care services' may include, but is not limited to, periodic medical and dental examinations; patient education and awareness heightening techniques; maintenance of drug use profiles, patient drug monitoring, and drug utilization education; mental health preventive services (including family counseling); substance (including tobacco) abuse prevention measures; immunizations against infectious disease; prevention of musculoskeletal deformity or other gradually developing disabilities of a metabolic or degenerative nature; genetic counseling concerning inheritance of genetically determined diseases; routine vision testing and eye care services; and nutrition education and counseling services. Such term may also include periodic re-examination of likely target populations (high-risk groups) for selected diseases and for functional decline of sensory organs, together with attendant appropriate remedial intervention, and such other medical services as may be necessary for providing effective and economical preventive health care.

"§ 662. Preventive health care services; pilot program

"(a) The Administrator, under regulations which the Administrator shall prescribe, shall furnish, on an inpatient or ambulatory basis, such preventive health care services as are feasible and appropriate to any veteran in connection with the treatment of a service-connected disability and to any veteran described in section 612(f)(2) of this title.

"(b) In connection with preventive health care services furnished under subsection (a) of this section, the Administrator, under regulations which the Administrator shall prescribe, may carry out a pilot program (including research) to demonstrate the cost-effectiveness and medical advantages of furnishing, on an inpatient, outpatient, or ambulatory basis, preventive health care services to persons eligible for hospital care and for medical care or services under this title.

"(c) In carrying out the preventive health care program provided for in this subchapter, the Administrator shall utilize interdisciplinary health care teams composed, to the maximum extent feasible, of various professional and paraprofessional personnel, especially public nurses, psychologists, optometrists, technicians, physician assistants, and expanded-duty dental auxiliaries.

"§ 663. Reports

"The Administrator shall include in the annual report to the Congress required by section 214 of this title a comprehensive report on the administration of this subchapter, including such recommendations for additional legislation as the Administrator deems necessary.

"§ 664. Limitation

"The Administrator may not use the authority provided in subsection (b) of section 662 of this title to furnish preventive health care services after the last day of the tenth fiscal year following the fiscal year in which the subchapter is enacted.".

(b) The table of sections at the beginning of such chapter 17 is amended by inserting at the end thereof the following:

"SUBCHAPTER VII—PREVENTIVE HEALTH CARE PROGRAM

"660. Purpose.
"661. Definition.
"662. Preventive health care services; pilot program.
"663. Reports.
"664. Limitation.".

(c) The amendments made by subsection (a) of this section shall be effective with respect to services furnished on and after January 1, 1977.

SEC. 112. Subsection (e) of section 1903 of title 38, United States Code, is amended by—

(1) striking out "or member of the Armed Forces" where it appears and inserting that language after "title" in paragraph (1); and

(2) inserting at the end thereof the following new paragraph:

"(3) Notwithstanding any other provision of law, the Administrator may obtain, by purchase, lease, gift, or otherwise, any automobile, motor vehicle, or other conveyance deemed necessary to carry out the purposes of this subsection, and may sell, assign, transfer, or convey vehicles to which the Veterans' Administration obtains title for such price and upon such terms as is deemed appropriate, with any proceeds to the Government received therefrom credited to the applicable Veterans' Administration appropriation.".

SEC. 113. (a) Section 3301 of title 38, United States Code, is amended by—

(1) inserting "(a)" before "All";

(2) striking out "follows:" and inserting in lieu thereof "provided in this section.", and inserting thereafter the following new subsection:

"(b) The Administrator shall make disclosure of such files, records, reports, and other papers and documents as are described in subsection (a) of this section as follows:";

(3) redesignating paragraphs (6), (7), (8), and (9) as subsections (c), (d), (e), and (f);

(4) inserting after "Administrator" in subsection (e) (as redesignated by clause (3) of this subsection) a comma and "except as otherwise specifically provided in this section with respect to certain information,"; and

(5) striking out subsection (f) (as redesignated by clause (3) of this subsection) and inserting in lieu thereof the following new subsections:

"(f) The Administrator may, pursuant to regulations the Administrator shall prescribe, release the names and addresses of present or former personnel of the Armed Forces, and/or their dependents, (1) to any nonprofit organization if the release is directly connected with the conduct of programs and the utilization of benefits under this title, or (2) to any criminal or civil law enforcement governmental agency or instrumentality charged under applicable law with the protection of the public health or safety if a qualified representative of such agency has made a written request that such names and addresses be provided for an activity authorized by law. Any organization or member thereof or other person who, knowing that the use of names and addresses released by the Administrator pursuant to the preceding sentence is limited to the purposes specified in such sentence, willfully uses such names and addresses for purposes other than those so specified, shall be guilty of a misdemeanor and be fined not more than $5,000 in the case of a first offense and not more than $20,000 in the case of any subsequent offense.

"(g) Any disclosure made pursuant to this section shall be made in accordance with the provisions respecting routine uses in section 552a of title 5.".

(b) The amendments made by subsection (a) of this section with respect to subsection (f) (as redesignated by subsection (a) of this section) of section 3301 of title 38, United States Code (except for the increase in criminal penalties for a violation of the second sentence of such subsection, (f)), shall be effective with respect to names and addresses released on and after October 24, 1972.

SEC. 114. (a) Subchapter I of chapter 73 of title 38, United States Code, is amended as follows:

(1) Subsection (b) of section 4106 is amended to read as follows:

"(b)(1) Such appointments as described in subsection (a) of this section shall be for a probationary period of two years, and the record of each person serving under such appointment in the Medical, Dental, and Nursing Services shall be reviewed periodically by a board composed of employees of comparable or higher grade, appointed under this chapter in accordance with regulations which the Administrator shall prescribe. If such board shall find the probationary employee not fully qualified and satisfactory for reasons relating to professional competence or performance, such employee may be separated from the service, or reassigned or be subject to other nondisciplinary action, consistent with continuing the employment of such employee in a capacity in which such employee can effectively function, in accordance with the procedures prescribed in paragraph (2) or (3) of this subsection.

"(2) When it is proposed to take such action as described in paragraph (1) of this subsection with respect to a probationary employee, such employee shall be entitled to (A) a statement in writing of the reasons therefor and of any proposed finding with respect to professional competence or performance; (B) an opportunity to reply orally or in writing, or both; and (C) assistance (not at Government expense) by a person of the employee's choice with regard to such reply.

"(3) When a board recommends that action be taken as described in paragraph (1) of this subsection, such action shall be taken in accordance with the procedures prescribed in section 4110(e) of this title.

"(4) When it is proposed to take disciplinary action against a probationary employee on grounds which constitute misconduct, such action shall be taken in accordance with the procedures prescribed in section 4110 of this title.".

(2) Section 4110 is amended to read as follows:

"§ 4110. Disciplinary boards

"(a) When it is proposed to take disciplinary action on grounds of inaptitude, inefficiency, misconduct, or for other such cause as will promote the efficiency of the service, against any person appointed under section 4104 of this title who has completed the probationary period as provided for in section 4106(b) of this title, or when it is proposed to take disciplinary action on grounds which constitute misconduct against a probationary employee appointed under section 4104(1) of this title or against a resident or intern appointed under section 4114(b) of this title, the Chief Medical Director shall cause to be appointed a disciplinary board which shall operate in accordance with regulations the Administrator shall prescribe.

"(b) Each such board shall consist of not less than three nor more than five employees of comparable or higher grade, appointed under this chapter, but a majority of such board shall be of the same profession as the employee charged. The members of the board shall be selected by the Chief Medical Director.

"(c) The Chief Medical Director shall appoint the chairman of the board who shall be a member of the same profession as the employee charged. A member of the board shall be elected as secretary by a majority of the board. The chairman and secretary shall have authority to administer oaths to persons testifying before the board. The Chief Medical Director may designate or appoint one or more investigators to assist the board in the collection of evidence, and counsel may be appointed to represent the Veterans' Administration.

"(d) Any employee answering to charges before a disciplinary board shall be entitled to (1) specification of charges, (2) a full hearing with opportunity to produce supportive witnesses and contront and cross-examine available witnesses, and (3) representation (not at Government expense) by a person of the employee's choice throughout the procedure prescribed in this section.

"(e) If a disciplinary board determines that any charge is sustained, it shall recommend to the Chief Medical Director such disciplinary action as it deems appropriate, which shall include, but is not limited to, reprimand, suspension without pay, reassignment, reduction in grade, and separation. The Chief Medical Director shall either (1) approve the findings and recommendations of the board, (2) approve such findings and recommendations with modification of the recommendation or exception to the findings, or (3) disapprove such findings and recommendations, and take appropriate action. In the event the Chief Medical Director takes exception to any finding of fact of the board, the Chief Medical Director may refer the matter to the board for reconsideration. If the Chief Medical Director refers the matter to the board for reconsideration and after such reconsideration the Chief Medical Director continues to take exception to any such finding of fact, the Chief Medical Director may make his own independent review of the record before making a final decision on the matter under consideration. The decision of the Chief Medical Director shall be the final agency decision.

"(f) The Chief Medical Director may, as disciplinary action under subsection (e) of this section, order the reassignment of any employee charged under this section. The Chief Medical Director may also reassign an employee for the good of the service and such reassignment shall not, in itself, entitle such reassigned employee to a hearing under this section. When a reassignment is so directed for the good of the service by the Chief Medical Director and results in a reduction in grade, salary, or relative standing in the Department of Medicine and Surgery of the transferred employee who has completed the probationary period as prescribed by section 4106(b) of this title, such employee shall be entitled to the procedures prescribed in this section. When an employee alleges that a transfer directed for the good of the service is disciplinary in nature, the employee shall be entitled to the procedures prescribed by the Administrator to determine employee grievances. If such allegation is sustained in such grievance procedure, the employee shall be entitled to the procedures prescribed in this section. For the purposes of this section, the term 'reassignment' means the transfer of an employee from one duty station to another or from one set of responsibilities to another, within the Department of Medicine and Surgery.".

(3) Subsection (b) of section 4114 is amended by redesignating paragraphs (2) and (3) as paragraphs (3) and (4) and by inserting the following new paragraph (2):

"(2) In order to carry out the purposes of paragraph (1) of this subsection, the Chief Medical Director shall cause to have appointed House Staff Review Committees, pursuant to regulations prescribed by the Administrator, which shall periodically review the academic and professional performance and progress of persons appointed under paragraph (1) of this subsection. When it is proposed to take action, such as reduction in grade, suspension without pay, or separation with respect to a person appointed under such paragraph for reasons relating to professional or academic competence or performance, such person shall be entitled to (A) a statement in writing of the reasons therefor and of any proposed finding with respect to professional or academic competence or performance, and (B) an opportunity to reply orally or in writing, or both, to the House Staff Review Committee. When it is proposed to separate a person appointed under paragraph (1) of this subsection from the training program on grounds which constitute misconduct, such action shall be taken in accordance with the procedures prescribed in section 4110 of this title.".

(b) The amendment made by subsection (a) of this section with respect to the period of probationary service under section 4106 of title 38, United States Code, shall become effective—

(1) as to probationary employees who, on the date of enactment of this Act, have served eighteen months or more of their probationary period, one hundred and eighty days after such enactment date;

(2) as to probationary employees who, on such enactment date, have served less than eighteen months of their probationary period, upon such date

SEC. 116. Section 4107 of title 38, United States Code, is amended by—

(1) inserting at the end of subsection (e) the following new paragraph:

"(10) The provisions of this subsection shall apply, in lieu of the provisions of sections 5542, 5543, 5545 (a), (b), and (c), and 5546 of title 5 with respect to any person employed in the Department of Medicine and Surgery, except for physicians and dentists, whose principal responsibilities, as determined by the Chief Medical Director pursuant to regulations which the Administrator shall prescribe, relate directly to patient care."; and

(2) inserting at the end thereof the following new subsection:

"(g) When the Administrator finds such action to be necessary in order to obtain or retain the services of health care personnel to provide hospital care and medical services for veterans, the Administrator, notwithstanding any other provision of law, shall increase the minimum or maximum rates of basic pay authorized under this chapter or title 5, on a nationwide, local, or other geographical basis, for one or more grades or for one or more medical, dental, or health care fields within the grades, to (1) provide rates of basic pay commensurate with competitive pay practices in the same occupation or in order to achieve internal alignment of rates of basic pay within the Department of Medicine and Surgery, or (2) meet staffing requirements at Veterans' Administration facilities. Any such increase in the minimum rate of basic pay for any grade may not exceed the maximum rate prescribed pursuant to law for such grade. Any such increase in the maximum rate of basic pay for any grade may not exceed in corresponding amount, the rate provided for in the statutory range for that grade, subject to the limitation on the rate of basic pay fixed by administrative action set forth in section 5363 of title 5.".

SEC. 117. Subsection (6)(1) of section 4114 of title 38, United States Code, is amended by inserting "(which may be established retroactively based on changes in such customary amount and terms)" after "pay".

SEC. 118. (a) Chapter 73 of title 38, United States Code, is amended by inserting at the end thereof the following new subchapter:

"Subchapter III—Protection of patient rights

"§ 4131. Informed consent

"The Administrator, upon the recommendation of the Chief Medical Director and pursuant to the provisions of section 4134 of this title, shall prescribe regulations establishing procedures to ensure that all medical and prosthetic research carried out and, to the maximum extent practicable, all patient care furnished under this title shall be carried out only with the full and informed consent of the subject/patient or a representative thereof, as appropriate.

"§ 4132. Confidentiality of certain medical records

"(a) Records of the identity, diagnosis, prognosis, or treatment of any patient which are maintained in connection with the performance of any program or activity relating to drug abuse, alcoholism or alcohol abuse, or sickle-cell anemia education, training, treatment, rehabilitation, or research, which is carried out by or for the Veterans' Administration under this title shall, except as provided in subsection (e) of this section, be confidential and be disclosed (section 3301 of this title to the contrary notwithstanding) only for the purposes and under the circumstances expressly authorized under subsection (b) of this section.

"(b)(1) The content of any record referred to in subsection (a) of this section may be disclosed by the Administrator in accordance with the prior written consent of the patient with respect to whom such record is maintained, but only to such extent, under such circumstances, and for such purposes as may be allowed in regulations prescribed by the Administrator pursuant to section 4134 of this title.

"(2) Whether or not the patient, with respect to whom any given record referred to in subsection (a) of this section is maintained, gives written consent, the content of such record may be disclosed by the Administrator as follows:

"(A) To medical personnel to the extent necessary to meet a bona fide medical emergency.

"(B) To qualified personnel for the purpose of conducting scientific research, management audits, financial audits, or program evaluation, but such personnel may not identify, directly or indirectly, any individual patient in any report of such research, audit, or evaluation, or otherwise disclose patient identities in any manner.

"(C) If authorized by an appropriate order of a United States court of competent jurisdiction granted after application showing good cause therefor. In assessing good cause the court shall weigh the public interest and the need for disclosure against the injury to the patient, to the physician-patient relationship, and to the treatment services. Upon the granting of such order, the court, in determining the extent to which any disclosure of all or any part of any record is necessary, shall impose appropriate safeguards against unauthorized disclosure.

"(3) In the event that the patient who is the subject of any record referred to in subsection (a) of this section is deceased, the content of any such record may be disclosed by the Administrator only upon the prior written request of the next of kin, executor, administrator, or other personal representative of such patient and only if the Administrator determines that such disclosure is necessary for such survivor to obtain benefits to which such survivor may be entitled, including the pursuit of legal action, but then only to the extent, under such circumstances, and for such purposes as may be allowed in regulations prescribed pursuant to section 4134 of this title.

"(c) Except as authorized by a court order granted under subsection (b)(2)(C) of this section, no record referred to in subsection (a) of this section may be used to initiate or substantiate any criminal charges against a patient or to conduct any investigation of a patient.

"(d) The prohibitions of this section continue to apply to records concerning any person who has been a patient, irrespective of whether or when such person ceases to be a patient.

"(e) The prohibitions of this section do not apply to any interchange of records—

"(1) within and among those facilities of the Veterans' Administration furnishing health care to veterans, or

"(2) between such facilities and the Armed Forces.

"(f) Any person who violates any provision of this section or any regulation issued pursuant to this section shall be fined not more than $500 in the case of a first offense, and not more than $5,000 in the case of each subsequent offense.

"§ 4133. Nondiscrimination in the admission of alcohol and drug abusers to Veterans' Administration health care facilities

"Alcohol and drug abusers who are suffering from medical disabilities shall not be discriminated against in admission or treatment, solely because of their alcohol or drug abuse or dependence, by any Veterans' Administration health care facility. The Administrator, pursuant to the provisions of section 4134 of this title, shall prescribe regulations for the enforcement of this nondiscrimination policy with respect to the admission and treatment of such alcohol and drug abusers.

"§ 4134. Coordination; reports

"(a) Regulations prescribed pursuant to section 4131 of this title, section 4132 of this title with respect to the confidentiality of alcohol and drug abuse medical records, and section 4133 of this title, shall, to the maximum extent feasible consistent with other provisions of this title, make applicable the regulations governing—

"(1) human experimentation and informed consent prescribed by the Secretary of Health, Education, and Welfare, based on the recommendations of the National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research, established by section 201 of the National Research Act, as amended (Public Law 93-348; 88 Stat. 348), and

"(2)(A) the confidentiality of drug and alcohol abuse medical records, and (B) the admission of drug and alcohol abusers to private and public hospitals, prescribed pursuant to the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970, as amended (42 U.S.C. 4551 et seq.), and the Drug Abuse Office and Treatment Act of 1972, as amended (21 U.S.C. 1101 et seq.),

to the conduct of research and to the provision of hospital care, nursing home care, domiciliary care, and medical services under this title. Such regulations may contain such definitions, and may provide for such safeguards and procedures (including procedures and criteria for the issuance and scope of court orders under section 4132(b)(2)(C) of this title) as are necessary to prevent circumvention or evasion thereof, or to facilitate compliance therewith. In prescribing and implementing regulations pursuant to this subsection, the Administrator shall, from time to time, consult with the Secretary of Health, Education, and Welfare, and as appropriate, the Director of the Special Action Office on Drug Abuse Prevention (or any successor authority), in order to achieve the maximum possible coordination of the regulations, and the implementation thereof, which they and the Administrator prescribe.

"(b) Not later than sixty days after the date of enactment of this subsection, the Administrator shall submit to the appropriate committees of the House of Representatives and the Senate a full report with respect to the regulations (including guidelines, policies, and procedures thereunder) prescribed pursuant to subsection (a) of this section. Such report shall include (1) an explanation of any inconsistency between such regulations and the regulations of the Secretary referred to in such subsection (a), (2) an account of the extent, substance, and results of consultations with the Secretary (or Director, as appropriate) respecting the prescribing and implementation of the Administrator's regulations, and (3) such recommendations for legislation and administrative actions as the Administrator determines are necessary and desirable. The Administrator shall timely publish such report in the Federal Register.".

(b) The analysis at the beginning of such chapter is amended by adding at the end thereof:

"SUBCHAPTER III—PROTECTION OF PATIENT RIGHTS

"4131. Informed consent.
"4132. Confidentiality of certain medical records.
"4133. Nondiscrimination in the admission of alcohol and drug abusers to Veterans' Administration health care facilities.
"4134. Coordination; reports.".

(c) The following provisions of law are superseded by the provisions of the amendments made by section 4134 of this title:

(1) Subsection (a) of section 321 of the Drug Abuse Office and Treatment Act of 1972 (as added by section 121(a) of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act Amendments of 1974 (Public Law 93-282; 88 Stat. 130; 42 U.S.C. 4581(a))).

(2) Paragraph (2) of subsection (b) of section 407 of such 1972 Act (as added by section 6(a) of ——— of 1976 (Public Law 94- ; Stat.)).

(3) Subsection (h) of section 408 of such 1972 Act (as added by section 303(a) of such 1974 Act (88 Stat. 137)).

(4) Subsection (c) of section 303 of such 1974 Act (88 Stat. 139).

(5) Subsection (h) of section 333 of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 (as added by section 122 of such 1974 Act (88 Stat. 131; 42 U.S.C. 4582(h))).

(6) Subsection (c) of section 122 of such 1974 Act (88 Stat. 133).

(7) Subsection (b) of section 6 of such 1976 Act (Stat. .).

SEC. 118. Section 4123 is amended by adding at the end thereof the following new sentence: "Any proceeds to the Government received therefrom shall be credited to the applicable Veterans' Administration medical appropriation.".

SEC. 119. Chapter 75 of title 38, United States Code, is amended as follows:

(a) Section 4204 is amended by—

(1) inserting "(a)" before "To"; and

(2) inserting at the end thereof the following new subsection:

"(b) Without regard to fiscal year limitations, obligations may be incurred against anticipated budgetary resources of the Service revolving fund in such amounts and for such periods as the Administrator may determine to be necessary to maintain and continue operations without incurring overobligations at any time during the fiscal year.".

(b) Section 4206 is amended by—

(1) striking out "year" the first place it appears in the first sentence and the second place it appears in the second sentence and inserting in lieu thereof "years"; and

(2) inserting at the end thereof the following new sentence: "In determining estimated requirements, the Service may provide for capital improvements to canteen facilities, including those which are constructed and become a part of the building or structure.".

SEC. 120. Subsection (a)(3) of section 5001 of title 38, United States Code, is amended by striking out "eight thousand beds in the fiscal year ending June 30, 1974," and inserting in lieu thereof "ten thousand beds in fiscal year 1977".

SEC. 121. Subchapter IV of chapter 81 of title 38, United States Code, is amended as follows:

(a) Section 5053 is amended by—

(1) inserting in subsection (a) in the material before clause (1) and in clauses (1) and (2) thereof "or other" after "specialized" each place it appears; and

(2) inserting at the end thereof the following new subsections:

"(d) The Administrator shall not enter into any arrangement under clause (2) of subsection (a) of this section, or any renewal of any arrangement entered into under such clause, with respect to the use of other medical resources in a Veterans' Administration health care facility unless, at least thirty days prior thereto, the Administrator has published in the Federal Register the subject matter and specific justification for the proposed contract or agreement. The contract or other agreement providing for any such arrangement shall (1) specify that any veteran eligible for treatment under this title shall continue to be accorded priority in furnishing care and services in the Veterans' Administration facility involved, according highest priority to those veterans described in section 612(i) of this title, (2) specify that any veteran treated in a community health care facility under this section shall be referred for such treatment in accordance with the priorities in such section 612(i), (3) be for a period of time not in excess of one year, and (4) not be renewed (and no new such arrangement shall be entered into with the same medical facility) until a full report on the effect of such prior arrangement (including the effect on the provision of hospital care and medical services to eligible veterans and persons under this chapter) has been transmitted to the Committee on Veterans' Affairs of the House of Representatives and the Senate.

"(e) When a Veterans' Administration health care facility provides hospital care or medical services, pursuant to a contract or agreement authorized by this section, to an individual who is not an eligible veteran and who is entitled to hospital or medical insurance benefits under subchapter XVIII of chapter 7 of title 42, such benefits notwithstanding any condition, limitation or other provision in that title which would otherwise include such payment, shall be paid in accordance with rates prescribed by the Secretary of Health, Education, and Welfare, after consultation with the Administrator, to such facility therefor or, if the contract or agreement so provides, to the community health care facility which is a party to the contract or agreement.".

(b) Section 5054 of title 38, United States

Code, is amended by inserting at the end of subsection (b) the following new sentence: "Any proceeds to the Government received therefrom shall be credited to the applicable Veterans' Administration appropriation.".

(c) Subsection (c)(1) of section 5055 is amended by striking out "1975" and inserting in lieu thereof "1980".

(d) Section 5056 is amended by—

(1) amending the catchline to read as follows:

"§ 5056. Coordination with health services development activities carried out under the National Health Planning and Resources Development Act of 1974"; and

(2) striking out "title IX" and inserting in lieu thereof "part F of title XVI".

(e) Insert the following new sections at the end of such subchapter:

"§ 5058. Coordination with programs carried out under title XI of the Social Security Act

"(a) The Administrator and the Secretary of Health, Education, and Welfare shall, to the maximum extent practicable, attempt to coordinate the professional standards review program carried out under part B of title XI of the Social Security Act and the comparable programs carried out by the Department of Medicine and Surgery to assess the quality of patient care in Veterans' Administration health care facilities. Such coordination shall include sharing of information with regard to norms of health care services developed on a regional and national basis and arrangements for joint memberships on entities established by the Department of Medicine and Surgery and entities established under such Act.

"(b) Not later than one year after the date of enactment of this section, and annually thereafter, the Chief Medical Director shall report to the Congress on the effectivenesss of such coordination in improving the evaluation of the quality of patient care provided by the Department of Medicine and Surgery and in achieving the purposes of the program carried out under such Act.

"§ 5059. Reports on coordination with other programs

"Not later than three months after the end of each fiscal year, the Chief Medical Director, through the Administrator, shall report to the Congress on all activities (and the results thereof) in which the Chief Medical Director or a designee, as a representative of the Veterans' Administration, has participated, as a result of a statutory requirement or otherwise, in an advisory or coordinating capacity with respect to programs carried out by other departments, agencies, or instrumentalities of the executive branch.".

(f) The table of sections at the beginning of such chapter is amended by—

(1) striking out

"5056. Coordination with programs carried out under the Heart Disease, Cancer, and Stroke Amendments of 1965."

and inserting in lieu thereof

"5056. Coordination with health services development activities carried out under the National Health Planning and Resources Development Act of 1974.";

and

(2) inserting at the end thereof

"5058. Coordination with programs carried out under title XI of the Social Security Act.

"5059. Reports on coordination with other programs.".

SEC. 123. Subchapter I of chapter 82 of title 38, United States Code, is amended by—

(1) redesignating subsections (e) and (f) of section 5070 as subsections (f) and (g), respectively, and inserting the following new subsection (e):

"(e) In carrying out the purposes of this chapter, the Administrator may lease to any eligible institution for such consideration and under such terms and conditions as the Administrator deems appropriate, such land, buildings, and structures (including equipment therein) under the control and jurisdiction of the Veterans' Administration as may be necessary. The three-year limitation on the term of a lease prescribed in section 5012(a) of this title shall not apply with respect to any lease entered into pursuant to this chapter. Any lease entered into pursuant to this chapter may be entered into without regard to the provisions of section 3709 of the Revised Statutes (41 U.S.C. 5). Notwithstanding section 321 of the Act entitled 'An Act making appropriations for the Legislative Branch of the Government for the fiscal year ending June 30, 1933, and for other purposes', approved June 30, 1932 (40 U.S.C. 303b), or any other provision of law, a lease entered into pursuant to this chapter may provide for the maintenance, protection, or restoration, by the lessee, of the property leased, as a part or all of the consideration of the lease.";

(2) inserting at the end of section 5070 the following new subsection:

"(h) Not later than June 30, 1976, and not later than ninety days after the end of each fiscal year thereafter, the Administrator shall submit to the Congress a report on activities carried out under this chapter, including (1) an appraisal of the effectiveness of the programs authorized herein in carrying out their statutory purposes and the degree of cooperation from other sources, financial and otherwise, (2) an appraisal of the contributions of such programs in improving the quantity and quality of physicians and other health care personnel furnishing hospital care and medical services to veterans under this title, (3) a list of the approved but unfunded projects under this chapter and the funds needed for each such project, and (4) recommendations for the improvement or more effective administration of such programs, including any necessary legislation.";

(3) striking out paragraph (1) of subsection (a) of section 5073 and redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively; and

(4) striking out in subsection (a) of section 5083 "subchapter IV of chapter 81 of".

SEC. 123. (a) The Chief Medical Director of the Department of Medicine and Surgery of the Veterans' Administration shall carry out or provide for a study to determine the short-range and long-range direction of the hospital and medical program carried out under title 38, United States Code, for eligible veterans and persons with reference to the increasing average age of the eligible veteran population. Not later than twelve months after the date of enactment of this Act, the Chief Medical Director, through the Administrator of Veterans' Affairs, shall submit to the appropriate Committees on Veterans' Affairs of the Senate and House of Representatives a report on the results of such study, including, but not limited to, specific plans for—

(1) increasing the number of Veterans' Administration hospital, nursing home, intermediate care, and domiciliary beds;

(2) increasing the program for contracting for such nursing home care (including intermediate and personal care) in community facilities;

(3) emphasizing education and training of health care personnel specializing in the treatment of elderly persons and diseases and infirmities characteristic of an aging population;

(4) expanding alternatives to institutional care, including provision of home health (including homemaker and special nutrition) services;

(5) emphasizing treatment programs particularly suited to meeting the health care needs of an aging population;

(6) meeting the special architectural, transportation, and environmental needs of an aging population; and

(7) conducting biomedical and health services research designed to solve geriatric care problems.

(b) Not later than ninety days after the date of enactment of this Act, the Administrator shall take all appropriate steps to ensure that, to the maximum extent feasible, each individual eligible for new or expanded care and services as a result of the amendments made by this Act is personally notified, in a clear and simple manner, about such new or expanded eligibility and the way to secure such care and services, and shall send copies of all such notification forms to the appropriate committees of the House of Representatives and the Senate, along with a description of how such forms were distributed.

TITLE II—VETERANS DRUG AND ALCOHOL TREATMENT AND REHABILITATION AMENDMENTS

SEC. 201. This title may be cited as the "Veterans Drug and Alcohol Treatment and Rehabilitation Act of 1976".

SEC. 202. Paragraph (1) of section 601 of title 38, United States Code, is amended by inserting "(including alcoholism and drug dependence)" after "disease".

SEC. 203. (a) Subchapter II of chapter 17 of title 38, United States Code, is amended by inserting at the end thereof the following new section:

"§ 620A. Treatment and rehabilitation for alcoholism

"(a) The Congress hereby finds and declares that alcoholism and alcohol abuse are among the most pervasive untreated diseases and disabilities afflicting the Nation, including the veteran population, and that the onset of such conditions often has occurred during military service.

"(b) In order to meet the situation described in subsection (a) of this section, the Administrator, in carrying out the responsibilities to furnish hospital, nursing home, and domiciliary care and medical and rehabilitative services under this chapter, shall carry out specialized medical programs providing inpatient treatment (including treatment of the symptoms of detoxification) and outpatient treatment and rehabilitative services on a nationwide basis to eligible veterans suffering from the disability of alcoholism or alcohol abuse. In carrying out such specialized medical programs, the Administrator (1) shall utilize the most efficacious available models, stressing the utilization in such programs of recovered alcoholic counselors and half-way houses, encounter-style therapeutic communities, and other treatment and rehabilitation modalities, extending beyond the detoxification period and designed to provide for the full recovery of the addict patient and such patient's restoration to society as a productive, self-sufficient citizen, and (2) may utilize either facilities over which the Administrator has direct and exclusive jurisdiction, or other Government or private facilities for which the Administrator contracts in accordance with such regulations as the Administrator shall prescribe.

"(c) The Administrator shall submit annually (as a part of the annual report submitted pursuant to section 214 of this title) a full report on the programs carried out under this section, including the same type of information specified in section 667 of this title.".

(b) The table of sections at the beginning of such chapter is amended by inserting

"620A. Treatment for alcoholism."

below

"620. Transfers for nursing home care.".

SEC. 204. (a) Chapter 17 of title 38, United States Code, is amended by inserting at the end thereof the following new subchapter:

"SUBCHAPTER VII—SPECIAL MEDICAL TREATMENT AND REHABILITATIVE SERVICES FOR DRUG DEPENDENCE OR DRUG ABUSE DISABILITIES

"§ 661. Definition

"As used in this subchapter and notwithstanding any other provision of this title, the term 'veteran' includes (except as otherwise provided in section 3103 of this title) a person who served in the active military, naval, or air service and who was discharged or released therefrom with other than a dishonorable discharge.

"§ 662. Treatment and rehabilitative services for veterans suffering from drug dependence or drug abuse disabilities

"(a) The Administrator shall furnish to any veteran with a drug dependence or drug abuse disability such special medical treatment and rehabilitative services and such hospital, nursing home, and domiciliary care (hereinafter in this subchapter collectively referred to as treatment and rehabilitative services) as the Administrator finds to be reasonably necessary to bring about the veteran's recovery and rehabilitation from such disability.

"(b) Such treatment and rehabilitative services shall (1) include, but not be limited to, in addition to those services provided pursuant to section 601 of this title, individual counseling and referral services and crisis intervention, and (2) be provided in hospital, domiciliary, outpatient, and halfway house and other community-based facilities (including satellite facilities located in areas where large numbers of veterans eligible for treatment and rehabilitative services under this subchapter reside) over which the Administrator has direct and exclusive jurisdiction or in other Government or public or private facilities for which the Administrator contracts in accordance with such regulations as the Administrator shall prescribe.

"(c) In providing for treatment and rehabilitative services under this subchapter to any veteran, the Administrator shall offer alternative modalities of treatment based upon the individual needs of such veteran.

"(d) In contracting for treatment and rehabilitative services in facilities outside the Veterans' Administration pursuant to this subchapter, the Administrator shall, wherever feasible, give priority to community-based, multiple-modality, treatment and rehabilitation programs which employ peer group veterans and stress outreach efforts to identify and counsel veterans eligible for treatment and rehabilitative services under this subchapter.

"(e) The Administrator shall, upon receipt of application for treatment and rehabilitative services under this subchapter by any veteran who has been discharged or released from a period of active military, naval, or air service, with other than an honorable or general discharge—

"(1) advise such veteran of the right to apply to the appropriate military, naval, or air service for a review of the nature of such discharge or release for the purpose of correcting the nature of such discharge and thus removing any ineligibility to the receipt of benefits under this title or any other law;

"(2) advise such veteran of the policy of the Armed Forces with respect to review of the nature of any discharge received in connection with drug use or possession; and

"(3) advise such veteran of all program benefits under this title and any other law to which such veteran is entitled or would be entitled with a general or honorable discharge.

The Administrator shall offer and, if requested, provide to any veteran within the purview of this subsection such assistance as may be necessary to facilitate the process of preparing and filing an application for a review of the nature of such veteran's discharge or release from a period of active military, naval, or air service.

"(f) (1) The Administrator shall also provide for treatment and rehabilitative services in the case of any veteran eligible therefor under this subchapter who has been charged with, or convicted of, a criminal offense by any court of competent jurisdiction in the United States, who is not confined and who is not required to participate in the treatment and rehabilitation program by any such court.

"(2) The Administrator may also provide for treatment and rehabilitative services to any veteran eligible therefor under this subchapter who is under the jurisdiction of a court of competent jurisdiction as the result of having been charged with, or having been convicted of, a criminal offense and who is required to participate in a treatment and rehabilitation program by such court, but such services may be provided only under such conditions as the Administrator determines will insure that the participation of such veteran in the program in question will not impair the voluntary nature of the treatment and rehabilitative services being provided to other patients in such program.

"§ 663. Outreach and counseling

"(a) The Administrator shall utilize all available resources of the Veterans' Administration, including the use of peer-group veterans, in seeking out and counseling toward treatment and rehabilitation all veterans, especially veterans who served after August 4, 1964, eligible for treatment and rehabilitative services under this subchapter.

"(b) The Administrator shall carry out an affirmative action program, in consultation with the Secretary of Labor and the Chairman of the Civil Service Commission, to (1) urge all Federal agencies, private and public firms, organizations, agencies, and persons to provide appropriate employment and training opportunities for veterans provided treatment and rehabilitative services under this subchapter who have been determined by competent medical auhority to be sufficiently rehabilitated to be employable, and (2) provide all possible assistance to the Secretary of Labor in placing such veterans in such opportunities.

"§664. Audits by Comptroller General

"The Comptroller General of the United States, or any of his duly authorized representatives, shall have access for the purpose of audit and examination to any books, accounts, records, reports, files, and all other things or property of facilities outside the Veterans' Administration that are pertinent to payments received pursuant to contracts entered into under this subchapter.

"(b) The Comptroller General shall carry out the responsibilities under this section in such a way as to comply with the provisions set forth in section 4132 of this title with respect to medical confidentiality.

"§ 665. Budget requests

"For fiscal year 1977, and for each fiscal year thereafter, there shall be included in the budget required to be submitted to Congress pursuant to section 201 of the Budget and Accounting Act, 1921 (31 U.S.C. 11), a separate line item showing the estimated expenditures by the Veterans' Administration under this subchapter and under section 620A of this title during such fiscal year for the treatment and rehabilitation of eligible veterans.

"§ 666. Treatment of members of the Armed Force by the Veterans' Administration

"(a) Any member of the active military, naval, or air service who is determined by the Secretary of the military department concerned to have a drug dependence or drug abuse disability, may, pursuant to such terms as may be mutually agreeable to the Secretary concerned and the Administrator, and subject to the provisions of the Act of March 4, 1915, as amended (31 U.S.C. 686), be transferred to any Veterans' Administration facility within the last ninety days of such member's tour of duty and be provided treatment and rehabilitative services under this subchapter as if such member were a veteran.

"(b) The Administrator shall from time to time make a report to the Secretary concerned as to the progress of the treatment of any member transferred pursuant to the provisions of this section, and the Administrator shall release such member to the Secretary concerned when the Administrator finds that the drug abuse disability of such member is stabilized, or certifies that (1) such member refuses to comply with the terms and conditions of the treatment prescribed, or (2) the treatment which could otherwise be provided will be of no further benefit to such member.

"(c) No member of the active military, naval, or air service shall be transferred to any Veterans' Administration facility pursuant to subsection (a) of this section unless such member requests such transfer in writing for a specified period of time within such member's tour of duty. No such member thereafter transferred shall be retained for treatment by the Administrator beyond such specified period of time within such member's tour of duty unless the member in writing requests treatment for a further specified period of time and such request is approved by the Secretary concerned and the Administrator.

"§ 667. Reports

"Not later than six months after the date of the enactment of this section and thereafter on each February 1, the Administrator shall submit to the appropriate committees of the House of Representatives and the Senate a full report on the implementation of this subchapter and section 620A of this title separately with respect to alcoholism and alcohol abuse, on the one hand, and to drug dependency and abuse on the other, and an evaluation of the effectiveness of alternate treatment and rehabilitation programs provided hereunder and under such section 620A, including (1) the number of veterans and servicemen provided treatment and/or rehabilitative services, (2) the average duration of such treatment and/or services, (3) the estimated percentage of successful rehabilitation and enduring recovery cases, (4) an analysis of successful and unsuccessful rehabilitation experience, (5) a description of outreach, information dissemination, and job development and placement efforts, (6) a full accounting of payments to, and an evaluation of services and programs provided in, facilities outside the Veterans' Administration, (7) experience under the medical confidentiality provisions in section 4132 of this title, (8) plans for new program directions, and (9) such recommendations for legislation as the Administrator deems appropriate.".

(b) The table of sections at the beginning of chapter 17 of title 38, United States Code, is amended by inserting at the end thereof the following:

"SUBCHAPTER VII—SPECIAL MEDICAL TREATMENT AND REHABILITATIVE SERVICES FOR DRUG DEPENDENCE OR DRUG ABUSE DISABILITIES

"Sec.

"661. Definition.
"662. Treatment and rehabilitative services for veterans suffering from drug dependence or drug abuse disabilities.
"663. Outreach and counseling.
"664. Audits by Comptroller General.

"665. Budget requests.
"666. Treatment of members of the Armed Forces by the Veterans' Administration.
"667. Reports.".

TITLE III—MEDICAL TECHNICAL AND CONFORMING AMENDMENTS

Sec. 301. This title may be cited as the "Veterans Medical Technical and Conforming Amendments of 1976".

Sec. 302. Chapter 17 of title 38, United States Code, is amended as follows:

(a) The title of such chapter is amended by inserting "NURSING HOME," before "DOMICILIARY".

(b) Section 601 is amended by—

(1) striking out "and exclusive" in clause (A) of paragraph (5) (as redesignated by section 102(1) of this Act);

(2) inserting after "contracts" in clause (C) of paragraph (5) (as so redesignated) "when facilities described in clause (A) or (B) of this paragraph are not geographically accessible or capable of furnishing the care or services required";

(3) striking out subclause (i) of clause (C) of paragraph (5) (as so redesignated) and inserting in lieu thereof the following subclauses: "(i) hospital care or medical services to a veteran for the treatment of a service-connected disability, a disability for which a veteran was discharged or released from the active military, naval, or air service, or any disability of a veteran described in clauses (1) (B) or (2) of section 612(f) of this title; (ii) hospital care for any disability of a veteran which care the Veterans' Administration is not capable of furnishing;"; and

(4) redesignating subclause (ii) and (iii) of clause (C) of paragraph (5) (as so redesignated) as subclauses (iii) and (iv), respectively.

(c) The title of subchapter II of such chapter is amended by inserting a comma and "Nursing Home," after "Hospital".

(d) Section 610 is amended by—

(1) inserting a comma and "nursing home," after "hospital" in the title of such section;

(2) inserting "or nursing home" after "hospital" in subsection (a) (1) (B); and

(3) striking out "and exclusive" in subsection (d).

(e) Subsection (b) (2) of section 610 is amended by striking out "or any war or of service after January 31, 1955," and the comma after "domiciliary care".

(f) (1) The title of section 611 is amended by striking out "Hospitalization" and inserting in lieu thereof "Care".

(2) Subsection (b) of section 611 is amended by inserting "or medical services" after "hospital care".

(g) Section 612 is amended by—

(1) striking out "Indian wars" and inserting in lieu thereof "Indian Wars" in subsection (e);

(2) striking out "granted" and inserting in lieu thereof "furnished" in subsection (f) (1) (B); and

(3) inserting after "Administrator" in subsection (a) a comma and "within the limits of Veterans' Administration facilities,".

(h) Section 616 is amended by striking out "Bureau of the Budget" and inserting in lieu thereof "Office of Management and Budget".

(i) The title subchapter III of such chapter is amended by inserting "and Nursing Home" and "Hospital".

(j) Clauses (1) through (3) of section 621 are amended by inserting a comma and "nursing home," after "hospital" each time it appears.

(k) Subsection (a) of section 622 is amended by striking out "610(a) (1)" and inserting in lieu thereof "610(a) (1) (B)", and by striking out "632(b)" and inserting in lieu thereof "632(a) (2)".

(l) Subsection (c) of section 624 is amended by striking out "of any war" after "veteran".

(m) Section 627 is amended by striking out "1958" and inserting "1957".

(n) Subsection (a) (1) of section 628 is amended by striking out "they" and inserting in lieu thereof "delay".

(o) Section 641 is amended by striking out "of any war or of service after January 31, 1955".

(p) Section 643 is amended by striking out "of any war" after "veteran".

Sec. 303. (a) The table of chapters and parts at the beginning of title 38, United States Code, and the table of chapters at the beginning of part II of such title are each amended by inserting in the title of chapter 17 "NURSING HOME,". after "HOSPITAL".

(b) The table of sections at the beginning of chapter 17 of such title is amended by—

(1) inserting in the title of subchapter II a comma and "NURSING HOME," after "HOSPITAL";

(2) inserting in the title of section 610 a comma and "nursing home" after "hospital";

(3) inserting in the title of subchapter III "AND NURSING HOME" after "HOSPITAL"; and

(4) striking out "Hospitalization" and inserting in lieu thereof "Care" in the title of section 611.

Sec. 304. Chapter 23 of title 38, United States Code, is amended by inserting in subsection (a) of section 903 a comma and "nursing home," after "hospital", and by striking out "611" and inserting in lieu thereof "611(a)" in such subsection.

Sec. 305. Subchapter I of chapter 73 of title 38, United States Code, is amended as follows:

(a) (1) Subsection (a) of section 4101 is amended to read as follows: "The primary function of the Department of Medicine and Surgery shall be to provide a complete medical and hospital service, as provided in this title and in regulations prescribed by the Administrator pursuant thereto, for the medical care and treatment of veterans.";

(2) Subsection (b) of section 4101 is amended by striking out "to provide a complete medical and hospital service for the medical care and treatment of veterans"; and

(3) Section 4101 is further amended by redesignating subsection (c) as subsection (d) and inserting the following new subsection (c):

"(c) (1) In order to carry out more effectively the primary function of the Department of Medicine and Surgery and in order to contribute to the Nation's knowledge about disease and disability, the Administrator shall, in connection with the provision of medical care and treatment to veterans, carry out a program of medical research (including biomedical, prosthetic, and health care services research, and stressing research into spinal cord injuries and diseases and other disabilities that lead to paralysis of the lower extremities), acting in cooperation with the entities described in subsection (b) of this section.

"(2) Prosthetic research shall include research and testing in the field of prosthetic, orthotic, and orthopedic appliances and sensory devices. In order that the unique investigative material and research data in the possession of the Government may result in the improvement of such appliances and devices for all disabled persons, the Administrator, through the Chief Medical Director, shall make the results of such research available to any person, and shall consult and cooperate with the Secretary of Health, Education, and Welfare and the Commissioner of the Rehabilitation Services Administration, Department of Health, Education, and Welfare, in connection with programs carried out under section 3(b) of the Rehabilitation Act of 1973 (Public Law 93–112; 87 Stat. 357) (relating to the development and support, and the stimulation of the development and utilization, including production and distribution of new and existing devices, of innovative methods of applying advanced medical technology, scientific achievement, and psychological and social knowledge to solve rehabilitation problems), section 202 (b) (2) of such Act (relating to the establishment and support of Rehabilitation Engineering Research Centers), and section 405 of such Act (relating to the secretarial responsibilities for planning analysis, promoting utilization of scientific advances, and information clearing house activities).

"(3) (A) With the approval of the Administrator, any contract for research authorized by this section, the performance of which involves a risk of an unusually hazardous nature, may provide that the United States will indemnify the contractor against either or both of the following, but only to the extent that they arise out of the direct performance of the contract and to the extent not covered by the financial protection required under subparagraph (E) of this paragraph—

"(i) liability (including reasonable expenses of litigation or settlement) to third persons, except liability under State or Federal workers' injury compensation laws to employees of the contractor employed at the site of and in connection with the contract for which indemnification is granted, for death, bodily injury, or loss of or damage to property from a risk that the contract defines as unusually hazardous.

"(ii) loss of or damage to property of the contractor from a risk that the contract defines as unusually hazardous.

"(B) A contract that provides for indemnification in accordance with subparagraph (A) of this paragraph must also provide for—

"(i) notice to the United States of any claim or suit against the contractor for death, bodily injury, or loss of or damage to property; and

"(ii) control of or assistance in the defense by the United States, at its election, of any such suit or claim for which indemnification is provided hereunder.

"(C) No payment may be made under subparagraph (A) of this paragraph unless the Administrator, or the Administrator's designee, certifies that the amount is just and reasonable.

"(D) Upon approval by the Administrator, payments under subparagraph (A) of this paragraph may be made from—

"(i) funds obligated for the performance of the contract concerned;

"(ii) funds available for research or development, or both, and not otherwise obligated; or

"(iii) funds appropriated for those payments.

"(E) Each contractor which is a party to an indemnification agreement under subparagraph (A) shall have and maintain financial protection of such type and in such amounts as the Administrator shall require to cover liability to third persons and loss of or damage to the contractor's property. The amount of financial protection required shall be the maximum amount of insurance available from private sources, except that the Administrator may establish a lesser amount, taking into consideration the cost and terms of private insurance. Such financial protection may include private insurance, private contractual indemnities, self-insurance, other proof of financial responsibility, or a combination of such measures.

"(F) In administering the provisions of this paragraph the Administrator may use the facilities and services of private insurance organizations, and may contract to pay a reasonable compensation therefor. Any contract made under the provisions of this paragraph may be made without regard to the provisions of section 3709 of the Revised Statutes (41 U.S.C. 5), upon a showing by the Administrator that advertising is not reasonably practicable, and advance payments may be made.

"(G) The authority to indemnify contractors under this paragraph does not create any rights in third persons which would not otherwise exist by law.

"(H) As used in this section, the term 'contractor' includes subcontractors of any tier under a contract in which an indemnification provision pursuant to subparagraph (A) of this paragraph is contained.".

(b) Chapter 39 of title 38, United States Code, is amended by—

(1) striking out in the table of sections

"1904. Research and development; coordination with other Federal programs."

and inserting in lieu thereof:

"1904 Research and development.";

(2) amending the title of section 1904 to read as follows:

"§ 1904. Research and development";

and

(3) amending subsection (a) of section 1904 by striking out "prosthetic and orthopedic appliance research under section 216 and medical research" and inserting in lieu thereof "medical and prosthetic research".

(c) Chapter 3 of title 38, United States Code, is amended by—

(1) striking out section 216 in its entirety; and

(2) amending the table of sections at the beginning thereof by striking out

"216. Research by the Administrator; indemnification of contractors.".

(d) Section 4103 of such title is amended by—

(1) inserting in paragraphs (2) and (3) of subsection (a) "upon the recommendation of the Chief Medical Director" after "Administrator";

(2) striking out "recommendations" and inserting in lieu thereof "recommendation" in subsection (a) (4);

(3) striking out "or reappointed" and inserting in lieu thereof a comma and "reappointed, or extended" in subsection (b) (3); and

(4) inserting in subsection (c) before the period at the end of the second sentence a comma and "or for any period not exceeding two years."

(e) Subsection (a) (5) of section 4105 of title 38, United States Code, is amended by inserting "hold the degree of doctor of optometry from a school of optometry approved by the Administrator and" before "be".

(f) Subsection (b) of section 4108 is amended by striking out "pursuant to" after "agreement" and inserting in lieu thereof "as referred to in".

(g) Subsection (b) of section 4114 is amended by amending paragraph (2) to read as follows:

"(2) For the purposes of this title, the term 'internship' shall include the equivalency of an internship as determined in accordance with regulations which the Administrator shall prescribe, and the term 'intern' shall mean a person serving an internship.".

Sec. 306. Chapter 81 of title 38, United States Code, is amended as follows:

(a) Subsection (a) (2) of section 5001 is amended by—

(1) striking out "and exclusive" in subsection (a) (2), and striking out "tuberculosis" and inserting in lieu thereof "tuberculous" in such subsection; and

(2) striking out "and exclusive" in subsection (a) (3).

(b) Subchapter III of such chapter is amended by striking out "war" each time it appears in subsection (a) of section 5031, section 5032, paragraph (1) of section 5034, paragraphs (4) of subsections (a) and (b) of section 5035, and section 5036.

(c) Section 5053 is amended by—

(1) striking out "paragraphs" and inserting in lieu thereof "clauses" in the first sentence of subsection (a); and

(2) inserting in clauses (1) and (2) of subsection (a) and in subsection (c) "health care" after "Veterans' Administration" each place it appears.

(d) Subsection (b) of section 5054 is amended by inserting "the" before "surrounding medical community" the second place it appears.

(e) The second sentence of subsection (a) of section 5055 is amended by striking out "for Research and Education in Medicine" and inserting in lieu thereof "charged with administration of the Department of Medicine and Surgery medical research program".

Sec. 307. Subchapter II of chapter 82 of title 38, United States Code, is amended by striking out in subsection (a) of section 5083 "subchapter IV of chapter 81 of".

Sec. 308. Chapter 85 of title 38, United States Code, is amended as follows:

(a) Subsection (b) of section 5202 is amended by inserting "or a dependent or survivor of a veteran receiving care under the last sentence of section 613(b) of this title," after "(admitted as a veteran)".

(b) Subsection (a) of section 5220 is amended by inserting a comma and "or a dependent or survivor of a veteran receiving care under the last sentence of section 613(b) of this title," after "(admitted as a veteran)".

(c) Section 5221 is amended by inserting a comma and "or a dependent or survivor of a veteran receiving care under the last sentence of section 613(b) of this title," after "(admitted as such)".

Sec. 309. (a) Subchapter I of chapter 73 of title 38, United States Code, is amended as follows:

(1) Subsection (b) of section 4101, clause (1) of section 4104, subsection (b) of section 4105, subsection (f) of section 4106, subsection (f) of section 4107, and the language preceding clause (1) in subsection (a) and clause (6) (B) of section 4108, are each amended by striking out "physicians' " and inserting in lieu thereof "physician".

(2) Subsection (b) of section 4101 is further amended by striking out "dentists' assistants" and inserting in lieu thereof "expanded-duty dental auxiliaries".

(3) Subsection (a) (8) of section 4105 is further amended by striking out "Physicians' " and inserting in lieu thereof "Physician".

(4) Section 4113 is amended by striking out "and nurses" and inserting in lieu thereof "nurses, physician assistants, and expanded-duty dental auxiliaries".

(5) Section 4114 is amended by—

(A) inserting in clauses (A) and (B) of subsection (a) (1) "physician assistants, expanded-duty dental auxiliaries," after "nurses,";

(B) striking out "and nurses" and inserting in lieu thereof "nurses, physician assistants, and expanded-duty dental auxiliaries" in the first sentence of subsection (a) (3) (A);

(C) striking out "nurses and interns, and" and inserting in lieu thereof "nurses, physician assistants, expanded-duty dental auxiliaries, and interns," in subsection (a) (3) (B); and

(D) striking out "dentist's assistant" and inserting in lieu thereof "expanded-duty dental auxiliary" in subsection (e).

(6) Subsection (a) of section 4116 is amended by striking out "physicians' assistant, dentists' assistant" each time those words appear and inserting in lieu thereof "physician assistant, expanded-duty dental auxiliary".

(7) Section 4117 is amended by striking out "dentists' assistants" and inserting in lieu thereof "expanded-duty dental auxiliaries".

(b) Subchapter I of chapter 73 of title 38, United States Code, is further amended as follows:

(1) Section 4106 is amended by—

(A) inserting in subsection (c) "rate of basic" after "minimum"; and

(B) striking out "level and salary" and "and salary" and inserting in lieu thereof "and annual rate of basic pay" each place such terms appear in subsection (e).

(2) Section 4107 is amended by—

(A) striking out "per annum full-pay scale or ranges" and inserting in lieu thereof "annual rates or ranges of rates of basic pay" in subsection (a);

(B) striking out "per annum full-pay ranges" and inserting in lieu thereof "annual ranges of rates of basic pay" in subsection (b) (1);

(C) inserting in the first sentence of subsection (c) "facility" after "domiciliary" each place it appears; and

(D) amending subsection (e) by—

(i) striking out "basic compensation" and inserting in lieu thereof "rate of basic pay" in paragraph (1);

(ii) striking out "basic hourly rate" or "basic hourly rate of pay" each time such words appear and inserting in lieu thereof "hourly rate of basic pay" in paragraphs (2), (3), (5), (6), and (7);

(iii) striking out "compensation" each time it appears and inserting in lieu thereof "pay" in paragraphs (1), (2), (3), (6), and (9);

(iv) amending the first sentence of paragraph (4) to read as follows: "A nurse performing service on a holiday designated by Federal statute or Executive order shall receive for each hour of such service the nurse's hourly rate of basic pay, plus additional pay at a rate equal to such hourly rate of basic pay, for that holiday service, including overtime service."; and

(v) striking out "compensated" and inserting in lieu thereof "paid" in paragraph (8).

(3) Subsection (a) of section 4112 is amended by striking out "compensation" and inserting in lieu thereof "pay" in the last sentence of such subsection.

(c) Chapter 73 of title 38, United States Code, is further amended as follows:

(1) Section 4103 is amended by—

(A) striking out "individuals" and inserting in lieu thereof "persons" in subsection (a) (4);

(B) striking out "and employees" in subsection (a) (8); and

(C) striking out "An individual" and inserting in lieu thereof "A person" in the second sentence of subsection (c).

(2) Subsection (a) of section 4105 is amended by striking out "employees" and inserting in lieu thereof "personnel" in clause (7).

(3) Section 4107 is amended by—

(A) striking out "individual" and inserting in lieu thereof "person" in subsection (c);

(B) striking out "employee's" and inserting in lieu thereof "nurse's"; and striking out "work" and inserting in lieu thereof "service" in paragraph (2) of subsection (e); and

(C) striking out "duty" and inserting in lieu thereof "service" in paragraph (7) of subsection (e).

(4) Subsection (a) of section 4108 is amended by striking out "individual" and inserting in lieu thereof "person" in clause (1).

(5) Section 4113 is amended by—

(A) striking out "of employees" and inserting in lieu thereof a comma and " of persons"; and

(B) striking out "paragraph (1) of section 4104" and inserting in lieu thereof "section 4104(1),".

(6) Subsection (d)(2) of section 4114 is amended by striking out "individual" and inserting in lieu thereof "person".

(7) Subsection (b) of section 4122 is amended by striking out "individuals" each time it appears and inserting in lieu thereof "persons".

SEC. 310. (a) Chapter 17 of title 38, United States Code, is amended as follows:

(1) Section 610 is amended by—

(A) striking out "he" and inserting in lieu thereof "the Administrator" in the first sentence of subsection (a);

(B) striking out "he" and inserting in lieu thereof "such veteran" in subsections (a)(1)(B), (b)(2), and (c); and

(C) striking out "he" and inserting in lieu thereof "such person" in subsection (b)(1).

(2) Section 611 is amended by—

(A) striking out "him" and inserting in lieu thereof "the Administrator" in subsection (a); and

(B) striking out "he" and "him" and inserting in lieu thereof at each place "the Administrator" in subsection (b);

(3) Section 612 is amended by—

(A) striking out "he" and inserting in lieu thereof "the Administrator" in the first sentence of subsection (a);

(B) striking out "him" and "he" and inserting in lieu thereof at each place "the Administrator" in subsection (d);

(C) striking out "he" and inserting in lieu thereof "the Administrator" in subsection (g); and

(D) striking out "his" and inserting in lieu thereof "such veteran's" at each place it appears in the second sentence of subsection (h).

(4) Section 613 is amended by—

(A) striking out "he" and inserting in lieu thereof "the Secretary" in subsection (b)(1); and

(B) striking out "he" each place it appears and inserting in lieu thereof "the Administrator" in subsection (b)(2).

(5) Section 614 is amended by—

(A) striking out "his" and inserting in lieu thereof "such veteran's" in subsection (a); and

(B) striking out "he" in subsection (b).

(6) Section 619 is amended by striking out "him" and inserting in lieu thereof "such veteran".

(7) Subsection (b) of section 620 is amended by striking out "he" and inserting in lieu thereof "the Administrator".

(8) Paragraphs (1) and (3) of section 621 are amended by striking out "he" each place it appears and inserting in lieu thereof "the Administrator".

(9) Subsection (b) of section 622 is amended by striking out "his" and inserting in lieu thereof "such veteran's".

(10) Section 623 is amended by striking out "he" and inserting in lieu thereof "the Administrator".

(11) Subsection (c) of section 624 is amended by striking out "he" and inserting in lieu thereof "the Administrator".

(12) Section 626 is amended by striking out "he" and inserting in lieu thereof "the Administrator".

(13) Subsection (a) of section 628 is amended by—

(A) striking out "he" and inserting in lieu thereof "the Administrator" in the first sentence of such subsection; and

(B) striking out "his" and inserting in lieu thereof "such veteran's" in paragraph (2)(d)(ii) of such subsection.

(14) Subsection (d) of section 632 is amended by striking out in the second sentence "him" and inserting in lieu thereof "the Administrator".

(15) Section 633 is amended by striking out "he" and "his" and inserting in lieu thereof "the President" and "the President's", respectively.

(16) Subsection (a) of section 642 is amended by striking out "he" and inserting in lieu thereof "the Administrator".

(b) Chapter 73 of title 38, United States Code, is amended as follows:

(1) Section 4101 is amended by—

(A) striking out "servicemen" and inserting in lieu thereof "members of the uniformed services" in subsection (b); and

(B) striking out "his" and "he" and inserting in lieu thereof "the Administrator's" and "the Administrator", respectively.

(2) Section 4103 is amended by—

(A) striking out in subsection (a)(1) the period at the end of the first sentence and "He" in the second sentence and inserting in lieu thereof a comma at each place;

(B) striking out in subsection (a)(2) the period at the end of the first sentence and "He" in the second sentence and inserting in lieu thereof a comma at each place;

(C) striking out in subsection (a)(3) the period at the end of the first sentence and "He" in the second sentence and inserting in lieu thereof a comma at each place; and

(D) striking out in the third sentence of subsection (c) "his" and "he" and inserting in lieu thereof "such person's" and "such person", respectively.

(3) Section 4104 is amended by striking out "he" and inserting in lieu thereof "the Administrator".

(4) Subsection (b) of section 4105 is amended by striking out "he" and inserting in lieu thereof "such person".

(5) Subsection (b) of section 4106 is amended by striking out "him" and "he" and inserting "such person" at each place.

(6) Section 4107 is amended by—

(A) striking out "he" each place it appears and inserting in lieu thereof "such person" in subsection (b)(2); and

(B) striking out "he" and "his" and inserting in lieu thereof "such person" and "such person's" respectively, in subsection (c).

(7) Subsection (a) of section 4108 is amended by—

(A) striking out "his" and inserting in lieu thereof "such person's" in clause (2);

(B) striking out "him" and inserting in lieu thereof "such person" in clause (3);

(C) striking out "him" and "his" and inserting in lieu thereof "such person" and "such person's", respectively, in clause (4);

(D) striking out "his" each place it appears and "him" and inserting in lieu thereof "such person's" and "such person", respectively, in clause (5); and

(E) striking out "his" each place it appears and inserting in lieu thereof "such person's" in clause (6).

(8) Section 4110 is amended by—

(A) striking out "his" and inserting in lieu thereof "such person's" in subsection (c);

(B) striking out "He" and "he" and inserting in lieu thereof "The Administrator", and "the Administrator", respectively, in the third sentence of subsection (d); and

(C) striking out "he" and "him" and inserting in lieu thereof "the Administrator" at each place it appears in the first sentence of subsection (e).

(9) Subsection (b) of section 4112 is amended by striking out "he" and inserting in lieu thereof "the Administrator".

(10) Section 4114 is amended by—

(A) striking out in the third sentence "he" and inserting in lieu thereof "such recipient" each place it appears in subsection (b)(3);

(B) striking out "he" and "his" and inserting in lieu thereof "such person" and "such person's", respectively, each place such words appear in the last sentence of subsection (b)(3);

(C) striking out "he" and inserting in lieu thereof "the person" in subsection (d)(1); and

(D) striking out "his" and "he" and inserting in lieu thereof "such person" and "the person", respectively, in subsection (d)(2).

(11) Section 4116 is amended by—

(A) striking out "his" and inserting in lieu thereof "such person's" each place it appears in subsection (a);

(B) striking out "his" and "him" and inserting in lieu thereof "such person's" and "such person", respectively, each place such word appears in subsection (b);

(C) striking out "his" and inserting in lieu thereof "such person's" each place it appears in subsection (c); and

(D) striking out "he" and "his" and inserting in lieu thereof "the Administrator" and "such person's", respectively, each place such word appears in subsection (e).

(12) Subsection (a) of section 4121 is amended by striking out "his" and "he" and inserting in lieu thereof "the Administrator's" and "the Administrator", respectively, each place such word appears.

(13) Section 4122 is amended by—

(A) striking out "he" and inserting in lieu thereof "the Chief Medical Director" in subsection (b); and

(B) striking out "he" and inserting in lieu thereof "the Chief Medical Director" in subsection (c).

(c) Chapter 75 of title 38, United States Code, is amended by striking out "he" and inserting in lieu thereof "the Administrator" each place it appears in clauses (3), (9), (10), and (11) of section 4202.

(d) Chapter 81 of title 38, United States Code, is amended as follows:

(1) Subsection (b) of section 5001 is amended by striking out "him" and "his" and inserting in lieu thereof "the Administrator" and "the Chief Medical Director's", respectively.

(2) Section 5002 is amended by—

(A) striking out "he" and inserting in lieu thereof "the President" each place it appears; and

(B) striking out "his opinion" and inserting in lieu thereof "the opinion of the President such is".

(3) Paragraphs (2) and (3) of subsection (b) of section 5004 are amended by striking out "he" and inserting in lieu thereof "the Administrator" each place it appears.

(4) Section 5005 is amended by striking out "He" and inserting in lieu thereof "The President" in the second sentence.

(5) Section 5007 is amended by striking out "his" and inserting in lieu thereof "the Administrator's".

(6) Subsection (c) of section 5011 is amended by striking out "him" and inserting in lieu thereof "the Administrator".

(7) Section 5012 is amended by—

(A) striking out "his" and inserting in lieu thereof "the Administrator's" each place it appears in subsection (a);

(B) striking out "he" and inserting in lieu thereof "the Administrator" in subsection (b); and

(C) striking out "him" and inserting in lieu thereof "the Administrator" in subsection (c).

(8) Section 5013 is amended by striking out "he" and inserting in lieu thereof "the Administrator".

(9) Section 5014 is amended by—

(A) striking out "he" and inserting in lieu thereof "the Administrator" each place it appears; and

(B) striking out "his" and inserting in lieu thereof "the Administrator's".

(10) Subsection (b) of section 5035 is amended by striking out "he" and inserting in lieu thereof "the Administrator".

(11) Subsection (a) of section 5053 is amended by striking out "he" and inserting in lieu thereof "the Administrator".

(12) Subsection (b) of section 5054 is amended by striking out "he" and inserting in lieu thereof "the Administrator".

(13) Subsection (a) of section 5055 is amended by striking out "him" and inserting in lieu theerof "the Administrator".

(e) Chapter 82 of title 38, United States Code, is amended as follows:

(1) Subsection (e) of section 5070 is amended by striking out "he" and inserting in lieu thereof "the Administrator".

(2) Section 5071 is amended by striking out "he" and inserting in lieu thereof "the Administrator".

(3) Section 5073 is amended by—

(A) striking out "he" and inserting in lieu thereof "the Administrator" each place it appears in subsections (b)(1); and

(B) striking out "he" and inserting in lieu thereof "the Administrator" each place it appears in subsection (c).

(4) Subsection (b) of section 5083 is amended by striking out "his" and inserting in lieu thereof "the Administrators" each place it appears in the first sentence and in paragraph (4) of such subsection.

(5) Subsection (b) of section 5093 is amended by striking out "his" and inserting in lieu thereof "the Administrator's" each place it appears in the first sentence and in paragraph (4) of such subsection.

(6) Section 5096 is amended by striking out "he" and inserting in lieu thereof "the Administrator".

Sec. 311. Except as otherwise provided in this Act, the amendments made by this Act to title 38, United States Code, shall become effective 30 days after the first day of the first calendar month following the date of enactment of this Act.

By Mr. FANNIN:

S. 2909. A bill to amend the Internal Revenue Code of 1954 to provide incentives for additional capital formation in the United States. Referred to the Committee on Finance.

Mr. FANNIN. Mr. President, today I introduce the Investment Incentives Act of 1976. This bill is designed to provide the private sector of our Nation with the ability to meet our future economic and social needs. Action must be taken immediately to establish Federal tax policies which will expand the ability of the private sector to provide new jobs for our growing labor force, increase productivity, improve our environment and working conditions, and achieve energy independence.

The Investment Incentives Act includes tax incentives to promote increased savings and investment by both individuals and corporations. Our present tax structure clearly encourages consumption and discourages investment by placing a heavier tax liability on dollars saved or invested than on dollars spent. This misdirected policy stifles the need for increased capital formation which is the fundamental prerequisite for sound economic growth. A new tax policy must be adopted to counter this trend and renew the interest and ability of individuals and corporations to invest in our Nation's future economic well-being. My bill represents such a new direction.

Mr. President, regardless of the economic system employed by a society, the ability to employ its citizens in constructive jobs and improve the well-being of all its people is directly related to its savings and investment policies. Capitalist, socialist, and communist societies share this economic reality. A fundamental difference between these economic systems is the manner in which resource allocation decisions are made. Socialist and Communist economies utilize a central decisionmaking system in which the government determines what portion of the national income is invested and what is available for consumption. Capitalist societies depend upon the market mechanism to allocate financial resources. National policies affect those market allocation decisions, but they do not mandate them. Individuals and businesses maintain the prerogative to invest or consume.

Mr. President, let us look at the harsh economic reality facing our Nation. The United States lags behind most industrial societies in both capital investment and productivity growth. The average annual rate of real economic growth during the decade of the 1960's for the 20 OECD nations ranged from a high of 11.1 percent for Japan to a median of about 5 percent for Australia, the Netherlands and Norway, to a low of 2.8 percent for the United Kingdom. The United States during this time experienced an average growth rate of only 4 percent a year—17th among the 20 nations.

Capital investment is the key element influencing economic growth. The United States retains a position of economic leadership because it has enjoyed an adequate combination of several economic variables along with political stability and improving social mobility. However, a quick examination of the relative rate of capital investment in this country during the 1960's will illustrate that our present economic position is in jeopardy. The gap has increased between the U.S. level of investment, measured as a share of national output, and the commitment of other leading industrial nations. Treasury Department figures indicate that total U.S. fixed investment as a share of national output during the period 1960 through 1973 was 17.5 percent which ranks the United States last among a group of 11 major industrial nations. Our investment rate was 7.2 percentage points below the average commitment of the entire group.

I ask unanimous consent that this Treasury Department table be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Investment as percent of real national output, 1960–73[1]

	Total Fixed[2]	*Nonresidential Fixed*
Japan	35.0	29.0
West Germany	25.8	20.0
France	24.5	18.2
Canada	21.8	17.4
Italy	20.5	14.4
United Kingdom	18.5	15.2
United States	17.5	13.6
11 OECD countries	24.7	19.4

[1] OECD concepts of investment and national product. The OECD concept includes nondefense government outlays for machinery and equipment in the private investment total which required special adjustment in the U.S. national accounts for comparability. National output is defined in this study as "gross domestic product," rather than the more familiar measure of gross national product, to conform with OECD definitions.

[2] Including residential.

Source: U.S. Department of the Treasury. ury.

Mr. FANNIN. Mr. President, Prof. Paul W. McCracken, former Chairman of the Council of Economic Advisers, has estimated that the amount of nonresidential capital formation per person during the 1970's is 22 percent below the level reported in the decade of 1956 to 1965. It is true that the United States still maintains a considerably higher capital to labor ratio than does Europe or Japan.

However, our advantage has deteriorated as other nations have increased their capital investments per worker. The Commerce Department estimates that since 1960 the existing base of plant and equipment assets has nearly doubled in France and Germany and more than tripled in Japan. The United States experienced an increase of no more than 50 percent during the same period.

I ask unanimous consent that a table prepared by Dr. McCracken for use during his statement before the Committee on Ways and Means, January 29, 1975 be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Gross nonresidential fixed investment per person added to civilian labor force

[In 1958 dollars]

Period:	*Amount*
1956–60	$49,500
1961–65	55,300
1966–70	46,400
1971–74	*41,000

*Estimate based on incomplete data for 1974.

Mr. FANNIN. Mr. President, the problems addressed by the Investment Incentives Act are shared by individuals and corporations. Individuals add to the capital base by depositing money in a variety of savings institutions, purchasing various forms of securities and by investing in unincorporated business ventures. Corporations add to the capital base by actions similar to those taken by individuals with the emphasis on investing in actual productive capacity.

Corporations have four sources of capital available to them. There are serious problems associated with each of these four sources.

First, depreciation charges are a source of funds as they allow a business to set aside a certain percent of funds as a reserve to replace worn out equipment. However, depreciation is based on cost, without considering replacement costs. As a result, profits are artificially high, thereby causing higher taxes and less cash for investment. It has been estimated that corporations have understated depreciation by $29 billion in the period 1970–1973. Although current depreciation provides cash flow available for capital expenditures, it is not new capital but a recovery of capital already committed to productive resources.

Second, retained earnings have been a major source of capital with shareholders taking out about 40 percent of earnings in the form of dividends. Shareholders have realized the advantage to them in having business reinvest the remaining 60 percent because their share values would be enhanced by the earnings. In recent years, however, as share values have been depressed, dividend payments have been substantially higher.

Third, a substantial portion of companies are finding it necessary to borrow funds for investment. Many have already reached their maximum debt capacity as the debt-to-equity ratio for industrial companies has increased from 25 to over 40 percent in the last decade.

Fourth, the balance of needed funds must be obtained through the issue of new equity securities. There has been a substantial decline in the amount of new equity capital raised in the past few years. It has become increasingly difficult to float large issues of equity except at prices that are not acceptable either to management or to the shareholders.

Mr. President, Congress must take steps at once to modify our Federal tax policies in order to direct more financial resources into productive capacity. The Investment Incentives Act accomplishes this required redirection. The provisions of the bill are as follows:

First, an exclusion of $500 of interest income from savings accounts and similar savings devices with savings institutions.

Second, an exclusion from income of the first $1,000—$2,000 of a joint return—of net capital gain on sales or exchanges of securities, but only to the extent that an equivalent amount is invested in securities of a domestic corporation within the same taxable year. Thus, the exclusion is to apply to changes in investment, but not where the taxpayer withdraws his funds for use for other purposes.

The taxpayer's basis in the "replacement securities" is to be reduced by the amount excluded from income on the sale or exchange of the "original securities." As so modified, the provision would result in a deferral of tax, but not in an elimination of tax.

Third, the corporate surtax exemption is increased to $100,000 and the surtax rate is reduced from 26 percent to 24 percent over a 5-year period. The normal tax rate of 22 percent is replaced by a series of rates ranging from 18 to 22 percent. I ask unanimous consent that tables depicting these corporate tax reductions be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

[In percent]

Taxable income:	*Normal tax rate*
$50,000 or less	18
$50,000 to $100,000	19
$100,000 to $500,000	20
$500,000 to $1,000,000	21
$1,000,000 and over	22

[In percent]

	Surtax exemption	*Surtax rate*
1976	$50,000	26
1977	60,000	26
1978	70,000	25
1979	80,000	25
1980	100,000	24

Mr. FANNIN. Fourth, the investment tax credit rate is increased to 10 percent on a permanent basis for all taxpayers, including public utilities. The used property limitation is to be set at $100,000 and any unused credits may be carried over to future years without limitation until fully utilized. However, except in the case of public utilities, no more than 50 percent of tax liability may be offset by the credit in any one year. Utilities would be able—pursuant to the Tax Reduction Act—to reduce tax liability by 100 percent in 1976 and by decreasing amounts until the 50-percent figure is reached in 1981.

Fifth, a partial elimination of double taxation of corporate earnings is included in this legislation. First, individuals may exclude from gross income dividends on common stock of domestic corporations to the extent those dividends are reinvested in common or preferred stock—but not debt instruments—of domestic corporations. A limitation is placed on the exclusion so that no individual could use the exclusion to reduce his taxable income by more than 25 percent. Second, domestic corporations may deduct dividends paid on preferred stock issued after the date of enactment of the legislative proposal. To qualify, preferred stock would have to be nonvoting, limited, and preferred as to dividends, and entitled to a liquidating preference.

Sixth, a complete writeoff in 1 year of required but nonproductive pollution control facilities and equipment is provided.

Mr. President, the staff of the Joint Committee on Internal Revenue Taxation has provided an estimate of the reduction in Federal individual and corporate income tax revenues for calendar years 1976–81 resulting from enactment of the Investment Incentives Act. I ask unanimous consent that the analysis of the Joint Tax Committee staff and a compilation of these figures be printed in the RECORD at this point.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

ESTIMATED REDUCTION IN FEDERAL INDIVIDUAL INCOME TAX LIABILITY UNDER THE CAPITAL FORMATION PROPOSAL, CALENDAR YEARS 1976–81

[Dollar amounts in billions]

	1976	1977	1978	1979	1980	1981
INDIVIDUAL INCOME TAX LIABILITY						
Interest income exclusion: Exclusion of $500 of interest ($1,000 for joint return) from savings accounts, etc., with savings institutions	$2.0	$2.1	$2.2	$2.3	$2.4	$2.6
Exclusion from income of certain capital gains received by individuals: Exclusion of the 1st $1,000 of net capital gains ($2,000 for joint returns from the sale of securities to the extent an equivalent amount is invested in securities of a domestic corporation:						
(a) 90 percent utilization [1] [2]	.5	.5	.6	.6	.7	.8
(b) 50 percent utilization [1] [2]	.3	.3	.3	.4	.4	.4
Exclusion of dividends on common stock: Exclusion of dividends on common stock of a domestic corporation (up to 25 percent of taxable income) to the extent they are reinvested in common or preferred stock:						
(a) 90 percent utilization [1]	2.8	3.1	3.4	3.7	4.1	4.5
(b) 50 percent utilization [1]	1.6	1.7	1.9	2.1	2.3	2.5

	1976	1977	1978	1979	1980	1981
CORPORATE INCOME						
Reduction in corporate tax rates:						
Normal tax	1.3	1.4	1.5	1.7	1.8	1.9
Surtax			1.3	1.4	3.1	3.4
Increase in surtax exemption to $100,000 by 1979	1.6	2.3	3.0	3.6	4.7	5.0
Extension of the 10 percent investment tax credit rate and repeal of the time limitation on carryovers	(3)	3.3	3.5	3.7	3.9	4.2
Deduction for dividends paid on certain preferred stock	.1	.2	.3	.4	.5	.7
One year amortization of pollution control facilities	1.9	1.6	1.5	1.3	1.2	1.1
Compilation of estimated reduction in Federal individual and Corporate income tax liability:						
(1) Individuals:						
High	5.3	5.7	6.2	6.6	7.2	7.9
Low	3.9	4.1	4.4	4.8	5.1	5.5
(2) Corporation	4.9	8.8	11.1	12.1	15.2	16.3
(3) Total: Individuals and corporation:						
Low	8.8	12.9	15.5	16.9	20.3	21.8
High	10.2	14.5	17.3	18.7	22.4	24.2

[1] These levels of possible degree of utilization are illustrative only.

[2] These estimates do not reflect the impact of change in basis.

[3] Less than $50,000,000.

Mr. FANNIN. The gradual implementation of the several tax incentives in this bill explain the increase in its cost to the Treasury over the years 1976–81.

Mr. President, it always is essential to consider the revenue impact of any tax proposal before the Congress. The intent of the Investment Incentive Act is to increase the productive capacity of the Nation's private sector, and thereby create new sources of revenues which, in turn, will increase everyone's income including that of the Federal Government.

Chase Econometrics has run the provisions of the Investment Incentives Act through its econometric model. The resulting figures clearly indicate that enactment of the Investment Incentives Act would result over a period of 5 years in an expanded national economic base with an increase in gross national product, jobs and Federal revenues.

Chase's Standard Forecast estimates that the gross national product will be $1.673 trillion in 1976, increasing to $2.592 trillion in 1981. Enactment of the Investment Incentives Act would increase those figures to $1.679 trillion in 1976 and $2.689 trillion in 1981, an increase of $16 billion and $97 billion respectively.

Gross private investment is projected by Chase's Standard Forecast to be $230 billion in 1976 and $402 billion in 1981.

Enactment of the provisions of my bill would increase these totals to $242 billion in 1976 and $421 billion in 1981, a gain of $12 billion and $19 billion respectively.

Of particular note is the negligible effect this proposal would have on the Federal deficit. Chase's standard forecast shows a $60.2 billion deficit in 1976 and a $79.5 billion deficit in 1981. Again, enactment of the Investment Incentives Act would slightly increase the 1976 deficit by $3.5 billion to $63.7 billion but decrease the 1981 figure by $9.8 billion to $69.7 billion. Therefore, while the Joint Tax Committee estimates a potential revenue loss from my bill of $10.2 billion in 1976 and $24.2 billion in 1981, those figures do not take into account the increased revenues resulting from the expanded economic base which these tax investment incentives would create.

Noteworthy also is the positive effect the Investment Incentives Act would have on the Nation's unemployment rate. The standard projection used by Chase Econometrics is an unemployment rate of 7.66 percent for 1976 and 9.3 percent for 1981. Enactment of the Investment Incentives Act would decrease the 1976 figure by 0.27 percent to 7.39 percent and the 1981 figure by 1.3 percent to 8 percent.

Mr. President, I ask unanimous consent that a series of figures be printed in the RECORD comparing Chase Econometrics' standard economic projection for the years 1976–81 with those projections premised on enactment of the Investment Incentives Act.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

[Dollar figures are in billions]

	1976	1977	1978	1979	1980	1981
1. GNP in current dollars:						
(a)	$1,663	$1,865	$1,991	$2,097	$2,334	$2,592
(b)	1,679	1,907	2,058	2,176	2,432	2,689
(c)	16	42	67	79	98	97
2. GNP in constant dollars:						
(a)	$852	$892	$879	$866	$913	$964
(b)	861	914	910	900	952	1,000
(c)	9	22	31	34	39	36
3. Gross private investment:						
(a)	$230	$273	$270	$262	$336	$402
(b)	242	298	306	294	371	421
(c)	12	25	36	32	35	19
4. Unemployment rates (percent):						
(a)	7.66	7.3	8.7	10.7	10.6	9.3
(b)	7.39	7.0	8.0	9.8	9.0	8.0
(c)	−.27	−.3	−.7	−.9	−1.6	−1.3
5. Federal Government deficits:						
(a)	−$60.2	−$56.0	$64.3	$92.2	$90.6	$79.5
(b)	−63.7	−56.4	58.6	81.7	78.0	69.7
(c)	−3.5	−.4	+5.7	+10.5	+12.6	+9.8
6. Personal income:						
(a)	$1,390	$1,561	$1,688	$1,800	$1,961	$2,151
(b)	1,395	1,579	1,722	1,848	2,022	2,222
(c)	5	18	34	48	61	71
7. Consumers Price Index:						
(a)	172.7	186.0	202.0	216.5	229.3	241.7
(b)	172.5	185.4	201.4	216.0	228.9	241.9
(c)	+.2	−.6	+.6	+.5	−.4	+.2
8. Interest rates 91-day Treasury bills (percent):						
(a)	7.22	8.84	9.31	6.69	5.36	5.38
(b)	7.20	8.14	9.19	6.20	4.70	5.43
(c)	−.02	−.70	−.12	−.49	−.66	+.05
9. 4 to 6 mo commercial paper (percent):						
(a)	7.86	10.19	11.03	8.16	6.87	6.81
(b)	7.74	9.14	10.67	7.27	5.70	6.45
(c)	−.12	−1.05	−.36	−.89	−1.17	−.36
10. Prime commercial bank rate (percent):						
(a)	8.80	11.12	12.32	9.82	8.48	8.38
(b)	8.69	10.18	11.98	9.07	7.82	8.23
(c)	−.11	−.94	−.34	−.75	−.66	−.15

Note: (a) Chase Econometric Standard projections. (b) Enactment of the Investment Incentives Act. (c) b—a (subtracting the "standard projection" figures from the Investment Incentives Act figures gives the actual effect the tax proposals would have on the economy).

Mr. FANNIN. Mr. President, the time has come for Congress to take the necessary steps to enact capital formation incentives. The Nation's economy must have the solid boost that the Investment Incentives Act would give it. Anything less than a resolute commitment to updating and expanding the capital base of the Nation's economy would be a dereliction of duty on the part of the Congress.

Mr. President, I ask unanimous consent that the text of the Investment Incentives Act of 1976 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2909

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Capital Formation Incentive Act of 1975".

SEC. 2. PARTIAL EXCLUSION FROM GROSS INCOME OF INTERESTS AND DIVIDENDS FROM SAVINGS DEPOSITS AND OF CERTAIN GAINS.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to items specifically excluded from gross income) is amended—

(1) by redesignating section 124 as section 126, and

(2) by inserting after section 123 the following new section:

"SEC. 124. PARTIAL EXCLUSION OF INTEREST AND DIVIDENDS FROM SAVINGS DEPOSITS.

"(a) GENERAL RULE.—Gross income does not include any amounts of interest received by, or credited to the account of, a taxpayer from a financial institution as interest or dividends on savings deposits or withdrawable savings accounts during the taxable year to the extent that the aggregate amount of such interest and dividends does not exceed $500 ($1,000 for joint returns).

"(b) FINANCIAL INSTITUTION.—For purposes of this section, the term 'financial institution' means—

"(1) a commercial or mutual savings bank whose deposits and accounts are insured by the Federal Deposit Insurance Corporation or otherwise insured under State law,

"(2) a savings and loan, building and loan, or similar association, the deposits and accounts of which are insured by the Federal Savings and Loan Insurance Corporation or otherwise insured under State law, or

"(3) a credit union, the deposits and accounts of which are insured by the National Credit Union Administration Share Insurance Fund, or otherwise insured under State law.

"SEC. 125. PARTIAL EXCLUSION OF CERTAIN CAPITAL GAINS

"(a) GENERAL RULE.—In the case of an individual, gross income does not include amounts realized as gain by the taxpayer during the taxable year from the sale or exchange of stock or securities which are capital assets in the hands of the taxpayer to the extent that, during such year, such taxpayer purchases stock or securities issued by a domestic corporation for an amount which equals or exceeds the amount of such gain.

"(b) LIMITATION.—The amount of the exclusion allowed under subsection (a) may not exceed $1,000 for any taxable year. ($2,000 in joint returns)

"(c) DOMESTIC CORPORATION.—For purposes of this section, the term 'domestic corporation' means any corporation which is incorporated under the laws of any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or any possession of the United States.

"(d) APPLICATION WITH SECTION 1202.—No amount taken into account under this section for the taxable year shall be taken into account for purposes of section 1202 (relating to deduction of capital gains). No amount taken into account under section 1202 for the taxable year shall be taken into account under this section."

(b) ADJUSTMENT TO BASIS.—Section 1016 (a) of such Code (relating to adjustments to basis) is amended by striking out the period at the end of paragraph (22) and inserting in lieu thereof a semicolon and "and" and by adding at the end thereof the following new paragraph:

"(23) for amounts allowed as exclusions for capital gains realized on the sale or exchange of stock or securities under section 125."

(c) CLERICAL AMENDMENT.—The table of sections for such part III is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 124. Partial exclusion of interest and dividends from savings deposits.

"Sec. 125. Partial exclusion of certain gains.

"Sec. 126. Cross references to other Acts.".

Sec. 3. Reduction in Corporate Tax Rates and Increase in Surtax Exemption.

(a) Normal Tax.—Section 11(b) of the Internal Revenue Code of 1954 (relating to normal tax on corporations) is amended to read as follows:

"(b) Normal Tax.—The normal tax shall be determined in accordance with the following table:

"If the taxable income is:	The tax is:
Not over $50,000	18% of the taxable income.
Over $50,000 but not over $100,000	$9,000, plus 19% of excess over $50,000.
Over $100,000 but not over $500,000	$18,500, plus 20% of excess over $100,000.
Over $500,000 but not over $1,000,000	$98,500, plus 21% of excess over $500,000.
Over $1,000,000	$203,500, plus 22% of excess over $1,000,000."

(b) Surtax.—Section 11(c) of such Code (relating to surtax on corporations) is amended—

(1) by striking out "and" at the end of paragraph (2),

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof a comma and "and", and

(3) by adding at the end thereof the following new paragraphs:

"(4) 25 percent, in the case of a taxable year beginning afttr December 31, 1977,

"(5) 24 percent, in the case of a taxable year beginning after December 31, 1979."

(c) Surtax Exemption.—Section 11(d) of such Code (relating to surtax exemption) is amended to read as follows:

"(d) Surtax Exemption.—For purposes of this title, the surtax exemption for any taxable year shall be determined in accordance with the following table, except that, with respect to a corporation to which section 1561 or 1564 (relating to surtax exemptions in case of certain controlled corporations) applies for the taxable year, the surtax exemption for the taxable year is the amount determined under such section:

"If the taxable year begins after December 31 of:	"Then the surtax exemption is:
1975	$50, 000.
1976	$60, 000.
1977	$70, 000.
1978	$80, 000.
1979 and thereafter	$100, 000."

(d) Technical and Conforming Amendments.—

(1) Paragraph (7) of section 12 of such Code (relating to cross references for tax on corporations) is amended by striking out "$50,000".

(2) Section 962(c) of such Code (relating to surtax exemption for individuals electing to be subject to tax at corporate rates) is amended by striking out "$50,000" and inserting in lieu thereof "the amount of such exemption in effect for such taxable year".

(3) Paragraph (1) of section 1561(a) of such Code (relating to limitations on certain multiple tax benefits in the case of certain controlled corporations) is amended by striking out "$50,000".

Sec. 4. Changes in the Investment Credit.

(a) 10 Percent Credit.—Section 46(a)(1)(D) of the Internal Revenue Code of 1954 (relating to amount of investment credit) is amended—

(1) by striking out "and before January 1, 1977," in clause (i),

(2) by striking out "and before January 1, 1977, and placed in service by the taxpayer before January 1, 1977, and" in clause (ii) and inserting in lieu thereof "and", and

(3) by striking out "after January 21, 1975, and before January 1, 1977." in clause (iii) and inserting in lieu thereof "after January 21, 1975.".

(b) Limitation on Amount of Credit.—

(1) In general.—Section 46 (a) (2) of such Code (relating to limitation based on amount of tax) is amended to read as follows:

"(2) Limitation based on amount of tax.—Notwithstanding paragraph (1), the credit allowed by section 38 for the taxable year shall not exceed 50 percent of the liability for tax for such taxable year.".

(2) Public utilities.—Section 46 (a) of such Code is amended—

(A) by striking out paragraphs (4) and (5),

(B) by redesignating paragraph (6) as paragraph (4), and

(C) by striking out "subparagraph (C) of" in subparagraph (A) of paragraph (4), as redesignated by subparagraph (B) of this paragraph.

(c) Carrybacks and Carryovers.—Section 46 (b) of such Code (relating to carryback and carryover of unused credits) is amended—

(1) by striking out "7" in paragraph (1) (B),

(2) by striking out "10" and "9" in the second sentence of paragraph (1),

(3) by striking out " '7 taxable years' " in the third sentence of paragraph (1) and inserting in lieu thereof " 'taxable years' ", and

(4) by striking out "by substituting '13 taxable years' for '10 taxable years' and '12 taxable years' for '9 taxable years' in the preceding sentence." and inserting in lieu thereof "by substituting '13 taxable years' for 'taxable years' the first time it appears in the preceding sentence and by substituting '12 taxable years' for 'taxable years' the second time it appears in the preceding sentence.".

(d) Public Utility Property.—Section 46 (c) (3) of such Code (relating to public utility property) is amended by striking out "4/7 of" in subparagraph (A).

(e) Conforming Amendment.—Section 48 (f) of such Code (relating to estates and trusts) is amended by striking out "$25,000" each place it appears in paragraph (3).

Sec. 5. Partial Exclusion From Gross Income of Certain Dividends.

(a) In General.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to items specifically excluded from gross income), as amended by section 2 of this Act, is amended—

(1) by redesignating section 126 as section 127, and

(2) by inserting after section 125 the following new section:

"Sec. 126. Partial Exclusion of Dividends Paid by Domestic Corporations.

"(a) General Rule.—In the case of any taxpayer other than a corporation, gross income does not include any amounts of dividends received by, or credited to the account of, a taxpayer during the taxable year to the extent that, during such year, such taxpayer purchases common or preferred stock issued by a domestic corporation for an amount which equals or exceeds the amount of such dividends.

"(b) Limitation.—The amount of the exclusion allowed under subsection (a) may not exceed 25 percent of the taxable income of the taxpayer for the taxable year determined without regard to this section.

"(c) Definitions.—For purposes of this section—

"(1) Dividend.—The term 'dividend' means a dividend, as defined in section 316, paid by a domestic corporation with respect to its common stock.

"(2) Domestic corporation.—The term 'domestic corporation' means any corporation which is incorporated under the laws of any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or any possession of the United States."

(b) Clerical Amendment.—The table of sections for such part III, as amended by section 2 of this Act, is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 126. Partial exclusion of dividends paid by domestic corporations.

"Sec. 127. Cross references to other Acts.".

Sec. 6. Deduction for Dividends Paid.

(a) In General.—Part VIII of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to special deductions for corporations) is amended by adding at the end thereof the following new section:

"Sec. 251. Dividends Paid on Certain Preferred Stock of Domestic Corporations.

"(a) Amount of Deduction.—In the case of a domestic corporation, there shall be allowed as a deduction an amount equal to the amount of individuals paid during the taxable year on its preferred stock.

"(b) Definitions.—For purposes of this section—

"(1) Domestic corporation.—The term 'domestic corporation' means any corporation which is incorporated under the laws of any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or any possession of the United States.

"(2) Preferred stock.—The term 'preferred stock' means stock issued after December 31, 1975, if the dividends in respect of such stock are cumulative, limited to the same amount, and payable in preference to the payment of dividends on other stock.

"(c) Application With Section 247.—No amount taken into account under this section for the taxable year shall be taken into account for purposes of section 247 (relating to deduction for dividends paid on certain preferred stock of public utilities). No amount taken into account under section 247 for the taxable year shall be taken into account under this section."

(b) Clerical Amendment.—The table of sections for such part VIII is amended by adding at the end thereof the following new item:

"Sec. 251. Dividends paid on certain preferred stock of domestic corporations.".

Sec. 7. One Year Amortization of Pollution Control Facilities.

Section 169 of the Internal Revenue Code of 1954 (relating to amortization of pollution control facilities) is amended—

(1) by striking out "60 months." and "60 month" in subsection (a) and inserting in lieu thereof "12 months." and "12-month", respectively,

(2) by striking out "60-month" in subsection (b) and inserting in lieu thereof "12-month",

(3) by striking out "January 1, 1969," in subsection (d)(1) and inserting in lieu thereof "January 1, 1976,", and

(4) by striking out subsections (d)(3) and (d)(4) and inserting in lieu thereof the following:

"(3) Federal certifying authority.—The term 'Federal certifying authority' means the Administrator of the Environmental Protection Agency.

"(4) New identifiable treatment facility.—For purposes of paragraph (1), the term 'new identifiable treatment facility' includes only tangible property (not including a building and its structural components, other than a building which is exclusively a treatment facility) which is of a character subject to the allowance for depreciation provided in section 167, which is identifiable as a treatment facility, and which is property—

"(A) the construction, reconstruction, or erection of which is completed by the taxpayer after December 31, 1975, or

"(B) acquired after December 31, 1975, if the original use of the property commences with the taxpayer and commences after such date.

In applying this section in the case of property described in subparagraph (A), there shall be taken into account only that portion of the basis which is attributable to construction, reconstruction, or erection after December 31, 1975."

Sec. 9. Effective Dates.

(a) In General.—Except as otherwise provided, the amendments made by this Act apply to taxable years beginning after December 31, 1975.

(b) Section 8.—The amendment made by section 8 applies to property placed in service after the date of enactment of this Act.

By Mr. SCHWEIKER (for himself, Mr. McGee and Mr. Williams):

S. 2910. A bill to establish the National Diabetes Advisory Board and to insure the implementation of the long-range plan to combat diabetes. Referred to the Committee on Labor and Public Welfare.

NATIONAL DIABETES ADVISORY BOARD ACT

Mr. SCHWEIKER. Mr. President, on behalf of myself, the distinguished Senator from Wyoming, Mr. McGee, and the distinguished chairman of the Committee on Labor and Public Welfare, Mr. Williams, I send to the desk for appropriate reference a bill to establish the National Diabetes Advisory Board and to insure the implementation of the long-range plan to combat diabetes.

In conjunction with our action here today Representative Tim Lee Carter, of Kentucky, Representative William Steiger, of Wisconsin, Representative Guy Vander Jagt, of Michigan, and Representative Andrew Maguire, of New Jersey), are introducing similar legislation in the other body.

Diabetes is the third most serious health problem facing our country today. The National Commission on Diabetes recently reported to Congress that over 10 million Americans suffer from this disease and that it is the leading cause of adult blindness, kidney disease, and heart problems. Yet for many years people have been told diabetes is a disease under control and not a major national problem.

The National Commission, created by the Diabetes Mellitus Research and Education Act of 1974, which we were proud to sponsor, has not only for the first time outlined the scope of the disease, in its report of December 10, 1975, but has also for the first time established a blueprint, defining what this Nation needs to do to mount a successful attack on diabetes. Some of the Commission's recommendations can be implemented by the National Institutes of Health under present authority; the NIH program is of major importance, and we will seek to assure that the Appropriations Committee recommends enough funds for this to occur.

The Commission has also recommended that a new administrative mechanism be created to oversee diabetes research and treatment efforts. This is necessary because diabetes is so broad in its impact that the traditional divisions of the National Institutes of Health may not allow for effectively coordinated research. In order to implement this recommendation, the bill we introduce today will establish the National Diabetes Advisory Board and insure the implementation of the long-range plan to combat diabetes prepared by the Commission.

The first section of the bill contains findings the Commission used to prepare a long-range plan to discover the means to prevent and cure diabetes, and to improve the quality of life for those who now have or will have diabetes. In order to implement the plan, the findings continue, it is necessary to have an organization with authority to coordinate the utilization of national resources for diabetes research, education, and treatment. It is then the purpose of our bill to establish a National Diabetes Advisory Board and to insure the implementation of the long-range plan to combat diabetes.

Section 3 of the bill creates the National Diabetes Advisory Board. This Board is composed of 19 members, including 7 designated health officials from the Department of Health, Education, and Welfare, 7 physicians or scientists designated by the Secretary of HEW, 5 representatives of the general public including at least 1 person with diabetes and 1 who is the parent of a diabetic child. The Board's power and authority are set out in the bill. Its most important function will be to review, evaluate, and advise the Federal Government with regard to implementation of the long-range plan. In doing this it will consult with experts in the field, both within and outside government, and it will have authority to acquire any technical assistance it may need. In addition, the Board will send to the President and Congress an annual diabetes report making both legislative and appropriations recommendations as well as describing the status of diabetes research in the previous year.

Section 4 of the bill creates distinguished scientist grants in the field of diabetes. One of the most serious drawbacks in present diabetes research has been the lack of qualified people to do that research. By these grants, to be administered by the Department of HEW, a core of scientific expertise will be created which will allow accelerated research in future years.

Section 5 authorizes funding for diabetes research and training centers. These centers, created in the 1974 Diabetes Act, have three principal functions: Performance of high quality research; generation of competent professional personnel familiar with diabetes; and translation of advances in the field of diabetes research into improved care for the diabetic. These centers are in no sense intended to be a means of providing massive health care delivery systems for the diabetic population in America.

Mr. President, this bill is a start toward implementation of the Diabetes Commission's report. There are some who question the advisability of creating a special board to oversee a single disease outside the normal NIH procedures. Normally I would agree, but diabetes is a special situation requiring special treatment. Diabetes research is currently being conducted by seven of the National Institutes of Health, and as we all know, everybody's responsibility is nobody's responsibility. Someone must have the job of overseeing the progress of diabetes research in this country. To solve this need, which does not exist in most other areas of medical science, this bill creates a National Advisory Board. I do not see this as a precedent which will be followed by many other diseases, but as an answer to a most unique medical situation.

Mr. President, I ask unanimous consent that the text of our bill be printed at this point in the Record, along with a summary of the long-range plan to combat diabetes prepared by the National Commission on Diabetes.

There being no objection, the bill and summary were ordered to be printed in the Record, as follows:

S. 2910

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Diabetes Advisory Board Act."

FINDINGS AND DECLARATION OF PURPOSE

Sec. 2. (a) The Congress finds that—

(1) the National Commission on Diabetes (hereinafter referred to as the Commission) has formulated a Long-Range Plan to Combat Diabetes (hereinafter referred to as the "Long-Range Plan");

(2) the ultimate goals of this Long-Range Plan are to discover means to prevent and to cure diabetes and its complications and to improve the care and quality of life of those individuals who now have or who will get diabetes before the discovery of preventive measures and a cure; and

(3) in order to ensure the effective implementation of the Long-Range Plan it is necessary to have an organization with sufficient authority to—

(A) review, evaluate, and advise with regard to the recommendations of the Long-Range Plan; and

(B) coordinate the utilization of national resources for diabetes research, education, and treatment.

(b) It is the purpose of this Act to—

(1) establish a National Diabetes Advisory Board to ensure the implementation of the Long-Range Plan to Combat Diabetes, and

(2) ensure the implementation of the Long-Range Plan to Combat Diabetes.

THE NATIONAL DIABETES ADVISORY BOARD

Sec. 3. (a) The Secretary of Health, Education, and Welfare shall, within 30 days after the date of enactment of this Act, establish a National Diabetes Advisory Board (hereinafter referred to as the "Board") in accordance with the requirements of this Act.

(b) The Board shall be composed of 19 members as follows:

(1) the Assistant Secretary for Health;

(2) the Director of the National Institutes of Health;

(3) the Director of the National Institute of Arthritis, Metabolism, and Digestive Diseases;

(4) the Director of the Center for Disease Control;

(5) the Administrator of the Health Services Administration;

(6) the Administrator of the Health Resources Administration;

(7) the Chairman of the Diabetes Mellitus Coordinating Committee;

(8) seven members appointed by the Sec-

retary of Health, Education and Welfare who are not in the employment of the Federal Government and who are physicians, other health professionals, or scientists representing the various specialties and disciplines involved with diabetes mellitus and related endocrine and metabolic diseases;

(9) five members appointed by the Secretary of Health, Education and Welfare from the general public, including at least one person with diabetes and one parent of a diabetic child.

(c) The members of the Board shall select a chairman from among those members who are not employees of the Federal Government.

(d) The Board shall—

(1) appoint and fix the compensation of an Executive Director, Assistant Director and such additional staff personnel, not to exceed three, as it deems necessary for the performance of the Board functions, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but at rates not in excess of the maximum rate for GS–18 of the General Schedule under section 5332 of such title; and

(2) procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code.

(e) The Board is authorized—

(1) to adopt, amend, and repeal rules and regulations governing the manner of its operations, organization, and personnel;

(2) to enter into contracts or other arrangements or modifications thereof, with any government, any department, agency, or independent instrumentality of the United States, or with any person, firm, association, or corporation, and such contracts or other arrangements, or modifications thereof, may be entered into without legal consideration, without performance or other bonds, and without regard to section 3709 of the Revised Statutes, as amended (41 U.S.C. 5);

(3) to make advance, progress, and other payments which the Board deems necessary under this Act without regard to the provisions of section 3648 of the Revised Statutes, as amended (31 U.S.C. 529); and

(4) to take such other action as may be necessary to carry out its functions under this section.

(f) The Office of the Assistant Secretary for Health of the Department of Health, Education, and Welfare shall, to the extent permitted by law and to the extent needed to carry out the purposes of this Act, provide the Board with necessary administrative services and facilities, including but not limited to the services of professional and support staff, necessary office space, and equipment.

(g) Members of the Board who are officers or employees of the Federal Government shall serve as members of the Board without compensation in addition to that received in their regular public employment. Members of the Board who are not officials of the Federal Government shall each receive the daily equivalent of the rate for Grade GS–18 of the General Schedule for each day (including travel time) they are engaged in the performance of their duties as members of the Board. All members of the Board shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties as members of the Board.

(h) Of those individual members of the Board designated in paragraph (8) and (9) of subsection (b), six shall be appointed initially for terms of three years, to be succeeded by members appointed for two years, and six shall be appointed initially for terms of two years, to be succeeded by members appointed for three years.

(i) Only those individuals who are members of the Board shall be permitted to vote on matters which require decisions by the Board.

(j) The Board shall review, evaluate, and advise with regard to the implementation of the Long-Range Plan to Combat Diabetes Mellitus of the National Commission on Diabetes. In carrying out this function the Board shall recommend those additional administrative policies that it finds necessary to ensure—

(1) the success of the Long-Range Plan to Combat Diabetes Mellitus; and

(2) the most effective utilization and organization of national diabetes resources.

(k)(1) The Board may engage in and sponsor activities, collect such data, provide such technical assistance as it deems necessary and advisable to enable it to perform its duties under this Act.

(2) The Board may, from time to time, establish working committees composed of Board members and nonmember consultants with expertise in the particular areas addressed by such committees.

(l) The full Board shall hold regular quarterly meetings. In addition, the full Board or any of its working committees may hold such additional meetings as are necessary in order to enable the Board to carry out its activities.

(m) For each year that the Board is in operation, two months prior to the transmission of the President's budget to Congress, the Board shall submit simultaneously to both the President and to Congress, an Annual Diabetes Report. Such report shall—

(1) describe the Board activities for the prior year;

(2) describe and evaluate progress made during the previous year in diabetes research, treatment, and education with specific reference to the Long-Range Plan to Combat Diabetes Mellitus;

(3) describe the Board's proposed activities for the next year;

(4) include a detailed budget analysis of current diabetes-related activities of the Federal Government;

(5) suggest recommended expenditures for the forthcoming fiscal year;

(6) make recommendations for necessary legislation to implement policy;

(7) discuss recommended technical refinements in the Long-Range Plan to Combat Diabetes Mellitus necessitated by developments in the field; and

(8) be made available to the public at the same time it is transmitted to the President and the Congress.

(n) The Board shall cease to exist five (5) years after the date of its first meeting.

(o) There are authorized to be appropriated to carry out the purposes of this section $500,000 for fiscal year ending June 30, 1976, and such sums as are necessary for each of the four fiscal years thereafter.

DISTINGUISHED SCIENTIST GRANTS

SEC. 4. (a) The Secretary of Health, Education and Welfare (hereinafter referred to as the Secretary) is authorized to make grants to individual scientists who have shown continuous and outstanding productivity in research related to diabetes. The grants shall be made for the purpose of enabling such scientists to continue research efforts in areas such as basic research on insulin and related hormones and metabolism, etiology of diabetes, obesity and nutrition, and diabetic retinopathy and basic physiologic studies of the eye as they relate to diabetes.

(b) The amount of each such grant made under subsection (a) shall not exceed $35,000 per year.

(c) The Secretary shall, with the assistance of the Directors of the National Institutes of Health, promulgate rules and regulations governing the selection of those individual scientists eligible to receive the grants under this section. There are authorized to be appropriated $175,000 for fiscal year 1976, $350,000 for fiscal year 1977, $525,000 for fiscal year 1978, $700,000 for fiscal year 1979, and $875,000 for fiscal year 1980 and each year thereafter.

FUNDS FOR DIABETES RESEARCH AND TRAINING CENTERS

SEC. 5. Section 435(c) of the Public Health Service Act is amended to read as follows:

"(c) There are authorized to be appropriated to carry out this section $8,000,000 for fiscal year ending September 30, 1977, $12,000,000 for fiscal year ending September 30, 1978, $20,000,000 for fiscal year ending September 30, 1979, $20,000,000 for fiscal year ending September 30, 1980, and $20,000,000 for fiscal year ending September 30, 1981.".

Summary of the Recommendations

To the Institutes of the National Institutes of Health:

That the National Institute of Arthritis, Metabolism, and Digestive Diseases—

Increase its support of research efforts in basic endocrinology, metabolism, and nutrition, and apply the results of such research to the study of diabetic defects and the causes, prevention, and cure for diabetes.

Increase its support for research efforts in nutrition relating to diabetes and to obesity in persons with diabetes, and increase the number of its Obesity Centers to three to encourage such research and to train manpower in this area.

Establish an ad hoc advisory panel on transplantation and artificial devices and, commensurate with the panel's recommendations, increase support of research efforts in transplantation of the pancreas or islet cells and development of artificial devices.

Increase its support for research efforts in diabetic microangiopathy.

Initiate and support (with the National Heart and Lung Institute) a five-year study to assess the effect of treatment for juvenile-onset diabetes on the development of micro- and macrovascular complications.

Expand its ongoing intramural research program related to diabetes.

Expand its training fellowships and special awards in the area of diabetes-related studies.

Review all available research information resources in order to develop a system to provide a complete and up-to-date source of information on ongoing and proposed research relating to diabetes.

That the National Eye Institute—

Increase its support for research efforts on the causes and treatment of diabetic retinopathy.

Expand its ongoing intramural research program related to diabetes.

Expand its training fellowships and special awards in the area of diabetes-related studies.

That the National Institute of Neurological and Communicative Disorders and Stroke—

Increase its support for basic research relating to peripheral neuropathy, stroke, and other neural disorders prevalent in diabetes.

Expand its training fellowships and special awards in the area of diabetes-related studies.

That the National Institute of Dental Research—

Increase its support for research efforts on the dental complications of diabetes.

Expand its ongoing intramural research program related to diabetes.

Expand its training fellowships and special awards in the area of diabetes-related studies.

That the National Institute for Child Health and Human Development—

Sponsor a long-term clinical study on the effects of infant feeding on the development of obesity and diabetes.

Increase its support for basic and clinical research efforts on pregnancy and diabetes, and sponsor a follow-up study of infants of mothers with diabetes.

Increase its support for research efforts on contraceptive agents and diabetes.

Expand its training fellowships and special awards in the area of diabetes-related studies.

That the National Heart and Lung Institute—

Increase its support for those research efforts in heart disease, peripheral vascular disease, atherosclerosis, hypertension, and blood coagulation that relate to diabetes morbidity and mortality, and increase its support for those research studies already under way which are unique to diabetic macroangiopathy.

Initiate and support (with the NIAMDD) a five-year clinical study to assess the effect of treatment for juvenile-onset diabetes on the development of micro- and macrovascular complications.

That appropriate Institutes of the NIH—

Establish research resource facilities to maintain research materials and animal models, and provide economical and efficient services necessary to meet the needs of diabetes research.

Be alert and receptive to the sponsorship of evaluation studies pertaining to diabetes treatment and education as a part of the NIH's competitively awarded research programs.

That the National Institutes of Health sponsor annual interdisciplinary workshops, symposia, and conferences on diabetes and its complications to encourage cross-fertilization of ideas and cooperative research efforts.

To the Secretary of Health, Education, and Welfare:

That the program for Diabetes Research and Training Centers be implemented immediately, in accordance with the Long-Range Plan, and that the responsibility for its supervision be delegated to the Director of the National Institutes of Health.

That the Diabetes Control Program be implemented immediately in accordance with the Long-Range Plan, and that the responsibility for its supervision be delegated to the Center for Disease Control.

That he instruct the relevant agencies of his department, and request other identified Federal Departments: (1) to prepare a report with complete lists of services and resources within their organizations to meet the needs of the patient with diabetes and with proposals on how these and additional resources may be used for diabetes research, treatment, and education in light of the Long-Range Plan, and (2) to present this report to the Secretary and the National Diabetes Advisory Board.

To the Assistant Secretary for Health:

That he advise the identified agencies of the Public Health Service to address the problem of diabetes according to the recommendations of the Long-Range Plan.

That a National Diabetes Information and Education Clearinghouse be established as a central resource for educational materials and information.

That a National Diabetes Data Group be established to coordinate the collection and publication of diabetes data related to public health policy.

To Other Federal Agencies:

That the Administrator of the Veterans Administration increase the VA programs in the areas of research, education, and treatment of diabetes and request additional funds for these programs.

That the Social and Rehabilitation Service ensure that appropriate services are available to the underserved population with diabetes for which the Agency provides support.

That the Social Security Administration modify its guidelines for reimbursement of patients with diabetes to ensure that patient education expenses are included as reimbursable elements of patient care.

That the Department of Defense review its programs in light of the recommendations for other Federal Agencies in the Long-Range Plan.

That the Department of Agriculture expand its intramural research programs on nutrition for the diabetic population, and orient its Extension Service to disseminate diabetes-related health information.

That the Commission on Human Resources of the National Research Council, National Academy of Sciences, recognize the critical needs of diabetes research when identifying those areas eligible for National Research Service Awards.

That research funding agencies of the Public Health Service not mentioned previously (particularly the Health Resources Administration and the Health Services Administration), the grantees of these agencies, and the Veterans Administration be receptive to the sponsorship of evaluation studies pertaining to diabetes education and treatment as a part of their competitively awarded research programs.

To Others in the Diabetes Community:

That patient education be considered an essential element of treatment, and that all related activities promote this key concept.

That those organizations responsible for the development and conduct of continuing medical education programs increase the quality and number of such programs related to diabetes.

And Most Important, to the Congress:

That funds for increased diabetes research be appropriated to NIAMDD and other Institutes of the National Institutes of Health as detailed in the funding summary.

That the staff of the NIAMDD and other Institutes of the NIH be increased to meet the needs of the diabetes research program.

That increased funding support be provided to the General Clinical Research Centers Program of the Division of Research Resources of the NIH to ensure adequate resources for the clinical research needs of the Long-Range Plan.

That P.L. 93-354 be amended with respect to dates and duration of authorization for the Diabetes Research and Training Centers program and that funds for that program be appropriated.

That staff positions and funds be appropriated to the Center for Disease Control for the implementation and support of its Diabetes Control Program.

That appropriations be provided for (1) a National Diabetes Information and Education Clearinghouse, and (2) a National Diabetes Data Group.

That a National Diabetes Advisory Board be authorized and funded to review, evaluate, and advise with regard to the implementation of the Long-Range Plan, and that this Board be established in the Office of the Assistant Secretary for Health.

Mr. WILLIAMS. Mr. President, I am pleased to join with my colleagues, the distinguished Senator from Pennsylvania (Mr. SCHWEIKER) and the distinguished Senator from Wyoming (Mr. MCGEE), in introducing a bill to implement the recommendations of the National Commission on Diabetes.

More than a year ago, the Congress enacted the Diabetes Mellitus Research and Education Act of 1974, of which I was proud to be a principal sponsor. The purpose of this legislation was to establish a National Commission on Diabetes to develop a long-range plan defining what this Nation needs to do to mount a successful attack on diabetes.

On December 10, 1975, the Commission issued its report and the bill we are introducing today will help assure that these objectives will be accomplished.

Mr. President, diabetes is the third most serious health problem in the United States today. Over 10 million Americans suffer from this disease and it is the leading cause of adult blindness, kidney disease and heart disorders. Although there has been a visible Federal research effort to combat diabetes, it is clear from the Commission's report that much more needs to be done.

There is no question that some of the recommendations can be implemented by the National Institutes of Health under its current legislative authority. However, the Commission has made recommendations which require the Congress to act. This is especially true with respect to the need for a new mechanism to oversee diabetes research and treatment efforts which is so comprehensive in scope that the traditional NIH divisions may not by themselves allow for coordination in the absence of this bill. The bill would address these issues and others as follows:

The first section contains findings that it is necessary to have an organization with authority to coordinate the utilization of national resources for diabetes research, education, and treatment. It is then the purpose of our bill to establish a National Diabetes Advisory Board and to insure the implementation of the long-range plan to combat diabetes.

The second section creates the National Diabetes Advisory Board composed of 19 members, including 7 designated health officials from the Department of Health, Education, and Welfare, 7 physicians or scientists designated by the Secretary of HEW, 5 representatives of the general public including at least 1 person with diabetes and the parent of a diabetic child.

The Board's most important function will be to review, evaluate, and advise the Federal Government with regard to implementation of the long-range plan. In doing this it will consult with experts in the field, both within and outside Government, and it will have authority to acquire any technical assistance it may need. In addition, the Board will send to the President and Congress an annual diabetes report making both legislative and appropriations recommendations as well as describing the status of diabetes research in the previous year.

The third section of the bill creates distinguished scientists grants in the field of diabetes. These grants will assist in the development of a core of scientific expertise which will allow accelerated research in future years.

The final section authorizes funding for diabetes research and training centers. These centers, created in the 1974 Diabetes Act, have three principal functions: Performance of high quality research; generation of competent professional personnel familiar with diabetes; and translation of advances in the field of diabetes research into improved care for the diabetic. These centers are in no sense intended to be a means of providing massive health care delivery systems for the diabetic population in America.

Mr. President, diabetes research is currently being conducted by seven of the National Institutes of Health, and the job of overseeing the progress of diabetes research in this country must be carried out. I believe this legislation will accomplish that important purpose.

By Mr. SCHWEIKER (for himself, Mr. Beall, Mr. Cranston, Mr. Haskell, Mr. Mathias, Mr. Mondale, and Mr. Stafford):

S. 2911. A bill to amend the Federal Election Campaign Act to provide that members of the Federal Election Commission shall be appointed by the President, by and with the advice and consent of the Senate, and for other purposes. Referred to the Committee on Rules and Administration.

Mr. SCHWEIKER. Mr. President, on behalf of myself and Senators Beall, Cranston, Haskell, Mathias, Mondale, Stafford, I send to the desk legislation to provide that members of the Federal Election Commission be appointed by the President and confirmed by the Senate.

Last Friday the Supreme Court ruled on the constitutionality of the Federal Election Campaign Act of 1971, as amended in 1974. Parts of the law were upheld and others struck down, but the enforcement of the act was gutted. The Court ruled that the makeup of the Federal Commission, with four of its six members appointed by congressional leadership, conflicted with the appointments clause of the Constitution. In short, the Commission, as presently constituted, may no longer bring civil actions against violators, make rules for carrying out the act, temporarily disqualify Federal candidates for failing to file required reports, or even sign the Federal matching checks to Presidential candidates. The Court stayed its order stripping the FEC of its power for only 30 days, giving Congress only until the end of this month to reconstitute the Commission on a valid basis.

The legislation I introduce today will accomplish that. It will reestablish the six-member Federal Election Commission as a Commission appointed by the President, with the advice and consent of the Senate, with the Secretary of the Senate and Clerk of the House to serve as ex officio members. No more than three members may be affiliated with the same political party. This measure takes no position on whether the President should reappoint those persons presently serving on the FEC.

I am aware, Mr. President, that some of my colleagues have expressed interest in a more comprehensive bill on this subject, a bill which might extend public financing provisions or deal with other questions raised by the Court decision. I am a strong supporter of public financing, for all Federal elections, and I believe we need comprehensive legislation to deal with other Federal election questions as well.

But let us be realistic. We have at the most 14 legislative days to comply with the Court ruling—and if we fail to act, the FEC will simply evaporate as a meaningful enforcement agency. My own belief is it will be a real challenge for Congress to pass even this measure, which simply reconstitutes the Commission, in 14 legislative days. In all candor, I think it would take a miracle for Congress to pass any more comprehensive measure on this subject within the Court-imposed deadline.

My bill contains a sense-of-the-Congress provision, urging the President to make the appointments authorized by the measure expeditiously after passage. I hope my colleagues will act on this proposal with a comparable sense of urgency.

I ask unanimous consent that this bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2911

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the text of section 310(a)(1) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437c(a)(1)) (hereinafter in this Act referred to as the "Act") is amended to read as follows: "There is established a Commission to be known as the Federal Election Commission. The Commission is composed of the Secretary of the Senate and the Clerk of the House of Representatives, ex officio and without the right to vote, and six members appointed by the President, by and with the advice and consent of the Senate. No more than three members appointed by the President may be affiliated with the same political party."

(b)(1) Subparagraph (A) and subparagraph (D) of section 310(a)(2) of the Act (2 U.S.C. 437c(a)(2)(A), 437c(a)(2)(D)) each are amended by striking out "of the members appointed under paragraph (1)(A)".

(2) Subparagraph (B) and subparagraph (E) of section 310(a)(2) of the Act (2 U.S.C. 437c(a)(2)(B), 437c(a)(2)(E)) each are amended by striking out "of the members appointed under paragraph (1)(B)".

(3) Subparagraph (C) and subparagraph (F) of section 310(a)(2) of the Act (2 U.S.C. 437c(a)(2)(C), 437(a)(2)(F)) each are amended by striking out "of the members appointed under paragraph (1)(C)".

Sec. 2. (a) The terms of the persons serving as members of the Federal Election Commission upon the enactment of this Act shall terminate upon the appointment and confirmation of members of the Commission pursuant to this Act.

(b) The persons first appointed under the amendments made by the first section of this Act shall be considered to be the first appointed under section 310(a)(2) of the Act (2 U.S.C. 437c(a)(2)), as amended herein, for purposes of determining the length of terms of those persons and their successors.

(c) The provision of section 310(a)(3) of the Act (2 U.S.C. 437c(a)(3)), forbidding appointment to the Federal Election Commission of any person currently elected or appointed as an officer or employee in the executive, legislative, or judicial branch of the Government of the United States, shall not apply to any person appointed under the amendments made by the first section of this Act solely because such person is a member of the Commission on the date of enactment of this Act.

Sec. 3. It is the sense of Congress that the importance of the Federal Election Commission and the orderly implementation of Federal election campaign laws in this election year require that the appointments authorized by the amendments made by this Act be made as soon as possible after the enactment of this Act.

By Mr. KENNEDY (for Mr. Clark) (for himself, Mr. Kennedy, Mr. Hugh Scott, Mr. Mathias, Mr. Eagleton, and Mr. Philip A. Hart):

S. 2912. A bill to abolish the office of member of the Federal Election Commission, to establish the office of member of the Federal Election Commission appointed by the President by and with the advice and consent of the Senate, to provide public financing of primary elections and general elections to the Senate, and for other purposes. Referred to the Committee on Rules and Administration.

FEDERAL ELECTION COMMISSION REFORM ACT OF 1976

Mr. KENNEDY. Mr. President, at the request of Senator Clark, and on behalf of Senators Clark, Hugh Scott, Philip A. Hart, Mathias, Eagleton, and myself, I send to the desk a bill to reestablish the Federal Election Commission and to provide comprehensive public financing of Senate elections. I ask unanimous consent that our joint statement and the text of the bill may be printed in the Record.

There being no objection, the statement and bill were ordered to be printed in the Record, as follows:

Joint Statement of Senators Clark, Eagleton, Philip A. Hart, Kennedy, Mathias, and Hugh Scott Introducing Legislation for a Presidentially Appointed Federal Election Commission and for Comprehensive Public Financing of Senate Elections

We are introducing legislation in the Senate today calling for:

(1) a six-member Federal Election Commission appointed by the President with the advice and consent of the Senate; and

(2) comprehensive public financing of both primary and general elections for the Senate.

In submitting this proposal, we intend to work together for its enactment in the immediate future. If prompt action is forthcoming, we believe that the Federal Election Commission will be able to continue its work without serious disruption, and that congressional public financing can take effect in time for the 1976 general election.

In light of Friday's Supreme Court decision on the constitutionality of the Federal Election Campaign Act, we agree that these two crucial issues—restructuring the Federal Election Commission and establishing congressional public financing—must be brought before the Senate as quickly as possible.

We are hopeful that the House of Representatives will enact public financing for House elections. However, we feel it would be more appropriate that such legislation initiate in the House, rather than in the Senate.

We agree on the critical importance of permitting the Federal Election Commission to continue its work with minimal disruption and dislocation. Should this legislation be enacted, we will urge the President to appoint the six present Commissioners to the full terms prescribed by law.

Title I of our bill simply will reconstitute the Federal Election Commission as an independent, executive branch agency. In 1974, Congress established the F.E.C. to provide a centralized authority to administer and enforce federal campaign finance statutes. The Supreme Court, in its decision regarding the Commission, found no fault with this purpose—only with the method of choosing Commission members. The Court ruled that the combined congressional-presidential selection process was in violation of the separation of powers doctrine—specifically, with the "appointments clause" of the Constitution. By requiring that the Commissioners be appointed by the President, with the advice and consent of the Senate, this constitutional problem will be remedied.

An alternative, of course, would be to return to the old system—with the Comptroller General, Clerk of the House, and Secretary of the Senate administering the campaign law, and the Attorney General enforcing it. We believe that would be a serious mistake. For one thing, all of these officers have other important duties to perform. Also, it must be noted that enforcement of campaign law by the Justice Department never has been vigorous. And finally, to have employees of the Congress administering the laws under which their employers are elected creates at least the appearance of conflict of interest. In our judgment, the best way to insure that federal election law will be fairly executed—and to help restore public confidence in the political process—is to renew the Federal Election Commission.

Title II of our bill would establish public financing for Senate campaigns in a manner parallel to the presidential public financing system just upheld by the Supreme Court. Essentially all of Title II was approved by the Senate in 1974. It contains three principal features:

First, full public funding would be available for candidates of major parties in general elections for the Senate.

Each candidate would receive public funds equal to the amount of his spending ceiling under current law.

In general, for Senate elections the amount would be 14.4 cents per eligible voter in the State, or $180,000, whichever is greater.

No candidate would be required to accept public funds. Any candidate could choose, instead, to continue to rely on private funds or he could use a mix of funds, part public and part private. However, in accordance with the Court's ruling, any candidate using public funds would be subject to the expenditure limitation.

Second, partial public financing would be available for minor party candidates in general elections, based on the party's showing in the preceding election. A minor party candidate would also be eligible for funding retroactively, on the basis of his showing in the current election. In general, a minor party is defined as a party whose candidate received 5% or more, but less than 25%, of the vote in the preceding election or the current election.

Third, a system of matching grants of public funds would be established for Senate primary elections. Candidates who raise a threshold sum—20% of the spending limit for Senate races—would be eligible to receive matching grants of public funds for each private contribution of $100 or less.

The cost of the bill will be modest. We estimate it at $34 million for each biennial Senate election, or about $17 million a year.

In our view the Supreme Court's decision indicates that the time has come for public financing of all elections to Federal office. To stop after achieving reform for Presidential elections would leave the job half done.

We believe, therefore, that Congress should move quickly this year to do for Congressional elections what we have already done for Presidential elections. The law we passed in 1974 was a major victory for better government that should be extended now to our own elections for the Senate and House of Representatives.

The abuses and corrosive influences of big private campaign contributions and special interest money did not end with Watergate or the 1972 Presidential election. They are found in Congressional elections, too, and the Court's ruling on certain issues may make matters worse. If we fail to act, then we will be inviting future scandals of our own and future Watergates in Congressional campaign financing.

In fact, in light of the Court's decision upholding public financing of presidential elections, the need for action on congressional elections is especially urgent. The decision insures that presidential campaigns shall be largely insulated from the influence of special interest money and massive private contributions. But all that private money and all that special influence are still there, looking for fresh fields to conquer.

Every Senator and Congresman is a target for this corrosive and corrupting special interest money. None of us is blind to the potential conflict that exists and to the ambiguous relationships that are easily created. None of us can ignore the problem.

That is why we believe public financing for Congressional elections is needed now more than ever before. The danger is that without reform, the 1976 Congressional elections will be swamped with special interest money, as big contributors and organized interest groups vie with one another to gain new footholds in the Senate and House, and increase their already powerful sway over Congress and its work.

The Court's ruling against the constitutionality of expenditure limitations leaves public financing of elections as the only sure way to halt the escalating influence of the private dollar in the public's business. Public financing guarantees a clean and honest election for every candidate to Federal office. And it guarantees that once elected, a successful candidate will take his oath of office with no strings attached. Gone will be the possibility of dubious relationships created for the benefit of those who may have an interest in his votes and his other actions once he is in office.

And the cost of the reform is extremely small—$17 million a year to clean up Senate elections. To us, that is the wisest single investment the hard-pressed American taxpayer can make in the future of the country. From that reform alone can flow many benefits in every aspect of our work in Congress.

The debate is well known and familiar to us all. The issue is whether elections belong to all the people or just the special interests. In 1974, Congress achieved a major breakthrough for reform in the financing of Presidential elections. But we also established a blatant double standard for our own Congressional elections. If public financing is right for Presidential elections, it is right for Senate and House elections, too. And the sooner we accept that fact, the sooner we shall have a Congress responsive to the people, and the better our democracy will be.

S. 2912

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Election Campaign Reform Act of 1976".

TITLE I—RE-ESTABLISHMENT OF THE FEDERAL ELECTION COMMISSION

SEC. 101. REESTABLISHMENT OF FEDERAL ELECTION COMMISSION

(a) The Federal Election Commission established by section 310(a)(1) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437c) is abolished as of midnight, February 29, 1976.

(b) The text of paragraph (1) of section 310(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437c) is amended to read as follows:

"There is established a commission to be known as the Federal Election Commission. The Commission is composed of the Secretary of the Senate and the Clerk of the House of Representatives, ex officio and without the right to vote, and 6 members appointed by the President by and with the advice and consent of the Senate. No more than 3 of the members appointed by the President shall be affiliated with the same political party.".

(c) The first sentence of paragraph (2) of section 310(a) of such Act is amended to read as follows: "Members of the Commission shall serve for terms of 6 years, except that of the members first appointed—

"(A) Two of the members, not affiliated with the same political party, shall be appointed for terms ending on the April 30 first occurring more than 18 months after the date on which they are appointed,

"(B) Two of the members, not affiliated with the same political party, shall be appointed for terms ending 2 years after the April 30 on which the terms of the members referred to in subparagraph (A) end, and

"(C) Two of the members, not affiliated with the same political party, shall be appointed for terms ending 2 years after the April 30 on which the terms of the members referred to in subparagraph (B) end.".

(d) The amendments made by subsections (b) and (c) take effect on March 1, 1976, but, until the appointment and qualification of all of the members appointed under the amendment made by subsection (b), the members of the Federal Election Commission shall continue in office and the Commission shall carry out such of its functions as are consistent with the decision of the Supreme Court of the United States in the cases styled *Buckley et al. v. Valeo, Secretary of the United States Senate, et al.* (Nos. 75–436 and 75–437).

(e)(1) All personnel, liabilities, contracts, property, and records as are determined by the Director of the Office of Management and Budget to be employed, held, or used primarily in connection with any function carried out by the Federal Election Commission before its abolition are transferred to the Federal Election Commission established under the amendment made by subsection (b).

(2)(A) Except as provided in subparagraph (B) of this paragraph personnel engaged in functions transferred under this Act shall be transferred in accordance with applicable laws and regulations relating to the transfer of functions.

(B) The transfer of personnel pursuant to paragraph (1) shall be without reduction in classification or compensation for one year after such transfer.

(f)(1) All laws relating to any function transferred under this section shall, insofar as such laws are applicable remain in full force and effect. All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges made, issued, or granted by any office or agency or in connection with any function transferred by this Act, and in effect at the time of the transfer, shall continue in effect to the same extent as if such transfer had not occurred, until modified, superseded or repealed.

(2) The provisions of this section shall not affect any proceedings pending at the time this section takes effect before any agency, or part thereof, functions of which are transferred by this section, but such proceedings, to the extent that they relate to functions so transferred shall be continued before the Commissioner.

(3) No suit, action, or other proceeding commenced by or against any office or agency or any officer of the United States acting in his official capacity shall abate by reason of any transfer made pursuant to this section, but the court on motion or supplemental petition filed at any time within 12 months after such transfer takes effect, showing a necessity for the survival of such suit, action, or other proceeding to obtain a settlement of the question involved, may allow the same to be maintained by or against the appro-

priate office or agency or officer of the United States.

(4) With respect to any function transferred by this section and exercised after the effective date of this Act, reference in any other Federal law to any agency, office, or part thereof or any officer so transferred or functions of which are so transferred shall be deemed to mean the Commission or officer in which such function is vested pursuant to this section.

(g) The persons first appointed under the amendments made by subsection (b) shall be considered to be the first persons appointed under section 310(a)(2) of the Act (2 U.S.C. 437c(a)(2)), as amended herein, for purposes of determining the length of terms of those persons and their successors.

(h) Nothing in the Act or in this Act shall be construed to prevent the appointment under section 102 of this Act of any person who was a member of the Federal Election Commission on the day before the date of enactment of the Act.

Sec. 102. Section 320 of the Act (2 U.S.C. 439c) is amended by inserting before the period at the end thereof the following:

"$10,000,000 for the fiscal year ending June 30, 1976, $2,500,000 for the period from July 1, 1976 through September 30, 1976, and $10,000,000 for the fiscal year ending September 30, 1977".

TITLE II—PUBLIC FINANCING OF PRIMARY ELECTIONS AND GENERAL ELECTIONS FOR THE SENATE

Sec. 201. The Federal Election Campaign Act of 1971, as amended, is amended by adding at the end thereof the following new title:

"TITLE V—PUBLIC FINANCING OF PRIMARY ELECTIONS AND GENERAL ELECTIONS FOR THE SENATE

"DEFINITIONS

"Sec. 501. For purposes of this title, the term—

"(1) 'candidate', 'Commission,' 'contribution', 'expenditure', 'political committee', 'political party', or 'State' has the meaning given it in section 301 of this Act;

"(2) 'authorized committee' means the principal campaign committee of a candidate under section 302 of this Act or any political committee authorized in writing by that candidate to make or receive contributions or to make expenditures on his behalf;

"(3) 'general election' means any regularly scheduled or special election held for the purpose of electing a candidate to the office of Senator;

"(4) 'primary election' means (A) an election, including a runoff election, held for the nomination by a political party of a candidate for election to the office of Senator, or (B) a convention or caucus of a political party held for the nomination of such candidate;

"(5) 'eligible candidate' means a candidate who is eligible, under section 502, for payments under this title;

"(6) 'major party' means, with respect to an election for the office of Senator—

"(A) a political party whose candidate for election to that office in the preceding general election for that office received, as the candidate of that party, 25 per centum or more of the total number of votes cast in that election for all candidates for that office, or

"(B) if only one political party qualifies as a major party under the provisions of subparagraph (A), the political party whose candidate for election to that office in that election received, as the candidate of that party, the second greatest number of votes cast in that election for all candidates for that office (if such number is equal to 15 percent or more of the total number of votes cast in that election for all candidates for that office); and

"(7) 'minor party' means, with respect to the election for the office of Senator, a political party whose candidate for election to that office in the preceding general election for that office received, as the candidate of that party, at least 5 per centum but less than 25 per centum of the total number of votes cast in that election for all candidates for that office.

"ELIGIBILITY FOR PAYMENTS

"Sec. 502. (a) To be eligible to receive payments under this title, a candidate for the office of Senator shall agree—

"(1) to obtain and to furnish to the Commission any evidence it may request about his campaign expenditures and contributions;

"(2) to keep and to furnish to the Commission any records, books, and other information it may request;

"(3) to permit an audit and examination by the Commission under section 506 and to pay any amounts required under section 506; and

"(4) to furnish statements of campaign expenditures and proposed campaign expenses required under section 507.

"(b) Every such candidate shall certify to the Commission that—

"(1) the candidate and his authorized committees will not make campaign expenditures greater than the applicable limitation under subsection (c) of section 608 of title 18, United States Code; and

"(2) no contributions will be accepted by the candidate or his authorized committees in violation of section 608(h) of title 18, United States Code.

"(c)(1) To be eligible to receive any payments under section 505 for use in connection with a primary election campaign, a candidate shall certify to the Commission that—

he is seeking nomination by a political party for election to the office of Senator and he and his authorized committees have received contributions for that campaign equal in amount to the lesser of—

"(A) 20 percent of the maximum amount he may spend in connection with his primary election campaign under subsection (c) of section 608 of title 18, United States Code; or

"(B) $125,000.

"(2) To be eligible to receive any payments under section 505 for use in connection with a primary runoff election campaign, a candidate shall certify to the Commission that he is seeking nomination by a political party for election to the office of Senator, and that he is a candidate for such nomination in a runoff primary election. Such a candidate is not required to receive any minimum amount of contributions before receiving payments under this title.

"(d) To be eligible to receive any payments under section 505 for use in connection with a general election campaign, a candidate shall certify to the Commission that—

"(1) he is the nominee of a major or minor party for election to the office of Senator; or

"(2) in the case of any other candidate, he is seeking election to such office and he and his authorized committees have received contributions for that campaign in a total amount of not less than the campaign fund required under subsection (c) of a candidate for nomination for election to that office, determined in accordance with the provisions of subsection (e).

"(e) In determining the amount of contributions received by a candidate and his authorized committees for purposes of subsection (c)(1) or subsection (d)(2)—

"(1) no contribution received by the candidate or any of his authorized committees as a subscription, loan, advance, or deposit, or as a contribution of products or services, shall be taken into account; and

"(2) no contribution from any person shall be taken into account to the extent that it exceeds $100 when added to the amount of all other contributions made by that person to or for the benefit of that candidate in connection with his campaign.

"(f) Agreements and certifications under this section shall be filed with the Commission at the time required by the Commission.

"ENTITLEMENT TO PAYMENTS

"Sec. 503. (a)(1) Every eligible candidate for the office of Senator is entitled to payments in connection with his primary election campaign in an amount which is equal to the amount of contributions he accepts for that campaign.

"(2) For purposes of paragraph (1), no contribution from any person shall be taken into account to the extent that it exceeds $100 when added to the amount of all other contributions made by that person to or for the benefit of that candidate for his primary election campaign.

"(b)(1) Every eligible candidate for the office of Senator who is nominated by a major party is entitled to payments for use in his general election campaign in an amount which is equal to the applicable limitation for that campaign in subsection (c) of section 608 of title 18, United States Code (relating to limitations on expenditures).

"(2) every eligible candidate for the office of Senator who is nominated by a minor party is entitled to payments for use in his general election campaign in an amount which bears the same ratio to the amount of payments to which a candidate of a major party for the same office is entitled under this subsection as the total number of popular votes received by the candidate of that minor party for that office in the preceding general election bears to the average number of popular votes received by the candidates of major parties for that office in the preceding general election.

"(3)(A) A candidate who is eligible under section 502(d)(2) to receive payments under section 505 is entitled to payment for use in his general election campaign in an amount equal to the amount determined under subparagraph (B).

"(B) If a candidate whose entitlement is determined under this paragraph received, in the preceding general election held for the office to which he seeks election, 5 per centum or more of the total number of votes cast for all candidates for that office, he is entitled to receive payments for use in his general election campaign in an amount (not in excess of the applicable limitation under subsection (c) of section 608 of title 18, United States Code) equal to an amount which bears the same ratio to the amount of payments to which a candidate of a major party for the same office is entitled under this subsection as the total number of popular votes received by the candidate for that office in the preceding general election bears to the average number of popular votes received by the candidates of major parties for that office in the preceding general election. The entitlement of a candidate who, in the preceding general election held for that office, was the candidate of a major or minor party shall not be determined under this paragraph.

"(4) An eligible candidate who is the nominee of a minor party or whose entitlement is determined under section 502(d)(2) and who receives 5 per centum or more of the total number of votes cast in the current election is entitled to payments under section 505 after the election for expenditures made or incurred in connection with his general election campaign in an amount (not in excess of the applicable amount under subsection (c) of section 608 of title 18, United State Code) equal to—

"(A) an amount which bears the same ratio to the amount of the payment under section 505 to which the nominee of a major party was or would have been entitled for use in his campaign for election to that office as the number of votes received by the candidate in that election bears to the average number of votes received by all major party candidates for that office in that election, reduced by

"(B) any amount paid to the candidate under section 505 before the election.

"(c) Notwithstanding the provisions of subsections (a) and (b), no candidate is entitled to the payment of any amount under this section which, when added to the total amount of contributions received by him and his authorized committees and any other payments made to him under this title for his primary or general election campaign, exceeds the amount of the expenditure limitation applicable to him for that campaign as specified under subsection (c) of section 608 of title 18, United States Code.

"CERTIFICATIONS BY COMMISSION

"SEC. 504. (a) On the basis of the evidence, books, records, and information furnished by each candidate eligible to receive payments under section 505, and prior to examination and audit under section 506, the Commission shall certify from time to time to the Secretary of the Treasury for payment to each candidate the amount to which that candidate is entitled.

"(b) Initial certifications by the Commission under subsection (a), and all determinations made by it under this title, shall be final and conclusive, except to the extent that they are subject to examination and audit by the Commission under section 506. Notwithstanding the preceding sentence, such certifications and determinations by the Commission are subject to judicial review in accordance with the provisions of section 9041 of the Internal Revenue Code of 1954.

"PAYMENTS TO ELIGIBLE CANDIDATES; SENATE ELECTION ACCOUNT

"SEC. 505. (a) The Secretary of the Treasury shall maintain in the Presidential Election Campaign Fund established by section 9006(a) of the Internal Revenue Code of 1954, in addition to any other account which he maintains under such section, a separate account to be known as the Senate Election Account. The Secretary shall deposit into the account, for use by the candidate of any political party who is eligible to receive payments under section 502 and this section, the amount available after the Secretary determines that amounts for payments for Presidential general elections, Presidential primary elections, and Presidential nominating conventions under subtitle H of such Code are available for such payments. In addition to the amounts appropriated to the fund under section 9006(a) of such Code, there are authorized to be appropriated to the fund such additional amounts as may be necessary to carry out the provisions of this title and subtitle H of such Code. Amounts remaining in the fund after a Presidential general election shall not be transferred to the general fund of the Treasury.

"(b) Upon receipt of a certification from the Commission under section 504, the Secretary of the Treasury shall pay the amount certified by the Commission to the candidate to whom the certification relates.

"(c) If the Secretary of the Treasury determines that the moneys in the account are not, or may not be, sufficient to pay the full amount of entitlement to all candidates eligible to receive payments, he shall reduce the amount to which each candidate is entitled in accord with the procedures established under subtitle H of the Internal Revenue Code of 1954 for Presidential elections.

"EXAMINATION AND AUDITS; REPAYMENTS

"SEC. 506. (a) After each election for the office of Senator, the Commission shall conduct a thorough examination and audit of the campaign expenditures of all candidates for such office who received payments under this title for use in campaigns relating to that election.

"(b) (1) If the Commission determines that any portion of the payments made to an eligible candidate under section 505 was in excess of the aggregate amount of the payments to which the candidate was entitled, it shall so notify that candidate, and he shall pay to the Secretary of the Treasury an amount equal to the excess amount. If the Commission determines that any portion of the payments made to a candidate under section 505 for use in his primary election campaign or his general election campaign was not used to make expenditures in connection with that campaign, the Commission shall so notify the candidate and he shall pay an amount equal to the amount of the unexpended portion to the Secretary. In making its determination under the preceding sentence, the Commission shall consider all amounts received as contributions to have been expended before any amounts received under this title are expended.

"(2) If the Commission determines that any amount of any payment made to a candidate under section 505 was used for any purposes other than—

"(A) to defray campaign expenditures, or

"(B) to repay loans the proceeds of which were used, or otherwise to restore funds (other than contributions to defray campaign expenditures which were received and expended) which were used, to defray campaign expenditures,

it shall notify the candidate of the amount so used, and the candidate shall pay to the Secretary of the Treasury an amount equal to such amount.

"(3) No payment shall be required from a candidate under this subsection in excess of the total amount of all payments received by the candidate under section 505 in connection with the campaign with respect to which the event occurred which caused the candidate to have to make a payment under this subsection.

"(c) No notification shall be made by the Commission under subsection (b) with respect to a campaign more than eighteen months after the day of the election to which the campaign related.

"(d) All payments received by the Secretary under subsection (b) shall be deposited by him in the fund.

"INFORMATION ON EXPENDITURES AND PROPOSED EXPENDITURES

"SEC. 507. (a) Every candidate shall, from time to time as the Commission requires, furnish to the Commission a detailed statement, in the form the Commission prescribes, of—

"(1) the campaign expenditures incurred by him and his authorized committees prior to the date of the statement (whether or not evidence of campaign expenditures has been furnished for purposes of section 504), and

"(2) the campaign expenditures which he and his authorized committees propose to incur on or after the date of the statement.

"(b) The Commission shall, as soon as possible after it receives a statement under subsection (a), prepare and make available for public inspection and copying a summary of the statement, together with any other data or information which it deems advisable.

"REPORTS TO CONGRESS

"SEC. 508. (a) The Commission shall, as soon as practicable after the close of each calendar year, submit a full report to the Senate setting forth—

"(1) the expenditures incurred by each candidate and his authorized committees, who received any payment under section 505 in connection with an election;

"(2) the amounts certified by it under section 504 for payment to that candidate; and

"(3) the amount of payments, if any, required from that candidate under section 506, and the reasons for each payment required.

Each report submitted pursuant to this section shall be printed as a Senate document.

"(b) The Commission is authorized to conduct examinations and audits (in addition to the examinations and audits under sections 504 and 506), to conduct investigations, and to require the keeping and submission of any books, records, or other information necessary to carry out the functions and duties imposed on it by this title.

"PENALTY FOR VIOLATIONS

"SEC. 509. Violation of any provision of this title is punishable by a fine of not more than $50,000, or imprisonment for not more than five years, or both.

"EFFECTIVE DATE

"SEC. 510. The provisions of this title shall take effect on the date of enactment, except that the provisions applicable to primary elections for the Senate shall take effect on January 1, 1977.".

By Mr. RIBICOFF (for himself and Mr. PERCY):

S. 2913. A bill to establish the National Center for Women, and for other purposes. Referred to the Committee on Government Operations.

NATIONAL CENTER FOR WOMEN ACT

Mr. RIBICOFF. Mr. President, I am pleased to introduce, with my distinguished colleague and ranking minority member of the Government Operations Committee, a bill which would reorganize and consolidate various Federal programs concerned with women.

Senator PERCY has long been interested in improving the status of women. He is a member of the International Women's Year Commission and represented the Senate as a congressional adviser to the World Conference on International Women's Year held in Mexico City this past summer. He sponsored what was come to be known as the "Percy amendment." That provision, an amendment to the Foreign Assistance Act of 1974, requires all U.S. representatives to international organizations to integrate women into the implementation of assistance programs as well as professional programs in those organizations. One purpose of this bill works toward integrating women into the implementation of Federal domestic assistance programs.

We should have a serious look at those programs in Federal agencies which have an impact on women. By consolidating some already existing functions, we hope to establish a tight-knit structure which will eliminate duplication of programs, coordinate with other Federal efforts, and be more efficient in its operation in order to better achieve what Congress has intended—full opportunity and equality for women. We can no longer justify differential opportunity for men and women.

The bill would establish a National Center for Women as an independent agency in the Federal Government. Its purpose would be to review, monitor, coordinate and examine existing Federal programs affecting women. It would see that these existing programs are operating effectively. It would also coordinate and consolidate existing women's programs in order to make them more effective and efficient. The Center would serve as a clearinghouse to provide information on Federal programs and legislation of special interest to women.

This bill is intended to authorize the agency until 1981. It is hoped that by that time the Center's goal is achieved: Federal programs are doing effectively what Congress intended them to do. By 1981, hopefully, we can see that Federal programs are fully implemented to integrate the participation of women with men and that equal opportunity legislation is effectively enforced. At the end of this authorization, the Center would assess its progress to determine if its goals have been accomplished or if such a mechanism should continue.

Many of our laws and policies are based on the concept in which the male is the employed producer and the female is a full-time homemaker dependent, with their children, upon the husband for support, and for access, through his employer, to such benefits as social security and health insurance.

The little known statistics we have on women show that traditional patterns are changing. Changes in life expectancy by approximately 25 years have led women to seek a wider range of options. Many seek a more varied combination of roles. More women are in the labor force.

Although more women have entered the labor force, most still needing to out of economic necessity, their salaries have actually lowered proportionately in the past decade when they are compared to the salaries of men. In 1955, women were earning about 64 percent of what men were earning. In 1974, they were earning 57 percent of the wages which were being paid to men.

More females than males are below the poverty level. In 1970, that meant 15 million American females of all ages were below the officially established poverty level. Women have also become, increasingly, more heads of households. In 1971 at least 6 million families were headed by women, and one out of three of those same families had incomes below the poverty level.

Such conditions not only affect the lives of women themselves, but men as well. The Center would provide a means to assess changing trends and work patterns among women, evaluate statistical findings and recommend to Congress and the President ways to improve such conditions.

At this time, we do have an existing enforcement network. The Equal Employment Opportunity Commission is charged with enforcement of title VII of the Civil Rights Act of 1969. The Office of Federal Contract Compliance has major responsibility for holding Federal contractors and subcontractors to the requirement of Executive Order 11246 forbidding sex discrimination and requiring affirmative action for women and minorities. The Office of Civil Rights, Department of Health, Education, and Welfare, has major responsibility for implementing title IX of the Education Amendments of 1972, forbidding sex discrimination in education programs and activities receiving or benefiting from Federal financial assistance. The U.S. Commission on Civil Rights has authority to monitor the enforcement record of these and other agencies with enforcement responsibility for laws forbidding sex discrimination. Unfortunately, the Commission on Civil Rights has found the enforcement record wanting.

But enforcement is not our only concern. In addition to employment discrimination, many Federal programs designed to assist women as well as men often have little benefit for women. For example, although most recipients of Aid to Families with Dependent Children—AFDC—are poor, female heads of families, the work incentive program—WIN, by statute, gives first priority in terms of acceptance into the WIN program to unemployed fathers who are recipients of AFDC. The Center could assess the problems encountered by the work incentive program as they affect women.

The Government Operations Committee has had referred to it two important reports issued by the Civil Rights Commission within the past several months which illustrate the problem further.

One report found that women are encountering problems with Federal programs concerned with Government contracting. The report issued June 17 indicated that in a study conducted by the Commission, female-owned firms encountered serious problems in obtaining information on Federal, State, and local government contracting opportunities in time to submit timely bids and in obtaining the working capital necessary for effective marketing and bidding. Female businesswomen also encountered a large amount of skepticism regarding their ability to perform adequately on Government contracts. There also appeared to be no statistics on the identifiable share of contracts awarded to firms owned by women.

Because women are usually grouped with minorities, with whom they share many of the same disadvantages, in statistical findings, the Commission found there has been no adequate way to assess the impact on such programs such as these specifically on women, whose difficulties are often of a different nature.

The other report stated that those agencies with responsibilities for insuring nondiscrimination in their federally assisted programs under title VI of the Civil Rights Act of 1964, including the Department of Interior, the Environmental Protection Agency, the Federal Programs Section of the Civil Rights Division of the Department of Justice, "are engaged in myriad well-meaning but ineffectual tasks, ranging from assisting recipients to establishing pro forma grievance procedures." It stated that some title VI officers enforce antisex discrimination provisions and others do not, although "sex discrimination in federally assisted programs appears to be widespread."

The Federal Women's Program, established by the Civil Service Commission in response to Executive Order 11246 as amended to prohibit sex discrimination in Federal employment, oversees the equal opportunity programs in Federal agencies. It is administered unevenly from agency to agency. For example, the General Services Administration, with 38,000 employees, engages 11 full-time Federal women's program—FWP—coordinators and another agency, the Department of the Army, with over 200,000 employees, advertised last spring for its first full-time coordinator. Only 24 agencies have full-time coordinators, and of those, only two are in grade levels as high as GS–15.

The general situation of women employed in the Federal Government demonstrates even further the lack of commitment to improving the status of Federal women employees. A 1973 Civil Service Commission study showed that 70 percent of all Federal employees of grades GS 1–12 are women and only 4.5 percent employees above GS 13 are women.

The National Women's Center could examine the Federal women's program and similar agency programs to see whether women Federal employees are receiving uniform treatment—fair treatment—and equal opportunity throughout the Federal civil service.

Women over 65 are our poorest class of citizens. A task force report prepared for the Senate Committee on Aging acknowledged:

> The likelihood of being poor is considerably greater for elderly females than for aged males. More than two out of every three poor persons in the 65-plus age category are women.

More women are concentrated in part-time and low-paying jobs. Often, they do not receive benefits in their own rights as earners, but as dependents. Many women are in and out of the labor force because of interruptions in child raising. The social security program ignores the fact that over 63 percent of families get income from the mother as well and that nonpaid work performed in the home is also economic work. The National Women's Center could make recommendations concerning the improvement of social security protection for women.

In December, 1973, Congress approved legislation amending the Small Business Act, which among other things, prohibited sex discrimination in carrying out programs administered by the SBA. Yet, the Small Business Administration awards a huge majority of small business loans to men. In 1974, out of some 27,500 direct or guaranteed SBA approved business loans only 4.3 percent of the money approved went to women. Why are so few women awarded small business loans? A major program of that agency, its minority enterprise program, does not define women as minorities for the purposes of that program. Should women be so considered? In the agency itself, as late as 1973, no women were employed at

SBA above GS-15. Are women participating in SBA administered programs in numbers commensurate with their participation in the small business world? The National Women's Center might ask the SBA to investigate its own practices, and compare its statistics concerning applicants and recipients of loans to insure that it is operating in a nondiscriminatory manner.

Many colleges and universities must comply with three separate Federal laws and orders forbidding sex discrimination in employment: Executive Order 11246, as amended; title VII of the Civil Rights Act of 1964; and title IX of the Education Amendments of 1972. These provisions forbidding sex discrimination are the major enforcement responsibility of three units of the Federal Government: The Office of Federal Contract Compliance Programs—OFCCP, of the Department of Labor; Equal Employment Opportunity Commission—EEOC; and Office for Civil Rights—OCR, of the Department of Health, Education, and Welfare. Moreover, there remain inconsistencies among the guidelines and regulations promulgated by these agencies to enforce the laws and order.

Thus, many institutions of higher learning in this country face considerable overlap in terms of the Federal bureaucracy enforcing nondiscrimination in employment on the basis of sex, and inconsistencies in the requirements of the various rules they are expected to obey. The Center, through its Task Force, could look at problems such as this in which more than one agency is involved and make recommendations which would make the regulations consistent.

The legislation we are introducing today would consolidate the efforts of various units within the Federal Government concerned with the status of women.

Specifically, the Center's main functions would be to review, examine, monitor and coordinate Federal agency programs which have an impact on women. The Center would maintain a clearinghouse on information on Federal, State, and local programs including research conducted by the Federal Government relevant to women. Among its functions, it would also be able to conduct educational projects and research and hold conferences on priorities established by the Center. It would be required to make recommendations to Congress, the President, and other Federal agencies toward improving the administration of programs affecting women. It would also make recommendations to assure that the U.S. participation of women in international organizations provides for their full representation. It would be required to report annually to the President and Congress on the progress of Federal agencies in advancing the status of women.

The Center for Women would be headed by an Administrator and a Deputy Administrator, appointed by the President with the advice and consent of the Senate. These individuals would be chosen on the basis of their demonstrated commitment and record of accomplishment toward improving the status of women.

The bill provides for a National Board of Advisers, also appointed by the President and subject to Senate approval, which would maintain effective liaison with State and local public agencies, and national and international nongovernmental organizations which administer or monitor programs affecting women. It would also review and make recommendations to the Administrator and meet a minimum of once each month.

Four members of the Board would be selected from among individuals who have demonstrated a commitment to improving the status of women from among local or State public agencies or regional Federal offices. Seven of the Board members would be chosen from the private sector who have demonstrated experience, training or expertise in the areas of labor, business, education, law, politics, foreign policy, social welfare or science, or have careers as homemakers and have also shown a commitment toward improving the status of women.

The bill provides for an Intergovernmental Task Force on the Status of Women. The task force would be composed of high-ranking officials, who are at minimum Executive Level V's, from various agencies and departments. The purpose of the task force is three-fold. The first is to assist the Administrator in evaluating, examining and monitoring the Federal programs which do affect women and to help see that Federal agencies will implement programs which would assure equal rights and responsibilities to women. The second purpose is to coordinate Federal programs which affect women in order to make them more effective and to prevent duplication. The third purpose would be to initiate interdepartmental studies of problems particular to women, such as problems concerning the working mother or retiring wage earner, in which more than one agency would be involved.

In order to reduce duplication of efforts concerned with improving the status of women and to help improve the coordination of Federal efforts, various functions already existing within the Government would be transferred to the Center. The Administrator would perform the functions of the National Commissioner on the Observance of International Women's Year—IWY—the Citizens Advisory Council on the Status of Women and the Interdepartmental Committee on the Status of Women, the Women's Bureau of the Department of Labor, the Women's Action Program of the Department of Health, Education, and Welfare and the Women's Rights Program Unit of the Civil Rights Commission. The Center would cost no more than the present cost of the programs being transferred—approximately $3 million.

Presently, the Women's Bureau, the Citizen's Advisory Council on the Status of Women, the IWY Commission, all have a clearinghouse function. The Women's Bureau, the Women's Rights Program Unit and the Women's Action Program review and evaluate Federal agency programs which have an impact on women. All the agencies being transferred conduct liaison activities with outside parties. If such duplicating functions were reorganized, the Center could consolidate those efforts and expenditures and establish priorities which were not duplicative and which would be more effective in their implementation.

The Administrator would be authorized to prescribe regulations when deemed necessary, to hold hearings and to issue subpenas to require the attendance of witnesses and to compel the production of documents in any such hearings.

The subpena power would be used in order to obtain compelling information which related to Federal programs if there was a serious indication that the program, or the administration of it in a regional or local area had a negative impact on women. The Administrator would use all available means to work out voluntary agreements with public agencies and private organizations for obtaining any material necessary to carry out the Center's functions; however, the role of the Center, due to its urgent task of quickly remedying negative effects of Federal programs on women, is important enough to merit the force of law if voluntary agreements are impossible.

In order to further expedite the equal partnership of women and men in areas of which the Federal Government has a role, the bill we are introducing would also require that Federal agencies review their regulations, policies and procedures for the administration of their programs to determine if those programs encourage the full participation of women and to also determine if women have an equal opportunity in the administration of those programs.

The Government Operations Committee plans to hold hearings on this legislation at the earliest possible date. We want the views of all concerned individuals, both within and outside the Federal Government, regarding this proposed legislation.

We believe that 1976, our Bicentennial Year, is an appropriate time for Congress to look carefully at the present status of more than one-half our population, to find better ways to enhance their welfare and their full participation with men in decisions by the Government which affect our society.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2913

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Center for Women Act."

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that—

(1) Federal programs for women are frequently overlapping and uncoordinated and therefore are limited in their potential effectiveness and efficiency;

(2) women frequently do not benefit from public programs on an equal basis with men;

(3) women are not fully integrated into professional and policy making positions in the administration of Federal programs;

(4) the economic and social development of the Nation would be enhanced if the full participation of women were assured in all areas in which the Federal Government has a role;

(5) there is, therefore, a need to reorganize and coordinate existing Federal agencies, commissions and committees related to women's concerns in order to increase their effectiveness and efficiency; and

(6) there is, also, a need to establish a coordinated mechanism on the Federal level to implement the relevant portions of the World Plan of Action adopted by the United Nations World Conference Women's Year.

(b) It is the purpose of this Act to establish a National Center for Women in order to review, monitor and coordinate existing Federal programs to insure that they are administered to promote fairness and equal opportunity for women as well as men, to serve as a clearinghouse to provide information on public programs and legislation of interest to women and to recommend to the President and to Congress proposals to improve the status of women.

ESTABLISHMENT OF THE NATIONAL CENTER FOR WOMEN

SEC. 3. (a) There is established a National Center for Women as an independent agency in the executive branch of the Federal Government.

(b) The Center shall be headed by an Administrator who shall be appointed by the President, by and with the advice and consent of the Senate, from among individuals who, by reason of their demonstrated commitment and record of accomplishment toward enhancing the status of women and their experience and training, are especially qualified to serve. The President shall select an individual to be nominated for Administrator not later than sixty days after the date of enactment of this Act. The Administrator, after consideration of the views and opinions of the National Board of Advisers, shall be responsible for carrying out the functions of the Center, and shall have authority and control over all personnel and activities of the Center. Whenever the Administrator establishes general policies or procedures contrary to the views of the National Board of Advisers, the Administrator shall state his reasons therefore in writing, which statement shall be available to the public.

(c) There shall be in the Center a Deputy Administrator who shall be appointed by the President, by and with the advice and consent of the Senate, from among individuals who, by reason of their demonstrated commitment and record of accomplishment toward enhancing the status of women and their experience and training, are especially qualified to serve. The Deputy Administrator shall perform such functions as the Administrator may prescribe and be acting Administrator during the absence or disability of the Administrator or in the event of a vacancy in the Office of the Administrator.

(d)(1)(A) There shall be in the Center a National Board of Advisers. The Board shall be composed of eleven members who shall be appointed by the President, by and with the advice and consent of the Senate, of whom four shall be appointed from among officials of State or local public agencies or Federal regional offices concerned with the status of women, and seven of whom shall be appointed from among individuals who by reason of experience, training, or expertise are especially qualified to serve on the Board. In making appointments under this subsection, the President is requested to give due consideration to the appointment of individuals who, collectively, will represent fields including, but not limited to labor, busines, education, law, politics, foreign policy, homemaking, social welfare, and science.

(B) The Board shall meet at least once each month.

(2)(A) Members of the Board who are not regular full-time employees of the United States shall, while serving on the business of the Center, be entitled to receive compensation at rates fixed by the President, but not to exceed the daily rate prescribed for GS-18 under section 5332 of title 5, United States Code, including traveltime, for each day they are engaged in the performance of their duties as members of the Commission and shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by them in carrying out their duties under this Act.

(B) Members of the Board who are employed by the Federal Government shall serve without compensation but shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in carrying out their duties under this Act.

(3) In order to carry out the purposes of this Act, the National Board of Advisers shall—

(1) maintain effective liaison with State and local public agencies, national and international nongovernmental organizations concerned with the status of women or engaged in the administration of or monitoring of programs affecting women; and

(2) review and make recommendations to the Administrator concerning all general matters arising in the administration of this Act.

FUNCTIONS OF THE CENTER

SEC. 4. (a) In order to carry out the purposes of this Act, the Center shall—

(1) review, monitor, coordinate, and evaluate all Federal agency programs which have an impact on women;

(2) establish and maintain a clearinghouse on information of Federal, State, and local public agency programs which are of interest to women;

(3) make available and publish information on research relevant to women conducted by any Federal agency including making available the results of evaluations conducted by the Center and current statistics relevant to the status of women gathered by any agency of the Federal Government together with an analysis of such statistics made by the Center;

(4) conduct educational projects and research including holding conferences to improve the condition of women;

(5) cooperate with Federal, State, and local public agencies, including State and local commissions on the status of women, in coordinating programs and activities on behalf of women;

(6) refer complaints on sex discrimination received by the Center to the appropriate Federal agency;

(7) make recommendations to the President and to other Federal agencies relating to improving the administration of programs affecting women;

(8) make recommendations to appropriate Federal agencies to assure that the United States participation in international organizations entail the full participation of women;

(9) receive and review reports issued by Federal agencies having sex discrimination enforcement and investigative powers;

(10) make recommendations to the President and to the Congress for legislation to enhance the status of women and the integration of women in the administration of Federal programs; and

(11) report annually to the President and to the Congress on the progress of Federal agencies in advancing the status of women.

(b)(1) There are transferred to the Administrator and the Administrator shall perform the functions of—

(A) the National Commission on the Observance of International Women's Year;

(B) the Citizens' Advisory Council on the Status of Women established under Executive Order 11126, approved November 1, 1963, as amended by Executive Order 11221, approved May 6, 1965;

(C) the interdepartmental Committee on the Status of Women established under Executive Order 11126, approved November 1, 1963, as amended by Executive Order 11221, approved May 6, 1965;

(D) the Women's Bureau of the Department of Labor;

(E) the Women's Action Program of the Department of Health, Education, and Welfare; and

(F) the Women's Rights Program Unit of the Civil Rights Commission.

(2) There are transferred to the Administrator, and the Administrator shall perform the functions of the Secretary of Labor administered through the Women's Bureau of the Department of Labor.

ADMINISTRATIVE PROVISIONS

SEC. 5. (a) In order to carry out the functions under this Act, the Administrator is authorized to—

(1) prescribe such regulations as deemed necessary to carry out the provisions of this Act;

(2) appoint and fix the compensation of such personnel as may be necessary to carry out the provisions of this Act;

(3) receive money and other property donated, bequeathed, or devised, without condition or restriction other than that it will be used for the purposes of the Center, and to use, sell, and otherwise dispose of such property for the purpose of carrying out the functions of the Center under this Act;

(4) receive, and use, sell, or otherwise dispose of, in accordance with paragraph (3) money and other property donated, bequeathed, or devised to the Center with a condition or restriction including a condition that the Center use other funds of the Center for the purpose of the gift;

(5) hold such hearings as may be required to carry out the provisions of this Act, administer oaths for the purpose of taking evidence in any such hearings and issue subpenas to compel witnesses to appear and testify and to compel the production of documentary evidence in any such hearing;

(6) secure from any Federal agency, including any independent establishment or instrumentality of the United States, or from any State or political subdivision thereof, information, estimates, and statistics required in the performance of the functions of the Administrator under this Act;

(7) obtain the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code;

(8) accept and utilize the services of voluntary and noncompensated personnel and reimburse them for travel expenses, including per diem as authorized by section 5703 of title 5, United States Code;

(9) enter into contracts, grants, or other arrangements, or modifications thereof to carry out the provisions of this Act;

(10) provide for the making of such reports (including fund accounting reports) and the filing of such applications in such form and containing such information as the Administrator may reasonably require;

(11) make advances, progress, and other payments which the Administrator deems necessary to carry out the provisions of this Act without regard to the provisions of section 3648 of the Revised Statutes, as amended (31 U.S.C. 529); and

(12) make other necessary expenditures.

(b) Any of the district courts of the United States within the jurisdiction of which an inquiry is carried on may, in the case of contumacy or refusal to obey a subpena of the Administrator issued under clause (5) of subsection (a) of this section, issue an order requiring compliance therewith. Any failure to obey such order of the court may be punished by such court as a contempt thereof.

(c) Each such Federal agency, independent establishment, or instrumentality is authorized and directed to furnish such information, estimates, and statistics directly to the Center upon written request made by the Administrator.

ESTABLISHMENT OF THE INTERGOVERNMENTAL TASK FORCE

SEC. 6. (a) There is established within the Center an Intergovernmental Task Force on the Status of Women. The Task Force shall be composed of—

(1) an official of the Office of Management and Budget designated by the Director of that Office;

(2) an official of the State Department dsignated by the Secretary of State;

(3) an official of the Department of Defense designated by the Secretary of Defense;

(4) an official of the Department of Justice designated by the Attorney General;

(5) an official of the Department of Commerce designated by the Secretary of Commerce;

(6) an official of the Department of Labor designated by the Secretary of Labor;

(7) an official of the Department of Housing and Urban Development designated by the Secretary of the Department of Housing and Urban Development;

(8) an official of the Department of Health, Education, and Welfare designated by the Secretary of Health, Education, and Welfare;

(9) the Director of Federal Women's Programs of the Civil Service Commission;

(10) a member of the Commission on Civil Rights; and

(11) a member of the Equal Employment Opportunities Commission.

In determining an official under clauses (1) through (8) under this subsection, the head of each agency shall select an official compensated at the rate equal to a rate for the Executive Schedule under title 5, United States Code.

(b) The Task Force shall—

(1) assist the Administrator in monitoring, coordinating and evaluating all Federal programs which affect women,

(2) identify and develop methods and procedures designed to insure that all Federal agencies will implement programs to assure equal rights and responsibilities to women,

(3) coordinate all Federal programs to carry out the purposes of this Act, and

(4) establish procedures to avoid duplication of functions of Federal agencies relating to women.

FEDERAL AGENCY RESPONSIBILITY

SEC. 7. (a) All Federal agencies shall review regulations, policies, and procedures for the administration of programs carried out by such agencies in order to determine if such regulations, policies, or procedures—

(1) are consistent with the purposes of this Act;

(2) permit the full participation of women; and

(3) are designed to assure that women are given equal opportunity in the administration of any such program

(b) Each Federal agency shall report to the President, to the Congress, and to the Center not later than February 15 of each calendar year with respect to the requirement of subsection (a) of this section together with such actions as each such agency determines to be necessary to comply with such requirements.

TRANSFER OF PERSONNEL AND PROPERTY

SEC. 8. (a) All personnel, liabilities, contracts, property, and records as are determined by the Director of the Office of Management and Budget to be employed, held, or used primarily in connection with any function transferred under the provisions of this Act, are transferred to the Administrator.

(b) (1) Except as provided in paragraph (2) of this subsection personnel engaged in functions transferred under this Act shall be transferred in accordance with applicable laws and regulations relating to the transfer of functions.

(2) The transfer of personnel pursuant to subsection (a) shall be without reduction in classification or compensation for one year after such transfer.

TRANSFER MATTERS

SEC. 9. (a) All laws relating to any office, agency, or function transferred under this Act shall, insofar as such laws are applicable remain in full force and effect. All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges made, issued, or granted by any office or agency or in connection with any function transferred by this Act, and in effect at the time of the transfer, shall continue in effect to the same extent as if such transfer had not occurred, until modified, superseded, or repealed.

(b) The provisions of this Act shall not affect any proceedings pending at the time this section takes effect before any agency, or part thereof, functions of which are transferred by this Act, but such proceedings, to the extent that they relate to functions so transferred shall be continued before the Center.

(c) No suit, action, or other proceeding commenced by or against any office or agency or any officer of the United States acting in any such official capacity shall abate by reason of any transfer made pursuant to this Act, but the court on motion or supplemental petition filed at any time within twelve months after such transfer takes effect, showing a necessity for the survival of such suit, action, or other proceeding to obtain a settlement of the question involved, may allow the same to be maintained by or against the appropriate office or agency or officer of the United States.

(d) With respect to any function transferred by this Act and exercised after the effective date of this Act, reference in any other Federal law to any agency, office, or part thereof or any officer so transferred or functions of which are so transferred shall be deemed to mean the Center or officer in which such function is vested pursuant to this Act.

(e) In the exercise of the functions transferred under this Act, the Administrator shall have the same authority as that vested in the agency or office, or part thereof exercising such functions immediately preceding their transfer, and the actions of the Administrator in exercising such function shall have the same force and effect as when exercised by such agency or office, or part thereof.

DEFINITIONS

SEC. 10. As used in this Act the term—

(1) "Administrator" means the Administrator of the National Center for Women;

(2) "Center" means the National Center for Women;

(3) "function" includes power and duty; and

(4) "Task Force" means the Intergovernmental Task Force on the Status of Women.

COMPENSATION

SEC. 11. (a) Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(105) Administrator, National Center for Women.".

(b) Section 5316 of such title is amended by adding at the end thereof the following new paragraph:

"(137) Deputy Administrator, National Center for Women.".

AUTHORIZATION OF APPROPRIATIONS

SEC. 12. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act for the fiscal years 1977 through 1981.

EFFECTIVE DATE

SEC. 13. The provisions of this Act shall take effect upon the expiration of the first period of sixty calendar days following the date on which this Act is approved by the President, or on such earlier date as the President shall specify by Executive order.

Mr. PERCY. Mr. President, I am equally pleased to join with my distinguished colleague and chairman of the Government Operations Committee in the introduction of a bill which would reorganize, revitalize and make more effective existing Federal efforts to advance the rights and responsibilities of women. Our bill brings together six officers and programs which are now working for the advancement of women into a single, independent center. This consolidation and coordination of often duplicative efforts will allow existing resources to be used more effectively and for a broader range of functions.

Senator RIBICOFF and I offer this legislation as a serious basis for discussion to determine how the Federal Government can best perform this task. Many women, since I first publicly discussed the ideas behind this proposal at a Department of Labor Conference on Women in the Economy in September 1975, have contributed their ideas and recommendations. Senator RIBICOFF and I plan to hold extensive hearings in the Government Operations Committee in the near future to make sure that all interested individuals and groups have the opportunity to shape this legislation. The work on this bill, as we see it, can be an exciting exercise in knocking down one of the most persistent barriers to women's full emancipation—their unequal participation in the benefits and responsibilities of government.

It is shameful that such legislation is needed today, 56 years after American women won their right to vote, and 200 years after our Nation's founding Despite the host of laws, executive orders and Supreme Court victories against sex discrimination, American women today still suffer, in too many areas, second-class citizenship, especially those women from ethnic and racial minorities and low-income groups. Economic opportunity, legal equity and real political power still elude the vast majority of American women.

Although women constitute 53 percent of the voting population today, they hold roughly only 5 percent of all public offices in this country. There is no woman today in the Senate. There has never been a woman on the Supreme Court.

Although women are 40 percent of the labor force today, they earn less than 60 percent of what men earn. And this earnings gap between men and women has actually increased 4 percent over the last decade. Despite the passage of laws prohibiting discrimination in employment, the average woman with a bachelor's degree earns about the same median income as a man who is a high school dropout. The poorest citizens of this country are women over the age of 65 who have a median income of only $1,397 per year.

Despite avowed commitment to equal opportunity for women, sex discrimination appears pervasive throughout all three branches of the Federal Government. Without exception, women are over-represented in low-paying jobs and under-represented in executive ranks. Women now hold 34 of every 100 civil service white collar jobs. But 71 percent of all women in those jobs are in the six lowest pay grades. Executive positions in the executive branch are almost exclusively a male preserve. At the pinnacle of the civil service system there are only 7 women—1.6 percent; at the next level there are 33 women—2 percent; and at the lowest executive rank there are 130 women—2.6 percent.

In the legislative branch women staff members in the Senate outnumber men by 64.1 percent to 35.9 percent. Yet, less than one-quarter of those earning $18,000 or more a year are women. Among those earning $18,000 and above, the median salary for men is $28,091; for women, $22,627. Women often make from $5,000 to $15,000 less than men doing essentially the same job. Thirty offices employ only men at the higher salary levels, but no offices employ only women at those levels.

As for the Judiciary, there are only seven women serving on the Federal bench at this time.

Worse still, Federal funds support sex discrimination practices. For example, a 1972 HEW report found that women receive an average of $215 less in student financial aid than men of equal need. In another case, a HEW training program prepared women for 12 occupations, while men were trained for 177 occupations. In still another case, women received 38 percent of the Office of Education doctoral fellowships in library science awarded over a 4-year period even though women were 85 percent of all librarians. In another report issued by four national organizations—the National Urban Coalition, the League of Women Voters, the Center for Community Change and the Center for National Policy Review—the Federal revenue sharing program was found to finance discrimination in State and local public employment and services, including job bias against women.

Federal efforts to promote women's equality are woefully inadequate and fall far short of legal imperatives. Antisex discrimination laws are not enforced with vigor. Programs to redress the effects of past discrimination are almost nonexistent. Federal policies and programs are developed and implemented without sufficient input from women and without due consideration of their impact on women. Current Federal mechanisms to deal with women's rights suffer from fragmentation, lack of necessary authority, and inadequate prominence in the bureaucracy.

For example, the six existing programs and offices that this legislation consolidates, five serve as liaisons with individuals, groups, and organizations outside the Government. Four serve as clearinghouses of information regarding the activities and progress of women. Two are required to maintain a continuing review and evaluation of the progress of all Federal agencies in advancing the status of women. Three are directed to insure effective departmental coordination of matters relating to women. Four oversee agency programs and their impact on women. Three provide technical assistance to departmental officials on matters relating to women. Obviously consolidation and coordination will in itself make Federal efforts on behalf of women more efficient and more effective and free now duplicative resources for additional functions.

Ideally, Federal programs affecting women should be integrated with Federal programs of benefit to our citizenry as a whole. Unfortunately, just as special programs have been necessary for other groups, a specialized effort on behalf of women is necessary until they attain equal access to social, economic, and political opportunity. One of the Center's main functions will be to spur the full integration of women in those programs where this process has already begun and to encourage the beginning of such integration where it does not now exist. The Intergovernmental Task Force established by this legislation will assist in this effort and assure that the Center does not duplicate other ongoing programs.

Our bill authorizes this consolidated center for 5 years. If it is as effective as we anticipate, and it can be with a sincere and continuing commitment to its mandate, it will work itself out of a job during this period.

In this International Women's Decade and our Bicentennial Year, the Federal Government can do no less than to put its own house in order so the American women can finally exercise their full rights as citizens under the law. In a time of increasing public loss of confidence in government and economic scarcity, the Federal Government must do everything it can to use the resources at hand with economy and efficiency. Our hearings will be designed to help us determine how our present programs for women can be made more effectively and efficient by eliminating duplication and overlap. The National Center for Women proposal is an attempt to make the Federal Government work better for the American women and American society as a whole.

By Mr. TOWER:

S. 2915. A bill to amend the Rail Passenger Service Act in order to provide reduced rates for certain services for the handicapped. Referred to the Committee on Commerce.

Mr. TOWER. Mr. President, I am introducing a bill today to amend the Rail Services Act, in order to provide reduced rates for services for the handicapped aboard Amtrak trains.

This bill, which is just one small step toward equal treatment of handicapped persons, seeks to eliminate an aspect of discrimination which not only increases the cost of ridership by handicapped persons aboard Amtrak trains, but places Amtrak services beyond the reach of many of our citizens who suffer temporary or permanent disability.

The bill provides for services which are required as a result of a particular disability to be provided at half the differential cost between that service, and such service as would usually be required without a disability.

This problem is best illustrated by an example which was brought to my attention last year. In this instance, an individual who regularly uses Amtrak services, but who suffers a back disability, is unable to utilize the roomette service available for long-distance, overnight travelers. Because the entryway to the roomette on present coaches is small, persons must double up to enter the roomette. A person with less than total flexibility of the back is unable to negotiate the entryway.

As a result, this person must purchase full bedroom service abroad Amtrak trains when he travels cross country.

Unfortunately, the cost of such service is substantially higher than the rate for roomette service, and reduces the amount of travel which this person is able to undertake on Amtrak.

Mr. President, I am sure that the example I have cited is not isolated. Although the percentage of handicapped travelers aboard Amtrak trains is probably less than 1 percent of total passengers, it is likely that many other handicapped people do not ride Amtrak, or do not use Amtrak services as frequently as they would like, simply because they must purchase a higher grade service than they would normally purchase.

Last year, I wrote to Amtrak to inquire of what services Amtrak provides for handicapped persons, and what services were contemplated in the future.

I also asked whether it would be possible for Amtrak to reduce the cost by some percentage for those services which are required by handicapped passengers.

I pointed out in my letter that, in the case of the example above, the person not only had to pay extra for the full bedroom service, but also had to pay a first class, rather than coach fare, because all bedroom services are considered first class.

Finally, I inquired as to when we might reasonably expect initiation of new services, or installation of new equipment, which I had been told was planned by Amtrak.

I would like to quote, at this time, a significant portion of the Amtrak response:

> Barriers do exist today since most of our cars, as well as the stations we use, are old and not well suited to the needs of the handicapped.

The letter goes on to point out that special-access-for-handicapped equipment was anticipated for fiscal year 1977, but that there was no way of knowing when this equipment would be available nationwide. Inquiries by my staff revealed that the equipment will first go on the New York to Boston run, which is most heavily traveled, and only later—possibly years later—would the rest of the country be served by this new equipment.

I am also told that, while Amtrak had

considered the possibility of granting special discounts on the differential costs of services especially needed by handicapped persons, no such plan has been adopted.

This legislation, Mr. President, is to accomplish what Amtrak has only considered, but not acted on.

I think it is significant that this legislation will accomplish a much-needed solution at no cost to the taxpayer, and no cost to Amtrak. The object of the bill is to make Amtrak service less costly, more available, and thus more attractive, to handicapped persons.

There is no doubt in my mind that this change will encourage the use of Amtrak by handicapped persons. It will reduce the amount of unused equipment and passenger space along Amtrak routes which brings no revenue to Amtrak, but which costs the railroad in maintenance and operational overhead.

My bill will remedy the inequity and discrimination toward handicapped persons represented by the present fare structure. Hopefully, this legislation will also encourage Amtrak planners and designers to use their expertise and ingenuity to come up with even further ways to encourage ridership. Not only will handicapped persons benefit, but the taxpaying public as well, since full ridership on Amtrak means in the long run that we will be less burdened by Amtrak subsidies.

Mr. President, I do not insist that this bill is perfect. After my proposal is considered in committee, and witnesses are called who can provide accurate figures on handicapped ridership and special need for services, it may be that these services should be provided at 25 or 75 percent of the cost differential, or of the cost itself. I do not know at this point, and I have confidence that the committee will more accurately be able to gage to what extent we should assist handicapped persons through the legislative process.

What is necessary is that we begin moving toward a solution, to prevent further discrimination against those Americans who not only suffer physical disability but also are forced to pay more than the average person for rail services because of that disability.

Mr. President, I ask unanimous consent that this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2915

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Rail Passenger Service Act is amended by inserting after section 405 a new section as follows:

"SERVICES FOR THE HANDICAPPED"

"SEC. 406. (a) In any case where a handicapped person requires any special service in using the transportation facilities provided by the Corporation because of such person's disability, the Corporation shall provide such service at not to exceed 50 per centum of the differential cost between the regular service and special service.

"(b) For the purpose of this section the term—

"(1) 'handicapped person' shall be defined by the Corporation and shall include any person who because of any physical or mental disability requires any special service while using the Corporation's transportation facilities; and

"(2) 'special service' means any rail transportation service regularly provided by the Corporation beyond the regular services provided for passengers using coach transportation.".

By Mr. TAFT (for himself and Mr. RIBICOFF):

S.J. Res. 161. A joint resolution regarding the conduct of recent negotiations concerning the International Monetary Fund (IMF) and the position of the United States with respect to future sales of IMF gold and a proposed trust fund. Referred by unanimous consent to the Committee on Foreign Relations; and, if and when reported by that committee, to the Committee on Banking, Housing and Urban Affairs.

Mr. TAFT. Mr. President, today my distinguished colleague from Connecticut, Senator RIBICOFF, and I are introducing a joint resolution concerning gold and the future of the International Monetary Fund—IMF.

On December 18, Senator RIBICOFF and I submitted Senate Concurrent Resolution 80, which criticized a recent agreement among the member nations of the IMF. This agreement would, among other things, authorize the IMF to sell one-sixth of its gold, by means of a questionable use of the so-called scarce currency clause of the articles of agreement, to raise money for the creation of a trust fund which is to be used for the benefit of the third world. I question the Treasury's conduct of these negotiations, because at the outset of these proceedings, the Treasury flatly rejected suggestions from several nations that any gold released by the IMF should be restituted, at the official price, to the nations which had deposited it. Indeed, the Treasury opposed any restitution whatsoever, and only agreed that one-sixth of the IMF gold be restituted, in exchange for support of the trust fund concept. It is my view that, in its haste to see gold removed from a central role in the world monetary system, the Treasury made several unnecessary concessions, involving a large sum of money, without consulting the Congress.

Furthermore, the agreements provide for what is in effect a drastic revision in the character of the International Monetary Fund. The International Monetary Fund has not been, nor was ever intended to be, an aid agency. That function is supposedly carried on by the World Bank and other agencies specifically designed for that purpose. The basic decision to change the character of the IMF is one which should have been presented to the Congress for approval ahead of time.

At the time of the introduction of Senate Concurrent Resolution 80, I was under the impression that the agreement establishing the trust fund would come before the Congress for its approval. However, this is not to be. I ask unanimous consent that a Washington Post article of January 10, entitled "Congress Not Needed for Gold Sale," be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Jan. 10, 1976]

CONGRESS NOT NEEDED FOR GOLD SALE

(By Hobart Rowen)

KINGSTON, JAMAICA, January 9.—U.S. Treasury Secretary William E. Simon told reporters here today that Congress does not have to approve the sale of 25 million ounces of gold by the International Monetary Fund, a part of the historic agreements reached here late yesterday setting up a new international monetary system.

The rest of the new monetary order, however, including legalization of floating exchange rates, the abolition of the official price of gold and a reduced percentage U.S. quota in the IMF will have to be ratified by Congress.

Simon said that hearings on the new monetary package will probably begin next month. Rep. Henry S. Reuss (D.-Wisc.) and others have already indicated opposition to either the gold sale for the benefit of less developed countries or the "restitution" (restoring) of one-sixth of the amount of IMF's gold to original depositors.

Simon told a press conference that he takes the position that the gold belongs to the IMF, and that the institution can dispose of it as it chooses.

American officials here are pleased with the new monetary agreement, especially because it puts the stamp of approval on floating exchange rates through a new Article IV, the text of which was officially released today for the first time.

"When you think back to the old system," Simon said, "even though it served the world well, by 1971 we had a fixed over-valued dollar which worked against the best interests of the United States. And gold was at the center of the system. So I think we've made significant progress."

Although officials agreed that there are many international monetary problems still to be solved, Simon said he did not see "any major uncertainties ahead. What we now have to do is to make a new system work."

What concerns many Europeans, however, is that the world may get an exaggerated idea of the extent to which poor countries will be aided by agreements reached here this week by the IMF's Interim Committee.

IMF Managing Director H. J. Whitteveen estimated at a late briefing Thursday night that the total aid package for the non-oil developing countries this year would come to about $3 billion.

Simon said that counting everything, a gross amount of $9 billion in aid over a period of years had been set in place. He admitted that the figure could be misleading, and should not be taken literally, because there is no way of knowing how much of varying schemes will actually be drawn on by the poor countries.

Whitteveen stressed that the agreement gives the IMF "new power to invest its reserves and profits on the sale of gold." He also made the point that the IMF which had to stand by impotently while major nations flagrantly violated the current rules against floating exchange rates, will now acquire a new and powerful key role in surveillance of the float.

The key specific points of the agreement as shown in the communique are:

1. A trust fund established to distribute profits from the sale of 25 million ounces of gold. Profits will be distributed on concessionary terms to countries whose per capita income in 1973 was not over $350.

2. An equal amount of gold will be given back to all members in proportion to their quotas.

3. Future gold sales by the IMF, after an 85 per cent vote, can be used in part for the benefit of poorer countries.

4. Quotas will be increased by 32.5 per cent, boosting total IMF funds to about $48 billion. The developing countries' shares go up, the industrial countries' shares go down.

5. On a temporary basis, prior to the intitution of the new quotas, borrowings can be increased from 100 per cent of total quotas to 145 per cent, with the increase distributed over all four credit tranches (borrowings).

6. All countries within six months are to make their currencies usable for borrowings by other IMF members. This affects the OPEC countries, which had not allowed their currencies to be so used until now.

7. The amended articles of agreement to be proposed to the legislatures of 128 member countries incorporates without substantive change the French-American agreement reached at Rambouillet which in essence provides for a system of floating exchange rates and a consultation system leading to central bank intervention which is designed to eliminate wide fluctuations in exchange rates. This is the new article IV, which contains a polite vow to the principle of "stability" but makes clear that the U.S. or no other country must return to a system of fixed exchange rates.

Mr. TAFT. While other provisions of this agreement will have to come before the Congress for ratification, the trust fund is to be established by a process which can best be described as "laundering" to IMF gold. The IMF will declare certain currencies to be "scarce." It will then sell gold to central banks throughout the world in exchange for these specified currencies. The sale will take place at the official price, approximately $42 per ounce, which is the only price at which the IMF can sell gold without an amendment to its articles of agreement, which would have required congressional approval. Nations of the third world will be allowed to resell their shares of this gold for their own benefit at market prices. Thus, any profits on this gold will be given in the form of an outright grant, unprecedented in IMF history, to these nations. The central banks of the developed nations, on the other hand, will be required to sell their shares of this gold, again at official prices, to a quasi-independent trust fund. This trust fund, although it will be run by the Board of Directors of the IMF, will not be a part of the IMF, and will not be under the IMF restrictions regarding the sale of gold at market prices. The trust fund is to sell the gold on the open market, where the price is approximately $125 per ounce, thus raising money for increased loans to the third world. Thus, the Congress will not get to vote on this matter at all.

To make matters worse, we have as yet only a vaguely worded promise by the members of the IMF that the trust fund is to be used for the traditional balance-of-payments adjustment purposes of the IMF. Indeed, there is much talk that the loans will be of a softer variety than those traditionally provided by the IMF, and there is a distinct possibility that there will be less supervision of the uses to which these loans are put than is now true of IMF lending. Loans and grants not directly related to the international monetary status of members should not be in the purview of the IMF. The IBRD and the IDC and various UN funds are the agencies that should deal in these fields.

I believe it is necessary for there to be at least one institution in the world with the prestige and the clout to attempt to impose a certain amount of financial responsibility on national governments in the conduct of their monetary affairs. This has always been the major function of the International Monetary Fund. When it lends money for balance-of-payments purposes, it expects the nations involved to take the necessary steps to redress these imbalances and return to a situation of payments equilibrium.

I wish to insure that the assets of the International Monetary Fund will continue to be used for this purpose. I hope to insure that the transfer of IMF assets to this trust fund will not weaken either the supervisory powers of the IMF, nor its resolve to impose a certain amount of discipline on the borrowing governments.

I also wish to insure that the Congress shall be kept fully informed of the activities of this trust fund, and of negotiations in the future either to enlarge it or to dispose further of IMF gold. The Treasury has, in fact, presented us with a fait accompli in this matter, and I wish to insure that this does not occur again. This joint resolution would require the Secretary of the Treasury to consult with the Congress before voting to dispose of any more IMF gold. It would instruct the Secretary to see to it that the rules of the IMF provide for a vote of members holding at least 85 percent of the quotas of the IMF before further gold can be sold. This, coupled with the 20 percent quota of the United States in the IMF, would give Congress a veto over any such agreement in the future. Additionally, the Secretary of the Treasury would be required to report annually to the Congress on the operations of the trust fund, and would be required to insist that loans by the trust fund be made only for the traditional purposes of the IMF, with the same supervision and repayment requirements that the fund employs at the present time. I believe this to be absolutely necessary in order to prevent the assets of the IMF from being squandered in a fashion which is likely to produce no increase in the economic well-being of the world, and is apt to add greatly to the threat of world inflation.

Since the Treasury has already declared itself to be in favor of the 85 percent voting requirement with regard to future sales of IMF gold, and has indicated that it still supports the basic functions and purposes of the IMF, and that it hopes that the trust fund will be run with the intent of furthering these functions and purposes, that Department should have no difficulty with those portions of this resolution which require it, as a matter of law, to seek those very goals.

Mr. RIBICOFF. Mr. President, more than a month ago I joined with my distinguished colleague, Senator ROBERT TAFT, JR., in submitting a concurrent resolution that would have placed Congress in opposition to a controversial scheme by the International Monetary Fund—IMF—to establish a trust fund to benefit third world nations by selling at profit a portion of the IMF gold stock.

Unfortunately, representatives of the U.S. Treasury participated with other representatives of IMF nations in concluding this disturbing arrangement before the resolution could be enacted. Even more frustrating, we are told by Treasury that Congress is not legally entitled to act upon the trust fund portion of the IMF agreement.

Because of this, Senator TAFT and I are introducing a new joint resolution. It requires the Secretary of the Treasury to work for safeguards in the trust fund to prevent waste or misuse of money. The resolution also would insure that no additional agreements on gold disposal would be made without congressional review. It also would require annual reports on the fund and immediate notification of any discrepanies to the Congress.

The IMF scheme is a very complex arrangement for disposal of one-third of the organization's gold stock. The IMF purpose is to phase gold out of the international monetary system

Under the scheme, developing or third world nations get back all of their share of the gold earmarked for disposal in exchange for currency paid at the official price of gold—about $42 per ounce. Profits from the sale of such gold would be substantial. Gold now brings about $125 per ounce on the open market.

What do the United States and other developed nations get back? These nations will be restituted their share of one-sixth of the gold stock at the official price in exchange for currency.

Their share of the other one-sixth of the gold stock is to be sold on the open market with profits—about $2.5 billion—placed into the trust fund to benefit third world countries.

The U.S. share of this portion of the gold stock will reap the trust fund a profit of more than $500 million In effect, we are giving away more than a half-billion dollars in potential gold sale profits and funneling them to third world nations as long-term, low-interest loans which really amount to back-door financial aid

The impact of such a large amount of money is obvious. This Nation only spent an estimated $881.4 million under our entire foreign economic assistance package of fiscal year 1975.

I reiterate my remarks of December 18 on this matter. I do not quarrel with the concept of helping developing countries. The developed nations have a moral obligation to help the more needy countries.

What I do challenge is our lack of control over distribution of this large amount of money to nations where our relationships are most sensitive and complex. The proper role of Congress is to determine who should receive foreign assistance.

I also want to make it clear that I have no dispute with IMF performing its official function of trying to bring financial responsibility and stability to the world's monetary system.

But here we are stuck with an agreement that changes the character of the IMF to, in effect, an aid agency. That is the proper responsibility of the World Bank and other agencies.

Most annoying is that the U. S. Treasury developed a policy on this matter and acted upon it before it got proper public attention. I am sure that Treasury officials would argue that some Members of Congress routinely were kept apprised. In my opinion, these people made, at best, only a feeble attempt at keeping a cross-section of the Congress informed.

We are not talking about a routine matter here. This is not buying some more limousines to ride the boys around town. This is not adding a few more girls to the secretarial pool. This is a multibillion-dollar deal that has repercussions and impact around the world.

Such a controversial scheme deserved plenty of public airing before it was agreed upon. Now, we are left with an agreement that I am sure many Americans consider unsatisfactory. We must make sure that it does not happen again and this is the intent of our resolution.

By DOMENICI (for himself and Mr. CRANSTON):

S.J. Res. 162. A joint resolution to authorize and request the President to issue a proclamation designating the period of February 15, 1976, through February 21, 1976, as "National League of United Latin American Citizens Week." Referred to the Committee on the Judiciary.

Mr. DOMENICI. Mr. President, today I am introducing on behalf of myself and the distinguished Senator from California, Senator CRANSTON, legislation to authorize and request the President to issue a proclamation designating the period of February 15, 1976, through February 21, 1976, as "National League of United Latin American Week."

I am proud to introduce this resolution honoring an outstanding organization. The League of United Latin American Citizens, better known as LULAC, was founded on February 17, 1929, at Corpus Christi, Tex., and is now celebrating its 47th anniversary.

LULAC, since its inception, has been one of America's most dedicated and progressive civic organizations. It has been instrumental in assisting Spanish-speaking Americans of all walks of life. By its efforts in the development of character, training in citizenship programs, civic projects—including SER, the LULAC educational service centers, and low- and moderate-income housing projects—improvements of educational opportunities, and many other activities, LULAC has shown itself to be among those institutions protecting American traditions.

LULAC is a nonprofit, nonpolitical civic organization and, since its founding, has grown to include to almost every State in the Union, from coast to coast and border to border, where LULAC councils exist.

Noteworthy among its efforts was the establishment of the Little School of 400, which taught Spanish-speaking students entering the first grade 400 basic words of English. This program initiated by LULAC, gave birth to the Federal program "Operation Headstart."

The cardinal principle of LULAC continues to stress the preservation of the rights of all Americans. LULAC is well-known for fostering the ideals of patriotism and love of country, freedom, peace, equality, and unity.

Mr. President, due to the timely nature of this resolution, I urge its prompt consideration.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 1173

At the request of Mr. CURTIS, the Senator from New York (Mr. BUCKLEY) was added as a cosponsor of S. 1173, to amend the Internal Revenue Code of 1954 to increase the exemption for purposes of the Federal estate tax, to increase the estate tax marital deduction, and to provide an alternate method of valuing certain real property for estate tax purposes.

S. 2260

At the request of Mr. ROBERT C. BYRD (for Mr. EASTLAND), the Senator from Oregon (Mr. HATFIELD) was added as a cosponsor of S. 2260, to establish improved programs for the benefit of producers and consumers of rice.

S. 2621

At the request of Mr. NELSON, the Senator from Minnesota (Mr. HUMPHREY) was added as a cosponsor of S. 2621, a bill to amend the Federal Food, Drug, and Cosmetic Act to require that the identity of the manufacturer of a prescription drug appear on the label of the package from which the drug is to be dispensed.

S. 2871

At the request of Mr. BUCKLEY, the Senator from Arizona (Mr. FANNIN) was added as a cosponsor of S. 2871, a bill to provide for equal access to courts in lawsuits involving the Federal Government, and for other purposes.

S. 2853

At the request of Mr. HELMS, the Senator from Arizona (Mr. FANNIN) was added as a cosponsor of S. 2853, the Emergency Food Stamp Vendor Accountability Act.

SENATE RESOLUTION 319

At the request of Mr. CURTIS, the Senator from Tennessee (Mr. BROCK), the Senator from Indiana (Mr. HARTKE), the Senator from Washington (Mr. JACKSON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Ohio (Mr. TAFT), and the Senator from Connecticut (Mr. WEICKER) were added as cosponsors of S. Res. 319, relating to the occupation of certain Baltic nations by the Soviet Union.

SENATE RESOLUTION 366

Mr. PROXMIRE. Mr. President, I want to associate myself with Senator HUMPHREY'S January 29 remarks in support of Senate Resolution 366, an impoundment resolution to disapprove the administration's proposed deferral for Indian health facilities. One of the groups which would be affected by the deferral is the Menominee Tribe of Wisconsin. The appropriations committees have recognized the urgent needs of several Native American Tribes for health facilities, and I strongly supported appropriations to provide for them.

I ask unanimous consent that I be added as cosponsor of Senate Resolution 366, the resolution disapproving the proposed deferral for Indian health facilities.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE JOINT RESOLUTION 160

At the request of Mr. DOMENICI, the Senator from Arizona (Mr. FANNIN) was added as a cosponsor of Senate Joint Resolution 160, to designate the stone commonly known as turquoise as the national gemstone of the United States.

SENATE RESOLUTION 377—SUBMISSION OF A RESOLUTION AUTHORIZING ADDITIONAL GOVERNMENTAL OPERATIONS WITH RESPECT TO INTELLIGENCE ACTIVITIES

(Referred, by unanimous consent, to the Committee on Rules and Administration.)

Mr. CHURCH submitted the following resolution:

S. RES. 377

Resolved, That the date for submission of the final report of the Select Committee To Study Governmental Operations With Respect to Intelligence Activities of the results of the investigation and study conducted pursuant to Senate Resolution 21, 94th Congress, is extended to March 15, 1976, and after the submission of its final report the select committee shall have until May 31, 1976, to close its affairs and shall cease to exist at the close of such day.

SEC. 2. The expenses of the select committee from March 1, 1976, through May 31, 1976, shall not exceed $400,000, of which amount not to exceed $15,000 may be expended for the procurement of individual consultants or organizations thereof. Such expenses shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the select committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

Mr. CHURCH. Mr. President, I ask unanimous consent that the Select Committee To Study Governmental Operations With Respect to Intelligence Activities be permitted to make its authorization request on February 2, 1976; and for that purpose, I send to the desk a resolution and ask unanimous consent that it be referred to the Committee on Rules and Administration.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE RESOLUTION 378—SUBMISSION OF A RESOLUTION TO REFER THE BILL (S. 2907) TO THE COURT OF CLAIMS

(Referred to the Committee on the Judiciary.)

Mr. ROBERT C. BYRD for Mr. McGovern (for himself, Mr. Abourezk, and Mr. Hruska) submitted the following resolution:

S. Res. 378

Resolved, That the bill (S. 2907) entitled "A bill for the relief of innocent victims of the occupation of Wounded Knee, South Dakota", now pending in the Senate, together with all the accompanying papers is hereby referred to the chief commissioner of the United States Court of Claims. The chief commissioner shall proceed with the same in accordance with sections 1492 and 2509 of title 28, United States Code, and report to the Senate, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand as a claim, legal or equitable, against the United States or a gratuity and the amount of any, legally or equitably due from the United States to the claimants. Such report shall specify the amount due to each of the claimants and the maximum reasonable attorney's fees that should be paid from such amount.

Mr. HRUSKA. Mr. President, I am most pleased to join the Senator from South Dakota (Mr. McGovern) as a cosponsor of the legislation for the relief of the innocent victims of the 1973 occupation of Wounded Knee, S. Dak.

I am sure that all recall the tragedy that occurred when dissident Indians occupied part of the Pine Ridge Indian Reservation and defied authorities for some 71 days.

On a number of occasions since that time, Members of Congress have spoken about the need to provide compensation for the people whose homes, businesses, and property were damaged and destroyed through no fault of their own during the occupation. The passage of time has worsened the economic difficuties of many of these people.

Since the occupation, bills have been introduced in both the House and the Senate to reimburse the victims for their losses. These bills have not progressed to the floor because there have been questions about whether they were the appropriate legislative vehicles.

I believe that the bill S. 2907, introduced last Friday, and this resolution, answer all the questions that arose about the other legislation. The resolution will refer the matter to the Chief Commissioner of the Court of Claims for a determination to identify all claimants and the amounts due. After this determination, the Chief Commissioner shall report the findings to the Congress which can then proceed to consider the bill.

I hope the bill and resolution can be promptly processed and approved so the injuries these people have suffered will not be further compounded.

AMENDMENTS SUBMITTED FOR PRINTING

MINING ACTIVITIES IN NATIONAL PARK AREAS—S. 2371

AMENDMENT NO. 1359

(Ordered to be printed and to lie on the table.)

Mr. STEVENS. Mr. President, the Senate will shortly consider S. 2371, a bill which will prohibit mining entry in the six national park areas which are presently open to mining entry. It also provides authority for the Secretary of the Interior to manage mineral development on patented and unpatented claims and imposes a 4-year moratorium on further surface disturbances within three units of the park system.

This bill may serve to protect some areas of our national parks. But, as applied to Glacier Bay National Monument, it also has the potential to seriously affect our domestic supplies of minerals. It is unfortunate that more attention is not paid to the mineral shortage that we are working ourselves into. To help minimize the adverse impact on domestic mineral supply, I propose an amendment which would exempt from this bill's coverage the largest known domestic nickel deposit.

As my colleagues are well aware, nickel is a vital metal, crucial to iron and steel production and used for a variety of purposes central to our way of life including important elements of oil refineries, jet engines, electrical components, stainless steel, and many other uses. It is also indispensable for waste-and-pollution control systems.

The largest known reserve in the United States is located inside the Glacier Bay National Monument. It is located west of Glacier Bay proper under the Brady Glacier. The deposit is estimated to contain 1 billion pounds of nickel and 600 million pounds of copper.

If this mine is allowed to reach production it could triple America's current production of nickel. Presently, the only domestic mine is in Oregon and it provides 6 percent of our annual nickel demand. This deposit could provide 12 percent of the annual domestic demand and that would improve our balance of payments by $100 million a year at the price of $2 per pound for nickel.

This enormous deposit is only the tip of the iceberg. The Bureau of Mines and the Alaska Miners Association have strong indications that other areas on the western slope of the Fairweather Range are also heavily mineralized. The area this amendment would delete was based on their information. As my colleagues are aware, we are facing a potential shortage of vital minerals. As more and more land withdrawals are made, less and less land is available for mineral exploration. Our economy depends on a continuing supply of vital minerals. We are heavily dependent upon foreign sources already and any further dependence could be dangerous to our future.

This is an area of known mineral potential, with minerals essential to our economy. We should permit continued exploration of this area to see exactly what is there. Mineral deposts are anomalies in nature, much like outstanding scenery. We need nickel and other minerals and should take advantage of them wherever we can find them. Mr. President, my amendment would exempt from the prohibition on mining the area where we have found minerals.

This amendment would exclude from the coverage of S. 2371 less than one-fifth of the monument—only 500,000 acres out of 2,803,430 acres. The vast majority of visitors to Glacier Bay will never be aware of this mineral exploration. It would occur along the Pacific coast nowhere near the visitor facilities and major attractions of the monument. The Brady Glacier nickel deposit will be reached by a 3-mile-long tunnel under the ice. The millsite will be in a remote valley and the only establishment visible from the ocean will be a dock and small townsite in Dixon Harbor. Other mineral exploration would be similarly limited.

Most of the area this amendment would exclude from this bill was added to the monument by an executive proclamation on April 18, 1939. This was almost 3 years after the 1936 act which opened the monument to mining. Therefore, this area was never closed to mining and was never intended to be closed. It was also apparently not considered as prime scenic land and was instead an afterthought.

This amendment would allow a highly mineralized part of Glacier Bay National Monument remain open to mineral entry. The Park Service could promulgate regulations to control the environmental impact. The Interior Department has consistently urged the Congress to take no action toward closing Glacier Bay to mining until the extensive mineral surveys now underway by the U.S. Geological Survey and the Bureau of Mines are completed.

The amendment I am proposing today will permit the Nation to use the vitally needed mineral resources in Glacier Bay at a small cost to the environment. I ask unanimous consent that the text of my amendment be printed in the Record.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1359

On page 3, line 22, immediately before the semicolon, insert the following: "except with respect to the following described area of such Monument: The area which is between the following described line on the east and the Pacific Ocean on the west, comprising approximately 531,000 acres: the area bounded on the east by a line extending north-northwesterly from the west shoreline of Taylor Bay, along the easterly limits of the rock outcrops and nunataks on the west side of Brady Glacier, to the large rock outcrop (elev. 4148) at the divide between Brady Glacier and Reid Glacier; thence westerly to Mount Bertha; thence west northwesterly to Mount Orville; thence northwesterly and northerly along the divide of the Fairweather Range to Mount Wilbur, Lituya Mountain, Mount Salisbury, and Mount Quincy Adams".

NATIONAL RESOURCE LAND MANAGEMENT ACT—S. 507

AMENDMENT NO. 1360

(Ordered to be printed and to lie on the table.)

Mr. PACKWOOD. Mr. President, the Senate will soon be considering the National Resource Land Management Act, S. 507. This act will provide an overall management policy and authority for the Bureau of Land Management to administer the 448 million acres of federally owned land under its jurisdiction within the Department of Interior. The importance of this act cannot be stressed enough, since those 448 million acres of land comprise roughly 20 percent of America's land base, and 60 percent of all our federally owned property. This land base includes rangeland, forest land, refuges, and a number of specific resources which are crucial to this Nation's economy, recreation, and well-being.

I intend to offer an amendment to this legislation when it is considered which, if adopted, will insure that full participation is provided in the BLM's land-use planning program. My amendment will specifically require the Secretary of the Interior to coordinate planning of BLM lands with State and local government land-use plans. I believe that land-use planning is best handled by State and local governments. By their very nature, these governments are closer to the people they seek to serve, so that on a daily, ongoing basis, people can communicate with these governments. I am not saying that State and local governments are the cure-all to the land-use planning issue, but they are a far sight better than involving the Federal Government in land-use planning in Washington, D.C., or regional, multi-State offices.

Therefore, my amendment will insure that the numerous plans and land-use patterns which are a product of local citizenry and local communities are fully considered by the Secretary of the Interior through the Bureau of Land Management when he is making decisions on how to administer the wealth of Federal lands which affect the innumerable communities throughout this country. The total acreage of my home State of Oregon, for instance, is made up of 52-percent federally owned lands, of which 15,742,154 acres, or roughly 25 percent of the State, is under the exclusive jurisdiction of the Bureau of Land Management. That degree of federally owned lands is so overwhelmingly important to the economic well-being and environmental protection of Oregon, or any other State with federally owned lands within its borders, that full public participation is essential. If anything, my amendment will enhance the planning process for Federal lands because it will require consideration of the planning done in local communities by local governments by the local citizenry. If Federal land-use planning or Federal lands are best served by anything, then I believe it is the concerns and desires of that local citizenry.

I ask unanimous consent that my amendment be inserted in the RECORD at this point.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1360

On page 65, lines 6 and 7, strike "Act and coordinated" and insert in lieu thereof "Act. The Secretary, in".

On page 65, line 7, strike the comma.

On page 65, line 9, between "law," and "with" insert "coordinate such plans".

On page 65, line 12, strike the period and insert in lieu thereof "and consider current use and zoning patterns of land affected by the use of national resource lands."

RICE PRODUCTION ACT OF 1975—H.R. 8529

AMENDMENTS NOS. 1361, 1362, AND 1363

(Ordered to be printed and to lie on the table.)

Mr. LONG submitted three amendments intended to be proposed by him to the bill (H.R. 8529) to establish improved programs for the benefit of producers and consumers of rice.

AMENDMENTS NOS. 1364 AND 1365

(Ordered to be printed and to lie on the table.)

Mr. LONG (for himself and Mr. JOHNSTON) submitted two amendments intended to be proposed by them jointly to the bill (H.R. 8529), supra.

NOTICE OF HEARINGS

Mr. METCALF. Mr. President, in accordance with the rules of the Committee on Interior and Insular Affairs, I wish to advise my colleagues and the public that the following hearings and business meetings have been scheduled before the committee for the next 2 weeks:

FEBRUARY 4

Full committee: 10 a.m., room 3110, business meeting, pending calendar business.

FEBRUARY 5

Parks and Recreation Subcommittee: 10 a.m., room 3110, hearing S. 1096/S. 885, to designate certain lands in the Shenandoah National Park as wilderness.

FEBRUARY 9, 10, AND 11

Full committee: Field hearings in Honolulu, Kauai, and Hilo, Hawaiian Islands.

Re Senate Joint Resolution 155, Hawaiian native claims legislation.

FEBRUARY 12

Indian Affairs Subcommittee: Field hearings in Oklahoma City, Okla., regarding Indian housing.

ADDITIONAL STATEMENTS

WOMEN IN THE SERVICE ACADEMIES

Mr. GOLDWATER. Mr. President, the Senate will recall that I opposed the legislation that authorized women to attend the service academies. This became the law on October 8, 1975, when the President signed the fiscal year 1976 Department of Defense authorization bill. While the services are now in the process of getting ready to accept and train women to begin this year, I am not yet completely convinced this can be done within a strict interpretation of the law which, in part, reads:

> The academic and other relevant standards required for appointment, admission, training, graduation, and commissioning of female individuals shall be the same as those required for male individuals, except for those minimum essential adjustments in such standards required because of physiological differences between male and female individuals.

Mr. President, this matter passed the Senate on a voice vote as an amendment to the fiscal year 1976 Department of Defense authorization bill with practically no constructive debate. The Armed Services Committee did not hold hearings on the proposal and, consequently, there is no legislative record examining all of the potential ramifications. In retrospect, it might appear to some that there was unanimous approval by the Senate of the proposal because of the affirmative voice vote, although I do not recall there being more than a dozen Senators on the floor when that voice vote was taken. I suspect the real reason for the voice vote was that many Senators did not want to be recorded with a record vote on this issue. The whole thing had become so emotional that it would have been very difficult to vote against the measure even though the facts supported a no vote. In any case, I do not believe that the Congress had examined the matter to the extent required nor do I necessarily believe this law is what the majority of the American people wanted. Even at this late date I continue to receive mail from people who just found out about the law and want to know how it came about without their having heard about it.

Nevertheless, it is now the law that women are eligible to attend the military service academies and the academies are hard at work making preparations to receive the first of the women cadets in August 1976. It will be interesting to see if the academies, as I said earlier, can accommodate the female cadets within a strict interpretation of the law. I intend to observe this further as the school year progresses. Maybe we will find that further legislation of some kind will be required.

Mr. President, there have been a number of articles, letters to editors, and so forth, relating to the subject at hand that have appeared in the press since the law was passed that point to anticipated difficulties, as well as dissatisfactions with the law. I have several of these items that I think are worth bringing to the attention of the Senate.

Mr. President, I ask unanimous consent that the following items referred to be printed at the appropriate point in my remarks.

The first from Time magazine of October 27, 1975, entitled "Testing the Creed," discusses two subjects: "Learning: Why Do Boys Do Better?" and "Sex Equality and Are Women Ready for It?" The lead-in for these two articles states:

> One of the basic tenets of the feminist movement is that there are no important inherent differences between the sexes. That creed is being challenged on two fronts.

It remains to be seen whether these articles have any applicability to the service academies, but they are points worth consideration.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From Time magazine, Oct. 27, 1975]

Testing the Creed

One of the basic tenets of the feminist movement is that there are no important inherent differences between the sexes. That creed is being challenged on two fronts:

LEARNING

Why Do Boys Do Better? Six years ago, the Denver-based Education Commission of the States began a Government-financed study known as the National Assessment of Educational Progress. After analyzing tests given to nearly 900,000 students and young adults across the U.S., the commission's researchers concluded that men have a clear edge over women in most areas of academic achievement.

The commission's report shows that in science, mathematics, social studies and citizenship—four of the eight areas studied—the sexes are roughly equal at age 9. But by age 13, girls fall behind in these areas of study in a relative decline that continues through adolescence and into adulthood. In reading ability and knowledge of literature, girls are ahead of boys until age 17, but the same pattern of relative decline shows up as they grow older. Only in writing ability and music do females outperform males in later years.

Like some other studies, the National Assessment finds the male lead in mathematics "overwhelming." Nine-year-old girls do as well as boys in basic arthmetic but lag later in geometry and exercises dealing with measurement. Strangely, though girls can match boys in arithmetic and are better than boys at reading, they do worse on "word problems" involving simple computations such as determining the lowest per-ounce price for a box of rice.

Dr. Roy H. Forbes, director of the study, believes the results reflect "subtle and not so subtle forces—both within the education system and society in general—that effect female education achievement."

SEX EQUALITY

Are Women Really for It? No, says Rutgers Anthropologist Lionel Tiger. His new book *Women in the Kibbutz* (Harcourt Brace Jovanovich; $10.95), written with Israeli Anthropologist Joseph Shepher, argues that traditional sex patterns are so strong they have even overwhelmed the declared ideology of sexual equality in Israel's rural collectives.

Tiger and Shepher analyzed women's roles and attitudes in two of the three nonreligious kibbutz federations in Israel. They found that few women choose careers in the "male" world, even though kibbutz rules free them from child-rearing responsibilities and economic dependence on husbands (kibbutz income is apportioned according to need). Men hold most jobs requiring physical labor and executive ability, while women gravitate to such "feminine" fields as teaching and clerical work; 80% of the kibbutz women say they are satisfied with the situation. Some 30% of the kibbutz members involved in political activity are women but most are clustered in low-ranking jobs. "The higher the authority of a office or committee," the authors report, "the lower the percentage of women in it." One surprising development: traditional attitudes toward marriage, romance and the family have reasserted themselves in the kibbutzim. The authors say kibbutz women are dressing stylishly, buying cosmetics and even using a health-care plan to pay for pedicures. In one federation, 25 of 81 kibbutzim have yielded to female pressure and allowed children and parents to live together. From 1961 to 1972 the marriage rate rose 15%. Over the same period the kibbutz birth rate increased to 27.2 per thousand, well above the national level; more than half of married kibbutz women have three or more children.

Tiger and Shepher conclude that the "aggressive search for sexual equality" has failed, probably because most women do not want it. Feminists will argue that Tiger found what he wanted to find—he believes man's emergence as a hunter millions of years ago resulted in a sexual "biogrammar," a predisposition pushing most women toward child rearing and most men into aggressive tasks. Yet his research does suggest that whatever the reason, traditional sex roles are proving stubbornly resistant to change.

Mr. GOLDWATER. The second article is from the Pointer View of November 7, 1975, the U.S. Military Academy publication, commenting on the difficulty of establishing those "minimum essential adjustments," as stated in the law.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Pointer View, Nov. 7, 1975]

Preparing for Women: "Differences"

The 94-word law directing the admission of women to West Point and the other national service academies is clear in its intent. But to those chartered with implementing the law, establishing "those minimum essential adjustments" has been no simple task.

The first thing West Point had to do was to define the physiological differences and then to determine what, if any, adjustments are "essential." Studies were conducted of the coed transition at colleges, police academies, and various military training programs, but there was nothing on the scale of West Point to compare with. As a consequence, the Military Academy had to develop much original data, and the data-gathering won't end when the women cadets arrive.

"The first group of women here will be a test group not only for those who follow, but for themselves as well," according to Major Alfred Rushatz, Chief of Instruction in the Office of Physical Education. "If we find they can compete evenly with men, then they will have to." Realistically, however, few expect that to happen: physical tests of large groups of women and men show that, though women can complete most of the events, their scores in doing so are generally lower than the men's. Also, medical authorities have warned of the possible hazards of breast injury in such rugged activities as boxing.

The fourth class program especially will require adjustment, says Major Rushatz. Plans call for women to take two 20-hour courses in self-defense instead of boxing and wrestling, which remain mandatory for men. "Self Defense I," the first semester course, will familiarize women cadets with basic moves, falls, and offensive and defensive techniques. In the second semester, women will learn advanced self-defense techniques including an introduction to the martial arts of judo and karate.

Just as women's gymnastic events differ from men's, plans for the women's plebe gymnastics course include the uneven bars in lieu of the horizontal bar and the balance beam in place of the parallel bars.

Though some physiological differences between men and women are well-known, such as the difference in size and shape of the pelvic bone, there are other less-known differences. For instance, the elbow structure of women differs from that of men. To demonstrate for yourself, take a ruler or pencil and grasp it with both hands, palms up and thumbs pointing outward. Then extend the arms horizontally with the elbows straight. Most women find they can touch elbows and most men cannot, since there is an inward or "X" bend of a woman's elbows.

The principal physiological differences between men and women have been outlined in a survey of current research conducted by Dr. James A. Peterson of West Point's Office of Physical Education. Dr. Peterson's survey concludes that, while much research remains to be done, there are definite physiological differences which must be considered in determining entrance and training requirements.

1. Much of the basis for the physical performance dissimilarity between men and women is due to physiological differences.

2. Because of differences between men and women on anthropometric and body composition measures, men perform far better than women in activities which require strength, speed, and power. These differences include: women have less bone mass, less muscle component, but more fat than men; men have a higher center of gravity, different pelvic structure, wider shoulders, narrower hips, longer legs, and a greater ventilation capacity.

Because of differences between men and women on cardiorespiratory factors, men have a greater potential for endurance that cannot be matched by women. In addition, at submaximal work levels, women have to work much harder to accomplish the same amount of work. For any given submaximal work load, women are always operating at a level closer to their maximum than men and will reach exhaustion sooner.

Women have less tolerance to heat than men. Accordingly, under higher levels of heat condition, a woman has to work relatively harder than a man to achieve similar work loads. On the other hand, women can probably endure cold better than men.

Research suggests that sports activity has little effect on menstruation and that no restriction should be placed on the physical activity of average women at any phase of their cycle.

An obvious physiological difference between men and women is that women experience a monthly menstrual cycle. Dr. Peterson's survey states that most of the recent investigations on this subject indicate that "sports activity has little effect on menstruation and that no restriction should be placed on the physical activity of average women at any phase of their cycle." Dr. Peterson's survey also points out, however, that little is known about the psychological effects on physical activity during menstruation.

A major question lies in whether the physiological differences are anthropometrical or cultural. The inability of most women to do even one pullup has been ascribed by some to the fact that few women have ever been asked (much less required) to attempt a pullup. Most agree that programs of upper-body strength development will improve women's performance in this area, though many doubt that the gap between men's and women's performances can ever be completely closed.

"Women just do not have the same potential in terms of speed and power that men have," according to Dr. George Pettit, Chief of Gynecology and Obstetrics at the West Point Hospital. "And not all of this gap can be overcome by conditioning, no matter how hard."

One who is questioning, if not challenging that position is Dr. Jack H. Wilmore, associate professor of Physical Education at the University of California at Davis and a member of the board of trustees of the American College of Sports Medicine. In a recent magazine article, Dr. Wilmore cites swimmer Johnny Weissmuller's performance in the 1924 Olympic games and concludes that Weissmuller would be slow by today's women's Olympic standards. Also, while men's swimming times were 16 per cent faster than women's in 1924, in the 1972 Olympics, men swam only 7.3 per cent faster than women.

Women admitted to West Point next summer will be able to compete for positions on most men's varsity sports teams though hard contact sports will not be open to them. Depending upon the abilities and interests of women cadets, teams may later be organized to compete against women's teams from other colleges.

Mr. GOLDWATER. The next item is a letter to the editor from Mrs. Lois L. Duling which appeared in the West Chester, Pa., Daily Local News of November 4, 1975. Mrs. Duling objects to the lowering of standards in any way to accommodate the differences between male and female. She also asserts the general public was unaware that a change in the law was contemplated.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

[From the Daily Local News, Nov. 4, 1975]

AN ARGUMENT AGAINST NEW LAW ALLOWING WOMEN IN MILITARY ACADEMIES

Editor News: I want to call to the attention of all voters the law passed by Congress and signed by our President on Oct. 9, 1975, No. 94–106.

This law carries a rider Section 803 stating that our three major military academies: Army, Navy and Air Force, MUST "INSURE" that women will be accepted in this coming class entering July 1976.

The law states that their training is to be "the same as" the men except for the minimum . . . adjustments in standards required because of physiological differences."

It is difficult to communicate the consequences of this action. My husband and I have entertained mids and cadets specifically three times a year in our home since the fall of 1971 and any other week-end that a graduate or under-graduate was free and wanted to visit. We have visited both academies many times; followed one midshipman through his entire four-year training experience and are presently following a cadet through his. I still correspond with these men and know their attitudes about the situation. Many of the first-classmen (seniors) tell me they will never go back if women are admitted.

This association has helped us understand the unique environment that exists at the academies to produce the resulting graduates. It also assures me that though personally I had a high school experience that would have made it possible for me to pass the entrance exams as a woman, there is no way I could have survived "the same" training these young men experience.

In order to make "minimum adjustments", there would have to be an alternate system for the women which would not be equal and they would be going through a different training and reaching supposedly the same honor that the present graduates are receiving. To me, this is UNJUST.

When you have 40,000 men inquiring about entrance to West Point, for example, and 300 women so far, and only room for about 1,435 appointments, the Congress forcing them to take women will deny entrance to 50-80 young men who would qualify and graduate able to perform any leadership position in the service; whereas, the women, due to these "minimum" differences, will receive a limited training. Also, there is the JUST law forbidding them in combat roles: This is as it should be for a "Nation under God" and is consistent with the Bible—the Book of our Courts.

The unique training received at the Academies is a combination of physiological, psychological and academic pressure. To lower these standards in order to accommodate women is to substantially weaken the uniqueness and therefore the results of the training as it presently exists.

The Department of Defense testified against this rider, the Academies were against it and the cadets and midshipmen are against the creating of a double standard in order to accommodate the basic God-given differences between men and women.

To say women ought to have anything they want is irrational—on a level with men demanding to have the right to give birth. Sorry folks—argue with God, but face reality and realize there are certain areas where because of the differences, they are categorically disqualified. The Academies fall into this definition and should be exempt from having Congress force them to take women.

There are existing programs already for training women in appropriate capacities in the services and a unique educational track could be easily set up for them on a parallel with the system of Aviation Cadets, the forerunner of the Air Force Academy, which would establish an elite officer corps to fulfill their wants within the law.

I am appealing to you to write to your Congressman or woman expressing your concern regarding entry of women into our service Academies against the best interests of these institutions and the Nation at large. Ask him/her to do everything in his/her power to repeal Section 803 of this law.

Our Congressman, Richard Schulze, has assured me he will read every letter he receives and if enough people write it will have an influence on Congress considering a repeal.

Write to:

Rep. Richard Schulze, House of Representatives, Washington, D.C. 20515.

Sen. Hugh Scott, United States Senate, Washington, D.C. 20510.

Sen. Richard Schweiker, United States Senate, Washington, D.C. 20510.

LOIS L. DULING.

WEST CHESTER, PA.

Mr. GOLDWATER. Next, is another letter to the editor from Mrs. Duling that appeared in the West Chester, Pa., Daily Local News of December 12, 1975, in which Mrs. Duling reports on what she found out when she came to Washington, D.C., about getting the law repealed.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

[From the Daily Local News, Dec. 12, 1975]

OPPONENT OF WOMEN IN ACADEMIES VISITS CONGRESS

Editor News: I want to thank all those voters who responded to my letter concerning women being admitted to service academies. It encouraged me to the point of proceeding to visit Washington, D.C. to see what else can be done. Here is what I found out:

The issue of "insuring" that women be accepted into our academies summer of 1976 is a political one. The Congress voted for it because the members felt they would win the women's votes (which are supposed to be 70 per cent at this time).

I have now read the House of Representatives hearings and I want it known that the men who sponsored this legislation—Congressman Stratton of New York and Pete duPont of Delaware among others—stated that they saw no reason for women to be kept out of combat. Stratton said he favored repealing the law and several men in favor of this issue saw nothing wrong with drafting women. (By the way, if the Equal Rights Amendment passes, women will be expected to register for the draft and be required to go into combat the same as men.)

The arguments put up by our Congress were irrelevant: comparing the ability of women to complete the training received at a normal college through ROTC or the short OCS training or nurses training to the physical, psychological and academic pressures of the four-year academy programs.

The Merchant Marine Academy admitted women in July of 1974 and has been used as a parallel argument. There is one major difference: it is not an institution for combat training and therefore the women are eligible for all the academics and training it offers.

Of interest is the testimony of Lt. Gen. A. P. Clark, superintendent of the Air Force Academy: ". . . to lead men to success in battle requires the ability to make quick and correct decisions under stress, the willingness to accept responsibility for the lives and safety of others when they are exhausted and disheartened and the willingness to risk danger and hardship with a degree of self-discipline well above the cut of the average man.

". . . It is my considered judgment that the introduction of female cadets will inevitably erode this vital atmosphere (of the Academy training) . . ."

Contrary to most people's understanding, the Israeli Consulate in Philadelphia told me that no women in their Army are allowed in combat. The women fill supportive roles as secretaries and do not lead male units.

In the 1973 war, three women were killed. Women are now sent back farther from the front even in their supportive rolls. The Israeli nation has not recovered yet from this incident according to testimony given at the hearings.

With all the studies made on this issue, one main consideration was omitted: We are still a Nation under God. For those who still adhere to the Judeo-Christian heritage of our country, the Schiptures have no precedent for women in combat (except in their own villages) nor for the training for it. Joshua was told to leave the women and children on the other side of the Jordan until they won the land; then bring them over.

It is hard for me to believe that the majority of taxpayers want women to go through the training at our academies.

A poll was taken at the Army-Navy football game which showed out of 2700 ballots, 80 per cent opposed women entering our present academies and 20 per cent favored. No one objected when asked about a uni-service academy for women. The cost for each woman for one year at Annapolis, for example, is $20,000. Multiply this by the 100 women expected at each of the three schools and it will cost us $6 million dollars for one year. When they graduate, they will only be qualified for one-half the positions our men will. An academy of their own would cost less per entrant and maintain training appropriate for the special qualities women have.

I received great encouragement from Senator Goldwater's office. He voted against allowing women into our academies and encouraged me to pursue the objective of repealing Section 803 of Public Law 94-106. The action needed to cancel this section is to write to this paper expressing your concern. If you write to your Congressman, send a copy to the editor. Thanks again for the support I have received—perhaps we can convince our lawmakers that we do care and common sense on this issue will prevail.

Lois L. Duling.

West Chester, Pa.

Mr. GOLDWATER. Next, is an article from Army Times entitled, "West Point Warns Women on Studies" that points out that an extremely low percentage of college bound women were interested in mathematics, physical science, engineering, and military science.

There being no objection, the letter was ordered to be printed in the Record, as follows:

[From Army Times]

West Point Warns Women on Studies

West Point.—Letters expressing reservations about serious female interest in some of the academic course work at the Military Academy were sent to as many as several hundred women applicants, according to West Point officials.

Since the law was passed allowing women into the service academies, several different form letters have been used to respond to women applicants, USMA officials said.

One letter obtained by *Army Times* said "reconciling physical education and military program requirements" is the "biggest problem" in admitting women to the all-male institution. The letter also says that "of equal concern . . . is the fact that it appears there are few young women in the country who are seriously interested in some of the academic course work required here . . ."

Some feminists say they view that wording as a not-so-subtle method of discouraging women applicants, a motive strongly denied by USMA officials.

"We require 20 semester courses of math, science and engineering and we have to be very careful in explaining this to students because we also offer an area of elective (studies)," a USMA official said.

Letters to women applicants were replaced by an information booklet several weeks ago, officials said. It lists the academic program for cadets, including the core requirements in basic sciences, applied science and engineering.

The decision to mention the apparent lack of female interest in some of the academy's required academic courses was made following an analysis of outside data on subjects that students were interested in, officials said. The data revealed that only 1.9 percent of last year's college-bound women were interested in math, 1.2 percent in physical science, 0.9 percent in engineering and 0.1 percent in military science, they said.

Male applicants did not receive similar letters because the same data on college-bound males indicated they were far more interested in these subjects, according to USMA officials. Men generally are aware of the academy's "long-time image as a school with a hard science and engineering emphasis," they said.

"We feel a very real responsibility to be very careful and candid with the women applicant," a West Point official said. . . . "That was the reason for that rather blunt letter."

Mr. GOLDWATER. Last, a letter to the editor that appeared in the West Chester, Pa., Daily Local News of December 13, 1975, and one that appeared in the Huntington, W. Va., the Herald-Dispatch, of December 16, 1975, both questioning the wisdom of women in the academies.

There being no objection, the letters were ordered to be printed in the Record, as follows:

[From the Daily Local News, Dec. 13, 1975]

Supports Exclusion of Women From U.S. Military Academies

Editor News: I would like to express my agreement with the comments and concern of Mr. Iri Duling in his recent letter to your paper regarding the entrance of women to military academies.

During the televised half-time interview at the Army-Navy game, it appeared to me that the superintendents of the academies were hard-pressed to summon up much enthusiasm for the untenable position they have been placed in by the passage on Oct. 8 of President Ford's bill concerning this matter. They must follow the orders of their Commander-in-Chief, of course, unless this bill is repealed, and yet they have the knowledge, which comes only from years of experience, that women in the academies will call for many more changes than a female version of the uniform and "minimum essential adjustments in such standards required because of physiological differences between male and female individuals."

The men graduating from the academies are not only trained to command behind the lines but in the midst of battle where they must assume leadership in positions of combat. How can women who will not experience that side of military life possibly be in positions of command over men who will and have? And, if they are to be excluded from this aspect of the training, then the requirements of the new law which state that "the academic and their relevant standards required for appointment, training, graduation and commissioning of female individuals shall be the same as those required for male individuals" will not be upheld.

I am grateful for the strong military leadership which our country has had for 200 years and hope that it will continue in the future, not so that we will seek out further conflict but that we will be prepared mainly for defense.

Virginia L. Pendlebury.

West Chester, Pa.

[From the Herald-Dispatch, Dec. 16, 1975]

Academies

To the Editor:

Although this law does not affect me directly, indirectly it may make quite a difference in the future of our national defense. Many of the articles I have read on the subject claim that the admission of women to the Army, Navy and Air Force academies will in no way lower the standards or efficiency of academy graduates. I find this hard to believe. In order for women to meet the qualifications necessary to graduate, changes in both physical training and the Spartan-like atmosphere at the academies will be absolutely necessary, and I find it difficult to accept assurances that these changes will in no way influence the training of men.

Even Major Bill Smullen of the U.S. Military Academy at West Point has stated: "We had what we considered a primary mission, to train officers for combat readiness. That mission has been changed a bit now." Human nature being as it is, having less rigid rules for women might lead to a permeating dissatisfaction of the male members of the academies. This might lead to less efficient training for all, and the graduation of less able persons to head our fighting forces. Some women graduates might be as good as some of the men, but the trouble is that the opening of this "academy door," coupled with the attempt to pass the Equal Rights Amendment, completely changes the woman's role in society, and the attitude men will have towards them. If these changes are politically motivated in an attempt to gain more women's votes, my vote is one that will not be gained.

I can't imagine that many women want to sign up for the draft, or want to go to war, but ERA amendment, and women in the academies, is a good indication that women may be headed that way.

Miss Jeanne McCay.

Huntington, W. Va.

Mr. GOLDWATER. Mr. President, the services will follow the mandate of the Congress and there is no doubt that women will be attending the academies in the upcoming school year. However, that does not mean that it is in their best interest or that of the male cadets or in the best interest of the country for them to do so. We need to watch very carefully to insure that we do not destroy or damage the integrity of these institutions as they exist today. Toward that end I intend to keep a close watch on how the program is progressing.

THE CIVIL WAR IN ANGOLA

Mr. ROBERT C. BYRD. Mr. President, the administration's attempts, either covertly or overtly, to send American military aid to forces fighting in the Angolan civil war are nothing more than an attempt to react to the Soviet Union's last-ditch effort to gain a foothold in South Africa. These attempts are foolhardy and lack support in the Congress and from the American people. In order to establish credibility among the black African nations, we must resist any effort which would get the United States bogged down in a distant civil war where we are not wanted or needed.

Even more than the United States, the Soviets have proved that it is impossible to buy political influence in the emerging nations of black Africa. In the 1950's and 1960's the Soviet Union made several attempts to gain inroads in Africa by supporting various factions during times of political turmoil. By sending huge amounts of arms and supplies, the Soviets hoped that they could turn their Marxist front groups into pro-Soviet governments which would spread communism throughout the rest of the continent. But each of their attempts met with dismal failure.

In the Congo—now Zaire—in 1960 the Soviets sent military supplies to the rebel forces supporting Patrice Lumumba hoping that his group would emerge victorious in the struggle after independence. The Soviet effort failed when the rebel forces were defeated.

In Ghana, the Soviets supplied the government with aid and technical personnel for many years. After a coup in 1966, Soviet hopes were dashed when the new government shifted to a more balanced foreign policy.

In Egypt, Soviet military advisers were thrown out of the country in 1972 even though they had supplied the Egyptian armed forces with billions of dollars of arms and equipment.

In Mozambique, the Soviets suffered a setback in 1975 when the faction they supported gained power but denied them the bases and influence they demanded.

The Soviets suffered similar political and military losses in Mali, Nigeria, Uganda, and Sudan without ever gaining a single ally in Africa.

The present Soviet attempt to buy a role in the Angolan Civil War by sending arms and transporting and equipping Cuban "volunteers" shows how little they have learned from their past failures. If they learned anything, it should have been that African political groups will accept military and economic support from any source. Once in power, however, this past support will buy no influence with the new government.

Black African nationalism is a powerful political force that cannot be bought or compromised by non-African white nations seeking political favors. It must be recognized as an independent force with little interest in forming an open alliance with any Western superpower. Their interests are restricted to regional problems—or at least, African ones.

The Popular Movement forces that the Soviets are supporting in Angola are no more Marxist than the opposing forces are pro-Western. Angolan politics is predominantly ethnic and tribal. Their main areas of interest and influence is nearly limited to that of the other black South African nations.

After ridding their country of the white Portuguese colonial government that had ruled Angola for centuries, no black political faction would be willing to share power with or favor another white non-African nation. This includes the United States as well as the Soviet Union.

The relatively modest Soviet support for the Popular Movement forces is very small compared with what the U.S. poured into South Vietnam. We lost $150 billion and sacrificed 55,000 American lives while trying to gain a foothold in Southeast Asia. The tragic events of Vietnam should have taught both the United States and the Soviet Union that Third World nationalism is an uncompromising political force that cannot be bought off with money, arms, or lives.

By reacting to the Soviets effort to buy political influence in Angola, we are merely mimicing their Third World expansionist failures. We don't belong in Angola, and neither do the Soviets. Let us hope that we learn that lesson before they do.

THE MARINE CORPS

Mr. TAFT. Mr. President, the Washington Post of February 2 contained an article entitled "Updating of Marines Needed, Study Says." The article discussed a newly released study of the Marine Corps done by the Brookings Institution. I assume the article is an accurate reflection of the study, and I think a few points should be made about the suggestions contained in that study.

There are three specific areas dealt within the Brookings study which deserve some comment: First, the alleged manpower problems facing the Marine Corps; second, the structure of the corps; and third, the relationship between the size of the corps and its mission.

As to the manpower problems, we must define what we mean by a problem. Is it a problem if a comparatively large number of people in a service cannot meet the standards of that service? Or is it a problem if the standards are set low enough that a larger percentage of those recruited can meet them? Numbers of AWOL's and Article Fifteens tend to imply that the first of these is the problem. But are not those same numbers evidence that the Marines are avoiding the second problem? We must remember that it is easy to have a small number of disciplinary problems if you do not enforce discipline. Unfortunately, you then end up with a Civilian Conservation Corps, not a military service.

As to the second area, the current structure of the Marine Corps, I fully agree that that structure is in need of updating. There appear to be serious deficiencies in the present structure of the corps, particularly in reference to the midintensity battlefield which will be an increasing part of the corp's concern—and not only in relation to Europe. The Marine Corps today is foot infantry, light and slow-moving compared not only to European forces, but also compared to the armored and mechanized forces of many lesser powers such as the states of the Mideast. As foot infantry, the Marines Corps would have small chance on the battlefield against a mechanized or armored force.

The need for mechanization is one piece of evidence that the force structure of the Marine Corps is in need of updating, but it is not the only evidence. The Marine Corps is very heavily dependent on tactical air power for indirect fire support. The entire Marine Corps has today only 723 artillery pieces for 196,000 men; by comparison, the Algerian Army of only 55,000 men has 690 artillery pieces. Nor is our Navy now capable of providing much useful gunfire support to the Marines. After what the October war in the Mideast demonstrated in terms of the ability of a Soviet-model air defense system to inhibit the use of tactical air power, we should be greatly concerned about our weakness in artillery—a weakness the U.S. Army shares with the Marine Corps.

One more area of concern in Marine Corps structure today is whether our amphibious doctrine is up to date. Six-knot LTV's circling a landing ship and then chugging in toward the beach looks nice in movies, but is likely to be impractical against a well-equipped opponent with modern weapons, particularly if opponent has PGM's.

What do these possible deficiencies suggest? They suggest some needed change in Marine Corps thinking, but they also suggest the need for a larger capital investment budget for the Marine Corps. And we in Congress should be prepared to support that larger capital budget. To keep the Marines foot infantry because they do not have the funds to mechanize is not cost/effective. To deny them needed artillery or the very necessary new generation of fast hovercraft landing craft is not cost/effective. We must be prepared to support, and if necessary to propose the funding needed to update the Marine Corps.

Such an investment does, of course, imply disagreement with the Brookings study on one fundamental point: The usefulness of the amphibious operation under present and future conditions. To understand why the amphibious operation remains useful we must understand that if you do not have ground forces in a crisis area and you decide to put such forces there, there are only two ways you can do it: one is over the beach—the amphibious operation—the other is by parachute—airborne.

I was very surprised to see the Brookings study suggest the conversion of part of the Marine Corps to airborne, even as a possible option. The airborne is today's equivalent of the horse cavalry; a unit that attracts high-quality personnel, has great esprit de corps, and is, as a military concept, long obsolete. There has in fact been only one successful large airborne operation in history: the German airborne assaults in the low countries in 1940. The German operation against Crete took the island, but at such cost in casualties that the German airborne never really recovered. The most ambitious Allied airborne operation in World War II, Market Garden, was a costly failure. The operations since World War II were also failures. The last major airborne operation was the French drop at Dien Bien Phu, the results of which speak for themselves.

In sum, if, as Brookings argues, it is 20 years since we have had an opposed amphibious operation, at least that operation succeeded, as did the amphibious operations in World War II. Airborne has been generally a failure since its inception, and it is time we recognized the airborne concept is invalid.

Coming back to the basic point about insertion of ground forces, if, as is clear from history, airborne is obsolete, that leaves you only with the amphibious approach. As I stated earlier, our current amphibious doctrine appears to have some problems when related to the modern battlefield. But the basic concept of the amphibious operation remains valid, in my opinion. In fact, the need for mechanized forces on the ground once you enter a theater strengthens the argument for an amphibious capability, in that the heavy equipment—tanks, APC's, heavy artillery—and the large amount of logistics required by a mechanized force can only be transported by sea, not by air, across a strategic distance.

The third point raised by the Brookings study, the relationship between the size of the corps and its missions, does require careful thought. There does appear to be a possible discontinuity between the current size of the Marine Corps, 196,000 men, and its rather limited official primary mission of undertaking land operations ancillary to a naval campaign. However, if this is a discontinuity, there would appear to be a more logical response to it than that of cutting the size of the corps: that is to say, why not broaden the mission definition? In fact, if we ever do face the need of engaging in a substantial land campaign in an area other than Europe or Korea, we will have to rely on the Marine Corps to carry on almost the entirety of the conflict. In theory, the Army will provide the follow-on forces for the land campaign, but in fact, the time it takes to organize an Army heavy division and transport it to the theater bears little or no relation to the duration of modern midintensity conflict. The only Army forces which can be moved quickly are light forces generally unsuitable for midintensity conflict. Thus, the Marines will have the entire mission in these theaters. If we recognize this truth in defining the Marine Corps mission, then we see there is no discontinuity; 200,000 men for the mission of ground conflict in areas other than Europe or Korea is not a misallocation of resources.

I hope my colleagues, the Brookings Institution, and the Marine Corps will consider these points carefully. We do need to make changes in the Marine Corps to keep it up-to-date. But the basic value of the Marine Corps remains as high today as it has ever been, which is very high indeed.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Feb. 2, 1976]

UPDATING OF MARINES NEEDED, STUDY SAYS

(By Austin Scott)

The U.S. Marine Corps is having trouble adjusting to the political realities of mid-1970s diplomacy, as well as to the end of the draft, and as a result, its once elite fighting forces are in danger of becoming obsolete, two Brookings Institution researchers have concluded.

In a 93-page study released today, Martin Binkin and Jeffry Record argue "America's most honored fighting force . . . cannot remain as it is, structured for past rather than likely future international contingencies.

"In an era of shrinking prospects for direct U.S. military intervention abroad," they write, "the need for the corps' principal mission—amphibious warfare—is less apparent than in the past."

Although the authors did not mention the civil war in Angola, where the U.S. and South Africa are backing one faction that is battling a Soviet and Cuban-supported Marxist faction, they note:

"The United States Marine Corps . . . is well suited for amphibious operations in the third world, where U.S. intervention now seems increasingly unlikely, and less well suited for combat in the key area—Europe, northeast Asia, and the Middle East—to whose security U.S. policy now assigns highest priority and against which technically advance opponents are likely to be deployed."

In addition, the authors wrote, the corps is "experiencing an embarrassing growth in disciplinary problems . . ." and an increase in competition for scarce dollars between its sophisticated air wing and its infantry, whose fighting prowess still depends on the physical stamina of the footslogging rifleman."

Although the Marines continue to depend on volunteers, disciplinary problems have been growing in the corps over the past several years, the report said.

For fiscal 1975, it said, the Corps' desertion rate of 105 per thousand was "over 10 times the rate during World War II, three times the maximum in the Korean War, over twice what it was during the height of the Vietnam war, and about seven times the rate prevailing in the peacetime years of the early '60s."

The corps 1975 rates of court-martial, absent without leave and desertion incidents "far exceeded the combined rates of the Army, Navy and Air Force."

While the authors compared the rates, they also warned the data might, in part, reflect that "the Marines run a tighter ship than the other services."

They noted the Army, Navy and Air Force sought to attract volunteers by "increasing monetary incentives, providing better living conditions, relaxing grooming and disciplinary standards, and by widely advertising that they were in tune with the new youth culture."

The Marines, they said, "chose not to fall into step . . ." and their "theme of 'The Marines Are Looking for a Few Good Men' reflects the elitist attitude that they have maintained in the all-volunteer environment."

The kind of volunteers who apply to the Marines do "markedly" better on standardized test scores than at the time the draft ended, but have slightly lower level of formal education, the study said.

The corps, it said, feels standardized test scores are closely related to performance during training, while educational level is a better basis for predicting behavior.

The percentage of black recruits grew from about 13 per cent in 1970 to 19 per cent in 1975, with many rifle companies now 30 to 45 per cent black, the study said.

It quoted one Marine general as saying this trend presents "an adjustment problem for members of both races, most of whom have never lived in an environment with so many members of another race."

If the Marines know why discipline is becoming an increasing problem, the study said, the reason has not been made public. The study noted that the rate of desertion is nearly identical for blacks and whites, 12.9 per cent and 12.3 per cent respectively, and cited one report that concluded educational level is the best indicator of potential discipline problems.

The study recommended four alternatives, each of which would reduce the corps' size and, the authors argued, make it easier for them to find volunteers willing to submit to Marine discipline.

Their first alternative would simply reduce the Marines to an amphibious assault force of 1⅓ divisions. The corps has organized its present force of 196,000 people into three combat divisions and three air wings. Each division and wing combination, called an amphibious force, numbers about 46,000 men and women at full strength. The remainder of the 196,000 active duty personnel perform various other duties, such as guarding embassies. The corps also has a fourth amphibious force on reserve status.

The second would transfer to primary responsibility for sustained inland combat in Asia, a responsibility now borne mainly by the Army.

The third would create a Marine airborne division in place of the Army's 82d Airborne and the fourth would gear the Corps for combat in central Europe.

A SALUTE TO GEORGE W. MITCHELL

Mr. McINTYRE. Mr. President, a man who has served on the Federal Reserve Board for more than 14 years is to retire soon, and I would like to take this opportunity to call my colleagues' attention to his many contributions.

George W. Mitchell, Vice Chairman of the Board of Governors of the Federal Reserve System, has dedicated a lifetime to public service in positions of ever-increasing responsibilities.

He is a man of amazing energies, ever-fresh enthusiasm, and a keen mind who has played a leadership role in many areas of the Federal Reserve System's major responsibilities.

The System's efforts to improve the Nation's payments mechanism are mainly a product of his vision and leadership, but his contributions as an acknowledged expert extend to many other aspects of the System's work as well, including that of bank supervision and regulation. For example, he has won widespread respect for his efforts to improve the supervision of American bank operations in foreign countries and of foreign bank activities in the United States.

In the area of monetary policy his reasoned judgment and long experience have made his a respected and persuasive voice in the System's deliberations. The Federal Reserve and the Nation will miss this remarkable man.

BIG DOESN'T MEAN BETTER

Mr. DOMENICI. Mr. President, a week ago today I joined several of my colleagues in an extended discussion on the Senate floor about Government controls and regulations that are threatening the personal freedoms we enjoy as American citizens. I think that discussion was extremely useful because it illustrates the growing awareness across this Nation that we are losing more and more of our capacity to control our individual lives to the Federal Government.

In that discussion, I cited the massive number of strings on Federal programs as a concrete example of the means by which Federal Government control extends to nearly everything it touches. Specifically, Mr. President, I referred to a diagram showing the lines of contact between the Federal Government, State governments and recipients agencies and institutions as a vivid illustration of the incredible tangle that exists in Federal programs designed to assist education. That diagram clearly showed the web of strings that not only reduces the effectiveness of the assistance intended to be provided, but also takes away from the capacity of State and local governments and individual citizens to influence the educational process.

That diagram has surfaced again in a prominent publication, Mr. President. In yesterday's Washington Star, an editorial used the diagram to demonstrate that "Big Doesn't Mean Better." The thrust of the editorial is that HEW has become so big that perhaps the time has come to give serious attention to breaking it up so that education would be considered apart from health and welfare.

The Star does well, Mr. President, to give its readers a visual reference by use of this diagram. I would suggest that perhaps the inquiry ought to be even more specific than questioning the size of the Federal Government apparatus housed under one administrative roof. I think we ought to look even closer to determine whether we really need all this mass of Federal Government involvement with its tangled web of strings in the educational processes of this country. There are a multitude of Federal programs, all with this same kind of strangling strings which should be subject to the same inquiry. We owe no greater duty to the American people than to pursue that inquiry diligently and vigorously in this session of Congress.

Mr. President, I ask unanimous consent that the Star editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

> [From the Washington Star, Feb. 1, 1976]
>
> ### BIG DOESN'T MEAN BETTER
>
> A report from a House Government Operations subcommittee may provide ammunition for those who contend that the Department of Health, Education and Welfare should be broken up.
>
> The report claims that the department is unable to keep adequate tabs on how its money is spent. As a result, the subcommittee concludes, there is "an unparalleled danger of enormous loss through fraud and program abuse."
>
> The report criticizes HEW's investigative units as scattered in a haphazard, fragmented and confusing pattern. It says that most of the investigators must answer to the same officials whose operations they are investigating. It notes that some major programs have no fraud and abuse units and some other units exist mostly on paper. The subcommittee calls for a reorganization of the department's investigative operations.
>
> While the thrust of the report was to reorganize the department's effort to ferret out fraud and program abuses, it seems to us there is a larger issue involved; Has HEW become a bureaucratic monstrosity too big for anyone to handle?
>
> One dramatic revelation of mismanagement involving an HEW operation is the incredible story of the Supplemental Security Income program that John Fialka has been reporting in The Star over the past several months. But it is not the only example of inefficient administration, fraud and abuse in programs administered by this giant department.
>
> HEW spends more than one-third of the federal budget. It has more than 129,000 employes. Hardly any facet of American life is untouched by the department; it's into everything from school racial matters to Social Security to whether Red Dye No. 2 should be used in hotdogs. It's virtually certain that no HEW secretary has known what all the department's far-flung units were doing, much less exercising supervision over every activity.
>
> Consider this paragraph from the House Government Operations subcommittee's report: "HEW officials were unable to provide such basic information as an accurate count of the number of HEW programs until more than five months after the information was initially requested. During this period at least four different figures on the numbers of HEW programs were supplied to congressional committees, ranging from a low of 250 to as many as 320."
>
> A case can be made—and the politicians are making it increasingly of late—that the government is into too many things. At the least, a good case can be made that too many programs are in HEW's bailiwick.
>
> Ever since HEW was created in 1953 proposals have been made, some by secretaries who have headed it, to break up the department because it simply is too big for anyone to administer properly. Perhaps the time has come to give the notion serious consideration.

DEVELOPMENTS ON CYPRUS

Mr. KENNEDY. Over the weekend, the Turkish Government reportedly announced that it is further reducing its troop presence in the occupied areas of Cyprus by 2,000—for a total reduction of some 12,000 since the Turkish invasion of the island in 1974. As I noted in a January 19 report of the Subcommittee on Refugees, which I serve as chairman—

> The heavy presence of Turkish forces on Cyprus, and other factors associated with Turkey's consolidation of its position in the occupied areas of the island, is impeding meaningful intercommunal negotiations and a resolution of the Cyprus problem.

The report continued by recommending Turkish troop withdrawals from Cyprus:

> In the spirit of the Geneva Declaration of July 30, 1974—agreed to by Greece and Turkey—and the numerous United Nations resolutions on Cyprus, Turkey should immediately begin the withdrawal of substantial numbers of its occupational forces on the island.
>
> No viable solution to the Cyprus problem or lasting peace is possible without the timely and phased withdrawal of Turkish occupation forces and armaments. Especially now, at this crucial juncture of the Cyprus problem, Ankara should begin this withdrawal process—as a gesture of goodwill to the people of Cyprus and as a sign of good faith in meaningful progress at a new round of intercommunal talks under U.N. auspices.

Mr. President, the announced reduction by Turkey of its troop strength on Cyprus is clearly a step, although modest, in the right direction, and should be recognized as such by all concerned. It also comes at a crucial time. The Turkish Foreign Minister will be visiting Washington within the next several days, and intercommunal talks over the future of Cyprus will hopefully resume under U.N. auspices later this month.

But in fully recognizing Turkey's gesture of goodwill in a further withdrawal of troops from Cyprus, we cannot overlook other developments on the island, which not only threaten progress in the anticipated intercommunal negotiations later this month, but also the fragile peace on Cyprus.

One of these developments relates to reliable reports that the Turkish occupation authorities on Cyprus, and the Cypriot-Turkish leadership, are condoning the systematic looting and the settlement by Turkish nationals and Cypriot Turks of the new city of Famagusta, the last untouched major Cypriot-Greek area in the Turkish occupied zone. Given the fact that the new city at Famagusta lies on the occupation line at the eastern end of Cyprus, and that its return to its former Cypriot-Greek inhabitants has figured prominently in any speculation over the future of Cyprus, the looting and settlement of this area is cause for grave concern.

A second development, Mr. President, relates to the continuing violation by the Turkish occupation authorities and the Cypriot-Turkish leadership of the August 2, 1975, intercommunal agreement, concluded in Vienna under United Nations auspices. This agreement in part provided for the free movement to the occupied areas of Cypriot-Turks residing in Government controlled areas, and for the protecting and normalizing of life among Cypriot-Greeks remaining in the occupied areas.

As the recent Subcommittee on Refugees report states:

> The Government of Cyprus scrupulously carried out its part of the agreement, and today all but a handful of Cypriot-Turks now live in the occupied areas. But the condition of Cypriot-Greeks remaining in the occupied areas has steadily deteriorated and the Cypriot-Turkish leadership has declared the agreement null and void.
>
> The situation not only calls into question the good faith of the Cypriot-Turkish leadership in negotiating the agreement, but also raises troubling questions over Ankara's intent on Cyprus.

Mr. President, despite the further withdrawal of Turkish troops, such developments only erode hope for early progress in resolving the Cyprus problem, and only feed frustrations and the threat of new violence on the island.

As I suggested in releasing the subcommittee report, 1976 must finally bring a new priority to the Cyprus problem in American diplomacy, and a new determination by our national leadership to facilitate real progress in normalizing the lives of the Cypriot people. The forthcoming visit to Washington of the Turkish Foreign Minister offers a good opportunity to pursue this end.

Turkey is withdrawing more troops from Cyprus. But other developments should not be allowed to tarnish this gesture of goodwill.

Mr. President, I ask unanimous consent that the recommendations in the subcommittee report be printed in the RECORD.

There being no objection, the recommendations were ordered to be printed in the RECORD, as follows:

RECOMMENDATIONS

The Cyprus problem, and American policy toward this troubling issue, has reached a crucial phase. And for the purposes of this report, the Subcommittee Chairman makes the following recommendations relating to the human and political tragedy of Cyprus.

1. THE CYPRUS PRIORTY IN REPAIRING U.S. RELATIONS WITH GREECE AND TURKEY

Whether American diplomats like it or not, real progress toward an honorable and just resolution of the Cyprus problem is crucial in repairing our traditionally good relations with the people and governments of both Greece and Turkey, and in stabilizing our security interests in the Eastern Mediterranean. It is illusory to assume that these relations can be fully repaired and our interests fully stabilized without real progress on Cyprus.

Moreover, the routine promises of progress in the past have brought little comfort to the refugees and distressed people in Cyprus. Their plight remains unchanged.

1976 must finally bring a new priority to the Cyprus problem in American diplomacy and a new determination by our Government to facilitate real progress in normalizing the lives of the Cypriot people. As the President reported to Congress on December 8, 1974: any further delay "in resuming the inter-communal talks will harden attitudes and make future progress more difficult."

The imperative for American diplomacy has rarely been more clear, and, if we fail to act, so too are the dangers of new conflict on Cyprus and the threat of further erosions in our relations and interests in the Eastern Mediterranean.

2. RESTORATION OF THE FULL INDEPENDENCE, SOVEREIGNTY AND TERRITORIAL INTEGRITY OF CYPRUS

Despite the stubborn occupation of Northern Cyprus by Turkish forces, the *de facto* partition of the island, and the pronounced drift toward the creation of a quasi-state in the occupied areas, the restoration of the full independence, sovereignty, and territorial integrity of Cyprus must be a fundamental objective of American policy and diplomacy.

No other goal better satisfies justice or the bringing of peace and relief to the unhappy people of Cyprus—both Cypriot-Greeks and Cypriot-Turks.

As noted in this report, there have been recent reaffirmations of this cardinal point by President Ford and Secretary of State Kissinger. This is an encouraging development, and fully reflects numerous United Nations resolutions since 1974, including the General Assembly resolution of November 20, 1975.

3. OPPOSITION TO A UNILATERAL DECLARATION OF INDEPENDENCE BY THE CYPRIOT-TURKISH ADMINISTRATION

The Cypriot-Turkish leadership threatens to declare the Turkish-occupied area of Cyprus as an independent, sovereign state.

Given its record of fulfilling other threats over the past eighteen months—including the creation of the Turkish Federated State of Cyprus in February 1975—the reckless threat of a Unilateral Declaration of Independence must be taken with some degree of seriousness.

A Unilateral Declaration of Independence would clearly violate the publicly stated policy of Ankara and would not be in the best interests of the Cypriot people. It would also threaten needless violence and conflict, and would enormously complicate any subsequent efforts to reunify the island.

The United States should make clear, now, that it will not recognize a Unilateral Declaration of Independence by the Cypriot-Turkish leadership, and will actively oppose its recognition by other nations. Diplomatic efforts must be made to dissuade the Cypriot-Turkish leadership from pursuing such a policy and Ankara from encouraging or condoning it.

4. SUPPORT FOR IMPLEMENTING INTER-COMMUNAL AGREEMENTS AND THE RESUMPTION OF INTER-COMMUNAL TALKS

The United States, in concert with others, must use its influence and good offices with Turkey to persuade Ankara to give its full and active support to the implementing of inter-communal agreements and the resumption of inter-communal talks under U.N. auspices.

In good faith the Cypriot-Greek leadership, the Government of Cyprus, has negotiated with the Cypriot-Turkish leadership over the resolution of inter-communal problems and the future of Cyprus, and the Government of Cyprus is prepared for an early resumption of these negotiations under U.N. auspices.

The same cannot be said, however, for the Cypriot-Turkish leadership and the Government in Ankara. For one thing, the Cypriot-Turkish leadership has flagrantly violated last August's inter-communal agreement on the treatment, protection, movement and normalizing of life among both Cypriot-Greeks and Cypriot-Turks.

The agreement, concluded in Vienna under UN auspices, in part provided for the free movement to the occupied areas of Cypriot-Turks residing in Government controlled areas, and for the protecting and normalizing of life among Cypriot-Greeks remaining in the occupied areas.

The Government of Cyprus scrupulously carried out its part of the agreement, and today all but a handful of Cypriot-Turks now live in the occupied areas. But the condition of Cypriot-Greeks remaining in the occupied areas has steadily deteriorated, and the Cypriot-Turkish leadership has declared the agreement null and void.

The situation not only calls into question the good faith of the Cypriot-Turkish leadership in negotiating the agreement, but also raises troubling questions over Ankara's intent on Cyprus.

The obstructionist attitudes and actions displayed by the Cypriot-Turkish leadership toward the implementation of some past agreements and understandings with the Cyprus Government—and toward the early resumption of intercommunal talks—must not be permitted to prolong the Cyprus problem and further aggravate America's and other nations' interests and relations in the Eastern Mediterranean.

Turkey, as the occupying power in northern Cyprus, clearly has some influence over the attitudes and actions of the Cypriot-Turkish leadership. Ankara should move firmly and expeditiously to promote the Cypriot-Turkish leadership's implementation of solemn agreements with the Government of Cyprus concerning Cypriot-Greeks in the occupied areas, and to promote as well the very early resumption of the inter-communal talks under U.N. auspices and meaningful progress toward a just and honorable resolution of the Cyprus problem.

The United States Government will hopefully give some better evidence that it is seriously working to accomplish these ends.

5. IMMEDIATE WITHDRAWALS OF TURKISH FORCES

The heavy presence of Turkish forces on Cyprus, and other factors associated with Turkey's consolidation of its position in the occupied areas of the island, is impeding meaningful inter-communal negotiations and a resolution of the Cyprus problem.

In the spirit of the Geneva Declaration of July 30, 1974—agreed to by Greece and Turkey—and the numerous United Nations resolutions on Cyprus, Turkey should immediately begin the withdrawal of substantial numbers of its occupational forces on the island.

No viable solution to the Cyprus problem or lasting peace is possible without the timely and phased withdrawal of Turkish occupation forces and armaments. Especially now, at this crucial juncture of the Cyprus problem, Ankara should begin this withdrawal process—as a *gesture of good will* to the people of Cyprus and as a *sign of good faith* in meaningful progress at a new round of inter-communal talks under U.N. auspices.

6. A BASIC PRINCIPLE: THE RETURN OF REFUGEES TO THEIR HOMES

The plight and fate of the Cypriot-Greek refugees—who were driven from their homes

and deprived of their livelihoods during the Turkish invasion of 1974—remains central to the resolution of the Cyprus issue. A viable and just solution to the Cyprus problem will not be found unless and until the basic principle of the right of refugees to return to their lands and homes, or to be fully compensated for their losses, is recognized by all parties concerned.

During the past year and a half, the issue of Cypriot-Greek refugees returning to their homes has been increasingly complicated by events on the island, such as the mass movement of virtually all Cypriot-Turks who resided in Government-controlled territory, to occupied areas in the northern part of the island. Most of these Cypriot-Turks have moved into houses belonging to Cypriot-Greek families who are now refugees in the south.

The return of refugees to their homes is further complicated by the "colonization" of the occupied areas by mainland Turks, transported from Turkey, or by third country nationals, such as Pakistani laborers. This continuing population movement from mainland Turkey threatens to alter dramatically the demographic patterns of Cyprus. Regrettably, the United States and others have been remiss in failing to speak out strongly against this apparent "colonization" policy of the Turkish Government in Ankara.

However, despite such developments, the principle of the right of the return of Cypriot-Greek refugees to their homes must be reaffirmed, as well as the corollary principle of full and generous compensation for those who do not return home. These principles are central to any meaningful negotiations of the Cyprus question, and the United States must give them their full support.

7. RELIEF, REHABILITATION AND RECOVERY ASSISTANCE TO CYPRUS

The United States must generously support international efforts to help meet relief, rehabilitation, and recovery needs on Cyprus.

Over the past 18 months, the United States has responded commendably to international humanitarian appeals from the International Committee of the Red Cross and the United Nations High Commissioner for Refugees. And the recently enacted International Development and Food Assistance Act of 1975 includes an amendment, offered by the Chairman of the Refugee Subcommittee, authorizing an additional $30,000,000 for humanitarian purposes on Cyprus.

With the passage of time, requests for humanitarian assistance by Cypriot authorities have increasingly shifted from the general relief to the rehabilitation and recovery areas. Special emphasis is being put on measures and proposals to assist displaced and needy persons in regaining a degree of economic self-sufficiency. The shattering effect the Turkish invasion and occupation have had on the economy of Cyprus is well documented, and so too are the rehabilitation and recovery needs of the people and Government of Cyprus.

U.S. funds allocated to Cyprus should be on a grant basis, preferably through international channels, and their use should be flexible and reflect the changing patterns of need on the island.

The Ford Administration's new policy of linking the allocation of foreign assistance funds to national actions and voting patterns at the U.N. is disturbing, and should in no way affect the allocation of needed humanitarian assistance to the people and Government of Cyprus.

A REMEMBRANCE OF CARL HAYDEN

Mr. FANNIN. Mr. President, it is my understanding that the Rules Committee is considering action on Senate Resolution 124, which would provide for a bust of Carl Hayden to be placed in the Senate Wing of the Capitol.

My colleague from Arizona (Mr. Goldwater) and I introduced this resolution last April 8, and I believe the time has come to give Senate approval to this resolution which involves only a very modest sum.

Senator Hayden was loved and respected by men and women of both political parties in Arizona. He was an institution; one of the men who led in our transition from territory to statehood, and who guided us from frontier to the modern era. His death 4 years ago was an occasion for great mourning.

But we should point out that Carl Hayden was more than just a great Arizonan—he was one of the alltime great men of the Congress. His record of 57 consecutive years in the Congress is unsurpassed.

During his more than half century on Capitol Hill he was instrumental in the passage of numerous bills and resolutions which have molded our Nation in the second half of this century.

As my good friend and colleague pointed out upon introduction of Senate Resolution 124, Carl Hayden was sponsor of the 19th amendment of the Constitution extending suffrage to women; he sponsored and managed the original bill first establishing the Grand Canyon National Park; and he was a pioneer in establishing the Interstate Highway System.

During 42 years in the Senate, Carl Hayden was instrumental in the enactment of many important conservation measures which have aided the development of the western United States. For many years he was the guardian of the Treasury in his role as chairman of the Appropriations Committee. And he was President pro tempore of the Senate.

Carl Hayden did not make the headlines that many Senators of shorter and less meaningful service have recorded. He liked to say that he was a work horse, not a show horse. Although he led a colorful life, having been a sheriff during territorial times, he was not a flamboyant man.

Mr. President, the proposal which Mr. Goldwater and I have put forward is very modest in keeping with the modesty of Carl Hayden, but we feel very strongly that there should be a remembrance of him on the Senate side of Capitol Hill. We feel that he is a man who transcended the political parties, and we urge that both Republicans and Democrats support this resolution.

GRAY PANTHERS SWITCHED OFF BY TV IMAGE

Mr. PELL. Mr. President, the Gray Panthers is a national organization mainly composed of older Americans who are committed to raising our national consciousness about the way in which older persons are being treated in America today.

The Gray Panthers have tackled banks, public housing authorities, and transportation companies, among others, in their quest to liberate older Americans from all forms of discrimination.

Today, I would like to bring my colleagues' attention to an excellent article from the January 22 edition of Newsday, which describes one of the Gray Panthers most ambitious projects—monitoring, critiqueing, and possibly changing what they charge is the overwhelmingly negative image in which older people are cast, on American network TV.

Ms. Lydia Bragger is chairperson of the Panthers Media Watch Committee, and her goal is to identify patterns of ageism on television, and then to work with the networks, stations, producers, and sponsors involved, to eliminate these abuses.

Mr. President, because I believe this is a valid and insightful project, I ask unanimous consent that the article in Newsday be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Gray Panthers Switched Off by TV Image

(By Rita Ciolli)

Johnny Carson is held guilty when he tells certain off-color jokes. Carol Burnett and Cher are blamed for some of their comedy skits. Redd Foxx comes in for criticism; so do Mother Jefferson and reruns of the Dick Van Dyke show.

The crime? Depicting the elderly in an offensive and derogatory manner on network television.

So charge the Gray Panthers. The national organization of 8,000 members is campaigning against what it calls discrimination based upon age. "Elderly persons are still attractive and lead very active lives. Yet, TV shows us only as decrepit and senile", said Lydia Bragger, the chairman of the Panthers' Media Watch Committee. Her group monitors television for examples of "ageism"—a nondictionary word used by the Panthers to describe discrimination based upon age.

The Panthers say that the kind of television material cited reinforces society's rejection of older persons by showing them as useless fools who are usually sick and complaining. Ms. Bragger said that Carol Burnett and Cher both appear in skits as toothless, troublesome, sexless old women who walk all bent over. On his television series, Dick Van Dyke similarly portrayed old men, she said, and each rerun is "another insult." Redd Foxx, the star of "Sanford and Son," is seen as "crotchety," she charged, and the grandmother on "The Jeffersons" as "meddlesome."

Late-night talk-show host Johnny Carson's double-entendre jokes about sex and older people only betray his own fear of growing old and are tasteless, the Panthers say.

Prime-time series in 1975 featured elderly characters in only seven roles of any significance.

TV advertising is youth-oriented, giving the impression that older persons are consumers of only denture adhesive and laxatives.

Comedians are allowed to use material based on the theme that sex for older persons is dirty or ridiculous or uncommon. Or they depict the elderly as stoop-shouldered, feebleminded and unhappy. The Panthers maintain that similar comedy situations with, for example, blacks as the subjects would never be aired.

News and documentary programs concerntrate on the disasters and diseases of old age and don't provide any positive public-service programing to help older persons to deal with their problems.

Prime-time programmers and sponsors concentrate on entertainment for younger audiences and ignore the interests and desires of the older viewers. For example: the cancellation of the Lawrence Welk show from network television several years ago.

The media watch committee met with a team of CBS department heads and producers in mid-December to discuss the complaints. "We agreed to be available to review scripts and do consulting work for them," Ms. Bragger said.

Tom Swofford, vice president for programming practices at CBS, said that he had not been aware of age discrimination until the Panthers contacted him last spring. Now, he said, he agrees with them. The elderly, for the most part, are negatively stereotyped, Swofford conceded. "Nobody is saying that never again will an older person be portrayed as constipated or forgetful," he said, "but we promise not to be insensitive."

Last year, the Panthers made a presentation before a meeting of the National Association of Broadcasters that prompted the organization to amend its code to include age in a category with race, sex, color, creed and national origin as an area where special sensitivity was needed.

The media watch committee is now busy drafting a three-year, $50,000 proposal to organize its monitoring campaign. Currently, it is notified about "ageism" on local television stations by Panther groups around the country, which send about 50 letters a month to the committee's Manhattan headquarters. Margot Jarvis, the committee member handling such correspondence, quoted a recent letter from a California woman. "I'm wheelchair-bound and my only enjoyment is watching television," the woman wrote. "But I only get frustrated and depressed when I see the way they make us elderly people look."

The committee wants that woman to be part of a network of monitors made up of older persons who are either homebound or in institutions. "Most of these people are usually glued to the TV set just to have company," Ms. Bragger said. She said that she intends to make available to such persons material that would list the criteria for charging discrimination and forms on which to record the information. "This will help us spot patterns and clusters instead of running after single instances," she said, "and it will give these older people a new sense of awareness about themselves and the satisfaction that they are making a contribution."

There are independent studies that support the Gray Panthers' contentions.

A University of Minnesota study of 1975 prime-time television shows found that of the 464 role portrayals analyzed, only seven, or 1.5 per cent, appeared to involve characters over the age of 64. Census figures show that 10.1 per cent of the population is over 64. The older persons were depicted as being in bad health or dependent on their families, the study found, and the older women were portrayed as nosy and as silly gossips. One character was a wealthly old man who was worried about dying and leaving his young wife. Hardly typical, the Gray Panthers say.

An earlier study of network drama from 1969 to 1971 by the University of Pennsylvania's Annenberg School of Communications found that elderly persons comprised less than 5 per cent of the characters. Even worse, the study found, elderly characters were often shown as victims or villains, and aging was associated with evil, failure and unhappiness.

Committee member Loretta Wavra, 69, said that the effectiveness of the media watch committee is linked to the success of the larger Gray Panthers' goals of heightening the consciousness of older people about age discrimination. "Most older people are so beaten down that they accept whatever dry bone is thrown them. Some of them don't even realize that they're being stereotyped," she said.

The Panthers plan to develop slide and video presentations for elderly groups to get their support for the media watch.

The national Panther organization involves many young persons, as does the media watch committee. Bill McLaughlin, 27, wrote a college paper on the group and was so impressed that he joined the effort. McLaughlin theorizes that young people, his generation for example, were raised on television and formed their opinions about aging in that way. He said that such a TV diet may be responsible for negative feelings about older persons on the part of many young people, and for their own fears and apprehensions about growing old. "Unfortunately, the image of old people as untouchables becomes reality for many kids," McLaughlin said.

CBS vice president Swofford, who is in his 50's, disagreed. "Television is a reflective medium," he said. "We could spend all our time presenting the elderly in a good light, but I dont' think it will change the attitudes of young people about growing old."

About 32 million Americans are 60 and over—they're the segment of the population that is expanding most rapidly. But the television networks and their advertisers still cater to the younger viewers, the Panthers say. "Attitudes must be changed. We've opened a few doors and we'll keep chipping away," the 72-year-old Ms. Bragger said. "Don't forget: we're in an age of rebellion."

CRIME AND THE ELDERLY

Mr. DOMENICI. Mr. President, I know that all of us share the view of the 1971 White House Conference that—

> A decent and safe living environment is an inherent right of all elderly citizens.

Unfortunately, I am saddened to point out that despite that conference's recommendations for specific actions to deal with the problem of crime against the elderly, so far little has been done.

We do not know exactly how many criminal offenses are committed against our elderly citizens. Reported crime records generally do not note the age of victims. This is true of the FBI uniform crime reports as well as local policy records. Also, studies have shown that as much as 50 percent of crimes are not reported, and elderly persons are perhaps even more likely to be silent victims for fear of retaliation or the difficulties of reporting crime to the police.

However, we do know that those over the age of 65 rate crime or the fear of crime as their most serious personal problem. Aside from the obvious physical dangers and property losses associated with crime, this fear may be the most devastating aspect of all. The elderly may become so fearful and cautious that they virtually become prisoners in their own homes—a serious consideration for this group, already one of the loneliest and most isolated in our society.

It is obvious that specific programs to reduce crimes against the elderly and to assist them after a crime has been committed must be enacted so long as crime remains a threat to their physical and mental well-being. As a member of the Select Committee on Aging, I am especially concerned with finding solutions to this problem, but let me point out that many of the steps which can be taken fall within the jurisdiction of many committees of Congress. It will take all our united efforts to help alleviate the problem.

The following protective measure, recommended by the National Council on the Aging are illustrative of what can be done at this time:

A national senior citizens crime index should be developed.

The Law Enforcement Assistance Administration should undertake studies to determine how localities may best cope with the problem of crime against elderly people, and LEAA should use its resources to fund programs which protect the elderly.

Local police authorities should be encouraged to set up strike forces to prevent attacks on the elderly, and to make regular security checks of buildings housing the elderly.

Housing for the elderly should have installed—on Government subsidy or as tax-deductible expense—burglar-proof photoelectric beams on windows and doors, TV monitors in elevators and corridors, and central alarm systems linked to policy units.

Government checks should be mailed to banks for individual deposit.

An offense against an older person should be made a Federal crime if committed in federally funded facilities such as housing projects, et cetera.

I ask unanimous consent to have printed in the Record, a report prepared by Barbara Puls of the Congressional Research Service, which summarizes the information available on the problem of crimes against the elderly. This report describes in greater detail these issues, and I hope we, in the Senate, direct our concerted efforts toward possible solutions.

There being no objection, the report was ordered to be printed in the Record, as follows:

Crimes Against the Elderly

Older people in this country face a number of problems, such as health care and low income, most of which have received considerable attention. Recently, attention has turned to yet another problem faced by older people—criminal victimization of the elderly. Although crimes against the elderly are in a sense just part of the total crime problem in this country, in many respects there is a distinctiveness about the elderly as crime victims. Some of these distinctive features are:

Because of the high incidence of low income among the elderly, the economic impact on elderly victims is generally greater.

Older people are more likely to live alone, to live in high crime neighborhoods, and to rely on walking and public transportation to get around.

Elderly people are generally less able to defend themselves because of their diminished strength and physical ailments.

The dates of receipt of pension and other benefits checks are widely known.

The elderly are particularly susceptible to fraud and confidence games.

Unfortunately, traditional crime statistics do not adequately reflect the extent of the problem of elderly victimization. Many local police and law enforcement agencies do not collect data on the age of victims, and therefore, the FBI Uniform Crime Reports also do not include this information. However, the Law Enforcement Assistance Administration (LEAA) recently conducted victimization surveys in 26 of the nation's largest cities ("Crime in the Nation's Five Largest Cities," April 1974; "Crime in Eight American Cities," July 1974; "Criminal Victimization Surveys in 13 American Cities," June 1975). These studies were conducted through random sample interviews of households in each of the cities surveyed.

The findings of these surveys indicated that victimization rates are generally lower among the elderly than among other age groups. Concerning these findings, a spokesman for the American Association of Retired Persons testified at recent hearings held by Senator J. Glenn Beall of Maryland that—

"This low victimization rate is simply due to the fact that elderly persons have imposed self-imprisonment on themselves during high risk times."

It is also significant to note that despite the overall lower victimization rate for the elderly, the rate of "personal larceny with contact" (which includes purse snatching and pocket picking) was higher for victims over the age of 50 in 19 of the 26 cities surveyed.

A three-year study of robberies in Oakland, Calif., released in 1974 by the Center on Administration of Criminal Justice at the University of California at Davis, concluded that older persons, especially women, are the group most vulnerable to robberies in our society. The likelihood of any individual being a victim of robbery in Oakland was found to be one in 146, but the rate for females over 65 was one in 24. More than half of the female victims were over age 55, and more than one-third were over age 65.

A study conducted by the Midwest Research Institute of crimes committed against persons over age 60 in Kansas City, Missouri, found that the most frequent crimes against the aged there were burglary, robbery, larceny, assault, fraud and rape, in that order. Half of the victims suffered physical injury.

A recently released report of a survey conducted by Louis Harris and Associates, "The Myth and Reality of Aging in America," indicates that the elderly rank "fear of crime" as the most serious problem confronting them. Twenty-three percent of those over 65 interviewed said that fear of crime is a "very serious problem" for them personally, and 24% more termed it a "somewhat serious problem". Twenty-four percent said that "danger of being robbed or attacked on the street" is a serious problem for them.

The 1971 White House Conference on Aging in its report "Towards a New Attitude on Aging," offered a series of recommendations for dealing more effectively with the problem of crimes against the elderly:

"Making physical protection and crime prevention an element of the planning of facilities for the elderly; expanding police protection of minority neighborhoods; establishing formal liaison between social service agencies and police departments so that elderly (who are) victims of crime can obtain all necessary assistance; providing better street lighting; making training grants available to police officers and others to acquaint them with the special situation of the elderly and their special susceptibility to particular types of crime; and granting Federal funds to State and local prosecuting officers to expand or establish fraud units which are well acquainted with schemes used to deceive the elderly" (p. 78).

In the 94th Congress, legislation has been introduced which would require States receiving grants from the Law Enforcement Assistance Administration to include provisions in their State plans for the prevention of crimes against the elderly. This measure has been introduced by Mr. Beall (S. 1875), Mr. Lehman (H.R. 8011), and Mr. Gude (H.R. 8640). Mr. Bell of California has introduced H. Res. 783, requesting all Federal agencies which administer programs for older Americans to study the causes of crime against the elderly and to recommend programs to reduce the frequency of such crimes. Similar measures have been introduced by Mr. Williams (S. Res. 297), Mr. Scheuer (H.R. 11194), and Mr. Solarz (H.R. 11274).

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SMALL BUSINESS NEEDS A VOICE

Mr. HATHAWAY. Mr. President, on Thursday, the Senate Rules Committee's Subcommittee on Standing Rules of the Senate will begin hearings on Senate Resolution 104, which would provide limited legislative authority for the Select Committee on Small Business. I introduced this legislation, which now has a total of 70 cosponsors.

In the 25 years since this committee has been established, many changes have occurred in our domestic and national economies. This committee through the years has actively studied the role of the small business community in relation to our gross national product, and found it to be extremely important to our economic well being.

But in none of the 25 years of our existence has our committee had any legislative responsibilities to match our research capabilities. The small business community's legislative needs have been met thus far by the Banking, Housing and Urban Affairs Committee. But I think it is time that the Senate allow the Banking Committee to concentrate on its major areas of interest and responsibility, and give to the Small Business Committee the legislative responsibility in the area on which we focus most of our attention—the Small Business Administration.

In this month's American Legion magazine, Niel Heard, who recently retired as assistant to the president of the National Federation of Independent Businesses—NFIB—writes on the need for a voice for the small business community. His article articulately outlines the problems of our small businessmen and women, and I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SMALL BUSINESS—IT IS THE NATION'S NO. 1 SOURCE OF NEW JOBS BUT FEARS OF 30'S STILL PLAGUE MAIN STREET

(By Niel Heard)

Is small business an endangered species?

Can it survive our recession-inflation economy?

Can it create the jobs demanded by a growing work force?

The questions echo in 1976 political dialogue. Major parties are holding hearings across the country, and at their conventions they will hammer together business cure-alls. But will they reach the heart of the problems?

Many presume to speak for American free enterprise, yet business is fragmented and too often unable to articulate its needs effectively. Too often it is no match for anti-business voices in Washington and state capitals.

Fewer than half a million of the nearly 6 million enterprises listed by the Small Business Administration belong to organizations and have formal spokesmen. (More than 9 million Americans are engaged in individual business activities.)

Recent political history offers them little encouragement. Since the advent of television, platform hearings have developed a carnival atmosphere. The emphasis is on "theater."

Small business deserves better. It makes up 47 per cent of all non-farm, non-government jobs. More than half of all Americans depend on small business for their livelihood. Small businesses account for 70 per cent of the nation's retail and wholesale transactions. Small manufacturers account for more than 43 per cent of the nation's production output.

Until the Great Depression, there was little concern about U.S. business, large or small. God was in His heaven at an altitude just slightly higher than the Dow-Jones averages and the United States Chamber of Commerce, chartered by Congress in 1912, was His handmaiden.

Then came the crash. The impossible happened. Demagogues accused business of leading the nation into a trap. Dark suspicions were born that still linger.

Business has never really regained its "good name" and has been the object of experimental government panaceas for almost half a century.

Arguments still rage over the recovery programs of Franklin D. Roosevelt, but early in his first administration he did bring together on a common ground all business, big and small, to support almost unanimously the National Recovery Act.

NRA was simple in concept. It brought together all business to write minimum price codes.

Of course, this was the antithesis of traditional American free enterprise and in due time the Supreme Court declared NRA unconstitutional.

Why did Roosevelt promote NRA? We can only guess. Several of his advisors may have been influenced by the economic encyclicals of Pope Leo X. These set forth the dogma that if business-found profits were so low that it was impossible for employers to pay workers a living wage, then businesses were bound to get together and set price schedules that would permit salaries sufficient for a worker to support his family.

The collapse of NRA left small business confused and angry. This anger was quickly focused on the coincident spread of the chain store in the mid-1930's. It became popular to denounce the chains, especially in food retailing, as a great evil force that would destroy small business and farmers and eventually gouge the consumers.

The fear that chains would take over the entire food industry was never realized, but the fear was strong enough in 1936 to push through the Robinson-Patman Act. The act made it illegal to sell at ruinously low prices with the intent of driving out competition. The rationale was that a chain might use profits from other markets to drive everybody out of a given market, then force the public to pay excessive prices. There is really no evidence that this ever happened.

The U.S. Chamber of Commerce refused to support antichain campaigns, including proposals for discriminatory taxes. The result was ill will along Main Street toward the Chamber. Remnants still exist.

A national small business conference in Washington in 1938 only emphasized disagreements. Any second effort was forgotten when Hitler went on the march. After Pearl Harbor any attacks on big business supplying the tanks, planes, armor plate and ships for America's victory were considered virtually unpatriotic.

Oh, there were prophets of doom who warned that peace would bring a catastrophic depression. Fortunately, they did not reckon with the pent-up demand for consumer goods, the forced savings created by wartime credit restrictions and the impact of the GI Bill of Rights. Instead of a bust there was a boom.

The post-World War II recovery fueled national optimism for 25 years. There were occasional slowdowns, but few were prepared for the 1972–75 setback. Unemployment benefits and other welfare programs cushioned the impact but the recession has provoked basic questions.

Headlines have gone to big problems, as usual: the crash of the nation's seventh largest corporation, Penn-Central, the bankruptcy and reorganization of the far-flung Botany Industries, the cutbacks at Chrysler, the $600 million deficit of the W. T. Grant chain, the losses of the supposedly impregnable Great Atlantic & Pacific Tea Co., etc.

Statistically at least, small business has fared better. In 1930, with a population of around 125 million, there were slightly over 3 million small enterprises, or one for every 40 people. In 1975, with a population of 214 million, there were slightly more than 5.5 million small businesses—one for every 38 people.

But small firms have not escaped the ravages of reduced sales, lower profits and other recession factors. And the average age of the independent entrepreneur is climbing. Apparently not enough young people are inclined, or can save the capital, to go into business for themselves.

Who will carry the ball for small business?

The most effective spokesman for all business, large and small, should be the United States Chamber of Commerce. It is the only business organization chartered by the Congress. In 1912, when the charter was issued, it was assumed that this organization would effectively represent all business. But the Chamber, maintaining a staff of 850, shows a membership of only 40,000 and many corporations enroll more than one executive.

Small business theoretically has an input into the U.S. Chamber from a loose affiliation with local Chambers of Commerce and trade associations, but these affiliations have shrunk to 4,000 and their influence varies.

If there is apathy along Main Street toward the United States Chamber of Commerce, some of it, at least, dates from the chain store tax fight of the thirties when it became popular to depict the Chamber as the fountainhead of huge interests and a too-frequent ally of big labor.

The provincialism of many small business people also prevented their understanding the postwar thrust of the Chamber.

Research by Faculty Associates, Inc., shows more than 72 per cent of the smaller enterprises have less than ten employees, and 70 per cent of the total are located in nonmetropolitan areas.

It often is difficult in such an environment to comprehend that the industrial productivity of the United States, operating at full employment, is too vast to be absorbed by a domestic market of 214 million. Unless America successfully competes in the global market of some 3 billion people, the domestic job market cannot be expanded.

In the postwar period, the U.S. Chamber has cooperated with the Department of Commerce in the development of this world market. The record is impressive. In 1960, the value of U.S. manufacture exports totalled $12.7 billion. By the time the recessionary cycle hit in 1973 it had jumped to $48.5 billion.

Large segments of the small business community, engrossed in their own immediate affairs, find it difficult to realize the significance of these statistics, let alone locate the tools required to compete in a highly competitive world.

Many sectors of small business also have been slow to utilize another powerful force for new jobs—the Small Business Administration.

Set up in 1953, SBA was designed to give smaller firms government contracts that fell into their capabilities, particularly in the defense area.

Defense is a multibillion-dollar undertaking. And unlike the $10 musket of a more primitive time, modern weaponry demands big industry. Yet there are items on the defense shopping list—some say a quarter of the total—that can be made by smaller firms. SBA has a creditable record in setting aside these contracts for bids by smaller enterprises.

But controversy rages over SBA's authority to lend or guarantee loans.

There are two classes of small business. Both have the same financial genesis: savings, or help from family or friends. Most aspire only to continue in operation, provide the owners with a living and satisfy the urge to be their own boss. Their borrowing requirements, if the enterprise is properly managed, are usually minor and can be handled through local banks.

But there is another class of small business, representing about ten per cent of the entire sector. It has the potential for major expansion and new jobs. Unlike big stock corporations, with access to the public money markets, the small business with growth potential must generate extra capital out of earnings to afford any expansion. Current tax policies make this difficult, if not impossible.

Yet this is the yeast that keeps the American economy rising. But how does the innovator secure capital, install equipment, enlarge quarters, finance an inventory of raw materials or develop a distribution system?

This was the original intent of the SBA loan program. It was to help bankers understand developments outside their experience or expertise.

Today, the nation's overriding problem is more jobs. They depend on expanding business. And that depends on capital.

Gen. Douglas MacArthur has never been given the credit he deserves when, as administrator in Japan, he broke up the economic hold of the Zaibatsu cartels. By arrangement, these cartels controlled much of Japan's industry, and inhibited full exploitation of her economic potential.

Small businessmen in Japan, either as direct shippers or producers of component parts, account for a major share of their country's export volume.

Under Japanese law, manufacturing or processing firms with a capitalization of less than $180,000 are classed as small business. They can borrow from banks that deal exclusively in loans to small business and are supported by the savings of the Japanese people, who are noted for their thrift.

In the United States, small business must compete at the lending window with many elements, including government.

A partial compromise with the Japanese system was enacted in 1958 when Sen. John Sparkman of Alabama won a fight to amend the SBA Act and set up Small Business Investment Companies. When a group of small investors pool capital to invest in growth-potential small firms, SBA can loan additional capital.

The typical SBIC is composed of experienced business people and controls the stock in the developing firm until the loan is paid off.

But small business people tend to be fiercely independent and some resent an SBIC voice in management. Others welcome additional expertise and guidance. But high interest rates have curtailed SBIC activity.

During the Johnson administration it was ordered to develop black capitalism. The equity in this idea was clear, but the ground rules left a lot to be desired and the now defunct Office of Economic Opportunity added to the confusion. In the Nixon administration, a similar program was set up in the Commerce Department. Yet SBA continues to serve a valuable function. The confidence of banks in SBA expertise is reflected every time they accept SBA loan evaluations. It is doubtful that many banks could duplicate SBA's investigative and analytical work. SBA could be stronger; the total small business sector could be stronger; but who will argue the cause?

One voice is that of the National Small Business Association. Since 1937, NSBA has reflected the vigor of its late founder DeWitt Emery. It has a membership of 40,000 manufacturers, processors and other firms which might be characterized as the "blue chips" of small business. It represents the largest group of growth-potential small firms.

In 1975, NSBA won concessions on the corporate income tax structure that had lumped firms making $25,000 per year with those earning a billion dollars. Now it is seeking a graduated corporate income tax so that smaller firms can retain more earnings to expand operations.

The oldest small business organization, founded in 1900, is the National Business League, currently listing 15,000 members—all black.

Headed by Berkley Burrell, a dynamic 56-year-old business owner, bank director, adjunct professor at Howard Univ. and guest lecturer at Vanderbilt Univ., the National Business League has achieved recognition in government and business circles.

Burrell has avoided emotional grievances. NBL conventions attract thousands, blacks and whites, from all phases of business and government as well as sociologists and social scientists.

A regular spokesman for small business interests at national political platform meetings since 1956 is the National Federation of Independent Business, headquarters in San Mateo, Calif., and Maintaining a Washington lobbying office.

The Federation is a homogeneous operation. It claims a membership of over 400,000, but the actual number of business enterprises represented is much smaller.

The NFIB could be described as an offshoot of the U.S. Chamber of Commerce. Founder C. Wilson Harder started as export manager of an early-day truck firm. In those days, manufacturers turned out only a basic truck. The buyer had to adapt it to his particular job. Harder went to Kansas and developed variations for wheat and livestock farmers and achieved great success.

He had sold his Kansas operation and was looking for a location in the West when the Depression hit. Rather than risk his capital, he became a subscription solicitor for the U.S. Chamber's magazine, Nation's Business, and rose to head Pacific Coast sales.

In 1943, concerned that the Chamber did not adequately represent the interests of small business, Harder launched his federation "to give small business a voice along with that of big government, big business and big labor."

Members are urged to express their opinions on specific legislative bills and issues. These are assembled in San Mateo and the majority determines the stand of the Federation before Congressional committees.

For several years, Congressmen were responsive. Then came the Warren court's "one-man, one-vote" decision. Congressional districts were redrawn and rural areas where Federation membership was strongest suffered.

Thus, the total small business picture is fragmented at a crucial moment when jobs must be created.

But if there is no unanimity, some signposts are emerging.

The Small Business Administration could be elevated to Cabinet rank and given primary responsibility for the creation of more domestic jobs, ending "competition" between SBA and the Commerce Department.

The Commerce Department could then concentrate on expanding American sales, while SBA, armed with research facilities, could argue effectively against job losses that result from tax changes or legislation.

SBA could leave the lending business to savings and loan associations which are now restricted to the mortgage field. If released, these firms could enter the small business field for long-term loans to growth-potential firms, without competing with banks for the short-term small business loans. Only ten per cent of independent business has the growth potentialities needed to expand the job market significantly, but they have had too difficult a time in securing expansion capital.

The charter of the United States Chamber of Commerce could be altered so that every business, regardless of size, could afford a participating membership in the organization and a voice in policy. This would reflect the interdependence of business and the U.S. Chamber of Commerce could become the true spokesman for millions of business enterprises.

These proposals do not reflect on business organizations, but do reflect the national need for more jobs. They deserve to be discussed.

WHAT AMERICA MEANS TO ME

Mr. CURTIS. Mr. President, I rise to congratulate the distinguished author, Mr. James A. Michener, for an article entitled "What America Means to Me," which was published in the February 1976 issue of the Reader's Digest.

Mr. President, I also wish to congratulate the Reader's Digest for running this outstanding article. This distinguished author has spoken from the heart very concisely what America means to him. It is a personal testimony based upon his own experience, and it will bring faith and hope to Americans of all ages.

Mr. President, I ask unanimous consent to have this article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHAT AMERICA MEANS TO ME

(By James A. Michener)

There are many good nations in this world, and I have lived in most of them. I prefer the United States for various reasons, but primarily for this: America has evolved a system whereby almost anyone who is born into one level of existence can move up to a higher level, if he or she has the determination to do so.

This opportunity for upward mobility, as the sociologists term it, is a most precious attribute, because it prevents the disadvantaged individuals from feeling locked into an ugly situation from which no escape is possible. It prevents the disadvantaged from believing that revolution is the only way. It provides an orderly procedure whereby everyone has a fighting chance to win an education, to land a good job, to make a contribution to society.

My hope for the future of America is sustained for three reasons:

I was born into extremely poor circumstances and I am convinced that had I been raised in any country other that the United States I would not have escaped from the poverty I knew as a child. I would not have received a first-rate education, nor a chance to better myself in every detail, nor an invitation to become a learned man working in difficult fields.

In any other country, with my start in life, I would have been limited to the most menial work. I have often thought that about the best I could have accomplished would be to count gasoline drums on some dock. American society provided me with an escape hatch, not easy to negotiate but there for my salvation. I am forever grateful.

My second cause for hope is this: I started my adult life in 1930, at the depth of one of the greatest depressions our society has ever known. Even though I graduated from one of America's top colleges, the number of my classmates who could not find jobs in those cruel days was appalling. Well, we worked our way out of that pit, and as we did so we passed inventive laws that would make a repetition unlikely. We faced a disaster and converted it into an asset. In those years I knew the worst despair a nation can undergo, short of invasion by an enemy, and I thought then, "Nothing will ever be worse than this. If we can climb out of this, we're home free." And nothing has been worse.

My third reason is personal, and would not apply to most Americans. Years ago, when our social system was more rigid than it is today, I married a girl of another race, a vivacious Japanese-American from Colorado with a tremendous social conscience and a determination to leave the world a somewhat better place than it was when she started. I have therefore experienced the full brunt of the race problem as it has evolved in recent decades. As a matter of fact, when we married, our wedding was illegal in some dozen states, and we had to be careful where we traveled or registered in a hotel, because we could be thrown into jail for living together.

All this has changed during our life time There are still areas where further change is necessary, and all of us should fight incessantly for that change. But we would be false to the evidence of our own lives if we denied that much improvement has already taken place.

I like America because the movement upward that I was encouraged to make is open to all. I take pride in celebrating our 200th birthday because the sort of changes I have experienced and fought for remain possible in every aspect of our national life. I am hopeful about our future because I have seen the tremendous energy we can focus on a problem when the prospects look bleakest.

America is a nation of incessant change, and I have always believed that such a condition was good for people of energy and imagination.

INITIATIVES FOR PRIVATE INDUSTRY

Mr. FANNIN. Mr. President, the Brookings Institution held an energy policy seminar here last week which was attended by a group about evenly divided between Federal Government and industry executives.

Among those asked to address the seminar was my good friend and colleague the Senator from Wyoming (Mr. HANSEN).

In view of his active participation in energy legislation as a member of both the Senate Interior and Finance Committees, I believe all Senators would find his remarks on the energy problem both enlightening and interesting and I ask unanimous consent that they be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR CLIFFORD P. HANSEN

INITIATIVES FOR PRIVATE INDUSTRY

I am indeed flattered to be asked to participate in a seminar on energy policy with such a distinguished group of energy experts.

As a member of the minority party in Congress, I am accustomed to having my views ignored both in Committee and on the Senate floor, so any recognition my opinions should receive here will be sincerely appreciated.

Mike McCormack and I have participated on other panels and FEA Deputy Administrator John Hill and I saw each other almost daily for the several weeks of the conference on S. 622, the Energy Policy and Conservation Act.

Mike McCormack is Chairman of the House Energy Research and Development Subcommittee of the Science and Technology Committee and he's one of the real McCoys of the energy experts.

I was particularly impressed with his answer to a question on energy growth when he testified last year at hearings before the Senate Interior Committee on a National Energy Production Board.

He said an energy no-growth rate would be more devastating to this country than the loss of World War II, and I certainly agree with him.

The Chairman of this Conference, Warren Cikins, suggested that my address be related to initiatives for private industry and the relationship to deregulation. But, he added, he would welcome my comments on the general legislative situation with regard to national energy needs.

I am glad to examine this because, in my opinion, it is only through the initiative of private industry with the least possible government regulation that we will solve our energy dilemma by reestablishing domestic energy sufficiency.

Just a few weeks ago, J. W. Anderson a very able, and informed writer of the Washington Post did an article titled "The Lessons of the Oil Crisis." In it he said that when the Arab oil embargo hit, half of the U.S. blamed the shortages on a conspiracy by U.S. oil companies and the other half wanted to declare war on OPEC.

In a previous article last June, Anderson wrote that most consumers think of the oil and gas industry as a public utility and energy prices in terms of rates of return. When prices start bouncing upward, they want rates of return to be regulated—by which they mean, held down to accustomed levels.

Producers think of the oil and gas industry as inherently and wildly speculative, where no one survives without good luck and good nerves. It is a business with immense financial risks. If the public is going to hold down the winnings on the successful strikes, producers ask, who is going to pay for the dry holes?

One thing for sure is that there is a wide gulf of disagreement between the public, the Congress and the Administration as to the causes of our energy woes.

A Gallup Poll taken during the oil embargo showed the oil companies, the Federal government (3% said Congress), the Nixon Administration, and U.S. consumers receiving about an equal share of the blame for the crisis. Only 7% placed the blame on the Arab nations. But this crisis should not have been such a surprise. The New York Times and Washington Post were two of the major newspapers to first recognize the energy problem for what it is. And some of the TV networks have attempted to put the problem in perspective.

The New York Times, as far back as July, 1970, carried a feature article by William Smith headed "U.S. Oil Industry Regrets It Was Right."

Let me quote from that article:

"Throughout the long and heated political controversy over oil imports, the industry has maintained that foreign sources of petroleum were relatively undependable and that their lower-than-domestic price levels could be quite ephemeral. For this thesis, oilmen were raked over the political coals. The price of Middle East crude oil is now at least 75 cents a barrel more than domestic."

The article goes on to say:

"For more than a decade oil and gas producers have warned that Federally set 'low' natural gas prices would dampen the incentive to look for gas and thus produce a future shortage. Again this was treated as a totally self-serving ploy.—'There is a shortage of natural gas today,'—Secretary of Interior Walter Hickel reportedly explained.

"John Emerson, energy economist of the Chase Manhattan Bank recently went even farther, 'Never before in this century have we faced such serious and widespread shortages of energy. These shortages are upon us now.'

"The industry warned that rushing into low-sulphur, anti-pollution legislation and regulations might produce supply problems. There appears a very good chance that there will be a shortage of low-sulphur residual fuel oil this winter, forcing cities and corporations to choose between lack of heat and power and the present practicality of recent anti-pollution laws."

And the article says:

"Being correct, at least on the surface level, gives the industry no reason to gloat. In each instance it is costing the oil companies money. If they pass on the cost, as they probably will have to, it cuts into what little affection the public has left for the industry."

And the article quotes a vice president and counsel for a major company as saying:

"No one will remember that Senator Kennedy or Senator Muskie and other so-called consumer representatives have advocated policies that have often ultimately resulted in higher costs. They will only blame us for raising the price of gasoline or heating oil."

For the Washington Post, Thomas O'Toole as well as Anderson did a series of excellent background articles on the energy problem.

But, when the wolf finally arrived on the doorstep in the Fall of 1973, no one seemed to remember the warnings.

Also, during this early period, Congress was not idle in studying the problem. There are few, if any Committees that have not had energy related hearings during the past few years.

Almost 5 years ago, the Senate passed S. Res. 45 authorizing a study of national fuels and energy policy by the Senate Interior, Commerce, Public Works and Atomic Energy Committees.

Hundreds of days of hearings were held and many volumes of transcripts and reports were published. But nothing other than the Alaska Pipeline bill has come from that study that will increase our energy supply. Surely not the recently enacted so-called Energy Policy and Conservation Act of 1975, which rolls back the price of domestic crude oil, and will, in my opinion, reduce domestic supply, stimulate consumption, and increase imports to about 50 per cent of our total consumption by 1980—thus strengthening OPEC's power, rather than freeing us from it

In continuing price controls and regulation of oil production, refining and marketing, it weakens the case for gas price decontrol.

Last October, the Senate passed the Natural Gas Amendments Act which is at least the first step toward deregulation. Now the House Commerce Committee has reported out a Natural Gas Emergency bill which does not include decontrol. But, a substitute floor amendment which will be voted on is similar to the Senate-passed bill.

On the Senate side, Senator Stevenson who authored the original Commerce Committee gas bill, S. 692, now suggests that the price of gas be tied to the price of oil on a BTU equivalent basis. At $7.66, the composite price of domestic oil under the new bill, gas could go as high as $1.35 but would still be regulated.

Intrastate gas in Texas is selling for up to $2.00 and that's the main reason Texas has a surplus which some of the pipeline companies were able to buy this winter under the emergency FPC procedures.

As far as initiatives for private industry are concerned, the oil industry has been whip-sawed for the last several years to the extent that it may have or soon will lose most of its initiative.

Go back to the Tax Reform Act of 1969. Percentage depletion was cut from 27½ per cent to 22 per cent on oil and gas but on none of the other minerals which were allowed depletion. No sooner was that accomplished along with a bitter fight to preserve intangible drilling costs which is so valuable to independents than the other shoe was dropped by the President's Cabinet Task Force on Oil Import Controls—a tariff proposal to lower the price of domestic crude oil to the then considerably cheaper price of foreign crude.

Except for the efforts of the Secretaries of Commerce and Interior and a few Senators and Congressmen and a bitter intramural Administration fight, that plan pushed by Secretary of the Treasury George Shultz would have been implemented. A price rollback at that time would have had the effect of shutting down all marginal and stripper well production and the loss of several billion barrels of reserves.

Those wells are now, fortunately, still being produced. How long they will be under the new price roll-back is a question.

Then came the 1971 price controls which were extended by the Emergency Petroleum Allocation Act after all other price controls imposed by the President had been dropped.

When OPEC quadrupled oil prices during the embargo period and the companies enjoyed temporary profits from their inventories—mostly from foreign operations, the cry of obscene profits went up and the TV cameras beamed in on hearings chaired by Presidential hopefuls.

That, of course, was the prelude to the loss in the Tax Reduction Act last year of all percentage depletion to integrated oil companies and most of it to independents as well.

Next the recently enacted Energy Policy and Conservation Act about which I have already commented.

I forgot to mention the crowning blow—divestiture both vertical and horizontal. Hearings are still in progress on Senator

Bayh's bill for vertical divestiture, and I am sure that Senator Abourezk has not given up on his efforts in the same Antitrust Subcommittee to get a bill to the floor to prohibit a major oil company from owning any other energy resource—coal, uranium, oil shale, geothermal, and so on.

There were three divestiture amendment attempts on the natural gas bill last October.

A lobbyist and former White House aide was in the reception room just off the Senate Chamber when the first divestiture amendment was being debated. When asked how the vote looked, he replied that 55 Senators had already told him they were voting for it because they knew it couldn't pass. The vote was 45–54 and the other two divestiture amendments also were defeated by close votes.

Congress created ERDA last year for the rapid research and development of energy sources—enhanced recovery of oil and gas, synthetic fuels from coal, oil shale development, geothermal, solar and other exotic sources of energy in addition to nuclear.

But who has the expertise or the capital to participate in these projects other than the integrated oil companies?

Senators Abourezk and Bayh might be called the Arabs best friends for what they are doing is pushing the refining industry out of this country and into Saudi Arabia and other OPEC countries.

If the companies are forced to give up all but one of their integrated activities, what would they keep?

My guess is that it would be their U.S. marketing activities. Saudi Arabia, the friendliest of the Arab countries to the U.S. and the one with the most oil, oil developed and still produced by U.S. companies, may be an attractive haven for those companies to do their refining rather than in the United States.

Refining has never been one of the more profitable operations of an integrated company, and the continuance of the crude allocation and entitlements program under the new Act makes it that much less attractive for a producer. Why spend all that money for bonus bids on OCS leases to explore for oil you may have to share with someone who didn't care to risk the capital?

Recent offshore lease sales have attracted fewer companies and brought in less in bonus bids.

If the Department of Interior is wondering why, they might look at the success rate of some of the high-priced leases off Florida and Mississippi and the uncertainties facing the industry under the Energy Policy Act, the threat of divestiture and the possibility of a new administration in 1977.

What's happened to U.S. refinery expansion? Practically all of the companies have abandoned new refinery or expansion plans.

According to what I hear some of the companies are already getting to the point of making decisions to move toward foreign production and refining, diversifying into other non-energy related enterprises or going into a maintenance mode under the threat of divestiture or nationalization.

Some, I understand, are thinking about converting their retail outlets to 7–11 type drive-ins.

The main hope in 1975 by both the integrated companies and the independents was for the end of price controls.

I don't mean that all drilling will shut down because of the energy act nor that all of the companies are heading for the exit.

The mail I had from frustrated oilmen last year reached an all-time high. Get off our backs and we'll do the job most of them were saying. A year or two ago many of them were saying that the raw materials and the technology were already available for synthetic fuels. But now most of them have backed off.

They can't understand why the press and TV echo the politically expedient cries of Presidential aspirants—obscene profits and consumer ripoffs.

Why not say that return on capital in the oil industry has been merely average. Why do so many politcians pick on the oil industry? We're everybody's whipping boy, they write.

The news isn't all bad, however. An Oil and Gas Journal editorial this week sees some hope of "drilling more wells in spite of a hostile environment."

C. John Miller, former President of the Independent Petroleum Association of America said about the price roll-back on uncontrolled oil: "Were not talking about going broke at $11.28."

The roll-back, he said, will simply mean that fewer wells will be drilled than at free market prices. And, the country will be the loser, because new supply will be developed at a slower pace than would be the case without price controls.

It may take another embargo or a long, cold winter to prompt the Congress to really get on with solving what undoubtedly is one of the country's most critical problems.

It will cost some money and somebody will make a profit.

But, it is certainly within our grasp. Examples of the kind of enterprise it would take are frequent throughout our history.

Back in World War Two, we had a frightening shortage of wheat. Despite the shortage of help, the outpouring from American farms met the challenge. We were able to feed not only our own people, our troops at home and overseas, but also other nations as well.

We were also frightened to read in the early 1950's that the Soviet Union had a satellite orbiting the earth. And, less than 20 years later, Americans were walking on the moon.

What we need now is such an effort before we face another emergency.

THE MOST DANGEROUS ENEMY

Mr. GOLDWATER. Mr. President, several months ago, a 24-hour seminar on national security was held in Boston, Va., under the joint sponsorship of the American Security Council and the Institute for American Strategy. The session included such experts on defense as Gen. Andrew J. Goodpaster, U.S. Army, retired, former Supreme Allied Commander of Europe; Christian A. Chapman, former U.S. chargé de'affaires in the Laotian capital of Vientiane; and Prof. Raymond S. Sleeper of the University of Tennessee's Space Institute.

The message that came through from these lengthy discussions was that for the past quarter century there has been a steady erosion of a once clear-cut U.S. military supremacy. At the same time the session underlined the fact that Soviet military postures, supported by a political will and national policy have grown immensely in the same time frame.

Mr. President, because of the importance of this seminar, I ask unanimous consent to have printed in the RECORD an editorial from Sea Power magazine of November 1975, entitled "The Most Dangerous Enemy."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE MOST DANGEROUS ENEMY

We were recently privileged to attend, along with other military writers, a 24-hour national security seminar sponsored by the American Security Council and the Institute for American Strategy at their Freedom Studies Center in Boston, Va.

It was one of the most pleasant and most unpleasant days of our life. Pleasant, because of the warm hospitality of our esteemed hosts and the uniformly excellent quality both of the various speakers and of our journalistic colleagues who were present. But simultaneously unpleasant because of the collective message which emerged from the long but always stimulating discussions: That the past quarter century has seen a steady erosion of what was once clear-cut U.S. military supremacy; that the USSR's military power supported all the way by Soviet political will and national policy, has grown and prospered immensely during the same time frame; that with both superpowers now virtually equal in strength (but far from equal in national will), the next several years may constitute the gravest challenge yet, not only to the United States but to all free countries throughout the world; and that, worst of all, few people know and even fewer seem to care.

Let us make it abundantly clear that none of the speakers said specifically what we have just said. None was an alarmist. Several, in fact, it seemed to us, accentuated the positive somewhat more than the present world situation warrants. All spoke soberly, unemotionally, and without rancor. And all took pains to carefully document, where possible, the statements they made. The speakers, and the necessarily compressed (and somewhat paraphrased) gist of their remarks:

Christian A. Chapman, former U.S. charge d'affaires in Vientiane, discussed the rapidly changing situation in the Lao capital before, during, and since the final Communist offensive—a principal goal of which was to end the American presence in Laos. The 22 Americans still on duty at the U.S. embassy there are manning "a window on the future," however, and must remain, both for that reason and because total U.S. withdrawal would further disillusion and discourage other U.S. allies in Asia. The United States remains the ideal and the aspiration for others, but the Communist victory in Laos raises once again the question: Can a free society survive against a strong and dedicated totalitarian philosophy?

Professor Raymond S. Sleeper of the University of Tennessee's Space Institute reviewed in painstaking and depressing detail the shifting balance of forces between the United States and USSR during the 1945–75 time frame, and irrefutably demonstrated that in virtually every measurable aspect of military power that balance has shifted in favor of the Soviet Union and is almost sure, because of recent trends not immediately reversible, to shift even more toward the USSR within the foreseeable future.

Dr. James E. Dornan, Jr., Chairman of the Department of Politics at Catholic University, articulated his views of "Dr. Kissinger's Grand Design," and, using Kissinger's own voluminous writings to illustrate his thesis, rather forcefully suggested that a foreign policy dependent on the personality and genius of one man, no matter how talented and dedicated that man, is de facto a dangerous policy for any nation to follow. The Russians should be judged by their actions, he said, not by their words—which have been soothing indeed, while their actions, as demonstrated by, among other things, their continuing military buildup, their encouragement of the Arab oil embargo, and the steady reinforcement of anti-American forces in numerous countries, has been, if anything, even worse since detente than before.

General Andrew J. Goodpaster, USA (Ret.) former Supreme Allied Commander, Europe, discussing the European situation, first emphasized that the NATO military alliance has been a "tremendous success" in keeping the peace in Europe for over 30 years, a period of stability not equalled at any other time in the last five centuries. He said further he personally supports the "valid objectives" of detente. But he also pointed out that: (1) The Warsaw Pact now has overwhelming superiority in personnel, tanks, and aircraft; (2) There has been a gradual erosion of political support for NATO (within Europe's democratic governments there is "more political appeal" in cutting defense spending than in increasing it); and (3) Soviet long-term strategy may be sounder and more consistent than our own ("They've understood how to couple the policy of detente with a policy of continued and sustained military strength").

General Goodpaster also said, and his words are eminently worth repeating and remembering, that "Our main concern should be with ourselves, not the Russians"—"ourselves," he elaborated, means not only "within NATO" but "especially within the United States and our deadlocked government."

John M. Fisher, President of both the Institute and the Council—which last month launched a "Bicentennial Operation Alert" to "reach the American people with the grim facts"—also discussed the battle against the most dangerous enemy: American ignorance and American apathy. At a time when "a reordering of national priorities" is the new political pet phrase, he pointed out, too many of our national legislators are forgetting that survival itself is and always has to be "the first priority." At a time, moreover, when those same legislators are declaiming against political "coverups" of the Watergate years they ignore the fact that "The biggest coverup is how the Soviets are doing."

To blow away that veil of ignorance is the job of more than one man or one organization, however. It is a job which calls for active and alert participation by each and every one of us. As Fisher also said, quoting an Italian proverb, "If everyone sweeps in front of his own house the whole town will be clean."

We suggest, therefore, that a foremost national goal during the Bicentennial year should be, indeed, to "reach the American people with the grim facts." If they know the facts the people will do what has to be done to insure survival.

If they do not know, however, and therefore do not act, then that Bicentennial celebration may well become, in the words of Camelot, "the sundown of a dream."

FAMILY FARMS AND TAXES

Mr. McGEE. Mr. President, in his recent speech to the American Farm Bureau Federation in St. Louis and again in his state of the Union message, President Ford discussed the need to revise our estate tax laws as they pertain to small agricultural operations.

There can be no doubt but that our present estate and inheritance tax laws encourage and, in many cases, compel the survivors of a deceased farm operator to dispose of the farming operation to satisfy the Federal tax liability. The satisfaction of the tax liability is an item of high priority in the estate settlement procedures, and many times the only practical way of settling that liability is selling the inherited property.

As I understand it, the President's proposal would extend the payment period and would provide a significantly lower interest rate to be paid on the outstanding liability. This is a step in the right direction, but further relief, not only for the family farmer but all small businesses, should be considered.

I rise in support of the distinguished Senator Nelson's Small Business Estate and Gift Tax Reform Act, S. 2819 to which I have been named as a cosponsor.

Under this legislation, estate and gift tax exemptions would double and over $200,000 in assets could be transferred tax free to a surviving spouse within a family farm or any small business. This feature of the act and the other reforms proposed merit the utmost consideration by the Senate.

At the present time, farm property is valued for estate tax purposes at market value. In many circumstances, this appraisal has little or no relationship to the value of any such property for farming purposes. This results in inflated and speculative values completely unrelated to an agricultural operation and an individual or family, therefore, cannot afford to retain property on the basis of an inflated appraisal, even though they would like to continue the farming operation for personal, social, economic or other reasons. In other words, the premium is placed on selling rather than retaining farm ownership.

Mr. President, this issue was the subject of an editorial that appeared in the January 15 issue of the Washington Star, and I ask unanimous consent this article be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

[From the Washington Star, Jan. 15, 1976]

Family Farms and Taxes

It is a bold President who proposes to wrestle with the keepers of the tax code, but we wish Mr. Ford well in the effort he promised the American Farm Bureau Federation this week in St. Louis.

"When Congress reconvenes," he said, "I will propose changes in our tax laws to revise family estate taxes"—the aim being to help owners of family farms pass them along from generation to generation.

Americans have been quitting the land for the city for decades, for various reasons. Farm dwellers were about 32 per cent of us in 1920, but have dwindled to less than 5 per cent today. Political philosophers since Thomas Jefferson's day have debated the social consequences of citification, which in any case are probably imponderable.

But most of us, presumably, would agree on one point: Federal tax laws—and State tax laws too, for that matter—shouldn't put a tax premium on the breakup of family farms.

Federal estate taxes do so, however, Under current estate tax provisions, as we understand them, open farm land is assigned "fair market" value. Given the premium on open land abutting populous urban areas, this means that it fetches premium prices from speculators and "developers." All considerations of social value are forgotten. Obviously, the problem is less acute for inheritors of farm land distant from cities. But the price of almost all open land is rising today. If inheritance tax laws are loaded on the side of sale, and the consequent breakup of family holdings, they ought to be revised.

Several states, including Virginia, have new land valuation laws to give landholders incentives to keep their land open. Their example needs to be followed by Congress. President Ford proposes tax deferment, which might at least given the heirs of a family spread some breathing space to pay taxes on a stretched-out scheduled and thus avoid the temptation—even, in many cases, the need—to liquidate whether they want to do so or not. It is a good idea. Congress ought to pay attention.

SCIENCE AT THE LOS ALAMOS RANCH SCHOOL

Mr. MONTOYA. Mr. President, the January issue of Science and Children, a publication of the National Science Teachers Association, has an article by Margaret Wohlberg, the curator of the Los Alamos County Historical Museum at Los Alamos, N. Mex., concerning the development and history of the Los Alamos Ranch School. This fine school used its location to train students in nature sciences, and its alumni have contributed in exciting ways to the national consciousness of ecology and conservation.

The goals of the historic school are still carried out in Los Alamos, where the public school system has benefited from the experience of the earlier private school. Scientific research at Los Alamos is not the exclusive prerogative of the adults who work at the Los Alamos Scientific Laboratory, as Ms. Wohlberg's article clearly illustrates. I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Science at the Los Alamos Ranch School

Los Alamos, New Mexico, exists 40 miles northwest of the capitol, Santa Fe, at an altitude of 7400 feet. It lies on a plateau at the base of an extinct volcanic crater in the Jemez Mountains, a southern extension of the Rocky Mountains chain.

Los Alamos is best known today for its choice as the site for the completion of scientific research and assembly of the world's first atomic bomb in World War II, and of today's internationally known Los Alamos Scientific Laboratory with its research into weaponry and peacetime uses of nuclear energy.

The study of science formally began in Los Alamos as far back as 1918, with the opening of the Los Alamos Ranch School. A college preparatory school for wealthy teenaged boys, it was thought of as a "model of modern education," situated as it was among clean, fresh air, abundant wildlife, and the geologic, prehistoric, and historic foundation upon which New Mexico rests.

SURROUNDED BY NATURE

The Ranch School was situated on an isolated cattle, bean, and "dude" ranch. Its first year of existence, 1917–18, the son of a United States ambassador and several local boy scouts were enrolled as "students." Founder Ashley Pond II, son of a wealthy Detroit family, envisioned his school as substituting "applied" education for book learning. The boys learned cowpunching and archaeology, rope throwing, and astronomy, with the help of local cowboys, forest rangers, and field archaeologists who instilled in them an understanding of the natural world. The 1917 brochure boasted that "studying from books is absolutely eliminated, but the boys during their walks, climbs and riding have constantly instilled into them practical outdoor instruction in all things of interest that nature furnishes—as botany, mineralogy, elementary forestry, astronomy, archaeology, ethnology." But ideal as this was to a teenaged boy's health or spirit of adventure, how to dehorn a cow or read the stars did not qualify to most parents as sufficient background for entry into college or the family business.

ACADEMIC EXCELLENCE

More of an innovator and idealist than a practical educator or administrator, Pond realized the need for a regular educational curriculum. By 1918, with the addition of an administrative director and the first "master," the Los Alamos Ranch School fully embarked on its 25-year course as a top, accredited private educational institution. By 1919, a recruiting brochure boasted the goal ". . . of establishing and conducting a school where students may obtain a sound mathematical, technical and general education of a high order including physical training and outdoor exercises supervised by a competent teacher." When the School closed in 1943, a full academic schedule of history, languages, music and art, mathematics, and sciences had been so well-integrated that student graduates were rarely denied entrance into the best of the nation's universities.

RELAXED ATMOSPHERE

Instructors were young and came from traditional eastern universities. The ratio of students per class averaged five. Although the military format was popular in private schools at the time, classes at Los Alamos were informal, low-key, and conversational, allowing for flexibility and innovation. Harry L. Walen, Ranch School Master 1937–42, said that the school was "ahead of its time and gave both masters and boys a unique opportunity to grow and learn together; methods were limited only by the capacities and creativity of the teachers . . . traditional requirements were covered thoroughly in mathematics and the sciences as in all subjects." Formal indoor teaching was based on traditional texts on a regular schedule, but when the physics class had completed all of their college board examination requirements well before the end of the academic year, the class would then learn about nuclear physics, which in 1932 was practically unheard of at the secondary school level."

AN IDEAL LOCATION

Ashley Pond's original aim of "outdoor education" never faltered. Using the natural and geological history, there were many cultural opportunities afforded by close proximity to Spanish culture centers such as Santa Fe and to the historic Indian pueblos of San Ildefonso and Santa Clara, and their nearby prehistoric ancestral homes.

Geology, archaeology, and biology (as well as the more abstract studies of mathematics, physics, and chemistry) benefited from the presence of this "natural laboratory." Field studies and experiments added practical learning to abstract theory, making theory "exceptionally clear visually." "Students really felt they were discovering something new," Harry Walen wrote.

The course in physiography had a natural strength in the curriculum. The nature of the earth and atmosphere led to field trips into the nearby volcanic crater to learn about earth-building phenomena, or to the Grand Canyon of Arizona for a lesson in geological water erosion. Flamen Ball, a 1930's graduate, recalls how ". . . explanations of rock strata, faults, etc., opened new doors for me and helped to stimulate my interest not only in the subject but in the entire Southwest." Mineral and chemical studies were undertaken at nearby mines.

The clear air and high altitude afforded unparalleled opportunities for study of astronomy and determining the "relative magnitudes of different stars."

INTERDISCIPLINARY FEATURES

The instructors often made even non-academic work or play into a graphic lesson. Walen again: "I can remember Mr. Church [Fermor S. Church, a science and mathematics teacher] one day on a ski slope pointing out to a small group around him a visible expression of some physical principle in the angles of the skis as other boys 'snowplowed' down the slope."

Building riding trails to the Plateau offered opportunities to work out gradients or angles of rest. Air pressure demonstrations and barometric readings took place on mountain climbing trips. One day a group climbed to an altitude of over 12,000 feet. Thomas E. Borton recalls, "When the water in our Scout soup kettle was at full boil, we took turns holding our fingers in the boiling water while Mr. Church explained the physics involved in boiling water at low temperatures and low pressures. I recall that the water was hot, but we found that our hands were not scalded, and we could stand the heat as the water bubbled and boiled up around our fingers."

ECOLOGY

Alumni best recall the lessons they learned about the position of humans in nature. New Mexico is a land of tenuous environmental balance where a dry spell or careless land management can create a serious imbalance. These teenaged boys received invaluable lessons in ecological conservation and use of natural resources to live a safe and comfortable life in harmony with nature.

"By drinking or not drinking from a stream," recalls Edward Ridley Finch, a prominent lawyer and diplomat currently serving as United States delegate to the Fifth United Nations Congress "one learns the value of clean water. By learning why a mountain climber gets dizzy in the air he breathes as he climbs . . . one understands the importance of oxygen and clean air to good health . . . from learning the importance of conservation and cleanliness, one learns a great deal about mankind and his environment. In my case, my interest in the stars and the moon grew into an interest in international outerspace law."

In October of 1942, low-flying planes surveyed the school. Next came several visitors. A student, recognizing one of them, later identified him from his physics textbook as J. Robert Oppenheimer, nuclear physicist destined to become Scientific Director of the Los Alamos branch of the "Manhattan" (atomic bomb) Project. During the Second World War, Los Alamos' nearly one hundred students, faculty, and workmen were replaced by more than 6,000 scientists and military personnel. However, the original goals of the Los Alamos Ranch School are carried out today in the Los Alamos public school system of approximately 4,000 students. That is: to incorporate the natural and physical history of this unique area to broaden the educational opportunities and understanding of today's student.

PRESIDENT KAUNDA ADDRESSES THE OAU

Mr. McGEE. Mr. President, on January 12 of this year, His Excellency, Dr. Kenneth D. Kaunda, president of the Republic of Zambia, delivered a speech to the first extraordinary session of the Assembly of Heads of State and Governments of the Organization of African Unity which had convened to discuss the issue of events in Angola.

The speech was an eloquent presentation of President Kaunda's deep concern over the future of the OAU in general, and of Angola in particular.

It has been my privilege to meet with President Kaunda on many occasions in the past to discuss issues of importance to the African continent and the constructive role the United States could play in responding to the concerns he has raised. I have always considered President Kaunda to be an extraordinary and perceptive statesman, not only in the Zambian or African context, but also in the international context as well.

It is because of the deep respect I have for the President that I read very carefully his speech to the OAU meeting which was held in Addis Ababa, Ethiopia. I urge my colleagues to do the same, for it is a compelling statement of an exceptional leader.

I ask unanimous consent President Kaunda's speech be printed in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

Speech by His Excellency Dr. Kenneth D. Kaunda, President of the Republic of Zambia To the First Extraordinary Session of the Assembly of Heads of State and Governments of the Organisation of African Unity

Mr. Chairman, since the birth of the OAU, this is the most serious and tragic crisis the Continent has ever faced. Angola is serious and tragic to the people of that country; it is tragic in its implications for the unity and security of Africa. Angola is an emotional issue. It could divide Africa without ending the war. It is an emotional issue because people, as I am speaking now are dying. Men, women and children, the sick and the poor are being mowed down like animals by weapons from countries whose own nationals are enjoying peace and progress in their own countries.

Angolans suffered from colonialism for centuries and fought a war of liberation in the last 14 years from Portuguese colonial and fascist rule and for full national independence. Today, they live in the shadow of death day in, day out. Today in vast areas of independent and sovereign Angola, dying is more sure than living. Men and women, old and young live only one step ahead of the disaster that dogs them at every turning. Africa has failed them. Angolans are dying now while we are discussing ideology. The people of Angola are suffering, refugees without homes. I live near Angola and I can hear the voices of poor children crying in pain and desperation. Yet here we are debating ideology in the comforts of distance. Events in Angola are saddening. Events in Angola are a challenge to Africa. The civil war in Angola must be brought to an immediate end. We in this Organisation cannot on any grounds whatsoever let or encourage Angolans to kill one another or be killed. If the OAU has an obligation to an independent Angola, it is to stop the war. It is war, no matter how much we try to interpret it. It is being fought with tanks, armoured cars and even from the air. Worse still, it is already internationalised. We must reject the erroneous and dangerous assumption that a truly independent Angola will only be achieved through intensification of the civil war.

Therefore, this Summit must, very carefully and cooly, examine every aspect of the Angolan tragedy. We must look at the fundamental causes and not merely at the effects of the civil war. We should not indulge in endless recriminations. We must not sink so low as to trade insults amongst ourselves. I am saddened and very deeply hurt that even young comrades in this Hall whose Heads of State could not even leave their countries, who could not even send their Foreign Ministers, could hurl insults at us; young Comrades who know nothing about the real struggle in Southern Africa from the safe distance of their countries. Zambians have died for the cause of liberation. We take the problem of Southern Africa very seriously and cannot accept insults.

This Summit should clearly address itself to the basic problem in Angola and then suggest ways and means which will achieve two fundamental aims namely: first the ending of the conflict in Angola in the interests of Angolans as a whole and second the strengthening of unity in the OAU which the Angolan tragedy so clearly threatens. In our view this meeting should start by examining the objective reality of the situation by looking at the whole issue from at least three angles:

(a) the history of the Angolan struggle and OAU attitude to it;

(b) what the current situation is in Angola and what Angolans and we Africans gathered here want;

(c) what Africa's collective position should be in order to resolve the problem within the OAU context.

The OAU recognised the three nationalist movements in Angola. Until early, 1975, this Organisation recognised the Popular Movement for the Liberation of Angola (MPLA) and the Front for the Liberation of Angola (FNLA). Subsequently, this recognition was extended to the National Union for the Total Independence of Angola (UNITA). No one can dispute that the OAU regarded each movement as a legitimate and authentic representative of the Angolan people and expression of their aspirations. The OAU did not meet before the Independence of Angola to withdraw recognition from any of the movements. Until the 11th November, 1975 all our actions clearly show that the OAU was working toward achieving unity among the three groups. Zambia was among the countries charged by this Organisation to unify the Angola Liberation Movements. The others were Congo, Tanzania and Zaire. In accordance with our mandate we kept the OAU informed.

We as an Organization have done nothing to indicate that we have changed our collective attitude and actions in this regard. In June last year, the Summit in Kampala called for reconciliation and unity amongst the three movements. MPLA, FNLA and UNITA were together and on the basis of equality in Mombasa, Alvor, and Nakuru. Pictorial history will show them embracing and smiling in acknowledgement of their common brotherhood and basic aims. No one claimed exclusive right to represent the people of Angola. Africa prayed for their unity. We in Zambia worked and continue to work for their unity.

There should be no misunderstanding about Zambia's position regarding our relations with the MPLA. Our relations date back to the time shortly after our independence when they opened their eastern zone in their fight for the liberation of Angola. The MPLA established its base in Zambia. That base is still there today. It is from this base that the MPLA intensified its heroic war of liberation against the fascist Portuguese forces. Zambia has always been, as the MPLA themselves referred to us, a logistical bridgehead for their armed struggle against the Portuguese fascists. The MPLA asked for material assistance and we gave it to them generously. Considering our obligations to the liberation movements of Zimbabwe, Namibia and Mozambique then, this is a great sacrifice for the 5 million people of Zambia. Few countries have made similar sacrifices. It is a fact that MPLA fought heroically and made great sacrifices. We had experience of their heroism because Zambia, as is well known, acted as their rear-guard. Without that rear-guard support from Zambia, the struggle could have been more difficult. We made these sacrifices for the cause of MPLA, namely, the independence of the Angolan people.

In referring to our fraternal assistance to the MLPA, I want to stress the fact that preference for one movement does not and should not necessarily preclude other movements from the gigantic task of national reconstruction.

This cardinal principle is even more relevant to the current situation in Angola. As I have stated above, the OAU has not withdrawn recognition from any of the three Political Parties in Angola formally or otherwise. MPLA, FNLA and UNITA remain in the territory of Angola as political and military facts. As of now the following is the situation in Angola:

(a) Angola is a multi Party State with three Political Parties struggling for power. None has an exclusive right to represent the people of Angola as a whole;

(b) the two super-powers and other countries have intervened on the side of one or the other of the claimant governments;

(c) South Africa, that racist and major problem for Africa, has taken sides and is fighting against one of the Parties;

(d) two contending Governments have been declared by the three movements and some African governments have recognized the Luanda based Government while others are calling for the formation of a Government of National Unity.

We cannot pretend that the three Political Parties do not exist in Angola. This would be a futile exercise in self-deception. The fact that each one is idealogically unacceptable to one or the other of member states of the OAU does not render its existence null and void. The fact that all of them are being supported by countries or forces against which some member states object to does not erase the fact of a Party.

Another factor is one of foreign intervention. Here, I would like to state first and foremost that everyone in this Hall condemns South African intervention in Angola. We have repeatedly condemned South Africa and do condemn them now. We call for the withdrawal of all South African troops from Angola. We in Zambia need no lecturing from anyone about apartheid and colonialism. We have fought South Africa apartheid for many years. Our people have been killed or maimed and property destroyed in support of the liberation struggle. We know that pious speeches do not bring liberation. Only action does. I know some of us will forget about the struggle soon after take-off from Addis Ababa, while for Zambia, this is only part of the daily programme.

There is an equally dangerous dimension contributing to the Angolan tragedy. This is the intervention of super-powers and their allies. In the history of independent Africa, this is the first time that thousands of non African regular troops and heavy sophisticated military equipment have been brought in to install one Political Party into Power and in service of their hegemonic interests. This is a most dangerous phenomenon which constitutes a grave threat to the entire continent and the unity of Africa.

The involvement and rivalry of superpowers in Angola must not be condoned by the OAU. Whilst these superpowers are trumpeting the end of the cold war era, in their bilaterial relations, they are at the same time sowing seeds of discord in Africa. Angola is now a theatre for their hegemonic rivalry.

It is dangerous for Africa to side with one superpower for that is an automatic invitation to the other to get involved. The world is cruel. Time has come for us to reaffirm the basic principles of Pan-Africanism.

1. No intervention by foreign powers in African Affairs.

2. No interference in the internal affairs of other independent States.

All foreign intervention must cease and all foreign troops and equipment must be withdrawn from Angola. Africa must never be the instrument for furthering the objectives of any superpowers.

Africa must understand that imperialism is imperialism. It knows neither race nor colour nor ideology. All nations which seek to impose their will on others are imperialists. Africa must not permit these Trojan imperialist horses which can come under the guise of furthering the cause of liberation to divide us.

But the truth is that in 1965 shortly after U.D.I. in rebel Rhodesia, I sent a mission to Moscow and Washington, D.C., to explain the grave consequences of U.D.I. and to ask for material assistance. Moscow's reply was that they could not give us assistance because our economy was still organised on capitalist basis. This was shocking to us. We were only a year old and yet Moscow expected us to overhaul the capitalist system and organise our economy on Socialist lines without manpower and the capacity to build a socialist economy.

This is why it pains us to hear the insults when people talk about fighting South Africa. We have been fighting South African apartheid since independence. We have fought the Portuguese and the rebels in Rhodesia. Fighting is not a new thing to us. We have fought capitalism as well. If anyone wants to see our revolution I say come and see. We do not talk about revolution, we believe in revolutionary action. There can, therefore, be no doubt about our programme.

China as I have said refused to be involved in the tragedy of the Angolan civil war.

In dealing with this grave issue, Zambia is in no way questioning the sovereign right of each member state to make its own independent decisions. However, if we as member states fail to harmonise our views on such issues as Angola our Organisation will no longer be credible. We run the risk of playing into the hands of the enemies of Africa. We believe that the existence of two rival governments or the recognition of one of them does not necessarily preclude reconciliation between the two claimant governments. In the analysis peace in Angola will only be achieved through an agreed solution.

Assistance to liberation movements must not be an excuse for establishing hegemony in Africa. In this respect, we should learn from the People's Republic of China. Among the socialist countries China is easily the leading source of material assistance in the liberation struggle. Her contribution is immense. The OAU asked the People's Republic of China for assistance, she gave it willingly, but China has not sought to impose her will on the people of Africa. She has not sought to twist the arm of Africa by any means. In this context we in Zambia deeply regret the untimely death of Premier Chou En Lai. We pay tribute to him for leaving behind a clean record. China helped the struggle in Angola. But she has no imperialist ambitions.

China helped us in Zambia by building a Railway Line from Kapiri Mposhi to Dar-es-Salaam in Tanzania. She gave us massive assistance which strengthened our resolve to fight colonialism, racism and fascism in Southern Africa. Let there be no misunderstanding. We are not against the Soviet Union. Our relations with the Soviet Union are very good. We have bought many things from them. Even now at the Addis Ababa Airport, we have a plane, a YAK 40, which we bought from the Soviet Union and Soviets personnel are helping to train our officers. So there can be no doubt about our bilateral relations.

We are also certain that if the fundamental issue of unity is achieved among the contending parties, it will be easy for Angolans and the OAU to remove all external factors contributing to the intensification of the conflict. The OAU should not play a divisive role in Angola. If we are not careful, we shall create a very dangerous precedent for Africa. We could very easily erode the very principles which have sustained our unity in the past. We could sow seeds of Angola's dismemberment. Zambia does not want any of these possibilities to occur. Zambia is committed, as always, to the unity of both the OAU and

Angola. Zambia's objectives in this regard are as follows:—

(a) Peace in Angola. We want peace which means more than the absence of a fruitless war. We seek the establishment of understanding, harmony, and co-operation among all the people of Angola who have struggled for centuries for freedom and peace against foreign domination and exploitation. Today in Angola, as I have stated on previous occasions, there is independence which we happily recognise but which does not carry with it the attributes of freedom.

(b) Zambia would like to see the establishment of a united and prosperous Angola. In Zambia's view if the war continues it will result in the balkanisation of Angola. The OAU does not want to see this happen. The OAU and the Angolan people did not fight for such an outcome. Zambia did not make sacrifices in support of the Angolan people in order to achieve that negative outcome. We have repeatedly stated that Africa must not build conditions for the partition of Angola but for her unity.

(c) Zambia wants a progressive and non-aligned Angola completely free from external pressures.

In the light of the foregoing, Zambia stands by the call for the establishment of a Government of National Unity in Angola that will bring peace and unity and reconciliation in Angola. We thus recommend to this Extraordinary Session of our Assembly:—

(a) that the OAU should condemn South Africa's aggression in Angola and call upon her to withdraw from Angola forthwith;

(b) that the OAU should condemn and call for an immediate end to all other forms of intervention;

(c) that the OAU should call for an immediate ceasefire;

(d) that the OAU calls upon the three Angolan Movements to find a political solution which should guarantee peace, unity and the territorial integrity of their bleeding fatherland;

(e) that the three movements must form a Government of National Unity.

Mr. Chairman, we came here not to save face but to save the lives of millions of innocent Angolans.

We are here not to usurp the sovereign right of the Angolan people to determine their own destiny. We are here to help end the senseless killings of brother by brother in the current civil war.

We are not an Electoral College. We did not come here to confirm any one political party as the government of Angola. We are here to build bridges of love and understanding across the chasm of fear, hatred and destruction.

We are here not to confirm the right of any foreign power to intervene in Angola. We are here to ensure that the people of Angola are left alone to determine their own destiny without foreign interference in any shape or guise.

Our inescapable duty is to ensure that Angola achieves peace, unity, economic and social progress. We remain committed to finding a solution that will help Angola achieve these objectives.

Mr. Chairman, this is the challenge of the OAU. We must face the crisis without emotion. Time is against the OAU and the true interests of the people of Angola. Africa's honour is at stake. Zambia is, however, confident that our collective wisdom will prevail so that Africa can emerge as a continent capable of making its own decisions which are primarily in the interest of the African people. To this end, Zambia reaffirms its commitment to the principles and ideals of the OAU Charter and to the legitimate aspirations of the Angolan people.

Africa, where is your Power? Is it in insults we have heard? No. Is it in division which we witness? No. The Power of Africa lies in Unity; in constructive action. Without these elements we simply have no power.

Finally, Africa must not deceive itself. Decisions on Angola, effective decisions I mean, are being made in Moscow and Washington, D.C. Our failure to find a solution here confirms that OAU has no power to shape the destiny of Africa. The power is in the hands of superpowers to whom we are handing over Africa by our failure. We must not fail, we must not be divided. We must be united.

THE CHECKERED PAST OF THE ADVISORY COUNCIL ON ENVIRONMENTAL EDUCATION

Mr. METCALF. Mr. President, the Department of Health, Education, and Welfare left a lot unsaid in its press release of January 23 announcing that HEW Secretary David Mathews has appointed 19 members of the 21-member Advisory Council on Environmental Education.

For example, the release did not say why it has taken HEW since May 1974, to stock the Council with members, nor did it point out that the "one-year" terms given to 7 of the 19 appointees actually will expire on November 6, 1976, little more than 9 months from now, nor did it say whether and when the other two members of the Council will be appointed.

Nor did the release explain that this is the second time since the Council came into statutory existence in October 1970, that it has been waylaid while going through the membership selection process. As a result, even though the Council has been carried on the books for 54 of the last 63 months, it has been a living, breathing, operational advisory committee for only 20 of those months.

As chairman of the Subcommittee on Reports, Accounting and Management, which oversees the Federal Advisory Committee Act, and as one who explored the status of environmental education and this Council at a hearing of the Subcommittee on Intergovernmental Relation in October, 1971, I should like to discuss the checkered past of the Advisory Council on Environmental Education.

The council was established on October 30, 1970, under section 3 of the Environmental Education Act (20 U.S.C. 1532). Even though the Office of Education at the time had an active Task Force on Environmental Education with responsibility for coordinating planning for various agency programs in the area of environmental education, and even though HEW had known long before that an advisory council on environmental education was in the offing, and even though the law instructed the council to advise on the administration of, preparation of general regulations for, and operation of programs assisted under this section, a year passed and no council materialized.

After hearing testimony on October 8, 1971, that no office of environmental education had been established as required by law and that no advisory council had been formed, I wrote to HEW Secretary Elliot Richardson, pointing out that over $2 million in grants have been dispensed without the issuance of any legal guidelines and without the advice and recommendations of any such advisory council. He replied that he had invited 21 highly qualified individuals to serve on the council, had received 18 acceptances, and that the council would meet December 3–5 and begin its task of providing advice on the preparation and administration of regulations governing operation of grant programs and allocation of funds, developing criteria for review of grant applications and evaluating projects carried on by grantees.

In 1972, according to the first annual report of Federal Advisory Committees, the council met February 6–8, June 23–25 and at the end of September. In 1973 the council met January 25–27 and May 16–18, then was abolished on August 17.

The council was terminated under section 448(b) of the General Education Provisions Act, which allows the Commissioner of Education to merge or discontinue his statutory councils, after some 20 months of activity. The administration was then proposing that environmental education and other special programs be folded into block grants.

However, the Advisory Council on Environmental Education was re-established nine months later when the Environmental Education Amendments of 1974 were approved on May 10, becoming Public Law 93–278. Section 2 of that law amended 20 U.S.C. 1532 to authorize the council until July 1, 1977. But no members were named.

The Office of Education budgeted funds for the council in fiscal year 1975, but no members were appointed. Not until January 1976, were members appointed. The council expects to hold its first meeting in early March, 22 months after its re-establishment. To date it has operated just 20 months out of an official lifetime of 54 months.

Now, ironically, seven of the overdue council appointments are for 2-year terms—and five are for 3-year terms, extending beyond July 1, 1977, when the council's authorization expires. Until now we have had mainly a council without members, but we may end with members and no council.

Mr. President, I ask unanimous consent that a portion of the record of the October 8, 1971, hearing of the Subcommittee on Intergovernmental Relations—with Special Counsel E. Winslow Turner and me questioning HEW officials Dr. Rodney H. Brady and Dr. Robert Gilkey—be printed in the RECORD, along with the January 23 HEW press release and a roster of the Advisory Council on Environmental Education.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXCERPTS OF HEARING

Mr. TURNER. Mr. Chairman, in order to avoid a traffic jam, I might say my questions pertain to environmental education and it may be that Dr. Brady will want to call some of his assistants.

Dr. BRADY. I would like to call Dr. Robert Gilkey to the witness table. Dr. Gilkey is Director of the Office of Environmental Education in our office of education; and he is prepared to discuss this matter with you.

Mr. TURNER. I address my question to you, Dr. Brady.

The President has made a national commitment to environmental reform and he has identified environmental education as playing a "key role" in bringing about this reform.

The commissioner of education has warned that "environmental education cannot wait," as far back as May in an article published by your department's office of education, May, 1971. And commissioner Marland said that "is a unifying concept around which grants can be coalesced into a modern educational response to the environmental-ecological crisis."

Congress has responded by nearly unanimous passage of the Environmental Education Act which in addition to authorizing grants, mandated the establishment of a special office of environmental education directly under the commissioner of education, and an advisory council on environmental education to advise on the operations of programs, the allocation and criteria of funding and the evaluation of projects.

At least three ecologists and three students were to be members of that council.

Now, Dr. Brady, an entire year after the Nelson-Brademas Act was passed, we have no Office of Environmental Education as intended by law and no Advisory Council on Environmental Education has been formed; and the implication can only seem to be at the moment that the administration does not attach the priority that it has announced to the importance of environmental education or that HEW has been negligent in carrying out the will of Congress, or both.

Now where is the office? What is it? Where is the Council? When is it going to come into effect?

You have the opportunity now to answer this for the record.

Dr. Brady. Well, may I take just a moment to give you a little bit of my background.

I have been with the Department almost a year and my background, by training and by practice, is that of a business manager and executive, and I am as anxious as you to see results. The ultimate measure of success in my profession is result, and we plan to be able to show the Congress and the people of this Nation results.

At the time of the enactment of the Environmental Education Act in October of 1970, the Office of Education had an active Task Force on Environmental Education with responsibility for coordinating planning for the various agencies programs in the area of environmental education. A full-time director has been appointed to head the environmental education program.

In July of 1971, the Secretary invited 21 persons to serve on the Advisory Council on Environmental Education. Eighteen have accepted; two have declined, and one has yet to respond to her invitation. The Secretary however, has designated a chairman and substitutions will be invited to replace those who have declined. The Council will hold its first meeting within the next 6 weeks.

Mr. Turner. Next 6 weeks?

Dr. Brady. Within the next 6 weeks. I don't know the specific date for their first meeting.

Though funds did become available in March of this year, and the Council has not yet met, a small staff has done what we consider to be an outstanding job of getting things started; and I would like to briefly outline some of their accomplishments to date.

First of all, initial program priorities have been developed and also tentative long-range plans have been developed. State-of-the-art surveys have been conducted and technical assistance has been given to other Federal agencies involved in educational efforts relating to environmental matters.

Also, grants have been made for demonstration projects and technical assistance has been given to States and to local organizations.

Seventy-four grants have been made to carry out community education, State program development, school projects, personnel training and general resource development relative to environmental education.

The fiscal year 1972 Environmental Education Act appropriated over $3 million which will support approximately 125 grants of the type made in 1971.

In addition, $11.2 million from other Office of Education legislative authorities will be used to support new and existing projects incorporating environmental education activities.

The Office of Education has worked with other Federal agencies such as the Departments of Interior, Agriculture, EPA, and National Science Foundation to coordinate already existing programs and implement new ones in association with those departments.

The Office of Education has also collaborated with the Department of Labor to reprogram approximately $15 million of job funds to train environmental technicians with a variety of valuable skills and other agencies in the training of personnel and creating a greater understanding of environmental issues.

Now, we are optimistic about the potential of the contributions that this Council will make, and we think that there is going to be a successful program and I would personally pledge my support to seeing that a successful program is carried out. We anticipate that this program is going to provide us with valuable insights and leadership in accomplishing the purposes of this act. Dr. Gilkey is here and will be happy to answer any further questions on this matter; but I am personally convinced that we have this program off the ground and running and you will find that the pace of that program will continue to accelerate.

Mr. Turner. Well, I don't want to get into the program. You are Assistant Secretary for Administration?

Dr. Brady. That's right. Assistant Secretary for Administration and Management.

Mr. Turner. Now, therefore, the organizational structure of the HEW's agencies are directly under your responsibility. In other words, where the offices are, where they should be placed, where the people should be put, is that not correct? I am not talking about the program but I am talking about the organizational structure that makes the program work.

Dr. Brady. Yes.

Mr. Turner. And that is in your shop; is that right?

Dr. Brady. I act as an adviser to the Secretary.

Mr. Turner. To the Secretary, right?

Dr. Brady. And the Commissioner of Education reports on a line basis to the Secretary, and acts as an adviser to the Secretary; and, by the way, I also counsel and advise the Commissioner of Education. Due to the good relationship we have regarding management matters, the Commissioner and I discuss most major organizational issues involving the Office of Education, hoping to develop an organizational structure which will maximize the probabilities of success programs.

Mr. Turner. Well, Congress was concerned about the organizational structure and it said in the act, which is 20 U.S.C. 1532:

"There is established within the Office of Education and office of environmental education which, under the supervision of the Commissioner, shall be responsible for the administration [of the program we are talking about] and the coordination of activities or the Office of Education which are related to environmental education."

Now, from our experience on the Intergovernmental Relations Subcommittee, we know that you cannot coordinate programs unless you are right close to the head of the office, in this case the Commissioner of Education.

Now, Dr. Gilkey, may I ask you, sir, are you directly under Commissioner Marland?

Dr. Gilkey. Not on an administrative basis. We report to Dr. Davies who is Deputy Commissioner for Development.

Mr. Turner. He is what?

Dr. Gilkey. Deputy Commissioner for Development.

Mr. Turner. Who does Dr. Davies report to?

Dr. Gilkey. To the Commissioner.

Mr. Turner. But you don't have an office? It is not like the Office of Higher Education?

Dr Gilkey. No, it is currently a program, I believe, on an informal basis. It has not been officially so designated but our previous reporting position was to the Director of the Office of Priority Management and at that time he designated us as a program. Since that time we have still gone on in that capacity.

Mr. Turner. Do you have line authority to coordinate the activities of the Office of Education which are related to an environmental education?

Dr. Gilkey. No.

Mr. Turner. You do not have that?

Dr. Gilkey. No.

Mr. Turner. And the law so states you should?

Are you the head of an Office of Environmental Education?

Dr Gilkey. No, sir.

Mr. Turner. And the law so states you should be.

Are you compensated at a rate of GS-17?

Dr. Gilkey. No, sir.

Senator Metcalf. When the wage freeze is over, maybe we can take care of that. [Laughter.]

Mr. Turner. How many times have you been in the Office of the Commissioner of Education in the last 2 weeks?

Dr. Gilkey. The last 2 weeks? Not once. The Commissioner has been away.

Mr. Turner. How many in the last month?

Dr. Gilkey. Not once.

Mr. Turner. How many in the last 2 months?

Dr. Gilkey. Not once.

Mr. Turner. How many in the last 6 months?

Dr. Gilkey. Once, I believe.

Mr. Turner. Once.

Well, Dr. Brady, I thnk I am developing an organization problem here. Would you agree with me that coordinating activity takes a certain amount of line operating authority close to the head of the Office?

Dr. Brady. It does take a considerable amount of line operating authority close to the head of the Office. I do not believe that that requires the program executive to report directly to the Commissioner of Education, for if every program that was thought to be important and needed to be coordinated across Office of Education lines reported directly to the Commissioner, the Commissioner would have an impossible job of administering his agency. What we are talking about here is judgment based on what the span of control should be for the Commissioner of Education.

I am sure you would agree that too many people, and too many programs reporting to one executive really weakens the manner in which the program can be operated rather than strengthening it.

Senator Metcalf. I agree completely. This has been very interesting learning the priorities that are set by the Commissioner of Education. I know of no program—I have been somewhat a student of educational facilities for a number of years—I know of no program which many Members of Congress feel is more important than this environmental program, and the fact that there hasn't been the consultation in this special area indicates that perhaps downtown you don't give it the high priority that we are giving it up here in Congress.

Dr. Brady. Well, rest assured we are giving this a very high priority but I do not think that we can judge priority on the basis of how high a program is placed organizationally within the Department.

Senator METCALF. It is a pretty good way to judge.

Dr. BRADY. Well, in my judgment, the better way to judge priority is to examine the results——

Senator METCALF. Well, there haven't been any results.

Dr. BRADY (continuing). That are being demanded and required, and that in fact are accomplished.

Senator METCALF. The whole thing is that we haven't had any results and we won't have until what—6 more weeks?

Dr. BRADY. No, within 6 more weeks the Council will meet. But, as I outlined in my statement just a moment ago, there are five very significant measureable results that can be pointed to.

Senator METCALF. Thank you.

Mr. TURNER. Dr. Brady, HEW knew a long time ago that the advisory council on environmental education was going to come along; it was the subject of discussion with Representative Brademas; there were lengthy hearings, congressional hearings. HEW knew the sentiment of the Senate and the House before the act passed overwhelmingly. There was plenty of time for you to get started on that council. You didn't have to have money to do that, to notify the people, to talk with them, to get their acceptances or rejections, to establish the agenda and to look at the legislation clearly to spell out the responsibility of this advisory council.

This is a very unique advisory council and it was put into that legislation for a very important purpose.

Now, let me just read what the law—20 U.S.C. 1532(c)(2)—says:

"The Council shall (A) advise the Commissioner and the office concerning the administration of, preparation of general regulations for, and operation of programs assisted under this section; (B) make for, and operation of programs assisted under this section; (B) make recommendations to the office with respect to the allocation of funds appropriated pursuant to subsection (d) among the purposes set forth in paragraph (2) of subsection (b) of this section and the criteria to be used in approving applications, which criteria shall insure an appropriate geographical distribution of approved programs and projects throughout the Nation; (C) develop criteria for the review of applications and their disposition; and (D) evaluate programs and projects assisted under this section and disseminate the results thereof."

Senator METCALF. Are you familiar enough with this to be able to respond on a reading or would you like to get a copy of the law?

Dr. BRADY. Well, I don't think I can quite respond on the details. Perhaps I could suggest this: I am as concerned as you gentlemen are over the slowness with which the wheels of progress sometimes turn in the Federal establishment.

With respect to this particular item you have my pledge that I will personally look into the matter and provide you with a document which outlines for you precisely how we will carry out all the provisions of that law.

Mr. TURNER. I appreciate that but I have a different problem I am getting into.

The reading of the law is one thing, and the special role of the advisory council in the grant process is another. But during the past year without any council, and without any recommendations, the Office of Education's program on environmental education, buried somewhere is the bureaucracy, has spent over $2 million in grants—an educational program implemented without advice of the council, which was to be the watchdog for the public interest in terms of the disposition of the grants.

Now, aren't you in a rather questionable situation here proceeding with the implementation and payout of Federal funds in this program without ever having initially established an advisory council as ordered by the Congress, without having issued any legal guidelines for the application? I believe you did issue a handbook—it is called—but they are not legal guidelines. I mean, did the Secretary of HEW—know this situation when his department was approving these grants that were being dispensed, without having any preliminary rules recommended and established through the advisory council and an Office of Education which Congress established to have such responsibility?

Dr. BRADY. I cannot answer that question specifically because I do not have that information with me.

Mr. TURNER. I understand that. Maybe Dr. Gilkey can.

Dr. GILKEY. I cannot answer the question.

Senator METCALF. Isn't this a rather grave responsibility that you have taken on yourself? It looks to me as if this is a condition precedent to a grant to have a council that would make recommendations. Now, as I read the law, it is not necessary that the recommendations be followed specifically by the Secretary or somebody else. But it is necessary—Congress felt it necessary—to include on the advisory committee three ecologists and three students and other experienced people to at least make recommendations considered before a grant could be made.

How can you make a grant without the creation of a council and without seeking their recommendations?

Dr. BRADY. Well, based on what I have just heard, I would think I would tend to agree with you, sir, that that—

Senator METCALF. Don't agree with me until you have consulted your own lawyers, because this is just an offhand observation.

Dr. BRADY. We should look at it.

Senator METCALF. Just offhand, as I have gained from reading the law and hearing Mr. Turner develop this.

Mr. TURNER. Mr. Chairman, they did consult their own lawyers and information has come to the staff of this committee that the General Counsel of the Office of Education advised Commissioner Marland that he was "skirting the law," skirting the law by handing out the grants without having the advisory council review them.

Do you know anything about that, Mr. Gilkey?

Dr. GILKEY. I am aware of the problem. I came in about the time we were giving the grants last June.

Mr. TURNER. Are you aware of the counsel's memo?

Dr. GILKEY. I have not seen it.

Mr. TURNER. Will you produce the memo for us, Dr. Brady?

Dr. BRADY. We will. I have not seen that memo myself.

Senator METCALF. I haven't either.

Mr. TURNER. I did have another matter to bring up which I think will involve the Food and Drug Administration, and I think we can handle by letter other questions on the environmental education scene.

* * * * *

(Subsequent to the hearing, Senator Metcalf wrote HEW Secretary Richardson in re the failure of Department to implement Public Law 91-516 and establish an Office of Environmental Education and advisory council on environmental education.)

(The exchange of letters follows:)

OCTOBER 22, 1971.

HON. ELLIOTT L. RICHARDSON,
Secretary, Department of Health, Education, and Welfare, Washington, D.C.

DEAR SECRETARY RICHARDSON: On 8 October this Subcommittee heard testimony from Assistant Secretary Brady and others from your Department with respect to pending legislation relating to Federal advisory committees. During the course of that testimony, the subject of environmental education and department action to implement the Nelson-Brademas Act (P.L. 91-516) was discussed. A copy of the hearing transcript relating to this matter is enclosed for your personal information.

I was surprised to learn that after a year since passage of that Act, no office of environmental education has been established as required by law, and no advisory council on environmental education has been formed. The only thing that has been done, according to the testimony, is the formation of a program "on an informal basis" buried in the bureaucracy of the Office of Education and headed up by an individual who has been in the office of the Commissioner only once during the past six months.

Further, Congress directed that the advisory council be set up to advise the Commissioner, among other things, as to the allocation of funds appropriated, the criteria to be used in approving applications, criteria for the review of applications and their disposition and the evaluation of programs and projects. In other words, it was to be a watchdog for the public interest with respect to the disposition of grants. According to the testimony, I find that over $2 million in grants have been dispensed without the issuance of any legal guidelines and without the advice and recommendations of any such advisory council. In addition, it was disclosed that the General Counsel's Office of the Office of Education advised the Commissioner that he was "skirting the law" by handing out the grants without establishing the office and the advisory council as required by the Act.

President Nixon has made a national commitment to environmental reform. He has identified environmental education as playing a "key role" in bringing such reform about. Further, as far back as May of this year, Commissioner Marland, in an article published by the Office of Education, cited environmental education as a unifying concept around which OE grants can be coalesced into a modern educational response to the environmental-ecological crisis.

Many members of Congress, reflecting the views of their constituents, attach high priority to environmental education. Yet in light of the facts developed by this Subcommittee, I can only conclude that either the Administration does not attach the priority it has announced with respect to environmental education or that HEW has been grossly negligent in carrying out the will of Congress, or both.

Therefore, I would like to have a detailed response from you as soon as possible as to when you will establish an office of environmental education and the advisory council; what line operating powers of program coordination the office will have in the Office of Education; what direct relationship it will have to the Commissioner; what will be the grade and title of the head of that office; and how many full-time, professional employees will be under his direction.

In addition, as was promised by Dr. Brady in the hearings, I would like to obtain a copy of the memorandum from the legal office of OE which advised on the tenuous legal status of the environmental education grants.

I feel strongly that this matter must receive your personal and immediate attention, and that no further delay in implementing the will of the Congress can be tolerated.

Very truly yours,

LEE METCALF.

THE SECRETARY OF HEALTH,
EDUCATION, AND WELFARE,
Washington, D.C., December 7, 1971.

Hon. LEE METCALF,
U.S. Senate,
Washington, D.C.

DEAR SENATOR METCALF: Please accept my apology for the delay in responding to your letter of October 22 concerning the Department's progress in implementing the Environmental Education Act.

The environmental education program is receiving high priority from the Office of Education and since its inception has had the personal support and attention of Commissioner Marland.

Until recently the Commissioner placed newly established high priority programs such as environmental education within the Office of Priority Management to ensure their success. While the environmental education program was located within that office, regulations were developed by a nucleus of the present environmental education staff working with consultants. A copy of these regulations, issued April 16, is enclosed[1] along with a copy of a booklet produced by the staff entitled, "Handbook on Preparing Proposals,"[1] for use by grant applicants. In my opinion, these documents speak highly for the initial efforts and show that temporary placement of environmental education activities within the Office of Priority Management resulted in a sound base on which to build a great future in this important area.

Environmental education activities are now located in the newly established Office of Environmental Education. The Office is a separate component within the Office of Education and has the effect of placing the program at the highest possible organizational level. The Director of the Office, Dr. Robert Gilkey, personally selected for the job by Commissioner Marland, reports directly to the Deputy Commissioner for Development, who is charged with management responsibility for innovative programs within the Office of Education. Consistent with compensation of program heads with similar responsibility and, in many cases, much larger programs, Dr. Gilkey is at the GS–15 level.

Dr. Gilkey has seven permanent staff members under his immediate supervision. Five of these individuals are professionals and two are secretaries. There are also three full-time employees located within other offices who provide necessary support services to the environmental education staff. Further, ten temporary and part-time employees are involved in the program's work.

As Director of the Office of Environmental Education, Dr. Gilkey coordinates all environmental education activities. To help bring about more effective coordination of such activities, a system is being devised which will enable a grant applicant to submit one proposal for review under all appropriate authorities within the Office of Education. The Director is the principal agent, not only for the $3.5 million appropriation for environmental education, but also some $11 million in other programs within the Office of Education. As overall coordinator for the Office of Education environmental education programs, the Director will review all guidelines for those authorities which have the potential to support environmental education, approve the review process for each of these programs, and approve the awards made under each of these programs. He will also participate in the process that determines the amount of funding to be derived from education authorities. To assure continued success of the program, Commissioner Marland indicated he will remain in direct contact with the Director.

Present plans provide for maximum involvement by the Advisory Council on Environmental Education. In July, after considering more than 200 potential members, I invited 21 highly qualified individuals to serve on the Council. We have received 18 acceptances and as soon as possible I will invite three more members. In the meantime, the Council will meet December 3–5 and begin its task of providing advice on the preparation and administration of regulations governing operation of grant programs and allocation of funds, developing criteria for review of grant applications and evaluating projects carried on by grantees.

You have asked to be provided with a copy of a memorandum directed to Commissioner Marland by the Office of Education's legal office concerning the legal status of grants made to date. The Commissioner does not recall ever having received such a memorandum, and we have been unable to locate it.

I am pleased with the advances made to date in establishing a successful program, and look forward to even greater success. To ensure continued progress, Dr. Rodney H. Brady, Assistant Secretary for Administration and Management, is developing a process whereby he will be able to measure future achievement against established goals. He will write you setting forth the details of the plan for continued implementation of the environmental education program as soon as it is completed.

I am confident you will be pleased with future developments.

With kindest regards.

Sincerely,

ELLIOT RICHARDSON, *Secretary.*

U.S. DEPARTMENT OF
HEALTH, EDUCATION, AND WELFARE,
January 23, 1976.

Dr. David Pimentel, Professor of Insect Ecology, Cornell University, Ithaca, N.Y., has been named chairperson of the 21-member Advisory Council on Environmental Education appointed by HEW Secretary David Mathews.

Dr. Pimentel will serve one year as chairperson. His appointment to the council is for three years.

The council advises the Secretary, the Assistant Secretary for Education, and U.S. Commissioner of Education T. H. Bell on policy regulations concerning the operation and administration of the Office of Education's environmental education program.

In addition to the appointment of Dr. Pimentel, 18 other persons were also selected for terms ranging from one to three years.

Chosen for three-year terms are:

James W. Latham, Jr. Ed.D., State in Science consultant, Maryland State Department of Education, Baltimore.

J. Roger Miller, Ph.D. President, Millikin University, Decatur, Ill.

Raymond J. Smit, consulting engineer, McNamee, Porter, and Seeley, Ann Arbor, Mich.

Jonathan M. Wert, Ph.D., consultant, University of Tennessee Environment Center, Knoxville.

Members serving two-year terms:

David T. Anderson, student, University of Denver.

William D. Brentnall, administrative science advisor, Ames Community School, Ames, Iowa.

Loretta B. Carroll, instructor of biology and ecology, University City High School, University City, Mo.

Rene J. Dubos, Ph.D., professor emeritus, environmental bio-medicine, The Rockefeller University, New York City.

Richard St. Germaine, Ph.D., director, Ojibwa School, Lac Courte Oreilles Tribal Council, Stone Lake, Wis.

Kathleen M. Sweet, student, George Mason University, Fairfax, Va.

Lana J. Tyree, attorney-at-law, Benefield, Shelton, Lee and Tyree, Oklahoma City.

Serving one-year terms are:

Lois Florence, student, University of Kentucky, Lexington.

Arthur J. Julian, principal environmental specialist, Department of Environmental Protection, Trenton, N.J.

Martha McInnis, executive director, Alabama Environmental Quality Association, Montgomery.

Charles E. Roth, director of education, Massachusetts Audubon Society, Lincoln, Mass.

Nancy J. Stockholm, student, Stanford University, Palo Alto, Calif.

Charles E. Tatum, Ph.D., professor of history and geography, Department of Geography and Economics, Texas Southern University, Houston.

Frank Torres, Ph.D., assistant professor, ecology and general biology, University of Puerto Rico, Humacao regional campus.

ADVISORY COUNCIL ON ENVIRONMENTAL
EDUCATION

Lois Florence, student, University of Kentucky, Lexington, Kentucky. Term expires 11–6–76.

Arthur J. Julian, Principal Environmental Specialist, Department of Environmental Protection, 1474 Prospect Street, Trenton, New Jersey 08625. Term expires 11–6–76.

Martha McInnis, Executive Director, Alabama Environmental Quality Association, P.O. Box 11000, Montgomery, Alabama 36111. Term expires 11–6–76.

Charles E. Roth, Director of Education, Massachusetts Audubon Society, South Great Road, Lincoln, Massachusetts 01773. Term expires 11–6–76.

Nancy J. Stockholm, Student, Stanford University, 350 Sharon Park Drive, Apartment I-25, Menlo Park, California. Term expires 11–6–76.

Charles E. Tatum, Professor of History and Geography, Department of Geography and Economics, Texas Southern University, 4902 Ventura Lane, Houston, Texas 77021. Term expires 11–6–76.

Frank Torres, Assistant Professor in Ecology and General Biology, University of Puerto Rico, College of Humacao, Humacao, Puerto Rico 00631. Term expires 11–6–76.

David T. Anderson, Student, University of Denver, 2001 South York Street, Denver, Colorado 80210, Term expires 11–6–77.

William D. Brentnall, Administrative Science Advisor, Ames Community School, Ames, Iowa 50010. Term expires 11–6–77.

Loretta B. Carroll, Instructor of Biology and Ecology, University City High School, 7401 Balson Street, University City, Missouri 63103. Term expires 11–6–77.

Rene J. Dubos, Professor Emeritus/Environmental Bio-Medicine, The Rockefeller University, E. 66th Street at York Avenue, New York, New York 10021. Term expires 11–16–77.

Richard St. Germaine, Lac Courte Oreilles Tribal Council, Route 2, Stone Lake, Wisconson 54876. Term expires 11–6–77.

Kathleen M. Sweet, Student, George Mason University, Fairfax, Virginia. Term expires 11–6–77.

Lana J. Tyree, Attorney-At-Law, Benefield, Shelton, Lee and Tyree. 2700 City National Bank Tower, Oklahoma City, Oklahoma 73102. Term expires 11–6–77.

James W. Latham, State Consultant in Science, Maryland State Department of Education, P.O. Box 8717, Baltimore Washington International Airport, Baltimore, Maryland 21240. Term expires 11–6–78.

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[1] Retained in subcommittee files.

J. Roger Miller, President, Millikin University, Decatur, Illinois 62522. Term expires 11-6-78.

David Pimentel (Chairperson), Professor of Insect Ecology, Comstock Hall, Cornell University, Ithaca, New York 14850. Term expires 11-6-78.

Raymond P. Smit, Consulting Engineer, McNamee, Porter and Seeley, 2223 Packard Road, Ann Arbor, Michigan 48104. Term expires 11-6-78.

Jonathan M. Wert, Consultant, University of Tennessee, Environment Center, Knoxville, Tennessee 37916. Term expires 11-6-78.

NATIONAL WILDLIFE REFUGE SYSTEM AMENDMENTS

Mr. McGEE. Mr. President, our National Wildlife Refuge System is the greatest wildlife habitat conservation program in human history. Its 367 units, encompassing some 32 million acres, are found in every State except West Virginia, protecting vital habitat for waterfowl and big game animals that would otherwise have succumbed to development long ago.

H.R. 5512 is a bill to give more secure protection to this great system. It generally bars giveaway, sale or abolition of national wildlife refuges except by act of Congress, thus closing a big loophole in past protection of the refuge system. Surprising as it seems, many national wildlife refuges could be abolished simply by a decision of the Secretary of the Interior. Upon approval of this bill, such a decision must involve an affirmative act of Congress.

This bill also makes clear what has long been the intent of Congress—that the National Wildlife Refuge System is to be administered and managed by the U.S. Fish and Wildlife Service. This will put a stop to moves by other Government agencies to split up the refuge system and oust the Fish and Wildlife Service from some refuges. This is no idle fear, because the Bureau of Land Management only last year persuaded the Secretary of the Interior to take the Fish and Wildlife Service out of three western wildlife ranges. It has taken a court injunction and new legislation to stop that ill-advised move. Let us make sure this never happens again.

As I see it, the refuge system should be managed by the agency whose primary mission is wildlife habitat conservation. That is the best way to insure that other resource programs such as mineral and energy development do not come to overwhelm the wildlife purposes of the refuges, in spite of the best intentions of the officials administering the areas.

Almost 50 percent of the national wildlife refuge lands in Wyoming are grazed by livestock, yet there has been no need for BLM to be placed in charge of this grazing. The Fish and Wildlife Service does a creditable job of administering the grazing as well as the wildlife values. I urge passage of the bill as it was reported from committee.

FEDERAL COAL LEASING POLICY

Mr. METCALF. Mr. President, on January 27, I placed in the RECORD Secretary Kleppe's statement on new Federal coal leasing policy—page S563. I have reviewed the policy statement and agree with the general outline of the proposed program. However, I do not agree with the specific regulations which have been proposed by the Department for its implementation. In fact, I find those regulations for first, mining operations and reclamation and second, diligent development and continuous operation standards to be seriously deficient and certainly no substitute for new Federal legislation such as the Federal Coal Leasing Act which the Senate passed last July—S. 391.

I ask unanimous consent that my January 28 letter to Secretary Kleppe about the policy statement be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON INTERIOR AND
INSULAR AFFAIRS,
Washington, D.C., January 28, 1976.

Hon. THOMAS S. KLEPPE,
Secretary of Interior,
Department of the Interior,
Washington, D.C.

DEAR MR. SECRETARY: I am pleased that we have both been able to rearrange our schedules so that you will testify before the Subcommittee on 16 February.

Thank you for sending me your 26 January statement on coal leasing policy. As a general outline, it is a positive step forward from past Departmental policies. However, I am sure you realize that the critical elements in successful implementation of the policy will be the specific regulations adopted for (1) mining operations and reclamation and (2) diligent development and continuous operation standards. You are already aware that Senators Jackson, Haskell and I have serious misgivings about the surface mining regulations. The proposals published on 5 September are totally inadequate. I am enclosing a copy of the statement which I placed in the Congressional Record last December about these regulations. I will not repeat the points set out in these materials other than to note that the proposed regulations do not contain any reclamation and performance standards whatsoever.

The proposed diligent development and continuous operation regulations published on 31 December are also deficient. I am particularly troubled by the fact that the requirements for continuous operation could allow a lease to be held for over one hundred years. While the Department has stated that the advance royalty terms which are based on a forty-year development program will be sufficient incentive to assure more rapid production, this position appears inconsistent with the provisions of Section 7 of the Mineral Leasing Act of 1920 (30 U.S.C. 207) that the annual advance royalty will be "in lieu of the provision . . . requiring continuous operation. . . ." It appears that if the lessee met the continuous operation requirements of the regulation, he would not have an obligation to pay any advance royalties. Furthermore, I see no requirement that the estimated recoverable coal reserves in the logical mining unit be determined and made public. Absent such data there is no way to tell if the requirements of the regulations are being met. I plan to give you more detailed comments on these regulations soon.

I assume you are aware of the discrepancies between the definition of "logical mining unit" in the regulations applicable to the Bureau of Land Management and those applicable to the Geological Survey.

While I applaud the proposed rulemaking on preference right leases on 19 January, I am not convinced that the Department has a mandatory duty under the Mineral Leasing Act of 1920 to issue a lease to a permittee who shows that he has found coal in "commercial" quantities. The notice of proposed rulemaking states that the Department has concluded that the Secretary has such a duty despite the basically discretionary nature of mineral leasing under the 1920 Act and the directive in the National Environmental Policy Act of 1969 that all agencies of the Federal Government interpret and administer public laws of the United States "to the fullest extent possible" in accordance with the policies set out in that Act. Please furnish me with any legal memoranda or other analyses which were used to reach this conclusion by the Department.

Finally, I agree with your statement to the American Mining Congress that the issue of Federal surface mining legislation must be settled. I am convinced that no more Federal coal should be leased except if the interim criteria are met, until there is a Federal law governing surface mining and reclamation of Federal coal and a revision of the coal leasing laws.

While I will continue to work for such legislation, I appreciate your willingness to work with the Congress. I agree with the general outlines of the program which you have proposed. I hope that ultimately we will be able to agree on the specifics. I am looking forward to working with you on this vitally important issue.

Very truly yours,

LEE METCALF,
Chairman, Subcommittee on
Minerals, Materials and Fuels.

RENT-A-GRANNY AND RENT-A-GRANDPA

Mr. MONTOYA. Mr. President, on August 2, 1974, I spoke to my colleagues here in the Senate concerning an exciting and innovative work program which had been developed in Albuquerque, N. Mex., to help older and experienced adults to find jobs. At that time I spoke about the high percentage of senior citizens who were living at or near poverty levels and about the need for programs to assist those citizens in their efforts to help themselves. That need is still present, of course.

I was delighted to see in the Parade Sunday newspaper magazine of February 1, 1975, a very informative article concerning Mrs. Anne Beckman and the Albuquerque program. In the time since I first reported on this program it has developed and grown considerably, and has been used as a model for other similar programs in other States.

I am sure that the exciting story of the employment agency which calls itself "Rent-a-Granny and Rent-a-Grandpa" will be of interest to my colleagues. I ask unanimous consent that the Parade article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOW "GRANNY POWER" GETS JOBS FOR THE OLD FOLKS

(By Mort Weisinger)

ALBUQUERQUE, N. Mex.—Every working day of the year around twenty unemployed men and women wait patiently in a small anteroom in downtown Albuquerque for an interview with Anne Beckman, the one person who can help them. These people are widows, widowers, retirees, senior citizens. All have a common problem. They are in their late 50's, 60's and 70's, able and willing to work but unable to find employment because of age.

They have come to the right place. For Anne Beckman, a bespectacled, beloved, gray-haired widow of 67, is the creator, captain and chief champion of one of the most unusual job-placement programs in the country—an employment agency for the elderly which operates unabashedly under the dual name of "Rent-A-Granny" and "Rent-A-Grandpa."

For more than a decade this remarkable woman has made a career out of launching second careers for unemployed oldsters. Anne Beckman seeks out these unwanted people, finds them decent jobs, restores their self-respect and gives them a new life.

In today's job-scarce economy, most employment agencies discourage middle-aged applicants and virtually shun senior citizens. Anne Beckman reverses this stand. "The older my clients, the harder I try to get them a job," she declares. She has often placed septuagenarians and octogenarians. Last summer she even obtained a job as a telephone solicitor for a man of 92 whose resonant voice did not betray his years.

Persons under 55 are not eligible for Anne Beckman's services. A few years ago one of her alumni, a comely fashion designer, phoned her. "I've just been promoted to head of my department and given a nice raise," the woman announced. "Let's celebrate by letting me take you out to dinner."

LIED ABOUT AGE

That evening, in an elegant restaurant, the woman fidgeted nervously with her glass of sherry. "I owe everything to you, Anne, but there's something I must confess. When you first interviewed me, I told you I was 55, but I was really 51. I lied about my age because I needed that job."

Anne Beckman forgave her ex-client. Today, however, she asks applicants she suspects of being "underaged" to provide documentation.

Personnel heads of such stores in Albuquerque as Sears, Ward's and Rhodes welcome job candidates sent by Anne Beckman. "They're so workeager," a top executive in a large bank told PARADE, "that during the preliminary interview they never ask about vacations, paid holidays, bonuses, overtime and fringe benefits. They bring up those items only after they've clinched the job. That's quite a contrast to the young snips fresh out of college who begin the interview by asking: 'When do I get my first raise?"

The praise is echoed by an executive with the White Winrock Motel here. "Some of Anne's people may look like Whistler mothers and ancient mariners, but they sure get points for non-absenteeism," she observes. "Their total sick leave each year is practically zilch. I love to have them around as an example of good performance to any goldbrickers on the premises."

Says Anne Beckman: "My people are as healthy as horses. And why not? Folks who live that long must be doing something right!"

GO-GO TYPES

From time to time, some of Anne's young-at-heart job aspirants show up dressed like go-go-grannies. "They wear styles generations too young for them," she laments. "Bermuda shorts, jumpsuits, miniskirts. I still remember the time a 70-year-old grandmother turned up in black gaucho pants studded with nailheads. I made her switch into a simple dress. After all, I had got her a job as a receptionist in a law firm!"

To discourage such couture, Anne runs a crash course in on-the-job attire for her protégés. Non-flashy outfits in cheerful colors are recommended. Thick lipstick, over-rouged cheeks and heavy perfumes are no-no's. "And I always advise elderly women not to touch up their hair if it's turned gray or white," she adds, "For example, wrinkled ex-redheads who dye their hair to restore its natural color look like grotesque crones. I tell them to look natural. Why fight that sweet-little-old-lady image?"

Anne Beckman is particularly adept in finding jobs for people new to the labor market. "I've never done an honest day's work in my life," an affluent widow once admitted to her. "All I did was travel with my husband and buy souvenirs in shops the world over. I don't even have enough housekeeping experience to be a maid."

"HIDDEN ASSETS"

Within 24 hours, Mrs. Beckman had placed her with a travel agency and, because of the woman's expertise, she was quickly made a tour director.

"Most people do not know how rich they are in hidden assets," points out Mrs. Beckman. "They don't realize that their hobbies, avocations and special interests often can be 'recycled' and sold as valuable commodities in the job market. For example, we had a woman here last week who casually mentioned that she had won many prizes in garden shows. I had no trouble getting her a job arranging flowers for a nursery."

Anne is responsible for hundreds of imaginative matchings of talents and trades. A granny with a flair for whipping up tasty hors d'œuvres was hired by a party caterer. A learned college professor, exiled into idleness by mandatory retirement policy, was offered a chair in a department store—behind its information booth.

Jack Graham, president of the Albuquerque Savings and Loan Bank, explains Anne Beckman's job-casting art this way: "The lady is a human computer. One section of her brain is a bottomless inventory of endless skills for which her people qualify. A second part is an exhaustive file of employers in every category. Press an invisible button, and Anne can find a round peg for every round hole."

OFFBEAT JOBS

Another job oasis for Anne is the telephone directory's Yellow Pages, where she discovers offbeat trades. Thus, for an elderly man with experience in metal work, she will phone-canvass a gunsmith, an umbrella company, a bicycle repair shop, a locksmith and a maker of coat hangers until she locates an employer who has a job vacancy.

Sometimes, when the jobs are not there, Anne Beckman creates them. When an elderly couple confided that they would have to sacrifice their home because its upkeep was too expensive, Mrs. Beckman persuaded a local architect to remodel it into a boarding house for the elderly.

Next, from the cards in her job-pool file, she enlisted oldsters who had formerly worked as plumbers, plasterers, electricians and painters. To pay their salaries, Anne used her "Granny Power" on a friendly banker to rush through a home improvement loan. In three months the job was done, and today the couple are secure in their own home and happy with their boarders.

Because "Rent-A-Granny" is run on a non-fee basis, it has an austere budget. Fortunately, a local church provides Anne with a modest office. A trickle of small contributions from grateful clients helps pay phone bills. Last year Mrs. Beckman reaped a small windfall when one of her people left her $500 in his will. "I promptly went out and blew the whole sum on direct-mail advertising," she reports.

VOLUNTEER HELP

To help process jobs, Anne Beckman leans heavily on an *ad hoc* staff of volunteer aides. Currently, they consist of four widows and one widower with a combined age of more than 325 years. All are adept at using the phone to convince employers that elderly workers have mature judgment, stability and dependability.

Recently, when Sen. Joseph Montoya of New Mexico read a tribute to Anne Beckman in the *Congressional Record*, her tiny office was swamped with requests for jobs from senior citizens all over the country. Surprisingly, employers responded, too, informing her of job opportunities.

This strong reaction has inspired Anne Beckman's dream of seeing her program go national. Already she is lining up a board of directors for her "Older American Council." They include her influential banker friend, Jack Graham, and David Rusk, the son of Dean Rusk, former Secretary of State. "There may come a day when 'Granny Power' will be a vigorous arm of the American labor force," she predicts.

Says E. Leonard Gillingham, pastor of Albuquerque's First Methodist Church: "Anne Beckman lit a candle for the older person when she initiated her 'Rent-A-Granny' program. She has made thousands feel useful again and cleared the social climate for people to recognize God's great wisdom in letting people age."

A petite woman once barged into Anne Beckman's office, a desperate gleam in her eyes. "You must get me a job, Mrs. Beckman," she pleaded, "even as a baby-sitter. Another day of watching the tube, and I'll be climbing the walls!"

THE RIGHT CHOICE

"How long has it been since your husband passed away?" Anne asked.

"Oh," replied the woman, "I'm not a widow. The bum's still alive. He was cheating on me with his bookkeeper. I couldn't afford to hire a detective agency, but I'd seen enough private-eye TV films to know what to do. So I tailed him myself until I collected photos, affidavits from hotel clerks and enough other incriminating evidence to show the judge. Now I get a nice alimony check every week. But I still want a job."

"I think I've got just the spot for you," Mrs. Beckman said, reaching for the phone. Her intuition proved correct. A few weeks later the woman was on the payroll of a security firm as a private investigator.

SENATOR PHIL HART

Mr. MUSKIE. Mr. President, a sensitive and moving article on Senator PHIL HART by Mr. Colman McCarthy was brought to my attention this morning. I know my good friend, PHIL HART, would blush at the article's high praise for him, and would probably say that he scarcely recognizes himself in its characterization of him. But the truths about our colleague, which Mr. McCarthy has so ably described, require me to test once again the modesty of this most modest, most kind, and most gentle man.

PHIL HART is a man whose friendship and faith have so enriched my years in the Senate that he must expect my encomiums as his final year in the Senate continues.

But for now, I want to share with the Senate the thoughtful article by Mr. McCarthy, which pays proper tribute to the greatness of PHIL HART. I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Feb. 2, 1976]

PHILIP HART:

THE GENTLE WAY AS THE EFFECTIVE WAY

(By Colman McCarthy)

A few years ago, a Washington journalist wrote a book in which he called Sen. Philip Hart "a man widely regarded as the gentlest and kindest in the Senate." The galleys of the book were sent to then Sen. Paul Douglas of Illinois, who had been asked to review the book for The Washington Post. He read the reference to Hart but was troubled. It took Douglas several phone calls to track down the author, who was at his vacation retreat. Talking with him, Douglas explained that he knew it was unusual for a reviewer to call an author before the book came out, but he had a suggestion for a galley change. Must it say that Senator Hart is "widely regarded" as the Senate's gentlest and kindest man? Couldn't the book just state "he is," and avoid the cop-out qualifier?

This story is not one of the vintage political tales that float to the top of the air currents in Congress, so many of the stories flavored to put down another member or raise up the teller. But the solicitude of Sen. Douglas—authentic feeling, not the hollow "my distinguished colleague" kind—suggests that nothing less was due Philip Hart than unqualified esteem. The session of Congress now beginning is Hart's last. His recent retirement announcement has prompted a number of Michigan politicians to seek to replace him. They can stop now. The seat will be replaced, but not the man.

In his 18 years in the Senate, Philip Hart has practiced as pure a style of politics as that body has ever seen, elevating not only the level of thought but also the vocation itself. In a profession often trivialized by fitful hacks who think political impact is made by the raised voice or eyebrow, Hart has remained loyal to the Greek meaning, politikos: of the citizens. What concerns the citizen? What possibilities can he be drawn to, or to what form of humanized service can the politician, the server, give himself?

Before a politician can adopt this cast of mind, he has to think first of keeping his job. From the record, it could seem that Hart has represented not Michigan at all, but a territorial outback whose citizens sent him to Washington with a moral compass, not a political one: point the needles not merely to our wishes back home, they instructed, but also to honesty and fairness. We will be served that way. Thus, with the auto industry as Michigan's largest employer, Hart has persisted in attacking the monopoly practices of the Big Three. He began or supported every major safety or environmental regulation involving Detroit. The state has the nation's second largest hunting force, but no one in the Senate has called for stronger gun controls. He supported busing in Michigan (because he believed in the rightness of it in the South) when other Democrats ran for pillows to make the issue more comfortable for fence-sitting.

Electoral risks put Senators on slide rules, moving them along exponentials that make the conscience a variable. The issues, like logarithms, are said to be complex. Perhaps. But Hart has remained the still point in the middle of complexity. Situation ethics make as little sense as situation politics. He was the only Senator to speak out in 1972 against Sen. James Eastland's becoming president of the Senate. The courage of Hart's stances has been perceived by the voters. He has never had a close re-election race; in 1970, he received as many votes as Gerald Ford in Ford's home district.

How is it possible for a man to be in the Senate for 18 years, a defender of periphery causes, and yet be held in deep affection by most other members? It is assuredly something more than Hart's soft voice or the merry Irish twinkle in his eye that does it. One explanation is that he has a style of personal humility that keeps his convictions from being crusted with either blowhard or diehard righteousness. He is known, much to staff impatience, for spending as much time examining an opposing position as in presenting his own.

"You never know your own motive most of the time," he said recently, "but most people are always assuming they know the motives of everyone else. But it's hard. It's hard for a politician looking at another politician. It's even more difficult for the public looking at the votes and the positions taken by a politician to determine what motivated that man. I am sure that there are people in Michigan, for example, who believe that the reason I have a voting record that conforms generally with the labor movement is because labor gave me money. And certainly in the liberal group, there's much too much of the assumption that the reason some conservative around here is conservative is because some company or corporate officials fund him. We liberals don't credit ourselves. I say I vote in a way that finds approval with labor because it happens that I believe that this is the best for the people. Our goals are common, but we arrive at them independently. The liberal is apt not to give the conservative credit for the same thing. A conservative may conclude quite independently of constituent pressure that the program of, say, the National Manufacturers Association makes good sense."

If Hart can look at liberals dispassionately, he also sees his own role in the Senate with a measure of restraint. "There's a terrible tendency here to think that everything we do and say, or omit to do, is of world consequence. But you know full well that you can go across the street and the bus driver couldn't care less." If caring is present, it must come from within the man. "I remember the expression that the politician is the lay-priest of society. The corporal works of mercy are part of the business of how the government runs. A solid case can be made that whatever the venality that attaches to the profession, politics is still a high vocation . . . I have regarded it as an opportunity to make a more humane life for everybody."

Hart's humanism was shaped by what he calls a typical education within the church school system: the Sisters of Mercy for eight years, the Christian Brothers for four, the Jesuits (at Georgetown) for four. At a moment when politicians and their families are being examined, Hart says of his children: "I won't try and guess what my own children may have felt about my being in politics or about me as a father, but I think my strong love of them has been reciprocated."

Little of Hart's Senate work has made him a national figure. He caught the glare during the ITT scandal when he was in the Senate contingent that went to Dita Beard's bedside, and he was on the committee that Richard Kleindienst deceived. Instead, he has been committed to the hidden and unshowy work of the hearing room. He came early and has stayed late on such issues as pesticide poisoning, lead gas fumes among inner city children, amnesty, no-fault insurance, decriminalization of marijuana, freedom of information, divestiture of the oil and auto companies. He will be gone before these matters are resolved in a way that citizens deserve, and others will likely be on hand to take winner's credit. But those who have watched closely will know who began the bold struggles.

Hart has no bitterness that his issues have attracted little press attention. It is hard to expect reporters to sit through unglamorous economic or antitrust hearings, he says, "when at the same time in the next room you have some hoodlum invoking the fifth amendment." For the occasional reporter who does cover the unnoticed hearing, Hart has special feelings. He speaks of one Washington journalist: "he has excitement in his stories simply because he is able to describe the way certain private interests have been able to twist debate or cause decisions to be made that disserve the general interest. But more often than not, this man is reporting the important issue though it is relatively heavy and unexciting."

In recent months, Sen. Hart has been hospitalized for cancer. On the subject of death and dying, he is as gently candid as on anything else: "When the doctor walks in and says it's cancer and they chase around for weeks trying to find the original source and still can't, you'd have to be a very insensitive fellow not to be shaken up. Sure you think about it. (Death) becomes not something vague that everyone knows is going to happen. It's something that not only is on schedule . . . but is in motion. And you do review the bidding and test the faith. I think now I'm prepared."

For the rest of this session, news reports will tell of other members of Congress retiring. Careers will be reviewed and testimonies given. It is likely to be different for Philip Hart. The public won't fully know how valuable and towering he has been in the Senate until next year, when he is not there.

ROUGH SLEDDING FOR UNITED STATES AT U.N.

Mr. McGEE. Mr. President, my friend, the distinguished Congressman from Minnesota, Mr. FRASER, has been one of the most eloquent and knowledgeable supporters of the United Nations in the Congress.

This fall, the Congressman served as a member of the U.S. Delegation to the 30th General Assembly of the U.N. Therefore, it was with considerable interest that I read an article written by DON which appeared in the December 22 edition of the Minneapolis Tribune. The article is an analysis of our performance during the 30th General Assembly, the issues affecting a more harmonious pursuit on the part of developed and less developed nations alike, of mutual goals, where we are, and where we could be with a little imagination and leadership.

DON FRASER has some very important perceptions about an indisposable international organization. I hope my colleagues will reflect upon his thoughts as outlined in his article. His observations come at a very opportune time.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Minneapolis Tribune, Dec. 22, 1975]

ROUGH SLEDDING FOR U.S. AT U.N.

(By DONALD M. FRASER)

WASHINGTON.—As long as the Middle East conflict continues, confrontation will continue between the United States and the majority of U.N. members. Anyone who participates in the U.S. delegation to the U.N. General Assembly, as I have done for the past three months, becomes acutely aware of the deeply divisive effect of the Arab-Israeli problem.

The United Nations need not be a hostile place for the United States. The consensus on international economic problems achieved at the two-week special session of the General Assembly in September shows that major agreements are possible and that most U.N. members are not "out to get" the United States.

Previous General Assembly sessions had been the scene of confrontation between rich and poor nations over how the world's monetary and natural wealth should be distributed. But at this year's special session the United States tried a new approach, reflecting recommendations made by a group of interested senators and congressmen in which I participated. This was a set of constructive proposals which demonstrated genuine concern for the economic problems of the developing nations without bowing to their more unreasonable demands.

The developing countries responded favorably, and after some compromises on both sides a consensus was reached which seemed to signal the beginning a new era of conciliation at the United Nations.

But the two-week special session turned out to be a brief honeymoon. Confrontation made a strong comeback during the regular session from mid-September to mid-December with the Arab-Israeli conflict permeating U.N. politics. In the interest of solidarity, large members of "Third World" nations supported the Arab positions, producing automatic majorities against the United States and Israel.

The Arabs won adoption of their priority resolutions: the notorious definition of Zionism as racism; the call for participation by the Palestine Liberation Organization in the Geneva Conference on the Middle East; and the establishment of a special committee to report to the Security Council on how to create a Palestinian nation.

The Arabs also achieved participation by the PLO in Security Council debates on the Middle East. But the Organization of African Unity refused to go along with the extreme Arab demand for expelling Israel from the United Nations, and there was a major split among black African states on the Zionism resolution.

The problem of southern Africa is the other big issue separating the United States and the Third World. Black African nations which together comprise more than a quarter of the total U.N. membership, favor a tougher U.S. stance toward the white racist regimes in South Africa and Rhodesia. But many of them declined to go along with the Arabs on the Zionism resolution out of a fear that if Zionism were defined as racism, the United States and other Western countries would be less willing to support a favorite African project—the U.N. Decade to Combat Racism and Racial Discrimination.

Their fear was justified. The United States and some Western Europeans are now reluctant to support the program for the "Decade" at all. However, the United States must now demonstrate—on its own if necessary—that it does indeed intend to take firm action against genuine racism.

Settlement of the Arab-Israel conflict would remove one of the biggest obstacles to cooperation between the United States and the majority of member nations in the United Nations. U.S. policy must accord the highest priority to a Middle East settlement which recognizes both Israel's right to a secure existence and the legitimate rights of the Palestinans.

If the black Africans appear to be resisting the more extreme Arab positions, then the United States should encourage them to do so. Unfortunately some of Ambassador Daniel Moynihan's public statements tend to work against this purpose, such as his remark that it was "no accident" that President Amin of Uganda is president of the Organization of African Unity. In fact, it was an accident; the OAU is stuck with Amin at the moment because it was Uganda's turn to assume the rotating presidency.

Moynihan also saw fit to defend South Africa as having "more press freedom than in the rest of Africa put together." We should not be content that our ambassador to the United Nations merely "speaks out forcefully." We have a right to expect him to have his facts straight and that he will avoid exaggerations and needless insults.

It was rough sledding for the United States at this year's General Assembly, but that need not be the case always. The United States and the majority of nations at the United Nations have a common interest in the betterment of mankind; they should work together, not against each other.

THE CITIES VIEW THE PRESIDENT'S BUDGET

Mr. MUSKIE. Mr. President, each year at this time, the National League of Cities and the U.S. Conference of Mayors jointly publish a review of the urban perspective. This year is no exception.

Entitled "The Federal Budget and the Cities," this document is a useful contribution to the ongoing national debate on the 1977 budget. Although one may take issue with specific conclusions of this report, it should be of great interest to each Senator. I ask unanimous consent that "The Federal Budget and the Cities" be printed in its entirety in the RECORD.

There being no objection, the document was ordered to be printed in the RECORD, as follows:

THE FEDERAL BUDGET AND THE CITIES

(A review of the President's fiscal year 1977 budget in light of urban needs and national priorities, January 1976.)

PREFACE

This report, "The Federal Budget And The Cities," examines the budget from an urban perspective. The first chapter offers a general overview of the budget and the implications the budget contains for urban America. The final chapter offers a glossary of terms. Other chapters deal with specific topics such as transportation, education, and environment and examine these major national concerns from an urban perspective. There is a new section this year reflecting the change in the important new congressional budget process and another chapter dealing with the major highlights of the budget.

Too often the public does not pay sufficient attention to the implications contained in the budget. The reasons for this public inattention are clear enough. The budget is not one document but four, with the budget appendix containing more than a thousand pages and literally hundreds of charts with numbers whose meaning is often elusive.

This study is the fifth edition of an annual series. It is prepared by the staff of the National League of Cities and the United States Conference of Mayors. The League, founded in 1924, and the Conference, founded in 1933, maintain joint offices in Washington, D.C. However, each organization retains its own president, officers, policy committees, members, and staff.

The Federal Budget, submitted to Congress by President Ford on January 21, 1976, represents the President's proposed financial plan for the federal government for the year beginning October 1, 1976. It not only takes into account economic and other factors, it also sets forth the priorities that the President deems essential to carry out his plan.

The budget is a political statement expressed in accounting terms. It is the single most important federal document published each year. It is the vehicle for the most significant and comprehensive collection of priority decisions that the United States government makes in the course of a year.

That is why the League and the Conference staff each year analyze the budget from an urban perspective. Judgments that are made in this document are based on policies adopted by locally elected officials at the annual meetings of the two organizations.

ALAN BEALS,
Executive Vice President, National League of Cities.
JOHN J. GUNTHER,
Executive Director, U.S. Conference of Mayors.

OVERVIEW

The Budget of the United States is a good roadmap of where we have been, where we are now, and where we should be going as a people. The Budget reflects the President's sense of priorities. It reflects his best judgment of how we must choose among competing interests. And it reveals his philosophy of how the public and private spheres should be related.—President Ford, Budget Message to Congress, January 21, 1976.

The President's $394 billion Budget for the fiscal year that will begin—for the first time—on October 1, rather than July 1, indeed draws his political, economic, fiscal, and philosophical roadmap through a year that will continue to see high inflation, unemployment, and a municipal fiscal drought.

Here are some landmarks on the President's roadmap:

The overall theme is to restrain federal spending.

The program priorities are essentially unchanged: more money for defense, less for domestic needs.

The Administration accepts an unemployment rate of 7.7 percent this year, yet offers no stimulus for job creation through either extended public service jobs programs or full employment goals set by the Employment Act of 1946.

It supports reenactment of General Revenue Sharing.

The Budget does not include anti-recessionary (countercyclical) aid to cities based on local economic conditions.

The Budget would raise Social Security taxes and some Medical payments in a way that pinches most of the pocketbooks of lower-income people.

The Budget proposes to redirect responsibility and authority for many health, education, social services, and child nutrition programs to state and local government.

The Administration wants Congress to hold the line on funding state and local governments while asking these jurisdictions to do at least as much, if not more, than they have been accustomed to doing in management, planning, public works, public safety, human services, and other areas.

The Administration generally believes in stimulating the economy by tax benefits to individuals and corporations, and not by federal supports to local programs and institutions.

An evaluation of the Budget must take account of two points:

First, the 94th Congress, under a new law, will assert its own priorities in a more orderly way than it did before it reformed its budget processes. In a "dry run" of the new approach, the same Congress last year cut the Administration's defense and international affairs budgets and increased the domestic budgets.

Second, the time frame of the Budget begins next October, and the actual impacts of its fiscal and economic policies will not be felt for months thereafter. But the time frame of the political discussion of the Budget has already begun and will continue until the Presidential and congressional elections next November.

The analysis that follows will attempt to assess the Budget as seen from the windows of America's city halls. We shall examine the programmatic, fiscal and economic impacts and compare the President's sense of priorities with our own. We do this with the knowledge that we have different perspectives and that both of them are based on honest conviction and legitimate interest.

The budget and the economy

As the President notes in his Budget Message, one important dimension of the budget is "as an element of our economic policy. The total size of the Budget and the deficit or surplus that results can substantially affect the general health of our economy—in a good way or in a bad way." Let us consider then the proposed FY 77 Budget as an element of national economic policy, and the implications of that policy for the nation's cities.

Where we've been

The Administration's FY 76 national economic policy consisted of:

"Gentle" stimulation of the economy through tax rebates and across-the-board business tax investment credits, while the costs of the worst recession since World War II were disproportionately placed on urban communities through higher unemployment, local budget cuts, layoffs, service reductions, greater welfare costs, and tax increases.

Restrained economic recovery through expenditure controls backed up by vetoes to avoid a recurrence of double-digit inflation, while tolerating long-term high unemployment, disproportionately concentrated in the nation's cities.

Stimulation of the economy in tradtional "trickle-down" fashion by reducing corporate and individual taxes, and running a large deficit, while not targeting assistance to the hard-hit urban communities.

Providing temporary amelioration through extended unemployment compensation and expanded public service employment.

The results of this policy for the nation's cities were grim:

Last year the government projected the 1975 national unemployment rate at 8.7 percent. The actual 1975 unemployment rate was 8.5 percent. Unemployment figures were generally much higher in the nation's cities, and extraordinarily high among the urban young, poor, and minority populations. Inflation proceeded at an annual rate of 9.1 percent.

The whipsaw of inflation and recession compounded the chronic economic problems of many of the nation's older cities; service reductions, layoffs, tax increases, and fiscal crisis were the "road" that many of the nation's cities traveled in 1975.

Where we are now

The President's proposed FY 77 budget, as a national economic policy document travels the same road as last year, and with grim determination. In his own words:

"If we try to stimulate the economy beyond its capacity to respond, it will lead only to a future whirlwind of inflation and unemployment.

"This is not a policy of the quick fix; it does not hold out the hollow promise that we can wipe out inflation and unemployment overnight. Instead, it is an honest, realistic policy—a policy that says we can steadily reduce inflation and unemployment if we maintain a prudent, balanced approach."

The elements of the policy are:

A reduction in the recent rate of growth of federal spending by more than half, to 5.5 percent.

"Restrained" stimulation of the economy by an additional $10 billion cut in income taxes, and a tax incentive for stock investment.

Continued focus on inflation rather than unemployment as the major nemesis of national well-being.

Restrained recovery through controlled government spending and modest across-the-board tax cuts; acceptance of continued high unemployment; "trickle-down" economics and the search for a balanced budget—these are the components of the Administration's economic policy.

The Budget makes little attempt to target assistance to compensate if not stimulate the cities hard hit by recession and inflation. The Budget does not offer even a sustained Public Service Employment program—it seeks to terminate that program by the end of FY 77. A potentially useful exception is a tax proposal to provide accelerated depreciation on investments made in high unemployment areas. Meanwhile, with the other hand, the Budget proposes severe cuts in federal economic development programs for cities and other communities. Increased Social Security Medicare benefits will be paid for by higher taxes or charges falling regressively on the poor, the disabled, and the elderly, major population groups in the nation's cities. And social service expenditures, which aid the urban poor, near-poor, and elderly, are the target of the President's strict budget controls.

Where we are going

The Budget projects a 7.7 percent unemployment rate for 1976. Thus, cities can look to continued unemployment, higher than the national average. With the reduction of Public Service Employment programs and the end of accelerated public works programs, the urban unemployment picture may even worsen.

Inflation, the Budget forecasts, will proceed at an annual rate of 6.3 percent in 1976.

Continuing between the pincers of high unemployment and inflation, many cities can look forward to more fiscal problems, further reductions in service, and increased citizen dissatisfaction.

Higher Social Security and unemployment compensation taxes will fall hard on the urban taxpayer.

Reduced federal social service expenditures will disproportionately affect certain urban populations.

The benefits of moderate national economic recovery may not reach many people in our nation's cities.

Thus the President's roadmap shows that the cities of the nation, provided with little assistance to confront their chronic economic difficulties, are to continue to bear the brunt of recession and inflation—and to trail the nation back to economic recovery.

The nation's cities, therefore, must take a hard look at the Budget and question its priorities in light of their own needs.

Budget Priorities—Within an overall spending ceiling, a debate naturally is joined over how the available dollars are to be allocated. One spending priority issue has been federal defense programs versus federal aid to state and local governments. The National League of Cities and the U.S. Conference of Mayors in past budget analyses have reiterated the same statement: the Administration's national defense budget allows increases commensurate with both future inflation and real growth, while the budget for cities does not.

The President said in his State of the Union Address, "The Defense Budget for FY 77 will show an essential increase over last year. It provides for a real growth in purchasing power over last year's Defense Budget."

TABLE OVERVIEW-1.—A COMPARISON OF NATIONAL DEFENSE AND FEDERAL GRANTS TO STATE AND LOCAL GOVERNMENT—OUTLAYS AND BUDGET AUTHORITY

[Dollars in millions]

	Fiscal years—				
	1975 (actual)	1976 (estimate)	Percent change	Fiscal year 1977 (estimate)	Percent change
Budget authority:					
National defense	91.925	102.299	+11	114.905	+12
Federal assistance to State and local governments	90.258	64.964	−28	63.435	−2
Outlays:					
National defense	86.585	92.759	+7	101.129	+9
Federal assistance to State and local governments	49.723	59.787	+20	20.523	+1

Table Overview-1 compares outlays and budget authority for FY 75, 76, and 77 for both national defense and federal grants to state and local governments. It clearly reflects that national defense is the Administration's number one priority. Furthermore, an analysis of this table reflects some trends that should be of grave concern to state and local governments. We find, for example:

A significant tapering off of outlays to state and local governments;

More crucially, a decrease in budget authority for state and local governments of approximately 20 percent since FY 75—in dollars, down from $90.3 billion in FY 75 to $63.4 billion in FY 77;

Outlays for national defense show a trend of growth increasing seven percent between FY 75 and 76 and nine percent between FY 76 and 77;

This is coupled with a similar trend in budget authority—an increase of 11 percent between FY 75 and FY 76, and 12 percent between FY 76 and 77.

National defense thus enjoys a continued increase in budget authority guaranteeing a commensurate trend in outlays; thereby minimizing its revenue/expenditure gap. On the other hand, federal assistance to state and local governments in the crucial areas of budget authority is decreasing in real dollars, thereby mandating a continued downward trend in outlays for this portion of the public sector. In the aggregate, Table Overview-1 shows that federal aid to state and local governments has not kept up with inflation.

(See table Overview-2 next page.)

Table Overview-2 breaks down federal assistance to state and local governments by function and examines the outlay figures in even greater detail.

Using FY 76 dollars as a base (deflating FY 77 dollars by six percent), the analysis shows these facts:

Outlays over the total category are down 4.5 percent;

Only four functional areas show any real growth in outlays;

Natural resources, environment, and energy;

Agriculture;

Commerce and transportation; and

Veterans' benefits and services.

The two tables show that state and local jurisdictions must continue to find non-federal revenue sources to combat the twin economic crisis of inflation and unemployment which besets both their governments and their people.

Income Security Priorities—It is also important to analyze the budget as an income security policy document. This year's Budget sets several priorities in the area, chiefly:

To reduce spending and wherever possible control the "uncontrollables";

To target income security program eligibility to the poor as defined by the official poverty level ($5,050 for a non-farm family of four).

TABLE OVERVIEW-2.—REAL GROWTH IN FEDERAL GRANTS TO STATE AND LOCAL GOVERNMENTS, OUTLAYS BY FUNCTION

[Dollar amounts in millions]

	Fiscal year—			
	1976 (actual)	1977 (estimate)	1977 (real estimate)[1]	1976 to 1977 (real percent change)[2]
National defense	$77	$67	$63	−17.9
National resources, environment, and energy	3,088	4,505	4,250	+37.6
Agriculture	499	556	525	+5.2
Commerce and transportation	8,227	8,990	8,481	+5.2
Community and regional development	4,008	3,917	3,695	−7.8
Educational training, employment, and social services	14,422	12,497	11,789	−18.3
Health	10,032	10,188	9,611	−4.2
Income security	11,212	11,434	10,786	−3.8
Veterans' benefits and services	73	80	75	+2.8
Law enforcement and justice	838	805	759	−9.5
General government	145	135	127	−12.4
Revenue sharing and general purpose fiscal assistance	7,166	7,349	6,933	−3.3
Total	59,787	60,523	57,094	−4.5

[1] Assumes an increase in State and local deflator of 6 percent.

[2] Fiscal year 1976 dollars.

Source: Special Analyses of the U.S. Budget of Fiscal Year 1977.

One device for reducing spending, namely lowering income eligibility levels, would particularly hurt those, especially the unemployed, whose income is too high to qualify them for assistance but too low to guarantee them the amount needed to maintain the minimum standard of living in urban areas. For example, in the food stamp program, there is no justification for reducing the income eligibility criteria below current levels ($6,480 in net income for a family of four), as Department of Agriculture statistics show that, based on these eligibility levels, participants are all poor or nearly poor. Virtually all participants are in households with after-tax incomes of under $10,000. Only 13 percent of participants have after-tax incomes over $6,000, and almost 90 percent of those households have more than four members.

The National League of Cities and the United States Conference of Mayors take exception to the goal of the Administration to target a number of these programs *only* to those below the official poverty line. It is true that a number of people below that line are not receiving the benefits due them, and we strongly favor providing such benefits. However, it is important to examine the validity of the official poverty line as the "magic" income level above which Americans need no assistance at all to assure them an adequate subsistence. It should be noted that the U.S. Bureau of Labor Statistics (BLS) has concluded that an average urban family now requires $9,198 to live at BLS's *lowest* living standard.

All of these priority issues will now be debated in Congress.

Congress and the Budget—Congress now has a mechanism for reviewing the President's total budget and formulating an alternative congressional spending plan. Under the Congressional Budget and Impoundment Control Act of 1974, newly-created budget committees in both houses of Congress are setting target figures for federal spending, revenues, and the corresponding deficit and public debt. This process is discussed in the chapter "Congress and the Budget." The two budget committees have become forums for debate on budget priorities, and the spending targets in functional areas such as health, education, and defense that are finally adopted reflect Congress's own sense of national priorities.

Although the new congressional budget reform process became law only recently, Congress went through a "dry run" last year on the FY 76 Budget. It is important to compare the Administration's priorities as contained in the FY 76 Budget with Congress's priorities by examining the values each assigned to some of the functional areas, as in Table Overview-3 on the next page.

As one can see, the priorities reflected in the second budget resolution adopted by Congress in December, 1975, were significantly different from those proposed by the Administration in its February, 1975, budget submission. Congress assigned greater value to human resource and economic stimulus programs and less to defense and international relations than the Administration did.

Although one cannot, necessarily, expect the relationship demonstrated above to hold this year as the FY 77 Budget proceeds through Congress, it is important to realize that Congress again has an opportunity to reorder national priorities in a way that is different from those proposed by the Administration. In this election year, it is likely that pressures on members of the House and Senate Budget Committees as well as other members of Congress to be "fiscally responsible" will translate into votes to tightly limit spending for all programs. But the opportunity still exists that within whatever spending ceiling is established, a different ordering of priorities can occur.

TABLE OVERVIEW-3

[Authorizations in millions of dollars]

	President's budget request, Feb. 3, 1975	Final congressional action, Dec. 1975[1]	Percent increase or decrease
National defense	$107,700	$101,000	−6
International affairs	12,627	6,000	−52
Natural resources, environment, and energy	12,222	18,700	+53
Commerce and transportation	6,602	19,000	+188
Community and regional development	5,164	9,500	+84
Education, manpower and social services	13,686	21,300	+56
Health	31,022	33,600	+8
Income security	126,276	137,500	+9

[1] Reflected in the2d concurrent resolution as approved by the Congress in December 1975.

The President's Budget attempts to define a more appropriate balance" between the public and private sectors, between the federal government and state and local government, between domestic and defense expenditures, and between vexing inflationary pressures and persistently high levels of unemployment.

These policy thrusts are clearly reflected in the programmatic decisions in the Budget. For cities, the result is a widening of the revenue/expenditure gap at the local level. A number of national and/or local initiatives will have to be taken to resolve this gap, including:

At the local level

A major increase in local, usually regressive, taxes;

A substantive cutback in essential municipal services;

A delay and/or postponement of necessary capital improvements;

A reduction in municipal employees.

At the national level

Tax reform;

A shift in responsibilities (with commensurate funding assistance and authority) throughout the federal-state local system;

A stimulation of the public sector by an anti-recessionary package.

A failure to close such a gap would have a devastating impact on the condition of our nation's cities and the general public welfare. There is little movement discernible in the FY 77 Budget toward these more positive national policies which ameliorate detrimental impacts on localities.

While significant reductions occur in most programmatic areas of the FY 77 Budget, there are two critical exceptions to this trend:

General Revenue Sharing—First, the Administration continues its strong support of General Revenue Sharing. We commend it for this. The Budget reflects the Administration's legislative proposal for a 5¾ year extension of the revenue sharing program. With the current program expiring on December 13, 1976, it is imperative that the Congress act immediately to insure the continuity of this vital domestic assistance program. Revenue sharing funds, however, have been subject to the same inflationary erosion that has occurred throughout the local sector. The Budget calls for continuation of General Revenue Sharing through October of 1982, with an annual funding increase of $150 million, or slightly below 2.5 percent. By 1982, it is estimated the real dollar value of General Revenue Sharing funds will be 24 percent below the 1972 allocations. To compensate for this inflationary erosion, the nation's cities are asking Congress to increase the revenue sharing trust fund by a minimum of $500 million a year.

Community Development—Second, the Administration is honoring its commitment to fund fully the Community Development (CD) Block Grant program. We commend it for this, too. This program, which is now operational throughout the country, provides flexible assistance to local governments. Under CD, seven categorical programs have been consolidated into a block grant, with funds being distributed directly to cities.

The simplification and decentralization that have occurred under revenue sharing and CD block grants have succeeded. However, while cities will continue to press for simplification and decentralization of federal domestic assistance programs, the FY 77 Budget raises some serious questions about the direction of the Administration.

Block Grants—The Budget extends the block grant approach to four new areas: education, health, social services, and nutrition, all of them mired in myriad individual categorical grants. While the nation's cities welcome these initiatives to reform domestic assistance programs, serious questions need answering before the existing categorical system is abandoned.

Cities are deeply concerned that the latest block grant initiative contained in the FY 77 Budget will lead to reduced funding to the local level. With the elimination of state matching requirement and the total reliance upon the state to decide whether to receive the federal block grants, and how to spend them, cities need statutory assurance that they will not only receive their fair share but also will be involved in the state's planning policy making, resource allocating, program designing, and evaluating processes. Decentralization, simplification, and administrative efficiency must not become the rationalization for a reduced federal commitment to urban America.

Given these concerns, the nation's cities cannot give blanket endorsement to the President's proposals to fold 58 categoricals into four new block grant programs. We are optimistic, however, that when the actual legislative proposals are introduced, our concerns can be addressed and Congress and the President can approve an effective block grant approach.

Other Major Urban Programs—The rest of the Budget for direct grants to cities is characterized by restraint and phaseouts. Here are some major examples:

Public Employment—phase-out of 260,000 emergency Public Service jobs between January, 1977, and October, 1977, and, in addition, a 100,000 summer youth job reduction.

Mass Transit—50 percent ceiling on Urban Mass Transportation Administration (UMTA) grants for operating assistance for mass transit. Currently, 90 percent of the formula funds are used for operating costs.

Law Enforcement—decrease of 12.7 percent from FY 76 appropriations.

Construction Grants for Waste Water Treatment Works—no new funding requested to meet existing federal standards.

Economic Development—35.4 percent reduction in Economic Development Administration (EDA) appropriations from FY 76 levels.

Small Cities—elimination of the community facilities grant program under the Rural Development Act.

Planning and Management Assistance—14 percent reduction from FY 76 appropriation.

Education—cutback of more than $1.3 billion below funding level appropriated by Congress for FY 76.

These proposals would only add to the already substantial fiscal woes of city governments.

Fiscal impacts on city governments

During the past year, recession and inflation had devastating fiscal impacts on governments as well as on economic conditions in cities. The President's Budget offers mayors and city councils little solace. On the contrary, they are now being told that they must bear an additional burden to assure economic improvement.

Inflation and recession have cut deeply into public budgets. Cities face a variety of steadily rising costs—inflated payrolls, more costly supplies, equipment, and energy, and capital improvements financing at high interest rates. Revenues, provided mainly through taxes that tend to fall short in times of recession, are inadequate to meet costs. And federal assistance to local government has not kept pace with inflation.

In today's economic conditions, the daily dilemma in more and more city governments is making the difficult choices among raising taxes, laying off personnel, cutting public services, and/or delaying sorely-needed capital improvements. The irony of it all, of course, is that the more cities succeed in achieving a balanced budget, by either raising local taxes or laying off local governmental personnel, or both, the more they counter the national thrust to stimulate the economy through decreased taxes and increased employment.

Paradoxically, as economic activity declines and unemployment rises in cities, greater and greater social, political, economic, and fiscal demands are placed on the public sector and especially on local governments. At the very time that public needs are increasing, fiscal capacity is declining. For example, according to the Congressional Joint Economic Committee, state and local governments lost over $20 billion in revenues during 1975 due to the recession.[1] This precipitated significant budget adjustments by local government. Cities enacted an estimated $1.5 billion in new taxes and reduced expenditures by approximately $1.4 billion in the same year. That is a total of approximately $3 billion taken out of the economy by local government alone, right in the middle of the worst recession since World War II.

The Administration's determination to provide anti-recessionary economic stimulus through the private sector, as detailed in its Budget, will serve only to widen the local budget gaps between revenues and expenditures.

The FY 77 Budget and related Administration policies will cause additional hardship to the governments and the people of cities in three important ways:

1. By accepting a high rate of unemployment and a relatively slow rate of recovery from the recession;
2. By restraining federal grants-in-aid to state and local governments; and
3. By mandating greater spending obligations on local governments.

The first two points are examined in detail elsewhere in this analysis. The third point bears further examination here.

Over the years, the federal government, by executive, legislative, and judicial action, has set forth a number of requirements for local government that have had a negative, and often severe, impact upon local budgets. As the economic status of cities is analyzed, the impact of these mandated costs, without the commensurate federal revenues to assist in assuming the burden, must be taken into account. Such personnel-related requirements as the minimum wage, workmen's compensation, Old Age Survivors and Disability Insurance, as well as the costs associated with the attainment and maintenance of air and water quality standards, and the impact of the Brooke Amendment on public housing costs are but a few examples of existing federally-imposed burdens.

The FY 77 Budget contains proposals that would add to these burdens—once again, without the commensurate federal revenues to carry out the mandated responsibilities. For example, proposed:

Social Security reforms would make it necessary for local governments whose employees are in the system to increase their contributions to the trust fund.

Reductions in federal support for water pollution abatement would require local government to increase spending vastly to meet federal standards, unless the standards are relaxed.

Cutbacks in federal mass transit operating subsidies would virtually compel compensating outlays by local governments.

Unemployment compensation changes would displace the responsibility for 26 weeks of benefits presently funded fully by the federal government, leaving local government the option of either providing these benefits or increasing their welfare load.

Cuts in federal funds for water quality and health planning, regulation, or management without any change in elaborate federal requirements for carrying on such activities on an areawide basis probably would oblige local governments to pick up the costs.

Additionally, lack of direct federal funding to local governments, implicit in the Budget's proposed block grants for health, social services, and child nutrition, places the future of existing local direct service programs in jeopardy. If funds are not forthcoming, local government will have to either assume the costs of these programs themselves or suffer the political consequences of eliminating them.

These depressive features of the Federal Budget could have several adverse impacts locally and nationally. Among them could be a halt or a delay in the economic growth of cities, a distortion of their own sense of priorities, and a cutback in their fiscal outlays. Should state and local governments be forced to curtail spending, which represents 16 percent of the gross national product, the negative effect on economic recovery would be severe.

The Budget makes little attempt to assess the financial consequences of these impacts on other levels of government, but it is clear that the net effect is that city and county governments become unwilling agents of fiscal drag at the local level.

Tax Expenditures—Apparently the Administration does not view local government as a resource in stimulating the economy and playing a vigorous role in solving the national problem of recession which is highly concentrated in cities.

The Budget, rather, proposes to stimulate the economy by providing incentives through the "tax expenditure" approach. Rather than appropriating funds for certain identifiable purposes, the Budget provides tax incentives for private investment. The sharp reductions in appropriations for the public works and economic development area illustrate this shift in approach. State and local government have a role in shaping economic expansion through the public works and economic development programs. The tax expenditure approach does not contemplate local government participation.

The weakening effects of this Budget on local government is most significant because of the social and economic impact it would have on the people living in cities: workers would be unemployed longer. They would have extended unemployment benefits rather than jobs, while the local government would have to cut back on essential services, lay off employees, and contribute added sums to unemployment checks.

The effect of all this would be to add to public disenchantment with government at all levels.

Epilogue

In assessing the Budget, we have examined the economic, social, fiscal, and programmatic implications. It is necessary to add one more dimension: the public's confidence in its leaders to provide for basic human needs, whether those leaders are in the White House, the Congress, the state capitol, the county court house, or the city hall.

If the economic recovery is too slow or too limited, if unemployment and inflation remain at a high level, and the federal government's most common response is discontinuity of support for the people and the institutions that serve them, then they will ask whether the government is truly doing its job.

By "the government", the people mean *all* elected officials: the President, the Congress, the governors, the state legislators, the county officials, the mayors, and the city councils.

BUDGET HIGHLIGHTS

Aging

Senior citizens living in cities will feel the pinch of Federal Budget reductions in several ways. The $10 million cut in funds to the Administration on Aging (AoA) will force city-designated Area Agencies on Aging (AAA) to compete for funds in light of AoA's plans to designate 100 more AAA's.

Phase out of Title VI of the Comprehensive Employment and Training Act (CETA), which employs seniors, coupled with no budget request for Title IX (the Older Americans Community Service Employment Act) will result in serious unemployment among the urban elderly.

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[1] Source: *Survey of State and Local Finances*, prepared by the Joint Economic Committee, 94th Congress, May 7, 1975.

Cost-of-living increases in social security; congressional interest in maintaining Title VII nutrition programs; and requests for ACTION and Community Services Administration (CSA) programs are the only Administration indications of the plight of the urban elderly.

Alcohol and drug abuse

Alcohol abuse programs will be folded into the Administration's Financial Assistance for Health Care Act which consolidates 16 categorical health care programs into a single block grant to the states. Community programs are most affected as local project grants will be cut from $45.5 million to $33.4 million while grants to states will remain at the same level.

Drug abuse programs fared much better than other HEW programs by remaining at approximately the same funding level as FY 76—$482 million. An increase in treatment grants will be used to test treatment of drugs most harmful to society, not including marijuana. Drug programs will not be included in the health block grant proposal.

Community action programs

The Headstart, Economic Opportunity and Community Partnership Act of 1974 established the Community Services Administration (CSA) and provided that all Office of Economic Opportunity (OEO) programs be transferred to CSA. The core of CSA activity is carried out by local Community Action Agencies (CAA) and $267.3 million has been requested for "local initiative" programs—an increase over last year. However, local governments will be financially challenged to provide a 40 percent match for their CAA's in 1977.

No funds were requested for nutrition, summer youth recreation, and research and development programs while $10 million was requested for the Senior Opportunity Services (S.O.S.) outreach program.

Criminal justice

Although the President stated that the Law Enforcement Assistance Administration (LEAA) block grants to state and local governments were working very well, the FY 77 budget requests for the popular Part C (Safe Streets Act Amendments) is $60 million short of last year's totals. However, a new $50 million item is requested for the High Crime Area Program which will directly benefit cities.

Other reductions in the criminal justice budget are the phasing out of the Law Enforcement Education Program (LEEP) and the Juvenile Justice and Delinquency Prevention Program.

Defense

For the second year, the Administration proposes to increase the military budget in real terms. After inflation on pay and purchases has been taken into account, the request of $114.9 billion in budget authority and $101.1 billion in outlays represents a constant dollar increase of $6.7 billion (6.6 percent) in budget authority and $3.0 billion (3.3 percent) in outlays. The growth in the military budget is caused principally by tremendous expansion in procurement, research and development efforts and the outfitting of two Army divisions.

Economic development

Although the Administration has decided to continue the life of the Economic Development Administration (EDA) for three years, it will live on a closely cropped budget of $248.9 million. The two-thirds drop from FY 76 all-time high levels of $760 million is attributable to expiration of the acclaimed Title X Job Opportunities Program in December, 1975. The Public Works Program of EDA-designated communities is cut by the largest dollar amount.

Only $50 million is requested for the Office of Minority Business Enterprise (OMBE) and there is no item for the "City OMBE" program proposal in the FY 76 budget.

Education

Two Administration strategies are evident in the lowered requests for education financing: a push to rescind $1 billion of the $7.4 billion FY 76 appropriation (which has been resisted by Congress); and a conversion savings by proposing an education block grant to states.

Funds under Aid to Impacted Areas are requested at the same level as FY 76 only for "A" children whose parents live and work on federal property. No request is made for "B" children whose parents work but do not live on federal property; or "C" children who live in public housing.

Requests remain constant for both handicapped education and vocational education programs. Desegregation aid was slightly increased.

Employment

Programs funded under the Comprehensive Employment and Training Act (CETA) would receive $2.8 billion in FY 77 which is slightly less than the FY 76 appropriations. Based on an assumption of declining unemployment, 260,000 public service jobs (Title VI) will be completely phased out between January and October 1977. A ceiling of $7,000 will be placed on the federal contribution of CETA salaries.

Supplemental appropriations of $400 million will be made later this year to fund 672,000 summer youth jobs, a reduction of 100,000 slots from the anticipated 1976 level.

Legislation will be introduced to merge the training part of the Work Incentive Program (WINN) under CETA.

Energy

Energy budget proposals reflect the Administration's interest for energy independence by 1985 through expanding research and development (particularly nuclear research), increasing production of fossil fuels and encouraging energy conservation. To support these activities, the FY 77 Budget request is $10.4 billion—a healthy increase of 30 percent over last year. It is further anticipated that the Administration will request additional funding to implement the Energy Policy and Conservation Act of 1975, which was passed too late to be included in this budget.

Environment

The Environmental Protection Agency will suffer a loss of $53 million in budget authority and the hardest hit program is water pollution control. Only previously impounded unobligated funds, amounting to $10 billion, are available to the wastewater treatment works program in FY 77; and the Section 208 areawide planning program will be phased out.

Local governments will be expected to pick up the bulk of the national water pollution cleanup effort under the Administration's program to strike a more "appropriate" balance between federal and non-federal responsibilities.

Funding for air pollution, solid waste and noise programs remains essentially the same as in FY 76. Deadlines for compliance with standards established under air and water pollution laws are now only one year away.

Food stamps and nutrition programs

In the food and nutrition area, the Administration has three objectives: to reduce income security costs; to consolidate child nutrition programs into a block grant; and to target programs to those below the poverty level. The FY 77 Budget for food stamps and child nutrition is 25 percent lower. By reducing the number of food stamp recipients to 5.3 million people, a $1.2 billion savings will be realized and by consolidating nutrition programs another $1.2 billion is saved.

Health

The Administration proposes a health consolidation composed of Medicaid and 15 other categorical health care programs. The emergent block grant amounting to $19 million would be given to states and would consist of: less total federal funds; no state matching requirement; and no assured role for cities and counties. The recently created Health Systems Agencies (HSA's) will be threatened, while money for block grants to local health departments (under Section 314(d) of the Public Health Service Act) would be folded into the state pot.

It was felt that National Health Insurance was too costly so a limited catastrophic insurance under Medicare — coupled with higher payments by beneficiaries — is proposed instead.

Housing and community development

Unlike other departmental requests, the budget for the Department of Housing and Urban Development (HUD) has increased by one-third and totals $9.1 billion. Most significant to cities is the FY 77 request for full funding of the Housing and Community Development Act of 1974 at the level of $3.25 billion.

The Administration has requested $850 million in contract authority for the Section 8 Housing Assistance Payments program and will use this vehicle to reduce the inventory of foreclosed properties.

Management assistance

Significant cutbacks in most of the planning and management grant programs will touch cities directly and indirectly as members of regional planning agencies. Some constant favorites have been cut: HUD's Comprehensive Planning Assistance (Section 701) is cut from $75 million to $25 million; Intergovernmental Personnel Act (IPA) funds are reduced by $5 million; and EPA's Areawide Wastewater Planning (Section 208) is being phased out with $15 million answering a $300 million needs requirement.

Research and development

A mixture of gains and losses appear in the various research budgets with HUD being the winner of an $8 million (13 percent) increase in FY 77. The other large increases are found in the defense budget and the energy budget (nuclear and solar research).

The Research Applied to National Needs (RANN) program of the National Science Foundation's (NSF) budget will drop by nine percent to $8.5 million. The Justice Department's research efforts will be curtailed by 37 percent. For cities the increases are a matter of catching up on urban research which continues to have a low priority in the federal government.

Social services

In the 1974 amendments to the Social Security Act was a new Title XX which was a forerunner to the social services block grant mentioned in the Administration budget. By keeping the budget at a level of $2.5 billion, several modifications will leave states with fewer restrictions, no matching requirements and greater emphasis on welfare recipients (those receiving AFDC, SSI, or Medicaid) or people below the poverty level. Local governments have very little voice in state Title II expenditures but are being encouraged to participate in needs assessment and resource identification.

Small cities

Programs authorized by the Rural Development Act are plowed under in the Department of Agriculture budget for FY 77. All community facilities grant programs (water and sewer, fire protection and industrial development) benefitting communities of 50,000 and less are being abandoned and small cities encouraged to take advantage of HUD's community development block grant funds. Counterpart rural loan programs are funded at a constant level of $1.02 billion as in FY 76.

Transportation

While there are no significant reductions in transportation programs, a major policy decision will have a serious impact on cities operating budgets. The Administration proposes a ceiling of 50 percent on the use of Urban Mass Transportation Administration (UMTA) grant funds for operating assistance. To date, local communities have spent approximately 90 percent of UMTA Sec. 5 monies for subsidizing public transit operating costs. The full authorization level of $650 million (a $150 million increase) has been requested for FY 77.

Requests for airport planniing and construction grants for FY 77 remain unchanged from last year at $350 million. All non-interstate highway programs are combined into a single category making it difficult to discover funds available for urban extension programs.

Veterans

The Veterans Administration budget anticipates a decline from $19 billion to $17.2 billion in FY 77. The major cutbacks are found in GI Bill education outlays because three million veterans will lose eligibility in June, 1976. Although unemployment among veterans, particularly of the Vietnam era, is at an all-time high, no provisions are made to operate service centers or extend the GI Bill.

BUDGET PROCESS

This year in the forrmulation of the 1977 Budget, the Congress will be fully using the new budget procedures required by the Congressional Budget and Impoundment Control Act of 1974. Under the new procedures, Budget Committees in both houses of Congress will set target figures for budget outlays and authority, revenues, and the corresponding deficit and public debt.

In addition to setting government-wide spending targets, the Budget Committees will also break down the totals among 16 program or "functional" areas—health, veterans' benefits, community development, etc. A "concurrent resolution" containing the total and functional targets must be passed by the Congress in the Spring before the House and Senate can proceed to consider individual appropriation bills.

In September, after action on all appropriation measures is complete, Congress must pass a second budget resolution—either maintaining the original targets or revising them. If necessary, the Budget Committees direct other legislative committees to take action to cut spending authoriy or entitlements or to raise taxes. After enactment of the final reconciliation bill, Congress may not consider any spending or revenue legislation, including supplemental appropriations, that raises spending or cut revenues, without adopting a new budget resolution.

Therefore, Congress will address federal fiscal policy explicitly. It will be deciding whether the federal budget will serve to expand or contract economic activity. This year, Congress will be forced to vote a large deficit because the current recession has caused a loss of revenues and greater outlays for unemployment compensation, welfare and like programs. However, the issue will be "how much deficit", and the determination of how much stimulus is needed to achieve economic recovery. Aside from a debate on the relative priorities of government, the budget resolutions provide a major opportunity for Congress to debate the future course of the economy.

The new budget timetable—partially followed in 1975 and mandated for 1976—calls for the following action:

On or before

November 10—submission of President's "current services" budget estimating the spending required during the next fiscal year to maintain current programs at existing levels.

15th day after Congress convenes—submission by the President of the next year's Executive Budget.

February (not required by law until April 1)—preparation and submission of Congressional Budget Office report, articulating alternative fiscal policies and budget priorities.

March 15—submission of committee reports, estimating the budget authority and outlays necessary to fund programs within their jurisdictions.

April 15—reporting of the first concurrent budget resolution by the Budget Committees.

May 15—deadline for adoption by Congress of first resolution. All authorization bills for FY 77 must be reported as well.

7th day after Labor Day—completion of action on all appropriations bills.

September 15—adoption by the Congress of second budget resolution setting a final ceiling on spending and a floor on revenues.

Sepember 25—completion of reconciliation action, if necessary, making legislative adjustments required by the second resolution.

October 1—start of new fiscal year.

The Budget Act establishes a new October 1—September 30 fiscal year for the federal government. The shift to the new timetable will take place this year, i.e., fiscal 1977 will begin on October 1, 1976. The three-month transition quarter between FY 76 and 77 (July 1–September 30, 1976) was handled separately in the President's FY 76 Budget and is accounted for in the FY 77 Budget. This change to a new fiscal timetable is intended to give Congress adequate time to formulate its budget prior to the start of the new fiscal year. In the past, Congress has rarely passed all 13 of its appropriation bills by the start of the fiscal year, forcing many agencies into the uncertainty of relying on continuing appropriations for a part, if not all, of the year.

It is important to note that the new schedule does not allow—unless Congress agrees to waive this requirement—any action by either the House or Senate on appropriation bills until after passage of the first budget resolution in May. As a result, many programs important to cities may not be funded until relatively late in the year. This delay is particularly critical for general revenue sharing, since the program, which expires in December, may not be renewed before the late summer. This could result in payment lapses and certainly this would cause local governing bodies extreme problems in orderly budgeting for their own coming fiscal year. In some instances, mayors and city councils would have to raise property taxes and/or cut back services to compensate for this lack of commitment.

Although the new budget process is intended to give Congress greater control over fiscal policy, it could possibly affect the level of funding of urban programs. If the implementation of the process in 1975 is any guide, the priorities reflected in the first concurrent budget resolution, once passed by Congress, will be difficult to change through subsequent appropriations. Although intended to be flexible "targets" for federal spending, the budget numbers of the first resolution quickly become cast in concrete as "ceilings" or caps on congressional spending.

The two Budget Committees offer, for the first time, a congressional forum for debate on national priorities. In addition to setting functional and total spending levels, the Budget Committees will also make longer-range, five year projections of federal budget needs and directions, and study the fiscal impact of "tax expenditures"—those tax credits, deferrals and deductions that benefit certain groups or subsidize certain activities.

The fact that there is now a priorities vote in the Congress on the *entire* Federal Budget offers urban interests the opportunity, as well as the responsibility, to articulate their priorities. This year, for example, city officials concerned about reinstating the Administration's proposed cuts in CETA programs, education funds, LEAA grants or other programs have another mechanism to change the Administration's Budget.

It is likely to be difficult, however, in an election year for the House and Senate Budget Committees to formulate and approve a budget resolution that adequately *meets social and urban needs:* Pressures on members of Congress to be "fiscally responsible" and to vote against a deficit may very well translate into votes to limit overall federal spending.

Four other features of the new process have significance for city programs:

1. An important section of the new Budget Act requires that any bill providing new budget authority, or new or increased tax expenditures, be accompanied by an analysis of its probable impact on state and local governments. Moreover, the first concurrent resolution must include a statement of significant changes in the proposed level of federal assistance to state and local governments.

2. The new Budget Act attempts to bring backdoor spending (legislation, like veterans' benefits, that bypasses the regular appropriations process) under tighter congressional scrutiny. Beginning this year, funds for new contract or loan authority require annual appropriations, and new entitlement programs, with few exceptions, must be approved by the Appropriations Committees.

3. The Budget Act limits the President's ability to "impound" funds made available by the Congress. A special message must be sent to the Congress if the President wishes to "rescind" or "defer" the spending of appropriated funds, stating the amounts and reasons for his request. Unless Congress approves a proposed rescission within 45 legislative days the money must be spent. Deferrals automatically take effect unless Congress acts to disapprove them.

However, the impoundment statute has not always worked the way it was intended. Rescissions proposed by the President have continued in effect up to 90 calendar days, due to congressional recesses and end-of-year adjournments, despite Congress' refusal to approve the proposals. The long delays in the expenditure of funds have served to disrupt several federal programs.

The President's 1977 Budget further clouds the rescission/deferral problem by including proposed rescissions in the "estimated' 1976 outlay and budget authority figures for the Departments of Labor and Health, Education and Welfare. The inclusion of proposed impoundments, given the remote likelihood of congressional approval, results in an understatement of 1976 spending and an illusory 1977 spending "increase".

4. As of November 1975, the President is required to submit an annual current services budget estimating the spending necessary to maintain federal programs at existing levels. This year, the FY 77 current services budget projected that outlays of $414.5 billion and budget authority of $450.4 billion would be necessary to maintain ongoing programs. In contrast, the President's FY 77 Budget proposes to actually spend $394.2 billion in outlays and $433.4 billion in budget authority, substantially below current service levels.

AGING

The Older Americans Act of 1965 created the Administration on Aging in HEW to "secure independence and dignity in a home environment for older persons . . . with appropriate social services . . ." such as transportation, homemaker assistance, legal advice, home repair, health care, employment and nutrition. The budget request for the Administration on Aging (AoA) is $192.6 million, $10 million less than FY 75 and FY 76.

Authorities in the Old American Act that impact city governments are:

Title III—State and community programs. The lion's share of Older Americans Act monies are distributed to 50 states and more than 450 multijurisdictional Area Agencies on Aging (AAA). While only 12 cities are designated as AAAs, (Boston, New York City, Baltimore, Washington, D.C., Cleveland, Chicago, St. Louis, Los Angeles, San Francisco, Portland, Seattle and San Juan), 75 percent of the nation's elderly live in urban areas and receive assistance from a variety of federal programs.

The FY 77 request for state and community programs—$97 million—is less than half that authorized by Congress—$231 million—in FY 76.

Title IV—Training. There is no request for funds in FY 77 by comparison to $8 million provided in FY 76.

Title VII—Nutrition. Most visible to Congress is the hot meals program for the elderly. The budget request of $88 million anticipates a $62 million carry-over totalling $150 million although Congress has authorized $250 million. Many city governments operate the popular Title VII programs and will be hard pressed to make ends meet due to escalating food prices. In the FY 76 HEW-Labor appropriations bill, Congress specified that the nutrition program should reach a $187.5 million level by FY 76.

Title IX—Older Americans Community Service Employment Act is administered by the Department of Labor (DOL). The budget requests no funds although the Congress has authorized $150 million for FY 77.

Social security

For the nearly 33.3 million beneficiaries of the Old Age, Survivors and Disability Insurance (OASDI) program, the most significant impact of the numerous amendments to the Social Security Act relates to cost of living increases and reforms designed to reduce outlays in FY 77.

Responding to the overwhelming Congressional rejection of a 5 percent cost of living ceiling on Social Security payments, the Administration has requested an additional $11 million to cover the additional benefits and the cost of living increase. This will affect local governments who must administer a .3 percent increase (from 5.85 to 6.15) on the wage tax base which will be raised from $4200 to $6000 effective January 1, 1977.

TABLE A-1.—PROPOSED FUNDING FOR PROGRAMS UNDER OLDER AMERICANS ACT

[In millions of dollars]

	Fiscal year 1975 actual	Fiscal year 1976			Fiscal year 1977	
		Request	Authorized	Appropriated	Request	Authorized
Title II—Council on Aging	$0.500	$0.575	(4)	(1)	$0.575	(4)
Title III—State and community programs on aging	104.8	96 *24	180 *57.75	(1)	97	$231
Title IV			(4)	(3)		
Training	7.9	0		$8	0	(4)
Research	7	7	(4)	(1)	7	(4)
Title V—Multipurpose centers	0	0	(4)	(1)	0	(4)
Title VII—Nutrition	125	99.6 24.9*	200 62.5*	[2] 125	88	250
Title IX—Community employment (will be discussed later)						
Total	245.2	202.6 *48.9	380 *120.25	155	192.575	481

[1] To be included in supplemental appropriations, now funded under a continuing resolution at budget request level.

[2] With language for $187,500,000 on operating level; in vetoed bill.

[3] Provided in continuing resolution, Public Law 94-41; expires Mar. 31, 1976.

[4] Open-ended.

*Including transition quarter.

Source: Fiscal year 1976 budget; fiscal year 1977 budget, p. 379; Older Americans Act (1965), amended 1975, pl. 94-135.

Food stamps

Among the reforms in the food stamp which affect the elderly is a proposal to increase from $100 to $125 the standard deduction for a person over 65 who lives in a family.

Further, amendments to the Older Americans Act require the Department of Agriculture (DOA) to raise commodity support from 10 cents to 25 cents per hot meal in FY 77. The budget requests $22 million, twice as much as in FY 76.

Health

The impact of catastrophic insurance placing a $500 per year ceiling on hospital insurance coupled with a 10 percent charge for all in-patient, hospital, extensive care, home and hospital physician services above the deductible (increased from $15 to $77 in FY 77) will be more expensive to the majority of older persons. City hospitals may experience increased costs as a result.

While catastrophic insurance is desperately needed by some elderly to prevent financial ruin, it would benefit as few as 25,000. Therefore this proposal, if accepted, could place a harsh burden on the majority of the present 25 million aged and disabled covered by Medicare.

Housing

Section 202 of the Housing Act of 1959 established a program of housing assistance to lower income persons who are elderly or handicapped. No request was made for funds in FY 74 and FY 75 by the Administration. However, the FY 76 HUD appropriations stipulated a release of $375 million used for loans to private, non-profit sponsors for new construction or rehabilitated housing. The FY 77 budget continues this program at the $375 million level which should finance 16,000 units in each of these fiscal years.

Employment

Again, for the fourth consecutive year, the Administration has refused to seek funding for Title IX of the Older Americans Act despite the repeated endorsement of Congress.

The Title IX program will provide approximately 12,400 part-time job opportunities in 1976 to low income unemployed persons over 55 years of age. It currently operates under a joint continuing resolution at $30 million. Incorporated into Title IX of the Older Americans Act Amendments of 1975 as the Older Americans Community Service Employment Act, this program is authorized to spend $100 million in FY 76; $37.5 million for transitional quarter and $150 million for FY 77. Title IX is administered by the Department of Labor through the national aging interest groups which contract with many local governments.

Action

The budget request for provisions of the Older Americans Volunteer programs (Senior Companion, Foster Grandparent and Retired Senior Volunteer Program) administered by the Action agency is nearly $10 million less than authorized for FY 77 (in the Older American Amendments), however, it is almost a $10 million increase over FY 76 request.

Comprehensive Employment and Training Act (CETA)

The Budget proposes the same level of funding for this popular public service employment program, but plans to phase it out by September 1977. While not specifically designed for the elderly, many older persons are employed in CETA slots.

Community action operations

For the first time in four years, the Administration has decided to anticipate Congressional action by requesting $10 million for the Senior Opportunities and Service Program (S.O.S.). This program provides outreach and referral activities to more than a million elderly in over 300 S.O.S. programs and is administered by the Community Services Administration (formerly OEO).

Social services

Under Title XX, Social Services Amendments of 1974, the federal government reimburses states up to a maximum of $2.5 billion, for state and local social service programs, many of which serve the elderly. Reimbursements are also made for state and local training activities related to the delivery of services. These programs would be consolidated under new legislation (see Social Services chapter).

Comment

The urban elderly were accorded budgetary attention in certain areas and not in others. The $97 million request for funding the 50 State and 462 Area Agencies on Aging (Title III of the Older Americans Act) is $1 million more than last year's request; however the Administration on Aging plans to designate 100 more AAA's in the next year which will create intense competition for funds.

While only 12 cities have been designated AAA's (Boston, New York City, Baltimore, Washington, D.C., Cleveland, Chicago, St. Louis, Los Angeles, San Francisco, Portland, Seattle and San Juan), this expansion is an opportunity for other cities to petition their state agency for designation.

The catastrophic insurance proposal would benefit 25,000 poor elderly but might place a burden on the majority of the 25 million aged and disabled covered by Medicare.

The increase in the standard deduction of $100 to $125 for food stamps for those over

65 would benefit only the older person living in a family.

The request for $375 million to finance Section 202 senior housing is very encouraging after no request for funds in the last two years.

The phase-out of CETA, Title VI accompanied by no request under Title IX of the Older Americans Community Service Employment Act will result in massive unemployment for the elderly who must then rely on social security or pensions as their only income.

The Title VII nutrition program budget request of $88 million will probably be increased by Congress as it is the most visible program for seniors.

ALCOHOL AND DRUG ABUSE

Alcohol abuse

Alcohol abuse would be one of 16 health programs consolidated under the Administration's proposed Financial Assistance for Health Care Act into a single health block grant to the states. The alcohol programs affected are:

Community programs:	*Millions*
Project grants and contracts	$33.4
Grants to States	45.6
Management and information	1.6
Total	$80.7

The total FY 77 Budget proposed for the National Institute on Alcohol Abuse and Alcoholism (NIAAA), which controls the vast majority of federal funds spent on alcohol abuse, is $98 million, a decrease of $17 million from estimated FY 76 appropriations.

Approximately $12 million of the $17 million decrease comes from community programs—$45.5 million in FY 76 to $33.4 million in FY 77. Grants to states remain at the FY 76 level. The FY 77 Budget request for training has been reduced from $7 million for FY 76 to $2 million. This will reduce the amount of continuation grants by 40 percent.

As with most health programs in the Alcohol, Drug and Mental Health Administration, the request for research has been increased to $10 million, a $1.3 million increase over FY 76. These additional funds will make available approximately $1 million for new and competing grants.

Alcohol programs for Indian populations, a priority of the NIAAA, are proposed for transfer to the Indian Health Administration (IHA). This transfer, which amounts to $12 million, accounts for 151 different programs. They would be included under IHA's preventive health and ambulatory care services.

Comment

Except for research, the Budget request does not allow for any expansion of alcohol programs. Reductions in community programs are the most severe. NIAAA officials indicate that at least $119 million, $21 million more than the Budget request in FY 77 funds, would be needed for community programs to continue at their present level of operation. According to NIAAA officials, the Budget request will support programs only for the second and third year of operation. More than 200 other programs will be discontinued. If block grants are given to states at the levels recommended, they will have insufficient funds to maintain the current level of effort since the amount proposed is far less than that currently available from the federal government.

In addition to the FY 77 reductions for alcohol programs, it is possible that the Administration may propose rescissions in the FY 76 expenditures, reducing appropriations about $25 million. As with the FY 77 Budget, most of the anticipated reductions are in community programs, especially program grants and contracts.

Drug abuse

Funds for drug abuse were not included in the Administration's proposed Financial Assistance for Health Care Act which is to consolidate 16 separate and categorical health planning, construction and service delivery programs into a single block grant to the States.

The $778.4 million requested for federal drug abuse efforts for FY 77 is an increase of about $15 million over FY 76. It represents a greater emphasis on prevention programs. While less is requested for enforcement in selected programs, the Drug Enforcement Administration would receive $6 million more.

The $482 million requested for drug abuse prevention—which includes treatment, rehabilitation, education and research efforts—is an increase of $27 million over FY 76. Most of this increase will be used to fund 7,000 new treatment slots which will bring the total of federally-funded slots to 102,000.

The National Institute on Drug Abuse (NIDA) would administer the major portion of these funds with a budget request of $247.8 million, an increase of $25.6 million. However, the transition quarter would be funded at only 9 percent of the estimated FY 76 NIDA Budget.

Following is a breakdown on NIDA's community programs through which most federal efforts in cities are supported:

TABLE DA-1.—NATIONAL INSTITUTE ON DRUG ABUSE

[In millions of dollars]

Community programs	Fiscal year— 1975 obligation	1976 budget authority	1975 budget authority
Treatment grants and contracts	104.5	123.3	144.0
Demonstration grants	13.5	11.8	11.1
NARA[1] contracts	1.1	1.1	1.1
Prevention education grants	2.9	2.8	3.8
State formula grants	35.0	35.0	35.0
Total	157.0	174.0	195.0

[1] Narcotics Addiction Rehabilitation Act.

Source: Alcohol, Drugs, and Mental Health Administration.

Twelve million dollars of the additional $20 million for treatment grants and contracts would be used to support the 7,000 new treatment slots. The remaining $8 million would be used to absorb costs due to inflation. The new slots would be used for a mix of treatment models but priority would be given to treatment of drugs which are most costly to society. These include heroin, barbiturates, and amphetamines, but not marijuana.

Within demonstration grants, $2 million would be allocated for treatment demonstrations for the abuse of amphetamines and barbiturates.

The federal match rate is to continue to decline but is not to drop below 60 percent. However, for those programs which already have a federal match rate of less than 60 percent, there will be no adjustment.

No funds will be requested for the Office of Education to administer the program to develop drug education leadership teams at the state and local levels.

The $296 million requested for enforcement is $12.7 million less than FY 76. The major decreases are in the State Department and Bureau of Customs.

The bulk of domestic drug enforcement activities are administered by the Drug Enforcement Administration for which increases have been requested since its inception. The FY 77 request of $159 million represents $6 million more than the FY 76 level. Conspiracy investigations would be stressed in 1977 as would regulatory and compliance activities to prevent diversion of amphetamines and barbiturates into the illicit market. This would mean increased scrutiny of retail pharmacies and physicians.

Comment

NIDA's increase of $25.6 million in FY 77 seems significant, but two aspects must be taken into consideration: the funds requested for the transition quarter represent only 9 percent of the FY 76 Budget and from 13,000 to 26,000 additional slots, as estimated by NIDA, are needed to keep up with the growing demand for treatment.

The commitment not to let the federal match for drug abuse grants drop below 60 percent, if it is firm, should allow cities and states to conduct long range planning more effectively. Nevertheless, it means that cities will have to seek additional sources for their share of an increased local match.

If the increase recommended for FY 77 can not be applied fully because the transition quarter is inadequately funded, consequences will be serious. The League and the Conference, and other organizations, have documented that many local programs are strained to the breaking point in responding to increased treatment demand. A sample survey of representative cities found that treatment programs were operating at capacity, or over, and that waiting lists had started to form in some communities.

There is wide concern that lack of adequate funds to assist drug abusers seeking treatment could result in the drug abuse problem again assuming epidemic proportions.

COMMUNITY ACTION PROGRAMS

The Community Services Administration (CSA), the successor agency to the Office of Economic Opportunity (OEO), is to receive $292.3 million, a one-third cut from FY 76.

The Headstart, Economic Opportunity and Community Partnership Act of 1974 established CSA and transferred all OEO responsibilities to CSA. However, many former OEO programs—such as Job Corps and Headstart—were spun-off to cabinet-level agencies in previous years. In addition, the Legal Services Corporation was organized as a completely independent entity.

Community Action Operations

The heart of the present CSA funding remains Community Action Operations, which receive an appropriation of $267 million to continue funding Community Action Agencies (CAAs). This reflects a rise in the nonfederal share from 20 percent in FY 75 to 40 percent in FY 77 for "local initiative" programs required in the legislation.

However, with one exception, all categorical and remaining programs of CSA which were funded through "local initiative" funds, have not been requested.

These programs include community food and nutrition, national youth sports, summer youth recreation, and research and demonstration. A comprehensive winterization program of the Federal Energy Administration (FEA) would replace the energy conservation services in FY 77.

The exception to the categorical program phase-out is the Senior Opportunity Services program which provides outreach and referral activities for the elderly poor. A request of $10 million is made for this program.

TABLE CAP-1.—COMMUNITY SERVICES ADMINISTRATION

[Obligations in millions of dollars]

Program of activities	Fiscal year— 1975 actual	1976 estimate	1977 estimate
Community action programs	384.6	413.15	267.3
Program administration	26.7	28.2	25.0
Total	411.3	441.35	292.3

Source: Fiscal year 1977 budget appendix, p. 714.

Comment

The "wind-down" of the OEO programs, carried on by two successive administrations, continues. With little fanfare, the Administration's FY 77 budget attempts to cut the remaining "local initiative" categorical programs with one exception: a relatively small (in national terms) program for the rural and urban elderly in areas serviced by existing Community Action Agencies. All that is left of the former Office of Economic Opportunity is funding for the CAA's to continue project grants.

The gradual increase in local shares called for in recent legislation will return much of the funding for continuing Community Action Program operations to local communities. Because of fiscal uncertainties at the local level, such a shift in responsibility may very well mean a decrease of vital services being delivered to the urban disadvantaged.

CRIMINAL JUSTICE

Law Enforcement Assistance Administration

The Law Enforcement Assistance Administration (LEAA) FY 77 Budget is $707.9 million, a 12.7 percent decrease from the FY 76 appropriation. This represents a 20 percent cutback from the $880 million level of FY 75. Table CJ–1 shows that well over half ($60 million) of the $103 million reduction will come from Part C formula block grants to state and local governments. An additional $10 million will be cut from Part C discretionary totals. The Law Enforcement Education Program (LEEP) and the Juvenile Justice and Delinquency Prevention Program also were severely reduced. Although not discussed in the Budget, the $7 billion figure mentioned by President Ford in his State of the Union Message refers to an anticipated five-year total authorization for LEAA, assuming it is renewed by Congress.

Actual expenditures for FY 77 are expected to total about $839 million. While this figure exceeds the requested budget authority because of LEAA's "pipeline effect"—which provides for the expenditure of funds appropriated in previous years—the amount for expenditures is down 10 percent from FY 76. Most funds carried over in this manner are obligated and cannot be used for new programs.

This year's Budget also details requests for the transition quarter (TQ) covering the three-month period resulting from the new fiscal year calendar change. The quarter will cover July 1, 1976, through September 30, 1976. LEAA's request during this interim is $205 million, distributed as follows (in millions of dollars):

Category:	*TQ*
1. Planning grants (Part B)	12.0
2. Matching grants (Part C):	
a. formula	84.7
b. discretionary	14.9
c. high-crime area program	0.0
3. Corrections (Part E)	21.0
4. Technical assistance	2.5
5. Research, evaluation, and technology transfer	7.0
6. LEEP	40.6
7. Data systems and statistical assistance	6.1
8. Juvenile Justice and Delinquency Prevention Program	9.7
9. Management and operations	6.8

For FY 77, many of LEAA's budget categories remain fairly stable. Category 1, planning grants, remains at $60 million. Technical assistance, category 4, remains at $13 million. According to the Budget narrative, evaluation is to be emphasized in FY 77; but appropriations for category 5, research, evaluation, and technology transfer, are slightly reduced. Category 7, data systems and statistical assistance, which also affects evaluation efforts, is being decreased by 6 percent.

TABLE CJ–1.—LEAA BUDGET AUTHORITY REQUEST, FISCAL YEARS 1975, 1976, AND 1977

[In millions of dollars]

Categories	1975	1976		1977 (requested)	
		Amount	Percent	Amount	Percent
1. Grants for development and implementation of comprehensive plans (pt. B)	55.0	60.0	+9.1	60.0	
2. Matching grants to improve and strengthen law enforcement (pt. C):					
(a) Allocations to States according to population	480.0	405.4	−15.5	345.7	−14.7
(b) Allocations to States, localities, and private nonprofit organizations as determined administratively	84.0	71.5	−14.9	61.0	−14.7
(c) High-crime area program				50.0	
3. Aid for correctional institutions (pt. E)	113.0	95.5	−15.5	81.3	−14.9
4. Technical assistance	14.0	13.0	−7.1	13.0	
5. Research, evaluation, and technology transfer	42.5	32.4	−23.8	32.0	−1.2
6. Education assistance and special training programs	44.5	43.3	−2.7	5.0	−88.5
7. Data systems and statistical assistance	26.0	26.0		24.4	−5.8
8. Juvenile justice and delinquency prevention		39.3		10.0	−74.6
9. Management and operations	21.6	24.3	+12.5	25.5	+5.0
Total	880.6	810.7	−7.9	707.9	−12.7

Sources: Appendix to the Budget, fiscal year 1977, p. 509. Appendix to the Budget, fiscal year 1975, p. 617.

The only category showing an increase for FY 77 is category 9, management and operations, which is increased by $1.2 million. While total LEAA appropriations have dropped by 18.7 percent since FY 74, the cost of administering the program has risen by 41.7 percent.

Two programs reduced so severely that their very survival is questioned are LEEP, category 6, and the Juvenile Justice and Delinquency Program, category 8. A requested decrease of $38.3 million in FY 77 spells the virtual elimination of LEEP. A $40 million appropriation during the TQ will ensure support for current participants through the 1976–77 academic year. A $29.3 million decrease for the Juvenile Justice Program represents a 75 percent cut from the FY 76 level. This requested level is only 7 percent of the total $150 million authorized by Congress for FY 77. The Administration hopes Congress will approve a deferral (or subtraction) of $15 million from the FY 76 appropriation to be added to the $10 million request. This would provide a $25 million total for both FY 76 and 77.

The only new program proposed for FY 77 is the $50 million *high crime area program,* category 2(c). This program area still requires Congressional approval in the 1976 amendments renewing LEAA's authorization. At this time, there is no definition of what a high-crime area will include or to what extent cities and local governments will be involved.

Other Federal agencies

While the Administration is taking "a more cautious and selective approach" to state and local assistance grants through LEAA, additional emphasis is being placed at the federal level on apprehension, prosecution, and detention of criminals. An additional 291 positions are requested for the U.S. Attorneys' offices and an increase is provided for 87 more U.S. Marshal positions. Three federal correctional institutions are to be activated, and construction is to begin on four new facilities. The FBI is being cut by $15 million. In FY 77, state and local governments will be asked to bear one-half of the costs of law enforcement training programs conducted by the FBI. To curb crimes of violence committed with firearms, the Administration proposes to expand activities of the Bureau of Alcohol, Tobacco and Firearms in curtailing illegal commerce in firearms; initiating mandatory sentences for felons convicted of using weapons; and placing prohibitions on the manufacture and sale of "Saturday Night Specials." The Health, Education, and Welfare runaway-youth program, authorized by the Juvenile Justice Act of 1974, has a budget authority of $5 million for FY 77, maintaining its FY 76 level.

Comment

The severe impact of crime is felt most keenly at the local level. Its steadily increasing incidence has given it national significance requiring federal leadership and assistance. It seems ironic that the FY 77 Budget can ignore the necessity to increase local assistance and participation. The *1974 Uniform Crime Reports (UCR)* points out that nearly half (46.7 percent) of all offenses known to police in 1974, occurred within cities with populations of over 100,000; and that over 80 percent of this nation's total crime index is reflected in urban areas. Yet, the FY 77 Budget ignores the need for increased crime control funding at the local level, while federal justice agencies are not only kept largely intact, but are expanded.

Although planning funds (Part B) remain at $60 million, inflation will certainly require a pullback in state and local planning efforts. Moreover, only 40 percent of those funds provided actually reach localities. Part C "action funds" used to implement projects planned with Part B appropriations have been cut substantially for the second year in a row, as have Part C discretionary monies. Even if the high-crime area program is authorized by Congress at its full amount, there will still be a net loss of $20 million in Part C funds for FY 77.

The high-crime area program itself remains largely undefined. It cannot yet be assumed to address the needs of cities and local governments. The program must first be approved by Congress. There is no definition of "high crime area" and consequently no assurance of the number of cities that will be involved. Within the last few months, estimates of the number of projects to be funded have fallen from thirty-five or forty to between eight and twenty. Rather than granting local governments more planning autonomy, LEAA officials have reported that participation will be limited to those cities obtaining state planning agency approval.

The League and the Conference believe that the Juvenile Justice and Delinquency Prevention Program should be given a fair chance to prove itself before being evaluated for its effectiveness. The Juvenile Justice and Delinquency Prevention Act was passed overwhelmingly by Congress for the purpose of addressing the growing problem of juvenile crime. The 1974 UCR reports that nearly half (45.1 percent) of all serious crime is committed by youth under 18 years of age and that juvenile crime rates are rising nine times faster than adult crime rates. Even including Administration estimates that about $100 million is currently being spent by LEAA in delinquency-related projects, the percentage of total funds expended on juvenile justice will be only about 13 percent ($110 million ÷ $839 million) for FY 77. During the three-year existence of the Juvenile Justice Program, only $10 million (2.8 percent) of the $350 million total authorization has ever been requested by the Administration. Last year's appropriation of $39.3 million was appropriated by Congress over Administration protest.

In summary, the League and the Conference believe that crime is a problem of national significance occurring in and impacting localities. While the League and the Conference realize that "throwing money after problems" does not necessarily provide solutions, the two organizations do believe that crime control and criminal justice is a national priority that demands federal leadership and assistance. State and local governments already bear the brunt of law enforcement and justice expenses. According to the Budget, last year state and local governments expended $15 to $17 billion on criminal justice services. Federal assistance was small in comparison. If the problem of crime is to be substantially addressed, federal assistance must have an impact on localities in the most direct manner possible; and local governments must be allowed more input to determine how such assistance can be applied most effectively.

DEFENSE

For the second year, the Administration proposes to increase the military budget in real terms, reversing the trend of modest reductions the previous seven years. Compared to the FY 76 military budget approved by the Congress in the second budget resolution, the Administration is requesting an increase of $13.9 billion (13.8 percent) in budget authority and an increase of $9.2 billion (10 percent) in outlays.

TABLE D-1.—COMPARISON OF MILITARY BUDGET AUTHORITY

[Dollar amounts in billions]

	Budget authority	Outlays
Fiscal year 1975: Enacted [1]	$91.9	$86.6
Fiscal year 1976: Congressional ceiling [2]	101.0	91.9
Fiscal year 1977: Administration request [1]	114.9	101.1
Increase: Fiscal years 1975–77	23.0	14.5
Percent	25.0	16.7
Change: Fiscal years 1976–77	$13.9	$9.2
Percent	13.8	10.0

[1] Source: Budget of the U.S. Government, fiscal year 1977, p. 330.

[2] Source: 94th Cong., 1st sess., "Conference Report to Accompany House Concurrent Resolution 466," Dec. 9, 1975.

After taking into account the effect of inflation on pay and purchases, the proposed military budget increases in real or constant dollar terms by $6.7 billion (6.6 percent) in budget authority and $3.0 billion (3.3 percent) in outlays. The growth slated for the military budget is caused principally by tremendous expansion in procurement (38.2 percent) and research and development (14.7 percent); active duty military personnel costs are to decline.

The increase in the military budget could be even greater. The President assumes Congress will enact legislation to implement his $28 billion "budget restraint" proposal which includes a $2.8 billion reduction in the military budget, primarily in personnel accounts, requiring legislative approval for the most part. If Congress does not act on these recommendations, the military budget could increase as much as $16.7 billion (16.5 percent) in budget authority and $12 billion (13.1 percent) in outlays.

TABLE D-2.—POTENTIAL INCREASE IN THE MILITARY BUDGET

[Budget authority in billions of dollars]

	Budget authority	Outlays
Fiscal year 1977 request [1]	$114.9	$101.1
If Congress does not act on budget restraint proposals, add	[2] 2.8	[2] 2.8
Potential fiscal year 1977 request	117.7	103.9
Less: Congressional budget ceiling for fiscal year 1976 [3]	101.0	91.9
Increase	16.7	12.0
Percent	+16.5	+13.1

[1] Source: Budget of the U.S. Government, fiscal year 1977, p. 330.

[2] Source: Office of Management and Budget, "Seventy Issues," p. 6.

[3] Source: 94th Cong., 1st session, "Conference Report to Accompany House Concurrent Resolution 466," Dec. 9, 1975.

Specifically, the military budget will:

retain the capability to project power anywhere in the world;

launch full-scale production of the B–1 bomber, Trident submarine and Trident missile;

maintain an extensive military ground force presence in Asia.

FY 1976 estimates and the congressional budget process

In 1975, Congress began to implement a new budgetary process with adoption of budget resolutions setting forth spending limits. The FY 76 budget levels for the military cited in the President's budget message exceed the congressional limits by $1.3 billion in budget authority and $900 million in outlays. This difference is based on a set of assumptions about action on pending measures which differ from the position taken by the Congress when it adopted the second concurrent budget resolution. If the Administration's view prevails, the military budget ceiling set by Congress will be breached thereby forcing the Congress to shift funding from other programs or revise the spending ceiling upward by means of a third budget resolution.

Procurement—The item in the military budget getting the largest increase is procurement—up $8.1 billion (38.2 percent). All major new systems are to proceed, e.g., Trident submarine ($1.3 billion), B–1 bomber ($1.5 billion), F–16 fighter aircraft ($.6 billion) and Trident missiles ($1.7 billion). Many on-going procurement programs will be expanded quite significantly. Navy shipbuilding is to increase 60 percent—a necessary increment if the Navy's goal of a 600 ship fleet is to be achieved. Army procurement is up 40 percent. The procurement request also includes $1.6 billion to cover prior year cost overruns in shipbuilding. Clearly, the increase in the military budget is influenced most significantly by the Administration's weapons procurement proposals.

Research and Development—Programs are proposed to increase 15.4 percent to $10.4 billion. Some of the major items contributing to this increase are advanced helicopters, F–18 fighter aircraft, cruise missiles, advanced ICBM technology and the space shuttle.

Personnel—Total military personnel will remain at about the same level in FY 77—2,101,000. Civilian personnel will be reduced from FY 76 level by 26,000 to 1,036,000. In terms of constant dollar funding, FY 77 budget authority for military personnel will decline by three percent.

Force Structure—The Administration proposes to continue expanding the Army by adding two divisions for a total of 16. Accompanying the increase in Army structure is a 40 percent increase in Army procurement to help equip the new divisions. In addition, four Air Force wings previously existing only on paper will be fully staffed and equipped. Naval forces will be expanded by a net of six ships (16 new ships will be procured). Consequently, Navy personnel will be increased by 12,000 to 544,000.

Inflation—The military budget request represents real growth in program. That is, budget increases exceed the rate of inflation anticipated for pay and purchases. The inflation rates projected by the military for FY 77 and 7.7 percent for outlays and 7.2 percent for total obligational authority. These rates reflect a 15 month period to cover the transitional quarter. If 12-month rates were applied, the figures for real growth would be even higher.

When the Budget was released, Defense Department officials announced that the FY 76 Budget included an additional $2 billion in real growth than estimated earlier. This developed when the inflation rates originally presented to Congress were revised downward to be consistent with actual economic conditions.

Budget Projections—The administration proposes real dollar increases in the military budget of two percent a year over the next five years. Within this "top line" military purchases will increase four percent annually. Budget authority for FY 81 is projected to be about $150 billion.

Last year, the Administration said the real increase for FY 77 would be two percent. To support the larger increase actually requested, they argue that since Congress did not grant their full request last year, the difference must be made up so they can meet their "top line" projections.

Comment

In contrast with many domestic programs, the military budget will be increased in real dollars quite substantially.

The Administration grants generous inflation allowances to the military—7.2 percent for total obligational authority and 7.7 percent for outlays. By revising inflation estimates for FY 76, the Administration has claimed real growth in that budget year of an additional $2 billion.

In the President's budget message, he cited FY 76 budget levels which exceed the Congressional limits—as established by the second budget resolution—by $1.3 billion in budget authority and $900 million in outlays. If the Administration's view prevails, the military budget ceiling set by Congress will be unenforceable. If this trend continues, defense expenditures could escalate beyond current budget forecast and could create additional pressures on federal domestic programs.

ECONOMIC DEVELOPMENT

The Administration is seeking a straight three-year extension for the Economic Development Administration (EDA), but has requested only $248.9 million in the FY 77 budget, 35 percent below the FY 76 appropriations request. This dramatic drop of $511.5 million from the FY 76 appropriations high of $760 million is in large part attributable to de-funding the $375 million Title X Job Opportunities Program for which the legislative authority expired on December 31, 1975.

The FY 77 Budget request has been characterized by EDA as a return to normalcy, following unusually large provisions in the FY 76 budget. EDA refers to the fact that the Congress not only added $375 million for the anti-recessionary Job Opportunites Program to the Budget request but an additional $92 million for other programs as well. It is a much more positive approach than the tack taken by the Nixon Administration several years ago, which sought to replace EDA and its categorical programs with an economic development block grant directed at the states.

Largely because of the appropriation's spurt in F 76 coupled with sharp reductions for FY 77, the agency is expected to spend almost twice its FY 77 authorizations. The FY 77 appropriation is forecast at $490 million while its authorization is only $249 million. EDA officials explain that this situation does not result from underspending (in fact the agency obligates all but about $1 million of its appropriated funds each fiscal year), but from the nature of many EDA programs such as public works which expend only 5 percent of the project costs in the first year.

Public works grants and loans

Public works absorbs the largest dollar cut of any program category, with a FY 77 request of $113 million, 32 percent lower than the FY 76 appropriation of $167 million. Although the Administration does not strongly support the Public Works Impact Program (PWIP) which provides for short term labor intensive public work projects in high unemployment EDA-designated communities, it will spend the legally required minimum of 10 percent of the Title I appropriation on the program. The public works programs have provided important assistance for local governments to install support facilities for business development, such as utilities and transportation improvements.

Business development

This program of business loans, loan guarantees, and lease guarantees will be cut by 31 percent from the FY 76 appropriation of $58 million to $40 million for FY 77. This reduction occurs at a time when Congress is considering legislation to extend EDA's program and funding authorities under Title II. One-third of the funds are authorized by the Trade Act of 1974 and, where possible, must be used to assist firms adversely affected by imports.

Planning

The planning program as a whole is slated to receive $19 million, a 19 percent reduction from $23 million (which reflects a $3 million recession request). However, Section 302 planning funds for states and cities is being maintained at the FY 76 levels with $2.5 million requested for cities.

TABLE ED-1.—ECONOMIC DEVELOPMENT ADMINISTRATION

[In millions of dollars; fiscal years]

	1975 appropriation	1976 appropriation	TQ request	1977 request	Change 1976–77
Public works	$156.2	$166.5	NA	$113.25	−$53.25
PWIP	(15.68)	(15.0)	NA	(10.75)	(−4.25)
Business development	17.0	58.0	NA	40.0	−18.0
Subtotal	173.2	224.5	$56.0	153.25	−71.25
Technical assistance	8.975	14.0	3.5	6.0	−8.0
Planning	12.2	23.0	[1] 5.75	18.7	−4.3
Districts and areas	(.107)	[1] (10.35)	NA	(6.96)	(−3.39)
Indian	(3.195)	(3.65)	NA	(3.74)	+
States	(5.491)	(5.5)	NA	(5.5)	No change
Cities	(2.589)	(2.5)	NA	(2.5)	No change
District A-95 and services	(.818)	(1.0)	NA	0	(−1.0)
Research	.825	1.5	.375	.5	−1.0
Grants to States (304)	13.0	20.0	.5	0	−20.0
Economic adjustment	38.75	77.0	19.0	44.988	−32.012
Job opportunities program	125.0	375.0	0	0	−375.0
Total, program	371.95	[1] 735.0	[1] 89.625	[1] 223.438	−511.562
Administration	22.9	25.378	6.375	25.426	+.048
Total, EDA	394.85	[1] 760.378	[2] 96.0	[3] 248.864	−511.514

[1] Rescission request of $3,000,000 proposed.

[2] Rescission of $1,000,000 proposed.

[3] Figures for business development, technical assistance, and economic adjustment include funds authorized by the Trade Act of 1974.

Sources: Data provided by the EDA Office of Public Affairs and The Budget of the U.S. Government, Fiscal Year, 1977, appendix, p. 302 and p. 204.

Technical assistance

EDA's technical assistance program is dealt one of the heaviest blows suffering a 57 percent cut. Of the FY 77 budgeted level of $6 million, $1 million comes from the Trade Act of 1974 and must, therefore, go to firms impacted by trade policy. This reduction is of special significance to cities since many of them have used EDA technical assistance funds to support core economic development program staff.

Grants to States

The FY 75 EDA extension legislation established a new program of grants to the states for use in supplementing or making grants and loans for activities (Section 304). Even though funds for the Sec. 304 program were increased in FY 76 to $20 million, few states received enough funds to make a difference in EDA programs. As a result, no new appropriations are requested in FY 77.

Economic adjustment

Funding for the Economic Adjustment program is reduced by 42 percent from the FY 76 appropriation level of $77 million to the FY 77 request of $45 million. This program, begun in 1975, provides special assistance to states and local areas to assist them in meeting actual or threatened unemployment arising from increased competition from imports, natural disasters, environmental industry closures, defense base closures, and other impacts of federal action as well as other economic adjustment problems resulting from severe changes in economic conditions.

Job opportunities program (title X)

This new anti-recessionary program enacted in late 1974 received $500 million in appropriations during calendar 1975; $125 million in FY 75 and $375 million in FY 76. Even though legislation is currently pending in the Congress to extend this program, its authority expired on December 31, 1975. Therefore, there are no requests for additional funds.

Comment

The Ford Administration continues to support proposition that stimulation of private sector employment is the correct path to economic recovery. Yet EDA, the already underfunded agency charged with assisting economically distressed communities to build or rejuvenate their private sector economic base, will undergo severe cutbacks in FY 77.

The cuts among EDA's on-going programs are across the board indicating that the Administration may have abandoned some of the priorities implied in the FY 76 budget request. The sharp reduction in Title IX economic adjustment funding and the complete elimination of the Sec. 304 state grant program suggest that the state emphasis evident last year may be diminishing. The curtailment of Title IX funds may also reveal a disenchantment with the quasi-block grant approach in economic development although Title IX was never given a fair trial by EDA on that score.

An analysis of how the cuts in EDA funds would affect various recipient groups also leads to no clear cut pattern of priorities. In general, the economic development districts and growth centers (usually rural) and Indian groups funds are not cut as sharply as funding to urban areas. Contradicting that general trend, however, is the fact that planning funds for cities have been maintained, some planning funds for districts have been dropped, and counties (usually rural) lying outside districts will be cut more severely than any other recipient group. There is no indication that EDA intends to direct a larger proportion of its reduced funding to urban areas in FY 77, and subtle indication that the urban share may be reduced.

Office of minority business enterprise

The FY 77 budget request for the Office of Majority Business Enterprise (OMBE) is $50 million, representing a $2.6 million decrease from the FY 76 request and $100,000 less than the actual FY 76 program level which included supplemental appropriations for pay raises.

TABLE ED-2.—BUDGET AUTHORITY REQUESTED

[Dollar amounts in millions]

	Fiscal year—			
	1975 actual	1976 actual	1977 estimated	Change 1976 to 1977
Program level	$52.0	$50.1	$50.0	−$0.1
Permanent employment	216	216	206	−10

Source: U.S. Department of Commerce News, January 1976.

Among other losers: Indian education, from $57 million to $42 million; bilingual education, from $98 million to $90 million; drug abuse education, from $2 million to zero; environmental education, from $3 million to zero; and ethnic heritage education, from $1.8 million to zero.

Comment

Once again the proposed education budget presages a major political confrontation between the administration and the education interest groups. The administration advances an education block grant program, likely, in principle, to draw support from governors, but the proposal suffers from a sharp reduction in total funding level. The protraction of this debate, with the Congress probably not disposed to approve the block grant, can only create uncertainty about the availability of federal funds at the local level with a situation unsettling for local government and local school systems alike.

In matters of more traditional city interest, the FY 77 Budget for education proposes the following: Aid to Impacted Areas; Desegregation Assistance; and programs benefitting special populations such as handicapped, disadvantaged, adults, Indians, other than English-speaking and ethnic peoples.

EMPLOYMENT

Employment and training programs

Comprehensive Employment and Training Act (CETA) programs are funded at $2.8 billion in the FY 77 Budget. Job training programs funded under Title I of CETA would continue at their FY 76 level of $1.6 billion. Traditional public service jobs funded under Title II of CETA would receive $400 million in FY 77, sustaining 50,000 such jobs now in place. Public service employment programs established by Title VI of CETA would be phased-out by October 1977. A $1.7 billion FY 76 supplemental appropriation for Title II of CETA is requested to sustain current public service job levels through January 1977 and provide for a complete phase-out of the 260,000 Title VI job slots over the following nine months. In order to achieve this schedule, a $7,000 limit on the federal contribution to salaries paid to participants is proposed. Use of CETA Title II for the $1.7 billion public service employment supplemental would restrict the distribution of such funds to areas with unemployment rates of at least 6.5 percent. According to Department of Labor (DOL) spokesmen, about $150 million of the supplemental public service jobs money would be used to avert layoffs between now and June 30, when existing funding is slated to run out. About $450 million would be used during the transition quarter and the balance of $1.1 billion during FY 77.

A two-pronged effort of staff reduction and internal program revisions is proposed to meet the FY 77 Budget level.

Comment

There is no allowance in the FY 77 budget request for funding of the $1.1 million "City OMBE" program proposed in the FY 76 budget request. "City OMBE" was the major victim of the $2.6 million budget in FY 76. What appeared last year as a slowly growing federal recognition of minority-owned businesses as a vital part of the local economy which should be entitled to systematic local government involvement, turned out to be an illusion.

TABLE EMP-1.—PROPOSED CETA FUNDING SUMMARY

[In millions of dollars]

	Fiscal year 1975 actual	Fiscal year 1976 [1] estimated	TQ estimated	Fiscal year 1977 estimated
Title I (job and classroom training, related services)	1,580	1,580	395	1,580
Title II (public service employment)	400	[2] 2,100	100	400
National programs	414	414	104	414
Title VI (temporary employment assistance)	2,500			
Summer youth jobs	458	[3] 440		[3] 400
Total	5,352	4,534	599	2,794

[1] Fiscal year 1976 Labor/HEW appropriation net yet enacted.

[2] Includes proposed $1,700,000,000 supplemental for title VI phaseout by October 1977.

[3] Estimates of supplemental appropriations to be requested after this year and next.

Also missing in the FY 77 budget are plans to expand management and technical assistance for Business Development Organizations (BDO) and establish six additional Construction Contractor Assistance Centers. In addition, the FY 77 budget reduces the scope of assistance under the contracted support services program, and terminates OMBE-funded Business Management Development Program.

While the President has requested a budget for OMBE, its future place in the federal government structure is not certain. A report of an investigative group from the House Appropriations Committee suggests some major program shifts and alternatives. The Office of Management and Budget has also been studying ways of improving the effectiveness and efficiency of the agency through reorganization. The item of greatest importance and certainty to OMBE now is that the President has requested a $50 million FY 77 budget for it.

EDUCATION

As in other Administration proposals for FY 77, many categorical education programs will be consolidated into a block grant package involving $6.5 billion. However, against the background of congressional refusal to lessen the $7.4 billion FY 76 appropriation, the success of the block grant to states seems questionable.

Further, urban-oriented education organizations traditionally oppose the block grant concept in practice by arguing that categorical aid provides money to those who need it most (the disadvantaged or undereducated in city school systems); and that state education departments give preference to rural and suburban school districts when apportioning funds.

Although it is true that city governments are usually not responsible for public education, they often must be the tax assessor and/or collector of revenues directed to education. Thus, they are vitally interested in several of the categorical education programs which face reduction or are terminated in the FY 77 Budget.

Aid to impacted areas

Cities which have a high proportion of military or other federal employees, particularly living on federal property, which is not taxable, have relied on the three categories of payments to offset the costs of public education. In two of the three categories ("B" and "C") no funds are requested, while one category ("A") $250 million is requested for areas where children whose parents both live and work on federal property ("A") plus a few minor special situations. All payments (amounting to $342 million in FY 76) would be dropped for children whose parents work but do not live on federal property ("B"); and there would also be no payments for children living in public housing ("C"), as now required by law. The rationale is that if the parents live in the community, they pay local taxes which are used to support local school systems. Lack of funds for the "C" category communities will stretch encumbered local budgets and create further competition for general purpose revenues.

Desegregation assistance

City governments and their elected officials are held personally accountable for implementing federal desegregation orders. Local police, fire and public works personnel were required to spend many duty hours supervising integration in Boston and Louisville last year. This may account for a slight increase from $242 million to $250 million in the Emergency School Aid for Desegregation account.

Special population programs

Education for the handicapped, an increasingly important area following court decisions requiring school districts to provide the special education these students need, holds the line at $220 million, the FY 76 level. Programs for disadvantaged students—particularly an urban problem—have been reduced by $150 million while other special populations lose all funding.

TABLE E-1.—FEDERAL OUTLAYS FOR EDUCATION

[In millions of dollars; fiscal years]

	Outlays		
	1975 actual	1976 estimate	1977 estimate
Financial Assistance for Elementary and Secondary Education Act			294
Educationally deprived children	1,960	1,818	1,628
Support innovation consolidation		80	152
Emergency school aid:			
National competition projects	11,312	46,050	38,700
State apportioned projects	94,563	278,075	176,300
Training and advisory services (Civil Rights Act—Title IV)		26,700	34,700
School assistance in federally affected areas:			
Payments for "A" children	223,900	248,738	249,400
Payments for "B" children	354,616	341,597	
Other Elementary and Secondary Education Act (ESEA)	317,000	303,000	119,000
Occupational, vocational, adult	653,000	674,000	663,000
Education for the handicapped	151,000	199,000	175,000
Higher education: Vocational education	137,000	137,000	136,000
Adult and continuing education: Occupational and adult education (U.S. Office of Education)	101,000	95,000	97,000
Other:			
National Institute of Education	42,000	36,000	52,000
National Foundation on the Arts and Humanities	32,000	53,000	63,000

Note: The brief budget totals for Federal outlays in education does not list many other programs, primarily those of the U.S. Office of Education, Department of Health, Education, and Welfare, with which cities are not primarily concerned. For example, actual outlays omit almost all programs under the category of "higher education" since they primarily are directed for the benefit of institutions of higher education and student financial assistance programs. Also omitted are some other categories for educational personnel training (of teachers and other specialists), foreign educational programs, and so forth. The listing does include those funding "local school districts" in urban areas, as well as the major elementary and secondary educational activities.

Source: Fiscal year 1977 Budget Appendix, pp. 344-359.

Another major change proposed in the Budget is a reorganization of the WIN program. Legislation will be introduced to emphasize direct placement services and limit the availability of child care and supportive services. WIN would no longer finance its own training program, surrendering such services to CETA. Anticipated appropriations of $235 million for WIN in FY 76 would be reduced to $206 million in FY 77. However, no additional funding will be made available for CETA prime sponsors to serve WIN clients.

Funding for the nationally operated Job Corps program is requested at $175 million, the same as in FY 76.

Summer jobs employment program

The Budget calls for a program providing jobs for economically disadvantaged 14- to 21-year old youths during 1976 and 1977 summers. A preliminary estimate of $440.3 million for the 1976 program will support approximately 740,000 nine-week, part-time summer jobs. With youth employment remaining at approximately the same levels as in 1975, this proposed program represents a reduction of 100,000 jobs when compared with the FY 75 summer jobs program. Similarly, the preliminary estimate for the 1977 summer job programs is $400 million, further reducing the authorization levels to 672,000 jobs. These reductions are being proposed in the face of unemployment projections for FY 77 which indicate youth unemployment among minorities will remain constant (30–40 percent) until FY 78.

Supplemental funding requests for the summer job program will be submitted to Congress as data on the projected youth unemployment level and other relevant economic factors for the summers of 1976 and 1977 become available. These funds will be distributed to some 430 State, county, and other local CETA prime sponsors. The Administration also has indicated that it is exploring the possibility of distributing the funds according to a formula that takes into account unemployment rates and need. The impact on individual prime sponsor funding level is, at this time, unclear.

Other Department of Labor programming

FY 77 appropriations are expected to be $7.2 billion, about $1.8 billion less that FY 76. The proposed decline in spending is primarily due to the proposed phase-out of temporary public service jobs, and FY 76 expenditure levels inflated by a large carry-over of FY 75 funds.

The FY Budget includes $11.1 billion in appropriations for DOL and its programs. This amount includes $206 million appropriated to the Department of Health, Education, and Welfare (HEW) but transferred to DOL for the Work Incentive Program. It does not include, however, $9.8 billion in authorizations for the Unemployment Trust Fund, which does not require action by the Congress.

The appropriation requested for FY 77 is $2.9 billion lower than the FY 76 estimate, primarily because the funds needed to phase-out the temporary public service jobs program through FY 77 will be appropriated in FY 76.

An increase of $450 million is requested for federal unemployment benefits and allowances, bringing the FY 77 figure to $860 million. This program provides unemployment benefits to persons affected by foreign trade agreements and who are qualified but not otherwise eligible under any other federal or state unemployment compensation program. A $5 billion advance to the Unemployment Trust Fund is also requested to continue support for unemployment trust funds that have exhausted their reserves. The $5 billion request is the same as in FY 76.

The Budget requests $1.436 billion, a decline of $16.1 million over the FY 76 level, for the state and local operations of the United States Employment Service and Unemployment Insurance system.

Other DOL requests include: $128 million to continue the present level of Occupational Safety and Health (OSHA) activities and strengthen occupational health efforts, a $4.7 million increase in funding to expand statistical programs, a $10.9 million increase to accelerate automation of the Unemployment Insurance system, and elimination of public jobs funded under Title IX of the Older Americans Act.

TABLE EMP-2.—PROPOSED FISCAL YEAR 1977 DEPARTMENT OF LABOR PROGRAMS

[In millions of dollars; fiscal years]

	1975	1976	Transition quarter	1977	Change, 1976 to 1977
Employment and training administration	$95.7	$99.6	$25.1	$100.9	+$1.3
Training (employment and training assistance)	2,852.0	[1] 2,834.7	599.0	[1] 2,794.0	—40.4
State and local programs	(1,980.0)	(1,980.0)	(495.4)	(1,980.0)	(..........)
National programs:					
National training programs	(372.0)	(372.0)	(93.0)	(372.0)	(..........)
Program support	(42.4)	(42.4)	(10.6)	(42.3)	(—.1)
Summer youth employment program	(458.1)	[1] (440.3)	(..........)	[1] (400.0)	(—40.3)
Community employment for older Americans	$12.0	$30.0	....	....	—$30.0
Temporary employment assistance	875 0	3,325.0	....	....	—3,325.0
Work incentives	140.0	250.0	$52.6	$206.5	—43.5
Federal unemployment benefits and allowances	2,365.0	410.0	95.0	860.0	+450.0
Grants to States for UI and ES	1,242.3	1,451.9	267.3	1,435.8	—16.1
Advances to Unemployment Trust Fund	5,750.0	5,000.0	....	5,000.0	....
Total	13,332.0	13,401.2	1,039.0	10,397.2	—3,003.7

[1] Reflects preliminary estimate only. Actual amount to be requested will be included in supplemental for later transmittal.

Comment

The President's Budget reflects a fair degree of skepticism regarding the value of employment and training programs as a mechanism for improving basic economic conditions. It cites substitution effects in public service employment programs, the emphasis placed on individual needs rather than labor market conditions in training programs, and the inability to match program designs more precisely to local conditions as examples of factors which tend to reduce the effectiveness of manpower programs. It emphasizes, however, the importance of a decentralized block grant system in addressing some of these constraints.

The current CETA program is still operating under a continuing resolution because of the President's veto of the Labor/HEW appropriation for FY 76. The Budget rests on the assumption of significantly improving economic conditions despite predictions by Administration economic analysis that high levels of unemployment will not be easy to reduce and that the need for substantial public service employment and job training programs can be expected to persist for several more years.

The Administration uses this assumption of rapidly declining unemployment to propose a radical and disruptive phase-out of public service employment between January 1, 1977, and September 30, 1977. At the heart of this plan is the proposed imposition of a $7,000 salary ceiling on public service jobs. Such an act would force local governments to make substantial salary supplements for their public service workers in order to comply with comparability of wages requirements—a difficult prospect during a period of fiscal calamity at the local level. Use of the $7,000 figure to calculate the number of potentially available jobs also masks the speed of the phase-out since most current job level calculations use a $9,000 average. The effect of the President's $1.7 billion proposal is dramatic and unrealistic in light of the state of local finances and anticipated economic conditions.

For the first time in recent years, the Budget does request funding for summer youth employment in 1976 and 1977. However, while the level of funding for 1976 remains about the same as in 1975, it will support 100,000 fewer jobs in 1976. Further cuts in 1977 will result in 168,000 fewer slots. These projected reductions are based upon unrealistic assumptions about improvements in youth employment and suggest that cities will have to bear the burden of increased unemployment among their youth.

A significant and disturbing trend for manpower block grants is represented by the proposed amendments to the WIN program. These amendments would strip WIN of its training capacity and limit supportive services. The proposed Budget would shift the responsibility for providing these services to the local CETA programs without any new funding. A similar action was taken by DOL earlier this year when CETA prime sponsors were forced to revise their programs to provide recipients of Federal Supplemental Benefits (FSB) with training services. This trend of program consolidation without appropriate funding adjustments violates the principles of the block grant manpower system.

The Administration bases its budget policies for Unemployment Insurance (UI) programs on the assumption that the unemployment rate will decrease and there will be less strain on the state and federal unemployment funds. The Department of Labor estimates that approximately 11.5 million workers will receive unemployment assistance in FY 76 and 9.6 million in FY 77. Average benefits are estimated to increase from an average of $69 per week in FY 76 to an average of $75 per week in FY 77.

The Administration, as part of its budget proposal, also assumes that legislation introduced in 1975 will be enacted by Congress during this session. That proposal, awaiting floor action by the House, would:

Expand coverage under the regular Unemployment Insurance program to 92 percent of the work force;

Increase benefit levels to at least 50 percent of the pre-tax average wage;

Strengthen the financing of the UI system by increasing the wage base subject to tax.

Establish a National Commission on Unemployment Compensation.

The temporary program of special unemployment assistance for workers not covered under the regular program will expire in early 1977. The Administration is not asking for renewal of that program, on the assumption that the new legislation will meet the needs of these individuals. In addition, the Administration is not asking in the Budget for extension of the temporary program of extended benefits for covered workers who have received their full benefits. That program will pay benefits through March 31, 1977. Failure to extend or renew the temporary programs and proposed legislation (if enacted) to broaden coverage of the regular program to include certain categories of local government workers can be expected to have significant financial implications for cities.

ENERGY

President Ford is proposing a $10.4 billion energy budget[1] for FY 77, an increase of 30 percent over last year. The $10.4 billion figure will increase further when additional funding is requested to cover the costs of implementing the Energy Policy and Conservation Act, legislation that was approved too late for incorporation in this Budget.

In this year's energy package, the President is requesting a substantial increase in research and development funds and is urging congressional approval of remaining sections of his FY 76 energy proposals. For the most part, these proposals are designed to increase domestic energy production and promote energy conservation; and together they comprise the bulk of the proposed energy budget.

As in FY 76, this year's energy proposals are designed to develop the United States' capability for energy independence by 1985. The President proposes to achieve this goal by expanding research and development of alternative energy sources, promoting increased production of domestic fossil fuels, and encouraging energy conservation.

The Administration hopes to stimulate increased domestic production of fossil fuels by:

Deregulating the price of new natural gas;

Accelerating leasing of federal oil and gas resources both onshore and the outer continental shelf;

Providing tax incentives for oil and gas producers; and

Expanding the use of naval petroleum reserves.

Proposed conservation efforts include:

Financial assistance to help elderly and low-income people insulate their homes; and

Establishment of thermal efficiency standards for new residential and commercial buildings.

Other efforts aimed at achieving energy independence involve:

Streamlining procedures for licensing nuclear power plants;

Providing tax assistance to utilities with special benefits for facilities using alternatives to petroleum products;

Modifying regulatory practices to ensure that utilities can continue to attract special capital;

Establishing an Energy Independence Authority to assist the private sector in development of domestic energy resources;

Initiating a strategic petroleum reserve to minimize the impact of disruptions in foreign oil supplies; and

Stimulating creation of a new private industry to supplement the federal government's uranium enrichment capacity, a process necessary to convert uranium ore into usable fuel for nuclear power plants.

TABLE EN-1.—NATIONAL ENERGY PROGRAM

[Outlays in millions of dollars]

Program activities[1]	Fiscal year 1976 (estimated)		Fiscal year 1977 estimated		Percent change
	Outlays	Percent	Outlays	Percent	
Domestic energy resource, development, conservation, petroleum storage: e.g., Federal Energy Administration, Energy' Independence Authority, Tennessee Valley Authority (TVA) and power administrations, uranium enrichment	$5,516	69.4	$7,259	70.0	31.5
Energy research, development and demonstration: e.g., Energy Research and Development Administration, Interior, Nuclear Regulatory Commission	2,194	27.6	2,858	27.6	30.3
Regulation: Federal Energy Administration, Federal Power Commission, Mines Enforcement and Safety Administration, National Research Council	234	3.0	244	2.4	4.3
Total outlays	7,944	100.0	10,361	100.0	30.4
Less receipts: Tennessee Valley Authority, naval petroleum reserves, uranium enrichment	—3,385		—4,355		28.7
Net outlays	4,559		6,006		31.7

[1] Does not include budget requests for implementation of Energy Project Conservation Act.

Source: Energy Research and Development Administration press release, Jan. 20, 1976.

TABLE EN-2.—ENERGY RESEARCH, DEVELOPMENT, AND DEMONSTRATION FUNDS

	Fiscal year—	
	1976 actual	1977 estimated
Energy Research and Development Administration (ERDA):		
Nonnuclear, total	($519)	($710)
Fossil	333	442
Solar	86	116
Geothermal	32	46
Conservation	56	91
Environmental control	12	15
Nuclear, total	(893)	(1,265)
Fusion	224	304
Fission	521	709
Fuel cycle/safeguards	59	144
Enrichment: R. & D	89	108
Environmental Protection Agency (EPA):		
Environmental control	87	75
Nuclear Regulatory Commission: Safety Research	94	116
Department of Interior (DoI): Mining	52	64
Other	14	9
Total direct energy R. & D	1,659	2,239
Supporting R. & D.:		
ERDA	373	403
EPA	40	47
National Science Foundation	93	139
Total supporting	506	589
Energy related: DoI (mine health/safety)	29	30
Grand total[1]	2,194	2,858

[1] In addition, the fiscal year 1977 budget identified funds to accelerate the commercialization and demonstration of energy technologies through loan guarantees: geothermal resources development fund, fiscal year 1977 outlays of $4,400,000, and synthetic fuels commercial demonstration fund, fiscal year 1976, outlays of $3,000,000.

Source: "Seventy Issues: Fiscal Year 1977 Budget," Jan. 21 1976, Office of Management and Budget.

The $2.8 billion earmarked for research and development programs represents a 30 percent increase over research and development funding for FY 76 and an 85 percent increase over FY 75 expenditures.

Comment

The brightest note in the President's energy budget is the 30 percent increase in funding of research and development. Commendable increases have been requested for funding research in such vital areas as conservation, solar and geothermal energy, nuclear fusion, and gasification and liquefaction of coal.

However, money for nuclear fission (especialy the liquid metal fast-breeder reactor) continues to dominate the research and development budget despite persistent questions on the efficiency and safety of the process and the unsolved problems of hazardous nuclear wastes disposal. This trend threatens to commit the nation to irrevocable dependence on nuclear fission. Most citizens' groups believe the Administration should seek funding for intensive research and development of safer energy alternatives until the many troubling questions on nuclear fission are answered.

The energy budget and the events of the past year make it clear that cities will continue to face rising energy costs with little direct help from the federal government in meeting these increased expenditures. According to FEA sources, oil prices will begin to rise later this year because of the recent oil price decontral compromise. And we can expect yet another round of substantial price increases if the price deregulation on new natural gas is approved by the Congress.

The cities' only tool in combatting these higher energy expenditures is energy conservation. The Energy Policy and Conservation Act authorizes $50 million to develop and implement energy conservation plans in the states. The League and the Conference will seek full funding of these programs and strong local participation in forming state plans. The League and the Conference also will continue to urge that conservation technology development be a top priority item in the energy budget.

ENVIRONMENT

The FY 77 Budget provides for a decrease of $53 million in authority for the Environmental Protection Agency (EPA), reducing the total of its operating budget to $718 million.

Water pollution control

The Budget requests no new money for the construction of water pollution control facilities, but provides $10 billion in previously impounded and presently unobligated funds to support the treatment works program for the upcoming fiscal year. The Ford Administration estimates that these funds will be sufficient to meet grant needs through September 1977. However, a list released by EPA indicated that 21 states will run out of money in four to 14 months under the Administration's plan. These states include: Maine, Delaware, Virginia, Alabama, Florida, Mississippi, North Carolina, Texas, Missouri, North Dakota, Wyoming, Montana, South Dakota, Utah, Colorado, Hawaii, Nevada, Arizona, Alaska, Idaho, and Oregon. EPA previously recommended a multiyear construction grant program totalling $42 billion.

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[1] As table EN-1 shows, total estimated outlays for FY 77 are $10,361 million, less resources both onshore and on the outer continental shelf;

The Budget also contemplates a reduction in the federal share of future pollution control projects. While federal funding would remain at the 75 percent level for treatment plants and associated interceptor units, it would be reduced from 75 percent to 60 percent for the construction of combined sewers. Further, all funding would be eliminated for separate storm sewers, collector sewers, and sewer replacement and rehabilitation. Also eliminated as eligible for federal assistance would be that portion of each project designed to serve reserve capacity for future population growth.

Outlay levels will be substantially higher this year, reflecting a major public works program which finally has begun to reach the construction stage. Outlays are projected at $2.35 billion for FY 76, $3.8 billion for FY 77 and $4.6 billion for FY 78.

TABLE ENV-1.—CONSTRUCTION GRANTS FOR WATER POLLUTION CONTROL

[In billions of dollars]

	Fiscal year 1975 actual	Fiscal year 1976 estimate	Transition quarter	Fiscal year 1977 estimate
Contract authority available	$11.41	$7.08	$6.08	(1)
Obligations	4.23	4.50	1.00	$6.08
Outlays	1.95	2.35	.60	3.77

[1] No request.

Source: EPA press release.

The Section 208 Water Quality Management Planning Grants are included in the budget at a $15 million level, $38 million below the FY 76 appropriation. The budget document indicates that this level of funding will provide for "completing the funding of areawide planning and for support for Statewide planning." Federal funding for Section 208 grants will reach $235.4 million by the end of FY 77. According to EPA sources, almost 125 areas remain to be designated and funded in addition to the 153 agencies already operating. Under a recent court decision, states will be required to conduct 208 planning in "non-designated" areas within their boundaries. EPA estimates that the cost of funding these additional 125 areas plus the state non-designated activity could total over $400 million.

EPA operating programs

The EPA's operating budget will be decreased by $53 million, from $771 million for FY 76 to $718 million for FY 77. Phasing out support for the Section 208 areawide water planning program accounts for over half this decrease. Other significant decreases are in the pesticides program (down $4.4 million), and in environmental monitoring of energy research and development efforts (down $3.5 million). One notable increase is an additional $10 million requested for the Water Supply program to help states gain certification to carry out enforcement requirements of the Safe Drinking Water Act.

Air pollution

The proposed $143 million air pollution budget represents a decrease of $2.3 million from last year's commitment. The decrease includes cutbacks in pollution control grants to some agencies and limited decreases in air pollution research and development. Grants to pollution control agencies will remain at the FY 76 level of $51.5 million. Funding for regional air pollution personnel will be increased by $1.3 million. The air program will also be a major recipient of the 100 positions EPA will reprogram over the next year from headquarters to regional offices.

Solid waste

The Agency's solid waste budget request essentially is the same as last year's with the addition of $51,000 for inflation. This budget is expected to support program components similar to FY 76. As in FY 76, no new resource or energy recovery demonstration grants are planned despite a continued emphasis on technical assistance to cities, counties, and states beginning resource recovery programs. Further, the Administration did not request funds for planning demonstrations and construction grants for conventional solid waste systems.

Water supply

The Water Supply Program will be increased by $10.6 million for FY 77 to a total of $42.7 million. This doubles the FY 76 level of grant funding to states to assist them in assuming primary enforcement responsibility for state drinking water supply and underground injection control program. About 41 states are expected to assume this responsibility by the end of FY 77. The Administration has requested less than one fourth of the $40 million for technical assistance and training to local government agencies authorized under the Safe Drinking Water Act.

Noise abatement and control

The Noise Pollution budget request of $10.2 million represents a decrease of $288,000, reflecting the phasing out of one research project after completion late this year.

Parks and recreation

The Land and Water Conservation Fund administered by the Interior Department's Bureau of Outdoor Recreation would again be funded at its ceiling level of $300 million.

Comment

From the standpoint of urban environmental conditions nationwide, the FY 77 environmental budget represents a commitment which falls below what is necessary to meet the most basic of urban problems.

Overall, the amount of new money available for environmental protection during the upcoming fiscal year is $10.8 billion less than that provided one year ago—although the deadlines municipalities are required to meet under air and water pollution laws are now one year closer.

In 1972, Congress twice overrode Presidential vetos and enacted the long overdue Water Pollution Control Act Amendments of 1972. Two major components of the law were of great interest and potential assistance to cities. First, it was to provide money to areawide entities controlled by elected local officials to conduct water planning and investigations on pollution characteristics unique to their jurisdiction. Second, 75 percent federal grant support was to assist communities building treatment works to achieve nationally established water quality standards in a manner consistent with the local plans.

Unfortunately, the intentions of Congress never were fully realized. The previous Administration, faced with implementing a program with which it didn't agree, withheld over half of the funds earmarked for cities. The resulting delay in setting water cleanup efforts created a situation where only within the last year has the water pollution program begun to move. More than 150 locally controlled areawide planning agencies are now in the process of developing wastewater plans for communities across the country. Grants for the construction of wastewater treatment works are being obligated at the rate of almost a half billion dollars each month.

Now the Administration has decided to strike a "more appropriate balance between federal and non-federal responsibilities" to meet the goals of the Water Pollution Control Act. In order to accomplish this objective the Budget proposes: no new funding authorizations for wastewater construction grants—even though at least 21 states may run out of money within the year; a phasing-out of financial support but not legal requirements of the Section 208 areawide planning program; legislative amendments to the Water Act which will reduce the federal share for some treatment works and eliminate others from eligibility altogether.

The level of funding proposed by the Administration for Section 208 planning is small compared with EPA's estimates of the needs for this activity. The $15 million requested is in the form of 75 percent federal support, not 100 percent as previously existed. The previous Administration impounded, through administrative delay, $137 million in 100 percent funding. The major portion of the water cleanup pricetag estimated by EPA at $342 billion, is to take care of storm water discharges and various "non-point" sources of pollution—factors which can be dealt with effectively only through areawide water planning.

By proposing legislative amendments to the Water Act, the Administration would shift most of the $290 billion cost of meeting federal water standards to state and local governments.

FOOD STAMPS AND NUTRITION PROGRAMS

The Department of Agriculture's (USDA) Food Stamp and Nutrition Program's FY 77 Budget proposal represents a clear example of three Administration objectives; namely, a significant reduction in expenditures in the social service/income security area; program reform by replacing the categorical nutrition programs with a block grant mechanism; and an attempt to target all such programs only to those below the poverty level ($5,050 income for a family of four).

Overall, the Budget request is reduced by approximately $2.4 billion from an estimated level for FY 77 of $9.3 billion to $6.9 billion—or a cut of more than 25 percent.

Furthermore, the Budget also requires that the special milk program and the food service equipment assistance program be terminated.

Food stamps

The FY 77 Budget for the food stamp program accommodates the legislative package to alter eligibility standards which is pending before Congress. The estimated cost of the program without any major changes, would be approximately $5.85 billion in FY 76 and would increase to approximately $6 billion in FY 77, serving approximately 18 million people. The impact of this proposal would reduce expenditures by $1.2 billion and the number of recipients by 5.3 million by lowering the eligible income standard (from $6,480 to $5,050).

Nutrition

The budget for child nutrition programs and supplemental feeding programs shows a reduction of approximately $1.2 billion predicated upon the Administration's block grant proposal. The $2 billion calls for combining the school lunch, school breakfast, special milk equipment assistance, child care, summer feeding, Women, Infant and Children (WIC), and the commodity supplemental food programs. Funded categorically, these programs would cost approximately $3.2 billion in FY 77.

The FY 77 Budget is adequate for most of the child nutrition programs if Congress rejects the block grant proposal.

Of the allied programs, the Administration is proposing to terminate the special milk program by March 4, 1976 by "rescinding" the $40 million already appropriated.

The FY 77 Budget requests that no monies be made available for the school equipment assistance program, which in the last fiscal year had appropriated $21 million.

The FY 77 Budget poses major difficulties for state nutritional administrators. In spite of an enormously increased workload imposed by new USDA auditing requirements and by the new child nutrition law, the Budget contains a request for $7.7 million in both FY 76 and FY 77. This is an increase of only $1 million over the FY 75 funding level although the Food and Nutrition Service of USDA requested from OMB $11.15 million for FY 76.

TABLE FSNP-1.—CHILD NUTRITION PROGRAMS

[In millions of dollars]

	Fiscal year 1976 (estimate)	Transition quarter (estimate)	Fiscal year 1977	
			Under existing legislation	Under proposed legislation
School lunch—general assistance	521.3	82.0	588.0	
Free and reduced-price lunches	998.3	148.9	1,168.0	
School breakfast	116.5	26.0	184.0	
Equipment assistance	20.6			
State administrative expenses	7.7	1.7	7.7	
Summer food program	88.0	120.0	132.0	
Child care food program	114.0	28.5	120.0	
Commodities to schools	442.5	89.4	586.3	
Cash in lieu of commodities	52.5	4.0		
Nutritional training and surveys	1.0			
Pilot nutrition education program				
Federal operating expenses	11.7	3.0	12.0	10.0
Special milk program	[1] 144.0			
Supplemental food programs:				
WIC program	189.0	61.0	250.0	
Commodity supplemental program	21.5	5.4	17.1	
Pilot food certificate program	.8			
Block grant program				2,000.0
Total without block grant	2,729.5	569.9	[2] 3,065.1	
Total with block grant				2,010.0
Food stamp program	[3] 5,850.0	[3] 1,470.0	[3] 5,925.0	[4] 4,786.5
Other commodity programs:				
Indian reservations	14.0	3.5	4.9	4.9
Institutions	18.2	5.0	15.0	15.0
Elderly nutrition programs	10.5	2.7	22.0	22.0
Administrative expenses for States	.9	.2	.8	.8
Federal operating expenses (F N.S & A.M.S.)	7.3	1.8	6.7	.4
Extension Service nutrition education (excluding administrative expenses)	50.6	12 6	40.4	40.4
Total	6,681.0	2,065.7	9,079.9	6,880.0

[1] USDA is requesting that the special milk program be terminated as of March 1976 and that $40,000,000 of the $144,000,000 already appropriated for fiscal year 1976 be rescinded by Congress and returned to the Treasury.

[2] USDA estimates that the child nutrition programs, WIC program and supplemental food program will cost $3,000,000,000 in fiscal year 1977 if its block grant proposal is not enacted. However, this estimate includes nothing for the special milk program or for equipment assistance to schools. If these 2 programs are continued at present levels, fiscal year 1977 spending for all these programs will exceed $3,200,000,000—or more than $1,200,000,000 above the size of the proposed block grant.

[3] The figures represent estimates of food stamp costs if no major changes are made either in regulations or legislation.

[4] This figure reflects costs if the administration bill, cutting $1,200,000,000 annually, is passed and if $80,000,000 in extra allotments for pregnant women is added to compensate for the termination of the WIC and supplemental food programs which USDA is seeking as part of its child nutrition block grant.

Source: U.S. Department of Agriculture, 1977 budget summary.

Comment

The Budget request to reduce the Food Stamp and Nutrition Programs by approximately $2.4 billion is predicated upon legislative proposals in each of these areas. The food stamp proposal is one of several now pending before Congress (lengthy and heated debate is expected with the outcome impossible to predict at this time). The block grant proposal in the child nutrition area has yet to be finalized; however, a similar proposal was advanced last year and met with little receptivity in Congress. Should these proposals be rejected by Congress, levels of funding will continue at roughly FY 76 levels.

The other issue worth identifying is the stated objective to only target these programs to recipients below the official poverty line. Reducing income eligibility levels would cause severe hardship on the near poor, working poor and the unemployed particularly in the urban areas. In fact, the Bureau of Labor Statistics (BLS) has concluded that an average urban family now requires $9,198 to live at BLS's *lowest* living standard.

HEALTH

The President proposes to combine Medicaid (health care for the poor) and 15 categorical programs—many of them run by local agencies—into a single block grant to the states, with less federal money, no required state match, and no assured role for city and county governments. The areawide Health Systems Agencies (HSAs) now aborning would be financially threatened, and funding of block grants to state and local health departments under Section 314(d) of the Public Health Service Act would be ended. The President says, "We cannot realistically afford" National Health Insurance. He proposes instead a limited "catastrophic" insurance plan under Medicare (health insurance for the elderly and disabled) coupled with higher payments by most beneficiaries to save the government money in the face of soaring health costs.

The President's health proposals for FY 77 may best be characterized as cautious. The overwhelming size of the Medicare-Medicaid programs has dictated the nature of the proposals and the priorities for the Department of Health, Education, and Welfare (HEW).

There are major cost control elements in the President's proposals to convert Medicaid to an annually appropriated block grant and to modify Medicare with increased cost sharing and "catastrophic" coverage. Medicare-Medicaid together represent $32 billion of a total health budget of $37 billion. (Medicare=$23 billion; Medicaid=$9 billion.) Because these programs are essentially uncontrollable, major legislative changes must be made if the President is to hold down Federal Budget costs.

The principal change proposed would combine Medicaid with 15 other health programs into a block grant of $10 billion to states. It would accomplish two basic purposes: first, the size of the Medicaid budget would be determined not by the ability of states to match federal dollars, but by a congressional appropriation. Second, the block grant would essentially end the project grant system through which the federal government has encouraged categorical efforts in health areas of national concern.

From the perspective of local government, the elimination of a project grant system and the reliance on the state as the principal federal beneficiary are significant. Local health departments would no longer have direct access to federal program funds for community health and public health activities. The block grant proposal also would replace, to a large extent, the fledgling health planning program which emphasizes local non-profit agencies.

Under the block grant proposal (the Federal Assistance for Health Care Act) $10 billion would be distributed to the states under a formula including number of low-income families, relative tax effort, and per capita income. The states would develop a two-part health plan—part A for all the people of the state and part B for the target population within the state. At least 90 percent of the block grant would have to be spent for personal health services. Five percent would be for public and community health activities and 5 percent for planning and regulation.

The proposal is not accompanied by any substantial increase in federal funds. Indeed, compared to the recently vetoed HEW appropriation, the block grant shows a reduction in federal funding. The following table reflects the FY 75, the revised FY 76, and the proposed FY77 health budget. A more realistic version would add the proposed rescissions to the revised FY 76 figures, which would then exceed the proposed budget by several hundred million dollars.

Local agencies

Three features of the proposal are of special interest to cities, as follows:

1. The health programs that in the past have been directed specifically to cities and administered by local health departments (e.g. rat control and lead paint) as project grants would be folded into the state block grant. No required pass-through of funds to local health departments is proposed, except for a transitional provision for a declining percentage of support for existing projects.

2. The elaborate planning mechanism of the National Health Planning and Resource Development Act (PL 93-641) would be continued only if the state agency chose to do so.

3. The Administration is persisting in its efforts to abolish the comprehensive health block grants to state and local governments under Section 314(d) of the Public Health Services Act. While announcing it is "folding in" these grants among the 16 programs proposed for consolidation under the Federal Assistance for Health Care Act, it is actually trying to fold them up.

Other provisions of the block grant proposal include the following:

1. States matching of federal funds would not be required.

2. A hold harmless provision would ensure that no state would receive less in the first year then in FY 76; nor would any state receive more than a 10 percent increase.

3. Target populations would be defined by the state; federal eligibility requirements would not be imposed.

4. An open and public planning process similar to the Title XX (social services) process would be required.

It should be noted that Medicaid funds constitute the greatest portion of the $10 billion—the FY 76 estimate slightly exceeds 90 percent. Developmental disabilities not previously in the health budget, are also included as a block grant program.

Medicare and national health insurance

The Budget proposes the following significant revisions of the Medicare (Title XVIII) program:

1. A "catastrophic" insurance proposal would put a cost sharing cap of $500 for hospital costs and $250 for physician fees for all beneficiaries. Costs above these caps would be fully insured.

TABLE H-1.—HEALTH PROGRAMS SUMMARY

[Authorization in millions of dollars]

	Fiscal year—				
	1975	1976 (revised)	1977	1976 (proposed rescissions)	Change
Foods and drugs	$201	$209	$226		+$17
Health services	1,227	1,117	1,052	(116)	−65
Preventive health	152	133	143		+10
Biomedical research	2,093	1,980	2,165		+185
Alcohol, drug abuse, and mental health	834	711	[1] 756	(57)	+45
Health resources	814	521	541	(67)	+20
Other health	72	68	78		+10
Health agencies	5,393	4,739	4,961		+222
Medicaid and developmental disabilities	7,020	8,316	9,346		+1,030
Net impact of financial assistance for Health Care Act			−200		−200
Medicare	16,904	17,558	[2] 23,028		+5,470
(Outlays)	(14,781)	(17,433)	(19 646)		(+2,213)
Total, health programs	29,317	30,613	37,135		+6,522
(Outlays)	(27,026)	(31,377)	(33,776)		(2,399)

[1] Includes $75,000,000 proposed for later transmittal for St. Elizabeths Hospital construction in Washington, D.C.

[2] Includes impact of proposed medicare legislation.

Source: HEW fiscal year 1977 budget briefing document. (This table does not compare the administration's fiscal year 1977 request with the congressional fiscal year 1976 appropriation, which was vetoed.)

TABLE H-2.—BLOCK GRANTS

[Authorizations in millions of dollars]

	Fiscal year		
	1975	1976 (revised)	1977
Health services:			
Comprehensive health grants to States	$90	$68	----
Community health centers	197	155	$155
Maternal and child health services	293	223	210
Family planning	101	79	79
Migrant health	24	19	19
Emergency medical services	37	25	25
Alcohol, drug abuse, and mental health:			
General mental health centers	213	160	131
Alcoholism community programs	104	80	79
Preventive health:			
Venereal disease	28	20	20
Immunization	6	5	5
Rat control	13	5	5
Lead-based paint	9	4	4
Health resources:			
Health planning	98	66	90
Construction			
Developmental disabilities	54	54	54
Subtotal	1,267	963	876
Medicaid	6,966	8,262	9,292
Total	8,233	9,225	10,168

Source: HEW fiscal year 1977 budget briefing document.

2. Offsetting this, a 10 percent coinsurance would be applied to all costs incurred below the caps.

3. Cost increases that would be reimbursed would be limited to 7 percent for hospitals and 4 percent for physicians' fees.

While the catastrophic coverage would cost an additional $500 million, the imposition of additional cost sharing and limitation of cost increases would result in overall savings to the Medicare program of $2.2 billion. This limited health insurance program is along the path of the Long-Ribicoff proposals and away from either the old Administration Comprehensive Health Insurance Plan (CHIP), or the approaches by Massachusetts Senator Edward M. Kennedy.

While thus proposing "catastrophic health insurance for everybody covered by Medicare," the President said in his State of the Union Message on January 19, "We cannot realistically afford federally dictated national health insurance providing full coverage for all 215 million Americans."

Other health programs

Drug abuse community programs were not included in the block grant proposal and would be increased from $138 to $160 million (see separate chapter on drug abuse).

The Indian health program would receive a $40 million increase, and the National Health Service Corps would go from $15 million to $25 million.

Again, the Budget proposes closing the eight Public Health Service hospitals (in Boston, Staten Island, Baltimore, Norfolk, New Orleans, Galveston, San Francisco and Seattle).

Small increases were provided for occupational health, laboratory improvement, and food and drug programs.

A 20 percent increase is proposed to support the continued development of Professional Standards Review Organizations (PSROs) which still have a high priority.

The health professions education budget would be shifted to emphasize the training of primary-care physicians, rather than medical students preparing for other specialties.

The National Institutes of Health (NIH) are budgeted for small increases for biomedical research.

Comment

The FY 77 health budget reflects the President's Budget in that it attempts to restrain costs in the health area. The block grant proposal would significantly change the federal role in health policy and reduce its financial contribution to programs run by local health departments. The proposed Federal Assistance for Health Care Act represents the Administration's determination to shift responsibility and authority—but not necessarily resources—to state and local governments. It suffers from several major flaws: it is seriously underfunded, particularly from the standpoint of states that are seeking additional support; it assures no direct role for cities and counties, where much of the innovative effort has been focused; and it does not require any state matching, which in some states could result in a further substantial reduction in support to local health programs.

The Medicare proposals seek to shift more of the cost burden to the beneficiaries of the program while providing catastrophic health insurance only to the tiny portion of the 24 million Medicare eligibles that would require an unusual amount of physician in-patient hospital, post hospital home health, or post hospital skilled nursing services—but not to the other far larger portion of disabled and elderly infirm patients who need long-term nursing care.

The again-proposed elimination of 314(d) block grants to state and local governments may well foretell the future federal commitment to the larger block grant concept advanced under the Federal Assistance for Health Care Act. These grants are essential to the already strained budgets of local health departments.

It is doubtful that any of these proposals will be enacted in the current Congress. At best, agreement on health spending under current legislation will be achieved. At worst, the long impasse that has resulted in vetoes of HEW appropriations and some other health legislation will continue the uncertainty and program delays of the past several years.

HOUSING AND COMMUNITY DEVELOPMENT

The FY 77 Budget proposes a 29 percent increase in funding for the Department of Housing and Urban Development (HUD), requesting $9.1 billion in appropriations.

For the first time since enactment of the Housing and Community Development Act of 1974, the Budget requests the full amount authorized for community development, $3.15 billion, a 15 percent increase. If appropriated, it will bring the total three-year funding up to the $8.4 billion authorized by law. In addition, the full $100 million is requested for transition funding to cover hardship cases and special needs, bringing the total for community development to $3.25 billion.

The Budget includes $850 million of new contract authority for assisted housing and use of $264 million of contract authority released in FY 76 for the Section 235 homeownership program for moderate income families. It calls for 400,000 units of lower income housing under the Section 8 program, 100,000 units under the Section 235 program, and 6,000 units of Indian housing for a total of 406,000 assisted units in FY 77.

Community development

Different versions of the Administration's legislation approved by the House and Senate would adjust the allocation formula of the community development block grant due to unanticipated demands from urban counties. It would set aside $200 million of the amount requested and guarantee that $100 million of the amount appropriated be available to cities in metropolitan areas which are not automatically allocated funds by the block grant formula. The proposal also would authorize up to $100 million to close the gaps between the amount required by cities which are to be "held harmless" and the amount available after allocation or appropriated funds in accordance with the law. There will be no adverse effect on either entitlement or discretionary communities if Congress approves the $3.25 billion appropriation package.

"Housing programs" in the FY 77 Budget cover HUD's major housing subsidy programs as well as the mortgage insurance activities of the Federal Housing Administration (FHA). Other functions included under this heading are loan management, property disposition, program liquidation, and provision of temporary housing for persons displaced by disasters.

For FY 77, HUD will continue to rely on the Section 8 Housing Assistance Payments program for the provision of nearly all low-income housing. It requests $850 million of new contract authority which would bring the FY 77 total to $1.147 billion in authority if Congress approves. HUD is projecting reservations of 400,000 units under Section 8 for the fiscal year, divided as follows: 125,000 units in new construction and substantial rehabilitation, 165,000 units in existing housing, and 110,000 units in property disposition and loan management (near-defaults and HUD inventory properties).

TABLE HCD-1.—COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

[In thousands of dollars]

	Fiscal year—		
	1975 actual	1976 estimated	1977 estimated
Distribution by funding category:			
Metropolitan areas:			
Entitlement/hold harmless	1,948,931	2,087,977	2,392,147
Discretionary balances	54,642	91,623	119,085
Subtotal	2,003,573	2,179,600	2,511,232
Nonmetropolitan areas:			
Hold harmless	269,799	265,397	259,649
Discretionary balances	199,694	254,003	318,159
Subtotal	429,493	519,400	577,808
Secretary's discretionary fund	26,934	53,000	58,960
Urgent needs fund	50,000	50,000	100,000
Total distribution	2,550,000	2,802,000	3,248,000

Source: HUD News, "1977 Budget Highlight Tables," table 4.

HUD will use Section 8 funds in a major effort to reduce its inventory of foreclosed properties. During the remainder of FY 76, the transition quarter, and FY 77, HUD hopes to save $1.9 billion by lowering defaults on FHA-insured mortgages by use of Section 8 subsidies.

The $264 million of Section 235 contract authority is to be used for housing reservations of 75,000 units in FY 76, 100,000 in FY 77, and 100,000 in FY 78. Significant administrative changes in the program limit the interest subsidy to 5 percent rather than the 1 percent permitted by law and require home purchasers to make a down payment greater than the minimum $200 permitted by law. These changes are HUD's efforts to avoid the defaults and foreclosures which were part of the reason for suspending the program before it was reinstituted pursuant to a court order.

The Budget proposes a lending level of $375 million for permanent financing of 14,800 housing units for the elderly or handicapped under the Section 202 program. Direct federal loans at the Department of the Treasury's borrowing rates plus administrative costs will be used to finance this construction. The Section 8 rental subsidy will be used to assist low income individuals.

For the existing inventory of public housing projects, the Budget proposes a decrease in HUD operating subsidies from $535 million in FY 76 to $463.6 million in FY 77. A performance-funding system which incorporates revenue and expense standards will be used to determine levels of funding for local housing authorities. Approximately $215 million is requested for public housing modernization, about the same as the level for FY 76.

TABLE HDC-2.—SUBSIDIZED HOUSING PROGRAMS

	Units			Contract authority (in thousands of dollars)		
	1975 (actual)	1976 (estimate)	1977 (estimate)	1975 (actual)	1976/TQ (estimate)	1977 (estimate)
Lower income housing assistance program (sec. 8):						
New construction (rehab.)	36,798	125,000	125,000	$155,320	$487,500	$536,200
Existing	55,322	165,000	165,000	115,579	415,800	457,000
Property disposition and loan management		110,000	110,000		125,200	154,400
Total, Sec. 8	92,120	400,000	400,000	270,899	1,028,500	1,147,600
Housing for the elderly or handicapped, Sec. 202		[1] (16,000)	[1] (15,000)			
Indian public housing	2,845	11,500	6,000	8,650	28,800	17,000
Section 235 homeownership assistance program:						
Old program	1,138					
New program		75,000	100,000		264,000	

[1] To avoid duplication in counting, HUD has included reservations and starts under the new section 202 program as nonadd numbers.

Sources: HUD NEWS, fiscal year 1977 budget highlight tables, tables 2 and 8; appendix to the Budget for fiscal year 1977, p. 394.

The Budget does not anticipate any additional mortgage purchase commitments for FY 77 under the emergency mortgage purchase program or under the special assistance functions of the Government National Mortgage Association (GNMA). It is expected that purchase commitments of $600 million for previously approved subsidized housing mortgages will be completed in 1976. In addition, $3 billion in GNMA purchase authority has been approved by the Secretary of HUD based on a finding of housing emergency in accordance with the Emergency Housing Act of 1975. In FY 76, this authority is expected to cover mortgage commitments for 100,000 multifamily units.

No new authorization is requested for conventional public housing, Section 236 multifamily rental program, Section 312 direct rehabilitation program, or Section 802 interest reduction grants to state housing finance and development agencies. During FY 77, approximately 5,000 units of Section 236 housing will be added by special deep subsidies to cover increased taxes and utilities since the project was approved. Rescissions of the available funds for the Section 802 program and the 312 rehabilitation program have been submitted to the Congress by the Administration.

Comment

The Budget request for full funding of the community development block grant is good news. It would also have been desirable to meet the increased demands of urban counties by proposing to increase authorizations and funding. But the fact that this approach was not taken is understandable in view of the general budget posture and especially in light of the 15 percent increase for block grant funding.

The 1974 Housing and Community Development Act directs the Secretary to submit to Congress timely requests for additional authorizations for the fiscal years 1978 through 1980. This provision is based on the notion that the community development program should give cities a reasonably predictable level of future funding to enable realistic multi-year planning and programing. In meeting the Congressional Budget Act requirement to submit authorization levels to Congress for FY 78 by May 15, it would be desirable for HUD to make recommendations for FY 78–80.

The principal concern about the FY 77 Budget proposal is the relationship between housing and community development. In a recently released HUD first annual report on the community development block grant program, cities cited improvement or expansion of housing stock more frequently than any other item as a high priority need. HUD has approved 1,321 housing assistance plans.

The issue in the FY 77 Budget is whether the pattern of funding will result in the production of housing in accordance with the locally approved housing assistance plans. Despite approved contract authority of over $1.8 billion for Section 8 and past budget estimates of several hundred thousand units a year, no accepted means exists now for obtaining the flow of private mortgage money needed to finance Section 8 housing. Financing has not been made available for the new and rehabilitated units whose tenants would receive Section 8 rental assistance. It is as critical for the cities that funds be made available for this financial assistance as it is for funding Section 8. Since the recent HUD report shows that 71 percent of the block grant funds are targeted to areas where low and moderate income families predominate, it is reasonable to assume that a significant proportion of the housing called for in their plans is in neighborhoods considered to be medium or high risk areas. Special financial assistance may, therefore, be required to make the Section 8 program work in accordance with housing assistance plans. The same principle should apply to the Section 202, Section 235 program, and any other housing assisted by HUD in cities with a plan approved by the local community.

The FY 77 Budget suggests that the Federal guarantee of taxable bonds and interest rate subsidies authorized in Section 802 of the 1974 Act are not needed. GNMA, which provided assistance to federally subsidized or assisted housing programs, is not to continue this function in FY 77. It is not likely that a HUD-state housing finance agency coinsurance program will provide substantial help to the financing of assisted housing in medium to high risk areas. The approved community development programs, which include the housing assistance plans, reflect city priorities and planned expenditures to improve physical and economic conditions as part of a long-term, comprehensive, citywide effort. However, without the necessary special assistance, the critical investment in housing will not occur where needed, and the community development program will not work.

It is therefore essential to achieve the housing production goals in the budget. It is equally important to locate housing in a decent environment which will minimize the risk of foreclosure and help to support the locally-approved community development program. One approach would be to establish a GNMA tandem-plan for Section 8, Section 235, Section 202 and other assisted housing which is part of a locally-approved housing plan. Since the housing plan has been approved by HUD and each of these programs involves HUD approval on a project-by-project basis, there will be ample opportunity for careful review by the federal government.

Another concern about the FY 77 Budget is the lack of support for the 312 low interest rate rehabilitation program indicated by the rescission sent to Congress by the Administration. This program works. Community development block grant funds do not substitute for a direct rehabilitation loan program. The problem of obtaining long-term financing for housing improvements should be handled by a housing program, while the ability to use block grant funds to support rehabilitation is desirable, many communities refuse to support rehab if it means tying up scarce, flexible block grant funds in long-term mortgages. Instead, they make grants or establish escrow funds for security to obtain loans for rehabilitation from private lending institutions at less than market rates. While the problems of Section 8 and the innovative uses of block grant funds to support rehabilitation are being tested, the Section 312 program should continue.

Parks and recreation

In spite of speculation earlier in the year regarding the status of the Bureau of Outdoor Recreation's (BOR) budget, the Administration has requested full funding in FY 77 for this program.

TABLE HCD-3.—BUREAU OF OUTDOOR RECREATION

[Obligations in millions of dollars]

	Fiscal year 1975 (actual)	Fiscal year 1976 (estimate)	Transition (estimate)	Fiscal year 1977 (estimate)
Federal parks	$105.0	$153.5	$30.5	$117.8
State grants	165.0	188.1	43.9	175.5
BOR administration	6.0	6.4	1.6	6.7
Total LWCF	276.0	348.0	76.0	300.0

Source: Fiscal year 1977 budget appendix, p. 450.

MANAGEMENT ASSISTANCE

Cities face continuing cutbacks in management and planning assistance in the Administration's FY 77 budget. In 10 major planning and management assistance programs, funds have decreased by approximately 30 percent over the past two years, with a 14 percent drop between FY 76 and FY 77. Programs scheduled for major reductions include the Intergovernmental Personnel Act (IPA) (Civil Service Commission), Comprehensive Planning Assistance (Housing and Urban Development 701), and Areawide Wastewater Planning (Environmental Protection Agency 208).

IPA

The FY 77 budget offers no explanation for the $5 million cut ($15 million to $10 million) proposed for the IPA program. IPA is a general-purpose management assistance program that provides grants and other assistance to cities to help them improve their personnel, management, and training systems through an exchange of personnel. Continued favorable evaluations of the program and extensive and innovative uses of IPA resources by local governments apparently have had little impact on the Administration. The 33 percent cut in IPA represents a severe reduction in an already limited program. The most noticeable initial impact of the proposed reduction would be a disruption in the state planning processes for IPA fund allocation and increased competition (fundable requests now total three times the amount of available funds) for scarce IPA resources.

Housing and Urban Development (HUD) 701

The 67 percent cut in 701 funds represents a drastic retrenchment of federal government support for Comprehensive Planning and Management in city and state government. The rationale offered for the reduction is that cities are now able to use community development block grant funds for general planning and management purposes. The fact is that Community Development block grants funding is not sufficient to finance redevelopment and other related activities as well as comprehensive planning and management improvement at the local level. The only effective means for providing sufficient planning resources to metropolitan and non-metropolitan cities is to fund the 701 program at a minimum of $100 million. The current FY 77 Budget proposal not only cuts funding back to $25 million but also contemplates a policy of planning only substate regional planning agencies (primarily COG's). Therefore, if the Administration's proposal is adopted, cities will receive no 701 program support in FY 77 whatever.

Areawide wastewater planning (208)

The Administration's proposed $15 million program for the Environmental Protection Agency's (EPA) Section 208 (areawide wastewater planning) is a drastic and unrealistic reduction for several reasons, as follows:

Funding for existing 208 agencies is inadequate, and a recent League and Conference survey indicates that 90 percent of these agencies would be incapable of picking up this activity if the federal shore were reduced;

The need for 208 funding has increased because 125 areawide agencies remain to be designated, and recent court decisions require 208 planning to be done in nondesignated areas of the state also (the estimated cost of this latter activity alone is $50 million);

An assumption underlying the $15 million request seems to be that 208 planning is a one-time cost by which a plan will be developed and put on a shelf for future reference; in reality, 208 is similar to all other planning activities—it is a continuing, ongoing process that requires monitoring, reevaluation, and updating on a regular basis; and

In broad terms, EPA is attempting to do a $300 million job with $15 million; this situation is exacerbated by the reduction in federal share funding from 100 percent to 75 percent over the last two years.

Law Enforcement Assistance Administration (LEAA) planning

No increase is requested for FY 77 LEAA planning grants. The decision to request $60 million for next year, which is the same appropriation as that of FY 76, apparently results from the Administration's rationale that an increased demand for planning money will not occur because direct aid will decline.

Health planning

The proposed $90 million for FY 77 health planning will be insufficient to meet documented needs at the local level. Recent health legislation has eliminated gaps in areawide health service agency coverage, mandated staff levels for Health Services Areas (HSA's), and increased the number of functions that HSA's are required to perform. Unless changes are made in the legislation during this session of Congress, $90 million will not meet local health care planning needs. Under the Administration's proposed block grant health program, health planning assistance would be one of 15 categorical programs included and, thus, would become a discretionary item.

Transportation planning

The Federal Highway Administration (FHWA) and the Urban Mass Transportation Administration (UMTA) recently issued new joint regional planning requirements necessary for funding that place greater responsibilities on local governments and Metropolitan Planning Organizations (MPO's). These include Transportation Improvement Programs (TIP's) and Transportation Systems Management (TSM) projects. Funds for transportation planning in urbanized areas are derived from two main sources: (1) UMTA's Section 9 technical studies grants and (2) one-half percent of a state's federal-aid highway apportionment. Since the A-95 agency does the transportation planning in many urbanized areas, 701 funds have also been used.

The Administration proposes an increase for UMTA Section 9 in its FY 77 Budget, up from $38.7 million in FY 76 to $45 million. However, since these funds must also be used for a variety of technical studies, including those to support applications for new transit projects (such as "alternatives analysis"), only part of the $45 million would be available for transportation planning in the 279 urbanized areas. The planning funds derived from the highway program would amount to approximately $32 million in FY 77. This would be a reduction over FY 75 and FY 76, since total highway obligations are lower. Furthermore, these funds are also used by the states because they have a role in the urban transportation planning process under

Section 134 of Title 23 (highways). Therefore, it appears that the increase in Section 9 funds will not improve regional transportation planning capabilities.

TABLE MA-1.—SELECTED MANAGEMENT ASSISTANCE PROGRAMS

[In millions of dollars]

	Fiscal year—		
	1975	1976	[1] 1977
IRA	$15.0	$15.0	$10.0
HUD, 701	100.0	75.0	25.0
LEAA planning	55.0	60.0	60.0
EPA 208 planning	[2] 163.0	53.0	15.0
Health planning	98.0	66.0	90.0
Transportation planning:			
UMTA sec. 9	[3] 37.1	[3] 38.7	[3] 45.0
FHWA ½ percent	[4] 37.3	[4] 36.6	[4] 32.2
Economic Development Administration:			
Title III (planning, technical assistance, and research)	[5] 12.2	[5] 23.0	19.7
Title V (regional assistance)	38.5	64.1	42.2
Title IX (economic adjustment)	[5] 38.8	[6] 77.0	45.0
Aging title III	[6] 96.0 104.8	[6] 96.0	97.0
Total	690.9	604.4	480.1

[1] All fiscal year 1977 figures are administration's request.
[2] Outlays.
[3] Obligations; funds are also used for technical studies.
[4] Obligations (approximate); funds are also used by States.
[5] Obligations.
[6] Requested.
Actual.
Note: Figures are appropriations unless noted.
Source: Fiscal year 1977 budget appendix.

Comment

The FY 77 budget represents a continuation of the trend toward increased reliance on the block grant approach. At the same time, there is an ongoing reduction in the availability of general and special-purpose planning and management funds that are essential if cities are to implement effectively their block grant programs. While shifting greater responsibility to local governments and putting more decision-making power in the hands of local elected officials, the FY 77 budget reduces those programs that will give cities the ability to plan, implement, monitor, and evaluate programs. It is clear that, despite recent Administration rhetoric about the need for "capacity building" in local government, there is little dollar commitment to this effort.

RESEARCH AND DEVELOPMENT

The President proposes $24.7 billion in obligations for research and development in FY 77. Approximately $23.5 billion of that is devoted to research and development (R & D and the remainder to facilities. This is an increase of more than $4 billion or 11 percent for research over the estimated FY 76 obligations. In the broadest categories the changes would amount to increases of 13 percent for defense research and development, 10 percent for civilian programs and a constant amount for space R&D.

According to the Administration the leading research priorities for the coming year are defense, energy, and basic research. The Budget contains increases of over 38 percent for direct energy R&D, with significant increases in solar and geo-thermal research as well as conservation (see Energy section for details). The National Science Foundation (NSF), which in FY 75 and FY 76 allocated 83 percent of its R&D funds to basic research, is slated to receive a 16 percent budget increase, with 86 percent to be devoted to basic research in FY 77.

TABLE R. & D.-1—CONDUCT OF FEDERAL R. & D. BY MAJOR PROGRAM AREA

[Obligations in billions of dollars]

	Fiscal year—				
	1975 actual	1976 estimated	1977 estimated	Difference 1976-77	Percent change 1976-77
Defense, including ERDA military-related programs	$9.6	$10.6	$12.0	+$1.4	+13
Space programs	2.5	2.9	2.9	0	0
Civilian programs	6.9	7.8	8.6	+.8	+10
Total	19.0	21.3	23.5	+2.2	+11

Source: Special Analysis P, 1977 budget, p. 277.

The division of R&D funds by agencies shows both significant increases and decreases: +13 percent for Defense, +17 percent for Energy Research and Development Administration (ERDA), +8 percent for Department of Health, Education and Welfare (HEW), +16 percent for NSF, +13 percent for Department of Housing and Urban Development (HUD) but —6 percent for Department of Transportation (DOT), —21 percent for Environmental Protection Agency (EPA) and —37 percent for Department of Justice (DOJ). Beneath and beyond the numbers and the signs there are shifts in responsibilities. A large part of the decrease in the EPA R&D budget results from a transfer of energy research to ERDA. Within NSF, Research Applied to National Needs (RANN), is scheduled for an 8.7 percent decrease, but this represents shifts of projects to other agencies where there are increased expenditures proposed.

TABLE R. & D.-2.—FEDERAL OBLIGATIONS FOR CONDUCT OF R. & D. BY SELECTED AGENCIES

[Obligations in millions of dollars]

	Fiscal year—				
	1975 (actual)	1976 (estimate)	1977 (estimate)	Difference 1976-77	Percent change 1976-77
Department of Defense	$8,987	$9,879	$11,198	+$1,319	+13
National Aeronautics and Space Administration	3,088	3,473	3,573	+100	+3
Energy Research & Development Administration	2,071	2,812	3,282	+470	+17
Health, Education, and Welfare	2,395	2,169	2,570	+201	+8
National Science Foundation	604	628	726	+98	+16
Department of Agriculture	424	483	507	+24	+5
Department of Transportation	291	340	319	−21	−6
Department of Interior	296	332	316	−16	−5
Environmental Protection Agency	258	305	241	+64	−21
Department of Commerce	222	247	243	—4	−2
Veterans Administration	99	108	106	−2	−2
Nuclear Regulatory Commission	61	97	109	+12	+12
Housing and Urban Development	57	62	70	+8	+13
Department of Justice	44	65	41	−24	−37
All other	126	138	164	+26	+19
Total	19,023	21,338	23,465	+2,127	+10

Source: Special Analysis P, 1977 Budget, p. 281.

Comment

On the face of it, R&D fares well in the proposed FY 77 Budget. An 11 percent increase in a tight budget is significant. But how do cities fare?

The HUD R&D budget is to be increased 13 percent, $8 million, and this is a decision to be applauded by cities. Put in context, however, the applause must be muted. That increase is from $62 million estimated obligations for FY 76, which was up from $57 million in FY 75 obligations, which in turn was down from $65 million in FY 74. Taking FY 74 as a base year, therefore, shows an increase of only $5 million or about 7.5 percent over three years of high inflation. This increase, therefore, for FY 77 HUD R&D is significant and needed but really presents catching up rather than a long-term dependable commitment to urban research.

At the same time it must be remembered that the HUD R&D budget still ranks above only Justice among the major federal agencies. Further, the cuts in the RANN R&D budget must raise questions about the federal government capacity to continue to innovate in areas of practical concern to cities and to communicate the results of research undertaken.

In two respects the Administration's continued advocacy of consolidating categorical programs makes the R&D effort look less adequate. With devolution of authority, greater burdens are placed upon local government administrations. At the same time cuts in funds for planning subtract resources available to local governments for improving program management. It is imperative that the federal government realize that greater responsibility at the local level for program administration means greater responsibility at the Federal level for supporting the production of usable knowledge and techniques which can be put to work by cities.

Furthermore, movement toward block grants based on distribution formulas makes the production of adequate data even more important. A formula is only as good as the data that fills it and the development of an appropriate formula depends on the availability of dependable data. Further, for years, persons both in and outside of the federal government have advocated the development of social or urban indicators that would give better answers to questions related to need and program effectiveness. Recent major shifts in population distribution make such information even more important for the development of effective urban policy. But in its broad outlines the President's budget, which proposes a budget virtually unchanged for statistical programs, does not seem to respond to these data needs.

The R&D budget represents the thinking of the federal government. It is a rough prediction of what it can do and do well. The President's budget proposal shows some evidence that city concerns have risen in the federal consciousness, but also demontrates they are still buried far deeper than they should be.

SMALL CITIES

The FY 77 Budget requests no new money for grant programs provided under the Rural Development Act and has maintained counterpart loan programs at the same level as FY 76, $1,020 million.

In past years, grants have been made to rural areas and to small cities for water and waste treatment programs, business and industrial development, and community fire protection. (See Table SC-1, page 83)

TABLE SC-2.—RURAL HOUSING PROGRAMS

[Obligations in millions of dollars]

	Fiscal year 1975 (actual)	Fiscal year 1976 (estimate)	Transition (estimate)	Fiscal year 1977 (estimate)
Subsidized ownership program:				
Purchase:				
New	859.8	760	191.4	733
Existing	320.3	560	141.0	538
Repair loans	5.5	73	18.3	72
Mutual and self-help site loans	1.0			
Technical assistance grants	1.0			
Rental insured	242.6	267	66.0	300
Farm labor loans	8.1			
Farm labor grants				
Total, subsidized	1,438.3	1,660	416.7	1,643
Unsubsidized program:				
Ownership:				
Low income	97.8	110	27.5	111
Moderate income	643.3	840	210.2	838
Other site loans	2.1	3	.8	3
Rental	49.8	73	18.2	100
Total, unsubsidized	793.0	1,026	256.7	1,052
Total, rural housing program	2,231.3	2,686	673.4	2,695

Source: U.S. Department of Agriculture, 1977 Budget Summary, January 1976.

Housing assistance

The United States Department of Agriculture's (USDA) Farmers Home Administration (FHMA) oversees a group of rural housing programs that will provide a total of $2.7 billion in direct and guaranteed loans to individuals, up only slightly from last year. One hundred twenty six thousand units will be involved, over 11,000 fewer than FY 76. The programs target low and moderate income groups and will emphasize purchase and rehabilitation of existing housing stock, as will almost half of FY 77 home ownership assistance. An experimental mortgage loan program to builders will also test the viability of attracting private capital to the rural housing market.

Several smaller housing programs will not be funded this year, including Self Help Site Development loan and grant program which allows aid for housing site assembly and preparation by public and non-profit agencies.

Total dollar commitment to rural housing has not changed significantly in recent fiscal years. While these programs have helped many individuals in rural areas, their biggest weakness lies in the kind of shot-gun assistance they provide which permits rural housing and subdivision construction outside the control of rural communities. The demand for small city services and the subsequent strain provision of services places on the small city totally frustrates orderly growth and development. The fact that these ill-placed housing units may also lie outside small city boundaries exacerbates fiscal resource problems of the communities.

Comment

It would not be hard to conclude that in FY 77, the U.S. Department of Agriculture and the Office of Management and Budget are trying to plow the Rural Development Act under once and for all. All of the community facilities grant programs, which provide funds for water and waste treatment programs, industrial development, community fire protection and other community facilities, will be abandoned. The USDA claims that the grant programs of the Rural Development Act are unnecessary because rural communities are eligible to receive federal assistance under the Department of Housing and Urban Development (HUD) Community Development program, as well as other federal programs. In theory this may be true, but in practice the case is otherwise since community development funds are limited and eligibility requirements of other programs severely inhibit small city participation. A good indication of need is the $488 million backlog of applications for Water and Sewer Grants now held by USDA. Counterpart loan programs, which are not as beneficial to small communities because of the debt burdens they impose, show no increase in outlays over previous years.

The ability of the Administration to continue its year by year assault on Rural Development Act funding may be hampered as a result of exhaustive Congressional oversight hearings that will soon begin on FHMA's administration of the Act. Major new initiatives by the Senate and House Agriculture Committees to assure adequate funding and improve administration are expected.

TABLE SC-1.—RURAL DEVELOPMENT LOANS AND GRANTS

[In millions of dollars]

	Fiscal year 1975 (actual)	Estimated—		
		Fiscal year 1976	TQ	Fiscal year 1977
Loans (outlays):				
Water and waste disposal	$470	$470	$117.5	$470
Community facilities	200	200	50	200
Business and industrial development	350	350	87.5	350
Total loans	1,020	1,020	255	1,020
Grants (budget authority):				
Water and waste disposal	30	250	37.5	
Rescission proposed		−125	−25	
Business and industrial development	13.75	11.875	2.969	
Rescission proposed		−9.375	−2.969	
Community fire protection	3.5	3.5	.875	
Recission proposed		−3.5	−.875	
Total grants	47.25	127.5	12.5	0

Source: U.S. Department of Agriculture, "1977 Budget Summary," January, 1976.

SOCIAL SERVICES

Income security

Over 97 percent of the $140 billion Health, Education and Welfare (HEW) budget provides payments which are mandated by law—the so-called noncontrollables. Seventy percent of HEW's budget for FY 77 will be for income security programs, an estimated $12 billion increase over FY 76.

TABLE SS-1.—INCOME SECURITY OUTLAYS

[In millions—present law]

	Fiscal year—			
	1975	1976 (revised)	1977	Change
Old age and survivors insurance	$55,694	$63,178	$72,345	+$9,167
Disability insurance	7,954	9,506	11,213	+1,707
Supplemental security income	4,779	5,235	5,910	+675
Disabled coal miners benefits	968	986	914	−72
Maintenance assistance	5,139	5,898	6,215	+317
Total	74,534	84,803	96,597	+11,794

Source: The fiscal year 1977 budget (HEW press release), p. 32.

Old age, survivors and disability insurance (social security programs)

These two social security programs will pay an estimated $83.5 billion to 33.3 million beneficiaries in FY 77, or one million more recipients than in FY 76 and 13.5 million more than in 1965.

This year the budget supports 6.7 percent cost-of-living increases payable in July, 1976 and 5.9 percent in July, 1977, for social security and supplementary security income beneficiaries.

Throughout 1976 there was increasing public concern about the financial soundness of the social security program and speculation that there will be insufficient funds in the trust account in the long term to pay for benefits as authorized by current law. The Administration will submit a series of legislative proposals to improve the financial soundness of the system, both in the short run and in the long term.

The most important proposal is an increase in the tax rate by .3 percent for both employers and employees, beginning January 1, 1977. This increase is designed to assure the integrity of the fund through the mid-1980's. Another proposal would change the way future benefits are computed in order to lessen the inflationary impact on future benefit costs.

Supplemental security income program (SSI)

Beginning January 1, 1974, the SSI program federalized the programs of assistance for the aged, blind and disabled through provision of a minimum basic payment. States may continue to provide supplementary payments above the federal floor. There has been a steady growth in the program since the beginning of federal administration—

about 4.1 million federal and state beneficiaries in FY 75 to a projected 5.2 million beneficiaries in FY 77. (See Table SS-1)

This program has come under public criticism (1) upon implementation when many former state recipients did not receive checks on time or at all from the Social Security Administration; (2) in recent months from the excessively high error rates which were publicized in the press. As a result, HEW is proposing a number of management improvements in the SSI program designed to reduce error rates, to increase the accuracy of benefit payments, to improve the computer systems involved in payment of claims, and to implement the recommendations of an SSI study group appointed by the secretary. That report is being released almost concurrently with the budget. Finally, a number of new positions are being planned for the program to improve local servicing at social security district offices.

Aid to families with dependent children program (AFDC)

Under this federally matched, state administered public assistance program, HEW is projecting a decrease in recipients for FY 77 of about 200,000 individuals. At the same time the average benefit is expected to increase.

The Administration has made two recommendations to reduce federal costs in the AFDC program. The first would withhold up to $240 million from states failing to meet quality control performance measures. Such a sanction has been threatened for almost two years, but no money has been actually withheld largely due to political pressure from the states and the Congress.

The second initiative, still indefinite at this point, would introduce legislation allowing HEW to implement program standardization provisions. In order to stop the implementation of new rules, Congress would have to act to disapprove them. The functional budget refers to this new proposal as the Income Assistance Simplification Act. Its purposes are to promote equity, effectiveness and consistency in the welfare program and to remove work disincentives.

Disabled coal miners benefits

The "Black Lung" program benefits show a slight decrease from the FY 76 level, reflecting a decline in number of beneficiaries. There are no new beneficiaries since the administration has been shifted from HEW to the Department of Labor.

Comment

Cities are not directly involved in the administration of the income security programs. However, the dollar level of benefits greatly impacts the economy of cities since a large proportion of the recipients live in urban areas. The impact is even greater in times of economic downturn because unemployed persons often seek benefits from these programs.

The budget policies in income security in the FY 77 Budget which will affect cities most directly will include the following:

The decision not to seek a legislative ceiling on social security and SSI payments will mean more money for disabled, retired and needy individuals as a result of cost-of-living increases. Beneficiaries in urban areas will be less likely to turn to city hall for local assistance in meeting temporary or emergency needs.

Improvement in the administration of the SSI program should assist needy, disabled and elderly persons in getting prompter payments when they become eligible for the program. The inability of the Social Security Administration to provide payments on short notice frequently has forced individuals to seek locally funded general assistance or other types of payments while awaiting SSI payments.

The threatened sanctions on the AFDC program are intended to be an incentive to a better managed, streamlined program. However, AFDC administrative regulations have been changing almost continually since 1973, a situation bound to result in confusion and error at the local level. To impose such a sanction while continuing to make changes puts state and local governments at an unfair disadvantage.

Social services

Two new legislative proposals in the social services programs are significant. The Administration recommends (1) establishing financial assistance for community services legislation, one of four major block grant proposals included in the federal budget; (2) modifying existing Title XX (of the Social Security Act) social service and training programs. This new $2.5 billion social services block grant program with fewer restrictive provisions, greater focus on the needy, and no mandatory state matching requirements will be submitted to the Congress this spring.

Under this latter proposal, the goals of Title XX would be essentially retained. However, the new legislation would require that at least 75 percent of the funds be spent on welfare recipients (those receiving Aid to Families with Dependent Children (AFDC), Supplemental Security Income, and Medicaid) and those below the poverty line—around $5,050 for a family of four. The funding level for the new program, scheduled to begin during FY 77, is somewhat higher than the estimated amounts for social services and training expenditures by the states for FY 76 (around $200 million more) and for FY 77 (around $40 million more).

There are few other outstanding features of the budget for the social services programs in HEW. Most of the programs are maintained at the same levels (in constant dollars) in FY 77 as in FY 76 as shown in Table SS-2 (next page), representing those programs in the Office of Human Development.

TABLE SS-2.—OFFICE OF HUMAN DEVELOPMENT

[Obligations in thousands of dollars]

	Fiscal year 1975 actual	Fiscal year 1976 estimated	TQ estimated	Fiscal year 1977 estimated
Child development:				
Head Start	$434,798	$441,300	$108,575	[1] $434,300
Research and demonstration	14,647	14,700	3,450	10,700
Child abuse	18,865	18,928	2,000	18,928
Youth development:				
Runaway youth program	5,012	5,000	1,200	5,000
Research and demonstration	784	1,000	250	1,000
Youth service systems	5,000			
Programs for the aging:				
Community services	104,851	96,000	24,000	97,000
Nutrition programs	125,000	99,600	24,900	8,000
Research, demonstration, and manpower	14,897	7,000	1,750	7,000
Federal Council on Aging	500	575	144	575

	Fiscal year 1975 actual	Fiscal year 976 estimated	TQ estimated	Fiscal year 1977 estimated
Rehabilitation services and facilities:				
Basic State grants	680,000	680,000	170,000	720,000
Special projects	29,483	16,700	3,350	18,000
Research	19,999	20,000	5,000	18,000
Training	22,128	22,200	5,550	20,000
Grants for the developmentally disabled:				
State grants	34,199	32,845	7,890	33,058
Service projects	16,560	19,232	4,954	16,317
University affiliated facilities	4,600	4,373	1,062	4,250
Special programs for native Americans	32,276	32,000	8,000	32,000
White House Conference on Handicapped Individuals		1,370	149	1,461
Salaries and expenses	28,161	45,025	11,425	47,725
Total	1,591,760	1,557,848	383,649	1,573,314

[1] Head Start funding actually remains constant over the 3 fiscal years because of carryover funding.

Source: Fiscal Year 1977 Budget Appendix, p. 379.

The only sizeable increase is in the vocational rehabilitation program where there is a $40 million increase in the state grants title. An apparent decrease in the aging program is based on carryover funding; considering these funds the department is proposing a level comparable to that of last year.

The Administrator will also propose legislation to redirect the WIN program. At the same time, it has proposed budget cuts in both the training and employment portions and in the services portions amounting to $85 million. The proposed legislation would change the program to: concentrate on direct placement of participants into jobs; increase the referral of participants to the Comprehensive Employment and Training Program; and limit services funded by WIN after job placement to 30 days.

Comment

The block grant programs are intended to greatly simplify program administration, to eliminate some of the red tape related to categorical programs, and "(give) state and local governments much greater opportunity to make their own choices as to how best to meet the needs of their people." [1] In social services, only one program is involved in the block grant; that one has been criticized as having overly detailed regulations. Those services programs listed in Table SS-2 remain outside the block grant.

While the Administration stresses the involvement of state and local governments in the block grant programs, all the money and authority goes to the state government, as is currently the case with Title XX. The role, if any, of local governments in operation of the program and the means of local government participation in planning and policy development are not yet clear.

TRANSPORTATION

The Administration's FY 77 Budget for transportation assistance reflects the President's number-one priority to hold the line on spending. While needs studies show the necessity for greater assistance in each functional area, the Budget for the most part does not decrease funding levels. However, it must be emphasized that cities in transportation programs, as in so many other functional areas, squarely face the impact of inflation which is not accounted for in any major function except railroads.

Two policy decisions found within the

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[1] From the prepared text of HEW Secretary David Mathews' briefing on the HEW portion of the FY 77 Budget, January 20, 1976.

Budget proposal could have serious impact on cities if accepted by Congress. First, the Administration proposed a ceiling on the use of Urban Mass Transportation Administration (UMTA) Section 5 formula grant monies for operating assistance. Second, the Administration, in presenting the highway portion of the FY 77 Budget, combines all non-Interstate Highway programs into a single category. Therefore, the Administration gives no indication to local governments of the amount it is willing to agree on for either authorization or obligation in the present urban system and urban extension programs.

Highway funds

As mentioned previously, the Administration has presented its highway budget proposal for FY 77 in a single category containing all non-Interstate Highway programs. However, the Administration, in its highway legislation, set a level of $800 million for the urban system. The Administration is supporting authorization levels for all non-Interstate programs at the level of FY 75 and 76. This, of course, represents a significant impact on cities, as it exacerbates the capital shortage by neither representing need nor meeting inflation—particularly severe in the highway construction industry.

The administration of the current urban systems program has been so poor to date that obligations of only 30 percent of the available monies are shown through the first half of FY 76. The record of the program has caused the League and the Conference to suggest improvements emphasizing increased local control in the on-going highway legislative debate. However, Congressional response has so far been minimal, thereby holding little hope for much improvement in the near future.

Airports

The Administration's proposed funding level for airport planning and construction grants remains at $350 million, despite Department of Transportation (DOT) data that show a program increase of at least $500 million would be required merely to reflect inflation, since enactment of the legislation in 1970.

Last year the Administration proposed major new highway, airport, and railroad legislation. These initiatives are before Congress in various stages of final action. The FY Budget reflects the Administration's proposed authorization levels, rather than the higher levels suggested in current Congressional discussions.

TABLE T-1.—AIRPORT AND AIRWAY TRUST FUND

[Obligations in thousands of dollars—estimated]

	Fiscal year 1975 (actual)	Fiscal year 1976 (estimated)	Transition quarter (estimated)	Fiscal year 1977 (estimated)
Planning and construction grants	349, 493	350, 000	87, 500	350, 000
Operations	1, 419, 500	1, 568, 700	411, 100	1, 677, 519
Trust fund		(149, 000)	(118, 000)	(476, 000)

Source: Appendix to the budget for fiscal year 1977, p. 563.

Urban mass transportation

Capital Facilities—The Administration has proposed capital grant obligations of $1,125 million under the Section 3 discretionary grant program. This represents a $25 million increase over FY 76 for assistance in the acquisition of new bus and rail stock and continued construction support for new rapid transit systems and extensions.

In addition, the Administration anticipates that $575 million transferred from withdrawn Interstate highway segments will be available for obligation for mass transit projects in FY 77. This compares to $66 million provided in FY 75 and an estimated $632 million in FY 76. However, the largest portion of the transferred funds will be for the Washington, D.C., Metrorail system, which is not funded out of Section 3. UMTA also expects urban system highway funds to be transferred to transit projects, but declined to estimate a dollar level.

Formula Grants—The National Mass Transportation Assistance (NMTA) Act of 1974 provided a formula grant program for capital and operating costs at local discretion. While the Administration has requested the full authorization level of $650 million for FY 77 (up from $648 million in FY 76), it proposes to place a 50 percent limit on the use of formula funds for operating costs. UMTA has expressed concern that, to date, over 90 percent of the funds have been used for operating subsidies which "perpetuate high-cost transit operations and archaic fare structures." [2] Besides encouraging the use of formula funds for capital replacements and transit system improvements, the proposal was to replace FY 77 federal outlays. Such a limit on the use of formula grants will require enabling legislation.

Technical Studies—The Budget proposes an increase from $38.7 million to $45 million for technical studies grants to state and local public agencies. These funds are available for a variety of studies, including development of regional transportation plans.

Research, Development and Demonstrations (R,D&D)—The R,D&D program will be increased by $14 million to $67.5 million. Most of the increase is intended for service and methods demonstrations that focus on better use of existing facilities, automation, and new systems development.

TABLE T-2.—URBAN MASS TRANSPORTATION

[Obligations in millions of dollars]

	Fiscal year 1975 (actual)	Fiscal year 1976 (estimate)	Transition quarter (estimate)	Fiscal year 1977 (estimate)
Capital facilities (sec. 3)	1, 197	1, 100	246	1, 125
Formula grants (sec. 5)	151	648	125	650
Technical studies (sec. 9)	37	39	9	45
R.D. & D. (sec. 6)	47	53	11	67
Other	12	15	4	21
Subtotal	1, 444	1, 855	396	1, 909
Interstate transfer	66	632		575
Urban systems	16			
Total [1]	1, 525	2, 487	396	2, 484

[1] Totals may differ slightly due to rounding.

Source: Appendix to the budget for fiscal year 1977, p. 592.

Highway programs

Interstate System—The revised 1975 cost estimate to complete the Interstate system was $23 billion. The Budget proposes obligations of $3.24 billion for FY 77. This compares to more than $4 billion and $4.5 billion in FY 75 and 76, respectively, when unusually large sums of impounded monies were released for obligation to stimulate employment.

Other Federal-Aid Systems—The Budget combines into one category the proposed spending for construction on all non-Interstate federal-aid systems. The Administration has proposed a total of $2.6 billion for FY 77. Planned obligations for urban highway projects are not listed separately.

The programs covered are rural primary and secondary, priority primary urban system, urban extensions of primary and secondary roads, forest highways and public lands highways, the urban high-density traffic program, and construction on the other federally aided highway programs.

TABLE T-3.—FEDERAL-AID HIGHWAY PROGRAMS

[Obligations in millions of dollars, in fiscal years]

	1975 actual	Estimated		
		1976	TQ	1977
Interstate	4, 080. 7	4, 580. 0	1, 115. 0	3, 240. 2
Noninterstate	2, 949. 7	2, 399. 0	558. 0	2, 633. 3
Construction safety	444. 8	388. 7	95. 0	538. 4
Admin. and research	119. 7	138. 2	34. 4	138. 1
Other	148. 7	103. 1	26. 8	150. 0
Total [1]	7, 743. 6	7, 609. 0	1, 829. 2	6, 700. 0

[1] Totals may differ slightly due to rounding.

Source: Appendix to the Budget for fiscal year 1977, p. 572.

Railroads

A section on federal financial assistance for rail transportation has been added to this year's analysis because of major executive and legislative initiatives to improve both passenger and freight service. While most of the initial monies will be concentrated in the Northeast, the Administration has expressed a commitment to embark on a program of nationwide improvements to the rail system that could, over time, be of significant concern to cities.

Passenger Service—Grants to Amtrak for FY 77 would total $483.7 million. Of that amount, $378 million is for operating subsidies, an increase of $49 million. According to DOT, the increase will allow the more economical, significantly patronized routes to be continued but would require curtailment of inefficient service. The remainder, $105.7 million, is for new capital improvement initiatives.

Northeast Corridor—In addition to the above, the Administration has proposed a six-year, $1.2 billion program to improve railroad passenger service in the Northeast corridor. The request for FY 77 is $125 million.

Freight Service Improvements—The federal government, acting through the U.S. Railway Association, will provide a total of $2.1 billion over five years to Consolidated Rail Corporation (ConRail), the new corporation formed through the reorganization of seven bankrupt railroads in the Northeast and Northwest. The funds will be used for rehabilitation of tracks and other facilities, as well as for initial operating losses, and are to be repaid when ConRail becomes profitable. In addition, the FY 77 Budget contains $70 million for payments to states, or local or regional transportation authorities for continuing local rail service on lightdensity lines. The federal government plans to provide loan guarantees in the rest of the country to improve track and other fixed facilities, but no dollar levels have been included in the Budget.

Comment

Mass Transit—The significant increases initially enjoyed by the Section 3 capital grants program have not been maintained. The program has not shown any growth since FY 75, when $1.2 billion was reserved for obligations. This year's budget projections do not reflect commitment made by OMB in the *Mid-Session Review of the FY 76 Budget* to increase Section 3 contract authority in FY 79 by $13 billion. This year Congress may consider legislation to authorize additional contract authority to meet the ever-increasing capital needs of local governments in this area.

As stated in the introduction, the Administration has reached a policy decision to offer legislation limiting the Section 5 formula grant monies for operating assistance by placing a 50 percent ceiling on expenditures for this activity. As written, Section 5 monies can be used for either operating or capital assistance at the discretion of local governments. To date, approximately 90 percent of these monies have been spent for operating assistance. To restrict arbitrarily the manner in which these funds can be used would place an extreme burden on an already difficult local government financial situation.

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[2] Office of Management and Budget, *Seventy Issues*, p. 35.

VETERANS

The $17.2 billion FY 77 Veterans Administration's budget is $1.8 billion less than the $19.0 billion estimated for FY 76. An additional $4.4 billion is provided for the transitional quarter. The reduction reflects projections that GI Bill expenditures will substantially decline from the $6.2 billion figure expected for fiscal 1976 (including a pending $800 million supplemental), and expectations of a smaller pension caseload. The GI Bill remains the nation's largest scholarship program. Proposals for the repeal of the GI Bill and for reduction in the GI Bill benefits expiration date from 10 to 8 years are crucial to the reductions in the GI Bill cost.

Again, in FY 77 no money has been requested for the Veterans Cost of Instruction Program (administered by the Department of Health, Education, and Welfare) which provides 1,200 colleges with the capacity to operate veterans service centers. The $23.7 million appropriation for FY 76 has already been subjected to a rescission request. Veterans unemployment was at record highs, reaching 575,000 in 1975, with the unemployment rate for younger veterans 20–24 at 22 percent and for minorities 30 percent. The budget proposes no significant veterans job programs to offset these serious increases in unemployment. No recommendations were made for legislation that would correct the inequities in operation of the GI Bill between high cost of education states and low cost of education states. Western and southern states predominantly rely on public education and have extensive systems of junior colleges which offer low cost of education. Eastern states relied on private systems until recently and, therefore, the GI Bill does not go so far in those states.

TABLE VET-1.—VETERANS

[Outlays in billions of dollars, fiscal years]

	1975 actual	Estimated		
		1976	TQ	1977
Total VA budget	16, 597	19, 035	4, 362	17, 196
GI bill outlays	4, 593	6, 023	1, 144	4, 957

Source: Fiscal Year 1976 Budget, p. 147.

Comment

Enormous growth in GI Bill expenditures from last year's $4 billion for FY 76 to this year's projection for FY 77 of $6.2 billion reflects both the attractiveness of higher GI Bill benefits and the high impact of the recession on Vietnam era veterans. Veterans were the last hired and, often were the first fired in recent recession years. They seized on the GI Bill as a means to obtain education and training skills to be competitive in the employment market while awaiting the improvement of job opportunities

The GI Bill remains a significant anti-recessionary device and should be looked at as a part of the overall federal effort of comprehensive local education, training, and manpower programs

The projected reductions of $700 million in GI Bills expenditures are based on legislation that probably will not pass. The Senate Veterans Committee, projects that the budget levels may underestimate expenditures by as much as $1 billion. No cost of living increases are provided in the budget for veterans programs. Because the GI Bill operates under an open-ended appropriation, more federal funds must be made available as more veterans enroll.

The Senate has passed legislation significantly changing the administration of veterans' pensions. It was totally revamped to give more money to needy veterans, and at the same time may significantly extend the number of eligible persons. House passage of this legislation could again increase the budget cost substantially above the amounts projected.

No funds are provided explicitly in the budget for city-sponsored efforts to serve Vietnam veterans. However, since 1971 the Office of Economic Opportunity (OEO)/Community Services Administration (CSA) has provided $1 million annually for city-sponsored veterans projects. The FY 76 Labor-Health, Education and Welfare appropriations bill specifically earmarked $2.5 million for this purpose. Unless the President's veto is overridden this needed expansion will not occur.

GLOSSARY

(Note: These definitions are based on the booklet "Budgetary Definitions," published by the General Accounting Office in November, 1975.)

Appropriation—An act of Congress that permits federal agencies to incur obligations and to make payments out of the treasury for specified purposes. An appropriation usually follows enactment of authorizing legislation. See definition for "authorization."

Authorization (authorizing legislation)—Basic substantive legislation enacted by Congress which sets up or continues the legal operation of a federal program or agency. Such legislation is normally a prerequisite for subsequent appropriations. It may limit the amount of budget authority to be provided subsequently or may authorize the appropriation of "such sums as may be necessary." In a few instances budget authority may be provided in the authorization.

Budget authority—Authority provided by law which allows federal agencies to enter into obligations to spend or lend money. The basic forms of budget authority are:

Appropriations—See definition for "Appropriation."

Borrowing authority—Statutory authority, not necessarily provided through the appropriations process, that permits federal agencies to incur obligations and make payments from borrowed moneys.

Contract authority—Statutory authority, not necessarily provided through the appropriations process, that permits federal agencies to enter into contracts or incur other obligations in advance of an appropriation.

Budget deficit—The amount by which the government's budget outlays exceed its budget receipts for any given period. Deficits are financed primarily by borrowing from the public.

Budget surplus—The amount by which the government's budget receipts exceed its budget outlays for any given period.

Budget outlays—See "Outlays."

Concurrent resolution on the budget—A resolution passed by both houses of Congress, but not requiring the signature of the President, setting forth, reaffirming, or revising the congressional budget for the United States government for a fiscal year. There are two such resolutions required preceding each fiscal year. The first required concurrent resolution, due by May 15, establishes the congressional budget. The second required concurrent resolution, due by September 15, reaffirms or revises it. Other concurrent resolutions may be adopted at any time following the first required concurrent resolution.

Congressional budget—The budget as set forth by Congress in a concurrent resolution on the budget. These resolutions shall include:

The appropriate level of total budget outlays of total new budget authority;

An estimate of budget outlays and new budget authority for each major functional category, for contingencies, and for undistributed intragovernmental transactions based on allocations of the appropriate level of total budget outlays and of total new budget authority;

The amount, if any, of the surplus or deficit in the budget;

The recommended level of federal revenues; and

The appropriate level of the public debt.

Current services budget—A budget that projects estimated budget authority and outlays for the upcoming fiscal year at the same program level and without policy changes as the fiscal year in progress. To the extent mandated by existing law, estimates take into account the budget impact of anticipated changes in economic conditions (such as unemployment or inflation), beneficiary levels, pay increases, and benefit changes. The Congressional Budget and Impoundment Control Act of 1974 requires that the President submit a current services budget to the Congress by November 10 of each year.

Deferral of budget authority—Any action or inaction by any officer or employee of the United States which delays the obligation or expenditure of budget authority. Under the Congressional Budget and Impoundment Control Act of 1974, the President is required to report each proposed deferral to the Congress in a special message. Deferrals may not extend beyond the end of the current fiscal year and may be overturned by the passage of an impoundment resolution by either house of Congress.

Federal funds—Funds collected and used by the federal government, as owner. The major federally-owned fund is the general fund, which is derived from general taxes and borrowing and is used for the general purposes of the government. Federal funds also include certain earmarked receipts, such as those generated by and used for the operations of government-owned enterprises.

Fiscal year—Year running from July 1 to June 30 for fiscal year 1976 and earlier fiscal years. FY 76 has a fifth or transition quarter, ending September 30, 1976. See definition for "Transition Quarter." Beginning with fiscal year 1977, fiscal years for the federal government will begin on October 1 and end on September 30. The fiscal year is designated by the calendar year in which it ends.

Impoundment—Any action or inaction by an officer or employee of the United States that precludes the obligation or expenditure of budget authority provided by the Congress. (See "Deferral of Budget Authority" and "Recession").

Impoundment resolution—A resolution of the House of Representatives or the Senate disapproving a deferral of budget authority set forth in a special message ordinarily transmitted by the President. Passage of an impoundment resolution by either house of Congress has the effect of overturning the deferral and requires that such budget authority be made available for obligation.

Obligations—Commitments made by federal agencies to pay out money for products, services, loans, or other purposes—distinct from the actual payments. Obligations incurred may not be larger than the budget authority.

Outlays—Checks issued, interest accrued on the public debt, or other payments made, net of refunds and reimbursements.

Rescission—A legislative action which cancels budget authority previously provided by Congress prior to the time when the authority would otherwise have lapsed.

Rescission bill—A bill or joint resolution which provides for cancellation in whose or in part, of budget authority previously granted by the Congress. Rescissions proposed by the President must be transmitted in a special message to the Congress. Under the Congressional Budget and Impoundment Control Act of 1974, unless Congress approves a rescission bill within 45 days of continuous session, the budget authority must be made available for obligation.

Supplemental appropriation—An appropriation enacted as an addition to a regular annual appropriation act. Supplemental appropriations provide additional budget authority beyond original estimates for programs or activities (including new programs authorized after the date of the original appropriation act) for which the need for funds is too urgent to be postponed until the next regular appropriation.

Tax expenditures—Losses of tax revenue attributable to provisions of the federal tax laws which allow a special exclusion, exemption, or deduction from gross income or which provide a special credit, preferential rate of tax, or a deferral of tax liability. The Congressional Budget and Impoundment Control Act of 1974 requires that estimated levels of tax expenditures be presented in the President's Budget.

Transition quarter—The three-month period (July 1 to September 30, 1976) between FY 76 and FY 77 resulting from the change from a July 1 through June 30 fiscal year to an October 1 through September 30 fiscal year beginning with FY 77.

Trust funds—Funds collected and used by the federal government, as trustee, for specified purposes, such as social security and highway construction. Receipts held in trust are not available for the general purposes of the government. Surplus trust fund receipts are invested in government securities and earn interest.

GENOCIDE CONVENTION

Mr. **PROXMIRE**. Mr. President, some people agree with the principle behind the Genocide Convention but object to its implementation as an international treaty on several grounds. I submit that these fears are without foundation.

Various technical objections to the convention have been raised. Some have argued that genocide is a domestic matter and, therefore, not subject to the treaty-making power. However, it seems to me that genocide is an international matter, since the destruction of one group of people has repercussions throughout the world.

In meeting another objection, namely that the Convention would alter our federalist system, the Constitution gives Congress the power to "define and punish offenses against the law of Nations." Therefore, the Convention is not unconstitutional.

Besides the constitutional questions, there are doubts about the phrasing of the articles of the convention. Arguments center on the wide latitude in the definition of "genocide." The background of the convention refutes the argument that it could apply to the killing of a single individual. "Genocide" is defined as intent to destroy a group, "in whole or in part," the latter phrase implying a substantial portion of a population group. The definition of "genocide," by requiring intent, limits the scope of its application and emphasizes that which was attempted rather than what actually occurred. A close reading of the language of the convention is vital to understanding the intent of the treaty.

The affirmation of our support of the principles of morality found in the Genocide convention is simply an extension of the values upon which the United States was founded. We should not be timid in expressing our indignation at horrendous acts which have no place in a civilized world.

CONCLUSION OF MORNING BUSINESS

The **PRESIDENT** pro tempore. Is there further morning business?

If not, morning business is closed.

THE RICE PRODUCTION ACT OF 1975

The **PRESIDENT** pro tempore. Under the previous order, the Senate will now resume consideration of the unfinished business, H.R. 8529, which the clerk will state.

The assistant legislative clerk read as follows:

A bill (H.R. 8529) to establish improved programs for the benefit of producers and consumers of rice.

The Senate resumed consideration of the bill.

Mr. **ROBERT C. BYRD**. Mr. President, I suggest the absence of a quorum.

The **PRESIDENT** pro tempore. The clerk will call the role.

The assistant legislative clerk proceeded to call the roll.

Mr. **MANSFIELD**. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER** (Mr. HARRY F. BYRD, JR.). Without objection, it is so ordered.

Mr. **MANSFIELD**. Mr. President, I ask unanimous consent that the pending business be laid aside temporarily.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

EQUAL CREDIT OPPORTUNITY ACT AMENDMENTS

Mr. **MANSFIELD**. Mr. President, I ask unanimous consent that the Senate turn to the consideration of H.R. 6516, an act to amend title VII of the Consumer Credit Protection Act.

The **PRESIDING OFFICER**. The bill will be stated by title.

The second assistant legislative clerk read as follows:

A bill (H.R. 6516) to amend title VII of the Consumer Credit Protection Act to include discrimination on the basis of race, color, religion, national origin, and age, and for other purposes, reported with an amendment.

The **PRESIDING OFFICER**. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Banking, Housing and Urban Affairs with an amendment to strike all after the enacting clause and insert:

That (a) this Act may be cited as the "Equal Credit Opportunity Act Amendments of 1976".

(b) Title VII of the Consumer Credit Protection Act is amended by adding at the end thereof the following new section:

"§ 709. Short title

"This title may be cited as the 'Equal Credit Opportunity Act'."

(c) Section 501 of Public Law 93-495 is repealed.

SEC. 2. Section 701(a) of the Equal Credit Opportunity Act is amended to read as follows:

"§ 701. Prohibited discrimination; reasons for adverse action

"(a) It shall be unlawful for any creditor to discriminate against any applicant with respect to any aspect of a credit transaction—

"(1) on the basis of race, color, religion, national origin, sex or marital status, or age (provided the applicant has the capacity to contract); or

"(2) because all or part of the applicant's income derives from any public assistance program; or

"(3) because the applicant has in good faith exercised any right under the Consumer Credit Protection Act.

"(b) It shall not constitute discrimination for purposes of this title for a creditor—

"(1) to make an inquiry of marital status if such inquiry is for the purpose of ascertaining the creditor's rights and remedies applicable to the particular extension of credit and not to discriminate in a determination of credit-worthiness;

"(2) to make an inquiry of the applicant's age or of whether the applicant's income derives from any public assistance program if such inquiry is for the purpose of determining the amount and probable continuance of income levels, credit history, or other pertinent element of credit-worthiness as provided in regulations of the Board; or

"(3) to use any empirically derived credit system which considers age or income from any public assistance program if such system is demonstrably and statistically sound in accordance with regulations of the Board.

"(c) It is not a violation of this section for a creditor to refuse to extend credit offered pursuant to—

"(1) any credit assistance program expressly authorized by law for an economically disadvantaged class of persons;

"(2) any credit assistance program administered by a nonprofit organization for its members or an economically disadvantaged class of persons; or

"(3) any special purpose credit program offered by a profitmaking organization to meet special social needs which meets standards prescribed in regulations by the Board;

if such refusal is required by or made pursuant to such program.

"(d) (1) Within thirty days (or such longer reasonable time as specified in regulations of the Board for any class of credit transaction) after receipt of a completed application for credit, a creditor shall notify the applicant of its action on the application.

"(2) Each applicant against whom adverse action is taken shall be entitled to a statement of reasons for such action from the creditor. A creditor satisfies this obligation by—

"(A) providing statements of reasons in writing as a matter of course to applicants against whom adverse action is taken; or

"(B) giving written notification of adverse action which discloses (i) the applicant's right to a statement of reasons within thirty days after receipt by the creditor of a request made within sixty days after such notification, and (ii) the identity of the person or office from which such statement may be obtained. Such statement may be given orally if the written notification advises the applicant of his right to have the statement of reasons confirmed in writing on written request.

"(3) A statement of reasons meets the requirements of this section if it contains a concise indication of those characteristics of the applicant which are deficient according to the credit standards employed by the creditor.

"(4) Where a creditor has been requested by a third party to make a specific extension of credit directly or indirectly to an applicant, the notification and statement of reasons required by this subsection may be made directly by such creditor, or indirectly through the third party, provided in either case that the identity of the creditor is disclosed.

"(5) For purposes of this subsection, the term 'adverse action' means a denial or revocation of credit, a change in the terms of an existing credit arrangement, or a refusal to grant credit in substantially the amount or on substantially the terms requested. Such term does not include a refusal to extend additional credit under an existing credit arrangement where the applicant is delinquent or otherwise in default, or where such additional credit would exceed a previously established credit limit.".

Sec. 3. (a) Section 703 of the Equal Credit Opportunity Act is amended—

(1) by inserting "(a)" immediately before "The Board";

(2) by inserting after the second sentence thereof the following new sentence: "In particular, such regulations may exempt from one or more of the provisions of this title any class of transactions not primarily for personal, family, or household purposes, if the Board makes an express finding that the application of such provision or provisions would not contribute substantially to carrying out the purposes of this title."; and

(3) by adding at the end thereof the following new subsection:

"(b) The Board shall establish a Consumer Advisory Council to advise and consult with it in the exercise of its functions under the Consumer Credit Protection Act and to advise and consult with it concerning other consumer related matters it may place before the Council. In appointing the members of the Council, the Board shall seek to achieve a fair representation of the interests of creditors and consumers. The Council shall meet from time to time at the call of the Board. Members of the Council who are not regular full-time employees of the United States shall, while attending meetings of such Council, be entitled to receive compensation at a rate fixed by the Board, but not exceeding $100 per day, including travel time. Such members may be allowed travel expenses, including transportation and subsistence, while away from their homes or regular place of business.".

(b) (1) Section 110 of the Truth in Lending Act is repealed.

(2) The table of sections of chapter 1 of such Act is amended by striking out item 110.

Sec. 4. Section 704(c) of the Equal Credit Opportunity Act is amended by inserting before the period at the end thereof the following: ", including the power to enforce any Federal Reserve Board regulation promulgated under this title in the same manner as if the violation had been a violation of a Federal Trade Commission trade regulation rule".

Sec. 5. Section 705 of the Equal Credit Opportunity Act,

(1) by amending subsection (e) to read as follows:

"(e) Where the same act or omission constitutes a violation of this title and of applicable State law, a person aggrieved by such conduct may bring an action to recover monetary damages either under this title or under such State law, but not both. This election of remedies shall not apply to administrative or court actions in which the relief sought does not include monetary damages."; and

(2) by adding the following new subsections:

"(f) This title does not annul, alter, or affect, or exempt any person subject to the provisions of this title from complying with, the laws of any State with respect to credit discrimination, except to the extent that those laws are inconsistent with any provision of this title, and then only to the extent of the inconsistency. The Board is authorized to determine whether such inconsistencies exist. The Board may not determine that any State law is inconsistent with any provision of this title if the Board determines that such law gives greater protection to the applicant.

"(g) The Board shall by regulation exempt from the requirements of sections 701 and 702 of this title any class of credit transactions within any State if it determines that under the law of that State that class of transactions is subject to requirements substantially similar to those imposed under this title or that such law gives greater protection to the applicant, and that there is adequate provision for enforcement. Failure to comply with any requirement of such State law in any transaction so exempted shall constitute a violation of this title for the purposes of section 706.".

Sec. 6. Section 706 of the Equal Credit Opportunity Act is amended to read as follows:

"§ 706. Civil liability

"(a) Any creditor who fails to comply with any requirement imposed under this title shall be liable to the aggrieved applicant for any actual damages sustained by such applicant acting either in an individual capacity or as a member of a class.

"(b) Any creditor, other than a government or governmental subdivision or agency, who fails to comply with any requirement imposed under this title shall be liable to the aggrieved applicant for punitive damages in an amount not greater than $10,000, in addition to any actual damages provided in subsection (a), except that in the case of a class action the total recovery under this subsection shall not exceed the lesser of $500,000 or 1 per centum of the net worth of the creditor. In determining the amount of such damages in any action, the court shall consider, among other relevant factors, the amounts of any actual damages awarded, the frequency and persistence of failures of compliance by the creditor, the resources of the creditor, the number of persons adversely affected, and the extent to which the creditor's failure of compliance was intentional.

"(c) Upon application by an aggrieved applicant, the appropriate United States district court or any other court of competent jurisdiction may grant such equitable and declaratory relief as is necessary to enforce the requirements imposed under this title.

"(d) In the case of any successful action under subsection (a), (b), or (c) the costs of the action, together with a reasonable attorney's fee as determined by the court, shall be added to any damages awarded by the court under such subsection.

"(e) No provision of this title imposing liability shall apply to any act done or omitted in good faith in conformity with any official rule, regulation or interpretation thereof by the Board, notwithstanding that after such act or omission has occurred, such rule, regulation, or interpretation is amended, rescinded, or determined by judicial or other authority to be invalid for any reason.

"(f) Any action under this section may be brought in the appropriate United States district court without regard to the amount in controversy, or in any other court of competent jurisdiction. No such action shall be brought later than two years from the date of the occurrence of the violation, except that—

"(1) whenever any agency having responsibility for administrative enforcement under section 704 commences an enforcement proceeding within two years from the date of the occurrence of the violation,

"(2) whenever the Attorney General commences a civil action under this section within two years from the date of the occurrence of the violation,

then any applicant who has been a victim of the discrimination which is the subject of such proceeding or civil action may bring an action under this section not later than one year after the commencement of that proceeding or action.

"(g) The agencies having responsibility for administrative enforcement under section 704, if unable to obtain compliance with section 701, are authorized to refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted.

"(h) When a matter is referred to the Attorney General pursuant to subsection (g), or whenever he has reason to believe that one or more creditors are engaged in a pattern or practice in violation of this title, the Attorney General may bring a civil action in any appropriate United States district court for such relief as may be appropriate, including injunctive relief.

"(i) No person aggrieved by a violation of this title and by a violation of section 805 of the Civil Rights Act of 1968 shall recover under this title and section 812 of the Civil Rights Act of 1968, if such violation is based on the same transaction.

"(j) Nothing in this title shall be construed to prohibit the discovery of a creditor's credit granting standards under appropriate discovery procedures in the court or agency in which an action or proceeding is brought.".

Sec. 7. The Equal Credit Opportunity Act is amended by redesignating section 707 as section 708 and by inserting immediately after section 706 the following new section:

"§ 707. Annual reports to Congress

"Not later than February 1 of each year after 1976, the Board and the Attorney General shall, respectively, make reports to the Congress concerning the administration of their functions under this title, including such recommendations as the Board and the Attorney General, respectively, deem necessary or appropriate. In addition, each report of the Board shall include its assessment of the extent to which compliance with the requirements of this title is being achieved, and a summary of the enforcement actions taken by each of the agencies assigned administrative enforcement responsibilities under section 704.".

Sec. 8. Section 708 of the Equal Credit Opportunity Act is amended by adding at the end thereof the following new sentence: "The amendments made by the Equal Credit Opportunity Act Amendments of 1976 shall take effect on the date of enactment thereof and shall apply to any violation occurring on or after such date, except that the amendments made to section 701 of the Equal Credit Opportunity Act shall take effect eighteen months after the date of enactment.".

Sec. 9. The table of sections of the Equal Credit Opportunity Act is amended by striking out

"707. Effective date."

and inserting in lieu thereof the following new items:

"707. Annual reports to Congress.
"708. Effectvie date.
"709. Short title.".

RECESS UNTIL 1 P.M.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate stand in recess until 1 p.m. today at which time the pending business will be the pending business once again.

There being no objection, the Senate at 11:58 a.m., recessed until 1 p.m.; whereupon, the Senate reassembled when called to order by the President pro tempore (Mr. Eastland).

ORDER FOR RECOGNITION OF SENATOR ROTH TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders have been recognized, the Senator from Delaware (Mr. ROTH) be recognized for not to exceed 15 minutes.

The **PRESIDENT** pro tempore. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The **PRESIDENT** pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDENT** pro tempore. Without objection, it is so ordered.

THE FEDERAL ELECTION COMMISSION

Mr. ALLEN. Mr. President, the Supreme Court has ruled on the Federal election campaign law, and in a nutshell this is the way the Court ruled: It ruled that money talks, that it has a right to talk, and that this right is protected by the right of free speech guaranteed by first amendment of the U.S. Constitution. It sustained as being constitutional the individual contribution limits, the disclosure and reporting provisions and the public financing of elections. All these things the Court upheld in its decision.

What it struck down as being unconstitutional were the provisions placing limitations on a candidate's campaign expenditures and the independent expenditures by individuals and groups, and on expenditures by a candidate from his personal funds. Incidentally, the law had provided that a candidate for President could spend not more than $50,000 of his or her immediate family's funds, a Senator $35,000 and a Representative $25,000. Now these limits are no more, and a candidate can spend whatever he has and wants to spend. He or his campaign committee can spend anything that he or his committee can take in legally under the contributions limits provided by the law and approved by the Supreme Court. To lift the spending limits on a candidate and his committee from contributed funds is bad, and it is bad, in my judgment, to lift the ceiling on what a candidate can spend from his own personal funds, because this gives an advantage to a wealthy candidate over a candidate of modest means.

The Supreme Court also ruled that the Federal Elections Commission cannot legally perform most of the powers given it because under the act, the six members of the Commission were appointed, two by the President, two by the Democratic and Republican leaders of the Senate, and two by the Speaker and the House Republican leader. Since most of the duties of the Commission are executive in nature, those duties cannot be performed by the Commission. All of the Commissioners should have been appointed by the President. What the Supreme Court did was to cut the Commission down to the role of file clerks or office boys.

The Supreme Court says that they can carry on different functions that Congress could have given them to perform, but any executive duties or responsibilities are out.

Personally, I am hopeful that legislation can be passed in these 30 days that will provide that the President can name all six of these members, instead of just two. I say to the distinguished majority leader, who appointed one of these Commissioners, that I hope that the President will reappoint all the members of the Commission presently serving, because I believe they have tried to do a good job in a trailblazing operation. I am hopeful that the work of the Commission can continue and that it will be set up in the 30 days allowed by the Supreme Court for the continuation of the work of the Commission as set up by the law. At the end of that time, they are cut back, as I say to file clerks or office boys.

My position on regulation of Federal election campaigns has been consistent throughout, and this matter has been before Congress 3, 4, or 5 years. I have consistently opposed having the American taxpayer pay for election campaigns, but at the same time I have supported strict limits on expenditures and on contributions and full public disclosure of both. I have supported the idea of an independent Federal elections commission. I have sought by these limitations to cut down on the skyrocketing costs of election campaigns so that persons of modest means might have the opportunity to run for office if they so desire.

The Supreme Court upheld the taxpayer financing of elections, and I was sorry to see this. But the worst thing it did and the thing that leaves the law in a shambles and a state of chaos was saying that while it is all right to limit the amount of contributions to a candidate or his committee, there could be no limit on the amount that an individual or a group can spend independently of the candidate or his campaign committee. Thus, business political groups, union political groups, special interest political groups can spend without limit in support of a candidate. That is bad. That effectively takes off the approval of the commission as to campaign contributions.

It is entirely likely that the amount a candidate spends through his committee will become only a minor part of the amounts that are spent, because no limit whatsoever is set. Apparently, the Supreme Court is going to rule that even if Congress tries to rework the language of the law, the Commission will not be able to provide any limit on what any person might individually and independently spend on behalf of a candidate, and there will be no limit on what groups might spend on behalf of a candidate. Then, too, since limits on expenditures by a candidate or his committee were stricken by the Supreme Court, he can spend as much as he can take in legally.

Here we have a candidate who, under the law, was limited to so much in expenditure, no longer has that limit. He can seek, through legal contributions, to get a tremendous sum, and there is no limit whatsoever to the amount that he can spend. But we will see individuals—I notice Mr. Mott. He takes great pleasure in the Supreme Court ruling because he is a very wealthy man, having inherited the money from his father. I do not think he ever earned anything. He inherited many millions from his father who was connected with General Motors. He says now he is allowed to spend whatever he wants to, and that is true.

The Supreme Court has untied the pocketbooks of the very rich. They can spend anything they want to. They do not have to contribute to the campaigns.

How very foolish the Supreme Court ruling is, where it says that an individual can spend or can contribute only $1,000 to a committee or to a candidate for an election, whether it be primary, runoff, or general election. He is limited to $1,000 there, but he can spend $50,000, or $100,000, in behalf of a candidate, as long as he spends it independently. That is not even logical, it would seem to the Senator from Alabama.

Thus, the Supreme Court has put national political campaigns back into the Dark Ages of dog-eat-dog politics, and this is bad. My concern is cleaning up politics and political campaigns. The Supreme Court certainly did not do this.

Personally, I have never objected to spending limits on campaigns. In 1974, in the primary and general election combined, in the race that I ran for the U.S. Senate in 1974, in both of which elections I had opposition, the total expenditures by my campaign committee were $34,000, while many other candidates for the Senate were spending more than a million dollars each.

I have sought, both by efforts on the Senate floor and by personal example, to set reasonable spending limits on political campaigns. I might say, and I say it with a sense of pride, that while I spent less than any other candidate for the Senate in 1974, the percentage of votes that I received in the general election in Alabama was the highest percentage of any senatorial candidate. The people of Alabama honored me with 95 percent of the votes in the general election campaign. I take great pride in that. It shows that the amount of money that is spent in a campaign cannot be equated with the results obtained.

The Supreme Court decision opens the door wide to the expenditure of unlimited amounts of money. One might say, "What effect is this going to have on the Members of the Senate and other candidates for the nomination for the Presidency by the two parties? Will they be allowed to spend everything they can take in?"

No; they cannot. But there is a practical reason why they cannot. That is that the law provides that those who accept Federal subsidies in their races for the Presidential nomination must, as a condition precedent to receiving any such subsidies, sign an agreement or statement that they will be bound by the spending limits. So, in effect, they have waived their constitutional rights to have no limit on their spending. They will be limited to some $10 million each, plus another million dollars or so for the expenses of collecting their contributions. But any candidate who has not accepted Federal subsidies in his race for the Presidential nomination is not limited at all.

While I did not agree with the Federal subsidies in elections, I did feel that, aside from that, Congress came up with a very fine piece of legislation in limiting contributions and expenditures, and providing for full disclosure. Now, the Supreme Court has said that—even though Congress felt it is necessary, to have clean elections, to set limits on the amount of expenditures that a candidate can make—the Supreme Court says, no, you cannot set any limitation; we have to let money talk in this area.

That is what they have done. I think it is a backward step that the Supreme Court has forced upon Congress. Far from cleaning up elections, it is going to make the old dog-eat-dog system prevalent again.

The ruling will not have a great deal of effect, as I have said, on present campaigns for the Presidential nomination of the two major parties, because the candidates, in applying for Federal subsidies, agreed to be bound by the spending limits. However, others can spend without limit in behalf of any of the candidates.

So we are not going to see this decision disrupt the present nominating process that is going on. These candidates have certified that they will abide by the spending limits. But in the future, the ceiling is off on expenditures by candidates and the lifting of the ceiling on expenditures by individuals and groups, independently of the candidate, effectively lifts the ceiling on contributions. So, the Supreme Court has wellnight wrecked this law by providing that any amount can be spent. But, of course, they upheld the Federal subsidies, which was one of the worst things in the bill. What they should have retained, they knocked out, and some that they should have knocked out, they retained.

It is not an opinion that cleans up election campaigns, as I believe the Senate and the House have been trying, in good faith to do. Of course, the Supreme Court has spoken, and Congress and the Nation will have to abide by its decision.

I yield the floor.

ORDER FOR RECOGNITION OF SENATOR BUCKLEY AND SENATOR METCALF ON TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that after the Senator from Delaware (Mr. ROTH) has been recognized tomorrow, the Senator from New York (Mr. BUCKLEY) and the Senator from Montana (Mr. METCALF) also be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER (Mr. NUNN). Without objection, it is so ordered.

RECESS UNTIL 2 P.M.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate stand in recess until 2 o'clock.

There being no objection, the Senate, at 1:20 p.m., recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. BROOKE).

EQUAL CREDIT OPPORTUNITY ACT AMENDMENTS

The Senate continued with the consideration of the bill (H.R. 6516) to amend title VII of the Consumer Credit Protection Act to include discrimination on the basis of race, color, religion, national origin, and age, and for other purposes.

Mr. MANSFIELD. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is H.R. 6516.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER (Mr. BROOKE). The Chair, on behalf of the Vice President, pursuant to the order of the Senate of January 24, 1901, as modified January 30, 1976, appoints the Senator from Indiana (Mr. HARTKE) to read Washington's Farewell Address on Monday February 16, 1976.

Mr. MANSFIELD. Mr. President I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE RICE PRODUCTION ACT OF 1975

The Senate continued with the consideration of the bill (H.R. 8529) to establish improved programs for the benefit of producers and consumers of rice.

Mr. BAKER. Mr. President, as we approach a vote on H.R. 8529, the Rice Production Act of 1975, I would like to take this opportunity to share with my colleagues some thoughts that I have had on this important legislation. I support this bill, and I would hope that those who oppose its passage will, nevertheless allow it to proceed unobstructed to the reasoned consideration of the Senate.

The Rice Production Act has a number of most able spokesmen; and, therefore, I will leave to them a discussion of the merits of the specific provisions of the bill. I would like instead to speak to some of the larger considerations that should, in my opinion, urge us to pass this Act with a minimum of dissent.

First, as we are all too painfully aware, the population of the world continues to outstrip the production and distribution of adequate food resources. The exponential growth of population has become a vicious cycle of poverty, starvation, and despair, which far exceeds our ability to relieve the distress. I do not think, however, that we should continue to inhibit the efforts to do so by continuing artificial limits on production of food.

Even setting aside the moral imperative to attempt to relieve hunger, there is also a valid pragmatic reason for doing so. Areas of poverty and starvation historically have been fertile breeding grounds for political instability. I believe that the United States has a vested interest in alleviating wherever possible the problems of starvation and the attendant political instability. Naturally, the long-range goal is to assist the poorer nations in their development of the means to become self-supporting. Progress toward this goal will be excruciatingly slow, but we contribute to it by relieving the immediate distress of hunger.

Second, increased agricultural production is of direct economic benefit to the Nation. As we are all aware, but for the efforts of the farming community and the export of their products, the ever-increasing cost of imported energy would have cast our balance-of-payments situation into an overwhelming deficit. The farming community not only overcame this deficit; they went far beyond it, to the point where now the value of our total exports far exceeds the value of our imports, even including the inflated cost of energy.

Finally, I do not believe that we can afford to oppose legislation that might tend to have a substantial meritorious affect on our efforts to curb inflation. Inflation is bad enough without the Government maintaining artificial obstructions to open production. And the bill will not only be a boon to the consuming public, it will also provide the farming community the opportunity to compete in a free and open market, both domestically and internationally. Moreover, it should be noted that the act provides fair and adequate protection for those who historically pioneered the rice production industry in this country and who have invested so much in developing it.

I commend the foresight of those of my colleagues who have contributed to the development of this legislation and I urge all of my colleagues to support its final passage and, thereby, allow the world community and the Nation the tangible benefits that it affords.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. TAFT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BUCKLEY). Without objection, it is so ordered.

REFERRAL OF JOINT RESOLUTION RELATING TO INTERNATIONAL MONETARY FUND—SENATE JOINT RESOLUTION 161

Mr. TAFT. Mr. President, I ask unanimous consent to be allowed to introduce at this time a joint resolution relating to the International Monetary Fund, and to insert comments in the RECORD with regard to the resolution; and I ask unanimous consent—I have conferred with the ranking members of the appropriate committees—that the joint resolution be referred sequentially to the Committee on Foreign Relations and to the Committee on Banking, Housing and Urban Affairs.

The PRESIDING OFFICER. Is it the intention after it has been reported from the Committee on Foreign Relations that it then go to the Committee on Banking, Housing and Urban Affairs?

Mr. TAFT. That is correct, sequentially to the Committee on Foreign Relations and the Committee on Banking, Housing and Urban Affairs.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

ORDER INDEFINITELY POSTPONING SENATE CONCURRENT RESOLUTION 80

Mr. MANSFIELD. Mr. President, I ask unanimous consent, in view of the action taken by the distinguished Senator from Ohio just now, that Calendar No. 554, Senate Concurrent Resolution 80, be taken off the calendar.

Mr. TAFT. I concur and, I may say, the other cosponsors concur.

The PRESIDING OFFICER. Does the Senator mean to indefinitely postpone?

Mr. MANSFIELD. Yes.

The PRESIDING OFFICER. Without objection, it will be indefinitely postponed.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider a nomination on the Executive Calendar under the heading "The Judiciary."

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will state the nomination.

THE JUDICIARY

The assistant legislative clerk read the nomination of George N. Leighton, of Illinois, to be a U.S. district judge for the Northern District of Illinois.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of this nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BIDEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EQUAL CREDIT OPPORTUNITY ACT AMENDMENTS

The Senate continued with the consideration of the bill (H.R. 6516) to amend title VII of the Consumer Credit Protection Act to include discrimination on the basis of race, color, religion, national origin, and age, and for other purposes.

Mr. BIDEN. Mr. President, I ask unanimous consent that the committee amendment be considered and agreed to as original text for the purpose of further amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BIDEN. Mr. President, I ask unanimous consent that Ralph Rohner and Pat Abshire of the staff of the Committee on Banking, Housing and Urban Affairs, and Pete Wentz of my staff and Don Wall of Senator GARN's staff, and Gil Bray and Tony Cluff, be given privileges of the floor during consideration and votes on H.R. 6516 and H.R. 8835.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BIDEN. Mr. President, I am happy to bring before the Senate this bill, H.R. 6516, to amend the Equal Credit Opportunity Act. Though it carries a House number, the text of the bill is that which was developed carefully and meticulously by the Banking Committee over a period of 6 months, and approved by the committee shortly before the Christmas recess. Our text was substituted for that of the House bill, and the fact that both Houses of Congress have acted on this legislation gives a good indication of its importance and I hope its continued support.

Senators will recall that in 1974 Congress enacted the Equal Credit Opportunity Act prohibiting discrimination in credit transactions on the basis of sex or marital status. This legislation is the natural and logical extension of the policy of barring discriminatory practices in the credit field.

The key provisions of the bill are as follows:

First. It expands the categories of prohibited credit discrimination to include race, color, religion, national origin, age, receipt of public assistance benefits, and exercise of rights under the Consumer Credit Protection Act. For the age and public assistance categories, the bill recognizes that these factors do bear on creditworthiness and may be used by creditors as part of their credit-granting standards, including use in a statistical credit scoring system. The bill also exempts certain "affirmative action" credit programs from these prohibitions;

Second. The bill requires creditors to give reasons for credit denials on request;

Third. It combines the Advisory Committee under the Equal Credit Opportunity Act with the existing one under the Truth in Lending Act.

Fourth. It expands the civil liability provisions in the present act: the ceiling on class action liability is set at the lesser of $500,000 or 1 percent of the creditor's net worth; enforcement actions by the Attorney General are authorized; the statute of limitations is extended to 2 years, and an additional year is permitted for individual actions after a public enforcement action has been commenced; double recovery of monetary damages is prohibited;

Fifth. It authorizes the Federal Reserve Board to exempt from provisions of the act any class of business credit transaction on a finding that the act's protections are not necessary for that business credit transaction;

Sixth. It further clarifies that States are free to enact legislation more protective of credit applicants than this act, and transactions subject to such laws may be exempted from the requirements of this act.

Mr. President, it seems to me that the need for this legislation is clear. Credit has ceased to be a luxury item, either for consumers or for business entrepreneurs. Consumer credit outstanding continues to grow at a phenomenal rate and pace and now stands slightly below $200 billion, not even counting family mortgage credit which would add more than $400 billion to that total. Virtually all home purchases are made on credit. I think it is important to emphasize that point, that the scope of consumer credit outstanding is near $200 billion. It covers an awful lot of ground and obviously a great deal of money, and virtually all home purchases are made on credit. About two-thirds of consumer automobile purchases are on an installment basis. Large department stores report that approximately 50 percent or more of their sales are on revolving or closed-end credit plans. Upwards of 15 percent of all consumer disposable income is devoted to credit obligations other than, and I emphasize other than, home mortgages.

In this circumstance the bill establishes as clear national policy that no credit applicant shall be denied the credit he or she needs and wants on the basis of characteristics that have nothing to do with his or her credit worthiness.

Discrimination against the elderly was the most often cited abuse in our hearings, despite the fact that in the experience of many creditors their older customers were their best paying customers.

Past instances of discrimination against racial minorities were also cited in the record. More recently, studies conducted by Federal agencies have indicated the strong probability, and I must emphasize it is only probability, of race discrimination in mortgage credit.

In short, this bill identifies characteristics of applicants which are, and must be, irrelevant to a credit judgment, and prohibits or curtails their use in determining whether or not credit should be granted.

The bill balances the need for protection against discrimination and the creditors' need for sufficient information to make informed judgments and avoid unsound practices. The prohibitions against discrimination on the basis of race, color, religion, and national origin are absolute, but creditors can consider an applicant's age or source of income in order to assess that applicant's creditworthiness. Thus a creditor justifiably may inquire how close to retirement an applicant is so that he may judge whether the applicant's income will continue to be sufficient and at a sufficient level to support the credit extension. Similarly, the creditor is entitled to ask the applicant's age to gage the pattern or intensity of his or her credit history.

I believe that the provision entitling rejected applicants to a statement of reasons for adverse action is among the most significant parts of this bill. With few exceptions, creditors have refused to do anything more than notify rejected applicants of the fact that they have been rejected. Only rarely do creditors give them an explanation as to the reasons why, and when that is done, it is usually in a cursory manner. The creditors' apparent rationale has been that since they had no legal obligation to explain their action they would not venture the effort or the potential embarrassment of venturing such an effort.

Here is how the "giving of reasons" requirement would work: assume Harry Smith applies for a modest home improvement loan, but the bank decides that Smith's income is inadequate. The bank may write directly to Smith informing him of their decision and their reasons for the decision. Or, if the bank does not wish to state the reason initially, it may give Smith a written notice substantially as follows, and I drafted a particular type of letter which would suffice under this legislation, as we all understand it:

> DEAR MR. SMITH: We are sorry we cannot approve your loan application at this time. If you care to call our office at 123-4567, we will be happy to explain the reasons for this decision, and you may have that explanation confirmed in writing by writing to me at this address.
>
> Sincerely,
>
> ———— ————,
>
> *Loan Officer.*

In this case the creditor can give the statement of reasons orally, since he has notified the applicant that the applicant has a right to a statement confirmed in writing as to why he has been denied. If this letter omitted the reference to a written confirmation, the reasons would have to be given in writing whether the applicant phoned or wrote for them.

The present Equal Credit Opportunity Act regulations do require creditors to give reasons on request. This bill does not question the Federal Reserve Board's authority to promulgate such a requirement under the present law. Rather, this bill is intended to confirm such a requirement and to provide an explicit statutory mechanism for it.

I will conclude with a comment on the enforcement provisions in the bill, particularly the revised class action ceiling.

The bill provides enforcement opportunities of three kinds. Under section 704—which remains essentially unchanged—various Federal agencies are given administrative enforcement responsibility. Under the revised section 706, the U.S. Attorney General is also authorized to bring enforcement actions, either on referral of cases from the administrative agencies, or on the Attorney General's own initiative where there are patterns or practices in violation of the act. The entrusting of enforcement responsibility to the Attorney General is premised on the assumption that that office's experience in the enforcement of other civil rights legislation can be effectively expanded and built on to achieve maximum compliance with the antidiscrimination policies of the Equal Credit Opportunity Act.

The chief enforcement tool, however, will continue to be private actions for actual and punitive damages. Much of the testimony received in the hearings, and much of the debate in subcommittee and committee centered on the adequacy of the recovery ceiling for punitive damages in class actions. The present law sets that ceiling at the lesser of $100,000 or 1 percent of the creditors' net worth. The subcommittee had recommended that this be changed to the greater of $50,000 or 1 percent. The committee eventually agreed upon a level of $500,000, or 1 percent of the creditor's net worth, whichever is less.

The setting of any ceiling on class action liability is meant to limit the exposure of creditors to vast judgments whose size would depend on the number of members who happened to fall within the class. The risk of any ceiling on class action recoveries is that, if it is too low, it acts as a positive disincentive to the bringing of such actions and thus frustrates the enforcement policy for which class actions are recognized.

The $500,000 or 1 percent formula is clearly a compromise and should be accepted on that basis. I would be the first to acknowledge—and I believe the ranking minority member of the subcommittee agrees with me—that the class action has not been and probably never will be the ideal private enforcement tool. For this reason he and I are anxious to explore alternative techniques for involving persons other than the Government in the enforcement process. One of these alternatives is the so-called qui tam action which the subcommittee will examine in the near future.

Mr. President, I urge that this bill be passed so that we may quickly reconcile the few differences between the House bill and ours, and send the Equal Credit Opportunity Act amendments to the President for his signature.

Mr. President, I yield now to the distinguished ranking minority member, who has worked very hard and has spent more time on this matter than probably anyone else, for his comments.

The PRESIDING OFFICER (Mr. HELMS). The Senator from Utah is recognized.

Mr. GARN. I thank the Senator.

Mr. President, I am in complete accord with the objectives of H.R. 6516, the Equal Credit Opportunity Act amendments, which were intended to prohibit discrimination in the granting of credit on the basis of race, color, religion, national origin, and age. Although credit is not a right, discrimination on the basis of a person's membership in a group is inimical to fundamental principles of fair play.

There was not, however, hard evidence presented during the committee hearings that discrimination in fact was being practiced in the consumer or commercial credit area. Some data was called to the attention of the committee indicating that discrimination has been practiced in some areas of the country in home mortgage lending. However, recently Congress has enacted a number of laws to remedy that specific problem.

Representatives of senior citizen groups did testify that they had received a steady flow of complaints from their membership describing cases of credit discrimination based solely on age. They believe that the letters received by their associations on this subject establish a clear pattern of discrimination against older persons by certain credit grantors.

On the other hand, the lenders and retailers told the committee that very little if any discrimination in the covered categories exists. The industry points out that it is not to their member's interest to discriminate, except on a person's ability and willingness to repay. It seems that competition in the marketplace has cleared up the historic discrimination in consumer credit granting which may have existed in the past.

Although I do feel that the Consumer Affairs Subcommittee and the full Banking Committee did a commendable job in eliminating some of the more burdensome provisions in this legislation, my general concern throughout the consideration of this proposal has been that the committee did not fully measure the need for the legislation and benefits to some consumers against the cost to both the industry and ultimately all consumers. No matter how laudable the purpose of consumer legislation or how effective its enforcement, there is always the danger that a law will produce side effects which may be harmful to the general public.

One of the unintended and unfortunate side effects of recent consumer credit legislation has been that it is placing too great a compliance burden on small merchants who feel a sense of frustration in trying to cope with regulations which they do not understand and for which they see little reason. Many small merchants have been prompted to get out of the credit business completely by switching to bank or similar credit card plans. We simply cannot continue to pile on top of the small businessman regulation after regulation and expect him to survive. Congress must take a more rational approach to consumer legislation and determine who benefits and who pays the cost.

Some of my reservations concerning specific provisions of the legislation follow.

EXEMPTION OF BUSINESS CREDIT

Representatives of business and commercial credit interests pointed out to the Consumer Affairs Subcommittee considerable differences between business and consumer credit. They made a strong case that this legislation was not tailored with business credit in mind and they expressed the fear that to include business credit would not be in the best interest of the economy and would be a deterrent to the productive functioning of our economy.

The committee responded with language which would permit the Federal Reserve Board to exempt any class of transaction after making an express finding that the application of such provision or provisions would not contribute substantially to carrying out the purposes of the act.

Since there was no hard evidence submitted at the hearings on the Equal Credit Opportunity Act amendments establishing that there have been abuses in the business credit area, it is my hope that the Federal Reserve Board will take prompt action to exempt business credit from the provisions of the act which were written with the consumer credit in mind. For example, the requirement for written reasons for credit declinations simply does not fit the business credit situation. Making this provision applicable to business credit would be very expensive and place impediments in the way of commercial transactions. The Board should promptly exempt business credit from this provision of the law.

WRITTEN REASONS FOR ADVERSE ACTION

I am concerned that the provision requiring a written notification to an applicant that he has been turned down for credit and that he is entitled upon request to reasons for the denial will be more costly and burdensome than the committee anticipated. I am hopeful that in writing regulations to implement this section the Federal Reserve will keep in mind the lessons from RESPA and frame rules that are understandable and workable.

FEDERAL RESERVE BOARD OPINIONS AND RULEMAKING PROCEDURE

Two provisions which I supported that were not included in the committee bill involve the power of the Federal Reserve Board to delegate authority to officials or employees of the Federal Reserve System to issue binding opinions and the rulemaking procedure followed by the Federal Reserve in issuing its implementing regulations.

The Truth in Lending Act provides that creditors shall be exempt from civil liability under the act for any action done or admitted in good faith in conformity with any rule, regulation or interpretation of the Federal Reserve Board. However, some courts have held that this exemption does not apply to staff opinions. My amendment would have authorized the Board to delegate to staff the authority to issue binding opinions. The need for this provision is twofold. The simplicity perceived by the authors of Truth in Lending has not materialized, leaving credit grantors with a maze of unclear and often complicating statutory provisions, regulations and court opinions which make compliance next to impossible. The Board has done little itself in issuing opinions to clarify the law. This amendment would encourage the Board through its staff to be more helpful to the public, and particularly small businesses, in complying with the law.

The other amendment which I offered would require the Federal Reserve Board when it engages in rulemaking under the Equal Credit Opportunity Act to give all parties a full hearing before the rule is finalized. It would also strengthen the right to judicial review. This proposed procedure would not only provide a minimum of due process for affected parties but would result in the promulgation of better rules by the Board. Many of the issues before the Board will involve complex and technical questions which may have major economic consequences for creditors and unforeseen ramification as to the availability of credit for consumers. Only through the participation of experts and the ability of these experts to question the assumptions of other participants will the Board be able to develop the best rule possible consistent with an expeditious proceeding. I plan to reoffer these amendments later and am hopeful that Congress will act promptly on them.

CIVIL LIABILITY

Perhaps the most controversial issue that faced the committee dealt with the limitation of liability in class action suits. The subcommittee had raised the present ceiling of $100,000, or 1 percent of the net worth of the creditor, whichever is the lesser, to $50,000, or 1 percent of the net worth of the creditor, whichever is the greater. I offered an amendment to restore the present limitation in class action liability because I felt the greater limitation in the subcommittee's bill would be excessive. The committee arrived at a compromise which restored the present approach to the civil liability limitations after raising the monetary limitation from $100,000 to $500,000. Although I feel that the $500,000 limitation is excessive, the overall approach is the more reasonable one, and it was adopted by the subcommittee.

There still remain problems with the present class action section of the law and compliance with truth in lending.

The law and the regulations are entirely too complex. In some jurisdictions, the Federal court dockets are being clogged with truth in lending suits involving highly technical and questionable allegations of violations of the law. I am hopeful that the Consumer Affairs Subcommittee will hold oversight hearings on the problems of compliance with the Truth in Lending Act and the enforcement of the act.

Mr. President, the bill which we are considering today substantially broadens the Equal Credit Opportunity Act to include a number of additional criteria and also affects an extremely broad range of consumer/creditor relationships. I am concerned that, by passing this bill, we may, in some rare instances, inadvertently deny consumers the very credit which we are trying to provide for them. Let me give you some examples Many banks offer free checking accounts to depositors who are over a certain age. Would the availability of an overdraft loan for these accounts be a prohibitive discriminatory act because they were available only for individuals of a certain age? Likewise, if a creditor is located in a part of the country where there is a substantial ethnic minority which uses a language other than English, can a creditor advertise for loans or other credit using the national language of that minority? If so, it might result in other borrowers being discriminated against because of their inability to understand the loan terms being offered.

I ask the assurance of the Senator from Delaware that his understanding of the intent of section 701-C is to give the Board of Governors authority to exclude certain types of transactions from the restrictions of the statute when the Board can demonstrate clearly on the public record that, without such exemption, the consumers involved would be effectively denied credit to which they would otherwise be entitled.

Mr. BIDEN. The Senator from Utah has my assurance that that is what I understand the intent of the act to be. It really would be unfortunate if this act had the effect of denying credit to persons who would otherwise get it. Section 701(c) is designed to prevent that from happening. I agree with the Senator's understanding of the intent of the act in that section.

Mr. GARN. I thank the Senator from Delaware.

Mr. HELMS. Mr. President, as I stated in additional views contained in the committee report accompanying H.R. 6516, the so-called Equal Credit Opportunity Act amendments, I am convinced that this legislation will increase costs to consumers and, therefore, make a negative contribution to those it is intended to benefit. I indicated in the report that the Equal Credit Opportunity Act amendments have as their purpose the prohibition of discrimination in the granting of credit on the basis of age, race, color, religion, national origin, and the receipt of public assistance benefits. While this is certainly a laudable objective, I am apprehensive that Federal legislation is not the proper instrumentality to achieve these ends and that the proposal if enacted will be counterproductive.

PROVINCE OF STATE LAW

Until the passage of the Consumer Credit Protection Act in 1968, the regulation of consumer credit was the exclusive domain of the States. Historically, the primary source of regulation came through the usury statutes. Other early consumer credit legislation dealt with such matters as disclosure of credit information, credit insurance, debt adjusting, wage assignments, and garnishments. To remedy the fragmented approach to consumer credit protection, the National Conference of Commissioners on Uniform State Laws has recommended the enactment by the States of the Uniform Consumer Credit Code. In addition, many States have enacted or are considering enactment of legislation prohibiting unreasonable discrimination in credit granting.

Thus, until recently, the regulation of consumer credit and consumer credit contracts has been the sanctuary of the States. I view with serious concern the recent tendency as exemplified by the Real Estate Settlement Procedures Act, the Fair Credit Billing Act, and the Equal Credit Opportunity Act, to encroach upon State efforts to regulate consumer and home mortgage credit. These amendments are just one more nail in the coffin of the right of the individual to have local matters determined by the State legislatures.

The lack of need for Federal legislation in this area was highlighted by the findings of the National Commission on Consumer Credit made public in December of 1972. The Commission did not find sufficient evidence to prove the hypothesis that there is racial discrimination in the granting of consumer credit. However, evidence before the Commission suggested that credit-worthy consumers living in poverty areas have severe problems in obtaining credit—problems largely associated with the difficulties creditors have in collecting debts in certain areas of inner cities. The Commission found that the basic problem of providing credit to the poor is not a credit problem but an income and employment problem.

On the other hand, while the Commission concluded from anecdotal evidence that there were incidences of discrimination in granting of credit to women, it did not recommend legislation in solving the problem. Rather, it felt that competition among the credit grantors would remedy any shortcomings in the system. In my view, the hearings on this subject before the Subcommittee on Consumer Affairs have not produced any hard evidence which would lead a reasonable person to reach a conclusion contrary to the findings of the National Commission on Consumer Finance that Federal legislation is not needed.

LEGISLATION WILL BE COUNTERPRODUCTIVE

Not only has the Congress been encroaching on right of the States to legislate on local matters, it has also usurped much of the vital decisionmaking power formally exercised by business and consumers in a free market. This is vividly illustrated in the consumer credit areas. The first effort was the Truth in Lending Act which had an equally noble purpose. But the implementation of this legislation has burdened industry with great costs, all of which are passed on to the consumer. On top of this, there is no empirical evidence that there have been offsetting economic benefits. Rates have not dropped and there does not seem to be an awareness among most consumers of comparative costs of credit. Last year the real regulatory overkill came with the enactment of the Fair Credit Billing Act, the Equal Credit Opportunity Act, and the Real Estate Settlement Procedures Act. Now, even before we have had an opportunity to see how the Equal Credit Opportunity Act will work, Congress is extending it to cover additional fields of activity.

Although the sponsors of this legislation have decried bureaucratic regulations imposing paper work on industry they have included provisions that would require lenders to give in writing upon request reasons for denial of credit. Yet no survey shows that the consumer is dissatisfied with the present system.

This regulatory overkill can have the result of harming those intended to benefit by either drying up sources of credit or making credit more expensive or both.

Equally devastating is the effect that the regulatory overkill is having on small business. A good example may be seen in the testimony given before the Consumer Affairs Subcommittee by a small independent merchant from Worcester, Mass. The witness states that if the regulatory trend is to continue many independent credit retailers will be forced out of business. The witness reiterated that retail merchants do not refuse business and do not discriminate on account of color, sex, religion, or national origin. They give anyone credit who is creditworthy. That is just good business. However, he did not feel that he or other small retailers would be able to handle the proposed letter of rejection. This regulatory overkill is forcing merchants out of the credit business and many who stay in business at all are having to rely on bank credit cards. This not only hurts business for the independent retailer but it limits the financnig choices for the consumer.

In conclusion, I find abhorrent any discrimination in the granting of credit not related to an applicant's willingness and ability to pay. However, I do not feel that the proposed legislation will contribute to its stated goals and could be counterproductive by increasing the cost of credit for the consumer and could very well limit the availability of credit and credit options for those intended to be aided by the bill. I fear the overall effect of the legislation will be to drive more small business people out of the credit business and into the hands of large credit grantors. Ultimately, this could lead to a monopoly of credit granting in the hands of large national firms or the Government itself. I do not believe that is in anyone's best interest.

Mr. GARN. At this time, Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. GARN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER (Mr. DOMENICI). Without objection, it is so ordered.

The amendment is as follows:

On page 19 after the sentence on line 11 add the following new section 9 and renumber subsequent sections.

SEC. 9. "Sec. 708 Administrative Procedures and Judicial Review—

(a) (1) Rules and regulations and amendments thereto except as provided in subsection (a) (3) below shall be prescribed in accordance with section 553 of title 5, United States Code, except that the Board shall afford interested persons an opportunity to present data, views and arguments orally as well as in writing, with respect to the proposed rule or regualtion. In addition, it shall, by means of conferences or other informal procedures, afford any interested person an opportunity to question—

(A) Other interested persons who have made oral presentations, and

(B) Employees of the United States who have made written or oral presentations, with respect to disputed issues of material fact. Such opportunity shall be afforded to the extent the Board determines that questioning pursuant to such procedures is likely to result in a more effective resolution of such issues. A transcript shall be kept of any oral presentation under this paragraph.

(2) The Board may prescribe such rules and make such rulings concerning proceedings in such hearings as may tend to avoid unnecessary costs or delay. Such rules or rulings may include imposition of reasonable time limits on each interested person's oral presentations, and requirements that questioning to which a person may be entitled under subsection (a) (1) be conducted by the Board on behalf of that person in such manner as the Board determines.

(3) This section shall not apply to nonsubstantive amendments to a rule or regulation promulgated pursuant to this Title if the Board determines that notice and public procedure requirements are impractical, unnecessary or contrary to the public interest and publishes such finding together with the nonsubstantive amendment in the Federal Register prior to the effective date of the amendment.

(b) (1) Any person who will be adversely affected by a rule or regulation or amendment, thereto promulgated under this title when it is effective may at any time prior to the sixtieth day after such rule or regulation or amendment thereto is promulgated, file a petition with the United States court of appeals for the circuit wherein such person resides or has his principal place of business, for a judicial review thereof. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Board. The Board thereupon shall file in the court the written submissions to, and transcript of, the proceedings on which the rule or regulation or amendment thereto was based as provided in section 2112 of title 28, United States Code.

(2) Upon the filing of the petition referred to in section (1) of this section, the court shall have jurisdiction to review the rule or regulation or amendment thereto in accordance with chapter 7 of title 5, United States Code, and to grant appropriate relief as provided in such chapter. No rule or regulation or amendment thereto under this title may be affirmed unless supported by substantial evidence.

(3) The judgment of the court affirming or setting aside, in whole or in part, any such rule or regulation or amendment thereto shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code."

Mr. GARN. Mr. President, the purpose of this amendment is to provide procedural due process when the Federal Reserve Board issues its rules and regulations under the Equal Credit Opportunity Act.

The Board is currently subject to section 553 of the Administrative Procedure Act in issuing its rules. This procedure is totally inadequate when an agency is called upon by Congress to decide complex issues and questions of fact, as will be done under the Equal Credit Opportunity Act.

There has been an increase awareness on the part of Congress, in recent sessions, of the inadequacy of informal rulemaking procedures generally conducted under section 553. Informal rulemaking, at best, leaves tremendous discretion in the agency conducting the rulemaking as to the procedures to be utilized. There is no statutory requirement that an oral hearing be held (5 U.S.C. 553(c)). There is no requirement that a record be maintained and consequently, there is no requirement that the rule be based on the record of the agency proceeding. In addition, an agency is permitted, under section 553, to waive notice requirements for "good cause" (5 U.S.C. 553(b)(B)).

My amendment remedies these deficiencies by establishing a procedure which will achieve the dual goal of maximum input by affected parties, both business and consumers, and a minimum of delay for the Federal Reserve Board in carrying out its statutory mandated requirements.

It provides a procedure and review structure containing five basic characteristics:

First. An oral hearing;

Second. An opportunity for interested parties to question other parties and Government employees who have made written or oral presentations with respect to disputed issues of material fact;

Third. Clear discretion in the Board to limit and otherwise control the extent of questioning and the length of the hearing;

Fourth. A review of the regulation in the Court of Appeals if sought by an aggrieved party; and

Fifth. A determination by the court as to whether the rule or regulation was based on substantial evidence.

This procedure not only provides a minimum of due process for affected parties, but will result in the promulgation of better rules by the Board. Many of the issues before the Board will involve complex and technical issues which may have major economic consequences for creditors and unforeseen ramifications as to the availability of credit for consumers. Only through the participation of experts and the ability of these experts to question the assumptions of other participants will the Board be able to develop the best rule possible consistent with an expeditious proceeding.

There has been an increasing trend on the part of Congress to mold administrative procedures to fit the needs and goals of a given agency. In the Consumer Product Safety Act, enacted in the 92d Congress, a procedure was adopted for the development of consumer product safety standards which varies from the traditional 553 rulemaking approach. The committee report to that bill makes it clear that the modified procedure was developed to outline a process for the maximum use of experts available in the private section.

In the last Congress, the Magnuson-Moss Warranty/Federal Trade Commission Improvement Act was enacted. Title II of that act provides a detailed procedure for the promulgation of Trade Regulation Rules by the Federal Trade Commission. That procedure goes considerably further than the proposed amendment in providing a right of cross-examination.

In the current session, many bills have procedures designed to meet the particular circumstance involved in the rulemaking required. For example, the provisions of Public Law 94–163 which deal with the labeling of appliances as to their energy efficiency provides for an administrative procedure very similar to the one proposed in this amendment. The same type of procedure as proposed here is also mandated for the EPA in air quality drafts presently before the Senate Public Works Committee.

The procedures are particularly appropriate for the regulation required of the Federal Reserve Board because they will act on a subject outside of their main area of expertise. The procedure will produce better regulations and will not unduly lengthen the proceeding involved.

Mr. BIDEN. Mr. President, I share some of the concerns stated by my distinguished colleague from Utah with regard to the procedures that are followed by administrative agencies, and I am disposed, as I indicated to him earlier, to support an amendment of this nature. I am in a quandry at this point, because I do not think we have had sufficient time, or can we disregard those sectors of the economy which are, in fact, insisting that such amending legislation as the Senator suggests, at this time, would do more harm than good.

There are a number of questions raised by the Fed itself, as the Senator well knows, which opposes the Senator's amendment. Other groups that oppose the Senator's amendment include the Consumer Federation of America, and bankers have expressed their opposition. I realize there is also support for the amendment.

The long and short of it is that it seems we must balance the procedural due process, which may or may not be available—and I am inclined to think there is not enough procedural due process before the Board at this time—against some of the calls for concern raised on the part of everyone from the Fed to the Consumer Federation of America.

The Fed says that it will so hamper their operations that, in the long run, it will do more damage than good to the very people that the Senator from Utah and I are concerned about; that is, those who oftentimes become the victim of the bureaucratic agency's promulgation of rules which affect them seriously and into which they have little, and sometimes, no input.

The other side of the argument that has been offered by the Consumer Federation people, and consumer groups in general, has been that this kind of amendment will play into the hands of those large corporations that can afford to use what they refer to as dilatory tactics in order to do damage to the consumer, and they would not be in a position, because they operate on a shoestring budget, to be able to contest, as they went along, a large retailer for example, before the Fed in an extended due process procedure which is being outlined by our friend from Utah.

I cite that only to point out that there is disagreement in other camps that such an amendment would, in fact, be more harmful to the expeditious action on the part of the Federal Reserve and may very well do the consumer some damage.

I am not saying that I believe that. If I had to vote now—and I hope the Senator would consider withdrawing that amendment on the promise that he and I and the subcommittee could hold some extensive hearings on this very subject to find out whether there is something other than our strong gut feeling that there is something, a way that we could substantiate on the record that such a procedure as suggested would not be overly cumbersome, could in fact be initiated without doing damage to the consumers' interest and, in fact, at the same time protect the people whom we, at least, have a gut feeling are being used by or being the victims of the regulatory process, and also consider the possibility of expanding and/or amending the Senator's amendment to include other measures which may, in fact, protect the concerns raised by those who oppose his amendment—but the long and short of it is, if I had to vote on it right now, I would probably support the Senator, with minor amendments to his amendment.

But I hope he would consider withdrawing his amendment on the assurance by me, as chairman of that subcommittee, that I will not only not stand in the way, I will actively pursue hearings, as soon as the Senator from Utah is prepared to do so, to investigate whether or not the amendment is, in fact, called for at this time.

Mr. GARN. I appreciate the attitude of the Senator from Delaware because, to be very candid about it, my intent in introducing the amendment today was for the very purpose of establishing this colloquy so that we could hold hearings; and my intent before introducing it was to withdraw it after we had established the necessity of hearings and the promise that we would hold them.

I am a little bit surprised that the Senator and Senator PROXMIRE are not overwhelmingly for this proposal because the Federal Reserve is against it, as we have sat in the hearings this year.

Mr. BIDEN. That is one of the reasons I am inclined to support the Senator from Utah.

Mr. GARN. And it makes me feel more strongly in support of my amendment because the Consumer Federation of America is against it, which means it is a pretty good amendment.

Mr. BIDEN. When the Senator says the Federal Reserve and the Consumer Federation——

Mr. **GARN**. When they are against it there must be something to it.

Mr. **BIDEN**. Yes, I see the Senator's point, and I agree there must be.

Also, the chairman of the full committee and I both have supported similar type legislation in other areas, with regard to expanding the due process available to those petitioners before Federal agencies, so although I think there are distinguishing features with regard to this legislation as opposed to product liability or other areas, I do think that you will have at least a friendly ear for your point of view because I am inclined to think the Senator is right.

Mr. **GARN**. In all seriousness, I am extremely concerned about rulemaking not only by the Federal Reserve but I am sure the Senator hears it in his State and I hear it in mine all of the time: People who are not nearly as concerned with the acts of Congress as they are with what the regulatory agencies do to them—where they feel they do not have input, they do not have recourse, they are simply told by the bureaucracy, "This is the way it is. If you do not like it, tough."

However, having said that, and having very strong feelings that legislation, this amendment, is an attempt to help correct that, at least in this particular area we are talking about, I am not totally satisfied with the writing of the specifics of my amendment, that they are the best way to handle it because of the inadequacy of hearings.

I am also concerned about some of the "minor amendments" I have heard you refer to.

I do not feel we have had enough input to write an amendment for a bill to do the job as I would like to have it done. So, with the Senator's assurances that he will hold hearings on this—we will hear both sides of the proposition—and feeling that this is an important problem that we can correct with some legislation, I withdraw my amendment.

Mr. **BIDEN**. The Senator has my assurance.

The **PRESIDING OFFICER**. The amendment is withdrawn.

Mr. **BROCK**. I rise in support of this bill, H.R. 6516, to amend the Equal Credit Opportunity Act of 1974. I was privileged to be a sponsor in 1973 and 1974 of the Equal Credit Opportunity Act which this bill now amends.

I particularly support sections 701(a) and 701(b), which give considered treatment to the special problems related to the factor of age. In this Congress, I introduced S. 843 which also dealt with the factor of age and its use by some credit grantors to unfairly deny credit to older applicants. Section 701(a) of H.R. 6516 prohibits discrimination in credit on the basis of age and section 701(b) permits credit grantors to use the factor of age in two special ways: First, to analyze the other factors in a credit evaluation system; and second, in a statistically sound manner in an empirically derived credit scoring system. Many credit grantors use the age factor in a positive manner to facilitate granting credit to older customers. These sections reflect the needs of older credit applicants by prohibiting unfair uses of the age factor to "blackball" older credit applicants while also permitting its reasonable use to avoid the result that the credit customers become overextended in debt.

In 1973, while I was a member of the National Commission on Consumer Finance, I learned of a similar problem of women.

Some credit grantors denied credit to women because of their sex or marital status. The Equal Credit Opportunity Act of 1974 prohibited this practice. We intended, however, this act to permit credit grantors to make reasonable uses of the martial status factor to analyze other factors in a credit evaluation system and in a statistically sound manner by empirically derived credit scoring systems. Where the marital status factor reflects the ability of a credit applicant to handle debt, excluding this factor from a credit evaluation system will only cause some credit applicants to become overextended in debt. While others are unfairly denied access to credit markets and loans. Neither situation is acceptable.

This bill, H.R. 6516, and the 1974 act which it amends are consistent with the statutes and precedents established in other areas of civil rights law. I congratulate my colleagues on their deft handling of this complex issue and will vote in favor of this bill.

The **PRESIDING OFFICER**. The bill is open to further amendment. If there is no further amendment, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The **PRESIDING OFFICER**. The question is, Shall the bill pass?

Mr. **HELMS**. Mr. President, before the voice vote on this matter, the Senator from North Carolina would like to be on record as in opposition to this bill.

The bill (H.R. 6516), as amended, was passed.

CONSUMER LEASING ACT OF 1976

Mr. **BIDEN**. Mr. President, I ask unanimous consent that H.R. 8835 be called up now for immediate consideration.

The **PRESIDING OFFICER**. The bill will be stated by title. The legislative clerk read as follows:

A bill (H.R. 8835) to amend the Truth in Lending Act, and so forth, and for other purposes.

The **PRESIDING OFFICER**. Without objection, the Senate will proceed to its immediate consideration, without displacing the pending bill, the unfinished business.

The Senate proceeded to consider the bill (H.R. 8835) which had been reported from the Committee on Banking, Housing and Urban Affairs with an amendment to strike out all after the enacting clause and insert:

That this Act may be cited as the "Consumer Leasing Act of 1976".

FINDINGS AND PURPOSE

SEC. 2. Section 102 of the Truth in Lending Act (15 U.S.C. 1601) is amended by inserting "(a)" before the first sentence, and adding the following subsection:

"(b) The Congress also finds that there has been a recent trend toward leasing automobiles and other durable goods for consumer use as an alternative to installment credit sales and that these leases have been offered without adequate cost disclosures. It is the purpose of this title to assure a meaningful disclosure of the terms of leases of personal property for personal, family, or household purposes so as to enable the lessee to compare more readily the various lease terms available to him, limit balloon payments in consumer leasing, enable comparison of lease terms with credit terms where appropriate, and to assure meaningful and accurate disclosures of lease terms in advertisements.".

DISCLOSURE OF LEASE TERMS

SEC. 3. The Truth in Lending Act (15 U.S.C. 1601–1665) is amended by adding at the end thereof a new chapter as follows:

"Chapter 5—CONSUMER LEASES

"Sec.
"181. Definitions.
"182. Consumer lease disclosures.
"183. Lessee's liability on expiration or termination of lease.
"184. Consumer lease advertising.
"185. Civil liability.
"186. Relation to State laws.

"§ 181. Definitions

"For purposes of this chapter—

"(a) The term 'consumer lease' means a contract in the form of a lease or bailment for the use of personal property by a natural person for a period of time exceeding four months, and for a total contractual obligation not exceeding $25,000, primarily for personal, family, or household purposes, whether or not the lessee has the option to purchase or otherwise become the owner of the property at the expiration of the lease, except that such term shall not include any credit sale as defined in section 103(g). Such term does not include a lease for agricultural, business, or commercial purposes, or to a government or governmental agency or instrumentality, or to an organization.

"(b) The term 'lessee' means a natural person who leases or is offered a consumer lease.

"(c) The term 'lessor' means a person who is regularly engaged in leasing, offering to lease, or arranging to lease under a consumer lease.

"(d) The term 'personal property' means any property which is not real property under the laws of the State where situated at the time offered or otherwise made available for lease.

"(e) The terms 'security' and 'security interest' mean any interest in property which secures payment or performance of an obligation.

"§ 182. Consumer lease disclosures

"Each lessor shall give a lessee prior to the consummation of the lease a dated written statement on which the lessor and lessee are identified setting out accurately and in a clear and conspicuous manner the following information with respect to that lease, as applicable:

"(1) A brief description or identification of the leased property;

"(2) The amount of any payment by the lessee required at the inception of the lease;

"(3) The amount paid or payable by the lessee for official fees, registration, certificate of title, or license fees or taxes;

"(4) The amount or method of determining other charges payable by the lessee not included in the periodic payments and a description of the charges;

"(5) A statement identifying all express warranties and guarantees made by the manufacturer or lessor with respect to the leased property, and identifying the party responsible for maintaining or servicing the leased property together with a description of the responsibility;

"(6) A brief description of insurance provided or paid for by the lessor or required of the lessee, including the types and amounts of the coverages;

"(7) A description of any security interest held or to be retained by the lessor in connection with the lease and a clear identification of the property to which the security interest relates;

"(8) The number, amount, and due dates or periods of payments under the lease and the total amount of such periodic payments;

"(9) Where the lease provides that the lessee shall be liable for the anticipated fair market value of the property on expiration of the lease, the fair market value of the property at the inception of the lease, the aggregate cost of the lease on expiration, and the differential between them;

"(10) A statement of the conditions under which the lessee or lessor may terminate the lease prior to the end of the term and the amount or method of determining any penalty or other charge for delinquency, default, or early termination; and

"(11) A statement of the amount or method of determining the amount of any liabilities the lease impose upon the lessee at the end of the term and whether or not the lessee has the option to purchase the leased property and at what price.

The disclosures required under this section may be made in the lease contract to be signed by the lessee. The Board may provide by regulation that any portion of the information required to be disclosed under this section may be given in the form of estimates where the lessor is not in a position to know exact information.

"§ 183. Lessee's liability on expiration or termination of lease

"(a) Where the lessee's liability on expiration of a consumer lease is based on the estimated residual value of the property such estimated residual value shall be a reasonable approximation of the anticipated actual fair market value of the property on lease expiration. There shall be a rebuttable presumption that the estimated residual value is unreasonable to the extent that the estimated residual value exceeds the actual residual value by more than three times the average payment allocable to a monthly period under the lease. The presumption stated in the preceding sentence shall not apply to the extent the excess of estimated over actual residual value is due to physical damage to the goods beyond reasonable wear and use, or to excessive use, and the lease may set standards for such wear and use if such standards are not unreasonable.

"(b) Penalties or other charges for delinquency, default, or early termination may be specified in the lease but only at an amount which is reasonable in the light of the anticipated or actual harm caused by the delinquency, default, or early termination, the difficulties of proof of loss, and the inconvenience or nonfeasibility of otherwise obtaining an adequate remedy.

§ 184. Consumer lease advertising

"(a) No advertisement to aid, promote, or assist directly or indirectly any consumer lease shall state the amount of any payment, the number of required payments, or that any or no downpayment or other payment is required at inception of the lease unless the advertisement also states clearly and conspicuously and in accordance with regulations issued by the Board each of the following items of information which in applicable:

"(1) That the transaction advertised is a lease.

"(2) The amount of any payment required at inception of the lease or that no such payment is required if that is the case.

"(3) The number, amounts, due dates or periods of scheduled payments, and the total of payments under the lease.

"(b) There is no liability under this section on the part of any owner or personnel, as such, of any medium in which an advertisement appears or through which it is disseminated.

"§ 185. Civil liability

"Any lessor who fails to comply with any requirement imposed under section 182 or 183 of this chapter with respect to any person is liable to such person as provided in section 130. For the purposes of this section, the term 'creditor' as used in sections 115, 130, and 131 shall include a lessor as defined in this chapter.

"§ 186. Relation to State laws

"(a) This chapter does not annul, alter, or affect, or exempt any person subject to the provisions of this chapter from complying with the laws of any State with respect to consumer leases, except to the extent that those laws are inconsistent with any provision of this chapter, and then only to the extent of the inconsistency. The Board is authorized to determine whether such inconsistencies exist. The Board may not determine that any State law is inconsistent with any provision of this chapter if the Board determines that such law gives greater protection and benefit to the consumer.

"(b) The Board shall by regulation exempt from the requirements of this chapter any class of lease transactions within any State if it determines that under the law of that State that class of transactions is subject to requirements substantially similar to those imposed under this chapter or that such law gives greater protection and benefit to the consumer, and that there is adequate provision for enforcement."

AMENDMENTS TO SECTION 130

SEC. 4. Section 130 of the Truth in Lending Act is amended as follows:

(1) In subsection (a), after "chapter 4" insert "or 5".

(2) In clause (2)(A) of subsection (a), insert "(i)" after "(A)", and insert after "transaction" a comma and the following: "or (ii) in the case of an individual action relating to a consumer lease under chapter 5 of this title, 25 per centum of the total amount of monthly payments under the lease".

(3) In paragraph (2)(B) of subsection (a), strike out "lesser of $100,000" and insert in lieu thereof "lesser of $500,000".

(4) In subsection (b), insert "or chapter 5" after "this chapter" and strike out the word "finance".

(5) In subsection (g), after "this chapter", insert "or chapter 4 or 5 of this title", and insert after "consumer loan" a comma and "consumer lease".

CONFORMING AMENDMENT

SEC. 5. The table of chapters of the Truth in Lending Act is amended by adding at the end thereof the following:

"5. Consumer Leases.................. 181".

EFFECTIVE DATE

SEC. 6. This Act takes effect one year after the date of its enactment.

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. BIDEN. Mr. President, as with the bill just passed by the Senate, I am happy to bring this bill up at this time, which is the Consumer Leasing Act. This legislation enjoys the consensus support from varying groups such as the consumer groups, the Federal agencies, and from the leasing industry itself which, in and of itself, is quite an accomplishment.

The bill would add a new chapter to the Truth in Lending Act, requiring disclosure of the component and aggregate costs in long-term leases of consumer goods. The act is based on recommendations made by the Federal Reserve Board in its 1973 and 1974 reports on truth in lending.

Consumer leasing refers to a fairly new form of marketing for "big ticket durables" such as automobiles and furniture. It offers consumers an alternative to traditional sales financing patterns, in that consumers may need or want certain goods only for specified periods, or may prefer the smaller cash flow often associated with lease arrangements.

Testimony before the subcommittee confirmed the rapid growth of leasing, particularly in the automobile field. The total number of leased cars grew from 1.5 million in 1965 to 2.8 million in 1974. That latter figure represents 9.2 percent of all automobiles produced in 1974. The automakers also predict that the fastest growth of all through 1980 will be in leases to individuals. That is the fastest growth in automobiles.

But precisely because leasing is an alternative to traditional installments sales, consumers need adequate disclosure of the critical cost elements in leases, so they can compare one lease with another and so they can compare leases with other financing options.

The bill therefore calls for disclosure of the essential terms of consumer leases, including incidental matters such as insurance, taxes, and similar charges. In leases which are full-payout—that is, where the lessee will eventually be responsible for the full value of the goods—the bill requires disclosure of the original cash value of the goods, the aggregate lease cost, and the differential between them. These figures give an approximation of what would be the finance charge in an installment sale and allow for comparison. The bill also requires disclosure of the method of calculating any end-of-term liabilities of the lessee.

Many so-called financing leases make the lessee responsible for the residual value of the leased goods, such value being calculated as an estimate when the lease is negotiated. I emphasize that. This form of lease can result in an unexpected and large balloon payment liability for the consumer if the lessor artificially inflates his estimate of residual value in order to permit lower monthly payments. To prevent this kind of abuse, the bill requires lessors in such cases to make reasonable and careful estimates of residual value at the outset.

Violations of this new chapter will be subject to the penalties applicable throughout the Truth in Lending Act. As with the Equal Credit Opportunity Act we just passed, this bill will increase the class action ceiling from the lesser of $100,000 or 1 percent of the creditor's net worth to the lesser of $500,000 or 1 percent of net worth.

Through the hearings and committee consideration of this legislation there has been much concern about its impact on the leasing activities of national banks, bank holding companies, and their subsidiaries. The committee report carefully reviews this problem—and carefully sets it out—and I merely wish to confirm for the record that it is my and the committee's intent that this consumer protection legislation remain absolutely neutral on the question whether leasing is a permissible banking activity which was the crux of the concern and argument which took place over several months. That issue is being addressed in litigation, and may soon be before the Congress in the form of proposed legislation dealing with banking activities. This bill simply constitutes no congressional finding and I emphasize that, and is to be construed as no precedent, on that question.

This legislation ought to be enacted promptly for the protection of all consumer lessees.

I might add also that, in my opinion, it protects lessors. I think we should remember that this legislation has had the support of both sides of the fence, the lessors and the lessees. I believe there is little or no dispute as to its need.

I would urge that we consider it promptly and pass it as introduced.

Mr. GARN. Mr. President, I wish to commend the chairman of the Senate Consumer Affairs Subcommittee (Mr. BIDEN) for the outstanding work he and his subcommittee have done in developing the Consumer Leasing Act of 1976. He conducted careful hearings and produced an excellent final report and a well thought out piece of legislation which should benefit both the consumer and the affected industries.

The Federal Reserve Board first noted the need for consumer leasing disclosure legislation when it pointed out in its 1974 annual report that the existing Truth in Lending Act had no application to leases. The distinguished junior Senator from North Carolina (Mr. MORGAN) and I responded by introducing S. 1900 to give Congress an opportunity to consider the Board's recommendation.

The Board observed that consumer leasing is rapidly becoming an alternative to conventional financing and that the consumer should be afforded an opportunity through a disclosure formula to compare costs and determine which arrangement best suits his needs. In this sense, the Consumer Leasing Act rounds out coverage of the Truth in Lending Act. This proposal mirrors the leasing requirements of the Uniform Consumer Credit Code and thus should not result in any additional burden of compliance in those States which have adopted the code.

At the hearings the legislation was strongly supported by consumer groups, the consumer bankers and the automobile leasing industry. These groups worked closely with the subcommittee to frame legislation which would be workable and at the same time serve the interests of the consumer.

Although the subcommittee was confronted with little or no evidence of industry abuses except for some incidents of misleading advertising in the automobile leasing area, the enforcement agencies have felt that future problems can be avoided through extension of the disclosure provisions of the Truth in Lending Act to consumer leasing. The committee bill is designed to serve that end.

During the consideration of the legislation two problem areas were identified.

The first involved the need for flexible disclosure provisions. The subcommittee counsel working with consumer and industry groups did devise a formula which should provide full and meaningful disclosure without a costly and impossible burden being placed upon the affected parties. It is my hope that in issuing implementing regulations the Federal Reserve Board will take into consideration legitimate industry practice and frame rules which are both workable and provide useful information for the consumer.

Another and more difficult problem area concerned the bank leasing question. The fear was that the original version of the legislation which limited the consumers balloon liability to 3 months of payments might be construed by a court as prohibiting a lessor national bank from writing consumer leases. Language was devised which was intended by the committee to be completely neutral as to whether national banks and bank holding companies may engage in consumer leasing.

On balance this is a good piece of legislation that deserves the support of this body.

Mr. President, I do have a question of the Senator from Delaware.

Subsection 182(9) of H.R. 8835 would require a lessor to calculate and disclose the difference between the total lease obligation and the "fair market value of the property at the inception of the lease." This disclosure would aid the consumer in comparing the costs of leasing among competing lessors, as well as with the costs of purchasing the property with cash or on credit. On page 5 of the committee report it is stated that the fair market value at the inception of the lease "would normally be the lessor's cost plus its usual profit." My understanding of the term "fair market value" as used in this context and as explained in the committee report is that it is not intended to mean anything more than the lessee's acquisition cost of the leased property. In other words, this amount would be the functional equivalent of the "cash price" disclosure made in a credit sale transaction under section 128(a)(1) of the Truth in Lending Act. Accordingly, its disclosures would be accomplished through an expression of a single amount as is the case with the cash price disclosure rather than as a sum of components which would probably serve to not only mislead and confuse the consumer but distract from the more meaningful disclosures required by section 182.

Do we share the same understanding and contemplation regarding this aspect of subsection 182(9)?

Mr. BIDEN. Yes, we do. The concept of "fair market value of the property at the inception of the lease" is designed to provide the consumer with a "cash price" type disclosure as required in consumer credit sale transactions. I agree this disclosure should be expressed as a single amount if for no other reason because the efficacy of this type of disclosure legislation is largely dependent on its simplicity and its brevity.

So I do agree with the Senator's assessment of that section.

Mr. GARN. I thank the Senator.

Mr. HELMS. Mr. President, as I stated in additional views contained in the committee report accompanying H.R. 8835, the so-called Consumer Leasing Act, I feel that this legislation will increase costs and ultimately hurt the consumers much more than it will help them. I indicated in the report that unquestionably, the stated goals of H.R. 8835, the Consumer Leasing Act, are meritorious. No one is likely to quarrel with intent to those who wish to insure greater equity and fairness with respect to consumer leasing. I certainly do not.

However, in my view, the means employed in H.R. 8835 to achieve those goals is a proper cause for concern. And, it is that means—which is indicative of the underlying philosophy of the legislation—that I feel obligated to address. In my judgment, adherence to the fundamental principles of decentralized government, with a minimum of interference with private enterprise, is essential to the maintenance of a desirable level of productivity and our national, economic well-being. Otherwise, in countless instances, we will compromise traditional principles to the point that they cease to provide any meaningful guide to legislative action.

Specifically, H.R. 8835 will preempt State laws to the extent that they are inconsistent with the act. To do so, in my view, will continue a broad pattern of Federal encroachment into areas that are properly State prerogatives. I have opposed that encroachment in many other instances on the basis of my belief in divided sovereignty and the reserved powers of the States; and I oppose it in this instance. A number of States have enacted legislation in the field of consumer leasing, and it is included in the Uniform Consumer Credit Code. While most States have not elected to do so, I reject the argument that the failure of such States to enact legislation is a sound reason for Federal preemption. Indeed, no action by certain State legislatures may itself have involved consideration of the question and a decision.

The bill contains provisions respecting disclosures and stipulating the content of advertisements thereby creating more burdensome "redtape" and complicating otherwise simple business activities. In this connection, the federally mandated forms will be costly for both the industry and the consumer.

As a punitive measure for violations, it permits civil recoveries in class action suits in the amount $500,000 or 1 percent of the net worth of the business, whichever is less, even though no substantive damages are proven and there is no showing of willfulness. While there is precedent for such a provision in current law—which contains a $100,000 limitation—it is nonetheless in derogation of common law principles both because of the lack of a requirement respecting substantive harm and the obvious use of the civil law to provide an essentially criminal sanction. I did not favor this departure from traditional legal principles in previous enactments, and I do not favor it now.

Moreover, in the areas of so-called consumer legislation, we have witnessed a great proliferation of proposals, many of which have become law. Indeed, in the name of the consumer, Congress is placing layer after layer of technical regulations upon the business community. Taking each proposal independently, the level of Federal preemption and the cost of implementation and compliance may be relatively slight, but viewing the total regulatory environment thus created, I fear that the burden will be greater than many smaller businesses can bear. The obvious result, of course, will be a situation where only the large, broad-based corporate entities can survive. This, if it does nothing else, will limit competition, stifle enterprise, and increase unemployment.

There is but one certainty associated with this legislation: as business costs increase, consumer prices will increase. One wonders the extent to which consumers, faced as they are with never-ending inflation, will really benefit from this and similar legislation.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the committee amendment and third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read a third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass?

The bill (H.R. 8835), as amended, was passed.

Mr. BIDEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. BIDEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BIDEN. Mr. President, I ask unanimous consent that I may move that the Senate reconsider the vote by which both bills have just been passed.

The PRESIDING OFFICER. Is there objection to both bills being considered in one motion?

Without objection, it is so ordered.

Mr. BIDEN. I move to reconsider the vote by which both bills have just been passed.

Mr. GARN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BIDEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order Nos. 580 to 590, inclusive.

The PRESIDING OFFICER. Without objection, it is so ordered.

KAM LIN CHEUNG

The bill (S. 1786) for the relief of Kam Lin Cheung was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 1786

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Kam Lin Cheung shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper officer to reduce by one number, during the current fiscal year or the fiscal year next following, the total number of immigrant visas and conditional entries which are made available to natives of the country of the alien's birth under paragraphs (1) through (8) of section 203(a) of the Immigration and Nationality Act.

MARIA DEL CARMEN ALVARADO MARTINEZ

The bill (H.R. 1399) for the relief of Maria Del Carmen Alvarado Martinez was considered, ordered to a third reading, read the third time, and passed.

TERRENCE JAROME CABUIAT

The bill (H.R. 1758) for the relief of Terrence Jarome Cabuiat, was considered, ordered to a third reading, read the third time, and passed.

VALERIE ANN PHILLIPS, NEE CHAMBERS

The bill (H.R. 4046) for the relief of Valerie Ann Phillips, nee Chambers, was considered, ordered to a third reading, read the third time, and passed.

MITSUE KARIMATA STONE

The bill (H.R. 4113) for the relief of Mitsue Karimata Stone was considered, ordered to a third reading, read the third time, and passed.

MANUEL BONOTAN

The bill (H.R. 4939) for the relief of Manuel Bonotan was considered, ordered to a third reading, read the third time, and passed.

CHU WOL KIM

The bill (H.R. 5750) for the relief of Chu Wol Kim was considered, ordered to a third reading, read the third time, and passed.

JUNG SHIK YANG

The bill (H.R. 8451) for the relief of Jung Shik Yang was considered, ordered to a third reading, read the third time, and passed.

ANGEL PADER CABAL

The bill (H.R. 8555) for the relief of Angel Pader Cabal was considered, ordered to a third reading, read the third time, and passed.

YONG WON LEE

The bill (H.R. 8907) for the relief of Yong Won Lee was considered, ordered to a third reading, read the third time, and passed.

ZORAIDA E. LASTIMOSA

The Senate proceeded to consider the bill (S. 804) for the relief of Zoraida E. Lastimosa, which had been reported from the Committee on the Judiciary with an amendment, on line 7, to strike "The natural brothers" and insert "The natural parents, brothers," so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 203(a)(1) and 204 of the Immigration and Nationality Act, Zoraida E. Lastimosa shall be held and considered to be the natural-born alien daughter of Ricardo N. Lastimosa, a citizen of the United States. The natural parents, brothers, and sisters of the said Zoraida E. Lastimosa shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

THE RICE PRODUCTION ACT OF 1975

The PRESIDING OFFICER. Under the previous order, the Senate will now resume the consideration of the unfinished business, which the clerk will state.

The legislative clerk read as follows:

A bill (H.R. 8529) to establish improved programs for the benefit of producers and consumers of rice.

The Senate resumed the consideration of the bill.

Mr. LONG. Mr. President, I believe that my distinguished colleague (Mr. JOHNSTON) has made a very fine case, which in my judgment carries compelling logic. Basically he contends, and I agree, that we have a good program for rice.

It works on this basis, which has been the whole theory of our agricultural program for many years: When we have more production of a product than we can consume or than we can sell or otherwise dispose of, the farmers have the opportunity to ask for an election, and if those farmers vote to impose production controls on themselves, to limit acreage and control the amount they are going to produce, then they will be protected from the disaster that was commonplace prior to the days of Franklin Delano Roosevelt, when the bottom could fall out of the price and the farmers could be totally destroyed.

That is what the farmers have requested. They have asked to exercise their right under the law to have an election, and there is little doubt in my mind, Mr. President, that when we have the returns of that election we will see that these farmers are willing to produce less, to control the price, and to settle for far less income than they have had in previous years, in order to survive.

One would have thought that that would have been so simple that no one would have protested about it. Against that background, as a Senator from Louisiana, I find it most ridiculous to have people calling me who have never been in the rice business, many of them enormously wealthy people, wanting to plant thousands upon thousands of acres of rice, which is in great surplus, even though they have never been rice farmers. I presume some are people who want to change over from soybeans and things of that sort; others, of great wealth, want to clear thousands of acres of marshlands and swamplands in Louisiana and plant land in rice.

Mr. President, before we take care of those millionaires we ought to take care of these little 90-acre rice farmers and 60-acre rice farmers who must look to this as their sole source of income. They are entitled to the same type consideration under a farm program as wheat farmers, those farmers who produce corn, cotton, peanuts, and tobacco.

I am sure that, when this matter started, it never really occurred to anyone that we were going to have before us a situation where the farmers, as contemplated under law, have asked for an election to have the privilege of expressing themselves, where they have voted, but before the returns are even in, Congress is being asked to vote a bill, which I am confident will be contrary to the wishes of farmers, without even giving them the privilege of expressing themselves.

Mr. President, that is very difficult to justify. How can we justify having a law that permits the farmers to ask for an election to express themselves and then after we permit them to go to the polls and vote, because we cannot deny it to them without changing the law, meanwhile proceed then to vote to say: "Well, it does not make any difference. In fact, we do not even want to hear what the farmers ask for. We are not even interested. Chances are we have no doubt that they will vote for what they logically should be voting for. They will vote to control their production, limit their production, limit their own acreage, and produce less. Do not give them that."

If we cannot deny them a chance to vote, at least then we do not bother to even let them count the votes, which is the way it is now.

It would be a sad travesty, indeed, if Congress had actually permitted these people to go to the polls, vote, and then shown them the supreme scorn of not even waiting until the votes were counted to pass a bill that was just casting out what we would anticipate the results of the election to be.

Farmers are concerned about this. I urge Senators to keep in mind that it is not only the farmers of rice who are concerned about this, but the farmers of every other crop can look at this and say: "Well, some day that might be me. It may be some day that our fate might be at stake and some very powerful group of Senators, representing a certain constituency of their States, industrial interest, and others who might have a contrary interest, might seek to deny us our rights."

I know people like to joke about peanut farmers. To a peanut farmer that peanut is very, very important. That peanut is as important to that peanut farmer as rice is to a rice farmer.

Some people think tobacco is not good for us at all, that we should not produce any of it, but that tobacco is a mighty fine product from the point of view of the fellow who produces the tobacco and puts his sweat, toil, life's efforts into it, and tries to produce the best product he knows how to produce which he thinks would appeal to those who enjoy using his product.

Mr. JOHNSTON. Mr. President, will the Senator yield at this point?

Mr. LONG. I yield to the distinguished Senator.

Mr. JOHNSTON. We had a lot of conversation here in the Chamber on this bill on the question that we ought to open up rice production, produce a great deal more rice, and with that we could feed the hungry world. Of course, my response to that has been that we all wish to feed the hungry world and we would rather that no one in the world starve if we can keep from it.

But my distinguished senior colleague has been around this body now for over 25 years, and I wish to ask: In his expert judgment is the sentiment increasing in Congress for foreign aid or is it, as a matter of fact, decreasing?

Mr. LONG. I say to the Senator that there is no doubt about it, that sentiment is less than it was. It is losing ground.

Mr. JOHNSTON. Even if we, the Senator and I, the distinguished Senator from Kentucky, and all of us who are interested in rice, if we put forth a monumental effort to increase Public Law 480 shipments and AID shipments of rice and agreed to vote for every bill that came down the pike, increasing that funding, the fact is that this Congress not only is not going to increase it, but it probably is going to decrease it, is it not?

Mr. LONG. That is right.

Mr. JOHNSTON. Is it not a fact that we have glut of rice not only in this country with, they tell me, 34 million hundredweight, but they have a similar glut of rice worldwide, so that the only way we could shift it worldwide is to do so through subsidized or free shipments?

Mr. LONG. That is right. The Senator is entirely right.

Mr. JOHNSTON. I thank the Senator.

Mr. LONG. Mr. President, permit me to make this point: The farmers are entitled to express themselves. They are entitled to be heard.

Under law they have a right to hold an election. The election has been held. They have every moral right to demand and insist that their voice be heard, that those ballots be counted for both the old farmers and the new farmers, and that Congress consider, at least hear what that election will say.

Mr. President, I am not unaccustomed to seeing Senators gagged. I have been gagged before, and I have voted to gag others when I thought I heard enough of what they had to say. But, Mr. President, I will never vote to gag the farmers of America. After they have gone to the polls, expressed themselves, asked Congress to consider their problem, and asked the President to consider their problem, I will never vote to gag those farmers and deny them the right to have their votes counted before we vote their fate. I say that one who would do that to the farmers is going to have great difficulty in explaining that to the great farm organizations. They understand what this means.

Imagine this: Permitting farmers under the law to have an election and then denying them the right to have those votes counted before Congress votes a fate contrary to their wishes.

Mr. JOHNSTON. Mr. President, will the Senator yield at this point?

Mr. LONG. Yes, I yield to the distinguished Senator.

Mr. JOHNSTON. If the cloture motion is agreed to, in effect, what we would be doing is deciding the whole issue, with not only failing to follow what they want, but not even listening to what the results are.

Mr. LONG. Yes.

Mr. JOHNSTON. Is that not what we would be doing?

Mr. LONG. Right.

Now let me read a telegram from a great farm organization, probably the largest, a great, much admired farm organization:

> The American Farm Bureau Federation remains firmly in opposition to the extension of the target price compensatory payment concept to rice. Accordingly, we support your efforts to extend debate on H.R. 8529 until such time as the U.S. Department of Agriculture makes available the results of the producer referendum currently being conducted to determine acceptability of marketing quotas in 1976.

Let us understand this great organization, the American Farm Bureau Federation. They are not asking Congress to support a filibuster. All they are asking is to continue consideration of this matter until the farmers of the Nation can be heard.

I read further:

> We favor the present rice program; therefore, we believe that the Senate should consider the results of the producer referendum. Limitation of debate prior to that time would

> be an injustice to the many producers who have expressed their concern as well as the other American taxpayers who helped finance the referendum.
>
> John C. Datt, Director, Congressional Relations, American Farm Bureau Federation, Washington Office.

I am going to read in due course similar wires from the other three great American farm organizations.

Mr. President, imagine who among us would wish to go back and appear among his farmers and say: "You can hold all the elections you want but the precedent has been set. It does not make any difference what you people vote. Congress is going to decide on your fate whatever it wants to."

Maybe it is because it would appeal to the big beer manufacturers or maybe because it would appeal to the fellows who want to process the product of which we have no sale, or maybe it is because it would appeal to someone who finds he will get a windfall profit by the price going down, even though there is the assumption as to whether he is going to have to pay a decent price for this product.

Imagine what that means, when Congress sets that precedent, to the four great American farm organizations. Those are the ones that always ring in my ears: the American Farm Bureau Federation, the National Farmers Organization, the National Grange, the National Farmers Union. Imagine this precedent that we are not going to wait to hear what the farmers think about this.

Mr. JOHNSTON. Mr. President, will the Senator yield?

Mr. LONG. I will yield in a moment.

Imagine Congress taking the view, "Oh, no, we cannot wait until we count these ballots." There are some powerful people involved here who demand that this be done. I know a fine man who did not bother lobbying me—he has too much good judgment—who once worked at the White House. I know that that man's services do not come cheaply. He is so able that I imagine that the average Louisiana farmer has no hope of hiring a man like that—a man like that in the reception room, talking to Senators, urging them to gag the Senate and vote this matter through.

Imagine Senators heeding that kind of advice, failing to realize what I know—that they are going to be asked to explain how they can justify not gagging the Senator from Louisiana or the Senator from California or the Senator from Texas. How could Senators vote not only to gag but also deny the right to even count the ballots of an election and announce the results to the farmers of this country?

I have no doubt that if this precedent is set with regard to the rice farmers, it will be easy, at some future point, for the same fate to befall the peanut farmer. I imagine that it will probably fall in a scornful way upon him—not that I would like to see it that way.

Mr. JOHNSTON. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. JOHNSTON. Is it not a fact that the President has also put it in this year's budget message that he has in mind for the peanut farmer and for the tobacco farmer exactly the same thing that we have in this legislation?

Mr. LONG. That is correct.

Mr. President, I joined the Senator in sending a letter to Senators. I hope they have read it. I know how busy Senators are. I hope they have read the letter that we sent to the farmers. I will go into more detail later. It was explained to them, "The administration's policy is to avoid government restrictions on crop production, to permit market forces to work."

What does that mean? I know what that means to the average little farmer in Louisiana. That means the old boom-and-bust deal. That means that when the bottom falls out of prices and there is no market, he is to be left at the mercy of the world market; and when the world market goes down, that is the end of him.

Here is this rich man, in a position to invest millions of dollars, buying up swamp land, clearing it, to put it into cultivation, buying all this expensive equipment and furiously producing this stuff, forcing the price down, knowing that after these farmers are out of business, this little fellow will be gone, and then they will make a fine profit producing and selling where large concerns are involved. They can do business the way the very smart people do business. They seem always to know what is going to happen. They like this boom-and-bust idea. They can have it their way.

Mr. President, great fortunes were made by some people when the Great Depression came along—people who had enough judgment and enough inside information to know that this Nation was going to fall flat on its face, and they helped to bring it about. Some had enough wisdom and enough foresight and enough knowledge of what was going on to sell that market short all the way down. While some poor souls were jumping off the tops of bank buildings and commiting suicide, they were getting rich, selling short, helping increase the downward turn; to make a great profit, selling the market short, while poor souls were trying to protect themselves.

All that short selling was doing nothing more than making life more difficult for the poor souls who had invested their money in stock and found themselves in a complete disaster over which they had no control.

Is there not a parallel here? People called the Senator from Louisiana (Mr. JOHNSTON) and indignantly expressed themselves that they want to plant 7,500 additional acres of rice—or they had planted no rice—saying that he is standing in their way, outraged that he would have more concern for the little fellow who only had a hundred acres of rice than this big man who is going to have 7,500 acres of it. Is there not a parallel here? These people are getting in on this thing to make rice farming the special province of the very wealthy and move all these poor souls off these farms to try to make a living somewhere else. That is a sad situation, indeed. I find it extremely distressing that that sort of thing is being suggested here, when the elections have been held and the votes have not been counted.

If those who sponsor this bill had their way—I am not for a moment condemning the distinguished manager of this bill, who is speaking for the majority of the committee—these farmers could not even have had an election. This bill would have been passed a year ago, before they had a chance for an election to express themselves on it; because they are wedded to a different position. They have a different constituency, nothing like the numbers of rice farmers that we in Louisiana represent. I am sure they have other reasons and they look at it from a different point of view. But we should also hear a word from the great farm organizations about this matter, if the Senate is not going to vote with the farmers. Let me read what the National Farmers Organization said:

> Under current law, producers are now voting on the question of controlling 1976 production because of a surplus of rice now in hand. Producer prices have declined substantially. What is the hurry? Why should industrial users, exporters and some profiteers insist on changing the law to benefit a few greedy people?

I am not saying that, Mr. President. That is not RUSSELL LONG saying that. The man who is saying that is Charles Fraser, director of the National Farm Organization, of Washington, D.C.

I continue reading:

> The United States Senate at least should wait for a report on the referendum vote before acting on S. 2760 and denying producers the right to use production control features of the current law.

Mr. President, I can understand the viewpoint of a few people here who represent some very large farmers or a few people who are very much concerned about somebody who wants to make beer out of rice, or something of that sort, in a State that does not produce any rice. I say, without fear of contradiction, that if those beer manufacturers get that rice cheap, the price of beer will not go down a fraction of a cent. It will mean that they will lose customers.

We have sweet farmers of Arcadian and French background who love to drink beer, but they will not be able to buy it, because they will be broke. These beer manufacturers, in a way, are going to hurt their own market by trying to get rice cheaper, and they will not cut the price of beer by a fraction of a cent. I say that without the slightest fear of even a challenge. The beer will not come down a penny. They will lose customers—in particular, our poor, little, rice farmers. The average farm in Louisiana is 140 acres. How are they going to buy beer when they are broke? They might try to get on the welfare rolls. In Louisiana we do not have this unemployed farmer rule. We try to work on the principle that a poor soul ought to go out and try to scratch out some kind of a living, especially a male. Maybe we are old-fashioned about that, but we feel that a father ought to take any kind of job he can get and try to do something to support his family. But, Mr. President, there should be work for them to do.

While we might improve the efficiency

of farms by putting that fellow out of work right now, is that what we need? It seems to me that, for the time being, what we need to do is help those who are getting the worst of it to hold hide and hair together until things get better. That is completely contrary to what is being proposed here.

Let me read from another great farm organization.

> The National Grange does not favor legislative action on the new rice program during the time the referendum on the present program is being tabulated. We think the results of the referendum should be known prior to making any drastic changes. We therefore support a compromise bill which would reduce the support price and increase the national allotment by 600,000 acres to be allocated to new growers. Your support in this effort will be appreciated.

Signed, John W. Scott, master, National Grange, Washington, D.C.

Here is a wire from the National Farmers Union:

> National Farmers Union strongly opposes S. 2260, the rice bill denying marketing quota authority for rice producers needed to operate a sensible rice program. No action should be taken that fails to preserve basic provisions of current law. Further, no congressional action should be taken until farmers' votes are tallied in the USDA referendum now under way.

That is signed by Reuben L. Johnson, director of the National Farmers Union, Washington office.

Mr. President, if Congress makes this precedent, I predict that everyone who is involved with the farmers is going to regret that Congress chose to do business that way. I am confident that they are going to say, for the future, that we must never again do that kind of thing. But when a precedent has been set, as in a lot of other things, it tends to plague us for time to come. Those of us who find that we have been subjected to a program where, theoretically, the other fellow's consumers are going to benefit at the expense of our producers, I suppose that, in time, we will be compelled to adopt the logic that, if that is how those fellows want to do business, we will have to vote to give them the same type of consideration that they gave us. It is a very bad way to do business, Mr. President. I urge that that not be the case.

The Senator from Louisiana (Mr. JOHNSTON), my colleague, has made the point that, although we are confident that we are right about this matter, we are not adamant. All we are seeking to do is simply obtain some reasonable consideration for these poor souls who will be very adversely affected if this proposal becomes law.

Mr. President, in the end, the Senate will have to sort through the charges and countercharges, the proposals and counterproposals, the lobbying and the counterlobbying, to make a decision based on the pertinent facts and figures available to them. In the end, it should resolve itself into a question, not of who is right, but of what is right.

Mr. President, let us look at how the basic system has been working. It has provided for our domestic needs, with the desired year-to-year carryover. It is giving us ample supplies to meet our international commitments. It guards against the pitfalls of overproduction as it affects the farmers, particularly the small farmers. It produces rice at a price to the farmer which should result in quite reasonable prices to the consumer if a way can be found to close the unprecedented farm-retail spread which has recently developed. It guards against the excessive program costs which are certain to occur if S. 2260 is enacted.

Frankly, Mr. President, there are so few laws that work exactly as intended and at no program cost to the Government, we should be hesitant indeed before we change a program that is working. The facts and figures, as I see them, indicate that we should not scrap a proven program for an alternative that is almost certain to bring about overproduction and market instability in the rice industry. Instead, we should talk about the sort of compromise that several Senators are circulating in an effort to accommodate the sponsors of H.R. 2260.

Before getting into the specifics of the proposed compromise, let me call attention to several tables and charts which give the overall view as to what sort of job the current law is doing and which argue persuasively against target pricing and open production. Once the Senate has an opportunity to review current trends in acreage, production, and carryover, it is bound to determine that we should not be encouraging vast new production at a time when we have a very great surplus. It will find that rice production is up and that anticipated exports are down.

It will also find that the proposed changes result in budgetary costs of as much as $170 million, when the present program and our own compromise cost far, far less.

Looking at the supply side, there is, today, a huge projected surplus of rice. The Senate will note that over the past 5 years, both planted acreage and total production have been increasing at just about the correct rate to provide the optimum carryover of 7 to 10 million hundredweight, with more than three times that amount predicted for this year's record harvest.

Mr. President, I ask unanimous consent that the chart which I have here be printed in the RECORD at this point.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

[Production and carryover in million cwt]

Year	Planted acreage	Production	Carryover
1971-72	1,826,000	85.8	11.4
1972-73	1,824,000	85.4	5.1
1973-74	2,181,300	92.8	7.8
1974-75	2,555,000	112.4	7.1
1975-76	[1] 2,818,000	[2] 127.6	[2] 31.1

[1] Estimate.

[2] Estimate, Dec. 10, 1975.

Mr. LONG. The way I see it, the carryover of rice, which really should be somewhere between 7 and 10 million hundredweight, has moved forward where, for 1975-76 planted acreage, the carryover will be an estimated 31 million hundredweight, which is something like three or four times that which we believe to be desirable.

It is obvious from these figures that the current program permits new rice acreage in a manner that has resulted in a gradual healthy increase in production, without the sort of Government guarantees which would encourage overplanting, overproduction, and eventual destabilization of the entire industry. Even under the current program, this year's increased production and projected surplus have dropped the national average 92 cents, to a price of $8.88 per hundredweight, in the month of October alone. Louisiana rice dropped 45 cents per hundredweight for the same period, and was selling in September for $9.10, a full dollar below last year's prices. These trends have continued over the past several months. The average price nationally has now slid down to $8.29.

That is a very drastic reduction from the kind of income that farmers were receiving in previous years.

Mr. President, as to our needs for export, there is no problem whatever. In fact, the chart which I propose to submit indicates that world production is up and anticipated exports, both Public Law 480 and commercial, are stable and represent a smaller fraction of our total production than they did last year.

I ask unanimous consent to have this chart printed in the RECORD at this point.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

	World production (million metric tons)	Exports (metric tons)		
		AID and Public Law 480	Commercial	Total
1971-72	295.5	1,203,514	497,025	1,700,539
1972-73	294.3	1,120,374	818,070	1,938,444
1973-74	317.0	610,509	973,951	1,584,460
1974-75	320.6	774,344	1,517,462	2,291,806
1975-76	334.3	800,000	1,471,000	2,271,000

Mr. LONG. What this demonstrates, Mr. President, is that exports are not on their way up; in fact, they are on their way down. If there were a plan afoot to increase greatly our Public Law 480 shipments or if a world shortage were in prospect which would provide the likelihood of an active commercial export market, there might be a more rational argument for open production. But this is absolutely not the case; and, once again, the figures indicate there could be no worse time than now to promote a leap in production that is simply not needed in our export program.

Mr. President, I have an article here to which I will make reference in due course, demonstrating that it is a mistake to further expand production, and it is a mistake to put large numbers of additional people into this business.

I ask unanimous consent that the article in Foreign Agriculture be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Foreign Agriculture Magazine, Jan. 26, 1976]

RECORD CROPS LIFT WORLD RICE SUPPLY, DEPRESS TRADE

(By Weyland Beeghly)

Extraordinary 1975/76 harvests across virtually all of Asia are rapidly returning world rice supplies to the levels prevailing before the failure of the 1972 monsoon. But just as that year's drastically reduced crop launched an upward spiral in world rice prices, this season's upsurge in production has further depressed an already weakened market.

The 1975/76 crop—the third record in succession—is now estimated at 347 million metric tons,[1] up 6 percent from last season's bumper outturn. The gain can be attributed to an excellent summer monsoon, coupled with several years of attractive prices, some increased use of high-yielding varieties, and an easing of recent input constraints.

The outstanding crop has resulted in exportable supplies of 8.5–9.0 million tons. Actual imports, however, may dip below recent levels to little more than 7 million tons in the face of good harvests and above-normal stocks in many importing countries.

Nearly half of this year's increased outturn has taken place in chronically deficit India, where an almost faultless monsoon boosted production at least 9 million tons above last year's poor crop. However, major increases have also been registered in neighboring supplier countries such as Pakistan, Burma, and Thailand.

In Thailand, for example, production is now expected to exceed 15 million tons, up nearly 4 percent from the 1974 crop. Thai export offerings were considered uncompetitive during much of 1975, and 500,000 tons of unsold old-crop rice have been carried into 1976. This, combined with the new-crop surplus, puts current Thai export availabilities at nearly 2 million tons.

In recent weeks, Thailand has moved to make its prices more competitive with those of other Asian suppliers through the elimination of one type of export tax and the reduction of another. Thai quotations for top-quality rice have fallen more than 12 percent since early November.

Burma is also carrying in a little old-crop rice and, along with anticipated new supplies, may be able to export as much as 500,000 tons—the highest level in 4 years. About one-third of this is expected to go to Sri Lanka (Ceylon). Burmese rice exports in calendar 1975 are now estimated at 370,000 tons, up 86 percent from the previous year's.

Although Thailand and Burma have traditionally been two of Asia's strongest suppliers, Pakistan and the People's Republic of China (PRC) are more and more the dominant forces in world rice trade.

In the last 6 months, Pakistan has emerged as the price leader in a number of Asian and African markets. It has also shown a growing interest in the Mideast, a market which last year accounted for one-half of U.S. commercial sales.

Pakistan's trading position will be even stronger in 1976 as the recently harvested crop was nearly 7 percent above the previous year's. The exportable surplus is put at 900,000 tons (including 200,000 unsold from the 1974 crop). About one-third of the surplus is basmati—a long, slender, aromatic rice once exported to only overseas Pakistanis and a few neighboring sheiks and shahs.

With the increase in Mideast oil revenues and Pakistan's apparent determination to match offers of the well-liked U.S. No. 2 long grain in the Persian Gulf, basmati has begun penetrating the Mideast market in greater volume. Early last fall, for example, Iraq—which was counted on as a major market for U.S. rice in 1975/76—bought 100,000 tons of basmati at $400 per ton, about half the price at which it had been offered a year earlier.

Pakistan has also been making overtures to Iran and, although the Iranians seem to have been disappointed by a small quantity of basmati received last year, the possibility of future purchases probably cannot be dismissed. Basmati bears a close resemblance to the preferred locally grown rice, and some Iranian officials have commented that future grain procurement should, to the extent possible, take place within the framework of trading arrangements with neighboring countries.

Trading activities of the PRC are perhaps not so worrisome from a U.S. standpoint, as most sales have been made to Far Eastern buyers. The PRC became Asia's leading supplier in 1973, when other Asian exporters reduced offerings, and has maintained that position ever since. However, its exports in calendar 1976 may decline somewhat—to perhaps 1.2 million tons from an estimated 1.5 million last year—as the world market becomes increasingly competitive.

In most other exporting countries, supplies also appear larger than those of a year ago. Egypt, through the use of new price and procurement policies, seems intent on selling 200,000 tons, twice as much as in 1975. North Korea is reported to have at least 200,000 tons available for shipment. Southern Hemisphere suppliers will likely offer about 100,000 tons more than the half-million moved in 1975. And of course the United States has a substantial quantity unsold out of the 1975/76 crop. Of the 12 leading exporters, only Italy—which drew heavily from stocks last year—is likely to offer less rice in 1976.

Excellent crop conditions have not, however, been limited to the supplier countries. Combining to dampen demand by a number of importers are the bumper harvests, along with—in some cases—increased stock levels, fiscal and policy considerations, and port congestion.

Last year, for example, Indonesia, South Korea, Iran, and Sri Lanka were the four largest rice buyers in Asia, accounting for roughly 30 percent of world demand. In each of these countries—except possibly Indonesia—imports will likely decline in 1976.

Aside from India, and probably the PRC, Indonesia is holding the largest rice reserve in the world, most of it accumulated during 1973 and 1974—2 years of costly stockbuilding. In 1975, imports dropped by nearly two-thirds, and although buying plans for 1976 are not yet final, imports are unlikely to exceed the 1975 level of about 600,000 tons.

Meanwhile, Indonesian production continues to grow steadily as more area comes under high-yielding varieties, double-cropping increases, and marshlands are drained for rice cultivation. The 1975 crop is put at about 24 million tons (16.3 million, milled), 5 percent above 1974's.

South Korea's 1976 rice policy seems somewhat contradictory. Although the 1975 crop appeared significantly damaged by a late-season attack of brown planthoppers, the Government has put production at 6.48 million tons, up 5 percent from the 1974 record. With heavy stocks (800,000 tons) in hand, Korea is now claiming "rice selfsufficiency," in spite of a continuing policy prohibiting the serving of rice in restaurants 2 days per week and specifying the mixing of barley with rice to extend Government rice supplies.

The situation can perhaps best be understood by noting the country's severe foreign exchange shortage. Thus, Korea—which paid cash for 300,000 tons of U.S. rice in 1974/75—may find it difficult to buy commercially in 1976.

Buying interest has also waned in the vital Iranian market, which in 1974/75 took 450,000 tons of U.S. topgrade rice. Although the 1975 Iranian crop is perhaps slightly larger than in 1974, sluggish import demand appears largely due to port congestion, a slight buildup in stocks, and probably a willingness to await further price developments. The Iranian army is continuing to buy at least 10,000 tons of U.S. rice monthly, but purchasing for civilian use may not strengthen until spring.

As in the past, Sri Lanka will continue to fill most of its rice deficit under a long-standing rice/rubber barter arrangement with the PRC. Although the 1975 season was one of the dryest on record, prospects look better for the 1976 crop (harvested in February-March, July-August) as the drought has been broken and new Government policies appear to encourage increased production. Calendar 1976 imports are expected to decline by 25 percent to about 300,000 tons.

In Bangladesh, as in India, a favorable 1975 monsoon led to expanded output and the likelihood of significant gains in per capita consumption of rice. Production in 1975/76 is now estimated at 18.5 million tons, up 8 percent from that of a year earlier. Though there are reports of inadequate storage facilities and some spoilage, "surpluses" in Bangladesh tend to be short lived. Barring new problems with port congestions, imports are likely to remain near 1975 levels.

The Philippines appears to be self-sufficient in rice for the first time since 1971. The 1975 crop was untouched by typhoons, and production is currently estimated at nearly 6 million tons, up almost 6 percent from that of 1974/75

Based on current estimates, the 1975/76 rice crop will exceed consumption requirements by about 100,000 tons (milled), thereby permitting some stock buildup. Officials say they do not intend to buy any rice in 1976.

WORLD RICE PRODUCTION, TRADE, AND STOCKS [1]

[In million metric tons]

Country or region	1973–74	Preliminary 1974–75	Projected for 1975–76	
			As of Oct. 7	As of Dec. 19
Production:[2]				
Bangladesh	17.6	17.1	18.5	18.5
Burma	8.6	8.6	8.7	9.0
India	65.7	59.5	66.0	69.0
Indonesia	21.5	22.7	25.0	23.9
Japan	15.2	15.4	16.0	16.4
Korea, Republic of	5.9	6.2	6.4	6.5
Pakistan	3.7	3.5	3.8	3.7
PRC	113.0	117.9	118.0	120.0
Thailand	14.4	14.5	15.0	15.0
Subtotal	265.6	265.4	277.4	282.0
EC-9	1.1	1.0	1.0	1.0
Australia	.4	.4	.5	.5
Argentina	.3	.4	.4	.4
Brazil	6.4	6.5	6.5	6.5
All others	46.5	47.9	49.5	50.7
Total non-United States	320.3	321.6	335.3	341.1
United States	4.2	5.2	5.7	5.8
World total	324.5	326.8	341.0	346.9
	1974	1975	1976	1976
Exports:[3]				
Burma	0.2	0.4	0.4	0.5
Pakistan	.5	.5	.5	.7
PRC	1.9	1.5	1.8	1.2
Thailand	1.0	1.0	1.3	1.2
Other Far Eastern suppliers	.9	.7	.3	.5
Subtotal	4.5	4.1	4.3	4.1
Southern Hemisphere suppliers	.3	.5	.5	.6
All others	.9	.9	.4	.7
Total non-United States	5.7	5.5	5.2	5.4

Footnotes at end of table.

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[1] All production figures are on a paddy basis; trade and stocks are in terms of milled rice.

WORLD RICE PRODUCTION, TRADE, AND STOCKS[1]—Continued

[In million metric tons]

Country or region	1973-74	Preliminary 1974-75	Projected for 1975-76 As of Oct. 7	Projected for 1975-76 As of Dec. 19
United States	1.7	2.0	2.3	1.8
World total	7.4	7.5	7.5	7.2
Imports:				
Bangladesh	.1	.3	.3	.4
EC-9	.6	.6	.6	.6
Hong Kong	.3	.4	.4	.4
Indonesia	1.8	.6	.7	.6
Iran	.1	.5	.5	.4
Khmer (Cambodia)	.3	.4	.1	.1
Korea, Republic of	.3	.5	.4	.2
Philippines	.2	.1	.2	
Sri Lanka (Ceylon)	.3	.4	.4	.3
All others	3.4	3.7	3.9	4.2
World total	7.4	7.5	7.5	7.2

[1] Production is on rough basis; trade and stocks are listed as milled.

[2] The world rice harvest stretches over 6 to 8 mo. Thus, 1975-76 production represents the crop harvested in late 1975 and early 1976 in the Nrothern Hemisphere, and the crop harvested in early 1976 in the Southern Hemisphere.

[3] Calendar year basis.

This weak import demand—particularly in South Korea and Iran, which last year accounted for 43 percent of U.S. rice sales—is having a significant effect on U.S. export sales. Moreover, other Asian buyers appear reluctant, in a falling market, to purchase large quantities from a distance when smaller amounts can be had more quickly nearby.

It may well be that world import demand is stronger than currently indicated since many importers are in a position to sit on the sidelines and await the most favorable prices. At the same time, it is worth noting that buying by several traditional U.S. cash markets such as Canada, the European Community, South Africa, and Saudi Arabia is bouncing back from the reduced levels of 1974/75. While this will not wholly compensate for the weakness in most Asian markets, U.S. rice exports are still expected to approach 2 million tons in 1975/76, the second best year on record. Prices, however, will be off considerably.

The long-run outlook for U.S. rice exports will, of course, continue to be strongly influenced by the performance of the Asian monsoon and efforts of the rice-eating peoples to increase production commensurate with population growth. During the next few years the following developments could also prove significant:

The end of war in Indochina will likely result in the reemergence of that area as a major source of export supplies. Although availabilities will probably not return to pre-World-War-II levels, 500,000 tons could well be offered from this region by 1980. Saigon has already begun exporting limited quantities of Vietnam-origin rice, although most observers believe the country (North and South) does not yet have a rice surplus.

The situation in Cambodia is apparently less favorable. There are reports that much of the country suffered acute hunger during the latter stages of the war and immediately thereafter, resulting in the slaughter of large numbers of draft animals. Moreover, there is evidence that the monsoon may not have been as generous in Cambodia's main rice-growing regions as it was over most of the rest of Asia. The possibility of Cambodia offering rice before 1977 must, therefore, be considered unlikely. However, when both Cambodia and Vietnam are able to shake off the effects of war, most observers expect them to sharply alter the Asian supply picture.

In South Asia, both Pakistan and India are showing increased interest in the foreign exchange potential of larger basmati exports to the Mideast. This is indicated by both a more aggressive marketing approach, and by strong research efforts to develop high-yielding basmati-type varieties. In addition, Pakistan is expected to build a dozen new mills and storage facilities this year to boost the quality of its often-criticized coarse-rice offerings.

Now that dwarf rices occupy much of Asia's "most manageable" rice land, some research is being directed toward providing better varieties for problem areas and conditions. For example, promising crosses have already been made of IRRI dwarf varieties with long-stemmed floating types to provide high-yielding strains to the estimated third of Asia subject to annual flooding and deep-water conditions.

Any possibility of the world being inundated by rice remains, of course, remote. Aside from rampant population growth and the fickleness of monsoons, plant scientists are showing increased concern over the possible breakdown of insect and disease resistance in Asia's high-yielding varieties. This is particularly true in those countries where year-round rice cultivation precludes an interruption of insect/disease life cycles.

Given these uncertainties, periods of light supply and higher prices will undoubtedly recur from time to time.

A basic question is whether, under the current return to heavier supply conditions, U.S. rice can remain competitive. For, although Asian yields may be modest and the quality of the grain uneven, low labor costs have always permitted this rice to be marketed cheaply throughout the world.

Mr. LONG. Mr. President, the problems of overproduction and falling farm prices are a particular menace to the small and medium-sized farmer. Normally, he is growing as much rice as he has acreage to accommodate and cannot double his crop to compensate for a severe drop in the price he receives.

One bad year is often all it takes to force the small producer out of business, and 2 or 3 years of depressed prices guarantees his ruin. This is not so true of the large producers, and particularly corporate operations, which are able to survive the period of surplus and then make their profit when the pendulum swings back to short supply and high prices.

There is no question that a principal result of S. 2260 would be to ruin many hundreds, even thousands, of small producers, thus leaving the industry to be dominated by fewer and fewer large operations. If this were a logical means of providing the consumer with cheap rice over the grocery counter, one might argue that the proven stability of the current law is not worth preserving and that these thousands of smaller farmers are expendable.

But, when one studies the relationship between the price received by the farmer and the price paid by the consumer, he discovers a remarkable thing—a virtual lack of relationship between the two. Note, for instance, the fact that while the farmer is receiving 2.1 cents less per pound than he was in August 1973, the consumer is paying 18.6 more.

Now, note this, Mr. President, the farmer's cost has gone up; his cost of labor, his cost of fertilizer, his cost of materials and, especially is that true of the small farmer who is not in position to buy these enormous pieces of machinery. But even those have gone up very much in value.

But while this farmer had received a reduction in price over the last 3 years of 2½ cents about, more than a 20-percent cut in price, the consumer—mind you, the farmers are receiving 2 cents less for his rice per pound, yet the consumer—is paying 18.6 cents more. So you look at the cut the farmer has taken in his income and, far from passing that saving along to the consumer, those who buy that farmer's product and handle it, do whatever they choose to do and, in turn, retail it to the consumer, they have raised their price 18 cents, while the farmer's price has gone down 2 cents.

Now that means they have moved their price up 20 cents, and just their increase in price is more than—just their increase is more than—twice what the farmers are getting for their rice.

Is there any need here, Mr. President, to force small farmers to sell for a smaller and smaller price? The figures simply show that if you want to do something about prices, you ought to do something about those who take that rice and proceed to increase their price twice as much as the price the farmer is getting for his rice.

During this same 2-year period, the farm-retail spread has increased from 14.8 to 35.5 cents per pound. An analysis of the following chart might suggest that it is not the rice program itself which needs legislative attention, but, rather whatever factors have caused this great disparity in the farm-retail spread.

Unfortunately, Mr. President, the CONGRESSIONAL RECORD is not able to reproduce the linear chart which I would have liked all Senators to see at this point. As the debate proceeds, I will make it available to them so that they can determine for themselves that the low price for rice now being received by farmers does not result in comparably low prices for the consumer. It shows that the farm-retail spread on rice is today about 250 percent of what it was in 1972-73.

Mr. President, one of the very attractive features of the present rice program is that it entails little cost to the Government. Some people wrongfully ascribe Public Law 480 costs to the program; but this is plainly a cost of the foreign aid effort and should not be confused with program costs of the Rice Act.

By contrast, both S. 2260 and S. 1645 contain target price provisions which call for direct payments to farmers when prices fall below a given level.

I was recently able to obtain USDA estimates of the cost of a program based on the S. 2260 target price of $8 and loan rate of $6 per hundredweight, both escalated. The following chart shows net Government outlays over a 5-year period at various farm price levels.

I ask unanimous consent that that be printed in the RECORD, Mr. President.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

[In millions of dollars]

Farm price	Projected deficiency payments					
	1976–77	1977–78	1978–79	1979–80	1980–81	5 yr
$7.50 per hundredweight	78	79	93	113	139	502
$7 per hundredweight	119	120	134	153	179	702
$6.50 per hundredweight	155	157	170	180	189	851
$6 per hundredweight	168	170	175	181	189	883
$5.50 per hundredweight	168	170	175	181	189	883
$5 per hundredweight	168	170	175	181	189	883

Mr. LONG. Look what that demonstrates, Mr. President. That shows a vast increase in the price of the program while the farmer receives less income. Why? Because this proposed bill would bring in vast additional acreage production of rice with these new producers, and these wealthy producers, while it would push to the wall these small farmers who would suffer as a result of all of this.

Of course, there are those who suggest that the farm price could not possibly drop as low as $5 per hundredweight and result in the $168 million annual cost indicated in the chart.

May I point out, however, that this was indeed the price just 3 years ago when production was 30 percent less than it is today.

I suggest to you that with target price and open production this is precisely what is going to happen. A cost-free farm program will have been transformed into a very costly burden on the taxpaper. At a time when the Congress is trying to get away from direct payments to farmers, we would, for the first time, be introducing such payments to rice farmers.

In summary, it seems to me that all these statistics and trends in the rice industry strongly support my contention that the existing rice program has well served all segments of the rice industry, as well as the consumer in this country over a long period of time by providing us with an abundant supply of rice with a minimum of expense to the U.S. Government and the taxpayer. We have had more ample supplies to meet our trade commitments and to keep our domestic prices reasonable. At the same time, production has been sufficiently limited so that there was not the sort of overproduction that knocks the bottom out of the market.

The bottom line on target pricing and open production as far as rice is concerned will be: First, a windfall for the big beer companies who will delight in the dirt cheap prices for rice while the price to the consumer remained as high as ever, and probably higher as has been the trend for the last 3 years, with the farmer getting less and the person who takes his product getting more.

Second, a windfall to the big milling companies who, no matter how much oversupply is produced, will be paid to mill this surplus rice at some point.

Then, third, a windfall for the big food distribution companies who are even today benefiting by the farm retail spread which is about 250 percent of what it was in 1972 and 1973, while the price to the farmer has gone down.

And, fourth, a windfall for the big landowners who want to plant thousands upon thousands of acres of rice, each of them displacing many family-type farms.

In just the last 2 days my staff has had conversations with some of my own constituents, one of whom is now planting 700 acres and plans to plant 11,000 acres if S. 2260 is enacted. Such an operation would eventually displace over 50 200-acre farms. The other constituent does not plant rice at all but plans to grow 15,000 acres, in the long run displacing the equivalent of 75 200-acre family farms.

Just imagine that, Mr. President. Here is a time when we ought to be reducing the production of rice, because we cannot sell it. If we produce more, we are going to have to give it away. We are having our friends around the world in the rice-producing areas protesting bitterly that they cannot sell their rice, because the United States is giving away rice under Public Law 480 in competition. They are calling upon us to trade fairly by their standards.

They say:

> We are not going to complain about the United States selling rice for the world market, low though that may be and though that denies us our customer. But it is an outrage for a country that is supposed to be friendly, like the United States, to be giving that rice away and denying us a customer even at a low world market price because we cannot afford to give the rice away. We have to sell it or go out of business or cease to plant. That is the height of unfair competition for a great country like the United States, to use the treasury of this country to buy up vast amounts of surplus production in order to give it away to those who otherwise would buy from their rice farmers.

This is the kind of a disastrous picture those of us who oppose S. 2260 plan to paint of what target pricing and open production will mean to the rice farmer and the unpardonable profit it will mean to just about everybody but the consumer and the farmer himself.

Mr. President, I have drafted a number of amendments which, should this bill pass, could at least moderate some of the harmful effects of it. Some of these are in the nature of a suggested compromise to try to accommodate those very powerful Senators who sponsored this legislation and have pressed and fought for it.

I ask unanimous consent that these amendments on behalf of myself and my colleague be printed and that they be regarded as read for all provisions under the rules of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a summary of the principal points of the suggested compromise that the Senators from Louisiana have been suggesting in the hope of accommodating those who favor that measure as it was proposed.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF PROPOSED COMPROMISE TO S. 2260

NATIONAL ALLOTMENT

For 1976, an increase of 400,000 acres to 2.2 million. Thereafter, the Secretary will set acreage annually to maintain a 10% carryover.

DISTRIBUTION TO NEW GROWERS

1. The 400,000 acre increase from the 1975 allotment of 1.8 to the 2.2 for 1976 will be distributed to new growers as permanent allotments.

2. Each new grower is entitled to a maximum of 150 acres. or 25% of his owned, or (in the case of producer allotments) validly-leased cropland, whichever is less.

3. In the event more than 400,000 acres is requested, each new allotment is reduced by the same percentage.

In the event less than the 400,000 is requested, the remainder will be allocated to all growers, both new and old, with less than 33% of their owned, or (in the case of producer allotments) validly-leased cropland already in allotments.

NEW GROWER "DEFINED"

A new grower is defined as one with no current allotment, or one with an allotment equal to less than 25% of his owned, or (in the case of producer allotments) validly-leased cropland. He must have grown *some* rice in 1975.

NATIONAL MINIMUM ACREAGE

Increase from 1.652 to 1.8 million acres.

MARKETING QUOTAS

Continually in effect.

LOAN LEVEL

$7.50 per cwt (down $1.00 from current level), to be escalated according to index of prices paid by farmers.

LOAN ELIGIBILITY

All allotment holders, both old and new, are eligible.

RESERVE

1% reserve for states to make adjustments, correct inadequacies or prevent hardships.

SALE/LEASE

Sale/lease of allotments within administrative areas allowed.

NEW GROWER ALLOTMENTS

If the Secretary in any future year increases acreage above 2.8 million acres, he would have option to declare a new allocation period for additional new grower allotments.

Increases between 2.2 and 2.8 will be prorated among all allotment holders, old and new, under system similar to current law. Same for acreage reductions below 2.2.

TARGET PRICE

No target price.

Mr. LONG. Further, Mr. President, may I say that there have been communications received, both verbally and in writing, from some of our colleagues, many of them urging that there should be some type of compromise, if the Senate wants to insist on accommodating these large producers and these new producers of rice one of whom, as I indicated, in my own State will plant 15,000 additional acres.

As I say, we have received communications from Senators and friends of us who are opposing this measure, as well as those who are sponsoring it. I appreciate what they have had to say about this matter. I know that a great number of Senators hope that this matter can be compromised in a way that might accommodate those who are pressing for this legislation as much as we can and, at the same time, provide some modicum of protection to our farmers.

Mr. President, I ask unanimous consent that a letter which I have sent to each Senator, along with Senators Cranston, Johnston, Tower, and Tunney, be printed in the Record at this point. I wish to note for the Record that the Senator from Texas could not be located in time to add his signature but he has cosigned all other communications.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Washington, D.C.,
February 2, 1976.

Dear Colleague: Tuesday's cloture vote on S. 2260 (H.R. 8529), the proposed Rice Act of 1976, presents the Senate with an unusual issue.

We will be deciding the propriety of voting on amendments and on final passage of a highly controversial rice bill at the very time during which the USDA is tabulating the results of a referendum among all rice growers, old and new, on the central issue posed by S. 2260.

The issue under referendum, quite similar to the one posed by S. 2260 and by our counter-proposal, is whether we should:

(1) stay in open production for 1976 as we have been for the past two years, or

(2) return to marketing quotas and acreage controls in view of the current large surplus of rice both in the United States and worldwide.

Those of us who oppose the system of target pricing and open production envisioned by S. 2260 proposed a limitation on debate whereby the vote on final passage would be on February 18. This would be only three days after the February 15 deadline on which the USDA must announce the referendum results.

However, the proponents of S. 2260 rejected this offer. They seek instead to have the Senate prejudge the opinions of thousands of farmers, which *are in the hands of USDA but which have not yet been tabulated.*

In support of our position that the Senate, as a matter of policy and precedent, should wait just a few days to see what the farmers think, we attach messages reflecting the unanimous agreement of the four nationwide farm organizations:

The National Farmers Union;
The National Farmers Organization;
The National Grange; and
The American Farm Bureau Federation.

In addition, we attach a brief summary of a compromise amendment which we hope the Senate will eventually adopt in the form of a substitute to S. 2260.

Also, please note that all four national farmers' organizations oppose the open production and target pricing of S. 2260 and favor instead a compromise position. A similar hope is expressed in the attached letter from Chairman Talmadge of the Committee on Agriculture.

In view of all these factors, we trust that you will join us in opposing cloture on S. 2260. After the rice referendum, we hope you will join us in the enactment of a compromise similar to the one attached which will:

(1) reduce the burden on taxpayers by reducing the current loan level from $8.50 to $7.50 per hundredweight,

(2) provide *for new growers* a substantial, but controlled, new acreage allotment,

(3) provide the Secretary with flexibility to expand production to whatever level is needed so as to provide market stability and reasonable prices to consumers,

(4) avoid the further massive increases which open production would add to the current rice carry-over, now *more than three times* the desired amount, and

(5) avoid the displacement of small and medium-sized farmers by vast new plantings of rice, much of it by large corporate farming operations.

With best wishes, we are

Russell B. Long.
Alan Cranston.
J. Bennett Johnston, Jr.
John Tower.
John Tunney.

Mr. LONG. Mr. President, I read and commented on the statement of national farm organizations. I ask unanimous consent that that statement be printed in the Record at this point without the interruptions that I interposed between the quotations which I read.

There being no objection, the statement was ordered to be printed in the Record, as follows:

National Farm Organizations: Oppose Cloture on Proposed Rice Act; Favor Compromise Based on Current Law

John C. Datt, Director, Congressional Relations, American Farm Bureau Federation, Washington Office: The American Farm Bureau Federation remains firmly in opposition to the extension of the target price-compensatory payment concept to rice. Accordingly we support your effort to extend debate on H.R. 8529 until such time as the U.S. Department of Agriculture makes available the results of the producer referendum currently being conducted to determine acceptability of marketing quotas for 1976.

"We favor the present rice program and, therefore, we believe that the Senate should consider the results of the producer referendum. Limitation of debate prior to that time would be an injustice to the many producers who have expressed their concerns as well as to the other American taxpayers who have helped to finance this referendum."

Charles L. Frazier, Director, National Farmers Organization, Washington Office: "Under the current law, producers are now voting on the question of controlling 1976 production because of a surplus of rice now in hand. Producer prices have declined substantially. What's the hurry? Why should industrial users, exporters and some profiteers insist on changing the law to benefit a few greedy people? The U.S. Senate at least should wait for a report on the referendum vote before acting on S. 2260, and denying producers the right to use production control features of the current law."

John W. Scott, Master, National Grange, Washington, D.C.: "The National Grange does not favor legislative action on a new rice program during the time the referendum on the present program is being tabulated. We think the results of the referendum should be known prior to making any drastic changes. We therefore support a compromise bill which would reduce the support price and increase the national allotment by 600,000 acres to be allocated to new growers. Your support in this effort will be appreciated."

Reuben L. Johnson, Director, National Farmers Union, Washington Office: "National Farmers Union strongly opposes S. 2260, the rice bill denying marketing quota authority for rice producers needed to operate a sensible rice program. No action should be taken that fails to preserve basic provisions of current law. Further, no congressional action should be taken until farmers' votes are tallied in the USDA referendum now underway."

Mr. LONG. Mr. President, it was heartwarming to receive from my able and very distinguished friend, the Senator from Georgia (Mr. Talmadge) a message in writing responding to a letter which I had previously sent concerning the dangers of the target pricing-open production concept system.

I ask unanimous consent that a copy of both my letter to Senators and the letter of the Senator from Georgia (Mr. Talmadge) addressed to me be printed in the Record at this point.

There being no objection, the letters were ordered to be printed in the Record, as follows:

U.S. Senate,
Washington, D.C., January 29, 1976.

Those of us who oppose the target pricing, open production system for rice envisioned by S. 2260 have been attempting to alert those senators in whose states peanuts and tobacco are important crops that *their* turn will be next if this system is imposed on rice.

It has been our impression that you might dislike target pricing for peanuts and/or tobacco as much as we opponents of S. 2260 dislike the system for rice. To date, however, we have not been able to convince senators from tobacco and peanut states that the threat to their small and medium size farm operations is indeed real.

When the Administration has been questioned on the subject, it has indicated it has no current plans for a similar change in the peanut and tobacco laws. It has downplayed the question in a very effective way in an effort to divide and conquer those of us who oppose target pricing for the crop that is of particular consequence to our respective states.

Now, however, we are pleased to be able to offer a direct quote from the President's budget message which clearly indicates what the Administration's intentions are on this point. The language to which we refer is contained on page 95 of the publication entitled, *The Budget of the United States Government; Fiscal Year 1977.* It says the following:

"The Administration's policy is to avoid Government restrictions on crop production, permit market forces to work, but provide producers protection against severe price declines. Problems continue to exist where this policy is not followed. For example, *rice, peanuts, and tobacco* are controlled through cumbersome mandatory programs that often result in a buildup of surpluses and higher prices at considerable cost to the Federal Government and consumers."

In view of this declaration, we feel that senators who represent peanut-growing and tobacco-growing states will realize once and for all that if rice is put under a target pricing system, the days are numbered to the time at which both peanuts and tobacco will suffer the same fate.

Under the circumstances, we sincerely hope that you might help us in obtaining from the proponents of S. 2260 the sort of accommodation which will avoid enactment of target-price legislation for rice and thereby help protect both peanut and tobacco growers from the ruinous results of such a system.

We enclose for your consideration a copy of a self-explanatory letter addressed earlier this week to Chairman Talmadge and all other members of the Senate Committee on Agriculture. With it is a working paper which we feel contains the makings of a meaningful compromise which will allow many new growers in the front door without kicking many old growers, most of them small family farms.

With best wishes, we are

Sincerely yours,

Russell Long,
Lloyd Bentsen,
John Tunney,
J. Bennett Johnston,
John Tower,
Alan Cranston.

U.S. SENATE,
Washington, D.C., January 30, 1976.
Hon. RUSSELL B. LONG,
U.S. Senate.

DEAR RUSSELL: This will acknowledge and thank you for your letter of January 29 regarding S. 2660 and the attempts of the Administration to change the peanut and tobacco programs as well as the rice program.

I am well aware of the attempts of the Administration to terminate all acreage control and price support activities of the Department of Agriculture. I have always opposed the attempts of the Administration to terminate price and income protection for farmers, especially where there is an attempt to terminate a program that is working well and has the support of the farmers affected.

However, as you know, the legislation to terminate the existing rice program and substitute a target price program has passed the House and received strong support in the Senate because of a split among rice growers themselves. Without the support of rice growers, such legislation would never have gotten this far.

I would very much like to see a compromise among rice growers on this very divisive legislation. I believe that such a compromise would strengthen the position of all of us who are interested in maintaining price protection for farmers, and I would certainly support such a compromise on the Senate floor.

With every good wish, I am
Sincerely,
HERMAN E. TALMADGE,
Chairman.

Mr. JOHNSTON. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. LONG. I yield.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that all amendments to this bill presented at the desk prior to the cloture vote be considered as read for the purpose of rule XXII.

Mr. LONG. Well, for the purpose of all the rules.

Mr. JOHNSTON. For the purpose of all the rules, yes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. JOHNSTON. I am having some amendments prepared that will be available shortly.

I thank my colleague.

Mr. LONG. Mr. President, I have discussed this matter briefly with the Senator from West Virginia when he was on the floor, and he asked, in case no one else cared to make a statement at the time that I concluded my statement, that I move that the Senate adjourn under the previous order. If some other Senator cares to make a statement, I will be glad to yield the floor.

Mr. HUDDLESTON. If the Senator will permit me, I would like to respond very briefly.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. HUDDLESTON. Mr. President, just responding to a couple of the points the distinguished Senator from Louisiana has made in opposition to H.R. 8529, first of all, relative to the timing of the presentation of this legislation as it relates to the referendum that is being held for the producers of rice: This legislation has been before the Senate for some time, and on two occasions has been unanimously reported out of the Committee on Agriculture and Forestry. It has been passed by the House of Representatives by a vote of 311 to 104.

The question of whether or not we should wait until the results of the current referendum are available goes to the need of rice farmers to know what the program for the coming year is going to be. Those who are in the process of preparing their land now, getting their seed, and getting ready to put out their crop, need to know. Delaying until after the recess which is coming up would throw us to the latter part of February and would leave rice growers uncertain as to whether or not they would be planting under the old program or a new program. So it is important that the Senate consider this measure and take action on it as quickly as possible, so as to remove this uncertainty.

A great deal has been said about the possible harmful effects to the old grower, and particularly the small old grower of rice, if this new program goes into effect—a program, incidentally, which is similar to those for other grains. This bill provides total protection for the present allotment grower and particularly the small allotment grower. He can produce under this program with the assurance that he will receive $8 a hundredweight for his crop. It offers him the opportunity of producing additional acreage, which, in turn, would lower the cost per hundredweight of his production, and offer greater production opportunities for him than he enjoys at the present time.

It also provides that in case of some disaster, if because of weather conditions he is unable to put out his crop, or if, after he plants his crop, conditions occur that prevent him from harvesting his crop, he will receive at least a third of the target price.

So he has protection. The farmer that the Senator referred to who might well put out 15,000 acres of rice would have to do so totally at his own risk, with no protection at all from price fluctuations.

I might point out that under the present program the price has been dropping steadily throughout this year, and is now down below the target price that the farmer would receive under H.R. 8529. The last average we had was $7.87 for the month of January, as against the $8 target level.

So there is protection built into this bill, H.R. 8529—certainly protection for the small farmer. There would be no reason why any rice farmer would have to go out of business under the new program.

Senators have talked about the huge rice surplus that exists. This surplus was accumulated under the present program, the old program. Senators talk about falling prices; that is also under the old program. Two years ago there were shortages that sent the price of rice up to $17.50 a hundredweight, which sounded great to the producer, except that he did not have any. That, too, happened under the old program. So I think the benefits that may accrue to the rice farmer under H.R. 8529 are many when compared with the present rice program.

I ask unanimous consent to have printed in the RECORD a table showing prices paid to farmers for their rice production dating back to 1968, which I think will be of benefit to members of the Senate in analyzing the trends in rice prices.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 9.—RICE, ROUGH: PRICE PER 100 LB RECEIVED BY FARMERS, BY STATES AND UNITED STATES, 1968-75

[In dollars]

Year	August	September	October	November	December	January	February	March	April	May	June	July	Season average [1]
Arkansas:													
1968	5.30	4.75	4.90	5.20	5.20	5.20	5.20	5.20	5.20	5.20	5.20	5.20	5.07
1969	5.20	4.75	5.00	5.30	5.20	5.30	5.30	5.30	5.30	5.30	5.30	5.30	5.32
1970	5.30	5.40	5.40	5.50	5.50	5.40	5.40	5.40	5.40	5.40	5.40	5.40	5.41
1971	5.30	5.50	5.70	5.70	5.70	5.80	5.80	5.80	5.80	5.80	5.80	5.70	5.62
1972	5.70	6.70	7.20	7.60	8.20	8.50	8.50	8.50	8.50	8.80	8.80	(3)	7.20
1973 [2]		13.70	15.30	16.00	16.00	16.00	18.00	18.50	16.50	17.00	17.50	(3)	15.30
1974 [2]		9.50	9.80	10.00	9.30	9.80	10.00	10.20	10.00	10.00	10.00	(3)	9.60
1975 [2]		8.50											
Louisiana:													
1968	4.80	4.75	4.85	5.00	5.00	4.95	5.10	4.85	4.80	4.65	4.55	4.40	4.83
1969	4.50	4.75	4.70	4.90	4.85	4.85	4.85	4.70	4.75	4.85	5.00	4.65	4.71
1970	4.95	4.90	4.95	4.90	5.00	5.20	5.20	5.00	5.00	5.00	5.00	5.20	4.96
1971	5.00	4.90	4.90	5.00	5.30	5.10	5.40	5.40	5.50	5.50	5.50	5.20	5.05
1972	5.20	6.00	6.80	7.30	7.60	8.00	8.20	8.40	8.80	8.80	(3)	(3)	6.40
1973 [2]	10.80	12.30	13.30	16.80	14.80	15.50	16.00	16.10	14.10	(3)	(3)	(3)	13.45
1974 [2]	9.55	10.10	10.85	11.45	11.35	10.65	11.05	10.75	10.50	(3)	(3)	(3)	10.50
1975 [2]	9.55	9.10											
Mississippi:													
1968			5.20	5.20	5.10	5.20	5.40	5.40	5.20	5.20	5.20	5.20	5.20
1969	5.20	4.90	5.20	5.30	5.30	5.30	5.30	5.30	5.30	5.20	5.20	5.20	5.27
1970	5.30	5.20	5.20	5.20	5.40	5.40	5.40	5.30	5.30	5.40	5.40	5.40	5.28
1971	5.40	5.50	5.60	5.60	5.70	5.70	5.70	5.80	5.80	5.80	5.80	5.40	5.63
1972	5.50	5.50	6.00	6.80	7.10	7.50	7.80	7.80	7.60	7.60	8.50	9.00	7.00

Footnotes at end of table.

TABLE 9.—RICE, ROUGH: PRICE PER 100 LB RECEIVED BY FARMERS, BY STATES AND UNITED STATES, 1968–75—Continued

Year	August	September	October	November	December	January	February	March	April	May	June	July	Season average [1]
1973 [2]			14.50	18.00	17.50	16.50	18.00	18.00	14.00	(3)	(3)	(3)	17.20
1974 [2]		10.10	10.45	10.55	9.90	10.00	10.20	10.45	10.00	10.00	(3)	(3)	10.20
1975 [2]		8.90											
Texas:													
1968	5.30	5.10	5.00	5.10	4.60	4.30	4.30	4.30	4.30	4.50		4.40	4.97
1969	4.40	5.00	4.90	4.80	4.80	4.80	4.75	4.85	4.90	4.75	4.75	4.75	4.88
1970	5.40	5.20	5.10	5.20	4.85	5.30	5.60	5.50	5.50	5.50	5.50	5.40	5.25
1971	5.30	5.20	5.20	5.20	5.30	5.50	5.50	5.50	5.50	5.50	5.50	5.40	5.35
1972	5.50	6.20	6.90	7.10	7.50	7.50	8.00	8.20	8.50	8.50	8.70	11.00	6.44
1973 [2]	11.00	13.70	14.90	16.60	15.60	15.80	16.70	16.70	17.00	17.50	17.50	(3)	14.80
1974 [2]	9.80	10.60	11.20	11.80	11.00	10.55	11.35	10.75	11.00	11.00	11.00	11.00	10.70
1975 [2]	10.10	9.80											
United States:[4]													
1968	5.06	4.92	5.03	5.09	4.92	4.72	4.84	4.80	4.78	4.90	4.80	4.63	5.00
1969	4.71	4.99	5.23	5.05	4.98	4.99	4.96	5.01	5.00	4.98	5.10	4.80	4.95
1970	5.16	5.18	5.26	5.19	5.09	5.31	5.44	5.36	5.33	5.30	5.20	5.33	5.17
1971	5.15	5.24	5.46	5.25	5.30	5.53	5.55	5.60	5.58	5.57	5.58	5.35	5.34
1972	5.34	6.37	7.05	7.42	7.64	7.84	8.14	8.26	8.51	8.56	8.74	10.80	6.73
1973 [2]	10.90	13.30	14.80	16.70	15.50	15.80	16.90	17.20	15.90	17.20	17.50	(3)	13.80
1974 [2]	9.67	9.85	10.25	11.10	10.50	10.30	10.80	10.60	10.50	10.40	10.40	11.00	10.45
1975 [2]	9.80	8.88	8.86	8.45	8.29	7.87							

[1] State and U.S. season average prices include an allowance for unredeemed loans and purchases by the Government, valued at the average loan rate, by States. Monthly prices do not include this allowance.

[2] Preliminary.

[3] Insufficient sales.

[4] California is excluded in the monthly averages but is included in the U.S. season average.

Mr. HUDDLESTON. Shortages and surpluses are things that experience has taught us that we have to look upon as transitory propositions. We have gone rapidly from shortage to surplus and from surplus to shortage in various crops. So I think that our thinking on what is the best program for rice producers in the future and the best rice program for the citizens of not only the United States but the world, as a result of very optimum growing conditions during this past year which have produced bumper crops, should be in the context that change could occur very rapidly. Supply could change within 1 year's time. I think we need to look much deeper into what the proper program for the rice farmers in this country should be than the immediate situation of excess production during 1975.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HUDDLESTON. I yield.

Mr. LONG. I would like to speak just briefly with reference to what the Senator has said.

I am sorry that the Senator is concerned about the delay for these big farmers like my farmer friend, I might say, who was hoping to plant this additional 15,000 acres of rice, and perhaps will be presenting us with all this vast additional rice that we have no business planting. But as inconvenient as it may be to him to delay in making this investment, he is a very wealthy man, and he can find something else to do with that money. He can buy short-term Government bonds, for example. On the other hand, it is a much greater inconvenience to the little fellow who is being put out of business.

Mr. President, the Senator would lead us to believe by his statement that this $8 target price is a guarantee of $8 to the farmer. That is just not how it works out. If the national average price for the 5 months period described under S. 2260 is $7.50, the farmer gets the 50 cents difference between the $7.50 and the $8. However, many farmers will be selling their rice for $7, or $6.50, or even $6. They, too, will get only the 50 cents difference between the $7.50 and the $8. The farmer who sells his rice for $8.50 will also get the 50 cents difference. He will make out, but the farmer who sold his rice for less will lose out.

S. 2260 reads that the farmers will get the difference between the target price of $8 and the higher of, first, the lower level or, second, the average national price of rice over a 5-month period.

For example, right now the USDA says the average national price is over $8. Therefore, if S. 2260 were in effect now, there would be no deficiency payments. However, in many places rice is now selling for between $6 and $7. Those farmers would get nothing. Everyone gets the deficiency payment, whether he sold his rice for less than the national average or more.

I ask the Senator, is that not correct?

Mr. HUDDLESTON. Yes, that is the way the program works, but there is no need for a farmer who grows a quality product to sell his product below the average market price.

Mr. LONG. I understand that.

Mr. HUDDLESTON. The program proposed under H.R. 8529 would encourage a better quality product.

Mr. LONG. The point is that this $8 target price is not a guarantee of $8 for the rice. It is a guarantee of 50 cents.

Mr. President, further, the Senator says that this surplus was accumulated under the old program, that this surplus we have on hand was only a surplus of, at this point, of about $31 million hundredweight. That is a surplus that has grown without production controls. That is why under the law we want to put the controls into effect, and the purpose of this bill would keep the controls from going into effect.

I have had computed, and I shall provide here for the RECORD, an indication of how the production can be expected to expand under this bill which, if we have open production of 2.8 million acres and if both domestic consumption and exports remain the same, we will have on hand at this time next year 55 million hundredweight of rice which will be about seven times as much as we have any business having on hand.

That is an utterly and absolutely ridiculous situation. What will we do with all that rice? It will be running out our ears.

We have a saying in Louisiana that, if the male alligator did not have a way of breaking some of the alligator eggs laid by the female alligator, we would be up to our ears in alligators.

We will be up that deep in rice if we pass this bill the way it stands.

Mr. President, I do not have anything against these rich people. Some of them are very fine people. Many of them have been for me. They would like to go in to plant all this additional rice and transfer from other crops, clear new land, and all that. I am sorry that I have to tell those good, fine, influential people no.

But what are we going to do with all that rice? We produce all this rice for which we have no sale and no need. We are about to have some of our best friends declare war on us the way it is now because we are going all over the world trying to give away rice under Public Law 480.

So we are going to produce all this rice where they wish to compete for the market but they cannot compete against people giving it away.

Then with this enormous surplus on hand, what do we do? We pay someone to clean the rice, we pay someone to polish the rice, and we pay someone to store the rice. For what?

I guess eventually we will just dump it out in the ocean. What are we going to do with all the rice?

This bill would set the stage for what happened in the early days of the farm program when they were pouring milk in the rivers and killing off the hogs, which would have been a ridiculous thing to have been done when it would have made a great deal more sense if they had controlled production to begin with or limited the amount that they were going to produce so we would not have the farm prices so low by these enormous surpluses.

Mr. President, they can tell us that these enormous surpluses, 55 million hundredweight, for example, will not depress the price, and everyone knows there is no way we can overcome that, but when we have in storage seven times as much rice as we should be carrying over, when the people to whom we have been giving the rice away over in Thailand and places like that, say they are not asking for rice; they are asking us to ship them some portable warehouses to put in storage what they have over there already. When we have that type situation going on, what sense does it make to have unlimited production of rice?

That is why we submit this amendment and say: If you must, if Senators are going to have to insist on pushing this thing through, if you have the votes to do that, at least try to restrain yourselves by some rule of reason and limit yourselves at some point.

This is an idea of completely open production, saying everybody produce it, that is just nothing more than a program where we would make it possible for those who would have enormous financial resources to get into this business and put out of business the small people who are there by completely destroying the situation which could be satisfactory to all.

We have on earlier occasions controlled production. We have done it with all sorts of commodities, for example, cotton, corn, wheat, rice, peanuts, and sugar. Name it and we have done it. We have known what it was to control production, rather than have enormous surpluses that could not be marketed, handled, or given away without creating more problems than they solved. That is the type of unfortunate result that a number of us who have signed these letters, that I have placed in the Record, are seeking to avoid.

Mr. President, I hope very much that the Senate will show good judgment tomorrow and, if it cannot do any better, at least respect the right of the farmers to be heard.

Congress voted to permit the farmers to have an election and to vote for what they think is best for their economic interests, taking into account the interest of the Nation. The farmers, under law, are permitted to vote to control production, limit acreage, and cut back on what they produce, and that program will work far better than what is being proposed here.

Even if we do not think so, the idea of simply saying no, to hell with the torpedoes, full speed ahead, is completely contrary to every concept of our agricultural laws which are expected to institute the Democratic procedures that farmers will be permitted to go to the polls and vote, that their votes will be tallied, and that Congress will at least consider what the results of that election

ORDER FOR ADJOURNMENT UNTIL 9:45 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today that it stand in adjournment until the hour of 9:45 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE RECOGNITION OF VARIOUS SENATORS ON TOMORROW; AND PROVIDING FOR A PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders are recognized on tomorrow the following Senators be recognized in the order stated and each not to exceed 15 minutes: Senators Muskie, Roth, Buckley, Metcalf, and Glenn; and, upon the conclusion of these orders, Mr. Mansfield be recognized for not to exceed 15 minutes; after which there be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements limited therein to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE CONSIDERATION OF THE NOMINATION OF WILLIE J. USERY, JR. AT 11 A.M. ON WEDNESDAY, TOGETHER WITH A TIME LIMITATION ON DEBATE THEREON

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Wednesday at the hour of 11 a.m. the Senate go into executive session to consider the nomination of Mr. Usery; that there be not to exceed 1 hour of debate thereon, and that upon the expiration of the time or upon its being yielded back, a vote occur on the nomination of Mr. Usery, and that the Senate then resume legislative session.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

ORDER FOR ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 9.30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 9:30 a.m. tomorrow.

After the two leaders or their designees have been recognized under the standing order the following Senators will be recognized, each for not to exceed 15 minutes and in the order stated: Mr. Muskie, Mr. Roth, Mr. Buckley, Mr. Metcalf, Mr. Glenn, and Mr. Mansfield.

There will then be a period for the transaction of routine morning business of not to exceed 15 minutes with statements limited therein to 5 minutes each.

At the hour of 1 p.m. the 1 hour under rule XXII will begin running on the motion to invoke cloture on H.R. 8529, the Rice Production Act of 1975. At 2 p.m. the clerk will automatically call the roll to establish the presence of a quorum, after which the Senate will conduct an automatic rollcall on the motion to invoke cloture.

What happens after that vote will be determined by the result thereof.

On Wednesday the Senate will begin debate on the nomination of Willie J. Usery, Jr., to be Secretary of Labor. That debate will begin at 11 a.m., for not to exceed 1 hour. Upon the expiration of that time, the Senate will proceed to vote by rollcall on the nomination.

ADJOURNMENT UNTIL 9:30 A.M.

Mr. LONG. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 9:30 a.m. tomorrow.

The motion was agreed to; and at 5:56 p.m., the Senate adjourned until Tuesday, February 3, 1976, at 9:30 a.m.

NOMINATION

Executive nomination received by the Senate February 2, 1976:

Civil Aeronautics Board

R. Tenney Johnson, of Maryland, to be a member of the Civil Aeronautics Board for the remainder of the term expiring December 31, 1976, vice Robert D. Timm, resigned.

CONFIRMATION

Executive nomination confirmed by the Senate February 2, 1976:

The Judiciary

George N. Leighton, of Illinois, to be U.S. district judge for the northern district of Illinois.

EXTENSIONS OF REMARKS

THE NEW YORK SCANDAL: GRAND JURY ACTION NEEDED

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1976

Mr. McDONALD of Georgia. Mr. Speaker, temporarily, the Congress and the Nation may have placed the fiscal problems of New York City at the back of their minds, but the specter still haunts the Federal Government. Anthony Harrigan recently suggested that the matter ought to be investigated and the blame for the financial woes of the city affixed so that future mistakes can be avoided. Strangely enough, as Harrigan notes, the cries from the press for investigation of the whole mess are missing even though billions of dollars are involved. Could it be that the big spenders and their friends in the media do not want any light shed on the mess, since it would discredit their philosophy? I commend the Anthony Harrigan column from Sensing the News, released on December 11, 1975, to the attention of my colleagues:

The New York Scandal: Grand Jury Action Needed

Though President Ford has allowed New York City to escape formal bankruptcy proceedings, the Justice Department should not permit the city's politicians to escape scrutiny by a federal grand jury.

It is clear that certain officeholders in New York City violated a public trust when they sold bonds on the basis of a misrepresentation of the city's financial position. They lied in describing the size of the city's tax base and forecast a high level of revenues which they knew could not be attained.

In telling these falsehoods, they set the stage for the city's financial downfall. They imposed staggering burdens on the taxpayers of New York City. They created a situation wherein the taxpayers of the entire nation will be called on to finance a rescue operation for the metropolis. In short, their offenses against the public well-being are much worse than those of the various Watergate figures. The latter also lied but did not create a major financial crisis.

But one doesn't hear talk of a Watergate mentality in connection with the spender politicians who mismanaged New York City's affairs for years. The liberal chic elements that praised the Watergate grand jury to the skies and demanded the most intensive grand jury proceedings are strangely silent with regard to the super-liberals in charge in New York City. They aren't insisting that former mayors of the metropolis be called to testify or that current officials be indicted.

What we are witnessing is a classic case of the liberal double standard. Yet it is a crime to make fraudulent representation in issuing bonds. Reckless borrowers in charge of New York City's finances managed to borrow huge sums by citing anticipated taxes. But many of the taxes cited were on tax-exempt public properties, including a school, a park an urban renewal site, and properties owned by diplomatic missions.

There is good reason to believe that more than one public figure in New York City should be put in the "slammer" because of what U.S. Rep. James Quillen of Tennessee has referred to as "fraudulent bookkeeping."

Another Tennessee congressman, Rep. Robin Beard, has rightly said that "the Justice Department should investigate the city officials who have juggled their books to hide deficits in the billions of dollars." He added that "if any businessman had played games with the books like that he'd be under the jail today."

Indeed there is a vast amount to be studied in the New York situation. Sen. Harry F. Byrd of Virginia has declared that the banks of New York, which hold much of the city's bonds, should be required to disclose how they would benefit from the Ford administration's ballout legislation. The senator said: "We ought to know how much the taxpayers are benefitting these banks."

Incidentally, the nation's taxpayers owe a debt of gratitude to these members of Congress and others, such as Sens. James Allen of Alabama and Jesse Helms of North Carolina, who have valiantly opposed federal subsidization of New York City.

The New York financial mess is a scandal of immense proportions. The public must not allow the liberals in Congress to sweep the scandal under the rug. A giant fraud has been perpetrated in New York City over a period of years. The fraud is much more serious than the Watergate affair.

The only way to get the whole truth and expose the wrongdoers is for a federal grand jury to be empaneled to call those who have mishandled New York's fiscal affairs for the past decade or more.

THE INTELLIGENCE REPORT

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1976

Mr. SARASIN. Mr. Speaker, last week this body voted by a margin of approximately 2 to 1 to restrict publication of the Select Committee on Intelligence pending further House action or certification by the President that the information contained in that report would not be damaging to the national security or endanger our intelligence activities abroad.

It has become quite evident that there has been considerable misunderstanding of this vote, some regrettably caused by those wishing to cast this very serious matter in a totally unjustified political light. I feel obligated to state explicitly just why I, and I am sure of many of my colleagues, voted to delay public disclosure of this report.

First, it must be reiterated that our action in no way precluded the eventual publication of the report for general consumption. That indeed may be the proper course and I may well vote for such publication under the proper circumstances. For me to make such a decision, however, it is essential that I personally know exactly what I am voting to make public.

I am not even sure that many members of the general public are aware that the vast majority of the Members of this body had not seen, and had no detailed knowledge of, the contents of the Intelligence Committee report. I think it is important for the public to know that we were being asked to approve publication of a lengthy report on the highly sensitive subject of intelligence gathering without personally knowing what was in it.

There is no question that all the members of the Select Committee on Intelligence are loyal Americans dedicated to the best interests of the country. I am sure not one of them would willfully take any action they felt was detrimental to the United States. I have the highest respect for the chairman, the ranking minority Members and each individual Representative serving on the committee.

The very fact that these capable and honorable men disagree on the propriety and the effect of public disclosure of the report points up the need for a truly informed judgment on the proper disposition of this material. The majority of the committee argues that we should accept their judgment that the immediate release of this material is the proper course and that no harm will come to the Nation or its servants from this course of action. The equally dedicated and capable minority insists just as firmly that such release would do serious harm to the national interests.

Under these circumstances, I would be acting irresponsibly and in dereliction of my duties if I abdicated the responsibility to make my own judgment, based on firsthand knowledge. Therefore, I feel every Member of this body should have the opportunity to study this report and I will be prepared to make a decision on the ultimate disposition only after such study. This, I feel, is my duty.

GOV. JULIAN M. CARROLL

HON. WILLIAM H. NATCHER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1976

Mr. NATCHER. Mr. Speaker, the Governor of the Commonwealth of Kentucky, the Honorable Julian M. Carroll, ably represented our great State at ceremonies dedicating the Kentucky State Monument in Soldier's National Cemetery at Gettysburg. This event, on November 19, 1975, was planned to coincide with the anniversary date of the masterful address given at Gettysburg by another Kentuckian, Abraham Lincoln, 112 years ago.

Governor Carroll has since early manhood served the people of Kentucky and served them well. An experienced statesman, a recognized leader, a dedicated man in both his public and personal life, the remarks he gave on this memorable occasion equalled the simple but moving words Lincoln spoke that bleak November day—a day so long ago yet a day so long remembered.

I would like for all those present to hear the eloquent acceptance of our State monument on those hallowed grounds. Governor Carroll's remarks are as follows:

Remarks by Gov. Julian M. Carroll

One hundred and twelve years ago, a Kentuckian standing not far from this very spot, spoke for the Union's survivors of the brave deeds of the dead. If he and those who met here to dedicate this final resting ground were as blessed as we are by the beauty of this autumn afternoon. He might have given some fond thought to his early boyhood days spent on the sinking spring farm in Kentucky. He might have traced his steps from that winter morning in 1803 near Nolin Creek to New Salem and to the White House; from Bull Run to Gettysburg.

Abraham Lincoln in the hush of that autumn day spoke in a moving tribute to the union's dead. A compassionate man, Lincoln shunned any suggestions of vengence, hatred or vindictiveness.

This eloquent and noble poem neither honored fallen Kentucky soldiers nor comforted their survivors—for none were engaged in the battle at Gettysburg. For this small grace, he must have been grateful.

Now, as then, what we do here this afternoon will be short-lived, lasting at best through tomorrow's headlines. But Abraham Lincoln's place in the chronicles of the ages will be reassured with the passage of time.

He is remembered in the music of America. His image is captured in marble and in bronze. His spirit is housed in great halls of academic learning.

Best of all, perhaps, Abraham Lincoln lives in the hearts of men and women everywhere.

Who among us has not savoured hearing

and retelling the tales of Abraham Lincoln, the honest shopkeeper, the thin, young lawyer, the loving father, the patient husband and the suffering President?

Lincoln was of the people and for the people. It was divine providence which sought him for the union in its darkest hours. His very life, which he sacrificed for the preservation of the union, is a testament for free men and women of every race, and color.

Surely Abraham Lincoln who stood on every rung of the human ladder is the best representative Kentuckian in our national heritage.

We harbor no shame in his humble beginnings, rather it is we who are humbled by his greatness.

This generation of Kentuckians is grateful for this occasion. We have not come, nor will we leave dedicating this memorial to casualties of the great war or to the victory of death.

We do dedicate this memorial to Abraham Lincoln and to his life. "It is altogether fitting and proper that we should do this."

On behalf of Kentuckian Abraham Lincoln's fellow citizens, I dedicate this memorial to his sacred honor.

To the people of the United States of America, we commend its care.

THE 58TH ANNIVERSARY OF THE INDEPENDENCE OF UKRAINE AND 100TH ANNIVERSAY OF UKRAINIAN SETTLEMENT IN AMERICA

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. KEMP. Mr. Speaker, last Friday night I had the honor and privilege of addressing the Ukrainian Congress Committee of America, Buffalo Chapter, at their 58th anniversary of the independence of Ukraine banquet.

Since the Ukrainian Congress Committee of America—UCCA—was founded in 1940, it has been a powerful advocate of freedom and independence for Ukraine. For its dedicated work in this regard the UCCA has been lauded by numerous American Presidents and other groups concerned with the preservation of liberty around the world.

Wasyl Sharvan, president of the Buffalo Chapter of UCCA, has done an exceptionally fine job in leading one of the most active and dedicated organizations in the country in a continued effort to bring home the realities of Soviet oppression in the Ukraine to those of us fortunate enough to be living in "the land of the free."

Since the withdrawal of the forces of the Ukrainian National Republic in November 1920, marked the close of a valiant struggle for national independence after a brief 2-year period of Ukrainian freedom, the people of the Ukraine have been subjected to nonstop harassment by the Union of Soviet Socialist Republics. The Russian Government has adopted an extreme anti-Ukraine position, stopping all Ukrainian publications and forbidding the opening of any Ukrainian-nationalistic societies.

In spite of all this oppression, at first marked by outright terror tactics and then, under Krushchev, Brezhnev, and Kosygin, replaced with tactics of cultural and political manipulation, propaganda, and bureaucratic intimidation, the Ukrainian people have bravely and stoically resisted the blatant attempts at Russification, fighting to preserve the culture of the third largest ethnic group in all Europe.

Mr. Speaker, it is incredible that a power such as Russia, which recognized the autonomy of the Ukraine by supporting her successful bid for a seat in the U.N., has consistently refused to remove the shackles of domination by allowing the Ukraine to hold free and open elections to determine her own fate.

In the interests of a true and sincere détente, I call upon the Soviet Union to abide by her stated desires to increase the opportunities for a real and lasting international peace, and give back to the Ukraine the freedom that her forefathers sought 58 years ago. I join them in this expression of solidarity.

SIMON TAX VIEWS SHOULD BE HEEDED

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1976

Mr. McCLORY. Mr. Speaker. It is good to note editorial support in my congressional district for the proposed revision of the Federal tax system to simplify and make more equitable the present highly complicated and frequently discriminatory sections of the Federal tax law.

The Courier-News, published in Elgin, Ill., editorialized recently on January 24 in favor of Secretary Simon's tax proposal which I am attaching herewith:

SIMON TAX VIEWS SHOULD BE HEEDED

Secretary of Treasury William Simon says he is not launching a trial balloon for the Ford administration with his recent speeches and interviews calling for basic reform of the federal tax system.

We wish he were.

President Ford's determination to link tax cuts with spending cuts led Congress to go along reluctantly with that principle for the sake of getting the President's signature on a tax bill last month. In the end, Congress could not argue with the logic of the President's position. There is a similar appeal to logic in the reforms Mr. Simon is proposing for the tax system itself.

Congress is currently bogged down in the technicalities of another voluminous "tax reform" bill. Mr. Ford probably would strike a sympathetic chord with the public by challenging Congress to look instead at the kind of reform Mr. Simon is suggesting. It is the periodic exercises in piecemeal tax reform like that now under way in Congress which have made a wilderness out of our tax laws and left taxpayers with a growing resentment about their complexities and inequities.

Mr. Simon thinks his reform would restore simplicity and fairness to the tax system. He would throw out most of the 6,000 pages of laws and rules that are now beginning to baffle even the Internal Revenue Service—personal tax preferences, special deductions and credits, exclusions and other provisions. He would instead impose a simple, progressive income tax on what people earn. Those in the lowest income brackets would be excused, as they are now. The rest would pay a tax ranging from 10 or 12 percent at the lower end to 35 or 40 percent at the higher end of the income spectrum.

Second, Mr. Simon would "integrate" the personal income tax and the corporate income tax to end what now amounts to double taxation of corporate earnings. If income tax is collected on a company's earnings, it should not be collected again on dividends paid from those earnings to the company's shareholders. Besides correcting an inequity, this would have the further benefit of encouraging more Americans to invest in business and industry and create the pool of capital needed for economic growth.

Mr. Simon's frontal assault on the tax system has been described as "radical simplication." His simplification is radical enough that political leaders may tend to shy away from it. However, the approach of April 15 should remind the President and members of Congress of the profound discontent aroused in their constituents by the sight of Form 1040 waiting to be filled out. It may take radical surgery on the tax system to head off the "taxpayer revolt" that Mr. Simon believes is brewing.

BLACK EPISCOPAL BISHOP DECRIES BOSTON'S MORAL DEFAULT

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1976

Mr. STOKES. Mr. Speaker, the Right Reverend John M. Burgess, Episcopal bishop of the diocese of Massachusetts, has long been a stalwart activist against racism and injustice. Unfortunately, this last year before his retirement has been one weighted with the ugly mire of the Boston school desegregation fight, a struggle in which the bishop has steadily worked for a peaceful and lawful solution.

In an article which appeared in the Boston Evening Globe on Wednesday, December 10, 1975, Bishop Burgess lashes out at the violence and lawlessness in Boston as well as the lack of strong creative leadership.

Mr. Speaker, with desegregation cases pending all over this Nation, my colleagues in the House would do well to consider the opinions of this noted black theologian, and attempt to learn from Boston's bitter turmoil.

Therefore, I submit to you the following editorial:

BOSTON IN MORAL DEFAULT

(By John M. Burgess)

Little note has been taken of the moral default of Boston, not only in the limited arena of Phases 1 and 2 of desegregation of public schools, but in the larger arena of national leadership to stem the tide of anti-busing sentiment (for which read reinstitutionalization of racism by omission) sweeping Congress.

This default has both painful similarities and contrasts. In contrast to the hue and cry raised by both the mayor and governor of New York, who seek to avoid the event looming on the Big Apple's fiscal horizon, Boston's failures are past events and present realities which cloud the future of race relations in the city and throughout the Commonwealth and where the outcry of civic and political leaders on the side of the court order has hardly been deafening. This process is compounded by the way President Ford has sought similarly to make political hay out of both situations, openly courting antibusing sentiment on the one hand and anti-New York (welfare chislers, bleeding heart liberals, etc.) sentiments on the other.

What these have in common is, of course, the not too subtle racist implications of letting the defaults of both cities injure the black and white citizens who have obeyed the law or sought compassion for the oppressed—in New York's case by the sin of omission, i.e., failing to act or share responsibility, and in Boston's case by the sin of commission, i.e., outright and direct physical assaults and threats against those who seek to follow the court-ordered plan. The ultimate irony would be a last minute bailout of New York because of the fear of economical disaster, while Boston's future equity goes down the drain, because of fear of educational and political reform.

What's at stake, in short, is the default on the promise of 1954 and the open society dream of the 60's, with the attendant spectre of a sell-out of 1976 on the scale of that which ended Reconstruction in what soon will be 100 years ago. The bottom line is that the burden for change, for action, for outcry, lies as always, with the victims of racism, poverty, and the politics of polarization.

Let's make the general specific for Boston. A five-year-old when asked to review the movie "Poseidon Adventure," commented, "It was a good picture until the boat turned over." (Referring to the fact that the movie pictured the gay and relaxed style of a pleasure cruise, and the stark dilemma facing those same people when a tidal wave turned their boat upside down, leaving the party-goers standing on the ceiling.) Phases 1 and 2 in Boston have not been a good picture for the plaintiffs in Morgan v. Hennigan, victims both of the parochialism of Boston's neighborhood and of racist and discriminatory practices of Boston's School Committee. Similarly, the "relief" in the form of court-ordered busing directed by Judge Garrity, has created a situation not unlike that of the survivors of the Poseidon, where the tidal wave of change has made up become down, and down up.

Meanwhile the politicians of Boston, whose ROAR mania has rendered them spastic reactors to the myth of no change in the stability of the Hub's ship, act like those who perished in the Poseidon, convinced that creative response to changed conditions can only mean failure and death. The facts are that the ship already has capsized and the choice is to learn new behavior and live, or else die.

A case in point is to close or not to close South Boston High? A single incident can prompt the School Committee to close White Stadium, while multiple arrests, suspensions, fights (and a Walpole-like atmosphere, are not enough to close 'Southie.' Black parents are called upon to continue to make the painful choice of obeying the law and thus subjecting their children to all of the above, or to choose safety and thereby accede to the racist desire that blacks give up the notion of an open society. Where is the new behavior and who will survive? Why can't an alternative site be found for 'Southie' High, and a fitting use be found for this outdated symbol of civic and educational disgrace?

Another case in point; "democracy insures that the majority get what they deserve"—a fitting eulogy for the aspirations of Boston's black community to participate in the decision-making process which affects their children via representation on the School Committee. This highlights the myopia of Boston's electorate at this crucial point in history—a myopia which retarded the birth of a new Boston because of a grief reaction to the reality of the death of the old. Hence, polarization increases, the boat sinks, and the rats are deserting the ship. Up has become down, and down up, and to survive you must climb downwards to get over the stupefaction of racism and false pride.

A most telling commentary on the present state of affairs was made by an oriental student at Charlestown High who asked: "Why don't we demand that they paint the walls black (to cover up the racial slurs still visible)," to which a black student responded, "You can't do that, cause the white kids would claim discrimination, plus they'd just paint 'Nigger go home' in white."

To move beyond this absurd context, to the vision of an open city, free of racial hatred, increasing street violence, and dramatic student confrontation, requires creative leadership and new behavior. Can this happen in Boston in the Bicentennial year? To do less is to invite the end of our "noble experiment" and "where it all began" becomes an epitaph Boston does not deserve no matter what its recent deviations from a proud history. Further to ignore the moral dimensions of this unfolding drama is to risk the historical judgment that dwarfs, in its negative implication, New York's economic default.

For let us be clear, the just demands of Boston's black citizens were acknowledged and vindicated in a court of law, non-violently and constitutionally. Thus to thwart the court order in any fashion is to open a Pandora's Box of polarization and loss of faith in our democratic process.

We cannot afford to make a mockery of the constructive efforts of so many groups like the N.A.A.C.P., Freedom House, and the City-Wide Education Coalition who have, at the risk of their own survival, sought to channel the legitimate frustrations of Boston's parents and students to productive ends.

We must, therefore, resolve that this will not happen here but rather that race relations, education access and excellence, and social justice will be restored to the priority they deserve so that Boston can survive and return to its rightful place as a leader in progresss for all people.

FOR A RESPONSIBLE CONGRESS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1976

Mr. McDONALD of Georgia. Mr. Speaker, in my view this Congress has not faced up to the hard economic realities of our time. In spite of the debacle in New York City, we continue to approve more spending and plan for deficit budgets. This means simply that the Federal Government has to borrow more money, print more money, and the taxpayers have to see their dollar further cheapened and more and more of our budget has to go to pay interest on a rising national debt. Mr. Anthony Harrigan put the case very succinctly in an editorial in the U.S. Industrial Council bulletin date November 15, 1975, which I commend to the attention of my colleagues:

For a Responsible Congress

(By Anthony H. Harrigan)

Electing congressmen who have an understanding of the nation's economic needs is perhaps the most important task facing the American people in the Republic's bicentennial year. The nation will have little chance of getting through its third century unless lawmakers support prudent economic policies.

The 94th Congress has been an unmitigated disaster for the American people. It has piled debt on top of debt. It has done nothing to solve the energy problems facing the nation. It has espoused the brand of economics which currently is causing a collapse in New York City. It has sought to reduce incentives for energetic, innovative individuals and companies. It has made Big Government bigger.

The American people will pay dearly for the mistakes and the ideological follies, especially the hostility toward business, of the liberal coalition in the 94th Congress. The huge deficits run up by the 94th Congress can only produce higher interest rates and accelerated inflation.

The awful 94th prides itself on being "humanitarian." It isn't humanitarian, however, to load the people with debt and to undermine the value of the currency. Almost without exception, the legislative enactments of this Congress have been hurtful to the interests of the American people.

Consider the Child Nutrition Act. This is one of the measures presented as humanitarian. In a recent speech analyzing this measure, William Flowers, chairman of Flowers Industries—an articulate, outspoken businessman, pointed out that the initial cost of this legislation is estimated at $2.7 billion. That's only a rough estimate, he cautioned. The likelihood is that the Child Nutrition Act will mushroom in cost, as the food stamp program has done.

Mr. Flowers asked: "How did the federal government get into the breakfast business?" It got into the breakfast business because legislators insisted that government take over a role traditionally reserved for parents. Indeed the federal government has become intrusive—and costly—to an unprecedented degree. The result of intrusive government is a staggering national deficit.

The 94th Congress has created new federal programs without considering the lack of funds to support such programs. It has deliberately transferred wealth from employed, self-reliant Americans to the dependent elements in our society. The 94th has increased the purchasing power of welfare careerists and government careerists. It did not fail to improve its own lot by granting itself a substantial wage increase.

More of the same will be the fate of this nation if economic irresponsibles are reelected to Congress in 1976. The American people will be witnesses to their country's rapid deterioration if a huge liberal majority is maintained. Sen. Hubert Humphrey's national planning bill "The Balanced Growth and Economic Planning Act," is the type of threat America faces. It would force the creative energies of the American people in a bureaucratic straitjacket.

Americans can avoid this kind of future. They must avoid it. The United States cannot afford the degree of government interference sought by the liberal coalition in Congress.

The nation has desperate need for a Congress that appreciates the need for new incentives for drilling oil and gas. It needs national legislators who realize that the U.S. faces a dangerous capital gap, estimated by the Harvard Business Review at "$50 billion a year."

Huge investments will be necessary in the next few years to produce more energy, to upgrade transportation systems, and to create new industrial facilities. If available funds are drained off in the form of capital transfers to welfare elements and to backward lands abroad, the United States soon will be an underdeveloped country.

The 94th Congress is interested in nothing save restriction of business and redistribution of income. America must have a new Congress that values capital formation and that acts to prevent the ruin of the dollar. Therefore, helping elect a responsible effective Congress is the most important task facing businessmen in 1976.

INTERIOR DEPARTMENT CONDUCTING FIRE SALE IN MID-ATLANTIC

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1976

Mr. HUGHES. Mr. Speaker, the Department of the Interior's Bureau of Land Management held 3 days of public hearings on January 27–29 in Atlantic City to invite comment on its draft environmental statement.

Regrettably there was more conjecture than substance in the hearing because no one, least of all the Department of Interior, has any idea of the quantity of oil and gas that may be found off the shores of south Jersey. With estimates ranging from no oil at all to 49 billion barrels it is absurd to even attempt to calculate the probable onshore impact from offshore oil drilling.

This need not be. At these hearings, I suggested a procedure short of Government exploration which could tell us how much oil and gas lies off the Mid-Atlantic States at minimal expense to all concerned. Once we define the parameters, we will then be in a position to make the informed value judgments we should prior to moving ahead with a lease sale.

I submit for the Record a copy of my entire remarks made Wednesday, January 28:

Statement of the Honorable William J. Hughes

Good morning. We have a way of life in South Jersey that is worth preserving.

It is as much a matter of choice as circumstance. We are blessed with clean air and beautiful beaches, a fortunate combination that has made tourism the multi-billion-dollar mainstay of our state and local economies.

Now we are asked to consider the very real possibility that an oil industry of some unknown dimension will be superimposed over an infrastructure long in place.

Whether the two can survive, let alone thrive in close proximity, is a question that these hearings might never have conclusively resolved.

But there are questions that won't, but should, get answers at these hearings.

Because as incredible as it should seem, we are moving inextricably toward a lease sale this Spring without first obtaining a reliable estimate of what quantities of gas and oil lie off our shores.

The environmental statement speaks in terms of 2.6 billion barrels of oil producing at a rate of 740,000 barrels a day. Yet the same U.S. Geological Survey which provided these figures only five years ago put the estimate at 42 billion barrels of oil and 55 to 110 trillion cubic feet of natural gas.

Yesterday this panel heard from industry and other witnesses whose own estimates varied from "Who knows?" to 6 billion barrels.

The truth is that nobody knows for sure and we all suffer from it.

Neither this panel nor any witness before it can attempt to make the informed value judgments so critical prior to the lease sale without a better assessment than is provided in the draft statement.

For example, what if only 500 million barrels is found in the Mid-Atlantic, a mere 30-day supply at the present national rate of consumption of 17 million barrels a day? Will we then determine, too late, that the capital spent in the search for oil and gas in the Atlantic might have better been spent on developing known fields elsewhere?

On the other hand, if we knew ahead of time as we could through a series of tests wells drilled in the most promising locations that only 500 million barrels was available, might we then determine that the potential risk to the environment was not worth the energy it would take to retrieve this limited supply?

These critical choices cannot be made so long as the Interior Department continues to cling to leasing policies of the past devised more to take in short term dollars to balance budget deficits than to husband public resources.

The Interior Department has, in fact, budgeted in $6 billion this year from the sale of public lands for oil and gas development. If our goal is to raise $6 billion quickly rather than to plan for the efficient utilization of our last remaining frontier lands, then I submit we are prostituting the concept of planning and environmental assessment for the short term gain of reducing the budget deficit.

This is the worst of all possible reasons. It amounts to a fire sale of the nation's last remaining offshore oil reserves.

As protectors of the public trust, it is our duty to responsibly manage the resources in the Outer Continental Shelf.

So I call upon this panel to slow down this desperate pace and re-examine this sale before placing these resources beyond our control. For once these lands are leased, effective control will pass from the government to the company holding the development lease.

I do not seek a cancellation or indefinite stay on this lease sale. Quite the contrary. We need to move ahead immediately to inventory the nation's remaining oil and gas resources—including the Mid-Atlantic region—by proceeding as rapidly as we can with *exploration.*

Once we complete this inventory then we can proceed with production sales based on known quantities—essential information if the public is to receive a fair price from the sale and if federal, state and local officials are to work with industry on developing plans for onshore support facilities.

The draft environmental statement did consider the alternative of pre-lease exploratory drilling, but mistakenly concluded that such a program would have to be done at the direct expense of the government.

In fact, such a program could be carried out by private industry at no direct cost to the government.

The irony of these hearings is that, as I speak this very moment, a drilling barge 70 miles off the coast of Atlantic City is drilling a 16,000 foot dry hole in an area where there is the lowest possibility of detecting the presence of oil and gas.

This is being undertaken by a consortium of over 20 oil companies, with a permit from the Interior Department, and at a cost of more than $8 million, much of which will be passed on to the taxpayers.

All it would take is to move that barge a scant nine miles into the lease area above one of two dome-like structures that Shell Oil geologists have speculated could contain as much as 6 billion barrels of oil.

But the companies are prevented, by the terms of the permit, from drilling in an area of high hydrocarbon potential. Present Interior Department policy simply does not permit it.

Yet there is no good reason why a pre-lease exploratory drilling program could not be undertaken by private industry. The advantages of such a system would be enormous. Not only would we know what we are selling before we sell it, but we could also finally bring an end to all the guesswork that went into this environmental statement.

Those on this crowded witness agenda would then have a realistic estimate of potential oil production on which to develop a coherent plan for coping with the impact of oil and gas development.

The environmental statement is troubling from another perspective—it is a piecemeal approach to leasing in the Mid-Atlantic region.

The statement attempts to forecast the impact of this one sale as though, should discoveries occur, more sales would not surely follow. In fact, should significant quantities of oil and gas be found, additional sales could bring the attendant risks closer to shore.

The statement should have assessed the *entire* probable recoverable reserves for the Mid-Atlantic region, and based the probable environment impact upon such a total estimate.

Interior has chosen a mosaic approach which can only serve to mask the true lease perimeter. Here again, those who must make critical decisions pertaining to probable onshore impact are denied basic planning information.

Our economy in South Jersey is fragile—largely dependent on a good tourist season three months of the year.

An "inevitable" oil spill as forecast in the environmental statement, of sufficient duration striking shore at the height of the summer season, could bring economic ruin as well as environmental disaster.

The possibility for such a catastrophe can not be dismissed on grounds of low probability. We do not now have sufficient protection to mitigate such damage under existing law.

Legislation to establish a no-fault oil spill liability fund, whether in the form of the Administration's $200 million limit or, more preferably, the unlimited fund I support, should pass Congress before this proposed lease sale.

We must also have the protection of a comprehensive program to channel dollars to states and localities which will bear the brunt of planning and development expenses.

Should oil and gas be discovered in commercial quantities, it will surely mean additional strain on local services. Some revenue sharing plan tied to a tax per barrel of oil to be shared by affected states is now being developed by the ad hoc Select Committee on the Outer Continental Shelf, on which I serve.

But the major single contribution this panel could make would be to reevaluate the outmoded procedures of the past and suspend temporarily the May sale.

By embarking on a plan to immediately map out and determine the value of quantities of gas and oil prior to actual leasing, the Interior Department will be able to present to all participants of a rescheduled hearing a much more realistic forecast on which to make the value judgments we are unable to make today.

BILL TO SPUR EMPLOYMENT IN DEPRESSED URBAN AREAS

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1976

Mr. EDGAR. Mr. Speaker, I have been concerned since coming to Congress about the high rate of unemployment we have been experiencing for too long, and about the declining economic health of our central cities, which are losing needed jobs and tax revenues to the suburbs and rural areas. While the national rate of unemployment, 8.3 percent, is unacceptably high, far too many of our central cities suffer a rate considerably higher.

I have recently introduced a bill, H.R. 11362, which would provide tax incentives to encourage businesses to locate or expand their operations in depressed urban areas and hire residents of those areas. It is my hope that such legislation would bring profitable business activity back into our decaying cities, and would spur private sector employment in those cities. I believe that such an approach could be a creative and responsible way to attack a significant portion of our unemployment problem at minimum public expense.

I am submitting for the RECORD today a fact sheet explaining H.R. 11362 and a section-by-section analysis of the bill. I welcome comments and reactions both on the theory of the bill and on its specific provisions.

The fact sheet follows:

FACT SHEET ON H.R. 11362: EDGAR DEPRESSED URBAN AREA EMPLOYMENT CREDIT BILL

The goal

This bill has two goals—to bring profitable business activity back into our decaying central cities, and to spur employment in the private sector in those cities.

The method

The bill seeks to achieve its goals by granting a substantial tax credit, based on the total wages paid, to businesses which locate in new or substantially rehabilitated facilities in urban areas.

The restrictions

Only certain businesses in certain urban areas may qualify for the credit. To be a qualified urban area, a city must have at least 50,000 residents, must have a persistent rate of unemployment which is higher than the national average (1% above national average, or 6.5%, whichever is higher), and must have at least 7% of its residents receiving welfare payments. To be a qualified business, the taxpayer must construct or acquire a new facility in the qualified area, or must substantially rehabilitate an existing facility in the qualified area. The business must then employ at least 20 persons in the facility, and must take at least 25% of its employees from among the residents of the urban area in which it is located.

The term

Once a business qualifies, the tax credit is available to it for a ten-year period, unless the business does not continue to meet the eligibility criteria. If, at any time during any of the ten years, the business fails to meet the employment criteria, it loses the credit for that entire year. The rate of the credit remains level for the first five years of each business's qualified period (50% of the total wages paid), and then gradually declines during the final five years (50% of a declining percentage of the total wages paid). The business may carry earned-but-unused credit forward for a period of seven subsequent tax years, but may not carry credit back to offset prior year taxes.

The theory

It is the hope of this bill that such a credit will bring profitable labor-intensive businesses back into those central cities in our country which have been suffering from economic decline and physical decay. The businesses it attracts will be stable, profitable ones, because the credit applies only when taxes are owed. Businesses without profit do not owe taxes. The businesses it attracts will be labor-intensive, because the credit is related solely to the wages paid in the business, not to the amount of capital investment. Thus, the bill will not cost the treasury anything until the benefits of the bill begin to flow, through increased employment in the cities. The jobs created can be expected to pay a decent, living wage, because the amount of the credit increases as the wages paid increase. The administrative costs and burden of the program should be quite low. Statistics are already being maintained on population, unemployment levels, and welfare recipiency. All that will be required is for the Secretary of Labor to put the three statistics together and identify the areas which meet all three criteria. Businesses routinely maintain auditable records of employees and wages. All they will be required to do in addition to apply one time for a certificate of eligibility.

SECTION-BY-SECTION ANALYSIS OF H.R. 12362

Title: A bill to amend the Internal Revenue Code of 1954 to encourage the construction of new business facilities in certain depressed areas or the rehabilitation of existing facilities located in such areas by allowing a tax credit for a certain portion of the wages paid to individuals employed in such facilities.

(a) The first part of the bill inserts a new section 44A before section 45 of subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954:

SEC. 44A. Depressed Urban Area Unemployment Credit.

This section establishes the right to a credit against income taxes otherwise owed of an amount determined in subsequent sections of the bill. It also directs the Secretary of the Treasury to prescribe regulations to implement the bill.

(b) The second part of the bill adds a new subpart D at the end of Part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954.

SEC. 50C. Amount of Credit.

(a) General Rule. This provides that the credit shall amount to 50% of the "depressed urban area employment expenses", defined below in section 50D(a). In general, those "expenses" constitute the aggregate wages paid in an eligible facility. It should be noted that this tax credit is in addition to the deduction of such wage expenses from income.

(b) Limitation Based on Amount of Tax. This provides that the credit, together with the other tax credits allowable, may not exceed the amount of tax owed for the tax year.

(c) Carryover of Unused Credit. This permits the carryover, for seven years subsequent to the tax year, any allowable credit which was not used in the tax year because of the limitation described in (b) above. Certain limitations on this carryover are provided. It should be noted that no carryback of unused credit is permitted by this bill.

SEC. 50D. Definitions; special rules.

(a) Depressed Urban Area Employment Expenses. This means the total "eligible wages" paid or incurred by the taxpayer in its "eligible business facility".

(b) Eligible Wages.

(1) This means the "phase-out percentage" of the wages paid or incurred by the taxpayer to any employee who works in its "eligible business facility".

(2) The "phase-out percentage" is the amount of the "depressed urban area employment expenses", 50% of which can be claimed as a tax credit under section 50C(a) above. The bill provides for the tax credit to decline gradually and phase out over a ten-year period.

For example: $100,000, eligible wages; x 100% phase-out percentage (1st-5th years); $100,000, depressed urban area employment expenses x 50% credit; $50,000, credit against taxes owed.

For example: $100,000, eligible wages; x 20% phase-out percentage (9th year); $20,000, depressed urban area employment expenses x 50%, credit; $10,000, credit against taxes owed.

(3) This reemphasizes that wages paid for work done after the expiration of the ten-year eligible period are not "eligible wages".

(4) This provides that no tax credit may be claimed unless, on each day of the tax year, 25% of the employees in the business facility are residents of the "depressed urban area" in which the facility is located, and the facility employs at least 20 persons.

(5) This provides that, for a "substantially rehabilitated facility", the ten-year life of the tax credit begins on the day the facility is placed into use after having been "substantially rehabilitated".

(6) This limits "wages" to only cash remuneration, including amounts withheld and deducted.

(c) Eligible Business Facility.

(1) To be eligible for the tax credit, a business facility must be located in a "depressed urban area" and must qualify either as a "new business facility" or as a "substantially rehabilitated business facility", as defined in this bill.

(2) (A) A new business facility is one which the taxpayer constructs after the enactment of this bill, or which the taxpayer acquires after the enactment of this bill and is the first user of the facility.

(B) A substantially rehabilitated business facility is one to which the taxpayer has made improvements in a 12-month period which amount to at least 25% of the adjusted basis of the facility.

(C) A business facility which has been vacant for six months, if acquired by the taxpayer, may qualify as eligible.

(D) The taxpayer must use virtually all of the structure in its trade or business for it to qualify as a business facility.

(d) Depressed Urban Area.

(1) General. This provision specifies that the location of the business facility must qualify as a depressed urban area at the time the taxpayer commits itself to the facility, or the facility may not become "eligible".

(2) Designation by Secretary of Labor. The Secretary of Labor is given the responsibility of designating those central cities which qualify as depressed urban areas. An area must meet two criteria to qualify: a persistent high rate of unemployment, and a high percentage of residents receiving welfare payments. The Secretary is to terminate the designation of an area whenever the criteria above are no longer met.

(3) In addition to the criteria above, an area must be a city with at least 50,000 population to qualify.

OVERSIGHT SUBCOMMITTEE'S HEARINGS ON MEDICARE

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1976

Mr. VANIK. Mr. Speaker, I wish to bring attention to an issue that developed in the course of the Oversight Subcommittee's hearings on Medicare's end stage renal disease program. The issue involves the rental versus the purchase of equipment that a patient suffering from kidney disease needs in order to perform dialysis.

Under present law, medicare can provide for either purchase or rental of durable medical equipment, DME. In cases of purchases of more than $50, medicare reimbursement is generally made in monthly installments equivalent to the amounts that would have been paid had the equipment been rented. The payments are continued for as long as the equipment is needed and until the total of the monthly installments equals 80 percent of the purchase price. The patient is, of course, expected to pay for 20 percent of the cost of the DME.

In the case of a $5,000 dialysis machine, this provision makes patient purchase nearly impossible. In this example, the patient would be faced with financing the total cost of the machine and being reimbursed by medicare for $4,000 of the cost in small monthly payments. According to statements made to the Oversight Subcommittee, the result of the present law is that almost no home dialysis patients purchase their own equipment and the inability to purchase home equipment may discourage home dialysis. Instead, patients rent equipment. Some rental charges are now running more than $300 per month. In addition, maintenance charges by equipment companies appear to be significantly higher than the cost to facilities to repair their own equipment. Examples provided to the subcommittee show that in many cases, within 1½ to 2 years, the patient and medicare will often pay in rent an amount equal to the total purchase price of the machine.

Mr. Speaker, I recently received a letter from an individual whose husband is suffering from end stage renal disease. Her comments clearly serve to illustrate this situation. I have taken the liberty to reproduce here an excerpt from her letter. She writes—

> . . . I feel after renting a kidney machine for (a) long enough period that the price of the machine has been paid, plus a nice interest on that money, it should belong to the patient. This would save medicare much money. Take our machine, a rental of at least $5,220 has been paid. The company has not had one cent of expense. They will continue to collect rent plus any repairs on that machine at a fantastic price.
>
> Someone has to stop this sort of thing and I am willing to do anything you suggest to help. It's bad enough to have to use these services (God knows no one wants to) but to be taken advantage of in this manner. I was told "You don't have to pay for it!" That's a lot of bull, I'm a taxpayer and so are other people.

Mr. Speaker, I believe that in the case of DME necessary for the treatment of ESRD significant savings can be achieved through providing medicare assistance in the outright purchase of new or used equipment at the time a patient begins dialysis. Provision should be made for a "trial period" before purchase so that costly equipment charges are not incurred for patients who start but do not continue home dialysis.

The Oversight Subcommittee has recently released its report on the administration of the ESRD program by the Social Security Administration. The report language calls for the Commissioner of Social Security to initiate pilot projects with approved dialysis facilities or third-party payors whereby medicare will furnish up to 100 percent lump-sum reimbursement for the reasonable cost of purchasing and maintainiing for home dialysis patients necessary durable equipment. Under this proposal, the home dialysis patient would be charged a user fee based on the usual 20-percent coinsurance until such time as the patient's 20-percent share of the total purchase price is repaid to Social Security. It is my hope that our recommendations will be enacted into law thus curtailing wasteful charges that place a further burden on an already very costly program.

TO HONOR SAN PEDRO'S GREAT FRIEND, BESS AKERSON

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1976

Mr. ANDERSON of California. Mr. Speaker, on February 12 the San Pedro, Calif., Lions Club will honor a woman whose outstanding contributions to our community have become almost legendary. On that day, Frances Elizabeth Ann O'Malley Akerson will be named "Citizen of the Year."

For over 40 years, this marvelous woman has actively served her community as a volunteer worker, and has also contributed six successful children to society: Lt. Commander Arthur C. Akerson, Jr., Retired of Mission Viejo; Niles Francis Akerson, of San Pedro; Rosalie Joanne Stevens, of San Pedro; Angela Carmelina Jacobsen of Woodland; Stephanie Eileen Grimm of Oak View; and Jerome Joseph Akerson of Modesto. She also has 19 grandchildren.

Bess, as she is affectionately known to her friends, has had a career in volunteer work—starting with the PTA—since her oldest daughter entered kindergarten in 1935. She is currently active in over 30 organizations in the Los Angeles area.

Now in her 70's, Bess has had to overcome some obstacles to remain such a vital force in the community. She is a woman of moderate means, and does not own an automobile. Instead of driving, Bess walks, hitches rides with friends, or depends on public transportation to get around.

Currently, Mrs. Akerson is president for the third year of the Church Women United of San Pedro and Wilmington; president of the St. Peters' Altar Society; and second vice president of the Los Angeles Federation of Settlements and Neighborhood Centers.

She is also vice president of the Friday Morning Club of San Pedro, is treasurer of the Toberman Settlement House, and serves on the Civic Affairs and American Institutions Committee of the San Pedro Chamber of Commerce. Bess is also active on the YMCA board, the Volunteer Bureau, and in region III of the United Way. Mrs. Akerson won the United Crusade's Gold Key Award in 1972 as the outstanding volunteer worker in Los Angeles County.

In the past, she has been an active leadership force in the PTA, serving as president in many schools, as well as the San Pedro Coordinating Council.

Bess recently completed a 2 year stint as president of San Pedro Meals on Wheels, an organization that brings meals to elderly shut-ins. She still does volunteer work for the group, which she cofounded.

Born in Worcester, Mass., in 1904, Mrs. Akerson received a teaching degree in 1925 and spent her early years teaching in her home State. In 1928 she married Arthur C. Akerson, a career Navy man who passed away in 1959. She came to San Pedro in 1931, and has been a resident ever since. Her children were educated in San Pedro schools and all graduated from San Pedro High School.

On February 12, her fellow Harbor Area residents will honor Bess not only as a volunteer worker, but also as a woman whose dedication and many contributions have made her respected, admired, and loved by all.

My wife, Lee, and I join the entire Harbor Community in saluting Bess Akerson as "Citizen of the Year."

GOVERNMENT MAKES IT TOUGH FOR SMALL BUSINESSES

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1976

Mr. McDONALD of Georgia. Mr. Speaker, it is a well-known fact that Government regulations are hardest on the small businessman who can least afford this kind of "overhead." For years in the Congress, and in the Federal Government generally, everyone has been professing to help the small businessman. However, have we helped? The answer is no, according to a recent column by John Lofton that appeared in the Philadelphia Inquirer on January 17, 1976. I commend it to the attention of my colleagues, who may agree with me that the small businessman can ill afford much more of the type of assistance his Government has been sending him.

The article follows:

[From the Philadelphia Inquirer, Jan. 17, 1976]

GOVERNMENT MAKES IT TOUGH FOR SMALL BUSINESSES

(By John Lofton)

WASHINGTON.—The U.S. Postal Service is catching a lot of flack because, at the request of a couple of House subcommittees, it has removed 2,400 photocopying machines from its post offices across the country.

"Our customers say they found the copying machines to be very useful," says John Applegate, assistant postmaster general for customer services. "They don't understand the reason for the withdrawal."

Well, now. I must admit that I, too, am puzzled by this entire matter, but in the opposite direction. What I don't understand is the reason for the installation of the photocopying service in the first place.

Obviously, the copiers are convenient. But this argument is not compelling. It would also be convenient if the post office were to install coin-operated laundries and start selling fast foods.

The issue is: To what extent should Uncle Sam be allowed to compete with private enterprise? And the answer is: Not at all. It's simply not fair. Small business—particularly the office supply business—has a hard-enough time making ends meet without having to compete with the Federal government.

As it stands now, small business is already harassed by a multitude of rules and regulations foisted on it by Big Brother in Washington. As Dr. Armand Thieblot Jr., an associate professor of management at the University of Maryland's Graduate School of Business, observes in a report for Washington University's Center for the Study of American Business:

"Much of the assistance given small business by the government was made necessary by imposition of government regulations or other government interference in the first place."

Dr. Thieblot asks: Is the government perhaps trying to control and regulate businesses on the one hand, partially shield businesses from the impact of the controls and regulations on the other hand, and take credit for a job well-done from both camps?

"In this case, as in many others," he observes, "the government does seem to be using our tax money to make rain, and then licensing umbrellas to us."

The evidence is "overwhelming," says the professor, that, at least in the views of the small businessmen themselves, the positive efforts of government come nowhere close to offsetting the negative ones; the net result of government activity is to interfere with and impede the development of their firms. In his report, Dr. Thieblot details the way in which Federal red tape hampers the small businessman:

"It does it through inadvertence, through not providing for the effects of inflation on small firms and through the application to them of rules and regulations designed to control giant corporations. It does it by taking the businessman away from high productive activities to fill out forms and more forms, and uses him as unpaid labor in collecting taxes and providing statistical input for government researchers.

"It does it by inflicting on the business a horde of bureaucrats who, one and all, seem to take the view that business serves them instead of the other way around. It does it by assuring that if the end is desirable, no means are too disruptive to achieve it, and it does it by pretending that costs to any business of complying with any government dictate can be absorbed out of profits.

"It does it by asking not how much regulation is enough, but rather how much regulation is still not too much. It is callous to the problems of the small businessman, and does not understand either him or them."

Testifying before Congress a few years ago against the Post Office's competing with private enterprise, a spokesman for the National Office Products Association asked in desperation: "How do we justify the use of our hard-earned tax dollars to support government competition with our business?"

The answer, of course, is that it cannot be justified. Such competition is blatantly inequitable. The photocopiers should never have been put in the post offices.

Footnote: It is ironic that while the law allows the Postal Service to sell anything in competition with private enterprise, private enterprise, by law, cannot deliver first-class mail.

NOTED ECONOMIST AND EDUCATOR DIES

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1976

Mr. RANGEL. Mr. Speaker, last week Dr. Vivian Wilson Henderson died while he was undergoing open heart surgery. Dr. Henderson was a prominent black economist and educator. His accomplishments in these areas and in other walks of life are quite numerous and it is for this reason that I would like to share with my colleagues his biographical sketch prepared by the New York Times. I am certain that after my colleagues have read this short biography, they will agree with me that this man has contributed greatly to the field of economics and education:

V. W. HENDERSON DEAD; ECONOMIST AND EDUCATOR

(By Gerald Fraser)

Vivian Wilson Henderson, president of Clark College in Atlanta and one of the country's few black economists, died yesterday in St. Joseph's Infirmary in Atlanta during open heart surgery. He was 52 years old.

Dr. Henderson served on Presidential commissions, task forces and advisory groups. He was a Ford Foundation trustee and president of the Southern Regional Council.

His chief public concerns were black colleges, the South, the Methodist Church and economics and the impact of economic policies on the poor—both white and black.

HELD PH.D. IN ECONOMICS

Because he was one of the few blacks with a Ph.D. in economics, it befell to him to articulate the position of black people in a multifaceted economy. While some talked in terms of gross national product and disposable income, Dr. Henderson talked about the need to evolve an economic strategy, a strategy that he saw as a marriage involving political, educational and social opportunities that could be developed into economic security for the poor.

For example, he was credited with developing the strategy that "saved" Harlem's Freedom National Bank from failing. He put together last year a financial package that led to the bank's recapitalization.

Dr. Henderson, according to colleagues in his field, was one of the first economists to try to assess the effectiveness of manpower programs apart from the performance of the economy as a whole.

Within recent years, his concerns took him abroad. He delivered lectures in Brazil last year and this year he had planned to visit South Africa and lecture there.

"The very last time we talked," said Dr. Andrew F. Brimmer of the Harvard Graduate School of Business Administration and a former member of the board of governors of the Federal Reserve, "he was struggling with the question of what role the Ford Foundation should play" in South Africa.

Dr. Charles V. Hamilton, president of the Metropolitan Applied Research Center, said that Dr. Henderson was an economist who happened to be a college president.

And as the president of Clark College—a 106-year-old, coeducational, 1,424-student, predominantly black liberal arts institution—Dr. Henderson in the 10 years he served, was able to undertake a development program that created new departments—including, for example, communications—and involved a broad-based cross section of national figures as advisers and supporters of the development effort.

Dr. Henderson spoke out in support of all the country's more than 100 black colleges and universities. He criticized the Nixon Administration for an "utter lack of sensitivity on this point, purposeful or otherwise."

Born in Bristol, Tenn., Feb. 10, 1923, Dr. Henderson was proud of his Southern origin. His feelings for the South led him to include among his activities work with organizations concerned with the city of Atlanta, the state of Georgia and the south from Texas to Virginia.

He was viewed in Atlanta as one of a half-dozen "critical black leaders" in that city.

Although he regretted that his schedule did not permit him to undertake all the economic research he would have liked, he wrote: "The Economic Imbalance," "Economic Dimensions in Race Relations," "Economic Opportunity and Negro Education," "The Economic Status of Negroes," "The Advancing South," "Employment, Race and Poverty," and "Negro Colleges Face the Future."

Dr. Henderson earned his bachelor's degree at North Carolina Central University and his master's and doctorate in economics from the University of Iowa. After getting his Ph.D. he taught at Fisk University for several years. People who were at Fisk with him, remember that Dr. Henderson supported school integration efforts and "masterminded" economic boycotts of Nashville merchants.

Dr. Henderson "talked about profit margins and buying power and through it all he gave black people a sense of their own worth," said an associate.

A VISITING PROFESSOR

Dr. Henderson was a visiting professor at North Carolina State University in Raleigh before moving to Clark, one of the six institutions of the Atlanta University system.

A Methodist, he taugh Sunday school and later became president of the United Methodist Church's university senate. A tall, somewhat fast talking man, he struck associates as restless.

He worked for both the National Association for the Advancement of Colored People and the Urban League. "He did the research and walked the picket lines," said Vernon Jordan, executive director of the National Urban League. "No task was too small, no task was too big."

He is survived by his wife, Anna Powell Henderson, and two daughters and two sons.

The funeral service will be held at Warren Memorial Methodist Church of Atlanta at 11 A.M. Saturday.

ATTACKS JEOPARDIZE OSHA IN CONGRESS AND COURTS

HON. JOSEPH E. KARTH

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1976

Mr. KARTH. Mr. Speaker, many thousands of physicians, scientists working in the fields of occupational health and safety, social workers, and union leaders are becoming increasingly concerned over the fate of one of the most widely benefical laws that Congress has enacted in the past 25 or 30 years.

The Occupational Safety and Health Act, which we wrote and passed in 1970, is now jeopardized by campaigns launched against it here in Congress and in the Federal courts. Three concentrated efforts are underway to induce the courts to declare OSHA unconstitutional, quite the same sort of efforts that were directed at the Social Security Act, the National Labor Relations Act, and other milestone legislation in the 1930's.

Many publications across the country have expressed alarm at this legislative and legal war declared against OSHA and they are organizing a counterattack aimed at preserving this priceless legislation which, in the final analysis, is aimed at haltng needless occupational deaths and the victimization of hundreds of thousands of American workers by occupational injuries and diseases.

One of the outstanding publications helping to lead this counterattack is the Union Advocate of St. Paul, Minn., our State's leading labor newspaper. I am inserting in the Record an article that appeared in the January 26 issue of the Union Advocate which details the dangers that OSHA now faces:

Joseph Karth Cites Attempts To Wreck Federal OSHA Act

Washington.—Both employers and unions have an equal stake in repelling current campaigns to weaken or to declare unconstitutional one of the most important and valuable Federal laws of the 1970's, the Occupational Health and Safety Act (OSHA), Congressman Joseph E. Karth, D.-Minn., said.

By its health and safety standards, inspections and enforcement actions, OSHA has probably already saved hundreds of thousands of workers' lives, Karth said, and prevented additional hundred of thousands of on-the-job injuries and job-related illnesses.

OSHA's potential for the future in saving lives and wiping out safety and health hazards is almost limitless, the Congressman emphasized. About one in every 10 workers in U.S. industry now suffers a job-related injury or illness each year, Karth reported, and in 1974 (the most recent year for which figures are available) nearly 6,000,000 work-related injuries and illnesses occurred. The number of job-related deaths increased from 5,700 to 5,900. In the decade before enactment of OSHA, Karth said, job deaths, injuries and illnesses soared by 30 per cent.

But despite the crying need for this legislation and despite its successes and promises for the future, the law is now endangered, Karth said, by a bill sponsored by 20 members of Congress which would make 21 weakening changes in the law. Even more menacing, said the Minnesota Democrat, are three court challenges designed to persuade the U.S. Supreme Court to rule OSHA unconstitutional.

One of the three is a court case that originated with the death of a West Virginia worker who was killed when a deep trench in which he was working collapsed. Although the Constitutional challenge was rejected by the Circuit Court of Appeals, attorneys for the company are carrying the case to the Supreme Court asking that tribunal to wipe OSHA completely off the books.

Karth explained the mutual stake that both employers and unions have in preserving the law as follows:

Employers realize, said the Congressman, that a safe and healthy workplace carries these advantages: The employer does not have to replace and train a new worker when a current employee is killed, injured or stricken ill on the job; a safe and healthy workplace means a smaller drain on Workmen's Compensation funds to which employers alone contribute; a safe and healthy workplace means fewer expensive work interruptions; and a safe and healthy workplace means fewer costly damage suits for negligence filed against the employer.

. . . have sought this type of protective and preventive legislation since the first state Workmen's Compensation law was enacted in 1855. Unions support OSHA both on humanitarian and economic grounds and because they do not wish to lose members through death, injury or sickness.

Those who hope to see the law declared unconstitutional, Karth said, seek to duplicate their success of 40 years ago when they persuaded the U.S. Supreme Court to strike down the National Recovery Act (NRA) with its guarantees of organizational and collective bargaining rights.

Because the OSHA law is relatively new, having gone into effect on April 28, 1971, it has, as might be expected, drawn heavy criticism from both labor and management, Karth said. Labor has contended that administration of the law has been weak and in favor of management, that the safety and health standards are not strict enough, and that enforcement has been so minimal as to encourage more violations. Employers claim that the law is an invasion of their Constitutional rights and that enforcement has been unreasonable and capricious.

Similar complaints were made about the National Labor Relations Act in the mid-1930's, Karth recalled, but eventually both labor and management came to accept the law as a statute that contains advantages for both.

The need for OSHA was dramatized recently, Karth pointed out, with the discovery that workers in the small town of Hopewell, Va., producing Kepone, a pesticide, have been terminally afflicted by the chemical's ravages. The Labor Department sent mailgrams to 36 companies from coast to coast warning them against employee exposure to the deadly chemical. Undoubtedly many workers' lives were saved by this action, Karth said.

LAS VEGAS MAN RECOGNIZED AS EXPERT ON THE GREAT SEAL

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1976

Mr. SANTINI. Mr. Speaker, I would like to bring to the attention of my colleagues that in the State of Nevada there has been developed a unique contribution to our country's educational curriculum, which is a project book on the Great Seal of the United States. It is the first time in academic history that an educational program has been presented which is based upon the symbolic meaning of our Great Seal. This program is being presented from the elementary to the university levels. Since we are commencing our Bicentennial Year it is especially appropriate, as it portrays the most important ideals and constituents of our heritage.

The author of this program claims that this country possesses the first Governmental philosophy in world history that is predicated upon the dignity of man, and that the meaning and purpose of our existence is clearly depicted in our Great Seal, the greatest composite symbol ever created by and for man.

The "Great Seal and You" project book has a twofold purpose, first, is to furnish information about the meaning of our symbols, and second, to provide a method of identifying with the concepts portrayed. An empirical path is used in its presentation. A thalamic sensation impression is made when coloring each individual symbol and a mental cortical, stimulating, understanding results from the poetry describing the meaning.

In recognition of the ancient axiom "the youth of today will be our leaders of tomorrow," the ultimate goal is to stimulate in them the virtues that our forefathers set forth for us in the symbols of our Great Seal. Even though this first presentation of the "Great Seal and You" is directed to the elementary grade level, many adults are also enjoying its message. Critiquing educators feel as I do that this book could create an additional means of communication between parent and student. Since the parent handles the Great Seal symbol almost every day, on the dollar bill, few recognize its in-depth significance.

The program and book is authored by William E. Sweikert, Jr., in collaboration with his wife, Dianthe. Formerly Mr. Sweikert was an instructor at Clark County Community College, in Nevada. He has received considerable recognition as a result of his 15 years of research in symbolic interpretation. Although Mr. Sweikert's academic degrees are in engineering and business administration, his publications, accreditations, and writings on the Great Seal of the United States has gained him an honorary doctorate in philosophy. He is especially noted for the use of the Great Seal symbology as a point of reference in his educational and philosophical lectures. He was given public accreditation by Dr. Friedwardt Winterburg, research scientist of the Desert Research Institute at the University of Nevada, for having developed the first scientifically acceptable correlation between the ontological philosophy of man and science. In his remotivation lectures to troubled young people, as well as to convicts in the Nevada State prison, he used the meaning of the symbolism of the Great Seal of the United States as a concept for establishing responsibility to oneself, his community, and Government.

THE FUTURE OF SOUTH KOREA

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1976

Mr. CRANE. Mr. Speaker, South Korea has been the subject of much controversy in recent times. A profusion of articles "exposing" the alleged repressive tactics employed by the present government have been published. An equally large number of favorable articles have circulated.

In the midst of so heated an issue, it is rare indeed, and refreshing, to find an objective viewpoint. Mr. David Van Praagh presents such a viewpoint in his writings for the Washington Post of September 22, 1975. During his recent tour, Mr. Van Praagh measured Korea with a balanced eye. Of his visit to an economically progressive—southern—village he writes:

> One Korean village may be too simplistic, and too misleading, and perhaps too convenient to visit, but a short stay in Bongam Samri offered a valuable contrast to Panmunjon . . .

Mr. Van Praagh presents a concise and impartial discussion of the South Korean internal situation. My colleagues are being called upon to arrive at decisions concerning that country. For their benefit and edification I am having the text of the article reprinted here verbatim:

The Future of South Korea

(By David Van Praagh)

Seoul.—Two frequently overlooked but distinctly Korean factors favor the survival of an independent Republic of Korea.

As distasteful as the fact may be to Western liberals, these factors also mitigate the negative image of President Park Chung Hee's police state in Seoul.

The first is simply that Kim Il Sung's police state in Pyongyang is more total, and abhorrent to virtually all 33 million South Koreans. There is no Communist insurgency movement in the South clearing the way for the North as there was in Vietnam. While Park may occasionally accuse his legitimate opponents of harboring Communist sympathies, there is no sign that any opposition party or any other group in South Korea is other than strongly anti-Communist.

Spreading prosperity is the other related Korean reason for believing that the buffeted republic will survive. Apart from more than 40,000 U.S. troops in South Korea with tactical nuclear weapons, this is Park's trump card. Detached observers here believe he has played it wisely and even with subtlety not often encountered in Koreans.

With no natural resources except coal and the hard work of its people, South Korea has performed something of an economic miracle in recent years. Partly through Japanese investment and U.S. aid, industrialization has pushed average per capita income above $500 a year compared with less than $100 as recently as 10 years after the end of the Korean War.

There is corruption and there are urban income disparities but they are not nearly as great as in other Asian countries. Moreover, Park has moved in the past five years to bring prosperity to the countryside as well with the *saemaul* or new community movement. This is nothing more than community development, an old development concept usually found wanting in practice in other countries. But it appears to be working in South Korea—and with a minimum of political control.

A visit to one of the improved villages, Bongam Samri, 24 miles north of Seoul and only 9 miles south of Panmunjom and the fortified border with North Korea, provides interesting if not conclusive evidence of how the rural population, down to half of the total population, is being brought into South Korea's mainstream.

Yi Yong Sob, 39, the *saemaul* leader, was born in the village of 338 people and is a farmer, not a paid political agent. He pointed to the rail line which, he remembers, used to carry trains to Manchuria and the Soviet Far East when Korea was a Japanese territory. He recalled that the invading North Koreans twice destroyed Bongam Samri during the Korean War.

Then he gestured to a new road and a new fish pond and healthy-looking crops and TV aerials rising from small but solid rooftops. He recited statistics showing that average family income in the village is rising dramatically. And with apparent sincerity he gave the credit to President Park.

"We can hear the North Korean propaganda loudspeakers on the border from here," said Yi, motioning northward. "We don't believe the Communists will come again but we don't know and we have to be on the alert. Meanwhile, we're working harder than ever before because for the first time we're getting something for our work and we're helping each other."

One Korean village can be too simplistic and too misleading, and perhaps too convenient to visit. But a short stay in Bongam Samri offered a valuable contrast to a visit the next day to Panmunjom, where the strutting North Koreans had climaxed a series of local "spontaneous" anti-U.S. demonstrations on the border by formally complaining to the United Nations Command, represented by a patient U.S. Army colonel, about "imperialist criminal acts."

Park's controlled system is not liberal or humane or democratic by Western standards. Given the U.S. commitment to defend South Korea, these are legitimate reasons for criticizing it and pressing for political as well as economic reforms. But it appears to be making a favorable impression on most of Park's people because they are completely opposed to Kim's more controlled system.

This may count for more in the long run than the fact that, 30 years after the end of the Japanese occupation and 25 years after the North Korean invasion, the United States still firmly supports South Korea even if the United Nations does not. Indeed, the comparative prosperity of the South Korean people provides the ultimate rationale for their continued protection by U.S. military power.

Korea has suffered from being surrounded geographically by three major powers—China, Japan and the Soviet Union. After World War II, the Korean War and the Vietnam War, the United States is present as the fourth though distant major power. This is partly because, if it were not, and the South were overwhelmed militarily by the North as almost happened a quarter century ago, Japan would rearm militarily.

But the historic confluence of foreign powers here offers only one reason why the Park regime, as embarrassing as its political nature is to Washington and the U.S. congressmen who have trooped to Seoul this past summer, is likely to stay in business.

The other reasons are Korean. What bears watching is how Park continues to play his strong cards. There could be a joker in the deck in the form of potential discontent among low wage earners. As the economy in the South grows more complex and many workers and farmers realize they still are not earning enough, frustration may grow and Park, who has woven a popular mystique about himself, may face new tests of leadership.

CONCORDE AND NATO

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1976

Mr. FINDLEY. Mr. Speaker, a thoughtful commentary on the relationship between the Concorde supersonic aircraft and NATO appeared in the Sunday Washington Post. Written by Edward N. Stirewalt, it reminds us all that the decision the U.S. Government will soon make on Concorde landing rights here touch issues far more important to Western civilization and its future. than noise and air-quality considerations, important as those are.

Our Government should authorize Concorde landings for the reasons set forth by Mr. Stirewalt. To reject landings would set back the technological interests of our close allies, France, and Britain, put the West at a serious disadvantage with the Soviet Union and create a serious breach in relations with the French and British.

In fact, it would undobtedly impel the United States to resume work quickly on its own supersonic plane—a decision which would intensify trans-Atlantic ill will.

I provided one of the votes, several years ago, that suspended work on the SST in this country. I so voted for several reasons: At that time Britain and France had jointly invested about $2 billion in the Concorde project; they deserved a chance to recover some of that investment before the United States moved into competition. I believed strongly, as I do now, that U.S. policies should encourage the development of advanced technology in Western Europe; such is essential to strength and cohesion in NATO.

In fact, when the U.S. space program took form I urged, for those very reasons, that it be broadened to include astronauts and scientists from our principal allies in NATO.

To me, space linkups with French, German, and British seemed more worthy and promising than linkups with Soviet cosmonauts.

That did not occur, of course, but the United States now has the opportunity to give a boost to our relationships with our close friends, Britain and France, by welcoming the Concorde to our airfields.

I urge your attention to the text of Mr. Stirewalt's article, as published in the February 1 Post:

The Concorde and Western Unity

(By Edward N. Stirewalt)

Within the next few days this government must make a major decision: whether to permit the Anglo-French Concorde to land on our airfields. In pondering that decision, there are compelling reasons why we should consider not only environmental factors and the like but also certain basics, such as equity and health of the Western alliance.

We must put the Concorde issue into its historic perspective. After World War II, when Russia declined to demobilize and refused to be dislodged from Central and Eastern Europe, America correctly foresaw that a powerful bulwark against further Communist expansion was essential and that the only barricade which would last would be a strong Western Europe.

It was not a pastoral no-man's-land that we wanted: beautiful farms would not stop Soviet tanks. The only effective bulwark would be a dynamic industrial society. Such a society required two things: a strong, progressive technological base parallel to our own, and political stability and cohesion. And the *sine qua non* for both was a vigorous, healthy economy. This concept was the whole basis for the Marshall Plan and the foundation for the NATO structure.

The plan succeeded almost beyond our fondest dreams. When trouble spots arose, we have done our best to smooth them over, to steer our friends around and past them. One of the thorniest has been the long dispute between the British and the French over Britain's entry into the Common Market. Surviving and surmounting even this long hassle and standing as a sort of symbol of will-to-live-together despite it all has been the joint British-French Concorde project. Indeed, the Concorde was a living demonstration of the kind of thing America cherished for all of Western Europe: cohesion on long-term projects and mutual benefit despite temporary differences.

It was not enough that Western Europe should rebuild a traditional industrial base; to be a real buffer against Soviet hegemony, she must become second to none in high technology—a leader with America in the unfolding wave of applied science of every description. It was not enough that troops be committed to the common defense; there must be political cohesion adequate to contain and resolve thorny questions of arms production, military basing and command and control. The economy must not be static and involuted, but it must look to the future through vigorous competition and external trade. Concorde is not just another sophisticated tank or missile, not another advanced radar or superior fighter-bomber. Concorde now emerges as the very icon of America's dream for Western Europe: supremacy in high technology, the will for political cohesion and the determination to maintain economic vitality—all rolled into one.

We tend to forget that from 1963 to 1971 we had an SST project of our own going full bore. During this time there was a steady exchange of technical information between the British-French project and our own. The two projects, though in ultimate economic competition, were in a broad sense mutually supportive. For nearly a decade we were all in it together.

When we decided to bow out of the SST competition, we did not demand that others do likewise. We had more important chestnuts in the fire with the Soviets. And if Russia's SST proved to be a great success, it would be balanced off by the Concorde.

The question of landing rights was tucked under the rug. After all, these were commercial aircraft, and that question could be faced when the time came. Not only was it unnecessary to raise it now, but it seemed inappropriate for the simple reason that performance factors for machines still under development were as yet not fully known.

It was well-known, though, that the Concorde was being specially tailored for the North Atlantic run. Within the West, the North Atlantic market would be the backbone of any successful commercial SST. The tradeoffs, as the engineers say, between range, payload, fuel capacity and all the other factors were made to optimize the aircraft to pay its way in competitive transportation of passengers between the United States and Europe.

We knew this, and we never asked Britain and France to stop committing resources to the Concorde. On the contrary, there is every reason to believe that, even though the Concorde would compete for business with our own airlines, the United States government was not unhappy to see the work on Concorde proceed. It is hardly conceivable that, if the Soviets alone were producing a supersonic transport, the United States would have opted out. We would never have taken the chance that the Soviets would be ferrying the leaders of other nations here and yon at Mach 2-plus while no one else could.

The Concorde became the West's answer to the Soviets in this area. We could turn our backs on the SST because Concorde covered our rear.

From the SST saga, we can already draw some useful lessons. Modern society must become far more sure-footed in evaluating the potential impact of new technologies before large investments have been made in them. The Congress has taken a notable step in this direction with the recent establishment of its Office of Technology Assessment, but both the methods and the mechanisms for evaluation are in their infancy. If a strong international impact is anticipated, greater effort must be made to achieve an international consensus on the merits of the enterprise.

Above all, surely by now we must realize that where other nations, particularly those with whom we share close ties, proceed to develop something we perceive as potentially undesirable, silence on our part—to say nothing of active participation—carries a strong element of consent.

The plain fact is that, as yet, we know very little about the physical effects of large supersonic aircraft in commercial usage and even less about their longer-term worth to society. If, nevertheless, the greater good requires that this aircraft be denied reasonable commercial trial on the "test range," for which it was designed, then the only reasonable course for a powerful nation that values the continued friendship of the civilization from which it sprang is to go to our friends and say, in effect: "Together we have made a mistake of colossal proportions. This project must be stopped, and we are willing to assume a reasonable share of the economic burden that results."

ARE WE MAKING IT THE "BUY-CENTENNIAL?"

HON. WILLIAM M. KETCHUM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1976

Mr. KETCHUM. Mr. Speaker, this past weekend I had the pleasure of attending ceremonies designating Bakersfield College, in Bakersfield, Calif., an "Official Bicentennial College" by the American Revolution Bicentennial Administration. At that time, Bob Lienhard, president of the college's Associated Student Body, delivered a speech which literally knocked the audience on their respective ears. In his remarks, Bob Lienhard hit the nail on the head as to what is wrong with America's Bicentennial spirit. Like the youngster in the "Emperor's New Clothes," Mr. Lienhard had the courage to tell it like it is—"welcome to the BUY-Centennial," he said.

The picture he painted of the manner in which we are approaching this most awesome celebration was perhaps unsettling, if not a little embarrassing, not because it was in any way out of line—but because it was the truth. As we move our Founding Fathers' birthdays around to suit our 3-day weekend needs, and grub through "Special! on Sale Today," tricolored crepe paper decorating kits, we seem to have lost track of exactly what it is we are celebrating, and where it is we are going. Having listened to Bob Lienhard speak, I had the uncomfortable feeling that, if George Washington were around today, able to take part in this 200th birthday celebration, someone would shine a floodlight on him and shout, "Take it away, George baby." Since he is not here, and cannot take part, I only hope he will not roll over in his grave at the travesty we are making of the event. At this time, I would like to share Mr. Lienhard's comments with you—read them, and try not to weep:

REMARKS MADE BY MR. BOB LIENHARD, PRESIDENT, ASSOCIATED STUDENT BODY, BAKERSFIELD COLLEGE

As a young American who has waited patiently for the year 1976, I find that it has fallen far below my expectations now that it's here. In having spoken with many students, we have all come up with one opinion . . . and that's that the Bicentennial has been sold out . . . with the options open to Americans to decorate their households with a variety of Bicentennial momentos, ranging from red, white, and blue toilet seats . . . to a George Washington transistor radio (which, by the way, is made in Japan). After being constantly bombarded with the advertising agencies' ideas of the Bicentennial, most Americans feel that the Bicentennial has become the B-U-Y-Centennial. And, of course, we Bakersfield College students are no exception.

And who can we blame for this? For one, let's start with Madison Avenue . . . Madison Avenue, through a massive advertising campaign, has turned America's 200th birthday into a bargain basement sale. In 1776, Madison Avenue, you weren't around. In 1976, you are, and let's hope you're gone again in 2076! The purpose of the Bicentennial was to commemorate the 200th birthday of America; the product of the Bicentennial has been a multi-million dollar business. But let's not place all the blame on Madison Avenue—don't forget the good old U.S. Government, who led the way by selling out George Washington's birthday. You may ask, "George Who?" Rumor has it he was instrumental in the founding of our country. He was born on February 22nd, or was it the 21st? Oh, well, it doesn't really matter, we now celebrate his birthday on the third Monday in February. Personally, I think it shows a trend away from the important things in life. I mean, what is more important for future generations—remembering a founding father's birthday, or having a three-day weekend?

What this country needs to do is take a good, long look at itself, and decide whether we want to leave anything for future generations, or not. If so, we had better look at America with improvement in mind . . . Food . . . How about a guaranteed hot lunch program for all school-age kids? . . . Development of new energy sources . . . solar energy has unlimited potential, and could some day be the only power source needed in the San Joaquin Valley. Change America from the land of "No-Deposit, No-Return" to the land of Recycleables. America has the ability to clean up all the pollutants, so let's do it! The United States has the manpower and the desire to overcome any and all obstacles, and we can do it . . . because, even in spite of its shortcomings, America is still the best country in the world.

Wouldn't it be terrible if my children and grandchildren looked back at this celebration, and all they had was red, white, and blue toilet seats, and radios, to remind them, "That's the way it was in 1976!"

VA HOSPITALS GIVE GOOD CARE

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1976

Mr. FLORIO. Mr. Speaker, recently the Philadelphia Inquirer reprinted an article from the Chicago Tribune concerning the Veterans' Administration. The article was hardly flattering to the VA.

As many of my colleagues know, I have been attempting to have a Veterans' Administration Hospital constructed in Camden, N.J. because of the serious deficit of adequate veterans care facilities in my area of southern New Jersey.

I thought it may be of interest to read the rebuttal to the Tribune article as submitted by Mr. Richard Roudebush, Veterans' Affairs Administrator.

VA HOSPITALS GIVE GOOD CARE

To the Editor:

I must vigorously protest the misleading reporting in the Chicago Tribune Service series on the Veterans' Administration which was reprinted inThe Inquirer.

The scare pronouncements that veterans are the victims of a clumusy VA giant, and that poor care is common fare at VA hospitals obviously reflect the conclusions of the Tribune's reporters and are not the conclusions of a knowledgeable and reputable authority.

The reporters depended on quotes from

several complaining veterans (out of the many millions we serve each year); one member of Congress; one VA nurse (out of the 25,000 employed by VA), and a few non-VA critics of the G.I. Bill education program.

They also cite a couple of veteran hospitalization cases (out of the more than one million patients VA treats each year), and a handful of General Accounting Office reports, with no comment on VA replies to these reports, or subsequent corrective action where VA agreed with GAO.

The series quotes VA critic Sen. William Proxmire: It could also have quoted the senator's Appropiations Subcommittee counterpart in the House, Rep. Edward P. Boland, who had this to say recently about VA: "The judgment of this subcommittee is that the VA does a truly remarkable job. The VA operates the largest hospital system in the world and does an absolutely fantastic job.

"Oftentimes the public, I think, doesn't realize the task that the VA has and also the dispatch, and I think the outstanding job that it does in servicing veterans.

"I am sure there are some problems from time to time, but there have to be in an organization so vast and so complex. Those are the problems that get into the press and onto television."

The reporters accuse VA of tight-fisted pay policies, knowing full well that pay scales are established by law, and only belatedly acknowledge a bonus pay law for doctors and dentists enacted last October.

They say VA seldom permits its doctors to maintain private practices, and almost scoff at VA's chief medical director when he says the reason is an old-fashioned belief that "a VA physician's first allegiance and first responsibility is to his VA patient."

They criticize VA for assuming the national cemetery system from the army and for embarking on a cemetery expansion program.

They do not say the transfer was required by law, or that there was crying need for expansion because no new cemeteries had been established since 1950 despite the tremendous growth in the veteran population.

It is our policy in dealing with media to be completely open and truthful, but we are also positive in our approach.

We sincerely believe that VA is doing the best job of any federal agency. In the articles I have seen, however, even the few VA quotes that were screened out for use generally were diminished by the constant use of the words "admitted" and "conceded."

I frankly cannot conceive of how a series of articles could be so one-sided and distorted unless the Tribune deliberately set out to denigrate the VA, and then dug diligently for every shed of criticism and discontent to accomplish the objective.

The articles malign not only the VA and its more than 200,000 dedicated employees, but also Congress and the veteran organizations.

RICHARD L. ROUDEBUSH,
Administrator of Veterans Affairs.

STATEMENT OF JOSEPH P. TONELLI, PRESIDENT, UNITED PAPERWORKERS INTERNATIONAL UNION

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1976

Mr. OBEY. Mr. Speaker, on January 19, Mr. Joseph P. Tonelli, president of the United Paperworkers International Union, testified before the National Commission on Water Quality. That union represents some 350,000 workers in the pulp and paper manufacturing and related industries in the United States and Canada.

Mr. Tonelli pointed out that the membership of his union, "is very greatly concerned about the quality of our environment." Starting with that basic statement, he described his concern that—

> Environmental policies and programs should be reconciled with the urgent need to promote and preserve employment and to restore health to today's floundering economy.

Whether individual Members of Congress will eventually agree with all of his suggestions or not, I believe it is proper that Mr. Tonelli's views be brought to the Members' attention. Thus, I request that this testimony be inserted in the RECORD at this point:

STATEMENT OF JOSEPH P. TONELLI, PRESIDENT, UNITED PAPERWORKERS INTERNATIONAL UNION

Mr. Chairman, my name is Joseph P. Tonelli. I am president of the United Paperworkers International Union, which represents 350,000 workers in the pulp and paper manufacturing and related industries in the United States and Canada.

May I emphasize that this figure is the total membership which we represent in the paper industry. The entire industry employment of approximately 700,000 is affected by our contract negotiations.

Our membership is very greatly concerned about the quality of our environment. We recognize that the quality and purity of our air and water are important factors contributing to the overall comfort and well-being of our members. At the same time we believe that it is vital that environmental policies and programs should be reconciled with the urgent need to promote and preserve employment and to restore health to today's floundering economy.

I am here today because I believe that this concern of ours is much the same as the task assigned to this commission: To study the economic, social, and environmental effects of achieving the water quality goals set by the Congress for 1983.

We recognize the remarkable contribution the paper industry has made and is continuing to make to our national goal of cleaner waters. Many mills have already come into substantial compliance with the 1977 water quality standards and are progressing toward the 1983 goals. All of this has been done at great cost. To meet both the 1977 and 1983 requirements it is estimated that the paper industry will spend nearly 3½ billion dollars . . . the equivalent of more than a dozen new mills. It will cost another 150 million dollars per year to operate and maintain the pollution abatement equipment, producing an estimated 10,000 new jobs in the paper industry.

Congress in 1972 took a very important initiative, and one which showed remarkable foresight. But that foresight could not be perfect. They could not have known of the technological developments. The downtown of the national economy, the bureaucratic delays and Presidential impoundments which would all come to bear on the realization of these water quality goals.

We recognize that a number of adjustments are necessary now in order to promote clean water and to do so without frustrating efforts in other areas of social and economic progress. I would now like to outline a number of adjustments which we believe are in order.

We understand that publicly owned treatment plants are lagging several years behind industry in progress toward eliminating water pollution. This is due to a combination of delays in planning and grant administration, inadequate appropriations by the Congress of matching funds for construction, and the effects of past impoundment of matching funds. It is in the best interests of the country to see that this construction is accelerated to the fullest extent possible, to reap the benefits both of improved water quality and of the badly needed boost which the program will supply to employment.

Some of this acceleration may be obtained through streamlined administrative procedures. But the main push will have to come in the form of Federal appropriations for matching grants large enough and soon enough to fund every acceptable proposal. It makes little sense for the Federal Government to require industry to commit large amounts of capital to pollution control over a relatively small number of years, and then to turn around and refuse to commit its own funds with the same sense of urgency.

Substantial portions of several industries are considered "marginal." This is a condition we are well acquainted with in the paper industry. We have many mills, especially in the northeastern part of the country, which are very old. Their profitability is so slim that a sizeable drop in prices or rise in costs could put them out of business virtually overnight. We recognize that as time brings new technology and the building of newer, more efficient mills, these older mills' days are numbered.

But we think they should be allowed to die a natural death, in order to avoid as much as possible of the pain that will come to the workers they employ and the communities which, in many cases, they sustain. They should not be sacrificed unnecessarily for the sake of a relatively small improvement in water quality.

I beg to refer to testimony by our UPIU Local No. 1 President Raymond Beaudry, Holyoke, Massachusetts, before the House Public Works Committee in 1971.

He testified that in a period of 18 months, when our economy was in far better shape than presently, Local No. 1 lost 245 jobs in the paper industry. He identified "water control standards" as one of the main reasons for the job loss. Especially significant in his testimony was the age distribution among this group:

121 were 50 years of age or over;
47 were 40 to 50 years of age;
77 were under 40 years of age.

It is hard enough today to find a job, and it is even harder when you are in your sixties, or fifties, or even forties.

This is the experience of only one out of our 1350 local unions throughout the continent. Many of our locals are working jointly with management and their municipalities to plan and build sewage treatment plants that will meet the needs of the town as well as the needs of the paper industry.

We need Federal legislation which will implement this tripartite effort—not impede it.

We are suggesting here four ways in which the present water pollution program can be modified slightly, in order to lighten the burden on industry and especially on those marginal segments without significantly affecting overall progress toward our water quality goals.

The first is for the environmental protection agency to give greater weight to the age of facilities and of their process technology in establishing its effluent limitations guidelines.

The second way involves a recognition of the fact that many if not most marginal mills will be small facilities which will tie into municipal treatment plants. Their fate will hang on the way EPA draws its pretreatment standards. We urge special care here to assure that these standards will be only as stringent as absolutely necessary to substantially fulfill the goals of the program.

At a seminar on the environment conducted by this international union we learned of at least one State—Wisconsin—

which allows liberal tax credit for pollution abatement expense. Expanded on a national basis this would provide another source of relief for industry. This is our third suggestion.

Our fourth suggestion would also benefit all industry, marginal or not. That is for a re-evaluation of short-run effluent limitations which require either a very high degree or reliability or back-up controls. There appears to be a point of diminishing return here where the last increment of progress toward perfection carries a cost which is out of all proportion to the benefit.

Mr. Chairman, we believe most industries want to help clean up the environment. The members of the United Paperworkers International Union want clean air and clean water—but we also want jobs.

We believe we can have all three.

In conclusion, I wish to commend the commission for holding these hearings and also to express my thanks to the chairman and commission members for allowing me to present our viewpoint.

Thank you.

SUMMARY OF THE FRASER AMENDMENT IN THE NATURE OF A SUBSTITUTE TO THE KRUEGER AMENDMENT TO THE NATURAL GAS EMERGENCY BILL, H.R. 9464

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1976

Mr. FRASER. Mr. Speaker, we have made significant changes in the proposal we are offering as a substitute to the Krueger amendment to H.R. 9464. Under the extraordinary rule proposed for H.R. 9464, this is the only way in which our proposal for long-term improvements in the natural gas regulatory system can be in order.

These changes are changes which might be made by the House Commerce Energy and Power Subcommittee were it permitted to conclude the full-scale hearings now in progress.

Essentially, we have not tried to set a numerical national ceiling, although the criteria and procedures for such a ceiling remain the same as in our bill, H.R. 8892 (H.R. 9159).

We have removed the production requirement, not because this is an unnecessary or unimportant part of long-range legislation, but because this matter is now being considered by the House and Senate Interior Committees, and because there are technical difficulties with this provision in H.R. 8892.

We have eliminated the "Joint Ventures" prohibition, because this has been taken care of partially in the Energy Act just passed by the Congress (Public Law 94–163), and because the subject is currently being considered along with other antitrust matters by the appropriate congressional committees.

Otherwise the measure stands essentially as it was introduced in H.R. 8892 (H.R. 9159). A short factsheet follows:

FACT SHEET

1. National rate ceiling for new natural gas:

a. Within 180 days of enactment, the Federal Power Commission (FPC) would establish a national ceiling for new natural gas, that gas which was not dedicated (by contract) to interstate or intrastate commerce as of January 1, 1976.

b. Automatic adjustments for inflation would be provided.

c. The current historic-cost basis of rates would be changed to a prospective-cost basis, plus sufficient profit to attract new capital.

d. Higher ceiling prices would be permitted for high-cost production.

e. Parity would be established between intrastate and interstate new gas prices in order to prevent interstate pipelines from running out of supplies.

2. Allocation on priority basis:

a. Priority would go to residential and other small users (under 50 mcf/day).

b. Agricultural uses, including food-processing and feedstocks for fertilizer, would also have top priority.

c. Hospitals and other services and products necessary to public health and safety would be granted priority allocation.

d. Boiler-use of fuel would be banned where alternative domestic fuels are feasible. This ban would be effected, to the maximum extent practicable, within 10 years of enactment.

e. The FPC would have authority to require linkage and transfer of supplies among interstate pipelines to alleviate curtailments to priority users, including industries which cannot substitute other fuels for nonboiler uses. This authority is carefully circumscribed.

HIGH GASOLINE PRICES IN NORTHWESTERN INDIANA

HON. FLOYD J. FITHIAN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1976

Mr. FITHIAN. Mr. Speaker, high prices for energy products, especially gasoline, have plagued northwestern Indiana for several years. Paul Rechlin, a staff reporter for the Vidette Messenger of Valparaiso, Ind., wrote an excellent article on the impact of high gasoline prices in Indiana. I believe this article deserves to be brought to the attention of my colleagues in the House.

As is clear from Mr. Rechlin's article, high gasoline prices over the past 2 years have not had the effect of reducing gas consumption by the motoring public. Despite a 28-percent increase in the price of gasoline over the past 2 years, gasoline stations are selling more fuel than ever before.

During the recent debate on the Energy Conservation and Oil Policy Act, some argued that higher prices alone could force conservation. Now that more information is available on the issue, it is becoming clear just how hollow this claim is. Rationing fuel by price, as some have suggested we continue to do, places the biggest burden on those who are least able to pay and who are already making sacrifices just to make ends meet—average people with average incomes.

Valparaiso's immunity to rising gas prices does not mean that motorists there are not feeling the financial squeeze. Their immunity is not really a matter of conscious choice at all; it means they have no choice. Valparaiso, like many of the communities I represent, has neither a subway system, nor a city bus system, nor a major mass transit of any type as an alternative to the family car. When prices go up at the gas pump, the people of Valparaiso have no alternative but to pay whatever it takes to get the gas they need to drive to their jobs, to church, and to the store.

The Energy Conservation and Oil Policy Act, if it is fairly enforced, is a first step toward relief for the people of Valparaiso and hundreds of other towns across America in similar straits. What is needed now is to follow up with further price rollbacks and conservation measures.

The article follows:

[From the Vidette Messenger, Jan. 12, 1976]

DRIVERS IMMUNE TO RISING GAS PRICES

(By Paul Rechlin)

Maybe Porter County motorists are becoming immune to rising prices, because gasoline distributors and station attendants say they are selling more gas than ever, and it has nothing to do with price decreases during the last five months.

A survey of service stations in Valparaiso by this newspaper showed that gas prices reached an all-time high average of 56.4 cents per gallon of regular last June, yet a spot check of stations showed sales were above pre-"crisis" days of early 1973 and before.

Now, because of a hefty 2-cent average increase in prices in July, gas costs motorists even more, but sales remain high.

Says Don Brobeck, a supervisor for Heinold Oil Co., "People have pretty much forgotten about the energy shortage; it's pretty hard to see it unless it hits you right in your face."

But it's also pretty hard to blame people for their seeming unconcern. Brobeck says, "We have all kinds of supply," and he foresees no shortage in the immediate future.

Media reports indicate other distributors feel much the same way.

But despite adequate supplies, prices are expected to continue going up—don't let those price decreases, ranging an average of one-tenth to nine-tenths of a cent in each of the last five months, fool you. Prices decreased in late 1974 also only to shoot upwards again to record highs by mid-year.

Brobeck attributes most of late-1975's gas price decline to the mild fall. Producers had the choice of converting its crude oil to heating fuel or for gasoline. Temperatures were relatively high, so more crude oil was used for gasoline, less for heating oil.

That helped bring about an abundance of gas, so the price dropped.

But recently the mercury began to plunge, and Brobeck says, "With the cold we have now, we'll need more crude for (heating) fuel; prices of gas could go up."

Asked if he felt prices would increase, Brobeck said, "Probably—generally—you could assume that."

If that prediction comes true, it would be in line with the trend of the last two years. For reasons still a bit hazy, early 1974 saw a severe shortage, with from 15 to 35 per cent of city gas stations closed, and some out of gas, by the end of each month.

That shortage drove prices upwards from an average 44.4 cents for regular at the beginning of the year to 56.8 cents by July 1. An easing in the shortage and stiffening competition led to price declines in late 1974, from 56.8 to 51.8 at the end of the year.

Then, with a higher percentage of crude oil used for heating fuel in early 1975, coupled with an upswing in demand for gas during the summer months, it helped drive the average price upwards again, to 58.4 cents a gallon by late July. Increasing supplies, combined, says Brobeck, with feverish competition, then drove the prices back down to 56.7 cents by the end of 1975.

Thus, the average price of regular gas jumped 27.9 cents during the first six months of 1974, dropping the next five months by 9 per cent, but still 16.7 per cent higher at the end of the year than at the beginning.

In 1975, prices rose 12.8 per cent during the first seven months, then dropped 2.9 per cent in the last five months for an annual increase of 9.5 per cent.

What this means is that you are paying 27.7 per cent more for a gallon of gas now than you did two years ago.

What makes that even more impressive is that only the lowest prices were taken during the monthly surveys, and in most cases self-service pumps show a price of at least one cent—sometimes more—than full service pumps. And self-service pumps were almost unheard of two years ago in this area. Now they are abundant.

Prices for premium and no-lead experienced similar increases with premium jumping in price by 20 per cent in 1974 and 8.1 per cent in 1975, for an overall increase of 29.7 per cent, and no-lead price hikes amounting to 9.4 per cent last year.

Competitiveness, says Brobeck, will lead to more self-service stations because it slightly lessens overhead, permitting lower prices.

But any loss in competition could drive prices skyward. Government price regulation would allow Heinold, for instance, to charge about 60 cents for gas, according to Brobeck. But competition has forced Heinold's companies to bring its prices down to the low 50-cent range. Several stations—some with contracts for bulk sales—are charging 10–12 cents more.

Oil industry-connected spokesmen say they have no way to accurately predict prices for next year, but if the trend of the last two years continues, it is quite likely the average could reach today's highest prices—in the 61.9 to 62.9 range—by mid-1976. But people will be buying just as much.

SOVIET AGRICULTURAL FAILURE: ASSESSING THE BLAME AND THE CONSEQUENCES

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1976

Mr. McDONALD of Georgia. Mr. Speaker, again this year, our so-called experts, up until the last minute, were caught flatfooted on the magnitude of the Soviet crop failure. Again, almost everyone spoke of the weather and no one faced up to the inefficiency of the Soviet system nor the resistance of the Soviet peasants. In spite of the fact that the United States has again rescued the Soviet Union from its self-inflicted wound, the effects of this crop failure have not all yet been registered, but the original error goes back to Stalin who killed an estimated 10 million farmers in order to enforce collectivization. In reliving the days of collectivization, Stalin and Churchill had the following conversation during World War II as quoted in Robert Payne's "The Rise and Fall of Stalin" on page 414,

> . . . Winston Churchill asked Stalin pointblank whether the cares of fighting a war were greater than those he had known when he was forcing collectivization upon a rebellious peasantry. It was late at night and Stalin was in a relaxed mood.
>
> "Yes," Stalin said, "the collective farm policy was a terrible struggle."
>
> "I thought you would have found it bad," Churchill answered, "because you were not dealing with a few score thousand of aristocrats or big landowners, but with millions of small men."
>
> "Ten million," Stalin said, holding up his hands.
>
> He held up his hands so that Churchill could count the fingers, but even so it was beyond belief. . . .

And so today, the whole world can see the fruits of this terrible policy. For the record at this point, and for the edification of my colleagues, I include at this point two articles: One from the Richmond Times-Dispatch of January 18, 1976, and an additional article from the London Daily Telegraph of January 12, 1976, respectively which shed additional light on this matter:

[From the Richmond Times-Dispatch, Jan. 18, 1976]

Soviet Journalist Lays Crop Ills to Bureaucracy

(By Barry James)

Moscow.—The one excuse repeated over and over by Communist party officials for this year's disastrous grain crop was that the weather was bad.

Now a Soviet writer has dismissed that as nonsense, saying that bureaucrats do more harm than the coldest winter or worst drought.

Writing in the magazine Nash Sovremennik, Yuri Chernichenko, a journalist specializing in agricultural problems, said Soviet weather is so repeatedly and regularly bad that it could be overcome with proper planning.

Chernichenko accused bureaucrats and planners of ruining some of the Soviet Union's best land in their attempts to boost production at any cost.

He said they pay no attention to such elementary details as contour plowing, crop rotation, timely sowing or the choice of the right seeds for the climate.

He focused on the black soil zone of southern Russia and the Ukraine, once known as the "breadbasket of Europe," where most of the winter wheat is sown. He said every third winter since 1891 has been as cold as the one which was credited with destroying much of the winter wheat crop in 1972.

Yet, in that year, he said, proper precautions and sowing would have saved more than 90 per cent of the lost crops.

"The level of land cultivation is defined not by the years with favorable weather, but by the seasons of poor weather," he said. The real problem, he added, is that the standard of agriculture does not keep pace with the science of agronomy "and the weather merely accentuates this weakness of ours. It is not the major cause of our bad grain crops."

Chernichenko listed these shortcomings in agricultural planning:

Improper plowing. Fields are plowed straight up and down, allowing water to run off and causing drought and dust storms. Only a small minority of farms practice contour plowing.

Waste of fertilizers. Chernichenko said only one farm in 30 plows the fertilizer into the roots of winter wheat where it counts. The rest just spray from the air, often onto bone-dry fields, and "the weeds are just as happy to get this kind of fertilizing." Some new wheat varieties produce enormous yields given adequate fertilization, but Chernichenko said planners parcel out inadequate quantities of fertilizers so that all farms get an equal share—"but no wheat gets enough."

Lack of crop rotation. Because the development plan usually calls for sowing on the maximum acreage, bureaucrats do not allow farmers to leave fields fallow. In the black earth zone, only 9 per cent of fields are properly rotated. "It's a dead investment when we use new kinds of grains without crop rotation," he quoted agronomist Ivan Kalininka as saying. "The main thing is not how many hectares we sowed, but the height, reliability and quality of the yield."

Wrong choice of seeds. "We need grains that give a good crop under bad conditions," Chernichenko quoted another agronomist, Vasily Remeslo, as saying. Instead, the bureaucrats insist on using super varieties that look good on paper, but which require special care and intensive fertilization. Remelso said regional authorities, "who do anything to fulfill and overfulfill their plans" treat agronomists like "errand boys" and reject their advice about the proper seeds to be used.

Over emphasis on winter wheat. Because the new varieties of seeds are theoretically high yielding, they get the priority for machinery and fertilizers. Yet, Chernichenko said, 1948 was the only year since the war when the Soviet Union succeeded in harvesting its entire winter crop. And only reasonable spring wheat harvests in recent years have staved off total catastrophe.

Untimely sowing. Chernichenko said the development plan pays no heed to the delicate balance of nature. Workers who received a prize in August for completing their sowing ahead of the time stipulated by the plan saw the result of their efforts thrown away in April.

Because of bad farming and overcultivation, soil erosion is enormous. In the Don region alone, 19,200 acres are lost to erosion every year, Chernichenko said, and 27 million tons of soil are washed from the right bank of the Don river annually. Yet this could be prevented, he said.

In a blunt attack on the planners, Chernichenko said agriculture should be left "to agronomists and not to calculators."

"We should learn how to refrain from sowing. We should admit that it sometimes happens that the soil is dry and that there are no guarantees of prospects for a good crop, that the risk is not justified. In such cases we should not waste seeds at all, but wait for the spring. The seeds we thus save will be an addition to our crop and not a detraction from it."

He condemned what he called a make-or-break philosophy that demanded ever greater results, instead of accenting safer but surer targets with grain varieties suited to climatic conditions.

"We would not use the wrong kind of gasoline for a Zhiguli [automobile] or an IL62 aircraft," he said. "The same goes for wheat. These new varieties are adapted to bad conditions and under bad conditions they perform worse."

Although Nash Sovremennik is an intellectual magazine with a circulation of little more than 100,000, the publication of the article must have had high official support in a country where everything is censored. An explanation is that the magnitude of this year's grain disaster—the Russian's produced an estimated 137 million tons of grain compared with a planned 215.7 million tons—has prompted some officials to open a serious debate about the agricultural problem.

Nonetheless, the emphasis is still on ambitious production targets. The 1976 to 1980 development plan calls for an average annual harvest of 215 to 220 million tons.

[From the London Daily Telegraph, Jan. 12, 1976]

Russian Bread Fails to Reach Villages

Supplies of bread and other foods have been failing to reach village shops in several areas of the Soviet Union, the agricultural newspaper *Selskaya Zhizn* reported yesterday. In some cases, village foodshops had been closed for as long as three months.

The newspaper said written complaints it received had been followed up and the shortcomings in deliveries rectified. It made no reference to last year's Soviet harvest failure, but blamed inefficiency and organisational failures on local food supply organisations, which perform a similar function to wholesalers in the West.

Similar shortcomings were attacked yesterday in the Moscow evening paper *Vechernyaya Moskva*. The reports came after an appeal last month by the government daily *Izvestia*, for readers not to waste or overbuy bread.—Reuter.

"OPERATION OVERSHOES," A CLEVELAND SUCCESS STORY

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1976

Mr. STOKES. Mr. Speaker, recently, I had the occasion to attend the grand opening of the McDonald's Restaurant at 10411 Saint Clair Avenue in Cleveland, Ohio. I was extremely pleased to be the guest of owner and operator, Mr. Caesar D. Burks, a prominent local businessman.

While at this celebration, I learned of a unique community project sponsored by black operators of McDonald's restaurants. Since 1971, they have given college scholarships to deserving black high school students and essential clothing to local Welfare Rights Organizations.

The program entitled "Operation Overshoes" is one of the most successful community relations projects in the entire city of Cleveland. Mr. Speaker, I am sure that my colleagues in the House will join with me in lauding the efforts of these socially conscious business people and wish them a successful operation in 1976.

So that my colleagues will be able to familiarize themselves with this outstanding group, I am submitting a synopsis of their "Operation Overshoes of 1975":

OPERATION OVERSHOES

I. HISTORY OF "OPERATION OVERSHOES"

A. Objective: In December, 1971, Operation Overshoes was conceived. It was intended to reinforce the idea that the then new black McDonald's operators were concerned about their communities and were aware of the real problems that face black people. The operators wanted to show their commitment to the community by extending a hand to the residents without projecting a condescending attitude.

The operators realized that much of their low sales volume problem was a result of the boycott by blacks against McDonald's, and that they were looked upon by the black community as part of the power structure of McDonald's. They made efforts to position themselves as friends of the community, but without support from the news media, the task was monumental.

The operators gave scholarships to students in black high schools, but they received little publicity or recognition for their efforts. They donated shoes and overshoes to the Welfare Rights Organization of Cuyahoga County, but they received no credit for that donation.

During their first two years as operators, the new licensees were frustrated in their efforts to gain positions of leadership in the civic affairs in their respective communities.

B. STRATEGY. At the beginning of the Fall 1971 school term, the black operators interviewed elementary school participants to determine the needs of the student population in the operators' communities. When the operators learned that a major reason for the high rate of absenteeism from school was the lack of adequate clothing, particularly shoes, it was decided that shoes should be donated to the schools for use by needy children.

School administrators liked the idea, but they were concerned about where to store the shoes and how to distribute them. They were also fearful that the length of time that would be required to distribute the shoes would be cause for public ridicule. Furthermore, non-school personnel could not be permitted to work inside the schools to distribute the shoes, and the school staffs were not available to perform such duties.

With a budget of $4,000, Cleveland's black McDonald's operators purchased closeout lots of shoes and overshoes from a local jobber at an average cost of $1 per pair.

The Neighborhood Opportunity Centers of the Office of Economic Opportunity were asked to assist in the distribution. This established social service agency had a positive community image, large areas that could be used as distribution centers, trained staffs of social workers and outreach personnel, and files on area residents listing those families who had the greatest need. There is always a concern of whether those who need items that are being donated actually receive the items. The social workers were in regular contact with the residents and were aware of the problems of individual families. Opportunity Center personnel conducted the distribution of the shoes at no cost to the operators, and the residents were not embarrassed by dealing with someone they considered a friend.

The shoes were equally divided among the three Opportunity Centers closest to the six participating McDonald's Restaurants. Each center handled the distribution for two stores. Signs posted in the McDonald's stores announced the distribution at the centers beginning at noon. Opportunity Center social workers were instructed to call their most needy clients and inform them of the distribution that was to begin at 9 a.m. The social workers were the only people who were aware of the different distribution times. Therefore, the most needy families received shoes first, but they were not identified in the community as having the greatest need. All of the shoes were distributed in less than four hours, and there were crowds of people still waiting to get inside the Opportunity Centers.

The final reason for utilizing the Opportunity Centers as distribution points was basic to the reason for the promotion. It was felt the news media would be more receptive to covering an event that was co-sponsored by an established social service agency. That assumption proved to be true.

III. 1975 RESULTS

"Operation Overshoes, 1975" is the most successful community relations project ever conducted that focused attention on the problems of Cleveland's poor. The response of the news media and the general public was tremendous, and increases in Fast Track [1] research data is expected to show significant gains in categories influenceing share of market. Top-of-mind awareness and image scores should show the most dramatic increases.

News coverage for the event was excellent. The project resulted in a front page photograph of two children receiving shoes in the Cleveland Plain Dealer, Ohio's largest daily newspaper. The Lorain, Ohio daily newspaper also carried a front page story with a photograph even though no shoes were distributed in the Lorain area.

Additionally, many other Ohio newspapers carried the story with a photograph as a result of the United Press International coverage of the project. Some of the newspapers that covered the story included:

Ad Club News, Akron Beacon-Journal, Call & Post, Cleveland Magazine, Cleveland Newsletter, Cleveland Press, Cleveland Plain Dealer, ComCorp Sun Papers, East Cleveland Citizen, Elyria Chronicle Telegram, Greater Cleveland Community News.

Lakewood Sun-Post, Lorain Journal, Medina County Gazette, Painesville Telegraph, Parma Sun Post, Penny Post, The Scene, Sun Courier, Sun Herald, Sun Messenger, The Sun News.

Television coverage of the event was outstanding. The CBS Television affiliate in Cleveland, WJW TV–8, ran filmed news reports on the 6 PM and 11 PM news programs on the day preceeding the distribution. On the day of the distribution, the station prepared another filmed report which was aired throughout their broadcast day on all of the scheduled news programs.

The ABC affiliated station, WEWS TV–5, aired reports on their noon, 6 PM and 11 PM news programs. WKYC TV–3, an NBC owned and operated station, also aired filmed reports on their noon, 5:30 PM and 11 PM news.

Radio stations throughout the state of Ohio reported news stories that were carried on the UPI and Associated Press, wire services. WIXY radio and WDOK radio, both in Cleveland, and WSLR radio Akron, all carried taped interviews with Eric Jeffries, public relations coordinator for Operation Overshoes, through their broadcast day.

Coverage in the Council of Economic Opportunity newsletters will be published in the January edition.

Awareness of the project was great throughout the Northeast Ohio area. Many calls requesting information on the distribution were received at McDonald's Restaurants throughout the city, the area news media, and at the advertising agency coordinating the project.

The response to this very worthwhile distribution was positive and overwhelming.

DEREGULATION ESSENTIAL TO NEW ENGLAND

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1976

Mr. SARASIN. Mr. Speaker, as we approach the debate on the subject of deregulating the price of natural gas in interstate commerce, there has been too little discussion of how essential this legislation is to the economic welfare of New England, the most energy-dependent region of the country.

The present situation in our area is ample proof that the present system of artificially low gas prices for interstate gas, while it is allowed to seek its own price in producing States, works a severe economic hardship on nonproducing areas as well as severely limiting supplies available for interstate shipment.

The lack of public discussion of this aspect of the deregulation question was remedied to a great extent this past Saturday by the publication in the Washington Post of a column by Mr. Paul A. London, director of the New England Economic Research Office here in Washington and a principal advisor to the New England congressional caucus.

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[1] Fast Track is a McDonald's Corporation research study that is prepared quarterly in Cleveland.

Mr. London clearly illustrates the need for phased deregulation of natural gas for the long term health of the New England economy and I would like to submit his article for inclusion in the Record so that any of my colleagues who may have missed it will have the benefit of this information.

I would suggest that all of the Members who come from non-gas producing States might want to consider the validity of these economic projections for their regions.

The article follows:

Gas: Prices and Profits

(By Paul A. London)

The U.S. Senate on Oct. 22 passed legislation to deregulate prices for "new" natural gas. A vote is now possible on this issue in the House of Representatives as early as Feb. 2. In the meantime, the usual arguments dominate the debate.

Proponents of low gas prices through Federal Power Commission regulation see themselves protecting small consumers against the monopolistic major oil companies, unconscionable profits, deliberate withholding of reserves, and unjustified contract violations. Gas producers on the other hand argue that they need higher prices to end shortages and declines in U.S. reserves. In this 20 year dialogue of the deaf, more complicated and even more important economic issues are ignored by both sides.

One such issue is who benefits from low prices. Proponents of regulated low natural gas prices imply that most gas is consumed by residential users, but this is not the case. Only 25 per cent of U.S. natural gas is used in homes, plus another 7 per cent if electricity generated from gas is added to this total. Forty-two per cent of U.S. gas is used by industry directly, plus another 7 per cent in the form of electricity. So FPC price controls for the most part force gas producers to sell to industrial users at low prices. The result is higher profits for these industrial users compared to their competitors who must pay higher prices for oil, which is partially controlled also, but at a much higher price.

Even if it is argued that low gas prices are justified because 32 per cent of the benefits go to residential users the distribution of these benefits is haphazard, unintentional and inequitable. Wealthy as well as poor homeowners in Houston, St. Louis and Topeka are likely to be gas users because most homeowners in these areas use gas. In New England and in the Mid-Atlantic area, on the other hand, most homes are heated with oil. So chances are a poor widow in Newark, N.J., Stamford, Conn., New Bedford, Mass. or Portland, Me. will not get the advantage of FPC price regulation no matter how needy she is. The limited number of residential gas-users in these areas benefit to be sure from FPC's relatively low prices, but not based on any calculation of need, economic or social justice. They and other gas-users are simply the lucky ones, the ones who got in before the door was closed.

A glaring but little discussed problem is the regional impact of relatively low gas prices on industrial location and jobs. While New England gets about 9 per cent of its energy from natural gas, the East North Central region around Chicago and the West North Central region around Minneapolis get 30 and 39 per cent respectively of their energy from natural gas.

The West South Central producing region, including Texas and Louisiana, gets 68 per cent of its energy from natural gas. What this means is that the benefits of lower cost natural gas are not spread evenly around the country, but are focused in lucky regions. Industries and regions which get large amounts of natural gas obviously have an enormous advantage in competition with industries and regions which use oil. This has resulted in a significant shift of industry and income to these areas. Although the gas-using regions now are suffering the worst gas "shortages," what this means is that some consumers in these regions must now shift to oil which less fortunate consumers have been forced to use all along.

The price differential between natural gas and other fuels is the key point underlying all these economic issues. FPC reports show that the price of gas delivered to large users is about one-third the price of oil. While oil costs these large users $12 per barrel, gas if they can get it costs them the equivalent of $4 or $5 per barrel.

This kind of price imbalance between alternative fuels means that the "shortages" of gas can never be eliminated. With a price difference equivalent to $7 per barrel, every oil consumer in his right mind should convert to gas if he can get it. A "shortage" will exist at present prices, therefore, until enough gas is found to completely replace oil. The only way to meet this problem if oil and gas prices are not brought much closer together is through rationing. Haphazard rationing is what we have now through FPC end-use guidelines and informal allocation by gas distributors. New plants can not get gas. Residential users rich or poor are getting priority over industry and electric utilities. Some old industrial users are losing their gas contracts. A more detailed FPC rationing program would only decide in more detail who the lucky are to be.

The major problem which emerges from this analysis is the economic distortion and haphazard injustice which results from the natural gas fostered by present disjointed policies. This does not mean that total decontrol of natural gas or oil prices is required. What is needed is recognition that oil and gas prices must be closely linked by regulatory policy as they would be in a free market which does not now exist for either. If oil prices can be rolled back, then additional large increases in natural gas prices can be reduced, but gas prices still will have to rise appreciably to bring prices of the two fuels into a reasonable relationship. There is the danger of additional inflation in such gas price increases particularly if oil prices can not be rolled back in tandem. Therefore, such increases must be gradual. But the present arrangement which directs oil and gas prices along separate paths is economically destructive. Those who see justice in relatively low gas prices largely because they want to hold big oil company profits down are so blinded by the "excess" profits issue that they are not looking closely enough at less obvious economic impacts which are both unfair and harmful to the U.S. economy.

UNFAIR COMPETITION BY FEDERAL MANDATE

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1976

Mr. FISH. Mr. Speaker, there is a basic American public belief that if Government can possibly find a way to botch a program it will.

A case in point came to light when local newspapers announced Amerada Hess had reduced the cost of its home heating oil by 5 cents a gallon. Certainly good news. No one can blame every oil heat consumer for confidently expecting their local oil dealer to follow Hess' lead. How could they be expected to know that the Hess price drop was due to a quirk in Federal law and regulation?

What had happened? Strict enforcement of complex regulations adopted during the Arab oil embargo of 1973, and still in effect, resulted in the Federal Energy Administration ordering Hess to drop their price, while at the same time the same law and agency prevented other companies from dropping their home heat product by the same amount.

When the dealers who sell products of other refiners couldn't drop their prices, it didn't mean that they were hungry price gougers, but that their Government, through a quirk in the law, had given Amerada Hess a competitive price edge they could not meet.

By another strange quirk of the same law, the statute which forced Hess to drop its prices, at the same time did not prevent Hess from making every effort to win away customers from other companies. And a 4 to 6 cents per gallon advantage is certainly a strong argument for a customer to switch from the higher price products to the lower.

When Congress passed the Emergency Petroleum Allocation Act, it was intended to protect consumers, small refiners, and oil jobbers from unfair competition by the large refiners. The current problem was caused by keeping in place a law intended to protect the market during a time of shortage when we are now experiencing a time of relative abundance.

It was for this reason that I have abvocated placing these controls on a stand-by basis pending another Arab oil boycott. Clearly the consumer should be protected, but it is clear that regulations cannot be so finely drawn as to fairly regulate a complex market mechanism.

It is why I have also strongly urged the Federal Energy Administration to take immediate steps to remove the competitive price advantage from Hess, or see that every oil dealer and oil company receives equal benefits.

Everyone would like their oil 5 or 10 or 20 cents a gallon cheaper but an artificial federally mandated market advantage for one company threatens to destroy the independent oil heat dealers of the Hudson Valley. This situation cannot be tolerated.

INTRODUCING DIABETES LEGISLATION

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1976

Mr. CARTER. Mr. Speaker, diabetes mellitus is a major health problem which affects as many as 10 million Americans—5 percent of the population. Last year 38,000 persons died from diabetes directly and as many as 300,000 deaths may be attributable to diabetes and its complications yearly. In addition to the emotional and social burden of this disease, the economic toll of diabetes—excluding its complications—is estimated to be $5.3 billion per year.

As my colleagues know, Congress recognized the importance of this problem with the passage of the National Diabetes Mellitus Research and Education Act in 1974, which I was proud to sponsor. Today, I am introducing legislation to carry forward the initiative begun with that original act.

I am most pleased to have the support and cosponsorship of my distinguished colleagues Mr. STEIGER of Wisconsin and Mr. VANDER JAGT of Michigan, who have long been dedicated leaders in the effort to combat diabetes. Also joining as cosponsors are Mr. MAGUIRE of New Jersey and Mr. SCHEUER of New York, both members of the Health and Environment Subcommittee on which I serve, who have contributed greatly to the development of constructive health legislation. An identical bill is also being introduced in the Senate today by my distinguished colleagues Senator SCHWEIKER of Pennsylvania, Senator MCGEE of Wyoming, and Senator WILLIAMS of New Jersey. I am pleased to see this unified and bipartisan effort on the part of both bodies of Congress in support of diabetes legislation.

The bill I am introducing is based on the very productive work of the National Commission on Diabetes which has recently completed the "Long-Range Plan to Combat Diabetes," in response to the mandate of Congress. The Commission's recommendations are the result of 9 months of intensive research coupled with extensive public hearings. I believe the long-range plan represents a major initiative in the effort to control diabetes, and I congratulate the members of the Commission, under the chairmanship of Dr. Oscar Crofford of Vanderbilt University, for their very fine work.

The bill I am introducing is a first step in carrying out the Commission's recommendations. The legislation would establish a National Diabetes Advisory Board whose purpose is to review, evaluate, and advise with regard to the implementation of the Commission's long-range plan. In addition, this bill authorizes funds for "Distinguished Scientist Awards." These shall be awarded by the Secretary of HEW to individual scientists who have shown outstanding productivity in research related to diabetes so that they may continue their research efforts. Also, funds are authorized for the establishment of diabetes research and training centers. These centers, which were included in the original diabetes legislation, are to play a major role in generating the necessary diabetes manpower for research and for clinical care as part of the long-range plan.

The following represent the primary directions of the Commission's long range plan. First, the Commission recommends that research be increased to advance the frontiers of knowledge about both the cause and treatment of diabetes. Second, the Commission recommends that the quality and quantity of trained personnel for diabetes research and treatment be increased through the funding of diabetes research and training centers. Third, the long-range plan emphasizes the need to translate advances in research and treatment into local health care delivery. It is critical that such advances be implemented as quickly and as completely as possible on the community level so that diabetics may benefit from progress in this area. Fourth, education of patients, professionals, and the public about diabetes is a major goal of the program recommended by the Commission. A summary of the Commission's recommendations has been inserted below for consideration by the members.

It is my hope that the Congress and the administration will see fit to act promptly to consider this legislation and the Commission's recommendations so that we may begin in earnest the task of controlling and ultimately preventing diabetes mellitus.

The article follows:

DIABETES COMMISSION'S LONG-RANGE PLAN

To the Institutes of the National Institutes of Health:

That the National Institute of Arthritis, Metabolism, and Digestive Diseases:

Increase its support for research efforts in basic endocrinology, metabolism, and nutrition, and apply the results of such research to the study of diabetic defects and the causes, prevention, and cure for diabetes.

Increase its support for research efforts in nutrition relating to diabetes and to obesity in persons with diabetes, and increase the number of its Obesity Centers to three to encourage such research and to train manpower in this area.

Establish an ad hoc advisory panel on transplantation and artificial devices and, commensurate with the panel's recommendations, increase support of research efforts in transplantation of the pancreas or islet cells and development of artificial devices.

Increase its support for research efforts in diabetic microangiopathy.

Initiate and support (with the National Heart and Lung Institute) a five-year study to assess the effect of treatment for juvenile-onset diabetes on the development of micro- and macrovascular complications.

Expand its ongoing intramural research program related to diabetes.

Expand its training fellowships and special awards in the area of diabetes-related studies.

Review all available research information resources in order to develop a system to provide a complete and up-to-date source of information on ongoing and proposed research relating to diabetes.

That the National Eye Institute:

Increase its support for research efforts on the causes and treatment of diabetic retinopathy.

Expand its ongoing intramural research program related to diabetes.

Expand its training fellowships and special awards in the area of diabetes-related studies.

That the National Institute of Neurological and Communicative Disorders and Stroke:

Increase its support for basic research relating to peripheral neuropathy, stroke, and other neural disorders prevalent in diabetes.

Expand its training fellowships and special awards in the area of diabetes-related studies.

That the National Institute of Dental Research:

Increase its support for research efforts on the dental complications of diabetes.

Expand its ongoing intramural research program related to diabetes.

Expand its training fellowships and special awards in the area of diabetes-related studies.

That the National Institute for Child Health and Human Development:

Sponsor a long-term clinical study on the effects of infant feeding on the development of obesity and diabetes.

Increase its support for basic and clinical research efforts on pregnancy and diabetes, and sponsor a follow-up study of infants of mothers with diabetes.

Increase its support for research efforts on contraceptive agents and diabetes.

Expand its training fellowships and special awards in the area of diabetes-related studies.

That the National Heart and Lung Institute:

Increase its support for those research efforts in heart disease, peripheral vascular disease, atherosclerosis, hypertension, and blood coagulation that relate to diabetes morbidity and mortality, and increase its support for those research studies already under way which are unique to diabetic macroangiopathy.

Initiate and support (with the NIAMDD) a five-year clinical study to assess the effect of treatment for juvenile-onset diabetes on the development of micro- and macrovascular complications.

That appropriate Institutes of the NIH:

Establish research resource facilities to maintain research materials and animal models, and provide economical and efficient services necessary to meet the needs of diabetes research.

Be alert and receptive to the sponsorship of evaluation studies pertaining to diabetes treatment and education as a part of the NIH's competitively awarded research programs.

That the National Institutes of Health sponsor annual interdisciplinary workshops, symposia, and conferences on diabetes and its complications to encourage cross-fertilization of ideas and cooperative research efforts.

To the Secretary of Health, Education, and Welfare:

That the program for Diabetes Research and Training Centers be implemented immediately, in accordance with the Long-Range Plan, and that the responsibility for its supervision be delegated to the Director of the National Institutes of Health.

That the Diabetes Control Program be implemented immediately in accordance with the Long-Range Plan, and that the responsibility for its supervision be delegated to the Center for Disease Control.

That he instruct the relevant agencies of his department, and request other identified Federal Departments: to prepare a report with complete lists of services and resources within their organizations to meet the needs of the patient with diabetes and with proposals on how these and additional resources may be used for diabetes research, treatment, and education in light of the Long-Range Plan, and (2) to present this report to the Secretary and the National Diabetes Advisory Board.

To the Assistant Secretary for Health:

That he advise the identified agencies of the Public Health Service to address the problem of diabetes according to the recommendations of the Long-Range Plan.

That a National Diabetes Information and

Education Clearinghouse be established as a central resource for educational materials and information.

That a National Diabetes Data Group be established to coordinate the collection and publication of diabetes data related to public health policy.

To other Federal Agencies:

That the Administrator of the Veterans' Administration increase the VA programs in the areas of research, education, and treatment of diabetes and request additional funds for these programs.

That the Social and Rehabilitation Service ensure that appropriate services are available to the underserved population with diabetes for which the Agency provides support.

That the Social Security Administration modify its guidelines for reimbursement of patients with diabetes to ensure that patient education expenses are included as reimbursable elements of patient care.

That the Department of Defense review its programs in light of the recommendations for other Federal Agencies in the Long-Range Plan.

That the Department of Agriculture expand its intramural research programs on nutrition for the diabetic population, and orient its Extension Service to disseminate diabetes-related health information.

That the Commission on Human Resources of the National Research Council, National Academy of Sciences, recognizes the critical needs of diabetes research when identifying those areas eligible for National Research Service Awards.

That research funding agencies of the Public Health Service not mentioned previously (particularly the Health Resources Administration and the Health Services Administration), the grantees of these agencies, and the Veterans Administration be receptive to the sponsorship of evaluation studies pertaining to diabetes education and treatment as a part of their competitively awarded research programs.

To others in the diabetes community:

That patient education be considered an essential element of treatment, and that all related activities promote this key concept.

That those organizations responsible for the development and conduct of continuing medical education programs increase the quality and number of such programs related to diabetes.

And, most important, to the Congress:

That funds for increased diabetes research be appropriated to NIAMDD and other Institutes of the National Institutes of Health as detailed in the funding summary.

That the staff of NIAMDD and other Institutes of the NIH be increased to meet the needs of the diabetes research program.

That increased funding support be provided to the General Clinical Research Centers Program of the Division of Research Resources of the NIH to ensure adequate resources for the clinical research needs of the Long Range Plan.

That P.L. 93-354 be amended with respect to dates and duration of authorization for the Diabetes Research and Training Centers program and that funds for that program be appropriated.

That staff positions and funds be appropriated to the Center for Disease Control for the implementation and support of its Diabetes Control Program.

That appropriations be provided for (1) a National Diabetes Information and Education Clearinghouse, and (2) a National Diabetes Data Group.

That a National Diabetes Advisory Board be authorized and funded to review, evaluate, and advise with regard to the implementation of the Long-Range Plan, and that this Board be established in the Office of the Assistant Secretary for Health.

THE SPIRIT OF SCOUTING

HON. WILLIAM H. NATCHER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1976

Mr. NATCHER. Mr. Speaker, February is Scouting Month—the month of the Boy Scout. For the next 28 days, Scouts in troops, packs, dens, and posts will meet throughout our country in observance of their 66th anniversary. For the Scouts it will be a time of celebration, a time to look back upon accomplished goals and to look ahead to those planned for the coming year. For those of us not actively involved in Scouting it should be a time to congratuate those many who are, for the success of this one program is unprecedented.

In the Boy Scouts of America our State, the Commonwealth of Kentucky, takes a particular interest for a Kentuckian, the late Daniel Carter Beard, was a key figure in the movement that led to its founding in 1910. Mr. Beard served from that time until his death in 1941 as national commissioner. Because of his dedication he came to be regarded, and now revered, as the personification of the spirit of Scouting.

The spirit of Scouting is infectious, Mr. Speaker. In 1911, just 1 year after the Boy Scouts of America was organized, it had captured the imagination of 61,000 American youth. What about this program was it that attracted so many that first year? What is it about the Scouts? What is this spirit of Scouting—a spirit that has never waned?

There can be no simple answer for the spirit of Scouting is many things. It is a mixture of the contemporary and the traditional. It is that marvelous enthusiasm and energy of youth—yet it is discipline, order, and direction. It is reverence and brotherhood; camaraderie and yet a sense of self. It is the encompassing of the new and innovative while retaining the proven and established. It is patriotism, duty, and service to others.

Scouting is the building of a boy's character, of developing his potential, of preparing him for adulthood. It is a way of life that challenges the young man today as it did the young man of yesterday—or yesteryear.

Scouting is a universal program, but the Boy Scouts of America are ours. And we are proud of them. There can be none among us here today who has not at some time been affected by Scouting. Indeed, there can be none in our Nation whose life has not been bettered by the Scouting program for who could it be who has not been helped by the Scout next door, been impressed by the dedication of the Scout leader, or had their day brightened by the Cub Scout's grin?

Mr. Speaker, I am sure that I speak for every Member of the House when, in this our Bicentennial Year—a time when Scouts are busily engaged in their own Bicentennial projects—I say to them that they are very much a part of our national life; that in and on their own they have earned a special place in our national pride.

MEDICARE FRAUD PROSECUTION

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1976

Mr. LONG of Maryland. Mr. Speaker, much proper concern has been expressed about the functioning of a number of health, education and welfare programs—concern directed especially at the detection, prosecution and prevention of fraud.

An individual unit which has been working nationwide in conjunction with U.S. attorneys is the Program Integrity in Medicare group, headquartered at Woodlawn, Md.

To point up the efforts of the unit, Mr. Herman Spector, one of my constituents, took his own time to write an article detailing the unit's history. Mr. Spector, who has been with the Social Security Administration since 1958, has been involved with the Medicare Program Integrity effort since its inception.

I am pleased to share with you Mr. Spector's review of Medicare fraud prosecution.

THE PROGRAM INTEGRITY PEOPLE, MEDICARE'S WATCHDOG

"The criminal violators in Medicare should be prosecuted, and our attorneys in all parts of the country are prepared to help expedite the process."

These were the words of the Chief of the Federal Programs Fraud Unit in the Department of Justice who had come from Washington to address the training session for the Program Integrity people in Medicare, on October 23, 1975, in Woodlawn, Maryland.

The battles that the Program Integrity people had been waging against fraud and abuse in Medicare became so vigorous that the Department of Justice encouraged the cutting of bureaucratic red tape as a means of oiling the wheels of justice for speedier results. But, it was not always thus....

In 1965, when Congress enacted Title XVIII of the Social Security Act (Medicare), the legislators and the administrative planners could not have known at that time, the dimensions of impropriety, abuse, and fraud that would follow.

To be sure, there were incidents of fraud in the other Social Security programs. But, these were cases like the senior citizen who intentionally falsified his age, or the disabled father of several children who deliberately failed to disclose his improved condition, to cheat the government out of unauthorized benefits. Even though they violate the U.S. Criminal Code, very few of these individuals are prosecuted by the Department of Justice. This is because of the amounts of money involved which usually are only nominal, and of the adverse image the government would acquire if it mobilized its mighty resources to prosecute a feeble, elderly lady, or a crippled, penniless father.

But, Medicare is in a different arena altogether. The Bureau of Health Insurance, which was structured within SSA in late 1966, was mandated to administer the Medicare program. It knew, then, it could not deal directly with the medical profession because Congress, in the first section of the Medicare law, prohibited federal interference "... over the practice of medicine, or the manner in which medical services are provided ...". Consequently, Congress created the carrier/intermediary concept which precluded the government, in most cases, from having any direct relationship with individual doctors or medical facilities, or suppliers.

Instead, doctors, hospitals, skilled nursing facilities, home health agencies, drug suppliers, medical equipment purveyors, and all those who provide some kind of authorized medical services on behalf of patients under Medicare, are paid, with some exceptions, by Blue Cross-Blue Shield, and insurance companies which, in turn, are reimbursed by the government—from the Health Insurance Trust Fund.

Since these private carriers had been in the same business on behalf of their own subscribers for generations prior to Medicare, little concern was expressed over the possibilities of fraud or abuse in that new program.

But, soon, complaints began to filter into the Baltimore Central Office from the Regional Offices. Several program specialists were given the responsibility to process the cases.

The flow of complaints into Baltimore increased. Most of them were against doctors or hospitals. The allegations involved billings for services not rendered, or services not necessary, or duplicate billings and kickbacks. Patterns began to surface. It soon became evident that unscrupulous individuals and organizations were deliberately placing themselves in positions to circumvent the law in order to exploit the Medicare program for personal gain.

So, in early 1969, the Bureau Director, Thomas M. Tierney, virtually declared war on fraud and abuse in the Medicare program. He ordered the creation of a special task force with the mission to control fraud and abuse in Medicare, and to press hard for follow up action to the point of prosecution of criminal offenders. The task force consisting of eight specialists, formulated plans to establish a network of Program Integrity people to carry out that mission.

These people began functioning only with desks, chairs, and telephones. They had no precedents, no written instructions, nor lines of communication with other government components. But, they did have much dedication and creativity.

They soon organized in each of the RO's a Program Integrity Specialist to assume the responsibility, on a full time basis, to detect, investigate, and report all allegations of fraud and abuse in his/her region. These field PI people quickly established rapport with carriers, intermediaries, district offices, and U.S. Attorneys offices.

In Central Office, the PI people reviewed cases, formulated policy, provided guidance to the RO's, established uniform procedures, and reported directly to the Bureau Director. They developed liaison with the Office of the General Counsel, the Department of Justice Secret Service, and the Administration Investigations Branch.

The efforts of this small force were so penetrating that the PI people further realized that they were not dealing with defenseless elderly people, or penniless disabled workers—rather, they were pitted against white collar criminals who were reinforced by keen minds in the business, law, and accounting worlds.

"Give us some manpower," pleaded the PI people. "We now have a handle on the problems. We are ready to confront fraud and abuse in Medicare".

So, in early 1970, the PI people in Baltimore were authorized additional workers. They expanded their scope of operations, and delved deeply into the health care industry. [They compiled data and conducted studies to determine trends on a national scale. The network of the PI people in the ten regions increased in size. The yield was a thousandfold.]

The information on each complaint was carefully analyzed.

Was the complaint against a physician, podiatrist, osteopath, or dentist? . . . or, a hospital, nursing home, or therapist? . . . or, a clinic, laboratory, ambulance or drug company?

And, what was the source of the complaint? . . . the beneficiary? . . . or did the carrier detect the irregularity through its bill paying process? . . . or, was it a lead from the press, another agency, or a disgruntled employee?

And, what was the nature of the complaint? . . . fraudulent billing, misrepresentations, or duplicate billing? . . . or, was it falsification of records, kickback, or forgery? . . . or, breach of assignment agreement, unnecessary services, or gang visits?

Every complaint was investigated. None was closed out unless the PI people were satisfied that there was no intent to defraud or abuse the government. But, those cases that did contain evidence of fraudulent intent were referred to the Department of Justice for prosecution. And, those that contained elements of abuse, but not fraud, were dealt with through other mechanisms established to recoup overpayments, impose suspension of payments, undergo medical reviews, or other actions, to protect the Medicare Trust Fund.

The momentum went into high gear. The activity unquestionably was unique. But, the PI people discovered that they were heading toward a state of perpetual inexperience because of normal changeover of personnel, and of influences of geographical variances, population density extremes, and divergent political postures throughout the country. This indicated a need to develop a training format to insure a uniform operation. After a period of experimentation, the PI people refined a training program that is attuned to their specific needs, and is flexible to adjust to the unpredictable priorities that frequently emerge.

They are trained to appreciate the medical profession's responsibility to the public. They respect the physician's prerogative to exercise his medical judgment in the treatment of his patients, and also share the physician's commitment to the principle that the welfare of the patient is the paramount consideration.

It was during the early stages of PI development that the Senate Finance Committee, and others, expressed interest in fraud and abuse in Medicare. They requested various reports from the PI people.

One such report involved the investigation of all physicians who were paid by Medicare more than $25,000 annually. The purpose was to determine whether or not irregularities existed in the practices and procedures of high income physicians. The first report (1971) revealed there were over 11,000 in that category in that year. It was impossible for the PI staff alone to investigate such a volume.

So, they delegated a substantial portion of that responsibility to the carriers, mostly Blue Shield Plans, as part of their obligations under their contracts with the government. The carriers were asked to establish systems to identify those doctors who overutilized medical services in treating Medicare patients. Some of the carriers were able and willing to do so. Others were willing, but not able; while others were able, but not willing.

In spite of these frustrations, the PI people developed that particular project into a valuable tool for the detection of program abuse by physicians. It discloses overpayments, resulting in the recovery of millions of dollars. In addition, it exposes cases of fraud which generate full scale investigations by the PI people. Some cases already have gone the route of criminal investigation, prosecution, and conviction.

The PI people have since realized that the investigation and the preparation of a case for referral to the Department of Justice, is a time consuming operation. It usually takes many months, and frequently over a year. If convicted, the offenders face up to five years in prison and a $10,000 fine on each count. Most convictions carry multiple counts. But, judges generally display special leniencies toward doctors convicted of crimes. They initially impose light sentences, and then frequently suspend the sentences altogether. These leniencies diminish the deterrent values of the prosecution efforts.

In retrospect, the PI people reached their lowest ebb of discouragement in mid-1969 when the Department of the Justice declined to prosecute several of the earlier fraud cases referred to it, and failed to act on many of the others. The PI people at that time could only wait for status reports on those cases, while continuing with their other work.

But, then, it happened. With jubilation, the PI people reported their first two Medicare fraud convictions in late 1969. Then six convictions in 1970, and nineteen in 1971. The PI people in CO and in the RO's worked hard—very hard—to cull out the abusers and the criminals from among the participants in Medicare. These triumphs convinced the PI people their course was on target. They were stimulated to probe deeper for more sources of fraud and abuse.

The primary sources for Medicare complaints are the district offices, the SSA frontliners. The public makes contact with the DO's first. A typical Medicare situation would begin when a 70-year old Medicare beneficiary, for example, looks at the EOMB (Explanation of Medicare Benefits) form she just received, and says to herself that somebody made a mistake. She goes to her DO and reports that her doctor had billed Medicare for a house-visit on June 12, "And", she says, "I was clear across the country visiting my daughter on June 12". The DO takes the information, thanks the beneficiary, and transmits it to the PI people in the RO. A discreet investigation is initiated. If improprieties are evident, a full scale investigation is launched, possibly leading to indictment and conviction.

The bulk of the cases are resolved early, though, because preliminary investigations reveal that most of the discrepancies are the result of errors, misunderstandings, or similar circumstances. Still, all complaints must be investigated to ascertain that an apparent, innocent error is not actually a concealed attempt to defraud the Medicare program.

Doctors, of course, are the primary deliverers of medical services to the public. In their dealings with doctors, the PI people judiciously refrain from questioning their medical judgment in the treatment of their patients. Even when a pattern reveals to the PI people that a Dr. X, for example, administers a multitude of examinations, laboratory tests, and performs other seemingly excessive medical services to his Medicare patients—but not to his non-Medicare patients—the PI people cannot approach Dr. X for explanations. For, Dr. X actually rendered the services, and he appropriately billed the government. But, in so doing, he appeared to have abused the Medicare program outrageously by grossly overprescribing services that seemed not to be medically necessary, for the sole purpose of increasing his personal Medicare income.

In many cases, Dr. X's peers are equally outraged. The carriers' medical staffs, which are integral parts of the carriers' responsibility to prevent overutilization, make direct contact with the Dr. X's for explanations. They are frequently successful in recovering excess moneys previously paid to the Dr. X's. The PI people instruct the carriers to monitor these cases closely to verify that the Dr. X's do not revert to their former practices.

Gruesome and cunning situations sometimes are revealed. For example, the surgeons in a clinic who unnecessarily amputated parts of healthy limbs from patients, successively, part by part, and billed Medicare each time for services rendered; or, the hospitals which pay "finders fees" to doctors who will send patients with perhaps mere head colds, to fill the hospitals' empty beds, and then bill Medicare accordingly.

Some Dr. X's are arrogant and stand sanctimonously on the laurels of "medical judgment." In those cases, the PI people request the carrier's medical staff to submit the cases to local medical societies for peer review. While it is true that medical societies do reprimand the Dr. X's in some cases, in too many other cases the reviews result in the white-washing of the perpetrating doctors, because most doctors subscribe to the traditional "conspiracy of silence" brotherhood. They are reluctant to speak out against a colleague, even though his behavior was improper, unprofessional, or even criminal.

It must be emphasized that of the several hundreds of thousands physicians in the United States, the vast majority are scrupulous, and conduct themselves with a high degree of honor and integrity. Unfortunately, as in many other professions, there are crafty individuals in the health care industry who deliberately circumvent the law in their attempts to abuse, exploit, and defraud the Medicare program.

In dealing with the fates of their fellow men, most PI people cannot escape at least a twinge of emotion. While some cases are rewarding, others are tragic.

The owner of a nursing home in the midwest was convicted of fraud for billing Medicare for costs to construct a private bowling alley complex.

A Chicago podiatrist submitted billings for medical treatments to his patient's legs. An investigation revealed that the patient's legs had been amputated two years earlier.

A physician in a southern state who was a respected and influential member of the community—as the damning evidence mounted high in the courtroom—shot and kliled himself.

A Pennsylvania doctor billed for medical services he claimed he performed on the same days that evidence proved he was out of the country.

A doctor in a mideastern city, having been found guilty of fraud, was sentenced by a practical minded judge to one year in jail—suspended on week days so he could continue treating patients in the city's inner core where no other doctor was available.

Then, there are cases that are nonprosecutable. For example, if the suspect has become senile, or the sole witness in the case was forgetful, or the charge is based on one count and the money involved is miniscule—it would be folly and wasteful to activate the costly prosecution machinery. The Department of Justice agreed to delegate to the PI people the authority to close out such cases, subject to Justice's approval, and to submit to Justice a synopsis explaining the rationale for their action. The PI people are gratified for this recognition of their expertise, and also at their success in further reducing costs, by obviating useless and expensive investigations.

The ultimate role, though, can be performed only by the Department of Justice. Justice has the sole jurisdiction of prosecuting fraud against the federal government. It would seem that when Justice assumes jurisdiction of a case, the PI people's involvement would come to a halt. On the contrary, their continued work is vital to the success of the prosecution.

Under the direction of the Assistant U.S. Attorney, who is the Prosecutor, the PI people are responsible for many essential functions, such as keeping track of the availability of witnesses, and of all documents that will be introduced as evidence. At times, they are called upon to assist the Prosecutor in presenting the case before the grand jury, or to accompany the U.S. Marshall to subpoena records. The Prosecutor discusses with them all aspects of the case. He depends upon their total familiarity with the case, and values their professional opinions.

In some cases, after separate criminal proceedings are concluded, the Prosecutor will initiate civil fraud litigation to recover money unlawfully paid to the accused. At that time, he will again call upon the PI people for further assistance.

In a parallel vein, the PI people concentrate intently on preventing and deterring fraud in Medicare. To maximize their efforts, they currently are blueprinting a campaign to make known to the public, most of Medicare's experiences in investigations and prosecutions, together with all the resources geared to detect and apprehend violators. They hope that this type publicity will stimulate the public to report without hestitation all irregularities when they are first noticed, because the public then will have acquired increased confidence that the PI people do investigate and resolve every complaint against Medicare. Sadly, though, at the pace that government bureaucracy permits this project to crawl, it will be some time before it comes to fruition in having the desired impact on the public in the form of reassurance and clarification.

Clarification at this time is needed regarding the distinction between Medicare and Medicaid. The current nursing home scandals in the New York area involve fraud and abuse in Title XIX, which is Medicaid, the state administered program—not Title XVIII, which is Medicare, the federal administered program.

The PI people are accelerating investigations in the areas of interlocking organizations where fraud is subtle and expertly hidden in a maze of complex cost reporting. They are beginning to look with suspicious eyes on common ownerships of organizations such as hospitals, nursing homes, construction companies, drug suppliers, and others, all doing business with each other—with Medicare activities enmeshed within their operations.

Today, the PI people are an institution. Their chronicles show encounters with crime and deception within an industry which traditionally was beyond reproach and above suspicion. They penetrated the facade of the greedy, and at the same time, creditably shielded the vast majority of those in the medical industry who are, indeed, honorable people, and whose integrity deserves to be protected. Never in the history of medical care in the United States has there been such an impact as that made by the Program Integrity people in Medicare.

On balance, he PI people are not exempt from accountability in their own operation. They have been scrutinized by Medicare's Appraisal Staff, investigated by the General Accounting Office and Congressional subcommittees, and audited by the HEW auditors.

Nor can it be said that they do not make mistakes or errors in judgment. Indeed, much more could have been accomplished; and unfortunately, there still are crooks in the health care industry ripping off the Medicare Trust Fund.

Senator Harry F. Byrd recognized this when he introduced into Congress a series of articles from the Scripps-Howard newspapers which read, in part, as follows:

"'Program Integrity' is the investigative arm of Medicare. . . . They have between 50 and 70 investigators for a program serving 24 million recipients. . . . Congressional critics and General Accounting Office (GAO) sleuths consider this woefully inadequate to do the job. . . ."

Notwithstanding, the sterling accomplishments of the PI people for the period 1969–1975 cannot be denied. Their credits include about 450 Medicare referrals on individuals to the Department of Justice for prosecution; about 150 Medicare convictions in all sections of the country; about 38,000 Medicare investigations; and many millions of dollars recovered for Medicare. These are their tangible accomplishments. Equally important, they have deterred countless, unknown potential violators from straying beyond the mainstream of integrity. The PI people in Medicare stand head and shoulders above all other investigating functions in all of HEW.

Not surprisingly, the entire medical industry is becoming aware of the existence of the PI people—those people who serve as formidable reminders that cheating in the Medicare program may ultimately result in a bitter day of reckoning.

In compliance with existing government regulations regarding matters of this nature, I hereby certify to the following:

"This article was written by Herman Spector in his private capacity. No official support or endorsement by the Social Security Administration or the Department of Health, Education, and Welfare is intended or should be inferred."

HERMAN SPECTOR.

DIRECTOR COLBY

HON. RALPH S. REGULA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1976

Mr. REGULA. Mr. Speaker, the United States has been fortunate in having had William Colby direct our intelligence services for the past 2½ years. I offer my wishes for every success to Mr. Bush as the gap left by Mr. Colby's departure will be a difficult one to fill.

Mr. Colby became the Director of the Central Intelligence Agency at a very difficult time in its history. The autonomy which his predecessors had enjoyed was over and he had the necessary job of opening up the Agency's past operations to the Congress, while at the same time restructuring it to meet the challenges of the 1970's and 1980's.

Director Colby revamped the hiring and recruiting practices of the Agency; opening it up to women and minorities. Termed a "professional's professional," he attempted to rid the Agency of much of the skulduggery which had plagued it since its inception.

We in the Congress owe a special debt to Mr. Colby for his willingness to help us in our task of investigating the CIA's past. A less willing Director would have made the process far more difficult.

Compared with the record of his predecessors, Mr. Colby's candor and availability were a positive and refreshing change at Langley. As Director of the CIA, he evinced a great deal of dedication and ability.

Mr. Colby was always helpful in his conversations with me. I found him to be a man of perception and intelligence in his observations of international developments.

The Congress will miss Mr. Colby's insight in the months to come as we deal with the complex issues involved in setting up a proper oversight system; one which will insure both the future integrity of the CIA and its continued ability to provide the Nation's decisionmakers with accurate and discerning intelligence.

A BRITON VIEWS THE MOYNIHAN FLAP

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1976

Mr. McDONALD of Georgia. Mr. Speaker, our country has been following a policy of appeasement in foreign affairs for so long, apologizing for our freedom and our wealth, that every two-bit dictator feels he has been given an open invitation to denounce the United States. Thus when our Ambassador to the United Nations, Daniel Moynihan, stands up to the vicious attacks, as any decent and self-respecting individual would, instead of cringing apologetically, the attackers are shocked and our State Department embarrassed.

This, I submit, is a sorry commentary on our Department of State and our foreign policy, if indeed pragmatic, spineless appeasement can be called a policy.

The best commentary I have seen on the nature and importance of Mr. Moynihan's actions was by Bernard Levin, a Briton. It was reprinted in the Washington Star, January 19, 1976, and deserves our attention.

The article follows:

A BRITON VIEWS THE MOYNIHAN FLAP

(By Bernard Levin)

Even the human race has something to be said for it. This feeling has been growing on me lately, whenever I contemplate the existence and behavior of Mr. Daniel Moynihan, American ambassador to the United Nations. There has been a good deal of unease and hostility, in the United States and elsewhere, at Mr. Moynihan's habit of going about stating some ancient truths, accompanied by a selection of modern ones, in forthright language, and since even this newspaper (The Times of London) recently had some tempered editorial criticism of him to offer, I think it proper to say that I have no criticism of him, tempered or otherwise, and to add that he seems to be as wise, far-seeing, realistic, honorable and appealing as any statesman the world has seen for a very long time indeed, and considerably more so than any contemporary political figure.

In this world, it is not enough to be right, or even to be both right and good. One of the greatest problems liberalism faces is its desperate shortage of adherents who recognize the brutal reality of an illiberal world, and who know that it is not possible to preserve freedom and everything that goes with it unless the defenders are as hard, single-minded and, when it becomes necessary, ruthless as our enemies.

This is a bitter truth to swallow, but swallowed it must be for the good of our health. It would be hard to think of a more attractive and inspiring contender for the American presidency in modern times than Adlai Stevenson; but I have always been certain that one of the reasons for his failure was the American people's undeceivable nose for the ultimate political weakness in a man, their X ray vision that can always tell those missing. John Kennedy had that steel and won; the final degradation of the Stevensonian tradition was seen in 1972, and whatever the crimes of President Nixon, for which he has been condemned to the oblivion of history, nothing can wipe out from his record the fact that he saved America, and the world, from George McGovern.

The question that has to be asked of liberals—and in view of Mr. Moynihan's background and tough upbringing he will, I am sure, recognize it—is. Do they, or do they not, know where to put the razor blades in the potatoes?

It is on that antithesis that our future may rest: the debate, that is, between those who think that freedom should do nothing to provoke the hostility of its enemies, and those who think that freedom is everywhere on the retreat precisely because this attitude has been dominant for so long, and who are determined to carry the war of ideas to the enemy. I have no doubt at all on which side of that argument I stand, and it is the same side as Mr. Moynihan, which is also the same side as such American heroes of mine as Profs. Sidney Hook and Arnold Beichman, and such British freedom-fighters as Mr. Reginald Prentice and my beloved WW.

Mr. Moynihan's position at the United Nations is an easily understood one. In the first place, he sees free countries, especially his own, denounced and traduced by some of the vilest tyrannies the world has ever known. In the second place, he sees countries run by gangs of corrupt and rapacious beggars denouncing and traducing those nations, again especially his own, which have poured gigantic cataracts of aid into the beggars' open mouths, and thus enabled them to survive. In the third place, he sees racialist oppressors denouncing as racialist oppressors peoples who are not so much as one-thousandth part as racialist or oppressive as the denouncers. He sees these things, which all his predecessors in his present post have seen, and he does not like them, which could also be said of those who have previously borne his responsibilities. But unlike them, he goes further; he does not confine himself to defending freedom when it is attacked, which has hitherto usually been the American way, and still less does he adopt the abject posture of the present British government, which refuses to defend freedom, preferring instead to denounce those who do. (Whence the mewling of Mr. Ivor Richard, the other day, on the subject of Mr. Moynihan himself.) Mr. Moynihan takes the offensive, and when he sees a spade his first thought is to call it a spade, and his second thought, on which he usually acts, is to call it a bloody shovel.

Noticing that President Amin is a racist murderer, Mr. Moynihan does not say that, by and large and taking one thing with another, President Amin's policies do sometimes seem to suggest that he is apt to pay too little attention to ensuring that Ugandan standards of justice and race-relations are as high as could be wished; instead, he says that President Amin is a racist murderer, and he deliberately compounds his offense by drawing attention to the fact that President Amin is the elected titular head of the Organization of African Unity.

Then again, Mr. Moynihan has observed that the democratic countries, which have no empires or subject peoples, are constantly denounced by the representatives of the Soviet empire, and by the various tyrannies of the Third World, for being insufficiently unselfish towards the latter, although they have, in the last quarter of a century or so, contributed many millions of millions of dollars to their upkeep. He does not as a McGovern or a Harold Wilson would, cringe in acceptance of this impudent rebuke: Pausing only to remark on the "superior capacity of Marxism to induce guilt," he continues: "It is said that if a Communist regime were to take over the Sahara there would in time be a shortage of sand. But we can be fairly confident that to the very end there would be those in the West convinced that the sand had gone to build swimming pools for the rich—in the West."

Further, Mr. Moynihan sees that, at the United Nations, resolutions are often introduced denouncing regimes such as those of South Africa and Chile for imprisoning hundreds of people on the ground of their beliefs. Mr. Moynihan does not dissent from such denunciations; on the contrary, he supports them vigorously. But he does not fail to make plain that they come ill from countries such as those of the Soviet empire, which between them have hundreds of thousands, if not millions, of political prisoners.

The consistency, vigor and truth of Mr. Moynihan's speeches (I am sorry he allowed himself to be persuaded to remove from his speech on the infamous Zionist resolution a statement to the effect that it marked the takeover of the asylum by the lunatics) deserve the highest praise, and I am not concerned with those who disapprove of what he says. But the criticism of him that is often heard even from those who agree with his sentiments takes the form of a wish that he would not express them. This is the don't-make-trouble philosophy, and I am as sick of it as Mr. Moynihan is, and possibly sicker.

For too long now we have gone on accepting all the lies our enemies tell, apologizing for things we have not done, to those who have done far worse than the worst they falsely accuse us of, paying to support those whose principal activity is siding with our enemies, undermining the efforts of those who not only see the danger we are in but wish to do something about it. And where have we got with the policy of speaking in whispers and obligingly turning our bums to any boot that wants to kick us? Is freedom stronger now than it was a decade ago, or weaker? Has our influence among the tyrannies of Black Africa or the Arab world or Asia increased, or diminished? Do the aggressors and imperialists fear us more, or less? Are our own peoples increasingly tenacious of their hold on their democratic beliefs or has that hold slackened?

In the answers to those questions lies the value of Mr. Daniel Moynihan. The policy we have pursued is not only wrong, it is foolish, too; it not only betrays what we stand for, it helps ensure that what we stand for will lose in the battle against those who wish to destroy it. Mr. Moynihan has begun to sound the trumpet to end the long retreat; it sounds sweet in my ears, and I suspect that it may awaken echoes long silent in the minds of many who have almost ceased to hope. Long may he continue to blow.

TESTIMONY OF REPRESENTATIVE ABZUG ON TRANSPORTATION AND THE ELDERLY

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1976

Ms. ABZUG. Mr. Speaker, the transportation problems experienced by the elderly have been an issue of great concern to me since I entered the Congress. Although section 16(b)(2) of the Urban Mass Transportation Act, which I authored, has provided a meaningful start in meeting the needs of the elderly in this area, much more remains to be done.

On January 29, I had the opportunity to appear before the Subcommittee on Federal, State and Community Services of the House Select Committee on Aging to which I outlined the problems and actions upon which we must focus, if we are truly to meet our obligations to our senior citizens. I would like to share my views on this subject with my colleagues. The testimony follows:

TESTIMONY OF REP. BELLA S. ABZUG BEFORE THE SUBCOMMITTEE ON FEDERAL, STATE AND COMMUNITY SERVICES, HOUSE SELECT COMMITTEE ON AGING

Mr. Chairman, I am pleased to appear before the subcommittee today to discuss the transportation problems of the elderly, an issue with which I have been greatly concerned since coming to the Congress. A large number of our elderly are able to continue to work and choose to take advantage of employment opportunities open to them. In addition, in recent years, we have undertaken to develop a number of programs in a variety of areas for our senior citizens, including housing, health and nutrition. We have endeavored to give them the potential for a richer and more meaningful life, providing them with other vocational and recreational activities. But these employment opportunities and programs will obviously be of only minimal assistance, if our elderly are denied access to them. Only to the extent that they have this access will they be able to maintain their independence and dignity.

I am particularly alarmed by the complaints I receive continually from my elderly constituents and by the reports I have seen which indicate that transportation for our senior citizens is still sorely lacking. For example, a recent survey by Dr. Frances Cary of the University of California found that a third of all senior citizens questioned listed transportation as their most serious problem; virtually all those responding noted it as a major obstacle. These results are particularly discouraging, when we consider that the gravity of the transportation problem was one of those areas particularly emphasized during the second White House conference on the aging in 1971. In addition to the employment opportunities and governmental programs noted, these individuals who have difficulty with transportation are denied access to shopping areas, social contacts and other essentials. Cut off from these life needs, many of our elderly find themselves in isolation, often leading to serious mental and physical decline. This is both a tragedy for them personally and a serious waste of a large and valuable resource in our society.

To consider the magnitude of this problem, we must remember that 40% of aged families and 70% of aged individuals have incomes below $6,000, the intermediate level set by the Bureau of Labor Statistics. 3.3 million elderly individuals have incomes below the poverty line—and after food and housing, transportation is the greatest expenditure in the average budget of a senior citizen, accounting for nine cents out of every dollar. That figure will have to be reduced, as inflation increases the costs of other essentials, thereby limiting further the mobility of our elderly.

The automobile, which is the primary mode of both urban and rural transportation, is not as readily available to the elderly as to the rest of our citizens. Professor Carp reported that he found in his survey that "many old people do not drive at all and probably half of the older drivers do not feel they can drive everywhere they want to go." Furthermore, the ill, disabled or poor elderly—those who cannot use cars are also those that are least capable, most fearful, and least likely to use public transit as an alternative. A large minority of our elderly, in fact, never use mass transit at all. A drop in automobile drivership among many of our senior citizens leads only to a reduction in mobility, not a switch to public transit.

Although some action has been taken at the local, State and Federal levels to remedy these problems, they still exist. They persist because of a lack of resources devoted to improve the available facilities, and to difficulties in implementing such programs. There is no dispute that additional funds have been spent on special programs. However, whether the amount spent has been reflected in the services provided is questionable.

Because the elderly use cars less than the rest of the population, their mobility is more dependent upon the quality of available public transportation. The reluctance of many people in our urban areas to use public transit—reflected in the sharp decline reported by the American Transit Association in passenger traffic during the last thirty years—and the simple lack of public transit facilities in our rural areas therefore has the greatest impact upon the elderly. Since I have been in the Congress, I have given the highest priority to legislation designed to improve our National Public Transportation System, with particular emphasis on improving service for the elderly. I was proud to sponsor and work for the passage of a major transit bill in the 93rd Congress, which authorized more than $20 billion for capital improvements, operating assistance and technological developments. This legislation represented a recognition that the problem of providing adequate public transportation to our citizens, both old and young, is a massive one, which can only be solved with substantial Federal help. Unfortunately, the authorization for this program was reduced to a level below $12 billion and much more remains to be done.

While the transportation problems of the elderly are unique in many ways, their basic mobility problem is that the transit systems which they, and all our other citizens, must use are inadequate; a commitment to improve those systems with adequate funding will be perhaps the single most important step that this congress can take to overcome the general transportation barriers which now exist for our elderly.

To overcome some of the particular problems of the elderly, I successfully amended the 1974 Mass Transit Bill with a provision creating a grant and loan program to provide special services to meet the needs of the elderly and handicapped user of public transportation. Approximately $20 million was awarded under this program during the 1975 fiscal year; it is anticipated by the Department of Transportation that a similar amount will be awarded during the current fiscal year, with slightly more than $20 million in these special grants anticipated for the 1977 fiscal year. I put forward this program in recognition of the fact that existing programs were not sufficiently flexible to meet the transportation needs of all of our elderly. I also recognized that significant modification of existing facilities was a long-term effort, which would accommodate the majority of our elderly, but still not be adequate for those with severe mobility problems. My review of the grants issued under this program indicates that it has been used to offer meaningful services to those who cannot use ordinary transportation services.

A criticism of the manner in which the Department of Transportation has implemented the program has been that there has not been sufficient local input in planning the manner in which the grants would be used. This lack of local input has repeatedly been voiced as a factor hindering the development and implementation of the varied transportation programs designed to help the elderly.

A more serious criticism of the Department of Transportation is that it has treated this program as a substitute for, rather than an addition to, the overall Federal Elderly Transportation Program. In section 16(a) of the Urban Mass Transportation Act, Congress had "declared it to be the national policy that elderly and handicapped persons have the same right as other persons to utilize mass transportation facilities and services." This mandates the Department of Transportation to develop programs and policies which would allow our senior citizens equal access to existing public transit facilities. As the author of the special grant program for meeting the needs of the seriously impaired elderly and handicapped, I can affirm that this program was intended to be complementary to, not in replacement of, the overall Department of Transportation effort on behalf of the elderly. It was not designed to permit the Federal Government to establish a system for those who cannot use normal facilities, while ignoring the adjustments that could be made in the standard system to meet the needs of the more mobile majority of the elderly population. The needs of both groups have to be met.

We must recognize that when we speak of the "elderly," we are talking about a group of 22.4 million Americans over 65 living in both urban and rural areas, with a broad range of access problems.

As a member of the public works subcommittee on surface transportation, I therefore strongly supported the addition in the 1973 Federal Highway Act of a demonstration transit program to promote a network of rural transportation. More than 25% of our elderly who live in rural areas have no method of transportation other than the automobile, largely a result of the reduction in rural train service. Older women have been particularly prejudiced by the lack of available public transit, since they stop driving sooner than do older men; 60% of women over the age of 70 do not drive at all.

Even among the elderly who can drive, the high cost of maintaining and operating an auto restricts availability. This has been aggravated by the energy crisis and the comparatively large distances they must normally travel to reach essential health and social services.

The House version of the 1975 highway bill which has passed both Houses and is now in conference also contains a provision which will be of assistance to the elderly. It provides that $75 million be used from the highway trust fund for establishment of car pools, and minibus and ride programs to assist senior citizens in meeting their transportation needs. This is also the type of effort which will make a meaningful difference in the lives of our elderly.

An additional highway bill for which I would urge support is S. 662, which has passed the Senate and is now before the House Public Works Committee. This measure will permit $500 million in rural capital transportation funds to be used for operating expenses to improve service, and will also require that our elderly be given equal access to all future trains, buses and other additions to our transportation systems.

The Federal efforts to make transportation services more accessible to the elderly through the requirement of half fares during off-peak hours have not been successful in many areas. Slightly less than one half of the 150 systems which have implemented this arrangement have limited the special fare to non rush hours, while the other systems have been more liberal than the Federal requirement, and have permitted the elderly to travel at half fare all the time. In a number of major cities, such as New York, which I represent, off-peak service is quite frequent, and the facilities offered are adequate. In smaller cities, however, in which off-peak service is limited, the reduced fare program has little impact if the hours of travel are restricted, the special fare programs should be expanded, so that the elderly can travel at all hours. Otherwise, our elderly face the choice of either paying the rapidly rising fares or having to use the transit system during the hours during which service is inadequate.

As I have noted, we have a large and complex number of programs for our elderly covering a broad range of services. Many of these have included transportation components. But the very complexity of these programs and the restrictions built into them, have served as barriers to establishing a coordinated system whereby their transportation components would work together. I favor a coordinated system which would permit inter-program purchasing of equipment, combining service site locations, merging transportation schedules and numerous other benefits.

At least eight Federal programs are sources of funds for elderly transportation programs. But each has its own eligibility requirements. There are also geographic limitations placed on the populations which many of these programs can serve. If these funds from the programs could be pooled, an on-going coordinated, comprehensive network of transportation services for the elderly could be developed. However, conflicting statutory and regulatory provisions governing these programs tend to restrict coordination and make pooling virtually impossible.

These difficulties point up the fundamental problem of poor planning which has plagued the development of adequate transportation systems for our elderly. One method of promoting coordination would be an analysis of all those potential sources of Federal funding and the setting of uniform requirements, to the extent possible, on those who may use funds in these programs designed to assist the elderly gain access to transportation. In transportation, economies of scale have been consistently demonstrated to apply. It would therefore improve service measurably, and be a far more effective use of Federal funds, if overlapping systems designed to serve the elderly were eliminated.

In a very real sense, what improves public transit systems generally will improve access to transportation for the elderly. For the welfare not only of our senior citizens, but all our citizens, we must recognize that there will be a continuing and probably a growing need for Federal operating subsidies to assist public transportation systems. The Federal government must meet this need. We are spending literally billions of dollars to establish and maintain services that the Congress clearly agrees are vital for the elderly, without any plan or expectation that these services will be paid for by those who take advantage of them. It is ludicrous to then declare that those transportation services which will permit the designated population to take advantage of those services must somehow be self-supporting. Mass transit systems in urban areas cannot break even simply with fare box revenue. It follows that systems in low density population suburban and rural areas also cannot do so.

I have been an active proponent of such subsidies since I joined the public works committee, and I will continue to fight to increase these funds. It is projected that under the 1974 amendments to the urban mass transportation act which I sponsored, $650 million in subsidies will be granted in fiscal year 1977. I would like to call the attention of this committee, however, to a proposal made by transportation Secretary Coleman regarding these subsidies, which will operate particularly against the elderly. He has suggested that only 50% of this $650 million in subsidies be used for operating expenses. Since almost every city receiving these grants uses them for operating subsidies, this cut will force those cities to reduce service or increase fares. In my own city of New York, the acceptance of this proposal would necessitate still another ten cent hike in the cost of a round trip ride. This increase would strike particularly seriously at the elderly, who are traditionally in the lower income group. I would urge that Secretary Coleman's proposal be rejected.

Senior citizens often require more personal and flexible services than are traditionally offered by public transit systems. This may mean the initiation of demand response services, flexible schedules to meet specific needs, the augmenting of standard cars with additional handholds, and other access and safety devices. We must examine their needs and meet them, if we are truly to meet the responsibilities we owe to our elderly.

IS THERE A COVER-UP GOING ON OF SOVIET VIOLATIONS OF STRATEGIC ARMS AGREEMENTS?

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1976

Mr. KEMP. Mr. Speaker, during the closing hours of the first session, I addressed the House on the continuing Soviet violations of their strategic arms limitations agreement with the United States.

My purpose was to draw attention not only to the existing violations—because those violations pertain directly to the SALT I agreement—but also to likelihood of Soviet compliance with provisions of any SALT II agreement which the United States and the Soviet Union might enter into this or next year.

In my remarks on December 19 I called for a suspension of the SALT II negotiations until such time as the Soviet Union shows substantially improved compliance with SALT I, concluding:

> The time has come for a fundamental rethinking of our overall military posture, and our strategic nuclear posture in particular. To this end, it would be in our interest to defer any further negotiations on strategic nuclear arms until the Soviets have shown substantially improved compliance with SALT I. This would permit time for a reevaluation of our strategic posture, and also time for a better definition of where our strategic interests lie.

An important reinforcement of my position—that there has been substantial substantive noncompliance by the Soviets—was made during the recess through a perceptive analysis in the Wall Street Journal, written by their editorial page editor, Robert Bartley. This article details, item by item, the efforts within the U.S. bureaucracy to smokescreen the question of Soviet compliance, summarized in Mr. Bartley's finding that "having ordered the bureaucracy not to find violations, the Secretary of State now asks us to take comfort in the fact that the bureaucracy has found no violations."

I think the article is worthy of the careful attention of every Member, and I include its full text at this point in our proceedings:

THE BUREAUCRATIC SALTSCREEN

[From the Wall Street Journal, Jan. 13, 1976]

(By Robert L. Bartley)

Secretary of State Kissinger will be flying off to Moscow, perhaps as soon as this coming weekend, in an effort to firm up a second strategic arms pact with the Soviet Union. In doing so, he is brushing off both Soviet activities in Angola and charges by former U.S. defense officials that the Soviets are cheating on the first arms pact.

Some of these charges were detailed in an article in this space on December 19. Its theme was that the Soviets have been exhibiting shyster-like behavior on SALT-I, which concerns easily monitored things like huge missile silos, and that thus it would be foolish to rely on SALT-II to limit their deployment of small and elusive cruise missiles.

To the charges of Soviet misbehavior, Secretary Kissinger offers a fundamentally bureaucratic answer—government officialdom agrees there are no "violations," so forget it. Even at this late date in Mr. Kissinger's career such arguments apparently impress some people, at least to judge by a column in The Washington Post by Stephen S. Rosenfeld. So a few words are needed on Dr. Kissinger and the bureaucracy.

Specifically, Secretary Kissinger assures us that in the Verification Panel, a high-level inter-agency group on SALT, all decisions have been unanimous. In fact, the Verification Panel is a discussion and bargaining forum; whether there is any meaningful sense in which it makes decisions is a moot question. Certainly it does not operate by voting, as Mr. Kissinger's phraseology suggests. What actually happens there might be understood by studying the way SALT-I was negotiated, as described by John Newhouse in "Cold Dawn," a book written on information probably supplied with Mr. Kissinger's authorization.

One issue stalling the SALT-I negotiations was submarine-launched ballistic missiles; the U.S. had a numerical lead but the Soviets were building rapidly. In April 1972, Mr. Kissinger—then President Nixon's security advisor—flew off to Moscow, so secretly that even the head of the U.S. SALT delegation did not know he was there. In those meetings Soviet Party Chairman Brezhnev said submarines could be included in the agreement if the Soviets were allowed 62 submarines with 950 missiles, compared with the then-existing U.S. total of 41 submarines and 656 missiles.

A Verification Panel meeting had been scheduled for April 28. One conceivable way to proceed would have been to put the Soviet offer on the table for discussion and decision, unanimous or otherwise. Instead, Mr. Kissinger pondered the problem of how to move what Mr. Newhouse describes as a "deal worked out" from the "back channel" into the "front channel." Mr. Kissinger ordered a briefing paper on what submarine numbers the Russians *"might propose"* (italics from the original). The mid-range number turned out to be 62. As the meeting was convened, Mr. Newhouse reports, "some, though probably not all of the principals knew that Brezhnev had put forward an SLBM proposal with specific numbers."

In the meeting Mr. Kissinger bargained with Admiral Thomas H. Moorer, chairman of the Joint Chiefs of Staff. The Pentagon wanted a speed-up of development of new Trident submarines, and Mr. Kissinger asked how many boats the Russians would have without an agreement by 1978, when the first Tridents could be ready. The answer was 80, and Mr. Kissinger said the agreement should hold them to a lower number. Mr. Newhouse reports, "The meaning of the exchange between Kissinger and Moorer was clear to those who heard it. The Navy would have Trident, assuming Congressional approval, and the President would have the support of the Chairman of the Joint Chiefs of Staff for an SLBM deal that gave the Soviets nearly half again as many missile-carrying submarines as the United States.". . . But the SALT deal had already been "worked out" between Mr. Kissinger and Secretary Brezhnev. Mr. Kissinger concealed this information from the Verification Panel as he bargained with and manipulated its members to win their acquiesence to the Soviet proposals. Now comes Secretary Kissinger to point to "unanimous" Verification Panel decisions as a reason for confidence in the judgments of government officialdom.

* * * * *

That the issue of Soviet compliance with SALT-I has been treated in a similar fashion can scarcely be doubted by anyone who reads the documents recently released by Congressman Pike's Select Committee on Intelligence. A 1973 memo to the acting director of the CIA from Edward W. Proctor, deputy director for intelligence, complains that 24 days after detection of a possible violation, the information was still being withheld from, among others, Secretary of State Rogers, the head of our SALT delegation, and our representative to the Standing Consultative Commission, the Soviet-American body that deals with possible violations.

"A principal reason for establishment of the 'hold' on this information was to insure that there be no leakage while the Soviets were being queried on the matter," the memo reads. In short, Mr. Kissinger was again keeping U.S. officials ignorant while he tried to strike a bargain with the Russians. The CIA concern over Mr. Kissinger's habit of withholding information is summed up in the rather urgent advice to "get concrete assurance from Dr. Kissinger that the President is aware of the decision to withhold this information from key officials."

Another Pike Committee document is a memo of a phone conversation between a member of the NSC staff and the CIA director of strategic research. It reads in part, "in the reports of the intelligence community concerning SALT monitoring, Dr. Kissinger wanted to avoid any written judgments to the effect that the Soviets have violated any of the SALT agreements. If the Director believes that the Soviets may be in violation, this should be the subject of a memorandum from him to Dr. Kissinger. The judgment that a violation is considered to have occurred is one that will be made at the NSC level."

Having ordered the bureaucracy not to find violations, Secretary Kissinger now asks us to take comfort in the fact that the bureaucracy has found no violations.

To be fair, the words "NSC level" could in practice mean Mr. Kissinger's personal NSC staff, or they could mean the official members of the National Security Council. Dr. Kissinger has said that there is "no memorandum" by department heads or chiefs of staff raising "any of the issues" recently discussed. This is spectacularly untrue in at least one instance, since in his closing days as Chief of Naval Operations, Admiral E. R. Zumwalt sent a personal letter to President Nixon raising, among other things, Soviet compliance with SALT. Before the assembled NSC, the former President dismissed the letter as a "cheap shot."

Members of the NSC scarcely need to be told that the President had staked his political future, and later much of his political survival, on detente and SALT. His treatment of Admiral Zumwalt's letter served to bring home the point: Do not press the compliance issue unless you are prepared to resign.

* * * held information, some Senators have started to worry about whether anything was withheld from them when they ratified the 1972 accords. In particular, some of them are intrigued by Secretary Kissinger's December 9 statement that the Soviet Union has "specifically disavowed" American unilateral statements, particularly the one defining the "heavy" missile limited but left undefined in the formal pact. The Senators would like to know the date of this "specific disavowal," since when ratification was pending Mr. Kissinger mentioned no such thing, though he did point to the terms of the unilateral statement as a "safeguard."

The Soviets have in fact deployed missiles that clearly breach the U.S. definition, in the process increasing their missile throw weight, or lifting power, to an extent other parts of the treaty were intended to preclude. Today, U.S. officialdom does not consider this a violation. The impression U.S. officialdom succeeded in leaving in 1972 is recorded by Mr. Newhouse:

"Language worked out in Helsinki probably assures adequate protection against any increase in the number of missiles in the SS-9 class; but it is nonetheless a bit vague and incomplete, lacking, for example, a definition of what constitutes a 'heavy' missile. The Soviets were determined to keep it that way. And they did. Still, any violation of the spirit of this language, let alone the letter, would probably oblige the United States to withdraw from the agreements Moscow understands that."

An outsider has no chance, of course, to keep up with the bureaucratic politics being played this week in preparation for Mr. Kissinger's Moscow trip. But there are glimmers on what is happening with the cruise missile, a drone aircraft with super-accurate guidance. The weapon sharply raises the issue of "verification," or the American ability to detect Soviet violations.

The cruise missile is totally mobile, and small enough to fit in a submarine tube. It flies at the same altitudes and speeds as an ordinary aircraft. Based on familiar aviation technology, it need not be tested at full range. The vehicle is recoverable, and thus could record much data usually broadcast and subject to detection. The crucial guidance technology could conceivably be tested on an ordinary aircraft. For that matter, the Soviets already have a number of cruise missiles without the modern guidance; the verification problem is to tell when such guidance is developed and installed.

Forget it, Mr. Kissinger and his allies are arguing within the government. Officialdom has decreed that verification can be handled. A good part of the reasoning behind this assurance is that while the U.S. couldn't be sure of detecting any such tests, the Russians couldn't be sure that U.S. would fail to detect them. So the Russians wouldn't take the chance of blowing up the whole pact.

Sure, just like they wouldn't take the chance of deploying missiles that breached the U.S. definition of "heavy."

When Secretary Kissinger goes to Moscow this weekend, he will be dealing with people who refused to define "heavy" and then ignored the stated U.S. definition, who built new ABM radars with no respect to the procedures the treaty requires under anything but a shyster's interpretation of their own statements, who justify missile silos as "command and control" centers though they have blow-away lids. In dealing with such people on something as elusive as the cruise missile, whatever an officialdom under pressure to reach an agreement might decree, the only safe assumption is this: A limit on the cruise missile will be a limit on the United States but not on the Soviet Union.

HOUSE OF REPRESENTATIVES—*Tuesday, February 3, 1976*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Seek ye first the kingdom of God and His righteousness; and all these things shall be added unto you.—Matthew 6: 33.

Eternal God, our Father, bowing before the throne of Thy grace in this hallowed moment we acknowledge our dependence upon Thee and offer unto Thee the devotion of our hearts. We are disturbed by the troubles of our time, burdened by cares and concerns, tempted to give way to cynicism and disheartened by our failure to do what we really want to do.

We come to Thee not to escape our problems but to receive strength to carry our responsibilities with honor, and good will.

To all who serve our country give the kindly heart, the nobility of goodness, and the simple faith which will enable them to stand now and always for what is right.

Grant us wisdom, grant us courage that in this day we fail not man nor Thee. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 1399. An act for the relief of Maria Del Carmen Alvarado Martinez.

H.R. 1758. An act for the relief of Terrence Jarome Caguiat.

H.R. 4046. An act for the relief of Valerie Ann Phillips, nee Chambers;

H.R. 4113. An act for the relief of Mitsue Karimata Stone;

H.R. 4939. An act for the relief of Manuel Bonotan;

H.R. 5750. An act for the relief of Chu Wol Kim;

H.R. 8451. An act for the relief of Jung Shik Yang;

H.R. 8555. An act for the relief of Angel Pader Cabal; and

H.R. 8907. An act for the relief of Yong Won Lee.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 6516. An act to amend title VII of the Consumer Credit Protection Act to include discrimination on the basis of race, color, religion, national origin, and age, and for other purposes; and

H.R. 8835. An act to amend the Truth in Lending Act to protect consumers against inadequate and misleading leasing information, assure meaningful disclosure of lease terms, and limit ultimate liability in connection with leasing of personal property primarily for personal, family, or household purposes, and for other purposes.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 804. An act for the relief of Zoraida E. Lastimosa; and

S. 1786. An act for the relief of Kam Lin Cheung.

PERMISSION FOR SUBCOMMITTEE ON MONOPOLIES AND COMMERCIAL LAW OF THE COMMITTEE ON THE JUDICIARY TO SIT DURING 5-MINUTE RULE ON TOMORROW

Mr. MEZVINSKY. Mr. Speaker, I ask unanimous consent that the Subcommittee on Monopolies and Commercial Law of the Committee on the Judiciary be permitted to sit while the House is reading for amendments under the 5-minute rule on tomorrow, February 4, 1976.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, I wish to ask, has this been cleared with the minority on the subcommittee?

Mr. MEZVINSKY. Yes, it has, Mr. Speaker. If the gentleman will yield, I will assure him there is no problem in that respect.

Mr. BAUMAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

TAX TREATY SHOULD NOT BE APPROVED

(Mr. ANDERSON of California asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. ANDERSON of California. Mr. Speaker, the U.S. Government has often been criticized for making treaties with other nations that adversely impact our own economic conditions. An agreement with Great Britain which is pending Senate approval is a concrete example.

It seems that this new agreement will prevent the State of California from taxing the foreign earnings of California corporations, including several of the major oil companies. If this measure is approved, the State stands to lose up to $128 million in tax revenues—money that will have to be made up by other taxes.

Certainly, I can see the benefit for Great Britain in allowing American corporations a free reign in investing in their nation. However, I strongly question the wisdom of allowing that incentive to come at the expense of California taxpayers—along with yet another tax break for big business.

Hopefully, the Senate will also question the wisdom of this move, and withhold approval of the new agreement. State taxpayers should not be asked to foot the bill for America's foreign policy.

The following is a news article from the Long Beach Independent Press-Telegram of January 28, 1976:

BLOCK TREATY, SOLONS URGED

SACRAMENTO.—Assembly Speaker Leo McCarthy Tuesday sent a telegram to California's U.S. senators asking them to block ratification of a proposed U.S.-United Kingdom tax treaty that reportedly could cost the state $128 million a year.

In his telegram, McCarthy, D-San Francisco, told John Tunney and Alan Cranston, "A shift in the tax burden from multinational corporations to individuals and other sources would inevitably result."

Legislative Analyst A. Alan Post had cited the proposed trade agreement's potential impact on the state Monday. The treaty would prohibit the state from taxing foreign earnings of California corporations.

MUST READING ON ENERGY

(Mr. RONCALIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RONCALIO. Mr. Speaker, in our troubled Congress today, we agonize again on the subject of energy. We have assigned such a subject to at least four committees. We overlap each others' efforts; we deliberate through tortured hours to find a solution to probably one of the most vexing problems to face our young Republic.

I mentioned at the caucus of the Democratic Party earlier today how important I thought an article in the current New Yorker was touching on the heart of this matter of energy and America, and particularly appropriate to the debate beginning today on the Kreuger amendment to the deregulation of natural gas. I am inserting in the CONGRESSIONAL RECORD Extensions of Remarks section today the first of a three-part series on energy written by Barry Commoner and which appears in the February 2 issue of the New Yorker magazine.

Mr. Speaker, if a Member of Congress reads nothing else this year, I do not know of anything more important than this article. It affects today's legislation; it has a direct bearing upon the synthetic fuels subsidy program that we rejected last fall; it has a vital bearing on our overall tax policy. It is a continuation of the excellence and journalistic perfection that has come to be identified with the New Yorker magazine. I will include it in today's Extensions of Remarks.

CALL OF THE HOUSE

Mr. HAYS of Ohio. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 31]

Andrews, N.C.
Biester
Boggs
Brown, Mich.
Chisholm
Conyers
Dellums
Dickinson
Diggs
Edwards, Calif.
English
Esch
Eshleman
Foley
Harsha
Heinz
Hinshaw
Jeffords
Long, Md.
McCormack
Melcher
Metcalfe
Murphy, Ill.
Neal
Patten, N.J.
Railsback
Rees
Reuss
Rosenthal
Rostenkowski
St Germain
Scheuer
Shuster
Snyder
Stephens
Symington
Symms
Teague
Udall
Wiggins
Young, Alaska

The SPEAKER. On this rollcall 391 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PERSONAL EXPLANATION

Mr. PEPPER. Mr. Speaker, on last Thursday afternoon, January 29, 1976, as the CONGRESSIONAL RECORD shows, I handled the rule on the public works and employment bill (H.R. 5247). In the course of handling the rule I spoke for the passage of the bill. After the rule was adopted, I later, the RECORD shows, voted against the motion to strike title II of the bill. Later when the final vote came on agreeing to the conference report, I was on the floor until the conclusion of the rollcall, stood on the floor, noted the final result, and after the final result—the adoption of the conference report—I went over to the gentleman from Texas (Mr. WRIGHT) and the gentleman from New Jersey (Mr. ROE) and congratulated them because they had been strong supporters of the passage of that meritorious bill as I had been. Indeed, the "Today" show of NBC in its news report of Friday morning, January 30, referred to my effective remarks in favor of this measure.

The gentleman from Texas (Mr. WRIGHT) is standing by my side now as I make this statement.

Mr. Speaker, I am morally certain that I voted for the final adoption of the conference report, but by some inadvertence I am not shown to have been recorded as favoring the bill on rollcall No. 27, page 1615 of the CONGRESSIONAL RECORD.

Mr. Speaker, I ask unanimous consent that my statement to that effect appear in the permanent RECORD of the House.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first individual bill on the Private Calendar.

MRS. MARY SAXTON (MARY NUKU)

The Clerk called the bill (H.R. 2278) for the relief of Mrs. Mary Saxton (Mary Nuku).

There being no objection, the Clerk read the bill as follows:

H.R. 2278

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Mrs. Mary Saxton (Mary Nuku), the widow of a citizen of the United States, shall be held and considered to be within the purview of section 201(b) of that Act and the provisions of section 204 of such Act shall not be applicable in this case.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FRANK M. RUSSELL

The Clerk called the bill (H.R. 5227) for the relief of Frank M. Russell.

There being no objection, the Clerk read the bill as follows:

H.R. 5227

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purpose of the Immigration and Nationality Act, Frank M. Russell shall be held and considered to have been lawfully admitted to the United States for permanent residence on September 1, 1948, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper officer to deduct one number from the total number of immigrant admissions authorized pursuant to the provisions of section 21(e) of the Act of October 3, 1965.

With the following committee amendment:

On page 1, line 7, after "visa fee." strike out the remainder of the bill.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARIA D'ARPINO

The Clerk called the bill (H.R. 6093) for the relief of Maria D'Arpino.

There being no objection, the Clerk read the bill, as follows:

H.R. 6093

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Maria D'Arpino shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper officer to deduct one number from the total number of immigrant visas and conditional entries which are made available to natives of the country of the alien's birth under paragraphs (1) through (8) of section 203(a) of the Immigration and Nationality Act.

With the following committee amendment:

Strike out all after enacting clause and insert in lieu thereof the following:

"That, notwithstanding the provisions of section 212(a)(1) and (25) of the Immigration and Nationality Act, Maria D'Arpino may be issued a visa and admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that Act: *Provided,* that this exemption shall apply only to a ground for exclusion on which the Department of State or the Department of Justice had knowledge prior to the enactment of this Act: *Provided further,* That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said Act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. KAZUKO SCILLION

The Clerk called the bill (H.R. 10076) for the relief of Mrs. Kazuko Scillion.

There being no objection, the Clerk read the bill, as follows:

H.R. 10076

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Mrs. Kazuko Scillion shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper officers to deduct one number from the total number of immigrant visas and conditional entries which are made available to natives of the country of the alien's birth under paragraphs (1) through (8) of section 203(a) of the Immigration and Nationality Act.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That, in the administration of the Immigration and Nationality Act, Mrs. Kazuko Scillion, the widow of a citizen of the United States, shall be held and considered to be within the purview of section 201(b) of that Act and the provisions of section 204 of such Act shall not be applicable in this case."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LUISA MARILLAC HUGHES, MARCO ANTONIO HUGHES, MARIA DEL CISNE HUGHES, MARIA AUGUSTA HUGHES, MIGUEL VICENTE HUGHES, VERONICA DEL ROCIO HUGHES, AND IVAN HUGHES

The Clerk called the bill (H.R. 2565) for the relief of Luisa Marillac Hughes, Marco Antonio Hughes, Maria del Cisne Hughes, Maria Augusta Hughes, Miguel Vicente Hughes, Veronica del Rocio Hughes, and Ivan Hughes.

There being no objection, the Clerk read the bill as follows:

H.R. 2565

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Luisa Marillac Hughes, Marco Antonio Hughes, Maria del Cisne Hughes, Maria Augusta Hughes, Miguel Vicente Hughes, Veronica del Rocio Hughes, and Ivan Hughes may be classified as children within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in their behalf by James H. Hughes, Junior, and Kathleen S. Hughes, citizens of the United States, pursuant to section 204 of the Act: *Provided,* That the natural parents or brothers or sisters of the beneficiaries shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act. Sections 204(c) and 245(c) of the Immigration and Nationality Act shall be inapplicable in this case.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALAN STURT

The Clerk called the bill (H.R. 4052) for the relief of Alan Sturt.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

RODERIC PATRICK STAFFORD

The Clerk called the bill (H.R. 4053) for the relief of Roderic Patrick Stafford.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

RAFAEL STROCHLITZ WURZEL

The Clerk called the bill (H.R. 5500) for the relief of Rafael Strochlitz Wurzel.

There being no objection, the Clerk read the bill, as follows:

H.R. 5500

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for purposes of sections 203(a)(1) and 204 of the Immigration and Nationality Act, Rafael Strochlitz Wurzel shall be held and considered to be the natural born alien son of Mr. and Mrs. Sigmund Strochlitz, citizens of the United States: *Provided,* That the natural parents of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That, in the administration of the Immigration and Nationality Act, Rafael Strochlitz Wurzel may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in his behalf by Mr. and Mrs. Sigmund Strochlitz citizens of the United States, pursuant to section 204 of the Act: *Provided,* That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FIDEL GROSSO-PADILLA

The Clerk called the bill (H.R. 6817) for the relief of Fidel Grosso-Padilla.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The SPEAKER. This ends the call of the Private Calendar.

RESIGNATION AS A MEMBER OF THE COMMITTEE ON VETERANS' AFFAIRS

The SPEAKER laid before the House the following resignation as a member of the Committee on Veterans' Affairs:

WASHINGTON, D.C.,
February 2, 1976.

Hon. CARL ALBERT,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I hereby tender my resignation from the Committee on Veterans' Affairs, effective February 3, 1976.

Sincerely,
CHARLES WILSON.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

RESIGNATION AS MEMBER OF THE COMMITTEE ON INTERNATIONAL RELATIONS

The SPEAKER laid before the House the following resignation as a member of the Committee on International Relations:

WASHINGTON, D.C.,
February 2, 1976.

Hon. CARL ALBERT,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I hereby tender my resignation from the Committee on International Relations, effective February 3, 1976.

Sincerely,
CHARLES WILSON.

The SPEAKER. Without objection, the resignation is accepted.

There was no objectiton.

DESIGNATING MEMBERSHIP ON A STANDING COMMITTEE OF THE HOUSE

Mr. McFALL. Mr. Speaker, I offer a privileged resolution, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1006

Resolved, That Charles Wilson of Texas be, and he is hereby, elected a member of the Committee on Appropriations.

The resolution was agreed to.

A motion to reconsider was laid on the table.

WETLANDS LOAN EXTENSION ACT OF 1976

Mr. LEGGETT. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 5608) to extend until the close of 1983 the period in which appropriations are authorized to be appropriated for the acquisition of wetlands, to increase the maximum amount of such authorization, and for other purposes, with the Senate amendment thereto, and concur in the Senate amendment with amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert: That this Act may be cited as the "Wetlands Loan Extension Act of 1976".

SEC. 2. (a) The first section of the Act entitled "An Act to promote the conservation of migratory waterfowl by the acquisition of wetlands and other essential waterfowl habitat, and for other purposes", approved October 4, 1961 (16 U.S.C. 715k–3) is amended by striking out "fifteen-year period beginning with fiscal year 1963, not to exceed $105,000,000," and all that follows thereafter and inserting in lieu thereof the following: "period beginning on July 1, 1961, and ending at the close of September 30, 1983, not to exceed $200,000,000.".

(b) Section 3 of such Act of October 4, 1961 (16 U.S.C. 715k–53) is amended—

(1) by striking out "with fiscal year 1977", and inserting in lieu thereof "on October 1, 1983,";

(2) by striking out "prior to the end of the aforesaid fifteen-year period," and inserting in lieu thereof "before October 1, 1983"; and

(3) by striking out "year; *Provided further,* That no" and inserting in lieu thereof "year. No".

SEC. 3. (a) The first section of the Act entitled "An Act to supplement and support the Migratory Bird Conservation Act by providing funds for the acquisition of areas for use as migratory-bird sanctuaries, refuges, and breeding grounds, for developing and administering such areas, for the protection of certain migratory birds, for the enforcement of the Migratory Bird Treaty Act and regulations thereunder, and for other purposes", approved March 16, 1934 (16 U.S.C. 718a; commonly known as the "Migratory Bird Hunting Stamp Act") is amended by inserting after "hunting" in the first sentence the words "and conservation".

(b) The first sentence of section 2 of such Act of March 16, 1934 (16 U.S.C. 718b) is amended to read as follows: "The stamps required by section 1 of this Act shall be issued and sold by the Postal Service and may be sold by the Department of the Interior, pursuant to regulations prescribed jointly by the Postal Service and the Secretary of the Interior, at (1) each post office of the first, and second-class, and (2) any establishment, facility, or location as the Postal Service and the Secretary of the Interior shall direct or authorize. The funds received from the sale of such stamps by the Department of the Interior shall be deposited in the migratory bird conservation fund, in accordance with the provisions of section 4 of this Act.".

(c) The fifth sentence of section 2 of such Act of March 16, 1934 (16 U.S.C. 718b), is amended to read as follows: "The Postal Service, pursuant to regulations prescribed by it, shall provide for the redemption, on or before the 30th day of September of each fiscal year, of blocks composed of two or more attached unused stamps issued for such year (A) that were sold on consignment to any person, including, but not limited to, retail dealers for resale to their customers, and (B) that have not been resold by any such person.".

(d) The first sentence of section 4 of such Act of March 16, 1934 (16 U.S.C. 718d), is amended by inserting immediately after "Postal Service" the following: "or the Department of the Interior, whichever is appropriate,".

SEC. 4. Section 2 of the Migratory Bird Conservation Act (16 U.S.C. 715a) is amended by adding at the end thereof the following new sentence: "For purposes of this Act, the purchase or rental of any area of land, water, or land and water includes the purchase or rental of any interest in any such area of land, water, or land and water.".

SEC. 5. Paragraph (3) of subsection 4(b) of the National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668dd(b)(3)) is amended to read as follows:

"(3) to acquire lands or interests therein by exchange (A) for acquired lands or public lands, or for interests in acquired or public lands, under his jurisdiction which he finds to be suitable for disposition, or (B) for the right to remove, in accordance with such terms and conditions as he may prescribe, products from the acquired or public lands within the System. The values of the properties so exchanged either shall be approximately equal, or if they are not approximately equal to values shall be equalized by the payment of cash to the grantor or to the Secretary as the circumstances require.".

The Clerk read the House amendments to the Senate amendment, as follows:

On page 1, line 8, of the Senate engrossed amendment, strike out "1963" and insert "1962".

On page 1, line 9, of the Senate engrossed amendment, strike out "000,000," and all that follows thereafter" and insert "000,000." ".

On page 2, line 2, of the Senate engrossed amendment, strike out "53" and insert "5".

On page 2, line 7, of the Senate engrossed amendment, strike out "1983" " and insert "1983," ".

On page 2, line 8, of the Senate engrossed amendment, strike out the semicolon immediately after " "year" and insert a colon.

On page 3, line 7, of the Senate engrossed amendment, strike out the comma immediately after "fund".

On page 4, line 3, of the Senate engrossed amendment, strike out "subsection" and insert "section".

On page 4, line 15, of the Senate engrossed amendment, strike out "to" and insert "the".

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. FORSYTHE. Mr. Speaker, reserving the right to object, and I shall not object, we support this action today. If the chairman wishes to make any other explanation, I will welcome it.

Mr. LEGGETT. Mr. Speaker, will the gentleman yield?

Mr. FORSYTHE. I yield to the gentleman from California (Mr. LEGGETT).

Mr. LEGGETT. Mr. Speaker, briefly explained, H.R. 5608 would extend the Wetlands Loan Act of 1961, as amended, for an additional 7 years, that is from June 30, 1976, to September 30, 1983. In addition, it would increase the amount of funds authorized to be appropriated from $105 million to $200 million and it would delay the date when repayment of the advance loans—from duck stamp receipts—would begin from July 1, 1976, to October 1, 1983.

Mr. Speaker, to assist in raising these additional funds, the bill would change the name of the stamp from the "Migratory Bird Hunting Stamp" to the "Migratory Bird Hunting and Conservation Stamp."

Finally, Mr. Speaker, the bill would expedite acquisition of the additional waterfowl habitat acreage needed by allowing the Secretary of the Interior to use easements to acquire or exchange partial interests in areas suitable for migratory bird refuges.

Mr. Speaker, I am delighted to say that when H.R. 5608 passed the House on July 8, 1975, it passed by a vote of 400 "for" to one voting "present" only.

Mr. Speaker, the Senate has amended the bill. However, the amendment—which was accomplished by striking out all after the enacting clause—resulted in technical changes being made to the bill only; there were no substantive changes included in the Senate amendment.

Mr. Speaker, I would like to ask my colleagues to concur in the Senate amendment to the bill. However, in doing so, it is necessary to concur with amendments, all of which are technical and clerical in nature.

Mr. Speaker, for the benefit of my colleagues, I will include in the Record at this point the changes to the bill to be made by the House amendments, together with a brief explanation of each change:

On page 1, line 8, of the Senate engrossed amendment, strike out "1963" and insert "1962."

Explanation—Present law reads as follows:

> There is authorized to be appropriated for the fifteen-year period beginning with Fiscal Year 1962, not to exceed $105,000,000".

In rewriting that provision, the amendment incorrectly referred to Fiscal Year "1963" instead of "1962".

On page 2, line 2, of the Senate engrossed amendment, strike out "53" and insert "5".

Explanation—This would correct an incorrect reference to the United States Code; it should read 16 U.S.C. K–5 instead of K–53.

On page 2, line 7, of the Senate engrossed amendment, strike out "1983" and insert "1983,"".

Explanation—A comma would be inserted after "1983" which was omitted by the Senate amendment.

On page 2, line 8, of the Senate engrossed amendment, strike out the semicolon immediately after "year" and insert a colon.

Explanation—Present law reads as follows: "year: *Provided further*, That no". In rewriting this language, the Senate amendment incorrectly showed a semicolor after year; it should have appeared as a colon.

On page 3, line 7, of the Senate engrossed amendment, strike out the comma immediately after "fund".

Explanation—This would remove the comma after the word "fund", which is not needed.

On page 4, line 3, of the Senate engrossed amendment, strike out "subsection" and insert "section".

Explanation—This would correctly refer to 4(b) of the act as a section rather than a subsection.

On page 4, line 15, of the Senate engrossed amendment, strike out "to" and insert "the".

Explanation—In restating a portion of existing law, the word "to" incorrectly appeared for the word "the".

Mr. FORSYTHE. Mr. Speaker, I withdraw my reservation of objection.

Mr. OBERSTAR. Mr. Speaker, reserving the right to object, I would like to take this time to commend the gentleman from California (Mr. Leggett), the gentleman from Michigan (Mr. Dingell), who has helped us with this legislation, the gentleman from New Jersey (Mr. Forsythe), and the entire committee which has worked very hard on this legislation which is extremely important for the preservation of the wetlands.

Mr. Speaker, I withdraw my reservation of objection.

The **SPEAKER.** Is there objection to the request of the gentleman from California?

There was no objection.

A motion to reconsider was laid on the table.

RE-REFERENCE OF PRESIDENT'S MESSAGE

Mr. MORGAN. Mr. Speaker, I ask unanimous consent that the message of the President of January 28, 1976, transmitting the 1974 annual report on agriculture export activities under Public Law 480—food for peace, House Document 94–352—which was referred to the Committee on International Relations be jointly referred to the Committee on International Relations and to the Committee on Agriculture.

The **SPEAKER.** Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

PERMISSION FOR COMMITTEE ON RULES TO FILE PRIVILEGED REPORTS

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The **SPEAKER.** Is there objection to the request of the gentleman from Missouri?

There was no objection.

GENERAL LEAVE

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that all Members may be allowed to revise and extend their remarks during the debate on the rule immediately coming up for consideration, House Resolution 937.

The **SPEAKER.** Is there objection to the request of the gentleman from Missouri?

There was no objection.

NATURAL GAS EMERGENCY ACT OF 1975

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 937 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 937

Resolved, That immediately upon the adoption of this resolution it shall be in order, clause 2(1)(6) of rule XI to the contrary notwithstanding, for the Speaker to recognize any member of the Committee on Interstate and Foreign Commerce to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 9464) to assure the availability of adequate supplies of natural gas during the period ending June 30, 1976. After general debate which shall be confined to the bill and shall continue not to exceed three hours, two hours to be equally divided and controlled by the Member recognized to call up the bill and the ranking minority member of the Committee on Interstate and Foreign Commerce, and one hour to be controlled by Representative Krueger of Texas, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Interstate and Foreign Commerce now printed in the bill as an original bill for the purpose of amendment under the five-minute rule. It shall be in order to consider without the intervention of any point of order the amendment inserted in the Congressional Record on December 8, 1975, by Representative Krueger on pages H 12022–26 if offered as an amendment in the nature of a substitute for the committee substitute. If said amendment in the nature of a substitute is not agreed to in the Committee of the Whole, it shall then be in order to consider without the intervention of any point of order, the amendment inserted in the Congressional Record on December 8, 1975 by Representative Brown of Ohio on pages H 12021–22 if offered as an amendment in the nature of a substitute for the committee substitute. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The **SPEAKER.** The gentleman from Missouri (Mr. Bolling is recognized for 1 hour.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes of my time to the gentleman from Tennessee (Mr. Quillen), and I express the hope that if there are Republicans who oppose the rule, the gentleman from Tennessee will yield them some time.

Mr. Speaker, I yield 15 minutes of the 30 minutes assigned to the majority to the distinguished gentleman from Texas (Mr. Young), and I ask unanimous consent that if the gentleman from Texas so desires, he may be permitted to yield portions of that time without remaining on his feet.

The **SPEAKER.** Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. BOLLING. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am handling a rule that I bitterly oppose. That is the reason for the dispositions of the time that I have already made. I do not propose to take time now to discuss the rule. I will reserve some time for myself at the end of the debate.

I fought the rule in the committee, and I do not believe that the Committee on Rules should have taken this action. I particularly feel that this action is untimely in the light of the events that have taken place since.

Mr. Speaker, I am going to save most of my time for the gentleman from Michigan (Mr. DINGELL), the gentleman from California (Mr. MOSS), and the gentleman from West Virginia (Mr. STAGGERS). With that, I reserve the balance of my time.

The SPEAKER. The gentleman from Missouri (Mr. BOLLING) has consumed 1 minute.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Missouri (Mr. BOLLING) has touched on the rule briefly, stating that he is bitterly opposed to the rule.

Mr. Speaker, I rise to say that I wholeheartedly support the rule. This Nation has been at the crossroads now far too long relative to an energy policy.

This is a good rule, making in order the consideration of the Krueger amendment in the nature of a substitute. There are those in this Chamber and outside this Chamber who say that this rule is unorthodox, but let me say to the Members of the House that the fact is this rule is not unorthodox. It was reported out of the Committee on Rules by a vote of 12 to 4 after a lengthy session and an open debate. The Committee on Rules has taken action before in such matters, not only in this Congress last year, but in the Congresses preceding this session.

Mr. Speaker, I joined the Committee on Rules in 1965. However, going back before that, I remember a time when I was not a Member of this House that the chairman of the Committee on Rules, the gentleman from Virginia, Mr. Howard Smith, took measures from other committees without hearings and brought them to the floor of the House.

Later, as a Member of this body, before becoming a member of the Committee on Rules, I remember that the Committee on Rules took a redistricting measure out of a committee and brought it to the floor of the House; and it was passed.

Mr. Speaker, only last year, when an energy conservation and an oil policy bill was before the Committee on Rules, as a result of the action of the Democrat caucus, the gentleman from Pennsylvania (Mr. GREEN) provided a decontrol amendment doing away with the oil depletion allowance, and the Committee on Rules made that nongermane amendment in order.

Mr. Speaker, there is also another precedent here when we debate the bill for 3 hours of general debate, with 1 hour for the majority, 1 hour for the ranking member on the committee, and 1 hour to the gentleman from Texas (Mr. KRUEGER) on his substitute. That is a normal procedure.

When the trade bill was before the Committee on Rules, the Committee on Rules granted a 7-hour rule, equally divided by the majority and minority in the committee, but granting the gentleman from Pennsylvania (Mr. DENT) 1 hour.

Therefore, Mr. Speaker, the same procedure, the same precedent, has been well established in this House.

The rule is before us. It is absolutely necessary that we pass this rule before we get down to the proposition of discussing the merits of the Krueger amendment as a subsititute.

Therefore, Mr. Speaker, I would appeal to the Members today to vote for the previous question, so that those who vote against the previous question to open the bill for amendments will not prevail. I would urge the Members to vote for the previous question on the rule.

What do we see now, Mr. Speaker? As I said at the beginning, this Nation has been at a crossroads for an energy program far too long. The Krueger substitute provides for deregulation on a long-range basis. It provides for deregulation of the price of new natural gas at the wellhead, other than that already supplied under contract for offshore gas, it provides for deregulation of prices at the wellhead in 1981.

Mr. Speaker, the American people are crying out for an energy program. The impetus is to produce more domestic natural gas for the benefit of the people of America. If the Krueger substitute is not adopted, we can look forward to higher prices and less gas during the next 2 years under the program that is presented by the committee. If the substitute is not adopted—and it will be adopted—we will find that natural gas prices in 2 years will increase tremendously and that the homeowners of this Nation will suffer tremendously, not only from high prices, but from the lack of natural gas as well.

Therefore, Mr. Speaker, it is important today that we pass this rulemaking in order as an amendment the Krueger substitute so that we can get down to the business of the House in providing an energy program that the American people are demanding.

Mr. Speaker, I reserve the balance of my time and urge that we adopt the previous question to the rule.

Mr. STAGGERS. Mr. Speaker, will the gentleman yield for one question?

Mr. QUILLEN. I would be happy to yield to the gentleman from West Virginia.

Mr. STAGGERS. Mr. Speaker, the gentleman from Tennessee referred to the Krueger amendment. The Krueger amendment never came before our committee. The amendment that was voted on was the Brown of Ohio amendment and not the Krueger amendment. The Krueger amendment was ruled out of order as not germane and never voted on.

The gentleman said the vote was 19 to 19. I want to set the record straight that the Krueger amendment was not voted on. The Brown of Ohio amendment was brought up, which was clearly different. That was germane and was defeated.

Mr. QUILLEN. Mr. Speaker, I would say to the distinguished gentleman from West Virginia that if he will recall, I did not say anything about the Brown of Ohio amendment which was voted on in the gentleman's committee by a vote of 19 to 19. The Committee on Rules has made the Krueger amendment in the nature of a substitute in order. The precedents that I have mentioned clearly demonstrate that the Committee on Rules has that authority. The measure is before us now and is in order as a result of the action of the Committee on Rules.

Mr. Speaker, I would like to correct one thing further, and that is that I am advised that the matter of deregulation of natural gas has been a continuing matter before the committee of the gentleman from West Virginia and it has been discussed over a long period. Today we are here only as a result of the action by the Committee on Rules on the Krueger amendment in the nature of a substitute because of the opposition and objection of the gentleman from West Virginia and others on the gentleman's committee in not allowing that approach to the matter.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. QUILLEN. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. It is precisely the point that the gentleman from Tennessee Mr. QUILLEN has made that is the matter that is before us. The legislation in H.R. 9464 was crafted in such a way that what is now known as the Krueger amendment, which is very similar to the legislation that was passed in the Senate known as the Bentsen-Pearson legislation, was made nongermane by the way that H.R. 9464, as I say, was crafted. In both the subcommittee and the full committee, an effort was made to give those two committees a chance to consider the Krueger amendment and in each case it was ruled as nongermane.

So it was necessary, Mr. Speaker, to go to the Committee on Rules and ask that the Committee on Rules in its wisdom give the House of Representatives an opportunity to work its will on this issue which we have before us, so that we can at least get an expression of this body about how it feels about long-range decontrol. That is very sensible.

Mr. STAGGERS. Mr. Speaker, if the gentleman from Tennessee will yield further, I would like to say again, that, in order to be sure I would rule correctly, I went to the Parliamentarian and asked the Parliamentarian if it was germane to the bill and the answer was that it was not. It was not germane to the bill. Its terms were never discussed or brought up, there was never any consideration in our committee about it.

Mr. BROWN of Ohio. Mr. Speaker, if the gentleman will yield still further, let me ask the gentleman from West Virginia if the reason the gentleman from West Virginia was so sure it was not germane was because the bill, H.R. 9464, was originally designed to keep it from being germane. Is that correct?

Mr. STAGGERS. It could have been, I do not know. But I know it was not germane because I asked the Parliamentarian and he said it was not germane.

Mr. ANDERSON of Illinois. Mr. Speaker, will the gentleman yield?

Mr. QUILLEN. I yield to the gentleman from Illinois.

Mr. ANDERSON of Illinois. Mr. Speaker, I want to assure the distinguished chairman the gentleman from West Virginia (Mr. STAGGERS) that it not only could have been deliberately crafted so that it would be nongermane, but it was. And I cite in that connection the testimony of the gentleman from Michigan (Mr. DINGELL) the chairman of the subcommittee from the gentleman's committee, the testimony that the gentleman from Michigan (Mr. DINGELL) gave before the Committee on Rules:

> The Chairman of the subcommittee and the committee also crafted it—

Referring to the substitute—

> so we would not find ourselves affronted with immediate deregulation of natural gas.

So, in credit to the gentleman from Michigan (Mr. DINGELL) he was very honest with the Committee on Rules. He told us precisely what they had in mind when they drafted the substitute to keep the Krueger amendment in a nongermane status. He admitted that.

Mr. DINGELL. Mr. Speaker, will the gentleman yield, since my name has been mentioned, and since the gentleman has more time than anybody else?

Mr. QUILLEN. I yield to the gentleman from Michigan.

Mr. DINGELL. I thank the gentleman for yielding.

Mr. Speaker, what the gentleman from Illinois did not say was that I gave the gentleman from Texas and the members of the Committee on Rules my firm commitment that after we had disposed of the emergency situation, we would move to immediately consider long-term natural gas legislation to meet the problems which do exist in that industry. I renew that pledge. That is one of the reasons I say that this procedure is most unfair, not to me but to the Members of the House and to the Nation.

Mr. QUILLEN. Mr. Speaker, the Krueger amendment was made germane by the Committee on Rules. As I mentioned, the Democratic Caucus mandated their members on the Committee on Rules to make the Green amendment on oil depletion allowance in order. This matter was not considered by the Committee on Ways and Means, but it was brought to the floor of the House. I am sure precedent mandates that this measure be discussed, and there is nothing wrong with letting the will of this body prevail.

In closing, I would like to leave this thought with the Members. We are either going to be dependent on foreign oil at high prices, or we are going to make domestic production of natural gas increase to the point where it will be available across interstate lines for the benefit of all of the people. I think the American people demand a larger supply of natural gas and less dependence on the OPEC nations.

Mr. Speaker, I reserve the remainder of my time.

The SPEAKER. The Chair recognizes the gentleman from Texas (Mr. YOUNG).

Mr. SISK. Mr. Speaker, will the gentleman yield?

Mr. YOUNG of Texas. I yield to the gentleman from California.

Mr. SISK. I appreciate the gentleman's yielding.

I simply want to take a moment to indicate my support for this rule and, Mr. Speaker, simply to say this, that I think probably this argument is pretty well moot. Looking at the attendance on the floor of the House, I would guess that most Members have already made a determination as to how they are going to vote on this rule anyway. I would simply like to say, Mr. Speaker, that this rule is not unreasonable. This rule is in line with many, many rules we have passed out over the years, and as far as my position is concerned, I am not even sure what I may vote for once the matter is fully discussed. But basically I would hope we would adopt the rule and give us an opportunity to comprehensively discuss natural gas and some of the problems we have in connection with supply.

I thank the gentleman for yielding.

Mr. YOUNG of Texas. Mr. Speaker, I made a motion in the Committee on Rules to make in order for floor consideration the Krueger amendment. That motion passed by a vote of 12 to 4, and I support the rule.

Mr. Speaker, the rule, as has already been stated here, was assigned to a member of the committee who was opposed to the rule and voted against the rule. Mr. Speaker, I do not propose to take part in floor procedure whereby a resolution is assigned to and being managed by someone who has voted against and opposed that resolution. Therefore, Mr. Speaker, I ask unanimous consent to yield all of my time to the gentleman from Texas (Mr. KRUEGER) who is the author of the amendment.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. The Chair recognizes the gentleman from Texas (Mr. KRUEGER).

Mr. KRUEGER. Mr. Speaker, I wish simply to deliver a round, unvarnished tale of how this piece of legislation has made its way from the subcommittee through the full committee, and now, I trust, to the floor, for discussion by the Members of this House.

Last spring as we began consideration of energy legislation, we considered whether or not to take up the question of natural gas long-term legislation.

As the request of the committee chairman, we decided to withhold considering that legislation until some later time, and instead to consider oil pricing and other attendant measures that were embodied in H.R. 7014. Like many other members of that subcommittee, I worked very hard on that legislation. I think it was a very hard-working subcommittee.

After we finished that legislation, the next item up was natural gas legislation. At that point, the subcommittee chairman indicated that it was his desire to take up only short-term legislation, and so, the chairman held hearings for 4 days on a bill which he introduced. Determining which legislation is taken up is properly within the power of the chairman of a committee and the gentleman has exercised that power properly, I think.

The chairman then realized that it was possible for the bill which he offered to be amended so that long-term natural gas legislation might be considered. Recognizing that, the gentleman then came in with a substitute bill specifically drafted so that long-term legislation might not be considered. The gentleman's own words within the Committee on Rules have already been quoted.

Another member of the subcommittee who is here on the floor today said, "BOB, we drafted this to keep you out."

Now, it is within the power of a chairman to define the rules under which the committee will operate, and the chairman of the committee or the subcommittee is in the position of being both a player in the game and also a referee. The gentleman exercised this role fairly in that regard, but it was he who established the rules. I lived within those rules and the gentleman did also and we understood them. We understood there were two players; one of those players was a member: the other, chairman, was both player and referee.

I sought to offer legislation almost identical to that which the Senate had already passed and it was ruled nongermane and out of order. The subcommittee was not, therefore, allowed to consider it.

The same thing happened in the full committee when again this legislation was ruled out of order by the full committee chairman, because it was considered not germane. No surprise, because the bill, H.R. 9464, had been drafted in order that this piece of legislation could be considered nongermane.

Now, at that point, my subcommittee chairman advised me that it was his judgment that the chairman of the full committee would never allow long-term decontrol legislation to get out of the committee, even if it were to pass in the full committee. I respected the judgment of the gentleman and I realize the gentleman was speaking not for himself but for someone else. The gentleman had good political judgment and long political experience, and I sought to learn from him.

At that point, after the Senate-passed bill was declared nongermane, I offered the best thing I could, which was a bill to give a 7-year period of deregulation, because I thought the House should have an opportunity to consider such an approach. It initially passed 19 to 18 and then one Member had a change of mind or heart and changed his vote, so it was 19 to 19. It, thus, failed because of the tie.

At that point, the process of consideration slowed down because we began that particular markup session with words from the chairman that this was an emergency item of legislation; the Nation needed this legislation and the chairman wished to restrict the time for discussion in the markup session to one-half hour. We later got 40 minutes, not one-half hour, but we were told it was a national emergency to get this to the floor of the House of Representatives where it could be considered.

This is the same individual who 2 weeks later decided he did not wish the legislation to reach the floor of the House. He did not want it to reach the floor of the House, in spite of the fact that the rules of the House direct the chairman to bring up legislation to be promptly considered.

All I have done is to ask that an amendment which lacked the opportunity to be considered in the subcommittee and in the full committee might be considered by this House. I do not see why that should be considered objectionable. I do not see why those who champion the need for short-term legislation suddenly decided they did not wish to bring the legislation to the floor unless, perhaps, they though they might lose.

Mr. OTTINGER. Mr. Speaker, will the gentleman yield at that point?

Mr. KRUEGER. Very briefly. It is a dramatic moment and I wish not to lose it.

Mr. OTTINGER. I would not wish anything unfortunate to happen to the gentleman at this dramatic moment. However, I think the gentleman is being highly unfair to the chairman because he did take the bill and ask that it be put on the calendar, and then the emergency which we were told by the gas companies and by their advocates was present suddenly evaporated.

Mr. KRUEGER. Mr. Speaker, I decline to yield further. The emergency has not evaporated, but we will discuss that further when we get to consideration of the bill.

It is true that the chairman sought to bring the bill up under suspension because there was an emergency, and obviously that was turned down by the Speaker because this is a controversial piece of legislation. After that, it was then decided that it was no longer necessary to bring it to the floor. It was an emergency to be brought up under suspension without amendments. All we are asking for is a discussion of open and fair alternatives to be considered by both sides.

Every person here knows the importance of timing in politics and the power that belongs to a subcommittee chairman or a full committee chairman to time legislation as he chooses. He can call up what he will, he can time it as he will. He can time it in terms whereby other amendments could be considered out of order by every Member of this House who wants and needs the opportunity to be heard. There is nothing improper in any other Member seeking the opportunity when he finally has his chance, after 1 year, to have his case heard on the floor of the House.

There is no reason whatever not to proceed in that fashion. There is nothing outrageous in proceeding in that fashion, nothing in defiance of the past.

People have used all kinds of specious arguments to say that this rule is inappropriate. They have said that we should not allow nongermane amendments, quite forgetting that the bill was drafted in order that this particular approach be considered nongermane, but also forgetting that every Member on my side of the aisle in subcommittee voted in favor of the rule for nongermane amendment on the depletion allowance.

They wonder why it is that any member in the committee should be allowed the right to bring up this bill. There is a very clear reason for that. The reason is simply to assure that the bill would be brought up.

What we are about on this question is a very, very simple thing, and that is whether or not, in an issue that obviously is divisive, this House will have the chance to work its will. Committees exist to serve the House. The House exists to serve the people. It is not the other way around and it should not be the other way around. It seems to me important that at this point we should have the opportunity to work our will on this legislation.

We have waited some 20 years. Now, after some people might feel that the ball is in our court, they suddenly say, "Let us wait another 60 days, give us a second chance. Evidently, we have not made our case well enough. We are not really ready to go in spite of all of the efforts of the Chair and the subcommittee chairman. We are not quite ready to go. Give us 60 days more."

Mr. MOSS. Mr. Speaker, will the gentleman yield?

Mr. KRUEGER. In a moment. I am not ready to yield at this point.

Mr. MOSS. I do not blame the gentleman.

Mr. KRUEGER. That is good. I do not blame the gentleman from California either.

The fact of the matter is that we have important legislation to be brought to the floor at this time, and we are prepared and the House is prepared to vote on this legislation. We have had hearings, not for days or months, but we have had years of hearings. Only last Friday we had a movie star, Paul Newman, in to testify on natural gas legislation. We brought in the great experts in this particular field so that we could receive instructions. This is how the House has proceeded. I think the House is ready to no longer be instructed by movie stars, but actually to base the issue on its own merits.

Mr. Speaker, I yield to the gentleman from California if he wishes to ask a question.

Mr. MOSS. Mr. Speaker, is the gentleman aware that in this morning's Washington Post is a perfect illustration of the problem I had as chairman of the oversight? I got a favorable decision in the U.S. district court yesterday underlining the right of a committee to have information, but it is suspended for 10 days so that Ashland Oil can file an appeal. They have been resisting supplying information that is vital to this House for a determination of facts by every device they can contrive.

Mr. KRUEGER. That is very interesting. In fact, it may be relevant to the rule, but it seems to me that the question of the rule is what we should be debating at this time. The Washington Post also happens to have come out in favor of the deregulation of natural gas.

Mr. Speaker, I happen to agree with them on that particular point. But the essential thing that we keep in mind is that this is a matter that has been heard; it has been heard long. The House is ready. The country is ready. The country knows that this body ought to be able to act on energy legislation, and I think it would be in defiance of our best traditions if at this point we said we are scared of grappling with the issue.

Mr. Speaker, I ask that the Members support the rule.

Mr. QUILLEN. Mr. Speaker, I yield such time as he may consume to the distinguished minority leader, the gentleman from Arizona (Mr. RHODES).

Mr. RHODES. Mr. Speaker, it is my hope that this rule will be adopted. After the previous question has carried, we can proceed to the consideration of a bill which is very important to the welfare of the economy of this country.

Mr. Speaker, I think the parliamentary situation has been well explained by the able members of the Committee on Rules. I find today's situation refreshing and sort of rejoice over the fact that I can be in favor of a rule, for a change, instead of against it. It is not often that the minority can support a rule making an amendment we support in order and which is opposed by the majority leadership. But I suppose there are Members of this body to whom that might raise a flag, who would otherwise support the rule, so I will not dwell on it too much.

The facts are that the people of this country are faced with the proposition that we either burn our own natural gas—and in order to burn our own natural gas we have to produce it—or we burn somebody else's oil. We must have energy to operate our economy. Our main sources of energy now are either oil or natural gas. We hope we will burn more coal in the future, but we do not seem to be going very fast in implementing coal conversion provisions under the Clean Air Act. So the thing which we can do and which we should do now is to make sure that gas production pays. If the investment for exploration and to drill new wells for natural gas is a paying proposition, then people will do it.

Mr. Speaker, I think the amendment which will be offered by the gentleman from Texas is a reasonable amendment. It provides a reasonable method for deregulation of natural gas.

I am sort of amazed that the people who come from areas who should be really supporting this bill—the New England States—are apparently fighting over an amendment. If there is any area of this country which is short of natural gas because of the fact that it does not pay to send it through interstate pipelines at the present prices, it is New England. And yet, to my astonishment, I find many people from that great part of the Nation who are still wedded to the idea that price is everything. We cannot pay for natural gas that we do not get. So if we do not get it, price does not mean very much. But the way to get it is to have reasonable prices, a reasonable return for the investor, and then at that time production will be encouraged and the price will be right and stimulated and natural gas will be forthcoming.

Mr. STAGGERS. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from West Virginia (Mr. STAGGERS).

Mr. STAGGERS. I thank the gentleman for yielding.

Mr. Speaker, the gentleman from Arizona knows that I have the highest respect for him. I think he is a fine gentleman who always tries to keep the best interest of the American people in mind.

No. We are trying for the same thing, but in an orderly fashion.

I say we should let it go through the regular channels. We promise to have a bill on the floor within 60 days. What we have to do is vote down this rule, which is extra, and we will have full debate and any amendments to be offered. There will not be this gag rule.

Mr. RHODES. Mr. Speaker, I am sure the gentleman from West Virginia (Mr. STAGGERS) knows that I reciprocate the gentleman's high regard for me. We are very good friends and we always will be.

However, this is not an unusual rule. On a previous piece of legislation the Green amendment was made in order. The procedure is well known. We have done it before, and we can always do it again.

Mr. Speaker, I must say to my good friend, the gentleman from West Virginia (Mr. STAGGERS), that the track record of his committee in bringing out energy legislation is just not very good.

Mr. MACDONALD of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. RHODES. Mr. Speaker, I will yield to the gentleman in just one moment.

The Members will note that we started talking about an emergency energy bill in December of 1973, but we did not get one passed until about 2 years had gone by. I would not want that to happen in this matter of natural gas deregulation.

Mr. STAGGERS. Mr. Speaker, if the gentleman will yield for a moment, we passed a bill in 1973 and President Nixon vetoed it. I thought it was one of the best bills we could possibly have brought out, and I do not think we would have had nearly as many problems if Nixon had not vetoed it.

Mr. MACDONALD of Massachusetts. Mr. Speaker, before we get into that argument, will the gentleman yield so that I can make a point?

Mr. RHODES. I yield to the gentleman from Massachusetts.

Mr. MACDONALD of Massachusetts. Mr. Speaker, I am sure the Members will agree that we all understand the passing of this bill is not going to get 1 more ounce of oil from anyplace in the world, from OPEC or anyplace else.

I want to point out that I had the presidents of five of the five major oil companies of this country in my office last year, and I offered the suggestion that we could go ahead and give them windfall profits and that would result in raising some prices, and with that condition I asked them a question. I said that I did not need anything in writing but I just wanted their agreement, not even verbal, just their say-so, that they would put that money back into exploration. I asked them if they would put the money they were going to get as a windfall profit back into further exploration for gas and oil.

Of the five major companies represented there, one spokesman finally spoke up and said, "No, my company cannot guarantee that. Our responsibility is first to our shareholders."

I asked, "What will you do with the money?"

He said, "We will put it in investments."

I asked him, "What kind of investments?" I asked the question because I was shocked and I was stunned.

Then he answered, "Well, if real estate is the best investment, we will put it in real estate; if apartments are the best investment, we will put it in apartments." They almost did purchase a circus. The Ringling Bros. circus as an investment.

Then I said, "Apparently there is no one in the room who will guarantee me that if you get this money, you will put it back into further exploration." There was no answer forthcoming.

Mr. Speaker, the gentleman in the well is from Arizona, and he knows plenty about natural gas, and he knows the majors do not explore for oil, but the independent producers do.

Mr. RHODES. Mr. Speaker, I wish I did know as much about the subject as the gentleman indicates.

Mr. MACDONALD of Massachusetts. It is the independents who do that. They were not even selling drilling equipment to them, so we are not going to get any more oil from the majors than we did before, and I hope we all are spared talk along that line.

Mr. RHODES. Mr. Speaker, the gentleman is entitled to his opinion.

Mr. MACDONALD of Massachusetts. Mr. Speaker, that is not opinion; that is a fact. That happened right in my office and I would not lie about it.

Mr. RHODES. Mr. Speaker, I am sorry but I cannot yield any further because my time is limited.

The gentleman knows full well that the Members on my side of the House have always been in favor of enacting a windfall profits tax just to take care of the situation the gentleman has mentioned. The gentleman has got the majority on his side; we do not have the majority. I am the minority leader. I suggest that the gentleman take his complaint about not having a windfall profits tax to the Members on his side of the aisle.

Mr. MACDONALD of Massachusetts. Mr. Speaker, if the gentleman will yield further, I am talking about the facts, and I reiterate that we do not need this kind of a rule, because it is unfair in itself.

Mr. RHODES. Mr. Speaker, I am taking more time than I intended to take, and we have more speakers on the rule on my side.

Let me just say in passing that this is not an unusual rule. It is a rule which should be adopted, and the Krueger amendment should have its day in court. If the Members do not want to vote for it, they can simply vote against it, but we should at least consider it.

The SPEAKER. The gentleman from Arizona (Mr. RHODES) has consumed 8 minutes.

Mr. BOLLING. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Indiana (Mr. MADDEN).

Mr. MADDEN. Mr. Speaker, it is unfortunate that more Members did not have an opportunity to listen to the testimony on this bill before the Committee on Rules. If they had, I think they would vote the way I am going to vote.

As chairman of the Committee on Rules, I am going to vote against this rule. If this rule is adopted, I think one of the greatest mistakes in this session is going to be made this afternoon. If it is adopted, I expect to have something more to say on the floor of the House; I am unable to say very much now in one minute's time.

I do hope that we will give the Committee on Interstate and Foreign Commerce an opportunity to report a better bill. That committee has been holding hearings on this subject. They are going to have a bill ready in a couple of weeks.

Mr. Speaker, I think this is nothing but a result of high pressure tactics on the part of the oil lobby.

Mr. QUILLEN. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from Illinois (Mr. ANDERSON).

Mr. ANDERSON of Illinois. Mr. Speaker, I want to be as brief as possible on this rule so that we can proceed to debate the substantive issue of natural gas deregulation in the Committee of the Whole. I circulated a "Dear Colleague" letter yesterday and placed a rather lengthy special order in the CONGRESSIONAL RECORD discussing and defending this rule which was supported by three-fourths of the Rules Committee members.

Why did we find it necessary to report such a special rule? The simple answer to that question is that we wanted to give the full House a chance to work its will on these three alternatives. And, incidentally, by making the Krueger substitute in order we have also opened the door to other long-term alternatives, including the Fraser substitute, which otherwise would not have been in order.

Why are efforts being made to defeat this rule and deny the House this opportunity to work its will on these alternatives at this time? The simple answer is that opponents of this rule think the Interstate and Foreign Commerce Committee should have more time to consider and work on various long-term approaches to the natural gas problem.

Mr. Speaker, I would submit that the House, and not the Rules or Interstate Committees, should be the judge of whether more work needs to be done or whether sufficient work has been done on these alternatives. And the fact is that the House cannot make that determination during this brief 1 hour of debate on the rule. Only by adopting this rule and allowing 3 hours of debate on these alternatives can we make a prudent decision on whether some long-term approach is advisable at this time. Who can object to such free debate and a chance to offer and vote on these alternatives?

The opponents of this rule have given us the vague promise that somewhere down the road they will give us a long-term bill, so why rush it now? Mr. Speaker, the fact is that we will be going to conference with the Senate when this bill is passed, and the Senate bill contains a provision identical to the Krueger substitute. So the fact is, we do not have the luxury of considering this issue at some future date uncertain. Our conferees are entitled to have a direct reading from the House on the issue of long-term deregulation before they go to conference. And you are not going to get such a direct reading through the vote on this rule.

Mr. Speaker, in the brief time remaining, I want to discuss the controversial aspects of this rule which some argue warrant its defeat. First, the rule permits the Speaker to recognize any Member of the Interstate and Foreign Commerce Committee to call up the bill once the rule is adopted. We have been told that this is almost unprecedented. In my special order yesterday, I cited precedents in which the Rules Committee has taken the much more drastic action of granting rules on bills not even reported from a committee and forcing their automatic consideration, without anyone having to call up the bills, as soon as the rule was adopted. In this case, we have a bill which was properly reported from a committee and we permit any member of that committee, including the chairman, who would obviously have priority, to call up the bill. So, why did we permit any committee member to do so? Simply because neither the committee chairman nor energy subcommittee chairman requested or wanted a rule. Instead, they wanted to bring this bill up under the even more irregular procedure of suspension of the rules, with only 40 minutes of debate and no opportunity for amendments. Is it so unusual to permit recognition of any committee member to call up a bill? No, it is even provided for in our House Rules—rule XI, clause 2(L)(7)—if a chairman does not call up a bill within 7 days after the adoption of a rule. That rule does say that the member must be authorized by a committee majority to call up the bill. Our rule does not make that provision since it is doubtful that a committee majority wants a rule which would permit a vote on the Krueger substitute. So all we have done in this natural gas rule is to modify our own House rule to permit a House majority, rather than a committee majority, to determine whether a bill should be called up for consideration over the objections of chairman. We have given this decision to 218 Members rather than just 22 Members. I frankly do not see how that can be construed as being unfair or unjust.

The other controversial aspect of this rule is that we permit the offering of two substitutes, Brown and Krueger, waiving points of order. This is far from being unprecedented. We do it all the time in order to give the House the widest possible range of choices on related amendments. We even did it in the case of a completely unrelated amendment with the tax reduction bill and the Green oil depletion allowance repealer. That rule, incidentally, was supported by all of the Interstate Energy Subcommittee members who oppose this rule. In this case, the two substitutes are at least directly related to the subject matter of the bill—natural gas. Moreover, testimony before the Rules Committee revealed that the Krueger amendment had been dumped by switching bills in midstream, and what is now the Brown substitute was defeated on a 19 to 19 tie vote. It would be unconscionable for the House to now deny the proponents of these two important alternatives their day in court. And, as I mentioned earlier, we are going to have to confront this same issue in conference with the Senate. It hardly seems reasonable to simply leave this decision up to our conferees without any directions from the House, or to limit debate time to the 1 hour permitted under a motion to instruct them.

Finally, Mr. Speaker, there are some extraneous charges being made about this rule. It has been said that it is loaded in favor of proponents of deregulation because of the division of time under general debate. First, the rule divides 2 hours of general debate between the majority and minority parties, and not between opponents and proponents. Second, we have quite often given time to the author of a major substitute to explain his amendment. In this case, Mr. KRUEGER has been given an hour. And he in turn has said he would give half his time to opponents of his amendment. So, even if we assume that majority and minority time is split between opponents and proponents, so too will the Krueger hour, and thus the overall time is equally divided.

It has also been charged that the Rules Committee has discharged the Interstate and Foreign Commerce Committee of bills now pending in that committee. The rule does no such thing. It simply makes in order the offering of two amendments offered in committee to this bill which were subsequently placed in the CONGRESSIONAL RECORD. The only bill mentioned in this rule is H.R. 9464.

In conclusion, Mr. Speaker, if the energy subcommittee chairman calls up this bill as he promised, the question of recognition becomes academic. Debate time will be equally divided. If the House adopts this rule it is simply saying it wants to hear a discussion of the issues and then vote on a matter which will be taken up in conference with the Senate on this bill. In short, the Rules Committee has simply attempted to give the House the fullest and freest opportunity to work its will on this matter. It is now up to you whether you want that chance.

Mr. BOLLING. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts (Mr. MACDONALD).

Mr. MACDONALD of Massachusetts. Mr. Speaker, I appreciate the gentleman's yielding me this time.

I would just like to say to the House this: I have never been a bomb thrower since I have been here, for 22 years; and yet, this is the first time since I have been here that I have ever seen any such procedure followed as this one, where the committee who is working on this subject is summarily discussed.

What is the sense of having that kind of a situation? If a committee is bringing a bill out to the floor for full consideration after marking it up—and we all criticize other committees for marking up bills on the floor—but, let me say, we are going to have to mark this bill up on the floor because nobody has ever seen it. There are things in the so-called Krueger amendment that need fixing, even at best. And I am not talking now about the merits of the thing, although I feel very deeply that there is much to be said against the amendment. And the story I told—and the gentleman from Missouri (Mr. BOLLING) was generous enough to yield to me for this, is as truly as I am standing here. They did not finally buy a service, but they have invested in all kinds of different things. And we will not get one more ounce of liquid oil or gas no matter what the workings of this body does today are, whether or not this bill is adopted by us or not.

So, Mr. Speaker, in my judgment, if there will be any Member here in the House left after today who believes in the rules of orderly procedure in the House, and see's the way our committee has been treated, then I for one will be very, very surprised. There will be no more respect for the Congress. Everybody will be looking for loopholes, every Member will be doing it, at least the way things have been going, they will and be successful.

So I salute the gentleman on the Committee on Rules for saying what he had to say.

The SPEAKER. The time of the gentleman has expired.

Mr. BOLLING. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. MOSS).

Mr. MOSS. Mr. Speaker, the present rule should not be adopted, and this issue should not be here, this legislation should not now be considered by the House if for no other reason than that it does not have enough facts available for it to be able to pass and legislate intelligently on this question.

For the first time, Mr. Speaker, after having resorted through subpenas and through court action, the Oversight Committee has been able to get meaningful comparative data from the USGS, from the American Gas Association, and from the reserve ledgers of the producing companies themselves.

Let me show the Members what happened in comparing just 153 fields in the Outer Continental Shelf off Louisiana, the error factor in underreporting was 37 percent. Those 153 fields showed a disparity of 8.7 trillion cubic feet. If that factor was to hold up in the entire OCS, the underreporting would be on the magnitude of 100 trillion cubic feet.

When one considers that the estimated shortfall at this moment, for this season, is only three-tenths of a trillion cubic feet, one can see the magnitude of error in the material upon which judgments are being based today and upon which the forecasts of shortages and failure of market are predicated, and upon which the determinations of this House itself are based.

So I ask the Members to at least, in the name of God, in order to legislate intelligently to do it from the facts.

Mr. BOLLING. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. ECKHARDT).

Mr. ECKHARDT. Mr. Speaker, this is a very short time in which to talk about a bill which potentially removes $5 billion from consumers' pockets in the first year and around $15 billion eventually. What happened was this. The FEA prognosticated a shortage of gas. We drafted in our committee a bill to permit intrastate gas to flow into interstate commerce. That bill was then used as a vaulting pole by the oil and gas industry to get out from under gas price control. Maybe they should be permitted some leeway with respect to new gas, but there are about four different approaches, all quite distinct. One is the Krueger approach; one is the Senate approach; another is Senator STEVENSON's approach; and then there is the Fraser approach.

The committee has not considered and fully developed the question of permanent deregulation. I urge defeat of the rule so the committee can work its will.

The SPEAKER. The time of the gentleman has expired.

Mr. BOLLING. Mr. Speaker, I yield 2 minutes to the Chairman of the subcommittee, the distinguished gentleman from Michigan (Mr. DINGELL).

Mr. OTTINGER. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Speaker, I rise in opposition to the rule providing for the consideration of H.R. 9464, the Emergency Natural Gas Act of 1975.

The procedure by which this emergency bill and a totally unrelated proposal regarding long-term deregulation of natural gas prices are being brought to the floor is a highly irregular one. The committee requested no rule. It sought unsuccessfully to bring a narrow, noncontroversial emergency bill to the floor under suspension of the rules. Having been denied this, the "emergency" so touted by the gas industry and its Federal advocates evaporated and there seemed to be no reason for an emergency bill. We went on to consider permanent legislation.

The majority on the Rules Committee, desiring total deregulation, decided we were not moving fast enough. It seized jurisdiction from our committee and decided to make in order one of the many proposals for permanently dealing with gas pricing on which hearings had not yet been held. It decided to substitute its judgment for the committee's judgment on substantive legislation within our jurisdiction. This simply is not the purpose for which the Rules Committee is given its extraordinary powers. It is an outrageous abuse of power that must be struck down lest the Rules Committee be given an extraordinary license to legislate in every committee's jurisdiction where it disagrees with the committee's actions. This is the terrible precedent we will set if we adopt this rule today.

To add insult to injury, the Rules Committee not only made in order the Krueger amendment on which hearings were never held, inviting the whole House to markup session on the floor, but it allotted the time for debate two-thirds to the proponents of the Krueger amendment and only one-third to the committee majority—another "fine" precedent.

Then, to show its complete contempt for the committee, Rules made it in order for any member of the committee to call up the bill, bypassing the committee chairman and the subcommittee chairman.

The House is now faced with the prospect of spending many hours writing a major energy policy bill here on the floor. I am sure that most of my colleagues would agree that this is a most unwise course to pursue.

If the advocates of deregulation are interested in quick action by the Congress, as they obviously are, they are certainly not going to get it in this way. Although the Krueger bill is advertised as being identical to the Bentsen-Pearson measure, S. 2310, there are many significant differences between the two. The very language upon which deregulation turns—that is, the definition of "new" natural gas itself—differs in the Krueger and Bentsen-Pearson bills. Important consumer protection provisions added by the Senate to title II have been completely deleted by Congressman KRUEGER. The two versions offer different definitions of a "high priority consumer of natural gas." And the sections on propane allocation are two very different pieces of legislation, covered in the Senate bill by only 2 pages and in the Krueger substitute by 12. If we pass the Krueger amendment today, we can look forward to a long battle in a polarized conference committee, but certainly not to quick action by the Congress. In fact, a long-term gas solution will probably never see the light of day if the Krueger substitute is passed by the House today.

This being the case, I submit that it would be much wiser to allow the appropriate committee to do its work, in accordance with the orderly processes of the House. The Energy and Power Subcommittee has held nearly 2 solid weeks of legislative hearings on restructuring the Natural Gas Act.

Those of you in the House who have been led to believe that the Krueger bill is the only bill which would accomplish deregulation are being severely misled. The Senate bill is different. In addition, however, there are many other regulation and deregulation proposals that are worthy of serious consideration by Congress.

Not the least of these are the very different approaches of Congressman DONALD FRASER and Senator ADLAI STEVENSON: Under the rule we are being asked to accept today, neither of these will ever receive the serious consideration they deserve. The thoroughly biased Rules Committee was requested to make in order the Fraser amendment if it was to insist on taking its own legislative spree, but turned this down, allowing only the Brown and Krueger deregulation approaches to be in order.

Nor will the suggestion of Governor Boren of Oklahoma be in order proposing that deregulation be tested for 5 years—despite the fact that Governor Boren claims the support of 33 Governors for his proposal.

The urgency of this matter has been greatly overstated in an attempt to frighten the Congress into immediate and precipitous action. Restructuring the Natural Gas Act is required but whether or not the House adopts the Krueger amendment today, that restructuring will not take place this winter. A much wiser course, I think, is to give the Energy and Power Subcommittee the opportunity to which it is entitled, the chance to bring long-term gas legislation to the House floor. Chairman DINGELL and Chairman STAGGERS have both pledged to do this. I believe it is incumbent upon us to give the chairman this courtesy.

I urge the House to join with us in defeating this rule today. Let us not set a precedent by which we would be ruled by the Rules Committee on substantive legislation rather than merely as to the procedure by which a committee's work will be handled on the floor.

Mr. DINGELL. Mr. Speaker, the question is not the prerogative of the Committee on Interstate and Foreign Commerce. The question is the duty of that Committee to the House and to the Nation. The question is not whether or not we ought to be considering deregulation of natural gas, but the question is whether we should be doing so today, without proper recommendations from the committee, thereby creating an ambiguous legislative history which does not enable the House to legislate wisely, prudently, and well, with adequate facts on which to base prudent judgments.

The chairman of the Committee on Interstate and Foreign Commerce has promised the House that we will have, on the floor, at the earliest minute a piece of legislation dealing with the question of long-term natural gas policy. As the Chairman of the subcommittee of jurisdiction, I make the same promise to my colleagues, and I repeat the commitment which I have previously made.

This rule forces, under the most unfair circumstances, the consideration of legislation fraught with ambiguities, peculiarities, and points which are not understood by its author or by the House. The worst thing about this whole proceeding is that the House is going to be compelled to consider, without proper preparation by the committee, a proposal, which even its author admits is imperfect, under a most extraordinary process.

What we should do is reject the rule; send the rule back to the Committee on Rules; consider the emergency legislation under a proper open rule; and then if the Committee on Interstate and Foreign Commerce does not honor the commitment made by its chairman, if the subcommittee does not honor the commitment made by its chairman, then place the Krueger proposal on the floor because we have dishonored ourselves and our commitments to the House.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BEDELL. Mr. Speaker, I rise in opposition to House Resolution 937, a resolution establishing the terms of consideration for H.R. 9464, the Natural Gas Emergency Act.

My objections to House Resolution 937 do not relate to the substantive issue of deregulation per se. There are persuasive arguments on both sides of this issue which must be thoroughly examined.

I am greatly concerned, however, that House Resolution 937 constitutes a blatant attempt to ramrod total deregulation through the House in a highly irregular manner. In my view, the rule proposed by House Resolution 937 is neither proper nor fair. And it is certainly not justified by the current condition of the natural gas market. The primary effect of this rule is to exacerbate the suspicions surrounding the deregulation issue and detract from the substance of the decontrol debate.

Allow me to elaborate.

The Rules Committee has recommended an open rule with 3 hours of general debate on H.R. 9464, with 1 hour to be controlled by the committee majority, 1 hour by the committee minority, and 1 hour by Representative KRUEGER. And what is objectionable about this rule? Simply put, it subverts traditional House procedures and radically alters the nature of the natural gas debate. It proposes to allow the full House to consider the long range natural gas issue, instead of the limited, emergency measure originally envisioned by the committee. And, in addition, it allocates control of two-third of the debate to the proponents of total deregulation.

H.R. 9464, as drafted by the Interstate and Foreign Commerce Committee, was designed to deal with short-term shortages of natural gas. It seeks to provide a means for offsetting potential supply problems for the remainder of this winter season and through all of next winter's months. It was intended to be a compliment to the committee's consideration of the highly complex and controversial long range deregulation question.

House Resolution 937, however, allows for floor consideration of a substitute amendment, to be offered by Mr. KRUEGER, which proposes to deregulate all natural gas prices by 1980. In one fell swoop, the Rules Committee has transformed an emergency measure into a vehicle for the total decontrol of natural gas prices.

While I agree that the Congress must thoroughly examine the long-range issue in a timely manner, I do not believe that it is advisable to proceed in this fashion. There are several compelling reasons to support this judgment.

First, the Commerce Committee's Energy and Power Subcommittee is currently in the process of studying the long-range issue. In fact, the subcommittee has already held 10 days of hearings on a variety of proposals to restructure the Natural Gas Act, including the Krueger proposal. And, I understand that the subcommittee chairman, Mr. DINGELL, has stated that he is prepared to mark up legislation and that the chairman of the full committee, Mr. STAGGERS, has agreed to move expeditiously on this matter once the subcommittee has reported a bill.

And second, there is no need to ramrod a decontrol bill through the House at this particular juncture. Fortunately, the severe shortages predicted by the FEA last August have not materialized, and the supply situation is such that we can afford to move more judiciously on this issue. Timely and thoughtful consideration, not precipitous action, is what the American people need from the Congress on the long-range natural gas problem.

In my judgment, to consider the long-range deregulation question as an amendment to an emergency measure, without the benefit of committee analysis, usurps the legislative function of our committee system and indeed makes a mockery of the entire legislative process. And what's more, it is not justified in this instance.

Mr. Speaker, I am not suggesting that the natural gas situation is not critical. On the contrary, I believe that it is of such vital importance that we cannot afford to act on this matter without a thorough understanding of the consequences of our actions. I do not believe that House Resolution 937 provides us with sufficient opportunity to make an informed judgment on the deregulation issue, and I urge its defeat by the House.

Mr. EDGAR. Mr. Speaker, this House will be considering legislation today which I feel is very inappropriate to be debated at this time. The chairman of the Energy and Power Subcommittee, Mr. DINGELL, knows this. The chairman of the full Commerce Committee, Mr. STAGGERS, knows this. Four other subcommittee chairmen of the Commerce Committee have joined them in sending a letter to every Member of the House of Representatives protesting the rule on the emergency natural gas bill. I agree with them when they write that—

> The Rules Committee has circumvented the orderly processes of the House which entrusts jurisdictional responsibility to the Commerce Committee.

Mr. Chairman, I intend to vote against this rule.

The Natural Gas Emergency Act of 1975 was intended to address the short-term problems of the natural gas shortage. This legislation should not have to face the threat of being diluted and expanded by a nongermane and technically as well as philosophically bankrupt substitute which the Rules Committee has deemed to be in order by its unusual rule.

I intend to stand by the leadership of my colleagues, Mr. DINGELL and Mr. STAGGERS, and I am very disappointed that the Rules Committee has demonstrated its lack of sensitivity to the purpose of this emergency legislation. Just today, the committee is commencing markup of long term legislation designed to alleviate difficulties with our natural gas regulations. The culmination of many days of hearings, the bill which I anticipate would be reported from this fine committee would be much more worthy than this hastily conceived and indefensible deregulation proposal offered by my colleague from Texas (Mr. KRUGER).

Mr. Speaker, the lobbying by selfish special interest groups in favor of deregulation has been very heavy. I know that many of us are under intense pressure to evaluate the committee bill and its substitutes the "right" way, and I hope that we all study the various proposals on their merits. Our votes today should be based on the welfare and economic health of the entire country, and not only to satisfy the provincial interests of an influential and powerful elite. I am very concerned that the Krueger substitute for deregulation is not the right way to go, and certainly not the best route for an emergency short-term bill.

At best, long-term deregulation would transfer billions of dollars in purchasing power from consumers to producers. Since the 10 largest oil companies control over 80 percent of natural gas reserves, the coffers of these interests would be filled at the expense of those who have faced the largest burden of price inflation.

At worst, the economy would be again shaken by another irrational quadrupling of price for an energy resource, and this Nation could again face another bout of uncontrolled inflation and recession.

Mr. Speaker, when the OPEC cartel raised their price for a barrel of oil from $2.75 to $10, the American public, and the American Government were outraged. It amounted to extortion. There was no relationship between the costs of production and the price which OPEC demanded. The cartel limited competition in such a way that there was little choice for the United States and the rest of the oil importers but to accede to this extortion. The choice was either to pay four times what the oil was worth, or go without oil.

The argument given by those who wish to change my mind on this issue is the same for both oil and natural gas, and once again are tragically absurd. Again, there is no relationship between the costs of production and the price the majors want America's consumers to pay. Again, despite the appearance of many different company names, there is in reality a lack of competition among the companies. The companies control major shares of oil, gas, coal, uranium, and other energy resources. Because demand is not elastic, and the cost can be passed directly to the consumer, there is little incentive to keep prices down.

Mr. Speaker, the natural gas industry is dissimilar from other energy industries in that it is intrinsically noncompetitive. Pipeline owners cannot relocate their pipelines if the price at the well is too high. A homeowner cannot pick another gas distributor as easily as changing home heating oil companies. The purpose of natural gas price controls, initiated in 1938, was to protect the consumer from a natural monopoly. The Federal Power Commission was given the task of setting rates which would guarantee the producer a substantial profit, while assuring that prices to natural gas users would be "just and reasonable." The producers have a different definition of "just and reasonable." To them, such a price would be the equivalent Btu price of OPEC oil. To them, "just and reasonable" would have little relationship to costs of production and little relationship to a justifiable profit on investment of 15 to 18 percent allowed by the Federal Power Commission. Although each year, the FPC has raised the rates allowed for interstate gas sales 30 percent, the natural gas producers feel that only a 500-percent increase, and a 500-percent profit on investment would be enough to encourage them to expand drilling and exploration.

Since the price of natural gas sold through interstate pipelines is controlled, the price has remained relatively stable despite the ballooning of costs for oil. Unlike other fuels, natural gas combustion is complete, the gas primarily composed of methane burns to water and carbon dioxide. Environmental laws passed in recent years by all levels of government have made this fuel increasingly attractive even disregarding the obvious benefits of having the price at a reasonable level.

This price now is at 52 cents, a level calculated by the Federal Power Commission to provide between a 15- to 18-percent return on the investment dollar, on the average, to producers of natural gas. It is clear that in a vacuum, this price should be sufficient to encourage a high rate of production. However, the artificially created OPEC price has put a lot of upward pressure on prices of all fuels. The market for natural gas has expanded, and the price commanded for noncontrolled natural gas in intrastate pipelines has rivaled the equivalent price per Btu of oil. Seven trillion cubic fee of natural gas are now sold at the uncontrolled price, a level currently averaging $1.35 per million cubic feet, but approaching $2 per million cubic feet in some States.

Since producers can capitalize on the OPEC cartel pricing for each Btu of energy, the intrastate market for natural gas is expanding at the cost of the interstate market. Even if a producer can make a 15- to 18-percent profit by producing for the interstate market, it makes infinitely more sense to send his gas to the intrastate market which yields a profit of up to 500 percent. With pressure on the Congress to legislate an end to interstate price controls, it makes more sense to keep the gas in the ground in the hope that controls will be lifted within 5 or 6 years.

Mr. Speaker, there is evidence to suggest that this is the very case which is causing the curtailments of natural gas deliveries, curtailments which have brought tremendous lobbying by threatened industries on the Congress to lift controls, not only temporarily, but permanently. A Library of Congress study dated November 21, 1975, concluded that—

> A natural gas producer with a typical gas field has a strong profit motivation not to commit gas to market at current regulated prices (even assuming that those prices will increase at 30% per year and that he will receive the increased prices as they are decided upon) because committing his field at deregulated prices is more profitable even after a four year wait, with decontrol.

Lax enforcement of production requirements and only marginal financial disincentives for shut-in production work tandemly to make delays in production easy for producers who speculate that decontrol will become reality. Such delays in production, which are being uncovered in hearings by the Congress, only exacerbate curtailments in natural gas deliveries.

At this time, the predictions by the FPC in August of a curtailment of 1.3 trillion cubic feet of natural gas has failed to materialize. At most, there is a shortage of 0.3 trillion cubic feet of gas which could be fulfilled by adequate stocks of alternative fuels.

Mr. Speaker, it is clear to me that there is no emergency natural gas crisis in which no action by the Congress would result in massive unemployment, plant shutdowns, and a refueling of the recession. This emergency bill before us today is not necessary. It, and its amendmends, should be defeated.

Considering this legislation today is very dangerous from the view of the consumer, Mr. Speaker. The Senate has already approved a long term deregulation bill which, if enacted, would be a disaster for all Americans except those who would reap windfall profits producing natural gas at the equivalent exorbitant profits of the OPEC cartel. The Kreuger amendment would provide long term deregulation which would be politically difficult to reverse. I would personally welcome having the Krueger amendment being debated during consideration of the long term natural gas bill being formulated by the Energy and Power Subcommittee. At this time, however, this amendment is inappropriate, and not germane to an emergency bill.

The Rules Committee has acted at a great disservice to the American public by providing a rule for consideration of this bill which inherently favors a permanent deregulation bill.

Mr. Speaker, I find it incomprehensible for this rule to be supported on H.R. 9464. Certainly, the status of natural gas production needs creative and aggressive long term solutions. The Commerce Committee is now considering these strategies which would provide an equitable method for encouraging optimum production of natural gas, assuring reasonable profits for producers, and providing competition in the industry so that the consumers would not be required to face too much of the burden. Approval of the rule would subvert this work by the committee, and I urge my colleagues to vote to defeat this rule.

Mr. HARRIS. Mr. Speaker, I am opposed to the rule before us today and the Krueger substitute to the Natural Gas Emergency Act. House approval of the Krueger deregulation proposal would be one of the gravest mistakes of the 94th Congress. It would be disastrous for the average American family.

It is totally ill advised for the House of Representatives to be considering a bill of this magnitude via this subversion of the orderly legislative process which this rule represents. It is absurd for this House to be voting on a bill when serious, long-term questions about the natural gas situation are in limbo. Questions like: What is the true status of our reserves—not the industry's estimates? Is there underproduction from Federal leases? Are producers withholding natural gas in anticipation of higher prices? There is no way we can cast an informed vote without having definitive, substantive answers to these and many other questions. When the two Interstate and Foreign Commerce subcommittees complete their hearings and produce for us a complete hearing record and report, we will then be ready to consider legislation. We should not be writing long term, complicated legislation dealing with such a basic issue on the floor of the House. I cannot be a party to such a stampede. The subject is too critical, the ramifications too dangerous.

What concerns me equally is the potential impact of the Krueger deregulation proposal on the average American consumer. Frankly, it is inconceivable to me that during a time of 8 percent inflation and over 8 percent unemployment we could be considering a proposal that will add nearly 1 percent to the inflation rate this year. Even more serious are the ripple effects which could expand this inflation jump to 1½ percent. Deregulation would increase the unemployment rate by 0.4 to 0.7 percentage point. Since 45 percent of the cost of fertilizer is natural gas costs, deregulation will significantly boost food prices. This proposal will cost consumers between $12.7 and $14.6 billion by the end of 1976, for no extra supply. The cumulative costs for the 10 years ending in 1985 will be a whopping $75 billion. In simple terms, this means the average family will be paying $400 more a year in higher prices due to deregulation.

The proponents of price deregulation and other apologists of the petroleum industry are quick to speak of free market forces and the evils of business regulation by Government. No one who lived through the bureaucratic postwar price control era as I did would lightly consider price control on basic commodities. But you and I know that no free market exists in the petroleum industry today and the same big oil companies who have fixed and maintained an artificially high price for crude oil around the world are attempting to exact the same exorbitant price on their gas-producing properties in this country. Until we enforce the antitrust laws, until we restore competition to "big oil," this House has a responsibility to oppose the removal of legislative constraints on the price of natural gas. Decontrol will mean more profits for producers, not more energy for consumers.

Natural gas supplies 33 percent of our energy needs. It runs our factories; it cooks our dinners; it heats our homes. The deregulation of a fuel so basic to our everyday lives will send an economic shockwave throughout the country. It will send an economic shockwave through Joe and Mary Citizen's pocketbook. I adamantly oppose this amendment. It is a shortsighted proposal that flagrantly ignores the inflationary squeeze in which every American citizen is caught.

Mr. RUSSO. Mr. Speaker, I rise in opposition to the rule providing for the consideration of H.R. 9464, the emergency natural gas legislation. This highly unusual rule should be defeated because of the violence it does to orderly parliamentary procedures in the House of Representatives.

In the past 2 weeks Members of the House have been virtually bombarded with facts and figures arguing both sides of the deregulation issue. I have attempted to deal as fairly and as impartially as I can with this complicated matter and I have met with gas industry officials as well as those who oppose the deregulation of natural gas prices. After listening to both sides I frankly find merit in both approaches to the argument.

It is clear that the artificially low price of natural gas has kept supply low and has increased demand. In addition, the discrepancy in prices in the interstate and intrastate markets has served to distort supply and shift it to the more lucrative intrastate market. On the other hand, a whole series of Federal court decisions have held that the reason we have had regulation of wellhead natural gas prices is because of the fundamentally monopolistic structure of the gas industry. To deregulate prices for a monopolistic industry is not wise public policy nor wise economics. The General Accounting Office has estimated that deregulation would cost consumers a cumulative $75 billion by 1985 and that the average residential gas consumer will pay $94 more for gas in 1980.

The economic distortions created by the current regulatory structure cry out for reform. Industry officials have not suggested an alternative other than the deregulation mechanism. From a pure free market theoretical point of view I can certainly understand and sympathize with this argument.

However, we do not live in a perfect world and in many ways the concept of a free market is largely illusory. In today's mixed economy we must be careful of not substituting one economic distortion for another.

Certainly, the problems of the low price of gas relative to other fuels and the disparities in the interstate and intrastate gas prices must be resolved. I cannot support this rule which would have the effect of "marking up" a complex piece of legislation on the floor of the House without guidance of the Interstate and Foreign Commerce Committee. Subcommittee Chairman DINGELL and full committee Chairman STAGGERS have expressed their commitment to present long-term natural gas legislation to the House floor after current committee markup is completed. I believe that pledge and I will hold them to that pledge so that Congress can act with proper procedure on this important public policy issue.

Current regulation has not worked. Deregulation poses many dangers and potential problems. The Nation's economy cannot withstand the continued drop in production of natural gas nor the continued decline in the number of independent wildcat producers. The House must act not in haste on this issue, but with responsibility in an orderly procedure. The Committee on Interstate and Foreign Commerce should continue its deliberations and address itself to the important questions of adequate price incentives for production, entry to the market for the smaller independent producers, adequate and accurate reserve data. Once the Committee has dealt with these important problems the House will be better prepared to deal with these questions.

Until such time as the Committee on Commerce addresses these issues and files an appropriate report I cannot support deregulation. Nor can I support this rule which has blatantly skirted the committee process under heavy industry pressure. The House must not be stampeded on this issue. I urge my colleagues to vote against this unwise rule.

Mr. MARTIN. Mr. Speaker, I favor adoption of the rule so as to make in order the Krueger-Broyhill substitute. We need a chance to vote on it.

There have been a lot of scare tactics used against the Krueger-Broyhill substitute. I have heard normally well-informed people talking about 100-percent increases in residential bills overnight. This is plain silly. The deregulated price would in fact only apply to new gas brought on line, not to old gas. It may be that some unsophisticated producers have failed to catch the distinction, but under the substitute bill, any shut-in gas is old gas and anyone foolish enough to have shut it in thinking it would be deregulated is going to be hearing, at least, from his stockholders and creditors.

The overall price rise would be gradual, and for a reliable reason: old gas would remain at the controlled price. As new gas comes on stream under Krueger-Broyhill, there will be incremental price increases as the average per unit cost rises. Of course, the same thing happens every time America buys a barrel of Arab oil instead of getting it here.

Incidentally, there are going to be a heck of a lot of consumers getting off cheaper under Krueger-Broyhill. They will be the millions who will substitute the subsequently more abundant natural gas for the still more expensive propane. The reduced competition for propane will improve the availability of this product for those who must rely on it, such as rural residences. We will see an end to the moratorium on new gas residential hookups. Millions of consumers will then save by being able to use gas which they cannot now get.

In natural gas we have seen the case par excellence of the effect of politicized regulation. The political determination has been to keep prices down. That keeps demand up and supply down. It is simple.

If we were to say that food should be cheap, and order that meat shall not be sold interstate for more than 10 cents a pound, there will be no interstate meat; but it will be cheap. Business is like water, it flows. Instead of meat, we would see textured vegetable protein. If we determined that legal recourse must be available cheaply, and determined that lawyers should earn no more than $9,000 we would solve the law school admissions crunch over night. That would work out to about $4 an hour for legal counsel and I dare say we would get our money's worth. If we put the minimum wage back to a dollar, and the maximum to $2 and set unemployment benefits at $80 a week, we know what would happen. That is what has been done with natural gas. That is why hardly anyone has been out prospecting. That is why homebuilders and homeowners cannot get new gas service. That is why there is a shortage. If we were not 200 degree-days warmer than usual this winter, we would be out of gas, and that is no figure of speech.

Mr. BADILLO. Mr. Speaker, within a few minutes we shall be called upon to vote on whether or not the House shall consider H.R. 9464, the Natural Gas Emergency Act of 1975. The issue before us appears fairly simple.

Natural gas is delivered to users through intrastate and interstate gas pipelines. Unless the flow of gas in such lines is maintained at a designated level, consumer demand for gas cannot be met. For the past several years, the level of gas within interstate lines has been below anticipated demand. Since similar trouble has not been encountered with the flow of intrastate gas, some argue that our problems stem from the price ceilings imposed on interstate gas. "Let the price rise to the level where production will once again become profitable," these spokesmen urge, "and the American consumer will once again have all the gas he or she needs." Whether or not the consumer will be able to continue to purchase the gas at prices which may be as much as 200 or 300-percent higher is, of course, another matter.

Because the issue is an extremely complicated one, H.R. 9464 does not attempt to solve it immediately. It addresses itself instead to possible contingency situations within the next 18 months by requiring the Federal Power Commission to designate, within 15 days of its enactment, interstate pipelines that will be unable to obtain sufficient gas supplies to meet the requirements of their essential users. Such pipelines, after designation, would be permitted to increase the level of their supplies with gas purchased at prices in excess of interstate ceilings. The resulting rise in the cost of gas would then be passed on to large commercial users, while rates for residential customers and small commercial establishments would remain stable.

In other words, H.R. 9464 is a fairly simple bill, designed to deal with a particular problem for a specific period of time. Normally I would vote for the rule permitting its consideration routinely.

Today I find that I must oppose it.

The rule before this body is the most extraordinary rule ever to come out of the Rules Committee. Instead of allocating time for the consideration of pro and con arguments pertaining to the measure before us, it stipulates that the House spend the majority of the time available to it, at least 2 out of the 3 hours, considering a substitute, H.R. 11265 and related amendments dealing with price decontrol. This, despite the fact that decontrol has not yet been dealt with by the committee having jurisdiction over it. We are thus asked to address ourselves, without the study of relevant data, the benefit of a committee report, recorded testimony and requisite committee action to the extremely complicated, largely unexplored and controversial issue of natural gas price deregulation.

Mr. Speaker, Congress has insufficient information to act on this matter at this time. Data on production costs, price ranges and profit levels are incomplete. The only statistics available to us concerning supply levels have been seriously compromised. Testimony just received by the Subcommittee on Oversight and Investigations of the Interstate and Foreign Commerce Committee indicates that estimates of available resources may have been seriously understated by some producers. In addition, there is reason to believe that producing wells are consistently being operated below their capacity creating an artificial shortage. A random sampling of 123 wells by the subcommittee reveals for instance, that 55 of them were producing at less than 80 percent of capacity, while another 68 were averaging producing levels of only 58.9 percent. The U.S. Geological Survey considers 80 to 85 percent "normal" production levels.

Nor do we have a real understanding of the extent of supply shortfalls. Our only data to date indicate only the differences between estimated needs—usually established prior to the inception of the heating season—and the level of actual shipments with no allowance made for the impact of clement weather or possible drop in industrial demand. Surely, until such elementary questions are answered, we cannot be expected to legislate.

The cost of deregulation is variously estimated to be between \$4.5 and \$9 billion. Preliminary estimates indicate that for every \$1 billion we take out of the economy we may expect to have a 0.4-percent increase in the level of unemployment. Despite the rosy picture being painted by the administration, our economy is in a precarious position. Unemployment is officially at 8.3 percent. However, if allowance is made for discouraged jobseekers who have stopped looking as well as those holding only part-time positions because they cannot find full-time employment, our unemployment rate is much nearer to 15 percent. We cannot afford, at this time, to add another 3 million unemployed to that number.

Mr. Speaker, I urge my colleagues to act carefully. Decontrol, and its impact, will be with us for a long time. The provisions of H.R. 9464, the Natural Gas Emergency Act of 1975, are designed to take care of the contingencies that may arise between now and the enactment of long-term legislation. A defeat of the rule before us does not mean that the House will be deprived of a chance to act on H.R. 11265, the Krueger substitute. On the contrary. The Committee on Interstate and Foreign Commerce is scheduled to begin markup sessions on it and related measures today. A "no" vote at this time will merely assure that we shall act on decontrol after due preparation and with informed knowledge. In view of its grave economic implications we must do at least as much.

Mr. ANDERSON of California. Mr. Speaker, I rise in opposition to House Resolution 937, the rule accompanying H.R. 9464, the Natural Gas Emergency Act. I am, of course, in favor of a complete and open airing of the options, but I do not think we should begin debate on the dismantling of a 22-year-old system of Federal price controls on interstate sales of natural gas without the benefit of committee review and recommendation.

With a markup expected to begin soon in Representative DINGELL's Subcommittee on Energy and Power, and a pledge of expeditious consideration from the full Interstate and Foreign Commerce Committee, I believe a vote in favor of House Resolution 937 would undermine the purpose of the committee system.

Whatever each Member's feeling may be on the decontrol of natural gas, I urge restraint, and therefore recommend a "no" vote on House Resolution 937. Allow the committees to complete their work; then we will decide.

Mr. DRINAN. Mr. Speaker, I rise in opposition to House Resolution 937, a rule which would provide for the consideration of the Natural Gas Emergency Act, H.R. 9464. The rule which we are debating today, House Resolution 937 is unworthy of consideration by this House. If we are to enact this rule, we will be upsetting all notions of fair play and shoving aside proper committee and subcommittee deliberations.

The Rules Committee has clearly exceeded its authority and usurped the power of the Interstate and Foreign Commerce Committee. It has preempted this committee from fully considering key legislation, and it has taken this action at the behest of the powerful oil and gas lobby. I say that if we approve this action by the Rules Committee, no legislative committee will be able to proceed with full assurance that it will not be similarly treated by Rules in the future.

Mr. Speaker, the Rules Committee has approved a rule for H.R. 9464, against the advice of the chairman of the Commerce Committee. The rule would make in order a nongermane amendment offered by the gentleman from Texas (Mr. KRUEGER) to deregulate new natural gas permanently. Under the provisions of House Resolution 937, the 3 hours of debate would be allocated as follows: 1 hour to the Member recognized by the Speaker for the purpose of calling up the bill; 1 hour for the minority; and 1 additional hour to be controlled in its entirety by the gentleman from Texas. Therefore, at the very least, those who support the Krueger approach for permanent natural gas decontrol are to be given 2 of the 3 hours available for debate.

The extraordinary nature of this rule is further shown by the fact that the floor manager and author of the bill are demoted to a secondary role. Its incredible provisions permit the Speaker to recognize any member of the committee. In addition, not one, but two deregulation amendments are permitted under the terms of the rule. As a result, only proposals favored by the oil and gas industry are given fair consideration on the floor of the House.

Mr. Speaker, proponents of this rule argue that the Interstate and Foreign Commerce Committee delayed action on the deregulation issue and that therefore this unusual resolution is needed. These same supporters say that if the debate does not occur now then it never will. However, these statements run contrary to the public utterances of the Interstate and Foreign Commerce chairman and the subcommittee chairman from Michigan. These gentlemen have made it clear that they are pledged to finish work on pending gas legislation and that they will move it to the floor in an expeditious fashion.

Mr. Speaker, House Resolution 937 is a power ploy hastily conceived by the Rules Committee at the insistence of the powerful oil and gas lobby. The action can only serve to preempt normal congressional procedures and bring important legislation to the floor in an unmarked-up status. I resent the fact that the House is being pressured in this manner and urge all Members to oppose this unfortunate and ill-advised rule.

Mr. DOMINICK V. DANIELS. Mr. Speaker, I rise in opposition to the rule on H.R. 9464.

This rule discharges the Interstate and Foreign Commerce Committee from the orderly consideration of long-term natural gas deregulation legislation before the committee completes its work on that important subject. In effect, this rule subverts the legislative process of the House, and as the chairman of a subcommittee myself, I must register my strong protest against this unwise precedent.

The Subcommittee on Energy and Power is presently engaged in hearings which seek to measure the impact of natural gas deregulation. Among the proposals the subcommittee is considering is the Krueger bill—which will be offered as an amendment in the nature of a substitute to H.R. 9464 if this rule is adopted.

Adoption of the rule takes away the responsibility of the committee to conduct markup on this vital legislative matter, and instead forces the process of markup to occur on the House floor.

Mr. Speaker, I would suggest to my colleagues that this is a dangerous way to conduct the public business.

Natural gas pricing policy is a subject that touches the lives of every American. It is too vital a matter to be handled as an amendment to legislation which was specifically designed as an interim measure to provide relief to distressed interstate pipelines.

Mr. Speaker, my opposition to the rule does not imply my opposition to comprehensive legislation that will address long-term natural gas pricing policy. I believe we must come to terms—and soon—with the problem of dwindling natural gas reserves.

If artificially low prices set by the Federal Power Commission for wellhead gas are the sole cause of our problem, then a solution is readily at hand.

However, I believe there are other factors involved which must be studied and fully understood before the House acts on any long-term pricing legislation.

For example, what has been the history of the enforcement record of the FPC in determining that contracts are being fulfilled in accordance with the provisions of the Natural Gas Act?

What evidence do we have that certain producers have withheld supplies from the market? And the term withholding itself needs further amplification. As our distinguished colleague, Mr. Moss has stated previously, reserves discovered but not produced should be included in this withholding definition.

Mr. Speaker, the greatest need we have is for an exhaustive review of all the information we have gathered to date to determine the exact extent of the problem, and to determine what legislative steps and administrative actions are required to correct it.

Mr. Speaker, the distinguished chairman of the House Committee on Interstate and Foreign Commerce has announced his commitment to the development of legislation that will address the long-term aspects of our natural gas problem. I respect the distinguished chairman, and I am confident that his committee will diligently and efficiently discharge his responsibility. Let us allow the Interstate and Foreign Commerce Committee to complete the vital work they have already begun on this issue.

Mr. Speaker, the public is still not convinced that we have an "energy crisis." Of course, the natural gas problem is only one aspect of the entire energy spectrum, but it has received an incredible amount of attention in recent months and many emotional charges have been made on both sides of the issue.

Mr. Speaker, we now require reason, logic, and understanding to be injected into this vigorous dialog.

This can only happen when the committee is allowed to do its work.

If, through fancy parliamentary footwork on the floor of the House, the proponents of deregulation manage to impose their point of view on the whole House, then the public will have even more reason to be skeptical about the reality of our energy problem.

Public policy will be set on this floor. Let us insure that the policy we develop is wise, prudent, and in the best interest of all the American people.

Mr. Speaker, I strongly urge my colleagues to defeat this rule, and if the rule should be adopted, to reject the Krueger substitute.

If we legislate in haste on a matter of this magnitude, we will be adding the unwelcome ingredients of imprudence, misunderstanding, and half-truths to our national energy policy.

Our Nation deserves better than this. Our people deserve better than this. And this House should have enough respect for its historical precedents and procedures to demand better than this.

Mr. VANIK. Mr. Speaker, I strenuously oppose the adoption of this special rule for the consideration of H.R. 9464, the Emergency Natural Gas Act. There are more points of controversy involved in this legislation than virtually any other bill that has been or will be considered in the 94th Congress.

The serious economic consequences of deregulation of natural gas dictate that we approach this issue without the high pressure currently being applied by a forceful and influential industry. There is considerable evidence of undue political influence. There is reason to believe that there may be a considerable distortion of facts relating to gas supplies and gas production.

As in our consideration of deregulation of oil prices, Congress still lacks the capacity to determine adequately the facts and merits of deregulation as opposed to continued or modified regulation. The extent of known or potential reserves of natural gas is one of the most highly guarded secrets in America. Congress, in spite of all its legislative power, has no way of knowing just how much gas is in the ground waiting to come out. We have reached the point where we must beg the gas companies for any information that we want or need. These companies can only benefit from deceit and deliberate underreporting, for which there are no penalties.

Once again, the gas companies hold all the cards in this vacuum of information. The only fact we do know is that the longer the industry keeps that gas hidden away in the ground, the higher its price and the greater the profit that can be made from it. It is the same principle that was in operation during last summer's consideration of H.R. 7014. This time around, though, the administration has succeeded in getting this legislation to the floor under highly questionable circumstances in order to push deregulation through a misinformed and confused Congress.

The gas companies have already succeeded in misleading the Senate into passing this legislation through the threats of severe job losses for this winter due to the shortage of natural gas needed to fuel industry. As has been widely reported, however, the projected shortage has mysteriously vanished, curiously coinciding with the Federal Power Commission's decision to raise allowable rates. When the FPC began granting temporary rate hikes under the 60-day emergency shortage provisions, natural gas suddenly began flowing through the interstate pipelines again. However, the same scare pressure that prevailed last summer and fall is being applied to Congress again, despite the evaporation of the shortage. My own State of Ohio was threatened with the worst curtailments in the Nation. Now, however, the Public Utilities Commission of Ohio has publicly scolded Columbia Gas Co., the main supplier of natural gas for the State, for "spreading unnecessary panic" among companies that use natural gas. The scare tactics and the manipulation of the shortage only serve to underscore the already questionable credibility of the natural gas industry.

However, the gas industry has persuaded the administration and apparently the Rules Committee that it deserves the same treatment that the oil industry received last fall. The Library of Congress estimates that deregulation of natural gas will cost the average household an additional $211 per year for natural gas products. This would significantly reduce the family's spending power. It is unfortunate that the administration apparently listens to the claims of the gas companies more carefully than the problems of the consumer in America. The gas industry has conducted a persuasive campaign claiming that continued regulation will also cost jobs. The additional $100 that will be spent on deregulated gas products will have to come from somewhere. The homeowner will be forced to reduce his spending and investment in other areas, removing a substantial amount of capital from our slowly recovering economy and channeling it all into one industry. The affect on employment from the reduced demand forced by this redistribution of funds could be disastrous.

I fear that the President is once again acting on bad advice from advisers whose oil and gas orientation is deeper than their public responsibility. The deregulation of gas will not allow prices to be set according to market demand, as the administration believes. Instead, deregulation would place an even greater amount of control in the hands of the few and large major companies that control most of the natural gas reserves. A free market in gas would be a blank check signed by the consumers of this country, without any review, audit, or reason. A sudden and complete relaxation from review and control would invite economic chaos.

The history of Federal regulation of natural gas in the interstate market is well-known. Natural gas has been under the control of the FPC since the passage of the Natural Gas Act of 1938. This control has, especially in recent years, been developed with increasing flexibility to insure that gas producers earned a fair rate of return on their investment. The sudden deregulation which this rule would allow consideration of would eliminate our last bastion against economic slavery to the oil and gas industries. We rejoice in our elimination of slavery in this country. However, we could well be creating here a new kind of economic indenture if we permit a few people to drain us of our earnings in order to purchase the energy supplies that we need.

These circumstances demand that we

exercise all possible care in removing Government from the regulation of this critical industry. We must answer to the people for economic effects that our decisions have on their lives. In fact, the decision we make here will have a significant bearing on the entire economy.

I am unwilling to risk these stakes in the confused atmosphere that surrounds the consideration of this legislation. There is almost no basis in history to support public confidence in the oil and gas industries. Yet, we are asked here to submit to their demands for deregulation. There are occasions in which the public has suffered because of indiscretions on the part of government and those who serve in it. This must not be one of those times. We are dealing with an industry that has the capacity to bring the nation and all of its people to their knees and keep them in a permanent state of genuflection. Any effort to extricate the Government from its necessary role of monitor and control must be conducted with only the clearest of foresight and judgment, and only with extraordinary care and timing in order not to upset our fragile economy.

Deregulation will bring higher prices to the consumer and tremendous profits to the industry. Some argue that these profits will be taxed. For over 20 years I have struggled to develop some equitable level of taxation of horrendous oil profits. It is extremely doubtful that Congress can ever impose realistic taxation on an industry protected by a White House veto. Decontrol is merely a shift of price control authority from Government and its method of open decisionmaking to the backroom decisions of a few powerful companies: the public will be the loser.

Mr. McHUGH. Mr. Speaker, I reluctantly rise to oppose the rule and urge my colleagues to do the same. I say "reluctantly" because I would not want my opposition to this rule to be interpreted as unalterable opposition to deregulation. No doubt deregulation in some form is necessary. I oppose the rule because, given the importance and complexity of the issues involved, we must resolve those issues thoughtfully and without undue pressure. Moreover, given the unfortunate climate of suspicion in our country, our people must perceive that we resolved the issues in that way.

The adoption of this rule will give the opposite impression. This rule sets aside the usual procedures of the House. It takes away from the Interstate and Foreign Commerce Committee the opportunity it would otherwise have to complete its consideration of the various legislative alternatives on this subject. It short-circuits the orderly committee process at a time when the committee is in the midst of its study and before it has had a chance to offer its recommendations to the House.

I would not support delay for the sake of delay. The Nation is entitled to a final judgment on this important question. We must have a clear policy on natural gas. Among other reasons, producers should know whether they are to be regulated, and if so under what conditions. However, we have pledges from both the committee and subcommittee chairmen that a bill relating to long-term treatment of natural gas will be reported to the floor within 30 to 60 days. Why then the need to adopt this unusual rule?

Regardless of where we stand on deregulation, we all agree that the questions presented are complex. The facts are in dispute and objective evidence is hard to come by. The Oversight Subcommittee of the Commerce Committee has had to go to court to obtain some information on gas reserves. What reserves do we have? Are the producers deliberately holding back in anticipation of higher prices? On the other hand, have we experienced shortages because Government regulation has deprived producers of adequate incentives and the fair profit to which they are entitled? How much competition is there in the gas industry? What would the actual cost to our people be of deregulation? Of failure to deregulate?

These and other serious questions should be dealt with first at the committee level. The committee has heard considerable testimony on these matters and has pending before it a number of proposals relating to deregulation. If we adopt the rule now under consideration, the House will not have the benefit of the committee's report and recommendations. We may not be able to consider all of the alternatives now pending before the committee. We will be presented with the starkest of choices—no deregulation whatsoever or complete deregulation of new, on-shore gas.

For the past several months, representatives of oil and gas companies have besieged the Members of the House in support of deregulation. They have every right to do so, and I am sure that most of them are genuine in their belief that deregulation is in the Nation's interest as well as their's. There is no question, however, that deregulation will increase the cost of gas to American consumers. Unfortunately, many of our citizens already believe that their Government is beholden to the oil companies. In adopting this shortcut procedure we will be lending credibility to that suspicion and belief.

Mr. Speaker, it is our custom to rely upon our committees to consider and report legislation to the House. The more complex and sensitive the legislation, the more important this procedure is—the more likely we are to arrive at an informed judgment. I oppose this rule because it dispenses with that sensible procedure for the sake of saving 30 to 60 days at the most. It is an improper procedure likely to produce bad law and it is for this reason, and this reason alone, that I oppose the rule.

Mr. BOLLING. Mr. Speaker, I have only two speakers remaining. The only two speakers I have left, Mr. Speaker, are the chairman of the legislative committee and myself. It seems to me that I should have a right to allow the chairman of the committee to come close to closing debate. I think the gentleman from Texas (Mr. KRUEGER) might be recognized.

The SPEAKER. The Chair recognizes the gentleman from Texas (Mr. KRUEGER).

Mr. KRUEGER. Mr. Speaker, we need to keep our eye on the central issue here. The central issue is whether or not the country needs natural gas legislation and whether or not this House should have the opportunity to debate this issue. The House is ready. We have had ample time. We have had ample testimony. We have had ample opportunity to go over these matters. We have considered legislation in committee for a year. The time is now; let us not turn away on the ground that somehow it will be easier to make tough decisions later. Let us go ahead now and have open discussion.

Mr. Speaker, I urge the passage of the rule, and I yield back the remainder of my time.

Mr. QUILLEN. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from Ohio (Mr. BROWN).

Mr. BROWN of Ohio. Mr. Speaker, the need for Congress to take action on the natural gas part of the energy problem is long since past due. The shortage of natural gas which has been developing over the past few years has begun to reach proportions that present a real threat to our Nation's economy. The problem did not begin with the oil embargo, although it has been exacerbated by it. The natural gas shortage had its genesis in the Federal regulation which froze interstate prices at unrealistically low levels which encouraged consumption and discouraged production.

Even after the first lid was put on natural gas prices, our finding rate of new natural gas exceeded our increasing consumption rate for a number of years. But in 1967, that situation changed and we began using our natural gas faster than we were finding new reserves. Because of the low cost and convenience, use of the "city" fuel had been spread by pipeline into the smalltown and rural markets of many parts of the Nation. But that same low cost of gas at the wellhead had seen a consistent decline in new drillings and new finds of natural gas supplies.

The Congress has investigated the problem of natural gas shortage for the past several years—particularly since the first shortages began to show up in 1971. Extensive congressional hearings have been held on both sides of the Capitol in previous Congresses:

The list reads as follows:

September 14, 15, 16, 21, 1971—Natural Gas Act Amendments of 1971—House Interstate and Foreign Commerce Subcommittee on Communications and Power—50 witnesses—494 pages.

December 12, 18, 19, 1973; January 22, February 5, March 28, 1974—Consumer Energy Act of 1974—Senate Commerce Committee—30 witnesses—5 parts totaling 2,156 pages—Part 3.

October 10, 11, 24, 1973—Consumer Energy Act of 1974—Senate Commerce Committee—5 witnesses—Part 1.

April 2 and 23, 1974—Consumer Energy Act of 1974—Senate Commerce Committee—16 witnesses—Part 4.

June 20, 1974—FPC Oversight-Natural Gas Curtailments Priorities—Senate Commerce Committee—6 witnesses—266 pages.

June 26, 27, 28, 1973—Natural Gas Industry—Senate Judiciary Subcommittee on Antitrust and Monopoly—14 witnesses—1,699 pages.

February 19, 20, 1974—FPC Oversight-Wellhead Pricing—Senate Commerce Committee—6 witnesses, 170 pages.

August 24, 1974—Natural Gas Supply for Utah—Senate Commerce Subcommittee on Consumer—5 witnesses—61 pages.

December 4, 5, 1974—Natural Gas Production and Conservation Act of 1974—Senate Commerce Committee—8 witnesses—354 pages.

February 14, 1962—Natural Gas for Resale for Industrial Use—House Interstate and Foreign Commerce Subcommittee on Communications and Power—20 witnesses—400 pages.

June 14, 15 and September 21, 22, 1972—El Paso Merger Legislation—House Interstate and Foreign Commerce Subcommittee on Communications and Power—20 witnesses—400 pages.

November 14, 15, 27, 28, 1973—Energy Emergency Act (discusses natural gas curtailments re electric power industry)—House Interstate and Foreign Commerce Committee—50 witnesses—534 pages. (Dingell members of subcommittee.)

July 12–15, 20, 22, 1971—Concentration by Competing Raw Fuel Industries In the Energy Market and Its Impact on Small Business—Subcommittee on Special Small Business Problems of the Select Committee on Small Business (House)—37 witnesses—699 pages.

And then, this year, as the Energy and Power Subcommittee of House Interstate and Foreign Commerce Committee undertook its review of the President's energy proposals, natural gas and the question of its deregulation were included in those hearings. As a result of the testimony we heard, I raised the question of whether deregulation of natural gas should not be included in our markup of the oil policy bill as our markup consideration of that legislation began last March. I was advised by my subcommittee chairman that the issue of natural gas deregulation would be dealt with in separate legislation as soon as the oil policy issue was completed.

And so it was, but the legislation was crafted by the chairman in such a way that it addressed only the possibility of codifying the steps already taken by the Federal Power Commission to permit emergency market-price purchases of natural gas by shortage-impacted industries and pipelines until April 15, 1976. H.R. 9464, the emergency measure before us, if we adopt this rule, was carefully and consciously crafted in such a way as to make nongermane any amendments that would address the long-range question of deregulation as a response to the continuing and deepening shortage of natural gas. I know that was the purpose of my subcommittee chairman, because he said as much, and because he consistently and properly ruled out of order amendments to try to address the question of long-range decontrol when the emergency bill was before our subcommittee.

Later, when H.R. 9464 came before the full committee, further efforts were made to amend it, but once again they were turned back as nongermane, this time by the chairman of the full committee. Only after one amendment—the 7-year market-purchase option—was thoroughly checked out with the House Parliamentarian did we get a chance for a vote in the full committee, and the result of that vote was a 19-to-19 tie.

Mr. Speaker, that is why the appeal was made to the Rules Committee for a rule of the kind we have before us. The precedents for this rule are several as the gentlemen from Tennessee and Illinois have cited. The reason for the request rule from the Rules Committee was simple—to try to avoid the opportunity for the chairman of a House committee from frustrating the chance for the House to work its will on an issue with which House conferees would be conferencing with the other body. That other body had long since passed the Bentsen-Pearson long-range decontrol of natural gas by an emphatic majority. Even if the subcommittee and committee of expertise—Energy and Power and Commerce—had been prevented by parliamentary cleverness from working their wills on the legislative issue, some of us felt that the full House deserved that opportunity. The Rules Committee concurred by a 12-to-4 vote that the committee and subcommittee chairmen should not be permitted to kill consideration of legislation already requested by the administration and taken up and passed by the Senate. And that is the issue we have before us today.

Let me read an exchange of questions during those Rules Committee hearings:

Mr. Bolling. In the event that this bill were to come to the Floor with a rule, any kind of a rule, and in the event that there were a rule which didn't meet with the approval of senior members of the committee or the members of the subcommittee, what as a practical matter would be the likelihood of a final piece of legislation being produced and finished prior to Christmas of this year?

Mr. Dingell. I think prior to Christmas of this year (1975), very poor and prior to Christmas next year (1976), almost as bad. In all honesty, I think you laid your finger on perhaps the best questions. Our committees had the misfortune to handle these energy bills and gas bills for a good many years.

This is not the first time I have had the experience of being concerned about the chairman of my full Committee on Commerce in the House having the opportunity to kill legislation single-handedly. It happened in the last Congress. After 21 months of consideration, the Senate passed legislation dealing with the renewal of the licenses of broadcast radio and television stations. The license renewal bill cleared the Senate on October 8, 1974, after having been originated in the House Commerce Committee and passed in the full House. On that same day the Senate requested a conference with the House. But there was never any conference—and it was not for lack of time because Congress did not adjourn that year until December 21. But somehow there was never any conference held and 21 months of effort in both bodies of the U.S. Congress of the license renewal bill went down the drain.

Mr. Speaker, that should not be permitted to happen to natural gas this year. If the Congress is to maintain its reputation as the greatest deliberative assembly in the world, we cannot be held hostage on great issues by the whim of a handful of people who do not want to permit an issue to be debated. After the Commerce Committee approved the natural gas emergency decontrol measure (H.R. 9464) and it came before the Rules Committee, both the Energy and Power Subcommittee chairman and the Commerce Committee chairman said it was not before the Rules Committee at their request and that they did not wish a rule on it.

Well, Mr. Speaker, I have schools that closed last winter in my district because of lack of natural gas. And I have industries which had heatless locker rooms and showers because there was not enough natural gas. And I have folks in my district whose home heating bills have gone through the roof because pipelines cannot get enough natural gas and must supplement short supplies with synthetic fuels and costs four to six times the cost of natural gas. These constituents of mine think there is an emergency and 63,000 of them have petitioned me to see if I cannot encourage Congress and the President to act on this issue. They do not understand how a few Members of Congress can keep us from even addressing the issue. Nor do I. I intend to vote for the rule so that this body can work its will on this issue, go to a rational conference with the other body and submit legislation to the President for his disposition. That is the way we should deal with national problems and I, for one, am not afraid to let the process proceed.

Mr. Speaker, I will yield to the gentleman from Massachusetts (Mr. Macdonald) in a moment, but let me say to the gentleman that he, as chairman of the Commerce Subcommittee on Communications and Power in the 93d Congress, will recall in the 93d Congress how we spent 21 months on the license renewal bill. That bill passed the full Committee on Commerce and the full House. It went to the Senate. It passed the Senate Commerce Committee and the Senate on October 8, 1974, the Senate asked the House for a conference. We never had that conference before the Congress ended on December 21, and why? The gentleman from Massachusetts knows as well as I know why: it was stopped by the chairman of our committee. I do not want that to happen to natural gas.

Mr. BOLLING. Mr. Speaker, I yield 3 minutes to the gentleman from West Virginia, the chairman of the committee (Mr. Staggers).

Mr. STAGGERS. Mr. Speaker, I rise in opposition to the rule.

I confess to you that I find this whole process to be so egregious, and the action of the Rules Committee to be so disserving of the public interest that it is hard for me to find temperate words to express my opposition. The rule abandons the regular legislative process; it unfairly allocates debate time in the House, and, as importantly, it places before the House a bill which is flawed both technically and substantively. To attempt to exercise in this manner the legislative authority entrusted to this body by the Constitution is an abandonment of our responsibilities as elected Representatives of the people.

Legislation to deregulate natural gas prices passed the Congress on two previous occasions. In 1950 President Truman vetoed the bill after it narrowely passed the House by a vote of 176 to 174. President Truman recognized that "The concentration of ownership of natural gas reserves" by a few major companies clearly limited competition. He believed then, as I do today, that the intervention of the Government to regulate sales of gas to interstate pipelines is essential to "adequately protect the public interest to prevent unreasonable and excessive prices, which would give large windfall profits to gas producers, at the expense of consumers, with no benefit to the Nation in terms of additional exploration, and production."

In 1956 deregulation legislation again passed the Congress only to be vetoed this time by President Eisenhower. In that case President Eisenhower was sympathetic to the basic policy underlined in the legislation. Yet he recognized that the democratic process had been violated. Let me read to you an excerpt from President Eisenhower's message. And let me ask that you all hear these words very clearly for they could equally apply to today's circumstances. President Eisenhower felt compelled to cast his veto because the activities of the oil and gas lobby—and I quote:

> Include efforts that I deem to be so arrogant and so much in defiance of acceptable standards of propriety as to risk creating doubt among the American people concerning the integrity of governmental processes.

Let me add that I do not believe that we can afford a further erosion of public confidence in the integrity of the institution of Government. The public confidence has been seriously damaged by the disclosures of impropriety loosely referred to as the Watergate scandal. More recent disclosures of recent oil company gifts and campaign financing scandals have added to the public's mistrust of those in positions of authority. I firmly believe that if we allow the normal legislative process in this instance to be shunted aside and if we permit an industry-oriented bill to pass this body at great expense to the consumer without testing its terms before the committee or seeking to intelligently measure the consequences of actions, we will add greatly to the public's mistrust of our deeds and motives and we will take a further giant step in convincing our constituents that we are unworthy of their trust.

I ask all Members of good conscience to join in voting down this offensive rule.

Mr. PHILLIP BURTON. Mr. Speaker, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from California.

Mr. PHILLIP BURTON. Mr. Speaker, I rise in support of the position taken by the distinguished chairman of the full committee. I urge defeat of the rule.

It should be unthinkable that we rush precipitously without the facts relative to our positions made available to us on a matter that is going to have a great impact on the increase in the rate of inflation, an increase in the amount of unemployment and a ripoff of the American consumer.

Mr. STAGGERS. I thank the gentleman.

Mr. MACDONALD of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from Massachusetts.

Mr. MACDONALD of Massachusetts. Mr. Speaker, I thank the gentleman for yielding. I just have one thing to add to what the gentleman has said. That is, that it was inadvertently said by someone who was opposing the rule, just as hard as I am, that it does not matter what is happening to us.

I say that what can happen to the Commerce Committee, if treated this way, can happen to any committee here, and will.

Mr. Speaker, we have a most distasteful task today in casting our vote for the adoption of the rule on H.R. 9464. Distasteful, because the rule should never have been considered in the first place; distasteful because of the crude display of arrogance by the Rules Committee in ignoring the legislative responsibilities of the Commerce Committee; and distasteful because if the rule is adopted, deregulation of natural gas will be pushed on the Nation in a slipshod, inefficient and untimely manner. I strongly urge my colleagues to vote against the rule.

The actions of the Rules Committee are an outrageous display of back room tactics—unlike any maneuvers I have ever seen in my years here in the House. In the words of one of our colleagues, "it stinks right up to high heaven." I could not agree more.

By their action, the Rules Committee has circumvented the legislative responsibility of the Commerce Committee and ignored the advice and requests of Committee Chairman STAGGERS and all the Commerce subcommittee chairmen. Before the rule was adopted, the Commerce Committee had not spent a single day in consideration of long term deregulation of natural gas. Now, while the Energy and Power Subcommittee is conducting markup sessions to carefully analyze the Krueger amendment, we are getting deregulation rammed down our throats. If the rule is adopted, all Members will be looking at the Krueger amendment for the first time. Markup, usually the responsibility of the committee, will be forced to take place on the floor of the House during debate on this bill. Not only is this a lengthy and complicated task, but it is also a process which invites error and confusion and makes for bad law. The action of the Rules Committee is a dangerous arrogation of legislative authority and it must be rejected.

While many will echo similar thoughts today, I would like to point out three aspects of this rule that are especially repugnant to me, quite apart from my position on the Commerce Committee.

First the rule itself is highly unfair. It provides twice as much debate time to proponents of deregulation and completely ignores the possibilities of alternate policies to deal with the natural gas issue. In addition, it leaves open the possibility that in calling up the bill, the Speaker may choose to recognize any member of the committee. Thus, advocates of the Krueger amendment will probably gain additional time.

Even debate on the rule itself is grossly unfair: Three-quarters of an hour for those in favor of the rule and 15 minutes for those against. In the words of one Rules Committee member, "This was the fairest and most effective approach"—effective in usurping the power of the Commerce Committee, yes; but fair, most definitely not.

Second, there seems to be near unanimous agreement that the Krueger proposal is sorely in need of amendment, both from a substantive and from a technical standpoint. A large number of amendments have been submitted to date and surely many more will come forward on the floor. I feel very strongly that we have better things to do with our time than to make house-cleaning amendments on a poorly drafted bill. The full House has a responsibility to the people of this Nation to vote on the substantive issues concerning natural gas. However, it is a waste of everyone's time and taxpayers' money to require all Members to vote on every technical and perfecting amendment.

The most ironic thing in this entire fiasco is that the Subcommittee on Energy and Power has concluded hearings on long-term natural gas legislation, and has already begun markup. The Commerce Committee is clearly committed to submitting a bill dealing with the issues of natural gas supply and conservation. If Members do not agree with the shape of the legislation, they can change it at that time. The problem will be addressed and both opponents and proponents of deregulation will have their chance to express their views in the very near future. It does not make sense to consider natural gas legislation in any other way.

There are those here today that firmly believe that the rule was a part of a power play by the natural gas industry with help from several influential House Members. While this may, or may not, be the case, I am sure that part of the reason for this extraordinary rule was a sense of urgency in passing natural gas legislation. Many members felt that congressional action on oil legislation was too slow, and that the public demanded swifter and more affirmative action on the natural gas issue. While I do not adhere to that view, I agree that the American people have expressed a good deal of frustration in watching the slow-moving nature of the congressional process.

However, I hope my colleagues remember that while the people of this Nation want action, they demand it in a responsible and effective manner. A vote in support of the rule will pervert an informed and reasoned vote on the natural gas issue. When the public realizes what has happened I hope supporters of the view will have the answers to quell the outrage.

The vote on the rule is a needless yet bitter battle that very likely will satisfy none and anger all. Neither the public interest nor any private interests will be served by the consideration of a poorly constructed deregulation bill drawn up without the benefit of informed and reasoned committee action. Regardless of how one feels about deregulation, it is imperative that proper legislative channels be followed. An issue of this importance deserves nothing less than the close and careful scrutiny that can best be provided by the Commerce Committee. I urge my colleagues to reject the rule.

If there will be anybody left who believes in the rules and orderly procedure of the House if our committee is treated in this way after today's performance, I for one will be surprised.

Mr. BOLLING. Mr. Speaker, I yield myself the balance of the time.

Mr. LEVITAS. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. Mr. Speaker, I promised to yield to the gentleman from Georgia.

Mr. LEVITAS. Mr. Speaker, I would like to ask the gentleman from Missouri, as one who will very likely vote for deregulation and possibly vote for the Krueger substitute, would it be inconsistent for me to vote against this rule in order that it might be brought up in a more orderly procedure at a later time?

Mr. BOLLING. Not in the judgment of the gentleman now speaking. That is the point I am going to address myself to. I thank the gentleman for his question.

Mr. LEVITAS. I thank the gentleman.

Mr. BOLLING. Mr. Speaker, I opposed this rule in December, and I did so with less enthusiasm than I oppose it now. I did it with some reluctance in December because I did not think that the Committee on Interstate and Foreign Commerce had conducted itself with infinite skill. I say so with reluctance, but I thought they had run rather roughshod over the minority.

Mr. JACOBS. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Indiana.

Mr. JACOBS. I thank the gentleman for yielding.

Mr. Speaker, as one who probably will vote for the Krueger amendment, I would like to say that I do not believe in the procedure where a Krueger is more equal than a Fraser.

Mr. Speaker, I join the gentleman in the well in opposing this conspicuously unfair rule.

Mr. BOLLING. Mr. Speaker, the gentlemen, as did the gentleman from Georgia, has made one of the points I want to make. My opposition in December was reluctant. My opposition now is enthusiastic, mainly because I believe that the orderly process is so terribly important in the House of Representatives.

A flat commitment has been made by the chairman of the committee that a bill on this subject will be considered and brought to the floor in 60 days. It is clear that a Krueger-like amendment would be in order. It is very clear that the information that the House—not just the committee—needs to decide this issue most wisely is on the verge of being available. That is the information described by the gentleman from California (Mr. Moss). Clearly, under those circumstances, the alternative proposal of the gentleman from Minnesota (Mr. FRASER), which was not even considered in the Committee on Rules, could be considered.

Those things make my opposition enthusiastic. But the bottom line of my reason for opposing it is that our economy is now recovering, we hope. There exists a very frail and, we hope, continuing recovery.

The adoption now, without full consideration of all of the factors in the usual committee process of the Krueger amendment, could lead to a series of events that could undo that recovery.

Total deregulation of gas could add to the cost just enough billions of dollars to destroy the economic recovery which we hope will continue.

Mr. Speaker, that is the reason that I fundamentally opposed it in December. The other reasons, and that reason, caused me to believe that the responsible legislative way to go about this business is to defeat the rule now, allow the committee to work its will, and bring the matter to the floor.

I say all of that as one who has had to chair most of the energy bills out of the Interstate and Foreign Commerce Committee.

More consideration will prove better for the work of the House.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the Chair was in doubt.

RECORDED VOTE

Mr. WAGGONNER. Mr. Speaker, on that I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 230, noes 184, not voting 18, as follows:

[Roll No. 32]

AYES—230

Abdnor
Alexander
Anderson, Ill.
Andrews,
  N. Dak.
Archer
Armstrong
Ashbrook
Ashley
AuCoin
Bafalis
Bauman
Beard, Tenn.
Bell
Bennett
Bevill
Boggs
Bowen
Breaux
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carter
Cederberg
Chappell
Clancy
Clausen,
  Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conlan
Coughlin
Crane
Daniel, Dan
Daniel, R. W.
de la Garza
Dent
Derrick
Derwinski
Devine
Dickinson
Downing, Va.
Duncan, Tenn.
du Pont
Edwards, Ala.
Emery
English
Erlenborn
Esch
Fascell
Findley
Fish
Fisher
Flowers
Foley
Forsythe
Fountain
Frenzel
Frey
Fuqua
Giaimo
Gibbons
Gilman
Goldwater
Goodling
Gradison
Grassley
Guyer
Hagedorn
Haley
Hamilton
Hammerschmidt
Hannaford
Hansen
Hayes, Ind.
Hébert
Hefner
Heinz
Henderson
Hightower
Hillis
Holland
Holt
Horton
Hubbard
Hungate
Hutchinson
Hyde
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Krueger
Lagomarsino
Landrum
Latta
Lehman
Lent
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McDonald
McEwen
McFall
McKay
McKinney
Madigan
Mahon
Mann
Martin
Matsunaga
Melcher
Michel
Milford
Miller, Ohio
Mills
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead,
  Calif.
Mosher
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nichols
O'Brien
O'Neill
Passman
Patman, Tex.
Pepper
Pettis
Pickle
Poage
Pressler
Preyer
Pritchard
Quie
Quillen
Randall
Rees
Regula
Rhodes
Risenhoover
Roberts
Robinson
Roncalio
Rose
Rousselot
Runnels
Ruppe
Sarasin
Satterfield
Schneebeli
Schroeder
Schulze
Sebelius
Shipley
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Nebr.
Spence
Stanton,
  J. William
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stuckey
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thone
Thornton
Treen
Ullman
Vander Jagt
Waggonner
Walsh
Wampler
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wright
Wydler
Wylie
Young, Alaska
Young, Fla.
Young, Tex.

NOES—184

Abzug
Adams
Addabbo
Allen
Ambro
Anderson,
  Calif.
Annunzio
Aspin
Badillo
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Bergland
Biaggi
Bingham
Blanchard
Blouin
Boland
Bolling
Bonker
Brademas
Breckinridge
Brinkley
Brodhead
Burke, Calif.
Burke, Mass.
Burton, John
Burton, Phillip
Carney
Carr
Clay
Collins, Ill.
Conte
Conyers
Corman
Cornell
Cotter
D'Amours
Daniels, N.J.
Danielson
Davis
Delaney
Dellums
Dingell
Dodd
Downey, N.Y.
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Eilberg
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fary
Fenwick
Fithian
Flood
Florio
Flynt
Ford, Mich.
Ford, Tenn.
Fraser
Gaydos
Ginn
Gonzalez
Green
Gude
Hall
Hanley
Harkin
Harrington
Harris
Harsha
Hawkins
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Helstoski
Hicks
Holtzman
Howard
Howe
Hughes
Jacobs
Jeffords
Jenrette
Karth
Kastenmeier
Keys
Koch
Krebs
LaFalce
Leggett
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
McDade
McHugh
Macdonald
Madden
Maguire
Mathis
Mazzoli
Meeds
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Minish
Mink
Mitchell, Md.
Moakley
Moffett
Moorhead, Pa.
Morgan
Moss
Mottl
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
Ottinger
Patten, N.J.
Patterson,
  Calif.
Pattison, N.Y.
Perkins
Peyser
Pike
Price
Rangel
Reuss
Richmond
Riegle
Rodino
Roe
Rogers
Rooney
Rosenthal
Roush
Roybal
Russo
Ryan
St Germain
Santini
Sarbanes
Scheuer
Seiberling
Sharp
Simon
Smith, Iowa
Solarz
Spellman
Staggers
Stanton,
  James V.
Stark
Stokes
Stratton
Studds
Sullivan
Thompson
Traxler
Tsongas
Van Deerlin
Vander Veen
Vanik
Vigorito
Waxman
Weaver
Whalen
Wolff
Yates
Yatron
Young, Ga.
Zablocki
Zeferetti

NOT VOTING—18

Andrews, N.C.
Biester
Brown, Mich.
Chisholm
Diggs
Edwards, Calif.
Eshleman
Hinshaw
McCormack
Metcalfe
Murphy, Ill.
Railsback
Rinaldo
Rostenkowski
Snyder
Stephens
Symington
Udall

The Clerk announced the following pairs:

On this vote:

Mr. McCormack for, with Mr. Murphy of Illinois against.

Mr. Brown of Michigan for, with Mr. Diggs against.

Mr. Eshleman for, with Mr. Biester against.

Mr. Hinshaw for, with Mr. Udall against.

Mr. Railsback for, with Mr. Edwards of California against.

Mr. Snyder for, with Mr. Metcalfe against.

Mr. Stephens for, with Mrs. Chisholm against.

Until further notice:

Mr. Andrews of North Carolina with Mr. Symington.

Mr. Rostenkowski with Mr. Rinaldo.

Mr. RODINO changed his vote from "yea" to "nay."

Mr. CARTER changed his vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL STATEMENT

Mrs. FENWICK. Mr. Speaker, on H. Res. 937 just agreed to, I inadvertently voted "no." I would like to have the RECORD to show that I had intended to vote "yea."

MARKUP OF GENERAL REVENUE SHARING LEGISLATION

(Mr. FOUNTAIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FOUNTAIN. Mr. Speaker, I have received numerous inquiries from Members and other public officials concerning the schedule of the Intergovernmental Relations and Human Resources Subcommittee for marking up legislation to extend the State and Local Fiscal Assistance Act beyond December 31, 1976.

I want to announce, for the benefit of the Members who are receiving calls from constituents on this matter, that the subcommittee expects to begin markup during the week of February 23.

Markup of this legislation requires highly technical and demanding preparations that must be performed with great care if these sessions are to be productive. Toward this end, we are presently seeking to identify and develop the policy issues on which there appear to be divergent views and to find practical ways to resolve those differences in order to facilitate action on this important legislation.

The subcommittee is very aware of the need to expedite House consideration of revenue sharing legislation so that the participating State and local governments can plan their 1977 budgets on a timely basis.

RE-REFERENCE OF H.R. 11235

Mr. ROBERTS. Mr. Speaker, with the concurrence of the chairman of the Committee on Armed Services, I ask unanimous consent that the Committee on Veterans' Affairs be discharged from the further consideration of H.R. 11235, and that it be re-referred to the Committee on Armed Services.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

NATURAL GAS EMERGENCY ACT OF 1975

Mr. DINGELL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 9464) to assure the availability of adequate supplies of natural gas during the period ending June 30, 1976.

The SPEAKER. The question is on the motion offered by the gentleman from Michigan.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 9464, with Mr. BOLLING in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, general debate shall be confined to the bill and shall continue not to exceed 3 hours, 2 hours to be equally divided and controlled by the Member recognized to call up the bill, the gentleman from Michigan (Mr. DINGELL), and the ranking minority member of the Committee on Interstate and Foreign Commerce, and 1 hour to be controlled by the gentleman from Texas (Mr. KRUEGER).

The Chair recognizes the gentleman from Michigan (Mr. DINGELL).

Mr. DINGELL. Mr. Chairman, I do not seek recognition at this time.

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. KRUEGER).

Mr. KRUEGER. Mr. Chairman, I yield 5 minutes to the gentleman from Wyoming (Mr. RONCALIO).

Mr. RONCALIO. Mr. Chairman, I rise today to support the Krueger substitute to H.R. 9464. I urge my colleagues to join me in voting for this bill as it is the only piece of legislation before us which offers a solution to our immediate short-term problem of natural gas supply and also addresses the long-term energy crisis now facing our country.

Of all our fossil fuels, natural gas is the cleanest burning, most desirable energy resource. It is the ideal energy resource for home heating. Natural gas is crucial to the agricultural sector of our economy, there being no adequate substitute. It plays an important part in our drug industry, as well as in the manufacture of synthetic materials.

One of the beauties of natural gas is its low rate of pollution. Few fuels can be consumed with as minimal an impact on our environment as natural gas. But how are we using this premium fuel? Sixteen percent of all our natural gas consumption goes to fueling boilers for the generation of electricity. Unless there is some compelling and overriding reason, this is a profligate use of natural gas. Many industries consume natural gas simply because it is so much cheaper than any other fuel. The average price for natural gas today is the equivalent of only a $2 barrel of oil—35.5 cents times 6! In short, we are encouraging the waste of the most valuable fuel we have.

Unless we continue to replenish our reserves of natural gas, we will be forced to convert to less attractive fuels. Because some of these conversions may be sudden, the result of curtailments, we may find ourselves forced to ease some of the regulations protecting our environment. To do that unnecessarily, offends the conscience as much as the environment.

Deregulation, under the Krueger formula, would offer wildcatters the incentives to go and search for new reserves of natural gas. A higher price would also encourage users who have been consuming this gas only because it is so cheap to consider alternate sources of energy.

But that consideration could be undertaken with proper planning and technological adaptations to protect our environment. In short, the bill of the Congressman from Texas allows us to maximize the development of natural gas resources, and encourages greater conservation efforts, providing us with much needed time to develop new sources of energy. The cost to the consumer for this program would be about $9 per year, still far cheaper than other home-heating fuels.

Finding new reserves of natural gas takes money—and wildcatting is not the sort of venture where you can call it quits and cut your losses. When a wildcatter strikes a dry hole, he has already made the investment. So, I support the Krueger definition of new natural gas. A recent study by the GAO concluded that a definition such as my colleague's would, and I quote, "generate exploratory capital quicker with only a small additional effect on the consumer," page 12. The report continues:

> Although this would represent a small gradual increase to millions of consumers, when funneled to the smaller universe of producers it could provide meaningful incentive for exploration and development. (p. 14.)

This GAO study states that the Krueger approach to deregulation "would largely eliminate windfall profits," page 14.

In closing, may I remind all of my distinguished colleagues that we are trying to solve a national problem. To consider this issue in a parochial consumer-producer mentality ignores the basic reality that we are all consumers. It is a problem which affects all of us. Let us come to a solution which all of us can be proud of.

Mr. Chairman, I will not insert it into the RECORD, and I hope all Members will read in this morning's CONGRESSIONAL

Record the insertion by my colleague, the gentleman from Colorado (Mr. Wirth), an article in the Washington Post, January 31, by Paul A. London entitled "Gas: Prices and Profits." I will also leave a copy in the well for Members. It is the best explanation I have yet read for the Krueger amendment.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. RONCALIO. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, I would like to ask the gentleman in the well, asuming that the Krueger amendment did, in fact, encourage production of new natural gas, that is, gas from new reservoirs, why is it necessary in the Krueger amendment to remove old gas which comes out from under contract from present regulations? After all, we do not remove old gas generally. Why is it necessary to remove gas that comes out from under contract?

How does this encourage new gas when that gas is merely out of the same reservoir and out of the same well?

Mr. RONCALIO. Let me respond with two different reasons. First, I am not sure what is an old reservoir and what is a new reservoir. I have seen cores of the tight limestone formations of natural gas fields in Wyoming. Cores are hard rock, often impermeable, almost like marble. In such areas of given strata some gas can be extracted only when there is a fracture of some kind bringing the gas to the perforations. I do not feel it is easy to define an old reservoir.

Second, the cost of producing even in an old well often exceeds contracted gas at 19 cents per mcf.

Mr. ECKHARDT. If the gentleman will yield further, the Krueger amendment not only releases the price of gas produced from new wells, out of existing properties, but also releases prices as it comes out from under the contract from old wells.

Mr. RONCALIO. Yes.

The CHAIRMAN pro tempore. The time of the gentleman from Wyoming has expired.

Mr. KRUEGER. Mr. Chairman, I yield 1 additional minute to the gentleman from Wyoming.

Mr. ECKHARDT. That is what puzzles me. I understand the gentleman's explanation that a new well in a given property may tap a new source, but what about the old well?

Mr. RONCALIO. The old well often requires new pumps, new seals, new equipment, and occasionally replacement material to continue the production of old gas. The costs of virtually everything has gone up threefold to replace materials used in an old well.

Mr. ECKHARDT. Why, when the contract runs out? What is the magic there?

Mr. RONCALIO. As I stated, the cost of replacing pumps and materials even in the old facilities warrants an increase in price in those old facilities, in my opinion, in order to deal with some degree of equity, because I too would like to see the fiction removed of a two-tier pricing system.

Mr. BROWN of Ohio. Mr. Chairman, I yield 5 minutes to the gentleman from Texas (Mr. Collins).

Mr. COLLINS of Texas. Mr. Chairman, they call this bill the deregulation of gas bill, but what it really is is to provide equal price and to give equal opportunity to all—which is a word we seem to all like in this country today—to give equal opportunity to all of America.

What we are really giving is an equal opportunity to all to pay the same price for natural gas in Vermont and in New York and in Massachusetts as we pay in Texas. That is all we are doing, giving you all an opportunity to buy gas just like they buy it in Texas and Louisiana.

What people do not seem to realize is that down in Texas and Louisiana today, where we are under the intrastate system, we are not under Federal control, and that we are all delighted—in fact, we are proud to be under the free market system.

The Members have not heard one single complaint from Texas and Louisiana because we pay $1.60 Mcf in order to get our gas. We use natural gas in local industry and heat our homes, and we are paying today $1.60 Mcf in Texas to have this gas.

Mr. CHARLES WILSON of Texas. Mr. Chairman, will the gentleman yield?

Mr. COLLINS of Texas. I yield to my colleague from Texas.

Mr. CHARLES WILSON of Texas. Is the gentleman aware that actually our Governor is opposed to the deregulation of natural gas for the very reasons he states?

Mr. COLLINS of Texas. The gentleman from east Texas makes a very good point, and he should expand on it.

Mr. CHARLES WILSON of Texas. It is just that in an earlier Texas delegation meeting among the Democratic delegation, our Governor expressed grave doubts about whether or not we should deregulate natural gas because our plentiful supplies and the price we pay have developed such large reservoirs and because the price is encouraging so much industry to move from the Northeast to Texas.

Mr. COLLINS of Texas. I thank the gentleman very much, because what he is pointing out so clearly is the fact that because of this gas shortage we have had people relocating, and he emphasized it worked to the disadvantage of the State of Texas to distribute our limited supply of gas all over the country at the same price Texas pays. He is right.

Mr. BELL. Mr. Chairman, will the gentleman yield?

Mr. COLLINS of Texas. I yield to the gentleman from California.

Mr. BELL. I thank the gentleman for yielding. Is not the present system also working to the disadvantage of those States which do not have gas because they are getting a lesser and lesser supply as they cannot compete with intrastate higher prices? The intrastate people explore for gas so they can sell it intrastate, not so that they can transport it through interstate pipelines? The people in the Northeast are going to feel the shortage worse all the time, as long as they have that difference, in price working against them.

Mr. COLLINS of Texas. What the gentleman is saying is that unless Congress sees this deregulation gas bill passed, the States that do not have the gas now will suffer and they will be limited as to any future development.

Mr. BELL. If the gentleman will yield further, that is exactly the situation.

Mr. COLLINS of Texas. What we are talking about is: Is America going to have domestic gas or, as a substitute, foreign LNG?

I was talking with the gentleman from New Jersey earlier. Although it is a problem to pay $1.60 for natural gas, it is better to pay $1.60 than it is to pay $4 for LNG.

So what we are faced with is this choice: We either get natural gas, which is domestic, for $1.60, or we go abroad and get liquid natural gas, which is a very expensive gas to produce, for $4. For natural gas, $1.60 looks very cheap compared to foreign LNG gas at $4. The chairman of the FPC, Mr. Nassikas, told our committee to look for LNG to go for $5 or higher.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. COLLINS of Texas. I yield to the gentleman from Ohio (Mr. Brown).

Mr. BROWN of Ohio. I thank the gentleman for yielding. One point that the gentleman left out is to pay 52 cents and not get any gas at all. That is the choice some of us have, because the price of the natural gas is being frozen, we are being curtailed and cannot get gas because the pipeline cost is being loaded on what little gas we do get. The price is going up.

Mr. COLLINS of Texas. I appreciate the gentleman's statement. I have heard, the gentleman from Ohio, talk about schools that had to be shut down and how industry had to be curtailed because of the limitation of gas on the 52-cent price. The 52-cent price is unrealistic. We talk in terms of Btu's, which means British thermal unit. But it really is the term to describe energy equivalent. When gas is priced at 52 cents, that is the equivalent of $3 a crude oil barrel. Crude oil does not sell at that. Crude oil sells at $12 a barrel. It becomes economically impossible to provide gas for the market, when a realistic market price on a Btu energy basis should be four times higher. Gas should sell at $2 a thousand cubic feet instead of 52 cents a thousand cubic feet.

Mr. BELL. Mr. Chairman, will the gentleman yield?

Mr. COLLINS of Texas. I yield to the gentleman from California (Mr. Bell).

Mr. BELL. I thank the gentleman for yielding. If oil were selling at $3 a barrel, does the gentleman think we would find much exploration off of the coast in the more difficult areas to drill? Absolutely not. The same thing will apply to gas at 52 cents a thousand cubic feet.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BROWN of Ohio. Mr. Chairman, I yield 2 additional minutes to the gentleman from Texas (Mr. Collins).

Mr. COLLINS of Texas. I want to review this matter of basic crude oil and basic gas. When we distribute natural gas, we distribute it through pipelines. When the customer in his home pays his bill, only 20 percent of the cost of that bill went in for what is called the wellhead price for gas. In other words, let us just say that a homeowner had a bill of $20. Only $4 of that went for gas; $16, 80 percent of it, goes for distribution. So we can increase the wellhead price for gas, and it has very little effect on the ultimate effect on the consumer.

Let me compare pricing of bread. Let us take bread. We talk about the price of wheat going up. Wheat sells for $3.57. We can increase the price of wheat $1 a bushel, and the cost of bread would only go up from 40 to 42 cents. A bushel of wheat could go up $1 but the small effect on a loaf of bread was 2 cents. The same thing is true with gas. We talk about the raw commodity, which in this bill is the wellhead price of natural gas. Only 20 percent is affected of the final price as to the cost of gas itself. Also, you must understand that we will have only one-third of it come in at the free market two-thirds of the gas is at long term contract price and will continue. So adding it all up would increase 50 cents a week in price on the average consumer. The question is: Is it better to pay 50 cents more and have gas, or should we rely on foreign oil and foreign gas. The price is much higher when we depend on crude oil or foreign imports? Is it better to have a residential bill of $304 from the present $280 on an annual fuel bill? The alternative is no gas or much higher price as we depend more and more on foreign gas and oil.

As all of us remember, we used to get crude oil for $3 a barrel, but when the world became dependent on crude oil, the price went to $12.50 per barrel; the price of crude oil went from $3 to $12.50 a barrel.

Unless our country begins today to start concentrating on producing more gas and more crude oil, we are going to be increasingly dependent for industry and home energy. Portugal is completely dependent on imports on oil and pays $2.80 a gallon for gasoline while we pay 64 cents. Do we plan to let America become dependent on foreign oil or gas?

Mr. CHARLES WILSON of Texas. Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. REES).

Mr. REES. Mr. Chairman, I come from a State which is very dependent on interstate natural gas. Most of our houses are heated and cooled by natural gas, and much of our industry is dependent on natural gas.

This was very satisfactory quite a few years ago because we had a lot of our own natural gas resources, but we do not now. The primary natural gas distributor in my area, Pacific Lighting, is now starting to ration natural gas to industrial users in southern California.

I think that the deregulation of natural gas would actually lower the net cost of energy in southern California. Perhaps this does not sound logical. How could this happen? Let me explain how it could happen.

Right now it costs about 25 cents per thousand cubic feet to transport natural gas from the permian basin in Texas to our distribution center in southern California. But if the pipeline is only 50 percent utilized—and we are getting into that situation now because Pacific Lighting is not able to buy any new regulated gas in the permian basin—it means the transportation cost per thousand cubic feet of natural gas goes up to 50 cents per thousand cubic feet, because there is a straight-line amortization of the cost of building the natural gas line to southern California.

Mr. Chairman, this is a net economic loss. No one gains from it. The consumer has to pay an extra 25 cents per mcf, and no one really gains from paying out this money, because the pipeline company gets the same amount of money whether the pipeline is 10 percent full or 50 percent or 60 percent.

Mr. Chairman, let me give another example of which deregulation will cut average energy costs in southern California. In southern California we now have to use fuel oil when we no longer can obtain natural gas. We have very strict environmental protection regulations in southern California, so we cannot use the petroleum that is drilled in southern California. The largest domestic field in the lower 48 is the East Wilmington field in Los Angeles County, but we cannot burn that fuel because of the sulfur content and we have to import Saudi Arabia sweet crude, which is free of sulfur content, and that is running up to $16 and $17 per barrel.

So if we deregulate natural gas, it means more gas will be available in southern California and we will be less dependent on Saudi Arabia sweet, and the net total cost of energy will go down because we would be setting an average price for natural gas for the utility. I think Pacific Light is paying something around 12 cents per thousand cubic feet on some of their older contracts, and then we take this $2 and add it in terms of the total load, and maybe we come up with an average price of maybe 40 cents or 45 cents per thousand cubic feet. So, in southern California we would be averaging down, as far as the total energy price is concerned, to around $3.50 to $4 a barrel Btu equivalency for oil, which is far less than the $16 a barrel for oil we are now paying. Actually, if we talk about developing our own natural resources and consider who is paying for deregulation, my constituents in southern California are going to save money. We will not have the economic loss of not utilizing a pipeline, and also they will not be paying $16 a barrel for Saudi Arabia sweet crude.

Mr. Chairman, I think deregulation is a very logical approach to the natural gas crisis. Natural gas is related to oil the price of petroleum is $12 a barrel, in terms of price in the ratio of 6 to 1. If then natural gas should be up around $2 per thousand cubic feet. I am not saying this is going to be the price; it might go up or it might go down, we do not know. Today, though, most new intrastate contracts are well below that $2 figure.

However, the way we are going now, most gas pumped out onshore is going into the intrastate market, inside the producing State. Those of us who are almost totally dependent on natural gas as an energy source, find that we cannot buy it; and we will not be able to buy it until the price of natural gas is deregulated.

Mr. FRASER. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from Minnesota.

Mr. FRASER. I wondered how high the gentleman from California (Mr. REES) thought the price of natural gas might go.

Mr. REES. It is very difficult to say. One can set up five or six different economic projections. One could say that it might go higher or lower than $2, both intrastate and interstate. But it is impossible to accurately project cost of deregulated gas.

Mr. FRASER. Let us say that we deregulated, so that both intrastate and interstate are deregulated. What would be the ceiling on the price of natural gas?

Mr. REES. The market is the ceiling.

Mr. FRASER. What would determine the market ceiling?

Mr. REES. The interaction of supply and demand that sets in.

Mr. FRASER. Is not the price likely to arrive at the equivalent price of heating oil?

Mr. REES. It might go up or it might go down, because there is a whole different situation as regards the difference between fuel oil and natural gas in terms of price structure since much of the cost of natural gas is in the pipeline and in the distribution system as well as a series of different cost contracts one never quite knows what price it is going to be.

Mr. FRASER. The gentleman pointed out the facts with respect to the pipeline. He said it would be 25 cents per thousand cubic feet; but if the price of the newly unregulated gas rises from 50 cents to $2 or $2.50, which would make it equivalent to heating oil, that pipeline cost becomes a very small part of the cost to the utility distributing it. As a matter of fact, the Federal Energy Administration had a task force study of this, and they concluded that we could get as much gas at 80 cents per thousand cubic feet as at $2 per thousand cubic feet.

Where is the public interest in letting it go to $2 instead of 80 cents?

Mr. REES. We have had strong regulations on the price of domestic natural gas.

Mr. FRASER. Only interstate.

Mr. REES. No, I think if we go across the board, then we will have the market determining the price.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, I might say to the gentleman from Minnesota (Mr. FRASER) that the price of intrastate gas might give some clue to this. That price is running somewhere between $1.24 and $1.47. We have intrastate gas now in surplus. It varies with the States. The amount of surplus there is and what the market will take determines the price of that gas.

Mr. FRASER. Mr. Chairman, if the gentleman will yield further, the point is that even the example the gentleman from Ohio (Mr. Brown) is giving us shows that the cost is going to double. The Federal Energy Administration has found that it doesn't have to rise that much to encourage exploration.

Mr. BROWN of Ohio. If the gentleman from California (Mr. Rees) will continue to yield, the gentleman from Minnesota (Mr. Fraser) is using generalized terms.

Obviously, at a higher price one stimulates the finding of more gas. For instance, in the State of Oklahoma they have now gone down some 10,000 feet, and the gas in that well is likely to come in at about $1.23.

That gas will not sell, I submit, at 80 cents unless the fellows who did the drilling just want to recoup a portion of their expenses at $1.24. They are very likely to put it on line in the intrastate market and get a contract to take all the gas out of the well that that well can produce.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, I well understand the gentleman's desire to get intrastate gas into interstate pipelines. I understand that to be the thrust of his argument. If that be so, why not consider this: I understand the gentleman from California (Mr. Rees) would not deregulate old gas, but why not also eliminate gas produced on Federal lands? We, after all, control the flow of that; we presently do control a large part of it from offshore. Why not simply deregulate the least possible amount to gain the gentleman's desire?

Mr. REES. It is my understanding that the Krueger amendment—and I might add that I might not be in agreement with all parts of it, but I am in general agreement with the thrust of the amendment, and that is that the period in which the offshore, Outer Continental Shelf is deregulated after 5 years.

I just think that the problem is that when you start setting various prices on various types of gas produced in various areas that you get yourself in a very difficult regulatory situation. One of the problems we have today with the Federal Energy Administration is that we have a complex pricing and allocating system for petroleum. Frankly, if we went into one market we would be doing a lot better.

Mr. ECKHARDT. Is the gentleman in favor of full deregulation beyond the Krueger amendment?

Mr. REES. We cannot deregulate the existing contracts; they can be deregulated when the contracts expire. But, we have to remember that most of these contracts are long term contracts, 20, 25, or 30 year contracts.

Mr. KRUEGER. Mr. Chairman, if the gentleman will yield, I would like to point out that the average price for new gas in the intrastate market last year was $1.25, not nearly so high as the $2 figure; actually, one-fourth of the intrastate contracts went above $2. Of course, this was lower-quality fuel.

We cannot expect everyone to get one single price for his product any more than we can expect to get only one price for corn, one price for houses, or one price for anything else; there are differing costs involved in running the pipelines to the particular gas fields. If this is a high cost, then obviously the gas must cost more, and it will have the effect of limiting the amount of gas taken from that reservoir at any lower price.

And I take issue with the notion that 5, 6, or 7, or even 435 people in Washington, D.C., can arbitrarily set the price on a single product without adversely affecting the flexibility of the marketplace. Therefore, I agree heartily with the comments of the gentleman from California.

Mr. REES. Mr. Chairman, I thank the gentleman from Texas. I hope we will support the Krueger amendment and allow the market to allocate its resources. As I mentioned previously in southern California there would be an actual lowering of the average cost of energy.

Mr. BROWN of Ohio. Mr. Chairman, I yield 4 minutes to the gentleman from California (Mr. Moorhead).

Mr. MOORHEAD of California. Mr. Chairman, I rise in support of the Krueger amendment in the nature of a substitute.

Over the last number of years the available supplies of natural gas in our country have constantly been going down because of the unnatural limitation on prices. In the meanwhile the demand for this product has increased dramatically throughout the country because this has been our cheapest source of energy, and it has been held at an unnatural cheap level. For that reason, demand in industry and elsewhere has gone up constantly while available supplies of gas have gone down for the people of our country. Another situation has developed, which also has had an adverse effect and that is that the known reserves which we have for the future have also gone down because exploration for natural gas has not continued as it would have been if money had been available for that purpose.

I know that a lot has been said in this House and elsewhere about the impact on the consumers if we should deregulate the price of natural gas. The price of gas is going up regardless of what we do.

It has been projected that in the next ten years if we do not deregulate, we will have less than 70 percent of the amount of natural gas that we have available now. If we do deregulate, we will have almost the same amount that we have presently available to the people of our country. If the amount of natural gas that we have available to us, should go down then our gas companies are going to have to go out and find other available sources of fuel imported from such places as Indonesia and other parts of the world in the form of frozen or liquefied gas. This will cost several times what they would have to pay if we had adequate sources of natural gas available here.

In addition to that, there will not even be an available source to meet all of our needs for that commodity, so we will have to be switching to the use of oil that is imported from the OPEC countries and for other sources of energy that are more expensive in price.

There have been reports that have been made in the last few weeks stating that if we deregulate gas the cost to the American consumer would go up drastically dollars each year. The Library of Congress made a report saying that a number of billions of dollars of extra costs would go onto the consumer if we deregulate. But these reports are refuted by responsible studies by FEA, GAO, FPC, Foster Associates, H. Zinder & Associates, and the Council of Economic Advisers, which totally disagree with the Library of Congress study. The Zinder & Associates report in particular finds that by 1980 the residential consumer will receive a net consumer benefit if natural gas is deregulated.

Some of my colleagues no doubt wonder how increased new gas prices can actually lead to lower residential fuel bills. The reason for this is threefold. First, the total price paid by the residential consumer, the wellhead price, amounts to only 19 percent of their total price that they pay for the commodity that they purchase from the gas company. The balance of the cost to the consumer represents the cost of transportation and distribution. These transportation and distribution costs are relatively fixed, so it does not matter what we do as far as deregulation of gas.

The fixed price on 81 percent of our commodity for transportation costs is not going to be affected. The only thing that is affected is the other one-fifth, and even if the price that we have to pay for that other one-fifth is doubled, the total amount the consumer would have to pay would be only a few cents a month extra, and that would be nowhere near what he is going to have to pay for his fuel if we do not deregulate, because he will be paying for these more exotic fuels.

The CHAIRMAN .The time of the gentleman has expired.

Mr. BROWN of Ohio. Mr. Chairman, I yield 2 additional minutes to the gentleman from California.

Mr. MOORHEAD of California. I thank the gentleman.

He will be paying for the price of imports from the OPEC countries and from the Indonesia area.

The second factor which must be taken into consideration when we look at the consumer cost of deregulation is that natural gas is generally sold under contracts of 5 to 20 years. Thus, the higher price of new natural gas would be phased into the market under the Krueger amendment at a very gradual rate.

The FEA has estimated that in 1975 only about 8 percent of the interstate gas would be negotiable at the new deregulated price. By 1980 the proportion would still be only about 40 percent.

The third and final factor which I wish to address is the cost to the consumer of the alternative fuels if new gas is not deregulated. Most of the studies that have been done not only do not address this issue but they completely avoid the point. However, the Zinder report does, and it calculates that if deregulation of new natural gas does not occur by 1980, the net cost to the consumer of alternative fuels will approach $6 billion. The total cost of not deregulating has been calculated by Zinder to be $8.6 billion by 1980.

It is vital to the people of our country, struggling to have the energy that they need to keep their industries going and to provide their homes with a clean fuel, efficient to use, that we deregulate.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. MOORHEAD of California. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. I thank the gentleman for yielding.

That was the total cost of not deregulating, that $8.6 billion?

Mr. MOORHEAD of California. Yes. That is the estimated cost of not deregulating.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. If the gentleman in the well would wish to yield to the gentleman from Texas, I would be glad to give him an extra minute.

Mr. MOORHEAD of California. I yield to the gentleman from Texas.

Mr. MAHON. I thank the gentleman for yielding.

I would just like to say that I have been very much impressed by the remarks made by the gentleman. They seem to me to be sound and worthy of the consideration of this House. I hope that the views expressed will be adopted by the House of Representatives. This is a matter of great urgency.

I support the Krueger substitute. It is, of course, not a perfect answer to our energy problems, but it does provide a major step in the right direction.

Unrealistic and burdensome regulation has thwarted the discovery and production of natural gas for too long. The Federal Government should establish conditions that act as incentives for the discovery and production of more energy—and certainly not be in a role of discouraging urgently needed energy supplies as is the case now.

Passage of the Krueger substitute will improve our energy situation.

Mr. BROWN of Ohio. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina (Mr. BROYHILL).

Mr. BROYHILL. Mr. Chairman, I rise in support of the substitute which has been offered by the gentleman from Texas (Mr. KRUEGER), of which I am a cosponsor.

The Krueger-Broyhill bill is the right approach for us to take. I am in opposition to the committee bill (H.R. 9464) which was reported from the House Committee on Interstate and Foreign Commerce, which is titled "the Natural Gas Emergency Act of 1975."

I would like to spend a moment or two to address my remarks to that bill which has been somewhat ignored here in all of the hullabaloo over the parliamentary situation, because in my opinion the committee bill which the majority of the committee is urging us to support is totally inadequate. It was a Band-Aid approach, incorrectly labeled as a Natural Gas Emergency Act. It would do nothing to increase the gas supplies. It would give little help to distressed pipelines who do not have gas available to meet demands in their service areas.

It is for that reason that many of us felt that the House should be able to work its will on a more comprehensive long-range approach to this problem.

Mr. Chairman, let me talk about the committee bill for just a moment to show this House its shortcomings. The purpose of the committee bill would be to permit distressed pipelines, that is, those pipelines that are unable to obtain natural gas supplies to meet the projected natural gas requirements for essential users, to enter the unregulated market to obtain emergency supplies by April 1977. Originally, the bill as introduced would have permitted those purchases for this heating season, that is, until April 1976. Obviously, a bill that would permit emergency purchases only until April of this year would do absolutely nothing to relieve any gas shortages which might exist in this heating season.

The bill was amended in the committee. This bill would permit emergency purchases up to April 15 of next year. Of course, that is not going to do much more to alleviate the shortages. The problem is that we have a long-range problem. The problem is how to provide incentives to increase supplies, how to make those supplies that are available in the intrastate market to those other States, those consumers, those industries in other States who have to buy gas in the interstate market.

In testimony by the Chairman of the Federal Power Commission, Mr. Dunham, before the Subcommittee on Energy and Power a couple days ago, showed that some 95 percent of the net new gas reserves last year went into the intrastate market. In other words, very little new gas actually found its way into the interstate market. That means that industries and consumers in the nongas-producing States cannot compete for the supplies that are available.

Now, this bill that came out of the committee (H.R. 9464) would offer little, if any, help. It would provide for a cumbersome procedure whereby the FPC would designate distressed pipelines and, furthermore, the authority to purchase gas exists only up until April 15, 1977. No long-term purchases for the future would be permitted. Under an arrangement like that, very little, if any, gas would be made available. Gasfields producing for the intrastate market are not connected to the interstate pipelines. Over the years they have been kept separated, so the sale of gas for a period of a year or so would not be sufficient time to amortize the cost of pipelines that would be necessary to carry the gas from the intrastate field to the interstate pipelines.

If we are to have new supplies, if intrastate supplies are made available to North Carolina or other States that have been in short supply, it is going to take considerable investment—investment in new wells, investment in pipelines and transportation equipment necessary to carry gas to market. We are not going to get that investment at the unrealistic prices that exist today on the interstate market, we are not going to get the investment by requiring 1 year contracts.

The committee bill, H.R. 9464, is a bad bill, the substitute, the Krueger-Broyhill bill is a realistic long-range solution. This bill is modeled after the Senate-passed bill which passed by a wide margin last year.

Here are some facts that Members must consider and which persuade me that the long-range solution is the right approach.

Under the current control situation, the wellhead cost of gas represents about 20 percent of the homeowners monthly bill; 80 percent is transportation charge.

Under controls, North Carolina is experiencing a 40-percent curtailment of natural gas from contracted supplies. We are losing jobs under controls. Gas using industry is moving to gas producing States where gas is available.

The charge that deregulation will harm consumers does not hold water when you consider that the price of gas in gas producing States is higher than that of nonproducing States with no personal financial damage to the consumer.

FPC regulation has resulted in falling natural gas production and discouraged exploration.

The shortfall in available energy in the form of natural gas will be met by importing oil and synthetic gas from foreign producers at far higher prices and at greater cost to the economy due to the foreign dollar drain.

As less gas flows through the pipelines, higher prices must be charged for the reduced volume. The amortization of pipeline and transportation costs will be spread across less volume.

Controls have resulted in generating excess demand for available supplies, thus canceling out any intended benefits of regulation.

Mr. Chairman, a well thought out long-range decontrol bill will be of long-range benefit to the economy and the consumer.

The cost impact of deregulation on consumers will be moderate and gradual as the cost of gas at the wellhead represents less than 20 percent of consumer costs.

Any price increases would apply only to new natural gas. Any increases would be averaged in with the lower prices for existing supplies which are under long-term contracts.

Deregulation will provide for needed economic incentives to explore for and bring into production new supplies of natural gas.

Domestic drilling activity is about half what it was 20 years ago, yet demand has increased because of controlled low prices.

Natural gas is the raw material for production of many, many other materials which are essential to consumers, such as plastics, synthetic fibers, and fertilizer. In addition, natural gas is the Nation's cleanest fuel. All efforts should be made to insure a domestic supply of this fuel as environmental protection.

Mr. STAGGERS. Mr. Chairman, I yield 5 minutes to the gentleman from New York (Mr. OTTINGER), a member of the committee.

Mr. OTTINGER. Mr. Chairman, the passage of the rule providing for the consideration of the Krueger amendment was distressing procedurally; the consequences of that amendment's passage would be a substantive disaster. I strongly urge its defeat.

This is not the time for discussing deregulation at all, not while the U.S. energy oligopoly and the OPEC cartel rule the pricing of energy, and competition in the natural gas production and pipeline industries is illusory at best. Deregulation should only be contemplated when there truly is a free market with active and open competition to protect the consumer.

Certainly we need natural gas for the future. But will deregulation assure those needed supplies or only assure higher prices for the gas companies? And can we afford it today? I do not believe we can, and I do not believe that the American people will reap any tangible benefits from it.

In fact, the principal beneficiary of gas deregulation would be the monopolized and anticompetitive energy industry. The handful of firms which will gain most from deregulation of "new" natural gas are those that produce offshore gas—which coincidentally also happen to be the major oil firms, for the most part. The American people have not heard from any of these companies a pledge that exploration, drilling, or production will be stepped up as a result of deregulation. There would be nothing to prevent these companies from investing their congressionally donated windfalls on circuses, department stores or other ventures.

In fact, the notion that a "just and reasonable" rate can be determined in the energy marketplace by "natural economic forces" runs counter to everything we know about the oil and gas companies, and has been rejected out-of-hand by the courts many times, most recently in the 1974 Texaco case (417 U.S. 380). In that decision, the Supreme Court said:

> The natural gas industry was heavily concentrated and . . . monopolistic forces were distorting the market price for natural gas. Hence, the necessity for regulation. . . .

Supply and demand are not determined in the energy marketplace by free market forces. Rather, prices are artificially inflated by limiting production—by more than 50 percent in the Gulf of Mexico—shutting in wells—also accounting for more than 50 percent of the leases in the gulf—and concealing supplies and reserves, as was demonstrated before the Subcommittee on Oversight and Investigations last month. The beleaguered consumer must adjust his demand accordingly; he cannot depend upon "market forces" to insure that he will be able to afford the fuel he needs to heat his home.

There is no question that our supplies and reserves of natural gas, as with every other fuel, are limited. But finite supplies and concealed reserves are two different things. As our colleague, DON FRASER, suggested to the Energy and Power Subcommittee, resource constraints will remain with us no matter how high we allow the price of natural gas to rise. In fact, there is a substantial evidence that the current claimed shortages are due to a deliberate withholding of supplies, an underreporting of reserves, and a slowdown in exploration, all in anticipation of the deregulation held out as a carrot to the industry by the Nixon-Ford administrations. These hopes have been fueled by the so-called regulators at the Federal Power Commission who have been outspoken critics of the very laws they are charged with executing and enforcing. Simply eliminating controls and deregulating the price certainly will not result in any long-term lessening of our resource constraints, nor will it restore needed competition to the gas industry.

Let us examine, then, whether increased prices will actually mean significantly increased supplies. I think not. Also, such small additional supplies as are predicted to be made available in the short term by deregulation will come at an horrendous cost. The General Accounting Office suggests that our most realistic chances for additional natural gas will mean only about 400 billion cubic feet more than the 19.4 trillion cubic feet that we could expect after 3 years of continued regulation. That amounts to a minuscule 2-percent increase. And for this, American consumers will be asked to pay anywhere from the GAO's estimate of an additional $9 billion to a Library of Congress estimate of $15 billion in the first year of deregulation—an incremental addition at the incredible price of $3 per thousand cubic feet or more.

For millions of Americans, this will not be an easy adjustment to swallow. As an article in the Wall Street Journal pointed out last week, steep price increases for fuel have been more than an expensive inconvenience for many poor and elderly Americans. Energy price increases have brought economic hardship, serious deprivation, and real discomfort to hundreds of thousands. The claims of deregulation advocates do not stack up against the experience of people already suffering severely as a result of rising fuel costs. And of course, as increased fuel costs accumulate through every sector of the economy, both inflation and unemployment will increase.

Increased prices will mean more efficient use of a precious fuel, say deregulation advocates, and will mean better conservation efforts. "With frugal conservation measures," says the Journal article, a church in a poor parish near Yankee Stadium in the Bronx has so far managed to pay its rising heat bill while the priest has engaged in a relentless do-it-yourself effort to patch broken windows and replace window sashes to keep out the cold. "Still, the priest worries whether the next round of rate increases will finally outstrip his parishioners' ability to pay."

This is but one example of how fallacious, and even cruel, the industry's arguments are. The fact is that at the present time, gas producers are guaranteed at least a 15- to 18-percent return on invested capital by FPC rate-setting principles. This should be ample—a far higher rate than permitted to most utilities—and would be ample to achieve full gas production were it not for the administration-fed hope held out for a doubling or tripling of prices via deregulation. The short-term solution to the problem lies, in my view, in establishing parity between interstate and intrastate markets; in the long term, we must restore real competition to the energy marketplace to lay the foundation for deregulation under which consumers will be protected.

I urge my colleagues to join with me in voting against the Krueger amendment, as well as against any other deregulation proposal brought before us today.

Mr. STAGGERS. Mr. Chairman, I yield 10 minutes to the gentleman from Texas (Mr. ECKHARDT), a member of the committee.

Mr. ECKHARDT. Mr. Chairman, in August of this year the Federal Energy Administration issued a report called "The Natural Gas Shortage: A Preliminary Report." The report said that the natural gas shortage had been growing rapidly, that last year's curtailments were up to 2 trillion cubic feet, or 10 percent of the total demand, and that for 1974 curtailments were likely to be 45 percent greater, up to 2.9 trillion cubic feet, or about 15 percent of demand. "Even with natural gas deregulation," said the report, "shortages can be expected to grow in each succeeding winter for several years and could approach 1.9 trillion cubic feet in the 1976–77 heating season."

FEA hinted at a temporary solution to near-term shortages in its report, finding that "because of the economic slowdown and much higher prices, no shortage and possibly a surplus exists in the intrastate markets, primarily Louisiana, Texas, and Oklahoma."

On September 9, 1975, JOHN DINGELL, chairman of the Subcommitte on Energy and Power, and Chairman HARLEY STAGGERS of the Interstate and Foreign Commerce Committee, introduced the Natural Gas Emergency Act of 1975, H.R. 9464. This bill was introduced solely for the purpose of dealing with the forecast emergency. The bill accomplished this goal primarily by affording interstate pipelines experiencing the most severe shortages access to excess intrastate gas at unregulated intrastate prices.

An identical bill, S. 2310, was introduced in the Senate. However, during floor consideration, the bill was amended to include the Pearson-Bentsen amendment. This amendment added a new title, expanding the bill from emergency legislation to permanent deregulation. Title II of the Senate bill removed from control gas sold or dedicated after January 1, 1975, and gas produced from new wells—even though drawing from old reservoirs—brought in after that date.

Due to the complexity of the issues and the likelihood that consideration of legislative proposals directed at long term natural gas issues would delay action on emergency legislation, the House Subcommittee on Energy and Power elected initially to limit its consideration to legislation designed to meet the "crisis" predicted by the FEA. The subcommittee chose not to deal with the very controversial question of permanent deregulation. The House bill considered by the subcommittee was limited to temporary emergency authority and, therefore, deregulation amendments, such as Pearson-Bentsen, were not germane to the bill.

I may say, however, that members of the subcommittee met and urged—these were Democratic members of the subcommittee—the chairman of the subcommittee to proceed immediately with respect to the permanent solution of the problem. And when we came into the full committee, the Republican members also urged that that be considered.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Ohio (Mr. Brown).

Mr. BROWN of Ohio. I thank the gentleman for yielding. Does the gentleman recall that I urged back in March that we undertake the consideration of natural gas?

Mr. ECKHARDT. Yes. I remember that.

Mr. Chairman, during the subcommittee's deliberations on the subject a curious turn of events occurred. The more the subcommittee learned about the projected natural gas shortage, the less credible the forecasts of a dire emergency became. The subcommittee learned that pipelines were not enforcing their contractual rights to receive at least specified minimum quantities of gas from producers. It became more and more apparent that sufficient quantities of excess gas existed in intrastate markets to take care of essential interstate demands and that this gas would be available to interstate purchasers if intrastate prices were permitted to be paid for it.

The Federal Power Commission allows exemptions from Federal price controls on wellhead prices of natural gas for up to 60 days if an emergency shortage exists in the interstate market. Thus natural gas which would normally be produced and sold in the same State can be diverted to interstate commerce without being subject to Federal price controls. Intrastate gas presently sells at about an average price of $1.35 but up to as much as $2.10 per thousand cubic feet. Natural gas sold in interstate commerce, on the other hand, sells at a wellhead price of not more than 52 cents per thousand cubic feet. Virtually all new gas is selling for that in the interstate market. Under the FPC's 60-day emergency sales procedures, approximately 32 billion cubic feet of natural gas, has been sold to interstate pipelines in six sales. The gas is being delivered at prices reported to be about three times what would have been realized on the ordinary interstate market.

In addition, the FPC has ruled that since the Natural Gas Act applies only to interstate sales for resale, direct sales of natural gas by a producer to an end user are not subject to the Commission's jurisdiction.

At about the same time reports from the congressional watchdog agency, the General Accounting Office, and from the Office of Technology Assessment cast doubt upon the basis for the FEA's projections of critical shortages of natural gas and disastrous economic consequences. Subsequent reports of abnormally high levels of natural gas inventories in both the interstate and intrastate markets, lower than forecast economic activity, resulting in lower than expected industrial use of natural gas and availability of alternative fuels, indicated it was unlikely that widespread natural gas shortages would develop this winter.

Thus the Subcommittee on Energy and Power found itself on shifting sands with respect to the factual basis for emergency legislation. However, the earlier FEA projections of an emergency had created near panic among constituents of northern and northeastern Representatives. This did not quickly subside, despite the fact that little or no factual basis for these fears remained.

Thus the subcommittee was in this position: It had not had time to fully develop the pros and cons of alternative long-term legislative proposals, such as deregulation and, alternatively, extension of Federal controls to the intrastate markets. Both of these proposals were before the subcommittee in various bills. However, if the subcommittee would have acted at all on the 1975–76 winter situation, prompt action was required. The subcommittee determined to report legislation which would be in place as standby authority in the event dramatically changed conditions resulted in shortages of natural gas this winter.

The emergency bill would then assure that there would not be a large-scale loss of jobs. Although no longer essential for this purpose, emergency natural gas legislation would also allay the fears of constituents and the concerns of many Members of Congress, thereby permitting legislative proposals directed at long-term natural gas issues to be considered in an atmosphere conducive to reasoned judgment.

In accomplishing this goal, however, it was essential that the subcommittee not release a bill which would give the gas interests a pole to vault over the barrier of price control, and the danger was imminent. The gentleman from Texas (Mr. Krueger) had attempted to add the Pearson-Bentsen amendment, permanently decontrolling large quantities of natural gas during emergency periods, to the bill. Since the bill was narrowly drawn, this amendment was ruled not germane.

I may say, that this was not a discrimination against one approach to deregulation. The same ruling would have applied, say, had the gentleman from Minnesota (Mr. Fraser) or someone for him offered an amendment at that time. We simply did not have time, if we were to pass meaningful, standby legislation in case the emergency should develop, to work out a sophisticated, permanent and complex balanced means of control or decontrol.

There was no prior determination on the part of the committee in favor of any particular approach. The position of the subcommittee, however, was that our problem then was to meet what the FEA had pointed out as a dire danger with respect to the economy. Of course, we were also under the burden of considering the possible dire danger to the economy if we should add about a $5 to $9 billion annual cost to consumers' gas bills by permanent decontrol legislation which we had not had time properly to fashion.

Mr. BROWN of Ohio. Mr. Chairman, I yield 4 minutes to the gentleman from Louisiana (Mr. Moore).

Mr. MOORE. Mr. Chairman, I would like to talk about people, not oil companies. I think this problem affects people. What we are talking about here today must be viewed from this standpoint.

Statistics my staff has compiled affect my State and they affect yours. I would like to share them with you.

One key point is that 42 percent of all of the natural gas in this country is used in industrial manufacturing.

Moreover, natural gas is especially vital in Louisiana where 67 percent of our natural gas consumption is used by industry.

At a time when we are talking about high unemployment, when we are talking about recession, and when we are trying to bring our economy around, it does not make good sense to continue a practice which may well jeopardize the energy supply to the industries of this country. As a matter of fact, it would seem to make more sense to deregulate and to support the Krueger amendment to allow a greater supply of natural gas so as to insure that industries have the fuel they need and that we have the jobs we need in Louisiana.

I would like to share with you my findings on the relationship between the natural gas industry and unemployment.

In 1970 Louisiana was producing 5.5 trillion cubic feet of natural gas. Production has gone down every single year since then. Last year, production amounted to a meager 3.7 trillion cubic feet. It has dropped steadily every single year.

Meanwhile, unemployment in Louisiana continues to climb. In 1975 it was 8.3

percent, the highest at any point in the last 5 years.

I think unemployment and the availability of natural gas are directly related. Louisiana has more than 105,000 people directly employed in the mining, processing, and refining of oil and natural gas. When we cut back the production of natural gas, we cut jobs in Louisiana. When we encourage the production of natural gas, we help in fighting unemployment in Louisiana.

I submit that in producing energy for our industries, we also help other States. Louisiana is very dependent on natural gas. Seventy-five percent of all of the energy we consume in Louisiana is in the form of natural gas.

Mr. Chairman, as my colleagues know, I am from Louisiana. However, no natural gas is produced in my district, nor do I own any interest in natural gas. What I am trying to say is that this is a case in which we are trying to make for the people of Louisiana and for the people of the other States as well.

Mr. Chairman, 36 percent of the Nation's natural gas comes from my State, Louisiana. Yes, Mr. Chairman, 36 percent.

All we are doing by failing to deregulate natural gas is to further restrict availability of the natural gas we want and so badly need.

Mr. Chairman, more than 74 percent of all of the natural gas we produce in Louisiana is sold to consumers elsewhere. We keep only 25 percent for our own use.

In addition to that amount, 47 percent of all of the revenues that come to our State government in Louisiana come from petroleum sales. Severance taxes, leases, bonuses, royalties from State-owned land, and other oil and gas produced revenues to the State have been going down steadily. In the State of Louisiana in 1975, we expect $222 million in severance taxes. It is going down 10 percent a year. In 1978 we expect only $165 million in severance taxes. That means Louisiana is losing much needed revenues needed to provide valuable services that every State must provide for its citizens. We will lose that money and more if we do not encourage additional drilling and production in Louisiana.

What this means to the citizens of Louisiana, Mr. Chairman, is simply this. There will be more taxes that will have to be placed on the people of Louisiana because we will have to make up the losses from the severance taxes.

Declining revenues from the severance tax will require increases in local and State taxes to maintain ongoing State expenditures. This is an undue burden upon my constituents who are already taxed to the limit.

Second, this means less natural gas for the other States. If we produce less gas, it follows that other States will have less gas to buy from us. This in turn means less gas will be available for our consumers in Louisiana as well as in the other States. The net result is higher utility prices. If power companies do not have natural gas available, then they will have to use some other source of energy, and anything else is going to cost more than natural gas even at deregulated prices. Remember this point when you consider how to vote on this bill.

Third, we will have higher unemployment in my State of Louisiana, and that is because we will have more people out of work in the gas and associated industries. We will not be table to attract new industries to come into our State because we will not have natural gas to use, a major incentive to attract business to Louisiana. If we do not have the ability to attract new industry then our unemployment will continue to climb in Louisiana. It will also slow or even stop expansion of industries already in the State. This is already happening because of the decreased supply of natural gas.

Lastly, continued regulated prices will bring about increased dependence on the OPEC nations for natural gas. This will only serve to worsen our balance of payments.

In conclusion, Mr. Chairman, I urge my colleagues to consider these four excellent reasons for deregulation. And I submit that there is a noticeable absence of any sound reason why we should not deregulate. With these thoughts foremost in mind, I seek your careful consideration of the importance of deregulation to Louisiana and to your own natural gas consumers who seek additional supplies. I urge your support of the Krueger amendment.

The CHAIRMAN. The time of the gentleman has expired.

The Chair will now recognize the gentleman from West Virginia (Mr. STAGGERS) to yield time. The Chair would point out that the gentleman from West Virginia has 45 minutes remaining, the gentleman from Ohio (Mr. BROWN) has 38 minutes remaining, and the gentleman from Texas (Mr. KRUEGER) has 39 minutes remaining and that the Chair must try to keep the time equally divided.

Mr. STAGGERS. Mr. Chairman, I yield 10 minutes to the gentleman from California (Mr. MOSS).

Mr. MOSS. Mr. Chairman, it is regrettable at this point in the discussion of an issue of such moment to the American people and to the American economy, that there should be many, many Members absent from the floor of this Chamber. Believe me, the issue we are discussing today is one we should not approach lightly. The decisions we make are going to impact very significantly upon an already frail and infirm economy. How serious this will be is a judgmental matter and a judgment that should be predicated upon solid facts, and it cannot be responsibly made when those facts have yet to be fully developed.

Mr. Chairman, I want to say to the members of the committee that the Committee on Interstate and Foreign Commerce, and its subcommittees have diligently pursued all avenues available to them in an effort to develop the essential facts for the first time.

It is a fact that no one on this floor can challenge that everything being done here today, every assumption underlying the substitute which will be offered, and every assumption underlying the campaigns which have been launched across this Nation in an effort to stampede industry and consumers into demanding deregulation, is predicated upon American Gas Association figures. Therefore, they become crucial to any judgment. Are they valid? How are they put together? I can tell the Members how they are put together. AGA has subcommittees chaired by a representative of one of the producing companies. In his own reporting of his fields' operation there may be a fair degree of accuracy. There may even have been a flow test of the wells. But in reporting the other fields which are within his ambit of responsibility, there may be nothing more than an informal telephone call asking for the figures, and those figures are then put together and compiled into what has become a bible. It is used and relied upon by the Federal Power Commission. It is used by every group across the Nation.

We for the first time in the Subcommittee on Oversight and Investigation, through the exercise of subpena power, were able to secure the figures of the producing companies, the figures those companies report to the subcommittees of the American Gas Association, and the current data, never more than six months old, that they report under law to the United States Geological Survey. That material, that geophsyical data, is derived from the actual data on each proven field. That is probably the closest to a constant reliable that we can find.

We took the comparisons of 153 fields in southern Louisiana on the Outer Continental Shelf, and we found that there was a consistent underreporting of 37.4 percent. That is the sworn testimony—37.4 percent, 8.7 trillion cubic feet in that 153-well group. Eight point seven trillion cubic feet is an enormous amount of gas.

Originally we had an estimate of a shortfall this year of 1.1 trillion cubic feet. I think around the middle of January it was modified to three-tenths of 1 trillion cubic feet, but that underreporting in statistics upon which this Government regulates a very important industry, and upon which this Congress is going to act in making legislative judgment, becomes very important.

Let me give the Members another example. Mobil Oil in a field called Grand Island No. 95 had a contract with a pipeline company. The front money, $30 million, was put up by the pipeline company in order to get gas on line this winter. It was supposed to go on the line by November, and it was ready to go on the line by November, but they applied for a certificate, as they must, from the Federal Power Commission. The Federal Power Commission did not feel that it could grant the request of Mobil for a 10-year contract.

They agreed finally they would give them a 20-year contract, or a life-of-the-field contract. Life-of-the-field contracts are fairly normal; but Mobil to this moment has not put that gas on line. It has not delivered the gas notwithstanding substantial payments by the pipeline. That field does not even show up in the reports of the American Gas Association. It happens to have over 498 billion cubic feet as reported by the USGS. This is not a theoretical field. It is a proven field.

Mr. Chairman, what I am trying to say to this House is that there is certainly a need for careful legislative evaluation of this industry. Now, this is my 24th year as a Member of the House of Representatives. I was here during the fight back in the 1950's when President Eisenhower finally vetoed a deregulation bill because of the overzealous lobbying by the gas industry. They have been no less zealous in their lobbying in this instance. They have shown a little more sophistication than they did back in the days of the Eisenhower administration. They have gone out into the field and they have said to industry, "If we don't have deregulation, you won't have gas."

Now, let me explain how that operaates. We have seen a pattern of constant increase since 1969 in gas prices. With each increase we have had a dropoff in the estimated reserves, an inverse relationship, exactly counter to what we are being told today. Because the gas companies have seen that it was within their grasp to panic this House and this Nation into deregulation of natural gas. They may succeed; but if they do, then we are going to have this interesting result, and I will ask, when we go back into the House, permission to put into the Record this table which I have prepared carefully and the model underlying it which I find to be completely valid.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. STAGGERS. Mr. Chairman, I yield the gentleman an additional 3 minutes.

Mr. MOSS. Mr. Chairman, let us take the State of Connecticut. In 1974 the expenditures for natural gas were $396,700,000. If we go to the deregulation route of the Krueger proposal, that will increase by the end of 1980 for the same volume of gas to $600.9 million, or a 51.5-percent increase.

Illinois will go to a 116.2-percent increase.

My own State of California, 134.1 percent.

Now, we want to remember that that increase does not go only to homeowners. The very industries that have been contacting the Members of this House to urge deregulation are going to come back to us asking us to do something about the excessive costs, because this is going to be their cost. They are not going to escape the very high prices that will be brought about by deregulation.

The important thing is that the economy as it absorbs the billions, and we can make estimates, we can say it runs from $5 billion to $20 billion immediately, the long-range impact going up to around $70 billion; but the fact is that we are gambling when we take those estimates and I say we cannot tolerate such burdens on our economy. They will make a shambles of our economy and they are going to cause a very bitter reaction on the part of the American people.

I think, and I have said this to the industry, "You are going to bring about inevitably the very breakup which you fear now. You are going to bring about the reaction that brings unwise decisions, unwise legislation to the floor of this House."

I do not like to legislate in that manner. I spent 4 years studying the securities market of this Nation before rewriting the Securities Acts, and I spent over 3 years studying the operation of the Federal Trade Commission before offering a rewrite of the Federal Trade Commission Act. Yet, we are being asked in a matter of 3 hours of general debate, divided in a manner rather unique in my experience in this House, we are being asked to consider three diverse pieces of legislation and to do it in a matter of 3 hours.

I say it cannot be done. What is more important, it should not be done.

Mr. Chairman, the complete chart which I referred to earlier is as follows:

TOTAL EXPENDITURES BY STATE BY ALL GAS UTILITY CUSTOMERS[1]

[Dollar amounts in millions]

State	1974 expenditures[2]	1980 deregulation expenditures[3][4]	Percent increase	Annual natural gas deregulation rate of inflation[5]
Total	$19,088.2	$43,444.1	127.6	25.5
New England:				
Connecticut	396.7	600.9	51.5	10.3
Maine	267.8	379.0	41.5	8.3
Massachusetts	364.3	551.8	51.5	10.3
New Hampshire	366.3	607.9	65.9	13.2
Rhode Island	337.4	519.6	54.0	10.8
Vermont	327.7	403.1	23.0	4.6
Middle Atlantic:				
New Jersey	275.3	463.0	68.2	13.6
New York	247.8	427.8	72.6	14.5
Pennsylvania	404.7	802.9	98.4	19.7
East North Central:				
Illinois	380.3	822.2	116.2	23.2
Indiana	392.8	908.2	131.2	26.2
Michigan	471.9	985.8	108.9	21.8
Ohio	411.6	894.5	117.3	23.5
Wisconsin	430.0	939.4	118.5	23.7
West North Central:				
Iowa	383.3	946.7	147.0	29.4
Kansas	375.7	1,240.6	230.2	46.0
Minnesota	440.2	988.2	124.5	24.9
Missouri	286.1	673.9	135.6	27.1
Nebraska	367.3	964.7	162.6	32.5
North Dakota	337.6	771.2	128.4	25.7
South Dakota	304.5	721.8	137.0	27.4
South Atlantic:				
Delaware	369.4	698.3	89.0	17.8
District of Columbia	276.4	477.1	72.6	14.5
Florida	349.0	806.9	131.2	26.2
Georgia	318.6	760.4	138.7	27.7
Maryland	300.3	551.3	83.6	16.7
North Carolina	450.4	959.1	112.9	22.6
South Carolina	502.2	1,133.8	125.8	25.2
Virginia	336.7	652.7	93.8	18.8
West Virginia	368.4	873.3	137.1	27.4
East South Central:				
Alabama	327.4	814.6	148.8	29.8
Kentucky	277.3	653.2	135.6	27.1
Mississippi	322.8	869.7	169.3	33.9
Tennessee	384.1	984.8	156.4	31.[illegible]
West South Central:				
Arkansas	331.7	995.2	200.0	40.0
Louisiana	298.3	972.2	225.9	45.2
Oklahoma	309.7	961.2	210.4	42.1
Texas	459.5	1,296.2	182.1	36.4
Mountain:				
Arizona	261.5	636.7	143.5	28.7
Colorado	284.8	781.1	174.2	34.9
Idaho	504.0	1,100.9	118.4	23.7
Montana	353.3	920.3	160.5	32.1
Nevada	552.7	1,310.3	137.1	27.4
New Mexico	343.2	977.6	184.8	37.0
Utah	258.4	766.7	196.7	39.3
Wyoming	379.4	1,323.9	248.9	49.8
Pacific:				
Alaska	778.0	2,153.7	176.8	35.4
California	243.4	569.8	134.1	26.8
Hawaii	543.0	661.1	21.8	4.4
Oregon	479.0	957.9	100.0	20.0
Washington	556.0	1,208.2	117.3	23.5

[1] Excludes customers purchasing for resale and sales for resale.

[2] Last full year for which data available; AGA, "Gas Facts," 1975, pp. 64 and 112.

[3] Assumes $1.70 per Mcf is the average deregulated wellhead price; assumes 1974 consumption volumes.

[4] Based on definitions as provided for by the Krueger amendment.

[5] Assumes 1974 expenditures equal 1975 expenditures; assumes 5-yr deregulation period.

Mr. KRUEGER. Mr. Chairman, I yield 4 minutes to the gentleman from California (Mr. Brown).

Mr. BROWN of California. Mr. Chairman, it is with some trepidation that I take the floor, because I anticipate that I probably will shock and alienate some of those who feel that I am deserting the cause of liberalism.

Mr. MOSS. Mr. Chairman, will the gentleman yield?

Mr. BROWN of California. I yield to my colleague from California.

Mr. MOSS. Mr. Chairman, I would bitterly resent using the term "liberalism." I think the gentleman is deserting the cause of good sense, but nothing else.

Mr. BROWN of California. It so happens that it is in the cause of good sense that I take the position of support for deregulation and the Krueger amendment. I do not claim to be an expert in this area. I have not found that the arguments on either side of this case have been particularly persuasive to me. I do not expect my own position and remarks to influence any other Members of the

House. I had too much difficulty in even convincing myself that I was right to have any illusions about convincing anyone else.

Mr. Chairman, I am convinced that the present situation with regard to natural gas pricing in interstate commerce is the worst possible situation that we could have. It is completely irrational and flies in the face of any long-range values that we should be seeking. Let me tick off at least three irrationalities.

First of all, of all of the fossil fuels that we have in this country, natural gas is by all means the best, the most valuable and in the shortest supply, and yet by virtue of regulation it is maintained at the cheapest price. If one is a conservationist, one would rebel at the very thought that this scarce, precious fuel, which will never be replaced after it is exhausted and which will be exhausted within a generation, would be compelled to be maintained at a price below that of any other competing fuel.

The second irrationality: Natural gas only in interstate commerce is regulated. In intrastate commerce it is unregulated, and natural gas commands a price of from two to five times the regulated price if it is in intrastate use. This is so difficult for me to understand and justify that I absolutely rebel at the thought of it.

The third irrationality: The Federal Power Commission, required by law to regulate the price of natural gas in interstate commerce on a cost plus reasonable profit basis, has used every device available to it to avoid the requirements of such regulation. In effect, it has substantially abdicated its regulatory role, undoubtedly in recognition of the inherent incongruity of attempting to apply cost plus reasonable profit criteria to the situation existing in the cartelized energy industry.

I am sure that my good friend, the gentleman from California (Mr. Moss), can document this in great detail. There is no way in which the FPC could raise the price of interstate natural gas, on a cost-plus reasonable profit basis, to the levels they have now reached. Yet the FPC has managed, by great subterfuge, to invent ways to increase the price of gas over the last several years by an average of over 30 percent a year, flying in the face of law, of commonsense and of almost everything else. This is an irrationality which I hate to see maintained.

There are two ways we could go to change this worst of all possible worlds. We could deregulate. Natural gas in interstate commerce would move up to the intrastate price. That price would probably be somewhere close to or slightly above the OPEC oil price, as it should be under any rational scheme of valuing energy in this country.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. DINGELL. Mr. Chairman, I yield 2 additional minutes to the gentleman from California (Mr. BROWN).

Mr. BROWN of California. I hope deregulation will not increase the use of natural gas. I think, in all honesty, that it will encourage the producers to produce more, but it will encourage the consumers to consume less. I hope that the cause of conservation would be aided if this is the situation. That is one way to go.

The other way to go—and it is a rational way and I would support it—is to do a decent job of regulation, regulating intrastate gas as well as interstate gas so that they are both at the same price, determine the time over which we want to use our precious resource of natural gas, and determine the amount to be produced, set the production level, and give the regulatory Commission the power to comple production at that level.

Then we would have a uniform, fair, adequately valued natural gas regulatory scheme which I could defend. I cannot defend the present situation under any circumstances.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. BROWN of California. I yield to the gentleman from Michigan (Mr. DINGELL).

Mr. DINGELL. I thank the gentleman for yielding. Mr. Chairman, I want to say that the gentleman is talking a great deal of sense, and I want to point out to the gentleman that he and I are, in large part, in agreement. The brutal fact is that the realities of the House, given the information it has, the parliamentary situation in which we find ourselves, the difficulty of drafting amendments and writing complex legislation of this kind on the floor, makes what the gentleman is talking about extremely improbable at this time. We are going to deregulate if we pass the Krueger bill, and there will be no jumping off of the cliff.

Mr. BROWN of California. I understand the gentleman's position, and I have worried a great deal about this jumping off of the cliff business. I wondered where the figures came from which indicate the catastrophic cost impact on consumers of natural gas deregulation.

The CHAIRMAN. The time of the gentleman from California has again expired.

Mr. DINGELL. Mr. Chairman, I yield 1 additional minute to the gentleman from California (Mr. BROWN).

Mr. BROWN of California. The only figures that I have seen which seem to be objective are those produced by the General Accounting Office, which say that the deregulation of new, onshore gas, as proposed by the Krueger amendment, would result in the net increase to the consumer of 6 to 7 percent per year in his gas bill, which would amount to $10 to $15 per year. This would compare to the $200 per year more that I am paying in gasoline costs.

Mr. DINGELL. Mr. Chairman, if the gentleman will yield, the GAO says that is going to cost the American consumer $13 billion.

Mr. BROWN of California. Does the gentleman differ with the figures I have just recited of 6 or 7 percent per year?

Mr. DINGELL. Yes.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. BROWN of California. I yield to the gentleman from Ohio (Mr. BROWN).

Mr. BROWN of Ohio. I thank the gentleman for yielding. Mr. Chairman, I might say that those figures the gentleman cited are generally confirmed by Foster & Associates and they are generally confirmed by the FEA.

Mr. BROWN of California. That is the data on which I am going. I cannot imagine any other phased deregulation that would be more equitable to the consumer.

The CHAIRMAN. The time of the gentleman from California has again expired.

Mr. DINGELL. Mr. Chairman, I yield 1 additional minute to the gentleman from California (Mr. BROWN).

Mr. Chairman, will the gentleman yield?

Mr. BROWN of California. I yield to the gentleman from Michigan (Mr. DINGELL).

Mr. DINGELL. Mr. Chairman, let me read this for the benefit of the gentleman: This $13 billion is for the first year, according to the GAO:

> GAO estimated that under deregulation the maximum additional costs to consumers of natural gas in constant 1975 dollars would peak at $13 billion in 1980, decreasing to $4.2 billion in 1985. The cumulative additional costs of deregulation under GAO assumptions for the 10 years ending in 1985 is estimated at $75 billion, or an increase of 22 percent over the cumulative city-gate costs with continued regulation.

We are talking about enormous sums.

Mr. BROWN of California. Mr. Chairman, I am not especially concerned about any figures which project energy prices 5 or 10 years in the future.

Mr. DINGELL. Mr. Chairman, I am simply making the figures and the information available for the gentleman.

Mr. BROWN of California. Mr. Chairman, I personally feel that all energy prices are going to go up substantially in the future and that the regulated prices and the nonregulated prices are going to converge at some point around 1985.

Mr. DINGELL. The gentleman from California ought to know that there is no requirement in this bill that these moneys are to be plowed back.

Mr. BROWN of California. Mr. Chairman, I suggest that that would be a desirable topic for new legislation to be considered by the gentleman's committee, to make sure that they are plowed back.

Mr. DINGELL. Mr. Chairman, once this legislation passes the House, my committee may very well be stripped of authority to consider such matters.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. DINGELL. Mr. Chairman, I yield 1 additional minute to the gentleman from California (Mr. BROWN).

Mr. Chairman, will the gentleman yield further?

Mr. BROWN of California. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, I am curious about the gentleman's support for an amendment requiring a plowback before something of this kind transpires so that we could provide for a windfall profits tax.

Mr. BROWN of California. Mr. Chairman, I am concerned both that we have a plowback and an excess profits tax, but I have seen none of the committees of this Congress, including the gentleman's own committee, overjoyed at the prospect of reporting such legislation.

Mr. DINGELL. Mr. Chairman, the gentleman must recognize that this committee does not have jurisdiction, and if the gentleman will recall, I offered precisely such an amendment in the committee and on the floor of the House for the consideration of the Members. I happen to feel this is essential.

However, we have a jurisdictional problem here which makes that kind of a situation impossible.

I think the gentleman from California has made a very sensible explanation, but he is coming to what I believe is a wrong conclusion. I think the gentleman from California must agree that we have to face the problem that this means a vast amount of money being transferred from the consuming public to the big oil companies, with no assurance that any benefit will flow to the energy consumers.

Mr. BROWN of California. Mr. Chairman, this will be only a small part of the money that will be transferred to the big oil companies, I might point out, under the past and currently planned increases in oil prices. If such transfers offend sound public policy, and I personally think they do, then the proper procedure is for the Congress to enact an adequate tax reform measure, including an excess profits tax.

The CHAIRMAN. The time of the gentleman from California (Mr. Brown) has expired.

Mr. BROWN of Ohio. Mr. Chairman, I yield 30 additional seconds to the gentleman in the well, the gentleman from California (Mr. Brown), and I will ask the gentleman if he will be kind enough to yield to me.

Mr. BROWN of California. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, I wish to read to the gentleman the concluding summary of the GAO report to which he made reference, and I quote:

> Simulations were run comparing continued regulation with deregulation if the average deregulation price reached $2.10 (city-gate) in 1980 or 1985. In all cases Gross National Product, the rate of inflation, and the rate of unemployment are virtually the same indicating that, in the aggregate, deregulation is not likely to have discernible consequences for the Nation's economy.

Mr. BROWN of California. Mr. Chairman, that is part of the information upon which I was relying.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The time of the gentleman from California (Mr. Brown) has expired.

Mr. DINGELL. Mr. Chairman, I yield 1 additional minute to the gentleman from California (Mr. Brown) so that he may yield to the gentleman from New York (Mr. Ottinger).

Mr. BROWN of California. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, I am one of those Members who is very much concerned about the gentleman's position on this matter because I tremendously respect the position he generally takes in Congress and we share so many of the same concerns.

While I think that what the gentleman said about the present situation is true, it seems very hard for me to justify the kind of solution that the gentleman proposes. If we have the same pressures on the use of gas by total deregulation, we are going to see changes on the basis of price. Whatever the figures are to be, we are sure the prices are going to go up for international oil, and we are sure the price of gas is going to go up, to the detriment of those who can least afford it.

Mr. Chairman, the gentleman has much social concern, and I believe there are better ways to do it. I suggest that we vote down this deregulation so that the committee may consider it and come out with a solution.

Mr. BROWN of California. Mr. Chairman, I thank the gentleman for his comments.

The CHAIRMAN. The time of the gentleman from California (Mr. Brown) has again expired.

Mr. BROWN of California. Mr. Chairman, I would appreciate it if some Member controlling the time would yield additional time to me so I may respond to the gentleman from New York (Mr. Ottinger).

Mr. BROWN of Ohio. Mr. Chairman, I yield 1 additional minute to the gentleman from California (Mr. Brown).

Mr. BROWN of California. Mr. Chairman, it was this social concern which gave me great pause before I strayed from the fold, and I came to the conclusion that it is doing no service to the poor of this country to delude them into having a false sense of the value of all energy, including natural gas. The extra $10 or $15 a year, which is what I think will be added to their gas bill by deregulation, will not result in such undue hardship.

I came to the conclusion, however—and I put this in practice for myself last month—that they would be better off if they reduced their use of natural gas. I demonstrated how this could be done by insulating my district office and by installing a solar heater, which saves 50 percent of the natural gas previously used; then I sent out to 200,000 people in my district instructions on how they could do likewise.

I think this will enable them to save more than the amount of their larger monthly gas bill.

Incidentally, that solar heating would have paid off in 10 years even under the regulated price. Under the deregulated price it will pay off completely in something like 5 years.

Mr. OTTINGER. If the gentleman will yield further, poor people cannot afford that.

Mr. BROWN of California. I will be glad to arrange loans for them from the gas company so that they can afford them.

Mr. BROWN of Ohio. Mr. Chairman, I yield such time as he may consume to the gentleman from Tennessee (Mr. Quillen).

Mr. QUILLEN. Mr. Chairman, I rise in strong support of the Krueger deregulation proposal. H.R. 9464, the Natural Gas Emergency Act, as reported out of the Committee on Interstate and Foreign Commerce, is short-term emergency legislation which will do nothing to make additional natural gas available to American industries, American farmers, and American homeowners. It will only redistribute some intrastate gas into the interstate pipeline system by permitting interstate pipeline companies with supply shortages to purchase intrastate gas at unregulated prices. It aims only at alleviating the possible natural gas shortages this winter and next.

But sharing the current natural gas shortage will do nothing to alleviate the future severe shortages that are predicted. H.R. 9464 contains nothing that will prevent the natural gas shortage from growing worse because it does nothing to provide incentives for the exploration, discovery, and production of 1 single cubic foot of additional natural gas. The committee version does not, therefore, provide the solution to America's long-term natural gas problem.

Such a long-term solution, however, does exist. I am referring to the deregulation proposal offered as an amendment in the nature of a substitute by the gentleman from Texas (Mr. Krueger).

Mr. Chairman, I believe that deregulation will provide the only practical long-term solution for a national natural gas policy that the country so urgently requires. Furthermore, the other body has already acted favorably by a vote of 58 to 32 on S. 2310. This bill provides for the gradual deregulation of natural gas similar to the Krueger proposal, so that we must address the issue here and now.

America needs a national energy policy, and a national policy for natural gas, which is comprehensive and long term. America does not need more short-term, patchwork "emergency" energy legislation which does not directly address itself to the development of overall solutions for the era of energy supply shortages which the country is surely entered upon.

The United States must adopt a national energy policy whose goal is self-sufficiency. The Congress has a responsibility to the America people to work toward devising an energy policy which will substantially reduce our dangerous dependence on unreliable and overpriced foreign supplies, stimulate and encourage domestic energy production, and maintain reasonable and fair energy prices.

It should be obvious to all of us by now that the United States can no longer tolerate our present unwieldy collection of antiquated laws and outdated and unrealistic restrictions in the field of energy. Surely, we all realize that the proportion of domestic energy supply to our total energy consumption will continue to decline unless positive actions are taken by the congress to reverse this dismal and dangerous trend.

For the next decade, at least, the United States will have to rely on oil, coal, nuclear power, and natural gas for the bulk of its energy supply. Other sources, such as synthetic oil and nat-

ural gas from coal and synthetic oil from shale, as well as geothermal power will make increasingly important contributions to our total energy supply in the 1980's and 1990's, and nuclear fusion and solar power will undoubtedly provide large quantities of energy in the 21st century. But, over the next 10 years and probably longer, conventional fossil fuels will be our principal energy sources, with oil and natural gas bearing the major role for providing the energy the Nation will need.

The United States now consumes about 60 billion cubic feet of natural gas a day. Natural gas now provides about 30 percent of our total energy needs, and 40 percent of the energy burned for purposes other than transportation. It is a vital fuel for heating homes, for commercial and industrial use, and is an important raw material for the manufacture of chemicals and fertilizers.

Because of its clean-burning properties and because its price has been kept artifically low in comparison with the price of other fuels, the use of natural gas has expanded rapidly, at an annual growth rate of 6 percent.

Domestic consumption rose from 6 trillion cubic feet in 1950 to 23 trillion cubic feet in 1973. Domestic production now supplies about 95 percent of the gas consumed, but production has peaked and declined for the second straight year. About 20.1 trillion cubic feet were produced in 1975 as compared to 21.6 trillion cubic feet in 1974, and 22.6 trillion cubic feet in 1973.

For the past several years the United States has been consuming about three times as much natural gas as it has been finding. Proved reserves reached their highest level in 1967 and then dropped in 1968 and 1969. In 1970, the great Prudhoe Bay gas find in Alaska was added to our proved reserves, and this temporarily reversed the trend. After 1970, however, the decline resumed and has been accelerating since that time. As a result, the United States now finds itself, for the first time, with insufficient natural gas to meet anticipated demand.

This decrease in domestic production is projected to continue unless the Congress acts promptly to provide the necessary economic incentives for additional exploration, discovery, and production of natural gas. Our present policy has managed to give us the worst of all possible results. Proved gas reserves are declining primarily because the increased exploration and drilling costs have wiped out profit margins due to the regulated and artificially constrained prices. And the unrealistically low regulated price has also increased demand for gas and actually encouraged the wasteful use of this precious fuel. Such a policy which discourages production and encourages waste is, in my judgment, just plain stupid.

The natural gas problem has been made even more severe because of the fact that oil, which is the only substitute for gas in most instances, is much more expensive. Any shifts to an increased usage of oil will result in increased imports, which of course means increased dollar outflows and increased American dependence on unreliable foreign supplies, as well as a dangerous trend away from national self-sufficiency in energy.

The regulated ceiling price for natural gas is far below the level required to price it competitively with any of the alternative fuels now available. The current contract price for natural gas in the interstate system is 52 cents per 1,000 cubic feet, which is the equivalent to paying about $3 per barrel for crude oil on a Btu heat content equivalency between the two fuels.

We are, in effect, paying foreign suppliers of energy three or four times as much as we are willing to offer to our own American companies to go out and find more natural gas here in the United States.

All of the alternative fuels which could be substituted for natural gas, without exception, are more expensive than natural gas. Liquefied natural gas can be imported from Algeria, from other OPEC countries, and from the Soviet Union. But by the time it is brought to the United States in tankers and converted back to gas, the cost is several times the cost of domestic gas production. Synthetic natural gas can be produced from coal, but only at a cost which is even higher than that of liquefied natural gas.

Mr. Chairman, the Krueger proposal represents, in my judgment, a policy approach which will provide the required economic incentives to encourage the production of additional natural gas. It will also make more gas available to consumers without unacceptably sharp price increases, especially where there are now shortages causing economic disruptions, the loss of productivity, and unemployment.

The pricing of natural gas is very different from that of oil, or of most other fuels. The main expense is not the gas itself, but the transportation and distribution costs which amount to about 80 percent of the total charge. The wellhead price of gas is no more than 20 percent of the consumer's total gas bill. In other words, even if you doubled the wellhead price of natural gas, you would raise the consumer's gas bill only about 20 percent or less.

If a gas pipeline is 100-percent full, the gas can be sold at a lower price since the return on capital investment for a pipeline company is fixed by law. If a pipeline is not full, the transportation company must charge higher prices per unit of delivered gas to cover its fixed expenses of amortizing and depreciating the cost of the pipeline. These costs, however, do nothing to produce more gas, and place America on a spinning treadmill, resulting in increased costs and in dwindling supplies.

Under the deregulation proposal offered by Mr. KRUEGER, only a small portion, 5 to 10 percent, of the natural gas being sold in interstate commerce will be deregulated each year as contracts expire. Current gas contracts are long-term, running for periods of 5–20 years. This means that the price of the deregulated "new gas" would be mixed into the controlled price of the gas already under contract. Presently, the amount of gas under contracts expiring each year is less than 7 percent of the total sold.

Mr. Chairman, I believe that the history of natural gas regulation indicates that the controls and restrictions were very probably ill-advised from the beginning. The inherent element of boom or bust risk-taking in the natural gas business renders it inappropriate for the kinds of regulations which apply to utility-type enterprises. The economic incentives under regulation are just no longer adequate in view of the risks involved in exploratory work.

Government regulations of natural gas sold in the interstate market is largely to blame for this situation. A gradual deregulation of the price of natural gas at the wellhead is in the public interest. Complete and total deregulation is unwarranted, but the phased deregulation of the wellhead price of new natural gas is the only way we are going to get an ample supply at reasonable prices for the American people.

Mr. Chairman, I believe there is broad bipartisan support in the House for the long-term deregulation of natural gas. We have had enough of stop-gap, emergency legislation in the field of energy. I urge the adoption of the Krueger deregulation proposal so that we can move ahead toward a practical and long-term solution for America's natural gas problem.

Mr. BROWN of Ohio. Mr. Chairman, I yield 4 minutes to the gentleman from Connecticut (Mr. SARASIN).

Mr. SARASIN. Mr. Chairman, I rise in support of H.R. 10480, the substitute measure being offered by Mr. KREUGER of Texas to H.R. 9464, the committee bill.

I feel it is important that the House of Representatives take a long-term approach to the question of how to insure adequate supplies of America's most versatile energy source, natural gas, to give the whole country a chance at economic recovery and additional jobs through adoption of legislation which would gradually remove discriminatory controls on natural gas.

It is somewhat ironic that we claim energy conservation as our goal and yet regulate the price of natural gas so as to be only about one quarter as expensive to use, and, in some cases, waste.

There are many here in the Chamber today who say that deregulation will create an unnecessary burden on the consumer and will create a drag on our economy just as it is recovering from the past severe recession. It is also claimed it would provide the owners of proven natural gas reserves with a "ripoff" windfall profit. I feel that if we take the time to consider this legislation properly we can insure that the phase-in of unregulated newly discovered natural gas will only gradually affect the market as these new discoveries are made. This will prevent any immediate drastic surge in the prices of natural gas to the consumer and will mean that only increases in supply will produce a net increase in the price.

As a Representative from the Northeast region of the United States, I strongly favor the removal of controls from the price of natural gas. I do so because unregulated natural gas at approximately $2 a thousand cubic foot—(Mcf)—is cheaper than synthetic gas or imported liquified natural gas at approximately $5 Mcf. I am confident that deregulation will benefit the New England economy and I would like to cite a few facts to support this: 49 percent of all natural gas is used by industry compared to only 25 percent for residential consumption. This means that FPC price controls provide cheap energy to those industries which can get natural gas. New England only gets about 9 percent of its energy from natural gas, whereas the West South Central area gets 68 percent of its energy from natural gas, so that obviously the benefits of lower cost natural gas are not spread evenly around the country but are enjoyed primarily in those regions lucky enough to be endowed with natural gas.

I think the Members of this body, and the general public, have come to understand the detrimental effects of the present regulatory policies and the need to establish a more rational relationship among the prices of competing energy resources and in the availability of energy in different geographical regions of the country.

Removal of the antiquated price structure for natural gas is favored by a 4-to-1 margin by the Connecticut Public Utilities Control Authority, CPUCA, and has been editorially advocated by many of the large circulation daily newspapers serving the State.

Given all the evidence we now have, anyone who tries to characterize this issue as special interest legislation or anticonsumer or a gas producers bill is either woefully uninformed or is intentionally trying to mislead you. The special interests I am concerned about is the lagging economy of Connecticut and other gas-starved parts of the country and the tens of thousands of needed jobs which are jeopardized by this shortage we in Government have artificially created with ill-advised policies.

Mr. BROWN of Ohio. Mr. Chairman, I yield such time as he may consume to the gentleman from Oklahoma (Mr. JARMAN).

Mr. JARMAN. Mr. Chairman, there is almost universal recognition in the Congress and among those people in the United States who are informed about the subject that there is a pervasive natural gas shortage in this country.

Increased supplies of natural gas for interstate distribution depend on immediate deregulation of domestic onshore prices.

Effective natural gas legislation is extremely important not only to the constituents of my district but of every district throughout the Nation. With deregulation, increased exploration and development of new natural gas reserves will inevitably occur, which means increased gas supplies for the Nation's consumers. This is vital to America's future.

I believe deregulation is the most economical and practical solution to assuring this Nation an adequate supply of natural gas in future years. The current price of natural gas on the interstate market has been kept artificially low through price controls.

Mr. Chairman, by the end of the 1960's, market conditions began to change and, in particular, demand for natural gas increased dramatically. Natural gas is a clean-burning and low-polluting fuel. State and Federal legislation directed at improving air quality and reducing pollution added to surging industrial demand for natural gas. New uses for natural gas as a process fuel, petrochemical feedstock or fertilizer feedstock, contributed to expanded demand. Finally, its lower cost-per-unit of heat energy made natural gas an attractive alternative to coal or oil.

With drilling and production costs increasing, and prices not keeping pace, exploration for new gas to be sold in interstate commerce has substantially decreased. A shortage has resulted. Our current natural gas supply conditions are very fragile and dependence on them alone without new Federal action carries substantial risk of increased unemployment and adverse economic impacts.

Present prices for interstate gas do not provide incentives to explore for new supplies or to rework old wells with potential for increased production.

Mr. Chairman, studies have repeatedly shown that the number of wells drilled is directly proportional to the price paid for oil and gas products.

Most exploration is done by independent producers and generally these ventures are undertaken as joint ventures in partnerships. Present prices for natural gas in interstate commerce simply do not provide the investment capital needed to find production.

I believe the most effective solution to our natural gas shortage is deregulating the wellhead price of nautral gas. Higher wellhead prices for natural gas will lower energy costs for the consumer because through higher wellhead prices conservation will be maximized, and supplies increased to meet our demands.

Mr. BROWN of Ohio. Mr. Chairman, I yield 6 minutes to the gentleman from California (Mr. KETCHUM).

Mr. KETCHUM. Mr. Chairman, I rise in strong support of Mr. KRUEGER's substitute to H.R. 9464. I support this substitute because I am opposed philosophically to Government controls over the economy. I support this substitute because it is the only practical way to insure that our domestic supply of natural gas will grow to meet consumers' needs.

For 3 years Congress has stubbornly insisted on a completely wrong-headed approach to a national energy policy. We have attempted to deal with the shortage of domestic energy sources cosmetically. We have dabbled in efforts to control prices for consumers, and devised elaborate allocation schemes. What we have not done is the only thing that will solve the program. We have not taken one small step toward encouraging more production of oil or natural gas. We can partially redeem ourselves by passing this substitute.

I am somewhat amazed that after all our unpleasant experiences with economic controls over the past several years there are still those who think they serve a useful purpose. I would remind my colleagues of the shortages we found under the phases I through IV of the economic stabilization program—shortages of everything from meat in the supermarket to baling wire for farmers. There were very few people left in this chamber who were sorry to see the Economic Stabilization Act expire. There were very few people who did not realize that artificial price controls had caused the shortages.

That is exactly the same reason why we are debating this bill today. There is one incontrovertible fact in this discussion: There were no natural gas shortages before the Supreme Court upheld the Federal Power Commission's price controls in 1968, and there are shortages today. There is no shortage in uncontrolled intrastate natural gas, but there is a severe, worsening shortage of controlled interstate natural gas. It should be perfectly apparent to anyone but most ideologically blinded that shortages are caused by controls.

Natural gas is a very desirable source of fuel from an economic as well as an environmental viewpoint. Anyone who can get natural gas would prefer to use it. But due to the controls on prices, most natural gas remains within the State in which it is produced and where the price is uncontrolled. The four leading gas-producing States consumed 34 percent of the natural gas consumed nationally. Unfortunately, 91 percent of this total is used by industries which could most easily convert to coal, instead of in-home use where natural gas is most desirable. If we remove interstate controls, there will be a much more equitable distribution of natural gas supply among the States.

The major objection to decontrol is the specter of catastrophic increase in costs to consumers. This argument is a strawman on several counts. In the first place, it assumes there is an alternative of abundant, and cheap, natural gas—a totally false proposition. If there is no decontrol, there will be no natural gas for purchase, at any price. I contend that people who want to use gas will pay for it.

A second point is that even without decontrol, the price to consumers is bound to go up, due to the inexorable demands of pipeline costs. Pipelines operating at less than full capacity, as they do now, cost considerably more to operate. Continuation of present policy will result in a massive shift in the cost of transportation and distribution. The producers' share will remain stationary. Thus, consumers will pay more without the desirable effect of an increased price for producers to stimulate more production. Since the producers' fuel costs account for between 10 to 18 percent of home heating oil costs, the actual effects of a raise in wellhead prices will be minimal.

Compare this to the costs necessitated by a shift from unavailable natural gas to other fuels, both in economic terms and in terms of our national energy goals. The Independent Oil and Gas Producers of California estimate that a shift to oil would cost current natural gas producers an additional $6.3 billion by 1980, over the costs of decontrolled natural gas. We must also consider that in the absence of decontrol of oil, the shift from gas will result in massive increases in imported oil. The inflationary drawbacks of continuing controls are thus far greater than those of complete decontrol.

In the past 7 years, it is estimated that for many companies the costs of production have increased by about 300 percent. Faced with spiralling costs, what producer in his right mind will extend his search for natural gas just to sell it for a controlled price that bears no relation to current market values? The only way to get more supply is to let the market mechanism work, and get the suffocating hand of the Federal Government off the gas fields.

I have stated far too often in this Chamber that the only sensible energy policy is one that encourages the production of more energy. I am tired of saying it. But I shall keep saying it until the message sinks in. This substitute will create more supply. It is an intelligent, absolutely necessary piece of legislation. I urge my colleagues to accept it.

Mr. KRUEGER. Mr. Chairman, I yield 4 minutes to the gentleman from Florida (Mr. FUQUA).

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. FUQUA. I yield to the gentleman from New York.

Mr. KEMP. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the Krueger amendment. There is a long-term natural gas shortage in this country. And all of the political rhetoric that there is no such shortage cannot obscure the reality—the statistics showing such a shortage. And the answer to this shortage is increasing production as this amendment will do.

If there is a natural gas shortage, then why have we not felt the severity of curtailments in service this winter which were predicted and expected only a few months ago? This question is often asked—particularly by those who wish to continue or even expand government control of natural gas.

I would, therefore, like to address myself to this question for it is central to this debate today.

The very reasons why we have not had a severe shortage this winter sustain the arguments which have been made for decontrol—immediate or phased—of natural gas. Members who have fought for decontrol, like myself, are not embarrassed by the failure of the short-term shortage to occur. We are, rather, encouraged by it. It proves our points.

First, we have said that allowing gas intended for intrastate use—use within one State—which sells at a higher rate than that intended for interstate use to travel in interstate commerce at prices higher than the artifically low national prices established by the Federal Power Commission would help overcome the shortage. After much delay and with great reluctance, the FPC changes its regulations—although not nearly enough—and now this gas once intended for intrastate use is helping us overcome the shortage throughout the country.

Second, we said that we would have to bring more wells into production—which first means more exploration and test wells which is very costly—in order to increase domestic supplies, and we said that we would not get more wells into production until there was more of an economic incentive, one which would not come unless the FPC-set prices were increased. Those prices—with respect to intrastate traveling in interstate pipelines—were increased, and now more wells are coming on line. We still have a long way to go, for natural gas wells must be reconditioned, and no one is going to do that on a massive scale unless they believe the temporary lifting of price ceilings will be made permanent.

Third, in order to overcome the short-term shortage—this winter—we have drawn down the reserve supplies which will make the long-term shortage even more unavoidable. It could never be said with any credibility, in my opinion, that the overcoming of shortages this particular winter resolves the problem. In reality, it may make it worse.

The supplies which are now coming onto line in interstate pipelines—drawn from supplies once committed to intrastate use—are rapidly depleting the reserves of natural gas which had been stored up for such emergencies. We are using up great percentages of those reserves this winter, and while production may be slightly improving, it is not enough to offset the uses. Thus, to avoid a shortage this particular winter, we run a high risk of a shortage next winter, and this two-step process will continue year after year, unless we give a clear signal to producers and consumers alike that we intend to decontrol on a permanent basis. All that has been done—except for the completely new supplies coming onto line from new wells—is to postpone the inevitable point at which a shortage can no longer be overcome by further drawing down reserves.

We must also not forget that November and December were exceptionally warm months in those areas normally very cold that time of the year. Thus, less natural gas was needed for heating and related purposes than had been expected.

Mr. Chairman, decontrol is the only real answer to shortages.

First, we must provide adequate supplies of natural gas to meet both immediate and projected demands of commercial and residential consumers, especially in the winter months of heaviest use. This would, in turn, help to assure three things.

That there will be no temporary or permanent layoffs in the work force, because of natural gas shortages.

That the residential consumers now using natural gas will not be required at great expense to dispose of natural gas consuming major appliances and to convert to other forms of energy uses.

And, that new natural gas hookups for either industrial or residential users can be commenced.

Second, we must lessen United States—especially those States in the East and Northeast—dependence on foreign, liquefied natural gas supplies. This alone will help us meet the objectives of improving our balance of payments, reducing our susceptibility to undue economic pressures resulting from our foreign policy in the Mideast, and achieving the goals of self-sufficiency.

Third, we must not deplete our existing reserves. We must not here—as in any other place—continue to mortgage the future with today's demands.

Fourth, we must provide the Nation with an adequate energy source during the period—which is projected to be minimally 5 to 10 years—within which it searches for cost-feasible nonfossil fuel energy alternatives.

This is quite serious when one considers that half of all the energy now used by industry in the United States comes from natural gas—without which there is less production and fewer jobs.

And, H.R. 9464, the Natural Gas Emergency Act of 1975 now before us does not measure up to the problem.

H.R. 9464 provides for some degree of temporary, emergency relief. It is not a bill providing for eventual decontrol. H.R. 9464 would, therefore, require the Congress to meddle again in this sensitive economic issue, all of which unfortunately produces too much delay and too much confusion. It means trying to solve the problem would remain in the hands of politicians and bureaucrats instead of producers and consumers—under the control of political forces instead of market forces.

The Senate has already acted upon and approved a long-term bill, and that will be what is before the joint House-Senate conference committee. For the House to persist in dealing with this issue on an almost month-to-month basis—while the Senate has taken the much more reasonable approach of setting forth a scheme to eventually get out of it altogether—is unfortunate and regrettable.

H.R. 9464 also goes in the wrong direction from what the people—the producers and consumers—want. The people want less government, less redtape, less bureaucracy, less regulation and control. But H.R. 9464 would give the Federal Power Commission even more power than it has today.

It gives the FPC power to determine who are—and thereby who are not—"essential users" of natural gas, the availability of alternative fuels, the reasonableness of capital costs for conversions to alternative fuels, and the significance of impacts of curtailment on unemployment, domestic food production, public health, safety, and welfare.

It gives the FPC power to determine what is a "distressed interstate pipeline"—one not carrying supplies sufficient to meet demands—as the Commission sees those supplies and demands. It gives the Commission power to designate these distressed interstate pipelines—or not designate them. Moreover, the Commission does not have to justify its action or make known the premises on which it acts, for if the Commission does not act on a petition for designation as a distressed interstate pipeline in 21 days, it is denied simply by that failure of the Commission to act.

It gives the Commission the power to direct any pipeline to establish physical interconnections between any specific facility of any distressed interstate pipeline and any specified facility of any other pipeline.

It gives the Commission the power to order any pipeline to transport new natural gas purchased by a distressed interstate pipeline.

It gives the Commission power to impose civil penalties of up to $10,000 for each violation of the provisions of this bill—with each day being considered a separate violation. Consumers, of course, ultimately pay all fines through higher prices.

When one considers, first, that most of the natural gas shortage in the United States was caused by FPC regulation; second, that the Commission has been intensely divided in recent months over the extent of the current and projected natural gas shortages—a confusion which will permeate all decisionmaking under the bill before us if it is enacted; and, third, that the Commission's perceptions of supply and demand have been so far off that the present shortage has resulted—then, I think we have a responsibility other than giving the Commission even more power.

Giving the Commission such powers is certainly not less government, less redtape, less bureaucracy, less regulation, less control, or less costs to the users—both as taxpayers and as consumers.

There is a better answer to the natural gas shortage problem, and it is an answer immediately available to us. I refer to the proposal of the gentleman from Texas (Mr. KRUEGER), the Natural Gas Emergency Standby Act, which will be offered as a substitute to the bill before us. This measure is supported by a substantial number of Members—from both parties and from all sections of the country. I commend him for the leadership which he has shown in this important area.

Why is this better legislation?

The committee bill, H.R. 9464, does nothing to assure an increase in long-term supplies of natural gas. The Krueger substitute does.

The committee bill does not phase out the use of natural gas, one form of energy, as a boiler fuel for electrical generation, another form of energy. The Krueger substitute does.

The committee bill does not gradually deregulate wellhead field prices of natural gas. The substitute does. Let me add, at this point, that the wellhead price of natural gas constitutes only about one-fifth to one-fourth of the cost paid by the consumers, with the remainder being comprised of transportation and distribution costs. Furthermore, since most gas is sold on long-term contracts from 5 to 20 years, any increase in the price of new gas contracted for today will be blended in with the price of old gas under contract. On the average about 7 percent of gas contracts expire each year. Something else to remember about the main costs of transportation and distribution: If a pipeline is only half full—because of shortages—the cost per unit of gas delivered must be raised to cover transportation costs. Therefore, it is in the consumer interest to have adequate supply and a full pipeline.

The substitute will also deregulate offshore Federal land prices, effective January 1, 1981.

It will—and this is of substantial importance—permit intrastate transportation of new natural gas through interstate facilities without such transportation or facilities being subject to the provisions of the Natural Gas Act, provided that such intrastate transportation does not prevent adequate service by the interstate pipeline to its interstate customers. The reason this provision is so important is because, under present regulation of the FPC, intrastate gas cannot move in interstate pipelines, even if there is capacity in those interstate pipelines and even if to do otherwise would require—at great cost to the natural gas companies and, of course, to their customers—the construction of a totally separate, yet wholly duplicative, interstate pipeline.

Mr. Chairman, at the appropriate time. I intend to offer an amendment to the Krueger substitute. That amendment will be offered for myself, Mr. MURTHA of Pennsylvania, and Mr. MOLLOHAN of West Virginia. We hope the gentleman from Texas (Mr. KRUEGER) will accept the amendment.

The amendment, which appeared in the RECORD of December 15 at page 40791, is as follows:

Following section 209 of the substitute, add the following new section:

"SEC. 210. (a) Notwithstanding any provision of the Natural Gas Act or any other provision of federal law or any contractual price limitation applicable thereto on the date of enactment of this section, sales of any natural gas (except synthetic or liquified natural gas) by small producers shall be exempt from regulation of the Federal Power Commission and may be made without any application for a certificate of public convenience and necessity under section 7(c) of the Natural Gas Act (15 U.S.C. 717f(c)); and any such sale shall be made at a price not less than that which adequately compensates the seller for current costs, including an adequate return on investment, as determined by the seller and the purchaser.

"(b) For purposes of this section 'small producer' shall mean an independent producer of natural gas (1) who is not affiliated with a natural gas pipeline company or a producer who is not included within this definition, (2) whose total sales of natural gas on a nationwide basis, together with such sales of affiliated producers, are not in excess of 10 million Mcf at 14.65 P.S.I.A. during any calendar year, and (3) whose average production per well for all wells for such calendar year is not in excess of 100 Mcf per day.

"(c) For purposes of this section 'affiliated producers' are persons who, directly or indirectly, control, or are controlled by, or are under common control with, a small producer."

This amendment is designed to accomplish several objectives.

First, to exempt stripper well production of natural gas from Federal Power Commission regulation, with such a stripper well being defined as a well producing less than 100 thousand cubic feet per day.

Second, to allow purchasers of stripper natural gas to renegotiate contracts for flowing gas to reflect current costs.

Third, to provide an incentive to investors and producers to accelerate development of natural gas from marginal or "tight" geologic formations such as the Devonian shales underlying the States of the Appalachian region, Illinois, Michigan, and Indiana.

And, fourth, to equalize price incentives for stripper natural gas with incentives now given to producers, under Federal Energy Administration regulations, of high-cost stripper crude oil production.

The purpose of the amendment is also to forestall a further sharp decline in natural gas production from these low-productivity wells. These wells—which require frequent "workover" expenses to maintain production levels—are being shut down in increasing numbers, making it all that more difficult to maintain total natural gas production in the United States. In West Virginia, for example, total production has decreased by about 23 percent during 1975—or an amount of 50 billion cubic feet which is more than the expected curtailment volume of 17 billion cubic feet to industrial users this winter in that State.

If adequate prices could have been obtained by producers to maintain constant production levels of flowing gas in that State this year, as has occurred over the past decade, local production could have supplied an amount of natural gas equivalent to this winter's shortfall. To a lesser—but still significant—degree the natural gas deficits in Ohio and Pennsylvania this winter could have been moderated by adequate "flowing" gas prices to justify workover programs from wells in those two States. It would also have taken much pressure off of the western New York area serviced by National Fuel Gas, for a recent decision dealing with West Virginia has given first priority for West Virginia produced gas to West Virginia users, and National Fuel Gas has drawn heavily from the West Virginia wells for service needs in western New York.

The volume of natural gas produced from stripper wells in the Appalachian States—New York, Pennsylvania, Ohio, Maryland, West Virginia, Kentucky, Virginia, Tennessee, Georgia, and Alabama—amounts to 454 billion cubic feet in 1974 from over 55,000 wells. Only about 5 percent of interstate natural gas comes from stripper wells. The average productivity—or daily output per well—however is 61 times less than in Texas or Louisiana. Nevertheless, the average price of natural gas sold by producers in West Virginia in 1974—31 cents per million cubic feet—was essentially the same as that sold in these two largest producing States. And, the price discrepancy continues even though Southwest natural gas is sold in the Appalachian region at a delivered cost of 55 cents per million cubic feet from interstate pipelines.

Increased interest in expediting expanded natural gas production from Devonian shales would be assisted by the exemption proposed in this amendment. Wells from these formations are of low productivity, although of unusually long life. The overall limitation of the regulatory exemption of 10 billion cubic feet annual production, already recognized by the FPC as a proper cutoff of small producer status, would insure increased interest by investors in the development of the gas shale potential, and would invigorate the independent natural gas producers of the Appalachian States who have maintained a continual level of activity in exploration for natural gas since the inception of the industry in 1859.

It should also be noted that price-control provisions for crude oil by the Congress have given exceptions for higher prices for stripper oil wells to maintain and increase production over the past 5 years. The precedent has been clearly set. By contrast, natural gas stripper producers have experienced only regulatory delays for adjustments in their prices, delays caused by FPC regulation. It is time to put these natural gas wells on the same footing, for small, independents, as the oil wells.

Let me address several misunderstandings about the small producer, stripper natural gas amendments.

First, the view that the amendment would mean a larger price increase to consumers than deregulating "new" gas.

Second, the view that the amendment would exempt all small producers rather than stripper well producers.

Third, the view that the amendment could be unconstitutional as an impairment of contract obligations.

Fourth, the view that to exempt stripper producers, without exempting all others, is to discriminate against all others.

The eventual impact on consumers of renegotiating contracts between qualifying stripper gas producers and purchasers cannot be precisely determined, but it cannot be as substantial as the impact of using only the greater volumes of new gas in interstate commerce from the Southwestern States, the Arctic, Algeria, or coal gasification. In fact, local production from the Appalachian States—where most of these stripper wells are located—averages 30 to 40 cents per thousand cubic feet, although the delivered price from the Southwest is at least 55 cents per thousand cubic feet.

Because Appalachian natural gas output is declining rapidly, it must be replaced by higher priced Southwest gas. Thus, an expansion of production in the area, in an unregulated pricing market, could actually reduce costs to consumers in the future. A discovery of a large field from the Devonian shale formation in the Appalachian and certain Midwestern States could, in fact, forestall reliance on these foreign sources of natural gas—thus helping us attain our goal of energy independence.

As an additional point of information, renegotiation of 25 percent of existing contracts under the amendment, even if true, should not imply that the same proportion of production is involved. As I have already indicated, it has been estimated that no more than 5 percent of production in interstate commerce is from stripper wells. Thus, we would be talking about 1½ percent in such a case.

With regards to the second misunderstanding, the amendment would not exempt from regulation all small producers. The amendment is clear that only a producer whose production, per well, averages 100 thousand cubic feet would be exempt. Thus, to qualify, the producer must not only be a small producer, but also be producing essentially from stripper wells. If this were intended to exempt all small producers, as some have charged, the level would not have been set at 100 thousand cubic feet per day, but rather at about 280 thousand cubic feet per day. There is a vast difference in the number of producers and the amount of gas covered by those two categories.

Stripper wells also have an operational distinction from other types of small production wells. Stripper wells are those wells which are of such low volume or low pressure that they have been, or are about to be, capped. As the FPC regulations now stand, as to the price of gas, it is simply not economically feasible to continue production once the volume becomes very low. If, however, the price of this gas were allowed to rise sufficiently to recover cost and result in a reasonable return on investment, then it would be possible to keep the wells open and to reopen those already capped. Immediate deregulation of all new natural gas from stripper wells and authority to renegotiate contracts as to flowing natural gas from such wells will allow the costs to reflect true costs. Then, we would see these wells kept in production or returned to production.

As to the third misconception, the inference has been heard that the amendment might be unconstitutional on the grounds its authority to renegotiate existing contracts might be an impairment of contractual obligations.

First of all, what does the Constitution say in the regard? Article I, section 10, is the provision dealing with impairment of contracts:

> No State shall . . . pass any . . . Law impairing the Obligation of Contracts.

That section deals clearly with States, not with the authority of the Congress and the Federal Government. I call my colleagues' attention to the Constitution of the United States, Revised and Annotated, 1972 edition, pages 383–415, for the constitutional, statutory, and case histories associated with this clause. It is clear that this amendment is not proscribed by the Constitution or by its interpretation.

Aside from the constitutional question, how about the equities associated with renegotiation of contracts arising from the amendment? Is there a precedent for this? Is there one arising from natural gas issues?

I call my colleagues' attention to a presiding administrative law judge's certification of settlement agreement and record before the Federal Power Commission of December 22, 1975, in Independent Oil and Gas Association of West Virginia, docket No. RI75-21. That settlement establishes a precedent for the renegotiation of contracts between producers and buyers to reflect changes in circumstances—most notably the framework in which the contracts were originally negotiated. This is a crucial point.

All natural gas contracts have been written in a conceptual framework wherein substantial Government regulation, including ceilings on prices, was presumed to be both governing and continuing. There has not existed in the industry freely negotiated contracts, because the conduct of both the producer and the buyer was restrained by the presence and presumed continuation of regulation.

Deregulation—immediate or phased—changes that conceptual framework, and it is only natural that the terms and conditions of the contracts be allowed to change similarly. The Independent Oil and Gas Association of West Virginia case recognizes this and establishes a precedent for renegotiation.

As to the last misconception—that to exempt stripper producers is to discriminate against all other producers—I think we should keep several things in mind. First, we are not going to get immediate deregulation of natural gas, no matter how many on the floor may feel that is preferable to a phased deregulation. We should get immediate deregulation for the stripper wells, which are so often small businesses. This amendment is a way to do just that. Second, there is a clear precedent for distinguishing between certain types of small producers and others. When the House killed the depletion allowance in general, they left it in for small producers. We realized the need there. Precedent for separate treatment is thus already established.

I hope the amendment will be accepted, and I hope the Krueger substitute will be adopted by the House. Both are essential if we are to meet the energy demands of the Nation, especially in the East.

Mr. Chairman, the country needs this amendment. The additional gas supplies which would be generated as a result of the policy this amendment would put into place are needed, especially in the industrial States of the East, and the more we can draw from these types of wells, the less reserves we have to draw down and the less we need from other areas of the country.

Mr. FUQUA. Mr. Chairman, I support strongly the Krueger amendment, and I do so with a great deal of thought and concern before having arrived at that decision.

For a long time I have thought about this grave question of whether we should have control or decontrol, but events that have occurred in my own State in the last few years have convinced me that the present policy that we have is totally unworkable, and I think somewhat like playing football, or whatever it be, that if what we are doing is not working, we ought to try something else. This definitely is not working.

The supplies in the State of Florida have decreased over 20 percent in the past 2 years—the available supply of natural gas that we could get. Only yesterday I received a call from a small industry compared to many standards, but it happens to be the largest employer in direct and indirect jobs of some 200 in my home county. They have had to close. They have been in and out of operation numerous times since the first of the year.

Here are 200 people who are working people, people who have house payments to make.

The gentleman from West Virginia this morning referred to the widows and the orphans and the deaf and the blind, and some of these our people have to support, but they do not have jobs. They are not getting paid.

Furthermore, the plant is in serious financial jeopardy because it cannot operate. It happens to be a unique type plant that, for maximum efficiency so that they can compete, needs natural gas.

The Federal Power Commission is also considering terminating border fuel control prices throughout our State. This will cost the consumers of Florida over $200 million in OPEC prices that we would have to pay in order to generate this fuel. We are one of the few States that is a totally importing type State, whether it be coal or fuel, and most of the fuel comes from Venezuela. We have one of the highest unemployment rates, almost 13 percent, in Florida, and instead of having the controls on, we are putting the controls on the OPEC countries.

The Krueger proposal proposes a 12-year phaseout, and it gives us an opportunity to try and readjust for our boiler fuel over a period of time and not have an immediate cutoff as we are facing today.

We produce in Florida some very fine and delicious oranges. Under the present arrangement we have oranges that would be $1.25 a box in Florida and 50 cents in Washington. I imagine any Members who wanted orange juice for breakfast would not be able to purchase that orange juice. I do not think Florida growers could make any money or would have the desire to put in the groves and take the risk that they would have to.

I agree with the gentleman from Michigan, my good friend (Mr. DINGELL) that certainly we should have coming forth on this floor very soon something that would provide for windfall profits, should they occur.

I would support measures in that direction, because I certainly think that is something we should consider.

Mr. Chairman, I think we face some very serious situations facing those States and those parts of our country that have a dependence on natural gas. We are way below the natural gas average in our dependence in Florida, but it is very important for the production of electricity and other things that we need that we have some type of steady supply and an increased supply of fuel.

Mr. BROWN of Ohio. Mr. Chairman, I yield 3 minutes to the gentleman from New Jersey (Mr. FORSYTHE).

Mr. FORSYTHE. Mr. Chairman, it is rare that I do take the floor to talk about an issue, but this one does concern me very greatly. I come from one of these Northeastern States that does have a serious problem because of the shortage of natural gas.

Mr. Chairman, I just want to make two points. New Jersey has an unemployment rate that is very similar to the rate just mentioned by the gentleman from Florida of around 13 percent. We are continuing to lose jobs to those States that do have natural gas and other advantages over the State of New Jersey and also to the fact we are bringing into our gas system, first, synthetic gas at a cost of $4 plus. We also have negotiated with a plant gas supplier in New Jersey, a prime contractor in Nigeria, that will deliver again to the consumer in the area of $4 plus. It is not going to take too much of our gas supply delivered at $4 plus to the point our consumers are going to be very happy to have gas in the area of $1.50 or $1.60 or whatever it does come to on a decontrolled price.

Mr. Chairman, I believe our consumers need gas, gas really more than price, and I believe in the long run that they for sure are going to have a better deal.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. FORSYTHE. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, when they need gas in New Jersey and are short of domestically produced gas, does the gentleman kow where the gas comes from?

Mr. FORSYTHE. Our gas now is basically coming from Transfield pipeline and one other pipeline.

Mr. BROWN of Ohio. Are they getting synthetic gas?

Mr. FORSYTHE. Synthetic gas made from propane is now the current principal top-off fuel available for natural gas.

Mr. BROWN of Ohio. Of course, that is oil based and coming in at a even higher price than the intrastate market.

Mr. FORSYTHE. I believe it is double the highest price of the intrastate market, or $4 plus a thousand cubic feet.

Mr. BROWN of Ohio. But are they paying that to operate in New Jersey?

Mr. FORSYTHE. Absolutely.

Mr. BROWN of Ohio. I think the gentleman from New Jersey faces the same problem that we in Ohio face. The gentleman from New Jersey has the chemical industry and we have the glass industry in Ohio and we must have gas of some kind in both industries, because they cannot make the products out of coal. They cannot make their products out of oil. They cannot use coal or oil as the basic ingredient. The result is that it is either natural gas or synthetic, or the plant moves to some place where it can get it.

Mr. FORSYTHE. Mr. Chairman, I thank the gentleman.

Mr. KRUEGER. Mr. Chairman, I yield 7 minutes to the gentleman from Oregon (Mr. AUCOIN).

Mr. AUCOIN. Mr. Chairman, if I had my preference, I would stand before my colleagues today and urge every Member to vote for cheap natural gas. I would also love to urge every Member to vote at the same time for natural gas in great abundance.

I am no different than any other Member of this House. And there is not one of us who would not dearly love to be able to say to our constituents that we can have it both ways—cheap prices on the one hand and inexhaustible supply on the other.

The trouble is, Mr. Chairman, we cannot escape reality. We can tinker with laws made by men, but we cannot repeal the laws of economics or, for that matter, the laws of science.

And that is the difference between sitting on the sidelines in parlor room conversations and sitting here, in this body, where we have the responsibility to deal with the world as it truly exists—not a dream world, or a fairly tale, or some other world we would all prefer.

The truth is that we cannot have it both ways on energy. If we want supply, we have to pay for it or there will be no supply. We do no service to our constituents by pretending it can be any other way.

Let me be very candid in telling you the kind of district I represent. I represent a natural gas consuming district. There is not a producing natural gas well in the entire State of Oregon.

And so I find no great political comfort in standing here this afternoon to urge my colleagues to vote for the Krueger substitute.

But to my colleagues who also represent consumer districts, let me tell you why I think our constituents will understand that the Krueger amendment is ultimately in their interest too.

It is a lot like you and me: We can inhale but we must also exhale. In energy we can have consumption—but only if we have production.

That basic fact of life cannot be changed by anything we do or say on the floor of this House.

Let me tell you why it is important for my district to have a dependable supply of natural gas. Even though no two districts are the same, I am confident that there are many similarities in other so-called consumer districts. It is certainly true that almost everywhere, most natural gas is consumed by job-producing industry.

My district alone has some 20 major plywood mills, employing over 3,000 persons. These mills have got to have natural gas. It is not a luxury, it is a necessity; the burning properties of natural gas permit drying under conditions that cannot be matched by other fuels.

Paper mills, another major industry employing thousands of Oregon workers, also depend on natural gas for clean, even heat for drying.

Now, it is true that in some cases other raw materials could be substituted—but this would mean a several-fold increase in costs that would have to be passed on to the consumer. Those who are criticizing higher natural gas prices are ignoring this point. And so, the real point is this: We are fooling ourselves if we think higher energy prices in some form are not coming in any case.

Mr. Chairman, a sudden 20 percent reduction in natural gas supplies could put an estimated 20,000 Oregonians on the unemployment line. With that many jobs at stake, and with the economic ripple effect it would cause, I frankly need something more than good luck and warm winters to make me rest easy about the prospect of adequate supplies.

The facts show that prices do affect supply. The graph on page 56 of the committee report shows that from 1964 to 1969, when interstate and intrastate prices were similar, 67 percent of the net reserve additions went to interstate pipelines. But from 1970 to 1973, when unregulated prices soared, the interstate quantity fell to 9.1 percent of the total. Expressed differently, new intrastate supply has increased 250 percent, while that for the interstate market has dropped 90 percent.

Mr. Chairman, natural gas supplies means more jobs, not fewer jobs. The controlling factor on jobs has more to do with energy availability than energy cost. As companies move from interstate supplies to intrastate supplies, consumer States like Oregon lose jobs to producer States. If you don't believe it, compare the unemployment rates. I believe this trend will accelerate unless we look beyond the immediate question of price to the much more urgent question of supply.

Mr. Chairman, I believe any effective natural gas pricing policy must provide affirmative answers to the following three questions:

First. Will it end the practice of artificially holding down the prices of natural gas—a fuel having no substitute in many important applications—lower than the price of less desirable fuels?

Second. Will it permit consumer states to compete fairly with producer states for new job-producing industries?

Third. Will it minimize the projected drop in natural gas supply until we can buy enough time to convert to alternative fuels without plant closures and continued high unemployment?

Mr. Chairman, the facts suggest that decontrol will not be a massive consumer rip-off. Natural gas is moving into the unregulated intrastate market in any case and, what is more, any shortfall in supply will have to be replaced by other, more expensive fuels. That fact has been ignored by many who oppose the Krueger substitute.

Having said this, I must point out that the Krueger Substitute is no ultimate answer in terms of national gas policy. I believe it must be followed by a windfall profits tax and anti-trust measures. Every member knows, though, that our fractured commitee jurisdiction makes it impossible to consider such provisions as part of this bill.

Mr. Chairman, it all comes down to whether or not the House is prepared to face the facts—or to deal with fantasies. I urge my colleagues to deal with the facts. I urge them to pay heed to the jobs that ultimately hinge on our decision. I urge them to vote for the Krueger substitute.

Mr. DINGELL. Mr. Chairman, I yield 3 minutes to the gentleman from Connecticut (Mr. MOFFETT).

Mr. MOFFETT. Mr. Chairman and members of the committee, we have heard of the concerns of many Members on this issue, and the concerns as they relate to the Members' districts. This is no surprise. And I think it is certainly admirable that Members would come and express those concerns of how their districts rely on natural gas.

Mr. Chairman, we just heard my good friend, the gentleman from Oregon (Mr. AUCOIN), speak on why we need a dependable supply, which is obvious.

We have heard discussions from several Members about the fear of job losses; discussions about the fear of replacement of natural gas with synthetics. This is no real surprise, and it is good that those concerns are being expressed.

But at the same time, as the gentleman from Oregon has warned, we cannot escape reality. He and I may have a different view of what reality is with regard to this situation, and I think we ought to examine what reality is. I think reality is that we do not know really enough about why we have not had ample supplies. Indeed, it is a finite resource we are dealing with. But the question is: Has this Congress examined the cause of production fall-offs and supply shortages, the question of why we have not had an adequate supply and what incentives are missing? We have clearly not studied this thoroughly enough to pass judgment on one extreme of this issue, the extreme of deregulation.

And it is an extreme. Hardly anyone would deny that.

I sit on two subcommittees of the Committee on Interstate and Foreign Commerce, and we have begun to address the issue. We have begun to look into this situation. I think we are doing an admirable job. In a more perfect world I think we might have looked into it more quickly, but we have made an excellent beginning.

The gentleman from Minnesota (Mr. FRASER) has made a suggestion for reregulation and I think he has made a suggestion that bears consideration. Others have made suggestions. But what the House is about to do is to vote on one extreme of this argument, an extreme that holds no promise except perhaps two: First, to transfer an enormous amount of wealth into the hands of the major oil companies and, second, to help us move toward getting rid of the two-tier system which, by the way, almost everyone on the Committee on Interstate and Foreign Commerce abhors and wants to end anyway. But what we are dealing with—and I think everybody knows it—is an atmosphere of anticipation. Several Members have spoken on that. Several Members have asked questions as to why we have not had increased production, and they have said it is Federal regulation that has kept production back. But more than anything else, we are dealing with an atmosphere of anticipation. But a commitment to regulation and sensible regulation, would end that atmosphere of anticipation just as well as a commitment to deregulation. In fact, under the Krueger amendment it is possible that we may even contribute to even further anticipation with regard to the 5-year nature of his offshore approach. We may in fact continue anticipation until the end of those 5 years.

What we are doing here if we adopt the Krueger amendment is this: We are opening the supplies to the highest bidder and not necessarily the neediest.

Mr. Chairman, I am not from a typical farm State, but I do have farmers in my State and I am concerned for farmers, and I would urge Members from farm States to look at the question of the propane allocation.

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. MOFFETT) has expired.

Mr. DINGELL. Mr. Chairman, I yield 3 additional minutes to the gentleman from Connecticut (Mr. MOFFETT).

Mr. MOFFETT. Mr. Chairman, with regard to propane allocation, I would urge the Members who are concerned about the farmers to take a look at what section 106 does and what the virtual repeal of section 5B(11) of the Federal Energy Act would mean in terms of taking away that priority for propane from the farmers.

I would urge furthermore consideration of the possibility—and I think it is a fact—that we are loading an unreasonable share of the burden onto those whose demand is the most inelastic, not only on the farmer whose demand is inelastic but on residential consumers.

There are major loopholes in the definition of "new gas," and I will offer an amendment along with the gentleman from Ohio (Mr. HAYS) to narrow the definition of "new gas" as it relates to contracts that expire.

My colleague, the gentleman from Connecticut (Mr. SARASIN) spoke a short time ago and he mentioned that deregulation would be good for New England. I would remind my colleague and my other colleagues from the Northeast that the Northeast is the first to suffer and to feel inflationary impacts and the last to get rid of them. To the extent there is an inflationary impact from deregulation, we will be the ones to suffer the most from it.

I simply cannot buy the argument—and I think the logic is faulty—that somehow if we punish those who come from other parts of the country, which is what some Members from New England are suggesting, by boosting their price for natural gas, it will put New England in a better competitive position. I cannot buy that argument, and I do not think evidence has been offered to support it.

Finally, with regard to the $4 synthetic, I would state for the benefit of the gentleman from New Jersey (Mr. FORSYTHE) and others who have discussed it, that, of course, we are concerned about $4 and $5 gas, but that what the Krueger amendment says is that we are going to settle for $2 gas when we could bring on increased supply for much less than the deregulated price.

Mr. Chairman, it may seem overly dramatic to some, but I think that we are being held hostage in some large degree by the major oil companies and the major gas producers, and I am suggesting that the American people are watching us to find out whether we are going to pay the ransom. I do not think we should pay the ransom.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. MOFFETT. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I thank my distinguished colleague for yielding.

I would just like to draw attention to what is happening in the country and specifically what is happening in New Jersey. I refer specifically to page 63 of the report.

That shows that New Jersey is highly dependent on gas. Thirty-two percent of our employment in New Jersey is dependent on gas for industry.

We now turn to page 73 of the report, which states as follows:

> Although heavily curtailed by its interstate pipeline suppliers, New Jersey expects no curtailments of firm service this winter. New Jersey's ability to overcome the pipeline curtailments is due in large part to use of SNG at prices up to $5 per mcf.

Mr. Chairman, this is the problem as I see it.

Mr. MOFFETT. Mr. Chairman, if the gentlewoman will allow me to answer, perhaps she did not hear what I said about 2 minutes ago when I said that in fact we are all concerned about higher prices of $4 and $5 for synthetics, but that does not mean we give in to deregulated prices. The answer is that we can adopt reasonable prices that will bring on the gas. There is ample evidence that we can bring on the gas and end the atmosphere of anticipation, and we can do it not with a handout but with a sensible policy.

Mr. KRUEGER. Mr. Chairman, I yield such time as he may consume to the gentleman from North Carolina (Mr. PREYER).

Mr. PREYER. Mr. Chairman, I rise in support of the Krueger amendment.

Mr. Chairman, I come from a consuming, rather than a producing, State as far as natural gas is concerned. Most of us, in our consuming State, were very happy in years past with the regulation of natural gas at artificially low prices. We benefited; only the big oil companies suffered, or so we thought. After all, deregulation would only make the rich oil men richer. We would stand with the people and the consumers, and against the vested interests.

We laughed at the Texas bumper sticker: "Let the Yankee bastards freeze in the dark." We are not laughing any longer. North Carolina is not a Yankee State, and we are not on the verge of freezing in the dark—about 70 percent of natural gas in North Carolina goes to industry, not homes; but we are on the verge of large-scale unemployment in our industries because of the natural gas shortage—if not this year, then next year, and the year after that. We are gradually exhausting all the patchwork and "emergency" solutions to our dilemma.

More ominously, we face, further down the road, a movement of our key industries from North Carolina to one of the new "Arab" States of the United States—the gas-producing States of Texas, Louisiana, or Oklahoma.

Three industries of North Carolina that are of critical concern to our State require the use of natural gas: The textile industry requires it for finishing processes; the brick industry must use its clean, steady flame in brick processing; fertilizer plants absolutely require it for nitrogen fertilizer production. In some of these processes, propane can be substituted, but propane is in even shorter supply than natural gas.

In North Carolina, the principal industrial users of natural gas are the textile industry, brick manufacturing, and fertilizer plants. Both the textile industry and the brick manufacturing industry are of critical importance to the economy of North Carolina. The textile industry is the largest single employer within the State with shipments valued at about $8 billion annually. It employs approximately 360,000 employees, with an annual payroll of $1,665,000,000.

The brick industry, which produces nearly 15 percent of the total bricks produced in the United States, will suffer significantly without adequate supplies of a clean-burning fuel. Like textiles, it is a labor intensive industry. The brick industry in North Carolina employs 3,100 persons, and there are presently some 14,500 bricklayers and helpers within the State who also depend on the manufacture of brick. In addition there are approximately 127,400 employees involved in construction work within the State who are also affected. Thus, it is easy to determine that natural gas curtailments in the brick manufacturing industry could result in widespread plant closings, with substantial adverse impacts not only upon their employees and the local economies, but upon the construction industry generally, both in North Carolina and throughout the entire east coast and the Nation.

The State's largest user of natural gas is Farmers Chemical Association nitrogen fertilizer plant at Tunis, N.C. As Members of this body know, natural gas is absolutely essential to nitrogen fertilizer production. This plant operates on a 24-hour basis, 7 days a week, and it has been estimated that 19 million bushels of corn will not be produced because this plant was closed for 3 weeks at the beginning of 1975 because natural gas was not available. This plant supplies most of the nitrogen fertilizer for the eastern seaboard.

As a consuming State, we have looked for every possible "out," short of deregulation.

Our State has instituted a rigorous conservation policy, for one thing. No natural gas is used as a boiler fuel anywhere in North Carolina so that we could conserve natural gas for its unique uses for which there is no substitute. Businesses have instituted conservation plans which have posted impressive economies in the use of natural gas. Residential use has been decreased by 15 percent. But these conservation efforts have not been nearly enough.

We have looked for villains as a solution. Perhaps gas producers have capped wells or held back production in expectation of higher prices? North Carolina has instigated investigations and court suits to test this theory. The answer? Probably some is being held back, human nature being as uneven in quality as it is, but clearly not enough to make any significant difference, not enough to solve our problems.

What about some of the new miracle technological alternatives we have been hearing about, such as coal gasification, or developing acetylene from coal, or cracking the Devonian shale to reach its gas deposits? I had the opportunity to sit on the Energy and Environment Subcommittee of the Government Operations Committee which explored these alternatives. The answer is that the unit costs of these alternatives is so high that it will be many years, if ever, before they are economically feasible.

Most of us in consuming North Carolina have been driven reluctantly but inevitably to the conclusion that some kind of phased-out deregulation of natural gas prices is not only the best long-range but is also the best short-range solution to the natural gas shortage.

The status quo is intolerable. In North Carolina it is expected that less than 40 percent of industrial demand for gas will be met this winter. It could be as low as 4 percent. We have reached the limits of savings that can be accomplished by conservation. Hand-to-mouth solutions such as purchases on the intrastate market or "emergency" supplies to particular plants cannot go on year after year.

The Government Operations Committee report stated that curtailments of natural gas deliveries this winter indicate a "budding national economic disaster," and that it might well bring catastrophic consequences to many regions, such as North Carolina. We cannot muddle through year after year. The situation is getting progressively worse. We must do something. The best thing to do is to deregulate in the manner of the Krueger amendment.

In North Carolina we have been forced to look at the basic causes of the shortage and can only conclude that it is the artificially low price for interstate gas.

It has created a distortedly high demand for the most limited and precious of our fossil fuels. When powerplants are paying only one-fourth to one-third as much for gas as for fuel oil is it any wonder that we find it so hard to keep them from wasting this valuable fuel in boilers?

Further, the low controlled interstate price of natural gas creates an unnatural diversion of gas from the interstate to the intrastate market where purchasers can pay unregulated competitive market prices.

There is a surplus of gas in unregulated intrastate markets, a shortage in regulated interstate markets. This is an economic fact of life: gas goes where the money is, not where the need is, much as we might wish it was not so. And what concerns us in North Carolina is that industries which must have gas, regardless of price—like the textile, brick, and fertilizer industries—will also go where the gas is, namely to one of the gas-producing States.

Finally, the artificially low price has inhibited the drilling for new gas. The statistics are stark. In the past 20 years we have increased our consumption of natural gas threefold. Since the late 1950's we have been finding substantially less gas each year than we have been consuming. We are drilling only about half the number of wells we were drilling 20 years ago, and we are finding only one-sixth of the new gas reserves we were finding.

This means deregulation of wellhead prices to encourage more and higher risk drilling, and it means opening up the remaining frontiers for exploration—the Outer Continental Shelf.

At the present time, little capital will be invested in offshore gas which goes into the regulated interstate market when such greater potential profits are available from new oil discoveries or onshore drilling which can go into the unregulated intrastate market. For example, from 1971 to 1974, onshore drilling well footage increased 82 percent while offshore footage dropped 20 percent.

These are unknowns. We do not know for sure the reserves are there, nor do we know precisely how responsive new supply will be to increased price. We do know what will happen if we continue on our present path, with no additional incentive—our reserve base and supply will continue to dwindle.

Unless we deregulate natural gas prices, the short-term problem this winter will be a worse short-term problem next winter and will continue getting worse each winter.

We should support the Krueger amendment: it is not what we want to do, it is what we must do.

Finally, a word about increased prices. We know that deregulation means residential consumers may well pay $12 per year more each year for the next 5 or 6 years. This is regrettable, but it is small enough to be offset by increased conservation efforts by the residential user. Also it compares most favorably to the $200 per year cost to the individual for increased prices to him of oil and gas. Finally, it is a very small price to pay when measured against the cost of loss of jobs which will occur if we do not deregulate.

Mr. KRUEGER. Mr. Chairman, I yield 6 minutes to the gentleman from New York (Mr. MURPHY).

Mr. MURPHY of New York. Mr. Chairman, I rise in support of the Krueger amendment, and I wish to make a few remarks concerning natural gas this afternoon.

We have three major political issues that we will all face in November, not only this November but in the Novembers to come:

The problems of the economy in this country, the problems of the environment in this country, and the problems of the consumer in this country.

Let us go to the problems of the environment first.

If there is one clean fuel, it is natural gas. In my district the Environmental Protection Administrator called me right after an application had been filed by the New York State Power Authority to build another coal-fired powerplant in the city of New York. The environmentalists oppose this plant. They oppose it because it is coal-fired, but not only do we have the problem of the atmosphere from coal burning, but we will have to dispose of 800,000 tons per year of sludge.

We have the capability and have always had the capability of burning natural gas. Because of the curtailment of natural gas to my area, we do not have the ability to burn that clean fuel. We must then go to oil and coal burning, with the residual problems of sludge as well as the problems in our atmosphere.

Mr. Chairman, I think these remarks not only apply to the city of New York but to most of the State of New York and to the region in which we generally live.

We have the question, then, of the economy. Much of the industry of New York is tied to natural gas. As my colleague, the gentlewoman from New Jersey (Mrs. FENWICK), just stated, 32 percent of New Jersey is only one of 31 States that operate what are known as economic administration offices in the State of New York, whose sole purpose is to take the industry from New York to their area. Particularly prominent are the Governors of Texas and Louisiana, who have very clearly stated that they want industry, they want to build the base of industry in their States, and they will go to other parts of America to attract that industry.

They hold out one major advantage. That major advantage is energy, the ability to supply energy, energy for the industries of America: natural gas and oil.

The Kodak Corp., the main employer in the great City of Rochester in upstate New York, wanted to expand its physical plant there and offer 7,500 additional jobs in their plant expansion. They needed natural gas. They could not get it from the pipeline into Rochester, so they located in Arkansas. The result: 25,000 productive citizens gone from the State of New York, with the loss of economy to our State, a vital issue.

Now, Mr. Chairman, we go to the issue of the consumer. I talk to my constituents, as we all do, very, very frequently. I travel twice a week to my city to talk with my people. They come to me frequently, holding in one hand an electric bill from ConEd; or, on the other hand, a gas bill from the Brooklyn Union Gas Co.

Both bills have gone astronomically high. The electric bill is three times the price of energy in Arkansas or in Arizona. It is double the price in any other part of America. They are paying through the nose for the generation of electricity.

Then they show me their gas bill and the escalation of that gas bill.

I say, "We have held down, through Federal regulation, the price of natural gas. Why has your price skyrocketed?"

They say, "The reason is this: because we are importing liquid natural gas. It comes into a terminal in Massachusetts. It is gasified and sent into a pipeline at about $3. Then we go to synthetic natural gas production. That costs $4, so when we make the mix of gas from what we bring up on the pipeline that has been curtailed, that is why that gas bill is up."

Then they say: "Don't worry about the gas bill because you are not going to have any gas in a little bit of time."

The people who in their industries and who in their homes rely upon natural gas are going to have to convert to something, and that something is called a "heat engine." It is a heat engine that is going to plug in to heat our homes, to air condition our homes, and provide heat so that we can cook in our homes.

That heat engine cost is going right over into that other bill.

This heat engine then is going over to that electric bill and that electric bill that is three times that of most areas in America, and at least twice in every other area in America, is going to skyrocket far more than the limited increase in natural gas prices as we find them in the production areas.

I traveled out to the Continental Shelf and I got out on one of those platforms and I asked the producers, "Why are these gas wells capped out here in the Gulf of Mexico?"

They said, "The answer is simple. We don't have the financial base to bring the pipeline into these wells and economically bring it ashore so we can move it to the interstate market up in the Northeast that is crying for natural gas."

There should be some movement in price. There must be some movement in price. Read the polls. Two-thirds of the American people supported deregulation of natural gas. They will support this increase in price. What they will not support and what they will not tolerate in November is inaction on the part of the Congress when they want that natural gas that is so necessary for their homes and for their industries.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BROWN of Ohio. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. Mr. Chairman, I rise in support of the Krueger substitute. I come from a State which is absolutely dependent upon our natural gas. I think the State of Ohio uses more natural gas than any other State in the United States with the exception of California.

I offered a bill last fall which would deregulate the price of natural gas during the winter months so that we could be assured that our homes would be heated and that our industries would run. The bill did not get any place, but we have had a relatively mild winter and conservation measures were taken. Meanwhile the FPC has provided some relief so that we have not had the critical shortages that we had anticipated last fall.

As I say, I will support the Krueger substitute but I would like to see an amendment adopted, and I am not real sure of its impact, because this is indeed a most complex economic and political issue, one that will require considerable foresight and wisdom on the part of all of us as Members of the Congress if we want to achieve a satisfactory solution and result. But, Mr. Chairman, my amendment would limit the impact of deregulation of wellhead prices for natural gas and I think, at the same time, stimulate production of genuinely new supplies.

The Krueger amendment defines new natural gas as that—

> . . . sold or delivered in interstate commerce for the first time on or after January 1, 1976, or which is continued in interstate commerce after the expiration of a contract by its own

terms, or which is produced from wells commenced on or after January 1, 1976.

It seems to me that that could open the door to natural gas producers and distributors manipulating production so that there would be immediately higher prices for consumers.

My amendment would change the definition of new natural gas by stating simply that "new natural gas" means natural gas produced from a reservoir discovered on or after January 1, 1976.

I think that adoption of my amendment would do what we want to do. It would provide an incentive for the immediate new exploration and discovery of new gas.

I think my amendment, if approved, would force producers into exploration and discovery of new reservoirs and development of new producing wells, a procedure which would result in the gradual deregulation of wellhead prices to the benefit of the consumer.

It seems to me as if the real need is for more domestic natural gas in the long run and I think my amendment would provide the incentive for the development of new sources of gas. I would encourage its support.

Mr. DINGELL. Mr. Chairman, I have no further requests for time at this moment.

The CHAIRMAN. The Chair will state that the gentleman from Michigan (Mr. DINGELL) has 23 minutes remaining, the gentleman from Ohio (Mr. BROWN) has 20 minutes remaining, and the gentleman from Texas (Mr. KRUEGER) has 15 minutes remaining.

Mr. BROWN of Ohio. Mr. Chairman, I yield 2 minutes to the gentleman from Iowa (Mr. GRASSLEY).

Mr. GRASSLEY. Mr. Chairman, I would like to use the remainder of my time to ask the gentleman from Texas (Mr. KRUEGER) if he would elaborate on a matter that is of concern to me. In the State of Iowa agriculture is the leading industry and agriculture is dependent to a great extent on natural gas for anhydrous ammonia, and for energy for drying, and for ingredients used in the production of propane gas.

I am interested in knowing in particular, compared with the Dingell bill, how the gentleman's amendment will treat agriculture on a priority basis.

Mr. KRUEGER. Mr. Chairman, will the gentleman yield?

Mr. GRASSLEY. I yield to the gentleman from Texas.

Mr. KRUEGER. I thank the gentleman for yielding.

The Dingell bill has no specific provisions for agriculture whatsoever. I introduced this bill because I was asked by a representative of 23 agricultural groups to introduce such legislation. They asked me not because farmers are oilmen, as some of the proponents of a different approach seem to feel all our opponents are "owned" by big oil. That is not the case. But the fact is that natural gas is immensely important for agriculture.

Roughly 40 percent of the energy used on American farms comes from natural gas. It is used for drying crops. A lot of people will remember when rice in Louisiana could not be dried because they did not have gas to dry it.

It is often used in connection with tobacco. It is used in connection with drying grain in the Dakotas. Entire crops can be lost for lack of that particular precious fuel.

The American Farm Bureau, the Apple Institute, the National Border Council, the Cotton Council, and the Wool Growers favor this bill because it allows the Secretary of Agriculture authority to declare the amount of natural gas which agriculture in America requires, and agriculture will receive priority above industry in case of possible curtailments. This is the difference in the bills.

The CHAIRMAN. The time of the gentleman has expired.

Mr. DINGELL. Mr. Chairman, I yield 1 minute to the gentleman from Iowa.

Mr. Chairman, will the gentleman yield?

Mr. GRASSLEY. I yield to the gentleman from Michigan.

Mr. DINGELL. I thank the gentleman for yielding.

The gentleman from Iowa asked a very good question. I would like to say, since he asked about propane, that I would commend to him subsection (i) of section 106. If he reads that, he will find that that amends section 5(b) of the Federal Energy Administration Act, which in such fashion, does away with the prohibition therein contained with regard to propane, with regard to discriminatory price increases imposed unduly heavily upon propane and propane users.

I can only assume that the gentleman from Texas, or perhaps the farm organizations in their endorsement of this proposal, did not know what was in it, because this does away with the prohibition now in law of gas discriminatory prices against farmers and propane users.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BROWN of Ohio. Mr. Chairman, I yield 1 additional minute to the gentleman from Iowa.

Mr. Chairman, will the gentleman yield so that I might engage in colloquy with the gentleman from Texas (Mr. KRUEGER)?

Mr. GRASSLEY. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. I thank the gentleman for yielding.

With reference to that section just referred to, which as I understand gives the application of the section only until the 15th of April, 1976, in this instant piece of legislation, in fact the propane issue is addressed in the oil policy bill that became law subsequent to the introduction of the legislation by the gentleman from Texas (Mr. KRUEGER) on the signature of the President just after Christmas.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. GRASSLEY. I yield to the gentleman from Michigan.

Mr. DINGELL. I thank the gentleman for yielding.

That is not a fact, because what is the fact is that the prohibition to which this section addresses itself and repeals was enacted in 1974 to respond to outrageous practices in the propane market.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BROWN of Ohio. I yield 1 additional minute to the gentleman from Iowa.

If the gentleman from Iowa will yield, I do not think that comment makes my statement in error. The fact of the matter is that the propane situation is covered by the legislation that was in the Oil Policy Act and the Emergency Petroleum Allocation Act which was addressed in the Oil Policy Act.

The gentleman from Texas introduced his legislation while the Emergency Petroleum Allocation Act was passed into law and before the Oil Policy Act was signed at Christmas and it became law; is that correct?

Mr. KRUEGER. Mr. Chairman, that is correct. My legislation was introduced at a time when I thought we might still be able to bring up this legislation in 1975; we did not have a clear propane policy at that time and there was danger that existing propane authorities might expire.

My own judgment is that this particular provision is somewhat outdated at this point, now that it is February. Of course, it is not effective after April 15.

The CHAIRMAN. The time of the gentleman from Iowa has again expired.

Mr. BROWN of Ohio. Mr. Chairman, I yield an additional 30 seconds to the gentleman.

Mr. GRASSLEY. Mr. Chairman, I would like the 30 seconds for myself.

Mr. Chairman, I am a cosponsor of the bill, along with the gentleman from Missouri (Mr. TAYLOR) that will guarantee that agriculture has a high priority with propane, as well as with all the other sources of energy.

I will want to make sure that that same high priority is maintained for propane as well as for natural gas before this debate ends.

Mr. Chairman, we have seen the evidence, and there is no disputing the fact, that we have been and will continue to face natural gas shortages in this country.

This is not a situation which developed overnight. The record clearly shows that this problem has been growing for years. It is also a problem which is not going to go away on its own. Even though we have had strict Government regulation of the industry, throughout the seventies we have watched the demand for natural gas exceed the supply and that shortage grow larger each year.

The average man on the street has yet to feel the presence of this shortage, but it grows closer to him with each passing month. He will feel it when the plant that he works with closes because of curtailments; then he will feel it when his grocery bill rises because of fertilizer shortages on the farms; and then he will realize he will soon be faced with converting his home heating unit to an alternate form of energy or physically feel the cold of winter.

Mr. Chairman, I entered this chamber today uncommitted to vote for any particular plan to solve this problem. My vote on this issue will be based largely upon the weight of the argument presented on behalf of each proposal. But I have made up my mind on one point; the clear evidence proves that some action must be taken and taken now. One more winter of procrastination is probably one winter too many. I cannot join those Members who choose to bury their heads in the sand and pretend the problem will go away if we ignore it.

Mr. DINGELL. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, the policy just discussed by my friend, the gentleman from Ohio, and my friend, the gentleman from Texas, tends to indicate the total unreadiness of this legislation for floor consideration. Here we have a situation where the gentleman from Iowa has properly expressed concern about propane prices. Propane prices were taken care of in 1973 in the Emergency Petroleum Allocation Act, which was just recently extended. But section 106 of the Krueger proposal, to which the gentleman addresses himself, does away with the prohibition against discriminatory propane prices, thereby permitting disproportionate price increases on propane which will afflict the consumers and the farmers in the gentleman's district. That points out the evil of the rule adopted and that is why the Krueger proposal should be summarily rejected by the House.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, I am under the impression that the propane situation is covered currently under the law in the Oil Policy Act that became law after the gentleman introduced his amendment.

The CHAIRMAN. The time of the gentleman has expired.

Mr. DINGELL. Mr. Chairman, I yield myself 1 additional minute.

Mr. Chairman, can the gentleman tell us how we are going to correct this thing? We have here a section of the bill which is now admitted to be superfluous, which has a fishhook in it which adversely affects the American farmer and which the gentleman says is not needed. How is the gentleman from Ohio and the gentleman from Texas, who together foisted this outrageous procedure upon us, going to correct the situation?

Mr. BROWN of Ohio. Mr. Chairman, if the gentleman will yield further, it is the same thing, because it leaves the oil policy legislation on the books intact and I think the legislation proposed prior to that becoming law today is unnecessary and should be stricken.

Mr. DINGELL. Can the gentleman tell us how many other sections are superfluous or have fishhooks in them which the public is supposed to swallow? This defect is just one of many which indicates that this legislation is not ready for floor consideration—clearing up these types of defects is precisely the purpose of subcommittee and committee consideration—and why the Krueger proposal must be rejected.

Mr. KRUEGER. Mr. Chairman, I yield myself 1 minute to point out that most farmers I know do not swallow fishhooks. There have been items of legislation on this floor before, some of which have come out of the subcommittee on which I serve, which underwent some amendments on the floor and occasionally underwent amendment with the approval of the subcommittee chairman.

Now, as we know, there are instances also in which legislation is introduced because of powers beyond the control of those who introduced the legislation. There are delays which make certain provisions, perhaps, no longer necessary once the legislation reaches the floor; but it is not always within control of the person initiating the legislation just when that legislation will be brought to the floor.

Mr. Chairman, I yield 2 minutes to the gentleman from Maryland (Mr. LONG).

Mr. LONG of Maryland. Mr. Chairman, I represent a consumer district. Politically, a vote on my part for the Krueger amendment can only be injurious in the coming election. I have no affection for the gas and oil industry; I have never received a dollar in contributions from it; I have never been offered a dollar by it; and no wonder. I voted for the elimination of the oil depletion allowance, and I guarantee to vote for any legislation that will make the oil and gas industry pay its fair share of taxes or to prevent the industry from escaping through any loopholes.

Nevertheless, I shall vote to deregulate. I know of no other way to keep prices down and supply up. I am unmoved by the argument that the industry will make big profits. Many industries in this country are allowed to make profits. To the extent that the oil and gas industry earns monopolistic profits, let us break up the monopoly. We have the enforcement power to do it. Meanwhile, let us tax the profits the same as we would any other industry.

A vote to deregulate will, I believe, in the long run yield a larger supply of natural gas and lesser dependence on foreign energy sources. Price controls sometimes work in the short run—in the very short run before the supplier can find a way to get out from under them—but I know of no instance—and I know a little about economic history—in which price controls have ever worked over any long period of time.

The people in my area who use gas need to get an adequate supply of gas, and they want to be able to get it without dependence on a foreign source. I think the Krueger amendment is sound legislation and I shall vote for it even if it shall not be popular to do so.

Mr. DINGELL. Mr. Chairman, I have no requests for time at this moment.

Mr. BROWN of Ohio. Mr. Chairman, I yield myself 5 minutes.

Mr. BROWN of Ohio. Mr. Chairman, I rise to urge most strongly the adoption of the substitute the gentleman from Texas (Mr. KRUEGER) will offer. H.R. 9464, as reported by the Committee on Interstate and Foreign Commerce is an inadequate attempt to solve the problems of our ever increasing natural gas shortage. The Krueger substitute, on the other hand, by providing for gradual removal of restrictive and outdated price controls on new natural gas, creates a workable framework for the needed solution.

Natural gas is an essential energy source in the United States, and represents about one-third of the total energy consumed by this Nation. One-half of natural gas is used for residential and commercial purposes. One-sixth of it is used for generation of electricity, and one-third for industrial uses, many of which cannot be shifted from natural gas.

Production of this commodity grew from 11.7 trillion cubic feet in 1955 to a high of 22.8 trillion cubic feet in 1972. This increased production was a response to the increase in demand that developed over the last decade due to several factors.

The first factor is that natural gas is a clean-burning and low-polluting fuel. It became the premium fuel because of the Clean Air Act requirements. Second, new uses for natural gas as a process fuel and feedstock developed during this period of technological advances. Finally, and most important of all, the very low prices of natural gas as compared to coal and oil alternatives further contributed to the rapidly-increasing demand. In the last few years, total demand has exceeded maximum supply from new finds.

As a result of the Supreme Court decision in the Phillips case in 1954, the Federal Power Commission has controlled prices of natural gas moved in interstate commerce. For many years, the regulated gas sold in interstate commerce and the unregulated gas sold in intrastate commerce were priced about the same.

However, as a result of the tremendous increase in the demand for natural gas, unregulated natural gas prices in the intrastate market rose much more rapidly than did the controlled gas under Federal Power Commission jurisdiction, resulting in a two-price structure. As the prices of intrastate and interstate gas got farther and farther apart, new discoveries of natural gas increasingly have been dedicated to the intrastate market where the restraints of price controls do not apply.

As a result, in the period of 1964 to 1969, an annual average of 11.4 trillion cubic feet was dedicated to the interstate market, while in the period of 1970 to 1973 this fell to 1 trillion cubic feet annually.

On the other hand, annual dedications to the intrastate market increased from an average 5.6 trillion cubic feet in the 1960's to an annual average of 8.4 trillion cubic feet in the 1970's.

Therefore, we have a situation where there is an abundant supply, even an excess, of natural gas in the intrastate market, and rapidly increasing shortages in the interstate market.

The Krueger substitute would eliminate a large part of the market distortion caused by this two-price system.

I want to emphasize that the Krueger substitute is a limited or gradual deregulation in that it only deregulates new gas. This new gas is defined as the gas dedicated into the interstate market for the first time, gas from new wells, or gas from contracts that expire subsequent to January 1, of this year.

I might say that many contracts will not expire for 20 years or so.

Further, the gradual deregulation is limited to onshore natural gas in the first 4 years. Offshore gas remains subject to FPC price controls until 1981. I am not convinced that there is a reason to make a distinction between onshore and offshore supplies for purposes of deregulation. Personally, I would have preferred a stronger deregulation bill, providing for gradual deregulation of both onshore and offshore supplies, but I am willing to accept the more limited Krueger proposal as a compromise.

The Members have undoubtedly been bombarded by "Dear Colleague" letters, memoranda, and assorted other pieces of paper on both sides of this issue.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. BROWN of Ohio. Mr. Chairman, I yield myself 3 additional minutes.

Mr. Chairman, let me just say in closing that the opponents of the Krueger substitute have been attempting and will continue to attempt to make a case for delaying action on deregulaion until further hearings and further investigation can be made. I take strong issue with these arguments. The Subcommittee on Energy and Power, this Congress, since January 1975, has had hearings ad nauseum on natural gas issues, listening to more than 100 witnesses give over 1,000 pages of testimony. The opponents of deregulation are not satisfied, and they will regale us here today with the same tired, unproven, and redundant arguments that reserves are understated, there, there are no shortages, there are vast quantities of natural gas being withheld, and there are conspirators lurking beneath every pipeline and within every gas well. We have heard these arguments for years, and none of these allegations have ever been proven, as I am sure will be clear as these debates continue.

In conclusion, it is time to move forward on the nautral gas issue and to cease obfuscating the basic facts with wornout arguments against deregulation.

Mr. Chairman, I urge the Members' support of the Krueger substitute to H.R. 9464.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Missouri.

Mr. ICHORD. I thank the gentleman for yielding. Mr. Chairman, I state to the gentleman from Ohio (Mr. BROWN) that I support basically the Krueger amendment with some amendments. I am sure that we will have an amendment dealing with the propane question that was discussed a few minutes ago. I support the Krueger amendment for the basic economic reason stated by the gentleman from Maryland (Mr. LONG). Like the gentleman in the well, I am not quite so sure that there should be a distinction between offshore gas and onshore gas.

But at the same time I am a little skeptical of the definition of "new gas" in the Krueger amendment, particularly the one that would define "new gas" as old gas upon which the contracts are expiring. We are still going to have the undesirable effects, I would point out to the gentleman, of a two-price system, and as the gentleman stated, many of the contracts would not expire for a period of 20 years.

Therefore, I question whether we should even get into the matter of deregulating old gas.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. BROWN) has expired.

Mr. BROWN of Ohio. Mr. Chairman, I yield myself 1 additional minute.

The CHAIRMAN. The gentleman from Ohio (Mr. BROWN) is recognized for 1 additional minute.

Mr. BROWN of Ohio. Mr. Chairman, I might say to the gentleman from Missouri (Mr. ICHORD) that the reason for deregulating expiring contract gas is that those supplies that become available when contracts expire would be available at a price that would return to the producers something close to whatever the market price is at that time. Many old wells at that point need some kind of treatment in order to enhance the possibility of recovery of additional natural gas.

As I understand it, that is the reason why the gentleman from Texas (Mr. KRUEGER) has proposed that they be deregulated at the time they expire. The reason that they would be left regulated until that time is so that we can preserve the sanctity of the contract that was drawn and set for price and production for gas from those wells.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. BROWN) has expired.

Mr. BROWN of Ohio. Mr. Chairman, I will ask the gentleman from Texas (Mr. KRUEGER) if he will yield me time so that he can respond to the gentleman from Missouri (Mr. ICHORD).

Mr. KRUEGER. Mr. Chairman, I have not too many precious minutes left, but I will be glad to yield 1 additional minute to the gentleman from Ohio (Mr. BROWN).

Mr. ICHORD. Mr. Chairman, will the gentleman yield further?

Mr. BROWN of Ohio. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, I would like to receive a comment by the gentleman from Texas (Mr. KRUEGER) on my question. We are still going to have the two-tiered pricing system when we continue with the contracts that will not expire for a period of 20 years.

So why should we even get into the matter of deregulating old gas under contract when it expires?

Mr. KRUEGER. Mr. Chairman, if the gentleman from Ohio (Mr. BROWN) will yield, the reason for deregulating gas that is no longer under contract is, quite simply, that there is additional gas to be had by doing so. We are talking about many contracts that have been in existence for 20 years.

This is the same sort of thing we would see with contracts for almost any other commodity that extend for 20 years. Because of inflation certain costs tend to be underestimated and certain commodities then become undervalued. Additional pressure can be put into wells and additional compression is possible in these wells, so an additional reserve might be recovered by allowing contracts to be renegotiated later on.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. BROWN) has expired.

Mr. BROWN of Ohio. Mr. Chairman, I yield myself 2 additional minutes.

The CHAIRMAN. The gentleman from Ohio (Mr. BROWN) is recognized for 2 additional minutes.

Mr. BROWN of Ohio. Mr. Chairman, I just wish to make a couple of offhand observations, if I may.

During the discussion by the gentleman from Texas (Mr. ECKHARDT) there was some question about what happened to the emergency that was predicted earlier this year by practically everybody on the natural gas scene. I would like to observe that there was a headline that appeared in the Washington Star on Monday, January 19, 1976, which said, in something like 5 columns: "'75 Was a Winner, Area's Warmest in History."

In other words, the year 1975 was the warmest year we have experienced in Washington, D.C., in the last 20 years.

Then there was another story: "U.S. degree days down," that points out that the five reporting regions of the United States had 3.5 percent fewer degree days, that is, warmer weather, in the current heating season through January 10, 1976, than in the like portion of the 1974–75 season, and 7.7 percent fewer than normal, according to National Weather Service reports to key points.

The average of degree days, in other words, has shown that we have had excessively warmer heating seasons in the last few years. The current heating season up to January 10 was a record in its warmth. That is the reason we have not had the emergency that was predicted. There is still going to be an emergency if we have a normal winter for the balance of the winter. This will create an emergency in some areas.

Second, I would like to say that recent studies by the FEA, differing from those cited by the gentleman from Minnesota (Mr. FRASER), indicate that there is a sharp response of supply to price, sharper than that shown in their operation and maintenance predictions.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. BROWN) has expired.

Mr. BROWN of Ohio. Mr. Chairman, I yield myself 1 additional minute.

To continue, Mr. Chairman, if the price were upped for natural gas from $1 to $2 by 1985, in other words, if the wellhead price went up from $1 to $2, there would be a response increase from about 12 trillion cubic feet at $1 to almost 17 trillion cubic feet at $2. That is the significant criterion.

Finally, let me say that I support the windfall profits tax idea. If the Committee on Interstate and Foreign Commerce would write a bill providing a windfall profits tax, I would have been happy to take the side of the gentleman from Texas, but the committee cannot do it.

I supported the idea that we have a windfall profits tax on oil when the Committee on Ways and Means, along with the Committee on Rules, was in support of that legislation. We did not have it at that time. I think it ought to be done.

Mr. DINGELL. Mr. Chairman, I yield 3 minutes to the gentleman from Minnesota (Mr. FRASER).

Mr. FRASER. Mr. Chairman, the difficulty with the Krueger amendment is that it points to only one possible solution to the present dilemma that is faced by consumers of natural gas. The dilemma, of course, is the problem created by the failure of the Federal Power Commission to regulate gas sold in the intrastate market.

Some Members perhaps heard me mention at the Democratic Caucus this morning that I picked up yesterday a folder of Northern Natural Gas Co. That is one of the larger pipeline companies in the United States. They supply some 80 or 90 percent of the natural gas to my State.

They had a booklet available to the public in which they discuss what the alternatives are in order to assure an adequate supply of natural gas.

In their final question and answer, they say: "How can a competitive market be established?"

Here is the answer from the Northern Natural Gas Co. They say:

> A competitive market for new gas supplies could be established in either one of two ways: (a) The complete removal of price controls from new gas reserves.

That is the Krueger amendment, except the Krueger amendment goes further than that and in effect deregulates old gas, but that is just a little extra bonus for the gas and oil industry.

Then they say:

> (b) Raising price control ceilings to provide producers with the economic incentive to drill and also extending price controls to intrastate purchasers.

That is what the bill that the gentleman from Wisconsin (Mr. OBEY) and I have introduced in the form of an amendment which we hope to offer. It takes into explicit account the fact that there is a problem today, and the way to deal with the problem is to bring intrastate sales under control and then give some modest price increases in order to generate the needed incentives.

The fact of the matter, Mr. Chairman, is that over the past 5 years regulated gas has gone up at an average rate of 30 percent a year. There is a guarantee now of better than a 15-percent return on investment. I do not know of any other industry in the United States that is subject to regulation which is guaranteed such a high return.

But in the unregulated market, the intrastate market, the prices have risen by roughly 600 percent since 1970.

What is interesting about the supply question is that the price of natural gas from 1968 to 1975 has gone up by 1,100 percent, this is unregulated gas, and yet production in Louisiana and Texas has continued to go down each year. Since we have a free market in Texas and Louisiana in intrastate use, how is it that production is going down?

The CHAIRMAN. The time of the gentleman has expired.

Mr. DINGELL. Mr. Chairman, I yield 2 additional minutes to the gentleman from Minnesota.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. FRASER. I will be glad to yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, I want to congratulate the gentleman from Minnesota for the fine job the gentleman has done on this subject. The gentleman has been involved in these hearings for a whale of a length of time. I think the solution that the gentleman from Minnesota and the gentleman from Wisconsin (Mr. OBEY) propose makes good sense and I hope this body will support the amendment when it is offered.

Mr. MAGUIRE. Mr. Chairman, will the gentleman yield?

Mr FRASER. I am happy to yield to the gentleman from New Jersey.

Mr. MAGUIRE. Mr. Chairman, I would like to commend the gentleman from Minnesota (Mr. FRASER) for the work the gentleman has done on the subject. I share the views of the gentleman. I just wish that we had had the opportunity to deal in an in-depth and appropriate manner in committee with the very excellent legislation the gentleman has put forth. Regrettably, the Rules Committee has seen fit to discharge the Energy and Power Subcommittee and the full Commerce Committee from their proper legislative responsibilities. Now the proposal of the gentleman is to come before the Members as an amendment to the Krueger substitute, not having been made specifically in order by the rule.

Mr. Chairman, I also would like to say that I think this is one of the most incredible examples that I have seen since I came to the Congress of the effectiveness of a single powerful lobby working its will on this body; it is an example of the kind of impact a private interest group can have. I only hope the House will rebuff its long and careful orchestrated campaign for deregulation of prices. To do otherwise would be to ignore the facts of the issue and the welfare of consumers and the economy.

As the gentleman from Minnesota has pointed out, we have had dramatic increases in the prices of natural gas over the past few years: A 300 percent increase in the interstate price, and nearly four times that in the intrastate price. And what has the natural gas industry produced in the way of increased supplies? From 19 tcf in yearly reserve additions in the mid-1960's, they have fallen to 9 tcf average yearly addition to reserves in the mid-1970's. Moreover, we have seen indications that they are withholding supplies in an effort to blackmail the Congress and the people of this country into deregulating gas prices—a move that could cost families up to $300 more per year in higher prices. The Oversight leased a study on January 21, based on U.S. Geological Survey data, that indicates industry natural gas reserve estimates may be understated by as much as 37 percent. On January 29, the same subcommittee released a study that indicates that 55 percent of the gas wells in the Gulf of Mexico are producing at considerably less than the operator's own estimates of capacity.

Mr. Chairman, considering this data, I find it doubly disturbing that the committees of this body have not had an opportunity to fully explore the impact of this legislation. I therefore urge my colleagues to reject the gas industry's demand for deregulation and to allow the Energy and Power Subcommittee to continue dealing with these issues in a diligent, proper manner.

Mr. FRASER. Mr. Chairman, I share the views of the gentleman from New Jersey (Mr. MAGUIRE).

I just want to reiterate what the administration stated in "Project Independence," which is that the $2 per thousand cubic feet of natural gas price in 1985 would essentially not get the lower 48 States any more gas than an 80-cent per thousand cubic feet price would.

Mr. DINGELL. Mr. Chairman, if the gentleman will yield, I would like to say that the gentleman from Minnesota is correct, and that all of a sudden after the FEA released those figures of what it was supposed to be that they then went back to the computer and got together a new set of figures.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BROWN of Ohio. Mr. Chairman, I yield a half minute to the gentleman from Minnesota, and having done so, I would ask if the gentleman would yield.

Mr. FRASER. I would be glad to yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, I would ask the gentleman from Minnesota if the gentleman has read the January 23, 1976, FEA study?

Mr. FRASER. The answer is no.

Mr. BROWN of Ohio. The gentleman should read the study, and studies of some other people, including the GAO who have come up with the same conclusion. That conclusion says that there will be a price response.

Mr. FRASER. Does the gentleman from Ohio know what the problem is in that point of view? It is that we have a finite amount of natural gas within the United States. If the gentleman from Ohio were right, and that a very high price would maximize at the rate which is developed, we would then follow the policy of draining America first and more quickly force the American people to depend on an external oil supply.

A modest increase in prices will generate added revenues, and we do not face the pace at which we run out of natural gas.

The CHAIRMAN. The time of the gentleman has expired.

Mr. DINGELL. Mr. Chairman, I yield an additional 1 minute to the gentleman from Minnesota for the purpose of making a comment on what the gentleman has just said.

Mr. Chairman, I have before me the FEA comments of January 23 and I would point out that up to $2 they show a modest supply response. The big supply response comes between 60 cents and $1. At $1.40, virtually no increase in supply, and virtually no response. The price increase comes about in 1980 and in 1985.

I think that should be before the House.

What I am saying is that the price response figures from the FEA favor what has been said by the gentleman from Minnesota and, in point of fact, tend to show that only at the most exorbitant prices is there even a modest increase in supply.

And I will put those figures in.

Mr. FRASER. The GAO seems to accept this general view.

Mr. DINGELL. I am giving the gentleman the FEA figures. They did not really change very much is what I am saying.

Mr. KRUEGER. Mr. Chairman, I yield 3 minutes to the gentleman from South Carolina (Mr. DERRICK).

Mr. DERRICK. Mr. Chairman, I rise in full support of the Krueger substitute. I represent a district in South Carolina where two-thirds of those employed in industry are employed in the textile industry and on an equal par with agriculture. I come here to speak to the Members not of fantasy but of real facts and of problems that we face in my district.

From April 1974 to March 1975, Transco customers in the South Carolina Piedmont region had contracts for 35,998 million cubic feet of gas. Transco was able to supply 24,633 million cubic feet of gas, a 31.6-percent reduction of the level contracted for. From April 1975, to March 1976, Transco customers held contracts totaling 36,470 million cubic feet. It is predicted that Transco will be unable to supply approximately 19,000 million cubic feet, which represents a reduction of 53 percent.

Natural gas is vital to the textile industry in South Carolina. A year ago 85 percent of those employed in the textile industry, because of the sagging economy and the lack of natural gas, were unemployed for a short period of time. We are on the way to recovery now. Inventories are down; unemployment is down; but are we to have this recovery cut off for lack of this very vital fuel?

I think it is time for us to say at least on one occasion that we are willing to trust the marketplace as the allocator. After all, that is what the economy of this country was originally built on. Are we at this late date and with this great success to throw it by the way and say that we want to regulate everything? This is the practical approach. I hate to see this issue broken down into two major categories.

I heard someone say that there had been an orchestration for 6 or 8 months by the oil companies. Let me tell the Members the oil companies have not contacted me, but those industries in the Third Congressional District that need this power to keep our people employed, and those farmers have contacted me.

The CHAIRMAN. The time of the gentleman has expired.

Mr. DINGELL. Mr. Chairman, I yield 2 minutes to the gentleman for the purpose of engaging in colloquy with him.

Mr. Chairman, will the gentleman yield?

Mr. DERRICK. I yield to the gentleman from Michigan.

Mr. DINGELL. I thank the gentleman for yielding.

Is the gentleman aware of the fact that Transco is not enforcing its contracts against distributors who are in substantial violation of their deal to deliver gas according to contract?

Mr. DERRICK. I beg the gentleman's pardon?

Mr. DINGELL. I asked the gentleman if he is aware that Transco, to which he alluded, which is the major pipeline distributor, is failing significantly to enforce the contracts which it has with producers? Is he aware of that?

Mr. DERRICK. I am aware that my industrial users are having to go on the interstate market and having to pay a substantially higher price.

Mr. DINGELL. I asked the gentleman a specific question. I ask him is he aware of the fact that Transco is not enforcing its contracts for delivery of natural gas against producers who are supposed to be providing gas, who are currently in substantial default with regard to the amounts that they are supposed to deliver under that contract?

Mr. DERRICK. Why are they in default?

Mr. DINGELL. Because they are not delivering gas according to the terms of their contract.

Is the gentleman also aware of the fact that Transco is not using its authorities under the Federal Power Commission rules and regulations for short-term purchases of natural gas?

Mr. DERRICK. Mr. Chairman, I yield to the gentleman from Texas.

Mr. KRUEGER. Mr. Chairman, I think it should be pointed out that virtually all natural gas contracts are written not to supply specific amounts of fuel, but rather to allow specific percentages of production; very often when contracts are made for 10 or 20 or so years in advance, total production figures are difficult to estimate. Here we are discussing gas contracts and almost inevitably they deal with percentages of production, rather than specific amounts.

Mr. DINGELL. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I think the comments of the gentleman just in the well and to whom I addressed my question tend to indicate the lack of appreciation of Members of this body with regard to derelictions by pipelines and by producers in this industry. The ruthless fact of the whole matter is that compliance with contract terms by producers is so bad that the Federal Power Commission has initiated a proceeding at the behest of the subcommittee to compel pipelines to enforce the clear terms of their contracts in the production of natural gas and delivery of natural gas to pipelines.

There are a number of facts that my colleagues should have before them in connection with this Krueger amendment; the first of which is that pipelines are not enforcing their contracts. Producers are not delivering. There is diversion of natural gas from the interstate market into the intrastate market by pipelines and by gatherers and by distributors. There are failures on the part of the producers to produce natural gas on public lands. The subcommittee of the gentleman from California (Mr. MOSS) has found this matter to be rather clear. There is substantial withholding of natural gas.

I think it would be one of the great shames of this Congress if we were to cast upon producers the priorities of enormous windfalls that they would get under this Krueger proposal without proper consideration and under the circumstances where we have so much rascality going on, so much failure to comply with the law, so much failure to comply with contracts.

I just want further to say, all buyers who use short-term provisions of the law for emergency purchases or pipelines can use these same provisions, which is one of the great disgraces of this whole matter.

Mr. BROWN of Ohio. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, reading from an FPC report of the study of Transco done by the FPC, it says under recommendations and conclusions:

> It is the conclusion of the technical staff, based on the investigation just completed that further inquiry along the aforementioned approach will not turn up any effort or conspiracy on the part of the producer-sellers to withhold or conceal volumes of presently deliverable natural gas from the market. Any conspiracy at the level at which the technical staff investigated would necessarily involve thousands of people and an attempt to cover up such an action would surely fail. The current investigation was sufficient to uncover anything of significance, although it may not have turned up every instance.

A report from the issue of December 1974, on the letterhead of the Department of the Interior says that recent reports suggesting a dramatic increase in 1972 of shut-in oil and gas wells in the Outer Continental Shelf area of our Nation were deemed misleading and unfortunate by Dr. V. D. McKelvey, Director of the U.S. Geological Survey, Department of the Interior.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. BROWN of Ohio. Mr. Chairman, I yield myself one-half minute.

The point, Mr. Chairman, is that these allegations have been investigated over and over again without producing anything of significance.

Mr. Chairman, I yield myself 1 additional half minute to list the improvements of production that would flow from an increase of 1975 prices from $1.75 to $2 in 1980 and 1985. The FEA has predicted that by 1985 we would have 22.67 trillion additional cubic feet production of natural gas at that time. The American Gas Association has predicted 21.7 trillion cubic feet, and MIT predicted 40.7 trillion cubic feet. That is a significant increase responding to price.

Mr. DINGELL. Mr. Chairman, at this time I yield 3 minutes to the gentleman from New Jersey (Mr. HUGHES).

Mr. HUGHES. Mr. Chairman, first I want to say to my colleague from Michigan that I am going to join with him in expressing my regret that his subcommittee apparently has not and will not have an opportunity to examine all these issues a little more extensively than we are going to be able to do here on the floor.

This said, I rise in strong opposition to the substitute offered by my colleague from Texas (Mr. KRUEGER). I share the concern of my colleague from South Carolina who has a number of factories that depend upon natural gas as a feed stock. I have roughly 12 major glass industries in my district that are dependent upon natural gas. We rely entirely upon Transco as the sole supplier of natural gas to our area, and we have a projected 42 percent shortfall for this year. Fortunately, due to the acquisition of substitute sources of gas, the availability of more pipeline gas, and because of the better weather conditions this year, we are not going to have that much of a shortfall.

If I thought for 1 minute that by deregulating and decontrolling the price of natural gas we would have more natural gas at a fair and reasonable price in this country, I would support the substitute. But I do not believe that. It is said often by those who support the Krueger substitute that we should let the free marketplace work its will. What free marketplace? Do you really believe that we have a free marketplace in oil in this country or the world today? Does the law of supply and demand for oil and gas really work today? I do not think so—and I cannot believe that you do either.

Is the law of supply and demand going to work for our natural gas? Again I do not think so. The forces of supply and demand are not operating today because the same people that control oil also control huge segments of the natural gas industry. They are the same people who control about 60 percent of the uranium industry. They are committed as an industry to getting the Btu equivalent of natural gas up to the Btu equivalent of oil—at any cost. If that is $12 on the world market as set by OPEC, that is what natural gas is going to rise to on a Btu basis. If the OPEC price rises to $15 three weeks from now, again natural gas will rise to that particular level. Do you call that a free market?

There is no question that producers will not produce any significant amounts of natural gas or any form of energy beyond a given price level, whether that level be $1.30 or $1.40; yet we know that under decontrol the price of natural gas is going to triple or quadruple.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. DINGELL. Mr. Chairman, I yield 2 additional minutes to the gentleman from New Jersey.

Mr. HUGHES. I thank the gentleman.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. HUGHES. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, can the gentleman explain to me why the price of intrastate gas has stimulated additional supplies in the intrastate market, and why it has not risen to an equivalent price with the oil price?

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. HUGHES. I yield to the gentleman from Michigan (Mr. DINGELL).

Mr. DINGELL. I thank the gentleman for yielding. In point of fact, it did rise. It rose to better than $2.

Mr. HUGHES. I might add that the price fluctuates between $1.25 and $2.25. If you averaged out the intrastate sales, you will find that it has approximated the Btu equivalent of oil.

But look at what has happened to the intrastate market for gas in the last 3 years. As gas for the interstate pipeline has gone down, the gas available for the intrastate market has gone up in almost the same proportion.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield? The comment is in error.

Mr. HUGHES. I will not yield at this posture. I want to make another point.

With regard to Transco, I sympathize with the gentleman from South Carolina. As a matter of fact, one of the first things I did when I arrived in Congress as a freshman Member was to intervene before the Federal Power Commission to find out why week after week our shortfall picture became more dismal. In south Jersey 15,000 jobs were on the line. I was able to compel the production of a policy witness, the head of our pipeline company, and found that even though we had a projected shortfall at that time of over 30 percent, and even though Transco was saying it was doing what it could to get the producers to honor contract commitments, that Transco, in fact, did nothing. Transco produced one letter dated May 15, 1975, which was after the investigation commenced, that indicated it had asked the producers why they were not fulfilling contract commitments.

Now those who overstated this winter's emergency are advising this Congress that our long-term interests are best served by deregulation, phased or sudden. These deregulation advocates include not only the gas industry but the Federal Energy Administration and the reluctant regulators at the Federal Power Commission as well.

I suggest, Mr. Chairman, that they are guilty of overstating their case once again.

Deregulation at this time would be sheer folly in the absence of Government access to the same reserve and production data available to the industry and the authority to order maximum production or lose lease rights on existing Federal lands.

In the last few weeks in separate reports issued by the Library of Congress and the General Accounting Office, we are able to assess the economic trade-offs that would come about through deregulation.

The GAO, citing what it believes are obtainable goals under deregulation, forecasts a difference of an additional 400 billion cubic feet of natural gas over what would be produced in 3 years should regulation continue.

This, trumpets the report, could reduce our oil imports by 750,000 barrels per day and improve our balance of payments by up to $3 billion.

Where the GAO report errs, fatally, is in forecasting figures based upon the preposterous assumption that the OPEC oil cartel then in the driver's seat with deregulation, will not act to recoup any loss in revenues occasioned by a drop in U.S. oil imports.

The GAO compounds its error by assuming in the 10-year life of its study that the international market will remain stable with no OPEC price hikes.

While 400 billion cubic feet of natural gas sounds impressive in isolation it is, after all, only a two percent increase over the 19.4 trillion cubic feet of natural gas that the GAO estimates will be available under continued regulation.

The total additional cost to consumers under deregulation is estimated by the GAO at $9 billion. So, for a 2-percent increase in natural gas supplies through deregulation the consumer would pay 42 times the current regulated price. And this is a conservative estimate. There are other serious deficiencies in the latest GAO report—assumptions which, I am sure, many on this subcommittee have already challenged.

More realistic is the Library of Congress' December 31 estimate of the first-year impact of gas deregulation to consumers is in the range of $12.8 to $14.9 billion for little, if any, additional supply. This is because of the 2- to 3-year lead time between accelerated exploration and marketing of new commercial quantities of gas.

What we would not have to await is an energy shock throughout the economy.

The Library of Congress further estimates the ripple effect of $13 to $15 billion as likely to produce an inflationary rate of between 1.2 and 1.4 percentage points. Unemployment is forecast to increase by several hundred thousand.

And for what? To transfer dollars from consumers to producers on the somewhat shaky premise that these megabucks will be invested in searches for new gas supplies in sufficient quantities to make it all worthwhile.

Further, we have no guarantee that this new found wealth would be reinvested in exploration at all. It could just as easily be used to purchase department stores or a three ring circus.

Despite what those in the industry say publicly, Mr. Chairman, this issue has not been studied to death and would not be as long as Congress continues to have its requests for reserve and production estimates denied on grounds of protecting proprietary information.

The most absurd assertion, usually compounded by the appearance of a full page ad, is that the Congress and the Federal Power Commission are responsible for the present crisis by keeping prices artificially low through 21 years of Federal regulation.

Up until 1968 we had all the natural gas we thought we could possibly use.

The producers, the pipelines, and the distributors could not sell it fast enough, entering into 10-, 15-, and 20-year contracts.

For many years after the Supreme Court ordered the FPC to regulate gas prices at the wellhead in 1954, the industry continued to get a better price on the interstate market than within producing States.

This remained the case until late 1970 when interstate gas was sold at a good profit for an average price of 29 cents per thousand cubic feet in both markets.

Since 1970, more than 90 percent of reserve additions in the lower 48 States have been dedicated to the intrastate market.

In the meantime on Federal lands, where gas discoveries are by law dedicated to the interstate regulated system, discoveries and production continued a rapid decline.

Which brings forth a second industry argument, that of industry concentration.

An FPC Economics Division study found that the eight largest natural gas companies which, not incidentally, are among the largest oil producers, control between 62 percent and 99 percent of new reserves depending on the gas field involved.

And there are not 30,000 producers operating offshore where the Interior Department through witless leasing policies has assisted industry concentration to a handful of major firms.

In the combined fields, eight majors control three-quarters of the new gas finds with the concentration ratio around 50 percent for the four major firms. It is really any wonder, then, given the level of industry concentration in our regulated offshore waters, that these are not being produced with all due haste?

To determine why these offshore reserves are not being developed, I sought and was granted the right to intervene in current proceedings before the FPC into the status of nonproducing reserves.

It was a real education. Producer witness after producer witness claimed equipment shortages, lack of capital, and repair delays as excuses for nonproduction.

Yet while these producers were shouting equipment shortages to the FPC across town, at the Export-Import Bank, international representatives for the very same firms were whispering equipment surplus into the ears of those from whom they were seeking loan guarantees.

This, then, is the root of the suspicion of many in this country who believes we will get all the gas we need domestically at $2.50 or more per thousand cubic feet, or whatever the escalating cost of Btu equivalent alternative fuels is 6 months or a year from today.

I do not share the belief that production will suddenly leap upon deregulation, but I am dead certain that whatever we do get we will pay cartel prices for it.

A final word on the implications of price fixing, especially as it bears on new contracts suggested by the few producers of Alaskan natural gas.

As a member of the House Judiciary Subcommittee on Monopolies and Commercial law, I was recently furnished a copy of a classic cartel contract under negotiation between Arco and a California utility.

It said, simply, that in no case will gas be sold for less than the maximum price then being obtained by any supplier of Alaskan pipeline gas. Were I an antitrust lawyer at the Justice Department, I would gladly volunteer to prosecute that case.

As a member of the Judiciary Committee, I am currently reviewing the legal obstacles to the timely prosecution of antitrust suits. There is no reason why antitrust suits at the Federal Trade Commission and in the Justice Department should drag on for years without resolution.

The Judiciary Committee's Subcommittee on Monopolies and Commercial Law continues to hold hearings on legislation that would accomplish vertical and/or horizontal divestiture of the oil industry.

Pending the outcome of these hearings, it is a serious mistake to precipitously deregulate natural gas prices and further surrender the power of the government to keep any lid at all on prices.

In the final analysis, the central question is not as complex as the side issues.

What we must decide is whether we can afford to let an international oil cartel and the multinational oil corporations determine our future energy policies. An industry that can set the price for gas and oil will ultimately determine the price for alternative fuels as well. An industry that powerful will soon be telling the Government how much tax it will pay and under what conditions it will continue to supply this Nation with energy.

Clearly this we cannot permit.

Mr. KRUEGER. Mr. Chairman, I yield 2 minutes to the gentleman from South Carolina (Mr. HOLLAND).

Mr. HOLLAND. I appreciate the gentleman's yielding.

Mr. Chairman, I have listened closely to this debate, and it seems to me to be the same old story about the champions in this Congress of the consumers of this Nation against those of us who just want to simply let the market work its will.

Consumerism was brought before this Congress in the first session, and now it is here again under the flag that "we are going to do something to protect the people of this country from the vast giants of industry." Out of this particular subcommittee I have heard much about consumerism. It reminds me of elephants mating. There is not much going on but a lot of high level trumpeting.

Mr. Chairman, I want to talk about 1 million consumers in the United States of America. What they consume, in the absence of natural gas, is food stamps; what they consume, in the absence of natural gas, is unemployment compensation; what they consume is their own dignity and their own willingness to work.

I am speaking about the textile workers of this Nation. Natural gas is a critical element, without which the textile industry cannot operate.

I say that if this committee is going to come before us and complain about contracts being violated and the officials of the United States of America not enforcing contracts, why do we have a bill that provides nothing more than a $25,000 fine and a 5-year imprisonment sentence for people who violate this law and ask the Attorney General of this country to enforce it?

I think we would get the same kind of enforcement of H.R. 9464 that we have always received. I do not see that it does anything to protect the consumer. It penalizes those people in this country who want to work.

We have done everything in Congress but allow these companies to do something they say they are going to do. I think if they do not produce more gas, Mr. Chairman, and if they start ripping off the consumers, this Congress can act and act swiftly. We have done it before. I think we should try a procedure we have not yet tried, that of total deregulation.

Mr. Chairman, I support the Krueger substitute.

Mr. KRUEGER. Mr. Chairman, I yield 1 minute to the gentleman from Louisiana (Mr. WAGGONNER).

Mr. WAGGONNER. Mr. Chairman, the gentleman from New Jersey (Mr. HUGHES) a moment ago raised the question as to why, when gas in interstate commerce decreases, the supply increases in intrastate commerce. Let me tell the Members why.

The price of gas in intrastate markets is unregulated and we who have intrastate gas are keeping it home for our own use. We are going to continue to keep that intrastate gas at home until we can get more for it in interstate commerce. Not only are we going to do that but we are going to continue getting new industry from other areas since we have that intrastate gas.

I would suggest to all the Members who are concerned about industry leaving and going somewhere else, looking for a better climate, that they are running afoul of their constituents' wishes when they do not allow their people to have the energy they need for industry.

So the Members should make up their minds what they want. Either they want a sound economy or no gas.

The CHAIRMAN. The Chair will state that the gentleman from Texas (Mr. KRUEGER) has 5 minutes remaining, the gentleman from Michigan (Mr. DINGELL) has 4½ minutes remaining, and the gentleman from Ohio (Mr. BROWN) has 1 minute remaining.

The Chair assumes that the gentleman from Michigan (Mr. DINGELL) would like to close debate.

Mr. DINGELL. I would, Mr. Chairman. First, I will yield 2½ minutes to my good friend, the gentleman from Massachusetts (Mr. MACDONALD).

Mr. MACDONALD of Massachusetts. Mr. Chairman, I thank the gentleman from Michigan (Mr. DINGELL).

Mr. Chairman, inasmuch as my colleague on the full committee quoted figures concerning this industry, I would like to point out to him that for about 6 or 7 years our subcommittee chased—and that is exactly the word—Mr. John N. Nassikas, then chairman of the FPC, in an attempt to get the proper reserve figures from him. In each instance we were told they were relying on figures that were supplied to them by the industry.

The most recent revelation along those lines appears in the Washington Star of January 21, 1976, in which natural gas industry reserve studies were compared to those compiled by the U.S. Geological Survey.

That study indicated that when individual field estimates obtained under subpena from the American Gas Association, were compared with USGS estimates, the figures were substantially different and the two did not gibe. The raw data was not made public because the material is said to be kept privately by the gas producers, who want to keep it out of the hands of their competitors. This data involved 153 pure gas fields, fields in which gas alone was produced, as contrasted to those in which gas is associated with oil production.

All the fields studied were in Federal waters off Louisiana.

So when the gentleman from South Carolina (Mr. HOLLAND) says that we ought to do something for the public if they are getting ripped of, I will say to that gentleman that the public has been so ripped off for so long now that they do not know how to get to the bottom of it. I will add that not even the antitrust department of this Government knows how to get to the bottom of it.

Mr. Chairman, the article from the Washington Star of January 21, 1976, is as follows:

NATURAL GAS STUDY CASTS DOUBT ON THE INDUSTRY'S FIGURES

(By Stephen M. Aug)

Investigators for a House subcommittee disclosed today a huge disparity in data on the nation's reserves of natural gas, indicating that the gas industry may have been underreporting the amount of gas available.

The disparity is expected to add fuel to the long-running dispute over whether the gas industry is purposely trying to hide the true extent of gas reserves in order to portray the gas shortage as worse than it is in the hope of pushing through legislation to deregulate gas prices.

John Galloway, a special assistant to a House Commerce investigative subcommittee, testified that he recently learned of and obtained copies of some previously unpublished studies done by the U.S. Geological Survey.

The Geological Survey, which is part of the Interior Department, studies gas reserves to determine whether the government is getting the revenues it ought to from leases of federal offshore gas fields in the Gulf of Mexico and elsewhere.

The new Geological Survey studies were compared with individual gas field estimates obtained under subpoena from the American Gas Association. The AGA, a trade association, has for years published gas reserve figures from material obtained from producers. The raw data is not made public because such material is said to be kept private by the gas producers, who want to keep it out of the hands of competitors.

The data compared involved 153 pure gas fields—fields in which gas alone was produced, as contrasted with those in which gas is associated with oil production. All the fields studied were in federal waters off Louisiana. The Geological Survey says these fields contain 67.4 percent of federal outer continental shelf natural gas reserves.

"The USGS total came to 23.5 trillion cubic feet of gas," Galloway said, while the AGA total for the same fields was 14.8 trillion, 37.4 percent less.

Galloway contended the difference is so large that it could satisfy all of the needs of one of the nation's largest and most severely under-supplied gas pipeline systems—Texas Eastern Pipeline—for eight years.

Although Galloway said the subcommittee has no basis for determining whether the AGA's nationwide figures are understated by the same margin, "were such a disparity to exist nationwide . . . the AGA reserve shortfall would amount to 102.7 trillion cubic feet . . . enough gas to cover this winter's projected curtailments 100 times over."

The comparison, Galloway said, was made on the basis of an October 1974 report that used 1973 year-end figures. He added that a January 1976 update by the Geological Survey suggested that the October 1974 study was accurate to within 10 percent.

In fact, he added that the more refined 1976 study resulted in a 5.5 percent net increase in the October 1974 estimates of gas reserves.

The debate over whether the industry has been under-reporting gas supplies has gone on for perhaps five years. The Federal Power Commission and Federal Trade Commission have sought to determine the extent of natural gas reserves, and disputes have broken out even within each agency as to just how much gas there is.

Critics of the gas industry long have contended that it is in the best interests of the producers to underreport, thus magnifying the gas shortage and increasing pressure for deregulation of producer prices as a spur to more exploration and development of new supplies.

The CHAIRMAN. The gentleman from Texas (Mr. KRUEGER) has 4½ minutes remaining.

Mr. KRUEGER. Mr. Chairman, I yield myself the remainder of my time.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. KRUEGER. I yield to the gentleman from Texas.

Mr. MAHON. Mr. Chairman, in considering this legislation involving energy, the emphasis must be on the consumer.

The question before us today and the question that will be before us tomorrow is, What is best for the American consumer? That includes us all.

Mr. Chairman, I just want to take this moment to commend the gentleman from Texas (Mr. KRUEGER) for the great job he has done in trying to present, in an objective way, this major issue to the House. I hope that his words will be heeded by the House and that his position will prevail—this Nation must do a better job in meeting our energy requirements. The Krueger substitute is a step in the right direction.

Mr. KRUEGER. Mr. Chairman, I thank the distinguished gentleman from Texas (Mr. MAHON).

Mr. Chairman, in the time which remains, I shall address myself only to a few points.

One is that the status quo satisfies no one and that increased regulation will provide no answers.

If we look back to recognize how we have seen this shortage of natural gas coming, we see that in 1967 a very significant thing took place. The American Gas Association, a group which largely represents the pipelines, the major purchasers of gas, suddenly came out for decontrol. They did so at the very point at which we found that reserves were being increased at a slower rate than consumers were drawing down production; and production has continued not to be able to keep pace with consumption, so that this last year we used three times as much gas as we produced in this country.

That does not augur well for the future. If there is anything that is required of a body such as this it is that we not take a short-term view, but, rather, be statesmen enough to take the long-term view.

I should like, in that connection, to come to the defense of some 230 Members of the House who voted for the rule, and who, in my judgment, were doing so because they thought it was in the interest of the American people and not because they were dupes of any lobby. I think it ill befits Members of this House to attack their colleagues as being dupes and as being owned by anybody, and I hope that the debate will not be conducted at that kind of level.

The fact of the matter is that if we look at the cost of deregulation, the majority of economists are in unanimous agreement that the only way in which we will actually save the consumer money and actually address the real problem of why we have the current misallocation of resources is through deregulation of natural gas at the wellhead.

We continue to regulate the pipelines and the distribution system. The truth of the matter is that of the dollar the consumer pays, only about 20 cents currently goes to the producer. The remaining 80 cents goes to transportation and distribution. The producer of gas receives about the same portion of the consumer's dollar that a farmer who grows wheat receives from the money spent by someone buying a loaf of bread.

This is not a ripoff. This is sheer fact. We have to get increased production.

There has been a lot of talk about who owns all the gas in this country. Again, the fact of the matter is that economic studies show that there is less concentration in the natural gas production industry than in almost any area of the American economy, whether it is cars in Michigan or computers in New York or steel in Pennsylvania, or any other area that we look at. Wherever we look, we can scarcely find such diverse ownership of production as we do in the natural gas industry.

Look at the eight largest producers of

natural gas. Together they do not produce one-half of the gas used by this country.

There have been numerous fears and bugaboos and charges and countercharges and high drama and dramatic rhetoric about all of the people who are stealing from the American people. Yet, oddly enough, it is the very people who claim so to love the consumers who are most suspicious of their fellow man and who somehow suppose that a free marketplace cannot work in the interest of the American people and that the American people are somehow so poor, downtrodden, and uninformed that they need constantly to be protected by 5 wise men in the Federal Power Commission or by the 435 wise men and women in this Congress.

Mr. Chairman, I think the American people know better than that. Given a chance they can well look after themselves. I therefore urge support for the Krueger amendment.

The CHAIRMAN. The gentleman from Ohio (Mr. BROWN) has 1 minutes remaining.

Mr. BROWN of Ohio. Mr. Chairman, in this final minute I would like to say that I also urge support of the Krueger amendment. We have a situation where deregulation of natural gas offers us more promise for the supply of natural gas at a reasonable price than does continued regulation offer for any kind of gas or fuel at a reasonable price.

The fact of the matter is, Mr. Chairman, in those areas where industries are short, where consumers are short of natural gas, we find that they are having their bills go up sharply because the suppliers are obliged to top off their natural gas with propane and other things that come in at $2, $3, or $4. The result is that the consumers are suffering more under regulation than they are likely to suffer under deregulation.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

The gentleman from Michigan (Mr. DINGELL) has 2½ minutes remaining to close the debate.

Mr. DODD. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Connecticut.

Mr. DODD. Mr. Chairman, I rise in opposition to the Krueger amendment, because I do not believe that complete decontrol of natural gas prices is a fair burden that this House can ask American consumers to bear.

My constituents in Connecticut seek a solution to our natural gas problems. Indeed, if Congress takes no action to deal with possible shortages, then consumers in my State and the rest of New England will be forced to use high-priced synthetic and imported natural gas.

However, I do not believe that the consumers of Connecticut and the rest of this country think that total decontrol of natural gas prices is the best way to go about solving our energy problem.

It is clear that we must encourage greater exploration for natural gas resources and that we must insure that producers meet their minimum delivery requirements so that dwindling supplies are increased.

Efforts to increase supplies, however, will have limited results in terms of our overall, national energy picture, unless we can also reduce demand for the fuel.

Arguments in favor of lifting all controls on natural gas prices sound compelling, Mr. Chairman, but not that compelling when one considers the outrageous costs involved its American consumers for the extra gas which might result.

Proponents of decontrol claim that a higher wellhead price would stimulate increased investment in exploration, lead to more conservation efforts, and encourage natural gas users to diversify their fuel sources, such as using oil, because gas prices would then be competitive with oil and there would be no advantage to only using gas.

However, Congress General Accounting Office has studied the matter, and it has concluded that the 10 percent increase in natural gas reserves which would be produced because of deregulation would cost consumers a whopping $75 billion between now and 1985.

The GAO has determined that the cost of each additional 1,000 cubic feet of natural gas produced because of decontrol would cost between $5 and $10. The price that Americans would have to pay for the same amount of energy from oil would come out to between $30 to $60 per barrel of oil.

Mr. Chairman, not even the Arab oil nations are asking us to pay such a fantastic price for energy. Arab oil still sells for about $13.50 a barrel these days, and thank goodness no one is talking about doubling that figure, yet.

Meanwhile, even if total decontrol were to take place, our consumers in Connecticut and elsewhere will have no guarantee that increased costs will assure them of a greater regional supply of fuel.

Congress has the opportunity, now, to responsibly deal with diminishing the natural gas shortage. We can do this without lifting all price controls and thus hitting our consumers with unreasonable costs.

We can do this by "recontrolling" the price of certain natural gas upward—by placing the lid on prices at a limited higher level, and by lifting all controls for small natural gas producers.

By doing this, natural gas prices will once again be competitive with oil prices, industry should have the incentive to increase exploration and production efforts, and conservation would be encouraged.

By "recontrolling" certain prices, Congress also will retain some regulation of a concentrated natural gas production industry, which because of this lack of competition, is susceptible to monopoly abuses.

Unfortunately, consumer costs still would rise somewhat under recontrol upward, but such increases would come about gradually and would be limited.

Mr. Chairman, the days of inexpensive fuel for this Nation are over. Yet this does not mean Congress must compromise Government protection of consumers by lifting all price controls.

We have a responsibility to the American people to insure that this does not happen.

Mr. DINGELL. Mr. Chairman, the debate has revealed in part that the Krueger amendment is an important piece of legislation and it also has revealed that there is a conflict between the two proposals, and that there are ambiguities in the Krueger amendment as well as definitional problems and problems with other portions of it, for instance like the boiler fuel section, which are opposed by the FEA Administration, Mr. Zarb, and the administration, and not merely just opposed, but they are strongly opposed.

Further, it is a piece of legislation which will produce not more natural gas over the next 2 years, according to every test we could gather from the bill and from what has been presented to us on the floor today, but yet it will produce less and at the same time it will cost vastly more.

Indeed, there is one thing that ought to be known by the Members of the House and that is that there is another bill which differs quite strikingly from the Krueger proposal, which is the Senate passed bill, which has not been discussed in the debate today because the rule really does not permit us to do that. That proposal bill produce more gas for less money to the American consumer, according to the Federal Energy Agency, but, again, because of this curious rule, we are denied the opportunity to have that matter discussed.

So, Mr. Chairman, I repeat that the Krueger amendment is an ambiguous piece of legislation with many internal defects, which deregulates offshore production, which is not at all price responsive, but has real problems in terms of its definition of new gas, its definition of existing contracts and its definition of flowing gas, and takes it out far too fast from under control.

Mr. Chairman, we are faced with the situation we are going to have to go into a mark up of the bill on what is really one of the most controversial, complex and important pieces of legislation to come before this session of the Congress.

Feelings have run strong here today. I suspect that it is only human nature to expect that that should occur. I would suspect also that many of the Members have very strong feelings about the procedures being used, and changing the traditions of the House, and about many other things. But, Mr. Chairman, I repeat that we are going to be marking up a piece of legislation tomorrow that will take an awful lot of work and will be an awful lot of trouble.

Mr. ZEFERETTI. Mr. Chairman, for some years, natural gas was an almost unwanted byproduct of oil production, and was flared off as waste. Then business began to discover what a clean and efficient fuel it really was. Yet, even though use of this product was heavily promoted for some time, up until a few years ago, it sold for only 19 cents per thousand cubic feet.

It is vital to note that the same few energy conglomerates who own most of the Nation's oil are also owners of most of our country's natural gas. These are the same few powerful companies who control most of the bids and rights to Federal offshore oil and gas leases, where most of our future oil and gas supplies will be found. These are the same companies who own the gathering lines, tankers, refineries, pipelines, wholesale distributorships and retail outlets around the Nation. In other words, we are dealing with what amounts to almost total energy monopoly.

That same small group of influential companies has been trying for years to raise the price of natural gas. In the past 5 years they have succeeded in using their influence within Government to push the regulated price of interstate natural gas to close to 60 cents per thousand cubic feet. All this was done in the name of offering greater incentives to the industry to explore, discover, and market more of the product. Yet all these vastly increased price levels did was to whet industry's appetite for still higher price levels and profits. Certainly, these recent price hikes did nothing to provide further production incentives. What they did do was hike millions of utility bills, draining money from consumers.

It is crucial to this argument that we understand the financial stakes, for this is a key to the debate. Every time the price of natural gas at the wellhead rises 1 cent per thousand cubic feet, it translates into more than $250 million on 40 million utility bills.

If deregulation of natural gas is approved by the House, and it has already passed the Senate, the last barrier to industry price hikes will fall, and the consumer, especially the urban user in energy-short areas of the country, such as the northeast, will be helpless before the monopoly. It is predicted by a number of authorities that in such a case interstate natural gas prices will leap up to those levels now charged for natural gas in the intrastate market. This means at least $1.50 per thousand cubic feet. One hundred times that $250 million figure means headship for consumers, a new round of inflation and spectacular profits for a few energy monopolies. And, what is worse, there is absolutely no guarantee that more natural gas will be made available to the public.

Accusations have been made by respected critics, such as Dave Schwartz, formally an economist with the Federal Power Commission, Lee White, formerly of the FPC, and a number of others, all to the effect that industry reserve figures are questionable and that Government has not received all it should have from the Federal energy concessions. Congressional hearings have shown again and again that industry could be engaged in possible duplicity in terms of concealing true reserve figures and many be holding back existing reserves in order to hike prices. Virtually none of the questions raised by these Interstate and Foreign Commerce Committee hearings have been answered. I do not believe that the oil and gas industry has been totally candid about its reserves, its exploration efforts and its very significant profits. There are major questions of whether or not Federal leases have been vigorously explored and exploited in the public interest. With deregulation guaranteed to raise the utility bills of most of my constituents in a very measurable fashion, I am dissatisfied with the evidence submitted by the industry and its proponents.

Therefore, I oppose deregulation in the public interest and shall vote against the attempt to deregulate the price of interstate natural gas.

Mr. FRENZEL. Mr. Chairman, I intend to support the Krueger amendment and urge all of my colleagues to vote for it too.

We spent a good deal of time discussing the problems of how we are handling these proposals under our rules. I would agree that the procedure is not exactly what I would have wanted, but at this point there really is only one issue: How to get to the question that is now before us. I would rather use an unusual House procedure, especially when it is backed by ample precedent, than to allow a handful of colleagues to deny this body a chance to vote on what is patently an emergency measure.

The question that the Krueger amendment poses is: How do we guarantee adequate supplies of energy, specifically natural gas energy, at a reasonable cost to those who are reliant on it?

For the last 22 years we have been operating under a heavily regulated system. Only recently have we seen examples of inadequate supplies in areas where price restrictions began to inhibit gas deliveries. We have seen crops rot for lack of energy for drying. We have seen the prices of plastic products skyrocket because of supply difficulties. We have seen small shops lay off employees or close because of lack of supplies or heating energy. We have seen schools and business places close for the same reason.

The bitter irony of this situation is that we have done it to ourselves. This is not a foreign embargo. No outsider has dictated that we must suffer these consequences. We have done it to ourselves. I believe it is time to stop this self-inflicted punishment and reverse the current trend while we still have the capacity.

The Krueger amendment gives us an alternative policy. It allows us to have more gas rather than less. It we continue the present artificial controls, we are virtually guaranteed less gas. I am particularly concerned because my area produces no gas and yet is a heavy user. According to Prof. Robert Pindyck of MIT, whose work is widely used by various Government agencies, our shortage when present contracts begin to phase out could approach 30 percent of the potential economic level of use. Since over 40 percent of all natural gas is industrial, and since we will certainly give the home owner priority, this means that some people are going to lose jobs.

Obviously, the homeowning consumer is a matter of great concern in that the consumers' price is going to go up under the Krueger amendment. However, what the opponents of the Krueger amendment have not told us is that the price is going to go up under any combination of circumstances and that it will go up more when the homeowner is forced to substitute the only alternative, foreign produced crude oil, to natural gas.

It is worth remembering that the wellhead price of gas is, on the average, only 20 percent of the ultimate consumers' cost. Eliminating other factors, the deregulation proposal pending before the House now would hike the price for a gas-burning homeowner about $10 a year, according to both the FEA and the GAO. That 6 or 7 percent annual increase is substantial, but it is surely better than shortages and/or the use of expensive foreign oil.

In addition, there are potential savings available to the consumer which would reduce the difference between regulated and reregulated prices. These savings could come from lower pipeline transportation and distribution costs, because a fuller pipeline means a more economic distribution, and more cubic feet of gas over which to spread administrative and overhead costs. The pipeline and distribution costs at current prices amount to nearly $4 out of every $5 the homeowner pays his local gas company.

Another cost trade off is that the homeowner would not have to convert his heating plant from a gas system to an oil system.

Basically, however, the best argument in favor of the Krueger amendment is that it is likely to produce more gas, whereas the committee bill is likely to produce less gas.

If we pass the Krueger amendment, we will be providing additional incentive for developers and producers to find new gas. The majority of gas products comes from small operators, not the giants whose names are invoked every time we debate energy. Whatever price increase does occur will only apply to new gas and to expired contracts. Even GAO's estimate, which is higher than FEA's, predicts only a 7-percent annual increase. Conversion to expensive off-shore oil would require a 300- to 400-percent increase in the first year.

Our neighbors to the north, the Canadians, already have deregulated. They came to the realization about the same time we did, that they could not produce all their country's energy. When they became a net importer of energy, they were able to act a little more quickly than we have acted so far. Indeed, some of this deregulated Canadian gas is already coming into northern tier areas such as my own upper midwest area. I think it is fair to state that even that very expensive gas is gratefully used by local consumers who are glad to pay what it costs to have the energy.

It should be stated here for the record that deregulation of natural gas prices will not create any gas in the ground. We are not assured by passage of this amendment that there will be enough gas for everyone either now or in the future. The amendment will merely provide more gas

than the committee bill will provide. In my judgment, we cannot afford any policy which accepts less domestic production.

Natural gas is the cleanest fuel we have. It is particularly suitable for home heating and cooling. We must act now to preserve and develop maximum supplies. Phased deregulation, such as is provided in the Krueger amendment, is the best and safest method to develop adequate supplies that I have seen. I hope the amendment will be promptly passed.

Mr. FINDLEY. Mr. Chairman, in January 1973 I introduced a bill proposing the deregulation of wellhead prices of new-flowing natural gas. It seemed to me this deregulation was the logical first step toward establishing a rational Federal program to meet the Nation's energy crisis.

While I regret the House has been so slow in finally taking up this type proposal, I am gratified at this belated sign of commonsense.

Obviously a greater volume of gas is needed. It is equally obvious that the existing system of wellhead regulation has tended to discourage needed production.

Adequate supplies will serve the interests of all Americans but they are especially important to people engaged in agriculture. Most farm homes are heated by propane gas, which is substantially a derivative of natural gas. Propane is an important fuel powering agricultural machinery. Natural gas is the prime source of anhydrous ammonia fertilizer and is essential for drying grain.

From an ecological standpoint, gas is the clean fuel.

Prudent deregulation will serve to make America cleaner, more prosperous and less dependent on outside energy sources.

Mr. MACDONALD of Massachusetts. Mr. Chairman, as we all know, the debate on deregulation of natural gas involves critical and very complex issues. Unfortunately, we have been forced to debate the issues without the benefit of a factual understanding of the consequences involved. At the same time we have been the victims of a great deal of misinformation. I have been very skeptical of the arguments for deregulation in the past, and I have little reason to accept them now. I feel very strongly that the public interest will not be served by deregulation. Rather the proposals before us will play havoc with a staggering economy, transfer income from consumers to the oil industry, and cost hundreds of thousands of jobs. There are other options available, and I hope my colleagues will recognize this before making any hasty decisions on haphazard deregulation proposals.

The costs of deregulation will be very large. Depending on which estimates you believe, the cost will lie somewhere between $10 and $20 billion per year. There are 40 million Americans who are captive customers of natural gas, and every one of them will notice a significant jump in their gas bills. At the same time consumers around the Nation will notice sharp increases in the prices of all goods and services.

The Library of Congress has completed a study indicating that deregulation would lead to a significant slowdown in the U.S. economy. According to the study, GNP growth would be cut by 2 percent while increasing unemployment roles by 400,000 to 700,000.

All of these figures may or may not be overstating the point, but the essential fact is that deregulation would be a tremendous burden on our economy—at a time when we can least afford it.

The costs of any deregulation proposal must clearly be weighed against the expected benefits. Deregulation advocates contend that increased prices will provide the capital essential to exploring and developing new natural gas supplies. At the same time, increased prices will help to better allocate a scarce resource thus giving a realistic value to an undervalued fuel.

Two key assumptions are made in asserting this view, both of which are suspect. The first assumption is that market conditions exist which will create a competitive environment for natural gas producers. The second, and perhaps more vital assumption, holds that natural gas companies will use their increased profits to expand natural gas supplies.

The market for natural gas is structurally and functionally uncompetitive. While there may be many natural gas companies, the control of natural gas production lies with just a few producers. In testimony recently made before the Energy and Power Subcommiteee, it was brought out that in the natural gas producing areas of the country, only four companies control between 70 and 90 percent of the total gas reserves of that area. Dr. David Schwartz of the FPC has pointed out that in the uncommitted reserves market—the only true competitive market—a handful of major producers control often as much as 100 percent of the uncommitted natural gas.

When the major producers hold that kind of control over the supply of natural gas, they have the absolute ability to dictate prices. I feel strongly that competitive forces should be allowed to move freely and that Government regulation should be held to a minimum. However, where imperfect markets destroy the efficient forces of supply and demand, the Government has the responsibility to intercede and prevent monopolistic control. The structure of the industry has not changed substantially over the years. A few natural gas producers still maintain control over supply.

At the same time, demand for natural gas remains essentially inelastic. Even at equated prices for oil and gas, consummers cannot move freely from one fuel to another. Thus, consumers will be forced to pay any price that gladly pay for any increase because they realize that they can merely pass the additional costs on to the consumer. The final result is an enormous transfer of funds from consumers to natural gas producers.

The assertion that increased prices will result in greater supplies is also suspect from another angle; that is, natural gas firms will plow the extra profits back into exploration and development.

As the former chairman of the Subcommittee on Power, I had an off-the-record discussion with the heads of the five largest oil companies. I explained that I would be willing to move ahead with a natural gas deregulaton proposal if they could assure me verbally and not necessarily in writing, that they would plow their added profits back into exploration and development. After an awkward pause, one of the oil officials explained that he could not make that type of assurance. The firm had a responsibility to their stockholders to maximize profits. If the greatest return on their investment was with a circus or a merchandizing outfit, they would be obliged to return their natural gas profits to other investments. While it is true that oil companies have expertise in energy areas and would, in all likelihood, put some money back into exploration and development, it is by no means certain that they would.

Thus it seems to me that we have a very peculiar situation. The oil industry has control of the supply, and can dictate high prices to consumers. Given deregulation, the industry will experience significant windfall profits which they say they need to increase supplies. Yet, even with these excess profits, the American people may or may not get additional supplies of natural gas.

What business would invest large sums of money with the vague hope of a return 3 or 4 years down the road? Yet, this is precisely what proponents of deregulation are advocating. If the United States is going to spend between $10 and $20 billion on increased natural gas prices, we need more than just a hope of increased supplies. I feel strongly that it would be irresponsible for this Congress to let the price of natural gas rise to exorbitant levels without even an educated guess as to the expected return.

My opposition to natural gas deregulation has heightened through the years by a growing mistrust of the natural gas industry. Recently the chairman of two Commerce subcommittees have uncovered numerous inconsistencies and some outright lies concerning natural gas supplies that have merely added to my mistrust.

For example, we heard all last year about the critical natural gas shorage that necessitated emergency legislation. While a shortage has occurred to a lesser extent, it now seems clear that the emergency was little more than a scare tactic by the industry to force deregulation.

Even the Washington Star, which supports deregulation, commented sharply on the phony shortage:

> Federal energy officials were talking about a gas shortage of $1.3 trillion cubic feet this winter . . . the shortage estimate was lowered to 300 billion cubic feet and now is down to only 140 billion. Somewhere along the line, a huge amount of gas has been saved that is not accountable to a lack of blizzards.

The Washington Post explained that "the severe shortage of natural gas in eight States forecast by the White House this winter has not materialized, partly because producers are selling gas they did not tell anybody they had to sell."

At the same time the industry was pushing the case for deregulation, with a trumped up shortage, a Library of Congress study indicated that natural gas producers had every incentive to create a shortage. The study explained that producers have a strong incentive to withhold gas supplies from the market, since the longer they withhold, the worse the shortage gets and the greater the public clamor for deregulation gets, bringing deregulation of gas prices closer and closer.

Time and time again we have heard reports that huge quantities of natural gas have been diverted from regulated interstate markets to unregulated intrastate markets. Recent FPC documents confirmed this fact, stating that Mobil Oil had siphoned off gas from offshore fields to unregulated markets. While this was technically legal, it involved a good deal of trickery. This, along with other studies, merely supports the view that there is a lot of gas that is selling for much higher prices than it should be.

As if this is not enough, Mr. Moss, chairman of the Subcommittee on Oversight and Investigations, just released a study indicating that independent Federal estimates of natural gas reserves were 37.4 percent higher than estimated by the industry. In a study of 153 gas fields in the Gulf of Mexico, the U.S. Geological Survey estimated reserves at 23.5 trillion cubic feet. Industry estimates for the same fields were 14.8 trillion cubic feet—a difference of 8.7 trillion cubic feet. I do not know who is right—I only know who I believe is closer to the truth.

Mr. Chairman, it is not my intention to address all of the points of debate in the natural gas controversy. I merely wanted to mention some of my greatest concerns in this vital issue. I do not pretend to know all of the facts and figures concerning natural gas.

What is distressing, however, is that no one does. That is precisely the point. There is no one that can tell you with any assurance, how much deregulation will cost, how much natural gas reserves are left in the ground, or how much increased supply we can expect from deregulation. We are being forced to make decisions without the benefit of informed and reasoned information.

There is near total agreement that the Krueger substitute, even if adopted, is badly in need of substantive and technical changes. Some of these changes include the definition of "new gas," the definition of "independent producers," the so-called consumer protection amendments, and the decision to deregulate production of natural gas from the Outer Continental Shelf. I will vote to defeat the Krueger amendment, but as responsible legislators, we must make necessary changes during consideration of the proposal.

I hope my colleagues will keep these views in mind as we debate these issues over the next 2 days. I also hope that my colleagues realize that there are alternative policies to deregulation that balance long-range natural gas supply needs with consumer interests. Specifically, these policies would include a new national rate ceiling for new natural gas, revamped FPC decisionmaking to deal more effectively and more decisively with rate hike requests, and Federal natural gas reserve studies that will give us definitive reserve estimates.

I hope my colleagues will vote down the proposals to deregulate natural gas. I feel it is irresponsible of Congress to legislate natural gas while we remain victims of the misinformation supplied by the natural gas industry. At the same time, I feel strongly that the hope of increased supplies of natural gas in the future does not warrant the enormous costs of deregulation. This is especially true now during this time of economic chaos.

Mr. FRASER. Mr. Chairman, there is widespread concern among consumers over increased costs resulting from deregulation of new natural gas wellhead prices. The proponents of deregulation claim that if price ceilings were eliminated, the problem of excess demand would disappear. People would use less gas because it would cost more. But these advocates of deregulation insist illogically that the additional cost would be so slight as to be imperceptible.

The General Accounting Office, in a January 14, 1976, report, concluded that deregulation could mean an increase in energy costs to U.S. consumers of $75 billion by 1985. The peak impact, according to this report would come in 1980, when the extra cost to gas users would be $13 billion.

I believe these figures err on the low side. GAO has assumed that the price of gas will be set by the price of an equivalent amount of heat produced from a barrel of imported crude oil, at a price of $12 a barrel. But gas consumers cannot burn crude oil. They must turn to propane or fuel oil, which sells for $15.50 a barrel, or roughly 30 percent more than crude oil.

The peak impact according to GAO, moreover, would come at the worst possible time, just as we might otherwise be achieving full economic recovery.

I insert in the RECORD at this point a resolution passed by the 18th Constitutional Convention of the Minnesota AFL-CIO indicating concern over rising consumer costs under deregulation:

RESOLUTION 172, SEPTEMBER 9, 1975

Whereas, the Federal Power Commission recommended removing Federal price controls on natural gas production and

Whereas, removing controls would result in much higher natural gas prices for homeowners and

Whereas, the changeover to other forms of heating and cooling would result in a very expensive modification for the homeowner so as to make this almost prohibitive, and

Whereas, the homeowner is a captive consumer of natural gas; now therefore be it resolved:

That the 18th Constitutional Convention of the Minnesota AFL–CIO go on record to oppose deregulation of natural gas prices at the wellhead.

Mr. Chairman, if workable competition existed within the natural gas industry, then deregulation and the free market might offer a solution to our natural gas supply problems.

But this is not the case. Eighty-five percent of natural gas production is in the hands of about 25 major companies. Furthermore, sales of uncommitted gas are overwhelmingly controlled by the eight major producers. In 1974, sales by the top eight natural gas producers made up from 60 to 99 percent of new contract sales to interstate pipelines.

Perhaps even more significant is the lack of competition among buyers of natural gas. If the pipeline companies were as interested in getting lower prices as producers are in getting higher ones, then perhaps a free marketplace could protect consumers from prices which are higher than are needed, just, or reasonable. But the pipeline companies have no interest in bargaining with producers since they pass through the entire cost of the gas they purchase to their customers, who for the most part are captive consumers.

I would like to include in the RECORD at this point a resolution adopted by the Minnesota Public Service Commission opposing the Krueger amendment and deregulation of natural gas prices. The resolution, which follows, points out that "the natural gas industry does not operate in a free market" and warns against the "grave consequences" of "a possible seven hundred percent increase in the wellhead price of natural gas" if we accept the Krueger amendment.

The resolution follows:

A RESOLUTION BY THE MINNESOTA PUBLIC SERVICE COMMISSION

Whereas, H.R. 9464 is currently being considered by the House of Representatives of the Congress of the United States; and

Whereas, an amendment to this bill, known as the Krueger Amendment, would deregulate the price of natural gas; and

Whereas, the natural gas industry does not operate in a free market wherein the law of supply and demand provides a measure of consumer protection; and

Whereas, the prices set by OPEC are at the highest point the traffic will bear making regulation essential for the protection of consumers the stability of the national economy; and

Whereas, the Minnesota Public Service Commission is vitally concerned and anxious to do everything in its power to guard against the grave consequences which would result from a possible seven hundred percent increase in the wellhead price of natural gas as would gradually occur under the provisions of pending legislation; now, therefore

Be it resolved by the Minnesota Public Service Commission in regular meeting assembled this 19th day of January, 1976, that this Commission go on record as urging the members of our congressional delegation to vote against adoption of the Krueger Amendment to H.R. 9464.

The CHAIRMAN. All time has expired.

Under the rule, it shall be in order to consider, without the intervention of any point of order, the amendment inserted in the CONGRESSIONAL RECORD on December 8, 1975, by Representative KRUEGER on pages 39152–56 if offered as an amendment in the nature of a substitute for the committee substitute.

If said amendment in the nature of a substitute is not agreed to in the Committee of the Whole, it shall then be in order to consider without the intervention of any point of order the amendment inserted in the CONGRESSIONAL RECORD on December 8, 1975, by Representative BROWN of Ohio on pages 39151–52 if offered as an amendment in the nature of a substitute for the committee substitute.

Pursuant to the rule, the Clerk will now read the committee amendment in the nature of a substitute printed in the reported bill as an original bill for the purpose of amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Natural Gas Emergency Act of 1975".

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. KRUEGER

Mr. KRUEGER. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. Krueger: Strike all after the enacting clause and insert in lieu thereof the following:

TITLE I—EMERGENCY NATURAL GAS AUTHORITY

SHORT TITLE

Sec. 101. This title may be cited as the "Natural Gas Emergency Standby Act of 1975".

Sec. 102. (a) The Congress finds and declares that the Nation will suffer severe shortages of natural gas during the heating season from November 1975 through March 1976. The Congress further finds and declares that such imminent shortages in our Nation's natural-gas supply constitute an emergency which can be alleviated by providing for limited exemptions from regulation of natural gas and for the prohibition of the use of natural gas as boiler fuel.

(b) The purpose of this title is to grant the Federal Power Commission authority to allow natural-gas companies which transport natural gas in interstate commerce with inadequate quantities of natural gas to meet the requirements of their high priority consumers of natural gas to purchase natural gas from sources not in interstate commerce and from other such companies on an emergency basis free from the provisions of the Natural Gas Act (15 U.S.C. 717 et seq.), except for the reporting requirements of such Act; to grant the Federal Energy Administration authority to prohibit the use of natural gas as boiler fuel; and to provide the President with standby authority to allocate propane during periods of actual or threatened severe shortages of natural gas.

DEFINITIONS

Sec. 103. For purposes of this title—

(1) "Natural-gas distributing company" means a person involved in the distribution or transportation of natural gas for ultimate public consumption for domestic, commercial, industrial, or any other use, but such term does not include a natural-gas company as defined in section 2(6) of the Natural Gas Act (15 U.S.C. 717a(6)).

(2) "High priority consumer of natural gas" means a person so defined by the Commission by rules and regulation.

(3) "Independent producer" means a person, as determined by the Commission, (A) who is not affiliated with a person engaged in the transportation of natural gas in interstate commerce, and (B) who is not a producing division of such a person engaged in the transportation of natural gas in interstate commerce.

(4) "Propane" means (A) the chemical C_3H_8 in its commercial form whether recovered from natural-gas streams or crude oil refining, (B) the C_3H_8 component of raw domestic mixtures containing more than 10 percent of such component by weight, and (C) commercial propane-butane mixes containing by weight more than 10 percent of propane and not more than 5% of constituents other than propane or butane.

(5) "United States" means the States, the District of Columbia, Puerto Rico, and the territories and possessions of the United States.

(6) "Administrator" means the Administrator of the Federal Energy Administration.

(7) "Commission" means the Federal Power Commission.

EMERGENCY EXEMPTIONS

Sec. 104. Section 7(c) of the Natural Gas Act (15 U.S.C. 717f(c)) is amended by designating the two unnumbered paragraphs thereof as paragraphs (1) and (2), by deleting the period at the end of paragraph (2) as designated hereby, and inserting in lieu thereof the following: ": *Provided further,* That, within 15 days after the enactment of the Natural Gas Emergency Standby Act of 1975, the Commission shall by regulation exempt from the provisions of this Act, except for reporting requirements, any activities, operations, facilities or services relating to the transportation, sale and delivery, transfer or exchange of natural gas from any source, other than any offshore federal lands, by an independent producer, a natural-gas company which transports natural gas in interstate commerce or a natural-gas producing affiliate of such company, a person who transports natural gas in other than interstate commerce or a natural-gas producing affiliate of such a person, or a natural-gas distributing company to or with a natural-gas company which transports natural gas in interstate commerce which does not have or which under reasonably foreseeable circumstances may not have a sufficient supply of natural gas to meet the requirements of its high-priority customers of natural gas and which is curtailing during the heating season from November 1975 through March 1976 pursuant to a curtailment plan on file with the Commission. Exemptions granted pursuant to this proviso shall be for periods of no more than 180 consecutive days. Persons who are exempt under section 1 (b) or (c) of the Natural Gas Act shall not have their exempt status affected in any way by making the sales or deliveries contemplated by this subsection: *Provided further,* That the Commission shall have no power to deny, in whole or in part, recovery by any natural-gas company in its jurisdictional rates of the amount paid by it for natural gas delivered to it pursuant to sales and contracts as described herein, except to the extent that an interstate transporter purchases natural gas from an affiliate at a rate in excess of the price paid by the transporter to nonaffiliated sellers in comparable sales transactions: *Provided further,* That natural gas sold and delivered or transported pursuant to any exemption granted under section 104 of the Natural Gas Emergency Standby Act of 1975 shall not be or become subject to the jurisdiction of the Commission because of such sale or delivery or transportation whether or not such sale is a sale for resale in interstate commerce or such transportation is in interstate commerce.".

PROHIBITION OF THE USE OF NATURAL GAS AS BOILER FUEL

Sec. 105. (a) The purpose of this section is to continue the conservation of natural gas and petroleum products by fostering the use of coal by powerplants and major fuel burning installations, and if coal cannot be utilized, to provide authority to prohibit the use of natural gas when petroleum products can be substituted.

(b) The Administrator may, by order, prohibit any powerplant or major fuel burning installation from burning natural gas if—

(1) the Administrator determines that—

(A) such powerplant or installation had on June 30, 1975 (or at any time thereafter) the capability and necessary plant equipment to burn petroleum products, coal or derivatives thereof,

(B) the burning of petroleum products, coal or derivatives thereof by such powerplant or installation in lieu of natural gas is practicable,

(C) petroleum products, coal or derivatives thereof will be available during the period such order is in effect,

(D) with respect to powerplants, the prohibition under this subsection will not impair the reliability of service in the area served by the plant,

(E) the prohibition under this subsection will result in making natural gas available for sale to a natural-gas company which transports gas in interstate commerce and which does not have adequate quantities of natural gas to meet the requirements of its high-priority consumers and which is curtailing pursuant to a curtailment plan on file with the Commission, and

(2) the Administrator of the Environmental Protection Agency has not certified to the Administrator within 15 days of the issuance of such order that its implementation will violate the Clean Air Act (42 U.S.C. 1857 et seq.) (including applicable implementation plans).

(b) The Administrator may specify in any order issued pursuant to subsection (a) of this section the periods of time during which such order will be in effect and the quantity or rate of use of natural gas that may be burned by a powerplant or major fuel burning installation during such periods, including the burning of natural gas to meet peaking load requirements: *Provided, however,* That no order issued pursuant to this section shall extend beyond April 15, 1976.

(c) The administrator shall exempt from any order issued pursuant to subsection (a) of this section the burning of natural gas for the necessary processes of ignition, startup, testing, and flame stabilization by a powerplant or major fuel burning installation.

(d) The Administrator shall also exempt from any rule under this section the burning of natural gas by powerplants for the purpose of operating pollution abatement systems.

(e) The Administrator shall modify or suspend any order issued pursuant to subsection (a) of this section to the extent necessary to alleviate short-term air quality emergencies or any other danger to the public health, safety, or welfare.

(f) Any order issued pursuant to this section shall provide for just compensation of the facility and transporter affected by such order. Such compensation is (i) to be measured by the increased costs, if any, incurred by a powerplant or major fuel burning installation and the loss of revenue, if any incurred by a transporter as a result of such order, and (ii) to be paid ultimately through increased rates and charges by those users, in proportion to the volumes of natural gas consumed by such users, who are determined by the Commission to benefit as a result of such order: *Provided, however,* That nothing contained in this subsection shall be construed to extend the jurisdiction of the Commission under section 2 of the Natural Gas Act, as redesignated by the Natural Gas Act Amendments of 1975 (15 U.S.C. 717). For the purposes of this subsection, the term "users" means high priority consumers of natural gas who consume natural gas transported by that natural-gas company which obtains the natural-gas supplies made available for nonboiler fuel use by an order issued pursuant to this section.

(g) The Administrator and the Commission shall have authority to issue such rules and orders applicable to any person as the Administrator or the Commission determines are necessary or appropriate to carry out the provisions of this section.

PROPANE STANDBY ALLOCATION AUTHORITY

SEC. 106. (a) Upon finding that shortages of natural gas exist or are imminent and upon finding that such shortages or potential shortages constitute a threat to the public health, safety, or welfare, the President is authorized to issue such orders and regulations as he deems appropriate to provide, consistent with subsection (d) of this section, for the establishment of priorities of use and for equitable allocation and distribution of propane to classes of consumers, who are historical users of propane, and where energy and feedstock needs have historically been met through the use of propane, and equitable pricing of propane, in order to meet the essential needs of various sections of the United States, to lessen anticompetitive effects resulting from shortages of natural gas and to provide sufficient incentive to maximize the extraction and production of propane. Such orders and regulations shall be consistent with the allocation provisions of section 4 of the Emergency Petroleum Allocation Act of 1973, as amended (15 U.S.C. 753).

(b)(1) Whoever violates any order or regulation under this section shall be subject to civil penalty of not more than $2500 for each violation.

(2) Whoever willfully violates any order or regulation under this section shall be fined not more than $5,000 for each violation.

(3) Any person or agency to whom the President has delegated his authority pursuant to subsection (j) of this section may issue such orders and notices as are deemed necessary to insure compliance with any order or regulation issued pursuant to subsection (a) of this section or to remedy the effects of any such orders or regulations.

(c) There shall be available as a defense to any action brought under the antitrust laws, or for breach of contract in any Federal or State court arising out of delay or failure to provide, sell, or offer for sale or exchange any product covered by this section that such delay or failure was caused solely by compliance with the provisions of this section or with any regulations or any orders issued pursuant to this section.

(d)(1) Subject to paragraphs (2), (3), and (4) of this subsection, which shall apply to any rule, regulation, or order having the applicability and effect of a rule as defined in section 551(4) of title 5, United States Code, except as to the requirements of sections 552, 553, and 555(e) of title 5, United States Code.

(2) Notice of any proposed rule, regulation, or order described in paragraph (1) of this subsection shall be given by publication of such proposed rule, regulation, or order in the Federal Register. In each case, a minimum of 10 days following such publication shall be provided for opportunity to comment; except that the requirements of this paragraph as to time of notice and opportunity to comment may be waived where strict compliance is found to cause serious harm or injury to the public health, safety, or welfare, and such finding is set out in detail in such rule, regulation, or order.

(3) In addition to the requirements of paragraph (2) of this subsection, if any rule, regulation, or order described in paragraph (1) of this subsection is likely to have a substantial impact on the Nation's economy or large numbers of individuals or businesses, an opportunity for oral presentation of views, data, and arguments shall be afforded. To the maximum extent practicable, such opportunity shall be afforded prior to the issuance of such rule, regulation, or order, but in all cases such opportunity shall be afforded no later than 45 days after the issuance of any such rule, regulation, or order. A transcript shall be kept of any oral presentation.

(4) The President or any officer or agency authorized to issue the rules, regulations or orders described in paragraph (1) of this subsection shall provide for the making of such adjustments, consistent with the other purposes of this section, as may be necessary to prevent particular hardship, inequity, or unfair distribution of burdens and shall, by rule, establish procedures which are available to any person for the purpose of seeking an interpretation, modification, rescission of, exception to, or exemption from such rules, regulations, and orders. If such person is aggrieved or adversely affected by the denial of a request for such action under the preceding sentence, he may request a review of such denial by the President or the officer or agency to whom he has delegated his authority pursuant to subsection (j) of this section and may obtain judicial review in accordance with subsection (e) of this section when such denial becomes final. The President or such officer or agency shall, by rule, establish appropriate procedures, including a hearing where deemed advisable, for considering such requests for action under this paragraph.

(e)(1) The district courts of the United States shall have exclusive original jurisdiction of cases or controversies arising under this section or under regulations or orders issued thereunder, notwithstanding the amount in controversy; except that nothing in this paragraph or in paragraph (7) of this subsection shall affect the power of any court of competent jurisdiction to consider, hear, and determine any issue by way of defense (other than a defense based on the constitutionality of this section or the validity of action taken by any agency under this section) raised in any proceeding before such court. If in any such proceeding an issue by way of defense is based on the constitutionality of this section or the validity of actions taken under this secton, the case shall be subject to removal by either party to a district court of the United States in accordance with the applicable provisions of chapter 89 of title 28, United States Code.

(2) Except as otherwise provided in this section, exclusive appellate jurisdiction is vested in the Temporary Emergency Court of Appeals, a court which is currently in existence, but which is independently authorized by this section. The court, a court of the United States shall consist of three or more judges to be designated by the Chief Justice of the United States from judges of the United States district courts and circuit courts of appeals. The Chief Justice of the United States shall designate one of such designated judges as chief of the Temporary Emergency Court of Appeals, and may, from time to time, designate additional judges for such court and revoke previous designations. The chief judge may, from time to time, divide the court into divisions of three or more members, and any such division may render judgment as the judgment of the court. Except as provided in subparagraph (B) of paragraph (5) of this subsection, the court shall not have power to issue any interlocutory decree staying or restraining in whole or in part any provision of this section, or the effectiveness of any regulation or order issued thereunder. In all other respects, the court shall have the powers of a circuit court of appeals with respect to the jurisdiction conferred on it by this section. The court shall exercise its powers and prescribe rules governing its procedure in such manner as to expedite the determination of cases over which it has jurisdiction under this section. The court shall have a seal, hold sessions at such places as it may specify, and appoint a clerk and such other employees as it deems necessary and proper.

(3) Appeals from the district courts of the United States in cases or controversies arising under regulations or orders issued under this section shall be taken by the filing of a notice of appeal with the Temporary Emergency Court of Appeals within 30 days of the entry of judgment by the district court.

(4) In any action commenced under this section in any district court of the United States in which the court determines that a substantial constitutional issue exists, the court shall certify such issue to the Temporary Emergency Court of Appeals. Upon such certification, the Temporary Emergency Court of Appeals shall determine the appropriate manner of disposition which may include a determination that the entire action be sent to it for consideration or it may, on the issues certified, give binding instructions and remand the action to the certifying court for further disposition.

(5)(A) Subject to subparagraph (B) of this paragraph, no regulation of any agency exercising authority under this section shall be enjoined or set aside, in whole or in part, unless a final judgment determines that the issuance of such agency was in excess of the agency's authority, was arbitrary and capricious, or was otherwise unlawful under the criteria set forth in section 706(2) of title (5), United States Code, and no order of such agency shall be enjoined or set aside, in whole or in part, unless a final judgment determines that such order is in excess of the agency's authority, or is arbitrary or capricious, or is based upon findings which are not supported by substantial evidence.

(B) A district court of the United States or the Temporary Emergency Court of Appeals may enjoin temporarily or permanently the application of a particular regulation or order issued under this section to a person who is a party to litigation before it. Except as provided in this paragraph, no interlocutory or permanent injunction restraining the enforcement, operation, or execution of this section, or any regulation or order issued thereunder, shall be granted by any district court of the United States or judge thereof. Any such court shall have jurisdiction to declare (i) that a regulation of an agency exercising authority under this section is in excess of the agency's authority, is arbitrary or capricious, or is otherwise unlawful under the criteria set forth in section 706(2) of title 5, United States Code, or (ii) that an order of such agency is invalid upon a determination that the order is in excess of the agency's authority, or is arbitrary or capricious, or is based upon findings which are not supported by substantial evidence. Appeals from interlocutory decisions by a district court of the United States under this subparagraph may be taken in accordance with the provisions of section 1292 of title 28, United States Code; except that reference in such section to the courts of appeals shall be deemed to refer to the Temporary Emergency Court of Appeals.

(6) The effectiveness of a final judgment of the Temporary Emergency Court of Appeals enjoining or setting aside in whole or in part any provision of this section, or any regulation or order issued thereunder shall be postponed until the expiration of time for filing a writ of certiorari. If such petition is filed, the effectiveness of such judgment shall be postponed until an order of the Supreme Court denying such petition becomes final, or until other final disposition of the action by the Supreme Court.

(7) Within 30 days after entry of any judgment or order by the Temporary Emergency Court of Appeals, a petition for a writ of certiorari may be filed in the Supreme Court of the United States, and thereupon the judgment or order shall be subject to review by the Supreme Court in the same manner as a judgment of a United States court of appeals as provided in section 1254 of title 28, United States Code. The Temporary Emergency Court of Appeals, and the

Supreme Court upon review of judgments and orders of the Temporary Emergency Court of Appeals, shall have exclusive jurisdiction to determine the constitutional validity of any provisions of this section or of any regulation or order issued under this section. Except as provided in this paragraph, no Federal or State court shall have jurisdiction or power to consider the constitutional validity of any provisions of this section or of any such regulation or order, or to stay, restrain, enjoin, or set aside, in whole or in part, any provision of this section authorizing the issuance of such regulations or orders or any provision of any such regulation or order, or to restrain or enjoin the enforcement of any such provision.

(f) Whenever it appears to any person or agency authorized by the President pursuant to subsection (j) of this section that any individual or organization has engaged, is engaged, or is about to engage in any acts or practices constituting a violation of any order or regulation, under this section, such person or agency may request the Attorney General to bring an action in the appropriate district court of the United States to enjoin such acts or practices, and upon a proper showing, a temporary restraining order or a preliminary or permanent injunction shall be granted without bond. Any such court may also issue mandatory injunctions commanding any person to comply with any such order or regulation. In addition to such injunctive relief, the court may also order restitution of moneys, received in violation of any such order or regulation.

(g) (1) An agency or person exercising authority pursuant to subsection (j) of this section shall have authority, for any purpose related to this section, to sign and issue subpenas for the attendance and testimony of witnesses and the production of relevant books, papers, and other documents, and to administer oaths.

(2) Upon presenting appropriate credentials and a written notice to the owner, operator, or agency in charge, any agency or person exercising authority pursuant to subsection (j) of this section may enter any business premise or facility and inspect, at reasonable times and in a reasonable manner any such premise or facility, inventory and sample any stock of energy resources therein, and examine and copy books, records, papers, or other documents in order to obtain information as necessary or appropriate for the proper exercise of functions under this section and to verify the accuracy of any such information.

(3) Witnesses summoned under the provisions of this section shall be paid the same fees and mileage as are paid to witnesses in the courts of the United States. In case of refusal to obey a subpena served upon any person under the provisions of this subsection, the agency or person authorizing such subpena may request the Attorney General to seek the aid of the district court of the United States for any district in which such person is found to compel such person, after notice, to appear and give testimony, or to appear and produce documents before the agency or person.

(h) Any person suffering legal wrong because of any act or practice arising out of this section, or any order or regulation issued pursuant thereto, may bring an action in a district court of the United States, without regard to the amount in controversy, for appropriate relief, including an action for a declaratory judgment, writ of injunction (subject to the limitations in subsection (e) of this section), or damages.

(i) Section 5(b) of the Federal Energy Administration Act of 1974 (15 U.S.C. 763(b)) is amended by adding the word "and" after the semicolon in paragraph 10; by deleting paragraph 11; and by redesignating paragraph 12 as paragraph 11.

(j) The President may delegate the performance of any function under this section to such offices, departments, and agencies of the United States as he deems appropriate.

(k) No law, rule, regulation, order, or ordinance of any State, or municipality in effect on the date of enactment of this title, or which may become effective thereafter, shall be superseded by any provision of this section or any rule, regulation, or order issued pursuant to this section except insofar as such law, rule, regulation, order, or ordinance is inconsistent with the provisions of this section, or any rule, regulation, or order issued thereunder.

EXPIRATION DATE

Sec. 107. (a) This title shall expire on midnight, April 15, 1976.

(b) The expiration of this title and the authority granted under this title shall not affect any action or pending proceedings not finally determined on the date of such expiration, or any action or proceeding based upon any act committed prior to such date.

TITLE II—NATURAL GAS ACT AMENDMENTS

Sec. 201. This title may be cited as the "Natural Gas Act Amendments of 1975".

Sec. 202. The Natural Gas Act (15 U.S.C. 717 *et seq.*) is amended by (1) striking out section 24 thereof (15 U.S.C. 717w); and (2) amending section 1 thereof by redesignating subsections (a), (b), and (c) as subsections (b), (c), and (d), respectively, and inserting therein the following new subsection:

"(a) This act may be cited as the 'Natural Gas Act'."

Sec. 203. Section (c) of the Natural Gas Act, as redesignated by this title (15 U.S.C. 717(b)), is amended (1) by deleting "The" at the beginning thereof and by inserting in lieu thereof immediately after "(c)" the following: "(1) Except as provided in paragraph (2) of this subsection, the"; and (2) by inserting at the end thereof the following new paragraph:

"(2) Subject only to the provisions of section 24 of this Act, after the effective date of the Natural Gas Act Amendments of 1975, the authority of the Commission to regulate the sale of natural gas to a natural-gas company for resale in interstate commerce pursuant to this Act shall cease to exist with respect to, and shall not apply to, new natural gas: *Provided, however*, That nothing contained in the Natural Gas Act Amendments of 1975 shall modify or affect the authority of the Commission in effect prior to the date of enactment of such amendments to (A) regulate the transportation in interstate commerce of natural gas or the sale in interstate commerce for resale of old natural gas, or (B) regulate sales for resale of natural gas by any natural gas company which transports natural gas in interstate commerce or by an affiliate thereof which transports natural gas in interstate commerce".

Sec. 204. (a) Section 2 of the Natural Gas Act (15 U.S.C. 717a) is amended by redesignating paragraphs (7) through (9) as paragraphs (12) through (14), and by inserting the following new paragraphs:

"(7) 'Boiler fuel use of natural gas' means the use of natural gas as the source of fuel in a generating unit of more than 25 megawatts rated net generating capacity or in any unit which is part of an electric utilities system with a total net generating capacity of more than 150 megawatts for the purpose of generating electricity for distribution.

"(8) 'New natural gas' means natural gas sold or delivered in interstate commerce (A) which is dedicated to interstate commerce for the first time on or after January 1, 1976, or (B) which is continued in interstate commerce after the expiration of a contract by its own terms (and not through the exercise of any power to terminate or renegotiate contained therein) for the sale or delivery of such natural gas existing as of such date, or (C) which is produced from wells commenced on or after January 1, 1976.

"(9) 'Old natural gas' means natural gas other than new natural gas.

"(10) 'Affiliate' means any person directly or indirectly controlling, controlled by, or under common control or ownership with any other person, as determined by the Commission pursuant to its rulemaking authority.

"(11) 'Offshore federal lands' means any land or subsurface area within the Outer Continental Shelf, as defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a))."

Sec. 205. (a) Section 4(a) of the Natural Gas Act (15 U.S.C. 717c(a)) is amended by adding at the end thereof the following new sentence: "The rates and charges made, demanded, or received by any natural-gas company for, or in connection with, a contract for the sale of new natural gas produced from offshore federal lands shall be deemed to be just and reasonable, if they do not exceed the applicable national ceiling, established by regulation of the Commission or subsequently modified by the Commission pursuant to section 24 of this Act, in effect at the time when such new natural gas is either first sold or first transferred under such contract to a natural-gas company: *Provided, however*, That rates and charges in excess of such national ceiling may be authorized by the Commission to provide special relief to meet extraordinary expenses that could not be anticipated at the time the national ceiling was established or modified.".

(b) Section 4(e) of the Natural Gas Act (15 U.S.C. 717c(e)) is amended by adding at the end thereof the following new sentence: "Notwithstanding the foregoing, the Commission shall have no power (1) to deny, in whole or in part, any rate or change made, demanded, or received by any natural-gas company for, in connection with, the purchase or sale or new natural gas, or that portion of the rates and charges of such company which relates to such purchase or sale, except (A) to the extent that such rates or charges, or such portion thereof, for new natural gas produced from offshore Federal lands exceed the national ceiling, established or modified by regulation of the Commission pursuant to section 24 of this Act, or (B) in any case where a natural-gas company purchases natural gas from an affiliate or produces natural gas from its own properties, to the extent that the Commission determines that the rates and charges therefor exceed the current rates and charges, or portion thereof, made, demanded or received for comparable sales by any person who is not affiliated with any natural-gas company; or (2) to order a decrease in the rate or charge made, demanded, or received for the sale or transfer of old natural gas by a natural-gas company if such rate or charge shall have been previously determined or deemed to be just and reasonable pursuant to that Act.".

Sec. 206. Section 5(a) of the Natural Gas Act (15 U.S.C. 717d(a)) is amended by striking the period at the end thereof and by adding the following: *Provided further*, That the Commission shall have no power (1) to deny, in whole or in part, any rate or charge made, demanded or received by any natural-gas company for, or in connection with, the purchase or sale of new natural gas, or that portion of the rates and charges of such company which relates to such purchase or sale, except (A) to the extent that such rates or charges, or such portion thereof, for new natural gas produced from offshore Federal lands exceed the national ceiling, established or modified by the Commission pursuant to section 4 of this Act, or (B) in any case where a natural-gas company purchases natural gas from an affiliate or produces natural gas from its own properties, to the extent that the Commission determines that the rates and charges therefor exceed the current rates and charges, or portion thereof, made, demanded, or received for comparable sales by any person who is not affiliated with any natural-gas company; or (2) to order a decrease in the rate or charge made, demanded, or received for the sale or transfer of old natural gas by a natural-gas company if such rate or charge shall have been previously determined or deemed to be just and reasonable pursuant to this Act.".

Sec. 207. Section 14 of the Natural Gas Act (15 U.S.C. 717m) is amended by adding at the end thereof the following new subsection:

(h)(1) The Commission is further authorized and directed to conduct studies of the production, gathering, storage, transportation, distribution, and sale of natural, artificial, or synthetic gas, however produced, throughout the United States and its possessions whether or not otherwise subject to the jurisdiction of the Commission, including the production, gathering, storage, transportation, distribution, and sale of natural artificial or synthetic gas by any agency, authority, or instrumentality of the United States, or of any State or municipality or political subdivision of a State. It shall, insofar as practicable, secure and keep current information regarding the ownership, operation, management, and control of all facilities for production, gathering, storage, transportation, distribution, and sale; the total estimated natural gas reserves of fields or reservoirs and the current utilization of natural gas and the relationship between the two; the cost of production, gathering, storage, transportation, distribution, and sale; the rates, charges, and contracts in respect to the sale of natural gas and its service to residential, rural, and commercial and industrial consumers, and other purchasers by private and public agencies; and the relation of any and all such facts to the development of conservation, industry, commerce, and the national defense. The Commission shall report to Congress and may publish and make available the results of studies made under the authority of this subsection.

"(2) In making studies, investigations, and reports under this section, the Commission shall utilize, insofar as practicable, the services, studies, reports, information, and programs of existing departments, bureaus, offices, agencies, and other entities of the United States, of the several States, and of the natural-gas industry, but such studies, investigations, and reports shall be based on information developed, or completely reviewed for accuracy, after the date of enactment of this subsection. Nothing in this section shall be construed as modifying, reassignment, or otherwise affecting the investigative and reporting activities, duties, powers, and functions of any other department, bureau, office, or agency in the Federal Government.

"(3) In order to assist in determining necessary actions to eliminate the national emergency which exists with respect to natural gas supplies the Commission shall carry out and complete, not later than 90 days after the date of enactment of this subsection, an initial such study with respect to the total estimated natural gas reserves of fields and reservoirs and the current utilization of natural gas and the relationship between the two. Such study shall include specific estimates for individual fields and reservoirs but shall not include reserves controlled by small producers. On January 1, 1977, and at the beginning of each calendar year thereafter until December 31, 1981, the Commission shall, within the following 90-day period, complete a review of the previous study and revise the results thereof to the extent necessary. A report of such initial study and each such review shall be made, within the time provided for completion thereof, to the President and the Congress.".

Sec. 208. The Natural Gas Act, as amended by this title, is further amended by adding at the end thereof the following heading and three new sections:

"NATIONAL CEILING FOR RATES AND CHARGES

"Sec 24. (a) The Commission shall, as soon as practicable after the date of enactment of the Natural Gas Act Amendments of 1975, and pursuant to rulemaking procedures under section of 553 of title 5, United States Code, establish by regulation, and may from time to time modify a national ceiling for rates and charges for the sale or transfer in interstate commerce by any person of new natural gas produced from offshore Federal lands on or after January 1, 1976, through December 31, 1980. Inestablishing such national ceiling the Commission shall consider the following factors and only these factors:

"(1) the prospective costs attributable to the exploration, development, production, gathering, and sale of natural gas;

"(2) the rates and charges necessary to encourage the optimum levels of (A) the exploration for natural gas, (B) the development, production, and gathering of natural gas, and (C) the maintenance of proved reserves of natural gas;

"(3) the promotion of sound conservation practices in natural gas consumption necessary to contribute to the maintenance of a supply of energy resources at reasonable prices to consumers; and

"(4) the rates and charges that will protect consumers of natural gas from price increases that would, in the absence of a national ceiling during periods of actual or anticipated shortages, exceed the rates and charges necessary to achieve the objectives of paragraphs (1) through (3) of this subsection.

"(b) The Commission shall monitor the national ceiling for rates and charges for the sale or transfer in interstate commerce by any person of new natural gas, and during the period such ceiling is in effect, commencing on July 1, 1976, the Commission shall report to the Congress not less than annually on the effectiveness of such national ceiling in meeting the factors set forth in subsection (a) of this section.

"(c) The Commission may authorize a person to charge an amount in excess of such national ceiling for new natural gas produced from offshore federal lands from any high cost production area or vertical drilling depth as designated by the Commission pursuant to its rulemaking authority. In establishing such amount in excess of such national ceiling, the Commission shall consider the factors set forth in subsection (a) of this section and only those factors.

"(d) Any contract entered into after the date of enactment of the Natural Gas Act Amendments of 1975 for the sale of new natural gas for resale which involves the receipt by the seller of funds in advance of production of the natural gas covered by such contract shall be filed with the Commission at least 60 days in advance of deliveries thereunder. The Commission may thereafter require, after notice and opportunity for hearing, that the sales rate specified in such contract be reduced or modified as necessary to repay in full to the advancing party the principal of the advance and any interest thereon, upon such terms and conditions as the Commission may determine proper in the public interest.

"(e) Within 30 days after the enactment of the Natural Gas Act Amendments of 1975 and on January 1 of each year thereafter until the establishment of the national ceiling pursuant to subsection (a) of this section by a final Commission order which is no longer subject to judicial review, the Commission shall establish an interim national ceiling for rates and charges for the sale or transfer in interstate commerce by any person of new natural gas produced from offshore Federal lands which shall be equivalent to the average dollar valuation per barrel of crude oil used by the United States Geological Survey or its successor in computing the royalties due to the United States on account of crude oil produced from all Federal lands during the calendar month ending 30 days prior to such computation. Such interim national ceiling shall be expressed in one million British thermal units and shall be determined by dividing such average dollar valuation per barrel of crude oil by 5.8. Such interim national ceiling shall cease to have effect on the date of the establishment of the national ceiling pursuant to subsection (a) of this section by final Commission order which is no longer subject to judicial review, such national ceiling shall apply to the sale or transfer in interstate commerce of all new natural gas produced from offshore Federal lands whether or not contracted for prior to the date of such establishment: *Provided, however,* That the Commission shall have no power to order a reduction in the rates and charges for the sale of new natural gas produced from offshore Federal lands and contracted for prior to the date of the establishment of such national ceiling below the interim ceiling price in effect on such date.

"NATURAL GAS FOR ESSENTIAL AGRICULTURE PURPOSES

"Sec. 25. (a) Except to the etxent that natural-gas supplies are required to maintain natural-gas service to residential users, small users, hospitals, and similar services vital to public health and safety, and notwithstanding any other provision of law or of any natural-gas allocation or curtailment plan in effect under existing law, the Commission shall, by rule, prohibit any interruption or curtailment of natural gas and take such other steps as are necessary to assure as soon as practicable the availability in interstate commerce of sufficient quantities of natural gas for use for any essential agricultural, food processing, or food packaging purpose for which natural gas is essential, including but not limited to irrigation pumping, crop drying, use as a raw material foodstock or process fuel in the production of fertilizer and essential agricultural chemicals in existing plants (for present or expanded capacity) and in new plants. The Secretary of Agriculture shall determine by rule the agricultural, food processing, or food packaging purposes for which natural gas is essential. The Secretary of Agriculture shall also certify to the Commission the amount of natural gas which is necessary for such essential uses to meet requirements for full food and fiber production.

"ESSENTIAL INDUSTRIAL PURPOSES

"(b) Except to the extent that natural gas supplies are required to maintain natural-gas service to users specified under subsection (a), the Commission shall exercise its authority under this title to assure, to the maximum extent feasible, the continuance of natural gas service to users using natural gas as a raw material and for purposes other than boiler fuel for which there is no available substitute regardless of whether such users purchase natural gas under firm or interruptible contracts.

"NATURAL GAS CONSERVATION

"Sec. 26. (a) Except as provided in subsection (d) of this section, the Commission shall by rule prohibit boiler fuel use of natural gas affecting commerce not contracted for prior to January 1, 1976, unless, upon petition by the user, the Commission determines that—

"(1) alternative fuels, other than crude oil or products refined therefrom and propane, are not available to such user; or

"(2) it is not feasible or practicable to utilize such alternative fuels at the time of such Commission determination.

"(b) Except as provided in subsection (d) of this section, boiler fuel use of natural gas contracted for prior to January 1, 1975, shall be terminated by the user of such natural gas at the expiration of such contract or 12 years after the date of enactment of the Natural Gas Act Amendments of 1975, whichever is earlier, unless, upon petition of such user, the Commission determines that (1) alternative fuels, other than crude oil or products therefrom and propane, are not available to such user, or (2) it is not feasible or practicable to utilize such alternative fuels at the time of such Commission determination. The Commission shall modify or terminate certificates of public convenience and necessity relating to such contracts to the extent necessary to carry out the purpose of this subsection.

"(c) Except as expressly provided in subsection (b) of this section, the Commission or other federal agency, administration or department shall not (1) modify, amend, or abrogate contracts entered into prior to January 1, 1976, for the sale or transportation of natural gas for boiler fuel use; (2) modify, amend, or abrogate certificates of public convenience and necessity authorizing the sale or transportation of natural gas under such contracts, except upon application duly made by the holder of a certificate under section 7 of this Act; or (3) prevent, impair, or limit, either directly or indirectly, the performance of any such contract or certificate: *Provided, however,* That the provisions of this subsection shall not otherwise modify or affect the authority of the Commission under this Act.

"(d) The Commission shall also exempt from any rule under this section the burning of natural gas by powerplants for the purpose of operating pollution abatement systems.

"(e) The Commission shall not prohibit the boiler fuel use of natural gas for the necessary processes of ignition, startup, testing, and flame stabilization by a facility, or for the purpose of alleviating short-term air quality emergencies or any other danger to the public health, safety, or welfare.

"(f) In implementing the provisions of this section, the Commission shall, to the extent necessary, apply the provisions of section 17 of this Act.

"(g) Nothing in this section shall impair any requirement in any State or Federal law pertaining to safety or environmental protection. The Commission, in determining feasibility or practicality where required by this section, shall not assume that there will be any lessening in any safety or environmental requirement established pursuant to State or Federal law.".

SEC. 209. Section 2 of the Natural Gas Act as designated by this Act (15 U.S.C. 717), is amended by inserting at the end thereof a new subsection as follows:

"(d) Nothing in this Act shall prevent the intrastate transportation of natural gas first sold in commerce after the date of enactment of this subsection in an interstate pipeline as long as such intrastate transportation does not prevent service necessary to meet the requirements of interstate consumers and the rates for such transportation reflect the fully distributive costs of the interstate facilities used therein, and the provisions of this Act shall not apply to any such intrastate transportation or the facilities utilized in such service.".

Mr. KRUEGER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment in the nature of a substitute be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. OTTINGER. Mr. Chairman, I reserve the right to object.

Mr. DINGELL. I note the same reservation, Mr. Chairman.

Mr. OTTINGER. Reserving the right to object, Mr. Chairman, I wonder if the gentleman can explain to us the differences between this amendment which he is now offering and that which originally was printed in the RECORD.

Mr. KRUEGER. Mr. Chairman, will the gentleman yield?

Mr. OTTINGER. I yield to the gentleman from Texas.

Mr. KRUEGER. I thank the gentleman for yielding.

The amendment which is now being read is the amendment which was printed in the RECORD on December 8, 1975.

Mr. OTTINGER. Why is the gentleman offering a substitute, and where does the substitute come from?

Mr. KRUEGER. If the gentleman will yield further, the rule requires offering an amendment in the nature of a substitute. That is the way in which the rule was granted.

Mr. OTTINGER. This is a substitute for the committee bill, and it is exactly the same as the substitute which was printed in the RECORD?

Mr. KRUEGER. If the gentleman will yield further, I am offering a substitute.

Mr. OTTINGER. For the gentleman's own bill?

Mr. KRUEGER. No.

Mr. OTTINGER. The gentleman is offering a substitute for the committee bill?

Mr. KRUEGER. As provided under the rule.

Mr. OTTINGER. This is a substitute for the committee bill? It is not a substitute for what was originally printed?

Mr. KRUEGER. No, no.

Mr. OTTINGER. That is the clarification I desire. I thank the gentleman.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

PARLIAMENTARY INQUIRY

Mr. DINGELL. Continuing my reservation of objection, Mr. Chairman, first of all, I have a parliamentary inquiry. Was it the request that the amendment be considered as read and open to amendment at any point?

The CHAIRMAN. That is the pending matter. The Chair was about to put the question when the gentleman rose and said he reserved the right to object further.

Mr. DINGELL. I just want to be sure that I understand the unanimous consent request properly.

Mr. KRUEGER. Mr. Chairman, I do ask unanimous consent that the amendment be open for amendment at any point.

The CHAIRMAN. Let me say in clarification the unanimous-consent request that the gentleman made was that the amendment be considered as read and printed in the RECORD, and it automatically will be open for amendment at any point.

Mr. DINGELL. No, Mr. Chairman. Then continuing my reservation of the right to object, I would like to have the assurance of the gentleman from Texas that this is precisely the same amendment which was offered by him and printed in the RECORD on the date described in the rule.

Mr. KRUEGER. The gentleman has my assurance.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. DINGELL. I do not object, Mr. Chairman.

There was no objection.

Mr. DINGELL. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BOLLING, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 9464) to assure the availability of adequate supplies of natural gas during the period ending June 30, 1976, had come to no resolution thereon.

GENERAL LEAVE

Mr. DINGELL. Mr. Speaker, I ask unanimous consent that all Members may have until 9 o'clock tonight to revise and extend their remarks and include therein extraneous matter on the bill (H.R. 9464).

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

PERMISSION TO FILE AMENDMENTS ON H.R. 9464

Mr. DINGELL. Mr. Speaker, I ask unanimous consent that all Members may have until 9 o'clock tonight to file amendments on the bill (H.R. 9464) for publication in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

SOVIET JEWS FACE A DETERIORATING SITUATION IN 1976

(Mr. SCHEUER asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. SCHEUER. Mr. Speaker, in the 23 years from the founding of Israel in 1948 to the first World Conference for Soviet Jewry in 1971, an estimated 10,000 Jews were permitted to leave the Soviet Union. In the 5 years since that conference, some 112,000 Jews have received exit visas.

These two figures demonstrate the accelerating sense of Jewish consciousness in the U.S.S.R., the growing and urgent desire of Jews to leave Russia, and the very tangible effects of worldwide demands on official Kremlin policymakers to conform their practice both to their rhetoric and to their firm and binding international commitments. Withal, Soviet Jews face a deteriorating situation in 1976.

Despite Leonid Brezhnev's signature for the Soviet Union on the Helsinki Declaration of last summer—an accord which pledges a freer flow of people and ideas across international borders and the removal of obstacles to the reunification of families—and despite the Soviet Union's agreement to the United Nations Declaration of Human Rights which assures all people the right to free emigration, the year 1975 witnessed a sharp decline in the number of exit visas granted to Soviet Jews and a corresponding rise in intimidation and repression of Jews in the Soviet Union.

Indeed, Mr. Speaker, notwithstanding the Soviets signatures on these binding international agreements, the number of exit visas granted to Soviet Jews has declined from 35,000 in 1973 to only 13,000 in 1975—a sharp reduction of over 60 percent. However, a glimmer of hope remains for the nearly 3 million Jews of the U.S.S.R.

The Soviet Union has shown that it is now sensitive to prolonged exposure to the searching scrutiny of an aroused international community. On February 17 through 19 nearly 1,000 Jewish leaders from 50 countries around the world will join with Catholic and Protestant spokesmen at the Second World Conference for Soviet Jewry in Belgium. The success of the first Brussels Conference in 1971 in accelerating the granting of exit visas can easily be duplicated.

Therefore, I have introduced, along with our honorable colleagues from the other body, Mr. JACKSON and Mr. CASE, a concurrent resolution expressing the solidarity of the American people with the efforts to enlarge human freedom by the participants in the Brussels Conference later this month. I urge all our colleagues to support this resolution when it comes to the floor and I welcome all of my colleagues in joining as cosponsors of this resolution.

FREE RIDE OF BARGE COMPANIES

(Mr. **SKUBITZ** asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. **SKUBITZ**. Mr. Speaker, from time to time I have taken the floor to discuss the plight of the users of our Nation's waterways. I have pointed out that whereas the Federal Government has expended billions of dollars in construction, operation and maintenance of the waterways, the barge companies pay nothing to use them. I have pointed out that whereas other modes of transportation are heavily regulated by the Government, more than 90 percent of barge commerce is unregulated.

I now find myself in the unusual position of being supported by the New York Times. I want to call my colleagues' attention to an editorial of the Times published in the December issue of the Railroad Journal concerning the barge companies' free ride on the waterways. To that editorial I want to append a list of major barge companies and the corporation that actually owns them.

I am pleased to note that at long last an administration has had the courage to propose legislation that will provide that commercial waterway users pay a share of the Federal costs of providing and maintaining these facilities.

CALLS FOR MORE PAY FOR WATERWAYS USE

(NOTE.—The following is an editorial recently published by the New York Times)

TOLL THAT BARGE

Pity the poor users of the country's inland waterways. After decades of free riding, they face the possibility of having to pay a tax for enjoying a national right-of-way that has long been maintained for them by the federal government. Secretary of Transportation William T. Coleman Jr. urged such a fee in his generally excellent national transportation policy statement last month (September), and a similar proposal has been introduced in Congress.

Naturally, big commercial users of the waterways are highly resistant to the idea. The Mobil Oil Corporation recently advertised its opposition, harking back to the principle embodied in the Northwest Ordinance of 1787 that the waterways "shall be common highways, and forever free."

Never mind that what the framers of the Ordinance had in mind was freedom from the private monopolistic ownership of waterways, then prevalent in Europe; actually American users paid waterway tolls to the federal government well into the 1880s. In any case, neither the Ordinance nor any other national document committed the government to pay out billions of dollars over the decades for dams, dredging, locks and other free aids to commerce any more than the nation is committed to maintain tracks, signal systems and the like for privately owned railroads.

For certain kinds of freight, water barges are probably the cheapest carrier per ton-mile—as well as the cleanest and the most energy-efficient. They can still be the cheapest even if the users are subjected to a modest fee for all the facilities they enjoy. Since the taxpayer now foots the bill for those facilities anyhow, even the apparent low cost to the consumer should be reexamined; at least some of those improvements should be paid for by the shipper.

Mobil's ad is captioned "Ol' Man River could do a lot more totin'." So he could—particularly if Oil Man Mobil would do a little more payin'.

TABLE 1.—*Major regulated water carriers, their parent companies and parent company gross revenues*

[In millions]

CARRIER, PARENT, AND GROSS REVENUE

American Commercial Barge Lines, Inc., E. Texas Gas Transmission, $692.6.

Ohio River Co., Eastern Gas & Fuel Associates, $543.4.

Ohio Barge Line, U.S. Steel, $9,337.6.

Warrior & Gulf Navigation, U.S. Steel, $9,337.6.

Union-Mechling Barge Lines, Dravo Corporation, $579.6.

Valley Line, Chromalloy American, $789.0.

Federal Barge Line, Pott Industries.

Sioux City & New Orleans Barge Line, Henry Crown & Co.

Ingram Corporation, Ingram Materials, Inc.

TABLE 2.—*Independent small class one railroads and gross revenue*

[In millions]

Greenbay & Western Railroad	$10.0
Duluth, Winnipeg & Pacific Railroad	17.1
Auto Train	28.5
Richmond, Fredricksburg & Potomac Railroad	32.3
Maine Central railroad	34.1
Florida East Coast Railroad	52.1
Missouri-Kansas-Texas (Katy Railroad)	93.1

FOOD STAMP REFORM

(Mr. **WAMPLER** asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. **WAMPLER**. Mr. Speaker, the Washington Post of February 3, 1976, carries a "Letter to the Editor" from our distinguished minority whip, the Honorable BOB MICHEL, which articulates clearly for us the major priorities which ought to prevail in our food stamp reform legislation effort.

For many Members of Congress, the reform effort is a difficult one, for we are faced with a tremendous range of possible action—from cutting back or outright abolishing the program to expansion to the point of putting in place a guaranteed annual income. In my view, either extreme action would destroy the Food Stamp Act's original intent of providing an opportunity for a nutritionally adequate diet to low-income families.

I commend the position of my friend and colleague, Mr. MICHEL, for the consideration of every Member as we undertake reform of food stamps, our Nation's most visible form of public assistance:

CONSIDERATIONS IN FOOD STAMP REFORM

(By Bob Michel)

Practically everyone who looks into food stamp programs feels some changes are in order. But first, we ought to define what we are after.

I suggest the following list upon which liberals and conservatives alike might agree: First, the food stamp program ought to make it possible for every American to receive a nutritionally adequate diet. Second, it ought to do so with maximum efficiency and at minimum cost to the taxpayers. Third, it ought to do so in a way which minimizes opportunities for fraud, program abuse and inequities among recipients.

Some have suggested other goals. On the right, there are those who might prefer no program at all, and would seek in reform a first step toward dismantlement. Senator McGovern, on the other hand, testified recently in the Senate that some features of the bill he is sponsoring are designed to pave the way for a guaranteed annual income program. Still others may view the food stamps as a quasi-agricultural price support program.

My own view is that neither this nor any other legislative effort ought to be designed to further that sort of secondary purpose. If there are those who would abolish food stamps, they should propose to do so. If there are those who would propose a guaranteed annual income, they should introduce legislation to accomplish that purpose. Those who see a need for agricultural price supports ought to develop such a program, and offer it for the consideration of the Congress.

In other words, legislation should be straightforward. It should be what it says it is and not something else.

The first and paramount issue is this: Assuming there ought to be some maximum income limit for those getting food stamps, what should the limit be?

The President proposes to limit the gross monetary income for a family of four to $6250, or $6550 if a family member is over age 65. Senator Buckley's and my original bill set the limit, including the value of in-kind benefits, at $5050 (the officially defined poverty level). Senator McGovern's bill is claimed to have a cash income limitation of $7776 for a family of four, or $8075 if a member of the household is over age 60. But Senator McGovern's figure is misleading in that it neglects to include taxes and other payroll deductions which, when added in, place the true gross income limitation round $10,000.

The debate here, of course, is simply this: What is poverty? Beneath what income level is a family to be considered poor? Under present law, there is no gross income limit whatsoever, and all reformers seem convinced that there should be one. As rational people, then, we should be able to approach the problem in a spirit of compromise, as Senator Buckley and I have done in accepting the President's higher figure. On the other side, however, little if any willingness to compromise has been evidenced.

The second issue: Should recipients be required to put up any of their own money in order to receive food stamps?

This point is more complex than it might seem at first. Let me examine it by considering what the difference actually would mean to a recipient family of four. Suppose their income was $200 a month. Under the proposal of the President, they would be required to put up 30 per cent of that income, or $60, in return for which they would receive $166 worth of food stamps, which is enough to provide an adequate diet for that family, without their needing to spend another cent out of their pocket during that month.

Under Senator McGovern's plan, they would get their stamps for nothing. But, and this is the point to remember, they would not get as many stamps. Instead of $166 worth, they would get only $106. They would be forced to expend, out of resources which will surely dwindle as the month wears on, additional money in order to be nutritionally satisfied.

But the purchase requirement has the positive benefit of reserving for each family an adequate portion of their resources for food. Their food stamps, while they might of course be squandered on less than nutritionally adequate foodstuffs (no one has been able to solve that problem yet) must still be spent on food. It cannot be wasted on booze or bobby pins. It acts therefore as a positive incentive to nutrition, and thus relates directly to the first goal of the program in a way which the zero purchase requirement does not.

The third major issue is the so-called "notch" problem, and may be stated thus: Can the program be designed in such a way as to avoid there being, at some point on the income scale, an economic incentive to stay on the program?

This problem is the whole reason that formulae in welfare programs are so complicated. If one were to say that every family under $6000 annual income was eligible for, say, $150 a month worth of food stamps, and nobody above $6000 could get any, there would clearly be set up an incentive for a person not to earn one dollar more than $5999, since that dollar would cost him $1800 in food stamps. Critics of our bill have charged that we would create such a "notch."

At the time our bill was introduced, the full details of the Department of Agriculture's new "Thrifty Diet Plan," upon which the purchase formula was to be based, were not known, and the exact "notch" problem could not be calculated. Adjustments to minimize the effect of the "notch" are relatively easy to make, however, and I would anticipate that the Congress will be able to make them during the course of committee consideration of the bill.

For reasons quite apart from the eligibility formula, our bill is less prone to the problem. We require that able-bodied food stamp recipients register for work, engage in proven job search and accept employment if they are offered it. Thus they could not, by law, choose to remain in the program simply by declining employment. Neither could a person quit his job in order to qualify; we would make the voluntarily unemployed ineligible. For these reasons, the disincentive to working so feared by proponents of a guaranteed annual income is going to occur.

Whatever the formula, the key to avoiding the "notch" problem lies in work requirements carefully drawn and strictly enforced.

In addition to matters which pertain directly to the provisions of the various bills, there are other disagreements. One of these involves the question of abuse. For example, how many affluent persons are collecting food stamps? The simple truth is that nobody knows the answers to these questions because of the lack of reliable data on food stamp program. Senator McGovern's Select Committee, in an attempt to downplay the gravity of the high-income eligibility problem, issued a report on August 1 which stated that only 2 per cent of recipients had incomes above $9000. But the McGovern data is more than 2 years old, is based on net (after tax) income, and comes from a survey whose results are acknowledged to be highly questionable. More recent estimates have been much higher.

Moreover, the search for an exact figure is pointless. Everyone agrees that such high income people ought not to be eligible, and all reform bills would make them ineligible. If there is one such person, he should be striken from the rolls, and it makes little sense to engage in shouting matches about whose figures are more accurate.

Politics aside, the food stamp program must be reformed if we in the government are to be responsible. That is the real question, and the real challenge. Working toward that goal is the obligation of all who care about the poor—and the taxpayers.

RICHARD TODD

The **SPEAKER** pro tempore (Mr. Miller of California). Under a previous order of the House, the gentleman from Alabama (Mr. Edwards) is recognized for 5 minutes.

Mr. **EDWARDS** of Alabama. Mr. Speaker, I rise on this occasion to pay tribute to a fellow Alabamian who has gained national fame as a football player. I am speaking of Richard Todd, quarterback of the Crimson Tide of the University of Alabama.

Todd's recognition as an outstanding athlete stretches back to his high school days where he was captain of not only the football team but track and basketball as well. While attending Davidson High School, he was selected as one of the top three quarterbacks in America in a poll conducted by Parade magazine. It was known then that he would go on to even greater glory on the college gridiron and so he did.

Just this past year Todd quarterbacked the Alabama Crimson Tide football team to its fifth consecutive championship of the Southeastern Conference. He later led the Tide to its 13–6 victory over Penn State in the Sugar Bowl.

During the past 1975 season many singular honors have been bestowed upon Richard Todd. He was twice named the Southeastern Back of the Week for his outstanding performance in Alabama's victories over Auburn and Tennessee. Todd was later selected as quarterback on the AP and UPI 1975 All-SEC team. As a finale to his 1975 gridiron season Todd placed second in the bid for southeastern player of the year.

As if his athletic ability was not enough, Richard Todd has excelled in another area—that of a humanitarian. During the summer Richard devotes his free time to helping the youth program at the YMCA. At the University of Alabama he is very active in the Big Brother program. Another instance of his willingness to help those who are less fortunate was his participation in the Charlie Boswell Golf Benefit for the Blind.

Richard Todd has set an example which not only Alabamians but all Americans can take pride in. I think it only fitting that Mobile, Ala. declares March 12 as Richard Todd Day. May I take this opportunity to express my sincerest congratulations and acknowledge how proud all Alabamians are of Richard Todd.

FINANCING SOCIAL SECURITY BY INCREASING THE WAGE BASE FOR CONTRIBUTIONS

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. Whalen) is recognized for 5 minutes.

Mr. **WHALEN**. Mr. Speaker, today the gentleman from Iowa (Mr. Bedell) and I are reintroducing legislation which addresses the problem of social security financing and the regressivity of the social security payroll tax.

Our proposal would increase the wage base for contributions from $15,300 in 1976 to $22,200 in 1977, to $26,100 in 1978 and to $28,500 in 1979. The proposed wage base increases are phased in to avoid undue sudden pressure on those earning amounts over the present wage base limit for contributions and their employers who make matching contributions.

Social Security Administration and Library of Congress preliminary estimates indicate that in the first year this plan will bring in revenues at least equal to the $3.2 billion which would be raised by the proposal to increase the payroll tax by 0.3 percent. By the time the wage base would be increased to $28,500, approximately $8 billion in additional income could be anticipated. If the much awaited Social Security Administration Trustees' Report for this year is based on the assumptions used for the President's budget, it should show that projected deficits have not yet occurred, and in all probability in the next few years will not be of the magnitude which was anticipated in last year's predictions.

While there is, nevertheless, proper concern for the financial soundness of the Social Security Trust Fund, adoption of an increase in the wage base for contributions would avoid the necessity to infuse funds from the Federal Treasury or to increase the payroll tax at least for several years. The burden—and, unfortunately, there is always an additional burden—would be borne by those in middle- and upper-income brackets who are not presently paying social security taxes on 100 percent of their income, unlike lower wage earners—many of whom are already paying higher social security taxes than income taxes.

Director of the Office of Management and Budget James T. Lynn has stated that there are three alternatives to solving the problems of social security financing: To decrease benefits, to contribute from general revenues, or to adjust the tax rate.

Obviously, none of us would cut payments to those who are now living on social security—and are hard hit by the unprecedented spiraling inflation. Although we would not preclude a reexamination of the existent system of double indexing benefits.

We also seek to retain the self-financing principles which have been traditional in the system. Appropriation of general revenues would change the tenor of the program from the Nation's basic group income insurance and retirement system to just another "benefit," and the program could come to be regarded as welfare. Recipients of social security can now be proud of their income, they contributed to it. The social security trust fund must remain separate from general revenues. Nor should the earned right and wage related principles of the program be eroded.

Only the alternative of adjusting the tax rate remains acceptable. But what are the choices within this path? In the past the House Subcommittee on Social Security has explored many approaches and combinations thereof. These studies are readily available for concerned individuals to consider. However, it is immediately apparent that only one solution addresses the regressive nature of the tax while at the same time providing for greater financial integrity of the system. Mr. BEDELL and I contend that at this time this step alone is desirable and that our responsibility is to maintain a vigil over the fund. Then if previously anticipated deficits do indeed arise and continue over a sustained period—as is not yet the case—that future date is the time for consideration of subsidies from general revenues or perhaps even for an increase in the rate. But let us not be stampeded into drastic action before the facts are before us.

Last, increasing the wage base for contributions would alleviate the need for further restricting the amounts which may be earned by social security recipients before their benefits are reduced. The administration proposal to eliminate the monthly measure of earnings, estimated to bring in $155 million, would adversely affect approximately 200,000 older citizens who continue to work to supplement their income. These people are allowed to earn up to $230 every month before their social security payments are reduced. There is no limit to the amount a person may receive from investments, rents, and pension funds, however. Thus, we penalize those who try to supplement their social security income by working. Must we consider further tightening those restrictions by providing only a yearly measure of earnings? Both Mr. BEDELL and I support legislation to liberalize this earnings limitation—or the retirement test, as it is known. Do we really want to keep social security recipients—who have worked for and provided in advance for the benefits which they or their beneficiaries receive—on the brink of poverty?

The wage base proposal would bring in necessary revenues without affecting those now living on a small payment who try to earn a little extra to help make ends meet.

TIGHTER CONTROLS NEEDED FOR FEDERAL CAMPAIGN FUNDS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. YOUNG) is recognized for 5 minutes.

Mr. YOUNG of Florida. Mr. Speaker, a great number of Americans are concerned about potential abuses of the Federal Election Campaign Act in this Bicentennial election year, and this concern has been graphically pointed out by the withdrawal of former North Carolina Governor Terry Sanford as a candidate for the Democratic Presidential nomination, and the resultant problems revealed in the existing law in the aftermath of that early withdrawal.

It concerns me that the law technically allows Mr. Sanford—or any other candidate who may withdraw prior to the nominating conventions—to remain eligible for Federal matching funds. Because of this concern, I am preparing legislation to place tighter restrictions on the distribution of Federal election funds.

As you know, Mr. Speaker, I have long been a vigorous supporter of campaign reform during my three terms in the U.S. Congress—and before that during my service as a member of the Florida State Senate. In this connection, you may recall that I voiced concern about some very glaring loopholes in the Federal Election Campaign Act amendments during floor debate on this proposal in 1974.

Mr. Speaker, the current law allows a candidate who receives Federal matching funds to retain the funds for a period of 6 months following the nominating conventions to pay qualified campaign expenses. The present law means that Mr. Sanford can keep any remaining portion of approximately $245,000 in Federal funds he has received to date, until about mid-January 1977—even though he withdrew from the primary race in January 1976.

The legislation I am drafting would immediately stop any spending or committing of Federal matching funds by a presidential candidate who withdraws from the race prior to the nominating conventions, and would require all leftover Federal matching funds to be returned to the Federal Treasury within 90 days. The same restrictions would apply to all other unsuccessful candidates upon the adjournment of the nominating conventions.

This bill will also contain a provision requiring a candidate who withdraws from the Presidential campaign to do so in writing to the Federal Election Commission—or its successor body—and would prohibit further distribution of Federal matching funds to a withdrawn candidate.

Mr. Speaker, the problem which has occurred in the Sanford withdrawal is just the first of a long string of abuses the public can expect during this election year. Hopefully, Congress will come to its senses and correct a loophole that has the potential of allowing a raid on the taxpayers' pocketbook.

HEARINGS ON INDOCHINA REFUGEES—FEDERAL GRAND JURY HEARINGS CANCELLED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. EILBERG) is recognized for 5 minutes.

Mr. EILBERG. Mr. Speaker, I wish to announce that the hearings on Federal grand juries which were originally scheduled by my Subcommittee on Immigration, Citizenship and International Law for February 5 have been cancelled. These hearings will be rescheduled at a later date.

Instead, hearings will be held on that date to consider H.R. 11473, a bill which would include Laotian refugees within the scope of the Indochina Migration and Refugee Assistance Act of 1975. These hearings will also consider a recent request by the Department of Justice to parole into the United States additional Indochina refugees who are currently residing in Thailand. The hearing will be held in room 2141 and commence at 9:30 a.m.

Testimony will be received from representatives of the Department of State and Justice.

CONSUMER ROAD SHOW

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, it is fortunate that President Ford's traveling "road show" of regional consumer conferences is being seen for exactly what it is—an expensive attempt to cover the threatened veto of the Consumer Protection Agency Act.

Press reports from the cities where the conferences have been held indicate that the consumer representation plans which spawned the conferences are proving more of a burden than a boon to the traditionally apathetic consumer image of the President, a situation not helped by recent news of the $38,000 a year appointment of a Consumer Affairs Officer at the Department of State.

Late last session, I warned that the chances for effective representation of consumer input in the decisionmaking processes of the executive departments are very slim if the in-house consumer representation plans are depended on to do so and I urged that enough public and congressional pressure in favor of the Consumer Agency could change the President's mind about vetoing the bill. Now ironically, his own field conferences are providing the forum for that pressure.

The unveiling of these plans has not raised the ire of consumer leaders as much as the continued insult that they represent to the intelligence and sophistication of the consumer movement in general. The Consumer Protection Agency could end the establishing of meaningless Consumer Affairs Offices such as the one at the State Department, and put consumer representation where it belongs—independent and of its own legal authority.

As the bill goes into conference for

final action accompanied by the arrival in Washington of the consumer "road show," I call the following editorials to the attention of my colleagues:

[From the Boston Globe, Jan. 16, 1976]

Cosmetic Consumerism

Federal representatives are in Boston this morning to promote President Ford's answer to consumerism. Both houses of Congress have passed legislation that would create an independent Agency for Consumer Advocacy (ACA). But the President opposes the ACA and is offering an alternative by naming in-house consumer representatives to 17 Federal agencies. The promotional tour, headed by Federal Energy Administrator Frank Zarb, aims to convince the public that the President's way is the right way. A skeptical public should have no part of it.

Like his predecessors, President Ford has taken a strong—and supportable—stand against excessive bureaucracy and has linked his opposition to the Agency for Consumer Advocacy to this stand. But the need for an office in Washington with power to fully represent the interests of consumers outweighs the marginal addition such an office would make to the bureaucracy.

President Ford is also hoping to convince citizens that his approach to consumerism will be less costly. That is far from certain. Washington socialite Joan Braden was recently named the State Department's consumer affairs coordinator under the President's plan, at a salary of $37,800. The expected budget for two assistants and a secretary is in excess of $100,000. Multiplied by 17 for the agencies that have got or will get consumer representatives, the bill approaches the cost of a well-run ACA.

The President's approach relegates consumer representatives to an advisory role within each separate agency. The in-house coordinators can have little effect on policy and their views will be developed and incorporated in the clubby, discrete way that Washington likes so well because it makes the least waves.

FEA Administrator Zarb, whose office has always had a consumer representative, is an ideal choice to head the President's public relations effort on this issue. He has always demonstrated a deep sympathy for consumers and his office is generally viewed as a consumer's office.

But this can not excuse him from giving the public some hard answers on cost estimations of the President's approach and the role of consumer affairs coordinators in setting policy, making investigations and criticizing agencies to which they are assigned.

The country needs real consumerism in Washington not the cosmetic consumerism the President is offering. And without some hard answers today, Mr. Zarb is going to look like Barbara Britton shilling for Revlon on the $64,000 Question.

[From the Washington Star, Jan. 24, 1976]

Consumer Road Show Blasted

(By Ralph Nader)

William J. Baroody Jr. couldn't have done better by the consumer movement that he so strenuously opposes.

As the President's assistant for public liaison, Baroody is the coordinator of a series of regional White House conferences this month on proposed federal departmental consumer representation plans in major cities around the country.

Both the plans and the conferences have been variously denounced as wasteful, window dressing, electioneering and bureaucratic by consumer groups, local officials and editorials.

At each conference—Chicago, Kansas City, Boston, Atlanta and other cities—aroused consumer organizations turned out to expose this transparent attempt to counteract Ford's determination to veto the long-needed consumer protection agency bill recently passed by Congress.

Nothing could have so quickly coalesced consumer sentiment against the Ford administration than this amalgam of jet-set road-showers from Washington and their local business supporters, like Sears in Chicago, who wined and dined them before the day's unsuccessful attempt to brainwash the local populace.

How did this backfire occur? About a year ago, a group of Ford's advisers decided that the consumer bill must be opposed at all costs.

Too many big corporations—GM, Ford, Procter & Gamble, Greyhound, J.C. Penney, Exxon—were against any legislation that would establish a consumer agency with the expertise and authority to challenge or take to court the federal agencies which buckled under so often to that same big business pressure.

These advisers realized, however, that consumer protection at a time of rising food, fuel, utility and housing prices could not be ignored.

So first they tried to smear the proposed consumer agency as "another layer of bureaucracy" that would add to the federal budget. Then they devised a presidential directive on April 17, 1975, to federal departments regarding a review of their "policies and procedures as they affect consumer representation in agency decision-making."

On Nov. 26, a bulging Federal Register appeared with the proposed consumer representation plans for 17 departments. Filled with make-words and classic bureaucratic blahs, these proposals envisioned more paper shuffling, slick titles such as "consumer affairs coordinator" and assorted paraphernalia of this cosmetic consumer circus.

Questions such as what independent authority to take on the particular department would be given to these consumer affairs offices, or whether such offices could take their departments to court, went ignored.

In the Department of Housing and Urban Development, consumer complaints were to be answered promptly and used to evaluate program purposes. Nothing was said about redressing the many legitimate complaints.

On the road this month, Baroody, his entourage, Virginia Knauer, her entourage, and Cabinet secretaries and representatives of 17 departments were rushing from city to city.

At the conferences and workshops, President Ford's name was invoked at every opportunity. Unmentioned was Ford's refusal to speak to any consumer group while addressing 50 industry groups in the past year.

But, excepting the emissaries from business or regional federal employes, the White House's strategy didn't wash.

The Boston Globe editorially advised the public to "have no part of it." The Wall Street Journal criticized the road trip as a perversion of Ford's alleged interest in reducing bureaucracy.

Richard Borten, executive director of the city of Boston's Consumers' Council, called the Ford conferences "an expensive hoax aimed at New England consumers."

Consumer groups in Chicago and Boston prepared a "baloney and crumbs luncheon" to symbolize their rejection of the conferences' purposes.

[From the Washington Post, Jan. 24, 1976]

Consumer Protection

(By Clayton Fritchey)

Washington's Joan Braden, unlike France's Joan, has not been burned at the stake, at least not yet, but since her appointment to a new but middling job in the State Department as a consumer coordinator, she has surely been burned in the press and elsewhere. From all the fuss and publicity, it might be thought she had just been named to the Cabinet or the Supreme Court.

Were it not that the appointment is related to a matter of true national significance—protection of American consumers—the story would be of little interest outside of Washington, for Mrs. Braden, a bright, energetic, well-informed mother of eight, is not well known outside the nation's capital.

If all the critical attention being lavished on her appointment reflected a welcome but belated new interest in consumer affairs, it would be most encouraging. The publicity, however, has largely centered on how she got the job, rather than on how and why the job, along with 16 identical ones in other government departments, was created in the first place by an administration that is hostile to genuine consumer protection machinery. That's the put-on that needs to be exposed. The appointment of all these new "coordinators," supposedly operating in conjunction with Mrs. Virginia Knauer, the chief White House consumer adviser, is a poor substitute for the kind of independent Consumer Protection Agency sought by Congress and opposed by the President. It's not the fault of Mrs. Braden, though, if the administration wants no part of a vigorous, crusading consumer watchdog effort. If Mrs. Knauer has not been allowed to do a hard-hitting job, what can be expected of her junior coordinators? Because of Mrs. Braden's well-publicized friendship with Secretary of State Henry Kissinger, it is only natural to suspect that, despite official denials, she got her $37,800 job with the help of some pull. If she didn't, it would be one of the rare times in Washington that "connections" failed to play a part in the filling of a political post at that pay level. It can be taken for granted that influence would be a factor in the choice of anybody for that job.

A more pertinent question is Mrs. Braden's qualifications. She is well educated, has a major in economics, and is experienced in politics, public relations and the ways of bureaucracy, having served as an official of HEW. She is the wife of columnist Tom Braden, a former newspaper publisher and former government official.

It will be a lucky day for the government if the other coordinators to be appointed measure up to Mrs. Braden's credentials. As a matter of fact, Mrs. Knauer herself had limited national experience in consumer affairs at the time she was appointed by former President Nixon. That was also true of her predecessor, Betty Furness, who performed so well in that role.

At one time, Mrs. Knauer, like her present boss, Gerald Ford, was in favor of a federal consumer agency, a concept long advocated by Ralph Nader. When former Gov. Ronald Regan began attacking the idea, however, Mr. Ford, changed his mind, and then, of course, Mrs. Knauer had to back down, too.

Nevertheless, the Senate this year finally passed legislation for the proposed agency by 61–28 and the House approved it in November by 208 to 199, despite Mr. Ford's veto threat. With Congress reconvening this week, the bill will soon go to conference for final congressional approval.

Meanwhile, Mr. Ford has been promoting an administration-run interagency consumer setup (involving creation of the 17 coordinators) as a substitute for the congressional plan. It has been denounced by Nader as "a transparent and phony attempt to mislead the public into thinking that the administration's consumer activities are anything more than a window-dressing operation."

Carol Foreman, director of the Consumer Federation of America, calls the Ford program a "pathetic sham." Others see it as merely a device to head off public criticism of the President's expected veto of the independent agency, which has real enforcement teeth.

Mr. Ford apparently feels as Lester Maddox did when governor of Georgia, he spoke out against a proposed state Consumer Protection Agency. "Honest businessmen," Maddox said, "should be protected from the unscrupulous consumer."

As a postscript to the Braden appointment, it is only fair to note that, while she may have used some pull to get her job, it was neither she nor Dr. Kissinger who created the post. It was dreamed up by a President who last year vetoed the job creation bill passed by Congress to relieve general unemployment.

LEGISLATION TO ESTABLISH GUIDELINES TO REDUCE DISPARITY IN CRIMINAL SENTENCES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. RODINO) is recognized for 5 minutes.

Mr. RODINO. Mr. Speaker, as part of a continuing effort to improve the system of justice in the United States, I am today introducing legislation that would establish guidelines to reduce the disparity in criminal sentences handed down by the Federal courts.

This bill, introduced earlier in the Senate by the Senator from Massachusetts, EDWARD KENNEDY, was developed initially under the auspices of the Yale University Law School's Guggenheim program in criminal justice.

Briefly, the bill not only would create general sentencing guidelines but would also provide a mechanism for appellate review of sentences on the motion of either the defendant or the prosecution. Equally important, it would establish a U.S. Sentencing Commission that would, within 3 years, draw more specific guidelines for judges to consider.

Mr. Speaker, our aim here is not to create rigid controls over sentencing that would turn our judges into little more than automatons. Rather, it is to aid the 399 Federal district judges in this country to apply better and more justly the broad sentencing discretion that they necessarily and properly hold.

NO TO THE SST—NO TO THE CONCORDE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 5 minutes.

Mr. BINGHAM. Mr. Speaker, 5 years ago the Congress voted to stop Federal funding for the development of a supersonic transport. The main pillar of the argument against the SST was the dangerous possibility that fleets of SST's would contaminate the atmosphere, reduce the ozone layer which protects the Earth from ultraviolet radiation, and batter 50-mile-wide corridors with sonic booms.

Those same charges are equally applicable to the British-French Concorde, and I can see no reason why our friendship for these allies should require us to ignore these charges. If the environmental case against the SST was the pivotal argument against the American SST, it should also be the crucial argument against the Concorde.

Although the United States clearly cannot prevent the Concorde from beginning commercial service elsewhere, and courting the environmental damage the Congress rightly feared 5 years ago, we can and should refuse to allow that damage to be inflicted on our shores and our citizens. Consistency may not be a universal virtue, but surely it requires that we evaluate the SST no matter who builds it by the same standards.

U.S. Transportation Secretary Coleman has heard ample testimony about the environmental damage of the SST in the hearings he chaired last month and I trust he will see the merit of this argument and its parallel with the congressional decision in 1971. I also hope he realizes that if he allows the Concorde to land at U.S. airports, he will be taking the first step of what will inevitably be a long campaign to reactivate the American SST program. Landing rights for the Concorde would be the camel's nose under the tent. The next step would be plans by U.S. airlines to purchase Concordes in order to compete with British Airways and Air France, and then pressure on the Federal Government by the industry to build our own SST rather than disrupt our balance of payments by letting all those millions of dollars flow to Europe.

I hope Secretary Coleman considers these arguments, which seem to have received inadequate attention in recent weeks, and decides to deny landing rights to the Concorde.

CLARENCE M. MITCHELL, JR.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. DIGGS) is recognized for 5 minutes.

Mr. DIGGS. Mr. Speaker, I rise in support of House Resolution 976, introduced on January 26, 1976, by the distinguished majority and minority leaders of the House, honoring Clarence Mitchell of Maryland.

Clarence Mitchell has been prominent in the civil rights struggles of present and past years not only as an inspiration, but as a dynamic leader and statesman who is concerned with the civil and social rights of all persons. He was instrumental in putting together the landmark civil rights legislation of the 1960's which have so altered the status quo system and allowed participation by blacks and others in areas previously untapped. He has exhibited patience and endurance in the cause of freedom.

Mr. Speaker, I join with the many friends and admirers of Clarence Mitchell in the House and wish him continued health and happiness in his quest for social justice.

THE CIA AND THE CLERGY—AN UNHOLY ALLIANCE

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, throughout last summer and fall the Congress and the American people finally managed to secure a glimpse into the supersecret world of the CIA. Many of us were shocked and deeply dismayed over many of the activities in which that Agency has been involved, such as aiding domestic law-enforcement agencies in violation of the National Security Act, the planning and attempted implementation of assassination plots against foreign leaders and the active use of American clergy overseas.

Both White House and CIA officials have testified that overseas missionaries have been regularly used in information gathering. The clergy, members of American religious organizations and missionaries have routinely been utilized for intelligence activities. It was recently reported, for example, that in 1963 the CIA gave some $5 million to a Jesuit priest in Chile to support the work of anti-Communist labor unions and Eduardo Frei's presidential campaign.

Although William Colby, the former CIA director, and Philip Buchen, White House counsel, both maintain that such cooperation between missionaries and the intelligence agency did not violate the law or the integrity of the missionaries, I find this practice unconscionable and contrary to at least the spirit of the laws creating the CIA and governing its activities. This concern is shared by a large number of American churches and mission boards who not only are troubled about the safety of their missionaries but are also justly troubled over the separation of church and state and the morality of having clergy deceiving people in the name of their religious missions.

Particularly disconcerting is the fact that the CIA not only has used missionaries for intelligence purposes but it apparently intends to continue this practice. Although missionaries could be seriously compromised and jeopardized and their legitimate work seriously disrupted or destroyed, those responsible for the CIA obviously fail to perceive the grave damage to missionary activities in foreign lands. They have also closed their eyes to the moral issue involved and the possible violation of the first amendment.

In view of the administration's attitude, it becomes incumbent upon the Congress to take the initiative to end such activities. Accordingly, I am today introducing legislation—similar to that offered by Senator HATFIELD last December—which prohibits Federal intelligence agency involvement with missionaries, clergy, or members of religious orders for the purpose of intelligence gathering or involvement in any kind of intelligence activities. This measure forbids the CIA, NSA, and the DIA from paying any member of the clergy or employee of a religious group for the purpose of collecting intelligence data or for any other involvement in agency operations. I am hopeful that the appropriate committees of the Congress will promptly consider the legislation Senator HATFIELD and I have introduced in order that our intelligence house may be put in order.

Mr. Speaker, a very timely article on this situation appeared in last week's New York Times and I present it herewith for inclusion in the RECORD. This article describes the practices which the bill I am introducing today will proscribe. The text of the bill is also presented:

[From the New York Times, Jan. 29, 1976]

CHURCHES, ANGERED BY DISCLOSURES, SEEK TO BAR FURTHER CIA USE OF MISSIONARIES IN INTELLIGENCE WORK

(By Kenneth A. Briggs)

American churches and mission boards, reacting indignantly to admissions last fall by the White House and the Central Intelligence Agency that overseas missionaries have been regularly used in information gathering, are mounting a drive to stop such practices through governmental action and improved internal safeguards.

In separate letters to Senator Mark O. Hatfield, Republican of Oregon, who is sponsoring legislation to prohibit all involvement between religious workers and intelligence operations, the Director of Central Intelligence, William E. Colby, on Sept. 23, and Philip W. Buchen, White House Counsel, on Nov. 5, conceded that the use of missionaries had been standard procedure. Both letters contended that such cooperation violated neither the law nor the integrity of the missionaries.

After public disclosure of the letters on Dec. 12, church officials, already disturbed by earlier reports of widespread covert contacts between government agents and religious workers, began to assess the meaning of what was now shown to have been official policy.

The disclosures have touched off expressions of shock and outrage from some of the nation's largest churches. There have been demands for an immediate cessation of all intelligence work among missionaries and for changes in Government standards.

Religious groups ranging from evangelicals to main-line denominations have protested, both about the condoning of such behavior and as a reaffirmation of the belief that the missionary's role is to serve God rather than nation.

CONCERNS OF CHURCHES

Among the chief concerns of the churches are the safety of missionaries, who more than ever may be suspected of C.I.A. connections, the sanctity of the separation of church and state and the morality of using persons as unwitting accomplices.

Open cooperation between intelligence operatives and missionaries has been uncovered, but knowledgeable observers agree that such cases are rare exceptions. They say that most missionaries have resisted such working arrangements.

Further, John Marks, a former State Department intelligence analyst whose book, "The C.I.A. and the Cult of Intelligence," helped expose such missionary involvement, contends that it has become "tougher because missionaries tend to have a greater social conscience and are not the kind of people who can be easily approached."

There are currently 35,000 Protestants and 7,200 Roman Catholics serving abroad in a variety of missionary capacities ranging from preaching to poultry farming. Together they constitute what one Latin-American church authority, Gary MacEoin, calls "the most important United States presence around the world," privy to grass-roots knowledge of a vast assortment of cultures and people.

Often they have worked for years to win the trust of local people. The recent disclosures could jeopardize their credibility and, in some cases, such as that of three missionaries currently held by Mozambique on charges of having C.I.A. ties, their lives.

COLBY DISCOUNTS CONTACTS

Mr. Colby, first in his letter to Senator Hatfield, then in a Jan. 16 letter to the leadership of the National Council of Churches asserted that there was no need for a change in the C.I.A. standards.

Rebutting the charge by the national council's executive committee that there had been '"extensive contact" between his organization and religious personnel, Mr. Colby said, "In fact, C.I.A. has very few such contacts."

He added that "such relationships are purely voluntary and in no way reflect upon the integrity or the mission of the clergy involved."

Mr. Buchen's Nov. 5 letter to Senator Hatfield said, by contrast, that "many clergymen" had been engaged in intelligence work and that "the President does not feel it would be wise at present to prohibit the C.I.A. from having any connection with the clergy."

Dr. Eugene Stockwell, head of the Division of Overseas Ministries for the national council, noted the apparent discrepancy between the Buchen and Colby letters and added, "In any case, often or seldom, we want it entirely stopped."

Another letter from Mr. Buchen, this one to the United Church of Christ, one of the most aggressive of the protesting churches, suggests greater flexibility at the White House. After assuming the Rev. Dr. David Stowe, head of the denominations world ministries, that Mr. Ford fully supports the separation of church and state, Mr. Buchen wrote that "full consideration will be given to the important question of whether any regulations are needed to guide the C.I.A. in its further relations with clergymen and missionaries."

Several church officials prefer an Executive order from Mr. Ford to the more tedious process of enacting legislation. Others oppose the Hatfield bill on the ground that forbidding all contact between church people and intelligence agents might infringe on the right of any citizen to enter into voluntary associations.

SERVANTS OF JESUS CHRIST

While some churches believe accounts of attempts to use missionaries have caused unnecessary alarm, other bodies are preparing to take severe measures against any individual known to be providing intelligence information.

Among them is the Board of Global Ministries of the United Methodist Church, which declared on Dec. 18 that it would be "inconsistent" to retain personnel known to be in its future relations with clergymen and "intentionally engaged" in intelligence work.

"Missionaries of the United Methodist Church are servants of Jesus Christ, and under the separation of church and state are not agents of any government," the board's statement said.

In the absence of a change in Federal law or policy, and in the growing conviction that an effective solution must include stiff self-regulation by churches, mission boards are weighing adoption of codes of ethics and intensified instruction to missionaries on how to avoid potential entanglements.

The Rev. Bryan Hehir, associate secretary for justice and peace of the National Conference of Catholic Bishops, has called upon Roman Catholic missionary orders to draw up their own sets of "self-denying ordinances" that would preclude intelligence work.

A more immediate need, many church officials say, is to protect the interests of missionaries exposed to possible dangers because of the disclosure of C.I.A. links.

MISSIONARIES 'UNDER A CLOUD'

"The whole missionary movement has been put under a cloud," says Dr. Stowe, "We have to make a total disclaimer, not because in every instance the contacts were wrong but because it's just bad for the missionary enterprise to have anything to do with the C.I.A."

Mr. Marks believes that a massive appeal from churches would greatly enhance the possibility of a change in Federal policy.

Support for a policy revision has come from such diverse bodies as the evangelically based World Vision International, which has accepted funds from the Agency for International Development, Southern Baptists, the Church of the Nazarene, the United Presbyterian Church in the U.S., the Mennonite Central Committee, the United Church of Christ and the United Methodist Church.

Though church officials generally agree that the scale of efforts by the C.I.A. to involve missionaries has declined in recent years, for a variety of factors, they also say that the possibility of C.I.A. overtures continues to keep them on the alert.

Three weeks ago, for example, the Rev. Donald MacInnis, director of the Midwest China Study Resource Center in St. Paul, who is a former Methodist missionary to China, received a phone call from a man describing himself as an employee of the C.I.A.

"He said he'd learned about our center," said Mr. MacInnis, who described it as a project sponsored by 15 educational and religious institutions, "and he thought it would be a good idea to find out what we do. He said it might be to our mutual advantage."

Mr. MacInnis said he had asked the man if he knew of the controversy over the C.I.A.'s use of missionaries and that the man had responded affirmatively. Mr. MacInnis said that he had said that any contact between himself and the man was out of the question.

"He said, all right," Mr. MacInnis recalled, "but that they were in the phone book if I ever wanted to talk."

H.R. 11654

A BILL To amend the Central Intelligence Agency Act of 1949 to prohibit expenditures for intelligence gathering by clergymen, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Central Intelligence Agency Act of 1949 (50 U.S.C. 403j) is amended by—

(1) inserting in section 8(a) after "provisions of law" the following: "other than subsection (c)",

(2) adding immediately after section 8(b) the following new subsection:

"(c) No funds appropriated to, or otherwise made available for use by, the Agency may be paid to any member of the clergy or to any employee or affiliate of a religious organization, association, or society for intelligence gathering or for any other participation in Agency operations. Whenever any amount is paid by the Agency, or by any other person carrying out a function of the Agency, to a member of the clergy or to any employee or affiliate of a religious organization, association, or society for any other purpose, the Director shall cause to be published in the Federal Register, within fifteen days after the date on which such payment is made, a complete explanation of such payment including—

"(1) the name of the person to whom the payment was made,

"(2) the purpose of the payment, and

"(3) the amount and date of the payment.", and

(3) redesignating sections 9 and 10 of such Act as 10 and 11, and by inserting immediately after section 8 the following new section:

"LIMITATIONS ON AUTHORITY

"SEC. 9. (a) No person shall solicit or accept the services of any member of the clergy or any employee or affiliate of a religious organization, association, or society to gather intelligence for the Agency or to participate in any Agency operation.

"(b) Any person violating subsection (a) of this Act shall be imprisoned for no more than five years, or fined no more than $10,000, or both.".

SEC. 2. Section 138 of title 10, United States Code, is amended by adding immediately after subsection (d) the following new subsection:

"(e)(1) No funds appropriated to, or otherwise made available for use by, the Defense Intelligence Agency, the National Security Agency, or any other intelligence-gathering office or agency of the Department of Defense may be paid to any member of the clergy or to any employee or affiliate of a religious organization, association, or society for intelligence-gathering or for any other participation in the operations of such agencies. Whenever any amount is paid by these agencies, or by any other person carrying out a function of these agencies, to a member of the clergy or to any employee or affiliate of a religious organization, association, or society for any other purpose, the Secretary of Defense shall cause to be published in the Federal Register, within fifteen days after the date on which such payment is made, a complete explanation of such payment, including—

"(A) the name of the person to whom the payment was made,

"(B) the purpose of the payment, and

"(C) the amount and date of the payment.

"(2) No person shall solicit or accept the services of any member of the clergy or any employee or affiliate of a religious organization, association, or society to gather intelligence or to participate in operations for the Defense Intelligence Agency, the National Security Agency, or any other intelligence-gathering office or agency of the Department of Defense.

"(3) Any person violating section 138(e)(2) of this title shall be imprisoned no more than five years, or fined no more than $10,000, or both.".

MILITARY MANPOWER STRENGTH ASSESSMENT AND RECRUITING RESULTS FOR MONTH ENDING NOVEMBER 30, 1975

(Mr. DAN DANIEL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DAN DANIEL. Mr. Speaker, initial results supplied by the Department of Defense reveal that the total active strength of the four military services at the end of November was 2,099,000. This was 99 percent of the November objective of 2,107,000. Actual strength and service objectives for November are shown below.

ACTIVE MILITARY STRENGTH END OF NOVEMBER 1975 (PRELIMINARY)

[In thousands]

	Objective	Actual	Percent of objective
Army	779	774	99
Navy	527	528	100
Marine Corps	196	195	99
Air Force	605	602	99
DoD total	2,107	2,099	99

The services recruited 33,600 men and women in November surpassing their objective of 33,100. Army recruiters exceeded their recruiting objectives for the second consecutive month since implementation of the weekly quota system in August.

ENLISTED ACCESSIONS, ALL SOURCES

[To nearest 100]

	November 1975		
	Objective	Actual	Percent
Army	14,500	15,100	104
Navy	8,600	8,400	98
Marine Corps	4,000	3,900	98
Air Force	6,100	6,200	101
DoD total	33,100	33,600	101

In November, 96 percent of all non-prior-service enlistees were in mental categories I–III, the average and above average mental groups. High school graduates amounted to 73 percent of all non-prior-service enlistments. Women accounted for 9 percent and blacks made up 16 percent of all nonprior service enlistments in November.

The total Selected Reserve strengths at the end of October were 3,400 below the September end-strength.

SELECTED RESERVE STRENGTHS

[In thousands]

	End-strength October 1975 (preliminary)	Average strength	
		Fiscal year 1976 through October	Fiscal year 1976 authorization
Army National Guard	388.1	390.6	400.0
Army Reserve	220.3	222.4	219.0
Navy Reserve	99.1	98.8	106.0
Marine Corps Reserve	31.3	31.3	32.5
Air National Guard	93.5	93.9	94.9
Air Force Reserve	50.9	50.8	51.8
Total DoD	883.2	887.8	904.1

BARRING THE CONCORDE FOR ENVIRONMENTAL REASONS—NO VIOLATION OF INTERNATIONAL AGREEMENTS

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, objection has been raised by some that to bar the Concorde landing rights in the United States would violate international agreements and practices. In researching this issue I was particularly struck by an exceedingly able statement on the subject by Phillip R. Trimble, Assistant Legal Adviser for Economic and Business Affairs, Department of State, before the Aviation Subcommittee of the House Public Works and Transportation Committee.

That statement printed below makes it quite clear that in the event the Concorde is barred from landing in the United States because of environmental reasons which are not discriminatory in nature, there would be no violation of international agreements or practice:

STATEMENT OF PHILLIP R. TRIMBLE, ASSISTANT LEGAL ADVISOR FOR ECONOMIC AND BUSINESS AFFAIRS, DEPARTMENT OF STATE, BEFORE THE AVIATION SUBCOMMITTEE OF THE HOUSE PUBLIC WORKS AND TRANSPORTATION COMMITTEE DECEMBER 11, 1975

I am pleased to appear before you today to address the international legal considerations involved in domestic regulation of aircraft noise. I am specifically concerned, of course, with the relationship of such regulation to international agreements and practice.

BACKGROUND

Foreign air carriers are not permitted to operate into the United States without the permission of the United States Government which in most cases is granted pursuant to international agreement. There are several such agreements which establish the basic framework of international aviation law.

The principal international agreement in this field is the 1944 Convention on International Civil Aviation, commonly referred to as the "Chicago Convention." This Convention, which is now in force for well over 100 countries, establishes the conditions for operation of civil aircraft into the airspace of other parties to the Convention.

Among other things, it provides that each party grants to the aircraft of the other parties engaged in non-scheduled service the right to make flights into its territory, and to make stops within its territory for non-traffic purposes. Similarly, the 1944 International Air Services Transit Agreement provides that each party grants to the aircraft of other parties the privilege of making scheduled flights across its territory without landing, as well as the privilege for scheduled flights to land for non-traffic purposes.

However, neither the Chicago Convention nor the Transit Agreement grants a right to stop in the territory of another party for the purpose of picking up or discharging passengers or other traffic. In fact, Article 6 of the Chicago Convention specifically provides:

"No scheduled international air service may be operated over or into the territory of a Contracting State, except with the special permission or other authorization of that State and in accordance with the terms of such permission or authorization."

Such rights—in the area of scheduled air services—are the subject of a series of bilateral agreements. Under a typical bilateral agreement each party is given the right to conduct air services by its designated carrier or carriers on specified routes into the territory of the other party.

However, there are restrictions on the rights accorded under these agreements. For example, a designated carrier is required to fulfill U.S. laws and regulations normally applied to the operations of commercial air carriers. Furthermore, in the standard bilateral it is provided that airlines of the other party must comply with our laws and regulations relating to the "admission" and "departure" of aircraft, as well as laws and regulations relating to the "operation and navigation" of aircraft within our territory. The Chicago Convention and the Transit Agreement contain the same requirement.

At the same time the Chicago Convention requires that these laws and regulations must be non-discriminatory. Article 11 provides:

"Subject to the provisions of this Convention, the laws and regulations of a contracting State relating to the admission to or departure from its territory of aircraft engaged in international air navigation, or to the operation and navigation of such aircraft while within its territory, shall be applied to the aircraft of all contracting States without distinction as to nationality, and shall be complied with by such aircraft upon entering or departing from or while within the territory of that State."

Thus the above articles clearly recognize that a country has the right to impose non-discriminatory requirements relating to the entry and operations of the aircraft of other parties into its territory.

NOISE STANDARDS

At the outset I should state that the legal questions raised by noise regulations are novel and complex, and we approach the construction of the applicable provisions with extreme caution. However, we have concluded that noise regulation is legally permissible under the bilateral and other agreements. Many of the techniques used to limit aircraft noise relate to the manner of operation. For example, limitation of the amount of power at which engines are operated and the designation of flight paths into and away from airports located in urban areas are two techniques currently imposed on the operation of aircraft in order to control noise.

Somewhat more difficult questions are raised by noise regulation which would deal directly with the noise level produced by an aircraft's engines. This is not a matter which can be changed by the navigation or manner of flying the aircraft; it is inherent in the aircraft itself. However, our standard bilateral agreements permit regulation of "admission to" the country, as well as "operation" of the aircraft. Although the type of situation with which we are now confronted was not anticipated at the time these provisions were drafted, the purpose underlying them seems to have been to reserve national regulatory authority for the protection of various matters such as health. Thus a noise regulation imposed for the purpose of protecting the public health would fall within the scope of regulation expressly permitted by Article 5 of the standard bilateral agreements. We also believe that such a regulation would fall within the type of laws and regulations normally applied to the operations of air carriers which designated carriers are expressly required to comply with the bilateral agreements. Furthermore, even if noise regulation were not construed to be within any of the express provisions of the bilateral agreements, we believe that it still would not be prohibited by them. It would simply not be covered.

We believe that the above reasoning provides a sound legal basis for noise and other environmental regulation. It should be noted that the noise of subsonic aircraft has been the subject of such regulation in the past. While this type of regulation could not be so extensive or burdensome as to substantially impair the value of route rights conferred by bilateral agreements, a scheme of noise regulation which does not discriminate in violation of Article 11 of the Chicago Convention should not be regarded as prohibited by the applicable international agreements.

In this connection it should also be noted that, under Article 37 of the Chicago Convention, the International Civil Aviation Organization (ICAO) may adopt standards dealing with a wide variety of technical and operational matters. Article 38 of the Chicago Convention provides that any country which finds it impractical to follow such standards must notify its differences to ICAO. Thus, if ICAO were to adopt SST noise standards we would be obligated to accept them unless we notified differences to ICAO.

Another matter which should be addressed is the relevance of the certificate of airworthiness which may be granted an aircraft. This matter is frequently raised in the context of discussions relating to noise control. Article 33 of the Chicago Convention provides:

> "Certificates of airworthiness . . . issued . . . by the contracting State in which the aircraft is registered, shall be recognized as valid by the other contracting States, provided that the requirements under which such certificates . . . were issued . . . are equal to or above the minimum standards which may be established from time to time pursuant to this Convention."

A similar provision is found in the bilateral agreements. The United States has also negotiated several other bilateral agreements relating to the reciprocal acceptance of airworthiness certifications. Because of these provisions, it may be argued that the noise level of an aircraft's engine should not be questioned, just as other inherent parts of an aircraft are not questioned, after it has received the certificate. We believe that this argument attributes too wide a scope to the airworthiness certificate.

"Airworthiness" is not defined in the relevant agreements, but the dictionary meaning and common usage limit the scope of the term of safety matters. Furthermore, the standards contained in ICAO Annex 8, entitled "Airworthiness of Aircraft," adhere to this concept in that all the Annex 8 standards relate to safety in the design and operation of aircraft. Since it is apparent that the noise produced by an aircraft has no necessary relationship to its operational safety, it follows that a certificate of airworthiness should not be considered to preclude separate noise regulation.

Similarly, ICAO has recently adopted noise standards for subsonic aircraft. Significantly, these standards were not treated as airworthiness standards but instead were the subject of a new annex. All this, we feel, illustrates the point that agreements relating to the mutual recognition of certificates of airworthiness, including the provisions of the Chicago Convention, do not proscribe the imposition of national noise standards.

In conclusion I should like again to underscore one of the most important aspects of the Chicago Convention, namely the provision relating to non-discrimination. Although we have concluded that a nation retains the legal right to impose laws and regulations relating to noise standards applicable to aircraft within its territory, Article 11 makes it clear—along with Article 15 and other provisions—that these laws and regulations must be applied without distinction as to nationality—i.e., in a fair and non-discriminatory fashion. For commercial operations, the same kind of concept is reflected in each bilateral agreement the U.S. has concluded, which contains a provision to the effect that there shall be "fair and equal opportunity" for the airlines of each Contracting Party to operate on any route covered by the agreement.

These provisions are a major reason for the success of international aviation today. The framers of these agreements wisely recognize the importance of fairness in the treatment of the significant air transportation interests of other countries. The Chicago Convention is intended to end discrimination on the basis of nationality, ultimately detrimental to the interest of all, in respect of aviation. And the same principle applies for commercial operations where we have established bilateral relations.

FACTS INSTEAD OF FANTASY CONCERNING THE FOOD STAMP PROGRAM

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, my colleague, Representative James H. Scheuer, and I are introducing a bill which we believe provides the most sensible reform of the food stamp program to date. This proposal was introduced in the other body by Senator Jacob Javits as S. 2840 and is entitled "The National Food Stamp Reform Act of 1975."

We commend Senator Javits and his staff for developing this bill and for the extensive research and expertise which they have brought to bear on this important public issue. We wholeheartedly endorse S. 2840, and we are making only one minor addition to it—to provide a deduction for a household's medical expenses in excess of $100 per year.

We want to emphasize that we think the food stamp program is a good, valuable and necessary program which has been much maligned for some administrative shortcomings. We realize it is expensive, but we support the principle of feeding the hungry and underfed in America, and we think it is worth the money. This is not to say that we do not believe there has been waste or abuse, but we believe this has primarily been the result of the complexity of the law and administrative mishandling. We have some suggestions to remedy this.

First, our bill provides a "standard" deduction of $135 per month for a family of four to replace most of the present cumbersome and complex maze of itemized deductions. Under the present system, each applicant family must present caseworkers with receipts showing expenses for such items as rent, electricity, gas, oil, water, real estate taxes, and even babysitting fees.

Under our proposal, there would be one standard deduction to replace most of these items, although we would allow additional deductions of $30 per month for a family with a working person—to allow for expenses such as babysitting and bus fare—and $25 per month for a family with an elderly person. The legislation retains itemized deductions for withheld State, local and Federal income taxes, and for extraordinary casualty or medical expenses, because we cannot standardize their impact on all families.

Second, our bill will eliminate the requirement that a family pay some of its own money in order to obtain food stamps. Under the present law, a family of four may pay as much as $140 to obtain $166 worth of stamps. Their actual benefit is only $26, yet the Federal and State governments must pay for the printing and distributing of $166 worth of stamps. A recent study of the New York State food stamp program showed that 27.4 percent of the eligible households on the program could not afford to purchase their full allotment of stamps. The Senate Agriculture Committee has estimated that eliminating the purchase requirement would save $30 million in administrative costs. Since this would also cut the number of food stamps in circulation by one-half, it would substantially reduce the so-called "black market" for stamps. This reform would also end abuse of the program by private vendors who as Government agents now sell food stamps but sometimes pocket the money they receive.

Additionally, our program encourages members of the household to work. First, a working household can obtain the extra $30 per month deduction mentioned above. Second, as a household's income increases, food stamp benefits will be reduced by 25 percent of the additional income; not by 30 percent as in other reform proposals. The median income for a family of four in our country is about $14,000. Under our proposal a family of four with one member working and income after local and Federal taxes and extraordinary expenses of no more than $8,796 qualifies for $24 per month in food stamp aid. This payment is not generous but our proposal is designed to feed the very poor, the elderly, and the low-income working household. The legislation also contains an itemized deduction for State, local, and Federal income taxes, casualty losses, and medical expenses.

The Department of Agriculture estimates the cost of this bill to be $8.4 billion in fiscal year 1977, an increase of $2.5 billion over what the present program will cost in that same fiscal year.

Let us consider the reasons that brought us to introduce this legislation. We are disturbed by the near-hysterical cry for "reform" which currently surrounds the food stamp program. We are all aware of the pressing need for a review of this program, but we must not sacrifice reason and accuracy in our pursuit of a rational program to feed those who are hungry in our country.

Let us look at some of the facts about the program.

It has been estimated that there are 40 million Americans who are poor enough to qualify for some assistance under the food stamp program, but less than one-half that number are actually receiving benefits. Some of those who qualify are too poor to afford to pay even a small amount of their own money to purchase stamps, and, therefore, cannot obtain food assistance.

Let us look at some of the facts about the program. The administration itself reported to the Senate Agriculture Committee last May that the percentage of households obtaining food stamps by fraud is only eight one-hundredths percent, or fewer than one in a thousand.

In fact, only 4.3 percent of the entire food stamp caseload is ineligible, according to the Department of Agriculture's own study, and about half of these were on the rolls because of caseworker error. The remaining ineligibles could be attributed to recipient-caused error, but the USDA report observed that "errors caused by recipients are usually unintentional, arising from carelessness or lack of knowledge concerning the program."

Studies have shown that the numerous administrative errors in determining who is eligible for food assistance result from the complex itemized deductions required by the present program. As the Administrator of Food and Nutrition Service stated at a hearing before the Appropriations Committee this fall, "the errors that are created by the present system of deductions, they are killing us."

One need only look at a food stamp application form or a caseworker's instruction book to realize that the present program has become a hopeless maze of regulations. To simplify the process of determining eligibility we advocate a system of standard deductions, and our bill so provides.

The other major problem with the food stamp program has been the failure of the administrators to institute proper control measures for funds collected by the so-called "vendors" for the program. Nationwide there are 6,700 of these vendors, including banks, post offices, credit unions, and check cashing businesses, and they act as agents, distributing stamps to eligible recipients in return for their required cash payment. The failure to properly monitor these vendors has resulted in their pocketing millions of dollars. At a recent Senate hearing a USDA official revealed that over $17 million have been hoarded or embezzled by only 170 such vendors.

The substantial cost of the food stamp program cannot be attributed to recipient fraud. Yet the administration has proposed to penalize recipients by instituting drastic cuts in recipient benefits. Supposedly, the administration is aiming to get food stamps to those who "deserve" them. In fact, they are simply not willing to spend what it costs to feed the poor, the working household, and the aged. And even if our proposal is adopted, these citizens will still not have enough resources to obtain decent housing and medical care or pay for their heating and other utility bills. The reason for this is that the food stamp program addresses only one important human need—food. Other Government programs deal with some of these other deficiencies. Perhaps one could deal with all these deficiencies in one package. However, in the meantime, we support at least a full and complete effort to deal with hunger in America.

Ironically, many of those who are most in need of food stamps cannot come up with the large amounts of cash necessary under the present program to purchase the stamps. But the administration has not proposed to eliminate the purchase requirement. We have, and this will enable some people who are now too poor even to buy food stamps, to obtain some benefits.

What then is the explanation for the size and cost of the food stamp program? We believe the primary "rip-off artist" responsible for the higher and higher costs is unemployment. From 1971 to 1974 participation in the program remained remarkably stable, considering the dramatic rise in food prices, at 14.9 million people. But last year, when unemployment rose almost 4 percentage points in a matter of months, the number of people served by the program leaped from 15 million to 19.5 million.

If the administration is looking for a scapegoat, unemployment is where they will find the culprit.

The food stamp program is now more essential than ever for an enormous number of people. Yes, it costs a substantial amount of money, but if you reduce unemployment, you will reduce the cost. It has been estimated that for every 1 percentage point increase in unemployment, an additional 500,000 to 750,000 persons use food stamps. In the interim, we have no right to penalize those who are victims of national economic conditions.

Our bill addresses itself to the need for simplification of the program and for adequate administrative controls. In addition to the key provisions outlined above the bill would:

Prohibit Government vendor subsidies—such as HUD rent subsidies—from being counted as income. Those subsidies are designed to provide shelter; food eligibility should not depend on them.

Insure that poor households in higher cost-of-living areas receive adequate benefits by providing an adjustment to the standard deduction, based on the cost-of-living in the Northeast, South, North Central, and Western regions and further distinguishing metropolitan from nonmetropolitan costs in each region. This would save money in some areas of the country by making sure cost-of-living increases are directed only where they are needed most.

Eliminate non-needy students from the program;

Establish more precise definitions of income, particularly with regard to vendor payments and in-kind benefits;

Require better accounting methods so that fraud, abuses and errors are more easily detected;

Require that nutrition education programs be set up so that food stamp recipients make optimal use of their benefits;

Provide better outreach services through the utilization of bilingual assistance;

Streamline the certification, issuance, and retroactive aid procedures by requiring that eligible recipients receive their authorization card within 30 days.

Allow stamps to be issued by mail;

Provide cash, lump-sum retroactive benefits for those who are eligible but were inadvertently or wrongfully denied benefits;

Improve the service of meals-on-wheels for the elderly;

Establish an equitable and fair method by which the Secretary of Agriculture can devise pilot projects;

Eliminate the requirement that a household have cooking facilities—this is a restriction that has precluded the poorest of the poor who live in tiny rooms from obtaining aid; and

Establish a cost-of-living escalator on the assets-eligibility test.

This bill strikes a necessary balance between helping the poor and providing work incentives; but it is also aimed at minimizing the possibilities for program abuse by simplifying the application form and doing away with the need to collect dollars in "purchase requirement" money.

Congressman SCHEUER and I will be circulating this bill for cosponsors later this week, and I commend it to your attention.

INEQUITABLE TAX LAW IN THE DISTRICT OF COLUMBIA FOR INCOME RETIREMENT ACCOUNTS

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I should like to bring to the attention of our colleagues an inequitable tax situation affecting residents of the District of Columbia. As a result of home rule, which I supported and continue to support, the inequitable situation cannot be remedied by the Congress but requires, if a remedy is to be effectuated, that the District of Columbia Council first legislate in this area. Notwithstanding the fact that contributions to individual retirement accounts—IDA's—are sheltered from Federal income tax until payments begin at retirement, a District of Columbia resident must pay local income taxes on this contribution at the time it is earned. Maryland and Virginia, as well as New York State and New York City, unlike the District of Columbia, have Federal conformity and all the Federal type of deferral. The effect of the present state of the law in the District of Columbia is to make it possible that an individual will pay local taxes twice on the same income—when first earned and again when received as retirement income in the event that he or she has moved from the District to another locality.

The material follows:

January 20, 1976.

Hon. William H. Natcher,
Chairman, District of Columbia Subcommittee, Appropriations Committee, The Capitol.

Dear Mr. Chairman: I would like to bring to your attention what I consider to be a horrendous situation and hopefully one that you could assist with. I have been advised that not withstanding the fact that contributions to Individual Retirement Accounts (IRA's) are sheltered from federal income tax until payments start at retirement, a District of Columbia resident must pay local income taxes on this contribution now. That is different than is the case in New York State and New York City where the state and local income taxes are deferred to correspond with the federal deferral. I would hope that our Committee could look into this matter if you thought it appropriate to do so.

All the best.
Sincerely,
Edward I. Koch.

Hon. Edward I. Koch,
Longworth House Office Building,
Washington, D.C.

Dear Ed: I want to thank you for your letter of January 20th and to assure you that before we mark this bill up, we will take this matter up with the proper officials in the District Government.

I hope the Year of 1976 brings you the best of everything.

With kind personal regards, I am,
Sincerely yours,
William H. Natcher,
Member of Congress.

January 29, 1976.

Hon. Edward I. Koch,
Longworth House Office Building,
Washington, D.C.

Dear Ed: Enclosed is a letter from Mr. Comer S. Coppie, Special Assistant to Mayor Walter E. Washington. Mr. Coppie has responded to my inquiry regarding Individual Retirement Accounts.

I understand IRA contributions are subject to D.C. income tax. This matter is not under our jurisdiction. Under the Home Rule legislation the District of Columbia Council could change this regulation. If so their actions are subject to the thirty day Congressional disapproval process.

I do hope this answers your questions regarding this matter.

With kind personal regards, I am,
William H. Natcher,
Member of Congress.

Individual Retirement Accounts

The District of Columbia does not have full conformity with Federal income tax laws and regulations. Without this so-called "Federal conformity" we operate with two separate, but somewhat parallel systems. Even though for Federal tax purposes an item of income might be excludable, unless the District adopts the same regulation it would not be excludable for District tax purposes.

Federal tax laws and regulations state generally that all income is taxable, but then goes on to state that under certain prescribed conditions amounts applied to Individual Retirement Accounts can be subsequently deducted from this taxable income. The District tax laws and regulations also state generally that all income is taxable but then gives no subsequent exclusion for Individual Retirement Accounts. Therefore, while this type retirement payment would be sheltered from Federal tax it would not be from District tax. There would be no regulations dealing with the IRA's as no special exclusion has been authorized.

You mention in your letter that New York State and New York City allow deferrals corresponding with the Federal deferral in regard to Individual Retirement Accounts. The other jurisdictions in the metropolitan area (Maryland and Virginia), unlike the District, have Federal conformity and also allow this type deferral.

TRIBUTE TO AMBASSADOR MOYNIHAN

(Mr. BROOMFIELD asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. BROOMFIELD. Mr. Speaker, I believe it was President Jackson who suggested that one man with courage makes a majority. With the resignation yesterday of Daniel Patrick Moynihan as our Ambassador to the United Nations, we have lost a man of courage and eloquence determined to prove the truth of President Jackson's dictum.

In his brief tenure at the United Nations, Ambassador Moynihan took the offensive against the pious bombast and logical inconsistencies so characteristic of that forum. We won a wide measure of support in this country for his willingness to stand up and speak the truth to a hostile audience. He won our respect and appreciation by challenging hypocrisy and false assumptions and by stating America's case, without apology, to the world community.

Ambassador Moynihan's tactics may have been offensive to some of his colleagues, possibly because they were innovative and effective rather than "diplomatic." We are all aware of the problems he encountered with our own bureaucracy. Yet there can be no doubt that his approach and his oratory struck a responsive chord with an American public weary of the carping, self-serving, frequently unjustified criticism of the international community.

I strongly believe that the United States of America was well served by having Ambassador Moynihan at the United Nations. I wish the Ambassador every success for the future and offer my sincere thanks for a magnificent performance under trying circumstances.

Ambassador Moynihan's resignation may well raise questions about the ability of a maverick—no matter how talented, dedicated, and effective—to survive the experience of service to the Nation. I would suggest, however, that by turning around our approach at the United Nations, Ambassador Moynihan has left his mark on American foreign policy. He has demonstrated conclusively the effectiveness of one man with courage, and we are grateful for the lesson.

KUMINS' NATURAL GAS DEREGULATION ECONOMIC IMPACT ANALYSIS IN ERROR

(Mr. BROYHILL asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. BROYHILL. Mr. Speaker, recently the substance of an economic impact study on deregulation of natural gas prepared by Mr. Lawrence Kumins has been circulated. The staff of the Council of Economic Advisers has now had opportunity to study Mr. Kumins' analysis and to comment on his assumptions and conclusions. In a letter directed to Representative John Dingell, Democrat of Michigan, chairman of the Subcommittee on Energy and Power, Mr. Paul W. MacAvoy, member of the Council of Economic Advisers, points out that—

> Kumins' estimates are not only subject to forecast error, but in addition are not even the most likely to occur. In a number of cases, they are based on incomplete analysis or understanding of how these markets operate. As a result, his forecast of over $20 billion is probably going to be at least $15 billion too high.

Mr. Speaker, under general leave to extend my remarks, I include at this point in the Record, the complete text of Mr. MacAvoy's letter to Mr. Dingell:

January 26, 1976.

Dear Mr. Dingell: In response to the request of Congressman Moorhead, the staff of the Council of Economic Advisers has analyzed the study by Lawrence Kumins entitled the "Economic Impact of S. 2310's Pricing Provisions." Kumins attempts to estimate the cost of gas price changes to consumers by a two part process (1) finding the price increase per thousand cubic feet (mcf) consequent from the bill and multiplying by (2) the volumes of gas subject to these increases. Both prices and volumes are subject to great uncertainty, since they would be those that would occur in unregulated or partially regulated sales in the first months after more than two decades of restrictive controls.

Those most familiar with these markets profess to have only the crudest of predictions and to expect a wide range of error in these predictions. Yet, Kumins makes statements as to prices and quantities that give the appearance of being precise. Our findings are that Kumins' estimates are not only subject to forecast error, but in addition are not even the most likely to occur. In a number of cases, they are based on incomplete analysis or understanding of how these markets operate. As a result, his forecast of over $20 billion is probably going to be at least $15 billion too high.

Kumins' analysis overstates the additional cost to consumers of the deregulation of new natural gas. The excessive impact is due largely to an overstatement of the Btu equivalent price of gas paid by interstate pipelines, an understatement of the probable price of new gas without deregulation, failure to take account of the decline path of natural gas production from producing fields, and a failure to account properly for gas used in the field. The most important omission in the analysis, however, is Kumins failure to credit the increased gas bill from decontrol with an offset due to reduced expenditures for oil imports.

1. Kumins estimates the unregulated wellhead price of deregulated natural gas as being no more than the Btu equivalent of substitute fuels. First, the price that he uses for the market substitute for natural gas, distillate fuel oil, is too high; second, transportation costs from the wellhead to the distribution center are ignored. Recent cargo price quotations for distillate fuel oil are about 31¢ per gallon, or $13.00 per barrel, which is approximately equivalent to $2.25/mcf. Fuel oil should be priced at this, the wholesale or cargo price, stage because it is at this level where comparisons to gas can be made. The wellhead gas price should then be calculated from this $2.25/mcf Btu-equivalent price at the city gate, the point at which it enters the distribution system. Transportation costs from the wellhead to the city gate must then be subtracted to obtain the wellhead price. According to Federal Power Commission statistics, the monthly differences between the average purchase and sales prices by major interstate pipeline companies (the value added between wellhead and city gate) during the first 8 months of 1975 were between 36 and 44¢. Assuming an average of 40¢, and subtracting this amount from the assumed $2.25 city gate price under decontrol, yields $1.85, not $2.50, for an average decontrol wellhead price.

It should be noted that the supply of natural gas which is forthcoming in the early stages of decontrol may not be sufficient to saturate the market for fuel in the producing regions. Therefore, the price of gas would be driven to the Btu equivalent of alternative fuels (minus transportation, or something under $2.25) in the producing regions, and to that price plus transportation delivered to the interstate city gate. Kumins does not consider this possibility. Additionally, it is possible that in some producing markets in disequilibrium the spot price for gas could temporarily rise above the long-run equilibrium. Kumins does not take account of this uncertainty either; it is among the possible outcomes that have caused knowledgeable analysts to avoid predictions of exactly what would occur when this market is decontrolled. The long-term equilibrium can be analyzed with some confidence; the path to that equilibrium position is difficult to discern.

2. Kumins overestimates the amount of intrastate natural gas that will bear this higher price. From the 8.7 trillion cubic feet not sold to interstate pipelines, Kumins correctly subtracts an amount for long-term contracts to electric utilities and other enterprises where there will be no increase in prices. In addition, however, the 2.4 trillion cubic feet used in the field should also be subtracted because this gas does not enter the resale market. Hence, only 2.6 trillion cubic feet of gas will flow intrastate subject to an increase in prices as a result of deregulation. The $1.6 billion which results [2.6 tcf x ($1.85-$1.25)] is substantially below Kumins' estimate of $6.3 billion. Moreover, Kumins does not know how much of the 2.6 tcf is under long-term contract to industrial firms and gas retailers. A survey here is necessary before any such claims of losses to consumers is put before Congress.

3. Kumins overestimates the effect upon consumers of increases in prices for nonjurisdictional interstate pipeline sales, again as a result of the overestimate of the decontrol equilibrium wellhead price. These sales, estimated in volume at 1.0 trillion cubic feet by Kumins, would rise in price by only a .60 ($1.85-$1.25), not $1.25, because the deregulated price (accounting for transportation) is only $1.85. The resulting increase in the consumer fuel bill would be $.6 billion, not $1.3 billion.

4. The Kumins estimate overstates the fuel bill change as applied to new interstate OCS gas by underestimating the price the FPC would otherwise allow. He uses 60c/mcf, the lowest price suggested by the FPC staff (Office of Economics), rather than the higher prices suggested by other parties or even by the FPC Bureau of Natural Gas—$1.06 to $1.30 (on reasonable tax and royalty assumptions). A better assumption than 60c/mcf would be a compromise price of 90c/mcf. Using Kumins' other assumptions, but a 90c/mcf alternative price, the fuel bill increases from OCS gas would be $1.3 billion [1.9 billion mcf x ($1.60-.90)], rather than Kumins' $1.9 billion.

5. Kumins' estimate of the fuel bill increase resulting from new interstate onshore gas which would have been available even without deregulation is overstated, again due both to an overstatement of the prospective wellhead price and an understatement of the price the FPC would otherwise allow. Using $1.85 and .90 respectively for deregulated and new regulated FPC prices, the fuel bill increase is only $.7 billion, as compared to Kumins' $1.3 billion.

6. Kumins properly points out that the additional gas available due to the increased supply induced by deregulation will be priced to final consumers at the Btu equivalent of the imported oil that it displaces. Kumins estimates that 3 trillion cubic feet/year of new production will be engendered, and that it will raise the fuel bill by about $7.5 billion. By displacing imported oil, however, this increased gas production will also reduce the consumer's oil expenditures by an equivalent amount. Consequently, the net fuel bill increase will be zero, rather than $7.5 billion.

7. Kumins also errs in estimating the fuel bill effect of S. 2310 on old natural gas due to a misunderstanding of the process of depletion of natural gas fields. When long-term contracts terminate, the fields covered are usually far along toward depletion, if they are not already non-productive. Possible rates of output are far below the average production rate over the 20 year life of the contracts—5 percent of the total per year—and even further below the 9 percent rate implied by Kumins. The cumulative process which Kumins describes, whereby one additional tcf per year would be subject to expiration/renegotiation, is clearly wrong since it implies that a given gas reservoir will produce forever. The volume subject to renegotiation in the first year of decontrol is likely to be, at most, one-fourth of Kumins' 1 tcf estimate. It will not rise substantially.

In addition, the prices Kumins uses to compute the increase in the fuel bill are again unrealistic. The resultant fuel bill increase would be $.3 billion (.25 billion mcf x $1.25), rather than Kumins' $1.9 billion.

8. The increase in the fuel bill attributable to contract leakage as a result of deregulation is greatly overstated by Kumins, and it is not clear that it exists at all. Kumins argues that natural gas dedicated to interstate markets would be diverted to intrastate markets in order to receive the higher deregulated prices. The existence of this practice in any magnitude is highly implausible. In most instances where significant volumes were involved it would probably require illegal installations whose existence would be known by numerous people, and would require as well the connivance of the buyers, who are by nature parties harmed by the diversion. Moreover, even if some volumes could be diverted, the additional fuel cost is overestimated. It is unrealistic to assume that this practice would occur in the presence of deregulation and not occur now—without deregulation—because the same opportunity and virtually the same incentive (the intrastate price) currently exist. Thus, with decontrol, for the minor volumes that might be involved, the price differential would be $.60 ($1.85–$1.25), not the larger amount that Kumins estimates. On Kumins' volume estimates, then, the increase in the fuel bill would be $.6 billion. The better estimate of the fuel bill increase from this cause is close to zero, not $2.1 billion.

9. All of the above estimates of fuel bill increases are subject to an upward bias because the base period volume upon which the increases are predicted is that for 1974. The marketed production of natural gas declined nearly 7 percent from 1974 to 1975, according to preliminary Bureau of Mines estimates, and without deregulation is expected to decline further during 1976.

The total increases in the fuel bill to consumers in the first year of deregulation can be summarized as follows:

Cost element, Kumins' estimate, and corrected estimate

1. Intrastate Gas: $6.3 billion—$1.6 billion.
2. Nonjurisdictional Interstate Pipeline Sales: $1.3 billion—$.6 billion.
3. OCS Gas: $1.9 billion—$1.3 billion.
4. Onshore Gas: $1.3 billion—$.7 billion.
5. Additional Reserves: $7.5 billion—$0 billion.
6. Old Interstate Gas: $1.9 billion—$.3 billion.
7. Contract Leakage [if applicable]: [$2.1 billion]—$0 billion.

Total: $20.2–[$22.3] billion—$4.5 billion.

Perhaps a further note of caution is in order. It is extremely hazardous to analyze the longer-term implications of gas deregulation using the methodology employed by Kumins. For example, the price-induced production of additional gas, as well as the resulting reduction of oil imports and greater output of curtailed industries, would have positive effects on the Nation's economy which cannot be included in an analysis of this type. The pattern of expiration of gas contracts and depletion of gas fields is even more difficult to predict 2 or 3 years hence, as are the prices the FPC would set in the absence of deregulation. It is obvious, though, that the effects of S. 2310 on consumer fuel bills by 1980–81 would be only a fraction of Kumins' predicted $28–$37 billion, and my qualitative prediction is that the final "costs" will not exceed 10 percent of that forecast by Kumins.

It should be clearly understood that the table above indicates our correction of the Kumins' estimate for errors and apparently unrealistic assumptions, but still uses the Kumins' methodology. It does not represent our independent estimate of what the first year impact of S. 2310 would be.

Sincerely,

PAUL W. MACAVOY,
Member.

ADMINISTRATION SUPPORT FOR METRO

(Mr. GUDE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. GUDE. Mr. Speaker, on Tuesday, January 27, Secretary of Transportation William Coleman addressed members and guests of the Federal City Council on the subject of the Washington area Metro transit system. In no uncertain terms the Secretary made very clear that it is his wish that the entire planned Metro transit system be completed. Secretary Coleman stated flatly that he felt it would be a real "breach of faith" with the Washington area if the Federal Government does not see the entire adopted regional system through to completion.

Thus, once again the Secretary has made clear his determination that the Metro ARS should be completed and can be completed. The Secretary has indicated his willingness to do his part in this effort. Let me give the assurance that the various local jurisdictions in the Washington area will work out whatever remaining problems they may have and that they will do everything they possibly can to insure the successful completion of the ARS.

I would like to include in the RECORD a report of the Secretary's remarks which appeared in the Washington Star for the review of my colleagues:

COLEMAN SAYS UNITED STATES IS OBLIGATED TO HELP FINISH METRO SYSTEM

(By Thomas Crosby)

Stung by criticism of President Ford, U.S. Transportation Secretary William T. Coleman Jr. said flatly yesterday for the first time that the federal government should help the Washington metropolitan area build the entire 100.6-mile Metro system.

Coleman said it would "be a breach of faith to the people in this district" if the federal government doesn't complete the entire regional rapid transit system.

It was the first time Coleman has said publicly that the federal government has a moral obligation to see the system completed.

Local governments have been considering cutbacks in Metrorail mileage to save money because the system's cost has increased from $3 billion to $4.6 billion.

Both Metro General Manager Jackson Graham and Coleman spoke before the Federal City Council, an exclusive organization of politically powerful civic and business leaders which opposes any curtailment of Metrorail.

Graham, speaking first, criticized Ford for failing to reaffirm the federal government's commitment to building the entire system.

While there is $875 million in interstate highway funds that can be transferred for Metro construction, Graham said, unless Ford takes a leadership role, local governments will not approve matching shares so the money can be used for Metro.

The situation is such that "everyone in town can say no, but only one guy can say yes," Graham said.

Graham's remark seemed to strike a responsive chord in Coleman, who said with a smile that he would "violate the rule that as a public servant you do not commit yourself."

Abandoning most of his prepared remarks—which did not once mention that the entire system should be completed—Coleman said he needs to get Virginia and Maryland to approve massive interstate highway transfers, as the District has.

So far Maryland is willing to spend some interstate highway money on Metro, but Virginia Gov. Mills E. Godwin has spurned such expenditures. Godwin wants the controversial Interstate Route 66 in Arlington County built instead of using the money for Metro, although he has said he is willing to consider a compromise.

In addition to construction money, a way must be found to repay nearly $1 billion in bonds sold for Metro construction. Coleman said that once Virginia, Maryland and the District agree to finish Metro, "I'll go to see the President and work out what anyone in this room will find a fair and reasonable method of repaying the bonds.

"There has to be a commitment and if we get the transfers we can go forward," said Coleman, promising to use his "charm and wit" to persuade Ford to allot federal funds to help pay off the construction bonds.

CUBAN DECLARATION OF FREEDOM

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, as we begin another session of the Congress, I wish to remind our colleagues that the spirit of freedom continues to burn in the hearts of the great Cuban people despite the continued repression of that spirit by the Castro-Communist dictatorship.

It is now the 10th anniversary of an eloquent expression of that spirit, the "Declaration of Freedom" adopted on January 23, 1966, by more than 1,500 Cubans in exile meeting in Key West, Fla. Earlier in this Congress, I embodied that declaration in House Joint Resolution 234. So that all who read this RECORD may have an opportunity to read this great Declaration of Freedom. I include it in the RECORD at this point:

H.J. RES. 234

Whereas on January 23, 1966, a "Declaration of Freedom" was adopted by one thousand five hundred Cubans in exile meeting in Key West, Florida; and

Whereas this declaration was written at the San Carlos Club from which the great Cuban patriot, Jose Marti in 1898, turned the course of history by proclaiming the ideological basis of a free Cuba; and

Whereas Cuba once again has fallen victim to a totalitarian regime as embodied by Castro communism; and

Whereas the "Declaration of Freedom" reads as follows:

"In the city of Key West, Monroe County, State of Florida, United States of America, we, the Cuban exiles in the United States, in the name of God Almighty, and speaking both for ourselves and the oppressed people in Cuba, the martyr island, do say:

"That on January 1, 1959, the slavery yoke that came from Europe and was extinguished in Cuba at the end of the nineteenth century, was resumed.

"That those responsible for this high treason to our fatherland and to our people are just a score of traitors who, usurpating the government of the country have been acting as mercenary agents for the Sino-Soviet imperialism, and have surrendered to that imperialism our freedom and our dignity, also betraying the American hemisphere.

"That as a consequence of this high treason, those who are usurpating the power in Cuba (as they were never elected by the people), are imposing a regime of bloodshed, terror and hate without any respect or consideration to the dignity of the human being of the most elementary human rights.

"That in their hunger for power, these traitors, following the pattern of totalitarian regimes are trying, within Cuba, to separate the family, which is the cornerstone of actual society, and at the same time, are poisoning the minds of the Cuban children and youth, in their hope of extending the length of time for this abominable system.

"That the rule of the law has been wiped out in Cuba, and it has been replaced by the evil will of this score of traitors, who are acting under orders from their masters, the Sino-Soviet imperialists.

"In view of the aforegoing, we declare:

"First. That the actual Cuban regime is guilty of high treason to our fatherland and to the ideals of the freedom revolution which was started on October 10, 1868.

"Second. That the score of traitors who have committed treason against our fatherland, in case they survive the downfall of their regime, will have to respond, even with their lives before the ordinary courts of justice of Cuba.

"Third. That as the noble Cuban people will not ever surrender, because that nation was not born to be slave, we, the Cuban people, hereby make the present declaration of freedom.

"We hereby swear before God Almighty to fight constantly, until death comes to us, to free Cuba from communism.

"The fundamentals of this resolution for freedom are:

"First. God Almighty, above all things, in whom we believe as the essence of life.

"Second. The fatherland, with all of its laws, traditions, customs, and history as a spiritual value, only surpassed by the concept of God.

"Third. The family, as the cornerstone of the human society.

"Fourth. Human rights, for each and every citizen, regardless of race or creed.

"Fifth. The law as the foundation for the proper development of the human society.

"Sixth. Democratic government, with its three independent branches: Legislative, executive, and judicial.

"Seventh. Representative democracy, through the exercise of universal suffrage, periodically, free, and secretive, as the expression of popular sovereignty.

"Eighth. Freedom of worship, freedom of teaching, freedom of the press and free enterprise.

"Ninth. Private property and ownership, as the basic expression of liberty.

"Tenth. The improvement of living conditions for both rural and city working masses, with the just and necessary measures, keeping mind the legitimate interests of both labor and capital.

"Eleventh. The derogation and eradication of anything which is opposed to the political and religious fundamentals aforementioned, and specifically, the abolition of communism and any other form of totalitarian manifestation.

"Signed and sealed in Key West, Fla., on the 23d day of January, 1966."

Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the House of Representatives that this inspiring declaration should be patriotically considered by all Cubans in exile and by all who wish to end the tyranny of Castroism and communism in Cuba and that the "Declaration of Freedom" should serve to unite those pledged to restoring Cuban liberty and independence, and that it should be the objective of the United States to commend and encourage recognition and respect for the declaration.

ELDERLY HEALTH ASPECTS OF THE PRESIDENT'S STATE OF THE UNION MESSAGE AND FISCAL YEAR 1977 BUDGET

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, the President's annual budget submission to the Congress and state of the Union message recommend funding levels for the various Federal agencies and programs and, in a broader sense, reflect the President's priorities and policies for the coming year.

I have examined this year's budget with special attention to the health component. Unfortunately, I find the President's proposals in the health area, and particularly in the field of elderly health, to be wholly inadequate, and I am compelled to express my disagreement with both the funding levels proposed and the priorities and policies—or lack of them—which the health budget reflects.

The House Select Committee on Aging's Subcommittee on Health and Long-Term Care, which I have the privilege of chairing, will closely consider those aspects of the budget which affect health services for our Nation's elderly.

For purposes of analysis, the health budget must be divided into two parts: The fiscal year 1977 estimates based on existing law, and the fiscal year 1977 estimates based on the extensive legislative changes proposed by the administration.

There are two versions of what fiscal year 1976 expenditures will be: The President's version, described as fiscal year 1976 "Revised," reflects 1976 spending assuming that funding levels would be less than those approved in the Labor-HEW appropriation bill which we just passed over the President's veto, and that numerous recisions of program funding amounts would be accepted. Using this "Revised" version, unrealistic as it may be, the President's budget and press releases show fiscal year 1977 increases for health agencies totaling $262 million. Every agency save one, the Health Services Administration, is shown to have increased funding.

However, compared to the more realistic fiscal year 1976 "Enacted" levels, reflecting Congress' intended funding, fiscal year 1977 health agency program levels proposed by the President are seen to be a cutback of $632 million, rather than the $262 million increase publicized by the administration. Let me summarize the components of this $632 million reduction by listing the fiscal year 1977 funding levels for the various health agencies, and comparing them with fiscal year 1976 "Enacted" levels:

Food and Drug Administration: $226 million, up by $23 million;

Center for Disease Control: $143 million, down by $6 million;

Health Services Administration: $1,052 million, down by $299 million;

National Institutes of Health: $2,165 million, down by $137 million;

Alcohol, Drug Abuse, and Mental Health Administration: $756 million, down by $93 million;

Health Resources Administration: $541 million, down by $130 million;

Office of the Assistant Secretary for Health: $78 million, up by $10 million;

Developmental disabilities: $54 million, down by $2 million;

Rehabilitation services: $776 million, down by $24 million.

As drastic as this decrease sounds, it is worse when the fiscal year 1976–77 inflation rate is factored in. The budget estimates a 6.0-percent inflation rate, which results in the fiscal year 1977 funding for health programs proposed being short of fiscal year 1976 dollars by an additional $336 million, for a total cutback in real dollars of nearly $1 billion under current law.

The administration's legislative proposals in the health area are even more controversial. Two major legislative proposals are made:

A proposal to consolidate 16 categorical programs, including medicaid, into one block grant to the States to be used for health programs; and

Reforms in the medicare program.

The block grant proposal, titled the Financial Assistance for Health Care Act, would replace 16 current programs with one grant to the States; funding would be distributed among the States according to a formula taking into account poverty population, per capita income, and tax effort. The programs proposed for consolidation include medicaid, comprehensive health grants, maternal and child health programs, family planning, community health centers, migrant health grants, emergency health services, disease control project grants, community mental health centers grant, alcoholism project and formula grants, health planning, medical facilities construction, and the developmental disabilities programs. All of these would be consolidated into one $10 billion grant. No State matching of funds would be required. States would have flexibility in determining eligibility, services, and reimbursement levels with the exception that 90 percent of the grant must be used for personal health care services for low-income persons—as defined by the State.

In short, the proposal would restructure the Federal health effort. The advantages cited by the administration include:

Improved access to quality health care at reasonable cost;

Increased State and local control over health spending;

Control over Federal spending, restrained growth of the Federal bureaucracy, and reduced Federal redtape; and

A more fair and equitable distribution of Federal health dollars among States.

While these are popular advantages to cite, especially in an election year, the proposal does not seem to be as great a panacea for all of the problems of our health programs as the administration pretends.

The funding level, $10 billion in fiscal year 1977, with $0.5 billion yearly increases thereafter, is less than would be spent for these programs in fiscal year 1977 on a current services basis. Medicaid alone is estimated to account for at least $9.3 billion, and the 1976 "Enacted" total for the other programs proposed for consolidation totals $1,320 million. Reductions would be even more severe in later years, as the $500—5 percent—million yearly authorization increase in Federal funds is not even half of the annual increases in Federal medicaid costs alone, which have totaled more than $1 billion annually. States will be placed in an extremely difficult situation, forced to absorb these losses out of State funds or cutback services to their citizens.

It is also questionable whether we really want to delegate all of our Federal health decisionmaking authority to the States. There are areas where a Federal targeting of funds on special health problems or populations has proven extremely successful, such as in the mental health area, and the ability to target Federal funds should not be given up without a careful examination of the consequences. Many of the programs proposed for consolidation are included, because of the lack of funding by the States, and we do not want to revert to that situation.

The second major legislative proposal is titled the Medicare Improvements Act of 1976. This act would—

Place a 7-percent ceiling on reimbursement increases to hospitals and other providers, including home health services;

Place a 4-percent ceiling on reimbursement increases for physicians and other practitioners;

Alter the cost-sharing provisions under the Part A—Hospital Insurance—portion of medicare to require a coinsurance payment of 10 percent of hospital charges in excess of the current deductible—currently $104;

Establish a maximum of $500 on the amount of cost-sharing beneficiaries would be liable for those services covered under Part A;

Increase the annual deductible under Part B—Supplementary Medical Insurance—to $77, with increases thereafter tied to cost-of-living increases in social security cash benefits;

Establish a 10-percent coinsurance rate for hospital-based physicians and home health services, and

Establish a maximum of $250 on the amount of cost-sharing beneficiaries would be liable for those services covered under Part B.

Net savings under the proposals are estimated to be $2.2 billion in fiscal year 1977. These "savings" of course would, in most cases, become increased costs for our elderly and disabled.

Especially disturbing are the increased coinsurance amounts under Part A, which would result in $1.7 billion in program savings—and costs to the program beneficiaries. It seems incomprehensible how this administration can propose a measure which so adversely affects our elderly and disabled.

The limitation of liability under Parts A and B, which was highly publicized as "Catastrophic Insurance," appears to be little more than a token benefit. It is not catastrophic insurance, for it applies only to those services covered under the medicare program and excludes such services as skilled nursing care beyond 100 days in a benefit period, prescribed drugs, and intermediate care facility services. It is misleading at best to describe this as catastrophic insurance.

The limitations on reimbursement to providers is one approach to limiting rising health care costs stemming from the lack of any incentives for providers to control costs. It is somewhat simplistic and inequitable to install a blanket 7-percent ceiling, for low-cost providers who have been doing a good job of controlling costs would be subject to a smaller yearly increase than the higher cost providers. The proposal may prove to be starting ground for development of a workable proposal on containment of escalating costs in health care, however.

For the most part, the President's proposed budget seems more concerned with lessening the role of Government than in meeting the needs of society in fiscally sound, humane terms. It is a matter of great concern that his proposals will adversely affect our elderly and disabled in the name of fiscal conservatism. What the President is calling a "New Realism" is in fact a reduction in services.

The President's proposals would place a squeeze on Federal health assistance and those who would be hurt most would be the elderly and disabled who most require our help.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Railsback (at the request of Mr. Michel), until 2:30 today, on account of throat examination.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Gradison) to revise and extend their remarks and include extraneous matter:)

Mr. Edwards of Alabama, for 5 minutes, today.

Mr. Duncan of Tennessee, for 30 minutes, tomorrow.

Mr. Whalen, for 5 minutes, today.

Mr. Young of Florida, for 5 minutes, today.

(The following Members (at the request of Mr. Hughes) to revise and extend their remarks and include extraneous material:)

Mr. Gonzalez, for 5 minutes, today.
Mr. Eilberg, for 5 minutes, today.
Mr. Annunzio, for 5 minutes, today.
Mr. Rodino, for 5 minutes, today.
Mr. Bingham, for 5 minutes, today.
Mr. Stuckey, for 5 minutes, today.
Mr. Diggs, for 5 minutes, today.
Mr. Dodd, for 5 minutes, today.
Mr. Vanik, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Roncalio, to extend his remarks in the body of the Record, and to include extraneous material, notwithstanding the fact that it exceeds two pages of the Congressional Record and is estimated by the Public Printer to cost $2,646.

Mr. Broyhill, to include extraneous matter during the debate today on the natural gas emergency bill.

(The following Members (at the request of Mr. Gradison) and to include extraneous matter:)

Mr. Treen in two instances.
Mr. Frenzel in three instances.
Mr. Ruppe.
Mr. Vander Jagt.
Mr. Anderson of Illinois.
Mr. Crane.
Mr. Derwinski in three instances.
Mr. Steiger of Arizona.
Mr. Carter.
Mr. Coughlin in two instances.
Mr. Grassley.
Mr. Peyser in two instances.
Mr. Young of Florida.
Mr. Gilman.
Mr. Wiggins.
Mr. Rousselot in two instances.

(The following Members (at the request of Mr. Hughes) and to include extraneous matter:)

Mr. Gonzalez in three instances.
Mr. Anderson of California in three instances.
Mr. Dellums in five instances.
Mr. Downey of New York in two instances.
Mr. Dingell.
Mr. Evins of Tennessee in three instances.
Mr. Traxler in two instances.
Mr. Eilberg in 10 instances.
Mr. Green.
Mr. English.
Mr. Ottinger.
Mr. Richmond.
Mr. Moffett.
Mr. Roberts.
Mr. Vanik in two instances.
Mr. Fraser.
Mr. Matsunaga.
Mr. Fauntroy.
Mr. Alexander in two instances.
Mr. Roncalio.
Mr. Patten.
Ms. Abzug in two instances.
Mr. Bingham in 10 instances.
Mr. Zeferetti.
Mr. Russo.
Mr. Jacobs.
Mr. Hightower.
Mr. Blanchard in two instances.
Mr. Harrington in two instances.
Mrs. Sullivan in two instances.
Mr. Dominick V. Daniels in 2 instances.
Mr. Harris.
Mr. O'Hara.
Mr. Drinan.
Mr. Wolff.
Mr. Pepper.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 804. An act for the relief of Zoraida E. Lastimosa; to the Committee on the Judiciary.

S. 1786. An act for the relief of Kam Lin Cheung; to the Committee on the Judiciary.

ENROLLED BILLS SIGNED

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1399. An act for the relief of Maria Del Carmen Alvarado Martinez;

H.R. 1758. An act for the relief of Terrence Jarome Caguiat;

H.R. 4046. An act for the relief of Valerie Ann Phillips, nee Chambers;

H.R. 4113. An act for the relief of Mitsue Karimata Stone;

H.R. 4939. An act for the relief of Manuel Bonotan;

H.R. 5750. An act for the relief of Chu Wol Kim;

H.R. 8451. An act for the relief of Jung Shik Yang;

H.R. 8555. An act for the relief of Angel Pader Cabal; and

H.R. 8907. An act for the relief of Yong Won Lee.

BILLS PRESENTED TO THE PRESIDENT

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee did on February 2, 1976, present to the President, for his approval, bills of the House of the following title:

H.R. 508. An act to amend title 5, United States Code, to authorize civilians employed by the Department of Defense to administer oaths while conducting official investigations; and

H.R. 5247. An act to authorize a local public works capital development and investment program, to amend the Public Works and Economic Development Act of 1965 to increase the antirecessionary effectiveness of the program, and for other purposes.

ADJOURNMENT

Mr. HUGHES. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 39 minutes p.m.), the House adjourned until Wednesday, February 4, 1976, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2447. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the appropriations to the executive branch for "Salaries and expenses" have been apportioned on the basis which indicates a necessity for supplemental appropriations for fiscal year 1976, pursuant to section 3679(e)(2) of the Revised statutes (31 U.S.C. 665(e)(2)); to the Committee on Appropriations.

2448. A letter from the Secretary of Labor, transmitting the annual report on the administration of the Age Discrimination in Employment Act of 1967, pursuant to section 13 of the act [29 U.S.C. 632]; to the Committee on Education and Labor.

2449. A letter from the Secretary of Labor, transmitting the January 1976 report pertaining to fair labor standards in employment in and affecting interstate commerce, pursuant to section 4(d)(1) of the Fair Labor Standards Act of 1938, as amended; to the Committee on Education and Labor.

2450. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-Designate Rozanne L. Ridgway, pursuant to section 6 of Public Law 93–126; to the Committee on International Relations.

2451. A letter from the Administrator, Agency for International Development, Department of State, transmitting notification of the Agency's intention to obligate Middle East Special Requirements Funds for the Sinai Support Mission and the United Nations Emergency Force, pursuant to section 903 of the Foreign Assistance Act of 1961, as amended, and section 113 of the Foreign Assistance and Related Program Appropriations Act of 1975; to the Committee on International Relations.

2452. A letter from the Assistant Secretary of Commerce for Economic Development, transmitting notice that the report on the Special Economic Development and Adjustment Assistance Program required under section 904(b) of Public Law 89–136 has been delayed; to the Committee on Public Works and Transportation.

2453. A letter from the Federal cochairman, Coastal Plains Regional Commission, transmitting the Eighth Annual Report of the Commission, covering fiscal year 1975, pursuant to the Public Works and Economic Development Act of 1965; to the Committee on Public Works and Transportation.

2454. A letter from the Administrator, Energy Research and Development Administration, transmitting a draft of proposed legislation to authorize appropriations for fiscal year 1977 and fiscal year 1978 for the Energy Research and Development Administration; jointly, to the Committees on Science and Technology, and the Joint Committee on Atomic Energy.

Received from the Comptroller General

2455. A letter from the Comptroller General of the United States, transmitting the fourth report on activities of the Lockheed Aircraft Corp., Burbank, Calif.; jointly to the Committees on Government Operations, and Banking Currency and Housing.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. Supplemental report on H.R. 9464 (Rept. No. 94–732, Pt. 2). Referred to the Committee of the Whole House on the State of the Union.

Mr. PERKINS: Committee on Education and Labor. H.R. 11453. A bill to authorize appropriations for fiscal year 1976, for the period beginning July 1, 1976, and ending September 30, 1976, and for fiscal year 1977 for carrying out title VI of the Comprehensive Employment and Training Act of 1973, and to amend title II and title VI of such Act; with amendment (Rept. No. 94–804). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BEARD of Rhode Island:

H.R. 11639. A bill to amend the Civil Service Retirement Act; to the Committee on Post Office and Civil Service.

H.R. 11640. A bill to increase from 10 to 15 years the period during which veterans and certain wives and widows of veterans are eligible for educational assistance; to the Committee on Veterans' Affairs.

By Mr. DODD:

H.R. 11641. A bill to amend the Internal Revenue Code of 1954 to exempt nonprofit volunteer firefighting or rescue organizations from the Federal excise taxes on gasoline, diesel fuel, and certain other articles and services; to the Committee on Ways and Means.

By Mr. DRINAN (for himself, Ms. Abzug, Ms. Burke of California, Mr. Carney, Ms. Chisholm, Mr. Edwards of California, Mr. Mann, Mr. Mitchell of Maryland, Mr. Reuss, Mr. Rooney, Mr. Stokes, and Mr. Charles Wilson of California):

H.R. 11642. A bill to establish an independent agency to administer the internal revenue laws; to the Committee on Ways and Means.

By Mr. FLOWERS:

H.R. 11643. A bill to amend section 5701 (a)(2) of the Internal Revenue Code of 1954 so as to change the bracket tax on cigars to an ad valorem tax; to the Committee on Ways and Means.

By Mr. HEINZ:

H.R. 11644. A bill to amend the Federal Election Campaign Act of 1971 to provide that members of the Federal Election Commission shall be appointed by the President of the United States; to the Committee on House Administration.

By Mr. JONES of Alabama (for himself and Mr. Harsha):

H.R. 11645. A bill to amend the act of October 19, 1965, to provide additional authorization for the Library of Congress James Madison Memorial Building; to the Committee on Public Works and Transportation.

By Mr. KOCH (for himself and Mr. Scheuer):

H.R. 11646. A bill to reform the food stamp program; to the Committee on Agriculture.

By Mr. LITTON:

H.R. 11647. A bill to amend the Federal Reserve Act to reduce the terms of future members of the Board of Governors of the Federal Reserve System to 8 years; to the Committee on Banking, Currency and Housing.

By Mr. MONTGOMERY:

H.R. 11648. A bill to amend the Land and Water Conservation Fund Act of 1965, as amended, and to amend the act of October 15, 1966, to establish a program for the preservation of additional historic properties throughout the Nation, as amended, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MURTHA:

H.R. 11649. A bill to amend the U.S. Housing Act of 1937 for the purpose of increasing the amount of payments made in lieu of taxes by public housing agencies; to the Committee on Banking, Currency and Housing.

By Mr. WHITEHURST (for himself and Mr. Brodhead):

H.R. 11650. A bill to require the Secretary of the Interior to make a comprehensive study of the wolf for the purpose of developing adequate conservation measures, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. NOWAK:

H.R. 11651. A bill to amend the Internal Revenue Code of 1954 to encourage investments in certain economically depressed areas by providing an increased tax credit for investments in certain depreciable property used in such areas and by providing 10-year amortization of certain depreciable real property used in such areas; to the Committee on Ways and Means.

H.R. 11652. A bill to amend title II of the Social Security Act to reduce from 72 to 65 the age beyond which deductions on account of an individual's outside earnings will no longer be made from such individual's benefits; to the Committee on Ways and Means.

H.R. 11653. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. OTTINGER:

H.R. 11654. A bill to amend the Central Intelligence Agency Act of 1949 to prohibit expenditures for intelligence gathering by clergymen, and for other purposes; to the Committee on Armed Services.

By Mr. RODINO:

H.R. 11655. A bill to amend title 18, United States Code, so as to establish certain guidelines for sentencing, establish a U.S. Commission on Sentencing, and for other purposes; to the Committee on the Judiciary.

By Ms. ABZUG (for herself, Mr. Fascell, Mr. Brooks, Mr. Moss, Mr. Macdonald of Massachusetts, Mr. Moorhead of Pennsylvania, Mr. Rosenthal, Mr. Wright, Mr. Fuqua, Mr. Conyers, Mr. James V. Stanton, Ms. Collins of Illinois, Mr. John L. Burton, Mr. Harrington, Mr. Drinan, Mr. Mezvinsky, Ms. Jordan, Mr. Evans of Indiana, Mr. Moffett, Mr. Maguire, Mr. Aspin, Mr. Gude, Mr. McCloskey, Mr. Steelman, and Mr. Pritchard):

H.R. 11656. A bill to provide that meetings of Government agencies shall be open to the public, and for other purposes; to the Committee on Government Operations.

By Mr. ANDREWS of North Dakota:

H.R. 11657. A bill to amend section 2040 of the Internal Revenue Code of 1954 to provide that a spouse's services shall be taken into account in determining whether that spouse furnished adequate consideration for jointly held property for purposes of qualifying for an exclusion from the Federal estate tax; to the Committee on Ways and Means.

By Mr. BURGENER:

H.R. 11658. A bill to amend the Emergency School Aid Act concerning the waiver of requirements; to the Committee on Education and Labor.

By Mr. CLAY:

H.R. 11659. A bill to amend the Tariff Schedules of the United States to repeal the special tariff treatment accorded to articles assembled abroad with components produced in the United States; to the Committee on Ways and Means.

By Mr. CONYERS:

H.R. 11660. A bill to establish certain rules with respect to the appearance of witnesses before grand juries in order better to protect the constitutional rights and liberties of such witnesses under the fourth, fifth, and sixth amendments to the Constitution, to provide for independent inquiries by grand juries, and for other purposes; to the Committee on the Judiciary.

By Mr. DAVIS:

H.R. 11661. A bill to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive disability insurance benefits thereunder; to the Committee on Ways and Means.

By Mr. FUQUA:

H.R. 11662. A bill to amend the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture.

By Mr. JENRETTE:

H.R. 11663. A bill to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive disability insurance benefits thereunder; to the Committee on Ways and Means.

By Mr. KEMP:

H.R. 11664. A bill to amend the Interstate Commerce Act by including independent owner-operator truckers as an exempted class under section 203(b) of that act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MAHON:

H.R. 11665. A bill to rescind certain budget authority recommended in the message of the President of January 23, 1976 (H. Doc. 94–342), transmitted pursuant to the Impoundment Control Act of 1974; to the Committee on Appropriations.

By Mr. MIKVA:

H.R. 11666. A bill to establish a Commission on Security and Cooperation in Europe; to the Committee on International Relations.

By Mr. PATTEN:

H.R. 11667. A bill to extend as an emergency measure for 1 year the District of Columbia Medical and Dental Manpower Act of 1970; to the Committee on the District of Columbia.

By Mr. PEYSER (for himself and Mr. Perkins):

H.R. 11668. A bill to amend the Elementary and Secondary Education Act of 1965 to provide emergency financial assistance to local education agencies in order to maintain essential elementary and secondary education services at a quality level; to the Committee on Education and Labor.

By Mr. STUDDS (for himself and Mr. Edwards of California):

H.R. 11669. A bill to establish a uniform and comprehensive legal regime governing liability and compensation for damages and cleanup costs caused by oil pollution, and for other purposes; jointly, to the Committees on Public Works and Transportation, and Merchant Marine and Fisheries.

By Mrs. SULLIVAN (for herself, Mr. Ruppe, Mr. Biaggi, and Mr. du Pont):

H.R. 11670. A bill to authorize appropriations for the Coast Guard for the procurement of vessels and aircraft and construction of shore and offshore establishments, to authorize for the Coast Guard a year-end strength for active duty personnel, to authorize for the Coast Guard average military student loads, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. VANDER JAGT:

H.R. 11671. A bill to increase the membership of the Advisory Commission on Intergovernmental Relations by two members who shall be elected town or township officials; to the Committee on Government Operations.

By Mr. VANDER JAGT (for himself and Mr. Schneebeli):

H.R. 11672. A bill to postpone for an additional period (until October 1, 1976) the effective date of certain staffing requirements applicable to child day care facilities under title XX of the Social Security Act; to the Committee on Ways and Means.

By Mr. WHALEN (for himself, Mr. Bedell, Mr. Dominick V. Daniels, Mr. Edwards of California, Mr. Harrington, Mr. Hechler of West Virginia, Mr. Hughes, Mr. McCormack, and Mr. Solarz):

H.R. 11673. A bill to amend title II of the Social Security Act, and the Internal Revenue Code of 1954, to increase to $28,500 over a 3-year period subject to further increases based on rises in reported wage levels the ceiling on the amount of earnings which may be counted for social security benefit and tax purposes; to the Committee on Ways and Means.

By Mr. YOUNG of Florida:

H.R. 11674. A bill to amend the Federal Election Campaign Act of 1971 to provide that members of the Federal Election Commission shall be appointed by the President of the United States; to the Committee on House Administration.

H.R. 11675. A bill to amend title 18 of the United States Code to provide criteria for the imposition of the death penalty for certain explosives related offenses; to the Committee on the Judiciary.

By Mr. LONG of Maryland:

H.R. 11676. A bill to amend the Agricultural Trade Development and Assistance Act of 1954 to require that, to the maximum extent practicable, private trade channels be used to carry out title II of such act; to the Committee on International Relations.

By Mr. MOAKLEY:

H.R. 11677. A bill to prohibit State and local law from permitting construction which interferes with sunlight necessary for solar heating and cooling equipment; to the Committee on Banking, Currency and Housing.

By Mr. ROSENTHAL (for himself, Mr. Hawkins and Ms. Holtzman):

H.R. 11678. A bill to amend the Fair Packaging and Labeling Act to require aerosol commodities to disclose certain information with respect to the propellants contained in such commodities, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ROSENTHAL (for himself, Mr. Ambro, Mr. Bedell, Mr. Diggs, Mr. Florio, Mr. Hawkins, Mr. Hughes, Mr. Mineta, Mr. Roybal, Mr. Seiberling, Ms. Spellman, and Mr. Waxman):

H.R. 11679. A bill to amend title XX of the Social Security Act to provide that no State shall be required to administer individual means tests for the provision of education, nutrition, transportation, recreation, socialization, or associated services provided thereunder to groups of low-income individuals aged 60 or older, and to limit the frequency of recertifications of eligibility for services under such title; to the Committee on Ways and Means.

By Mr. GOLDWATER:

H.J. Res. 791. Joint resolution to proclaim the week of March 1 through 7 of 1976, as American Youth Camp Week; to the Committee on Post Office and Civil Service.

By Mr. WINN (for himself, Mr. Treen, Mr. Thone, Mr. Shriver, and Mr. Matsunaga):

H.J. Res. 792. Joint resolution authorizing and requesting the President to issue a proclamation designating the 7 calendar days commencing on April 30 of each year as National Beta Sigma Phi Week; to the Committee on Post Office and Civil Service.

By Mr. ROUSSELOT:

H.J. Res. 793. Joint resolution regarding the conduct of recent negotiations concerning the International Monetary Fund (IMF) and the position of the United States with respect to future sales of IMF gold and a proposed trust fund; to the Committee on Banking, Currency and Housing.

By Mr. BURGENER:

H. Con. Res. 542. Concurrent resolution to allow the placement of an ice sculpture on the Capitol Grounds; to the Committee on House Administration.

By Mr. SCHEUER:

H. Con. Res. 543. Concurrent resolution, will the Russians respect their firm binding international treaty commitments?; to the Committee on International Relations.

By Mr. VANDER JAGT:

H. Con. Res. 544. Concurrent resolution relating to the authority of the Federal Trade Commission to prescribe rules preempting States and local laws; to the Committee on Interstate and Foreign Commerce.

By Mr. GOLDWATER (for himself, Mr. John L. Burton, and Mr. Phillip Burton):

H. Res. 1007. Resolution expressing the gratitude of the House of Representatives to Oliver Sipple for his selfless heroism in preventing the assassination of Gerald R. Ford, President of the United States of America; to the Committee on Post Office and Civil Service.

By Mr. JONES of Alabama (for himself and Mr. Harsha):

H. Res. 1008. Resolution to provide funds for the expenses of investigations and studies authorized by the Committee on Public Works and Transportation; to the Committee on House Administration.

By Mr. MURPHY of New York (for himself and Mr. Fish):

H. Res. 1009. Resolution to provide funds for the expenses of the investigation and study of the exploration and exploitation of the Outer Continental Shelf to be conducted by the ad hoc Select Committee on the Outer Continental Shelf; to the Committee on House Administration.

By Mr. PATTISON of New York (for himself, Mr. Badillo, Mr. Bedell, Ms. Burke of California, Mr. Carr, Mr. Downey of New York, Mr. Edgar, Mr. Gilman, Mr. Harrington, Ms. Holtzman, Mr. Koch, Mr. McHugh, Mr. Mineta, Mr. Mitchell of Maryland, Mr. Nowak, Mr. Ottinger, Mr. Richmond, Mr. Scheuer, Mr. Solarz, Mr. Charles Wilson of Texas, and Mr. Wirth):

H. Res. 1010. Resolution to create a Select Committee on the Fiscal Problems of Cities; to the Committee on Rules.

MEMORIALS

Under clause 4 or rule XXII, memorials were presented and referred as follows:

286. By the SPEAKER: Memorial of the House of Representatives of the State of Kentucky, relative to the People's Bicentennial Commission; to the Committee on Education and Labor.

287. Also, memorial of the House of Representatives of the State of New Hampshire, relative to the Coast Guard's assumption of concurrent jurisdiction over certain waterways of the State; to the Committee on Merchant Marine and Fisheries.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CORMAN:

H.R. 11680. A bill for the relief of Mrs. Rita Chelnek; to the Committee on the Judiciary.

By Mr. DAVIS:

H.R. 11681. A bill for the relief of William H. Koss; to the Committee on the Judiciary.

By Mr. FUQUA:

H.R. 11682. A bill to authorize the Secretary of the Interior to sell reserved mineral interests of the United States in certain land in Florida to Carlton Carter, the record owner of the surface thereof; to the Committee on Interior and Insular Affairs.

By Mr. JENRETTE:

H.R. 11683. A bill for the relief of Loretta Sloan; to the Committee on the Judiciary.

By Mr. STEIGER of Arizona:

H.R. 11684. A bill to provide that William C. King may occupy certain land in Coronado National Forest, Ariz., which is subject to a placer mining claim; to the Committee on Interior and Insular Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

385. By the SPEAKER: Petition of the Good Citizenship League, Inc., Flushing, N.Y., relative to forced busing of schoolchildren; to the Committee on the Judiciary.

386. Also, petition of Howard Roscoe, Wallkill, N.Y., relative to redress of grievances; to the Committee on the Judiciary.

387. Also, petition of the 4th Mariana Islands District Legislature, Saipan, relative to the United States of America's Bicentennial; to the Committee on Post Office and Civil Service.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 9464

By Mr. BADILLO:

(Amendments to the Krueger amendments published in the Congressional Record of December 8, 1975, on pages 39152–39156.)

Amend section 106(c) by inserting "(1)" after "(c)" and adding at the end thereof the following:

(2) As used in paragraph (1), the term "antitrust laws" includes—

(A) the Act entitled "An Act to protect trade and commerce against unlawful restraints and monopolies", approved July 2, 1890 (15 U.S.C. 1 et seq.);

(B) the Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914 (15 U.S.C. 12 et seq.);

(C) the Federal Trade Commission Act (15 U.S.C. 41 et seq.);

(D) sections 73 and 74 of the Act entitled "An Act to reduce taxation to provide revenue for the Government, and for other purposes", approved August 27, 1894 (15 U.S.C. 8 and 9); and

(E) the Act of June 19, 1936, chapter 592 (15 U.S.C. 13, 13a, 13b, and 21a).

At the end of title II, add the following:

"Sec. 210. The amendments to the Natural Gas Act made by this title shall take effect upon the expiration of the 90-day period which begins on the date of enactment of this Act."

By Mr. BEDELL:

(Amendment to the Fraser amendment.)

In section 203(a) (as added by section 3), strike out "and except as provided in subsection (1)".

By Mr. BRODHEAD:

(Amendment to Krueger amendment.)

After new section 26 of the Natural Gas Act (as added by section 208), insert the following:

"PROHIBITION ON TREATMENT OF ADVERTISING COSTS AS AN OPERATING EXPENSE

"SEC. 27. (a) The costs of political, institutional, or promotional advertising of any natural-gas or any local distribution company shall not be deemed to be an operating expense in any rate schedule proceedings. For the purpose of this subsection, political, institutional, or promotional advertising shall not be deemed to include (1) the publication or distribution of existing or proposed rate schedules; (2) notices required by law or regulation; or (3) public information regarding service interruptions, safety measures, emergency conditions, employment opportunities, or the means by which customers can conserve natural gas.

"(b) As used in this section—

"(1) The term 'advertising' means the commercial use, by a natural-gas or any local distribution company, of any media, including newspaper, printed matter, radio, and television, in order to transmit a message to a substantial number of members of the public or to consumers.

"(2) The term 'institutional advertising' means any advertising which is designed to create, enhance, or sustain a natural-gas company or a local distribution company's public image or goodwill with the general public or such a company's consumers.

"(3) The term 'political advertising' means any advertising for the purpose of influencing public opinion with respect to any legislative, administrative, or electoral decision or with respect to any controversial issue of public importance.

"(4) The term 'promotional advertising' means any advertising for the purpose of inducing the public to select or use the service or additional service of a natural-gas company or a local distribution company or select or install any appliance or equipment designed to use such company's service.

"(5) The term 'local distribution company' means any person (including any governmental entity) which purchases natural gas from a natural-gas company for transportation, local distribution, and resale to natural gas users.

"(6) The term 'rate' means any rate, charge, or classification made, demanded, obtained, or received with respect to sale of natural gas, any rule, regulation, or practice respecting any such rate, charge, or clasification and any contract pertaining to the sale of natural gas.".

By Mr. DODD:

(Amendments to Krueger amendment.)

In section 104, before the period at the end of the first sentence in the first proviso, add the following: "and which have taken all appropriate actions to enforce compliance with any contractual obligation by producers to deliver natural gas to such pipeline."

Section 104 is amended to read as follows:

SEC. 104. Section 7(c) of the Natural Gas Act (15 U.S.C. 717f(c)) is amended by designating the two unnumbered paragraphs thereof as paragraphs (1) and (2), and inserting after such paragraph (2) the following:

"(3)(A) Within 15 days after the date of enactment of the Natural Gas Emergency Standby Act of 1975, the Commission shall, by regulation, exempt from the provisions of this Act, other than reporting requirements, any activities, operations, facilities, or services relating to the transportation, sale and delivery, transfer, or exchange of natural gas from any source, other than any offshore Federal lands, by—

"(i) an independent producer,

"(ii) a natural-gas company which transports natural gas in interstate commerce which is not curtailing deliveries of natural gas,

"(iii) a person who transports natural gas in other than interstate commerce, or

"(iv) a natural-gas distributing company which is not curtailing deliveries of natural gas, to or with a natural-gas company which transports natural gas in interstate commerce, which does not have or which under reasonably foreseeable circumstances may not have, a sufficient supply of natural gas to meet the requirements of its high priority customers of natural gas and which is curtailing during the heating season from November 1975 through March 1976 pursuant to a curtailment plan on file with the Commission.

"(B) Exemptions granted pursuant to this paragraph shall be for periods of no more than 180 consecutive days.

"(C) Persons who are exempt under section 1 (b) or (c) of this Act shall not have their exempt status affected in any way by making the sales or deliveries contemplated by this subsection.

"(4) The Commission shall have no power to deny, in whole or in part, recovery by any natural-gas company in its jurisdictional rates of the amount paid by it for natural gas delivered to it pursuant to sales and contracts as described herein, except to the extent that an interstate transporter purchases natural gas from an affiliate at a rate in excess of the price paid by the transporter to nonaffiliated sellers in comparable sales transactions."

By Mr. ECKHARDT:

(Amendments to the Krueger amendment published in the CONGRESSIONAL RECORD of December 8, 1975 on pages 39152–39156).

In section 203, strike out "(2) Subject only to the provisions of section 24 of this Act" and all that follows down through "new natural gas:" and insert in lieu thereof the following:

"(2) Subject to the provisions of sections 4(a), 4(e), 5, 24, 25, and 26 of this Act, after the effective date of the Natural Gas Amendments of 1975, the Commission may not regulate the sale of new natural gas to a natural-gas company:".

Paragraph (8) (as added by section 204) is amended to read as follows:

"(8) 'New natural gas' means natural gas—

"(A) which is not produced on the Federal lands;

"(B) which is sold or delivered in interstate commerce; and

"(C) which—

"(i) is produced from a reservoir discovered on or after January 1, 1976;

"(ii) is produced from a well initiated and completed on or after January 1, 1976, in an extension of a reservoir discovered prior to such date; or

"(iii) was not sold or delivered in interstate commerce prior to January 1, 1976."

Paragraph (11) (as added by section 204) is amended to read as follows:

"(11) 'Federal lands' means any land or subsurface area within the United States which is owned or controlled by the Federal Government or with respect to which the Federal Government has authority, directly or indirectly, to explore for, develop, and produce natural gas. The term includes the Outer Continental Shelf as defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a))."

Section 205 is amended to read as follows:

SEC. 205. (a) Section 4(a) of the Natural Gas Act is amended by adding at the end thereof the following: "The rates and charges made, demanded, or received by any natural-gas company for, or in connection with, a contract for the sale of natural gas produced from Federal lands shall be deemed to be just and reasonable, if they do not exceed the applicable national ceiling, established by regulation of the Commission, or subsequently modified by the Commission, pursuant to section 24 of this Act, and in effect at the time when such natural gas is either first sold or first transferred under such contract to a natural-gas company.".

(b) Section 4 of the Natural Gas Act is amended by adding at the end thereof the following:

"(f) Notwithstanding subsection (e), the Commission shall have no power to deny, in whole or in part, any rate or charge made, demanded, or received by any natural-gas company for or in connection with the purchase or sale of new natural gas, or that portion of the rates and charges of such company which relates to such purchase or sale, except in any case where a natural-gas company purchases natural gas from an affiliate or produces natural gas from its own properties, the Commission shall have such power to the extent the Commission determines that the rates and charges therefor exceed the current rates and charges, or portion thereof, made, demanded, or received for comparable sales by any person who is not affiliated with any natural-gas company.".

Section 206 is amended by striking out "(A) to the extent" and all that follows down through "(B)".

Section 206 is further amended by striking out "; or (2)" and all that follows down through the end of the sentence and inserting in lieu thereof a period.

Section 24 of the Natural Gas Act (as added by section 208) is amended to read as follows:

"NATIONAL CEILINGS FOR PRODUCTION FROM FEDERAL LANDS

"SEC. 24. (a) As soon as practicable after the effective date of the Natural Gas Act Amendments of 1975, and by rule pursuant to section 553 of title 5, United States Code, the Commission shall establish and may thereafter from time to time modify national ceilings for rates and charges for the sale or transfer by any person of natural gas produced from Federal lands on or after January 1, 1976. In establishing any such national ceiling, the Commission shall consider the following factors:

"(1) the recovery of costs which will be incurred by persons in the exploration, development, production, gathering, and sale of natural gas from Federal lands;

"(2) the rates and charges which the Commission determines necessary or appropriate to encourage—

"(A) the exploration for natural gas,

"(B) the development, production and gathering of natural gas, and

"(C) the maintenance of proved reserves of natural gas

from Federal lands;

"(3) the natural gas on Federal lands is the property of the people of the United States as a whole and should be used for their benefit and not for the unjust enrichment of any private interest; and

"(4) the rates and charges which will protect consumers of natural gas from price increases which would, during periods of actual or anticipated shortages of natural gas and but for the imposition of national ceilings under this subsection, exceed the rates and charges which the Commission determines necessary or appropriate to achieve the objectives of paragraphs (1) through (3) of this subsection.

"(b) The Commission shall monitor the national ceilings prescribed under subsection (a), and the Commission shall report to the Congress not less than annually on the effectiveness of such national ceilings in meeting the factors set forth in subsection (a) of this section.

"(c) Within 30 days after the effective date of the Natural Gas Act Amendments of 1975, and by rule pursuant to section 553 of title 5, United States Code, the Commission shall establish interim national ceilings for rates and charges for the sale or transfer by any person of natural gas produced from Federal lands. Such rates and charges shall be just and reasonable. Such interim national ceilings shall remain in effect until the Commission establishes national ceilings under subsection (a) and such ceilings have taken effect. The Commission shall modify any interim national ceilings established and in effect under this subsection on an annual basis."

In subsection (h)(3) (as added by section 207), insert "(A)" after "(3)" and add at the end of subsection (h)(3) the following:

"(B) As used in subparagraph (A), the term 'small producer' means a person who the Commission determines—

"(i) is not an affiliate of a person engaged in, or who is not himself engaged in, the transportation by pipeline of natural gas in interstate or intrastate commerce, and

"(ii) has not produced and sold, together with all of his affiliates, if any, more than 10,000,000 Mcf of natural gas in any calendar year."

In the first sentence of subsection (h)(2) (as added by section 207), insert "the Commission determines" after "insofar as" and before "practicable".

In section 208, strike out subsection (c) of new section 24 of the Natural Gas Act and designate the succeeding subsections accordingly.

Amend section 24(e) (as added by section 208) to read as follows:

"(e) Within 30 days after the effective date of the Natural Gas Act Amendments of 1975, the Commission shall establish interim national ceilings for rates and charges for the sale or transfer by any person of new natural gas produced from offshore Federal lands which shall be just and reasonable. Such interim national ceilings shall remain in effect until the Commission establishes national ceilings under subsection (a) and such ceilings have taken effect. The Commission shall modify any interim national ceilings established and in effect under this subsection on an annual basis."

In section 203, strike out "'(2) Subject only to the provisions of section 24 of this Act" and all that follows down through "new natural gas:" and insert in lieu thereof the following:

"(2) Subject to the provisions of sections 4(a), 4(e), 5, 24, 25, and 26 of this Act, after the effective date of the Natural Gas Amendments of 1975, the Commission may not regulate the sale of new natural gas to a natural-gas company for resale in interstate commerce."

In the first sentence of section 24(d) (as added by section 208) insert "or renegotiated" after "any contract entered into" and before "after the date of".

By Mr. EDGAR:

Page 23, after line 18, insert the following:

"(15) The term 'small residential consumer' means any person who uses natural gas for personal family, or household purposes in a single or double family dwelling. Such term does not include any person who uses natural gas for decorative purposes.

"(16) The term 'natural gas distribution company' means a person involved in the distribution, transportation, or sale of natural gas for ultimate public consumption for domestic, commercial, industrial, or any other use."

Page 36, after line 13, insert the following:

"NATURAL GAS CONSERVATION

"SEC. 15. (a) No natural gas distribution company shall sell or otherwise supply natural gas to persons who are not essential users or small residential consumers in amounts in excess of the amounts such company was supplying to such persons during calendar year 1975.

"(b) The Commission may exempt any natural gas distribution company from the restrictions under subsection (a) if the Commission determines that such exemption is necessary to alleviate or prevent severe economic hardship, gross inequity, or a threat to public health or safety.

"(c) Nothing in this section shall impair any requirement in any State or Federal law pertaining to safety or environmental protection. The Commission, in determining whether to grant exemptions under subsection (b), shall not assume that there will be any lessening in any safety or environmental requirement established pursuant to State or Federal law."

(Amendment to the Krueger amendment.)

After paragraph (11) of section 2 of the Natural Gas Act (as added by section 204) add the following:

"(12) 'Natural gas distribution company' means a person involved in the distribution, transportation, or sale of natural gas for ultimate public consumption for domestic, commercial, industrial, or any other use.

"(13) 'Small residential consumer' means any person who uses natural gas for personal, family, or household purposes in a single or double family dwelling. Such term does not include any person who uses natural gas for decorative purposes.

"(14) 'Non-essential user' means any person, other than a small residential user, whose need for natural gas, in the judgment of the Commission, can practicably be fulfilled by the use of an alternative fuel, such as crude oil, petroleum products, or coal."

Section 26 of the Natural Gas Act (as added by section 208) is amended by adding at the end thereof the following:

"(h) No natural gas distribution company shall sell or otherwise supply natural gas to persons who are not essential users or small residential consumers in amounts in excess of the amounts such company was supplying to such persons during calendar year 1975.

"(i) No later than sixty days after the date of enactment of this title, the Commission shall, by rule, establish criteria which it will employ, either upon its own motion or upon petition by a user, to determine whether a user's or class of users' need for natural gas cannot be practically fulfilled by the use of an alternative fuel.

"(j) The Commission may exempt any natural gas distribution company from the restrictions under subsection (a) if the Commission determines that such exemption is necessary to alleviate or prevent severe economic hardship, gross inequity, or a threat to public health or safety.

"(k) Nothing in this section shall impair any requirement in any State or Federal law pertaining to safety or environmental protection. The Commission, in determining whether to grant exemptions under subsection (b), shall not assume that there will be any lessening in any safety or environmental requirement established pursuant to State or Federal law."

(Amendment to the Fraser amendment.)

At the end of section 202 of the Natural Gas Act (as added by section 3) add the following:

"(17) The term 'small residential user' means any person who uses natural gas for personal, family, or household purposes in a single or double family dwelling. Such term does not include any person who uses natural gas for decorative purposes.

"(18) The term 'non-essential user' means any person, other than a small residential user, whose need for natural gas, in the judgment of the Commission, can practicably be fulfilled by the use of an alternative fuel, such as crude oil, petroleum products, or coal.

"(19) The term 'natural gas distribution company' means any person involved in the transportation, distribution, or sale of natural gas for ultimate public consumption for domestic, commercial, industrial or any other use."

At the end of section 208 add the following:

"(e) No natural gas distribution company shall sell or otherwise supply natural gas to a non-essential user in amounts in excess of the amounts such company was supplying to such persons during calendar year 1975.

"(f) No later than sixty days after the date of enactment of this title, the Commission shall, by rule, establish criteria which it will employ, either upon its own motion or upon petition by a user, to determine whether a user's or class of users' need for natural gas cannot be practically fulfilled by the use of an alternative fuel.

"(g) The Commission may grant exemptions from the prohibition of subsection (e) to alleviate or prevent severe economic hardship, gross inequity, or a threat to public welfare or safety."

By Mr. FRASER:

(Amendments to the Brown of Ohio amendment on pages 39151–39152.)

Strike out paragraph (4) of the Brown amendment and insert in lieu thereof the following:

"(4)(A) The term 'new natural gas' means natural gas which—

"(i) was not committed to interstate commerce on September 9, 1975, and

"(ii) is not produced from lands located on the Outer Continental Shelf.

"(B) Natural gas shall be considered to have been committed to interstate commerce on September 9, 1975, if—

"(i) such natural gas was contractually obligated to an interstate pipeline on September 9, 1975, or

"(ii) such natural gas is produced from a reserve—

"(I) which reserve was subject to a dedicated reserve contract on September 9, 1975, or

"(II) production from which reserve during a fixed term was subject to a dedicated production contract on September 9, 1975,

termination of deliveries of production was subject to the provisions of section 7 of the Natural Gas Act."

Section 5 is amended to read as follows:

"TREATMENT OF RATES OR CHARGES IN EXCESS OF THE NATIONAL RATE

"SEC. 5. (a)(1) The excess of any rate or charge made pursuant to a sale authorized by section 4(c) of this Act over the national rate shall not be included in the general expenses of a distressed interstate pipeline for purposes of establishing or revising such pipeline's general schedule of rates or tariffs.

"(2) Such excess shall be treated by such pipeline as a special operating expense and may be passed through only as a special surcharge schedule of rates or tariffs, which surcharge schedule of rates or tariffs shall be applicable to accounts, other than those of residential and small commercial users, of customers which receive natural gas in volume amounts in excess of such customer's base volume.

"(b)(1) During the supply emergency period, each distressed interstate pipeline shall report to the Commission on a weekly basis—

"(A) an estimate of the daily volumes of natural gas (excluding any volumes of natural gas available by reason of the purchase of such gas by such pipeline pursuant to the provisions of this Act) such pipeline is likely to have available for delivery to its customers;

"(B) an estimate, by customer, of the daily volumes of natural gas such pipeline is likely to have available for delivery to each customer through application of such pipeline's curtailment plan to the daily volume of natural gas (excluding any volumes of natural gas available by reason of the purchase of such gas by such pipeline pursuant to the provisions of this Act) such pipeline estimates it is likely to have available for delivery to each customer; and

"(C) the daily volumes of natural gas delivered by such pipeline to each customer during the preceding week.

"(2) The Commission shall establish procedures by which distressed interstate pipelines shall comply with the requirements of this subsection.

"(3) If the curtailment plan of any distressed interstate pipeline results in or provides for establishment of a seasonal, rather than a daily, entitlement for any customer, the estimate required by paragraph (1)(B) shall be calculated by—

"(A) dividing the remainder of—

"(i) such seasonal entitlement, less

"(ii) the cumulative volume of natural gas delivered to such customer by such pipeline during the period to which such seasonal entitlement applies,

by the number of days remaining in the period to which such seasonal entitlement applies; or

"(B) such method as the Commission may prescribe.

"(c) Except as provided in subsection (d), natural gas in volume amounts in excess of a local distribution company's base volume may not—

"(1) be delivered by a distressed interstate pipeline to such local distribution company unless such pipeline obtains an agreement from such local distribution company to treat as a surcharge applicable to accounts, other than those of residential and small commercial users, any surcharge rate or tariff charged such local distribution company by such pipeline pursuant to the requirements of subsection (a)(2); and

"(2) be accepted by a local distribution company unless such local distribution company treats as a surcharge applicable to accounts, other than those of residential and small commercial users, any surcharge rate or tariff charged to such local distribution company by such pipeline pursuant to the requirements of subsection (a)(2).

"(d) Natural gas in volume amounts in excess of a local distribution company's base volume may—

"(1) be delivered by a distressed interstate pipeline to such local distribution company; and

"(2) be accepted by a local distribution company; without regard to the requirements of subsection (c), if a State or local agency exercising regulatory authority over the rates or charges of such local distribution company finds that acceptance of such volume amounts in excess of such local distribution company's base volume would displace volumes of higher priced synthetic natural gas or liquefied natural gas and thereby reduce the rates which such local distribution company would otherwise charge residential and small commercial users."

By Mr. GONZALEZ:

Page 31, line 14, page 32, line 17, page 33, line 2, and page 33, line 5, insert "(other than section 15(a))" after "this Act" in each place it appears.

Page 36, immediately after line 13, insert the following:

"PROHIBITION OF FUEL ADJUSTMENT CLAUSES AND SUMMARY, EX PARTE RATEMAKING PROCEDURES

"SEC. 15. (a) All utility rate schedules and parts thereof made lawful by a regulatory authority shall provide for the sale of natural gas at prices which have been subject to and ordered into effect after prior public notice and full evidentiary hearing by the regulatory authority.

"(b) As used in this section;

"(1) The term 'consumer' means any person, State agency or Federal agency, to which natural gas is sold other than for purposes of resale.

"(2) The term 'evidentiary hearing' means, in the case of a State regulatory authority, a proceeding (A) which includes notice to, and an opportunity for, participants to present direct and rebuttal evidence and to cross-examine witnesses, and a written decision based upon evidence appearing in the record of the proceeding, and (B) which is subject to judicial review. In the case of a Federal regulatory authority, such terms mean a proceeding on the record after agency hearing.

"(3) The term 'Federal agency' means any agency or instrumentality of the United States; but does not include the District of Columbia.

"(4) The term 'Federal regulatory authority' means any Federal agency which has ratemaking authority with respect to the sale of natural gas by any utility.

"(5) The term 'rate' means any rate, charge, or classification made, demanded, observed, or received with respect to sale of natural gas, any rule, regulation, or practice respecting any such rate, charge, or classification and any contract pertaining to the sale of natural gas.

"(6) The term 'ratemaking authority' means authority to fix, modify, approve, or disapprove rates.

"(7) The term 'rate schedule' means the rates which a utility charges consumers.

"(8) The term 'regulatory authority' means a State regulatory authority or a Federal regulatory authority. A State agency or a Federal agency which is a utility and which has ratemaking authority with respect to its own rates shall be treated as a regulatory authority only to the extent that no other regulatory authority has ratemaking authority with respect to such rates.

"(9) The term 'sale' includes an exchange of, or a charge for transmission of, natural gas.

"(10) The term 'State' means a State or the District of Columbia.

"(11) The term 'State agency' means any agency or instrumentality of a State or political subdivision thereof.

"(12) The term 'State regulatory authority' means any State agency which has ratemaking authority with respect to the sale of natural gas by any utility.

"(13) The term 'utility' means any person, State agency, or Federal agency, which sells natural gas.

"ENFORCEMENT

"SEC. 16. (a) No utility may sell natural gas except in accordance with a rate schedule which has been fixed, approved, or allowed to go into effect by a regulatory authority. No regulatory authority may fix, approve, or allow to go into effect any rate schedule which violates section 15.

"(b) If any person alleges that a regulatory authority's action, or failure to act, violates subsection (a)—

"(1) in the case of a regulatory authority which is a Federal regulatory authority (or which is a State regulatory authority whose action or failure to act is not reviewable by a State of competent jurisdiction), such person may obtain review of such action or failure to act, insofar as it relates to a violation of subsection (a)—

"(A) in any statutory review proceeding which is otherwise applicable to such action or failure to act, or

"(B) if there is no such statutory review proceeding applicable to such action or failure to act, by commencing a civil action in the United States court of appeals for any circuit in which the utility sells natural gas, which court shall have jurisdiction to review such determination in accordance with chapter 7 of title 5, United States Code; and

"(2) in the case of a regulatory authority which is a State regulatory authority, such action, or failure to act, insofar as it relates to a violation of subsection (a)—

"(A) may be reviewed by any State court of competent jurisdiction, and

"(B) if such action is reviewable by such a State court, may not be reviewed by any court of the United States, except by the United States Supreme Court on writ of certiorari in accordance with section 1257 of title 28, United States Code.

"(c) If (but for this subsection) no regulatory authority has ratemaking authority with respect to a utility, the Commission shall have ratemaking authority with respect to such utility for purposes of this Act.

"EFFECTIVE DATE

"SEC. 17. The provisions of section 15 and 16 shall take effect 6 months after the date of enactment of this Act."

(Amendments to the Krueger amendment.)

On page 4, line 13, strike all after "shall", through page 5, line 8, and substitute in lieu thereof the following:

"The Commission shall by rule, not later than the end of the fifteen day period which begins on the date of enactment of this Act, establish an area ceiling price applicable to any sale of new natural gas for each area in the United States in which natural gas is produced. The Commission shall designate areas to which such prices shall, to the maximum extent practicable, approximate the average sales price, as determined by the Commission, for contracts entered into or renewed during the period from August 1, 1975, through August 31, 1975, for natural gas produced in the area and sold in intrastate commerce."

The Commission may permit a distressed interstate pipeline to purchase natural gas in any such area, but no such purchase shall be for more than the ceiling price.

(Amendment to the Krueger amendment.)

After section 208 of the Krueger amendment, insert the following new section:

SEC. 209. The Natural Gas Act, as amended by this title, is further amended by adding at the end thereof the following:

"TITLE II—PROHIBITION ON CERTAIN RATE-SETTING PRACTICES

"PROHIBITION OF FUEL ADJUSTMENT CLAUSES AND SUMMARY, EX PARTE RATEMAKING PROCEDURES

"SEC. 201. (a) All local natural gas company rate schedules and parts thereof made lawful by a regulatory authority shall provide for the sale of natural gas at prices which have been subject to and ordered into effect after prior public notice and full evidentiary hearing by the regulatory authority.

"(b) As used in this title:

"(1) The term 'consumer' means any person, State agency, or Federal agency, to which natural gas or electric energy is sold other than for purposes of resale.

"(2) The term 'evidentiary hearing' means, in the case of a State regulatory authority, a proceeding (A) which includes notice to, and an opportunity for, participants to present direct and rebuttal evidence and to cross-examine witnesses, and a written decision based upon evidence appearing in the record of the proceeding, and (B) which is subject to judicial review. In the case of a Federal regulatory authority, such terms mean a proceeding on the record after agency hearing.

"(3) The term 'Federal agency' means any agency or instrumentality of the United States; but does not include the District of Columbia.

"(4) The term 'Federal regulatory authority' means any Federal agency which has ratemaking authority with respect to the sale of natural gas by any local natural gas company.

"(5) The term 'rate' means any rate, charge, or classification made, demanded, observed, or received with respect to sale of natural gas, any rule, regulation, or practice respecting any such rate, charge, or classification and any contract pertaining to the sale of natural gas.

"(6) The term 'ratemaking authority' means authority to fix, modify, approve, or disapprove rates.

"(7) The term 'rate schedule' means the rates which a local natural gas company charges consumers.

"(8) The term 'regulatory authority' means a State regulatory authority or a Federal regulatory authority. A State agency or a Federal Agency which is a local natural gas company and which has ratemaking authority with respect to its own rates shall be treated as a regulatory authority only to the extent that no other regulatory authority has ratemaking authority with respect to such rates.

"(9) The term 'sale' includes an exchange of, or a charge for transmission of, natural gas.

"(10) The term 'State' means a State or the District of Columbia.

"(11) The term 'State agency' means any agency or instrumentality of a State or political subdivision thereof.

"(12) The term 'State regulatory authority' means any State agency which has rulemaking authority with respect to the sale of natural gas by any local natural gas company.

"(13) The term 'local natural gas company' means any person (including any governmental entity) engaged in the local distribution and sale (other than for resale) of natural gas.

"ENFORCEMENT

"Sec. 202. (a) No local natural gas company may sell natural gas except in accordance with a rate schedule which has been fixed, approved, or allowed to go into effect by a regulatory authority. No regulatory authority may fix, approve, or allow to go into effect any rate schedule which violates section 201.

"(b) If any person alleges that a regulatory authority's action, or failure to act, violates subsection (a)—

"(1) in the case of a regulatory authority which is a Federal regulatory authority (or which is a State regulatory authority whose action or failure to act is not reviewable by a State court of competent jurisdiction), such person may obtain review of such action or failure to act, insofar as it relates to a violation of subsection (a)—

"(A) in any statutory review proceeding which is otherwise applicable to such action or failure to act, or

"(B) if there is no such statutory review proceeding applicable to such action or failure to act, by commencing a civil action in the United States court of appeals for any circuit in which the local natural gas company sells natural gas, which court shall have jurisdiction to review such determination in accordance with chapter 7 of title 5, United States Code; and

"(2) in the case of a regulatory authority which is a State regulatory authority, such action, or failure to act, insofar as it relates to a violation of subsection (a)—

"(A) may be reviewed by any State court of competent jurisdiction, and

"(B) if such action is reviewable by such a State court, may not be reviewed by any court of the United States, except by the United States Supreme Court on writ of certiorari in accordance with section 1257 of title 28, United States Code.

"(C) If (but for this subsection) no regulatory authority has ratemaking authority with respect to a local natural gas company, the Commission shall have ratemaking authority with respect to such local natural gas company for purposes of this title."

EFFECTIVE DATE

Sec. 210. The amendments to the Natural Gas Act made by section 209 of this Act shall take effect 6 months after the date of enactment of this Act.

Redesignate section 209 as section 211.

By Mr. HARRIS:

(Amendment to Krueger amendment.)

In section 102(a), in the second sentence, delete the phrase "limited exemptions from regulation of natural gas," and insert in lieu thereof the phrase "regulation of natural gas sold in intrastate commerce".

In section 102(b), delete the phrase "allow natural gas companies" and insert in lieu thereof the phrase "order natural gas companies".

In section 102(b), delete the phrase "free from the provisions of the Natural Gas Act (15 U.S.C. 717 et seq.), except for the reporting requirements of such Act" and insert in lieu thereof the phrase "subject to all the provisions of the Natural Gas Act (15 U.S.C. 717 et seq.);"

In section 104, in the first *Provided further* clause, delete the words "exempt from the provisions of this Act, except for reporting requirements," and insert in lieu thereof the phrase "apply the provisions of this Act to".

In section 104, delete the second sentence beginning with the words "Exemptions granted pursuant to this proviso . . ." through the two *Provided further* clauses in that sentence, and insert in lieu thereof the following sentence: "Natural gas sold and delivered or transported pursuant to any order issued under paragraph (2) of section 7(c) of the Natural Gas Act as amended by section 104 of the Natural Gas Emergency Standby Act of 1975 shall be subject to the jurisdiction of the Commission."

In section 208, as added by section 24(a), delete the phrase "rulemaking procedures under of [sic] 553 of Title 5, United States Code" and insert in lieu thereof "the full hearings requirement of section 4(e) of the Natural Gas Act (15 U.S.C. 717(c)(e)" and delete the phrase "interstate commerce by any person of new natural gas produced from offshore Federal lands on or after January 1, 1976 through December 31, 1980" and insert in lieu thereof the phrase "interstate or intrastate commerce by any person of new natural gas wherever produced on or after April 15, 1976".

In section 208, as added by section 24(a), delete the second sentence beginning "In establishing . . ." and continuing through subparagraphs (1), (2), (3), and (4) thereof.

By Mr. HAYS of Ohio:

(Amendment to proposed Krueger amendment.)

In section 204(a) of the Krueger amendment, strike out the paragraph numbered "8" and insert in lieu thereof the following:

"(8) 'New natural gas' means natural gas sold or delivered in interstate commerce (A) which is dedicated to interstate commerce for the first time on or after January 1, 1976, (B) which is continued in interstate commerce by an independent producer after the expiration of a contract by its own terms (and not through the exercise of any power to terminate or renegotiate contained therein) for the sale or delivery of such natural gas existing as of such date: *Provided, however*, That such contract has not been transferred to the independent producer by a person not classified as an independent producer. An 'independent producer,' for the purpose of this subsection, is a producer whose total annual production of gas in the U.S. is less than 100 billion cubic feet, or (C) which is produced from wells commenced on or after such date.

By Mr. HUGHES:

(Amendment to the Krueger substitute.)

Section 24(e) of the new sections of the Natural Gas Act proposed to be added by section 208 of the Krueger substitute is amended by inserting "the lesser of (1) the composite price of old and new domestic oil as provided under the Energy Conservation and Policy Act (P.L. 94–163), or (2)" immediately after the words "offshore Federal lands which shall be equivalent to".

By Mr. MOSS:

(Amendments to the Krueger amendment.)

At the end of paragraph (8) of section 2 of the Natural Gas Act (as added by section 204), insert the following: "Such term does not include any natural gas produced from fields which have not been dedicated to interstate or intrastate commerce on January 1, 1975, which fields have recoverable reserves of natural gas on or after January 1, 1976, in excess of 20 trillion cubic feet."

Strike out section 101 and redesignate the succeeding sections accordingly.

Strike out section 102 and redesignate the succeeding sections accordingly.

Section 103, at the end of paragraph (2), insert the following: "Such term includes any person who the Administrator of the Environmental Protection Agency certifies to the Commission needs natural gas to comply with applicable requirements of the Clean Air Act, or of any applicable implementation plan (as defined in section 110 of such Act)."

Strike out section 103 and redesignate the succeeding sections accordingly.

Strike out section 104 and redesignate the succeeding sections accordingly.

Strike out section 105 and redesignate the succeeding sections accordingly.

Strike out section 106 and redesignate the succeeding sections accordingly.

Strike out section 107.

Strike out title I and redesignate title 2 as title 1.

Strike out title 2.

Strike out section 201 and redesignate the succeeding sections accordingly.

Strike out section 202 and redesignate the succeeding sections accordingly.

Strike out section 203 and redesignate the succeeding sections accordingly.

Strike out section 204 and redesignate the succeeding sections accordingly.

Strike out section 205 and redesignate the succeeding sections accordingly.

Strike out section 206 and redesignate the succeeding sections accordingly.

Strike out section 207 and redesignate the succeeding sections accordingly.

Strike out section 208 and redesignate the succeeding sections accordingly.

Strike out section 209.

After section 209 of the Krueger amendment, add the following:

TITLE III—COMPETITION IN PRODUCTION AND TRANSPORTATION OF NATURAL GAS

DEFINITIONS

Sec. 301. As used in this title:

(1) The term "affiliate" means a person controlled by, controlling, or under or subject to common control with respect to, any other person.

(2) The term "commerce" means commerce among the States or with foreign nations; or commerce in any State which affects commerce among or between any State and foreign nation.

(3) The term "control" means direct or indirect legal or beneficial interest or legal power or influence over another person, directly or indirectly, arising through direct, indirect, or interlocking ownership of capital stock, interlocking directorates or officers, contractual relations, agency agreements, or leasing arrangements.

(4) The term "State" means a State, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or possession of the United States.

UNLAWFUL RETENTION BY PRODUCERS

Sec. 302. (a) On and after December 31, 1978, it shall be unlawful for any person engaged in the business of exploration for, development of, or production of natural gas to own or control any interest, directly, or through an affiliate, in any person engaged in the business of transporting natural gas by pipeline.

(b) Nothing in this section shall prohibit any person engaged in the business of producing natural gas to own or control gathering pipelines, as determined by the Commission.

UNLAWFUL RETENTION BY TRANSPORTERS

SEC. 303. On and after December 31, 1978, it shall be unlawful for any person engaged in the business of transporting natural gas by pipeline, to own or control any interest, directly or through an affiliate, in any person engaged in the business of exploration for, development of, or production of natural gas.

FACILITIES RELATING TO THE PROCESSING OF SYNTHETIC NATURAL GAS OR LIQUEFIED NATURAL GAS

SEC. 304. (a) On and after December 31, 1978, it shall be unlawful for any person engaged in the business of exploration for, development of, or production of natural gas, or any person engaged in the transportation by pipeline of natural gas, to own or control any interests, directly or through an affiliate, in facilities relating to the processing of synthetic natural gas or liquefied natural gas.

DIVESTMENT PLANS

SEC. 305. (a) The Securities and Exchange Commission, in accordance with such rules, regulations, or orders as it may deem necessary to carry out the purposes of this Act, shall require companies holding ownership interests in facilities which are provided by this Act, to submit within one year from the date of enactment of this Act, plans for the divestment of such ownership interests, whether represented by securities or otherwise. If, after notice and opportunity for hearing, the Commission shall find such plan, as submitted or as modified by Commission order, necessary to effectuate the provisions of this Act and fair and equitable to the persons affected by it, the Commission by order shall approve such plan and shall thereafter take such action, by application to a court for appointment of a trustee, or receiver, or for such other order as may be necessary, to enforce such plan.

(b) The Commission shall not approve any plan under subsection (a) which will not substantially accomplish the necessary divestment on or before January 1, 1979.

ENFORCEMENT

SEC. 306. (a) The Federal Power Commission shall institute suits in the district courts of the United States requesting the issuance of such relief as is appropriate to assure compliance with this Act, including orders of divestiture, declaratory judgments, mandatory or prohibitive injunctive relief, interim equitable relief, the appointment of temporary or permanent receivers or trustees, and punitive damages for willful failure to comply with lawful Commission orders.

(b) In carrying out the provisions of this Act, the Federal Power Commission may utilize all other powers conferred upon it by other provisions of law.

PENALTIES

SEC. 307. Any person who knowingly violates any provision of this Act shall, upon conviction, be punished, in the cases of an individual, by a fine of not to exceed $400,000 or by imprisonment for a period not to exceed ten years, or both, or in the case of a corporation, by a fine of not to exceed $5,000,000 or by suspension of the right to do business in interstate commerce for a period not to exceed ten years, or both. A violation by a corporation shall be deemed to be also a violation by the individual directors, officers, receivers, trustees, or agents of such corporation who shall have authorized, ordered, or done any of the acts constituting the violation in whole or in part, or who shall have omitted to authorize, order, or do any acts which would terminate, prevent, or correct conduct violative of this Act. Failure to obey an order of the court pursuant to this Act shall be punishable by such court as a contempt of court.

In section 104, insert "the provisions of section 27" after "except for reporting requirements".

Immediately after section 26 of the Natural Gas Act (as added by section 208) insert the following:

"COMPLIANCE BY PRODUCERS WITH CONTRACTUAL AND CERTIFICATION OBLIGATIONS

"SEC. 27. (a) Not later than June 15, 1976, and every 12 months thereafter, the Commission shall report to the President and to the Congress with respect to:

"(1) compliance by producers of natural gas with terms of any contractual or certification obligation to deliver natural gas to interstate natural gas companies at prescribed or minimum rates; and

"(2) the extent to which natural gas companies have pursued administrative and judicial remedies to compel compliance by natural gas producers with the terms of any contractual or certification obligation of such producers to deliver quantities of natural gas to natural gas companies at prescribed or minimum rates.

"(b) Any interested person may bring an action against any producer of natural gas to compel compliance by such producer with the terms of any contractual obligation of such poducer to deliver natural gas to natural gas companies at prescribed or minimum rates.

"(c) The district courts of the United States shall have jurisdiction with respect to any action brought under subsection (b). The court shall have the power to grant such equitable relief as is necessary to redress the effect of any failure by any producer of natural gas to comply with any contractual obligation to any natural gas company, including declaratory judgment, mandatory or prohibitive injunctive relief, and interim equitable relief, and the courts shall further have the power to award (1) compensatory damages to any person or class of persons, (2) costs of litigation including reasonable attorney and expert witness fees, and (3) whenever and to the extent deemed necessary or appropriate to deter future violations punitive damages."

In section 208, immediately after new section 26, add the following:

"RATES AND CHARGES CEILING

"SEC. 27. The Commission shall, as soon as practicable after the date of enactment of the Natural Gas Act Amendments of 1975, and pursuant to rulemaking procedures under section 553 of title 5, United States Code, establish by regulation, and shall every two years modify, a national ceiling for rates and charges for the sale in interstate commerce for resale of old natural gas, the sale of which gas is continued in interstate commerce after the expiration of a contract by its own terms (and not through the exercise of any power to terminate or renegotiate contained therein) for the sale or delivery of such natural gas. In establishing such national ceiling, the Commission shall consider the following factors and only these factors:

"(1) the costs attributable to the exploration, development, production, gathering, and sale of old natural gas;

"(2) the costs of operation, reworking, installation of additional compression, and similar expenses, which costs are necessary to prevent abandonment in place of old natural gas reserves otherwise recoverable;

"(3) the reimbursement to the seller of (A) any severance, production, or other tax payable by the seller and levied on the value or volume of production at the wellhead; and (B) any royalty or royalties on natural gas which a producer is required to pay to a royalty owner under applicable State law;

"(4) the rate of return on seller's original capital investment which is comparable to rates of return received by other extractive industries as determined by the Commission, after consultation with the Federal Trade Commission; and

"(5) the rates and charges that will protect consumers of natural gas from price increases that would, in the absence of a national ceiling during periods of actual or anticipated shortages, exceed the rates and charges necessary to achieve the objectives of paragraph (4) of this subsection."

In section 208, after new section 26, add the following:

"FEDERAL GAS CORPORATION

"SEC. 29. (a) FINDINGS AND PURPOSES.—The Congress finds and declares that—

"(1) the Federal Government must become directly involved in locating and developing sources of natural gas to assure adequate supplies of these fuels to American consumers at reasonable and competitive prices;

"(2) the Nation's need for energy supplies is so great that there is an urgent need to stimulate new competition in the transportation and sale in commerce of natural gas;

"(3) the people of the United States through the Federal Government own substantial lands which could be developed for the production of natural gas;

"(4) American consumers would benefit if the forces of competition operated to a greater extent than at present in the world gas market;

"(5) a corporation owned by the Federal Government, engaged in exploration for natural-gas deposits and using the most advanced available geological techniques, could encourage the entry into competition of additional small producers and independent natural-gas companies, by making public the information developed by it, and it could maximize the revenues received by the Treasury from gas leases on Federal lands as a result of such increased competition;

"(6) a corporation owned by the Federal Government, in case of any shortage of natural gas and serious public hardship, could itself engage in production on Federal lands in sufficient quantities to mitigate such shortage and hardship;

"(7) a corporation owned by the Federal Government could locate and develop deposits of natural gas and assure their storage in strategic reserves, where they would be available for use during a national emergency (such as the dislocation caused by a sudden discontinuance of foreign supplies of natural gas); and

"(8) a corporation owned by the Federal Government could cooperate with other agencies and instrumentalities of the Federal Government in anticipating the need for additional supplies of natural gas and could plan its own production to offset such projected deficits.

"(b) ESTABLISHMENT.—The Commission is directed to establish, in accordance with the provisions of this section, a corporation to be known as the Federal Gas Corporation (hereinafter referred to as the 'Corporation').

"(c) STRUCTURE.—(1) The Corporation shall be administered by a Board of Directors (hereinafter referred to as the 'Board'). The individuals appointed as members of the first Board shall be deemed the incorporators of the Corporation. The date of incorporation shall be held to be the date of the first meeting of the first Board at which a quorum is present.

"(2) The Board shall consist of five qualified individuals who shall be selected by the President, by and with the advice and consent of the Senate. The President shall designate the Chairman. Appropriate weight in the selection of Board members shall be given to such factors as race, age, and sex. No more than 3 members of the Board shall be members of the same political party.

"(3) The terms of office of the members of the Board first taking office shall expire as designated by the President at the time of selection, one at the end of the first year, one at the end of the second year, one at the end of the third year, one at the end of the fourth year, and one at the end of the fifth year following the date of incorporation. A successor to a member of the Board shall be appointed in the same manner as the original members and shall have a term of office expiring 5 years from the date of expiration of the term for which his predecessor was appointed. Any member of the Board appointed to fill a vacancy in the Board occurring prior to the expiration of the term for which his predecessor was appointed. Any member of the Board appointed to fill a vacancy in the Board occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term.

"(4) Three members of the Board shall constitute a quorum for the purpose of conducting the business of the Corporation.

"(5) The Chairman of the Board shall be compensated at the rate provided for level II of the Executive Schedule pay rates (5 U.S.C. 5313) and the other members shall be compensated at the rate provided for level IV of the Executive Schedule pay rates (5 U.S.C. 5315). Members shall in addition be reimbursed by the Corporation for actual expenses incurred by them in the performance of the duties vested in the Board by this section.

"(6) No member of the Board shall, during his term in office, be engaged in any other business, nor may he have any financial interest in any business entity which is engaged in the transportation or sale of natural gas.

"(7) All members of the Board shall avoid all contacts with any person which may tend to create an actual or apparent conflict of interest with the Board member's duties and responsibilities under this Act. Each Board member shall refrain from any action which may actually or apparently impugn his stated belief in the purposes of this Act. To further assure the independence of Board members, their compensation shall be continued for a period of 1 year after they cease to be members thereof, at a level equal to three-quarters of the compensation received by them during the final year of their final term.

"(8) Any member of the Board may be removed from office at any time by joint resolution of the Senate and the House of Representatives.

"(d) Powers of Board.—(1) The Board shall, without regard to the provisions of civil service laws applicable to officers and employees of the United States, appoint such officers, managers, employees, attorneys, and other personnel as are necessary for the transaction of its business (including personnel to perform temporary and intermittent services), fix their compensation, define their duties, require bonds of such of them as the Board may designate, and provide a system of organization to fix responsibility and promote efficiency. Any appointee of the Board may be removed at the discretion of the Board.

"(2) All contracts to which the Corporation is a party and which require the employment of laborers and mechanics in the construction, alteration, maintenance, or repair of facilities authorized under this title shall contain a provision that not less than the prevailing rate of wages for work of a similar nature in the vicinity shall be paid to such laborers or mechanics as determined by the Secretary of Labor in accordance with the Davis-Bacon Act (40 U.S.C. 276a). In the determination of such prevailing rate or rates, due regard shall be given to those rates which have been secured through collective agreement by representatives of employers and employees. The Board shall not enter into any such contract without first obtaining assurance that required labor standards will be maintained on the construction work. Health and safety standards promulgated by the Secretary of Labor pursuant to section 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 333) shall be applicable to all construction work performed under such contracts. Where such work as described in this paragraph is done directly by the Corporation the prevailing rate or rates of wages shall be paid in the same manner as though such work had been let by contract.

"(e) Powers and Duties of the Corporation.—(1) Except as otherwise specifically provided in this section, the Corporation—

"(A) shall have succession in its corporate name;

"(B) may sue and be sued in its corporate name;

"(C) may adopt and use a corporate seal, which shall be judicially noticed;

"(D) may make contracts, as authorized;

"(E) may adopt, amend, and repeal bylaws;

"(F) may purchase or lease and hold such real and personal property as it deems necessary or convenient in the transaction of its business, and may dispose of any such personal or real property held by it;

"(G) shall have such powers as may be necessary or appropriate for the exercise of the powers herein specifically conferred upon the Corporation;

"(H) shall explore for natural gas or Federal, State, or foreign lands, employing for such purpose the best available geological and geophysical technology including seismic surveying, magnetic surveying, gravitational surveying, surface hydrocarbon detection, and bottom sampling:

"(I) shall make available to the general public, in a manner determined by the Board, such geological and geophysical information as it acquires in the course of its activities pursuant to the preceding paragraph;

"(J) shall have the power to develop and produce natural gas from reserves on Federal, State, or foreign lands which it has located in order to accomplish the purposes of this section, and shall have the power to sell any natural gas so developed and produced into interstate commerce;

"(K) shall have the power to obtain, by sale, lease, purchase, exchange, or contract, such amounts of natural gas as are necessary to carry out the purposes of this section and this Act, and shall have the power to build and operate any facilities necessary or appropriate for such transportation, or sale of natural gas and oil as is authorized under this section;

"(L) shall have the power to explore, develop, acquire, produce, or sell natural gas alone or on a joint or cooperative basis with any private or other public entity or entities: *Provided*, That no joint or cooperative basis is authorized if there is any likelihood that exploration, development, acquisition, or sale jointly or cooperatively with another entity or entities may adversely affect competition, restrain trade, further monopolization, or violate the spirit or content of any Federal statute respecting trade or commerce;

"(M) shall produce from reserves which it has developed or acquired such amounts of natural gas as are necessary or appropriate to meet the needs of the citizens and commerce of the United States for these energy sources;

"(N) shall develop reserves of natural gas which, to the extent that production from such reserves is not necessary or appropriate under the preceding paragraph, shall be maintained by the Corporation, in a condition of readiness to produce, as the Nation's strategic reserves of these energy sources. The Corporation shall produce natural gas from such reserves during periods of emergency need for such energy sources, as determined by the Board or, in the form of a directive, by the President or the Commission;

"(O) shall have the power to engage in research directed toward the development or utilization of abundant and nonpolluting supplies of energy, from whatever source, and may build, own, and operate research, testing, or demonstration facilities, alone or on a joint or cooperative basis with private or other public entities; and

"(P) shall have the power to build, lease, purchase, or otherwise obtain and operate facilities necessary for the authorized transportation or sale of natural gas: *Provided*, That no facility may be constructed or operated unless it meets and complies with all of the requirements of any Federal statute relating to environmental quality, or any regulation issued under such statute, and (2) no facility may be constructed or operated except in conformity with the highest and best methods for the protection and maintenance of environmental quality after consultation with the Environmental Protection Agency. As used herein, 'environmental quality' means those aspects of life and those objectives which are delineated in section 101(b) of the National Environmental Policy Act of 1969 (42 U.S.C. 4331 (b)) and which it is the purpose of such Act to protect.

"(2) For purposes of this section, the term 'natural gas' includes crude oil and lease condensate produced in association with the production of natural gas.

"(f) Issuance of Obligations.—(1) The Corporation is empowered to incur debt for capital and operating purposes. Such debt may be incurred in the form of bonds, debentures, equipment trust certificates, conditional sale agreements, or any other form of securities, agreements, or obligations (hereinafter collectively referred to as 'obligations').

"(2) Payment of principal and interest on obligations issued by the Corporation under this subsection is guaranteed by the United States. Such guarantee shall be expressed on the face of the obligation. The corporation may also incur debt not guaranteed by the United States. Proceeds realized by the Corporation from issuance of its obligations and the expenditure of such proceeds shall not be subject to apportionment under the provisions of section 3679 of the Revised Statutes (31 U.S.C. 665).

"(3) Obligations issued by the Corporation under this subsection may be redeemable at the option of the Corporation before maturity in such manner as may be stipulated thereon and shall be in such forms and denominations, have such maturities, and be subject to such terms and conditions as shall be determined by the Board.

"(4) At least 30 days before selling any issue of obligations other than obligations having a maturity of less than 1 year, the Board shall so advise the Secretary of the Treasury in the greatest possible detail, including the amount, proposed date of sale, maturities, terms and conditions of, and the expected rate of interest on such issue. If the Secretary of the Treasury so requests, representatives of the Corporation shall consult with him or his designee with respect to the proposed issue: *Provided*, That the issuance and sale of obligations of the Corporation is not subject to approval by the Secretary of the Treasury. If the Corporation determines that a proposed issue of obligations cannot be sold on reasonable terms, it may issue interim obligations to the Secretary of the Treasury, which such Secretary is authorized to purchase. Such interim obligations of the Corporation issued to the Secretary of the Treasury shall mature on or before 1 year from the date of issuance. Such obligations shall bear interest at a rate or yield no less than the current average yield on outstanding marketable securities or obligations of the United States of comparable maturity, as determined by the Secretary of the Treasury. For the purpose of any purchase of obligations of the Corporation, and to enable him to carry out the responsibility relating to guarantees of obligations made pursuant to this subsection, the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as now or hereafter in force, and the purposes for which securities may be issued thereunder are extended to include any purchases of the obligations of the Corporation under this section. The Secretary of the Treasury may at any time sell, upon such terms and conditions and at such price or prices as he shall determine, any of the obligations of the Corporation acquired by him. All redemptions, purchases, and sales by the Secretary of the Treasury of the obligations of the Corporation shall be treated as public debt transactions of the United States.

"(5) The Board may (A) sell its obligations by negotiation or on the basis of competitive bids, subject to the right, if reserved, to reject all bids; (B) designate trustees, registrars, and paying agents in connection with obligations of the Corporation and the issuance thereof; (C) arrange for audits of its accounts and for reports concerning its financial condition and operations by certified public accounting firms in addition to audits and reports required by the Government Corporation Control Act; (D) invest, subject to any covenants contained in any obligation contract, the proceeds of any obligations and other funds under its control in any securities approved for investment of National bank funds and deposit said proceeds and other funds, subject to withdrawal by check or otherwise, in any Federal Reserve bank or bank having membership in the Federal Reserve System; and (E) perform such other acts not prohibited by law as it deems necessary or desirable to accomplish the purposes of this section.

"(6) Obligations of the Corporation issued under this subsection shall contain a recital to that effect which shall be conclusive evidence that the underlying obligation is in compliance with the provisions of this section and valid. Obligations of the Corporation issued under this subsection shall be lawful investments and may be accepted as security for all fiduciary, trust, and public funds, the investment or deposit of which shall be under the authority or control of any officer or agency of the United States and shall be exempt securities within the meaning of laws administered by the Securities and Exchange Commission. The limitations and restrictions as to a National or State bank dealing in, underwriting, or purchasing investment securities for its own account, as provided in section 5136 of the Revised Statutes (12 U.S.C. 24), and section 5(c) of the Act of June 16, 1933 (12 U.S.C. 335), shall not apply to obligations guaranteed under this subsection.

"(7) There are authorized to be appropriated to the Secretary of the Treasury such sums as may be necessary to pay the principal and interest on notes or obligations issued by him as a consequence of any guarantee under this subsection.

"(8) In the event of any default on any guaranteed obligation, and payment in accordance with a guarantee by the United States, the Attorney General shall take appropriate action to recover the amount of such payments, with interest, from the Corporation or other persons liable therefor.

"(g) Access to Federal Lands and Reserves.—(1) The Corporation may request the right to develop natural gas which is or may be located on any Federal lands, including the Outer Continental Shelf, to the extent necessary to carry out its authorized activities: *Provided*, That the Corporation shall not request nor be granted more than 50 per centum of such rights as are offered for sale or lease.

"(2) Upon the receipt of a request of the Corporation under paragraph (1) of this subsection and except as provided in paragraph (3) of this subsection, any Federal agency or department having authority to lease, sell, or otherwise dispose of rights to develop natural gas which is or may be located on Federal lands shall grant the Corporation such rights subject to such paragraph, and pursuant to payment within 60 days after the receipt of such request, rights to develop under this paragraph shall not be subject to any other Federal statute or regulation governing the lease, sale, or other disposition of any such lands or rights by any Federal agency or department.

"(3) Notwithstanding the provisions of section 641 of title 10, United States Code, the Secretary of Defense, acting for the Secretary of the Navy, shall transfer possession of certain properties inside the naval petroleum and oil shale reserves, which are subject to such Secretary's jurisdiction and control, to the Corporation in accordance with this paragraph. Within 1 year after the date of incorporation of the Corporation, the Secretary of Defense shall prepare and submit to the President a report which specifies the reserves which he finds are necessary for retention to accomplish the purposes of such section 641. Within 6 months after receiving such report, the President shall designate those reserves which are necessary for retention under such section. Such properties may not be transferred to the Corporation, except on such terms and conditions as may be set by the President.

"(4) The provisions of this subsection shall not apply to any Federal lands or rights within any national park, wilderness, seashore, or wildlife refuge area, or to any lands held by the United States in trust for any Indian or Indian tribe.

"(5) All rights granted and properties transferred to the Corporation shall be explored, developed, or produced in the most rapid manner practicable without excessive risk of losses in recovery in accordance with the purposes of this section and subject to the authorized powers and limitations set forth in subsection (e) of this section.

"(h) Limitations on Corporation.—(1) The Corporation shall build, lease, or purchase processing facilities for the natural gas it produces or otherwise obtains only if it is unable to arrange for processing of such natural gas in an efficient and economical manner. Any refinery facilities the Corporation shall build, lease, or purchase shall be operated in such manner as to promote competition among suppliers of crude oil.

"(2) The Corporation shall build, lease, or purchase transportation facilities for the natural gas it produces or otherwise obtains only if it is unable to arrange for delivery of such natural gas in a manner which will promote competition among suppliers of natural gas.

"(i) Sales.—(1) Sales of natural gas by the Corporation shall be made at fair and reasonable prices designed to promote competition among suppliers of these energy resources.

"(2) Transportation and sale of natural gas by the Corporation shall be subject to the jurisdiction of the Commission to the same extent and subject to the same requirements as such transportation and sale by other suppliers.

"(3) In selling natural gas, the Corporation shall give, or cause to be given, price, supply, or delivery preference to States, political subdivisions of States, cooperatives, and independent processors and retailers.

"(j) In Lieu Payments.—Whenever the Corporation owns land, facilities, equipment, or other items, which would normally be subject to taxation by a State or political subdivison thereof, the Corporation shall pay an amount to such entity in lieu of such taxes on the same basis and in like amount as would be paid in the form of taxes by a private owner.

"(k) Information Availability.—(1) The Corporation shall make available, by license or otherwise, on a nonexclusive basis, upon payment of a reasonable royalty, and without territorial limitation, the use of any patent, trade secret, and copyrighted or other information obtained or developed by the Corporation in the performance of any of its activities under this section. In appropriate cases, where the purposes of this section and Act would be served, the Board may waive the payment of royalties.

"(2) Copies of any written or oral communication, documents, intelligence, report, or other information received, prepared, or sent by the Corporation or any of its personnel and, in the case of oral communications, reduced to writing in whole or in summary, shall be made available to any interested person upon receipt of a specific and identifiable request in writing subject to payment of costs upon receipt, including the approximate compensation value of personnel time expended in responding to such request (in appropriate cases the payment of costs may be waived), except that nothing in this paragraph shall be deemed to require the release of any information required by law to be kept secret in the interest of the national defense or foreign policy; personnel and medical files and similar files the disclosure of which would constitute an unwarranted invasion of personal privacy; or information pertinent to a pending negotiation or transaction until the completion thereof.

"(l) Effect of State and Local Law.—Except for compliance with Federal statutes which may be administered by the States, the Corporation shall be exempt from State and local statutes or controls which would impede its ability to perform the activities authorized by this section: *Provided*, That the Corporation shall submit a prior report, together with reasons therefor, to the Commission and the Congress with respect to each incident of noncompliance with any State or local statute or control.

"(m) Annual Report.—The Corporation shall transmit to the President and the Congress, annually, commencing on the first anniversary of its date of incorporation, and thereafter on February 1 of each year, and at such other times as it deems desirable, a comprehensive and detailed report of its operations, activities, and accomplishments under this section, including a statement of receipts and expenditures for the previous year. Copies of such reports shall be sent to the chairmen of the Senate and House Committees on Appropriations and Commerce, and the reports shall also (1) contain the Corporation's statement of specific and detailed objectives and relate these objectives to those in this section; (2) include statements of the Board's conclusions as to the effectiveness of the Corporation in meeting the stated objectives, measured through the end of the preceding fiscal year; (3) make recommendations with respect to any changes or additional legislative action deemed necessary or desirable; (4) contain a listing identifying the principal analyses and studies supporting the major conclusions and recommendations; and (5) contain the Corporation's annual evaluation plan or plans for its activity through the next fiscal year and the following 5 years. At the time of such annual report, the Corporation shall submit a statement of the amount of financial assistance needed, if any, for its operations and for capital improvements, the manner and form in which the amount of such assistance should be computed, and the sources from which such assistance should be derived. The Corporation shall make each annual report readily available to the public.

"(n) Relationship With Other Agencies.—Each department, agency, and instrumentality of the executive branch of the Federal Government and the independent regulatory agencies are authorized and directed to furnish to the Corporation, upon its request, any information or other data which the Corporation deems necessary to carry out its duties under this section.

"(o) Authorization for Appropriations.—There are authorized to be appropriated to the Corporation for the fiscal year ending June 30, 1976, and for each of the next 10 succeeding fiscal years, $50,000,000 for carrying out the provisions of this section. All funds appropriated pursuant to this section shall remain available until expended.

"(p) Disposition of Profits.—When the annual revenues of the Corporation exceed the amounts necessary, in accordance with customary business practices, to satisfy the obligations and expenses incurred by it and to maintain the financial reserves necessary or appropriate for the prudent conduct of its activities, the Corporation shall pay all of such excess to the United States for deposit in the Treasury as 'miscellaneous receipts'."

After section 208, add the following:

"CONFORMING AMENDMENT

"Sec. 209. Section 201 of the Government Corporation Control Act (31 U.S.C. 856) is amended by striking out "and" at the end of clause (8) and by inserting immediately before the period at the end thereof the following: ', and (10) the Federal Gas Corporation'."

Redesignate section 209 as section 210.

After section 209 of the Krueger amendment, add the following:

"TITLE III—ENERGY INDUSTRY COMPETITION

"SHORT TITLE

"Sec. 301. This title may be cited as the 'Promotion of Energy Industry Competition Act'.

"DECLARATION OF POLICY

"Sec. 302. Congress hereby declares the continuing commitment of the United States to the goal of free enterprise and free market economy which functions fairly and efficiently to allocate resources at the best possible price to the consumer and in a manner consistent with the values of free society.

"DEFINITIONS

"Sec. 303. As used in this title:

"(1) The term 'affiliate' means a person controlled by, controlling, or under or subject to common control with respect to, any other person.

"(2) The term 'asset' means any property (tangible or intangible; real, personal, or mixed) and includes stock in any corporation which is engaged (directly or through a subsidiary or affiliate) in the business of producing, transporting, refining, or marketing energy-resource products.

"(3) The term 'commerce' means commerce among the States or with foreign nations; or commerce in any State which affects commerce among or between any State and foreign nation.

"(4) The term 'control' means direct or indirect legal or beneficial interest or legal power or influence over another person directly or indirectly, arising through direct, indirect, or interlocking ownership of capital stock, interlocking directorates or officers, contractual relations, agency agreements, or leasing arrangements.

"(5) The term 'energy-resource product' means petroleum products, natural gas, tar sands, or oil shale.

"(6) The term 'energy marketing asset' means any asset used in the marketing or retail distribution of energy-resource products.

"(7) The term 'energy transportation asset' means any asset used in the transportation by pipeline, tanker, or gathering line of energy resource products.

"(8) The term 'energy refinery asset' means any asset used in the refining of energy-resource products.

"(9) The term 'energy production asset' means any asset used in the exploration for, development of, or production of energy-resource products.

"(10) The term 'State' means a State, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or possession of the United States.

"UNLAWFUL RETENTION BY PRODUCERS

"Sec. 304. On and after December 31, 1978, it shall be unlawful for any of the twenty largest major integrated petroleum companies affecting commerce, as identified by rule by the Federal Trade Commission, engaged in the business of exploration for, development of, or production of energy-resource products, to own or control any interest, directly, or through an affiliate, in any energy refinery asset, energy transportation asset, or energy marketing asset.

"UNLAWFUL RETENTION BY TRANSPORTERS

"Sec. 305. On and after December 31, 1978, it shall be unlawful for any of the twenty largest major integrated petroleum companies affecting commerce, as identified by rule by the Federal Trade Commission, engaged in the business of transporting energy resource products by energy transportation assets, to own or control any interest, directly or through an affiliate, in any energy production asset, energy refinery asset, or energy marketing asset.

"UNLAWFUL RETENTION OF MINERAL DEPOSIT

"Sec. 306. (a) On and after December 31, 1978, it shall be unlawful for any of the twenty largest major integrated petroleum companies affecting commerce, as identified by rule by the Federal Trade Commission, engaged in the business of exploration for, development of, or production of energy-resource products, to control mineral deposits in the following classes:

"(1) coal, including hydrocarbons associated with coal, but excluding coal found as a small fraction of a deposit containing coal and other marketable minerals, and

"(2) uranium and other fissionable minerals.

"(b) No person at the same time shall be a director, officer, or employee of two or more corporations or associations engaged in commerce, which own or control deposits of, produce, refine, transport, or market at retail petroleum, products of petroleum refining, natural gas, coal, uranium, or other fissionable minerals. The Federal Trade Commission shall have exclusive authority to enforce compliance with this subsection.

"DIVESTMET PLANS AND FINANCIAL ACCOUNTING

"Sec. 307. (a)(1) The Securities and Exchange Commission, in accordance with such rules, regulations, or orders as it may deem necessary to carry out the purposes of this Act, shall require companies holding ownership interests in facilities which are provided by this Act, to submit within one year from the date of enactment of this Act, plans for the divestment of such ownership interests, whether represented by securities or otherwise If, after notice and opportunity for hearing, the Commission shall find such plan, as submitted or as modified by Commission order, necessary to effectuate the provisions of this Act and fair and equitable to the persons affected by it, the Commission by order shall approve such plan and shall thereafter take such action, by application to a count for apopintment of a trustee, or receiver, or for such other order as may be necessary, to enforce such plan.

"(2) The Commission shall not approve any plan under paragraph (1) which will not substantially accomplish the necessary divestment on or before January 1, 1979.

"(b) The Commission shall immediately prescribe rules and regulations governing the financial accounting of companies subject to this Act, to insure careful segregation of operations of such companies in each level of industry operation, separately calculating and reporting capital and operating costs and profits, for operations relating to crude oil production, operation of each refinery, operation of pipelines, and operation of marketing facilities.

"ENFORCEMENT

"Sec. 308. (a) The Federal Trade Commission shall institute suits in the district courts of the United States requesting the issuance of such relief as is appropriate to assure compliance with this Act, including orders of divestiture, declaratory judgments, mandatory or prohibitive injunctive relief, interim equitable relief, the appointment of temporary or permanent receivers or trustees, and punitive damages for willful failure to comply with lawful Commission orders.

"(b) In carrying out the provisions of this Act, the Federal Trade Commission may utilize all other powers conferred upon it by other provisions of law.

"PENALTIES

"Sec. 309. Any person who knowingly violates any provision of this Act shall, upon conviction, be punished, in the cases of an individual, by a fine of not to exceed $400,000 or by imprisonment for a period not to exceed ten years, or both, or in the case of a corporation, by a fine of not to exceed $5,000,000 or by suspension of the right to do business in interstate commerce for a period not to exceed ten years, or both. A violation by a corporation shall be deemed to be also a violation by the individual directors, officers, receivers, trustees, or agents of such corporation who shall have authorized, ordered, or done any of the acts constituting the violation in whole or in part, or who shall have omitted to authorize, order, or do any acts which would terminate, prevent, or correct conduct violative of this Act. Failure to obey an order of the court pursuant to this Act shall be punishable by such court as a contempt of court."

By Mr. OBEY:

(Amendments to the Fraser amendment.)

In section 3, strike out paragraphs (5) and (7) (relating to the definition of "joint venture" and "major integrated petroleum company") in section 202 (as added by such section 3) and redesignate the succeeding paragraphs of section 202 accordingly.

Insert the following at the end of section 206(b) (as added by section 3): "It shall be the duty of the State utility commissions to assure that the benefits of the old natural gas tariffs are reflected in the rates to such residential and small users."

By Mr. OTTINGER:

(Amendments to Krueger amendment.)

Section 102 of the Krueger amendment is amended by deleting all of subsection (a) and the following words in subsection (b)

"(b) The purpose of this title is to grant the Federal Power Commission authority to allow natural-gas companies" and to insert in lieu thereof the following:

"The purpose of this Act is to minimize the detrimental effects on employment, food production, and the public health, safety, and welfare caused by natural gas supply shortages, by authorizing the Federal Power Commission to allow natural-gas companies".

Section 105 of the Krueger amendment is deleted. (B) Section 208 of the Krueger amendment is amended by deleting the new section 26. (C) The following is added as title III to the Krueger amendment:

"TITLE III—AMENDMENT TO ENERGY SUPPLY AND ENVIRONMENTAL COORDINATION ACT OF 1974

"Sec. 301. Section 2 of the Energy Supply and Environmental Coordination Act of 1974 (PL 93–319) is amended by adding at the end thereof the following new subsection:

"'(g). If the Administrator determines, pursuant to clause (A) of subsection (a) of this Section 2, that a power plant or installation burning natural gas cannot burn coal but has or can acquire the capability and necessary plant equipment to burn petroleum products, the Administrator shall, by order, prohibit such powerplant or installation from burning natural gas as its primary energy source, if the Administrator further finds that (i) the burning of petroleum products by such plant or installation in lieu of natural gas is practicable and consistent with the purposes of this Act, (ii) petroleum products will be available during the period the order is in effect, and (iii) in the case of a power plant, the prohibition under this subsection will not impair the reliability of service in the area served by such plant. Such order shall be rescinded or modified to the extent that Administrator determines that any requirement of clauses (i), (ii), or (iii) of this subsection is no longer met; and such an order may at any time be modified if the Administrator determines that such order, as modified, complies with the requirements of this subsection. The Administrator may specify in any order issued pursuant to this subsection the periods of time during which such order will be in effect and the quantity or rate of use of natural gas that may be burned by a power plant or major fuel-burning installation during such periods, including the burning of natural gas by a power plant to meet peaking load requirements. The Administrator shall exempt from any order under this subsection the burning of natural gas by power plants or installations solely for the purpose of operating pollution abatement systems, unless the Administrator finds that low sulphur petroleum products are available and effective to control pollution. Before issuing any order under this subsection, or making any modification of such order, the Administrator shall give notice to the public and afford interested persons an opportunity for oral and written presentations of data, views and arguments and shall also consult with the Administrator of the Environmental Protection Agency.' "

Section 104 of the Krueger amendment is amended by adding the following three "*Provided*" clauses at the end of section 104:

"*Provided further*, That any contractual provision prohibiting sales or transportation entitled to any such exemption or terminating any other obligations of any gas supply or sales contract as a result of such sales or transportation shall be unenforceable in any respect to any such sale or transportation:

"*Provided further*, That it shall be a violation of the Natural Gas Act (as amended) for any natural-gas distributing company to charge residential users and small users (as defined by the Commission) rates which reflect any costs incurred by an interstate transporter as a result of purchases of natural gas made pursuant to an exemption granted under this section:

"*Provided further*, That no first sale of natural gas after enactment and prior to expiration of the Natural Gas Emergency Standby Act of 1975 shall be made at a price which exceeds the highest wellhead price (as determined by the Commission) at which natural gas was sold during the period of June 1, 1975, through August 1, 1975, in the state in which such first sale is made."

Section 204 of the Krueger amendment is amended as follows:

"(a) In paragraph h(8), delete the phrase 'new natural gas' means natural gas" and insert in lieu thereof of the following:

" " 'new natural gas' means natural gas produced by independent producers from gas wells and not oil wells which is".

"(b) Add a new paragraph (12) reading as follows:

" '(12) "Independent producer" means a person, including any person controlling, controlled by, or under common control with such a person, which is engaged in the production of natural gas and not engaged in the refining, transportation, or marketing of natural gas or petroleum products (other than transportation through a gathering pipeline, as determined by the Commission).' "

Section 204 of the Krueger amendment is amended as follows:

(1) In paragraph (8), delete the phrase " 'new natural gas' means natural gas" and insert in lieu thereof the following: " 'new natural gas' means natural gas produced by independent producers and;"

(2) Add a new paragraph (12) reading as follows:

"(12) 'Independent producer' means a person, including any person controlling, controlled by, or under common control with such a person, which is engaged in the production of natural gas and not engaged in the refining, transportation, or marketing of natural gas or petroleum products (other than transportation through a gathering pipeline, as determined by the Commission)."

Section 204 of the Krueger amendment is amended as follows:

In paragraph (8) delete the phrase " 'new natural gas' means natural gas" and insert in lieu thereof the following: " 'New natural gas' means natural gas produced from gas wells and not from oil wells which is".

Section 204 of the Krueger amendment is amended as follows:

In paragraph (8), delete all of clause (C).

Section 204 of the Krueger amendment is amended as follows: In paragraph (8), delete all of clause (B).

By Mr. SIMON:

(Amendment to the Krueger amendment.)

Immediately after section 26 of the Natural Gas Act (as added by section 208) insert the following:

"TREATMENT OF RATES AND CHARGES FOR NEW NATURAL GAS

"SEC. 27. (a) During the 5-year period which begins on the date of enactment of this section, no local natural gas company may increase the rates or charges for natural gas applicable to users by more than 10 percent per year over the rates or charges which applied to such users immediately prior to the date of enactment of this section.

"(b) A local natural gas company may increase rates or charges to users by more than the percent specified in subsection (a) if the regulatory authority having jurisdiction over such local natural gas company determines, upon petition of the local natural gas company, that such additional increase is necessary to avoid financial hardship to the local natural gas company as a result of increases in the price such company pays for new natural gas.

"(c) For purposes of this section:

"(1) The term 'local natural gas company' means any person (including any governmental entity) which purchases natural gas from a natural gas company for transportation, local distribution, and resale of natural gas users.

"(2) The term 'regulatory authority' means a State regulatory authority or a Federal regulatory authority. The Commission shall be deemed to be the regulatory authority for purposes of subsection (b) if a State agency or a Federal agency which is a local natural gas company has ratemaking authority with respect to its own rates."

By Mr. VAN DEERLIN:

(Amendment to the Krueger amendment published in the CONGRESSIONAL RECORD of December 8, 1975 on pages 31952–31956.)

Amend section 106 by striking out subsection (a) and insert in lieu thereof the following:

"(a) If the President finds that shortages of natural gas exist or are imminent and that such shortages or potential shortages constitute a threat to the public health, safety, or welfare, the President may, by rule or order, consistent with the procedures specified in subsection (d) of this section and, to the maximum extent practicable, consistent with the attainment of the objectives specified in section 4(b)(1) of the Emergency Petroleum Allocation Act of 1973—

"(1) establish priorities of use of propane;

"(2) equitably allocate propane to classes of consumers, who are historical users of propane and whose energy and feedstock needs have historically been met through the use of propane; and

"(3) equitably price propane,

in order to meet the essential needs of various sections of the United States, to lessen anticompetitive effects resuling from shortages of natural gas, and to provide sufficient incentive to maximize the extraction and production of propane.

Amend section 106(b) by striking out paragraph (3) thereof.

By Mr. WYLIE:

(Amendment to Mr. KRUEGER'S amendment to H.R. 9464 published in the CONGRESSIONAL RECORD of December 8, 1975, on pages 31952–31956.)

In section 204, paragraph (8) is amended to read as follows:

"(8) 'New natural gas' means natural gas produced from a reservoir discovered on or after January 1, 1976."

SENATE—*Tuesday, February 3, 1976*

The Senate met at 9:30 a.m. and was called to order by Hon. JOHN GLENN, a Senator from the State of Ohio.

PRAYER

The Reverend Dr. Roy B. McKeown, Hollywood, Calif., president, World Opportunities, International, and consultant to the U.S. Senate youth program, offered the following prayer:

Eternal God, whose power is limitless and in whose will alone we find peace, give us Thy guidance this day. Make this a day of opportunity for service as first we lift our hearts to Thee in gratitude for the blessings of this life.

Prepare us for our responsibilities and give us unusual wisdom, understanding, knowledge and, above all, courage to know and to do Thy will. Undergird Thy servants here and give them the confidence of Thy guidance, the joy of Thy approval, and the gladness of Thy service. Enable us, dear Lord, to live greatly in a world fraught with danger but high with challenge.

Lift us, Heavenly Father, above the stress and strain of our daily lives, and may the healing calm of Thy presence be nearer and dearer than ever before. May this moment of prayer prove to be an oasis of peace and quiet, where the inner resources of our pressured lives are restored. Give us ears that hear, minds that are open to learn, and hearts that will, in humility, obey Thee. Grant us, each one, sound thinking, sound judgment and sound motivation, and may Thy love permeate this room this day.

We ask these things in the name of the One who keeps our minds and our hearts in perfect peace when they are stayed on Thee. Through Jesus Christ, our Lord, we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., February 3, 1976.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. JOHN GLENN, a Senator from the State of Ohio, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. GLENN thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Monday, February 2, 1976, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. METCALF. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

PRIVILEGE OF THE FLOOR

Mr. METCALF. Mr. President, I ask unanimous consent that Mr. Donald Tacheron, of my staff, be permitted the privilege of the floor during the discussion of the Supreme Court decision on the Federal Campaign Practices Act.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Does the Senator from Idaho, as acting minority leader, seek recognition?

Mr. McCLURE. No, I do not.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the recognition of Mr. MUSKIE at this time be vitiated.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Under the previous order, the Senator from Delaware (Mr. ROTH) is recognized for not to exceed 15 minutes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. BUCKLEY may be recognized at this time, that Mr. METCALF may follow Mr. BUCKLEY, and that the order for Mr. ROTH's recognition may be put at the end of the day.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BUCKLEY. Mr. President, I thank the distinguished majority whip for the accommodation.

CAMPAIGN REFORM

Mr. BUCKLEY. Mr. President, last Friday, the Supreme Court, in its landmark decision striking down the heart of the Federal Election Campaign Act, as amended, struck a major blow in defense of the most fundamental of American freedoms: the freedom of political expression. The centerpiece of the Court's decision was that part which dealt with the limitations on expenditures imposed on candidates, their supporters, and opponents in Federal elections. This the Court unequivocably held to be a violation of the fundamental rights of freedom of the speech and of the press which are enshrined in the first amendment.

The Court's opinion exposes the fraud that is embedded in this ill-considered, self-serving statute. It was enacted by a Congress whose Members were more concerned with their image than with the preservation of our most basic liberty—the right to criticize freely our public officials and to make our criticisms felt on election day. The Members of the House and Senate were, in the words of the Senator from Rhode Island, Mr. PASTORE, "running like scared rats" in the aftermath of Watergate—but they were not moving so fast that they failed to look after incumbents by erecting barriers against effective challenges to their continuance in office.

The limitations in the law were anathema to true civil libertarians of all political persuasions, as can be seen from a list of plaintiffs in the case ranging from the junior Senator from New York to former Senator Eugene McCarthy, from the American Conservative Union to the New York Civil Liberties Union, from Mr. Stewart Mott to the Republican Party of Mississippi, from the Conservative Party of the State of New York to the Socialist Workers Party.

This act came about as a result of Watergate, but it was no reform. What it amounted to was a deliberate attempt to muzzle free speech, pure and simple. It was not based on any specific findings made by the special committee instituted by the Senate to examine the abuses of the 1972 Presidential campaign, and it was not supported by most of the members of that committee.

Mr. President, as Members of this body will recall, during the course of debate on the bill I opposed it on two major grounds. The first was the unconstitutionality of the limitations which it placed on what candidates or private parties or groups could expend in expressing approval or disapproval of a particular candidate, and the fact that those limitations inevitably favored incumbents. I am happy to say that both these specific objections have been fully met by the Supreme Court's decision. In striking down the expenditure limitations, however, the Supreme Court has left other provisions intact which now clearly represent a totally unworkable framework for national elections—at least insofar as congressional races are concerned. For in those races, the tender of Federal largesse in the form of subsidies is not available as a bribe for the waiver of constitutional rights.

Although we have won a battle to remove those limitations from the statute books, the war will, of necessity, go on. There will always be a Common Cause ready to impose its Cromwellian philosophy on the country. There will always be elected officeholders who are more concerned with appearance than substance. There will always be an executive ready to pass the buck to the courts for them to protect fundamental rights from legislative abrogation. As always, "eternal vigilance is the price of liberty."

I hope, Mr. President, that the Congress has learned a lesson, and will decide to make haste slowly as we restructure our basic campaign laws. We are dealing with a matter far too important to allow hasty reactions to the Supreme Court's decision to take the place of a fundamental reexamination of what we enacted in 1974 in an overreaction to Watergate.

The fact that the Federal Election Commission has, to all intents and purposes, less than 30 days of life left to it ought not to be allowed to trigger a thoughtless, knee-jerk reaction in the Congress. Even if we reconstitute the Commission along lines that meet the technical constitutional tests recited by the Supreme Court, we need to ask ourselves candidly whether it ought to be resurrected. Not only has the FEC been endowed with excessive discretionary power, but it has created an overlayer of cost and uncertainty that serves no useful purpose. Before it is reconstituted, we ought first to ask ourselves, in the light of experience, whether or not it has really served any public purpose that could not be better served in some other way.

Last Friday's decision has also served to accentuate the inequities that were already built into the 1974 campaign reform legislation. It has already been apparent that wealthy candidates and those supported by well organized, well funded groups such as the AFL–CIO Committee on Political Education have enormous advantages over those who must rely solely on public contributions and who do not have particular appeal to the better organized special interest groups. The fact that, in a Senate race, a candidate was allowed to contribute $35,000 to his own campaign represented a significant bias in favor of wealth, given the $1,000 limitation on normal contributions.

Now that the Supreme Court has stated that there can be no limitations on what a candidate can spend on his own behalf or what a special interest group can spend in support of a particular candidate, the great inequities of the law as it has survived Friday's decision compel a reconsideration of the limitation on contributions. In my judgment, we should address this particular problem with the same urgency with which we consider the need to establish a constitutionally constituted Federal Election Commission or an alternative to the Commission to handle the administrative responsibilities now vested in the FEC.

I, therefore, urgently recommend, Mr. President, that the Rules Committee immediately institute hearings focused on the changes that must be enacted in the current election law in the light of the Supreme Court's decision, as well as such others as may now seem desirable. The basic issues are all well-known, and it should be possible to schedule fruitful hearings at an early date. We can, if we will approach the matter with an open mind, emerge with legislation that is not only constitutional, but that is more equitable and prudent than what is left of the current law.

Mr. President, I have several specific thoughts as to the direction that the necessary reforms should take. I shall not, however, detail them at this time because I am currently working with some of my coplaintiffs in Buckley, et al. against Valeo in framing them. It is our hope that now that the Court has focused public and congressional attention on the constitutional dangers inherent in attempts at regulating political activity, we will now be able to develop an approach to campaign oversight that will guarantee free, clean elections, while fully protecting the rights of free speech and political association.

Mr. President, I am delighted that there is present on the floor at this moment the Senator from Montana, who is also a plaintiff in this case and who shares my same concerns over the direction Congress has gone in this ill-considered legislation.

Mr. METCALF. Will the Senator from New York yield?

Mr. BUCKLEY. I gladly yield.

Mr. METCALF. I compliment the Senator from New York for launching a campaign to enforce the first amendment. I think that the phrase "landmark decision," which the Senator from New York has used, certainly will be applied to the case of Buckley against Valeo. Not only in election campaign practices but also with regard to other areas of legislative executive authority, the case of Buckley against Valeo will be cited many, many times over the years ahead.

In this Bicentennial Year, his idea of enforcement of the first amendment reminds me of the very vigorous efforts that Mr. John Mason of Virginia made after the adoption of the Constitution for the adoption of the Bill of Rights and the first amendment. The Senator from New York is a great descendant of Mr. Mason of Virginia.

He has pointed out some of the problems that we now face in dealing with an election law, part of which has been held unconstitutional—and I think properly so. I was proud to be able to associate myself with the Senator from New York and his colleagues, challenging some of the provisions of the Federal Election Campaign Act, while at the same time supporting the public financing principle that will help assure the funds necessary for clean and vigorous elections.

I want to comment on the statement of the Senator from Pennsylvania (Mr. SCHWEIKER) yesterday, who introduced a bill to reconstitute the Federal Elections Commission. He suggested that there was considerable urgency, because of the Court's action in striking the Commission as constituted. He said, "In all candor, I think it would take a miracle for Congress to pass any more comprehensive measure on this subject within the court-imposed deadline" of 30 days than just a reconstitution of the Commission.

Mr. President, I ask unanimous consent that I be joined as a cosponsor of the Senator from Pennsylvania's bill, S. 2911.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. METCALF. I am not in complete accord with S. 2911, because I do not think we should reconstitute the Commission on a permanent basis. I think the Commission should be reconstituted temporarily, just for the purpose of the elections this year. I know the Senator from New York does not feel we should reconstitute the Commission for even that long. If Congress decides that the Comptroller General, or someone else, should provide for the allocation of the public money that has been collected for the Presidential election campaigns, that is all very well.

But I would prefer that we continue the Commission temporarily, with appointment of its members by the President and with the advice and consent of the Senate, confirmed as others are confirmed, and retain in it the power to certify candidates for receipt of matching and other authorized public financing.

I do not believe that we should go any further than that at this time. I hope that we would, as the Senator from New York has suggested, proceed very slowly in view of one of the longest opinions that has ever been written by the Supreme Court—and look carefully at the implications of the various provisions of a law that is partly constitutional and partly unconstitutional. The Supreme Court, with a great deal of pragmatism, has said, "Well, the Commission, as constituted, is unconstitutional and their acts are illegal, but we shall allow them to perform their illegal acts through their unconstitutional procedure for 30 more days." I suppose that is an example of pragmatism that is admirable, but it puts Congress in an emergency situation.

The idea of public financing of elections has been around for a long time. I introduced my first bill for public financing and for a voucher system in 1967. It contained the concept of public financing for the Presidential campaigns, and S. 1760, a revised voucher plan bill I introduced last year extends this concept to congressional elections. Nevertheless, I do not believe that we have time, in this election year, in view of the decision that was handed down by the Supreme Court, to enact the kind of public financing bill, or the kind of voucher bill, that would extend this concept in a manner meeting with the approval of the people and in accord with the first amendment.

I agree with the Senator from New York that we have to increase the campaign contribution limits. The ruling of the Supreme Court last Friday permits unlimited expenditures by multimillionaire candidates. It permits unlimited expenditures by people who give "unauthorized" aid to candidates and, at the same time, approves the limitations on contributions people may make to candidates for legitimate campaign activity. The handicap for candidates with limited funds of their own—those without large personal fortunes—is obvious. They cannot even go around to people who are interested in their campaign and get "unauthorized" expenditures on their behalf over the limit set by the statute. So, certainly, as a part of a reconstitution of the Commission, as I would see it, or as a part of another method providing for certification, as the Senator from New York would see it, we have to act immediately as a matter of common equity and justice—to permit increased campaign participation by people wishing to assist a candidate who has insufficient personal resources to compete with a multimillionaire opponent.

Mr. BUCKLEY. I would agree totally with the Senator from Montana. I believe we cannot argue the point. First of all, it is no longer an argument. The Supreme Court has stated that the Senator from Montana, the Senator from New York, or any other candidate can spend any resources he has. Incidentally, lest my motives be suspect, I declared the other day I will impose on myself the limits imposed by the law lest anyone accuse me of playing games.

The ACTING PRESIDENT pro tempore. The 15 minutes of the Senator from New York have expired.

Mr. METCALF. May I be recognized?

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Montana (Mr. METCALF) is recognized for not to exceed 15 minutes.

CAMPAIGN EXPENDITURES

Mr. METCALF. We can continue the discussion. I thank the Senator from New York.

The relatively low limit on campaign contributions is one of the most serious problems in this election law, because the Court struck the limitations on expenditures and the individual candidate can spend as much as he desires. And "unauthorized" expenditures can be made on his behalf in any amount his supporters wish. So we have a situation that is chaotic, and even more disturbing than some of the actions of the Federal Election Commission which troubled many of us in the recent past.

The Montana election law is very similar to the FECA. There is a limitation on contributions. There is a limitation on the amount that a candidate can spend. In my campaigns, I have had a very eager person, just before the election, take out full-page ads which I had nothing to say about, completely unauthorized, attacking my opponent, an attack that I would not have felt was justified and would not have had as any part of my campaign. Under the Supreme Court decision such actions are, of course, perfectly legitimate.

On the other hand, I have had well-wishing supporters who—without any advice on my part or any participation in the organization, the plans or the issues in my campaign—take out ads in support of my candidacy. And, of course, the newspapers in Montana, fearing that they could be involved with a violation of the election law, made me subtract the cost of the ad from the campaign expenditures I was allowed to make.

Under the Court's ruling, both of these kinds of activities will be permitted, without limitations as to the amount expended for them, and a candidate will not have control of his own campaign.

I think this is unfortunate. But much of the problem can be alleviated by increasing the limits on contributions at this time.

In sum, we should proceed very carefully in developing any extensive changes extending provisions of this law permanently. At the same time, there is a great deal of urgency involved in finding a way to allocate public funds to the Presidential candidates who have relied upon the law and are continuing to rely on it, and who have been certified as eligible for funding by the Federal Election Commission.

I agree with the Senator from New York that there is an urgent need to increase the act's limits on contributors. We should reconstitute the Commission temporarily, for this election year only. And if we cannot agree on reconstituting the Commission, we should at least authorize the Comptroller General or some other agency, temporarily, to make provision for the distribution of funds for the Presidential election campaigns and other purposes of the act this year.

Mr. McCLURE. Mr. President, will the Senator from Montana yield?

Mr. METCALF. I am delighted to yield to the Senator from Idaho.

Mr. McCLURE. I thank the Senator for yielding.

The Senator is well noted for his activity in this effort toward campaign reform for a long time in regard to the imbalances that do creep in because of the unequal financial capacity of the various candidates, just as the Senator from Montana has been well noted for his desire to have openness in the procedures of the Senate itself.

I was concerned when we passed this bill, and raised the issue several times with people both in and out of Congress, about the effect of first amendment rights on people who are not candidates.

The Senator has mentioned that the Supreme Court decision has apparently, at least, allowed people to put ads in the newspaper in opposition to various candidates without that being charged to the spending limit of a candidate, and without any of his control. But apparently also, from the remarks of the Senator from Montana, I take it that the Supreme Court has said the ads that may be put in in favor of a candidate are subject to the spending limit or within the control of the candidate.

Mr. METCALF. If they are authorized.

Mr. McCLURE. If they are authorized.

Mr. METCALF. But if they are unauthorized they are not subject to any limits, and that is a very ambiguous situation.

Mr. McCLURE. But does not this tread that fine line between the rights of an individual to express his own views for or against a candidate, in other words, guaranteeing his first amendment rights, something that I was really puzzled about as we developed this legislation in the first instance, that the usual defenders of first amendment rights and freedom of the press and freedom of speech were very silent at the time this law was being passed, silent about the effect it was going to have upon the rights of people who were not candidates, rights to express a feeling for a candidate or rights to express his feeling in opposition to a candidate?

The Supreme Court has redressed that wrong. It seems to me that, perhaps, the practical result will be the candidate will have to identify—will be able to control his campaign and will be able to control the campaign issues to the extent that he identifies—an affiliation with a point of view.

Now, as a practical matter that means there will be no limits on the advertising that is spent because all the candidate will have to do is to say, "I did not authorize this," and it does not come under the spending limit; is that not correct?

Mr. METCALF. That is correct.

Mr. McCLURE. But it does, on the other hand, open the dialog so that people who do not want to go through the candidate's organization, want to express their own views regardless of whether the candidate agrees with them or not, will be permitted to do so under the Supreme Court decision.

Mr. METCALF. The Senator from Idaho has expressed the situation precisely, and I applaud the Supreme Court for its action, in protecting the rights of the individual who wants to make statements about a candidate one way or the other. That is a first amendment right that many people on this floor voted to infringe, and the Supreme Court has come back and said, "No matter what the virtues of expenditure limitations, the first amendment is there, free speech is there, and free political activity is there." I certainly am in favor of it.

Mr. McCLURE. I am in favor of it, too, I say to the Senator, and I applaud the Supreme Court decision on that point.

I think the Supreme Court saw something very clearly which Congress failed to see in the enactment of this particular statute.

I was amused somewhat by the reactions in the Halls of Congress last Friday in the discussions that very many people were having in corridors and committee meetings, and so on, as the Supreme Court decision was announced because almost without exception the conversation was that the Supreme Court had thrown that law out. Then you read the headline the next morning in the Washington Post that the Supreme Court had upheld the law.

Mr. METCALF. Upheld the basic principle that public financing of Federal elections is a valid purpose of Congress.

Mr. McCLURE. They certainly did that.

I think there is one thing that has not been discussed either in the debate over the bill or in the debate around the Court's finding. We have very carefully prescribed the activity in which an incumbent in office can participate that bears upon his reelection campaign. We have attempted to set out, and the Court has stricken down, the ability of a wealthy individual to use his wealth to be a candidate against an incumbent.

That is open now. But we have done nothing at all that I can see that has any effect upon the non-Federal incumbent who seeks to be a Federal candidate or a candidate for a Federal office.

Mr. METCALF. If the Senator from Idaho will yield at that point, that is the reason that I think we have to raise the ceiling on contributions. That is the only way in which the candidate who is not personally wealthy, who does not have the benefit of incumbency in the Congress or in the Presidency, or wherever he is an incumbent, can raise additional money to compete with the wealth or the power and influence of an incumbent.

Mr. McCLURE. We tried to separate as well as can be done the activities of an incumbent which deal with the conduct of his office as separate and distinct from his attempts to be reelected to that same office. That is an almost impossible task, but we have dealt with it. We have tried to define that both in statute and in rules within the Congress. But we have not yet addressed the activities of the incumbent in a non-Federal office who may become a candidate for the Federal office. I refer to the mayors of major cities, the Governors of States, the holders of offices not being proscribed in their activities. They may not be individually wealthy but the power, the emoluments of their offices, the tools at their disposal, may be generating public support for those individuals in exactly the same way that a Member of the House of Representatives or a Member of the Senate might be using their office, the emoluments of those offices, and the mailing of newsletters, and so on, to enhance their personal reputations.

I do not know that we can reach that problem, but in my mind it has raised another class of political candidate in this country that we never contemplated before. I would suspect we will see a lot of big-city mayors and Governors of States who will run for Federal office now because under the rules that we have written we have given them an advantage that they did not have before; an advantage that Members of the Congress do not enjoy; an advantage that was reduced somewhat by the Supreme Court decision but which still remains.

I believe it is perhaps one of those imponderables and maybe we cannot find a way to deal with it. But I think we must recognize that it does exist.

Mr. METCALF. If the Senator will permit me to interrupt, the Senator from Idaho has pointed out another reason why we should not take precipitate action to extend this legislation at this time. There is urgency about the matter of distributing the funds that have already been collected, and there is some urgency about the fairness of the limits on campaign contributions. But there are many other facets of this act, as its operation will be affected by the Supreme Court's decision, which will take long and careful study by experts and by experienced people who have both participated in campaigns and managed campaigns. That is why I joined the distinguished Senator from New York in urging that we do not try to make comprehensive changes in the act now. Instead, I have joined the Senator from Pennsylvania as cosponsor of his bill, which provides only for reconstitution of the Commission.

Mr. McCLURE. Let me say to the Senator from Montana I share that opinion. That is one of the reasons why I injected another factor into this discussion. I believe, as does the Senator from Montana, that the public is entitled to know what happens in campaigns. I fully support the disclosure provisions, the voluntary or otherwise disclosure by individuals of campaign contributions. I very strongly believe that in a campaign the public can evaluate the influences on that campaign or that candidate if they know who it was who gave how much.

I fully support the desire of several in this body to raise the limits of individual contributions. I might be inclined to go further and say let us take the limits off, but let us require that that information be known to the electorate before the election is held. The electorate will take care of any undue influence which may have been expressed in the election if they know what it is.

Mr. METCALF. I concur with the view of the Senator from Idaho that disclosure is a most important and significant part of the Federal Election Campaign Act.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

PRIVILEGE OF THE FLOOR—S. 2371

Mr. METCALF. Mr. President, I ask unanimous consent that during the consideration of S. 2371 later this morning Mike Harvey, Norman Williams, Jim Beirne, Dan Dreyfus, Harrison Loesch, and Greg Christopherson be granted the privilege of the floor during the discussion and the voting on that bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER VITIATING THE ORDER FOR RECOGNITION OF SENATOR GLENN

The ACTING PRESIDENT pro tempore. The Chair vitiates the time allotted to the Senator from Ohio (Mr. Glenn).

ORDER VITIATING THE ORDER FOR RECOGNITION OF SENATOR ROTH AND SENATOR MANSFIELD

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the orders for the recognition of Senator Roth and Senator Mansfield be vitiated.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order there will now be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements therein limited to 5 minutes. Who seeks recognition?

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. Glenn) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 12:55 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks announced that the House has passed the following bills, each with an amendment, in which it requests the concurrence of the Senate:

S. 217. A bill to repeal the act of May 10, 1926 (44 Stat. 498), relating to the condemnation of certain lands at the Pueblo Indians in the State of New Mexico;

S. 2619. A bill to provide for adjusting the amount of interest paid on funds deposited with the Treasury of the United States by the Library of Congress Trust Fund Board; and

S. 2620. A bill to provide for adjusting the amount of interest paid on funds deposited with the Treasury of the United States pursuant to the act of August 20, 1912 (37 Stat. 319).

The message also announced that the House has passed the following bills and joint resolution, in which it requests the concurrence of the Senate:

H.R. 2771. An act to waive the visa requirements for aliens visiting Guam for not more than 15 days;

H.R. 4979. An act to establish the Chickasaw National Recreation Area in the State of Oklahoma, and for other purposes;

H.R. 10370. An act to amend the act of January 3, 1975, establishing the Canaveral National Seashore; and

H.J. Res. 784. A joint resolution to amend the effective date of certain provisions of the Defense Production Act Amendments of 1975.

ENROLLED BILLS SIGNED

At 3:30 p.m., a message from the House of Representatives delivered by Mr. Hackney announced that the Speaker has signed the following enrolled bills:

H.R. 1399. An act for the relief of Maria Del Carmen Alvarado Martinez;

H.R. 1758. An act for the relief of Terrence Jarome Caguiat;

H.R. 4046. An act for the relief of Valerie Ann Phillips, nee Chambers;

H.R. 4113. An act for the relief of Mitsue Karimata Stone;

H.R. 4939. An act for the relief of Manuel Bonotan;

H.R. 5750. An act for the relief of Chu Wol Kim;

H.R. 8451. An act for the relief of Jung Shik Yang;

H.R. 8555. An act for the relief of Angel Pader Cabal; and

H.R. 8907. An act for the relief of Yong Won Lee.

The enrolled bills were subsequently signed by the President pro tempore.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. Glenn) laid before the Senate the following letters, which were referred as indicated:

Report of the Department of Defense

A letter from the Principal Deputy of the Department of Defense transmitting, pursuant to law, a report on civilian positions, in grades 16, 17, and 18 during the calendar year 1975 (with an accompanying report); to the Committee on Post Office and Civil Service.

Distribution of Indian Judgment Funds

A letter from the Secretary of the Interior transmitting, pursuant to law, a proposed plan for the use and distribution of the Mohave Indian judgment funds awarded before the Indian Claims Commission (with accompanying papers); to the Committee on Interior and Insular Affairs.

Report of the Boys' Clubs of America

A letter from the Controller of the Boys' Clubs of America transmitting, pursuant to law, the audit report for the fiscal year ending September 30, 1974 (with an accompanying report); to the Committee on the Judiciary.

Report of the Department of Labor

A letter from the Secretary of Labor transmitting, pursuant to law, the January 1976 report pertaining to fair labor standards in employments (with an accompanying report); to the Committee on Labor and Public Welfare.

Report of the Department of Commerce

A letter from the Assistant Secretary of Commerce giving notice of a delay in the submission of its report on the special economic development and adjustment assistance program; to the Committee on Public Works.

Report of the Department of Agriculture

A letter from the Assistant Secretary of Agriculture transmitting, pursuant to law, the annual report on the operations under the Food Stamp Act of 1964 (with an accompanying report); to the Committee on Agriculture and Forestry.

Report of the Department of Agriculture

A letter from the Secretary of Agriculture transmitting, pursuant to law, a report covering the activities of the Rural Electrification Administration for the fiscal year 1975 (with an accompanying report); to the Committee on Agriculture and Forestry.

Report of the Office of Management and Budget

A letter from the Director of the Office of Management and Budget transmitting, pursuant to law, a report entitled "1976 Deficiency Apportionments for Pay" (with an accompanying report); to the Commission on Appropriations.

Report of the Indian Claims Commission

A letter from the Chairman of the Indian Claims Commission transmitting, pursuant to law, the final report of the Commission in docket No. 280 (with accompanying papers); to the Committee on Appropriations.

Report of the Washington Gas Light Co.

A letter from the Comptroller of the Washington Gas Light Co. transmitting, pursuant to law, the balance sheet of the company as of December 31, 1975 (with accompanying papers); to the Committee on the District of Columbia.

Report of the Comptroller General

A letter from the Comptroller General transmitting, pursuant to law, a report entitled "Implementation of Emergency Loan guarantee Act" (with an accmpanying report); to the Committee on Government Operations.

Report of the Advisory Commission On Intergovernmental Relations

A letter from the Chairman of the Advisory Commission on Intergovernmental Relations transmitting, pursuant to law, the annual report of the Commission (with an accompanying report); to the Committee on Government Operations.

Report of the Department of the Interior

A letter from the Secretary of the Interior transmittin, pursuant to law, a report of the report on the study of the Long Trail (Vermont) (with an accompaying report); to the Committee on Interior and Insular Affairs.

Proposed Concession Contract of the Department of the Interior

A letter from the Assistant Secretary of the Interior transmitting, pursuant to law, a proposed concession contract for certain services within Everglades National Park (with accompaying papers); to the Committee on Interior and Insular Affairs.

Report of the Secretary of the Senate

A letter from the Secretary of the Senate transmiting, pursuant to law, a report of the receipts of the Senate transmitting, pursuant to law, a report of the receipts and expenditures of the Senate (with an accompaying report); ordered to lie on the table and to be printed.

PETITIONS

The ACTING PRESIDENT pro tempore (Mr. GLENN) laid before the Senate the following petitions which were referred as indicated:

Resolution No. 18, 1976, adopted by the Legislature of the Trust Territory of the Pacific Islands; to the Committee on Interior and Insular Affairs:

"Resolution No. 18–1976

"A resolution relative to extending to the people of the United States of America our warm and sincere congratulations on their Bicentennial celebration

"Whereas, July 4, 1976 will mark the 200th year of the signing of the Declaration of Independence of the United States of America; and

"Whereas, despite its multiculture society that is characteristic of the United States of America, the country has withstood many tests over the past 200 years that have given strength to the democracy for which the United States is well known; and

"Whereas, we, the people of the Northern Marianas, have enjoyed the fruits of the American democracy for more than a quarter of a century and have grown to appreciate the precious freedoms that are cherished and enjoyed by all Americans; and

"Whereas, as the United States of America enters into its Bicentennial celebrations, we, in the Northern Marianas, wish to extend our warm and sincere congratulations on this milestone on the historical development of the United States;

"Now, therefore, be it resolved by the Fourth Mariana Islands District Legislature, Eighth Regular Session, 1976, on behalf of the people of the Northern Marianas, our warm and sincere congratulations be and hereby are extended to the people of the United States of America on their Bicentennial celebration;

"And be it further resolved that the President certify to and the Legislative Secretary attest the adoption hereof and thereafter transmit a copy of the same to the Honorable Gerald R. Ford, President of the United States of America, the President of the Senate and Speaker of the House of Representatives of the United States Congress, the Honorable Henry Kissinger, Secretary of State of the U.S. Department of State, and the Honorable Thomas Kleppe, Secretary of the Department of the Interior."

Two resolutions adopted by the National Federation of Democratic Women; one, relating to discriminatory fair trade laws, which was ordered to lie on the table; and, two, relating to a national energy policy; referred to the Committee on Interior and Insular Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HUDDLESTON, from the Committee on Agriculture and Forestry, without amendment:

S. Res. 272. A resolution relating to the farmer elected community committeeman system of the Department of Agriculture (Rept. No. 94–621).

By Mr. KENNEDY, from the Committees on Labor and Public Welfare, Commerce, and Aeronautical and Space Sciences, with an amendment:

S. 32. A bill to establish a framework for the formulation of national policy and priorities for science and technology, and for other purposes (Rept. No. 94–622).

By Mr. BURDICK, from the Committee on the Judiciary, with an amendment:

S. 1283. A bill to improve judicial machinery by further defining the jurisdiction of U.S. magistrates, and for other purposes (Rept. No. 94–625).

S. 582. A bill to amend section 40 of the bankruptcy and to adjust the salary of partin bankruptcy (Rept. No. 94–626).

By Mr. BURDICK, from the Committee on the Judiciary:

S. 2923. An original bill to amend title 28 of the United States Code to provide that full-time U.S. magistrates shall receive the same compensation as full-time referees in bankruptcy and to adjust the salary of part-time magistrates (Rept. No. 94–624).

By Mr. PROXMIRE, from the Committee on Banking, Housing and Urban Affairs, with an amendment:

H.R. 8650. An act to assist low-income persons in insulating their homes, to facilitate State and local adoption of energy conservation standards for new buildings, and to direct the Secretary of Housing and Urban Development to undertake research and to develop energy conservation performance standards No. 94–623) (together with minority and additional views) (Rept. No. 94–623).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. SPARKMAN, from the Committee on Foreign Relations:

Anthony E. E. Quainton, of Washington, a Foreign Service officer of class 2, to Ambassador Extraordinary and Plenipotentiary of the United States of America to the Central African Republic.

STATEMENT OF POLITICAL CONTRIBUTIONS

1. Following is the text of political contribution form sworn to before embassy vice consul December 4.

Quote: Nominee: Anthony C. E. Quainton.

Post: American Ambassador to the Central African Republic.

Contributions: 1. Self: None.

2. Spouse: Susan Long Quainton, none.

3. Children and spouses: Names: Katherine Lela Quainton, none; Eden Philip McGuire Quainton, none; Elizabeth Theresia Quainton, none.

4. Parents: Names: Mrs. W. R. McMillan, none.

5. Grandparents: Names: Deceased.

6. Brothers and spouses: Names: Mr. & Mrs. Rodney F. Quainton, none.

Willard A. De Pree, of Michigan, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the People's Republic of Mozambique.

STATEMENT OF POLITICAL CONTRIBUTIONS

Nominee: Willard Ames De Pree.

Post: Lourenco Marques.

Contributions:

1. Self, none.

2. Spouse: Elisabeth P. De Pree, none.

3. Children and spouses: Karin, Anita; Thomas Adrian; Peter Ames, Birgitta Maria; Susan Elisabeth; Anita Louisa (children), none.

4. Parents: Mr. Adrian De Pree and Mrs. Edith De Pree, none.

5. Grandparents: Deceased for more than five years.

6. Brothers and spouses: Bruce De Pree (wife Elaine); Gordon De Pree (wife Gladys); Glen De Pree (wife Beverly), none.

7. Sisters and spouses: Lila MacCormack) (husband Dr. Kenneth MacCormack); $10.00 to Congressman Paul (Peter) McCloskey; $10.00 to Senator Alan Cranston.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

WILLARD A. DE PREE.

Albert B. Fay, of Texas, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Trinidad and Tobago.

STATEMENT OF POLITICAL CONTRIBUTIONS

NOMINEE, ALBERT BEL FAY; POST, AMBASSADOR

[Of the 4th calendar year preceding the calendar year of the nomination and ending on the date of the nomination]

Contributions	Amount	Date
Albert Bel Fay:		
Republican Congressional Club	$10.00	1971.
Kick-off 1972 Republican Dinner	2,000.00	1971.
Buckley Dinner Committee	500.00	1971.
Republican Action Fund	100.00	1971.
Mills for Congress	100.00	1971.
Republican Booster Club	1,000.00	1971.
Buckley for Senate Finance Committee	100.00	1971.
Bob Price for Congress Committee	100.00	1971.
John Tower Appreciation Dinner	2,500.00	1971.
Congressional Boosters Club Luncheon	301.75	1971.
Bill Archer Luncheon	62.80	1971.
Republican Action Fund	15.00	1971.
Goldwater-Price Dinner	1,000.00	1971.
Tower-Goldwater Dinner	100.00	1971.
Republican National Finance Committee	60.00	1971.
Salute to the President	1,000.00	1971.
Tower Senate Club	100.00	1971.
Total, 1971	9,049.55	
Dinner honoring Congressman Bill Archer	500.00	1972.
Senate-House Majority Dinner	2,000.00	1972.
Richard Evans	200.00	1972.
Harlan for Congress	50.00	1972.
Re-Elect the President Committee	100.00	1972.
Lewis Emerick for Congress	50.00	1972.
Re-Elect Congressman Goldwater	50.00	1972.
Victory Dinner 1972	2,000.00	1972.
Reform in Society Committee	2,749.27	1972.
Effective Government Council	2,749.27	1972.
Better American Council	2,749.27	1972.
Effective Government Support Group	2,749.27	1972.
Loyal America Americans for a Better America	2,749.27	1972.
Dedicated Americans for Government Reform	2,749.27	1972.
Dedicated Friends of Improved Government	2,749.27	1972.
Active Volunteers for a Better America	2,749.27	1972.
Supporters of Improved Government	2,749.27	1972.
United Friends of Improved Government	2,749.27	1972.
Dedicated Volunteers for a Better America	2,749.27	1972.
Total, 1972	35,191.97	
New Majority Dinner	1,000.00	May 4, 1973.
Tower Senate Club	100.00	June 19, 1973.
Total	1,100.00	
Tower Senate Club	200.00	Jan. 24, 1974.
Barry Goldwater, Jr. to Congress Committee	50.00	Feb. 15, 1974.
Republican Senate House Dinner	1,000.00	Mar. 26, 1974.
Ford-Price Luncheon Committee	500.00	Apr. 22, 1974.
Harlan for Congress	200.00	Apr. 26, 1974.
Archer for Congress	500.00	June 11, 1974.
Dominick for Senate Committee	1,000.00	June 27, 1974.
Committee of 20,000 to Re-elect Congressman Bob Wilson	100.00	July 11, 1974.
Harlan for Congress	500.00	Aug. 1, 1974.
Friends to Elect Dr. Ron Paul Congressional District 22	25.00	Sept. 27, 1974.
Republican Booster Club	1,000,00	Oct. 8, 1974.
Bob Price for Congress Committee	254.11	Dec. 17, 1974.
Total, 1974	5,329.11	
Harlan for Congress	100.00	Jan. 23, 1975.
Republican Senate House Dinner	1,000.00	Mar. 31, 1975.
The President Ford Committee	1,000.00	July 10, 1975.
Total, 1975	2,100.00	
Total	52,770.63	
Mrs. Albert B. Fay:		
1971: None.		
Tower for Senator	1,030.00	1972.
Texans for Tower	100.00	1972.
Bob Price for Congress	500.00	1972.
Republican National Finance Committee	$100.00	1973.
Do	50.00	1974.
1975: None.		
Total	1,780.00	
Peder and Marion Monsen (son-in-law and daughter):		
Bob Price—Goldwater Dinner	100.00	1971.
Tower-Goldwater	100.00	1971.
Tower Senate Club	100.00	1971.
John Tower Appreciation Dinner	250.00	1971.
Archer Dinner	125.00	1972.
Archer for Congress	125.00	1972.
Bob Price for Congress	200.00	1972.
Tower Senate Club	100.00	1972.
Price for Congress	200.00	1974.
Archer for Congress	250.00	1974.
Total	1,550.00	
Mrs. Katherine Fay (daughter):		
Committee to Re-elect the President	2,000.00	Oct. 24, 1972.
Bob Price for Congress	250.00	Oct. 24, 1972.
Peter Dominick	100.00	June 27, 1974.
Total	2,350.00	
Albert B. Fay, Jr./Sidney (son and daughter-in-law):		
Committee to Re-Elect the President	2,000.00	Oct. 13, 1972.
Bob Price for Congress	250.00	Apr. 26, 1974.
Bill Archer for Congress	250.00	June 22, 1974.
Peter Dominick for Senator	100.00	June 27, 1974.
Total	2,600.00	
Parents—Deceased prior to 1971.		
Grandparents—Deceased prior to 1971.		
Ernest B. and Carolyn G. Fay (Brother and Sister-in-law):		
Kickoff Republican Dinner	1,000.00	Mar. 23, 1971.
Salute to the President Dinner	500.00	Nov. 2 1971.
Friends of John Tower	5,000.00	Apr. 1, 1972.
Committee to Re-Elect the President	2,000.00	Apr. 5, 1972.
Baker for Senate	100.00	Aug. 1, 1972.
Victory "72" Dinner	1,000.00	Sept. 18, 1972.
Texans for Tower	100.00	Nov. 2, 1972.
1973	None	
Republican Congressional Boosters	500.00	Jan. 1, 1974.
Bill Archer Campaign Fund	500.00	June 13, 1974.
Dominick for Senate	200.00	June 25, 1974.
Republican Congressional Boosters Club	500.00	Oct. 28, 1974.
Bob Price for Congress	500.00	Nov. 1, 1974.
1975	None	
Total	11,900.00	
Edwin A. & Maud Stebbins (brother-in-law and sister) (Edwin A. Stebbins deceased prior to 1971)	None	
Dr. Marion Fay (sister):		
1971	None	
Citizens for Abourezk	25.00	Feb. 10, 1972.
Democratic Study Group	15.00	Feb. 21, 1972.
McGovern for President (June 19, April 29, May 15, September 22, 27, October 14)	225.00	
National Com. for Effective Congress	90.00	May 15, 1972.
Democratic National Party	100.00	July 9, 1972.
Re-Elect Edith Green	25.00	Oct. 30, 1972.
American Women's Campaign	15.00	Dec. 10, 1972.
Democratic National Committee	15.00	Mar. 1, 1973.
Do	50.00	Aug. 7, 1973.
Do	250.00	Sept. 26, 1973.
Richard Schweiker's Senatorial Campaign	40.00	Feb. 21, 1974.
Women's Campaign Fund	50.00	Apr. 15, 1974.
Do	50.00	Feb. 22, 1974.
Democratic National Party	15.00	Mar. 29, 1975.
National Committee for Effective Congress	15.00	Apr. 15, 1975.
Total	950.00	

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

ALBERT A. FAY.

James W. Hargrove, of Texas, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Australia, and to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Nauru.

STATEMENT OF POLITICAL CONTRIBUTIONS

Nominee: James W. Hargrove.

Post: Ambassador to Australia and Naura.

Contributions:

(See attached schedule A.)

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

JAMES W. HARGROVE.

NOMINEE, JAMES W. HARGROVE; POST, AMBASSADOR TO AUSTRALIA AND NAURU

Contributions	Amount	Date	Donee
1. Self	$100	July 19, 1972	Republican National Finance Committee.
	200	Jan. 5, 1973	Bennett Johnston Dinner.
	250	June 11, 1974	Archer for Congress Committee.
	250	July 25, 1975	Salute to John Connally.
	50	Dec. 22, 1975	Ron Paul for Congress Committee.
	100	Jan. 2, 1976	Republican National Committee.
2. Spouse		(1)	
3. Children and spouses:			
James W. Hargrove, Jr		(1)	
Florence (Mrs. Hugh M.) Ray.		(1)	
Thomas M. Hargrove		(1)	
William H. Hargrove		(1)	
4. Parent: Hallie W. (Mrs. R. H.) Hargrove.	50	Jan. 21, 1972	Americans for Agnew.
	50	May 21, 1972	Friends of Senator Thurmond.
	100	June 19, 1972	Louisiana Finance Committee to Re-elect the President.
	50	July 10, 1972	Finance Committee to Re-elect the President.
	100	Aug. 21, 1972	Republican Campaign Committee.
	100	Aug. 29, 1972	Treen for Congress.
	50	do	Friends of Senator Thurmond.
	100	Sept. 5, 1972	GOP Emergency Action Fund.
	100	Sept. 11, 1972	Treen for Congress.
	100	Oct. 2, 1972	Conservative Party Fund.
	100	Oct. 10, 1972	Toledano for Senate.
	50	Oct. 9, 1972	Republican "12" Committee.
	50	Dec. 29, 1972	Friends of Senator Thurmond.
	100	Apr. 10, 1973	Republican National Finance Committee.
	$25	June 4, 1973	Do.
	500	Mar. 27, 1974	Fairness to Presidency Committee.
	100	Feb. 18, 1974	Republican National Finance Committee.
	100	Feb. 18, 1974	GOP 1974 Victory Fund.
	200	Jan. 23, 1975	Teenage Fund—Republican.
	200	do	Young Americans for Freedom.
	100	Jan. 24, 1975	Conservative Caucus.
	50	Feb. 10, 1975	American Conservative Union.
	50	Apr. 7, 1975	Goldwater for Senate.
	300	do	National Republican Statesmen.
	100	Apr. 28, 1975	Republican National Finance Committee.
	100	May 10, 1975	Wyman for Senate.
	100	May 19, 1975	Committee for the Survival of a Free Congress.
	100	July 14, 1975	Friends of Jim Buckley.
	50	July 21, 1975	Teenage Fund—Republican.
	25	Aug. 4, 1975	Young Americans for Freedom.
	100	Sept. 4, 1975	1976 GOP Victory Fund.
	50	do	Teenage Fund—Republican.
	100	do	Friends of Jim Buckley.
	300	Nov. 17, 1975	1976 GOP Victory Fund.
	325	Nov. 25, 1975	National Republican Statesmen.
	50	Dec. 4, 1975	Teenage Fund—Republican.
5. Grandparents: None.			
6. Brothers and spouses:			
Robert C. Hargrove	200	Mar. 19, 1974	Russell B. Long Committee.
Joseph L. Hargrove	200	Mar. 20, 1974	Do.
7. Sisters and spouses: None.			

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[1] None.

(The foregoing nominations from the Committee on Foreign Relations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

AUTHORITY FOR THE FILING OF ADDITIONAL AND MINORITY VIEWS ON H.R. 8650

Mr. ROBERT C. BYRD. Mr. President, on behalf of the Senator from Wisconsin (Mr. PROXMIRE), I ask unanimous consent that the committee have until midnight to file additional and minority views on H.R. 8650, the Energy Conservation in Buildings Act of 1976.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE RESOLUTION 356—MINORITY VIEWS

Mr. HATFIELD. Mr. President, on January 27, 1976, the Honorable HOWARD W. CANNON, chairman of the Senate Committee on Rules and Administration submitted for the Senate's consideration the majority report on the contested Oklahoma senatorial election. At that time, Senator CANNON asked for unanimous consent that the minority have until February 3, 1976, to file their dissenting views.

Pursuant to that agreement, I hereby submit to the Senate a report on the contested Oklahoma election by Senators SCOTT, GRIFFIN, and myself.

OKLAHOMA SENATORIAL ELECTION—SUPPLEMENTAL VIEWS

Mr. PELL. Mr. President, as a member of the Committee on Rules and Administration, I submit a statement of my supplemental views of the Oklahoma senatorial contested election to be printed with the majority report of the committee under the terms of the unanimous-consent agreement entered into by the Senate on January 27, 1976.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were read twice by their titles and referred as indicated:

H.R. 2771. An act to waive the visa requirements for aliens visiting Guam for not more than fifteen days; to the Committee on the Judiciary.

H.R. 4979. An act to establish the Chickasaw National Recreation Area in the State of Oklahoma, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 10370. An act to amend the act of January 3, 1975, establishing the Canaveral National Seashore; referred to the Committee on Interior and Insular Affairs.

H.J. Res. 784. A joint resolution to amend the effective date of certain provisions of the Defense Production Act Amendments of 1975; to the Committee on Banking, Housing and Urban Affairs.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. MAGNUSON:

S. 2916. A bill to amend the Merchant Marine Act of 1936 in order to establish a national marine firefighting program, and for other purposes. Referred to the Committee on Commerce.

By HUGH SCOTT:

S. 2917. A bill for the relief of Guy Marius Langlois and Diane Mireille V. Langlois. Referred to the Committee on the Judiciary.

By Mr. KENNEDY (for himself, Mr. HUGH SCOTT, and Mr. EAGLETON):

S. 2918. A bill to enable the Comptroller General to carry out, until April 30, 1976, the functions of the Federal Election Commission with respect to the public financing of Presidential election campaigns and national nominating conventions. Referred to the Committee on Rules and Administration.

By Mr. MOSS:

S. 2919. A bill to amend the National Aeronautics and Space Act of 1958, to authorize the establishment and operation of space grant colleges and programs by initiating and supporting programs of education and research in the various fields relating to the research and development and transfer of space technologies to Earth and space sciences and applications, and for other purposes. Referred to the Committee on Aeronautical and Space Sciences.

By Mr. CANNON:

S. 2920. A bill to name the building known as the Library of Congress Annex to be the Library of Congress Thomas Jefferson Building. Referred to the Committee on Rules and Administration.

By Mr. PELL:

S. 2921. A bill to amend the Tariff Act of 1930 to increase the dollar value of merchandise eligible for informal entry and to change certain bonding requirements. Referred to the Committee on Finance.

By Mr. BURDICK:

S. 2922. A bill to amend the Organic Act of Guam to provide for the reorganization of the judicial system of Guam, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. BURDICK, from the Committee on the Judiciary:

S. 2923. A bill to amend title 28 of the United States Code to provide that fulltime U.S. magistrates shall receive the same compensation as fulltime referees in bankruptcy and to adjust the salary of parttime magistrates. Placed on the calendar.

By Mr. STEVENS:

S. 2924. A bill to authorize appropriations for the Coast Guard for the procurement of vessels and aircraft and construction of shore and offshore establishments, to authorize for the Coast Guard an end-year strength for active duty personnel, to authorize for the Coast Guard average military student loads, and for other purposes. Referred to the Committee on Commerce.

By Mr. MUSKIE (for himself, Mr. ROTH, Mr. GLENN, Mr. BELLMON, Mr. HUDDLESTON, Mr. NUNN, and Mr. GOLDWATER):

S. 2925. A bill to provide for the elimination of inactive and overlapping Federal programs, to require authorizations of new budget authority for Government programs and activities at least every 4 years, to establish a procedure for zero-base review and evaluation of Government programs and activities every 4 years, and for other purposes.

Referred to the Committee on Government Operations.

By Mr. NELSON:

S.J. Res. 163. A joint resolution to authorize and request the President to issue a proclamation designating the week beginning May 9, 1976, as "National Small Business Week." Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MAGNUSON:

S. 2916. A bill to amend the Merchant Marine Act of 1936 in order to establish a national marine firefighting program, and for other purposes. Referred to the Committee on Commerce.

Mr. MAGNUSON. Mr. President, I introduce, for appropriate referral, a bill to amend the Merchant Marine Act of 1936 in order to establish a national marine firefighting program.

The Seattle Fire Department and its Chief Frank R. Hanson have pioneered efforts to improve marine fire protection. As a major port, Seattle is daily confronted with the risk of a potentially harmful explosion or fire aboard a vessel. I am told that an average of 200 commercial vessels a year have fires which are reported to the Coast Guard; approximately one-third of these fires result in total loss of the vessel. Other ship fires cause loss of life. Total dollar losses annually are estimated to be in excess of $18 million.

When such a fire occurs in port, the vessel and its crew are often ill prepared, or are simply unable to control events in a large conflagration. When a shipboard fire breaks out, it is also the local fire department's duty to protect harbor areas from harm. And, as happened recently in the Delaware River, the fire can easily exceed the firefighting capability of both the vessel's crew and the municipal fire department. The situation can become particularly dangerous if the vessel is carrying jet fuel or other highly combustible material. It is conceivable that an entire waterfront could be destroyed following an explosion and fire onboard a large bulk carrier vessel loaded with naphtha, or some other such product. In short, Mr. President, marine fires are a national problem.

Since January 1974, the Department of Commerce has been conducting a pilot project, in cooperation with the State of Washington and the Seattle Fire Department, to test the feasibility of two new concepts in marine fire protection. The first concept is use of firefighters trained in advance to carry out prefire plans aboard vessels. Each prefire plan would be prepared using all information about the vessel relevant to firefighting. The second major concept is development of special marine firefighting capability—a "strike force" for attacking a marine fire. The results of this pilot project have been encouraging and the participants are to be congratulated for their efforts.

So that further advancements in this area continue, the Seattle Fire Department feels that national legislation is now needed to assist local efforts and to create a national program. To this end, they have requested me to introduce legislation to create a national marine firefighting program. The bill which I am now introducing, in the Seattle Fire Department's view, has a number of advantages for the fire service in the port cities of this country. It is largely the work product of Congressman EDWIN FORSYTHE of New Jersey as a result of two disastrous vessel fires on the Delaware River.

I believe that this legislation is a good point of beginning for debate over the best national approach to shipboard fires. Many interests will have to join the debate. For example, there is now a new National Fire Prevention and Control Administration in the Department of Commerce which should provide its views on the problem. Consequently, I am introducing this bill with no firm personal commitment to it at this time. But I do believe that this issue warrants national attention and debate. This bill will focus and stimulate that debate.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2916

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Merchant Marine Act, 1936 (46 U.S.C. 1101 et seq.) is amended by adding at the end thereof the following new title:

"TITLE XIII—MARINE FIREFIGHTING PROGRAM

"SEC. 1301. (a) FINDINGS.—The Congress hereby finds and declares that—

"(1) marine fires are a major hazard to port populations and property and have resulted in substantial economic harm;

"(2) merchant ship crews often lack the updated training and experience needed to combat shipboard fires effectively, and shipboard firefighting information is often not readily available in a central location;

"(3) shoreside fire departments often lack training in the specialized problems of such fires;

"(4) legal restrictions often prevent local fire units from assisting in fighting marine fires in other localities or States;

"(5) since vessels serving the foreign and domestic waterborne commerce of the United States call at ports in several States and serve the commerce of the entire Nation, the Federal Government is appropriately suited to supervise a comprehensive program for the prevention and combating of marine fires; and

"(6) a coordinated national program for marine firefighting is in the national interest, and local fire departments, with their existing manpower and equipment availability, should be utilized as a primary resource in implementing such a national program.

"(b) POLICY AND PURPOSES.—It is therefore declared to be the policy and purposes of the Congress under this title—

"(1) to encourage the development of systematic plans and techniques to be utilized by local fire departments to combat marine fires;

"(2) to provide for the adequate training for United States merchant seamen in marine fire prevention and on-board firefighting;

"(3) to facilitate at the Federal level the exchange of marine firefighting supplies, crews, information, and training;

"(4) to require all merchant vessels serving foreign and non-contiguous domestic commerce of the United States to carry prefire plans describing the location and use of firefighting equipment aboard the vessels;

"(5) to provide for the establishment of marine firefighting units which utilize the manpower and resources of local fire departments and are specially trained in shipboard firefighting techniques for purposes of training local fire departments and ship crews and providing on-the-scene emergency assistance for fighting marine fires;

"(6) in achieving the purposes of this title, to keep the role of the Federal Government in marine firefighting to a minimum, to avoid extensive Federal regulation and supervision; and to not affect in any manner the jurisdiction of State and local governments over local firefighting units; and

"(7) to utilize the United States Coast Guard to coordinate and control marine firefighting activity by firefighting units established pursuant to this title.

"SEC. 1302. DEFINITIONS.—As used in this title, unless the context otherwise requires, the term—

"(1) 'local fire department' means the firefighting agency or unit of any political subdivision of any State, or any private firefighting unit.

"(2) 'marine fire' means a fire originating on, or threatening persons or property near, any body of water which is used for commercial navigation.

"(3) 'Secretary' means the Secretary of Commerce.

"(4) 'State' means the several States, the District of Columbia, the Commonwealth of Puerto Rico, and any possession of the United States.

"SEC. 1303. MARINE FIREFIGHTING REGIONS.—The Secretary shall establish within the United States such number of Marine Firefighting Regions (hereinafter in this title referred to as 'Regions') as he deems necessary to carry out the purposes of this title.

"SEC. 1304. SELECTION OF REGIONAL MARINE FIREFIGHTING UNITS.—(a) The Secretary shall select from within each Region established under section 1303—

"(1) a local fire department from which shall be selected the membership of the Regional Base Firefighting Unit (hereinafter in this title referred to as the 'Regional Unit') for the Region; and

"(2) not to exceed five other local fire departments from which shall be selected the membership of the Satellite Firefighting Units (hereinafter in this title referred to as 'Satellite Units') for the Region.

Not more than one local fire department selected under this subsection may be located in any one political subdivision of any State within the Region.

"(b) In selecting local fire departments for purposes of this section, the Secretary shall consider, among such other factors as he deems appropriate, the size and quality of the departments and their geographical location within the Region, past experience in marine firefighting, proximity to military installations, and their ability and willingness to enter into appropriate cooperative agreements under section 1307 of this title.

"(c) The Secretary shall, after consultation with the chief of each local fire department selected pursuant to subsection (a) (1), select a member of the department to serve as the Regional Director of the Regional Unit.

"(d) Each Regional Director shall—

"(1) select from the personnel of the local fire department of which he is a member not to exceed 25 persons to serve as members of the Regional Unit; and

"(2) select from the personnel of each local fire department selected pursuant to subsection (a)(2) in the Region not to exceed 5 persons to serve as members of the Satellite Unit.

Selections may not be made under this subsection until after the Regional Director has consulted with the chief of the local fire department concerned.

"Sec. 1305. Duties and Training of Regional Marine Firefighting Units.—(a) Each Regional Unit and Satellite Unit shall—

"(1) upon order by the Secretary of the Department in which the Coast Guard is operating, provide firefighting services at any marine fire in any Region;

"(2) to the maximum extent practicable, provide to the personnel of local fire departments in the Region and to the crews of merchant vessels while in the Region (upon request therefore by the departments and vessel operators) education and training in marine firefighting techniques; and

"(3) upon request, prepare or assist in the preparation of pre-fire plans described in section 1310 of this title.

"(b) Each Regional Unit and Satellite Unit may render assistance to any local fire department in combating any marine fire upon request by that department for such assistance. Any such request shall be forwarded by the department to the nearest Coast Guard installation.

"(c) Members of any Regional Unit or Satellite Unit shall meet such proficiency standards in marine firefighting as the Secretary shall prescribe. To enable such members to meet such standards, the Secretary pursuant to section 1306 of this title, shall provide, or arrange for the provision of, such specialized training as may be necessary.

"(d) Subject to such regulations as the Secretary may prescribe, any Regional Director may require any local fire department or vessel operator which requests training under subsection (a)(2) to pay the travel and per diem expenses which are incurred by the members of the Regional Unit or Satellite Unit in providing such training.

"Sec. 1306. Marine Fire Protection and Firefighting Training Programs.—(a) The Secretary shall establish marine fire protection and firefighting training programs for the purpose of providing adequate training for—

"(1) members of Regional Units and Satellite Units; and

"(2) United States merchant seamen.

"(b) The Secretary shall develop appropriate curricula, course outlines, training manuals, and films and other visual aids for the programs required to be established under this section, and shall specify, and may supply, equipment to be used in the conduct of the programs. Such programs shall include adequate training in rescue procedures and first-aid directly related to personnel hazards and injuries in fires on board ship. In developing such programs, the Secretary shall utilize the expertise of the National Fire Prevention and Control Administration.

"(c) Training programs primarily designed for the training of members of Regional Units and Satellite Units shall, to the maximum extent possible, be coordinated with the appropriate State fire service training agencies.

"(d) The academic portions of training programs primarily designed for United States merchant seamen may be given in classroom and instructional faclities available at established non-profit maritime training schools including the United States Merchant Marine Academy, the State Maritime Academies, and the industry-financed training facilities.

"(e) The Secretary may establish appropriate training facilities, or may, under such terms as may be mutually agreeable, utilize appropriate training facilities of any Federal, State, or local government agency. To the maximum extent possible, training facilities used for carrying out programs under this section shall be suitable for the conduct of actual or simulated firefighting and damage control exercises in a realistic environment.

"Sec. 1307. Cooperative Agreements.—(a) When establishing any Regional Unit or Satellite Unit in any Region, the Secretary may enter into cooperative agreements with the State and local government agencies concerned which set forth the responsibilities and functions which each party agrees to undertake in carrying out the purposes of this title.

"(b) The Secretary may agree in any such cooperative agreement—

"(1) to reimburse the appropriate State or local government agency in an amount equal to—

"(A) 100 percent of the gross salary (including contributions, if any, for life and medical insurance, retirement, or other employment benefits) of the individual selected as the Regional Director of the Region,

"(B) 50 percent of the gross salary (including contributions referred to in subparagraph (a)) of any individual selected as a member of any Regional Unit or Satellite Unit, and

"(C) 100 percent of any additional cost for disability and death compensation and life and health insurance required to be paid by such agency solely as a result of the additional risk incurred by individuals who participate in a Regional Unit or Satellite Unit; and

"(2) that the United States shall be liable for any negligence or willful misconduct of the Regional Director or member of a Regional Unit or Satellite Unit while functioning in such capacity.

"(c) Any cooperative agreement entered into by the Secretary under this section shall provide—

"(1) that the duties of the Regional Director or any member of a Regional Unit or Satellite Unit shall be in addition to any duties which he may have that are incident to his membership in the local fire department, but in any case where any such Unit is ordered to provide assistance at any marine fire by the Secretary of the department in which the Coast Guard is operating the provision of such assistance shall have priority over any duties he may have as a member of the local fire department; and

"(2) for such other terms and conditions as the Secretary may require to carry out the purposes of this title and to protect the interests of the United States.

"(d) No individual who is appointed as a Regional Director or a member of any Regional Unit or Satellite Unit shall be deemed to be an officer or employee of the United States for any purpose.

"Sec. 1308. Duties of the Secretary.—(a) In addition to such other duties as are required of him under this title, the Secretary—

"(1) shall develop, and from time to time revise, plans for each Region relating to the utilization and pooling of marine firefighting resources and manpower within the Region;

"(2) may prescribe such regulations as may be necessary to carry out the purposes of this title, including, but not limited to, the specific functions and duties of, and operating procedures for, Regional Units and Satellite Units, and (any other specified functions, arrangements); and

"(3) may acquire and, after consultation with the Secretary of the department in which the Coast Guard is operating, assign to (under such arrangements as he deems appropriate) Regional Units, Satellite Units, or cooperating local fire departments, such marine firefighting equipment as may be necessary to carry out the purposes of this title.

"(4) may share in the funding (under such arrangements as he deems appropriate) of local marine firefighting equipment, provided that it is available to carry out the purposes of this title.

"(b) The regulations prescribed by the Secretary to carry out the purposes of this title shall be consistent with (1) the international rules and regulations which are, or may be, adopted by the Inter-Governmental Maritime Consultative Organization; and (2) any other international obligation which is binding on the United States.

"Sec. 1309. Duties of the Secretary of the Department in Which the Coast Guard Is Operating.—(a) The Secretary of the department in which the Coast Guard is operating shall—

"(1) determine when any marine fire hazard exists which may necessitate the use of Regional Units or Satellite Units and shall order any such Unit to combat such hazard;

"(2) direct the operations of any Regional Unit or Satellite Unit in combating any marine fire and shall coordinate the operations of such Units with local fire departments to the extent necessary;

"(3) arrange to the extent possible for United States government transportation of the Regional Units and Satellite Units to the scene of any marine fire and may make arrangements with any other Federal agency to have such transportation services immediately available;

"(4) allocate marine firefighting resources and manpower as necessary to combat any marine fire; and

"(5) effect the necessary cooperation between Regional Units and Satellite Units and Coast Guard personnel.

"(b) The Secretary of the department in which the Coast Guard is operating may, when necessary, assign any Regional Unit or Satellite Unit in any Region for temporary emergency service in any other Region.

"Sec. 1310. Pre-fire Plans.—(a) all seagoing vessels operating in the foreign or domestic commerce of the United States shall have on board a pre-fire plan for the vessel; except that the Secretary may waive the requirement for a pre-fire plan in the case of any vessel which he determines will not likely call at United States ports more than four times in any year.

(b) Any pre-fire plan must—

"(1) be prepared by, or prepared under the supervision of, a Regional Unit or Satellite Unit; or

"(2) approved by the Secretary if prepared by an entity other than a Regional Unit or Satellite Unit.

"(c) Each pre-fire plan must be submitted to a Regional Unit or Satellite Unit, or to the Secretary, as the case may be, at least once each calendar year for updating, or, in the case of any vessel having a pre-fire plan which has not called at any United States port within any 12-month period, the pre-fire plan must be so submitted immediately for updating upon entry at any such port.

"(d) Fees at rates prescribed by the Secretary may be charged by Regional Units and Satellite Units for preparing and updating pre-fire plans; but in no case may such fees exceed the actual cost incurred in making or updating the plans.

"(e) Each pre-fire plan shall be prepared so as to provide in one compact form the information needed to effectively fight a fire aboard the vessel and shall include, in addition to such other information as the Secretary may require, stability information, a suitable blueprint of the vessel, and a description of—

"(1) the locations of all firefighting equipment;

"(2) the locations of access doors and hatchways;

"(3) all ventilation systems; and

"(4) all pumping stations.

"(f) All information required to be contained in any pre-fire plan shall be in the English language.

"(g) The Secretary shall take such action as may be necessary to insure, in the case of any vessel which makes regularly scheduled calls, or which customarily calls, within one or more Regions, that a copy of the pre-fire plan of the vessel is disseminated to each port of call.

"Sec. 1311. Payment for the Services of the Regional and Satellite Units.—The Secretary may require the owner or operator of any vessel or port facility or structure which receives marine firefighting services of any Regional Unit or Satellite Unit to pay all expenses (including compensation for loss of life or personal injury of members of any such Unit to the extent compensation therefor is not provided through public or private insurance or compensation programs) incurred by the Units in providing such services. Such expenses may also include the per diem expenses and travel expenses of Unit members. Payment of such expenses may be demanded by the Secretary notwithstanding that the owner or operator did not request assistance of any Regional Unit or Satellite Unit. Maritime liens may be enforced against vessels to secure the payment of such expenses.

"Sec. 1312. Marine Firefighting Contingency Fund.—There is authorized to be appropriated not to exceed $1,000,000 which shall be held by the Secretary as a contingency fund to meet the expenses incurred by Regional Units, Satellite Units, and other assisting firefighting organizations, and which are not reimbursed pursuant to section 1311 of this title. In any case where payment is made from the fund, the Secretary may bring suit against the owner or operator of the vessel, structure, or facility, or any other appropriate party, to secure payment for any moneys paid from the fund pursuant to this section.

"Sec. 1313. Appropriations.—There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this title other than for purposes of section 1312.

"Sec. 1314. Severability.—The provisions of this title shall be severable and if any part of the title is declared unconstitutional or the applicability thereof is held invalid, the constitutionality of the remainder and the applicability thereof shall not be affected thereby."

By Mr. KENNEDY (for himself, Mr. Hugh Scott, and Mr. Eagleton):

S. 2918. A bill to enable the Comptroller General to carry out, until April 30, 1976, the functions of the Federal Election Commission with respect to the public financing of Presidential election campaigns and national nominating conventions. Referred to the Committee on Rules and Administration.

Mr. KENNEDY. Mr. President, on behalf of the distinguished Senator from Pennsylvania (Mr. Hugh Scott), the distinguished Senator from Missouri (Mr. Eagleton), and myself, I introduce a bill and I ask unanimous consent that a joint statement prepared in connection with the bill be printed at this point in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

JOINT STATEMENT OF SENATORS EDWARD M. KENNEDY AND HUGH SCOTT AND THOMAS EAGLETON

We are today introducing legislation to authorize the Comptroller General of the United States to carry out the functions now being performed by the Federal Election Commission under the existing Federal election laws with respect to the public financing of Presidential elections, including the primaries, the national nominating conventions, and the general election in November.

The bill also provides that the Comptroller General's new authority under the Act will expire on April 30, 1976.

We are taking this step in order to guarantee that the impending debate in Congress over the Federal Election Commission, the public financing of Congressional elections, and campaign spending limits will in no way jeopardize the ongoing implementation of the public financing of Presidential elections or disrupt any of the current Presidential campaigns.

The Supreme Court's decision, holding that the method of appointment of the members of the Federal Election Commission is unconstitutional, means that the authority of the Commission in a number of important areas, including the implementation of the public financing provisions for Presidential elections, will expire on February 29, at the end of the 30-day grace period allowed by the Court for action by Congress.

We have already introduced separate legislation in the Senate to eliminate the constitutional defect in the structure of the Commission. We have proposed to re-establish the Federal Election Commission with members appointed by the President with the advice and consent of the Senate, as an independent agency to implement and enforce the Federal election laws. Our pending legislation also proposes to expand the basic reform of public financing to Congressional elections, parallel to the public financing already being applied under present law to Presidential elections. The Supreme Court strongly upheld the constitutionality of public financing, and its decision is a green light for our efforts to apply this urgently needed reform to Congress. We intend to press vigorously for the enactment of both the Commission proposal and public financing proposal.

But while this effort proceeds, we also believe that Congress should act immediately to eliminate the uncertainty that now exists over the status of the Presidential financing powers of the Commission.

By giving the Comptroller General and the General Accounting Office the authority to carry out the public financing provisions until the Commission's future is resolved, Congress can dispel the cloud over the status of the Presidential financing provisions and avoid any possibility of disruption of the Presidential primary campaigns when the February 29 deadline expires.

The Comptroller General is a logical officer to carry out the temporary implementation of the Presidential public financing provisions. The original Presidential public financing law, enacted by Congress in 1966, provided for implementation by the Comptroller General. When Congress again passed such legislation in 1971, the Comptroller General was again given the authority to implement it. In 1974, the authority was shifted to the newly established Federal Election Commission, along with all the other important implementation and enforcement powers over other aspects of the Federal election laws.

It is entirely appropriate, therefore, for the Comptroller General to receive stop-gap authority to carry out the Commission's public financing activities, pending final action by Congress on the re-establishment of the Commission.

We hope that the Senate will act as quickly as possible to pass the legislation we have introduced today, to insure that the bill is on the President's desk before the 30-day period granted by the Court expires. Certainly, there is no justification for Congress to produce any additional uncertainty by Presidential candidates and their campaign workers over the future of their campaigns. The public financing provisions are a lifeline to many candidates and we cannot let them lapse.

We also believe that our action enhances the pressures building Congress to re-establish the Federal Election Commission and to expand in the concept of public financing to include Congressional elections. We believe we are buying the time we need to win these important efforts.

The April 30 expiration date on the bill we are introducing guarantees that Congress will have to act again in the near future, after adequate discussion and debate of the complex unfolding issues. It would make no sense to hold the 1976 election hostage to this ongoing debate in Congress. By acting to insure the continuity of Presidential campaign financing, we believe we are eliminating the most serious present obstacle to our successful enactment of our other vital goals of comprehensive election reform.

In particular, many other vital enforcement powers of the Commission remain in limbo as a result of the Court's decision. Congress has the obligation to repair that damage promptly, to avoid the confusion that will exist in many areas of the election laws for the 1976 Presidential and Congressional elections, if action is not taken.

By Mr. MOSS:

S. 2919. A bill to amend the National Aeronautics and Space Act of 1958, to authorize the establishment and operation of space grant colleges and programs by initiating and supporting programs of education and research in the various fields relating to the research and development and transfer of space technologies to Earth and space sciences and applications, and for other purposes. Referred to the Committee on Aeronautical and Space Sciences.

Mr. MOSS. Mr. President, today I am introducing a bill, the National Space Grant Act of 1976.

This legislation will establish a program in the National Aeronautics and Space Administration that would create centers for space research at selected institutions of higher education. These centers will conduct major programs of research and development aimed at applying space technologies on Earth for the benefit of mankind.

The $5 million in fiscal 1977 funding authorized by this bill would be in addition to NASA's budget request. This amount may appear small, but it is planned that a portion of the approximately $110 million NASA spends annually on grants to universities would be transferred to the space grant program.

Mr. President, this needed legislation comes at an appropriate time. The advent of the Space Shuttle at the beginning of the next decade will offer unique opportunities for us to increase significantly the scope and potential of our work in space and its applications here on Earth. The coming routine availability of the space environment will offer many opportunities. It is important that we be ready to seize them. This program of grants to universities and other institutions for space research could be a key part of this effort.

I expect that during the Senate's consideration of this bill we will receive guidance and suggestions from the scientific, technical, and engineering societies as well as from the academic community.

I point out that this bill authorizes an additional $5 million for fiscal 1977 only. Funding for the space grant program in future years will require additional authorizations by the Congress. Also, the bill requires NASA to report annually to Congress on this grant program as part of the yearly report already required by the National Aeronautics and Space Act of 1958.

By Mr. CANNON:

S. 2920. A bill to name the building known as the Library of Congress Annex to be the Library of Congress Thomas Jefferson Building. Referred to the Committee on Rules and Administration.

Mr. CANNON. Mr. President, I am today introducing legislation to designate the Library of Congress Annex Building on Second Street, between Pennsylvania Avenue and East Capitol, the Library of Congress Thomas Jefferson Building.

I think it can be said that Thomas Jefferson's vision shaped what was to become one of the greatest libraries in the world. I can think of no more fitting Bicentennial commemoration to honor Jefferson than to recognize his role in the development of the collections of the Library of Congress.

We all remember President John Kennedy's toast to a gathering of Nobel prize winners at the White House. He said:

> I think this is the most extraordinary collection of talent, of human knowledge, that has ever been gathered together at the White House, with the possible exception of when Thomas Jefferson dined alone.

Nowhere was there better evidence of Jefferson's knowledge and wide-ranging interests than in his personal library, which he so carefully cultivated.

The fact that books from the Congress 14-year-old library were used to fuel the flames when the British burned the Capitol on August 24, 1814, has played an important part in the history of the Library of Congress and in its unique relationship to our third President. Jefferson in September 1814, then living in retirement in Monticello, wrote to his old friend Samuel Harrison Smith, founder of the National Intelligencer, stating that it would "be among the early objects of Congress to recommence their collection." He considered that this would "be difficult while the war continues, and intercourse with Europe is attended with so much risk." On the other hand there was his personal library in which he had "been 50 years making," and had "spared no pains, opportunity or expense to make it what it is." He had put together "everything which related to America, and indeed whatever was rare and valuable in every science." In his letter he stated that he had long thought that his library "ought not to continue private property" and had provided that at his death "Congress should have the first refusal of it at their own price." However, because of the loss that Congress had incurred he asked of Mr. Smith "the tender of it to the Library Committee of Congress."

In concluding his letter he said of his library:

> I do not know that it contains any branch of science which Congress would wish to exclude from their collection; there is, in fact no subject to which a Member of Congress may not have occasion to refer.

Certainly, these words were prophetic. Congress acted and on January 30, 1815, the act to purchase this collection of more than 6,500 volumes was approved.

Thus the Library of Congress became a library with collections universal in scope. Today these collections, which were built on Jefferson's library, total over 70 million items and are preeminent in the world.

The Essex Register in commenting on this purchase said:

> It is an honour to our country to say, that when a national collection was destroyed, the private Library of a President could supply its place. . . . No circumstance could be better united with our patriotism, and in the history of the Library we shall never lose this pleasing recollection.

The naming, in this Bicentennial Year, of the Annex Building as the Library of Congress Thomas Jefferson Building will ensure that this important link to our past will never be lost.

By Mr. STEVENS:

S. 2924. A bill to authorize appropriations for the Coast Guard for the procurement of vessels and aircraft and construction of shore and offshore establishments, to authorize for the Coast Guard an end-year strength for active duty personnel, to authorize for the Coast Guard average military student loads, and for other purposes. Referred to the Committee on Commerce.

Mr. STEVENS. Mr. President, I introduce a bill to authorize appropriations for the Coast Guard, and I ask unanimous consent that the letter of transmittal of the bill from the Secretary of Transportation be printed in the Record at this point.

There being no objection, the letter was ordered to be printed in the Record, as follows:

The Secretary of Transportation,
Washington, D.C., January 30, 1976.

Hon. Nelson A. Rockefeller,
President of the Senate,
Washington, D.C.

Dear Mr. President: There is transmitted herewith a draft of a bill,

"To authorize appropriations for the Coast Guard for the procurement of vessels and aircraft and construction of shore and offshore establishments, to authorize for the Coast Guard an end-year strength for active duty personnel, to authorize for the Coast Guard average military student loads, and for other purposes."

This legislative proposal is the Coast Guard's authorization of appropriations request for fiscal year 1977 and fiscal year 1978.

The 1977 requests were originally submitted to Congress prior to May 15, 1975 as part of a proposal which also requested authorization of appropriations for 1976 and for the transition period of July 1, 1976 to September 30, 1976. When the proposal was enacted as Public Law 94-54 all references to the 1977 requests were deleted. Therefore we are submitting updated requests for fiscal year 1977. The proposal also includes our requests for authorization of appropriations for fiscal year 1978.

Section 1 of this legislative proposal is responsive to the requirements of section 1 of Public Law 88-45 which provides that funds may not be appropriated to or for the use of the Coast Guard for the construction of shore or offshore establishments or for the procurement of vessels or aircraft, unless the appropriation of those funds is authorized by legislation. Section 2 of the bill responds to section 302 of Public Law 92-436 which provides that Congress shall authorize for each fiscal year the end strength for active duty personnel for each component of the Armed Forces. Section 3 of the bill responds to section 604 of Public Law 92-436 which provides that Congress shall authorize for each component of the Armed Forces the average military training student loads for each fiscal year.

Continuing the practice initiated with the authorization request for fiscal year 1976, the individual items included in the categories of acquisition and construction have not been listed. However, in further support of this legislation, the cognizant legislative and budget committees will be furnished detailed information with respect to each program for which fund authorization is being requested in a form identical to that which will be submitted in explanation and justification of the particular budget request. Additionally, the Department will be prepared to submit any other data that the committees or their staffs may require.

Section 4 of this proposed legislation amends section 475 of title 14. Paragraphs (b) and (c) of section 475 authorize the Secretary of the Department in which the Coast Guard is operating to lease housing units which fail to meet established standards and designate them as rental housing even though they are technically inadequate. The Secretary may rent this housing to Coast Guard personnel but the rent shall not exceed 75 percent of the Coast Guard member's basic allowance for quarters. This authority, which would otherwise expire on June 30, 1976, would be extended indefinitely by our proposal. The extension is necessary for in many areas there continues to be a severe shortage of housing which meets the technical standards to qualify as adequate. Also, it is appropriate to extend the authority indefinitely for there is no indication that the shortage of adequate housing will be eliminated.

It would be appreciated if you would lay this proposal before the Senate. A similar proposal has been submitted to the Speaker of the House of Representatives.

The Office of Management and Budget has advised that enactment of this proposed legislation is in accord with the President's program.

Sincerely,

William T. Coleman, Jr.

By Mr. MUSKIE (for himself, Mr. Roth, Mr. Glenn, Mr. Bellmon, Mr. Huddleston, Mr. Nunn, and Mr. Goldwater):

S. 2925. A bill to provide for the elimination of inactive and overlapping Fed-

eral programs, to require authorizations of new budget authority for Government programs and activities at least every 4 years, to establish a procedure for zero-base review and evaluation of Government programs and activities every 4 years, and for other purposes. Referred to the Committee on Government Operations.

(The remarks of Mr. MUSKIE and other Senators in connection with the introduction of the above bill are printed later in today's RECORD.)

By Mr. NELSON:

S.J. Res. 163. A joint resolution to authorize and request the President to issue a proclamation designating the week beginning May 9, 1976, as "National Small Business Week." Referred to the Committee on the Judiciary.

NATIONAL SMALL BUSINESS WEEK, 1976

Mr. NELSON. Mr. President, today I am introducing a joint resolution authorizing and requesting the President to proclaim May 9–15, 1976, "National Small Business Week." Its purpose is to seek appropriate recognition for a vital component in our economy and way of life—the Nation's small and independent businesses and family farms.

As we celebrate the Nation's 200th anniversary, it is particularly timely to examine the role of small business in American society. Smaller independent farms have been the backbone of our enterprises, entrepreneurs, and family farms have been the backbone of our economy, the heart and soul of local communities, and the key to the survival of a competitive, free enterprise system.

This individual expression of freedom and growth, especially visible in the private economic sector, has been a tremendous source of strength and pride throughout the development of our country. Great strides in American technology and standards of living have been made possible as a result of the productive efficiency and creativity that flow from personal ownership, personal management and personal responsibility. The vitality of small business is directly related to the continued health and improvement of our overall economy and welfare. Its vitality is threatened by unchecked growth in economic concentration, "big business" and "big government."

But our Nation's small businesses and farms can continue to be productive if treated equitably under Government policy. We must seek to foster conditions under which small firms can preserve their rightful position in a competitive marketplace, free from unfair and predatory monopolistic practices. Our basic aim must be to maintain a climate where individual expression, innovation, and mobility flourish, and where the traditional American dream of economic independence and business ownership can be realized.

It is my hope that everybody in all walks of life will observe National Small Business Week during this Bicentennial in a meaningful way by recognizing the significance of small enterprise in our Nation's history, and by making a commitment to reinforce their position in American life.

Mr. President, I ask unanimous consent that the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 163

Whereas, Small Business has been a vital part of American life and the economy since the founding of our Nation 200 years ago;

Whereas, Small Business is the traditional source of local and national economic growth;

Whereas, entrepreneurs and individual inventors, in the context of small business, have historically been the best sources of innovation;

Whereas, Small Business furnishes 52 percent of all private employment, 43 percent of the entire U.S. business output and one-third of the gross national product;

Whereas, Small Business is essential to the survival of the competitive free enterprise system;

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating the week beginning May 9, 1976 as "National Small Business Week", and calling upon the people of the United States and interested groups and activities, in recognition of the achievements and contributions which small and independent family-farmers and business men and women have made to American society.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 755

At the request of Mr. BURDICK, the Senator from Indiana (Mr. BAYH) was added as a cosponsor of S. 755, a bill to establish an arbitration board to settle disputes between supervisory organizations and the U.S. Postal Service.

S. 872

At the request of Mr. HATFIELD, the Senator from Colorado (Mr. HASKELL) was added as a cosponsor of S. 872, a bill to amend title 39, United States Code, to provide that certain State conservation publications shall qualify for second class mail rates.

S. 985

At the request of Mr. PELL, the Senator from Idaho (Mr. CHURCH) was added as a consponsor of S. 985, the Social Security Recipients Fairness Act.

S. 1361

At the request of Mr. HANSEN, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 1361, to amend title 38, United States Code, to authorize a program of assistance to States for the establishment, expansion, improvement, and maintenance of veterans' cemeteries, and to provide for transportation of bodies to a national cemetery.

S. 2271

At the request of Mr. DOMENICI, the Senator from New York (Mr. BUCKLEY) was added as a cosponsor of S. 2271, a bill to allow independent truckers to enter more freely into the interstate shipping market.

S. 2603

At the request of Mr. MONDALE, the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of S. 2603, the Women's Vocational Education Amendments of 1975.

S. 2651

At the request of Mr. CRANSTON, the Senator from Minnesota (Mr. HUMPHREY) was added as a cosponsor of S. 2651, the Veterans' Cost-of-Instruction Extension Act.

S. 2712

At the request of Mr. FANNIN, the Senator from Wyoming (Mr. HANSEN) was added as a cosponsor of S. 2712, the Journalists' Freedom of Choice Act.

S. 2742

At the request of Mr. EAGLETON, the Senator from Maryland (Mr. MATHIAS) was added as a cosponsor of S. 2742, to dedicate the Chesapeake and Ohio Canal National Historical Park to former Justice William O. Douglas.

S. 2853

At the request of Mr. HELMS, the Senator from Kansas (Mr. PEARSON), the Senator from Florida (Mr. STONE), the Senator from Virginia (Mr. WILLIAM L. SCOTT), and the Senator from Tennessee (Mr. BROCK) were added as cosponsors of S. 2853, a bill to amend the Food Stamp Act of 1964.

S. 2899

At the request of Mr. ABOUREZK, the Senator from Nevada (Mr. CANNON) was added as a cosponsor of S. 2899, a bill dealing with organizational and financial matters of the U.S. Postal Service and the Postal Rate Commission.

S. 2911

At his own request, the Senator from Montana (Mr. METCALF) was added as a cosponsor of S. 2911, a bill to amend the Federal Election Campaign Act.

At the request of Mr. MONDALE, the Senator from Minnesota (Mr. HUMPHREY) was added as a cosponsor of S. 2911, to amend the Federal Election Campaign Act.

SENATE CONCURRENT RESOLUTION 77

At his own request, the Senator from Kentucky (Mr. FORD) was added as a cosponsor of Senate Concurrent Resolution 77, relating to the authority of the Federal Trade Commission.

SENATE RESOLUTION 366

At the request of Mr. HUMPHREY, the Senator from Minnesota (Mr. MONDALE), the Senator from Wisconsin (Mr. PROXMIRE), and the Senator from Washington (Mr. MAGNUSON) were added as cosponsors of Senate Resolution 366, disapproving proposed deferral for Indian health facilities.

AMENDMENTS SUBMITTED FOR PRINTING

FEDERAL EMPLOYEE INVOLVEMENT IN POLITICAL ACTIVITY—H.R. 8617

AMENDMENT NO. 1366

(Ordered to be printed and to lie on the table.)

Mr. DOLE. Mr. President, last week I submitted three amendments to H.R.

8617, in advance of its consideration by the Senate. These amendments were printed as No. 1350, No. 1351, and No. 1352.

At this time, I would like to submit an additional amendment to this measure, which will serve as a substitute to amendment No. 1350. It is a change only in wording. There is no change in intent, which is to exclude employees of the Internal Revenue Service, Federal Bureau of Investigation, and the U.S. Postal Service from certain provisions of H.R. 8617.

I ask unanimous consent that this amendment be printed in the Record.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

Amendment No. 1366

On page 5, line 20, insert "(a)" immediately before "An".

On page 6, between lines 21 and 22, insert the following:

"(b) In addition to the prohibitions of subsection (a), an employee of the Internal Revenue Service, the Federal Bureau of Investigation, or the United States Postal Service (except one appointed by the President, by and with the advice and consent of the Senate) may not request or receive from, or give to, an employee, a Member of Congress, or an officer of a uniformed service a political contribution."

On page 7, insert immediately below line 24 the following:

"(c) (1) In addition to the prohibitions of subsection (a), an employee of the Internal Revenue Service, the Federal Bureau of Investigation, or the United States Postal Service (except one appointed by the President, by and with the advice and consent of the Senate, who determines policies to be pursued by the United States in the nationwide administration of Federal laws) may not take an active part in political management or political campaigns unless such part—

"(A) is in connection with (i) an election and preceding campaign if none of the candidates is to be nominated or elected at that election as representing a party any of whose candidates for presidential elector received votes in the last preceding election at which presidential electors were selected, or (ii) a question which is not specifically identified with a National or State political party or political party of a territory or possession of the United States; or

"(B) is permitted by regulations prescribed by the Civil Service Commission and involves the municipality or political subdivision in which such employee resides, when—

"(i) the municipality or political subdivision is in Maryland or Virginia and in the immediate vicinity of the District of Columbia, or is a municipality in which a majority of voters are employed by the Government of the United States; and

"(ii) the Commission determines that because of special or unusual circumstances which exist in the municipality or political subdivision it is in the domestic interest of the employees to permit political participation.

"(2) For the purpose of this subsection, the phrase 'an active part in political management or in political campaigns' means those acts of political management or political campaigning which were prohibited on the part of employees in the competitive service before July 19, 1940, by the determinations of the Civil Service Commission under the rules prescribed by the President.

FOREIGN ASSISTANCE ACT OF 1976—S. 2662

AMENDMENTS NOS. 1367 THROUGH 1375

(Ordered to be printed and to lie on the table.)

Mr. EAGLETON (for himself and Mr. Cranston) submitted nine amendments intended to be proposed by them jointly to the bill (S. 2662) to amend the Foreign Assistance Act of 1961 and the Foreign Military Sales Act, and for other purposes.

HIGHER EDUCATION AND VOCATIONAL ACTS AMENDMENTS OF 1976—S. 2657

AMENDMENT NO. 1376

(Ordered to be printed and referred to the Committee on Labor and Public Welfare.)

Mr. MONDALE (for himself, Mr. Burdick, and Mr. Williams) submitted an amendment intended to be proposed by them jointly to the bill (S. 2657) to extend the Higher Education and Vocational Education Acts.

INTERSTATE COOPERATION IN EDUCATION

Mr. MONDALE. Mr. President, I am pleased to submit today an amendment to S. 2657, a bill to extend the Higher Education and Vocational Education Acts. My amendment would encourage States to develop and expand their efforts toward increased educational planning and cooperation on an interstate and regional basis. It would authorize $2 million in additional funds to be provided to the State Commissions, established pursuant to section 1202 of the Higher Education Act of 1965, for the purposes of planning, developing, and implementing these cooperative postsecondary education projects. I believe that these innovative efforts have enormous potential to increase the quality and the scope of educational opportunities for the students of different States.

Mr. President, before the advent of interstate cooperation, States were forced in many cases to invest their valuable education resources in the development of specialized programs, even though the same programs were available in neighboring States. Often these expensive programs served only limited enrollments. This kind of duplication led to inefficiencies, higher cost, and lower quality than would have been possible through the cooperative interstate agreements that my amendment seeks to encourage.

Last July, at a hearing of the Education Subcommittee which I chaired, the postsecondary education leaders from my home State of Minnesota testified that they had initiated reciprocal educational agreements with the neighboring States of Wisconsin, North Dakota, and South Dakota. These agreements allow the residents of one State to enroll in postsecondary educational programs of the other State at no additional costs. Such arrangements enable students to pursue programs that would not otherwise be available to them. They encourage States to plan together for the common needs of their students. They allow them to share programs and thus to avoid unnecessary duplication of their education resources.

Numerous other States in all parts of the country have established cooperative interstate agreements at both the undergraduate and graduate levels. These arrangements include such areas as medical training, veterinary medicine, and public health practice. My amendment would enable the States already engaged in these kinds of innovative endeavors to improve and expand their efforts. Other States would be encouraged by the availability of these new funds to explore and undertake such cooperative agreements.

I wish to emphasize that, under my amendment, these undertakings are wholly voluntary. By utilizing the already established State 1202 Commissions, the amendment imposes no further administrative requirements. Its authorization of an additional $2 million for these purposes would be a modest investment in programs which would, over time, result in significantly more efficient utilization of educational resources. I am convinced that the quality of education and the availability of full opportunity for students would improve as a result.

Mr. President, I ask unanimous consent that my amendment be printed in the Record.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

Amendment No. 1376

On page 18, between lines 21 and 22, insert the following:

Sec. 177. (a) Section 1203 of the Act is amended by inserting immediately after subsection (b) the following new subsection:

"(c) The Commissioner is authorized to make grants to State commissions established pursuant to section 1202(a), applying jointly for the purpose of this subsection, to enable the participating commissions to plan, develop, and carry out interstate cooperative postsecondary education projects, designed to increase the accessibility of postsecondary educational opportunities for the residents of the participating States and to assist such States to carry out postsecondary educational programs in a more effective and economical manner.".

On page 18, line 22, strike out "Sec. 177." and insert in lieu thereof "(b)".

On page 18, line 24, strike out "(c)" and insert in lieu thereof "(d) (1)".

On page 19, line 2, before the period the first time it appears in the line insert a comma and the following: "other than subsection (c) of this section".

On page 19, between lines 2 and 3, insert the following:

"(2) There are authorized to be appropriated $2,000,000 for each fiscal year ending prior to October 1, 1982, to carry out the provisions of subsection (c) of this section.".

Mr. BURDICK. Mr. President, I am pleased to join my colleague from Minnesota, Senator Mondale, in introducing an amendment to S. 2657 which encourages greater interstate cooperation in higher education.

In the past few years, North Dakota has greatly benefited from these kinds of cooperative programs, and they have proven highly beneficial to our students.

Working with the Minnesota Higher Education Coordinating Commission, our two States have established a reciprocity agreement granting resident tuition to North Dakota students attending Minnesota schools and to Minnesota students attending North Dakota schools. We have also established a Tri-College University in Fargo, N. Dak., and Moorhead, Minn., utilizing the three colleges in the two cities and allowing students to take courses for credit at any of the three institutions. In addition, the newly expanded and innovative University of North Dakota Medical School, which specializes in family and rural practice, has a cooperative arrangement with the University of Minnesota and with the Mayo Clinic in Rochester, Minn., for a year of clinical training.

Such interstate cooperation is good for both the schools and the students involved. It opens up the possibility of broader educational opportunities in a practical and efficient framework. Courses such as veterinarian and optometrist training, which are costly and often impossible for sparsely populated States to finance, could be possible through cooperative, multi-State planning. The Old West Regional Commission, representing North Dakota and several other western States, is currently exploring such an idea for a veterinary school, a much needed facility in those States. If state legislatures knew other States were willing to share the cost of such education, I believe they would be much more likely to support new and needed programs.

I commend the senior Senator from Minnesota for his leadership in this area, and I hope the Senate will adopt this amendment.

Mr. WILLIAMS. Mr. President, I am pleased to join with Senator MONDALE today in introducing an amendment to S. 2657, a bill to extend the Higher Education and Vocational Education Acts, to raise the level of income at which families are eligible for the Federal interest payment on the guaranteed student loan program from $15,000 to $20,000. This amendment will make the Federal student assistance programs more equitable for middle income students and their families and will help address the increasing financial burden these families are confronting with the rising costs of college education today.

The current income level for automatic eligibility—$15,000—for the Federal interest sudsidy was established 10 years ago, when this program was first established. At that time, it was estimated that the guaranteed student loan program and this particular eligibility level for interest payments would serve more than 87 percent of young people needing student loans. The remaining 13 percent of the college students were intended to obtain loans without the Federal interest subsidy. That was 10 years ago. Since that time, the Consumer Price Index has increased by 65.6 percent, and college tuition and other expenses have gone up even more rapidly. But the income level on which the GSL program provides Federal interest subsidy has remained at $15,000.

Failure to adjust this income level has meant increasing hardship for middle income families, both within the State of New Jersey and throughout the country. College costs have gone up, and today within New Jersey decisions are being made to hold constant the college population because of lack of student assistance and operating funds to support increased enrollments. In New Jersey under the GSL program at the present time, only 68.5 percent of students receiving loans can qualify for an interest subsidy because of the $15,000 limitation. From 1970 to 1975, the proportion of students needing loans with family incomes falling above this $15,000 and below $20,000 has increased from 6.5 percent of the student population, or 1,800 students in 1970, to 17 percent of the student population or 4,800 students in 1975. And while lenders in the State of New Jersey have made loans available to the students who do not automatically qualify for this interest subsidy, I have heard from my colleagues that in other States failure to qualify for the interest subsidy has left students with no loans at all because lenders will not make funds available for students who are ineligible for the interest subsidy.

Over the last decade, the Congress has expanded Federal student assistance programs, particularly with the enactment of the basic opportunity grant program in 1972 which provided a basic entitlement to assure that no student would be blocked from higher education because of lack of financial resources of his family.

Yet over the last few years families in my own State of New Jersey and from around the country have become increasingly hard pressed to find the funds to support their sons and daughters in higher education. This cost squeeze is one which concerns me very much, and which I believe the Congress must take action to forestall.

The Federal Government can ill afford a policy which makes higher education possible for poor students and for students who can afford to pay their own way, but makes these opportunities more difficult for middle income students to enjoy.

The average cost of education in New Jersey colleges, universities and 2-year schools has reached a high of $2,800, and that figure includes the much lower costs of attending county and community colleges in the State of New Jersey. Yet, more and more families are faced not only with the increasing costs of other necessary goods in addition to the costs of higher education—but must embrace these costs for two or more students enrolled in higher education at the same time. Statistics show that the number of families with two or more students in higher education has increased dramatically over the last few years, meaning that many families must shoulder an expense in New Jersey of at least $5,600 for college education alone. That expense is not small for families even with an income over $20,000.

I believe that one necessary step to offset this cost squeeze is to assure that interest subsidized loans are available to students on the same basis as originally intended under this legislation. Raising the income eligibility level from $15,000 to $20,000 will accomplish this, and I am therefore pleased to introduce this amendment today.

AMENDMENT NO. 1377

(Ordered to be printed and referred to the Committee on Labor and Public Welfare.)

Mr. MONDALE (for himself and Mr. WILLIAMS) submitted an amendment intended to be proposed by them jointly to the bill (S. 2657) to extend the Higher Education and Vocational Education Acts.

EDUCATION ASSISTANCE FOR MIDDLE-INCOME FAMILIES

Mr. MONDALE. Mr. President, I am pleased to submit an amendment to S. 2657, a bill to extend the Higher Education and Vocational Education Acts, that addresses the growing financial burdens upon middle-income families whose children want to attend postsecondary institutions. My amendment would increase the level of income at which families are eligible for the Federal interest payment in the guaranteed student loan program from its present $15,000 to $20,000. This current level was established at the program's inception in 1967. Since that time, the Consumer Price Index has increased by 65.6 percent; yet the level of income which qualifies for this subsidy has remained unchanged.

Mr. President, one of the problems in education that has caused me the greatest concern is this terrible cost squeeze on middle-income families. Both nationwide and in my home State of Minnesota, the greatest decrease in the numbers of students in higher education has occurred among these families.

There are several reasons for this serious crisis. One is that the cost of attending college has grown considerably in recent years, outstripping even the increases in cost-of-living. Another cause, that is only recently being understood, can be found in the increasing numbers of families who have more than one child enrolled in postsecondary education at the same time. This proportion has doubled in the last 10 years.

To send one, two, or three children to postsecondary institutions requires families to find suddenly several thousand dollars a year in extra income. The costs of sending two children to public colleges amount to one-fourth of the income of a family earning even $22,000 a year. However, tragically, when middle income families turn to the existing Federal student aid programs for help, they are told that they are not eligible. As a result, increasing numbers of these families are painfully concluding that they just cannot afford the additional costs involved. And yet these are the families whose tax dollars pay for the aid programs that enable lower income students to attend college.

This situation is terribly unfair. Not only will it be an enormous loss for these families, their children, and society, but it is also creating tremendous bitterness in this country.

Since the guaranteed student loan program was enacted, Congress has established the basic educational opportunity grants program and has increased significantly the funding for the campus-based student aid programs in order to address the critical needs of lower income families. There still remains considerable work to be done to improve educational opportunities for these lower income students, and I will continue to be in the forefront of this effort. At the same time, however, I believe that we must also respond to this new and growing problem of the cost squeeze on middle income families. If we do not, we are in danger of a situation in which postsecondary education will be available only to students from wealthy families or those few lower income students who are fortunate enough to receive a complete grant and loan scholarship package.

Mr. President, the guaranteed student loan program was created by Congress specifically in response to the needs of middle income families. The interest payment is a particularly important feature of this program. It relieves a part of the financial burden on students and their families during the period of their enrollment. Eligibility for this subsidy has also been shown to be one of the factors in the consideration of a student for a loan by private lending institutions. However, this subsidy is presently not available to many middle income families. Thus we are faced with a situation in which the very families that this program was established to help may be placed at a disadvantage in consideration for such a loan and are surely faced with a more difficult financial burden if they receive such assistance. My amendment would return the focus of the program to the beneficiaries that Congress originally intended. I hope that my colleagues will give it their support.

Mr. President, I ask unanimous consent that the amendment be printed in the Record.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

Amendment No. 1377

On page 7, after line 24, add the following new subsection:

(c) (1) Section 428(a) (2) (B) (i) of the Act is amended by striking out "$15,000" and inserting in lieu thereof "$20,000".

(2) Section 428(a) (2) (B) (ii) of the Act is amended by striking out "$15,000" and inserting in lieu thereof "$20,000".

On page 8, line 1, strike out "(c)" and insert in lieu thereof "(d)".

On page 8, line 8, strike out "(d)" and insert in lieu thereof "(e)".

On page 8, line 14, strike out "(e)" and insert in lieu thereof "(f)".

On page 8, line 23, strike out "(f)" and insert in lieu thereof "(g)".

NOTICE OF HEARINGS

Mr. METCALF. Mr. President, on March 16, the Subcommittee on Minerals, Materials, and Fuels will hold a hearing on S. 2413, an administration proposal to amend the provisions of the Mineral Leasing Act of 1920 relating to oil shale leasing.

The hearing will begin at 10 a.m., in room 3110, Dirksen Senate Office Building. Anyone wishing to testify should call D. Michael Harvey, deputy chief counsel of the committee, at 202/224-1076.

GOVERNMENT OPERATIONS COMMITTEE HEARINGS ON INTELLIGENCE OVERSIGHT

Mr. RIBICOFF. Mr. President, last week I indicated that the Government Operations Committee will conclude its hearings on S. 189, S. 317, S. 2865, S. 2893, and Senate Concurrent Resolution 4, proposals to create a new committee on intelligence oversight, on February 5 and 6. I wish to announce that the hearings on February 5 will be held in room 3302, Dicksen Senate Office Building, beginning at 11 a.m. Dr. Henry Kissinger will be the witness.

On February 6, the hearings will begin at 9:15 a.m., in room 1318, Dirksen Senate Office Building. The witnesses will be Hon. Walter D. Huddleston, of Kentucky, and Attorney General Edward H. Levi.

ANNOUNCEMENT OF HEARINGS ON FINANCIAL ASSISTANCE 7(a) PROGRAM OF THE SMALL BUSINESS ADMINISTRATION

Mr. NELSON. Mr. President, I wish to announce that the Select Committee on Small Business will continue its oversight hearings of the Small Business Administration by focusing on its financial assistance 7(a) program. A hearing has been scheduled for February 23, 1976, at 10 a.m. in room 318 of the Russell Senate Office Building. Chairing the hearing will be the Senator from Colorado (Mr. Haskell).

Further information on the hearing can be obtained from the offices of the committee, room 424, Russell Senate Office Building, telephone 224-5175.

ANNOUNCEMENT OF HEARINGS

Mr. ABOUREZK. Mr. President, I wish to announce that the Senate Judiciary Committee will hold 2 days of hearings on S. 1147 and S. 2900, bills to liquidate the liability of the United States for the massacre of Sioux Indians at Wounded Knee in December 1890.

The hearings will be held on February 5 at 9:30 and February 6 at 10 a.m. in room 2228 of the Dirksen Senate Office Building. Witnesses will include representatives from the Department of the Army and the Department of the Interior. Two respected professional historians, Robert Utley and Alvin Josephy, will also give testimony, as will representatives from the Wounded Knee Survivors Association.

Any person wishing to appear and testify or submit a statement should contact Bill Milka in room 1418, Dirksen Senate Office Building, telephone 224-4434 or Jim Gleich in room 1105, Dirksen Senate Office Building, telephone 224-1635.

NOTICE OF HEARINGS

Mr. STEVENS. Mr. President, the Committee on Commerce will hold a hearing on S. 2924, a bill to authorize appropriations for the Coast Guard for the procurement of vessels and aircraft and construction of shore and offshore establishments, to authorize for the Coast Guard an end-year strength for active duty personnel, to authorize for the Coast Guard average military student loads, and for other purposes, on Thursday, February 4 at 2 p.m. in room 5110, Dirksen Senate Office Building. This request legislation includes funding authority for fiscal year 1977 and fiscal year 1978. However, the hearing will be limited to the fiscal year 1977 request.

For further information, please contact Richard Daschbach, staff counsel, at 224-4958.

ADDITIONAL STATEMENTS

INDIAN HEALTH FACILITIES

Mr. GRAVEL. Mr. President, Thursday, January 29, Senator Humphrey introduced a resolution disapproving the proposed deferral of budget authority for Indian health facilities. I wish to join my distinguished colleague from Minnesota in support of this resolution.

The Interior Appropriations Bill, Public Law 94-165, was signed into law December 23, 1975. Sums of money for construction work on various Indian health facilities were appropriated by that law. While the sums appropriated were not the total amounts needed to complete the health facilities, the appropriations were sufficient to substantially initiate the construction process of these vitally needed facilities.

In a message from the President dated January 23, 1976, the Congress was notified of the deferral of these construction funds. The Office of Management and Budget stated that the funds were deferred because only part of the total costs were appropriated. OMB advises that "orderly planning for construction" can occur only if the total amount needed is appropriated in one lump sum. OMB's decision to defer these funds indicates a lack of understanding, both of the construction process, and of the urgent need for these Indian health facilities.

In Alaska the construction season is short: The Kuskokwim River, via which construction supplies are transported to Bethel, usually is not free of ice until the end of May. Ice returns to the river by September. A construction project, such as the proposed hospital at Bethel, will take several seasons to complete. It is vital that the $1.5 million appropriated in Public Law 94-165 for construction of a hospital at Bethel, Alaska, be available to continue planning and to continue initial construction work this spring.

The $1.5 million appropriation for fiscal year 1976 will allow completion of the architectural design documents and installation of the pile foundation. This initial work must not be delayed, as the short construction season in Alaska dictates that, already, completion of this project is several years in the future.

There are over 52 villages in the Yukon-Kuskokwim area of Alaska with a combined population of 14,000 to 15,000 people. An adequate hospital in Bethel will provide the key health resource for these communities. The residents of this area of Alaska are concerned that the hospital is still not built after years of discussion and promises. We in the Congress are the last resort for the Native peoples in America, who are neglected by an economy-minded executive branch.

Restoration of these funds will continue work, not only on the hospital for the citizens of the Yukon-Kuskokwim area, but also other hospitals for Indian health care throughout the country.

ROOTS OF THE VALUE ADDED TAX: A TAX OF GNP

Mr. HATFIELD. Mr. President, I ask unanimous consent that an article by Prof. Richard Lindholm be printed in the RECORD for the benefit of my colleagues. Professor Lindholm, of the graduate school of management and business of the University of Oregon, has published numerous articles on taxation over the past 20 years and has taken a particular interest in the "value-added" tax concept. This particular article provides a helpful background on the development of the concept.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ROOTS OF THE VALUE ADDED TAX: A TAX OF GNP

The roots of the value added tax (VAT) idea and the theoretical support of the concept of value added as a tax base are American-made. VAT was initiated by those with a desire to generate a neutral tax that would provide substantial revenues without reducing the effectiveness and efficiency of the market system in allocating capital, labor and land. Because America was, and remains even more so today, as a result of consumer group efforts and the 1972–73 price control fiasco, the great free market nation, it was very appropriate that the early examining, explaining and advocating of VAT be American. Also, American economists were more interested in business statistics and analysis based on these data than were their European counterparts. German interest in VAT has always been considerable, but the concept did not attract German tax scholars as it did American fiscal experts.

DATA BASED ECONOMICS

VAT traces its roots to American tax discussions after World War I. VAT was considered as the replacement for special World War I excise taxes and an excess profits tax introduced to siphon off war profits. American heritage of VAT is forgotten or being neglected when VAT is called a "foreign tax", as is often done by those only familiar with the actual application of the tax by a major nation. VAT is as American as apple pie and was used successfully by the state of Michigan from 1953 to 1968 and was re-adopted as the "Single Business Tax" in 1975. In fact, American economists originated the whole business of gathering economic statistics to calculate GNP, i.e., the value of goods and services produced for the market. At the turn of the century, even as is true today, sound economics, i.e., economics that dealt with realities, found the University of Chicago intellectual climate stimulating. Thorstein Veblen and his students, particularly the brilliant Wesley Claire Mitchell, the founder of the National Bureau of Economic Research, which continues as a substantial research organization and the official declarer of when a recession starts and when it ends, developed the statistics that made possible the calculation of GNP.[1]

Once total current production became measurable as a sum of the value added by major industries, its use as the base for a general business tax became inevitable. And it was in America where economics first broke away from armchair philosophizing of Marx and Ricardo and started on the long road to becoming a real social science that the concept of VAT was first developed. It was seen as a tax on total production, which means a tax that becomes a part of the cost of all consumption of goods and services purchased in the market. Another result of GNP data was to quantify the expenditure shortfalls that caused depressed economic conditions. In both cases, the early American development was to be grasped and utilized more effectively in Europe than in America.[2]

VAT has become a principal tax of twelve Western European nations (France, Denmark, Germany, The Netherlands, Belgium, Luxembourg, Norway, Ireland, Italy, Great Britain, Sweden, and Austria). The tax was reintroduced in Michigan in 1975 and in addition the tax has been proposed by a number of states, including Alabama, Hawaii, Oregon and West Virginia. The Federal Government in 1965 and again in 1972 gave serious consideration to introduction of VAT.

Also, the economic cycle work of Mitchell has not been pursued in the United States. Economic planning combined with government budgetary, revenue source and central bank policy are fundamental in most Western European nations, but have never been wholeheartedly accepted in America.[3]

CONSIDERATION OF GNP AS A TAX BASE

The Brookings Institution, in 1932 and 1933, recommended the adoption of VAT in the states of Alabama and Iowa.[4] In 1964, a little over thirty years later, Brookings published the proceedings of a conference titled The Role of Direct and Indirect Taxes in the Federal Reserve System. The conclusion of the conference was that VAT would not be helpful to America in developing sound domestic fiscal policy or an improved international economic balance. And today, more than twelve years later, "Brookings" has not taken a serious look at VAT as a major federal tax under current conditions.

Dr. Gerhard Colm, a German-trained fiscal expert who became a leading tax specialist in the Federal government and of the American Planning Association, published in Social Research in 1934 an article titled, "The Ideal Tax System." It was an article recommending and describing VAT.[5]

In 1940, Paul Studensky, certainly one of America's most disinguished business taxation scholars, concluded VAT was the ideal business tax. His general ethical philosophical foundation for VAT bears the short title "Cost of Services Varient."[6] He saw VAT to be a neutral tax because wages, rent, interest and profits, the return to the factors of production, labor, land, capital and entrepreneurship, each bore the same direct tax burden. Studensky saw government services benefiting each of the factors of production largely in proportion to income received, therefore, the payment of VAT became a collection for government services enjoyed.

Studensky's support of VAT was an expression of a generally felt attitude toward VAT by knowledgeable American students of taxation in the 1940's.

The early favorable reception given to VAT by the tax profession can trace its origins back to the writings by Professor T. S. Adams, the father of the 1913 individual income tax legislation. An article of his in the *Quarterly Journal of Economics* supported VAT as the best approach to the taxation of businesses.[7] He had previously supported the basic concept of VAT in 1911. This American awareness of VAT led to the introduction of Senate Bill 3560, on March 11, 1940, in the 76th Congress, second session, by Senator C. Joseph O'Mahoney. It was a legislative proposal for the introduction of VAT by the American federal government.

After the defeat of Japan in World War II. America sent a group of tax experts to Japan to assist in the development of a democratic Japanese tax system.[3] The mission was headed by Carl S. Shoup of Columbia University.

The American Taxation Mission to Japan, the Shoup Mission, recommended the adoption of VAT by Japan. The recommendations of the Shoup Commission were presented to the Japanese government in 1949. In 1950, the Japanese Diet adopted a local government VAT. A variety of circumstances prevented the legislation from being activated and it was later repealed. Legislation somewhat similar to the Shoup inspired Japanese proposals is currently being used very effectively in Brazil.

In 1953, the state of Michigan adopted a modified VAT, and continued to successfully utilize the tax until 1968.[9] It was called the Business Activity Tax (BAT). A number of Michigan tax specialists praised the tax. Included in the group was A. L. Cornick from the Ford Motor Company and Professor Harvey Brazer from the University of Michigan.

All of these American developments took place *before* the French introduced their VAT in 1954. The French VAT is called taxé sur la valeur adjoutée (TVA). The French, in the introduction of TVA, were taking an American and German tax idea based upon modern quantification of production, and using it to meet a serious French fiscal crisis.[10] VAT was adopted by France at first as a limited reform of a badly functioning tax system. Later it became the basic characteristic of the French fiscal policy.

The first French economic writer to seriously evaluate VAT was M. Lauré in 1952.[11] Way back in 1921, Wilhelm von Siemens, of the great German steel family, wrote of the desirability of VAT.[12] And VAT, by 1952, had bcen a portion of the business taxation bibliography in American university courses in public finance for at least twelve years.

FRENCH ORIGINS

The French general consumption or gross turnover tax grew quickly out of a luxury tax introduced in 1917 in the form of a sales stamp as a part of the highly organized French stamp duty system.[13] As time went on, it was concluded from observation that this general gross turnover tax rested too lightly on "industrial and business services included in processing and distribution as such."[14] The result was the introduction of a single stage production tax (taxe á la production) in 1936. This production tax used value added as its base and demonstrated a tendency to cover a broader and broader sweep of French production activity. Between 1953 and 1955, with April 10, 1954 given as the official date, the French production tax became TVA, a genuine value added tax, albeit with quite a few exemptions, including retailing. In 1966, retailing was added. The French orginators of TVA in 1954 saw it as a portion of a philosophy of an economic development plan.[15] The tax grew out of a desire to make available for government purposes a stable portion of the new productivness of French business enterprise.

CURRENT U.S. ATTITUDE

There is no doubt but that the concept of a tax using the GNP base grew out of the American economic and business environment. GNP which is calculated by adding up the market value of effort at each stage of production has become the basic measurement of economic wellbeing. This is also the way the base of VAT is calculated. Also, VAT treats all productive economic activity alike. It avoids dictation of the use of savings and

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Footnotes at end of article.

does not treat the profits of success more harshly than wage or interest income. Also VAT is a tax that does not attempt to favor one method of organizing a business over another. It is well suited to an environment composed of competitive private enterprisers.

It is an indisputable fact that the concept of a tax on GNP is a native American product and not a foreign import. Realization of this should somewhat reduce the illogical American opposition to this tax development which has been received with such enthusiasm in Western Europe.[16] It is also indisputable that the practical use of VAT by the French arose from a desire to place a basic tax on the new productiveness of French enterprise without at the same time retarding the continuation of the development.

The degree of American rejection of VAT varies, as would be expected. The September 1970 report of the President's Task Force on Business Taxation included a minority report favoring immediate adoption of the VAT. It was filed by two members out of the total membership of fifteen.

The thirteen other members of the Task Force recommended "that should the need ever arise for substantial additional Federal revenue, the government should turn to the value-added tax or some other form of indirect taxation rather than to an increase in rates of the corporate or personal income tax.[17] The committee did not consider financing of an expanded medical and social security program through use of VAT.

In 1971, the international economic shortcoming of the American approach to business taxation was recognized in Congressional legislation establishing the Domestic International Sales Corporation (DISC). This legislation delays indefinitely 50 percent of corporate profit taxes arising from exports if taxes saved are used to expand exports. In doing this, DISC has moved one step toward giving our exporters the tax refund assistance enjoyed by Europeans under VAT.[18]

CONCLUSION

The use of GNP as the base to be used in the taxation of business is not a new idea. It came along as a tax concept with the development of national income accounts and the realization that government was going to be an important element in the day-to-day affairs of businesses.

VAT has not enjoyed active political support as a national tax for the United States. On the other hand, in Europe, the favorable French experience caused a revolution in the indirect tax system of Western Europe and a number of countries in Africa and South America.[19]

FOOTNOTES

[1] Wesley C. Mitchell is best known for his empirical work associated with the development of an explanation of business cycles. His emphasis was always on what happened rather than why one could or couldn't expect it to happen under a certain set of circumstances.

[2] John Maynard Keynes, *The General Theory of Employment Interest and Money* (New York: Harcourt, Brace and Co., 1936).

[3] The Council of Economic Advisers established in the Employment Act of 1946 have never been given the responsibility of identifying what must be done to avoid unemployment. Also, the concept of the government being a productive employer of last resort has never been completely accepted in America, as it has in Europe.

[4] Brookings Institution, *Report on a Survey of the Organization and Administration of State and County Governments of Alabama*, (Montgomery, Ala., 1932), 4 Pt. *3*, pp. 341–398, and *Report on a Survey of Administration in Iowa: The Revenue System* (Washington, D.C., 1933), pp. 120–154.

[5] Gerhard Colm, "The Ideal Tax System," *Social Research*, August 1934, *1*, pp. 319–342

[6] Paul Studensky, "Toward a Theory of Business Taxation," *Journal of Political Econmy*, October 1940, *48*, pp. 621–654.

[7] T. S. Adams, "Fundamental Problems of Federal Income Taxation," *Quarterly Journal of Economics*, 1921, *35*, pp. 527–556.

[8] Martin Bronfenbrenner, and Kiichiro Kogiku, "The Aftermath of the Shoup Tax Reforms," *National Tax Journal*, September and December, 1959, *10*, pp. 236-254 and 345–360.

[9] J. A. Papke, "Michigan's Value Added Tax After Seven Years," *National Tax Journal*, December 1960, *13*, pp. 350–363 and Robert D. Ebel, *The Michigan Business Activities Tax* (East Lansing, Michigan: Michigan State University, 1972).

[10] *European Taxation*, "Finance: Proposed Reform of the Turnover Tax," *10*, No. 8 (August 1965), p. 208. Since the 1963 reform the French VAT has included all operations of the housing cycle. In order to encourage housing construction, the French VAT base under designated circumstances has been decreased by 50 or 80 percent. Harvard Law School International Tax Program, *World Tax Series, Taxation in France* (Chicago: Commerce Clearing House, 1966) (Martin Norr and Pierre Kerlan, eds.), pp. 981, 1003.

[11] M. Lauré, *La Taxé sur la valéur ajoutée*, (Paris, France: Recueil Sirey, 1952).

[12] Dr. Wilhelm von Siemens, *Verdelte Umstatsteuer*, 2nd ed. (Siemenstadt, Germany, 1921). The term "improved turnover tax" or "refined turnover tax" was used.

[13] G. Schmolders, "Turnover Taxes," in *Developments in Taxation Since World War I*, (Amsterdam: International Bureau of Fiscal Documentation, 1966) p. LV–17.

[14] *Ibid.*, p.. IV–13.

[15] Note from Clara Sullivan, October 2, 1965.

[16] *Business Taxation, The Report of the President's Task Force on Business Taxation*, (Washington, D.C.: USGPO, 1970). The Federal government through the Advisory Commisson on Intergovernmental Relations completed in 1973 a study titled, *The Value-Added Tax and Alternative Sources of Federal Revenue*.

[17] *Ibid*, p. 61.

[18] Department of the Treasury, *DISC, A Handbock for Exporters*, (Washington, D.C.: USGPO, 1972).

[19] George E. Lent, Milka Casanegra and Michele Guerard, "The Value-Added Tax in Developing Countries", *IMF Staff Papers*, July, 1973, pp. 318–378; Michele Guerard, "The Brazilian state Value-Added Tax". *IMF Staff Papers*, March, 1973, pp. 118–169.

SOLAR ENERGY: THE TIME IS NOW

Mr. McINTYRE. Mr. President, the detractors of solar energy have told us that it is a fine idea whose time has not yet come. And the administration apparently believes the detractors, for in his new energy budget, President Ford has allocated huge sums of money to the oil industry, but only a small increase in funding to solar energy.

Perhaps the administration did not have all the facts when these budget decisions were made.

I believe that the practical uses of solar energy are here right now, and are available to the public.

And I am not alone in this belief, Mr. President.

The New England Fuel Institute is an association of independent fuel oil dealers—people who have to deal with the everyday world of profits and losses. This group includes few starry-eyed idealists. In cooperation with my office this association started its own experimental program last fall to install solar water heating systems in customers' homes.

These solar collectors allow homeowners to save up to 120 gallons of fuel oil per year that would otherwise be used to heat water.

If this program continues, these solar-powered water heaters can help decrease the Nation's reliance on high-priced oil from abroad. I wish to commend these fuel oil dealers for their initiative.

I ask unanimous consent to have printed in the RECORD a copy of a story from the January 26, 1976, issue of U.S. Oil Week, describing the success of this program.

There being no objection, the story was ordered to be printed in the RECORD, as follows:

SOLAR LIGHTS UP THE FUEL OIL HORIZON

New England fuel oil dealers, threatened by tenuous supply and unconvinced by predictions that practical home solar heating is a long way in the future, are pushing ahead with experimental solar units.

Some are optimistic there's already a market for their solar services.

The New England Fuel Institute increased solar's credibility by backing 11 solar projects with $50,000 (OW, 9–29–75). Their recent survey of fuel oil dealers showed many are involved with solar or plan to be soon (OW, 12–22–75).

Here are some of the more interesting projects under way:

Callahan Oil, Portsmouth, N.H., is installing a solar hot water system in a home. Funded by NEFI, they're working with Solar Energy Systems of Tiverton, R.I., to put 50 square feet of solar collector plates on the roof.

Stan Sherman, editor of NEFI's Yankee Oilman magazine, is at work on the project. He says the challenge of the installation is that there are so many ways to run the pipes, position check valves and faucets . . . all varying with each installation.

Sherman acknowledges the criticism that oil dealers and solar manufacturers often don't speak the same language.

To fuel oil dealers, for instance, "tank" means a fuel storage tank, while for a solar person, it means a much larger water tank or the so-called "tank" of crushed rock that solar warmth is stored in.

Solar people are more familiar with making a design from scratch than working around the problems of an existing house. They often underestimate heat losses and thus overestimate how much of the heating load solar can supply, Sherman said. They'll have to learn "how to revamp their numbers."

Sherman plans to stress solar energy in the March factbook issue of Yankee Oilman, putting solar technology into oil heat terms . . . so when the solar technician speaks of square feet of collector plate the oil dealer will know what he means in gallons of oil. Copies are $3 from NEFI, 390 Commonwealth Ave., Boston, Mass. 02215.

The DeBlois Oil Co. of Pawtucket, R.I., working with NEFI, plans a solar hot water heater for an oil-heated four-apartment building. Solar panels from Daystar Co. of Burlington, Mass. will go on the roof in the next few weeks, weather permitting.

The system is to be monitored by a team, from either Rhode Island or Brown University.

Bob DeBlois plans three such units by next summer and, if they're successful, wants to start installing solar hot water heaters. "We don't want to be left behind," he says.

Daystar, also supplying Alvin Hollis Inc., agrees. Alvin Bicknell, working on Hollis' solar installation, says Daystar prefers working with oil heat marketers than with public utilities because they prefer individuals to impersonal corporations. Oil is a good ally, Daystar believes.

Bicknell, who put a solar-heated water system in a home last November, says Daystar was happy to give him advice on installation and sold him the controls, pumps and easy-to-understand schematics.

It's too early to start charting cost reductions, Bicknell says, but a couple of area builders have expressed interest in Hollis' solar-oil experiment.

Daystar marketer Charles Pesko says the system he sold DeBlois costs about $2000 installed, though retrofits are all different and costs vary.

The system is mostly plumbing . . . a tank, heat exchanger, controls, circulators and pressurizing gears. The only unusual hardware—and they're what hike the price—are the collector plates.

In two or three years, Pesko says, total costs should go down to $100–$1200 . . . as conventional energy goes up in price.

Daystar customers include construction companies, plumbing concerns, oil heat marketers and electric utilities.

The utilities are as eager as oil heat marketers to see what solar can do for—or against—them, Pesko says. But though they're "flooding TV and radio" in New England with word of their solar-electricity experiments, Pesko suspects their real motive is to use solar to paint themselves as leaders of the conservation effort, thereby getting back into the good graces of an overcharged and hostile public.

Daystar is among a minority of solar equipment manufacturers that sell retailers a complete package rather than just solar components, Pesko says. The company doesn't do installations but it's happy to give advice. Address is 41 Second Ave., Burlington, Mass. 01803.

Weatherwatch Heating Service, Inc., also of Portsmouth, N.H., has been working with Sol-R-Tech of Vermont on plans to put a solar collector on the roof of Weatherwatch's new offices. It'd supply part of the company's heating needs. If it works, Weatherwatch plans both to install solar heating systems themselves and sell them to other fuel oil dealers.

A BAD YEAR FOR ENERGY

Mr. FANNIN. Mr. President, I wish to bring to my colleagues' attention an excellent article by M. Stanton Evans, the distinguished columnist, which appeared in the January 31 edition of Human Events.

Mr. Evans discusses those allegedly "obscene profits" in the oil industry which we have heard so much about. He points out that, contrary to the arguments of some demagogs in and out of Congress that oil companies are too big and should be dismembered, the industry has not enjoyed a spectacularly profitable year. What is more, as Mr. Evans rightly observes, if the companies are to be encouraged to expand production and develop new domestic reserves and if the United States is to achieve energy self-sufficiency and end its dependence on costly foreign oil and the generosity of the OPEC cartel, we must adopt a policy free of Government price controls and overregulation. Instead of playing politics with "big oil," the Congress must take a sound and sensible approach to energy matters.

Mr. President, I ask unanimous consent that the Human Events article by Stan Evans be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THOSE "OBSCENE PROFITS"—DESPITE OUTCRIES, 1975 WAS A BAD YEAR FOR OIL

(By M. Stanton Evans)

Does anybody recall, a few months back, the political outcry over "obscene profits" in the petroleum industry?

This was the response of our federal lawmakers to the advent of the energy crisis. Just how and why the crisis could be traced to excessive profits—or how it might be solved by attacking them—was never made quite clear. The logic was purely of the scapegoat variety: The people were aggrieved, and they needed a villain that they could blame.

Despite its obvious deficiencies, the "obscene profits" view was relentlessly hammered by spokesmen in the government and media, and made to stick. The public was inflamed with charges that petroleum profits had "increased by 63 percent" or other similar numbers, in the first nine months of 1973. Accordingly, the oil depletion allowance was repealed, and now we have an energy bill imposing price controls on new petroleum as well as old.

Such procedures are the opposite of sensible policy if one is concerned to relieve an energy shortage. It takes capital to explore for oil, and it takes profit incentives to get the exploration going. By raising costs and putting a lid on prices, the government achieves the opposite of both effects, discouraging production rather than promoting it. It is hard to see a rationale in this beyond exacting vengeance for the sin of rising profits.

If that is the case, however, it is clearly time for the policy to be reversed. For in 1975 petroleum profits in nearly every category dropped dramatically—by an average of 31 percent. As reported in a recent issue of *Forbes*, the biggest losers were the large internationals—Exxon, Mobil, Texaco, Gulf, and Standard of California. These companies sustained an average loss of 10 percent on U.S. gas and oil earnings, 45 percent of foreign business. Texaco was the hardest hit, its earnings down by more than half.

"The pain was considerably less for the oil and gas companies tied more closely to the U.S. economy," *Forbes* reports—though "less" remains substantially painful. "For most of these companies nine-months earnings were down only 26 percent on average, much less than the big internationals 34 percent drop. . . . Clark and Commonwealth both suffered losses during the most recent 12 months. . . . Union Oil's profits . . . were off 46 percent during the first six months of 1975. . . ."

Contrary to the prevailing mythology on such matter, bigness was no protection against declining profits in 1975. Exxon's profit after taxes fell from $800 million to $500 million, or 31.3 percent, between the third quarter of '74 and the third quarter of '75. Standard of Indiana dropped from $296.5 million to $213 million, or 28.2 percent Mobil fell from $227.8 million to $231 million, or 16.8 percent.

To round out the picture, the petroleum companies also suffered setbacks in their chemical earnings. In the first nine months of 1975, for instance, Exxon's foreign chemical profits declined by 79 percent, while its chemical profits in America were down by 34 percent. Gulf Oil sustained an even bigger recrease in its foreign chemical earnings, 84 percent. So on every score the balance sheet reads the same: A severe decline in petroleum profits.

These figures, of course, tell us very little of what we need to know. To gauge the size and impact of such percentage change, we need to have the base from which they are derived, the trend of the preceding year, the rate of return on equity, profit margins as a percentage of sales and so on. Percentage increases or decreases from an unknown base are not intelligible. If I made a $2 profit in '74 and drop down to $1 in '75, I have experienced a 100 percent decrease in my profits. The percentage is enormous, but the absolute reduction isn't.

These were, of course, precisely the considerations so grandly ignored by Washington's demagogues when they cried out for punitive measures against petroleum because of "obscene" rates of profit increase in '73. Those supposedly unconscionable profit hikes were derived from a depressed base period in '72, and involved a relatively modest hike in profits as a percentage of sales—moving up from 6.7 to 8.3 percent.

Such details were unavoidably known to many of the people who worked up the *jihad* against petroleum, but were pushed into the background anyway. All the demagogues desired to know was the percentage rate of profit increase, not the data backing it up. That being so, we may conclude this essay by using their own incomparable logic in reverse: If rising percentage hikes in the rate of profit suggest the need of control, then a percentage decrease suggests the need for de-control. Don't hold your breath, however, until the demagogues consent to say so.

POLICIES FOR FOOD AND ENERGY—AND PEOPLE

Mr. ABOUREZK. Mr. President, it has long been apparent to those of us who serve from States with large agricultural areas that rural electrification is one of the great national programs which provided economic and social growth to rural America.

My colleague, Senator McGOVERN, is today addressing the National Rural Electric Cooperative Association annual meeting in Anaheim, Calif. His address directs our attention to some of the goals that need to be met to provide a broad vision for future energy and food policies. I would like to share these goals which will affect both rural and urban areas.

Mr. President, I ask unanimous consent that Senator McGOVERN's address, "Policies for Food and Energy—And People," be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

POLICIES FOR FOOD AND ENERGY—AND PEOPLE

(By Senator GEORGE McGOVERN)

Just a little over four years ago, leaders of your cooperatives from all over America came before my subcommittee in Washington.

For two full days, your leaders, and your friends in Congress, talked about the two most pressing problems facing your systems—financing, and power supply.

That was late in 1971.

It was the first thorough examination of the REA program which the Congress had undertaken in many years.

How things have changed in that short time.

We are dealing with a whole new set of problems—baffling, complex problems—problems that are likely to be with us for years to come.

Allow me, for a moment, to discuss just a few of the specifics that are likely to be on the agenda in the coming months and years—and how we might go about dealing with them.

Let us look at our overall food and agricultural posture in the world, at some elements of energy policy which affect your lives and your cooperatives, at some of the legislative challenges your systems will be facing, and at one part of our farm policy—the difficulties facing young men and women who want to farm.

Let us look at these in terms of your goals—and in terms of how you can achieve these goals.

One of our most pressing challenges in the Congress will be to replace the present crisis-to-crisis, helter-skelter mentality of food policy-making. We must have a rational, coordinated policy that accommodates every interest.

Our policy must catch up with reality—food and agriculture must be accorded the prominence, the essential recognition in our government processes that it already has in the life of the world.

The act which created the Department of Agriculture provides that its first duty is to disseminate new seeds and up-to-date information to the people.

We need a broader vision today. We need a revitalized cabinet department, with the tools and the knowledge to meet a greater challenge.

We need a Department of Food, Agriculture and Rural Affairs, and we must restore to it the prestige and the recognition and the proper place in our government that it has lost in recent years.

New national policies must recognize the critical nature of our nation's farms in our international policy. They must understand the role that a healthy agriculture can play in our economic recovery. And they must reflect the critical importance of our miraculous farm production in fighting disease and poverty.

We need new mechanisms which can minimize the erratic nature of the weather and the unstable behavior of export markets. Farmers and ranchers need protection from the price collapse that can accompany overproduction, and hungry people everywhere need protection against famine and shortages.

A common sense food policy will assure farmers and ranchers a price that will cover their production costs, and provide a reasonable return for their labor and investment. And it will assure American consumers, and our customers in other lands, that unforeseen shortages will not send prices in a rapid spiral without thought or care.

Abundant food and stable, profitable prices are not impossible to achieve. Farmers and their leaders can and should come forth with proposals to maintain food reserves without destroying their prices.

Farm people must take the lead in developing policies along these lines—or others will do it for them.

The American public will not stand still much longer for the kind of nonpolicy that will surely create the kind of lines at supermarkets that we saw at gasoline pumps not many months ago.

We can not afford many more leaders who prefer to dream of days gone by, and hope wistfully for an easier, simpler time. We need leaders who will anticipate the possibilities of tomorrow—and make plans for a better future.

Your fuel costs, and ultimately your retail rates, are the clear penalties of leaders who persisted in burning up our limited fuel supplies with no policy for the future.

We are paying today the price of yesterday's short-sighted economies—our refusal to invest prudently in the cleaner and more efficient methods of energy production that we knew were possible.

Of late, the difficulties have taken the form of ever-increasing interest rates, construction costs and fuel costs—and the uncertainty of water supplies in a region where powerful energy combines are willing to pay any price for a scarce resource.

Beyond the next few years, cooperative and public power systems in my part of the country have taken the lead in urging more research and development of new power sources.

But they recognize, as do all of us, the short term need to meet reasonable growth requirements with the resources we have. And in the upper Midwest, that means coal.

I am proud that your leaders have not followed the blind, completely obstructionist tactics of others in the energy industry. Your people have, in many instances, demonstrated leadership by insisting on proper reclamation of land stripped for coal. Some of you have gone beyond the strict requirements of law to protect the air and water where your consumers and members live.

We will watch with great concern what the Supreme Court does later this year in a critical case that involves our future power supply.

I have every faith that you will bring to this debate, and to the continuing resolution of environmental questions, the same kind of public interest leadership that America's electric cooperatives have exhibited for the past 40 years.

If these questions must be resolved ultimately in the Congress, I am confident that you will continue to show that public spirit and foresight.

And despite one prevailing myth, you should know also that you continue to have a great reservoir of support and friendship in the Congress.

That support was demonstrated three years ago when the Congress restored the REA program after its temporary and illegal termination by the executive order which followed the 1972 election. Those who voted Mr. Nixon back into office in November of '72, were told in December that Nixon had not only launched the Christmas bombing of Vietnam, but was about to bomb the REA's in the U.S.

One of the issues you will deal with this week is the criteria for two percent REA loans.

Although your friends are many, you know full well that there are those in the Congress, the administration and elsewhere who oppose any REA program on principle.

They would like nothing better than to see a sharply divided NRECA membership come to the Congress this year with a proposal to cut back the number of borrowers eligible for two percent financing.

They would like to see the number of two percent borrowers cut in half. But that will not satisfy your opponents—and next they would like to end the two percent loans. If they could achieve that goal, the five percent program would be next—and Federal loan guarantees would likely follow.

No one in this great assembly should be lulled into believing that a few changes in the two percent criteria will end the criticism of your program.

I understand the concern of some of you that the criteria that we established in 1973 may not be working perfectly. It has been said that some borrowers now eligible for two percent loans could afford to pay more—and that others, who have a greater need for low-cost money, cannot get it.

If that is true, the defect is not in the law, but in the administration of the law. We wrote into law not only mandatory criteria, based on density and revenue, but discretionary authority—giving the administrator the right to make a two percent loan to any borrower who needs it.

So if this is your concern, you need to talk to the administrator and the White House, not the Congress.

But the decision, in large measure, will be yours to make. I urge that you approach it with great care.

Texas historian, Webb, has said that the West was settled by the six-gun, the barbed wire fence and the wind-mill.

If that is true, then the West was lighted by the two percent REA loan program.

It ranks as one of three great national programs which have brought massive social gains to rural America. The others were the land grant college system and the Homestead Act.

These three were Federal programs which helped people to help themselves. They gave men and women the land to plow, and the tools to learn and to work, and to forge better lives for themselves and for their children.

These were successful Federal efforts because they filled needs that could not or would not be met elsewhere.

There is another need today which demands an answer.

It is the need to provide a fair method to transfer land from our generation to the next, and to provide young farmers the means to get started in this age of high cost and large capital need.

Until now, these needs have been met by commercial banks, the farm credit system, and the Farmers Home Administration.

My subcommittee on Agriculture Credit and Rural Electrification plans to look hard at this problem this year.

Two startling facts can serve as our point of departure.

The first is that the average age of the American farmer today is in excess of fifty years.

The second comes from a recent Agriculture Department conclusion that, if current trends continue, our 2.4 million farms today will be reduced to 1 million by the turn of the century.

If we sit idly by, the family farm may be a museum piece by the year 2,000. Rural life and small towns will disappear from the landscape.

Our generation has the right to own and occupy our land during our lifetimes—but we also have the obligation to provide the means to preserve those rights for our children.

In an effort to fulfill that obligation, I have introduced legislation which I call the Young Farmers' Homestead Act. Sixteen other Senators have joined me as cosponsors, and more than half a dozen Members of the House have introduced the bill in substantially the same form.

The inspiration for my proposal comes from an experiment in Saskatchewan, a prairie province in Canada similar to many States in our own Great Plains.

My bill is refined substantially from the three-year-old Saskatchewan program. I believe that it is the most innovative, and practical approach to helping young farmers that has been proposed in the last decade.

Permit me to outline it briefly.

The minimum start-up cost for an economic farm today is in the range of $250,000. If we can temporarily relieve a young family of the most difficult problem—making the down payment and securing a loan for land purchase—it is likely that they can obtain operating credit from banks or other sources.

To fill that long-range need for land, I propose a small new agency in the Department of Agriculture. It would buy economic farm units at prices which will not add further to inflationary pressure.

After screening potential applicants, the Government would award a lease for seven years. No down payment would be required. Cash rent would cover local and State property taxes, and the cost of borrowing to the Government.

Since land will increase in value over that seven year lease term, the Government could sell the unit to the young operator at the end of seven years for 75 percent of its appreciated value.

Three-fourths of the appreciated value likely would be greater than the land cost the Government—so there would be no cost to the taxpayers. But it would give the young farmer 25 percent "sweat equity" for working the place for seven years. He could then arrange credit through commercial channels to buy the land.

Many of your long-time supporters are behind this new effort to improve opportunities for young farmers. We would welcome, with great enthusiasm, your support and that of your association.

These are but a few of the goals which many of us, and many of you, would like to achieve for rural America. Some of these will require legislation. Others will not.

Achieving these goals may not be as simple as it might have been in years past.

Agricultural and rural issues, in years past, were left largely to the people directly concerned—to farmers, rural leaders, and the industries associated with food and agriculture.

The consumer price of food was cheap enough, relative to other consumer goods, that little attention was paid to farm policy.

But things have changed. Consumers rightfully demand to participate in food policy decisions. The majority of non-farmers who live in rural areas rightfully demand some say in the decisions which affect their lives.

Workers, environmentalists, church groups and others concerned about foreign policy all have legitimate concerns which must be expressed.

Recently, Dr. Don Paarlberg, a top official of the Department of Agriculture, outlined some of the new items on the farm policy agenda, and counseled farmers about how to approach this new "bargaining table."

Frankly, we are no longer in a position to dictate to the rest of the Nation—and that is not necessarily bad. Dr. Paarlberg points out wisely: "There is one thing worse than losing the ball, and that's losing the ball and thinking you have it."

Despite our small numbers, we have been able to achieve many goals in recent years. We have been able to do so by building coalitions.

But we have been able to enact effective farm legislation, and effective programs for rural people, because we have built strong support from enlightened and sympathetic leaders from urban and suburban areas.

Your leaders have demonstrated the spirit of cooperation—not confrontation—and have been able to build bridges to people outside rural areas.

Our Founding Fathers had a vision of a great land—a free land where the Government would serve the people.

They have left us a wonderful heritage.

We must approach the next two hundred years with a vision such as theirs, and leave for our children an even better way of life.

There could be no better testimony to our Bicentennial than to revitalize the rural fabric of the Nation while rebuilding our deeply troubled cities. Only by understanding that farm and city are dependent upon each other and that the happiness of both depend upon peace among the Nations can we sing with real meaning.

"America, America, God shed his grace on
Thee.
And crown Thy good with brotherhood.
From sea to shining sea."

EULOGY FOR LOUIS KUPPENHEIMER

Mr. GOLDWATER. Mr. President, during recent funeral services in Chicago for Louis B. Kuppenheimer, Jr., our colleague from the House of Representatives, Phil Crane, delivered the eulogy. As Louis was a great conservative, one of the few who matched his eloquent words with positive action, I would like to share Phil's thoughts with my colleagues. I ask unanimous consent that it be printed in the Record.

There being no objection, the eulogy was ordered to be printed in the Record, as follows:

Eulogy For Louis Kuppenheimer

(By Philip M. Crane)

Louis Kuppenheimer was a worrier.

Scarcely a week passed that he did not communicate his concern to me over the fate of tax exempt municipal bonds, the assault upon wealth by a government bent upon redistribution, and the systematic, relentless attack upon the sanctity of private property.

I remember Jane consoling him once in the middle of one of his many diatribes against political pettifoggers, charlatans, and fools who would steal from him all that was his by saying: "Don't worry, dear. I'll still love you even if we are reduced to a walk-up flat."

"That isn't even funny," Louis retorted in all seriousness.

The fact of the matter is, it was funny; but funny in the sense that it's better to laugh than cry. Louis reminded me often that many of my colleagues made chickens look like Rhodes scholars.

But for all his professed pessimism over the fate of the Republic, Louis had faith that the many wrongs he saw could be righted. He demonstrated that faith by his personal involvement in, and commitment to, the political system that caused his dismay.

Louis Kuppenheimer was a worrier. But Louis Kuppenheimer had faith.

Louis recognized, respected, and lived the essence of conservative political thought: that I have a God given right to be me; that no man has a right to spend my life; that no man has a right to live off the fruits of my labor.

Selfishness, cry the critics. No compassion, no generosity, no love for your fellow man.

But I know from personal experience that Louis had compassion, that he was generous, and that for all his efforts to conceal his emotions he had a great capacity for love—for Jane, for his children and grandchildren, for John and Irma, for his friends in this room, for me, a total stranger who walked into his life six years ago. His last request of me was to help a Chinese student, who was working at the Lake Shore Country Club, secure a visa extension to go to graduate school here in the United States.

No, Louis was not lacking in compassion, generosity, and love. But he was fiercely devoted to the idea that no one had a right to force a false philanthropy upon him dictated by some doctrinaire ideology or misguided sentimentalism. This was the trespass that caused his mordant condemnation of government policies designed to redistribute wealth and attack the individual's inalienable right to his property.

But it was not simply because such policies did violence to him and his that Louis condemned them. He recognized clearly the inherent injustice in legal plunder, but saw further the morally corrosive consequences for a society taught to believe in something for nothing. Such a society corrupts the beneficiaries while in a real sense extinguishing the existence of its host victims.

There is more love, compassion, generosity, and humanity in this understanding than is dreamed of in the philosophies of the statists and the collectivists.

Yes, Louis Kuppenheimer was prepared to fight to the death to preserve the right to one's property. This was his expression of his right to be the singular person he was. And this was the Louis Kuppenheimer we knew and loved. This was the Louis Kuppenheimer who touched our lives and will survive the memory of this occasion.

On the eve of my marriage, I wrote a poem for my wife. The last verse of that poem was intended for her, but it has a universal application I would like to share:

"E'en while all else must someday yield to
time,
God only meant for love to be sublime;
Old age and death, let flesh object to them;
No death bell e'er shall toll love's requiem."

RECYCLING WASTES

Mr. HUMPHREY. Mr. President, in the United States alone last year 3 to 4 billion tons of waste material were produced which includes animal, agricultural, industrial, mineral, and municipal waste.

These amounts are increasing annually and are becoming a costly disposal problem.

Two articles of interest recently appeared in the press which discuss new methods being developed or utilized to make these waste materials into useful products.

Over a hundred federally funded experiments are being conducted to determine the best way to use animal and human waste products safely as animal feeds, soil conditioners, fertilizer, and irrigation water. Crop and food processing wastes can be made into dried food products, for example. And, many types of wastes can be efficiently utilized as energy sources.

These two recent articles—"Raising Cattle on Sewage" by Bruce Johansen in the Washington Post and "Cleanup of Sewage Creates New Problem: A Deluge of Sludge" by Gail Bronson of the Wall Street Journal—cite many examples of new technologies being developed to use wastes. By expanding the use of these methods, not only can the waste disposal problem be eased, but useful products may be produced.

Johansen writes about Dr. Rodney Kromann, animal scientist at Washington State University, who has proposed that cattle be raised on human sewage. Johansen says:

> Dr. Kromann believes that many "pollutants," such as sewage, are environmental contaminants only because we do not put them to use. Conditioned by skittishness and a tradition of abundance, we ignore half of the ecological cycle—the regenerative half. Our wastes, says Kromann, are "nutrients out of place."

These articles point out some of the new uses for such nutrients. There are many unanswered questions about the economic and social consequences of recycling such wastes. I have asked the Office of Technology Assessment to take a look at the impact of these consequences.

Mr. President, I ask unanimous consent that these articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

DIRTY DILEMMA—CLEANUP OF SEWAGE CREATES NEW PROBLEM: A DELUGE OF SLUDGE

(By Gail Bronson)

PHILADELPHIA.—Water Commissioner Carmen Guarino stands at the roadside, gazing out at one of this city's seven sludge lagoons. The surface is dark and still, and a faint odor of petroleum perfumes the air.

"We've got 40 million gallons of sludge piled up in Philadelphia and not another inch of space," he says with a sigh. "Unless you have room in your backyard, I don't know where I'll put the stuff."

Nor does anyone else, for that matter. Sludge, the mucky residue of sewage treatment, has been around since the 1920s, when municipalities first began to clean up their wastewater. Until recently, it was routinely burned, buried, put into a lagoon or dumped into the ocean, and it caused little or no public stir.

Now, because of population pressures and improved sewage treatment, the nation is literally oozing with sludge. And because it often contains high concentrations of toxic materials such as lead or pesticides, stiff environmental standards are making it tougher to dispose of. When Philadelphia ran out of space for sludge lagoons, for example, it began dumping its sludge in the ocean off the Delaware Bay. But the U.S. Environmental Protection Agency has ordered the practice halted by 1981.

"IT'S CATCH-22"

"Sludge is the most serious dilemma we face in wastewater treatment," an EPA research officer says. "It's Catch-22. The cleaner we make the water, the more sludge we create."

To deal with the mess, cities are experimenting with a variety of sludge-disposal methods, ranging from more efficient incineration to recycling it as fertilizer. One experimental system would convert sludge into methane gas for residential use. And Orange County, Calif., will open a pilot plant next year to test a process that reduces sludge to a small residue of carbon ash.

Whether the new techniques will prove practical or economical is open to question. There's no doubt, however, about the need for innovation. Nationwide, about four million dry tons (one part solid to three parts liquid) of sludge are generated annually. That total is expected to reach 10 million dry tons by 1985, the EPA estimates.

UPGRADING TREATMENT

The fight against water pollution is indirectly responsible for the recent deluge of sludge. The Federal Water Pollution Control Act of 1972 requires municipalities to upgrade their sewage treatment to the so-called "secondary" level from the "primary" level. With primary treatment, sewage is screened to remove large bulky material and then is flushed through sedimentation tanks, where about half the suspended solids settle out. This relatively rudimentary form of treatment fails to catch many of the more subtle pollutants that find their way into sewer systems.

With secondary treatment, bacteria that gobble up pollutants are added to the wastewater, thereby freeing it of 90% of the suspended solids. The extra material removed from the water has to go somewhere, however, and that somewhere is the treatment plant's sludge tank. In most cases, secondary treatment doubles the amount of sludge that a plant must reckon with.

(A number of sewage plants are being upgraded to even more advanced levels. Washington, D.C.'s Blue Plains plant, for example, is being overhauled at a cost of $500 million to provide full secondary treatment and to remove most of the nitrogen and phosphorus, the major cause of noxious algae blooms in lakes and rivers. When completed, the plant will have effluent far cleaner than the Potomac River into which it flows.)

DELAYED DEADLINE

The nationwide changeover to secondary treatment isn't likely to be accomplished by the original target date of 1977; EPA officials say 1981 is a more realistic deadline. In part, the delay stems from the Nixon administration's impoundment of half the $18 billion in federal funds earmarked to assist municipalities in the upgrading effort. (The Supreme Court has since released the funds.) In addition, sewage-treatment experts say, more time is needed to try to solve the sludge problem.

One of the more intriguing proposals for sludge disposal is to turn it into fertilizer or soil conditioner. This isn't a new idea. As early as 1926, Milwaukee was drying and selling the high-nutrient sludge that its brewing and food-processing industries provide as Milorganite, a golf-course conditioner. It's still widely used today. After deducting the cost of processing and marketing Milorganite, the city actually loses $22 a ton in sales to distributors. But Milwaukee officials figure that sludge incineration and landfill disposal would be far more costly.

Recycling has been tried to a limited degree in other areas. San Diego mixes sludge with seaweed and sand to condition its parks. The U.S. Park Service estimates that it saved $200,000 in fertilizer costs by sprinkling 9,000 tons of sludge on gardens along the Mall in Washington, D.C. And about 40% of Chicago's sludge is barged out of the city to Fulton County, Ill., where it is spread on farm and strip-mined land.

Such schemes aren't a panacea, however. In many areas, sludge is too toxic for safe use on land without expensive pretreatment to remove chemicals and metals. Elsewhere, it may be too low in nutrients to be of much use as fertilizer. And the cost of transporting sludge to out-of-the-way areas is often prohibitive.

The practice is also often unpopular. Communities battling their own sludge problem aren't anxious to have their neighbors' overflow dumped in their backyards. Fulton County residents, for example, say Chicago's sludge stinks. A group of residents recently filed a $1 million suit to halt the sludge applications, which began in 1972, and state environmental officials have moved against the project on similar grounds.

"It smells like dead animals," says Tom Downs, one of the plaintiffs. He says his mother thinks it smells like burned chicken feathers. "Sometimes it's so bad I move my family out overnight." Chicago officials say their sludge, which is treated to remove most odors, doesn't smell any worse than other forms of commercial fertilizer.

INCINERATION SOMETIMES CHEAPER

Transforming raw sludge into suitable fertilizer costs money, and many cities have found incineration to be a cheaper method of disposal. For example, officials at Washington's Blue Plains plant figure that operating costs for its incinerators will be $35 to $50 a ton, compared with $75 to $110 a ton to compost or dry the sludge into fertilizer.

Compared with ocean-dumping or landfilling sludge, incineration is itself costly, chiefly because of the need for air-pollution controls. Camp, Dresser & McKee, a Boston consulting firm, says that New York City and nearby New Jersey communities currently pay about $25 a ton to dump sludge into the New York Bight, an area where the Hudson River meets the ocean. Incinerators for New York and New Jersey would cost $500 million to build and $40 a ton to operate.

To help defray fuel costs—a big portion of any incineration bill—officials at the Blue Plains plant are exploring the possibility of using methane gas emitted in the burning process to help power the incinerators. Otherwise, the incinerators would consume 13 million gallons of oil annually, at a cost of up to $4.6 million at present prices.

DETROIT BITES THE BULLET

The taxpayer ultimately foots the bill for improved sewage treatment and sludge disposal, of course. In the next five years, Detroit plans to spend $400 million to upgrade its sewage treatment, including $100 million for 16 new incinerators to handle its metal-laden sludge. To pay for it, the city's sewer tax recently was raised a whopping 70%.

Incineration and recycling are relatively straightforward approaches to sludge disposal. Researchers hope that a number of more exotic methods may eventually help stem the relentless flow of sludge.

Battelle Memorial Institute, a private research organization based in Columbus, Ohio, is attempting to develop an economical way to gasify sludge. Researchers there have built a pilot plant that converts sludge and other solid waste into a high-BTU methane gas that can be used in place of natural gas.

PROFITABLE OPERATION?

Syngas Recycling Corp., a Toronto concern that holds world-wide rights to the process and is sponsoring the research, recently proposed that Toronto build a demonstration plant at an estimated cost of $56 million. Syngas says that the value of the gas, together with metals and glass that it says would be recovered in the process, would enable the city to run the disposal plant at an annual profit of nearly $16 million. Toronto officials are studying the idea.

Barber Colman Corp. in Rockford, Ill., is testing a process called wet oxidation for the city of Philadelphia. This disposal method involves heating sludge in oxygen and sulfuric acid to destroy the organic material. The heating process produces gas and grease containing certain paraffin-type compounds that can be burned as fuel. In addition, a liquid residue contains metals that the company says can be extracted for recycling.

Sewage-treatment experts in California's Orange County are anxiously awaiting the start-up next year of a $2 million pilot plant that they say may revolutionize sewage treatment at substantial savings. The system, which was developed by engineers at the National Aeronautics and Space Administration's Jet Propulsion Laboratory, works like this: Solids extracted from sewage are carbonized at high temperatures and are then shot with jets of steam to produce a small amount of porous, absorbent activated carbon. The activated carbon is then returned to the waste stream, where it helps filter out additional pollutants.

RAISING CATTLE ON SEWAGE

(By Bruce Johansen)

You have to talk to Dr. Rodney Kromann, animal scientist at Washington State University, for a while before he will walk to a file cabinet in his office and withdraw a reprint of an article he wrote in 1972 on an amazing new feed for cattle.

Like many scientists who have proposed ideas before society was ready for them, Dr. Kromann's ideas have earned him some ridicule.

Dr. Kromann proposes that cattle be raised on human sewage.

The idea of raising sewage-fed steaks

sounds improbable until Dr. Kromann shows a chemical analysis of sewage, compared to alfalfa hay, a commonly used cattle feed.

Sewage provides more ash, nitrogen, ether extract (fat), cellulose, crude fiber and gross energy, all of which cattle need, than hay. It also provides less lignin, which cattle cannot digest.

Sewage requires no valuable farmland to produce. Feeding it to cattle would take no grain from the world table, as grain-fed beef does at present. Use of sewage for feed could solve monumental disposal problems. And there never will be a shortage of it, since human beings in the United States produce about 100 million tons of solid waste and 45 million tons of mixed liquid and solid waste a year.

Dr. Kromann points out that, pending solution of a few dietary problems, animal waste also could be converted to nutritious feed. Farm animals produce 10 times as much waste as do humans.

The major problem with cattle manure is its salt content which makes it unusable as feed or fertilizer. Animal scientists and nutritionists are questioning the need for so much salt; if it could be removed or greatly reduced, cattle waste itself could be reconstituted to feed.

So what is preventing utilization of this "miracle" feed? Social conditioning. Dr. Kromann has not even been able to obtain a grant to study its use. His proposal, printed in Nutrition Reports International, languishes in his files, as the volume of human and animal wastes grows and a billion people around the world are undernourished for want of the types of grain we feed our farm animals.

Dr. Kromann believes that many "pollutants," such as sewage, are environmental contaminants only because we do not put them to use. Conditioned by skittishness and a tradition of abundance, we ignore half of the ecological cycle—the regenerative half. Our wastes, says Kromann, are "nutrients out of place."

While many Americans, even scientists, don't appear to be ready for sewage-fed beef, many are accepting Dr. Kromann's underlying thesis. Scientists, engineers and technocrats have turned their attention to reuse of substances heretofore regarded as waste. Some amazing proposals have been developed.

Consider gasoline substitutes synthesized from wheat stubble, hay and other agricultural wastes. Food composed of sugars and protein obtained from used newspapers and ice cream cartons. Natural gas analogs from garbage landfills. Wound-healing medicines made from the shells of lobsters and other shellfish. These are only a few of the proposals advanced recently.

The technology of waste reuse has plenty of raw material upon which to draw. In addition to sewage, each American produces an average of two-thirds of a ton of garbage (solid waste to the professional) a year.

While we ignore its potential as a resource, Americans produce more waste than any other people on earth. This amounted to about 129 million tons last year.

Some of the new ideas are already at work. At Washington State University, cattle are munching on feed made from wood-pulp and other forestry wastes under direction of Richard J. Johnson, animal scientist.

Dr. Johnson explained that cattle cannot be raised on wood-pulp feed alone, for it lacks many of the nutrients the cattle need. Wood pulp, or any other waste material containing large amounts of cellulose, fulfills a need for large amounts of roughage in cattle diets. Newspapers and field wastes also have been tested as cattle feed to fill this requirement. Sewage contains the nutrients that wood pulp lacks and it's possible that cattle could be raised for human consumption on a diet composed of yesterday's news and sewage, both of which now usually go to waste.

The waste of dairy cattle is widely used in the State of Washington, and elsewhere, as fertilizer. On average, a Holstein dairy cow produces 7 pounds of milk a day—and 100 pounds of excrement. Each year, the dairy cows of Washington State produce fertilizer worth a tenth as much as their milk, according to Terry Day, agricultural-information director at Washington State University.

The waste from cattle feedlots could be similarly used for fertilizer if much of the salt were removed from the diet of cattle raised for beef, Dr. Johnson said. At present, the waste of beef cattle usually is simply piled near feedlots in small hills which later become mountains.

A number of sanitary landfills around the country already are being tapped for fuel. Methane from a Palos Verdes landfill, near Los Angeles, now is providing natural gas to 3,500 homes nearby. New York City is planning to supply 20,000 homes from a landfill on State Island.

Most of the proposals for reuse of waste, and many of the most interesting ones, still are experimental. A few include:

Fuel from field wastes. Farno Green, an executive engineer at General Motors, has outlined proposals to make substitutes for gasoline, natural gas, boiler fuel and some plastics from stubble left in farm fields after harvest.

Properly used, such wastes could provide enough automobile fuel to power 100 million cars in the United States, eliminating the nation's need for imported oil, Green has calculated.

General Motors already is using a mixture of field wastes and conventional fuel at one of its Fisher Body plants, Green said. The processes Green outlines to make fuel of wheat stubble and other field residues simply accelerate natural ones, Green says in a research paper. The fossil fuels which we are so rapidly depleting today were formed from vegetation during millions of years before humankind tapped them.

Newspapers as a food source. The National Science Foundation, cooperating with Soviet scientists, has turned old newspapers into sugar and protein, using microbes as conversion agents.

The process could be used to synthesize food from many materials with a high cellulose content, such as ice cream cartons, which now are discarded.

Sewage as irrigation water. Dr. Lawrence L. Buren of the Hawaiian Sugar Planters' Association reported to a convention of the American Society of Agronomy in Nashville this year that sewage water, filtered and disinfected, could irrigate sugar cane fields. The sewage water would substitute for scarce fresh water and costly commercial fertilizers—and solve a disposal problem at the same time, he reported.

The same sewage water could be used to improve yields in sandy soils now agriculturally unproductive, according to other papers delivered at the conference. In this case, as in so many others, the use of substances now wasted—sandy soil and sewage—yields a productive result.

Uses of shellfish casings. At the University of Washington, researchers in the Sea Grant program have developed a wide range of uses for chitosan, which is developed from chitin contained in the now-discarded carcasses of shellfish. It may be used to accelerate the healing of wounds, for membranes or to improve the wet strength of wood products, among other things.

While many of the technological ideas for use of waste may be new, the idea of reuse is at least as old as recorded history. The Chinese have used night soil for thousands of years. In India, cow dung is a primary fuel source in rural areas—an ecological reason for the religious ban on slaughter of sacred cows and consumption of beef which Hindus share.

Americans, for the most part, have forgotten how to use half the ecological cycle, and are drowning in a sea of garbage because of this neglect.

POSTAL SERVICE

Mr. ABOUREZK. Mr. President, when the concept of getting the mail service out of politics was considered 5 years ago, it had the support of both liberals and conservatives. Now people of all political stripes are coming around to realize that our hopes have not been realized and grow dimmer every day.

James J. Kilpatrick correctly points out that the assumptions on which we based prospects for an independent postal corporation have not proved valid. The result has been a staggering debt and little prospect of paying them through operating revenues without drastic cuts in service or increases in postage.

I agree with Mr. Kilpatrick that the least unacceptable and most realistic answer is to have the Federal Government regain financial and policy oversight responsibility. I ask unanimous consent that the article of James J. Kilpatrick from the January 29 Washington Star be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

POSTAL SERVICE—AN EXPERIMENT GONE SOUR

(By James J. Kilpatrick)

More than four years have gone by since the old U.S. Post Office Department became the new U.S. Postal Service. The idea at the time—and it seemed such a good idea at the time—was to get the mail out of politics. A dismal conclusion has to be voiced: We had better get the mail back into politics again.

That conclusion comes hard. The concept of a kind of private postal service was first advanced seriously by an old-line liberal, Lawrence O'Brien, but conservatives embraced it with whoops and hollers. Down with politicians! Up with businessmen instead! Private enterprise would do the job.

It was a noble experiment; it was worth trying; but it hasn't worked, and the best thing to do with experiments that go sour is to drop them.

One of the troubles is that the Postal Service created by Congress in 1971 has been only "a kind of" private corporation. It has been only a quasi-private operation—the sort of hybrid that George Wallace refers to contemptuously as a "psooo-do." The corporation inherited so many political liabilities that it could not create offsetting assets.

Three premises supported the new Postal Service: (1) Postal volume would keep rising, (2) machanization would answer problems, and (3) business management would be successful.

None of the premises has proved valid. Except for second class (publications), mail is declining in volume, Mechanization has increased, from 25 percent of volume in 1971 to 60 percent in 1975, but the expected economics have not materialized. Without getting into personalities, it has to be said that business management has not been remarkably brilliant. The new managers of the Postal Service got suckered into labor contracts of a lushness almost beyond belief. The Postal Service has 595,000 employees;

the median salary for clerks and carriers is $14,200, and the starting salary is $11,444. The contract prohibits lay-offs and provides an annual cost-of-living increase.

The Postal Service lost roughly $13 million in fiscal 1973 and $438 million in 1974. The deficit in the 1975 fiscal year came to nearly $989 million. The current year's deficit, despite rate increases, will be over a billion. Next year's deficit, under the best circumstances, will be at least a billion again.

Brace yourself, now, for this melancholy forecast: If present trends continue—that is, if mail volume keeps declining, if the number of delivery points keeps rising, if inflation continues, and if present postal rates are maintained—the deficit will climb to $8 billion by fiscal 1981. Eight billion dollars!

Various options are available. The Postal Service could apply to the Rate Commission for further dramatic increases in postage rates, but it is apparent that the law of diminishing returns already is taking its toll. Private citizens are writing fewer letters; business houses are turning to other means of communication and delivery. The predictable growth of electronic banking will accelerate the decline in first-class mail.

The Postal Service could reduce profitless services. Abandonment of Saturday deliveries would save an estimated $350 million. Closing 12,000 small post offices could save $100 million more. But the Postal Service was created to make mail-handling better, not worse.

The Libertarian solution is for the government to give up a postal service altogether, and to let genuinely private enterprise tackle the job. The idea has appeal, but it is wildly improbable that a predominantly Democratic Congress would go along. A more realistic answer lies in reassumption of postal services, deficits and all, by the federal government. The dream of a mail system that pays its own way might as well be abandoned in favor of a system routinely financed in part by postal revenues and in part from the general fund.

This is not a happy prospect. Certainly it is not a happy prospect for those of us who believe, as an article of faith, that the role of the national government is to large as it is. But the fiction of a break-even quasi-private postal service has gotten us nowhere. It is like Gunga Din's uniform, which was nothin' much before, an' rather less than 'arf o' that be'ind. The sooner we face a policy decision on postal service, the better it will be.

NOMINATION OF GEORGE BUSH AS CIA DIRECTOR

Mr. **HUGH SCOTT.** Mr. President, I ask unanimous consent that Eric Sevareid's commentary on the CBS Evening News regarding the George Bush nomination as CIA Director be printed in the Record. Mr. Sevareid's comments appeared in a recent edition of the Washington Post.

There being no objection, the comments were ordered to be printed in the Record, as follows:

For the Record

Eric Sevaried, on the CBS Evening News, commenting on the nomination of George Bush as CIA director:

The Senate's doubt about Mr. Bush's suitability springs from his career in party politics. . . . A more real question is his toughness. The CIA requires a man with a touch of the ruthless, to keep the CIA activities within the bounds of common sense, but also to stand against the current crop of zealots, including some congressmen and their assistants who do not seem to care how badly this weapon for security is weakened in a rough world.

New supervisory monitoring machinery can be tried but it will not solve the dilemma of a democracy struggling short of war, but worldwide, with a totalitarian regime: The need for frequent secrecy versus the need of Congress and the public to know what is being done in the country's name. Solution is impossible, a better balance is not. . . .

We've had CIA officials domestically breaking the domestic law in the name of some higher law of their own selection. We've had congressmen breaking solemn agreements with executives by leaking classifi information in the name of higher laws of their selection. We've had journalsists breaking their word on information received off the record by leaking it to other journalists. . . .

And we've had much worse. We've had American zealots publishing the names of American intelligence personnel, which in this time of territorists everywhere increases the risk of kidnappings and murder. . . . To do this is to commit the moral equivalent of treason, treason to the very humanitarian principles the zealots think they are upholding. When these agents die—and they are not all American nationals by any means—they die as anonymously as they live. So we may never know.

CAMBODIA: THE AFTERMATH OF WAR

Mr. **KENNEDY.** Mr. President, nowhere are the tragic consequences of the Indochina war more apparent than in the stark reports of conditions in Cambodia.

An assessment of conditions in Cambodia was reported yesterday in the Washington Post in a thoughtful article by David Greenway. Although based on sketchy reports and, as he notes on the tales of refugees who are "townsmen and peasants who were loyal to the old regime," the picture he finds remains one of a nation "still on a wartime footing." Clearly, normalization has yet to come to Cambodia.

As before the collapse of the Lon Nol government, food continues to be a critical problem. No longer does American supplied food sustain urban populations, and the new authorities have necessarily focused all attention on rural areas and increasing food production. And no longer does International Red Cross medical supplies help heal war victims, and many remain untreated. Clearly, massive humanitarian needs remain in Cambodia—the sad legacy of a bitter and divisive war, needlessly prolonged.

Hopefully, through the good offices of friendly governments now in communication with Phnom Penh, the international community can express its humanitarian concern over developments in Cambodia and offer its assistance. International humanitarian programs are already underway in other areas of Indochina—such as the U.N. High Commissioner for Refugees, the International Red Cross, UNICEF, and WHO, among others—and hopefully Cambodia will feel free to call upon their help, as have North Vietnam, South Vietnam, and Laos. And I would hope that we could actively support these international programs, to all areas of need.

Mr. President, America was militarily preoccupied with Indochina for over a decade. That has, thankfully, come to an end. But we simply cannot pretend we can ignore the humanitarian needs that remain in the aftermath of war, especially among refugees and war victims. The recent reports from Cambodia deserve our attention, as a reminder of a tragic legacy of war, and the need for continued international concern and help.

I ask unanimous consent that the article in yesterday's Washington Post be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Washington Post, Feb. 2, 1976.]

The New Cambodia: A Harsh, Joyless Land

(By H. D. S. Greenway)

Aranyaprathet, Thailand, February.—Every day refugees from the new order in Cambodia trickle across the frontier into Thailand.

The Cambodia they describe is a harsh, joyless land of unbending discipline in which all bourgeois life has been destroyed, its cities all but abandoned and its countryside regimented along the lines of a vast labor camp.

People work from dawn to dusk and sometimes late into the night, the refugees say, under the watchful eyes of unsmiling soldiers. A lack of food and medicine and the forced migration of entire populations has caused untold suffering and death they say, and there are dark tales of mass reprisals against officials and soldiers of the former regime that cannot be dismissed as mere propaganda.

Unlike Vietnam and Laos, there seems to have been no attempt to win the population over through gradualism, persuasion and sophisticated political reeducation. The emphasis in Cambodia is on work and more work under the threat of punishment. There is little, or at best crude, stress put on ideology, according to the accounts of the refugees.

Yet compared to last April, when the new regime seemed to lack the political organization to do much more than drive people out of the towns, analysts detect what may be a new degree of centralization and normalization that might, as one expert said, "put Cambodia back on this planet."

A second great migration—the first being the partial evacuation of the cities last spring—has recently brought new populations into the northern and northwestern provinces, according to analysts.

It began in earnest last September and appears to have more or less peaked in December. It appears to have caused much hardship and many deaths, coming as it did before the new rice harvest when food stocks were at their lowest. But a new degree of efficiency was evident, with people being transported by boats, in trucks and even by rail instead of just staggering out into the countryside as was the case last spring, refugees say.

As during the first migration, however, little mercy appears to have been shown to the old and sick. One young woman recalls the long journey in which her sick mother grew weaker and weaker until the soldiers put her out of the truck alongside the road to die.

But she also reported that there were organized, if meager, meals provided along the way and camps waiting for most of the migrants when they arrived at their destination. The centralized coordination and planning was a far cry from the days when, according to Cambodia's Foreign Minister Ieng Sary, Phnom Penh was not even aware of what was going on when local commanders decided to seize the Mayaguez.

People still were not told when or why they were going, the refugees say. Indeed, most refugees reported that the armed soldiers of the new regime seldom speak except to issue orders and seldom smile. "They have faces like tigers," one refugee said. Fear rather than persuasion seems to be the motor force in Cambodia.

No one knows for sure why the original evacuation of the towns took place. There was more rice stored in Phnom Penh than in the countryside.

Some refugees were told that American bombers were coming to destroy the towns.

Another theory is that the new regime, built upon a peasant revolution, was not sophisticated and well enough organized politically to handle an urban population and that they feared political opposition—perhaps even from elements loyal to Prince Norodom Sihanouk.

The second migration achieved a clearer purpose in putting people into remote areas to dig irrigation ditches, clear land, plant and harvest crops in an all-out effort to improve agriculture.

The new regime apparently knew that the difference between hardship and mass starvation lay in the first post-war rice crop in November, which, from all accounts, has been a success.

Peasants who have recently crossed into Thailand say that, although food is still restricted to a subsistence ration of one or two small tin cups of rice a day, the near-starvation conditions of last autumn, when people were being issued one-half cup of rice a day and sometimes only a cup of chaff, have been alleviated.

Other signs of normalization are the promulgation of a new constitution early in January and the establishment of foreign embassies. At present the Chinese, North and South Vietnamese, North Koreans, Cubans and Albanians have embassies in Phnom Penh, and the Romanians and Yugoslavians sent delegations in January to prepare to open theirs.

Still, Phnom Penh is a ghost town compared to what it was, refugees from the capital say, and analysts are not sure that important government ministries are even located there.

Ieng Sary's delegation to Bangkok in the autumn was taken as another sign of normalization, as was the deal whereby Thailand would supply Cambodia with 20,000 tons of salt. The arrangement was a barter deal, with the Cambodians agreeing to supply fish and lumber in exchange.

Local merchants here used to supply Cambodians at the border with rice and other goods, for which they were paid in Thai currency and in fresh, large-denomination American bills. But lately the Cambodians have been defaulting on payments, and the merchants here are furious. The last trainload of salt from Thailand crossed the border in January but the Thais have yet to see any fish and lumber in exchange.

Cambodia remains a tightly closed society despite the slight signs of normalization, however, and for Westerners to interpret what is going on is like the proverb of the blind men trying to describe an elephant.

Moreover, most of the refugees are townsmen and peasants who were loyal to the old regime until April. Therefore they have been viewed with more suspicion than those who spent the war in areas under Communist control.

The hardships that the refugees have suffered since April are probably no greater than the hardships suffered by soldiers and civilians who were on the Communist side during the war. Then, as now, populations were mobilized and shifted about from place to place to support the war effort.

From all accounts, the population of Cambodia is still on a wartime footing with soldiers rather than sophisticated political cadre urging the people on to dig irrigation canals and to clear new land for cultivation.

"Forget your old life," a former resident of Phnom Penh was told, "we must all work hard now to build a new economy and one day everyone will have all they need."

There also seems to be an effort to break down the old individualized subsistence-farming methods.

Soun Heap, a 30-year-old farmer from a town in Battambang Province, arrived in Thailand Jan. 28. He said that in the past his village had grown little more than rice and sweet potatoes. This year, however, toward the end of August, 3,000 new people were brought in from elsewhere to plant and harvest cotton.

The seeds, he said, came from China and there was a "real Chinaman," meaning a Chinese who could not speak Cambodian, to advise the villagers through an interpreter.

Everybody, including the sick, the old and the children, were forced out into the fields, he said.

The drive to produce food and clothing may seem ruthless to citizens of less repressive societies, but self-sufficiency is so important to the new Cambodian regime that extreme measures are viewed as a necessity.

There are still no newspapers, except for an occasional broadsheet, and the few people who have radios are not allowed to listen to them. Only the soldiers listen to radios, the refugees say, but so few batteries are available that in practice no one listen very much.

Education above the elementary level appears not to exist, and the few classes that are organized for small children stress hatred for capitalism and imperialism with little or no emphasis put on reading and writing.

Adult political sessions vary from district to district, but the emphasis is usually on work rather than ideology.

Modern medicines are in short supply and traditional herbal medicines have not been able to combat endemic malaria and other diseases.

All the refugees interviewed said there was no money in use in Cambodia and, in the early days, many saw bonfires made of banknotes along the sides of the road. People live on a barter economy, receiving their daily rations from the authorities as do inmates in a prison.

What Soun Heap said he liked least about the new regime was the threat that the entire village would be killed if they opposed the regime. They were told that if this happened, the neighboring village would be forced to bury them and that they would be forced to bury the neighboring village if they misbehaved.

Soun Heap did not doubt that the threat would be carried out because in July he had been forced to bury about 10 truckloads of former Lon Nol soldiers.

He said the soldiers were all tied together and when they were taken from the trucks they were clubbed to death with a sharp blow on the neck from a wooden plank. Some of the prisoners still on the trucks fainted when they saw what was happening. Afterward, the villagers were asked to plow the place where the soldiers were buried. When they objected, the village officials insisted, saying the corpses would make food fertilizer.

Skepticism about atrocity stories is necessary, especially when talking to refugees who tend to paint as black a picture as they can; but too many told the same stories in too much detail to doubt that, at least in some areas, reprisals occurred.

Buddhism, the traditional religion of most Cambodians, is being discouraged, and monks are being turned out of their pagodas to work in the fields. Images of the Buddha have been destroyed or disfigured.

As conditions gradually improve, however, some slight concessions to normal life are being made.

In the spring, for example, men and women were often segregated into work brigades and forbidden to marry. "There is no time for making love," one refugee was told. "We must all work hard in the field."

In recent months, however, people have been allowed to marry again. Soun Heap, the Battambang farmer, said that in his village a boy who wants to marry a girl must ask the head of the boys' brigade who will then, through the village leader, talk to the leader of the girls' work brigade.

Sometimes the marriages are arranged. In one case, according to Soun Heap, a reluctant girl was persuaded by the officials that she had better marry her suitor or her future life could not be guaranteed.

Soun Heap said that the thing he liked best about the new administration was that they divided all the pigs, chickens and ducks, in the village equally among the villagers.

A former soldier named Sai Leoun still had scars from deep rope burns on his arms. He said he was on his way to execution but managed to escape from the truck when another soldier started struggling, creating a diversion.

Besides soldiers, former government officials and the families of those who tried to escape to Thailand also were killed, the refugees claimed.

One refugee, Pho Chanta, is now teaching French to the inmates of this camp. He describes working in the fields when two taxis drove up with nine dead bodies.

The workers were told that they were former customs and immigration officials in the old regime, but Pho Chanta recognized one of the bodies as one of his former teachers. "They do not want educated people anymore," he said, "and they make excuses to kill them."

Much of the cruel behavior of the new regime may be ascribed to insecurity. Villagers say there are rarely more than two or three armed soldiers in each village and it is likely that the regime may fear for its control over the population. Thus, they may believe that former soldiers and officials in the Lon Nol regime could form the nucleus of a resistance movement.

Soun Heap said the reason he decided to run was that a close friend and a relative were arrested for anti-government activities and he was afraid he would be next.

There may indeed be bands of anti-government armed men roaming the country, at least near the Thai border.

Kieu Sun, a Vietnam-born Cambodian who once worked with American Special Forces, said that he once ran into a band of armed men loyal to former Prime Minister In Tam well within Cambodian territory.

The lack of political indoctrination in the countryside may be explained by the fact that the Cambodian revolutionary movement, unlike the Vietnamese, the Lao and the Chinese before them, did not have long decades to prepare for the day when they eventually took power.

The Camodian revolutionary movement hardly existed five years ago and was formed during a savage civil war in which no quarter was given by either side.

It may well be that the Cambodians simply did not have a reserve of sophisticated, well-trained cadre to take charge once the war was over. It is well established that, at certain times, the Camdobians refused to listen to their Vietnamese advisers on how to win over populations through persuasion, preferring to do things their own way.

This lack of well-trained personnel to run a country at peace instead of war may explain why the liberation of Phnom Penh followed such different lines than the liberation of Saigon and Vientiane.

GOVERNMENT GROWTH IN PERSPECTIVE

Mr. HUMPHREY. Mr. President, I would like to call to the attention of my colleagues an article that appeared in the Washington Post on Tuesday, January 27. This article, entitled "Government Growth in Perspective" is by John L. Palmer, a senior fellow at the Brookings Institution and until quite recently a high official in the Department of Health, Education, and Welfare. It is one of the most thoughtful and accurate evaluations of the growth of Government spending that I have seen in a long time.

Over the course of the past year, many in the administration have stressed the need to restrain the growth of Government. I am very concerned about the impression that has been created that Government spending consumes an ever larger part of our national output. I am concerned because I think that impression is wrong.

Mr. Palmer points out that Federal spending has been a relatively constant percent of GNP over the last two decades. During recessions the percentage temporarily rises because GNP drops and recession-related spending rises. Measured on a full employment basis, Federal spending is about 20 percent of GNP and has been about 20 percent for many years. I, myself, have made this same point.

The calculation is a relatively simple one and anyone who sits down and studies this question will reach the same conclusion: There is no upward trend of Federal spending relative to GNP.

Mr. Palmer goes on to point out that what is true is that the Government does spend a lot of money on income security programs. Hence, it is important that these programs be efficiently operated. In this regard, he says:

> As expenditures for these purposes continue to increase it becomes ever more costly to neglect or postpone needed reforms. It would be most unfortunate to neglect or postpone needed reforms. It would be most unfortunate, however, if false impressions about the contribution of income security programs to a "growing preponderance of the public sector over the private" prevent us from spending the additional marginal sums that are inevitably required to bring about sound structural reform in a compassionate manner.

I, and I am sure all of my colleagues, agree with this statement and I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GOVERNMENT GROWTH IN PERSPECTIVE

(By John L. Palmer)

It now appears that the size and growth of government is going to be a major issue in elections at all levels in 1976. This is a debate that should be welcomed. But if it is to be constructive, it must be well grounded in fact, and much of the discussion to date appears to reflect some basic misunderstandings about the rate of growth of federal expenditures over the past two decades and the likely contribution of income security programs to their continued expansion.

It is well known that federal expenditures, led by the near explosion in income security program outlays, have grown rapidly over the past two decades even after making allowances for inflation. What is less well known is that this growth did not serve to increase the size of the public sector of the economy relative to the private because federal expenditures expanded no faster than the overall economy as measured by potential gross national product (GNP).

Actual federal expenditures are expected to be in the order of 23 per cent of GNP for 1976, up from a level of 20.5 per cent in 1970. But this recent increase neither reflects nor necessarily portends an upward trend in this figure. The reason is that the current recession has the dual effect of temporarily raising federal expenditures above and lowering GNP below their respective longer run growth paths. If the economy were operating at the full-employment level of 5 per cent, federal expenditure would be about 20 per cent of GNP. Outlays in major income security programs (such as unemployment insurance, food stamps, AFDC, and Medicaid) are very sensitive to the aggregate unemployment rate. Thus, they will be over $20 billion higher in 1976 than they would be if unemployment had remained at the 5 per cent level of 1973. Similarly, estimates of GNP are on the order of $150 billion less than it would be if we were at this same level of more full employment. As the economy moves out of the recession these temporary effects on GNP and federal expenditures will be reversed and the ratio of federal expenditures to GNP will decline.

Some of the misunderstanding that seems to exist about changes in the size of the federal budget relative to GNP, or of the public sector relative to the private sector, may stem from President Ford's budget message to Congress last February. In this message he stated that:

"Spending by all levels of government now makes up a third of our national output. Were the growth of domestic assistance programs to continue for the next two decades at the same rates as in the past 20 years, total government spending would grow to more than half of our national output . . . It is hard fact, easily demonstrated by simple extrapolation."

How can this projection be reconciled with the trend of a relatively constant ratio of federal expenditures to GNP over the past two decades? The crux of the matter is that for two major reasons it is misleading to use a simple extrapolation to project the future rates of growth of income security programs. (I am reminded by a colleague that back in the 1920s two commissions were created and charged with projecting the population growth of Los Angeles and California, respectively. They worked independently and their results indicated that by today the population of Los Angeles would exceed that of California.) First, such an extrapolation does not take into account the temporary effect of the recession. But, more important, the very rapid rate of income security programs over the past two decades was caused in large part by conditions that cannot replicate themselves for the next 25 years. For example:

(1) A major contributor to the explosion in the AFDC and Medicaid rolls in the mid and late 1960s was the increase in the percentage of people eligible for the programs who participated in them. These are estimated to have gone from below 60 per cent to above 90 per cent, so there is little room for further growth for this reason. Also, the vast increase in the levels of federal outlays under the food stamp program and those programs assisting the low income aged, blind and disabled were due primarily to the legislative changes which made these program universally available with nationally uniform benefit levels (and in the latter case shifted some of the funding to the federal government from state and local governments). Continued growth in these programs is largely dependent upon increases in the size of their eligible populations due to demographic forces or legislated increases in benefit levels. The combined effect of both of these factors is unlikely to result in a growth rate even as high as that of GNP.

(2) Over the past two decades the largest single item in the federal budget, Social Security benefits, have had their levels more than doubled by Congress, even after adjusting for inflation. In view of the projected sizeable deficits in the Social Security trust funds and the increasing adequacy of future benefits already provided for in the current law, it is very doubtful that Congress will vote increases in Social Security benefit levels over the next 25 years that rise even as fast as GNP.

This indicated slowdown in the growth rate of major income security programs is borne out in a recent report prepared by the new Congressional Budget Office. It shows that spending for these programs at both the state and federal level grew from 3.4 per cent of GNP in 1955 to 9.4 per cent in 1975; whereas, projecting to the year 2000, expenditures will still be 9.4 per cent of GNP even if benefits in all these programs grow with inflation, and will rise to only 10.4 per cent of GNP if benefits are actually increased through legislative action to keep pace with the growth of wages in the economy. Since such a rapid expansion in income security programs over the past two decades was necessary just to maintain a trend of overall federal outlays as a relatively constant percentage of GNP, this implies that the ratio of total federal outlays to GNP would fall if other areas of the federal budget do not expand even faster than they have over the past two decades.

What are the implications of all this for the debate over the growth of government? There are several possibilities.

First, the debate may actually be over whether to reduce or maintain federal expenditures relative to GNP, not whether to increase them. Of course, this is no less a legitimate debate than the one most people may think is being engaged. It is important to ask ourselves whether a decreasing, constant or increasing share of the additional resources provided by economic growth should be allocated through the federal budget.

Second, income security programs have become a dominant factor in the federal budget and are not likely to decrease in importance in the foreseeable future. This should give us serious pause to consider both the extent to which we wish to continue this emphasis within domestic social assistance and the precise way in which we carry it out. Concerning the size of these programs, it is well to remember that unlike direct government purchase of goods and services income transfers do not use up any of the resources represented by our GNP; they simply transfer within the population some ability to purchase these resoures. While this may be of small solace to taxpayers solely concerned about how much the government is taking out of their paychecks (and perhaps ignoring how much it is giving back to their parents or will give to them in Social Security benefits), it should be of considerable significance to those concerned about the total control over the specific use of resources that is being exerted by government rather than individual consumers. The trend of an increasing share of the federal budget going to income security programs is in this sense a trend toward a decreasing share of federal control over the specific use of the overall resources of the economy.

In considering the particular way in which we provide income assistance, we should heed the urging of President Ford, also from his budget message: "The growth of these domestic assistance programs has taken place in a largely unplanned, piecemeal fashion.

This has resulted in too many overlapping programs, lack of coordination, and inequities. Some of the less needy now receive a disproportionate share of federal benefits, while some who are more needy receive less. We must redouble the efforts of the past five years to rationalize and streamline these programs. This means working toward a stable and integrated system of programs that reflects the conscience of a compassionate society but avoids a growing preponderance of the public sector over the private."

Presumably part of the President's motivation in his earlier quoted statement about the implication of the future growth of domestic assistance was to dramatize the concern raised by the rapid expansion of income security programs. As expenditures for these purposes continue to increase, it becomes even more costly to neglect or postpone needed reforms. It would be most unfortunate, however, if false impressions about the contribution of income security programs to "a growing preponderance of the public sector over the private" prevent us from spending the additional marginal sums that are inevitably required to bring about sound structural reform in a compassionate manner.

Perceptions about the relative size of federal expenditures may be temporarily jaundiced by the current combination of recession and inflation which have resulted in rising taxes and declining purchasing power for the typical household, but we have to look beyond this to other facts. Expenditures by state and local governments over the past two decades, unlike those of the federal government, have increased substantially faster then GNP, thus causing an overall increase in the relative size of the public sector. Also, the more modest growth rate of the federal budget does not reflect the extent to which it has expanded its direct influence over the allocation of resources through often inefficient regulatory processes. I suspect that the public should place greater emphasis on these factors, and less on the dollar flow through the federal budget, as major contributors of their growing unease with government. Maybe it will as the recession abates.

"FAMILY VIEWING" TIME ON TELEVISION

Mr. HUGH SCOTT. Mr. President, on December 5 I drew my colleagues' attention to the results of a recent poll, conducted by the Opinion Research Corp. at Princeton and sponsored by TV Guide magazine, which shows that 8 out of 10 Americans favor the concept of "family viewing" time on television.

Shortly thereafter, Mr. Arthur R. Taylor, president of the Columbia Broadcasting Co., reported that "family viewing" has resulted in 39 percent fewer depictions of acts of violence on that network—with significant reductions on NBC and ABC as well. This is a very hopeful and encouraging sign.

Since there has been a certain amount of criticism of "family viewing" from some quarters, I want to take this opportunity to commend personally the leadership of the broadcasting industry for taking steps to assure that the first 2 hours of evening prime time will be devoted to programs appropriate for all members of the family, including young, impressionable viewers.

A few years ago, in endorsing Senator JOHN PASTORE's plan for a "violence index," I suggested that the broadcasting industry give some thought to a voluntary curb on the depiction of violence during early evening hours when children are watching. That the industry has now taken this constructive action is a strong indication of its wisdom and its commitment to public service.

Properly administered, the "family viewing" policy will provide both peace of mind and a valuable aid to parents who wish to supervise and guide the viewing habits of their children; it should do much to insure that television will continue to be a welcome guest in the American home. From our mail and personal contacts all of us in the Congress are aware that many parents are deeply concerned that, in the absence of such reform, a steady diet of violence and acts of human degradation will have an adverse effect on the character development of children. Personally, I share this concern. Television, of all the media, has the most powerful impact, and it can make a positive contribution to the development of moral values which are compatible with life in a civilized country.

Great credit is due Senator PASTORE for his vigorous and consistent leadership in this area. I am also pleased that the Federal Communications Commission wisely rejected suggestions that it engage in program censorship, and, instead, encouraged the consideration of voluntary reforms. I have always found that an abundance of caution is proper and necessary when the Government enters areas touching on our constitutionally protected first amendment freedoms.

While governmental agencies must of course remain sensitive to the dictates of the first amendment, I believe it is important that concerned citizens—including public officials—should be free to speak out and express their views on issues that are of vital concern to the welfare of the people.

FCC Chairman Richard Wiley has done the Nation a service by bringing this problem to the attention of broadcasting leaders, and by making constructive proposals for self-regulatory reform. Broadcast executives are also, as I have indicated, deserving of great credit for recognizing the importance of family-oriented programing and for formulating a viable plan for bringing it into America's homes.

NUCLEAR POWER

Mr. ABOUREZK. Mr. President, a couple of years ago, L. Manning Muntzing, the Atomic Energy Commission's last director of regulation, predicted that "1975 will be the go or no-go year for nuclear power." Well, the Congress never really came to grips with the issue last year, either through the debate on funding for the Energy Research and Development Administration which controls nuclear expenditures, or during the debate on the Price-Anderson Act, which provides Federal insurance for the nuclear power industry.

I believe that this year, the debate will be much sharper and the public much better informed about the consequences of creating a large nuclear power industry. Part of the reason that 1975 did not turn out to be the "go or no-go year" for nuclear power was the difficulty of getting the facts on the dangers and controls of nuclear facilities. As Paul Jacobs writes:

> The arguments about nuclear power are a maze to the uninitiated, full of the jargon of physicists, hidden behind impenetrable statistics, an argument conducted almost out of reach.

Sometimes, it seems as though the industry and the Government do not want the people to have the facts necessary to make a decision on our nuclear commitment. Paul Jacobs has written an excellent article bringing out some of the out of reach details of our nuclear export program in a new magazine called Mother Jones. I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHAT YOU DON'T KNOW MAY HURT YOU: THE DANGEROUS BUSINESS OF NUCLEAR EXPORTS

(By Paul Jacobs)

From a low ridge near here you can see, sprawled along the sunbaked shore, two giant megaliths of concrete with pylons of wires stretching out of view. Fifteen years ago a tiny fishing village huddled in their place, indistinguishable from the dozens of others that line this arid coast of the Arabian Sea where poor fishermen and their families still stretch their nets, gathering in meager catches of fish and mollusks to sell in the markets of Bombay.

Surrounding the megaliths are smaller structures, also of concrete and steel, built to withstand not only the monsoons that each year careen in from the Indian Ocean, but the force of nuclear power that defines the existence of this massive complex. Once this steel and concrete seemed only a precaution against the improbable, but here at Tarapur, on the coast of western India, the improbable has become probable once too often, and its effects seem bound to influence a debate that stretches far beyond this barren and remote end of the world.

Nuclear energy has been part of our lives now for three decades. In the wake of the oil crisis, however, it has risen quickly and inexorably to the head of an official list of energy alternatives. We are told that the fuels on which we have built and powered our civilization are now exceedingly finite, measurable in teaspoons when set against our needs. Oil, which once sold for three dollars a barrel, costs three to four times that; coal, if we are to use it, may well require the strip mining of vast stretches of western America; solar energy still seems far away. And so we turn to what is near at hand, known, and plausible: nuclear power.

To its advocates, nuclear power is a safe, inexpensive, indeed inescapable choice if we are to maintain our standards of life; to its critics, it is unknown, untested, potentially a disaster. The arguments are a maze to the uninitiated, full of the jargon of physicists, hidden behind impenetrable statistics, an argument conducted almost out of reach.

In 28 states, opponents of nuclear power have introduced measures that will block or curtail its use; meanwhile, President Ford has proposed federal guarantees of up to $8 billion for private industry to develop our nuclear capacities, even as he balks at federal guarantees for cities like New York. Nuclear power has, moreover, become a critical fulcrum for a major part of the American economy. A handful of giant corporations have already invested billions of dollars in the development of reactors, and in the fuel and equipment that supply them.

Thus, as an American named Clifford Beck stood here at Tarapur in early December 1972, it must have been with a growing sense of dismay and concern. As he gazed at the complex technology, the dials, the gauges, the valves, the pipes, he was suddenly transfixed by an incredible sight: Indian workers, perched high in the rafters of the largest nuclear plant in Asia, were using long bamboo poles to operate the reactor's radioactive waste system!

Beck was no novice to reactors. As head of the Government Liaison-Regulation Office of the U.S. Atomic Energy Commission, he had visited more than his share. He had come here on a rather routine protocol tour, part of a nine-nation visit, on behalf of his agency. But this he had not expected.

Cliff Beck, a gangly, somewhat awkward and garrulous man in his early sixties, stayed three days at Tarapur, and as he watched and listened, his concern grew more urgent. Inspecting reactor vessels in which the plant's atomic power was generated, he saw large deposits of radioactive material that were not supposed to be there. He also saw drums of highly contaminated radioactive waste, stored long after they should have been removed. Indian officials did nothing to allay his fears, telling him that atomic fuel shipped to Tarapur from the U.S. had been leaking "substantial radioactivity," and that radioactivity had been found along the shoreline, not just in the water, but in the bodies of the local fish-eating population. Radioactivity levels in the plant in fact were so high, Beck was told, that although it was designed for operation by 250 workers, more than 1300 had already "burned up" their maximum allowable dosages of radiation and had been replaced.

The meaning of all this to Beck was inescapable: "Tarapur," as he would tell colleagues on his return to AEC headquarters in Maryland, "is a prime candidate for a nuclear disaster."

The nuclear fraternity has always been a close one. Born so recently, shrouded for so long in military secrecy, this elite even now numbers only a few thousand physicists and technicians. It has been likened on occasion to the "old boy" network of elite colleagues and, like other fraternities, it has bred close bonds of support and mutual protectiveness.

The American nuclear fraternity has also developed rather special features, given the relationship it has shared with both government and private industry. Men move smoothly back and forth between agencies like the AEC (or its more recent replacements) and the large corporations that dominate the private nuclear field. Working closely together, they often develop social relationships, becoming friends as well as fellow workers. The symbiosis means that men who leave government service can often find new and better paid employment with companies they once oversaw, and former top AEC officials are now scattered among corporations like Westinghouse, General Electric and Bechtel.

But fraternal bonds can carry with them certain disadvantages, especially for those excluded. Clifford Beck's report of what he had seen and heard, for example, did not raise an immediate alarm; instead, it was sent to "files" which, in government as elsewhere means that no action is to be taken, but that those responsible are protected against future blame. In Washington the procedure is called "covering your ass."

Even three years later, after I had heard about the report and what it contained, getting a copy wasn't easy. In fact, I had to threaten a suit under the Freedom of Information Act to obtain it.

"Why didn't you want me to have Beck's report?" I asked the official who finally gave it to me, quite reluctantly and obviously against his own better judgment.

"Because you'll make it into a horror story," he replied. "And what happened at Tarapur isn't typical of what's happening at other reactors."

But I am not making Tarapur into a horror story; it *is* a horror story, without any help from me. And whether it's happening just at Tarapur—well, that's an open question at the moment, and one I found with potentially a very different answer.

One reason for the concern about Tarapur is that the reactor was built by American companies and financed with a U.S. AID loan of $80 million. Allegedly, Tarapur represented the best in American nuclear technology at the time it was built: it was almost identical with Dresden I, a reactor built in northern Illinois for Commonwealth Edison by the same GE-Bechtel team that produced Tarapur.

Even with Beck's report buried in the files of AEC's headquarters, news of Tarapur began to filter out among the nuclear fraternity. At an international conference in the spring of 1973, several months after Beck's return, three Indian health physicists presented a lengthier and even more dismal report on Tarapur. The word spread rapidly. But for the most part, it remained the shared secret of the nuclear fraternity.

The Indian physicists had verified and extended Beck's observations: radioactivity levels were higher than allowed for by design; radioactivity had now been traced along the shoreline up to a distance of 40 kilometers; one worker had already been killed (by suffocation) and three others injured trying to solve problems allegedly caused by bad engineering on the part of the U.S. contractors. Moreover, radiation leakages were continuing, unabated, at a level that was often forcing the Indians to bring in untrained personnel just to maintain minimal operations. But even this was a temporary solution since the personnel—many of them local villagers—were "receiving significant exposures even during the training period. . . ." One top British official, high up in his own country's nuclear safety program, said that by mid-1973, Tarapur "was a damn scandal. Everybody knew about it and nothing was being done."

Pause for a moment. Here is a nuclear reactor, the largest in Asia, "a prime candidate for a nuclear disaster" according to one official, a "damn scandal" according to a second. And yet, sitting in his spacious office on the banks of the Thames, on a fine London summer day, here is that second top nuclear expert saying that he "naturally" can't be quoted by name. "Bloody hell would break loose . . . that sort of thing, you understand, don't you?" Yes, I do. I know that a nuclear reactor can be terrible, that many atomic fraternity members may know about it, and yet not one of them will talk about it for the record. But just who is going to be around to tell us, if one of these things starts to "go critical" in *our* backyard, not India's?

I think I might have felt better about all of this if I hadn't stumbled onto Tarapur in quite the way I did. Late last summer the phone rang at my home in San Francisco. I picked up the receiver, said hello and heard a man's voice.

"Is this Paul Jacobs?"

"Yes, it is."

"Is this the same Paul Jacobs who wrote an article attacking the Atomic Energy Commission a few years ago? And you did a TV show about it, too, about people dying from cancer in Nevada?"

"Yes, who is this?"

"It doesn't matter. Would you like to see some documents about reactors from Bechtel files?"

"You bet I would."

The next day the mail brought the materials. Bechtel is the world's largest privately-owned construction and engineering company and the reactor involved was Tarapur, built jointly by Bechtel and General Electric.

The Tarapur memos and report were the beginnings of a long search on my part to piece together what had gone wrong at Tarapur, and what was being done about it. It took me through interviews, several trips across the United States, the reading of innumerable scientific reports—some of which, like the Bechtel papers, were hidden from public view—and finally a trip to India itself. I was left feeling that events in the former fishing village on the Indian coast tell a good deal about the dangers of America's efforts to sell nuclear power plants abroad—and about the dangers of nuclear power in America.

From what I learned, no one inside the Atomic Energy Commission even began to give a tinker's damn about Cliff Beck's warning of "nuclear disaster" until almost a year after his return from India. Official attention finally came at a meeting in suburban Washington, held to discuss "the short-term nuclear option." The conference was chaired by Dr. Alvin Weinberg, former head of the Oak Ridge National Laboratory, and every person there was (and is) committed to the use of nuclear reactors.

The person who decided to raise the subject of Tarapur was Dr. Steven Hanauer, then an AEC official working on nuclear safety. He heard about the situation from Beck, and was himself deeply concerned by it. "The people seemed a little complacent," Hanauer told me about the conference later. "I wanted to shake them up." And so he began by describing the situation and repeating Cliff Beck's warnings about the possibility for "a nuclear disaster." He also repeated what Beck had been told by Indian officials on the site: that they felt the American corporations responsible for building Tarapur had been behaving irresponsibly ever since the reactor began operations.

Listening in the audience was W. Kenneth Davis, a big, round-faced, balding man in his late fifties, and a vice president of Bechtel. Ken Davis (who had left his job as head of the AEC's Reactor Development Division to join Bechtel) "took it very hard," according to Hanauer.

Because of its huge size and because it is a specialist in nuclear power plants, since the building of the first atomic bomb Bechtel has worked on dozens of reactors, large and small, all over the U.S. and abroad. And as its expertise has grown, so have its ties with the federal government, whose agencies supervise nuclear power. For example, George Shultz, a high official in the Nixon administration, left his post as Secretary of the Treasury to become first vice president, and now president of Bechtel Power. Casper Weinberger, upon resigning as Secretary of Health, Education, and Welfare, joined Bechtel as a senior vice president and company director. So too, Robert Hollingsworth, the former general manager of the Atomic Energy Commission, now serves Bechtel as another of its top officials.

Thus, Bechtel has more than a passing interest in its reputation as a builder of nuclear power plants. And so Ken Davis' reaction to the criticisms he heard about Tarapur for the first time brought some response: first he notified GE and Bechtel officials of what he had heard, then John Walker, one of Bechtel's chief engineers, was sent to inspect personally the situation at Tarapur. Walker spent a week at Tarapur in mid-November 1973. The report he brought back was not reassuring to Bechtel.

Walker's report, nine single-spaced pages, not only verifies everything that Beck had said (and what the Indian physicists reported), but—nearly a year after Beck's visit—confirmed that the problems of Tarapur were neither temporary nor solved.

On and on, one grim technical detail after another, in paragraph after paragraph the report reveals how badly the reactor was still operating and how dangerous conditions still were inside it: "Condenser leaks cause a very serious problem. . . . Some reluctance to inerting also exists due to the suffocation death which occurred in the suppression chamber. . . . Leakage from the primary systems in the drywells is a continuing problem at Tarapur. . . ."

Walker discovers that leakages are causing unscheduled shutdowns, that the vital radioactive waste systems are being overloaded, that electrical insulation problems have developed in the reactor's drywells. And there is more: "The design of the barrel-handling facility . . . appears to be marginal for handling the highly radioactive resins . . . the capacity of the radwaste facility is inadequate for present operating conditions . . ." And on and on.

The sense of macabre—and deadly—chaos builds. American specialists from GE and Bechtel are not available when they are needed. All of the key plant personnel have received maximum allowable dosages of radiation for the past three years; many of them, including all of the first level operators and most of the second level, have departed, a significant number to work in the U.S., leaving undertrained replacements. During one refueling operation, the leakages are so enormous it is the equivalent of "burning out" 400 people for an entire year. The scene is captured best when Walker describes how, in a facility designed to accommodate fewer than 100 people, "as many as seven or eight hundred are now working in the plant simultaneously during outages."

General Electric, which sent an official to Tarapur at the same time, refused to make available a copy of the report. Instead, GE insisted to me this summer that the trip made to Tarapur by the Bechtel and GE officials was not an "inspection," but only one "of a continuing series of consultations" held routinely with the Indians. And in referring to the trip, GE stated, "The Bechtel/General Electric discussions did not result in uncovering anything new or startling which was not previously known to GE, or for that matter, the U.S. Government."

That GE statement must be a lie, or an admission of total irresponsibility, or both. If it's true that the dangers found at Tarapur weren't "new or startling" to GE or the U.S. government, then the corporations and the government must be condemned for flagrant disregard of even the most elementary rules of safe reactor operation.

Ken Davis privately took a somewhat more alarmed view of the Tarapur situation than the one GE is publicly trying, so blandly, to fob off. "While Walker's report does not quite substantiate Steve Hanauer's stated opinion with respect to 'a major nuclear disaster,' I find it far from reassuring and indeed think it is most disturbing," he said in an internal memorandum. ". . . I am becoming concerned that some incident or other may arise out of the situation at Tarapur which might have international publicity and repercussions. This doesn't sound good."

What Bechtel and GE did next is hard to know. Bechtel refused me permission for any interviews, and I have still not seen a copy of the GE man's report. If they did do anything, however, its impact certainly hasn't been felt in Tarapur. In April 1975, a year and a half after Walker's visit, Indian atomic energy officials admitted to the Indian Parliament that both total radiation to personnel and the total quantity of radioactive wastes discharged at Tarapur between June 1974 and March 1975—nine months—"exceeded those for the entire 1973." Tarapur, in Ken Davis's words, still "doesn't sound good."

The story of Tarapur *doesn't* sound good, especially right now when the whole issue of nuclear power has entered into public consciousness on a world-wide scale. The nuclear industry is, quite literally, engaged in a battle to survive. Sweden has turned its back on nuclear power. France is reconsidering the thrust of its past work. A strong anti-reactor movement has developed in Japan, its growth accelerated by shutdowns in American designed reactors plus the abandonment of its nuclear-powered ship which, like the highly touted USS Savannah, leaked radiation so extensively while in Japan that it had to be put in drydock. And here in the United States, where the debate over energy rages fiercely, utility companies are canceling their contracts for reactors, as construction costs mount at a staggering rate, delays extend completion dates by months and years, and reactors fail to perform at the levels promised by the industry.

Literally billions of government and private funds have been poured into the development of nuclear power reactors, but those investments are turning sour. The average operating capacity of U.S. reactors today is only 55 per cent—obviously far below the industry's first rosy promises. And with costs now escalating, more and more companies are reassessing their commitment to nuclear power. General Atomics recently canceled contracts to complete two utilities' reactors and has announced that it will never take on another. Westinghouse has announced that, because of rising costs, it will cease shipment entirely of any uranium fuels to 20 U.S. utilities by 1978; simultaneous with the announcement, it put existing fuel stocks on a rationing scheme. Rumors fly within the industry that GE would like to get out of the nuclear business. And even Bechtel is having trouble: it is being sued by a Midwestern utility for $300 million, because of alleged construction failures on their nuclear reactors, as well as being blamed by Westinghouse for shutdown of a California reactor.

Tarapur was the first nuclear reactor exported by the U.S., and as such it was designed to show not only the benefits of nuclear power generally, but also the effectiveness of American reactors in less-developed countries. Today in the U.S., reactors have some measure of safety because the nuclear industry has been forced to operate under a certain amount of government regulation. That regulation has not always been uniformly effective, but to date, according to the industry, no American has died from radiation in a commercial nuclear power reactor accident.

Among the proponents of nuclear power, that fact is a strong selling point, and one they seldom fail to mention when reactor safety is discussed. But the flaw in the argument, a grievous one, is illustrated by the pains of Tarapur. Although reactors built and operated here in the U.S. theoretically undergo rigorous and constant inspections (a claim often challenged), no such guarantees exist in practice overseas, whatever the theory. One could think, callously, that safe operation of a reactor is the responsibility of the country involved, and that as Americans we needn't worry about it. But in addition to the moral argument against that outlook, there is a very practical one: reactors sold abroad are the same, or very much like, reactors operated here. Built to basic design specifications, designed by the same companies, and often built by the same companies, overseas reactors are close to being carbon copies of their American originals. And if a design flaw develops in a carbon copy reactor, the chances are that the same will turn out to be true of the original. The problem is that there is no way now we can quickly tell when something goes wrong with one of those overseas reactors—and the companies involved aren't eager to tell anyone when they find out.

Thus, for example, when a Westinghouse reactor operating in Switzerland developed the until-then unknown (but potentially dangerous) problem of fuel densification, neither the Swiss government nor Westinghouse was under any compulsion to report the problem to American nuclear officials, even though the reactor involved was a model being used in the U.S. In fact, the AEC didn't discover the problem until six months later when precisely the same condition developed at the Westinghouse reactor in Rochester, New York. Then and only then was it possible for the AEC to intervene by ordering a cutback in power operations at all American reactors using the same type of fuel.

Privately, members of the AEC staff fumed at Westinghouse's failure to report the problem immediately when it was discovered in Switzerland. But since corporations like Westinghouse and GE are not required to report on their reactors overseas and can withhold information, as Westinghouse did, the government is left to depend upon corporate goodwill for its information.

When I asked a Westinghouse official late this summer why the company had not reported the problem in Switzerland, he explained that they had not fully understood what the problem was until it occurred in Rochester. But as he went on, I realized that another factor must always play in the minds of these corporate managers. By showing how their product works, or by acknowledging alternately how and why it doesn't, they endanger hundreds of millions of dollars of potential profits. "We have proprietary rights provisions," explained Howard Arnold, the Westinghouse spokesman. "We are licensing our technology that we've built up over some 20-odd years, a tremendous investment, a tremendous investment in American technology. We want to keep it as an exportable viable commodity."

No business person could fault this line of reasoning. If you invest huge sums of money in developing a product, you don't want either your competitors to learn your trade secrets or your potential customers to learn that what you're selling isn't as good as you claim it to be. But selling nuclear reactors isn't the same as selling Barbie dolls or automobiles or even oil exploration. If a Barbie doll breaks, a kid cries and the parents are stuck for the dough. If a car runs badly, the car owner will complain and never buy another like it. And if an oil exploration turns out to be a dud, a lot of money will be lost. But if a reactor is designed badly or incorrectly operated, more than the loss of millions of dollars is involved. Hundreds, even thousands, of lives may be lost too.

Unlike some of his counterparts in the nuclear industry who complain they are being over-regulated, the soft-spoken Arnold agrees on the need for regulation of nuclear reactors. "I think if you did a cost-benefit analysis," he said, "you might decide that they [the government] are slightly strict in some areas, but I don't believe the business is mature enough that we have enough to lose by being oversafe."

But today no international agency exists with the authority to make certain that every nuclear reactor is "oversafe." The primary function of the International Atomic Energy Agency, a UN body, is to make certain that nuclear materials aren't diverted from power or research purposes into nuclear weapons; but it has only 69 inspectors to supervise the more than 400 nuclear facilities all over the world. And while it can and does advise about health and safety problems, it doesn't have any authority to enforce standards. At present, such standards are being drafted, but nothing in them demands either that any country adopt those standards, or that no country export reactors unless the purchasing country agrees to adopt the standards. And even presuming that these conditions were agreed to, no international body exists to make certain the rules are obeyed.

Steve Hanauer worries about the problem. "A lot of countries don't even have a law that says if you want to build a nuclear power plant, you have to do certain things about safety," he says. "There are some countries with no law at all regulating the dissemination of radioactivity into the biosphere. And some countries have no pollution laws at all. This allows a buccaneer to come in and build one of these things and go away and leave it hung around their necks. And because of the potential for public risk I would think that there would need to be . . . some way to regulate these people who want to build nuclear power stations, some way to require them to do their work well enough that the public is not risked."

But Hanauer's view of the safety risks in other countries isn't shared by the Energy Research and Development Administration, which, in 1975, took over the AEC's old role of promoting export of reactors in order to insure that the U.S. "has a role in determining international nuclear affairs."

Since 1955, when the AEC began touting nuclear reactors as the way to bring less developed countries into industrial civilization, about $8 billion in loans have been guaranteed by the Export-Import Bank for sales of American reactors, parts and fuel to 11 foreign countries. In recent years the money in reactor exports has multiplied vastly. In 1975 alone, nuclear exports reached $1.1 billion, and exports of nuclear fuels alone are expected to exceed $5 billion over the next five years. And with reactors themselves now selling off the shelf for an average $1 billion each, it requires minimal arithmetic to calculate revenues from U.S. plans to sell reactors in 46 foreign countries over the next decade. (Or, for that matter, from President Ford's plans to increase the number of domestic reactors to 200 from the present 56.) All of this makes the U.S. government exceedingly reluctant to "meddle" in other countries' nuclear affairs, even when it is the U.S. supplying the hardware. One official report, in fact, warns darkly of "international repercussions" from insistence on rigorous safety standards.*

Because such huge sums of money are involved, because reactors could play an important role in the balance of payments, and because, like the old AEC, the new agencies are reluctant critics of nuclear power even as they attempt to regulate it, ERDA found itself recently in the same embarrassing predicament the AEC had found itself in so many times before: it was caught "neglecting" to publish a report on reactor exports that it had commissioned, but which had failed to toe the line of official policy.

Prepared for ERDA by Richard Barber & Associates, private economic consultants, the 450-page report directly contradicts almost every argument advanced by the nuclear industry and the U.S. government as the basis for sale of reactors abroad. The report questions the fundamental economics of nuclear versus conventional alternatives, even pointing out instances in which certain costs had simply been "left out" in order to make a reactor's price look better. The study also reviews at length the problems of weapons safeguards, stressing that if the U.S. goes ahead with presently-planned overseas sales, within little more than a decade the reactors it sells will be producing enough plutonium to manufacture 3000 small atomic weapons each year.

It deals too with the myriad health and safety difficulties that can arise from reactor operations, noting that in fiscal year 1974, the AEC found a total of 3333 safety violations in facilities it inspected and at "the same time was under considerable attack for lax enforcement." Moreover, it found that "there have been a number of instances in which components of the nuclear industry have attempted to minimize the occurrence of safety problems—up to the level of falsification of reports."

After the existence of this report had been revealed, I spoke with one of ERDA's public relations staff, a man I've known ever since I began writing about the AEC.

"Why didn't you publish the report when it was submitted?" I asked.

"Dammit," he answered testily, in that same tone of voice I'd heard AEC officials so often use before. "We get lots of reports in here and we don't publish them all."

He's right. Lots of reports aren't published, and especially those that oppose official views or show nuclear reactors in anything but the most glowing terms. And so, it's only by word of mouth that people who follow the industry hear about the top British scientist who charges that because of bad design, unreported accidents have taken place at a U.S.-built reactor in Spain. It's being said, too, that a serious controversy is going on now between South Korea and Westinghouse. Apparently, after the South Koreans had signed a contract for their reactor, the AEC insisted that changes be made in its design before it would license the reactor's continued construction within the U.S. Now the Koreans want similar changes made in theirs, and an argument has developed over who should pay for those changes, if they are made.

It's not surprising then, that the comments Steve Hanauer made about Tarapur to Dr. Alvin Weinberg's group don't appear in the panel's published report. The fundamental thesis of the report is, in Dr. Weinberg's words, that "nuclear power *must not be allowed to falter*." (The emphasis is Dr. Weinberg's.)

However, the distinguished scientist and his distinguished colleagues on the panel did point out that the probability of no serious accidents "refers to well maintained reactors operated by experts." Nuclear safety information should therefore continue to be exchanged, the panel said, "especially since a serious nuclear accident anywhere would probably affect the nuclear option in the United States."

Ah yes, to be sure, a serious nuclear accident "would probably affect the nuclear option in the United States." It would also—undoubtedly, not just probably—"affect those people unfortunate enough to be in or anyplace near the reactor when the accident took place. In that case, the word "affect" would mean "kill" or "injure."

When Cliff Beck wrote that Tarapur was a "prime candidate for a nuclear disaster," he couldn't have known that a year later a secret Indian government report would detail just how "nuclear disaster" had become a reality. The report documented what, I realize now, was the inevitable result of the continual state of affairs at Tarapur: people were dying the slow, painful death of radiation-induced cancer. Finally, "affect" had taken on its darker meaning.

I went to India last fall to find that report. I ended up talking with three people who had read it, two physicists and a writer, but the report was still in the possession of the government—and with the mass arrests taking place there, I decided an Indian jail was not the place to finish this article. So instead I spent a long afternoon talking with one of the physicists who had read the report, a man whose name I cannot use for obvious reasons.

He explained that the writers of the report themselves did not know exactly how many workers had died of cancer. Two deaths were known for certain, but it was assumed these were only a fraction of the deaths that had or would occur. How, I asked, could the government not even know how many people had been affected by radiation poisoning at Tarapur? The problem, came the answer, was that high staff turnover because of radiation had meant that workers came and went, and once gone, were lost track of. In some instances, many of the workers had even been sent away with officials knowing they had been affected, but who could gather proof of that?

Once gone, most of the workers will never be found, and the full impact of Tarapur may never be known. "After all, in one of our poor villages many people die," the physicist said to me bitterly. "Who would know anything about death caused by radiation?"

WATCHING

July 16, 1975

Darkness and light,
The clouds flowing,
Moon like a smoky brilliance—

Framed by the door
The lamp where we were figuring
Is left there

For what we go toward:
It is some huge source,
Some burning searchlight—

All the doors are behind us
And we are outside
Looking into a gun bore!

Facts of history, our own lives,
Lamplight on our night studies,
The books on the shelves

Will be returned to,
But for this half hour
Uncertain of our object

We watch it move
Through dark cloud masses—
Moon like a shipwreck,

An ashen over us.

—William Burford.

(William Burford writes in a letter about this poem, "I woke with this strange sense of a strong light in the sky outside, an unnatural light. And the moon that night was unusually compelling, too much of a moon . . . It was the night before the dawn explosion of the first atomic device in the New Mexico desert. That terrible flash had made a thirty-year circuit.")

FARMERS AND WORKERS SHARE ECONOMIC PLIGHT

Mr. HUMPHREY. Mr. President, I would like to bring to the attention of this body a recent address by Tony Dechant, president of the Farmers Union, at the Farmer-Worker Conference in Mitchell, S. Dak.

Mr. Dechant suggests that farmers and workers have many common problems such as high interest rates, inadequate social security and health care, and a cost of living which outruns income.

With today's depressed economy, nearly 9 million people are out of work and another 3 to 4 million have stopped looking for jobs. And people with jobs face an uncertain future. This squeeze is carried out in the name of "ending" inflation.

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*Although, when the U.S. thinks it has important interests involved, it doesn't demonstrate much hesitation in acting quickly and decisively. In March, 1975, to cite one example, two ERDA employees directed the removal of nuclear fuel from the Da Lat research reactor near Saigon. "The purpose of the removal," ERDA informed me, "was to prevent the fuel from falling into the hands of unauthorized persons. . . ."

Already thousands of farmers have fallen on the economic battleground and are no longer in business.

Mr. Dechant is strongly critical of the large corporations who, in his view, are responsible for many of these problems.

Mr. President, I ask unanimous consent that the statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

REMARKS BY TONY T. DECHANT

I am delighted to be here. Naturally, most of my audiences consist of farmers. It is a special opportunity for me to address a group consisting of both farmers and our city cousins, the workers of urban America.

Thirty million of us from rural America have moved to the towns and cities of this nation in the past 30 years. We are now the neighbors next door to millions of union members throughout the nation. We try to integrate our lives with theirs in what is still a strange setting to many of us. We compete with them for jobs, and for positions of leadership in the union. We marry their sons and daughters, and they marry ours.

And many farmers still live in rural areas, but work in nearby towns and cities. Recent statistics reveal that more than half of the farmers of this nation earn more than half of their income on non-farm jobs. They attend union meetings as well as farm organization meetings.

Those of us who remain in rural America face problems that are inseparable from the problems of urban workers. Many of our needs are exactly the same as theirs. We need better health care at prices we can afford to pay, just as they do. We, too, suffer from high interest rates. Our cost of living, like theirs, outruns our income. The education system educates our children no better than theirs. Inadequate social security causes hardship for our elderly relatives, too.

The poor among us face the same inefficient and inadequate welfare system. We go to the same unresponsive political system to solve these problems. We often go together—farmers and workers.

But, of course, our work is different.

Union members sell their labor directly. Their products and services are sold by their employers. On the other hand, farmers market the products of their labor themselves. But, although the market system through which this occurs is far more uncertain and chaotic than the urban-based business and industry that markets the union member's products, it is essentially the same business system—the same corporations, the same managers, the same big-moneyed investors.

Some workers furnish their own small hand tools. Others do not furnish any tools at all. But farmers must furnish all of theirs, and they are very big and expensive ones indeed.

Workers do not furnish any of the materials they use to make the products of their work. Farmers must furnish all of their materials. And these materials—fuels, fertilizers, chemicals—like their tools, are very expensive.

But, outweighing the minor differences in our modes of work, is the fact that the end products of our work go through the same business system. And we are at both ends of it. The farmer buys the equipment and materials for production that the union member has made. The union member buys what the farmer produces—food and fiber. We are each other's own best customers.

We are united by another fact of life. We are victims of a national policy that exploits both of us.

In the battle against inflation, it is you—industrial and service sector workers, as well as the old and poor—who are expected to be the shock troops. In this economic battleground, millions are out of work. Millions live at the edge of want and deprivation. Millions more face an uncertain future. Their sacrifice is called for, they are told, in a crusade against inflation.

Thousands of farmers have already fallen on the economic battleground. Those remaining face the same uncertain outlook. But we are told that *our* sacrifice is necessary in the crusade for a free market.

It is all a tragic game of charades. Your sacrifice is not ending inflation. *For inflation continues.* Our sacrifice is not preserving a free market. *For there is no free market.*

We are players in a make-believe game. Rule one, in this game, is that when more people are out of work, less goods and services are bought. Rule two is that when people buy less, prices in this fantasy land will come down.

But, in the real world where we all live, the situation is different. In our corporate economy, prices go up when sales go down. They go up to offset the inefficiencies of below-optimum production levels.

Incidentally, workers are victims of below-optimum production levels in another way. Your employers, and their friends, say that your productivity is going down or, at least, is not rising fast enough. During times of high unemployment, productivity ought to go up, they say. After all, the workers who are laid off are supposed to be those with less seniority and, therefore, lower productivity.

Why shouldn't productivity go up? They suggest that you aren't working hard enough. They imply that your productivity is going down because you have strong unions. Everything would be all right if we got rid of unions, they say. Agribusiness, and such friends as Secretary of Agriculture Butz, are anxious to join in this propaganda line.

What they don't like to acknowledge is that the major factor in productivity is quite outside your control. It is this factor of optimum-production level. You do not set production levels. Below-optimum-production levels are the result of the slow-running economy. Nearly nine million people are not working, but *looking for work*. Another three or four million have been out of work so long they've given up.

For them, the game of charades has turned into tragedy.

But while such referees of the game as Treasury Secretary William Simon and Agriculture Secretary Earl Butz tell us happily of the prizes to be won, the drama of the real world goes on. The government continues to function. It collects taxes. It appropriates funds. The fixed costs of government, plus the costs of maintaining a balance of terror in the world, require deficit spending.

The government spends more than it collects because, in a slow economy, taxes go down and some costs of government go up.

If employment this year were only as high as it was in 1974, the government would collect $40 billion more in taxes. This is acknowledged by President Ford's own economic report. Moreover, the government would have to spend $17 billion less to compensate the unemployed. This $57 billion that would be generated by full employment would balance the budget.

If this is as logical as it seems, then why don't we do it?

The answer is that the allocation of resources and the creation of jobs is not up to farmers and workers. It is not even, in large measure, up to the government. It is up to large corporations, and the rich who own and operate them.

It is for this reason that the Administration says—with impressive logic—that government programs must be designed that benefit the corporations, and the rich who own and run them. We must cut off programs that do not benefit them. And, if there is to be a tax cut, it must be for the affluent. The logic of this is that they will invest in more plants. They will hire more workers to run these plants. Eureka! We will have full employment and prosperity again.

Why are farmers and workers suspicious of this grand design? The reason is simple. We question the efficiency of corporations in allocating resources and creating jobs. Their record does not inspire confidence.

Let's look at their accomplishments—not in the unreal world of advertising and public relations—but in the real world.

Giant corporations have "allocated" us into a declining, increasingly costly, energy-wasteful transportation system. Railroad lines have been abandoned. Urban mass transportation has all but disappeared. The automobile industry has been insensitive to the demand for small economical cars.

Giant corporations have "allocated" us into dependence on foreign oil. The costs of petroleum products—fuel, fertilizer, and electricity—are rising.

Agribusiness corporations, with the assistance of a government department devoted to their well being, have "allocated" us into a system of agriculture that can no longer keep pace with the escalating food needs of America and the world. Worse, these agribusiness corporations have "allocated" us into a marketplace gripped by scandal, and which may cost the American people billions in balance of payments dollars as a result of lost markets overseas for grain. Farmers, facing a crime-ridden "boom and bust" marketplace no longer face the future with confidence.

If full production and full employment were restored, we do not have enough rail transportation left to accommodate it. We are growing more dependent on foreign oil in each passing month. And we are at a point today where if full employment were restored, a shortage of milk would be evident in this country. We are moving rapidly toward a shortage of beef.

We must face the fact that these are failures of our corporate ssytem. We must face the fact that it is no longer safe to assign to corporate America the job of allocating resources and creating jobs. That task must be assumed by the American people.

We must end the era when only Penn Central and the other railroad giants can decide to rebuild the tracks. We must end the era when only Exxon and Gulf and Mobil can decide to reduce our energy dependence on the OPEC nations. We must end the era when only Cargill and Continental Grain and Bunge can decide to grant American farmers an international floor under the prices of their grain.

In view of the railroad corporations' miserable record, we must now move forthrightly toward nationalization of our rail transportation system. We are already taking steps. The new Consolidated Rail Corporation, merging seven northeastern and midwestern railroads, will be in operation by March, 1976.

We will have put nearly $3 billion in taxpayer funds into it. Amtrak—the National Railroad Passenger Corporation—is in operation. But in neither case is the objective the allocation of resources and the creation of jobs for the public good. *It is for stockholders' profits.*

Let us declare our independence from this objective, and set about providing one of this nation's direct needs—efficient transportation.

In face of the failure of our giant oil corporations, we must take away from them the exclusive right to allocate resources and create jobs in the energy field. We can restore some of its lost vitality and sanity to the industry by creating a government corporation to explore for gas and oil.

We believe, also, that we must move quickly to the development of alternative forms of energy.

We call for an immediate program by the government to put America back to work. Let us put people to work cleaning up our cities, our lakes and rivers, and to beautifying the countryside. Let us restore America.

We must demand that Congress assume its rightful responsibility for establishing a national food policy—not the Executive Branch, not the international grain trading corporations, not the shipping industry, and not the maritime unions.

We must demand the establishment of a floor, like a minimum wage, under farm prices through non-recourse price support loans at 90 percent of parity.

When the determination of policy and the allocation of resources and the creation of jobs is no longer the exclusive province of corporations, we will have restored sanity to our system.

We will have restored our independence.

It will be a fitting celebration of our bicentennial.

FREEDOM OF INFORMATION

Mr. MONDALE. Mr. President, the results of a study concerning the important issue of free flow of information and ideas in other nations was recently brought to my attention by Mr. A. E. P. "Ed" Wall, president of NC News Service.

From his evaluation of surveys, letters, and personal conversations with foreign journalists, undertaken at the request of the International Federation of Catholic Press Agencies, Mr. Wall outlines factors inhibiting the dissemination of news, information, and ideas.

While this is only the first, in a number of surveys on this issue, it is already obvious from these preliminary findings that the freedom we have to express information in this country is not a standard that is emulated by a large number of nations. Mr. Wall's own survey reveals the inability of individuals in other nations to even respond to a survey without fear of reprisal.

The implications of press censorship and of the chilling effect of government suppression of the truth are deeply disturbing for democracies in every part of the world. In this context, I hope that the results of Ed Wall's survey will be given very serious consideration by my colleagues.

I ask unanimous consent that the survey I have referred to be printed in the RECORD.

There being no objection, the survey was ordered to be printed in the RECORD, as follows:

MEMORANDUM ON FREEDOM OF INFORMATION

(By A. E. P. Wall)

During the past four months I have received many letters, and I have had several personal conversations with editors, in connection with a survey of Catholic journalists on the broad question of freedom of information.

When the Council of the International Federation of Catholic Press Agencies (FIAC) met in Rome in April, I was directed to conduct such a survey. In mid-July I mailed a memorandum to journalists in many parts of the world. The mailing was not confined to FIAC members. In fact, it was an extremely broad mailing, although it went primarily to Catholic journalists identified with either Catholic or secular periodicals or wire services.

Responses by mail were received from 37 individuals in 32 countries. More than half of the responses were sent to me at my home, which is in the state of Maryland, in handwritten envelopes. In addition to responses by mail, I had an opportunity to talk personally with some Catholic journalists who were visiting Washington. I spoke with others in the course of my own travels, which have taken me to several countries this year.

Not all responses were critical or unfavorable. Some journalists wrote to say that they had no major problems concerning the free flow of news or the publication of news.

As far as I know, this is the first FIAC international survey on the subject of press freedom. It is a somewhat tentative first step. Further surveys—with further reports—are indicated for the future. I hope that as we establish confidence in our procedures we will be given permission to release more detailed and explicit information. Virtually all of the material supplied in the course of this survey came to me in some degree of confidentiality.

This first survey seemed to bring responses from areas in which conditions are most difficult, and from areas in which the whole question of free expression is not a common subject for public discussion. That may explain a dearth of comments from Catholic journalists in the United States, a country that has some freedom of information problems but one in which those problems are widely discussed in public.

Individual journalists wrote or otherwise contacted me from the following countries:

Argentina, Australia, Austria, Belgium, Brazil, Denmark, England, France, Germany, Holland, India, Ireland, Israel, Italy, Japan, Korea, Mexico, Pakistan, Peru, Poland, Portugal, Spain, Sri Lanka, Sweden, Switzerland, Taiwan, Tanzania, United States, Uruguay, Zambia.

Catholic journalists in two other countries supplied information to me, but asked that I not even name their countries because they felt they might be identified and subjected to reprisals.

Impressions formed by travellers in some other countries, such as the Soviet Union—where of course there is no Catholic press—were included in some of the comments.

PROTECTING CONFIDENTIAL SOURCES

Perhaps the greatest problem in preparing this brief report is protecting the sources of much of the information. Most of the journalists who wrote included a request that nothing be disclosed that might jeopardize their own positions or that might create tensions for religious orders with which they are identified.

It is well known that some national governments hold the local Church in general, or local priests and bishops in particular responsible for what is said about those governments in the Catholic press (or in Catholic broadcasts) in other countries. This often has an inhibiting effect, which probably is the effect desired by the threatening government.

Considerable anxiety was expressed by both clerical and lay journalists whose work takes them into particular countries, or who live in those countries, or who attempt in one way or another to obtain news from those countries.

It seemed to me as I read the letters and memoranda, many of which are quite detailed and lengthy, that there are perhaps three general categories of countries under discussion.

Category 1 includes countries in which journalists feel under severe pressure, directly or indirectly, from government agencies. Such pressure may be personal, or it may affect members of a journalist's family, or it may be applied via the periodical with which the journalist is identified.

Category 2 includes countries in which journalists feel under pressure, at least much of the time, but with less danger of injury or imprisonment.

Category 3 includes countries in which journalists feel that they are sometimes manipulated, caught up by forces they cannot resist but with no serious personal danger.

I would group countries covered in reports to me as follows (and I emphasize that the complaints do not necessarily come from journalists currently living or working in those countries).

Category 1 (most severe problems): Brazil, Chile, Cuba, South Korea, Lithuania, Nigeria, Rhodesia, Union of Soviet Socialist Republics.

Category 2 (intermediately severe problems): Ecuador, Nicaragua, Panama, Paraguay, Peru, Poland, Spain, Uruguay.

Category 3 (indirect or moderate problems): Bolivia, India.

Viet Nam and North Korea appear to be in a special category, because information is lacking. There is not a free flow of information across the borders, and that's about all we know for certain.

I do not suggest that the foregoing list is complete. That is, there could be other countries that should be included in one category or another on the basis of censorship and intimidation. It is possible that some journalists operate under such severe repression that they were not able to respond to my memorandum. The fact that a particular country is not included in the list does not mean that it has been studied and cleared; it means for the purposes of this report only that there were no responses concerning it.

INTERFERENCE TAKES A VARIETY OF FORMS

Respondents to the survey included:

1—Editors and staff members of Catholic daily newspapers.

2—Editors and staff members of Catholic weekly newspapers.

3—Catholics employed as editors or staff members of secular newspapers.

4—Editors, staff members and correspondents of Catholic news agencies.

They reported that interference came primarily from governments. It was reported, however, that in some instances officials of government were believed to act in an interfering way not because they were carrying out policies of their governments but because they were using their official position to advance a personal religious, social or racial point of view. For example, it was reported that in parts of Brazil the work of Catholic journalists is hindered by anti-Catholic members of a fraternal order; and it was reported that in parts of Africa the work of Catholic journalists is hindered by anti-Christian attitudes that are not specifically anti-Catholic.

There were further reports from Africa that the Soviet Union and its agents are applying funds and talents to influence the cinema as well as newspapers and magazines. Nobody can seriously equate Soviet participation in communication efforts with support for a free flow of information.

On the contrary, Africa respondents expressed concern that the Soviet influence will grow because it is better financed than religious journalism and because it is supported, at least indirectly, by economic, military and other enticements that may be offered by a major power seeking to broaden its influence. The Soviet-backed enterprises perceive Catholic journalism as a threat.

From Africa also came reports of "enormous" financial commitments by Chinese and North Korean communication specialists. Among other activities, they were reported to conduct professionally appealing but ideologically deceptive seminars for communication personnel and to do this without charge.

Another African reported that even some

Christian periodicals try to avoid difficulties by providing excessive support for their governments, causing more and more intellectuals to turn away from such publications.

At the same time, an African editor reported that in his view some of his professional associates "imagine things" in the area of censorship, engaging in a subtle form of self-censorship beyond anything the government might require.

Journalists reported in some instances that their economic survival depended upon government subsidies, government advertising, government licenses and the application of tax regulations. The actual and potential threat to independent actions by the press under such circumstances is clear. Although the informants in each case requested anonymity, I propose to keep in contact with them on a continuing basis and to make the forum of the International Federation of Catholic Press Agencies (FIAC) availabel to them in the future.

A BASIS FOR HIGH EXPECTATIONS

There may be individual exceptions, but nearly all of the Catholic journalists I have met throughout the world and those who responded to the FIAC inquiry are convinced that a free flow of information is essential to furthering and guarding human rights.

Although I cannot speak for all of them, it is my observation that most of them are opposed to government ownership of the press. They are opposed to censorship in time of peace. They are opposed to threats of economic reprisals against the press and threats of economic or physical reprisals against journalists and members of their families.

In the course of my travels I have met under conditions of elaborate confidentiality with Catholic journalists, who have told me of their fear of reprisals if they disregard the wishes of government officials. One journalist, with whom I met secretly in his homeland, told me that if the fact of our meeting were to become known his wife and children would be in danger. In one country that does not permit a free press, my luggage was passed cheerfully through without pause at the customs line at the airport; it later was "inspected" in my absence in my hotel room, and I might not have known about it if a small transistor radio receiver that I take with me on all of my travels had not been taken apart and improperly reassembled.

Catholic journalists have developed high expectations, at least in part on the basis of the "Pastoral Instruction for the Application of the Decree of the Second Vatican Ecumenical Council on the Means of Social Communication." This Pastoral Instruction was approved in full by Pope Paul VI before it was issued by the Pontifical Commission for the Means of Social Communication.

It is available in English in the form of a 54-page booklet offered by the Publications Office of the United States Catholic Conference in Washington, D.C.

The Pastoral Instruction speaks of the need that rights of privacy are maintained, of the need to exercise careful judgment in the reporting of violence and brutality and above all of the need for adhering to truth. Let me extract the following statements from portions of the Pastoral Instruction beginning with paragraph 33 and extending through paragraph 47:

"If public opinion is to be formed in a proper manner, it is necessary that, right from the start, the public be given free access to both the sources and the channels of information and be allowed freely to express its own views."

"Modern man cannot do without information that is full, consistent, accurate and true."

"With the right to be informed goes the duty to seek information. Information does not simply occur; it has to be sought."

"Society, at all levels, requires information if it is to choose the right course. The community requires well-informed citizens. The right to information is not merely the prerogative of the individual, it is essential to the public interest."

"Those whose job it is to give the news have a most difficult and responsible role to play. They face formidable obstacles and these obstacles will sometimes include persons interested in concealing the truth. This is especially the case for reporters who give close-up impressions of the news and who, in order to do this, often travel to the four corners of the earth to witness events as they actually happen. At times they risk their lives and indeed a number of them have been killed in this line of duty. The safety of such correspondents should be ensured in every possible way because of the service they render to man's right to know about what is happening. This is particularly true in the case of wars—which involve and concern the whole human race. So the Church utterly condemns the use of violence against newsmen or against anyone in any way involved in the passing on of news. For these persons vindicate and practice the right of finding out what is happening and of passing on this information to others."

"This right to information is inseparable from freedom of communication."

FURTHER INQUIRIES ARE REQUIRED

Members of the FIAC Council, who commissioned this report, will understand that it is a professional and not a religious survey. For the benefit of others, it might be worthwhile to mention that this is precisely a professional journalistic report of FIAC and it does not presume to reflect views of the Holy See except in the form of direct quotations from the Pastoral Instruction on Social Communications. This report has not been submitted in advance to anyone; it is a FIAC report, faithfully presenting views expressed in response to an invitation to Catholic journalists throughout the world.

Various questions remain to be explored, and in that respect this first FIAC report on freedom of information may be regarded as preliminary. Further surveys will be conducted. Information for consideration in the next report may be sent to me at my office address: 1312 Massachusetts Avenue, N.W., Room 410, Washington, D.C. 20005, U.S.A.

Or it may be sent to me at my home address: 10200 Battleridge Place, Gaithersburg, Md. 20760, U.S.A.

The next section of the survey will consider, but will not be limited to, the following matters.

Direct censorship of the news or of opinions by governments.

Direct or indirect pressures on the media in the form of subsidies granted or withheld, advertising granted or withheld, import licenses granted or withheld, interference with postal service, subtle personal intimidation.

Editorial policies of secular news media or actions by their staff members that tend to ignore important news generated by religious groups, or to distort the meaning of such news.

Actions, or inaction, by individual religious or secular authorities that disregard the principles established in the Pastoral Instruction on Social Communication.

In cases of urgency, efforts should be made to draw immediate attention to the problem. Catholic news agencies may be helpful in disseminating information about urgent problems. Reports of problems calling for immediate attention may be sent to me by cable (CATHNEWS), telephone (202-659-6724) or telex from overseas (248393). The U.S. domestic telex number is 89-2589.

A determined Catholic press, unified in its expectation that it will serve humanity in harmony with the Pastoral Instruction on Social Communication, must be continuously vigilant to new threats against freedom while it works to overcome apathy concerning the suppression of freedom of information in many countries of the world.

PROPOSED WORLD BANK LOAN TO CHILE

Mr. ABOUREZK. Mr. President, last week, the World Bank postponed a decision to grant a $33 million loan to Chile's copper industry. I oppose that loan, as do many of my colleagues. However, the World Bank action was only a postponement. It will again come before the Bank for decision on Tuesday. I would urge the Bank to vote against this loan to Chile.

The loan will not provide any economic relief. I agree with Anthony Lewis' article in the New York Times of January 22, when he commented that:

> (I)t would be hard to argue that such a loan to Chile under present circumstances would be likely to reduce income disparities or help the poorest 40 percent. . . . A loan now would come at a moment when there is some pressure for change.

Mr. President, I urge the World Bank to reject the proposed loan to Chile. I ask unanimous consent that the full text of Anthony Lewis's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the New York Times, Jan. 22, 1975]

A LOAN FOR CHILE?

(By Anthony Lewis)

WASHINGTON.—The World Bank has before it a proposal to lend $33 million to the Chilean Government for investment in copper-mining facilities. The bank's president, Robert S. McNamara, has recommended the loan. It is scheduled to go before the board of directors for final approval next Tuesday.

Some will find it surprising that a respected international institution should want to assist a regime just described by the British Foreign Secretary as "uncivilized" and "brutal." The military junta that governs Chile has made murder and torture its policy. Despite promises to ease its cruelty, it continues to practice torture and holds thousands of political prisoners who have not been charged with any crime.

Inside the World Bank, the proposed loan to Chile is a sensitive subject. Embarrassment is evident in some quarters. But there is also an understandable hesitation about having the bank apply political standards to its loans.

"That is dangerous territory," one ranking figure at the bank said—"making loans depend on a regime's political character. On that basis Tanzania might not get any loans now, because the United States does not like its Government attitude."

The bank has followed the practice of talking in strictly economic terms. Its reports are "sanitized," in the words of the staff, to keep out politics. But of course the line between economics and politics is not always so clear. If those guiding the bank are strongly antagonistic to a particular government, it may be denied credit on the ground that it is inefficient or a bad risk.

World Bank lending to Chile stopped abruptly when Salvador Allende's leftwing Government took office in 1070. The stated reason was Mr. Allende's failure to negotiate with the former owners of nationalized property, in violation of a bank requirement. But it is also true that the United States put on heavy pressure to delay any loans to Chile. One is said to have been under consideration when Mr. Allende was killed in 1973.

At some point a government plainly could be brutal enough to affect the bank's attitude toward it, whatever the expectation. The bank would not lend to a Hitler, efficient though he might be. It has not in fact made any loans to Uganda since Idi Amin took over and his mass murders became known. Some would regard the behavior of the Chilean junta as of similar character.

But the proposed loan to Chile also raises important questions in terms of the bank's own lending policy. Mr. McNamara defined that in a speech in Santiago in 1972, setting out two major aims. He said the bank must encourage both economic growth and "more equitable income distribution" in developing countries, to improve the lot of the poorest 40 percent. What counts in the end, he said, is "improvement of the individual lives of the great masses of people."

The World Bank staff report on the Chile loan, approved by Mr. McNamara, does not dwell on how it may benefit lower-income people. The report recites economic developments since the 1973 coup, with no reference to the accompanying human realities. It is all so dry that one expects to find a note about the trains running on time.

The report and a supporting memorandum do make reference to economic privation in Chile today. Industrial production is down 22 to 25 percent from a year ago, and unemployment in the Santiago area is at 16.6 percent. But the report argues that there is no better alternative economic policy.

"Heavy sacrifices are being required of the Chilean people," the report says. But its cold recital omits a fundamental truth: Privations of the kind being suffered by Chileans today can only be imposed by repression of a severe kind.

In any event, it would be hard to argue that such a loan to Chile under present circumstances would be likely to reduce income disparities or help the poorest 40 percent. That most conservative British weekly The Economist, wrote recently that the junta's "heavy-handed" economic policy had "brought many thousands to the brink of starvation."

It is said of judges that they must not be blind to what all others can see, and the same rule might apply to the World Bank. A loan now, awarding a badge of respectability to the Pinochet Government, would come at a moment when there is some pressure for change. Members of the junta itself are reportedly trying to force General Pinochet out and moderate policy. Eduardo Frei, the Christian Democratic leader, has just opened an attack on the regime, and particularly on its economic policy.

In the World Bank, as elsewhere, bureaucratic momentum has its effect. Chile's Finance Minister, Jorge Cauas, formerly headed the bank's Development Research Center and has given strong support to this loan. The board of directors rarely withholds approval when a loan proposal has come so far. But economic considerations along with others urge that, this time, the bank think again.

SENATOR HELMS HITS A HOME RUN

Mr. HANSEN. Mr. President, I would like to express my admiration for the distinguished senior Senator from North Carolina (Mr. HELMS), who has demonstrated once again his unique capacity to deal imaginatively and effectively with the problems of today's world. On December 18, 1975, Senator HELMS introduced the Employees Business Ownership and Capital Formation Act.

This forward-looking legislation is addressed to the critical problem of capital fund shortages in American industry, funds which are so essential to plant expansion and modernization, not to mention compliance with costly new Federal environmental and safety standards. The seriousness of this shortage may be inferred from a recent report released by the Department of Treasury, which states that the United States, in terms of real economic growth, now ranks among the lowest of the industrialized countries.

The Employee Business Ownership and Capital Formation Act is designed to improve this situation by creating corporate tax deductions for gifts of stock to employees, which will generate capital funds for the company, while at the same time allowing all empoyees to share in its ownership and profits.

In his recent syndicated newspaper column entitled, "Senator HELMS Hits a Home Run," the publisher of National Review magazine, William A. Rusher, has rightly insisted that Senator HELMS' proposal "deserves careful consideration." I agree, Mr. President, and I ask unanimous consent that Mr. Rusher's column be printed in the RECORD, for the benefit of my colleagues.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

SENATOR HELMS HITS A HOME RUN

(William A. Rusher)

Insofar as it bothers with philosophical premises at all, the root assumption of liberalism in the economic sphere is that the fundamental issue is the struggle between employers and their employees. There is just barely enough truth in this originally Marxist notion to keep it afloat, while obscuring every other major economic rivalry—notably, in modern America, that between the producing elements of the population and the vast and growing horde of non-producers who exist as parasites on the producers.

The notion also serves to divert attention from the real and important interests that employers and their employees have in common. It is only rarely—as, for example, when the employees of Pan Am went publicly to bat for their company during its recent financial crisis—that we see clearly what should be forever obvious: that the health of a business is very nearly the profoundest concern its employees can have, in their capacity as employees.

From time to time somebody, seeking to focus attention on that common bond and strengthen it, comes up with a plan to give employees a more direct interest in the fortunes of their company. Sometimes the basic idea is to give them a share of the profits. Another approach is to give them stock, or in other words a share in the actual ownership (and thus of course in the profits if there are any, but at least a piece of the company itself).

The latest such proposal is of the latter type, and is sponsored by Senator Jesse Helms, the doughty North Carolina Republican. It is typical of this constructive legislator at his very best, and deserves careful consideration.

Senator Helms has introduced a bill that would provide corporations with a powerful tax incentive to give stock in the company to its employees. The stock would be outright gift (i.e., not a trust), and could be retained, sold, bequeathed or otherwise disposed of by the employee as he saw fit. Moreover, dividends paid to the employee or a surviving spouse would not be taxed—nor would the gift of the stock itself, until and unless the employee sold it, at which time he would pay ordinary income taxes on any sale price up to the level of the stock's valuation when he first received it, and a capital gains tax on any increment above that. There are safeguards in the bill to prevent corporations from using the plan to favor executives and high-salaried employees.

"The important by-product" of the plan, Helms told the Senate, "is what accounts call retained earnings, but for our purposes we should call it capital for investment." Confronted with steadily rising obligatory expenditures on anti-pollution measures, energy conservation, and safety regulations (OSHA), and outbid by the government itself in the money market, corporations are finding it increasingly difficult to accumulate capital for purposes of expansion. Yet, unless America can invest more money in such expansion (and according to a recent Treasury report it ranks, among industrialized nations, near the bottom in real economic growth), we cannot hope to bring the unemployment level down and keep it down. That is why Helms calls his bill the "Employee Business Ownership and Capital Formation Act".

AN IMPORTANT STEP IN FINNISH-AMERICAN RELATIONS

Mr. HUMPHREY. Mr. President, on the eve of the opening of the Helsinki Conference on Security and Cooperation, a very important agreement was effected between President Ford and Finnish President Urho Kekkonen. In 1976, Finland will repay the entire remaining amount of its World War I debt to the United States, and these funds will be utilized to establish a trust fund to finance, on an ongoing basis, the United States-Finland educational cultural program. It will be administered by the U.S. Educational Foundation in Finland—the Fulbright Commission—which has directed the Finnish-American exchange program in past years.

Finland has been repaying this debt since 1949, and the proceeds have financed a large part of our mutual educational exchange program. The Finnish-American program has been one of the most successful and extensive of the Fulbright-Hays programs. Some 2,000 Finns have traveled and studied in the United States, and over 500 Americans have done the same in Finland. This program has made a significant contribution to our continuing warm and friendly relationship with Finland and has offered many young people a unique opportunity to broaden their educational and cultural horizons.

By repaying the debt in full in 1976 and setting up a permanent trust fund, we can insure young Americans and Finns that they will be able to participate in this excellent program in the years to come.

I have been delighted with the friendly and generous gifts which so many nations have made to the United States as a gesture of participation in our Bicentennial celebration this year. Certainly Finland's contribution is a most significant one, the benefits of which we will continue to enjoy long after the ceremonial atmosphere prevalent in 1976 has been forgotten. I know that my colleagues share my expression of appreciation to Finland for joining with the United States in this investment in our young people and the recognition that their enrichment will play a vital role in shaping the world's future.

PRESERVING OUR NATIONAL PARK SYSTEM

Mr. MONDALE. Mr. President, the National Park System is currently facing rapid deterioration due to a lack of adequate manpower and budget. The situation was recently detailed in a series of six articles written by Al McConagha of the Minneapolis Tribune staff.

The park system has lost $21 million in effective operations buying power since 1972. To point out the effects of this decreased funding, let me reiterate some of Mr. McConagha's examples of the problems in certain areas.

Safety: Inadequate road maintenance has caused bus accidents in Alaska's Mt. McKinley National Park.

Policing: To cope with the rising instances of vandalism and violations of regulations at the C. & O. National Historic Park, an estimated 20 rangers are needed. They make do now with only eight.

Sanitation: One thousand tourists and Park Service employees became ill last summer when untreated sewage contaminated drinking water at Carter Lake National Park in Oregon.

Natural resources: The low money ceiling prevented the purchase of a tract of land where erosion from logging threatens the largest tree in the world and other trees in the Redwood National Park in California.

Historic structures: Buildings at Ellis Island are in such disrepair that nets have been put up to protect visitors from falling debris.

Visitor service: Rocky Mountain park officials last year denied interpretive guidance to over 4,000 students from regional schools because of personnel shortages.

Congress has been making some effort to preserve our Park System. We recently added personnel levels and mandatory acquisition dates as part of legislation when new parks are established. We also added 533 new permanent positions for the Park Service into the 1976 appropriations bill, 400 of which the administration seems ready to accept.

However, we must continue to do more. We must maintain our parks, which provide so much enjoyment for thousands of Americans. In this bicentennial year, especially, many families will be traveling around the country visiting our national parks and historical monuments. We must preserve these areas so that future generations can enjoy their splendor.

I ask unanimous consent that the series of articles by Al McConagha be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Minneapolis Tribune,
Jan. 18, 1976]

HOW NEGLECT IS TARNISHING A U.S. TREASURE

(First of six articles)

(By Al McConagha)

WASHINGTON, D.C.—The national park system, as America enters its Bicentennial year, is deteriorating because the White House for years has deprived it of adequate manpower and money.

In several instances the parks, recreation areas, monuments and historical sites that form this system are unsafe, unpoliced and unsanitary because of restrictive administration budgetary policies.

Some natural resources chosen for preservation as part of the nation's heritage are being debased. Irreplaceable historic structures are falling down. Archeological treasures are being lost.

Visitor services—that great range of park activity from guided nature appreciation to lavatory cleanup—last year were at the lowest point since the reopening of the areas after World War II.

"Nearly all parks are operating at below established standards to varying degrees," Gary Everhardt, National Park Service director, acknowledged recently to a House appropriations subcommittee.

"More parks, increased visitation—and the management of both with fewer permanent personnel and dollars—have created serious gaps in performing optimum management programs at most parks," he said.

Evidence points to the White House Office of Management and Budget (OMB) as the most responsible agency. Determined to cut back government spending, this budgetary policeman underfinanced the system.

Anthony Wayne Smith, National Parks and Conservation Association president, said a recent analysis of the system reveals a "grave situation" and rapid deterioration of an invaluable national asset.

Smith said the OMB has "garroted" the National Park Service, which administers the system, by giving it too few personnel and too little money to carry out its expanding responsibilities.

"Serious mismanagement" has occurred and "an invaluable natural resource is being destroyed by deliberate neglect," Smith told a House subcommittee probing the issue.

Rep. William S. Moorhead, chairman of that House investigation of the park system, said the situation is "alarming" and talked of OMB's imposition of "unrealistic" employment and fund ceilings.

"It has reached the point where existing parks are threatened with deterioration and new parks are manned—if at all—by skeleton crews," the Pennsylvania Democrat continued.

Stewart M. Brandborg, executive director of the Wilderness Society, called the situation in the parks "deplorable" and added that "OMB is basically at the center of much of this difficulty."

"This arm of the White House consistently cuts back . . . so the park service is forced to submit a request much less than adequate to carry out the mandate given to it by Congress," Brandborg said.

Spencer Smith, former chairman of the board of the National Parks and Conservation Association, observed, "There's no question about deterioration. The situation is abysmal."

"The problem is that the parks are highly perishable, more fragile than most people realize," he added. "Unless something is done soon, they are doomed as we have known them."

Robert Cahn, former member of the President's Council on Environmental Quality and a student of park affairs, said, "The parks have been going downhill for a number of years. Nobody realizes the extent."

Although Congress authorized 8,496 full-time employees for the National Park Service in fiscal 1976, the administration held the number of permanent employees in the system to 7,118.

The Office of Management and Budget did increase the park service's operating budget—but not faster than the value of the dollar declined. The system has lost $21 million in effective operations buying power since 1972.

Present indications are that OMB will permit some increase in operating funds in the 1977 budget and will allow, in response to congressional and other pressures, a 5-percent permanent personnel increase this year.

While any improvement in manpower and operating funds is welcomed by the park service, most observers believe these changes are not enough, in the words of one top administration source, to "make it well."

Much of the deterioration caused by the ceilings is documented by a survey of park systems superintendents conducted by the National Parks and Conservation Association, an independent, nonprofit, watchdog group.

Further evidence of the decay within the parks was provided recently by four park superintendents in a hearing called by the Moorhead subcommittee probing the impact of budgetary restrictions on the system.

From the above sources, from interviews with park service personnel and friends of the parks, from telephone conversations with superintendents, these examples of decline emerge:

SAFETY

Inadequate road maintenance causes bus accidents in Alaska's Mount McKinley National Park. Visitors are placed on buses because the road's neglected state makes it too hazardous for automobiles.

A lack of funds to repair back-country trails makes them unsafe in Shenandoah National Park in Virginia. New Found Gap road in the Great Smoky Mountains National Park, in North Carolina and Tennessee, is believed to be dangerous when wet.

The bridge over the Tuclomne River in Yosemite National Park in California is unsafe. Officials fear the bridge from Chincoteague to Virginia's Assateague Island National Seashore will be knocked out by a storm.

"Almost anywhere in the system where there are bridges, you run a good chance of finding substandard ones," said a park service employee. "Every major park has at least one."

POLICING

There are too few rangers in Great Smoky Mountains National Park to prevent "significant" taking of black bears by poachers. Poaching is believed to be even more widespread in Shenandoah National Park.

Drinking parties of teen-age youths regularly disrupt the little-patrolled Blue Ridge Parkway in Virginia. Result: destruction of areas, littering, disfiguring of signs and pavement.

Against rising vandalism and violations of regulations, the superintendent of the Chesapeake and Ohio Canal National Historial Park in Maryland, the District of Columbia and West Virginia, estimates he needs 20 rangers. Because of manpower ceilings, he makes do with eight.

At North Carolina's Kings Mountain National Military Park, none of the personnel has the required 400 hours of training for law enforcement. Visitation for last year is estimated at nearly 600,000.

SANITATION

Although management of the incident is clouded, the "near catastrophe" at Crater Lake National park in Oregon was caused largely by the failure to overhaul sewerage and water systems because of a lack of money.

As it was, up to 1,000 tourists and park service employees became ill last summer when untreated sewage contaminated drinking water. It was the first time a national park had closed because of unsanitary conditions.

Some toilet facilities in the Shenandoah park are polluting mountain streams. These are being operated under temporary permits in violation of Environmental Protection Agency and Public Health Service standards.

Outhouses, a sanitary method the service regards as substandard, are being used at North Dakota's Theodore Roosevelt National Memorial Park, Hawaii Volcanoes National Park and other areas.

The public health coordinator for Warren County in New Jersey inspected the Delaware Water Gap National Recreation Area in June 1975. He later made this observation:

"The area is being littered with human wastes, garbage and rubbish, and if man's activities continue unrestrained and uncontrolled, pollution of the land, of the waters, and of the wildlife by his wastes, his garbage and his rubbish will result in a living slum unfit for habitation."

NATURAL RESOURCES

Manpower has been in such short supply that many cave parks—such as Mammoth in Kentucky or Lehman Caves National Monument in Nevada—have been unable to prevent vandalism to geologic formations.

A court has found the service derelict in protecting the largest tree in the world. Money ceilings prevented the purchase of a tract where erosion from logging threatens this and other trees in Redwood National Park in California.

Manpower is inadequate to prevent the use of off-road vehicles in California's Joshua Tree National Monument. This intrusion leaves tracks that cannot be erased by nature for a century or more.

The fact that there are too few men to police the passage of industrial vehicles through Alaska's Mount McKinley National Park to a nearby logging operation has led to partial destruction of some of the mountain side.

At Katmai National Monument in Alaska, only one ranger protects the thinning ranks of the Alaska brown bear from heavy poaching. The area covers 2.7 million acres. He has no airplane.

HISTORIC STRUCTURES

Major chunks of El Morro's massive masonry fortifications, the oldest within the territorial limits of the United States, are in danger of being washed away at the San Juan Historic Site in Puerto Rico.

Hamilton Grange National Memorial in New York—the home of Alexander Hamilton, a hero of the American Revolution and first treasurer of the United States—is ready to collapse and there is no money for repair.

Buildings at Ellis Island, added to the Statue of Liberty National Monument in 1965, are in such disrepair that nets have been put up to protect passersby from falling debris.

Buildings are seriously deteriorating, among other places, at Hopewell Village National Historic Site in Pennsylvania.

ARCHEOLOGY

Insufficient manpower prevents suitable policing of relic hunters at military sites such as Petersburg National Battlefield in Virginia. Artifacts worth thousands of dollars have been taken from the system.

Money is insufficient for the repair of Indian stone work dating back 1,000 years at Mesa Verde National Park in Colorado and Canyon de Chelly National Monument in New Mexico.

VISITOR SERVICE

Roger J. Contor, superintendent of Rocky Mountain National Park in Colorado, says funds are 40 percent below the level needed to keep resources and services up to accepted standards.

Rocky Mountain park officials last year denied interpretive guidance to 4,130 students from regional schools using that park's environmental studies areas. Reason: personnel shortages.

At Andersonville (Ga.) National Historic Site, only 25 percent of the services sought by the park service's published standards is being offered because of manpower and operational-funding limitations.

At Buffalo (Ark.) National River the service closed some campgrounds to save on trash pickups. The park was fully operating before it was turned over to the federal government by the state of Arkansas.

Some park system visitors received an unexpected bonus last season, however. In at least three units there were not enough employees to fully man the fee collection stations.

[From the Minneapolis Tribune, Jan. 19, 1976]

Park System Neglected While Demand for Its Services Rises

[Second in a series]

(By Al McConagha)

WASHINGTON, D.C.—*"Year after year of operation at less than adequate levels of resources protection and maintenance has an accumulative effect that soon approaches disastrous proportions."* Boyd Evison, superintendent, Great Smoky Mountains National Park.

National Park deterioration under the Ford administration is often not a matter of leveled mountains or closed gates but of a gradual erosion of resources and services.

This is the result of quiet neglect. Its unobtrusiveness frustrates friends of the parks fighting against a decline caused by the lowest proportional provision of money and manpower since World War II.

In fact, the show-must-go-on professionalism of the National Park Service tends to relegate difficulties created by the money-personnel squeeze to the least visible aspects of park experience.

"I can personally assure you that it is my policy to keep our parks open and operating and not to use closure as a tactic to dramatize our problems," said Gary Everhardt, National Park Service director.

Nonetheless the agency's permanent staff increased less than 3 precent in the past four years. During that time 23 more units were added to the system and visitation rose 23 percent.

Moreover, the Ford and Nixon administrations reduced the service's effective buying power (for operations costs) by $21 million since 1972, according to agency figures.

To state the problem prosaically, the price of a service as essential as toilet paper rose 93 percent in five years. The demand for it also dramatically increased. But the ability to buy it dropped.

In terms of dealing with people, the park service had one permanent employee for each 27,000 visitors in 1960. Now there is one for each 44,000. During that time the number of units grew by a third.

Superintendent Boyd Evison recently described to a House subcommittee probing funding and manpower in the parks how these policies have affected Great Smoky Mountains National Park. His unit is the most visited of all national parks and its experience appears to be fairly typical of problems faced by major established areas as a result of White House budgetary ceilings.

In the past five years visitation at Great Smoky park has grown some 12 percent. In that period the number of permanent employees on the park's payroll declined from 121 to 107. During those five years the park's allocation was increased by $1.3 million. But most of that amount—$756,900—went for Civil Service pay raises ordered by Congress.

After paying for supplies on an inflated market, he said, $126,000 was left "to cover such items as increased travel, rent, communication and other service costs—and we didn't have enough to do it right in 1971."

As are other superintendents, Evison is trying to meet his problems by increasing temporary and seasonal employees and by contracting for such work as trash collection and road striping. Still, he needs up to $500,000 for the nagging but apparently not immediate problem of bringing the park's 35 water systems built in the 1930s up to state and federal standards.

Evison also needs $2 to $3 million for historic structures "that we are legally obligated to preserve." He added these "are not being preserved and the cost of halting their decay skyrockets with each added year of neglect."

Evison said he was concerned about his roads: more visitation means greater need of road repair, more intensive cleanup of roadside litter, more need of traffic management and control.

"As road surfaces deteriorate with the lack of adequate attention, accident rates rise," he told the subcommittee. "More and more ranger time is devoted to traffic control and accident investigation."

Aware of the demands placed on rangers by traffic and related problems, Evison went on, sophisticated poachers step up their activity and help themselves to game in the park.

One of his most serious problems in protecting the natural resource he supervises is the European wild boar. These immigrant pigs are tearing up the park and he had no money to start research aimed at their control.

At the same time visitors pouring into the parks "are more and more people from every stratum of American life, young people whose life styles sometimes clash with those of the traditional family groups."

"More urbanities (are coming) bringing with them many of the problems of the cities, frequently bewildered by the special demands of getting along in a park, in a tent or a trail," Evison said. "The rangers who face these increased demands are not cops. They are conservation officers. And they are expected to help the public understand and enjoy the unique resources of the park.

"But the person who handled a traffic fatality yesterday evening, sat through half the night at a poacher's bait station and heard the morning's complaints about a pot or beer party in the campgrounds is not your ideal ambassador of goodwill this afternoon."

Back-country use has nearly doubled in five years in the Smokies. But proper management of these areas requires more man hours per user than management of roadways, Evison said

"Estimates two years ago indicated the need for an investment of more than $2 million just to catch up with the trail erosion problems generated by years of shoestring operation," Evison said

Understaffing and underfunding, he added, also lead to operational methods that influence the kind of human experience that the Great Smokies make available for visitors. For instance, trucks are used as the most efficient means of maintaining trails and shelters "in areas where sanctuary from the sights, sounds and smalls of such equipment is one of the park's most precious commodities."

In this testimony to the House subcommittee investigating the parks Evision seemed to be more pessimistic about the general direction of the system than he did during a telephone conversation a few weeks later.

In the latter he repeated that the parks could operate more efficiently but added that the money pinch could have the long-term benefit of forcing the service to reassess its priorities.

"I think we can reorient our priorities somewhat and come up with at least as good opportunities for distinctive human experience without the expenditures of a great deal more money," the superintendent said. "I think even if we are super-efficient, however, we are going to slide some and it may mean cutting back on some services that people have come to expect."

In his congressional testimony he said next summer's savings may take the form of less grass mowing, reduced trail clearances and extending periods in which certain seasonal facilities are closed.

There will be no paper towels or electricity in lavatories, he said. And no parks funds will be used for interpretation during April, May, September and October even though some 3 million visits are expected.

On a final note, he told the subcommittee: "Any decline in the quality of visitor services and resource management (which includes maintenance) has an insidious effect extending far beyond what is immediately visible.

Evison argued that the park service influences the public far more by its show of concern for the park than it does through a proliferation of "conservation messages."

"Rotting historic structures, rampant exotics (wild boars), rutted trails and littered roadside tell the public that America doesn't care enough to husband its most distinctive and historic resources," he said.

"Why then should recipients of such messages treat those resources with care?" Evison asked. "Neglect begets neglect. The results are costly. The costs are not only in terms of dollars or manpower.

"Perhaps the most serious costs are in terms of resources irretrievably impaired and of experiences lost forever."

[From the Minneapolis Tribune, Jan. 20, 1976]

FUNDS LACK CLOSES DULUTH PARK OFFICE

[Third in a series]

(By Al McConagha)

WASHINGTON, D.C.—On June 30, 1974, responsibility for national park system land acquisition in the Minnesota area shifted from an office in Duluth, Minn., which is close to the scene, to one in Omaha, Neb., which is not.

The Duluth post was closed because of the White House money and manpower squeeze that has resulted in the deterioration of the national park system, according to National Park Service sources.

That office had been in charge of purchasing land for the St. Croix national riverway, Apostle Islands National Lakeshore in Wisconsin and Voyageurs National Park in northern Minnesota.

Angered at the slamming of the door on his acquisition office, Eugene Lyttle, Duluth, retired from the park service. In a recent telephone interview, he observed, "The crux of the matter was funding." But Lyttle also believes politics was a factor. He claims land buying would be more efficient from Chicago or Minnesota locations but powerful Nebraska Republicans prevent movement of an office already in Omaha.

In any case, the Duluth experience demonstrates that underfunding and undermanning of the national park system have adverse impact beyond impairment of visitor services, facilities and natural resources.

Restrictive White House Office of Management and Budget (OMB) ceilings on personnel and operating funds over the past five years have slowed the development of the 60 new areas added to the system between 1965 and 1975.

Rep. William Moorhead, D-Pa., chairman of a House park probe, said, "It has reached the point where existing parks are threatened with deterioration and new parks are manned, if at all, by skeleton crews.

A little relief is on its way. The administration seems ready to accept 400 of the 533 new permanent positions written by Congress into the 1976 appropriations bill. Operating funds also may go up slightly in fiscal 1977. Most observers, however, do not expect this to cure the problem. "It may get us off the critical list," said one park service employee. "But we are still not in good shape."

Under pressure of OMB personnel ceilings, the park service has taken permanent personnel from increasingly undermanned established parks and placed them in the new units rapidly being authorized by Congress. After authorization of Golden Gate and Gateway National Recreation Areas in 1972, for instance, the 122 permanent employees who staffed these units were diverted from elsewhere in the system.

At the same time other units were not getting more full-time employees. The system's permanent personnel ceiling has remained around 7,100 since 1971 despite congressional authorization of up to 8,500 positions.

Unit development also was retarded. The park service's two construction accounts show that inflation has absorbed increases and that effective purchasing power dropped $22 million in three years. This contributed to $2.7-billion construction backlog, the service says it has accumulated. The major portion of this unfinished work list deals with rehabilitation of existing structures.

Although some projects once envisaged in this accumulation of pending construction have since lost favor, the backlog also includes basic visitor-use and natural-resource-protection facilities in new areas.

Indiana Dunes National Lakeshore, for instance, has virtually no facility development after a decade. "A park in name only," observes a top administrator in the Interior Department, which includes the park service.

Guadalupe Mountains National Park in Texas was authorized in 1966. It still awaits facility development. Four permanent employees (with seasonal help) cope with an 80,000-acre unit visited last year by 50,000 persons.

There has been no construction at Pictured Rocks National Lakeshore on Michigan's upper peninsula, Sleeping Bear Dunes on Michigan's lower peninsula, Apostle Islands or Voyageurs.

Cowpens National Battlefield in South Carolina was established in 1929. In 1972 Congress "changed the boundaries" of this important Revolutionary War battle ground to 843 acres. Cowpens' entire staff, however, is a part-time caretaker and, despite its apparent Bicentennial connection, the unit is not operating because of insufficient personnel and development funds. Nathaniel Reed, assistant interior secretary in charge of parks, said in an interview that Congress must bear some responsibility for not providing adequate resources for the system. In the 1960s Congress "found it was fun" to authorize new parks in abundance but it was not as forthcoming with appropriations to staff and develop them, the assistant secretary said.

Reed said as much to Congress last spring when he was being asked about funding and manpower levels. He added that legislation for new parks could include "mandatory" provisions for more personnel. In effect, Congress responded and appropriation legislation now specifies staffing for some individual parks and, most recently, designated in the bill an additional 395 permanent employees for the entire system.

Irritated at the slowness with which the service was buying land for the new parks, Congress also demanded acquisition completed by a certain date. In so doing it inadvertently helped close the Duluth office.

In this case Congress required acquisition be completed within six years for three new areas—Big Cypress in Florida, Big Thicket in Texas and Cuyahoga Valley in Ohio.

Congress had authorized money to pay for 273 permanent park service land acquisition employees. But under pressure from OMB, the service felt obliged to hold the figure to 140. Desperate, the park service contracted with Army Corps of Engineers to buy the land for Big Thicket and Cuyahoga. It assigned the task of acquiring land for Big Cypress to itself.

The Big Cypress acquisition is unusually complicated because of the large number (39,299) of landholders involved. The service estimated it needs 100 persons working 10 years to complete this purchase. At the moment 26 of the agency's 140 full-time land buyers are at work on Big Cypress, and the service is trying to fill out the effort with 48 temporary employees.

All of this activity has stretched severely its land acquisition program. To gather personnel for the Big Cypress undertaking, four offices were closed elsewhere. One of these was Duluth.

In terms of the over-all system, however, these pressures simply add to the land acquisition backlog, now set at $572.6 million. Purchases authorized by Congress are incomplete in at least 30 units.

Slowness in land buying creates obvious problems. Property values shoot up in areas earmarked for purchase such as Big Cypress. Logging continues to threaten lands to be included in Big Thicket.

These acquisitions are purchased with money from the Land and Water Conservation Fund. It was created by Congress in 1965 and the legislation now calls for $300 million each year to be deposited in the fund.

OMB, intent on holding down federal spending, had recommended to President Ford that the request to Congress for the 1977 fiscal year should include no money from the fund for these land purchases.

Thomas Kleppe, the new secretary of interior, objected to this proposal. He took his case to the White House, arguing, among other things, that Congress would never agree to this position. According to administration sources, the president, prompted at least partly by affectionate memory of his experience as a park ranger ruled in favor of some expenditure from the fund. Precisely how much Congress will be asked to appropriate will be made public later this week. It is expected, however, to be about $70 million, somewhat less than for the 1976 fiscal year.

The fund comes from federal taxes on motor boat fuel, revenues realized on the sale of surplus federal property and federal income from the sale of offshore oil and gas leases.

Forty percent of the fund goes for federal conservation acquisitions by the park service, forest service or related agencies. Sixty percent is used in matching grants for states to encourage purchase of recreational areas.

Congress can appropriate the whole $300-million annual deposit in the fund or less than that amount. Unspent money remains in the fund. The residue is now $247 million and can be spent in the future.

[From the Minneapolis Tribune, Jan. 21, 1976]

Expansion of Park Service Is Opposed

(By Al McConagha)

Washington, D.C.—The budgetary pinch that squeezes the national park system into decline contributes also to White House opposition to congressional demands for more federal park and recreation areas. (Quie: Funding raise planned for Voyageurs.)

The administration argues that it is time to solidify that system's recent expansion and resists, with a few exceptions, attempts to further enlarge the responsibilities of the National Park Service. Moreover, the once dramatically proclaimed campaign to create urban parks for the system—a concept that received enthusiastic White House endorsement as recently as 1972—is now moribund.

Certainly the system has grown. In 1955 there were 188 units with a visitation of 54 million. This year visitation of 252 million is expected at the system's 286 natural, recreational and historical areas.

"The basic work in the lower 48 states has been done," Nathaniel Reed, assistant secretary of interior in charge of parks and wildlife, observed in a recent interview.

Reed, 42, former chairman of the Florida Department of Air and Water Pollution Control, took office in 1971 and has the greatest top-level continuity of experience with the parks since that time.

Reed advocates an indirect, grants-only federal approach to the establishment of urban parks. He acknowledges this need for open space but insists that how to obtain it is the central issue.

Areas now offered for consideration do not have the "national significance" that characterizes the system and is important to maintaining its nationwide public support, he said. Reed argues, as well, that National Park Service resources are already strained and that local or state administration of urban parks is the best means of adapting to the interests of these communities.

He opposes such areas receiving active congressional support for addition to the system as Santa Monica Mountains in California, Chattahoochee River in Georgia and a portion of the Potomac River.

Asked whether he would urge presidential veto of these areas if approved by Congress, Reed smiled and said he had done so with the Cuyahoga National and Historical Park in 1974. This valley between Cleveland and Akron in Ohio was generally regarded as an "urban" park. Although Interior Department officials advised a veto, President Ford signed the bill instead.

Reed's point is that the system's urban parks, particularly Gateway in New York, have been too successful in making recreational resources out of underdeveloped and underfunded properties.

"Every mayor in the country sees what the National Park Service can do with its money, supervisory manpower and charm and says, 'That's exactly what I want, c'mon in here,' " Reed said.

Reed does indicate a willingness to consider proposals for a tall-grass prairie area in the Midwest, Congareet Swamp in South Carolina, Sawtooth Mountains in Idaho and White Clouds Mountain in Oregon. But he contends that the major park skeleton" is established and that after the recent expansion of the system, the government needs time to catch our breath" while considering additions in Alaska.

Current proposals for creating new national parks and monuments in Alaska were presented by the Interior Department in response to the Alaska Native Claims Settlement Act of 1971.

The administration has sent to Congress a recommendation that about 9 percent of Alaska's land area (32 million acres) be turned over to the park service. This would double the system's total acreage.

Conservation groups are attacking the program, however, as surrendering areas in need of park protection to the "multiple-use" administrative policies of the U.S. Forest Service.

The National Parks and Conservation Association contends, moreover, that the Alaskan proposals do not excuse the National Park Service from making appropriate additions elsewhere in the nation.

This group has some mixed emotions on the matter of new entries. Its president, Anthony Wayne Smith, has wondered if more urban parks would not be funded and administered at the expense of the great scenic areas. But the association's professional staff lambasted the administration for closing the door on the system for economic reasons rather than evaluating the issue in terms of its conservation significance.

A staff report charged that the Office of Management and Budget, the White House's budgetary arm, makes these decisions without any capability for weighing various needs for public recreation and wilderness preservation.

George B. Hartzog, Jr., who resigned as director of the service in 1972, is unrepentant for the expansion that occurred during his nine-year stewardship and thinks there are still "gaps" in the system.

"You know, I think it depends on what the people of the United States want their national park system to be," Hartzog, now a Washington lawyer, observed recently. "If it is going to be the storehouse of the natural and cultural and social memories of our society, then it needs to be expanded," he said. "That's just how simple I think it is."

At what point the administration decided against expansion of the system is unclear. A national park system plan was published in 1972, "much," Hartzog said, "to the chagrin of the administration." It attempted to define a system that would be balanced and complete and to go on to identify the kind of natural environments missing from the existing collection.

The plan indicated, for instance, that while the system had ample western canyon land, it did not have the kind of landscapes of which the Minnesota river valley might be an example.

The administration has now informed Congress that this plan is without official standing beyond stating desirable themes that should be considered by government at all levels. The National Parks and Conservation Association also has unearthed a May 3, 1973, memorandum circulated to ranking park service officials requesting a deadline for "rounding out" the system.

But the pressure to expand the system remains. It has become an important matter of dispute between some members of Congress and the administration. In this controversy the employees of the National Park Service are divided. One can hear a variety of views from these professionals concerning the course that the system should take.

Meanwhile conservationists continue to make pointed comments about the change in spirit that has occurred in the management of the system since the days of its pioneer administrators.

It is not like it was, they say, when Stephen Mather, first park service director, personally lit the TNT charge that blew up a Great Northern Railway sawmill that was trespassing in Glacier park.

"With each detonation Mather's mood lightened," according to his biographer, Robert Shankland. By the fifth, as people inquired into his motives, he said, "Celebrating my daughter's 19th birthday."

[From the Minneapolis Tribune, Jan. 22, 1976]

Park Service Cut in Washington Despite Expected 17 Million Visitors

[Fifth in a series]

(By Al McConagha)

Washington, D.C.—Millions of visitors will arrive in the nation's capital this summer to find the national parks system celebrating the Bicentennial with reduced programs and curtailed services. (Doubled funds asked for N.D. diversion unit; 5-percent budget rise asked for park service.)

National Capital Parks, that division of the National Park Service responsible for the monumental areas of Washington as well as neighboring park lands, is cutting back its plans for 1976.

At the direction of the Office of Management and Budget, the budgetary agent of the White House, retrenchment is going forward despite the expected arrival of 17.2 million visitors.

"We have reduced most of our park-operating programs by 9 percent during the Bicentennial year—a year when needs are increasing," Manus J. Fish, director of National Capital Parks, told Congress.

Even though about $70 million has been spent on Bicentennial facilities over a three-year period, there is insufficient money to operate them according to previously agreed plans, he added.

There is also too little money to develop areas recently added to his responsibility, such as the Clara Barton home or several addition to the C&O Canal National Historical Park, Fish said.

As a result, even the pilgrim to this center of American government on the nation's 200th birthday may feel the pinch in manpower and operating funds that has resulted in the general deterioration of the national parks system.

This neglect has led, in some cases, to unsanitary and unsafe conditions. There has been a failure to adequately protect natural resources and historic structures. Services to the public have declined.

A recent last-minute addition of 400 people to the permanent park service staff (a 5-percent increase) has eased some of the worst Bicentennial problems outside of Washington.

The park service once thought, for instance, that it would be unable to open the newly reconstructed Philadelphia house in which the Declaration of Independence was written. But this can now be operated.

Fish will get 29 additional full-time staff members to help temporary employees man the visitor center being built in Washington as the informational focal point of the Bicentennial.

He is now considering what programs can be dropped to meet the squeeze while keeping the bicentennial traffic moving, tourists informed and litter cleaned up.

The recent boost in manpower will help "some" and the reduction of services will not be as extensive as had been feared as recently as a couple months ago, he said recently.

"But there will still need to be an economical operation, that's for sure, and it is the other areas of his command that can expected to be sacrificed to service the Bicentennial hordes.

This means that visitor centers in such outlying areas as the Manassas (Bull Run) and Antietam battlefields will have shorter hours and the grass will get mowed less frequently.

He expects to reduce lavatory cleanup, reduce grounds maintenance and garbage collection, and reduce or eliminate attention to historic structures.

Fish also is studying an end to ranger efforts to snare poachers in the neighboring parks and a general decrease in security for historic resources, natural features and park facilities.

Fish said his organization would avoid closing areas or facilities, but would reduce the hours of operation, the number of days open and the length of the season. Temporary employees will be hired late and terminated early. Support of the performing-arts programs in the parks and other areas will be reexamined.

"Although basic programs will continue at a reduced scope, it will be many years before the park service can reemploy the high-quality personnel we now have and that will be inevitably lost," he said.

Fish added that the demands placed on employees as a result of personnel shortages have affected the morale of the work force and this is likely to be reinforced by freezes on hiring.

Former Interior Secretary Rogers Morton had promised that the C&O Canal National Historical Park, 22 miles of which is in metropolitan Washington, would be repaired in time for the Bicentennial.

William Failor, superintendent of the park, told Congress recently, however, that at the present level of funding the famous tow path will never be brought up to accepted standards.

Sanitation in Failor's domain is particularly primitive. Pit privies are still in use and water comes from wells. As the wells go bad with pollution, they are put out of service by removal of the pump handles.

The C&O park, which is part of National Capital Parks, also faces rising vandalism and regulation violations. Failor told Congress he needs 20 rangers to police his area. He has eight.

The 200 structures of "great potential historic value" on the park grounds are receiving little or no attention because of lack of funds and are becoming safety hazards, Failor said.

Although a land-acquisition program that will quadruple the area's acreage will be completed this year, the park has received no more funds or personnel to manage it.

Permanent personnel is generally short in the National Capital Parks jurisdiction. In 1975 the number of full-time employees was held by White House ceilings to 8 percent less than those authorized by Congress.

Fish told Congress that the National Capital Parks initially submitted budget justification for a $26 million increase this year. This was reduced by the interior department to $6 million.

About half of this $6 million was proposed for special Bicentennial events and the National Visitors Center. The balance was for pay increases, operation of new facilities and C&O canal land purchases.

The Office of Management and Budget then trimmed this by more than half to $2.7 million. This involved $400,000 for operation of the visitor center, $1 million for special events and $800,000 for new facilities.

[From the Minneapolis Tribune, Jan. 23, 1976]

DETERIORATING NATIONAL PARKS HAVE HISTORY OF CONTROVERSY

("My experience was that budget people . . . when they look at national priorities, put the land last."—Stewart Udall, former interior secretary.)

(By Al McConagha)

WASHINGTON, D.C.—The Bicentennial could have been the year of glory for the national park system rather than the moment of dawning awareness that it is declining because of neglect.

As treasurer of the nation's scenic riches and custodian of its historic estate, the park system more than any other governmental agency embodies the experience of America's past 200 years and beyond.

A system of public parks is, in fact, uniquely American. Before the geyser-pocked plateaus over the Yellowstone River were set aside for the nation 102 years ago, such preserves were for the ruling clique.

"The national parks are the magnificent invention of the American people," Nathaniel Reed, the assistant interior secretary who runs them, observed recently.

George B. Herzog, Jr., who resigned as director of the National Park Service in 1972, added, "This is the one idea we contributed to world culture."

"We established parks for common people," Hartzog went on. "They no longer were the provinces of kings and feudal lords but they belonged to guys like you and me."

By the time of World War II, growth of the system had congealed about a core of great scenic areas such as Yellowstone in Idaho, Montana and Wyoming; Glacier in Montana; Yosemite in California; Grand Canyon in Arizona; Sequoia in California; and Great Smoky Mountains in North Carolina and Tennessee.

In the period after the war, former director Conrad Wirth broadened the system's support in Congress and obtained the funds needed to modernize the parks' facilities with a program called Mission 66.

Then, in 1961, Cape Cod National Seashore in Massachusetts was authorized. This was the beginning of the enoromus expansion of acres and areas that the system was to sustain during the next 15 years.

Cape Cod was particularly well-suited to initiate this growth. It was nationally known, it was threatened by New England's burgeoning population and its preservation had the active support of the late President Kennedy.

This also was the first time Congress accepted the principle of federal purchase of private holdings for establishment of parks. Previously, areas were derived from philanthropic donation or federally owned tracts.

The decision to use condemnation to create parks eliminated the chief obstacle to setting aside many areas long awaiting such action. Voyageurs Park in Minnesota was one of these.

Congress enthusaistically entered into the system's extension but was more reticient about providing money for land acquisition. It also was apathetic about its oversight responsibilities during much of this period.

In the past three years the Nixon and Ford administrations have called for a halt to the expansion of parks and have begun talking about consolidating recent growth.

As it has throughout its lifetime, the system continues to be endangered by vested interests seeking to exploit the natural resources the parks were designed to protect.

Current concerns are characterized by dispute over bauxite mining in Death Valley National Monument in California and Nevada, logging near Redwood National Park in California and cattle grazing in Grand Teton National Park in Wyoming.

Heated debate likewise persists over appropriate use of parks by people in the face of staggering visitation increases. Each generation has its own views about what visitors should do in—and to—these areas.

The current version of this argument centers on the desirability of golf courses (Yosemite), nude bathing (Cape Cod), hang gliding (Shenandoah) or airports in Virginia (Grand Teton).

The National Park Service also has encountered intense criticism for its relationship to concessionaires who have tried to influence park development to increase profit-taking.

To a great extent, these concessions are operated by wholly owned subsidiaries of major corporations that are believed by some to have more political clout than the National Park Service.

The major concessionaire at Yosemite, for instance, is a subsidiary of the conglomerate Music Corp. of America. It attempted to alter a park master plan over the objections of local park officials. The revision sought by the concessionaire would have given it an opportunity to improve its business within the park and would have dropped efforts to relocate its lodging units.

The General Accounting Office, the investigative arm of Congress, reported deficient park service regulation of concession operations at Yosemite and inadequate monitoring of its prices and other matters. After public disclosure of this activity in 1974, the Interior Department ordered the park service to start again on its plan and the service is trying to improve its concessions program.

Against such an extended history of controversy, it is not surprising that not everyone agrees that lack of permanent manpower and operating monies are the greatest problems faced by the entire system.

Michael Frome, author and critic laureate of park system management, for instance, contends that the problem of the parks is not money but insufficient commitment by the service to preserving them.

Jack Hughes, of Olympic National Park in Washington, who is head of a professional ranger organization, argues that the service is inefficient and would improve with the elimination of middle management employees.

But the weight of evidence gathered by a recent congressional probe seems to favor the position by Anthony Wayne Smith, president of the National Parks and Conservation Association.

Smith accuses the White House of permitting the degradation of the system through denial of adequate personnel and operating money in the name of national economy.

His citizens group has found the parks badly run-down. Devils Tower National Monument in Wyoming, for instance, reports that its maintenance is 70 percent of national park system standards.

Cowpens (S.C.) National Battlefield site, established in 1929, is not operating for lack of funds and employees. Its supervisor says that law enforcement is nonexistent and "vandalism rampant."

Likewise, funds still are insufficient to replace unsanitary privies at 10-year-old Bighorn Canyon National Recreation Area in Montana and Wyoming, where several historic structures are deteriorating without repair.

So many cases of this sort can be cited that it is difficult to avoid the conclusion that over the past few years the parks lost out in the White House budgetary process and declined in several respects.

To be sure, budget decisions are not easy. Office of Management and Budget officials, who declined to be interviewed, have the unenviable duty of weighing unlimited contending claims on limited federal spending.

But the money needed to bring the national park system up to speed, as Anthony Wayne Smith told a congressional subcommittee, imposes no great burden on the federal treasury.

The $37,800 paid a consumer adviser at the State Department would hire three experienced park rangers. Three-quarters of the permanent park service staff is equal to the crew of a nuclear aircraft carrier.

Indeed, the difference between what the park service seeks in manpower and operating resources and what it receives is less than the amount the United States is reported to have put into Angola.

For the ordinary middle-class American, who by all testimony bears the heaviest burden of the nation's taxes, the benefits of most federal programs are as remote and intangible as this investment in Angola.

One of the few federal assets he gets to use, however, is the national parks. And they, as we have seen, uniquely reflect America's belief that ordinary citizens deserve them.

GOVERNMENT PENSIONS

Mr. MUSKIE. Mr. President, I would like to call the Senate's attention to a speech made earlier this month by the Senator from Missouri (Mr. EAGLETON) on the subject of public employee pension programs.

Senator EAGLETON points out the growing burden that will have to be borne by State and local governments, and indeed by the Federal Government, if present trends are allowed to continue. The call for prompt attention to this problem and for a reassessment of pension funding is long overdue.

Mr. President, I ask unanimous consent that Senator EAGLETON's speech to the New York Society of Security Analysts be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

THE CRISIS IN PUBLIC PENSION SYSTEMS

(By Senator THOMAS F. EAGLETON)

A financial time bomb is ticking away in the obscure inner reaches of government. As each day goes by, the staggering pension obligations of government—federal, state, and municipal—grow and become more burdensome. The point is at hand where governments must consider not only current pension obligations, but also future commitments as they will bear on the ability of governments to meet these obligations, remain viable entities, and not disrupt the national economy.

In recent months, much attention has been focused on the New York City crisis. No one event, no one condition, no one person brought New York City to its knees. Rather, a series of things and individuals interacted to bring about the crisis. One of these was the burgeoning stack of bills for New York City's retirement plans, the costs of which tripled in ten years' time.

The New York experience has moved me to examine this problem in other contexts, both nationally insofar as the U.S. government is concerned, and locally in the District of Columbia in my capacity as Chairman of the Senate D.C. Committee.

We are just beginning to discover the magnitude of the problem. Cities, states, and the federal government have set up a web of retirement obligations that could have negative consequences for our children's standard of living. For states and municipalities, retirement costs may, over the next quarter century, force choices between bankruptcy and crushing tax increases. On the federal level, the alternatives are more taxes on workers and investors, faster money growth, or the postponement of other claims on output such as those for energy, housing, and pollution control.

The national economic resources that we can draw on are limited—a little more plentiful perhaps if we manage the economy wisely, but nevertheless limited. We just cannot continue to increase public pension benefits as we have done and still expect to enjoy rising standards of living in the future. If we want governmental retirees to receive all of the benefits that they now expect, we will have to give up something somewhere along the line—today's consumer spending, tomorrow's consumer spending, capital investment for the nation's future—something must give. The choice will be made for us if we do not act. The problem will not go away. Either, the cost of burying our heads in the sand today will be an even more devastating economic crunch in the years ahead.

Let me discuss briefly the status of the major public employee pension plans. There are approximately 2300 state, county, and municipal retirement programs in the country covering about 9 million workers. Then there are the two major federal retirement systems: civil service and military, covering roughly 7.5 million workers between them. The social security program, of course, also pays benefits to retired citizens. But that system is more one of income transfer than a true pension. The problems of the social security system, moreover, warrant a speech in themselves.

I already mentioned the growth in pension costs for New York City—the payments for retirement plans tripled in ten years retirement costs will continue to be a major component of the city's operating budget. New York City today is spending $1.2 billion annually on retirement programs, and even at that rate it would cost an additional $400 million to $700 million a year for full funding. By 1985 New York will have at least $3 billion in unfunded pension obligations.

New York is unfortunately not alone. Washington, D.C., with a population a tenth that of New York, already has unfunded pension liabilities exceeding $1 billion. Los Angeles, and perhaps other cities as well, will reach that billion-dollar level in ten years.

The pinch in state and local pension systems is just beginning to be felt. Unlike the federal government, which has printing presses to run off enough money to meet its bills, state and local governments face constitutional requirements to operate on balanced budgets. With many jurisdictions experiencing erosion in their tax bases, needed public services may have to be cut in order to meet obligations to retirees.

Pension benefits are more likely to increase rather than decrease. Expansion in city services nationwide has resulted in a rapid increase in employment and payrolls. Between 1957 and 1972, state and local government employment grew three times as fast as private employment. When this past growth in public employment is coupled with the great improvement in real pension benefits that we have seen, the outlook is for serious difficulties for many state and local governments.

The problem will be particularly acute for older cities of the Northeast and Midwest with declining populations and expanding costs. According to a study by the American Enterprise Institute, full funding would require double the current rate of pension fund contributions under even the most optimistic assumptions.

Many cities have been virtually excluded from the municipal bond market. Interest rates paid by some still able to sell securities are at astronomical levels. Investors are clearly looking at these tremendous pension obligations looming up ahead as they contemplate the purchase of 20-year or 30-year bonds.

A few additional points are worth noting Big cities are losing population, and the residents who remain are demanding ever increasing levels of service. Higher local taxes are chasing away businesses and property owners. Regressive tax systems fail to produce expected revenues. Where are these jurisdictions going to get the money to pay for police and fire salaries, when huge chunks of the budget are earmarked for retired policemen, firemen, teachers, sanitation workers, and the like? Investors will be reluctant to loan money under these circumstances. That leaves the federal government, which was the unwilling lender of last resort in New York's case.

But the federal government has been setting a bad example itself, and in so doing has made coping even more difficult for state and local governments. Since many state and local jurisdictions take into account salaries and benefits at the federal level, any action taken in Washington is echoed from coast to coast. So the federal government, while able to pay higher benefits itself, may be leading smaller units of government directly to its door.

The magnitude of the problem on the federal level is even more staggering, despite the obviously greater ability to meet pension costs. The civil service program is partially funded, yet still has an unfunded liability of $100 billion. Military personnel do not contribute to their retirement plan, and that system has $155 billion in unfunded obligations. Moreover, the federal government has been lax in assessing the impact of benefit improvements and the relaxation of eligibility requirements.

A pension benefit that has contributed significantly to the poor fiscal state of the funds has been the lowering of the retirement age. Civil Service employees can retire with a full pension after 30 years of service after they reach the age of 55. Military personnel can retire after 20 years of active duty, regardless of age. According to the Pentagon, the average military retiree can expect to receive in retirement pay an amount equal to more than twice the amount he received while on active duty. Where in the private sector can a worker retire with full benefits as such an early age?

Moreover, after retirement, civil servants may work in private industry long enough to entitle them to collect social security in addition to their pensions. In 1972 the Civil Service Commission discovered that over 40 percent of all civil-service retirees received social security checks as well as their government pensions. Because military personnel contribute to social security, eventually they will receive two retirement checks and if they become civil servants or work in private industry after they retire from military, they could qualify for three pension checks.

Benefits paid under many of thse pension plans are automatically increased with inflation, and this provision has contributed to the sharply rising costs. Federal civilian and military pensions are raised automatically when the consumer price index jumps three percent or more and remains up for three consecutive months. To make up for the purchasing power lost during the wait, an additional one percent increase—known as a "kicker"—is tacked on to the pension.

According to various studies, the kicker actually results in overcompensation for inflation. Since 1966, price-related increases have raised pensions by 83 percent, while consumer prices have risen 63 percent. If the cost of living rises at six percent a year, the kicker will give the average retired serviceman a pension 19 percent higher than he needs to keep pace with price increases. The ability of these pension systems to keep up with or ahead of inflation has encouraged workers to retire earlier because their pensions will rise faster than their wages had they opted to continue working.

Another factor that is worrisome as we look toward the next century is the increasing number of retirees and the smaller number of persons entering the labor force. For the rest of this century a large work force resulting from the postwar baby boom will be able to produce benefits for the relatively small retired population. The low birth rate of the 1970's, however, means that when the baby-boom era workers reach retirement age after the turn of the century, there will be a relatively small work force to provide high benefits for a large number of retirees, given the fact that so many of these retirement systems are not adequately funded.

Many funds are operated on a "pay-as-you-go" basis rather than being fully funded; some are completely unfunded.

Eligibility requirements have becomes less stringent, enabling more workers to receive pensions sooner.

Real pension benefits have been improving.

Many pensions are increased as the cost of living goes up.

The number of retirees relative to the number of active workers is increasing.

State and local payrolls have been enlarged.

What can we do about the condition of our public pension systems? The problems are not going to disappear. Yet we do not want to act precipitately to jeopardize the security of our older citizens or to suggest to them that we are going to renege on benefits they have earned. Instead, we must develop a course of action that will place public pensions on a firm footing, and insure that pension promises made now will be honored in the future.

If we do not face up to the problem now, we are headed for trouble. Cities will be unable to meet their unfunded pension commitments without confiscatory taxes. States will have to begin assuming some of the pension burden from their cities. Even the federal government is not immune.

Even absent any inflationary impact, the federal retirement programs will find their annual costs quadrupled in 25 years. Unless the Gross National Product can be counted on to grow commensurately, very serious problems will develop. To pay currently required benefits to future retirees, federal taxes might have to be increased. That could put a heavy drain on the private economy. Alternatively, the government might decide to fund these programs by merely printing money. And the cost in terms of inflation would be great.

Somewhere the money will have to be found, and that may mean cutting into other areas of the federal budget. Let me illustrate what I mean: Each year when the defense budget comes up for review in the Senate, a number of us zero in on various military hardware items that we think are unnecessary and wasteful. We have taken on such things as the C-5A plane, the MBT-70 tank, the Safeguard anti-missile missile, along with a number of other military boondoggles—and we have lost more of these battles than we have won. In the best of years we might slice a few hundred million dollars from the Pentagon's budget.

Those are the fights that get all the public attention, but the fact is that more than half of the $90 billion defense budget is locked in for personnel compensation—paychecks and pension checks—and are largely immune from such cuts. A recent study by the Brookings Institution concluded that the present system, left unchanged, will result in military pension benefits siphoning off funds from the defense budget that are essential for national security.

Unless we act now, in future years, the classic question of economic priorities could become "Guns or pensions?"

As new public employees are hired, there are some actions which could be taken to preserve our rising standards of living and to control the growth of pension costs. If benefit levels for pensions are not changed, then the retirement age could be raised. Some government pensions are payable as early as age 50. The practices of receiving multiple pension checks from different sources should be examined to see if the original intentions of government pensions and social security are being faithfully carried out. A number of other structural changes are possible, and I earlier enumerated some of them.

But there is a more fundamental reform that is urgently needed: fiscal discipline. We could go a long way toward addressing the pension problem if public officials, taxpayers, and public employees were shown the true costs and implications of the pension systems that are being put into place. It is too easy, I think, for a mayor or a governor or even the U.S. Congress to promise lavish future benefits, knowing that the credit will be accorded today while the bills will be paid by the next generation. A greater level of funding, requiring some of the future costs to be paid today as they are incurred, could impose the necessary discipline.

This year, for the first time, workers in private industry will have their pension benefits protected under ERISA, the Employee Retirement Income Security Act of 1974. The law mandates standards for vesting and funding of pension plans and provides for a system of reinsurance.

Public employees were not covered by ERISA, but a little-publicized provision, Section 3031, bears on this issue. That section requires that a study be made of public pension plans by, among others, the Senate Labor Committee, of which I am a member. We have to report our recommendations to Congress no later than the end of this year. The study is mandated to include the adequacy of existing levels of participation, vesting, and financing; existing fiduciary standards; and the necessity for federal legislation or standards. I think as part of that study we should consider the possibility of having the federal government set standards for public as well as private pension plans.

The funding and disclosure requirements of ERISA are designed primarily to protect the employee. Similar requirements for public plans would impose a greater sense of fiscal accountability and be a major protection for the taxpayers. Full actuarial funding, as is required for private plans, may not be appropriate for public pension systems. But advance funding to provide a cushion against lean years of, say, ten years' retirement benefits, would be of tremendous value.

Some believe that because governments have the power to tax and the ability to raise money in the credit markets, funded pension systems are not necessary. I disagree. Reasonable advance funding requirements would insure that enough money will be in the fund to pay employees during their retirement. Advance funding makes the true cost of improved benefits felt immediately, creating fiscal responsibility. And such advance funding would reduce the cost to the taxpayer in the long run because part of the cost of benefits could be provided by investment earnings.

These are the general areas where changes must be made. But I have a few specific suggestions that should be implemented immediately. Before we can decide where to go on pensions, we must know where we are. And that is more difficult to determine than you might imagine.

An accountant can pick up the financial statement of a major corporation and know immediately when that enterprise is healthy or insolvent. Not so with the books and records of States and local governments, or the federal government for that matter. A key to this whole issue is good bookkeeping. Audits keyed to generally accepted accounting principles would show the magnitude of pension debt, the availability of resources, the reliability of revenue and expenditure estimates. The federal government can take the lead in this area, by putting its own books in order and by requiring the large state and local jurisdictions to submit to audits and SEC registration before they go to the bond markets.

Another thing we can do is start telling people that the well is running dry. We must say clearly: if pensions go up, then so do taxes.

Congress can ill afford to ignore the consequences. The magnitude of dollars involved in this pension business is staggering. Civil service and military retirement costs will, without inflation, go from $13 billion now to more than $50 billion by the year 2000. State and local pension plans are paying out $7 billion annually now and in a quarter century they could easily eclipse total active payrolls.

For too long, government at all levels has been quietly committing future generations to paying off enormous pension costs as though that were somehow an inevitable fact of modern life. The late Justice Felix Frankfurter once reminded us that, "There is no inevitability in history except as men make it so."

We have it in our power to—at the least—make a beginning in dealing with this problem. Ever growing unfunded pension obligations need not be "inevitable" if we commit ourselves now to assuring that this crushing burden of debt will not be a part of our legacy to our children, and our children's children.

A STATEMENT BY HONORABLE GRADY L. PATTERSON, JR., TREASURER OF THE STATE OF SOUTH CAROLINA, BEFORE THE HOUSE WAYS AND MEANS COMMITTEE

Mr. THURMOND. Mr. President, last Friday Hon. Grady L. Patterson, Jr., treasurer of the State of South Carolina, testified before the House Ways and Means Committee. Mr. Patterson testified in opposition to legislation which would modify or destroy the tax exemption for interest on State and municipal bonds. In light of financing problems confronting many of our Nation's cities, Mr. Patterson's testimony is especially enlightening.

Mr. President, in order that my colleagues may have an opportunity to examine Mr. Patterson's remarks, I ask unanimous consent that his testimony be printed in the RECORD in full.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

STATEMENT BY GRADY L. PATTERSON, JR.

Mr. Chairman and Ladies and Gentlemen of the Committee: First, I want to express my appreciation to this Committee for an opportunity to be heard in opposition to H.R. 11214 which will alter, modify or destroy the tax-exempt status of state, municipal and political subdivision bonds.

I am appearing on behalf of the National Association of State Auditors, Comptrollers and Treasurers; the State of South Carolina; the Municipal Association of South Carolina; and the South Carolina Association of Counties. We are grateful for an opportunity to express to you our profound opposition to this detrimental proposal.

Let me begin by saying that this, or a similar, proposal has been considered by this Committee on several prior occasions. In fact we were here about three years ago expressing our opposition to similar proposals. The proposals in the past were not meritorious and failed. Likewise, this proposal is worthy of no better treatment.

SUBSTANTIAL INCREASE OF TAX BURDEN OF LOCAL TAXPAYERS

I am reminded of what was said in the Wall Street Journal editorially on last October 8, 1975, when this trial balloon was sent up. The editorial, entitled "Taxing Municipals," said:

"Treasury's proposal last week to tax interest on municipal bonds is just such a trial balloon, one that should be brought down with an air rifle if it does not soon fall of its own weight. The idea is to broaden the market for municipals by making them attractive to pension funds. Behind all the serpentine logic Treasury employs in citing the benefits of its idea, though, all we see is an increase in taxes."

I do not think H.R. 11214 even warrants an air rifle shot because it is the same old proposal.

Without question, a taxable bond would substantially increase the taxes of almost every taxpayer in the nation. Such a proposal would do significant and irreparable damage to the taxpayers of this country and the market for public securities. There is no way to make a security taxable that was formerly tax exempt without increasing the cost to the taxpayers. The so-called subsidy to be provided by the Federal Government will, of course, be derived from tax dollars. Thus, the taxpayers either at the state level or the federal level end up paying.

Because so many continue to ignore, either through oversight or design, the legal basis for the tax exemption of state and municipal bonds, I think it appropriate to set forth and restate the legal basis for the tax exemption of the interest earned on state and municipal bonds.

LEGAL AND CONSTITUTIONAL BASIS FOR TAX EXEMPTION

The Supreme Court of the United States has spoken to the issue on many occasions. In an early case, *Mercantile Bank* v. *City of New York, 7 Sup. Ct. 826,* (1887), in which it said:

"Bonds issued by the State of New York, or under its authority by its public municipal bodies, are means for carrying on the work of the government and are not taxable, even by the United States, and it is not a part of the policy of the government which issues them to subject them to taxation for its own purposes."

Some have argued that the 16th Amendment included authority for the Congress to tax state and municipal bonds.

The text of the 16th Amendment to the United States Constitution is as follows:

"The Congress shall have power to lay and collect taxes or incomes, from whatever source derived, without apportionment among the several states, and without regard to any census or enumeration."

The Amendment became effective in 1913.

In perhaps the first decision of the United States Supreme Court taking cognizance of its ratification, *Brushabeer* v. *Union P. R. Co., 36 Sup. Ct. 236,* (1915), Chief Justice White for a unanimous Court held:

"It is clear on the face of this text that it does not purport to confer power to levy income taxes in a generic sense—an authority already possessed and never questioned—or to limit and distinguish between one kind of income taxes and another, but that the whole purpose of the Amendment was to relieve all income taxes when imposed . . . from a consideration of the source when the income was derived."

The Chief Justice goes on to point out that the obvious intention of the Amendment was to do away with the principle upon which the case of *Pollock* v. *Farmers' Loan & Trust Co., 15 Sup. Ct. 674,* (1895), was decided.

The Pollock case was twice argued in the Supreme Court, and on the principal questions it was decided by a five to four majority. In substance, the majority held that despite the unquestioned right of Congress to levy taxes on income when such income tax was levied upon rents, it was judicially a direct tax upon the real estate from whence the rents were derived. Accordingly, since Congress was prohibited from levying direct taxes by the provisions of Article I, Section 2, Clause 3, unless they be apportioned among the states according to population, such tax was unconstitutional.

When one first reads the 16th Amendment and notes the language permitting the Congress to tax "income from whatever source derived," one's first impression would be that this was intended to permit Congress to tax income from municipal bonds. One has to read further to see that the significant portion of the Amendment is that which permitted this taxation without apportionment among the several states and without regard to any census or enumeration.

Pollock had held that the tax on rent from real property was, in effect, a tax upon the property itself. It was accordingly necessary in order to overcome Pollock to say in so many words that Congress might tax the income from real estate notwithstanding that it was a direct tax upon real estate. This, and this alone, was the thrust of the 16th Amendment, for it had been unanimously conceded that to tax the income on state bonds was, in effect, an act of taxation by Congress on the states themselves—something that could not be done without destroying the Federal System.

HISTORICAL BACKGROUND SURROUNDING THE BASIS OF THE SIXTEENTH AMENDMENT

The record surrounding the passage of the 16th Amendment reveals conclusively the intent *not* to include power or authority for the Federal Government to tax state or municipal securities.

In April 1910, Senator Norris Brown from Nebraska had this to say concerning the question "Shall the Income Tax Amendment be Ratified?":

"Recently, the question has been raised by those who are opposed to the ratification of the amendment that with the amendment ratified the powers of the States will in some way be impaired and their strength and vitality, in some way not specified, destroyed. The objection is not sound. The amendment in no way changes the existing relation between the State and the Federal Government. Whether the amendment is ratified or not, the rights of the State as a State and those of the Federal Government in their relation to each other will remain the same. Each sovereignty is now wholly independent of the other in the exercise of certain governmental functions, and the proposed amendment neither adds to nor takes away from the independence now enjoyed by each. . . ."

Earlier, Senator Joseph W. Bailey, Texas, made the following observation:

"I have also responded to the unanimous decision of the Supreme Court of the United States that Congress has no power to levy a tax upon the incomes derived from state, county, and municipal securities, and I have specifically exempted them. I regarded it as unfortunate when the old act was passed that they were then included. I thought it certain, then, that the court would decide—and I think that the court ought to have decided—that part of the old act unconstitutional.

"In the early days of the Republic that court, in a decision, announced by its most illustrious member, declared that States, counties and municipalities could not levy a tax upon Federal obligations holding that to permit it would be equivalent to a permission for the States to lay a tax upon the operations and instrumentalities of the Federal Government. I have always believed that decision wise and just; and if it is, then it necessarily follows that its reasoning applies equal force against a federal tax upon the operations or instrumentalities of the States and their subdivisions. But even if I doubted that, I would have conformed the amendment to what was the unanimous judgment of the court." (*Congressional Report,* Vol. 44, Part 2, 61st Congress, 1st Session.)

Senator Borah of Idaho is on record as follows:

"I say, therefore, that already Congress is given absolute power; and if the reasoning of the distinguished governor [Hughes, New York] were correct, the language being full and complete, conveying all power, we could tax state bonds and municipal securities and state salaries at the present time.

"But there is another controlling reason why we cannot do so, which reason is omitted in the message and which is not affected by this amendment in any manner. The first time the question arose as to power of one sovereignty was in the case of *McCulloch* v. *Maryland*. In that case, as all lawyers well remember, there was an attempt on the part of the State of Maryland to tax the stock of the United States Bank. The United States Bank having been organized as an instrumentality of the National Government to carry out certain functions of granted power, it was held that it was not a taxable article. In that case, Chief Justice Marshall considered this question and gave us the basis upon which has been built the entire structure of law which prevents one nationality from taxing the instrumentalities and means of another.

"In the first place, it was admitted by the Chief Justice that there was no provision of the Constitution which controlled the subject-matter. It was stated by the Chief Justice that there was neither any limitations nor grant of power which prevented the States from taxing the instrumentalities of the National Government, and he stated in his decision that, therefore, the taxing power of the National Government being complete, the inhibitation had to be found somewhere other than that of the taxing clause itself. He said in *McCulloch* v. *Maryland* (4 Wheat.):

"'There is no express provision [of the Constitution] for that case, but the claim—'"

That is, the exemption from taxation—

"Has been sustained on a principle which so entirely pervades the Constitution, is so intermixed with the materials which compose it, so interwoven with its web, so blended with its texture as to be incapable of being separated from it without rending it to shreds." (*Congressional Record*, February 10, 1910, p. 1696.)

Thus, the Constitutional basis for tax exemption of interest earned on state and municipal bonds as expressed in a long line of U.S. Supreme Court decisions is crystal clear. Moreover, the meaning, intent and purpose of the 16th Amendment was not directed at tax exemption. The evil to be remedied by the 16th Amendment was the adverse effect of the Pollock decision. Beyond any doubt, it (16th Amendment) did not grant Congress any new authority or power to tax state and municipal bonds. The myth about what the 16th Amendment means with respect to state and municipal bonds should be dispelled and forever laid to rest.

PROPOSAL WOULD NOT BROADEN THE MARKET

Mr. Reuss and Mr. Kennedy labeled H.R. 11214 the "Municipal Capital Market Improvement Act." It would be more appropriately tabbed the "Municipal Capital Market Destruction Act." They say it is "designed to broaden and stabilize the municipal capital market." This is sheer folly. These securities would be competing in the marketplace with all other taxable securities now being sold. Consequently, municipals would have no preference and would not be attractive over other taxable issues competing for the investment dollar. In fact, smaller unknown issues would fare worse under these conditions, because an investor would not want to invest in little known, or lesser known, water district or sewer district securities when his money could be put in a well-known corporate or utility issue. Additionally, interest by individual investors would dry up, thereby virtually eliminating the market for municipals.

In my judgment, the idea of making municipals taxable and expanding the market would have the exact reverse effect on these securities.

WE DO NOT WANT THE FEDERAL GOVERNMENT IN OUR BUSINESS

Another main objection to the alternative tax proposals is the Federal Government's getting involved in our business. There is no question that any federal participation will produce untold detail, forms and restrictions on the marketing of our securities. We can judge the future on what has happened in the past to prove this point. One of the most recent examples of this fact is the proposed regulations dealing with arbitrage bonds. As this Committee knows, the Tax Reform Act of 1969 contained certain relatively simple provisions relating to arbitrage bonds. I show you a copy of the proposed regulations from the Treasury Department which were proposed on November 7, 1970, June 1, 1972, May 3, 1973, and again last month, which deals with this matter. (Other examples in point are the proposed regulations by the Treasury Department on Fiscal Assistance to State and Local Governments, dated February 22, 1973, and the HUD regulations dealing with interest subsidies on loans to institutions of higher learning.)

It is obvious to a casual reader that these proposed regulations go far beyond the spirit and intent of the law enacted by the Congress. They are punitive in nature on their face and are clear and convincing proof of what would happen to a taxable bond arrangement once it goes to the federal bureaucrats to interpret.

If for no other reason, this is sufficient evidence to prove the objection to allowing the Federal Government into our business of financing schools, roads, mental institutions and other public projects.

The plain and direct fact of the matter is that the simple optional taxable bond idea as the proponents would have you believe, would end up as a great morass of forms, guidelines, priority determinations and other red tape for the states to meet. It simply is not in the cards to run a simple federal program. Moreover, the Congress will never approve a blank check to be drawn on the U.S. Treasury and signed at will by the several states. Anyone concluding to the contrary is a pipe dreamer engaged in sheer fantasy.

ARGUMENT FOR FEDERAL SUBSIDY INVALID

Mr. Reuss and Mr. Kennedy say that a 40 percent subsidy is the precise percentage that will make their proposal work. According to them "a lower subsidy might prove ineffective, while a higher one might provoke unnecessary disruption of existing markets." It appears to me that their argument is predicated on very precarious and narrow grounds. By their own admission the proposal is of highly questionable validity. Moreover, at best it will affect or solve only 15 percent of the so-called market problem. So why should the Congress tamper with a marketing system that has worked so well for decades and inject a proposal of admitted questionable validity?

NAIVE ASSUMPTIONS THAT SPECIFIC PIECE OF LEGISLATION WILL MEET CONDITIONS

I am confident that this Committee is aware of the many fundamental questions that will be raised with respect to the terms of this specific piece of legislation. Supporters of the legislation apparently assume that a program will be developed which would be automatic, irrevocable, fully optional with the issuer, and free of regulations, policies and procedures which would delay the issuance of the taxable securities at a time deemed advantageous or necessary for state and local governments, or which would prevent the issuance of all types of securities now issued by state and local governments for the various purposes for which such securities may be issued under local law. In my judgment, these are very naive and glib assumptions, and it is highly unrealistic to expect these conditions to be met; for those familiar with the legislative process know that the legislation that is finally passed, more often than not, bears little or no relationship to what started through the legislative mill.

This proposal may sound simple at the outset, and on a voluntary basis only; however, it would be only a few years until the same proponents would be back there before this Committee proposing that the optional taxable state and municipal bonds be made mandatory.

THREAT OF REPEAL

Another overriding objection to such a proposal would be the threat of repeal of a taxable bond arrangement, or interest subsidy. There would be no way to prevent a subsequent Congress from repealing a subsidy established by a former Congress. Moreover, if the subsidy payouts should far exceed the expectations of Congress, it (Congress) could and probably would place a limit on the amount of the subsidy to be paid out. This would then bring on delays in issuing our securities, as well as priority determinations by the Federal Government. Which states and municipalities or political subdivisions would get the limited payout?

THREAT OF COURT ACTION

Any proposal that will alter, modify or destroy the tax-exempt status of state and municipal bonds, including an optional taxable bond with a federal subsidy, will be met immediately with court action. This will cause more uncertainty in the bond market for the several years it will take the U. S. Supreme Court to decide the issue.

Tax exemption is not something someone dreamed up or plucked from the sky and it is not a federal subsidy as Mr. Reuss and Mr. Kennedy think. The principle is interwoven into the very fabric of the U.S. Constitution. It is as basic as the right to vote, equal protection, due process and all the other constitutional guarantees. Any optional or voluntary taxable bond arrangement would do violence to this constitutional principle. The very heart of the issue is sovereignty and separation of powers. It cannot be mandatorily taken away by Congress. Neither can it be optionally or voluntarily bartered away in the form of a federal subsidy.

Would anyone suggest that the Federal Government pay citizens not to exercise their constitutional right to vote? Of course not! Yet, we see a Congressman and a United States Senator suggesting that the Federal Government pay (in the form of a federal subsidy) states, municipalities and political subdivisions not to exercise their constitutional right to issue tax-exempt bonds. Such suggestions are against public policy and against the public interest.

FLUCTUATIONS ARE NORMAL IN BOND MARKET

Of course, the municipal bond market comes under stress during periods of economic shifts and swings the same as most other markets. The stock market fluctuates widely during economic cycles, but there is no hue and cry to dismantle the system for marketing stocks. Interest rates have been on a roller coaster over the past two years, but there is no clamor to overhaul the money markets. For example, federal funds last week were 4¾%. A year ago they were 7%. Similarly, CD's and three-month treasury bills have undergone wide percentage changes over the past year. This is what makes a market in any item or product and what free enterprise is all about. The point is markets fluctuate, but this is no cause to cast the systems aside and destroy them under emotions of the moment.

It is a fact that banks have reduced their buying of municipals because of commitments in tanker and REIT paper. I consider this as a passing interlude, and when banks get beyond the REIT and tanker problems they will return to the municipal market. Historically, the record shows that commercial banks continually commit an increasing percentage of their total assets to obligations of state and political subdivision securities.

TAXABLE MUNICIPAL BOND WILL NOT CURE LOOSE FISCAL POLICY

A taxable municipal bond will not cure loose fiscal policy and excessive debt and fiscal irresponsibility. Voters across the land expressed themselves clearly and convincingly in rejecting additional bond issues a few weeks ago. There is a mood across this country of retrenchment and a return to fiscal sanity at all levels of government. People are sick and tired of deficit spending, excessive debt and loose fiscal policy. I am confident a great majority of citizens throughout this country reject any plan that transfers control of their financing from the local level of government to Washington, where the track record for fiscal responsibility is woefully lacking.

I reject appeals by a very few to destroy a principle that has served our citizens so well since the founding of this Republic. We have a free and open municipal bond marketing system which is working very well and has worked for nearly 200 years for states, municipalities and political subdivisions that exercise fiscal discipline and keep their financial houses in order. I do not believe that the great majority of people are willing to exchange a known valid working system for an unknown, theoretical proposal that will do violence to the "harmonious proportions" of the United States Constitution "rending it to shreds" and sacrifice the independence of the states and political subdivisions.

CONCLUSION

In conclusion, we urge this Committee and the Congress not to tamper with the present mechanism of our tax-exempt financing. We urge you not to destroy our tax-exempt market in the emotional fall out of the New York City debacle. The guise of a simple optional taxable bond with a 40% subsidy will mushroom into a federal monster that will destroy our present public securities marketing procedures. It will destroy the tax exemption of state and municipal bonds.

We have said it before, and we say it again. Most people come here and appear before your Committee wanting something. We do not want a thing. We just want to be left alone.

We respectfully urge this Committee to reject all proposals relating to tampering with the tax-exempt status of interest earned on state, municipal and political subdivision bonds and to put an end to this detrimental proposal once and for all.

PROBLEMS IN SOVIET AGRICULTURE

Mr. HUMPHREY. Mr. President, I call to the attention of the Senate a February 1, New York Times Magazine article entitled "Will Russia Ever Feed Itself?"

This article, by Alec Nove, deals with the present Soviet agricultural situation and how its output can be increased.

The Soviet Union has recognized the lack of progress in this sector in terms of meeting its production targets. Emphasis has been made on increasing investments and expanding the use of fertilizer. However, the results have been disappointing.

The bad weather in 1975 resulted in a crop of around 137 million tons in contrast to the 222 million ton record of 1972. The issue here is whether the volatile Soviet weather is the main factor or are there organizational or other problems which have led to this situation.

About 30 percent of the total Soviet working population is engaged in agriculture today as opposed to less than 5 percent in the United States.

In recent years agriculture has absorbed close to 25 percent of total Soviet investment while in the United States agricultural investments total less than 5 percent of our total investment.

The article also deals with the issue of how to organize agricultural production in order to maximize farm output. One suggestion is to attempt to give greater autonomy to farm management and encourage producers to feel a direct interest in the results of their work.

Our American farmers, and consumers as well, have a direct interest in the outcome of this struggle.

The author concludes—

But in 5 years time there will still be shortages, and Soviet leaders will still be worrying about how to improve the performance of this, the weakest sector of the Soviet economy.

Mr. President, I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Will Russia Ever Feed Itself?

(By Alec Nove)

Some years ago, the mythical Radio Armenia received a question: "Can there be a way out of a hopeless situation?" The reply: "We do not discuss agriculture on this program."

The joke implies a serious question. The Soviet Union covers one-sixth of the world's land surface. Yet its recent huge purchases of grain from other countries following the disastrous 1975 harvest suggest that it is in the process of becoming the world's largest importer of grain. Why can't the Soviet Union feed itself? It is true that much of its vast territory, especially in Asia, is unsuitable for cultivation. But when all allowances are made for the unfavorable natural environment, the outcome has still been disappointing, especially in light of the effort that has been made to improve it. *Is* the situation hopeless? If so, why?

How can one know the real situation? There are those who imagine that the Soviet economy is wrapped in mystery. Of course, some information—the output of aircraft, the size of the gold reserve—is indeed suppressed. And foreign visitors are usually shown only the best, especially in agriculture. I was once invited by the chairman of a collective farm, who was on a visit to England, to visit his farm in northern Russia. I spoke of it, the following year in Russia, to a Soviet official. He grinned and said: "You are one of several foreigners whom he invited. He got into trouble for this when he got back, because his was not a model farm. But he was very clever, because now it *is* a model farm." The evidence, including the evidence of one's eyes, must be used with critical care. But there is plenty of information, in the form of statistics as well as critical material published in the Soviet press. The Russians know their own defects better than anyone. They are anxious to improve. In the process, they publicize both the malfunctions of the system and the proposed remedies. Paradoxically, the Soviet media are sometimes more reluctant to discuss natural disasters, such as earthquakes and droughts, than human errors and omissions. It took several months before they could bring themselves to admit there was a disaster in 1975, and indeed, some of the bad news has yet to appear in the Soviet press.

Of course, we must not lose a sense of proportion. Since the weather in 1975 was very bad, a crop far below average would have been certain, even if the policies followed by the Soviet state had been perfect. The difference between the record crop of 222 million tons in 1972 and the miserable 137 to 138 million in 1975 could have had no other cause. The vulnerability of Soviet agriculture to variations in the weather is a fact of life. The naturally fertile areas suffer from recurrent droughts, while the north, which has a more reliable rainfall, has poor soil and a short growing season. If it rains in the Ukraine, there is often a drought in Siberia and Kazakhstan, or vice versa. In the exceptionally good year 1973 there was no drought in either. In 1975 drought occurred in both. No doubt, unless the Russians are very unlucky indeed, their grain harvest will be much higher in 1976. The output figures in an average year are certainly a good deal higher than they were 10 or 15 years ago.

Yet the return of good weather may not be enough. An underlying cause of the present crisis has been the attempt to improve the diet of the people. Instead of relying on bread, potatoes and cabbage, the citizens have been consuming more meat, eggs and milk. This has required a big increase in the livestock population, which has been consuming more grain. The trouble is that average-year harvests are insufficient to sustain this higher standard of feeding, and reserves have been inadequate. The 1975 drought was a serious blow: Despite massive imports, it has been necessary to reduce substantially the size of the livestock herds this winter. The scale of the slaughter is not yet known, but it can be measured indirectly by the fact that the five-year plan specifies targets for meat and milk production for 1980 that are below those envisaged for 1975. The plan thus shows that it will take five years to recover from the impact of last year's deplorable harvest.

The Government's price policies make things worse. The retail price of meat was last increased in 1962. Since that time, prices paid to livestock producers have been increased three times by substantial percentages, and a huge subsidy is paid out to cover the loss to the state on livestock products. At such heavily subsidized prices, there was not enough meat even before the 1975 grain disaster. Very serious shortages are certain in 1976/77, unless retail prices are increased substantially. But the party leaders have again promised that prices of necessities will be kept stable. No doubt they remember what happened in Poland in 1970 when meat prices were raised by 40 percent: Riots broke out and the party secretary, Gomulka, had to resign. True, the Soviet Union is not Poland; the Communist Party's grip is much stronger. Yet—as their policy shows—the Soviet leaders are very conscious of the need to avoid mass discontent over prices. They are on the horns of a dilemma, however, for if a price increase can lead to riots, so can prolonged shortages. This will be a very difficult year.

This must be a source of the gravest concern to the Soviet leadership. At Stalin's death, Soviet agriculture was neglected and demoralized, and its productivity was abysmally low. Both Khrushchev and Brezhnev made vigorous efforts to put matters right. Investments in agriculture have multiplied; so has the output of fertilizer, and so have payments to peasants for their work.

These policies have made some difference, but I am sure that Brezhnev would be the first to agree that it has not been proportionate to the size of the effort. About 30 percent of the total Soviet working population is still engaged in agriculture, as against 5 percent in the United States. In recent years, agriculture has absorbed close to 25 percent of total Soviet investment, while the much better-equipped American farms require less than 5 percent of total U.S. investments.

Comparisons with the United States are, admittedly, both misleading and unfair. Not only are American soil and climate greatly superior, but the American farmer is not a Russian peasant, and it would be absurd to imagine that Russian agriculture would approach American levels of productivity if Czar Nicholas IV were on the throne. However, Soviet farming compares badly even with its Communist-ruled neighbors. According to the Comecon Annual for 1973, the Soviet Union in 1971–72 harvested 15 quintals of wheat per hectare (one quintal equals about 220 pounds; one hectare equals about

2.5 acres), while Poland harvested 25.8 quintals, Czechoslovakia harvested 34.4 quintals, Hungary harvested 30.8 quintals and East Germany harvested 39.5 quintals. (This was a fairly normal year in terms of weather.) In view of the shortage of animal feed in the U.S.S.R., furthermore, it is particularly noteworthy that yields of hay are two or even three times higher in these East European countries. The same picture emerges for almost all other crops.

The Soviet leadership knows better than anyone that progress has been too slow and too costly. Shortages, especially of grain, cause overdependence on imports from hard-currency countries, especially the United States, and may also threaten public order in the Soviet Union itself.

Soviet citizens are apt to be free with ironic comments about their agriculture. "If the Sahara were collectivized, they would soon be importing sand," remarked one. Another suggested that the way to cope with flea infestation is to "collectivize them. Then half will die of hunger and the rest will run away." On a more serious note, I heard the following in a discussion in a Soviet university: "Our agricultural experience was not a model of Socialism but a tragic necessity, which any other Socialist country should avoid if it can." The speaker was referring to the long-term consequences of the cruel and coercive Stalinist policies, which embittered the peasantry and still affect their attitudes towards work.

Forcible collectivization in the early 30's converted a largely individualistic peasantry into members of nominally "voluntary" cooperatives with a supposedly elected management. In practice the management is nominated by the party. For a generation these farms were compelled to deliver much of their produce to the state at very low prices; investments were small and peasant incomes were grossly inadequate. Each peasant household was allowed a small plot of land and could own a limited amount of livestock. Under Stalin this was their main source of income, as they were allowed to sell their produce in the free markets in the towns. This land and livestock provided, and still largely provides, the bulk of the peasants' food, except for bread. After Stalin's death, his successors increased prices substantially, and incomes from collective work greatly improved. Also, many of the collectives were turned into state farms. A state farm is not a cooperative but a state enterprise. Its management is appointed by the ministry and the peasants are regular wage-earners. State farmers also have household plots of land, but these are smaller than for members of collectives.

The state farms are considerably larger than the collectives. In 1973, state farms averaged 19,300 hectares with sown areas averaging 7,600 hectares. Each farm was populated with an average of 1,926 head of cattle, 1,123 hogs, 3,483 sheep and goats and 560 employees. In the same year, collectives averaged 6,200 hectares with average sown areas of 3,300 hectares. Each, on the average, was home to 1,445 head of cattle, 1,022 hogs, 1,724 sheep and goats and 510 employees. The state farms that year accounted for a total of 109.7 million hectares sown, while the collective farms accounted for 104 million hectares and household plots accounted for 6.6 million hectares.

State-farm employees are better and more regularly paid, but the difference is diminishing. Thus in 1973 an average day's work was worth 5.13 rubles on state farms and 4.38 rubles on collectives (1 ruble equals about $1.30). But the collective peasants make more out of their larger household plot. These pay rates are much higher than 20 or even 10 years ago. But the problem of linking pay and incentives to effort has so far defeated the authorities. Feeling little interest in the huge and complex farms, the peasants tend to reserve their effort for their little private plots. Agriculture, it seems, does not take kindly to Soviet-style centralized planning.

In a published article, a Soviet writer expressed the view that "we"—i.e., the party—had to destroy the peasants' love of the soil in order to destroy their attachment to private property. In private conversation, a Soviet official told me, "Some peasants reason as follows: 'We still sow, God will send rain, and then townsmen will come and harvest the crop.'" And in fact, every year literally millions of workers, clerks and students are taken from their place of work or study to help with the harvesting. In other countries farmers work very long hours at peak periods, but many Soviet peasants do not see why they should bother.

This constitutes the first of several causes of agricultural inefficiency. It is also caused by the large size and complexity of the collective and state farms. Most of them employ upwards of 500 laborers, scattered among several villages. There is very little sense of "belonging" or responsibility. Wage incentives can have paradoxical effects. A tractor driver engaged in plowing is paid for the area he plows, so it pays him to plow shallowly unless actively prevented from doing so. A Soviet journal quoted such a one shouting to his mate: "Zaglubliayi! Direktor yedet!" ("Plow deeper! Here comes the director!"). The author commented bitterly: "Who does not keep an eye on the work of the plowman! The accountant, the supervisor, the brigade-leader, the representative of People's Control, and of the village soviet, the agronomist, the agitator-organizer and even a volunteer quality-controller. Yet what sort of a peasant is it, if it is necessary to follow him around to ensure that he plows and harrows properly?"

Soviet critics have been pointing out that bad conditions of work are causing the migration to town of many young people, especially women. This is not surprising, since women, in the main, are used for heavy unskilled work. A recent article in the leading economic journal pointed out that milkmaids have their working day spread over exceedingly long hours and have very few days off—and this despite recommendations for a more "human" two-shift system. The generally low cultural level and lack of elementary amenities in most Russian villages is another potent cause of migration by energetic young people, who find ways of overcoming official restrictions on change of residence.

The management of the huge farms faces a very difficult job. It is not made easier by constant interference from planners and ministerial and party officials, who tell them when and what to sow. For instance, apart from every one of the major crops and livestock products, one farm was ordered to grow and deliver to the state specified quantities of such items as cucumbers, honey, tomatoes, wool, pumpkin and watermelon seeds, and silk cocoons. What chance, then, of specialization and mechanization?

As a result, labor is still used far too lavishly, which helps to explain why, with 30 percent of the working population on the land, there still seems to be a shortage of labor at busy periods of the year. "As a result of lack of complex mechanization . . . labor economized in one process does not lead to a reduction in numbers working," wrote a well-informed Soviet critic. The majority of farm workers are still engaged in physical hand labor. Yet, as we have seen, investments have increased very substantially.

This brings us to another major weakness. Progress in mechanization has been statistically impressive but uneven. There is a serious shortage of skilled workers in rural areas, so the machines are poorly maintained. There is a chronic shortage of space parts. There is far too little of what the Russians call *malaya mekhanizatsiya* (machines for loading, unloading, feed preparation, etc.). The supply of fertilizer has far outrun the mechanized capacity to transport and spread it. The efforts of farm management to purchase necessary equipment are frustrated far too often. There is not enough electricity, and power cutbacks are frequent.

Another cause of frustration is the roads, or rather the lack of them. Modern agriculture requires continuous communications with industrial and consuming centers. Yet most villages are cut off from each other, and from towns, for months at a time by mud or snowdrifts, and in summer deep ruts damage motor vehicles, which are in any case unsuitable for the conditions. A Soviet story told of a truck that overturned on one "road," killing a state-farm director. The driver climbed out of the wreck and said: "They will send us another director, but where can I get spare parts to repair the truck?" Under these conditions, perishable produce cannot always reach urban markets, and rural shops cannot be properly supplied.

It is interesting to note that in one of the most successful Soviet republics, Estonia, the road system (inherited from the days of independence) is relatively good and distances are short. One consequence is that skilled young people remain on farms, the machines get repaired and productivity is far above the Soviet average. Of course, another reason might be that they are Estonians. One should never overlook the human factor. When I asked why the East German economy was so highly productive, one East German pointed out: "No system has yet been invented under which Germans can be prevented from working!"

East German agriculture also benefits from a vastly greater supply of fertilizer, and from a less bureaucratically inflexible administration of much smaller farms. Hungarian and Czech collective farms have much greater autonomy than their Soviet counterparts. In Hungary, for instance, the farms are not compelled to sell any product to the state, and are allowed to make all kinds of deals with their peasants to provide effective work incentives. They were also allowed to undertake a variety of nonagricultural activities at slack periods, ranging from building and decorating and car repairs to operating restaurants in Budapest, and they made so much money that urban workers became jealous and the Government had to step in to limit the collective farms' enterprise. Again, distances in Hungary are smaller and communications much better than in the U.S.S.R.

About 3 percent of the U.S.S.R.'s farming consists of household plots. They produce something like a quarter of all the farm output of the Soviet Union—and this despite the total lack of any equipment more modern than spade and hoe. This fact is sometimes used as an effective propaganda point. On the face of it, these plots seem to produce eight times more per acre than state and collective farms. However, this is not really so. Private livestock is pastured on collective and state land, and the small size of the plots (less than an acre, as a rule) causes the peasants to use them for high-value crops (e.g. onions, rather than wheat). Finally, most of the manure from privately-owned animals is concentrated on these private plots. Obviously, these advantages would be substantially diluted if the size of the household plots was multiplied. In any case, politics and ideology exclude this as a solution. In the present year the peasants will be facing very great difficulties in feeding their livestock, since the collective and state farms will have so little available for their animals. In consequence, we may be sure that they are already contributing to a bread shortage by buying bread wherever they can find it, in order to feed it to pigs and chickens.

(Polish farming is overwhelmingly private still, very often on farms that are too small for efficiency. Yet they, to, compare favorably with the adjoining areas of the U.S.S.R. where the average state or collective farm is often a thousand times larger than the dwarf holdings in eastern Poland. Polish agriculture appears to be less efficient than Hungary's, suggesting that it is not just a matter of collective versus private farming, that there is ample scope for improving Soviet agriculture without necessarily returning the land to private hands.)

So what can the Soviet regime do to improve matters? Within the limits of the system, the obvious steps are being taken. The recently published five-year plan promises more and better machinery, more electricity, much more road building, larger supplies of fertilizer and of equipment to spread it in the fields. And all concerned are exhorted to do better: Planners are to encourage rational specialization with "agroindustrial complexes" that combine farms with complementary industries; industry should respond better to the needs of the farms, and soil improvement measures (irrigation, drainage, liming, etc.) are to be speeded up. Investment in agriculture, and in industries serving the needs of agriculture, is to exceed a third of total investment. Peasant incomes are to go up again, and faster than urban incomes.

What is likely to be the outcome of this program? Let me again stress its exceedingly high cost. Some people may imagine that "cost" is a capitalist category, that money does not matter in a Soviet-style economy. How wrong they are! Brezhnev would make no such mistake. Investments, high farm prices, huge subsidies represent real resources diverted to agriculture. The high level of military expenditures restricts the resources available to the rest of the economy. Yet more is urgently needed in other areas as well. Consumer-goods plan targets have been underfilled, and the new targets are among the lowest in Soviet history. Fuel supplies are tight, and the only remedy is to press on with large-scale investments in the inhospitable and empty lands of northwest and east Siberia, where the mineral resources are vast but require a great deal of capital to develop. Some of the capital goods need to be bought in the West, and here, too, the diversion of scarce foreign currency and gold for the purchase of grain causes difficulties.

Agriculture used to be "exploited" for the benefit of industrial growth—its needs were undersupplied, its labor force underpaid. Now the boot is on the other foot: An inefficient agriculture, run by excessively large farms under the orders of a clumsy bureaucracy, has become a burden for the rest of the economy. In my view, the very large expenditures that are being devoted to improving efficiency will be frustrated by the system, unless major changes are made.

Greater autonomy of farm management is desirable, but is not enough. The peasants must again be made to feel a direct interest in the result of their work. One solution advocated by Soviet reformers is the "autonomous work-team" [zveno]. This sort of arrangement has worked well in Hungary. In such a set-up, a team of half-a-dozen or so peasants, with the necessary machinery, is given responsibility for an area of collective or state-farm land, on which it grows some crops; the team arranges its own work schedules and is paid by results, or possibly on a sharecropping basis. Incentives are then directly related to output, and there is a great saving in supervisory personnel. There is no need to send inspectors to ensure that Ivan the tractor-driver plows well, since he and his teammates are interested in the final outcome of their work. This is impossible to achieve within a huge impersonal farm, unless the work is split up in this manner.

This idea has met with strong resistance, especially from petty officialdom. As a Soviet critic frankly stated, one cannot expect 'enthusiastic support from inspectors and supervisors for a proposal that puts them out of business! There are other, more practical problems too, especially bearing in mind the large number of unskilled older women in the labor force. For the present, this reform has stalled. But unless such changes as these are made, the best that can be expected is a slow and continued upward trend in output, achieved at great cost, with a continued dependence on imports of grain in all but the most favorable weather years. We must not be overinfluenced by the impact of one outstandingly poor crop, and of course the 1976 harvest must, by the law of averages, be expected to be much better than that of 1975. But the conclusion remains: U.S. and Canadian farmers have an assured market for many years to come. The recently announced plan to construct grain elevators with a capacity of 30 million tons in the next five years will provide the necessary storage space for reserves against a repetition of 1975, reserves built up largely by imports from the Western Hemisphere.

So back to the original question: Is the situation hopeless? No, that is putting it too strongly. There will be improvements, but in five years' time there will still be shortages, and Soviet leaders will still be worrying about how to improve the performance of this, the weakest sector of the Soviet economy.

DISENCHANTED NUCLEAR ENGINEERS SHOULD TESTIFY

Mr. GRAVEL. Mr. President, in the past 2 weeks, four men have given up their livelihood and their lifetime careers in the nuclear power industry.

One of the four, Robert D. Pollard, left the Nuclear Regulatory Commission last month, reportedly because of serious questions about safety at several power reactors and because he was unable to gain access to the NRC documents he needed in order to investigate these questions.

The other three—Dale Bridenbaugh, Gregory Minor, and Richard Hubbard—resigned yesterday from the General Electric Co. They are quoted in today's New York Times as doubting the adequacy of reactor safety as well as the ability of this or any other nation to stop the proliferation of nuclear weapons in a world nuclear economy.

Mr. President, I wish only to call attention to the seriousness of these acts of conscience—to how important an issue must be to men with families and other responsibilities before they will give up a sizable income and a life's career—and to the professional authority with which these men speak when they doubt the desirability of nuclear power.

Mr. Hubbard is quoted in the Times as saying:

> I am now convinced that there is no way you can continue to build plants and operate them without having an accident. . . . The Brown's Ferry incident showed human fallacy. I have been involved in making a lot of field fixes in reactors, and I have developed a strong feeling that we don't really know what is going on inside a reactor.

Mr. Minor expresses "a deep conviction that nuclear reactors and nuclear weapons now present a serious danger to the future of all life on this planet."

And Mr. Bridenbaugh says:

> From what I've seen, the magnitude of the risks and the uncertainty of the human factor and the genetic unknowns lead me to believe there should be no nuclear power.

Mr. Pollard's views are to be aired this Sunday on CBS's program, "60 Minutes."

Mr. President, these assertions about reactor safety—or perhaps more accurately, about human fallibility and the terrible castastrophes that may result from such fallibility—come, ironically, just a few weeks following action by the Congress to isolate the nuclear industry from the economic consequences of such an accident.

The House of Representatives and the Senate passed, and the President has signed, a 10-year extension of the Price-Anderson Act. This law limits all third-party liability in the event of a nuclear catastrophe to $560 million, even though Government studies have shown that damages could be $6 billion to $17 billion or more.

The proponents of the Price-Anderson extension argued that a reactor catastrophe is virtually impossible, and it was clear that most Members of the Senate and the House of Representatives believed this to be true.

But it seems to me that the reported statements of these four experts cast doubt on the assumptions made by the Congress in approving the current liability insurance law.

Mr. President, on March 3, the Joint Committee on Atomic Energy will hold hearings again on the Price-Anderson Act. It would be appropriate at that time for these nuclear engineers to testify before the committee concerning the reasons for their decisions, and I hope the committee will invite their testimony.

At this point, Mr. President, I ask unanimous consent to have printed in the Record two news items: from today's New York Times, "Three Engineers Quit G.E. Reactor Division," and from nucleonics Week, "NRC Project Manager Accuses Commission."

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the New York Times, Feb. 3, 1976]

THREE ENGINEERS QUIT G.E. REACTOR DIVISION AND VOLUNTEER IN ANTINUCLEAR MOVEMENT

(By David Burnham)

San Francisco, February 2.—Three managing engineers from the division of the General Electric Company that builds nuclear reactors quit their jobs today and volunteered to work for the California movement to halt nuclear power.

Attempts to obtain a comment today from G.E.'s nuclear energy division were unsuccessful.

The three engineers, who abandoned positions that paid between $30,000 and $40,000 a year, said in an interview that they had decided to resign because they believed that nuclear energy represented a profound threat to man.

The decision of the three to speak out against what they had worked to build during most of their professional careers was seen as giving an important impetus to a California initiative proposal on the ballot in the June primary that eventually could lead to an end to the operation of atomic reactors in California.

Organizations in at least a dozen other states, mostly in the West, hope to get a variety of their own antinuclear initiative proposals before the voters in the November elections.

UTILITIES CONCERNED

Although industry lawyers have contended that the provisions of the California initiative and those of the other states may be found unconstitutional, the utilities and such lobbying groups as the Atomic Industrial Forum are deeply concerned about the apparently growing public opposition to nuclear power.

The three engineers who threw their experience and knowledge behind the coalition of groups trying to halt nuclear power in California were until today middle level managers in a G.E. facility in San Jose 48 miles south of San Francisco. Married, each with three grade school-age children, they are Dale G. Bridenbaugh, 44 years old; Gregory C. Minor, 38, and Richard B. Hubbard, 38. Together, they had amassed 54 years with General Electric.

"My reason for leaving is a deep conviction that nuclear reactors and nuclear weapons now present a serious danger to the future to all life on this planet," Mr. Minor, manager for advanced controls and instrumentation, said in his letter of resignation.

"From what I've seen, the magnitude of the risks and the uncertainty of the human factor and the genetic unknowns have led me to believe there should be no nuclear power," said Mr. Bridenbaugh, manager for performance evaluation and improvement.

THREAT OF ACCIDENT

"I am now convinced that there is no way you can continue to build plants and operate them without having an accident," explained Mr. Hubbard, manager for quality assurance of G.E.'s nuclear energy control and instrumentations department.

The three men discussed their decision to leave the only employer any of them has ever known and go to work for the groups opposed to nuclear energy during a three-hour interview yesterday in a hotel suite.

Each cited different incidents or problems that had played a part in his growing doubts about nuclear power, among them the explosion of a nuclear bomb by India, the disputed health effects of radiation, the American decision to sell reactors to Israel and Egypt and the serious accidental fire almost one year ago in the world's largest reactor complex at Brown's Ferry, Ala.

"I remember in 1969 or 1970 making a trip to Japan," Mr. Bridenbaugh recalled. "Up to this time I had always felt I was a white hat guy doing things to protect the environment, to clean up power plants. I had never really been directly questioned about whether nuclear power was right or wrong."

Mr. Bridenbaugh explained how he had arrived at his hotel and how, in response to a question from the bellboy, he had proudly exclaimed that he was in Japan to work on a reactor G.E. was building there.

"The bellboy kind of shrank back and said, 'I don't think that's a good thing.' " he said, "I have always remembered that; it was the first time I had ever been confronted with someone other than myself with doubts."

Mr. Minor recalled an occasion when he began working for G.E. at a Government facility in Hanford, Wash., when he looked down into a pool of water glowing with the intense blue radiation that plutonium gives off.

"I looked through the 10 or 15 feet of water, the life-saving shield between me and that fuel, and I knew that if any one of those elements were to come up and hit me in the eye, that I was dead, just like that. Or if the water was gone, I was dead, just like that," he said.

"And I got the feeling right there of the very precarious balance we have between radioactive materials in a safe state and radioactive materials in an unsafe state, and the dangers to life are that close."

HUMAN ERROR

Mr. Hubbard said his work in designing control rooms had led him to believe that "human error is a very credible event."

"The Brown's Ferry incident," he said, "showed human fallacy. I have been involved in making a lot of field fixes in reactors, and I have developed a strong feeling that we don't really know what is going on inside a reactor.

All three expressed disbelief that the United States would sell reactors to Israel and Egypt.

Mr. Bridenbaugh said: "As recently as last year I was giving a sales pitch, so to speak, a talk to delegates from Egypt, explaining to them how easy and safe and comfortable it is to operate a reactor, and about the same time Dick was talking to the Israelis." I said to my boss, "How can we rationalize these sales." He said, "Well, I have struggled with myself, and I guess that the way I rationalize it, is if we don't do it, the French will, so what the hell."

The man said that after developing their private doubts over a period of years, beginning a few months ago they came together, partly with the help of a nonprofit educational organization called the Creative Initiative Foundation.

All three said they had discussed the decision, the loss of income and the expected scorn of their fellow engineers with their wives.

"She has given me 100 percent support and there are positive benefits in that, having gone through this thing together, we have become a lot closer," Mr. Bridenhaugh said. "I am sure there will be hostility in the industry, that some will see us as traitors. As far as the people I know at G.E., I don't really expect anything other than the cold shoulder."

He said that he was not so much concerned about individual decisions facing the manufacturers, utilities and the Nuclear Regulatory Commission, but with the steadily rising pressure to keep the reactors operating as the nation increases its reliance on them.

He declared that when he personally began considering the safety question in connection with more than 20 G.E. reactors in the United States, "when I defined my program objectives it was not really to assess the safety of the plant, it was to see what could be done to assure their continued operation."

According to a recent report to the Government, General Electric is the world's largest manufacturer of nuclear equipment, having supplied 27 of the 99 reactors reportedly operating as of late 1974. According to Allan Benasuli, an analyst with Drexel Burnham, G.E.'s nuclear sales are about $450 million a year, or 4 percent of all its sales.

[From Nucleonics Week]

NRC Project Manager Accuses Commission of Covering Up Problems

An NRC project manager, in resigning from the commission, accuses it of trying to cover up what he believes to be serious nuclear health and safety problems without giving them due consideration and without listening to the views of staffers like himself. The man is Robert D. Pollard, project manager for Indian Point-3, Catawba-1 and -2, Comanche Peak-1 and -2, McGuire-1 and-2 and the De-Soto site proposed by Florida Power & Light. Pollard's resignation is effective Feb. 13.

In a letter to NRC Chairman William A. Anders last Friday, Pollard said that the former had promised him access to all NRC documents he would need to prepare a documented statement on the various problems he was concerned about. However, Pollard wrote, Anders limited him to Indian Point-2 and -3 and then NRC senior staffers told Pollard he could not use all the files he wanted to consult. "In view of the revised task assignment and the restricted access to NRC files of which you are aware, NRC would appear to be less than enthusiastic about receiving views at variance with official policy," Pollard wrote. He reiterated his request for NRC files dealing with 24 problems, including common mode failure, reactor coolant pump missiles, containment failure modes, required operator action during transients and accidents, steam generator tube and tube sheet integrity, reactor vessel supports, separation criteria and the relationship between required seismic qualification of safety equipment and actual earthquake response spectra.

These issues are among those that have to be considered in connection with allowing continued operation of Indian Point-2 and the startup of Indian Point-3, Pollard told Anders. Additionally, these units should be reviewed to determine the acceptability of the site on population density and seismic criteria grounds, the feasibility of "swiftly evacuating large segments of metropolitan New York", and the plant's susceptibility to sabotage.

Anders replied on Monday, saying that NRC had expected from Pollard a detailed report on specific safety problems at Indian Point-2 and -3. But "I am sorry to observe that despite repeated attempts by senior NRC staff to determine your specific safety concerns . . . your letter chiefly addresses general safety issues and does not respond to our request for more focused information." Anders said that all of Pollard's generic issue concerns, and others, are being reviewed by NRC and the Advisory Committee on Reactor Safeguards, without either seeing the need to suspend licensing or plant operations.

However, Anders said that "rather than debating the matter of relevance further, this is to advise you that you will be given access to the NRC's reactor licensing files as you have requested. . . ." Anders concluded: "On the basis of the information you have provided thus far, our technical staff assures me they see no reason to question previous decisions on the safety of the authorized operations at the Indian Point site."

The mystery surfaced when Anders was being interviewed by CBS Television's Mike Wallace, of the program "60 Minutes." Unknown to Anders, according to an NRC statement, Pollard had handed in his resignation minutes before the interview. Wallace described what he said were Pollard's general concerns about NRC management and specific concerns about Indian Point-3 safety. Pollard had alleged that individual NRC staffers' views have been disregarded by the NRC management system. The "60 Minutes" producer says that Pollard has been specific in his allegations. The TV producer says that Pollard is "an honest guy and I cannot believe that he is withholding information from" the NRC commissioners. The date for screening the "60 Minutes" program which includes the Anders interview has not yet been set, the producer adds. He would not disclose how he came to know of Pollard's concerns.

An NRC official says he is concerned that "something was swept under the rug or that something was built wrongly." If Pollard knows something that warrants NRC regulatory action he should reveal it in specific detail right away, he adds. The NRC official says that Pollard "has always been a guy with high sensitivity" but is no different from many other NRC project managers (he is one of 48) and other staffers. The official notes that there is seldom an absolute "yes" or "no" answer to a technical question and there is always a measure of technical judgment involved.

Others who have asked for specific details of Pollard's allegations include Con Edison officials. Neither Pollard nor CBS-TV will discuss the charges. CBS filming for its TV program included scenes at the Indian Point plant. A nuclear critic says he thinks Pollard's resignation is the first of many, the beginning of a "landslide" of unhappy NRC staffers; "ships leaving a sinking rat."

COPING WITH OUR NATIONAL URBAN NEEDS

Mr. TUNNEY. Mr. President, in the November–December issue of the Journal of Housing, published by the National Association of Housing and Redevelopment Officials, there appears a thoughtful open letter directed to the Secretary of Housing and Urban Development. The author of the letter is Arthur F. Evans, executive director of the San Francisco Redevelopment Agency. The subject is our national need for more and better ways to cope with the continuing phenomenon of urban decay, and some suggested avenues which HUD and the Congress can explore in treating our urban ills.

Mr. Evans speaks with the voice of authority. Few cities in this country can boast a record of success in coping with poor housing and the other symptoms of urban blight which measure up to that established by San Francisco. In fact, HUD, in its observance of the Bicentennial Year, has selected the city of San Francisco as one of five cities to be honored for its exemplary efforts in the field of urban renewal. It is hardly surprising that the director of its redevelopment agency should have provocative and practical ideas for coming to grips with the continuing problems of the Nation's cities.

That is exactly what this open letter contains—reasonable perspectives on causes and cures offered to Congress and the executive branch. Mr. Evans is right on target when he makes the point that we must either let our cities go down the drain, or move aggressively and forcefully to help them solve their problems. Too many of our actions over the past have been little more than disguises for a policy of malignant neglect. I reject such a course, as Mr. Evans does. I commend his observations to my colleagues, and join him in calling on the administration for a Federal policy which gives local offical a helping hand, rather than the back of our hand.

Mr. President, I ask unanimous consent that the text of Mr. Evans' article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NAHRO MEMBER ARTHUR F. EVANS ADDRESSES OPEN LETTER TO THE SECRETARY OF HUD

Dear Secretary Hills:

Your help is desperately needed.

This nation has never had an urban development program and the results are apparent. If anything, the last two decades have been characterized by an urban non-program.

Billions of dollars have been spent to build freeways enabling sprawling subdivisions to chew up valuable open space, to pollute our air, and to encourage middle-income families to leave our cities.

At the same time, we have watched as low-income people have migrated to inner cities, requiring employment, shelter, health and welfare assistance, which, when provided, have attracted more low-income people. The result has been higher local taxes, driving away job and tax producing businesses.

For years federal policies—within HUD and throughout the federal structure—have had limited objectives and little over-all perspective. Aside from aiding and subsidizing suburbs at the expense of inner cities, our urban non-policies have often been mutually conflicting.

As an example, in response to charges of bulldozing low-income housing, we have required one-for-one replacement of low-income units demolished in urban renewal projects, thereby assuring reconstitution of low-income ghettos.

At a time when it was obvious housing was becoming too expensive for more and more people, we terminated our subsidized housing programs. ["The only nation on earth to respond to its housing crisis by stopping housing construction": Leon Weiner, President, National Housing Conference.]

With less than a 2 percent default rate, we announced the termination of our low-interest rehabilitation loan program. In its place, we encouraged communities to establish their own rehabilitation programs, though local pressures for sub-marginal loans are great and the cost of administering 1000 or more local programs undoubtedly is greater than one federal program.

Instead of an urban development program, we have reorganized and *re*-reorgnized the federal bureaucracy and announced and discarded such new "programs" as Operation Breakthrough, Annual Arrangements, Planned Variations, Project Rehab, Model Cities, and all the others. It has been like a train ride through the countryside.

And it continues. Now we are in the midst of community development, Section 8, urban homesteading, and "innovative locally administered rehabilitation loan programs." [Why is "innovative" always equated with "good" rather than "ill thought out" and "foolish," which are usually more accurate description?]

It is likely that today's new programs will be tomorrow's discards. We persist in making change for change's sake; refuse to build upon the good that the old programs have produced; and, most importantly, fail to address our fundamental problems in a thoughtful, organized manner.

When is this waste and indirection going to end? We have national policies for defense, agriculture, foreign affairs, and so on. Why can't we have an urban development policy and a program to implement that policy? We have neither a policy nor a program.

CD IS NOT AN URBAN DEVELOPMENT PROGRAM

Some may contend that the 1974 community development legislation represents our urban development program. This is not true. CD is not the product of a considered effort to solve urban development problems. It is a compromise between an Administration desiring to restructure federal relationships with local government and a Congress desiring to combine a number of categorical grant programs.

This is not to say that CD legislation is bad. CD has many excellent elements, especially (for most communities) predictable funding, allowing rational forward planning.

However, existing CD legislation has two fundamental defects. First, it has absolutely no direction and, second, it contains no mechanism to attract private investment into depressed urban areas.

Further, the intent of the legislation is not clear. It can easily be, and is being, interpreted as a "grab bag" for every possible activity, to such an extent that even one year after passage of the act, it is still being confused with general revenue sharing.

NO DIRECTION

Notwithstanding the 1974 act's hortatory language, CD is a program that provides automatic funding to local communities with almost no requirements for qualifying for those funds and very little incentive to address underlying causes of physical decay.

In many, if not most, communities, substantial areas of under-utilized and blighted land can be made productive only by removing blighting influences and making substantial investments in capital improvement. Solutions to these issues are inherently difficult, long-term, expensive, and controversial.

Under the urban renewal program, there was an incentive for a community to tackle serious blighting influences because the federal government was willing to pay two-thirds of the cost (three-quarters for small communities) if they did.

Now, however, communities receive their funds by entitlement and pressures exist at the local level for quickly visible and politically popular expenditures. Instead of concentrating on fundamental problems, the tendency is to sprinkle funds throughout the community with little impact anywhere.

CD legislation supposedly includes a HUD monitoring element. However, the list of eligible activities is so broad that it is highly questionable whether monitoring will be meaningful. A community can make almost any capital expenditure in the name of preventing or removing slums and blight. One community is reportedly building a golf course under this banner.

Not only is there little incentive for local communities to tackle serious blighting influences but HUD actually appears to be encouraging a negative focus.

In a series of national training conferences for local officials sponsored by HUD, HUD's consultant, Anthony Downs, president of the Real Estate Research Corporation, urges communities to spend their limited CD funds in areas that are not yet seriously blighted, so-called marginal areas that can be saved. Presumably HUD approves his suggestion that local communities ignore and abandon their most seriously deteriorated areas.

PRIVATE INVESTMENT

CD provides no mechanism to attract private investment into depressed urban areas.

Under the urban renewal program, land was assembled and conveyed to developers as they needed it, with carrying charges borne by the public agency. A combination of low land cost and assured environment, resulting from a legally enforceable renewal plan, provided an inducement for private investment. Unfortunately, in many cases, the inducement was not sufficient to generate rapid development and land stood idle for many years. One valid criticism of urban renewal is that it took too long.

But the program did work. Even its strongest critics acknowledge that urban renewal generated billions of dollars of private investment in urban areas; investment that never would have occurred otherwise. (See "Myths and Realities of Urban Renewal," Journal of Housing, April 1973.) The proof is to be seen in almost any town or city in this country.

In 1970, HUD reported that $5.30 of private investment was generated by every federal urban renewal dollar. This ratio is true in San Francisco: 300 million dollars in federal funds is generating 1.5 billion dollars in new construction.

For San Francisco, this new construction is generating over 29 million dollars in increased local property taxes annually. When completed, over 13 percent of all local property tax revenues will be generated from renewal projects, although these projects occupy only 3.8 percent of the city's land area.

Additionally, 13,000 new homes; 3,000 rehabilitated homes; and 54,000 permanent jobs are being created. Over half of all the housing built in San Francisco in the last five years has been built in renewal areas.

Urban renewal has been the most significant single economic stimulus to San Francisco's economy in the last half-century.

ACTION

It is absolutely essential that the Administration and the Congress recognize the defects of present CD legislation and establish and implement a coherent urban development program.

It is also essential that our national leaders begin to recognize that sprawling subdivisions, urban physical decay, urban fiscal decay, and excessive gasoline consumption from suburban commuters have a common solution. The solution is to build environmentally sound urban communities.

If amended, the present CD legislation could be the cornerstone of a national urban development program. No sweeping new legislation is needed. No new organizational structures are required.

First, existing CD legislation should be tightened, both administratively and legislatively, to focus on rebuilding blighted areas so that federal funds make an impact and are not sprinkled away.

Second, CD legislation should be amended to provide an incentive to local communities to tackle the tough and the controversial. This incentive could be provided by increasing HUD's discretionary grant funds and authority to make incentive grants to local communities for specific projects meeting basic criteria. These additional grants would be made over and above CD entitlements on a matching basis, with local communities contributing their share from regular CD allocations.

Third, new legislation should be enacted to induce private investment into depressed urban areas that are being rebuilt. These incentives should include real estate tax incentives, such as accelerated depreciation and federal guarantees of tax exempt renewal bonds and notes, with authority for agencies to make loans to developers for new and rehabilitated housing.

Presently the Administration is adverse to tax-exempt securities, citing the cost to the federal treasury. However, if the public cost of carrying vacant land is considered, cost calculation produces an entirely different result.

Fourth, legislation should be enacted to create a shallow housing subsidy program aimed at middle- and moderate-income (working poor) persons to be used in areas undergoing rebuilding. Special emphasis should be placed on home ownership.

The recently announced "Revised Section 235" program is a good step forward—if the funds are aimed at urban housing and are not permitted to stimulate more sprawling subdivisions.

Fifth, and lastly, the Section 312 federal low-interest rehabilitation loan program should be retained and expanded.

LEADERSHIP AND DIRECTION

A national urban development program must: (1)—have the Administration's leadership; (2)—be based on adequate private investment; (3)—be free of bureaucratic malaise; (4)—have adequate financing.

A properly thought out and administered program will be supported by the vast majority of Americans. Support will not be just from city dwellers. Suburbanites are interested in stopping urban sprawl, constructing urban parks, and improving their environment, too.

The opportunity to develop a meaningful urban development program has never been better. Skyrocketing suburban housing costs, increased commuter costs, increased numbers of families with husband and wife working, and smaller family sizes—they are all factors contributing to an improved market for quality urban housing.

However, the opportunity will be lost without leadership and direction. And money.

THE COST

The real cost is not all that much. An additional federal expenditure of approximately 1.6 billion dollars annually could generate over 8.5 billion dollars annually in private investment.

Annual federal investment

[In billions of dollars]

	Federal	*Private*
Incentive CD grants to local communities for special projects	$0.7	
New construction generated by No. 1		$3.5
100,000 market housing units generated by agency tax exempt bonds, at $25,000/unit		2.5
Shallow subsidy program: 100,000 units x $8000/unit ($2000 average per year x 4 years)	*0.8	
Private investment generated by No. 4 (100,000 x $25,000)		2.5
Rehab program	0.1	
Total	1.6	8.5

*200 million dollars first year increasing to 800 million dollars in fourth year.

The above 8.5 billion dollars in investment will provide construction and permanent jobs, with resulting taxable income to the federal government. The precise net effect on the federal budget requires expert analysis but, at today's income tax rates, the federal return is substantial. The federal return may actually be greater than the 1.6 billion dollars spent.

ALTERNATIVES

Many urban centers are now in financial difficulty. New York is certainly not unique.

Essentially, there are two courses of action open to address urban America's fiscal problems.

The first is to let communities fend for themselves. Let them tighten their belts, become more "efficient," and reduce municipal services. The needs will still be there but the needs will simply go unmet.

The second alternative is to rebuild the economic base and physical quality of our urban centers. This alternative is aimed at increasing local revenue and reducing costs by providing permanent job opportunities. This alternative seeks to eliminate the cause of fiscal weakness.

Presently, not only do our national leaders appear disinclined toward the second alternative, our leaders appear oblivious to the economic forces at work.

Congress is studying tax reform with the elimination of the various tax incentives that are essential. HUD's recent intervention was crucial in retaining housing incentives, at least for the moment.

The Treasury and the Administration continue to oppose tax-exempt municipal securities, which are critically needed by state and local agencies to stimulate construction of quality housing.

The Administration's monetary and fiscal planners are properly concerned with inflation—but their antidote of "no new programs" means the nation is locked into its present budgetary allocations. And urban America is locked out.

Secretary Hills, your leadership is desperately needed. I strongly urge you to convene an advisory group of the brightest and most experienced practitioners—planners, architects, environmentalists, labor leaders, builders, mortgage bankers, and economists—and develop a policy and a program for its implementation. If you don't do it, who will?

Sincerely,

Arthur F. Evans.

NOTICE OF SELECTION OF VICE CHAIRMAN OF SELECT COMMITTEE ON STANDARDS AND CONDUCT

Mr. CANNON. Mr. President, the Select Committee on Standards and Conduct on January 27, 1976, selected Senator Carl Curtis as its vice chairman.

GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, one of the most persistent difficulties which I encounter in my support of the Genocide Convention is assuring people that ratification will not weaken the United States in the fact of an increasingly hostile international environment. Today I want to address myself specifically to the argument that our ratification of the Convention will open American citizens abroad to arrest and trial on charges of genocide. This notion could not be farther from the truth. Endorsement of the Convention would have virtually no effect on the treatment of American citizens in foreign nations.

Right now, without United States ratification of the Genocide Convention, American citizens in the physical territory and/or control of a foreign nation can be charged and tried for any offense, from robbery to espionage to genocide. Every nation has absolute jurisdiction within its own boundaries in the implementation of its legal statutes. The United States has no legal recourse on behalf of its citizens abroad. The Genocide Convention does nothing to change this procedure.

Americans will not be any more or less subject to the legal whims of foreign nations after our ratification of the Convention. The intent of the Convention is to codify universally the illegality of genocide. By presenting a united approach to genocide, nations demonstrate more clearly to potential genocidists their commitment to the prevention and punishment of the crime. Article IV of the Convention protects nationals living abroad by stipulating that individuals directly responsible for genocide shall be tried and punished. Ratification of the Genocide Convention will not jeopardize Americans overseas. Lack of ratification may very well jeopardize helpless millions who fall under the yoke of mass murderers.

BROADCAST EDITORIAL ON TROTTERS SHOALS DAM AND LAKE

Mr. THURMOND. Mr. President, the construction of Trotters Shoals Dam and

Lake on the Savannah River between South Carolina and Georgia has been approved by Congress but some controversy still lingers over this project.

Recently, a broadcast editorial on WSPA-TV in Spartanburg, S.C., shed considerable light on this subject. It has been reproduced by the Latta Observer of Latta, S.C., and has gained considerable attention in my State.

In order that my colleagues may have the benefit of reading this editorial, I ask unanimous consent that it be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Russell Dam

Although Congress has authorized the Trotters Shoals Dam and Lake project on the Savannah River near Elberton and construction work has begun, certain groups continue to oppose the development.

Timber people are the latest to join in the opposition. They talk about the loss of land the lake would cover which is now growing timber. This is nothing more than a smoke screen, as Congressman Dorn pointed out in his recent Erskine College speech. He lives in that area, and he knows that there is not enough market for the forest products now available along the Savannah River. As a matter of fact, farmers who were encouraged to plant trees have been unable to market a cord of pulpwood for months; and often where there is a market, the price is below the cost of production.

Another smoke screen being thrown up is preservation of wildlife. Everyone knows the Clark Hill and Hartwell Dams have contributed to the wildlife of the area. Before they were built, there were no deer and no wild turkey, and now they are plentiful. There are so many deer that farmers are complaining that they are eating their crops. What these lakes have provided in fishing, boating, camping and other recreational activities is impossible to estimate. The Richard B. Russell Dam will add and not take away from these activities.

But the greatest value of these dams on the Savannah is their contribution to generation of electric power, conservation of water and flood control.

Those who appreciate most what the program to harness the Savannah has meant to the area are those who are old enough to have lived there before the Clark Hill and Hartwell Dams were built. No one in their right mind would say that these dams should not have been built by the government. The Russell Dam is a part of an overall program the U.S. Corps of Engineers devised to make the Savannah productive and not destructive. That program should be completed, and WSPA commends Congressman Dorn for going to Due West, as Senator Strom Thurmond did last May, and exposing the nit picking that has been going on by those who, even at this late date, are trying to thwart the Savannah River development program.

The Russell Dam construction has already been delayed much too long, and the time has come to let the big bulldozers roll as they provide another recreational and water conservation lake which will enable the Russell Dam to generate a needed supply of electrical energy which will bring an annual income of $16 million.

EFFECTIVE REPRESENTATIVES OF THE PUBLIC

Mr. **KENNEDY.** Mr. President, while we here have been wrestling for years with the problem of giving the public a real voice in the decisionmaking process of administrative agencies, there is one small office within the Civil Aeronautics Board that has been working hard to accomplish just that.

The Office of the Consumer Advocate in the CAB is headed by Mr. Jack Yohe and consists of only about two dozen persons. Despite their small size, they have become increasingly effective representatives of the public.

Two recent examples of the work of Mr. Yohe and his staff have come to my attention and, I believe, deserve special commendation as first rate examples of advocacy in the public interest.

On New Year's Eve the CAB approved fare increases for 28 short-haul monopoly routes. In a carefully reasoned petition for reconsideration filed last week, the Office of the Consumer Advocate objected to the manner in which the CAB approved these fare increases. It pointed out that the Board had relied on a part of the massive domestic passenger fare investigation that itself is internally inconsistent. OCA's petition goes on to point out that the CAB was confusing basic terms by treating the phase "local service carrier" as synonymous with "subsidized carrier." As the motion of the OCA concludes:

> We would hope that the existing confusion can be dissipated, if not eliminated, by Board specification in comprehensive, clear and precise terms of the appropriate circumstances for complaints investigations, and suspensions of fare proposals submitted by subsidized local service carriers in the monopoly markets. *The public interest can settle for nothing less.*

The second example involves a filing of cargo tariffs by a carrier in which the carrier attempted to deny all liability for damage to certain types of freight. The OCA responsibly reviewed the maze of details involved in any tariff filing and pointed out this denial of liability to the CAB urging that these provisions be rejected. As the Consumer Advocate states:

> *The Office firmly believes that no air carrier should be allowed to use tariff filings which seek to limit liability unreasonably as a defense against claims brought by consumers.* The law imposes the highest standards of care on common carriers. Consumers have the right to expect that the highest standards will be applied to the transportation of their property. The Board must not sanction inferior standards of care through the facile use of tariff specified exculpations from liability.

Mr. President, this sort of vigorous advocacy and careful analysis serves well the real "public interest" that the Civil Aeronautics Board has so frequently failed to protect over the last 38 years.

The Consumer Advocate's performance at the Civil Aeronautics Board makes clear to me two basic propositions: First, that the public's best interests are served by increased advocacy of the consumer's viewpoint in agency proceedings; and second, that a combination of mechanisms is necessary to provide the most effective and vigorous of this kind of advocacy.

Mr. Yohe's work at the CAB illustrates what can be done with an in-house consumer advocate who is given the freedom and resources to develop positions on matters before the agency.

It also shows the need for strong, independent voice in the Government able to bring its energies and information-gathering powers to bear on behalf of those who ordinarily are not heard in Washington. I have long supported the establishment of a Consumer Protection Agency to represent the views of consumers before agencies. I believe that this agency would provide resources and advocacy needed to compliment those provided by an agency consumer advocate.

I also believe that regardless of the extent to which we provide for Government officials and Government agencies to speak for the general public, we need to encourage and support greater direct public involvement in agency decisionmaking. That is why I introduced S. 2715, to authorize agencies to award fees directly to consumer and public-interest groups to facilitate their participation in agency proceedings. Interestingly, Mr. Yohe in a speech last fall endorsed this concept, reflecting, I believe, his own sensitivity to the inherent limitations of agency consumer advocate.

Mr. President, the task of making our ever-more complex Federal Government responsive to the public's needs is a difficult and continuing responsibility. Mr. Yohe and his staff deserve recognition and appreciation for their efforts in this area.

FISCAL 1976 LABOR-HEW APPROPRIATIONS BILL

Mr. **KENNEDY.** Mr. President, on Wednesday I mentioned the importance of overriding the President's veto of the 1976 Labor-HEW appropriations bill for the expansion of the nutrition program for the elderly.

I would like to note the specifics of that impact: The nutrition program expansion is important for Massachusetts, as it is for States around the country, because many elderly people are seeking—but are not getting—program aid. Whereas 6,536 people are served every day in my State under this title VII program, approximately 2,000 are currently on waiting lists.

Our appropriations would correct this situation. Although we appropriate only $125 million for this fiscal year, we require HEW and the States to spend $187.5 million for the program in fiscal year 1976. This mandate is to be accomplished by reducing the amount of funds that have been carried over from previous fiscal years by $62.5 million. In sum, the $125 million from this year's appropriations, and the $62.5 million from previous years' appropriations, are to be used to fulfill our statutory directive that $187.5 million be spent.

By requiring that the "level of operations" for this fiscal year be established at the $187.5 million level, we mean to make it clear that HEW and the States should actually spend that amount during the course of fiscal 1976. The annualized rate of expenditures must be increased immediately upon enactment of this bill to the amount necessary so that the $187.5 million are expended for additional program services. We also expect that HEW will adjust the annualized rate of expenditure later on in the year if this is necessary to meet the $187.5 million expenditure mandate.

This action by the Appropriations Committee warrants everyone's support. The nutrition program for the elderly has proven itself as a most useful program for our Nation's aged. Throughout the country, elderly people are in need of food aid because they are poor or are physically unable to prepare their meals. They also need to find ways to end their physical and psychological isolation that does so much to demean their dignity.

The nutrition program for the elderly does much to remedy these problems of old age. Therefore, it is important that we premit the program to expand so that more elderly people can be reached with the benefits under title VII. I commend my colleagues on the Appropriations Committee for their wisdom in establishing the appropriations expansion mandate.

The override on Wednesday will insure that expansion.

CONCORDE

Mr. NELSON. Mr. President, proponents of the Concorde argue that "environmentalists" are simply putting up a smokescreen when they cite ample and incontrovertible evidence that the supersonic aircraft emits damaging noise, consumes unreasonable amounts of fuel, fouls the air beyond acceptable limits, and will deplete the ozone layer, which shields the Earth from damaging ultraviolet Sun rays that can cause skin cancer.

These advocates of supersonic flight mistakenly believe that the "environmentalists" are simply antitechnology.

This is not the case. Nevertheless, the Concorde is a perfect example of technology run amuck.

Technology must play a positive role in our society. It must be developed and guided by man to meet societal goals and to solve problems, not exacerbate already serious situations. Technology has enhanced the environment. It has created the opportunity to cleanse our rivers and lakes. It has developed the capacity to remove oil spills from the oceans and dangerous and harmful chemicals from the air.

Unfortunately, supporters of "the technological fix" too often refuse to assess and balance the societal costs of technology against its alleged benefits. Too often scientific evidence is muddled by national ego. When this happens, the decisionmaking process becomes purely subjective. The value and importance of fact and documented information is lost.

The debate over whether to amend British Airlines/Air France's air carrier specifications to allow Concorde serve at Dulles and Kennedy International Airports regrettably has fallen into this decisionmaking wasteland. Adverse environmental impacts contained in the Federal Aviation Administration's—FAA—environmental impact statement are being weighed against the vague economic saber rattling of France and the cry of progress, regardless of cost.

On balance, there just is not much of a case to support the French and British request.

First, the plane is noisy. How noisy depends on what standard of measurement one chooses. Whether the increased noise will further annoy people around airports or make them angry misses the point. Airport noise already is a serious problem. Congress passed legislation 4 years ago to solve the problem. The Environmental Protection Agency—EPA—has had a proposal before the FAA for over a year to retrofit our domestic subsonic jet fleet to comply with the Federal Aviation regulation 36. The FAA, the protector and regulator of the airlines, has treated the EPA proposal with benign neglect. EPA and the President's Council on Environmental Quality have recommended, on the question of noise pollution exclusively, that Concorde be banned.

Second, the Concorde will have an immediate adverse impact on air quality. It exceeds EPA subsonic standards for carbon monoxide by 270 percent. The Concorde's unburned hydrocarbon emissions exceed EPA subsonic standards by four times. The requested flights will increase air pollution at Kennedy and Dulles 4.4 and 8.4 percent, respectively.

Third, it will reduce the Earth's protective shield of ozone and greatly increase the incidence of skin cancer. In addition, it would weaken the ozone layer to such an extent to cause severe disruptions to the climate and basic foodchain systems of the world.

Fourth, the Concorde is highly inefficient compared to subsonic jets on a passenger per mile basis. Concorde guzzles two to three times as much fuel as the jumbo jets. It seems inconsistent to adopt a national energy program that has strong mandatory energy conservation elements and to permit Concorde to land within the United States.

In enacting a national conservation and environmental effort, the Congress set goals, mandated policy, and funded specific programs. We have imposed burdens and costs on ourselves. It has been expensive. More money will have to be spent in the future to achieve a clean and healthful environment. In every instance, Concorde is in conflict with that program. In each case, Concorde asks to be exempted from compliance.

Proponents of Concorde argue the plane is a technological step forward. No one can argue that point. It makes most places in the world accessible in 12 to 15 hours. For those business executives who cross the Atlantic regularly and who place a high value on their own time, Concorde will well be worth the estimated 20 percent increase over the current cost of first class travel. However, the question as to its overall value remains one of personal choice.

Proponents also argue that denial of landing rights would have a disastrous impact on our international relations with two of our closest allies. The French support this thesis by threatening retaliation if the Concorde is banned.

The argument has been made by those who view such a ban with considerable alarm that the plane is doomed economically. They assert that Concorde will die of its own incurable form of economic cancer. Therefore, the United States should let it in.

Economists estimate 130 planes will have to be sold to recover the $2.5 billion developmental costs. There appears to be only 15 worldwide routes that can accommodate a maximum of three planes apiece, a total of 45 planes. Simple arithmetic, they argue, spells disaster.

The obvious political solution would be a temporary permit for limited service at Dulles. Both sides could claim a partial victory.

There are serious flaws with this theory. First, there is no guarantee that the French and British simply will not write off the development costs and ask their taxpayers to continue to subsidize the plane.

Second, and more importantly, this theory is based on economic circumstances we do not control and it dodges the fundamental issue of domestic policy objectives. A decision should be based on facts and reasoned judgments, not on theoretical political if-then circumstances.

The adverse environmental impact of Concorde has been detailed through the impact statement. If national domestic objectives are set aside in favor of Concorde, then the U.S. aerospace industry will charge that they are being discriminated against. And their allegations will be true because Congress voted in 1971 to terminate the U.S. SST program for many of the same reasons Concorde is now being opposed. On the merits it is most certainly not in the national interest to admit Concorde and refight the 1971 battle.

ADDRESS ON THE BICENTENNIAL

Mr. TALMADGE. Mr. President, there has come to my attention a very fine address on the Bicentennial by Dr. Judson C. Ward, Jr., an outstanding educator and scholar at Emory University in Atlanta.

Delivered at a meeting of the DeKalb County Historical Society, Dr. Ward's address is eloquent and very meaningful at this time of Bicentennial for the United States.

I bring this message to the attention of the Senate and ask unanimous consent that it be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE BICENTENNIAL: REKINDLE THE FLAME

(An address by Dr. Judson C. Ward, Jr.)

The observance of our nation's Bicentennial begin in 1975 rather than in 1976 because armed resistance to British authority first occurred 200 year ago this year. The battles of Lexington and Concord were fought in April, 1775, and the battle of Bunker Hill in June of the same year. It was not until more than a year after warfare had broken out that the colonies could bring themselves, through the Continental Congress, to adopt a formal Declaration of Independence. There were a great many people opposed to such a step. The conservatives or Loyalists sought delay. They argued that the King and his ministers might listen to colonial appeals and settle the disputes without war. By the spring of 1776, however, it had become more and more obvious that the King was adamant and that there was little likelihood of a peaceful settlement.

FIRST FREEDOM DECLARATION

It was on instructions from the Virginia delegates that Richard Henry Lee of Virginia rose in the Continental Congress on June 7, 1776, and introduced the resolution that "these united colonies are, and of a right ought to be, free and independent." As a result of that motion, a committee was appointed to draw up a declaration to justify independence. Besides Thomas Jefferson, the members included Benjamin Franklin and John Adams. After a fairly brief time, Jefferson produced what in many ways is the most brilliant and eloquent of all the documents in American history. He did not try to present any original ideas. As he later wrote, he tried to put the essence of the thinking of the American people into simple language so that the revolution might be justified before the world. The document was also intended to present such a convincing justification that it would win the support of many of the Loyalists who opposed immediate separation. The result was a document that was tremendously effective. After some changes had been made by the committee, and additional changes had been incorporated during the debate before the Continental Congress, the document was approved on the 4th of July, 1776, the anniversary of which will be the high point of our 200th birthday celebration.

The Declaration opens with two eloquent and beautifully worded paragraphs justifying the revolution. The second paragraph contains the sentence: "We hold these truths to be self-evident: that all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty and the pursuit of happiness." Then Jefferson goes on to say that it is to preserve these rights that governments are instituted among men, and that when governments cease to protect these rights, then it is the right, indeed it is the duty of the citizens to rise and overthrow that government and institute such government as will effect their safety and happiness. In other words, it was a general justification for any revolution against oppressive government. Then follows a long list of particular indictments against George III, though the King was not mentioned by name. And the document concludes with that felicitous phrase: "For the support of this Declaration, with a firm Reliance on the Protection of Divine Providence, we mutually pledge our Lives, our Fortunes, and our Sacred Honor."

The Declaration contains a very idealistic statement about equality. That all men are created equal was not true then and certainly is not true now. There are wide differences among us in ability, personality, physical strength, physical appearance, dedication, character and personality. But that magnificent phrase has been the basis of our dream—our ideal—of equality before the law and equality of opportunity for every person in our country. Women were not included at that time in the dream. They had no right to vote. In the State of Georgia they had no right to own property in their own name. Another sizeable group not included were the blacks, most of whom were in slavery. In the course of our 200-year history, as we have striven toward the goal of equal opportunity for all, we have expanded opportunity to include these groups and others who were not included when Jefferson wrote the phrase.

IDEALS ACHIEVED THROUGH EFFORT

One of the most obvious ways that we have tried to realize this ideal is the establishment of our system of public schools. These are not free public schools. Nothing is free. They are paid for by all of the taxpayers so that those who attend are not required to pay tuition. But our public school system was set up in order that the children of all might have an opportunity to get an education, so that the doors of opportunity might be opened for them according to their ambition and their ability. By many other devices we have moved toward this ideal, but perhaps the most effective has been the expansion of economic opportunity which resulted from growth—the opening of new lands, the exploitation of natural resources and the construction of a vast industrial and transportation system. Opportunity became real for large numbers who had ambition, drive, and a willingness to work.

The fact is that we find ourselves 200 years after our birthdate in quite a different situation from that which our forebearers envisioned in 1776. Jefferson, dreamer that he was, foresaw this as a great nation of self-reliant, independent people, a nation of landowners, farmers. If Jefferson were to return today, the thing that would probably impress him most—and most unfavorably—would be the fact that most of our people live crowded into cities and urbanized situations, rather than in sturdy independence as agriculturalists. The founding fathers also held high ideals about civic virtue and service to the community. They were by no means perfect, but men like George Mason, George Washington, Thomas Jefferson, Patrick Henry and John Adams, who were men of substance, and who might have stayed at home to feather their own nests and promote their own financial concerns, spent long hours, many days and weeks in public service without any substantial compensation. And I am sure Jefferson foresaw a democratic form of government working successfully only if the best qualified people in the community assumed the responsibility of leadership, and were elected to office by their fellow citizens.

SELF-RELIANCE KEY TO FREEDOM

One of the most fundamental changes that has come about in the character of the American people is the subtle erosion of the trait of self-reliance. In the early years there was little thought of turning to the federal government for help in solving community problems and no thought of looking to government at any level to aid in the solution of personal or individual problems. Of course both levels of government granted land to individual citizens but this was to provide opportunity for those willing to work. As a part of our recent national experience, we have tended to become dependent upon government. When we get into personal trouble or community difficulty, financial or otherwise, the tendency has become more and more, especially in recent years, to look to the State Capitol or to Washington for help. The traditional spirit of self-reliance, of pride in standing on our own feet, of independence, has given way to an attitude of dependence, of giving up in the face of difficulty because we expect to be bailed out by someone else.

This attitude is not restricted to the weak and the poor. It afflicts the officials of railroad companies and airlines. We see the governing authorities of New York City presenting earnest and eloquent pleas for Washington to save them. The presidents of great universities, whether they be tax-supported or private, turn to Washington for help in the form of scholarships for students, grants for research or operating funds to balance the budget. A new attitude of dependence prevails in our country. Of course this is not true of every individual or family. There are still millions who take care of themselves and contribute to the care of others. Still, a different spirit seems to have replaced the traditional traits in the American character of self-reliance, independence, and pride in making one's way on his own.

Evidence of the greatest change in this direction has come in recent years, even in my own lifetime. I entered Emory in the fall of 1929, about the time of the stock market crash that triggered the great depression. In those days there was little or no precedent for turning to the Federal Government. Franklin D. Roosevelt was elected President in 1932. He was a great ideal of mine. I well remember his voice coming through on the radio on that cold misty morning of March 4, 1933, when my father's grocery was closed by creditors, and when we were not sure whether we would be able to keep our home or not. When F.D.R. said that the only fear we had was fear itself, he brought hope to our family as well as to millions of other frightened, insecure people throughout the country. He utilized the power of government to stem the tide of depression and restore confidence. By his actions he may well have saved the American economic system, but he started a trend that has grown steadily. Well intentioned and sorely needed programs to help the needy and protect little people have ballooned beyond their original purpose and increased beyond fiscal reality. The nation's economic ability to sustain these programs is now being questioned, but of even greater concern is their impact upon the spirit of the people.

There appears to be a rising expectation that comfort and plenty will be provided for more and more people, presumably by some instrument other than one's own efforts. When my Mother and Father, for example, decided that an Emory education was best for me, their only thought was whether by their own efforts they could finance such an undertaking. Without college training themselves, they knew nothing of scholarships and tuition grants. They lived by the philosophy that they could get only what they could pay for. Contrast this old-fashioned concept with the contemporary attitude of so many parents who look for subsidies in order that they may not have to give up luxuries or inconvenience themselves. Yes, the motive for saving, self-denial, or frugality seems to have been replaced by the expectation that someone else, particularly government, will help provide for us while we look only for the pleasure and comfort of the moment.

WORK ETHIC IS REALISTIC

Closely allied to this loss of self-reliance is a changed attitude toward work. This country was built in great part on the Puritan work ethic which glorified work as providing one of the greatest satisfactions in life. Pride in craftsmanship and a full measure of effort for wages received were hallmarks of the American worker. Equally as important was acceptance of the fact that work is the natural and expected way of life of a responsible self-reliant citizenry. The Puritans, along with their philosophy of life, have been a respected part of our history.

Recently, however, "Puritan" has fallen into low esteem. The use of the word brings scoffing and ridicule. These sturdy builders are charged with contributing to modern hangups because of their stern self-denial and rigorous devotion to duty. What has come over us when so many now think that society can function effectively with millions unproductive, at leisure or play? How are we going to get the work of the world done or produce all the goods necessary for the better life for all about which we dream unless people are willing to roll up their sleeves and work productively at their tasks? Somehow we seem to have become so unrealistic as to believe that machines or someone else will do the work for us, that computers will free mankind to spend more time on coffee breaks, lunch hours, and vacations.

How many of us try to help our children learn that work is the normal expectation of life and that a job well done, a service skillfully rendered, brings the highest satisfaction?

The challenge before us is tremendous. Of course we have complex new problems to solve, but a people who can put men on the moon can be expected to solve technological problems. The highest and most difficult challenge is to instill ideals and nurture the spirit of our people. One of the greatest obstacles to retention of traditional attitudes is our newfound wealth and affluence. A blessing when used wisely, it can corrode our spirit. It seems to breed greediness for more wealth, unwillingness to deny ourselves anything that we see advertised or our neighbors enjoying, loss of an appreciation for simplicity and frugality, and illusions about economic reality. No one should seriously suggest that we give up our comforts or conveniences. Everyone surely recognizes that it is both undesirable and impossible to turn the clock back. Our challenge is to find ways to retain the best of our national traits in the midst of changed conditions. How can we achieve the ideals of the founding fathers in a country so different from what they envisioned? How can we restore a concern for the welfare of the community against the selfishness of an exaggerated individualism?

Not only is there now a fierce preoccupation with individual rights, there appears to be an equal determination to protect special group interests. Witness the difficulty of reducing governmental expenditures at any level. The President and some Congressmen talk of cutting the budget. The first suggestion of any reduction produces a loud protest from the group affected. In our own State the Governor has found it virtually impossible to bring proposed expenditures back to income because no one appears to be willing to take the first cut. These experiences make one wonder whether it will ever be possible to face economic reality under our present form of government, particularly in the face of current attitudes and expectations.

What should the Bicentennial mean to us? It should surely be more than a review of our history to make us yearn for the simpler life of long ago. There is a tendency to conclude that the problems our forebearers faced were simpler than ours and easier to solve. This is partly because in retrospect we are acquainted with the solutions our predecessors worked out. Today's problems appear more difficult in part because we cannot know what answers will be found. A review of our history will not give us answers to current problems, but it should give us perspective, deep appreciation, and a sense of pride. But most of all it should provide us with inspiration to revive or develop anew the great qualities of the human spirit that helped to make this country into what it is.

We are not a self-made people. We should not be so arrogant as to forget those on whose shoulders we stand. We have inherited all that our forefathers did for these 200 years by way of protecting freedom, broadening opportunity, developing a high standard of living and bequeathing a tradition of morality, responsibility, and devotion to the common welfare. It is true that part of the making of the American character came from the vigorous exploitation of the unbelievably rich natural resources on this continent. We developed the vigor of a robust, growing young man. Now that the continent has been conquered and the physical frontier closed, we have entered a new stage of maturity in which our outlook has changed. We cannot become young again but we can seek to rekindle the spirit of our youth.

HISTORY REVIVES OUTLOOK

This is the great opportunity of our Bicentennial. We should be reminded of the courage and tenacity of the founding fathers. We should deepen our appreciation of their struggles and victories, but we should not become ancestor worshippers. We should recognize the men and women who built this nation for what they were: real people faced with perplexing problems as they met the challenges of their day. From them we should gain confidence in our ability to face the tasks to which our destiny has called us. We should have our faith in the traditional values of our nation strengthened. Most of all, however, we should return to the historic shrines to renew our strength as we seek to recapture such virtues as self-reliance, independence, freedom, respect for work, pride in craftsmanship, honesty, integrity, and a responsible concern for the common good. It is these qualities that enabled our forebearers to build for their day. It is these same qualities that will make it possible for us to meet new challenges in a different setting in our day. If we can rekindle the flame ignited in 1776, the observance of the Bicentennial will be more than a celebration. It will be a rededication and a benediction. It will help to preserve what Abraham Lincoln so aptly and beautifuly characterized as man's best hope on earth—the American Experiment in Freedom.

EQUAL CREDIT OPPORTUNITY ACT

Mr. EAGLETON. Mr. President, the Senate yesterday approved by voice vote the Equal Credit Opportunity Act Amendments of 1976. I regret that I was not able to be on the floor during the debate on this bill, because there are a number of unresolved questions in my mind that I would have liked to address to the sponsors.

While I support the general thrust of this bill, I am troubled by a few of the particular provisions. I think discrimination in the granting of credit is deplorable and contrary to the best interests of the applicant and the creditor alike. Nevertheless, I think recent experience should warn us against the perils of overregulation.

Mr. President, I refer specifically to section 701, subsections (a)(2) and (b)(2), of the law as amended. The first of these prohibits a creditor from denying credit because the applicant is on public assistance. It would seem to me that the necessarily low income and resource levels required to get public assistance would almost in themselves define a poor credit risk.

The other subsection to which I refer qualifies the first, saying that it is still permissible to use the fact of public assistance in determining creditworthiness. From this I gather that a merchant or loan office could tell a welfare recipient that he or she was denied credit, as long as the reason was low income.

Mr. President, I think this provision of the act belabors the obvious.

I am fearful that the added costs of this legislation will be borne by the vast majority of consumers with good credit records and average incomes. If this act results in credit being extended to those who cannot repay, who then will bear the cost? And who will bear the costs of the paperwork, administration expense, and enforcement required by this law?

Mr. President, I know the committee worked on this bill for many months. By and large, it contains clearly worthwhile contributions to the 1974 legislation. But I urge the members of the committee to consider my comments as they participate in the conference committee. This particular provision was not part of the House-passed bill.

If this bill should become law in its present form, then I expect the committee will see its responsibility to monitor carefully its implementation. As we have seen with the Real Estate Settlement Procedures Act, for example, good intentions can go badly awry.

SUPPORT FOR JOURNALISTS' FREEDOM OF CHOICE ACT

Mr. FANNIN. Mr. President, I am pleased by the favorable response I have received since the introduction of S. 2712, the Journalists' Freedom of Choice Act.

As my colleagues will recall, I introduced this bill on November 20, 1975, when it was jointly referred to the Senate Judiciary and Labor and Public Welfare Committees. I am pleased that Senators THURMOND, LAXALT, HRUSKA, CURTIS, HELMS, and HANSEN are cosponsors of this legislation.

S. 2712 would amend the National Labor Relations Act to guarantee to members of the printed and electronic press a genuine freedom of choice in bargaining and labor relations matters. This would be done by exempting such employees from the exclusive representation provision of the act.

Under my proposed legislation, membership in a labor union would not be prohibited or required as a condition of continued employment on the news staffs of newspapers or radio and television stations. It would be unlawful, however, to require news personnel to join, support or pay membership dues to a union in order to exercise their first amendment rights. Employees who are journalists would be free to negotiate their own wages, hours, and working conditions, and adjust grievances with their employers without intervention or control of any union, if they so desired.

As I stated upon introducing my bill, section 9 of the National Labor Relations Act does "not merely create problems for a few individuals who happen to be employed in the news media as columnists, broadcast journalists, commentators, or critics on public issues * * * (It also) poses a potential threat to individual liberties and fundamental freedoms enjoyed by all Americans. Unless amended, this provision of Federal labor law threatens to destroy the free speech and free press guaranteed by the Constitution, especially where journalists are concerned."

Mr. President, several newspapers have published editorials in support of S. 2712. I ask unanimous consent that the text of the December 17 editorial appearing in the Glendale, Ariz., News Herald be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FIRST AMENDMENT ENDANGERED

It has become something of common knowledge that Big Government, bureaucracies, and red tape are slowly strangling all of us.

But these horrors pale by comparison when we consider that there is a chance that our right to criticize them, as guaranteed under the First Amendment, which provides for free speech and a free press, may be in jeopardy.

The National Labor Relations Act provides, in one clause, that representatives selected for collective bargaining by the majority of the employes will be the only representatives of the employes in respect to pay, hours, and other conditions of employment. Senator Paul Fannin recently introduced into the U.S. Senate the Journalists' Freedom of Choice Act, which would exempt individuals employed as columnists, broadcasters, commentators, or critics on public issues from that clause of the act.

This Bill is an attempt to get journalists away from the dangerous area of being required to join a union and pay dues, if they wish to be employed. One problem is that a person required to join something, a union included, rapidly loses his objectivity on matters, reports, and stories involving that organization. William F. Buckley, Jr., M. Stanton Evans, and Nat Hentoff feel that any attempt to require journalists to join a union is unconstitutional, and violates the First Amendment.

Accordingly, they filed suit in a U.S. District Court against the American Federation of Television and Radio Artists, AFL–CIO, (AFTRA). They challenged the requirement that they join and pay dues to AFTRA, or be denied their right to comment on public affairs. Buckley was not saying that journalists should be prevented from joining, but that the decision should be up to the individual. The court agreed with the plaintiffs that any required union membership has a "chilling effect" on journalists' rights.

But a U.S. Court of Appeals reversed the district court's decision, stating that the first amendment was not so "exalted" as to forbid a law allowing prior restraint of speech where there is a "proper governmental purpose", like reducing industrial strife. Then, in February of this year, the Supreme Court refused to hear the case, thus rendering a blow to free speech and comment in this land.

The Freedom of Choice Bill has been referred to the Judiciary and the Labor and Public Welfare Committees, and hearings are expected soon. If you would like to see free speech protected, write Senator Fannin at 3121 Dirksen Senate Office Building, Washington, D.C. 20510.

Mr. FANNIN. As my colleagues are aware, the legality of forced union membership in the news profession has been under attack in the courts for several years, originating with the lawsuit by Mr. William F. Buckley, Jr., who has alleged that his first amendment rights are being jeopardized by the fact that he is compelled to pay union dues to the American Federation of Television and Radio Artists—AFTRA—in order to keep his popular television program, "Firing Line," on the air. His suit against AFTRA was subsequently joined by columnist M. Stanton Evans, a conservative who appears regularly on the CBS "Spectrum" series, and Nat Hentoff, the well-known liberal social commentator. A similar but separate challenge to the law was also filed by the Mutual Network's commentator Fulton Lewis III. It is unfortunate that both the Federal courts and the National Labor Relations Board have thus far refused to accept jurisdiction over the matter, leaving such important issues up in the air and the problems raised by Mr. Buckley, et al., unresolved.

It is, therefore, extremely encouraging to learn that a group of well-known and distinguished journalists joined together to introduce a resolution opposing compulsory unionism in the news profession at the 1975 convention of the Society of Professional Journalists, Sigma Delta Chi (SDX).

This resolution read as follows:

Whereas the Constitution of the United States provides that "Congress shall make no law . . . abridging the freedom of speech, or the press . . ." and Whereas The Code of Ethics of The Society of Professional Journalists states that "Journalists must be free of obligation to any interest other than the public's right to know" and Whereas Section 8(a)(3) of the National Labor Relations Act legalizes compulsory union membership thus making it possible that a qualified journalist can be forced to support an unwanted, and often politically and ideologically active, private organization Be It Resolved that the Society of Professional Journalists, Sigma Delta Chi, does hereby go on record in opposition to any form of compulsory unionism for newsmen.

Among the newsmen who have signed and supported this statement are CBS news commentator Eric Sevaried; Edward W. Scripps II, of Scripps-Howard Newspapers; syndicated columnists James J. Kilpatrick, Ralph de Toledano, and M. Stanton Evans; Raymond McHugh, former Washington bureau chief for the Copley News Service; Ted Serrill, of the National Newspaper Association; Dawson "Tack" Nail, executive editor of Television Digest; Dr. Harvey Jacobs, editor of the Indianapolis News; Walter Wingo, national business editor of U.S. News & World Report; Tom Sweeten, managing editor of the Knoxville, Tenn., Journal; Loyal Meek, editor, Phoenix, Ariz., Gazette; Sidney McKeen, assistant to the editor, Worcester, Mass., Telegram & Gazette; and Ed Grimsley, editorial page editor, Richmond, Va. Times-Dispatch.

Mr. President, I ask unanimous consent that the text of two editorials on compulsory unionism and the SDX resolution be printed at this point in the Record as they appeared in Editor & Publisher on November 8, 1975, and the Quill for January 1976.

There being no objection, the editorials were ordered to be printed in the Record, as follows:

[From Editor & Publisher, Nov. 8, 1975]

Compulsory Unionism

The split in the Newspaper Guild between the *Washington Post* members, who were revolted by the vandalism of the newspaper's presses and continue to cross the picket lines of striking pressmen, and other members of the union in the Washington union who want to support the strikers, lends heat to the debate on "compulsory unionism" that may face the Society of Professional Journalists/Sigma Delta Chi at its meeting later this month.

A resolution opposing compulsory unionism has been prepared for the consideration of the journalists' group. In view of the present threat of compulsory unionism in the press of the United Kingdom and the implications of the Washington split in which a majority would compel a minority group to comply, if it could, we support the essence of the SDX resolution.

[From the Quill, January 1976]

Compulsory Unionism

Since the December Quill undoubtedly [was] devoted to the goings-on at the recent national convention, we feel it is our duty to report to SPJ, SDX members something that didn't take place. We refer specifically to a resolution which was submitted to the resolutions committee prior to the convention.

That resolution, endorsed by more than a dozen SPJ, SDX members (including past president Edward J. Scripps II of Scripps-Howard newspapers; CBS commentator Eric Sevareid; syndicated columnists Ralph de Toledano and M. Stanton Evans; Ted Serrill of the National Newspaper Association, and Bob Casey and Dawson [Tack] Nail, past presidents of the Pittsburgh and Washington, D.C., professional chapters), condemned an increasingly common infringement on press freedom in America—compulsory union membership for journalists.

In case some few Quill readers are unacquainted with the problem, let us spell it out: At many newspapers and at all three networks, news professionals can not practice their trade—can not exercise their First Amendment rights—unless they agree to support certain labor organizations.

Even those journalists who for reasons only known to them want nothing to do with unions stand to be fired unless they compromise their beliefs; journalists who dare exercise their right of dissent must pay the price—discharge from their jobs.

Unfortunately, Quill readers will continue to be kept unaware of this amazing problem because 1) The Quill has never seen fit to open up its pages to a fair and frank discussion of the issue, and 2) the SPJ, SDX resolutions committee and Board saw fit to bury our resolution without giving convention delegates a chance to consider it on its merits.

How many news professionals are we going to allow to be intimidated in this fashion before we speak up for press freedom?

As we write this, for example, the Baltimore-Washington Newspaper Guild is threatening to strip Washington Post staff members of their union membership if they continue to refuse to honor a picket line thrown up by the craft unionists who attempted to sabotage the paper out of existence.

Under compulsory unionism arrangements, and a hybrid of such an arrangement exists at the Post, these journalists—some of them members of our organization, all of them among the best in the business—could lose their jobs if they lose their union membership. And the hell with the First Amendment. . . .

In our opinion, we might as well save money and not publish The Quill if it continues to avoid this matter. . . .

This is not a matter of union or anti-union. What we're asking is whether or not a journalist's right to work ought to be tied to his or her willingness to support some private organization—in this case, a labor union. We don't think so. And we would wager that the vast majority of our colleagues would agree.

Herb B. Berkowitz,
Falls Church, Va.

(Note.—Berkowitz, who also endorsed the proposed resolution, is assistant director, public relations, National Right To Work Committee. The December Quill (p. 29) reported the SPJ SDX Board discussed, but took no action on, the Buckley-AFTRA compulsory-unionism case, which has been reported previously in The Quill. During the discussion, the Board was apprised of the proposed resolution. Board members agreed unanimously that any action by the Society would be in violation of paragraph two of the Society's national By-Laws: "The Society of Professional Journalists, Sigma Delta Chi includes in its membership employers and employes, thus providing a common meeting ground. It has been the constant endeavor of the organization to improve the relationship between them, without committing the Society to the programs or policies of either."

The chairman of the convention resolution committee, Charles Novitz, reports that the proposed resolution was subsequently presented to the committee and that the committee was informed of the Board's position. The committee, composed of campus and professional chapter delegates, agreed without dissent, Novitz said.

Mr. FANNIN. It is unfortunate that Sigma Delta Chi directors, apparently reluctant to become involved in serious, "divisive" controversy, decided not to offer the resolution on the convention floor for consideration by the delegates, thereby effectively killing the matter for another year. However, several SDX members have indicated that they will continue their efforts to reform the Federal labor laws and end government infringements on press freedom in America. One member was quoted as stating: "It appears our only hope to end this injustice is the Congress—the same place the problem originated."

Mr. President, the National Right to Work Committee, which spearheaded the successful drive against enactment of common situs picketing legislation, has come out in strong support of S. 2712. Calling the issue one of "extreme national importance and public concern," the committee has urged the Senate to hold speedy hearings on the Journalists' Freedom of Choice Act.

I am hopeful, Mr. President, that the Senate Labor and Judiciary Committees will give serious and prompt consideration to the matters raised by S. 2712. Because of the important constitutional issues involved in this bill, I seriously hope that the Judiciary Committee will be able to schedule hearings before the end of this Congress. I am pleased that two distinguished members of that committee, Senators Thurmond and Hruska, both strong proponents of efforts to strengthen free press and free press in America and to preserve free collective bargaining rights for our Nation's working men and women, have indicated their support for this legislation.

OUR CHRISTMAS WISH FOR YOU

Mr. TALMADGE. Mr. President, I have just had an opportunity to read an inspiring column, written by Virginia Weldon Kelly, that appeared in the Long Beach, Calif., Press-Telegram on Christmas Day. The column contains thoughts appropriate throughout the year. Mrs. Kelly, the wife of Rear Adm. Thomas J. Kelly, USN, retired, is a respected and widely acquainted member of the press, who has always endeavored to put into practice in her private and professional life the precepts set down in the Judaic-Christian Scriptures.

Mrs. Kelly has been a trustee for 12 years of the Navy, Marine Corps, Coast Guard Residence Foundation, McLean, Va., the nonprofit residence for the widows of commissioned officers. The residence is named for the venerable and beloved former chairman of the House Armed Services Committee, the Honorable Carl Vinson, Georgia, who is called the "Father of the Modern U.S. Navy."

I bring this column to the attention of the Senate and ask unanimous consent that it be printed in the Record.

There being no objection, the column was ordered to be printed in the Record, as follows:

Our Christmas Wish for You

(By Virginia Kelly)

Christmas, the holy festival, celebrates the birth of Jesus, who has been called the Man for others, because He recognized the dignity and equality of all people, including women. In His Divine Essence, He was the Man from God. His constant realization of God's Presence made Jesus the most complete and fulfilled person Who ever lived.

Dr. Edward Bauman, the Methodist theologian, asserts that by Grace, Christians recognize the greatness of other faiths to whom the Cosmic Christ has been revealed, but that Christians have been uniquely blessed because Jesus was the only man in whom the Divine Christ was incarnate. Dr. Bauman also states that the Resurrection is regarded today as a fact. Modern theologians write about the Resurrection as history.

Archbishop Fulton J. Sheen said recently, "Jesus never entered the presence of death. He raised three people from the dead. . . . After His Resurrection, He was seen at least eleven times by people, ranging in number from one to several hundred."

Persecuted for years by Russia because he has asked for the release of imprisoned scientists, Dr. Andrei Sakharov urges international cooperation to prevent nuclear war. In "My Country and the World," he wrote that the U.S.S.R. is a sea of misery without liberty, where drunkenness and crime are rising.

The words of George Fox, the Quaker, are appropriate: "The Christ Spirit within us cannot be quenched by any power." But no country can be smug. The United States has an unparalleled crime wave. Famine, tyranny, terrorism, and religious civil wars stalk in many countries. Civilization can survive only by applying moral values, which, for western nations, are expressed by the Ten Commandments and the Sermon on the Mount.

Archbishop William F. Baum preached recently at a historic service in the Washington Hebrew Congregation. He said, "Jews and Christians worship a God of events Who summons them from the prison of subjectivism . . . to feel part of a plan, an adventure of infinite perspective, in the hands of a powerful God in Whose promises all can trust. There is meaning in history and purpose in human life."

St. Paul said, "Rejoice evermore and pray without ceasing for this is the will of God in Christ Jesus concerning you." St. Paul has given us the secret of Christian life: to praise God even in catastrophe. John Wesley was cruelly persecuted but he always praised God. When he was dying, he sang, "I'll praise my Saviour while I have breath."

Our Christmas wish for you is peace, love, freedom from pain and grief, and the spiritual tranquility that is next to God's Grace.

We of the Christian community remember that "God so loved the world that He gave His only begotten son that whosoever believeth in Him might not perish, but have everlasting life."

AMERICAN MARITIME STRATEGY AND SOVIET NAVAL EXPANSION

Mr. CANNON. Mr. President, the Secretary of the Navy, the Honorable J. William Middendorf II, has written an article on "American Maritime Strategy and Soviet Naval Expansion," which I commend to my colleagues. I accordingly ask unanimous consent to have it printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

American Maritime Strategy and Soviet Naval Expansion

(By the Honorable J. William Middendorf II)

In this year of Bicentennial reflections, there is one two-hundred-year-old organization that deserves immediate rather than nostalgic attention. Two hundred years ago, on October 13, 1775, the Continental Congress authorized the acquisition and construction of ships for the Continental Navy, perceiving quite accurately the importance of a maritime role for the fledgling republic. Yet a decade later the last of the frigates was sold, leaving the United States without a Navy, and in manner if not in scope creating a precedent for the next two hundred years that would bear much repetition. Patterns in the history of the Russian Navy show much similarity, if for vastly different reasons, but the patterns of the two navies came in different phases and did not affect each other. Since the period of direct American-Soviet conflict over the basic organization of the international system began, however, our navies have for the most part gone in opposite directions: ours dwindling, theirs expanding into a navy which, for the first time, can play a global role.

The purpose herein is to compare first these different histories, then to compare the different strategies and needs of the present. Finally, we will examine Soviet strategic options for the future and propose a maritime strategy for the United States in the 1980s, as the vital control of the seas which the U.S. must possess comes more and more under challenge.

I.

The American background

In creating the Navy, the Continental Congress was looking at the Atlantic Ocean and across to Europe, from which would come any foreign intervention. And it was upon Europe that the agricultural and maritime economies of the colonies depended for our external markets. A strong navy was integral to this system. By 1781, the Continental Navy, in which more than fifty ships had served, was reduced to only four frigates and a sloop-of-war. When the Treaty of Paris ended the war in September 1783, the frigate *Alliance* was the only vessel still in commission, and by 1785, owing to post-war sentiment and economic difficulties, even this ship was sold. The United States was becoming the second greatest oceanic mercantile nation in the world—without a fleet to protect its merchant marine. Such lack of foresight could only be expected to encourage foreign adventurism on the high seas.

Starting with the quasi-war with France, which woke the country to the need for a strong Navy, as did the War of 1812, America had to face the necessity of maintaining and establishing beyond any question the doctrine of "freedom of the seas" that has been a tenet of the country ever since. On March 27, 1794, Congress passed the Navy Act, which de facto created the United States Navy. The Act, passed in the face of Algerian aggression on the high seas, called for the construction of six frigates. In 1796 peace was made with the Algerians, but Congress did allow the completion of the frigates *United States*, *Constellation* and *Constitution*.

At the beginning of the War of 1812, the U.S. Navy was composed of just fourteen seaworthy warships. Our Navy took to the seas against overwhelming British sea power—1,048 men-of-war—and won a number of brilliant single-ship actions.

During the War of 1812, the stringent British blockade had kept American ports crowded with idle shipping while cotton, grain, tobacco, and other products piled high in warehouses and on wharves. On the ratification of the Treaty of Ghent, American ships, loaded with goods, took to sea. At the same time sorely needed foreign goods began to arrive from England, continental Europe, the West Indies, India and China. This was only the beginning of an unprecedented surge in American overseas commerce which, between 1815 and 1860, nearly quintupled in value.

The U.S. Navy was not permitted to decline, as had happened after earlier wars. This was partly because of the need to protect expanding trade and partly because of American pride in the Navy's accomplishments.

Three ships of the line, the *Independence,* the *Franklin,* and the *Washington,* laid down during hostilities, were completed shortly after the return of peace. By 1818 eight more had been laid down, but three of these ships were never completed. In 1822 work was begun on the mighty 120-gun *Pennsylvania,* the largest sailing ship ever built for the U.S. Navy and the largest in the world at the time of her launching in 1837. During the same period numerous frigates, sloops and schooners were also added to what soon became a respectable oceangoing fleet.

In the late nineteenth century three developments occurred which led to the evolution of the U.S. Navy's oceanic strategy.

First, in 1890, Rear Admiral Alfred Thayer Mahan published his internationally famous work, *The Influence of Sea Power On History.* Mahan's strategic analysis rested on the military principle that the key to defeating an enemy is concentrating superior offensive force against his main force. He also delineated the *vital* links between the burgeoning American industrial production, overseas markets, the merchant marine and the Navy.

Secondly, westward expansion and development in the United States had increased tremendously along the Pacific Coast. American interests were expanding in the Pacific and the Caribbean. And the United States found itself facing increasing European naval competition in areas thought crucial to vigorous overseas commercial activity.

Finally, steam and steel warships were replacing the Navy's wooden sailing ships. These new ships greatly increased the Navy's sea-keeping and combat capabilities. Naval bases in Hawaii, Wake, Guam, Samoa and the Philippines were acquired as coaling stations, and assured the United States access to the markets and raw materials of the Pacific basin. Ships operating from these bases, together with the Panama Canal and additional bases in the Caribbean, gave the United States a protective cordon with which to deter attack by any major power.

President Theodore Roosevelt put sea power into action. The Spanish-American War had projected the United States into the role of a world power with overseas interests and territories requiring a strong Navy. In 1907 he sent his famous "Great White Fleet" on a two-year, round-the-world cruise. This cruise demonstrated the U.S. Navy's technical proficiency, engendered good will, and increased American prestige. In reflecting on the cruise of the "Great White Fleet," Roosevelt said: "In my own judgment the most important service I rendered to peace was the voyage of the battle fleet around the world." Since its practical application by Theodore Roosevelt, American naval and, in many respects, overall military strategy has, in good times, reflected these geopolitical, oceanic concepts.

Alas, the naval disarmament treaties of Washington (1922) and London (1930) led to a misplaced euphoria. By the early 1930s the ships of the U.S. Navy had for the most part grown old and obsolescent. The Navy was indeed far below the strength in modern warships allowed by those treaties. If Theodore Roosevelt initiated the doctrine of sea power, it was Carl Vinson during the administration of Franklin Roosevelt who finally provided the Navy with the ships to support that doctrine. The far-sighted Vinson-Trammel Act of 1934 and the series of authorization bills which followed in 1938 and 1940 reversed that situation by authorizing the construction of many new carriers, battleships, cruisers, destroyers and submarines. It was these ships which were the backbone of American sea power during World War II—ships which were authorized, funded and laid down during peacetime, well before Pearl Harbor. The two most basic principles embodied in the Vinson-Trammel Act were:

That the United States must maintain a Navy "second to none."

To that end, the criterion for determining the size of the Navy must be the aggregate strength of all potential adversaries, and not fiscal limitation.

The practical effect of the Vinson-Trammel Act on the peacetime American fleet well before the American entrance in the war can be more clearly seen in Table 1 summarizing fleet strength and new construction in 1938 and 1941 (prior to Pearl Harbor). Similar figures for the present are included for comparison.

World War I and World War II represented the triumphs of the American concept and implementation of sea power.

What has happened since? The figures in the last column of Table 1 clearly show that the United States has been reduced to its smallest number of ships in thirty-five years. Not since a year and a half before Pearl Harbor has the fleet been this size.

Thus, it should not be surprising that there has been, of late, much public discussion on the adequacy of our naval forces. This discussion is based, in part, on the recognition of the following facts:

In June 1968, the U.S. Navy had a total active fleet of 976 ships, including 15 attack aircraft carriers and 8 antisubmarine warfare carriers.

A great number of these ships were of World War II vintage and were rapidly approaching technical and material obsolescence. The Navy decided to retire these ships, reduce the size of the active fleet and invest in new ships with the funds made available.

The Navy now has an active fleet of less than half the number of ships in the fleet in 1968.

The United States therefore faces one of the most significant challenges to its maritime superiority since the end of World War II. That challenge is to rebuild the U.S. fleet to such a size and having sufficient ships of various capabilities that it can do the job assigned in support of our national strategy.

THE SOVIET NAVY

Like the American Navy, the Russian Navy traces its beginnings to the eighteenth century. The fledgling Russian Navy, again like its American counterpart, enjoyed success in its early years. Tsar Peter I imported British and German naval experts and from scratch built a fleet which succeeded in challenging and defeating the Swedish in 1714 on the Baltic. By 1770 tsarist Russia had a black Sea fleet—one which handed the Turks a major defeat. In fact, one of the principal naval heroes of the American Revolution, John Paul Jones, joined this Black Sea fleet late in the eighteenth century. After that point, however, any parallel between the development of Soviet and American sea power ceases to be valid. The enthusiasm for and, perhaps, understanding of naval power evidenced so clearly by Peter and later Catherine was entirely lacking in subsequent tsars. The development of Russian sea power followed no coherent pattern, and for the most part languished owing to indifference and neglect.

Despite the fact that imperial Russia engaged in several major wars in the nineteenth century, including the defeat of Napoleon at Moscow, there was no major Russian naval action between 1770 and 1904. It was then that the Russians suffered one of the most infamous defeats in all of naval history at the hands of the Japanese in the Straits of Tsushima. On the eve of World War I the Russian Navy remained subordinate to the Army in the command structure and existed solely for coastal defense and to support the Army in its operations. Not surprisingly the Navy was ineffectual in the war.

Despite the role of the Baltic squadron, particularly the cruiser *Aurora,* in bringing about the success of the 1917 Bolshevik Revolution, the early Communists had little use for an oceangoing Navy. Their principal concern was internal, the subjugation of the Russian Ukrainian, Turkish and other people. The Black Sea fleet was nonexistent, the ships having either been scuttled or sailed to internment in Tunisia by their White Russian crews. When the sailors of the Baltic fleet became dissatisfied with the Bolshevik government, the Communists found it necessary to purge the already thin naval ranks through mass execution and Siberian imprisonment. Political commissars were assigned as watchdogs throughout the Navy. All decisions made by naval officers had to be approved by these men, chosen for their loyalty to the state, with little or no regard for their knowledge for naval matters. By 1920 the operational Russian fleet consisted of exactly one dreadnought and a handful of destroyers.

TABLE 1

	1938		1941		Oct. 1, 1975	
	In commission	Under construction [1]	In commission	Under construction [1]	In commission	Under construction [1]
Carriers	5	4	7	11	15	2
Battleships	15	6	17	15	0	0
Cruisers	32	15	37	54	27	4
Destroyers [2]	104	55	175	191	135	22
Submarines	52	20	114	73	116	17
Service force	86	2	[3] 283	41	41	1
Amphibious	0	0	6	0	62	5
Auxiliaries [4]	117	10	459	0	87	3
Total	411	112	1,098	385	483	54

[1] Includes vessels funded but not actually under construction.

[2] Includes frigates (FF's) in 1975 totals.

[3] A great number of ships in that time frame were taken from commercial sources, modified and commissioned as service ships.

[4] Includes patrol and mine warfare craft.

During the 1920s a number of Russians began calling for the construction of a powerful oceangoing fleet. This group, led primarily by former tsarist naval officers, was opposed by another group within the Soviet leadership, who advocated instead a defensive Navy composed of submarines, aircraft and patrol boats. Stalin, who ascended to leadership of the Soviet Union in 1927, sided with the second group, and by the early 1930s the backers of a strong Russian Navy had ceased to exist. By 1937, however, Stalin had made an abrupt about-face in naval policy and in that year began the drive for Soviet naval power that was to last through the remainder of his life. World War II caught the emerging Soviet Navy unprepared. Though it could claim the world's largest submarine fleet, personnel and materiel problems rendered it of little use in the Allied cause. Very major factors in this failure were the purges of 1937–39, during which the Navy had lost a large percentage of its middle and high level leadership to Stalin's firing squads and Siberian labor camps.

The Soviet Navy at the end of World War II was in little better shape than it had been after World War I, and the destruction of Soviet industrial capability left no resources avaliable for building a Navy. As soon as it was possible, however, Stalin began a massive shipbuilding program. On Stalin's death in 1953 the anti-naval forces once again attained control of the Kremlin, and Stalin's warship construction programs were largely cancelled in favor of merchant ship construction. The new Soviet leader, Nikita Khrushchev, backed the policy of assembling a force built around the submarine and the cruise missile. This force was justified on the basis of a defensive strategy, aimed initially at American carriers and later expanded to include the American ballistic missile submarines.

Sergei Gorshkov rose to the position of Commander-in-Chief of the Soviet Navy in the 1950s and as such was able to preserve and sustain much of the oceangoing capability of the then somewhat limited Soviet Navy, almost in spite of Khrushchev's defense-oriented strategy.

In 1962, after the United States successfully enforced the Cuban quarantine, the Soviets initiated an aggressive maritime building program (a program exceeded only by our own World War II expansion) and in the ensuing twelve years produced a Navy with worldwide competitive capability. During this period the Soviet Union built a total of 1,323 ships of all classes as compared with 302 for the U.S. Specific ship types include:

Ship type:	*U.S.S.R.*	*U.S.*
Major Surface Combatants	120	105
Submarines (Ballistic Missile)	46	35
Submarines (Cruise Missile)	57	0
Submarines (Attack)	85	51

In 1963 Admiral Gorshkov began the oversea deployment of the Soviet Navy. Gradually at first, the Soviet Navy moved away from the defense-oriented, anticarrier, antisubmarine role and began adopting some of the missions traditionally associated with sea power—the interdiction of enemy sea lines of communication and the support of Soviet foreign policy.

In addition, the Soviet naval presence in peacetime became a very significant factor throughout the world. Nowhere has the new direction of the Soviet Navy more clearly been seen than in the Mediterranean. Prior to 1964 there was no continual Soviet presence in the Mediterranean. In that year the Soviet force there averaged five ships. The present Soviet average is between fifty and sixty. In the 1973 Middle East crisis the Soviet Mediterranean squadron reached some ninety-five units compared to only sixty for the U.S. Sixth Fleet. The new Soviet Navy has been adopting a shape much more consistent with its new missions. The first Soviet VSTOL (vertical take-off and landing) aircraft carrier is undergoing sea trials, work continues on a second carrier, and a third is apparently being readied for construction. The Soviets also are strengthening the naval infantry (marine) forces. Both of these factors significantly enhance Soviet naval capabilities. Sea denial has been enhanced through the addition of powerful new surface combatants, such as the new Kara-class cruisers.

Strategic deterrence in the Soviet Navy came into its own in 1968 with the addition of the first Yankee-class ballistic missile submarine to the fleet. Yankee, roughly the equivalent of the American Polaris/Poseidon submarines, has since been followed by the powerful new Delta-class strategic missile submarines, whose missiles have a range in excess of 4,000 nautical miles. Indeed, this class of submarine is capable of targeting a vast majority of U.S. industrial centers from its home ports

II.

The comparative historical development of the American and Soviet navies reveals that there have always been significant differences between the naval requirements of the two nations and the structure of the naval forces these nations need to fulfill these requirements. A more detailed consideration of how strategy is affected by geographic, economic/trade, and alliance relationships in the present era shows that the divergence is even greater today.

Strategy and geography

The United States Navy and Marine Corps have historically fulfilled three missions with success:

1. Sea control—primarily in antisubmarine warfare and principally in the North Atlantic, the Navy insured the unimpeded flow of men and material to Europe.

2. Projection of power ashore—primarily in the Pacific theater, U.S. Marines and tactical aircraft effectively wrested strategic chains of islands from the Japanese.

3. Political presence—the end of World War II saw a burgeoning of the Navy's mission of global visibility, particularly through the continuous deployment of aircraft carriers to the Mediterranean and western Pacific.

American—and four years later, Soviet—development of nuclear weapons brought an entirely new factor into the broad spectrum of world affairs. By the 1950s, the two superpowers had the capability to reap massive destruction on the other, whence the development of the military and political strategy of deterrence.

For the U.S. Navy, this fourth mission took practical shape from 1950, when its first nuclear-capable carrier aircraft, the AJ–1/*Savage* was delivered. The Navy's strategic deterrence mission became more sophisticated in December 1960, when the submarine USS *George Washington* went to sea with sixteen Polaris missiles.

Today, the United States Navy has clarified the interrelationship between these four missions. Throughout the historical evolution of our Navy, or of any great navy for that matter, the capability to *control the seas* is absolutely essential in carrying out *any* naval mission. Sea control is both defensive and offensive, strategic and tactical. U.S. control of the oceans prevents the interdiction of its sea lines of communication and denies a potential adversary his capability to use those oceans. Sea control also provides the Navy with secure operating areas to effect any of its strategic or tactical objectives. Further, protracted overseas operations by Army and Air Force units require resupply operations whose magnitude can only be sustained through sealift. Sea control is, therefore, a fundamental prerequisite to all other military tasks.

From sea control the second function of the Navy is derived—*projection of power*. Projection of power covers a broad spectrum of naval operations—from strategic nuclear response by our Fleet Ballistic Missile Submarines, to the tactical employment of our carrier-based aircraft, amphibious assault forces, and surface warfare ships. The unquestioned capability of the United States Navy to control the seas and to project power ashore are the basis for deterrence. U.S. naval forces, furthermore, which are clearly perceived as capable of carrying out these two functions, fulfill the concept of peacetime presence.

A direct comparison of geography sharply contrasts the differences in American and Soviet naval missions. The Soviet Union is essentially a land power. Occupying one-sixth of the earth's land surface, the Soviet Union is by area the largest country in the world. Its thousands of miles of land borders stretch across two continents and are contiguous with nations which have been hostile in the past or which are perceived to be potentially hostile. Indeed, Soviet history, dating as far back as the Mongol invasion in the thirteenth century, is marked by a series of invasions across these borders from both east and west. Geography further limits Soviet freedom of access to the oceans of the world, with ice and potentially strategic geographic choke points acting as encumbrances to oceanic trade and military deployments.

In contrast, the land borders of the United States adjoin nations with which it has enjoyed open and friendly relations for more than one hundred years. Since the British invasion during the War of 1812, the United States has been free from foreign invasion. Having a shoreline exceeding 88,000 miles in predominantly temperate climates, the United States enjoys free and unlimited access to the two major oceans of the world.

These historical experiences and geographical considerations have resulted in the development of the international political, economic and military structures of the two nations. Specifically, the foreign trade patterns, alliance structures and military forces of the United States and the Soviet Union are most significantly different.

Trade and alliances

The geographical considerations, the availability of natural resources, and the economic systems of the two nations have caused major differences in their respective dependence on foreign trade. The Soviet Union has a truly inestimable wealth of natural resources and is virtually self-sufficient in most areas. For example, it claims 23.1 per cent of the world's coal deposits, 11.7 per cent of its oil (in which it is self-sufficient and the world's largest producer), 41 per cent of iron ore, 88 per cent of manganese, and 25 per cent of all timberland.

The United States, on the other hand, while having significant deposits of many natural resources, now must import growing quantities of raw materials to support its industrial base. In essence, from a strategic materials point of view, the U.S. has gone from a "have" to a "have not" status in a very few years. Last year total U.S. exports were valued in excess of $97 billion, as compared with only $27 billion for the Soviet Union. Significantly, American imports topped the $100 billion mark, over four times the Soviet figures.

A more important consideration is the volume of this trade which moves by sea. It is estimated that more than 70 per cent of all U.S. trade is with nations other than the two contiguous states of Canada and Mexico, while more than 60 per cent of Soviet trade is with other socialist states of the Eurasian land mass. No less than 98 per cent of world trade by volume moves by sea today, and this will be the case ten years from now.

Furthermore, these economic and trade variances have had a marked effect on the alliance structures of the two nations. All of the military allies of the Soviet Union are conjoined and can therefore be supported and reinforced by land. In contrast, forty-one of the forty-three alliances of the United States are overseas, and for the most part U.S. military support and reinforcement for these allies must be projected across the Atlantic and Pacific Oceans. Indeed, the Western alliance is an *oceanic* alliance, and without the capability for full utilization of the seas this alliance is not viable.

This different dependency on the sea has led to a marked difference in naval strength on the part of our allies and those of the Soviet Union. As a manifestation of their dependency on the ocean, Britain, France, and Italy all maintain significant and effective navies. However, no ally of the Soviet Union currently maintains an effective "blue-water" navy. The United States and its allies are sea powers by necessity.

The Soviet Union is now also a genuine sea power. However, not having its most vital interests on the oceans of the world, the question must be asked: Why has the Soviet Union developed such a Navy? Clearly an armada of this size is designed not only to counter Western naval strength, but also to take advantage of the oceanic dependencies of the West and to threaten the U.S. mainland.

Some comparisons

Whether the comparison criterion is numbers of combatant ships, tonnage, ship class, or deployment patterns, there are significant differences between the U.S. and Soviet fleets.

The U.S. Navy has a substantial lead in aggregate tonnage, while the Soviet Navy numbers many more ships. While certain classes of ships are common to both fleets—such as destroyers (DD) and nuclear-powered attack submarines (SSN)—the U.S. Navy has no cruise missile-equipped submarines, nor does the Soviet Navy have attack aircraft carriers with catapults and arresting gear to handle high performance fixed wing aircraft. The existing deployment patterns of the two fleets are different. U.S. deployments may best be characterized as a continuous maintenance of unilateral and multilateral commitments to defeat potentially hostile forces routinely present in a theater of operations. Soviet deployments vary radically in size, and appear to be directed toward developing the capability of concentrating the naval forces necessary to achieve a particular goal for a limited period of time.

Comparing individual ships is no less difficult than comparing the fleets as a whole. Aside from the readily apparent difficulty in comparing different ship classes—for example, a U.S. attack aircraft carrier versus a Soviet cruise missile submarine—a wide variance of capabilities and characteristics is found within common ship classes. Different design philosophies result in trade-offs among the various uses to which a ship's internal volume and topside weight might be put. In general, Soviet designs emphasize light weight, high maneuverability and great offensive firepower—all characteristics of a fleet intended to be deployed to deny control of the seas. U.S. designs stress endurance, survivability and habitability—the characteristics of a fleet intended to exert control of the seas for extended periods.

III.

What then, of the future, given the past as we have described it, and the present as we have analyzed it? Both the Soviets and the U.S. have clear options, which are of course interrelated. In this last section we will consider possible Soviet strategies and will try to infer which are the preferred tactics on the evidence we have from the great worldwide Soviet naval exercises. Given our intent of preserving U.S. control of the sea and given the continuing Soviet naval bulid-up, what the United States must do is the subject of the last section.

Soviet naval strategy

The commonly projected employment of Soviet forces can be seen in terms of their historic objectives of defending the homeland, and is one favored by the Red Army. There is much by instinct to support such an option, given the number of her sons that Mother Russia has lost to invaders. The option does minimize navel forces, shipping, and the maritime role in general.

A second increasingly attractive Soviet option available is to isolate the U.S. from a land war in Europe. Knowing full well that any conflict involving NATO and the Warsaw Pact will require extensive resupply from the U.S., Soviet strategists would obviously wish to sever that link. This option, representing a somewhat forward extension of Soviet power, is growing in favor with their Navy, and is based on their view of a short siege, short war theory. The option also represents a concentration of efforts in the area and thus provides no real threat to remote shipping.

Another strategic option is for the Soviets to strive to defeat U.S. naval forces, then attack commercial shipping in selective areas. Such a strategy implies a longer war than Soviet forces appear to be configured for. I am suggesting, of course, that their Navy would be designed for a one shot, short war strategy, to the extent that no evidence exists that the Soviets advocate extended conflict at sea with U.S. forces.

Another realistic option available to the Soviet Navy, as I see it, is to concentrate on attacking commerce. However, it is difficult to envisage a scenario where this strategy could be implemented without bringing U.S. naval forces to bear against Soviet forces; it would be the equivalent of a worldwide submarine campaign, the mining of choke points and terminals, and air and surface attacks on forces in the vicinity of Soviet bases. Again, this strategy implies a long war scenario, of which no evidence of Soviet advocacy exists.

Soviet naval strategy would therefore appear to be deployment and employment of forces to defend their homeland and to isolate U.S. forces, which, in a word, constitutes *sea denial*. Indeed this strategy has been articulated by the Soviets themselves in the recent Okean 75 exercises. In this exercise, observed by NATO units, more than two hundred ships were deployed in coordinated operations. Soviet naval task forces operated simultaneously in the North Atlantic, the Mediterranean, the western Pacific, the Indian Ocean and elsewhere. Soviet aircraft operated from bases not only in the Soviet Union, but also from air facilities made available to them in Cuba, Guinea, and Berberra in the Somali Republic. The exercise provided an excellent summary of the Soviet Naval strategy today. The USSR has reached a position as a leading sea power, with missions and capabilities unprecedented in Soviet naval history.

An American maritime strategy for the 1980s

As a component of national strategy, the function of military strategy is to support the national interests by:

1. Deterring the outbreak of war and other infringements on U.S. interests;

2. Contributing to international stability through the maintenance of a balance of military power;

3. Maintaining a war-fighting capability to respond to a crisis ranging from a minor confrontation to global war.

Oceanic factors contribute to the development of our national strategy. U.S. military forces implementing this strategy therefore must not only be optimized to meet the challenge of our geography, but must also be adapted to the functional concerns associated with the expansion of the military capabilities of our potential adversaries, the vulnerability of our critical imports, the continued viability of unilateral U.S. interests outside our alliance areas, and the fragility of regional power balances.

In Europe, substantial forward-based air and ground forces, together with naval forces will continue to preserve the credibility of NATO, provided there is a demonstrable link to the capability of the U.S. to augment these forces, resupply them, and provide reinforcement.

Elsewhere in the world, forward-deployed forces afloat and sea-mobile tactical air forces, supported by a quick-reaction strategic reserve, can fulfill most U.S. defense commitments, including the projection of power when necessary.

Therefore, U.S. national and military strategy is intimately tied to the ready availability of naval forces, structured to support the basic concept that control of the sea is absolutely vital to our national interests.

The Navy is, then, a forward-deployed arm of the United States. It functions as a protective buffer to keep the threat as far away from our shores as possible, as a shield to guard the arteries of commerce of this nation and our allies, and as a visible manifestation of the presence of the United States protecting its interests around the world.

However, from a naval point of view, the coincident reduction of the size of our fleet and the impressive build-up of the Soviet Navy pose a significant threat to this maritime strategy. Our nation is no longer in the dominant position at sea that it enjoyed until recently. There are now two powerful navies on the high seas instead of one.

In view of these strategic considerations the threat posed by potential adversaries and the shrinking size of the U.S. Navy, a critical national security issue we face is the size and structure of the U.S. Navy.

The Navy's solution to this critical issue is a balanced objective force level of 600 active ships in the U.S. Navy by the mid-1980s. This active fleet is built around 13 to 15 aircraft carriers and 190 to 220 surface combatants.

The following considerations are relevant in determining the composition of a 600-ship force level:

1. With a balanced fleet of 600 active ships and their aircraft, supplemented by reserve forces, the U.S. Navy can with greater confidence carry out its most important tasks in the event of conflict with any potential adversary.

2. The U.S. Navy presently maintains four to five continually deployed task groups and Marine Amphibious Units required to support our overseas national policy. With the reduction of overseas base structures coupled with regional uncertainties, it is unlikely that the Navy's forward-deployment responsibilities will diminish.

3. The Navy must have the flexibility for operational fleet response to reinforce deployed ships and have the capability to meet—simultaneously—more than one situation of potential conflict.

The key element in this naval strategy remains the aircraft carrier. As a mobile, forward-deployed base, the aircraft carrier remains today that single platform which is capable of carrying out *all* the missions of the U.S. Navy.

Aircraft carriers, along with a mix of very sophisticated ships and less expensive ships will continue to be a key element in the Navy in the future. The importance of this fleet of the future, which will include strategic missile submarines that provide a credible deterrent to nuclear war, cannot be exaggerated. Yet we have reached a critical junc-

ture in the history of the U.S. Navy *and* our nation.

On the one hand, as a result of the Vietnam war and a reordering of fiscal priorities, the Navy has since 1968 undertaken the construction of 119 new ships—an average of only 13 ships per year. Were this trend to continue, it would result in a Navy of substantially less than 450 ships by 1980.

On the other hand, the President and the Congress have recognized the need for more ships to modernize the Navy. In fiscal year 1975, 23 new ships were approved. However, in order to reach the Navy's objective of a 600-ship fleet, the United States would have to build an average of at least 35 new ships a year starting next year.

In my judgment, it is critical that we preserve our shipbuilding momentum in order to insure maritime superiority and national survival. When historians look back on this era, as we now look back on the period of the 1930s and the Vinson-Trammel Act, perhaps the quintessence of the whole period will be whether we rebuilt our fleet in time during the few precious moments of freedom still allotted to us.

CAMPAIGN CONTRIBUTIONS

Mr. MOSS. Mr. President, in the Record of February 2, 1976, Congressman Michel of Illinois provides the world with a study, unidentified, in which he charges me with receiving $70,421.95 from "organized labor" as 1974 campaign contributions.

This statement is a total error. I was not a candidate for election in 1974 and received no campaign contributions in 1974.

Congressman Michel's statement regarding me and others is decidedly lacking in credibility.

All I have been able to find out from his office is that the statement in the Record was based on a press release put out by the Americans for Constitutional Action.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

REGULATION OF MINING ACTIVITIES WITHIN THE NATIONAL PARK SYSTEM

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business be laid aside temporarily and that the Senate return to the consideration of Calendar No. 542, S. 2371.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 2371) to provide for the regulation of mining activity within, and to repeal the application of mining laws to, areas of the National Park System.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Interior and Insular Affairs, with amendments, as follows:

On page 1, beginning with line 1, insert the following:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress finds and declares that—

(a) the level of technology of mineral exploration and development has changed radically since the enactment of the Mining Law of 1872, and as a result of the technological advances, the continued application of the Mining Law of 1872 to those areas of the National Park System to which it applies, conflicts with the purposes for which they were established; and

(b) all mining operations in areas of the National Park System should be conducted so as to prevent or minimize damage to the environment and other resource values, and, in certain areas of the National Park System, surface disturbance from mineral development should be temporarily halted while Congress determines whether or not to acquire any valid mineral rights which may exist in such areas.

On page 2, beginning with line 9, strike "That in" and insert "Sec. 2. In";

On page 2, in line 9, after "preserve" insert "for";

On page 2, beginning with line 12, strike out: "National Environmental Policy Act of 1969 (83 Stat. 852; 42 U.S.C. 4321 et seq.), surface use of mineral land locations within any areas of the National Park System is subject to such rules and regulations as may be prescribed and published by the".

And insert in lieu thereof: "Act of August 25, 1916, as amended (16 U.S.C. 1) and the individual organic Acts for the various areas of the National Park System, all activities resulting from the exercise of valid existing mineral rights on patented or unpatented mining claims within any area of the National Park System shall be subject to such regulations prescribed by the".

On page 2, in line 23 strike "protection" and insert "preservation";

On page 3, beginning with line 1, strike out: Sec. 2. The following Acts are amended or repealed as indicated:

And insert in lieu thereof:

Sec. 3. Subject to valid existing rights, the following Acts are amended or repealed as indicated in order to close these areas to entry and location under the Mining Law of 1872:

On page 4, in line 8, strike "3." and insert "4.";

On page 4, in line 8, strike "three" and insert "four";

On page 4, beginning in line 10, strike out: "any mining claim located or patented subject to any of the Acts amended or repealed by section 2 of this Act shall not".

And insert in lieu thereof: "any patented or unpatented mining claim which is located within the boundaries of Death Valley National Monument, Mount McKinley National Park, and Organ Pipe Cactus National Monument shall not be disturbed for purposes of mineral exploration or development: *Provided, however*, That the provisions of this section shall not apply to surface disturbance caused by extraction of minerals from lands the surface of which had been significantly disturbed for the purpose of mineral extraction prior to September 18, 1975.".

On page 4, in line 21, strike "4." and insert "5.";

On page 4, in line 23, strike "3" and insert "4";

On page 4, beginning with line 25, strike out:

Sec. 5. Within ninety days after the date of enactment of this Act, the Secretary of the Interior shall submit to the Congress an estimate of the funds and manpower needed to determine the validity of any mining claims within Death Valley and Glacier Bay National Monuments, together with recommendations as to whether any valid claims should be acquired by the United States.

Sec. 6. Within one year after the date of enactment of this Act, the Secretary of the Interior shall submit to the Congress an estimate of the funds and manpower needed to determine the validity of any mining claims within Crater Lake and Mount McKinley National Parks, and Coronado and Organ Pipe Cactus National Monuments, together with recommendations as to whether any valid claims should be acquired by the United States.

And insert in lieu thereof:

Sec. 6. Within two years after the date of enactment of this Act, the Secretary of the Interior shall determine the validity of any unpatented mining claims within Death Valley and Organ Pipe Cactus National Monuments and Mount McKinley National Park and submit to the Congress recommendations as to whether any valid or patented claims should be acquired by the United States.

Sec. 7. Within four years after the date of enactment of this Act, the Secretary of the Interior shall determine the validity of any unpatented mining claims within Crater Lake National Park, Coronado National Monument, and Glacier Bay National Monument, and submit to the Congress recommendations as to whether any valid or patented claims should be required by the United States.

Sec. 8. All mining claims under the Mining Law of 1872, as amended and supplemented (30 U.S.C. chapters 2, 12A, and 16 and sections 161 and 162) which lie within the boundaries of units of the National Park System shall be recorded with the Secretary of the Interior within one year after the effective date of this Act. Any mining claim not so recorded shall be conclusively presumed to be abandoned and shall be void. Such recordation will not render valid any claim which was not valid on the effective date of this Act, or which becomes invalid thereafter.

Sec. 9. (a) Whenever the Secretary of the Interior finds on his own motion or upon being notified in writing by an appropriate scientific, historical, or archeological authority, that a district site, building, structure, or object which has been found to be nationally significant in illustrating natural history or the history of the United States and which has been designated as a natural or historical landmark may be irreparably lost or destroyed in whole or in part by any surface mining activity, including exploration for or removal or production of minerals and materials, he shall notify the person conducting such activity and submit a report thereon, including the basis for his finding that such activity may cause irreparable loss or destruction of a national landmark, to the Advisory Council on Historic Preservation, with a request for advice of the Council as to alternative measures that may be taken by the United States to mitigate or abate such activity.

(b) The Council shall within two years from the effective date of this section submit to the Congress a report on the actual or potential effects of surface mining activities on natural and historical landmarks and shall include with its report its recommendations for such legislation as may be necessary and appropriate to protect natural and historical landmarks from activities, including surface mining activities, which may have an adverse impact on such landmarks.

So as to make the bill read:

S. 2371

Be it enacted by the Senate and House of Representatives of the United States of

America in Congress assembled, That the Congress finds and declares that—

(a) the level of technology of mineral exploration and development has changed radically since the enactment of the Mining Law of 1872, and as a result of these technological advances, the continued application of the Mining Law of 1872 to those areas of the National Park System to which it applies, conflicts with the purposes for which they were established; and

(b) all mining operations in areas of the National Park System should be conducted so as to prevent or minimize damage to the environment and other resource values, and, in certain areas of the National Park System, surface disturbance from mineral development should be temporarily halted while Congress determines whether or not to acquire any valid mineral rights which may exist in such areas.

SEC. 2. In order to preserve for the benefit of present and future generations the pristine beauty of areas of the National Park System, and to further the purposes of the Act of August 25, 1916, as amended (16 U.S.C. 1) and the individual organic Acts for the various areas of the National Park System, all activities resulting from the exercise of valid existing mineral rights on patented or unpatented mining claims within any area of the National Park System shall be subject to such regulations prescribed by the Secretary of the Interior as he deems necessary or desirable for the preservation and management of those areas.

SEC. 3. Subject to valid existing rights, the following Acts are amended or repealed as indicated in order to close these areas to entry and location under the Mining law of 1872:

(a) the first proviso of section 3 of the Act of May 22, 1902 (32 Stat. 203; 16 U.S.C. 123), relating to Crater Lake National Park, is amended by deleting the words "and to the location of mining claims and the working of same";

(b) section 4 of the Act of February 26, 1917 (39 Stat. 938; 16 U.S.C. 350), relating to Mount McKinley National Park, is hereby repealed;

(c) section 2 of the Act of January 26, 1931 (46 Stat. 1043; 16 U.S.C. 350a), relating to Mount McKinley National Park, is hereby repealed;

(d) the Act of June 13, 1933 (48 Stat. 139; 16 U.S.C. 447), relating to Death Valley National Monument, is hereby repealed;

(e) the Act of June 22, 1936 (49 Stat. 1817), relating to Glacier Bay National Monument, is hereby repealed;

(f) section 3 of the Act of August 18, 1941 (55 Stat. 631; 16 U.S.C. 450y–2), relating to Coronado National Memorial, is amended by replacing the semicolon in subsection (a) with a period and deleting the prefix "(a)", the word "and" immediately preceding subsection (b), and subsection (b); and

(g) the Act of October 27, 1941 (55 Stat. 745; 16 U.S.C. 450z), relating to Organ Pipe Cactus National Monument, is hereby repealed.

SEC. 4. For a period of four years after the date of enactment of this Act, the surface of any land included within any patented or unpatented mining claim which is located within the boundaries of Death Valley National Monument, Mount McKinley National Park, and Organ Pipe Cactus National Monument shall not be disturbed for purposes of mineral exploration or development: *Provided, however,* That the provisions of this section shall not apply to surface disturbance caused by extraction of minerals from lands the surface of which had been significantly disturbed for the purpose of mineral extraction prior to September 18, 1975.

SEC. 5. The requirements for annual expenditures on mining claims imposed by Revised Statute 2324 (30 U.S.C. 28) shall not apply to any claim subject to section 4 of this Act during the time such claim is subject to such section.

SEC. 6. Within two years after the date of enactment of this Act, the Secretary of the Interior shall determine the validity of any unpatented mining claims within Death Valley and Organ Pipe Cactus National Monuments and Mount McKinley National Park and submit to the Congress recommendations as to whether any valid or patented claims should be acquired by the United States.

SEC. 7. Within four years after the date of enactment of this Act, the Secretary of the Interior shall determine the validity of any unpatented mining claims within Crater Lake National Park, Coronado National Monument, and Glacier Bay National Monument, and submit to the Congress recommendations as to whether any valid or patented claims should be acquired by the United States.

SEC. 8. All mining claims under the Mining Law of 1872, as amended and supplemented (30 U.S.C. chapters 2, 12A and 16 and sections 161 and 162) which lie within the bounadries of units of the National Park System shall be recorded with the Secretary of the Interior within one year after the effective date of this Act. Any mining claim not so recorded shall be conclusively presumed to be abandoned and shall be void. Such recordation will not render valid any claim which was not valid on the effective date of this Act, or which becomes invalid thereafter.

SEC. 9. (a) Whenever the Secretary of the Interior finds on his own motion or upon being notified in writing by an appropriate scientific, historical, or archeological authority, that a district, site, building, structure, or object which has been found to be nationally significant in illustrating natural history or the history of the United States and which has been designated as a natural or historical landmark may be irreparably lost or destroyed in whole or in part by any surface mining activity, including exploration for or removal or production of minerals or materials, he shall notify the person conducting such activity and submit a report thereon, including the basis for his finding that such activity may cause irreparable loss or destruction of a national landmark, to the Advisory Council on Historical Preservation, with a request for advice of the Council as to alternative measures that may be taken by the United States to mitigate or abate such activity.

(b) The Council shall within two years from the effective date of this section submit to the Congress a report on the actual or potential effects of surface mining activities on natural and historical landmarks and shall include with its report its recommendations for such legislation as may be necessary and appropriate to protect natural and historical landmarks from activities, including surface mining activities, which may have an adverse impact on such landmarks.

RECESS UNTIL 10:30 A.M.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate stand in recess until the hour of 10:30 a.m. today.

There being no objection, the Senate, at 10:09 a.m., recessed until 10:30 a.m.; whereupon, the Senate reassembled when called to order by the Acting President pro tempore (Mr. Glenn).

APPOINTMENT BY THE VICE PRESIDENT

The ACTING PRESIDENT pro tempore. The Chair, on behalf of the Vice President, pursuant to Public Law 79–565, appoints the Senator from Oregon (Mr. Hatfield) to the U.S. National Commission for the United Nations Educational, Scientific, and Cultural Organization.

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk wil call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

REGULATION OF MINING ACTIVITIES WITHIN THE NATIONAL PARK SYSTEM

The Senate continued with the consideration of the bill (S. 2371) to provide for the regulation of mining activity within, and to repeal the application of mining laws to, areas of the National Park System.

Mr. STEVENS. Mr. President, I ask unanimous consent that my legislative assistant, Mike Spaan, be permitted to remain on the floor during consideration of this bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HANSEN. Mr. President, I ask unanimous consent that Ray McGuire, of my staff, and Sunny Nixon be permitted on the floor during debate of this bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, I ask unanimous consent that Doug Smith of my staff be accorded privileges of the floor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. METCALF. Mr. President, as I understand it, S. 2371 has been called up?

The ACTING PRESIDENT pro tempore. It has. It is the pending business.

Mr. METCALF. Mr. President, I have a statement by the chairman of the Committee on Interior and Insular Affairs, Mr. Jackson, on S. 2371. I ask unanimous consent that it be printed in the Record.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. HANSEN. Reserving the right to object, Mr. President, and I do not intend to object, are there copies so we may read what Mr. Jackson says?

Mr. METCALF. I shall give the Senator a copy.

Mr. HANSEN. I have no objection.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Statement by Senator Jackson

I strongly support S. 2371, as reported by the Interior Committee, and I urge its passage by the Senate.

I am well aware of the need to develop our nation's mineral resources. However, I am convinced that mineral development pursuant to the Mining Law of 1872 should not be allowed in our national park system. There are many areas of public land containing valuable minerals which are not within the national park system. Surely, these deposits should be developed before those within the national park system.

Passage of S. 2371 and its prompt approval by the House of Representatives will enable us to protect the more than 20% of our national park system which is currently potentially subject to mineral development under the outmoded 1872 law. It is possible that in the future Congress will wish to consider whether mineral development should take place in some of these areas. In any event, it is a decision which should be made in the future by the Congress and not simply by an individual mining company which wishes to develop a particular mineral deposit.

I congratulate the Senator from Montana (Mr. Metcalf) and the Senators from California (Mr. Cranston and Mr. Tunney) for their strong support of this legislation.

MINING IN NATIONAL PARKS

Mr. METCALF. Mr. President, the spectacular scenic and natural values of six units of the National Park System, particularly Death Valley National Monument, are being threatened by mineral development. This development is being carried out under the Mining Law of 1872, which, many years ago, by special acts of Congress, was made applicable to six units of the park system. In addition to Death Valley, the other areas involved are Crater Lake and Mount McKinley National Parks, Coronado National Memorial and Organ Pipe Cactus and Glacier Bay National Monuments.

The time has come, in the opinion of the majority of the Committee on Interior, to repeal these special laws so as to assure the preservation of these national treasures. The lands now subject to these laws total approximately 7.1 million acres, over 20 percent of our National Park System.

S. 2371 would do three things:

First, repeal the seven acts of Congress which make the Mining Law of 1872 applicable to these six units of the National Park System—section 3;

Second, provide express and broad authority for management by the Secretary of the Interior of mineral development on patented and unpatented mining claims within all areas of the National Park System—section 2; and

Third, impose a 4-year moratorium on further surface disturbance within Death Valley and Organ Pipe Cactus National Monuments and Mount McKinley National Park in order to give the Secretary of the Interior an opportunity to determine the validity of existing mining claims and give Congress an opportunity to decide whether to acquire any valid mineral rights in order to prevent further damage to these areas—section 4.

Mining and exploration activities and the staking of claims occur in varying degrees in the six areas of the National Park System affected by S. 2371. The situation within three units which are most endangered is described in detail in the committee report.

Mr. President, when it created the National Park System in 1916, Congress clearly intended to set these areas aside for special purposes, by declaring that—

> The fundamental purpose of said parks and monuments . . . is to conserve the scenery and natural and historic objects and the wildlife therein and to provide for the enjoyment of the same in such manner and by such means as will leave them unimpaired for the enjoyment of future generations.

The colorful lore of the grizzled prospector and his burro may have once justified the opening of Death Valley and other areas to mining claims, but a review of the legislative history of the various acts of Congress regarding the six units of the park system reveals little or no realization of the vast scope and destructive character of the mining operations which were to follow. Modern draglines, bulldozers, and hydraulic trucks are a far cry indeed from the miner or the prospector and his burro of Death Valley Days.

I believe that Congress, in the national interest, must make it unmistakably clear now and for the future that the expansion of surface mining activities in the National Park System must be curtailed, together with any other uses which seriously threaten the quality of the natural values of the lands within the system.

Mr. President, I shall be delighted to yield to the minority, but at this time I shall ask that the committee amendments be agreed to.

Mr. HANSEN. Will the Senator yield for a unanimous consent request?

Mr. METCALF. Surely.

Mr. HANSEN. I ask unanimous consent that Greg Christopher and Tom Imeson may be permitted the privileges of the floor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. METCALF. Mr. President, I ask unanimous consent that the committee amendments be considered and agreed to en bloc and that the bill as thus amended be regarded as original text for purposes of further amendment.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. METCALF. Mr. President, at this time I offer a technical amendment and ask that it be immediately considered.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. METCALF. I ask unanimous consent that further reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

> On page 5, line 25, strike "Monument" and insert "Memorial".
>
> Page 7, add a new section 10 to read as follows:
>
> "SEC. 10. If any provision of this Act or the applicability thereof to any person or circumstance is held invalid, the remainder of this Act and the application of such provision to other persons or circumstances shall not be affected thereby."

Mr. METCALF. This amendment to which I referred just corrects the name of a specific unit in the bill.

Mr. McCLURE. Did the Senator ask, when asking that the committee amendments be adopted en bloc, that they be treated as original text?

Mr. METCALF. That was part of my request.

The ACTING PRESIDENT pro tempore. If that was the request, it is so ordered.

The question is on agreeing to the amendment of the Senator from Montana.

The amendment was agreed to.

Mr. FANNIN. Mr. President, first of all, I want to thank the distinguished Senator from Montana. There is no more dedicated person on our committee and in this body in regard to the preservation of our parks and of our natural resources, and I am certainly with him much of the time.

Mr. President, in this particular instance I do find myself opposing S. 2371, and I certainly am on the proverbial horns of the dilemma. On the surface, this bill seems to do nothing more than simply close down six national parks and monuments to further mineral exploration and development, and impose a 4-year moratorium on mining activities in three of the parks. How could anyone be opposed to that? Stated conversely, how could anyone be in favor of mining in the parks?

But Mr. President, I am opposed to this bill, and I am also opposed to mining in the parks. That is the dilemma of which I spoke.

However, the dilemma may be resolved by recognizing that mining in the parks is not the real issue in this bill. The real issue is "how much longer will we continue our policy of closing public lands to mineral exploration and development, acre by acre, square mile by square mile, with no thought or study given to the cumulative effect of such withdrawals on our total mineral reserve wealth?"

We have all heard estimates as to how much is involved. We know that a considerable part, more than half, and some say two-thirds, of our minerals are being tied up and will not be available for development.

I will not attempt to repeat here what has already been recited in detail in the minority views to the committee report or in connection with the three amendments that I have offered to this bill. I would simply like to emphasize a couple of salient facts. U.S. Geological Survey has recently forecast that within the next 25 years the United States will be 100 percent dependent on imports for 12 essential mineral commodities, more than 75 percent dependent for 15 commodities, and more than 50 percent dependent for 26 commodities. Notwithstanding these obvious danger signals, we continue to withdraw more and more land from that available for mineral exploration and development with little or no foresight given to the cumulative effect of these withdrawals.

Less than 10 years ago, only about 17 percent of our public land had been withdrawn. In the past 7 years, however, that figure has more than tripled. It has now reached the point where more than 390 million acres of public lands have been closed to exploration under Federal mining laws and more than 520 million acres have been closed to exploration under Federal mineral leasing laws. In other words, more than half, I repeat, more than half, of all the public land in this country has now been closed to mineral exploration and development. Equally disturbing is the fact that much of this land is in the Western United States where mineral deposits of economic significance are most likely to occur.

I am sure I need not remind my colleagues of the unfortunate events of the past few years which have demonstrated the folly of relying on foreign sources for our vital raw materials. Yet, if we do not take stock of our mineral resources, and establish a policy of maximum exploration and development consistent with valid environmental values, we are heading for precisely the same sort of economic and social upheaval that we suffered at the hands of the OPEC nations.

Mr. President, the essential purpose of this bill is to protect valid environmental and scenic values inherent in the creation of national parks and monuments. But more than ample statutory and regulatory authority already exists to enable the Department of Interior to impose protective restraints on the mining operations in the six areas affected by this bill. When one couples this fact with the serious weaknesses in the bill that have already been described, such as the fact we are largely ignorant of the mineral resources in those areas that we are locking up, and the fact that there is a serious constitutional and ethical question of taking private property without just compensation, this clearly militates against the necessity for the adoption of this bill.

Mr. President, the time has come when we say "stop" to any further public land withdrawals until we know where we are going and what the consequences will be. We must not continue to mortgage the economic security of our future generations by a continuation of this piecemeal ad hoc approach. I earnestly submit that the time to say "stop" is now. Accordingly, I respectfully urge my colleagues to vote against the enactment of Senate bill S. 2371.

Mr. METCALF. Mr. President, does the Senator from Arizona wish to offer an amendment?

Mr. McCLURE. Mr. President, will the Senator from Montana yield for a series of questions relating to the bill?

Mr. METCALF. Mr. President, if I may be recognized for that purpose.

The ACTING PRESIDENT pro tempore. The Senator from Idaho is recognized.

Mr. McCLURE. First, I would like to ask the Senator from Montana what is the 1872 mining law? Is it a discrete body of law which is separately stated in the code so that we can make a reference to it and know what it is that we are talking about?

Mr. METCALF. As the Senator from Idaho knows, and all of us from the western area of the United States, know, the basic mining law of America is the mining law of 1872 which was passed in order to provide for the exploration and discovery of minerals in the unoccupied public domain of the Western United States.

Mr. McCLURE. Has that law been subject to amendment since it was passed in 1872?

Mr. METCALF. Well, some of the mining law has been repeatedly amended, but the basic law is still the mining law of 1872.

Mr. McCLURE. How much of the existing code is that which was the original 1872 code and how much of it is the result of later enactments of Congress?

Mr. METCALF. Well, I cannot give the Senator percentages. A lot of it has been changed, a lot has been amended, a lot has been revised in view of experiences we have had in the development of various mining activities since we opened up mining in the West by exploration and permitting the location of mining claims on the public domain.

Mr. McCLURE. The reason I ask the question is I think a great many people have the erroneous assumption that since the law was enacted in 1872, and has not been changed since that time, that it is totally out of date, and that it is an archaic piece of legislation over 100 years old that may have had application then but has no application now; whereas, in truth, as the Senator from Montana knows and has just recited, the great bulk of that law has been subject to repeated congressional amendment and has been modernized at various times by Congress up to and through the 1930's; is that not correct?

Mr. METCALF. And even through the current session of Congress.

Mr. McCLURE. We have been continually working with it. It is not a 100-year-old statute. It is a statute that has been subject to modification year by year.

Mr. METCALF. The Senator from Idaho is completely correct, insofar as the scope of the law is concerned. However, to the extent the 1872 law applies it is basically unchanged.

Mr. McCLURE. A great many of the mineral interests that the Federal Government has controlled were affected by laws passed in 1890 withdrawing from location or conveyance the mineral values in patents; that in the 1920's we enacted the Mineral Leasing Act which affects a great many of the minerals and public lands.

There have been various enactments: the Weeks statute which provided for the acquisition by the Forest Service of lands which were in private ownership at that time but could be purchased by the Federal Government and put into the forest reserves. Those are not subject to what has been wrongly termed the 1872 Mining Act, subject to the Minerals Leasing Act, which was again originally enacted in the 1920's and been modified numerous times since that time; is that not correct?

Mr. METCALF. That is correct. But today we are again amending acts of Congress that have been passed and have been adopted and agreed to over the years and, in effect, we are again, as progress goes forward and necessity points out, amending the mining law of 1872 as we have done from time to time in the past.

Mr. McCLURE. I do not disagree with what the Senator from Montana is saying, but I read from page 1 of the bill, reading in section 1, subsection (a), starting on line 4, and this is the language of the bill:

> the level of technology of mineral exploration and development has changed radically since the enactment of the Mining Law of 1872**

It goes further to again refer to the mining law of 1872 saying that we need to change because technology has changed and we need to change the application of the statute, the clear inference being that we are dealing with a modern technology and an ancient statute.

It may well be that technology has changed, but it has changed since the last amendments of the law relating to mining and not just since 1872.

(Mr. HASKELL assumed the chair at this point.)

Mr. METCALF. Will the Senator yield?

Mr. McCLURE. I am happy to yield.

Mr. METCALF. The mining law of 1872, as the Senator has pointed out, which has been discussed here, is still the basic law which has been changed by the Leasing Act and the other acts which the Senator has discussed. But Death Valley Monument, for example, was conceived at a time when we had, under the mining law of 1872, a prospector taking his burro, his pick, and his pan out into the middle of the desert at Death Valley. Today, as pointed out in part of the bill, that prospector is long gone. He is just as ancient as the mining law of 1872. They are putting in bulldozers, drag lines, and all these things that are part of modern mining techniques which were never contemplated by the people who permitted mining in the national parks when these various bills were enacted.

Mr. McCLURE. I would say to the Senator from Montana I understand that change. It may well be that we want to make a change in what is permitted in Death Valley. But the thing that I wanted to focus on first was what I think is a furthering of a misconception that so many people in our country harbor, that the Congress has been silent on mining laws since 1872 and we are still dealing with a statute which is over 100 years old. Whether willingly or unwittingly in the language employed in this bill, I believe we have furthered that impression in the language used on page 1 of the bill by inferring that technology has changed since 1872 and, therefore, we should change the law which has been in effect since 1872.

I wonder if the Senator would object to either striking that language or revising it so that we do not leave the misconception that Congress has done nothing in the last 104 years to deal with mining laws.

Mr. METCALF. I do not want to have an exception to that. As the Senator knows—and he has served on the Committee on Interior and Insular Affairs since he has been in the Senate——

Mr. McCLURE. And I served 6 years on the Committee on Interior and Insular Affairs in the other body.

Mr. METCALF. I was going to add that. I also served on the Committees on Interior and Insular Affairs in the House and the Senate for the 23 years that I have been in the Congress.

We have changed the scope of the law, but still the basic mining law for hardrock minerals is the mining law of 1872, as amended.

Mr. McCLURE. That is like saying that all of our laws are imbedded in the enactments of the first Congress of the United States because we have amended all of them.

Mr. METCALF. No; that is not an accurate statement. Many of our laws are brandnew enactments. But the basic mining law under which we mine the hard metals of the United States—not the leasable metals—is the mining law of 1872. Under that law a miner can go out and make locations on the public domain just as he could 100 years ago.

Mr. McCLURE. I say to the Senator I sponsored legislation some years ago which would change the methods by which they do acquire mineral interests. I am willing to make changes now in the extent of that mineral interest. I know the Senator from Montana shares that interest.

My concern is that while the Senator from Montana knows that, and I suspect the Senator from Arizona and the Senator from Wyoming also know that, there are a great many people in this country reading this RECORD or reading the statute who do not know that. There is a misconception in the land that we are dealing with a statute which, in its applications, has been unchanged since 1872. That, of course, is not the fact.

I would like to be careful in the drafting of our legislation and in the statements that we make that we do not further the misimpression that too many people in the country have. I just wonder if there is not some way that the Senator from Montana can accommodate the wishes of this language to the wishes of the Senator from Idaho, to not misinform the country, by either removing the language that I have referred to or modifying it, to make certain that people do not think we are dealing with a statute which has remained unchanged since 1872.

Mr. METCALF. I believe the Senator from Idaho has made it very clear in this discussion that there have been changes. Anyone who reads can understand the point which the Senator has made. However, in this law we are dealing with the basic mining law of 1872 and some of the technological aspects of that law that have changed in Death Valley National Monument, in Alaska, and in other areas.

Insofar as the issue before the Congress today is concerned, the language of the bill is accurate.

Mr. McCLURE. Before we finish ultimate disposition of this bill I hope I can suggest some language, in consultation with the Senator from Montana, which might preserve what he is attempting to do and still meet the objection which I find to the language.

I yield to the Senator from Wyoming if he would like to comment on his point. I do have some further questions I would like to ask.

Mr. METCALF. If the Senator wants to meet with one of the staff to draft some language, we will be delighted to try to do something about it.

Mr. McCLURE. I thank the Senator.

I yield to the Senator from Wyoming if he has some comments to present at this point.

Mr. HANSEN. I thank my colleague from Idaho for yielding.

Mr. President, let me say that as a general proposition I share fully and completely the conviction of the distinguished floor manager of the bill that mining and national parks do not go together. I would hope that we could see a way out of the dilemma which is before us, and not have to compromise on that basic issue.

It seems to me, however, that we should take into consideration some basic facts. As we have added elements to our national parks and national monument system throughout the United States, oftentimes it has been necessary to make accommodation for certain facts. That was the case when the Death Valley National Monument was created. Mining was an ongoing operation there.

I know when a national park was expanded in western Wyoming we had to take into consideration the fact that a significant amount of privately owned land that was on the tax rolls in Teton County would be removed. We made an accommodation then to make payments in lieu of taxes to that county for a period of about 30 years.

In the meantime, however, there have also taken place around the world other events which, I think, make this issue of particular significance.

The fact is that there are about 1 billion pounds, estimated by the U.S. Geological Survey, of nickel found within the area of the Glacier Bay National Monument. Recognition of that fact was made at the time that the monument was created.

It is a fact also that the ability of the United States to acquire many of its minerals, as has been pointed out so correctly by the Senator from Idaho, has decreased in the last few years. There have been efforts—successful efforts—to nationalize mines from which previously have come copper, nickel, lead, tungsten, zinc, and all sorts of materials from abroad. So more and more we are having to look inwardly, to our own domestic resources, for the supply of these critical minerals and metals.

I think that gives a particular degree of importance to this legislation that a number of years ago might not have applied. I recognize completely that the methods of extracting mineral resources have changed very markedly. It certainly is true that the days when a miner went out with his pick and a gold pan under the mining laws of 1872 are no longer the way by which most minerals are produced.

We cannot change that. If we had to go back to producing minerals as they were so often produced about 100 years ago, no one would be able to afford many of the products which we find in the marketplace today, because the cost would be entirely prohibitive.

This is true as to coal. It is largely strip-mined now, and to an increasing degree, as contrasted with underground mining; and were it not for that fact, the cost of electricity in the United States would be far higher than it is at the present time.

So we cannot undo history. We cannot turn back progress. We have to try to adjust ourselves, our thinking, and our laws to those changes which have occurred.

I would say that as we establish new elements in the national park system, we need first to know what the mineralization is in those areas, and go in with our eyes open as we write the laws in order to fully understand precisely what we are doing—to be apprised beforehand, if you will, of what the impact of our actions would be.

I would think that a wise course of action would be to delete important mineralized areas that have been recommended for inclusion in the national park system from that extension, expansion, or creation before it occurs. Certainly in those cases where the areas already are included within elements of the national park system, as in the legislation before us, let us try to determine how important the mineral resources are first, how vital they are to the well-being, the everyday life, the economic activity, and the industrial progress of this country, and then look to making acquisitions of those resources which are not all that vital to American well-being by buying out those property rights that earlier had been acquired and are legal rights, or decide if, as sometimes will be the case, we need the resources; and I think we are going to have to continue to put up with the inconsistency of mining in national parks—either that, or consider a revision of the boundaries of the national park system.

I am certainly not making that proposal, but there may very well be cases wherein a good case can be made to continue the mining operations, if the minerals that are being produced would otherwise not be available, or might be subject to cutoff or control by foreign powers, or are of such economic significance and importance to our country that we could not afford to buy them out, and we would have to conclude, therefore, that the sensible, reasonable way would be to permit a continuation of those activities.

I thank my colleague from Idaho for permitting me to try to spell out what I believe should be a course of action that I would hope might deserve our attention.

Mr. McCLURE. I thank the Senator from Wyoming for his remarks. I share with him the feeling that when it comes to future acts of Congress, we ought to recognize what is likely to be our policy statement, that mining will not be permitted within that unit of the national park system.

I am concerned, however, that in these units of the national park system, at the time Congress looked at them it was felt necessary to exempt the usual applications in the creation of national parks to these particular units. For some reason, Congress at that time felt it necessary to say that mining activities could continue within the boundaries of the particular national park or national monument—because the most significant of these are national monuments rather than national parks.

I wonder if the Senator from Montana could give me a list of the dates of the creation of these various units of the national park system.

Mr. METCALF. Mr. President, I believe that material is in the report.

When I introduced this bill, together with my colleagues from California and Oregon who were concerned, I listed those. I will get the specific dates and supply them in just a few minutes.

Mr. McCLURE. All right. I wonder if a member of the staff might provide that, so that we can discuss that before we finish with the discussion.

Mr. METCALF. Mr. President, I ask unanimous consent that the material, which I shall supply later, may be printed at this point in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The material supplied by Mr. Metcalf, and ordered to be printed in the Record at this point, is as follows:)

Establishment Date

Crater Lake National Park, 1902.
Mount McKinley National Park, 1917.
Death Valley National Monument, 1933.
Glacier Bay National Monument, 1925.
Coronado National Monument, 1941.
Organ Pipe Cactus National Monument, 1937.

Mr. McCLURE. When you look at the particular dates and the congressional action that was taken at the time, as I said earlier, it was based upon a finding by Congress at that time that the creation of the monument or the park system unit ought to be subject to the exception that mining should be permitted; and that is not common to all of the park system units. This is an exception that applies in—what is it, six or seven?

Mr. METCALF. That is right.

Mr. McCLURE. Six different units that we are dealing with here?

Mr. METCALF. Mr. President, if the Senator will permit, I shall excerpt those specific dates and have them listed. But I inserted in the Congressional Record on September 26 of last year a Library of Congress legislative review of mining in units of the national parks, and it might be useful to again have that material printed in the course of this discussion.

So, Mr. President, I ask unanimous consent that the material be printed in the Record at this point.

There being no objection, the material was ordered to be printed in the Record, as follows:

[The Library of Congress, Congressional Research Service]

A Legislative Review of Mining in the Units of the National Park System

(By George H. Siehl, Environmental Policy Division)

CRATER LAKE NATIONAL PARK, OREGON

Crater Lake National Park was authorized by Act of the 57th Congress in 1902, for the purpose of protecting the unusual geological formation and aesthetically pleasing vista which Crater Lake affords.

In the legislation reported from the House Public Lands Committee, H.R. 4393, mining was designated an unlawful activity within the proposed Park. The report, in fact, noted with regard to minerals within the Crater Lake area that "Its rocks are all fresh lavas and contain nothing whatever of value to the miner." This comment from a Geological Survey report of 1898 on an earlier proposal to establish the Crater Lake National Park led proponents to believe there was little to be concerned with regarding mineral development.

The prohibition against mining in Crater Lake was reversed in a most casual manner during House floor debate on the bill on April 19, 1902. As the following colloquy indicates, the matter of mining in the Park had been discussed when Park proposals had been offered in earlier Congresses. Representative Tongue of Oregon was serving as floor manager of H.R. 4393 when this exchange took place:

"Mr. Stephens of Texas. Does this contain any mineral lands?

"Mr. Tongue. No mineral lands. Nothing of any value. It will simply preserve the curiosity of the scenery and of the growth of animals and vegetation, trees, flowers, and so forth, for scientific purposes.

"Mr. Stephens of Texas. Is there any provision for the lease of mineral lands?

"Mr. Loud. It prohibits that.

"Mr. Tongue. There is none.

"Mr. Shafroth. Did the clause remain in this bill that permits prospecting? We had that matter up when the bill was considered once, I know, and I offered an amendment allowing prospecting.

"Mr. Loud. If you think it is there, you had better find it."

The discussion of preservation versus mineral exploitation in National Parks continued as follows:

"Mr. Stephens of Texas. Do you not think this reservation ought to be thrown open for the location of mining claims under the mineral laws of the United States?

"Mr. Tongue. There is no mining in that vicinity or in that range of mountains or near that locality.

"Mr. Stephens of Texas. Suppose there should be. We do not want to lock it up perpetually.

"Mr. Tongue. If there should be, I have no doubt there would be means and methods found to get it mined. At the same time, if it is thrown open indiscriminately for prospectors, then it will be of little use to undertake to preserve the natural conditions.

"Mr. Stephens of Texas. It would be impossible to ascertain whether there are any minerals there or not unless prospecting is allowed.

"Mr. Tongue. This is close to one of the oldest settled sections of Oregon. It is in one of the counties where the first mines in that State were discovered and where the most prospecting has been done; but the mining is in the other range of mountains opposite from this. None has ever been discovered here, so far as I ever heard of.

"Mr. Loud. Why do you prohibit mining if there is no mining there?

"Mr. Tongue. The object is to prohibit people from coming in under the name of prospecting and destroying the natural conditions of the park and the natural objects of beauty and interest."

The debate was not without its inaccuracies, as in the persistent but erring comments of Representative Loud:

"Mr. Loud. The gentleman will admit the prohibition in regard to mining should not be in that bill. The gentleman from Colorado [Mr. Shafroth] seemed to think that there was an amendment in the bill allowing prospecting. He has evidently had to do with the bill before. There is not a park in this country set aside in this way that you can not go into for mining purposes. Now, it will not do to say that there is no mining land there, because if this provision is put in the bill they never will be able to enter this park to find out whether there is or not.

"Mr. Tongue. So far as mining is concerned, I am just informed by a gentleman at my right that mining is prohibited in all the national parks, including the Yellowstone.

"Mr. Loud. The gentleman is mistaken; that is all. I had occasion to read this law yesterday, in response to an inquiry of one of my constituents. If I did not know, I would not say anything about it."

Representative Tongue readily agreed to the major amendments proposed to the bill, as follows:

"Mr. Shafroth. Would the gentleman from Oregon object to inserting after the word "seekers." in line 3 page 3, the words "and for the development and location of mining claims?"

"Mr. Tongue. I have no objection.

"Mr. Shafroth. And also strike out the words in line 16, page 2. "or to engage in any mining."

"Mr. Tongue. I have no objection to the amendment the gentleman proposes.

"Mr. Shafroth. I have no objection to the bill if that is done. I have no doubt this is a meritorious bill if these amendments are included. I think we ought to have considerable to say as to what shall be done with these lands."

The effect of the amendment was to place prospecting in the park on an equal footing with use for scientific and pleasure purposes.

Representative McRae suggested delaying consideration of the bill until the following week, noting that, in his opinion, "it is unusual and unprecedented to open national parks to free mining."

To this suggestion Rep. Tongue replied:

"I will say to the gentleman from Arkansas that I am so well satisfied that there is no mining there that I regard any provision on that subject as of no importance one way or the other, and in order to avoid objection to the bill, I am perfectly willing to submit to the amendment."

McRae countered, however, saying:

"The creation of a national park is a very different thing from the making of a public reserve, and we should see to it that the parks are established for public and not private purposes. To set these public lands aside as a national park, and then to allow miners to go into and work it freely and at pleasure may result in dedicating it to mining, if there is mineral there. If there is mineral in the land, it ought not to be a park. The two are inconsistent."

The House later approved the Crater Lake National Park bill containing the provisions allowing mineral development. The following month, the Senate passed the House bill without floor debate.

MOUNT M'KINLEY NATIONAL PARK, ALASKA

Approximately 2,200 square miles of public land in Alaska was authorized to be dedicated to National Park purposes in 1917. The House and Senate reports on the legislation which authorized the park, S. 5716 of the 64th Congress, both commented at length upon the impressive nature of Mt. McKinley and the value of the surrounding area as habitat for wildlife.

The economic potential of the area was not to be ignored, however, as both reports, [Senate Report No. 440 and House Report No. 1273] in identical language declared:

"As mining is recognized as the chief industry in Alaska, the mineral laws of the United States are extended to the area within the park, also all existing claims, locations, or entries under the land or mineral laws of the United States are recognized and will be protected. The right-of-way laws of the United States for irrigation and other purposes are also extended to the park.

Mining in Mt. McKinley National Park was again a matter of legislative interest to the Congress in 1930, when S. 196 of the 71st Congress sought to make management policies uniform throughout the Park System. Among the seven proposals of S. 196 was one which would have prohibited the location of further mining claims in Mt. McKinley National Park.

Senate Report No. 545 set out the report of the Interior Department which was accompanied by a memorandum by National Park Service Director Horace Albright. In the portion of his memorandum relating to the McKinley mining situation, Albright wrote:

"Section 2 would prohibit further locations of mining claims in Mount McKinley National Park, Alaska. The desirability of taking this action with reference to the whole of this park at this time has been carefully considered by this service and discussed with officials of the Geological Survey. It is felt that until more opportunity has been had to exploit the mineral possibilities on the west side of the park, the objects of this provision might be satisfactorily accomplished, from the standpoint of the administration of this area as a national park, by simply prohibiting the location of mining claims on the east side. The use of mining locations for purposes other than to extract the minerals, however, is undesirable and should not be permitted anywhere in the park. A satisfactory amendment of this section along the lines of the above may be accomplished as follows:

"(1) Striking out the language beginning with "the area of," page 2, line 1, down through and including line 6.

"(2) Inserting the following in lieu thereof: 'that part of Mount McKinley National Park, in the Territory of Alaska, lying east of Stony Creek, Anderson Pass, the West Fork C Glacier and the West Fork of the Chulitna River: *Provided, however,* That mineral locations in the park shall entitle the locator only to the minerals in the land and no surface rights, except such as are reasonably necessary to extract the same, may be acquired by virtue of such location.'"

The Albright proposed language was further amended by the Senate Public Lands Committee which in its report presented this as the suggested policy for Mt. McKinley National Park:

"That hereafter the Secretary of the Interior shall have authority to prescribe regulations for the surface use of any mineral-land locations already made or that may hereafter be made within the boundaries of Mount McKinley National Park, in the Territory of Alaska, and he may require registration of all prospectors and miners who enter the park: *Provided,* That no resident of the United States who is qualified under the mining laws of the United States applicable to Alaska shall be denied entrance to the park for the purpose of prospecting or mining."

The Senate passed S. 196 with the above amendment on May 7, 1930, without debate.

The House Public Lands Committee favorably reported the Senate passed version of the bill on January 13, 1931. The bill was discussed in some detail by the House on January 21, 1931 and passed without further amendment. The treatment of prospecting and mining in Mt. McKinley National Park was not one of the points critically examined by the House, however.

DEATH VALLEY NATIONAL MONUMENT, CALIFORNIA

Death Valley National Monument was established by presidential proclamation of Herbert Hoover on February 11, 1933. By May 3, 1933 the chairman of the House Public Lands Committee had written to the Interior Secretary for a report on H.R. 3659, a bill to extend the mining laws to the Death Valley National Monument.

The administration of the Executive Branch had shifted from that of Herbert Hoover to Franklin Roosevelt's in the interim, however, so the reply from the newly appointed Interior Secretary, Harold Ickes may have been presumptuous in stating the intent of the executive order as follows:

"In recommending the establishment of this area as a national monument, however, it was not the desire to prevent prospecting and mining within the area, as such activities would in no way interfere with the preservation of the characteristics of the area sought to be preserved. In fact the picturesque miner is one of the characteristics which give the area the color of the early pioneer days, and his continuance there would be a very desirable feature of the area under national-monument status. It is desirable, however, that mining locations be subject to regulation as to the surface use of claims established, and it is recommended that the following amendment be made to the bill:

"Strike out the period at the end thereof and insert after the word "extended" in line 6, 'subject, however, to the surface use of locations, entries, or patents under general regulations to be prescribed by the Secretary of the Interior.'"

Ickes' proposed amendment was accepted by the House Public Lands Committee, and the amended bill was passed without discussion by the House.

The Senate Public Lands Committee reported the House passed bill without further amendment on June 7, 1933 and the bill was passed by the Senate with no debate.

GLACIER BAY NATIONAL MONUMENT, ALASKA

Glacier Bay National Monument was established by executive order of President Coolidge in 1925. This action removed the lands from the operation of the mining laws.

In the 74th Congress, H.R. 9275 proposed to allow mineral prospecting and mining in Glacier Bay National Monument. House Report No. 3005 from the Public Lands Committee stated the intent of the bill as follows:

"It is now desired that prospecting and mining should be permitted in this region. Apparently reliable reports indicate the existence of valuable minerals. The working of the mineral lands within the boundaries of the monument, under proper restriction and regulation, will in nowise impair the natural beauties of the monument or make the monument less attractive to visitors."

The bill underwent some changes as noted by the report:

"The bill as introduced sought to apply the mining laws to all of the lands within the monument. The Acting Secretary of the Interior, as above indicated, submits instead draft of a bill which would permit mining within the monument under such general regulations as may be prescribed by the Secretary of the Interior."

The House reports also made this important comment in regard to the regulations which the Secretary might prescribe:

"It is anticipated that these regulations will be sufficiently liberal to permit development of the monument, and at the same time be of such nature as to preserve intact the natural beauties of the monument and prevent the destruction therein of anything of real value."

The Senate Report (No. 2408) which followed the House report by two days, expounded upon the reason for opening Glacier Bay to mining activity, as follows:

"Reliable reports indicate that deposits of ore and valuable minerals are known to exist within the monument, and geologic conditions throughout most of the accessible portions of the area are favorable for their occurrence. The accuracy of this view is indicated in a letter, dated February 6, 1924, written by the late Dr. Alfred H. Brooks, then chief Alaska geologist of the United States Geological Survey. Very strong evidence of the probable existence of minerals in paying quantities within the monument is contained in a telegram from the Commissioner of Mines for Alaska who advises that he has specific information of discovery of several deposits of gold and copper on which development work would be done if permitted by law and that he also knows from personal observation during 1 week spent in field examination within the area embraced in the monument that gold and copper mineralizations occur there and geologic conditions throughout much of the area; that the entire area embraced in the monument is almost wholly devoid of wild life of any kind and that the extensive glacier fields and denuded surface render the area unfit for animal habitation and that the other natural features are of such type that they cannot be defaced or destroyed by human agencies."

The report expressed no hesitation concerning the compatibility of mining and landscape preservation, stating:

"It is evident that the working of the mineral lands within the boundaries of the monument under reasonable regulations will in nowise impair the natural beauties of the monument or make it less attractive to visitors."

The operating experience at Mount McKinley National Park was cited as proof of this compatibility:

"In this connection it is worthy of note that the act creating Mount McKinley National Park, Alaska, expressly permits mineral development and operation within the park region, and the experience of years has shown that the natural beauties of the park have not been impaired nor has the wildlife therein been endangered by the provisions of the law permitting mining and prospecting within the park area."

John Ise, in his scholarly review of the history of the Park System, *Our National Park Policy,* has written of the efforts to open the parks to mining in the mid to late 1930's, as follows:

"*Mining Interests and Park Areas.* Mining interests were always scheming to get into some of the parks. Mining had been allowed in Death Valley in Albright's administration and on June 13, 1933, and in 1934, Representative Floyd of Washington tried to get all the parks opened to prospecting. In June 1936 President Roosevelt issued a proclamation validating land claims in Katmai National Monument that were in force when the monument was proclaimed, claims that had since been maintained; but this did not seem to add appreciably to the rights of claimants. In the same year, however, Congress opened Glacier Bay to mining, in spite of a chorus of opposition from conservation organizations and a strong editorial in the *Saturday Evening Post.* This spoliation was partly due to efforts of the novelist Rex Beach and of Delegate Dimond of Alaska, who was never friendly to Alaska parks and monuments and national forests; but the bill to exploit Glacier Bay was pushed by Senator Schwellenback of Washington, and it passed with practically no discussion. President Roosevelt at first agreed with Rex Beach and approved the bill, later backed off from this position and suggested a survey first, then still later swung back to approval. The exploiters argued that mining would not injure the glaciers but there was no doubt that it would injure the plant and animal life."

During the Senate floor consideration of S. 4784, which had been substituted for the House bill, H.R. 9275, Senator Pittman offered this background on the pending legislation:

MR. PITTMAN. From the Committee on Public Lands and Surveys, I report back favorably, with an amendment, Senate bill 4784, to permit mining within the Glacier Bay National Monument. The report is unanimous, and I desire to ask for the present consideration of the bill. The reason why I am doing so is that it is an emergency matter.

"It seems that about 10 years ago, by proclamation, 50 square miles of land up in Alaska was set aside as a monument. At that time no provision was made for prospecting or mining in that area. For about 10 years an effort has been made to open it. At last the Secretary of the Interior has approved the proposal in the form of a bill which he himself prepared, which allows mining under regulations. The measure has been unanimously reported from the Committee of the House, and a similar measure has been unanimously reported from the Senate committee."

The bill was approved by the Senate without amendment of the Committee reported measure on June 18, 1936, and by the House the following day.

CORONADO NATIONAL MONUMENT, ARIZONA

The proposal to establish the Coronado International Memorial was advanced by the United States Coronado Exposition Commission, a group formed to commemorate jointly with Mexico the 400th anniversary of the explorations of the Francisco Vasquez de Coronado. The proposal was before the 76th Congress and was again presented in the 77th Congress as S. 752. The lands designated for inclusion in the Memorial were a part of the Coronado National Forest, at the time, and thus available for mineral development.

The provision to allow prospecting and mining to continue was a part of the earlier, 76th Congress bill, S. 4130, and was contained in the new legislation, as well. The Agriculture departmental report on the first bill had noted, that "grazing, prospecting, and mining will be permitted within the monument, when not in conflict with recreational and other public uses, and that existing rights will be fully protected and continued."

The Ise book credits Senator Hayden and Representative Murdock with the mining provision in the Coronado legislation.

The bill passed the Senate without discussion. In the House, Representative Murdock spoke in support of the measure but did not mention the substantive issues such as inclusion of the prospecting and mining provision.

ORGAN PIPE CACTUS NATIONAL MONUMENT, ARIZONA

Organ Pipe Cactus National Monument was established by President Franklin Roosevelt by proclamation on April 13, 1937 to protect the "historic and scientific" objects located there.

In the Congress, however, there was soon an effort to open the monument to prospecting and mining, primarily because of the location of a large copper deposit which was being mined at Ajo, Arizona, a few miles north of the monument.

The reports submitted by the Interior Department on proposals in the 76th and 77th Congresses to allow mining in monument stated:

"There are mineralized zones within the Organ Pipe Cactus National Monument, but it is not an important mineralized area. One of the large producing copper mines in the West is situated at Ajo, a few miles north of the monument. Geologists of this Department have made a careful study of the monument and they report that no mineralization was found that resembled in any respect the type of copper deposit found at Ajo. The area now within the monument has been prospected since the Spanish era of southwestern occupation. No important mines have been produced within the area and no mines are being operated therein today."

Senate report No. 329 of the 77th Congress contained the Interior Department reports from both Congresses. These reports while down-playing the potential of economic deposits of minerals in Organ Pipe Cactus National Monument, offered several proposed amendments should the Congress desire to move the pending bills.

In 1940, Interior Secretary Ickes wrote:

"If, however, the Congress wishes to make this national monument a less restrictive type of reservation by opening it to additional prospecting and mining, I recommend that the classification of the area also be changed to that of a national recreational area."

In 1941, with reference to the then pending bills, S. 260 and H.R. 2675, Acting Interior Secretary A. J. Wirtz suggested these changes:

"In line 4, after the word "Arizona", insert the words "for a period of 7 years".

"At the end of the bill, add the following sentence: **"Any location made after 7 years** from the effective date of this act shall be void."

"The 7-year period would allow ample time for all persons interested in prospecting the area to file such claims as may be justified under the mining laws."

Neither departmental suggestion was accepted by the Committees, however, although these ideas were raised again during House floor consideration of H.R. 2675.

Mr. Murdock reported the bill from the Public Lands Committee on April 29, 1941 with the unusual language that the Committee was authorizing "the use of all parliamentary means to bring the bill before the House."

Murdock, when he included that phrase, may have been looking ahead to the opposition which the bill was to face. He first brought his bill to the floor on June 2, 1941, only to find Representative Cole of New York requesting an explanation of the intent of the legislation in these words:

"Mr. Speaker, reserving the right to object, I understand this bill opens up some 300,000 acres of a national monument, located in the State of Arizona, to mining prospecting and, unless there is some further explanation in justification of the bill, I must object to it."

Murdock cited the action of the Congress in 1936 in opening Glacier Bay National Monument in Alaska to mining and asked the same consideration for mining interests in Arizona. He attempted to assure his colleagues that the scenic attributes of the monument would be protected, stating:

"I know that others are saying it would mar the beauty of a natural feature. It would not. I want to say to you that this bill was drawn originally by the Senator from Arizona [Mr. Hayden], a native son of Arizona, and whose father might rightfully be called Father of Arizona. There is no man alive who knows more about our part of the West or cares more about it than the Senator himself. I think I stand high in my regard for all pertaining to Arizona. I do not want to do anything that would mar the beauty of the great natural feature."

Cole was unswayed by this and similar florid rhetoric on Murdock's part, and the bill was passed over without prejudice.

The Senate, by contrast, had passed its version of the bill, S. 260, without debate on May 23, 1941.

The bill was next brought before the House on October 15, 1941 when it was debated at length. Once again, Cole raised the matter of intent on the part of the bill's sponsor Murdock, asking him:

"If he will tell the House the real reason for this bill. If it is true that this territory has been prospected for the last 400 years and nothing has been found, what is the reason for going in there and prospecting now?"

To which Murdock replied:

"We want this bill passed because we believe there is mineral wealth there which ought to be found. I want to call the gentleman's attention to the fact that the region around Ajo, which is just to the north of this monument, was also prospected by Spaniards for about 400 years, but it remained for Arizona prospectors to find the second largest copper mine in our State."

Representative White of Idaho opposed the locking up of natural resources, and drew this comparison based on the developments in the World War which the United States had yet to enter:

"The Government's liberal mining policy is what has made this country great. Developing our mineral resources in this country is why the European powers are now on their knees begging us to come with the things we have dug from the soil and fabricated into weapons and munitions of war for their rescue. If we had the kind of program the lady advocates, they would not be asking us for anything. We would be like the backward countries of Ethiopia and Manchuria, where they had conservation to the *nth* degree. The Japs moved in on Manchuria and the Italians moved in on Ethiopia to develop the resources that they have left locked up."

Mr. Case of South Dakota opposed the bill and spoke of the growing uncertainty as to how public lands were to be managed if the pending bill and others like it were approved. He said:

"Mr. Speaker, the problem that is sought to be met by this bill is one that crops up in practically every one of the public land States where there are national monuments containing mineral deposits. It crops up in national monuments, in recreational areas, in grazing areas, in forest areas, where wildlife or game refuges have been established. We had a problem similar to this in the Harney National Forest in connection with a wildlife sanctuary.

"The question that seems to me to be fundamental here is whether or not we are destroying a category which has been established for the maintenance of public monuments or parks in their native state."

Mining advocates belittled the possibility of damage to the biota and landscape of the monument. Murdock needled his colleague, saying:

"Prospecting will not interfere with the area, for the prospector naturally wants to keep as far away from a cactus as possible."

Representative Robinson of Utah emphasized that the area would be well protected because of the regulations which would be issued by the Interior Secretary. He said:

"All this bill does is to give a right to occupy or use the surface for the extraction of minerals, and this must be done under such general regulations as may be prescribed by the Secretary of the Interior. The Secretary of the Interior has complete supervision and jurisdiction over these areas. As long as this is in his hands and under his regulation the committee took the position that there need be no fear of any injury to this monument."

These assurances were apparently persuasive, as the bill passed on a vote of 44 to 8.

Mr. McCLURE. Does that material also indicate the dates? Would that include the dates I have made reference to?

Mr. METCALF. Yes; I am going to have someone pull out the specific dates.

Mr. McCLURE. All right. There are seven different units that we refer to in the bill, at which——

Mr. METCALF. Seven different legislative acts that provided for those units, yes.

Mr. McCLURE. May I ask the Senator

from Montana, were hearings held on each of those seven units in connection with the change of policies enunciated in this bill?

Mr. METCALF. Were hearings held on S. 2371?

Mr. McCLURE. Yes; with reference to each of the seven separate units of the park system.

Mr. METCALF. Yes; hearings were held on the bill, and all the seven units of the park system were discussed.

Mr. McCLURE. Were people from the areas affected notified of the expected change, and did witnesses from each of those areas appear and testify, or was it primarily the National Park Service that appeared and testified?

Mr. METCALF. The National Park Service appeared and testified.

Mr. McCLURE. Their opinion could be rather predictable.

Mr. METCALF. But so did Congressmen and Senators from the respective areas testify. For instance, the very distinguished Senator from Alaska appeared and testified about the Mount McKinley National Monument or National Park and the national monument up there.

Mr. McCLURE. The Senator is referring to Mount McKinley National Monument and the Glacier Bay.

Mr. METCALF. Glacier Bay Monument and Mount McKinley National Park, yes.

The hearing record shows, on the hearings that were held on October 7, 1975, that there were representatives from the Sierra Club, from the mining corporations that are involved in mining, the American Mining Congress, Friends of Earth, and so forth.

Mr. President, I ask unanimous consent that the list of statements that were incorporated in the hearings be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENTS

Clusen, Charles M., Washington representative, Sierra Club.

Cranston, Hon. Alan, a U.S. Senator from the State of California.

Ellett, Richard D., vice president, exploration, Newmont Mining Corp.

Eriksen, Mary Ann, southern California representative, the Sierra Club.

Fannin, Hon. Paul J., a U.S. Senator from the State of Arizona.

Haggard, Jerry L., counsel, American Mining Congress.

Jarvis, T. Destry, administrative assistant, National Parks and Conservation Association.

Kendall, Robert F., executive vice president, U.S. Borax & Chemical Corp.

Kowalsky, Jim, Alaska representative, Friends of the Earth.

Metcalf, Hon. Lee, a U.S. Senator from the State of Montana.

Moore, Warren planning department, Fremont Mining Co.

Page, Raye, staff consultant, the Wilderness Society.

Reed, Hon. Nathaniel P., Assistant Secretary of the Interior for Fish, Wildlife, and Parks; accompanied by Gary Everhardt, Director, National Park Service; James B. Thompson, superintendent, Death Valley National Monument; and Michele Metrinko, Associate Solicitor, Conservation and Wildlife.

Seiberling, Hon. John F., a U.S. Representative from the State of Ohio.

Stevens, Hon. Ted, a U.S. Senator from the State of Alaska.

Tunney, Hon. John V., a U.S. Senator from the State of California.

ADDITIONAL MATERIAL

"A Legislative Review of Mining in the Units of the National Park System," by George H. Siehl, Environmental Policy Division, Congressional Research Service, September 24, 1975.

Haggard, Jerry L., counsel, American Mining Congress, letter to Senator Metcalf, November 26, 1975.

"Is Our Account Overdrawn?" by Gary Bennethum and L. Courtland Lee, from the Mining Congress Journal.

APPENDIX

Additional Statements and Communications Submitted for the Record

"Another National Park Called Periled by Mine Permits," by Thomas Love, from the Washington Star, October 9, 1975.

Arthur, Edward, managing director, California Mine Operators Association, statement.

Callison, Charles H., executive vice president, National Audubon Society, statement.

"Congress Moves To Halt Death Valley Strip Mining," by Jon Nordheimer, from the New York Times, October 6, 1975.

Gemmill, Paul, executive secretary, Nevada Mining Association, Inc., Reno, Nev., statement.

Jackson, Hon. Henry M., a U.S. Senator from the State of Washington, letters received from:

H. T. Mulryan, president, Cyprus Industrial Minerals Co., Los Angeles, Calif., October 6, 1975.

G. Jon Roush, executive vice president, the Nature Conservancy, Arlington, Va., September 23, 1975.

Peter C. Lent, vice president, Alaska Conservation Society, College, Alaska, October 3, 1975.

William Wauguam, president, Alaska Miners Association, Fairbanks, Alaska, October 6, 1975.

Memorandum of Johns-Manville Corp.

Metcalf, Hon. Lee, a U.S. Senator from the State of Montana, letters received from:

Senator Gravel, October 7, 1975.

Senator Stevens, October 28, 1975.

Claire T. Dedrick, The Resources Agency of California, Sacramento, Calif., October 20, 1975.

Lee M. Schmidt, president, Sitka Conservation Society, Sitka, Alaska, October 20, 1975.

Miller, Robert H., vice president, Tenneco Inc., statement.

Mitcham, Thomas W., vice president, Pangea Resources Inc., Tucson, Ariz., statement.

Pearlman, Nancy, executive director, Ecology Center of Southern California, Los Angeles, Calif.

Pfizer, Inc., statement.

"Strip Mining Set for Death Valley; Park Service Loses," by Thomas Love, from the Washington Star, September 10, 1975.

Sweet, Charles R., president, Can Am Mines, Inc., letter to Senator Metcalf, October 14, 1975.

Wandke, Alfred D., president, Pangea Resources, Inc., Tucson, Ariz., statement.

Winterholler, Kent W., representing Riomex, a division of Atlas Alloys, Inc., statement.

Wood, Harold W., Jr., Cypress, Calif.

Mr. McCLURE. Let me refer to the record, if I may, for a moment. The report indicates that in the Death Valley National Monument there are 50,000 unpatented mining claims and 267 patented claims; in Mount McKinley National Park there are 300 unpatented mining claims and no patented claims; in Glacier Bay there are 270 unpatented mining and mill site locations and 20 patented mining claims; in the Crater Lake National Monument there are no unpatented or patented claims and currently no mining activity; the Organ Pipe Cactus National Monument shows 3,000 unpatented mining claims, no patented claims; and in the Coronado National Memorial there are apparently neither unpatented nor patented active claims.

But out of those 150,000 individual claims in the Federal places that are being affected by this, apparently no individual mining claimant appeared and testified. They were the corporate representatives.

Mr. METCALF. Sure they did. The Newmont Mining Corp., which is mining American, U.S. Borax Chemical Corp.

Mr. McCLURE. If the Senator will permit me, I said individual, and I meant to distinguish from the corporate interests that hold large holdings. I am talking about the small person, the person who would not normally have a lawyer or a lobbyist on the Hill looking at what Congress is doing and knowing how that is going to affect him. I am wondering if these holders of unpatented or patented claims who may not be members of a giant corporation with house counsel were aware of the action being taken by Congress and afforded any opportunity to appear and testify.

Mr. METCALF. I do not think the Senator from Idaho needs to shed any tears for the mining claimants because these corporate interests, who own most of the mining claims and are operating the claims, came in here and screamed loudly before the committee about all the issues that the Senator from Idaho is raising.

Mr. McCLURE. The Senator was not listening carefully to what I said.

Mr. METCALF. I listened carefully. The Senator is worried about some poor miner with a burro out there not getting his mining claim recognized because he did not come to Washington.

Mr. McCLURE. No. I was not talking about the corporate giants. I was talking about the one who is not.

Mr. METCALF. The issue is exactly the same for the so-called corporate giants, who have plenty of attorneys and came in here and talked about that, as it is for the individual mining claims that were patented and located by these individuals that the Senator from Idaho was talking about.

Mr. McCLURE. I am not talking now about the issue that the Senator from Montana was talking about. I am raising the issue of whether or not in each of these seven locations the people who may not be members of giant corporations or represented by them had any notice of the action which we are taking and had any opportunity to appear and testify. We held no field hearings.

In the creation of a national park or a national monument we almost invariably go out to the areas that are being affected so that the people who are being affected know what is going on, have the opportunity to express themselves, and are fully informed.

Mr. METCALF. I do not know how we could get every individual in America in. The mining associations were notified, and they appeared. The corporations who were mining these individual claims were notified, and they appeared. If we heard from all of the thousands of individuals that the Senator is talking about, there would be a complete repetition of the same testimony that was presented to the committee by the lawyers for the corporations, representatives of the mining associations, and all these others.

Mr. McCLURE. The point I am trying to make is simply this: In the action creating these units of the National Park System, parks, monuments, and memorials, hearings were held in the area in which these units are located before they were created and the people who were involved or had an interest in it had the opportunity to appear and testify at those field hearings if they so desired.

Mr. METCALF. I am not so sure about that.

Mr. McCLURE. That has certainly been the practice in the period of time I have been here.

Mr. METCALF. I have not found any evidence that any field hearings were held when these seven laws were passed.

Mr. McCLURE. If the Senator would look, I think he would find that that is true, that field hearings were held.

Mr. METCALF. I do not think so. I doubt if it is true. I have been unable to find whether it is true or not, and I think we would be able to ascertain, if the statement of the Senator from Idaho were correct, and that field hearings were held. We have not been able to determine that. We have not any record of field hearings.

Mr. McCLURE. Let me ask the Senator. The Senator is saying he does not know of field hearings, which is not the same as saying he knows that none were held, as the Senator would appreciate.

Mr. METCALF. I agree.

Mr. McCLURE. During the 9 years I have served in Congress, and perhaps in the 23 years the Senator has served in Congress, it has been our practice to hold field hearings in the areas in which these resources are affected; is that not correct?

Mr. METCALF. Not altogether.

Mr. McCLURE. I do not know of any exception to that rule in the 9 years that I have been here. Certainly either the other body or the Senate committee has held field hearings, and we have been rather meticulous in that.

Mr. METCALF. I disagree with the Senator from Idaho, and I will wager, if one can make a wager in the Senate Chamber——

Mr. McCLURE. I hope the Senator would not make a wager.

Mr. METCALF. I estimate that we will be able to demonstrate to the Senator that monuments, parks, refuges, and so forth, were created without field hearings.

Mr. McCLURE. The only ones of which I know that have been created without field hearings were those that were done by Executive order in the last 10 days before President Johnson left office in which there were some massive land decisions made without any notice or participation of the public. But outside of that——

Mr. METCALF. Following the precedent set by the distinguished President Theodore Roosevelt when he did the same thing.

Mr. McCLURE. I say that outside of that action, in the period of time that I have served in Congress, Congress has been very careful to make certain that people in the locality had the opportunity to at least express their opinion before the action was taken. In this instance, we are taking action without having gone back to those areas.

Let us lay aside for a moment the question of whether or not there were field hearings at the time these particular monuments, park units, and memorials were created. The people knew what the law was that applied to those areas for varying period of years that the law has been in effect. Now we undertake to change the law in a way which changes the situation under which they operate without doing what we would ordinarily do in the creation of a park unit in the first place.

Whether or not we can elicit any different information on it is beside the point. I know that the Senator from Montana shares with the Senator from Idaho the feeling that, regardless of a person's importance in the political or economic spectrum, regardless of the fact that he is not a giant corporation or a wealthy individual, he is entitled to have his views heard by the Members of Congress before they act. I do not think the Senator from Montana would really seriously argue that he has a different viewpoint.

The question is whether or not they have had an opportunity in this case to take a look at what we are proposing to do to rights which they believe they have, a circumstance under which they have lived for many years, and we are going to change that circumstance.

They should have a right to testify without having to come to Washington, D.C., without having to buy stock in Tenneco, without having to be a member of the American Mining Congress. Whether they desire it or not, we should give them the opportunity to testify.

Mr. METCALF. The Senator from Idaho is setting forth a proposition that is untenable. He probably wants this proposition because he is in opposition to most of the legislation, but it is untenable. For example, does everybody who is affected by the Social Security Act have a right to come before a committee and repeat, time after time, the same issues?

Mr. McCLURE. I say to the Senator from Montana that on the issues of the nature we are discussing here, we have—in recent years, at least—afforded them the opportunity, both in hearings in Washington and in the field, to express themselves.

Mr. METCALF. I say to the Senator from Idaho that I completely and thoroughly disagree with that statement. In my memory, I cannot find any basis for it. We have created parks; we have created national monuments.

Mr. McCLURE. Without field hearings?

Mr. METCALF. Absolutely.

Mr. McCLURE. I am afraid the Senator's memory is much different from mine, and I am certain that the Senator is incorrect. The record will have to speak for itself. That is not the major point, however, so far as I am concerned.

The reason I raise the point is not simply that I am in opposition, but to determine whether or not we actually know what we are doing here. By this legislation, we seek to cut off rights to do something which they now have. Can the Senator say, or does the hearing record reveal, what it will cost us?

Mr. METCALF. The Senator is changing the subject. Let us finish the other matter.

Mr. McCLURE. I will be happy to do so.

Mr. METCALF. We have had complete and thorough hearings and airing of every proposition that can be advanced against this legislation. The mine associations from the various States have been in. The corporations that are engaged in the mining have been in with their lawyers and have raised, I think, every conceivable issue that can be raised.

Mr. McCLURE. Then, I assume that the committee and the Senator from Montana can answer every conceivable question that has been asked.

Mr. METCALF. We can answer the questions that have been raised. Yes; we can answer those questions.

Mr. McCLURE. Then, can the Senator tell me whether this legislation is going to have any cost?

Mr. METCALF. That is why we are putting a moratorium on this legislation.

Mr. McCLURE. What is the cost of the moratorium?

Mr. METCALF. Nothing. The cost of the moratorium is nothing.

The Senator was present the day the Park Service testified, as I recall. He recalls that, upon interrogation by the Senator from Montana, as chairman of the Subcommittee on Minerals, Materials, and Fuels, the Park Service agreed—and we are all agreed—that the Senate can discontinue surface mining.

Mr. McCLURE. On patented claims?

Mr. METCALF. On all claims.

Mr. McCLURE. This Senator has not agreed.

Mr. METCALF. The only persons who can make that determination are across the street—nine people in the Supreme Court of the United States.

Mr. McCLURE. That is correct.

Mr. METCALF. We have proceeded on the basis of a whole series of cases that have been decided on that specific issue, and they are precedents, that Congress, under the present law, has a right to control the mining activities on public lands—whether they are national parks, national monuments, memorials, or anything else.

Mr. McCLURE. Those cases deal uniformly with unpatented claims, do they not?

Mr. METCALF. They deal uniformly with patented and unpatented claims, and other property rights.

Mr. McCLURE. The right of an individual can be taken without compensation, on patented claims?

Mr. METCALF. We feel that in the public interest, for surface mining, we can do so. That it is not a taking.

Mr. McCLURE. Without compensation?

Mr. METCALF. Without compensation. But that is what the moratorium is for.

Mr. McCLURE. I am asking the Senator whether he can tell us here today what the cost is to the taxpayer of the extinguishment of property right which they now hold.

Mr. METCALF. No property right is extinguished.

Mr. McCLURE. No property right is extinguished?

Mr. METCALF. The Senator from Idaho knows very well that Congress has authority to zone, to regulate types of mining activities, to regulate other types of activities on anybody's property anywhere, whether it is a patented mining claim or whether——

Mr. McCLURE. I am afraid the Senator unwittingly misspoke himself, because the Senator knows full well that zoning is an exercise of State power, and zoning cannot be exercised by the Federal Government. It can be exercised by the State government.

Mr. METCALF. A government has that right.

Mr. McCLURE. But the State government is not acting here, it is the Federal Government, and the Federal Government does not have that authority.

Mr. HANSEN. Mr. President, will the Senator from Idaho yield?

Mr. METCALF. The Federal Government has authority, under a whole series of cases——

Mr. McCLURE. The Federal Government has authority to set regulations.

Mr. METCALF. To set regulations.

Mr. McCLURE. But the Federal Government does not have authority to zone.

Mr. METCALF. That is correct. But a government does have authority to zone.

Mr. McCLURE. The Senator would like to correct his statement that the Government can zone?

Mr. METCALF. A government has authority to zone. In that case, it is the State government. But the Federal Government has authority to set mining regulations.

Mr. McCLURE. On public lands?

Mr. METCALF. On patented claims within the national park system.

Mr. McCLURE. Patented claims are not public lands, are they? They are private lands, are they not, the same as the house the Senator from Montana owns or the ranch property he may have.

Mr. METCALF. I would not say it is the same as the house I own.

Mr. McCLURE. Why is it not the same as the house the Senator owns? Why is it different?

Mr. METCALF. The Senator from Idaho knows that it is different.

Mr. McCLURE. Once a patent is issued, the patent is issued, whether it originates out of a mining claim or out of a homestead claim or out of a sale of public lands. A patent is a deed from the Federal Government to the individual who then owns the land, subject only to the conditions expressed on the face of the patent. That law is clear.

Mr. METCALF. We have enumerated in the report—the Senator has read it, just as the Senator from Montana has read it—that there is a series of cases wherein the mineral interests are under the control of the Federal Government. Is that not correct?

Mr. McCLURE. In some instances, the mineral interests are subject to the control; but is the Senator prepared to say that on the private property which he may own in Montana—I do not know what the Senator's holdings may be——

Mr. METCALF. Unfortunately, there is none.

Mr. McCLURE. If the Senator owned 160 acres of wheat land in Montana which was patented, without any reservation in the mineral rights, would the Federal Government have the right to tell the Senator what he could do on his own property with respect to mining?

Mr. METCALF. That is why we have a moratorium, I say to the Senator.

Mr. McCLURE. All I am asking the Senator is this: Can he tell me what the cost of that moratorium is?

Mr. METCALF. The cost of the moratorium is nothing until we have a determination of what the rights are.

Mr. McCLURE. If the court finds that these people have a right to a mineral activity, a property right, which is in any extent diminished by the action of Congress, it becomes a taking, under the Constitution of the United States.

Mr. METCALF. That depends on the extent of the diminishment.

Mr. McCLURE. If there is a taking, it is compensable, is it not?

Mr. METCALF. That is probably true.

Mr. McCLURE. If an action interferes with a legal right of a person to use his property, a right which the court may find we do not have, then that person would have a right to seek redress in the courts of the United States against the Federal Government. Is that right?

Mr. METCALF. He would have to prove damages, and that Congress had done more than regulate.

Mr. McCLURE. That is correct. But if he did prove damages, he could recover.

Mr. METCALF. The trouble is that I cannot follow all the "ifs" that the Senator from Idaho has presented.

Mr. McCLURE. Let us assume for the moment that there is a man who has a trucking company. It is a trucking company which is regulated under Federal statute. We have the right to regulate interstate commerce under the Constitution, but if the court finds that we arbitrarily, without sufficient reason, interfere with his license in such a way that he is damaged by that interference, he can recover damages, can he not?

Mr. METCALF. He has to prove damages.

Mr. McCLURE. Surely. He has to prove them. But if he can prove damages—suppose that we do not take his trucks, we only say he cannot operate any more. He still owns those trucks. We are just saying, park them for 4 years while we decide whether we want to take them or not. Would he have a claim of action against the Government?

Mr. METCALF. I cannot tell from a hypothetical question on such a meager set of facts.

The whole proposition here is that we are making a moratorium for a certain type of mining. The Senator from Wyoming, for example, is pointing out that we need these minerals so badly and we are going to continue to need them so badly that probably, if we said to them, "You cannot mine them for a while," the value would go up so much that maybe they would owe the Federal Government.

Mr. McCLURE. Let me read to the Senator a letter which the Senator from Wyoming has handed me.

Mr. METCALF. Is it in the record?

Mr. McCLURE. I do not know. It is a letter dated October 6, 1975, from Nathaniel Reed, the Assistant Secretary of the Interior.

Mr. METCALF. It is not only in the record, it is in the report.

Mr. McCLURE. In the fourth paragraph of that letter, he says:

> The 3-year moratorium provision in section 3 of the bill would constitute a taking of existing rights without compensation. This department is opposed to what is likely an unconstitutional interference with valid existing rights and considers the possibility of compensation for such rights to be economically infeasible.

Mr. METCALF. The letter is in the report and in the hearing record.

Mr. McCLURE. All I am trying to find out from the Senator from Montana is, if there is a taking of property rights, what is the cost of that taking?

Mr. METCALF. The committee came to a different conclusion than the Assistant Secretary of the Interior.

Mr. McCLURE. The committee has concluded that there is no taking of property rights.

Mr. METCALF. That is right.

Mr. McCLURE. We tell people on their own property that they cannot conduct the operation which they are conducting.

Mr. METCALF. That is correct. The committee has said the moratorium is not a taking.

Mr. McCLURE. As we used to say on the grade school playground, "Saying so does not make it so."

The committee may have said it. As the Senator from Montana said——

Mr. METCALF. The Senator from Idaho knows very, very well——

Mr. McCLURE. Just a moment. I do not yield yet.

As the Senator from Montana said a moment ago, the nine men who constitute the Supreme Court of the United States are going to have to make that decision.

Mr. METCALF. They are going to have to make that decision.

Mr. McCLURE. Assuming it is somebody whose property is taken who has the financial resources to take it to the Supreme Court of the United States to assert his rights. I am not going to bleed for them if they have that right. But I am going to bleed for the 220 million Americans who are affected by the payment of taxes.

Mr. President, for the RECORD, this is an arguable point and it will be argued. I think there is no question, it is such well settled law that it is beyond any argument, that a valid unpatented mining claim is an interest in real property in the full sense of that term. I can cite cases, a list that is longer than my arm, as the Senator from Montana knows, of unpatented claims. I am not talking about patented claims when I say that.

I grew up cutting my teeth on one of the middle editions of Morrison's Mining Rights. Certainly, the Senator from Montana has read that, as have I, in the practice of law. Whether we wish it so or not, we cannot just say, "Well, we find it is not true."

The question, then, is whether, under the mining laws, on an interest in an unpatented claim, an interference with that interest is compensable. Is it a taking? I think there is a close question on the unpatented claims. I cannot see that there is any close question at all on patented claims.

Suppose that the Congress of the United States should decide that in the Senator's home, they decide they may want to build a highway where that home is located. If they build a highway there, they have to pay the Senator for his house. If they decide that they might want to build a highway in there and, therefore, he cannot live in it for 4 years while they decide, and he has to move out, I suspect he would say that is an interference with his property rights. Would he not?

Mr. METCALF. The Senator would have to set up some more facts.

This matter was presented to the committee. The letter that the Senator is reading from and quoting from was read to the committee by the Assistant Secretary. The committee report cites some cases where some action on the part of Congress was held not to be a taking, even though it interfered with the use of private property. In other cases, they may be held to a taking.

We have cited in here that there is a problem in determining when a necessary regulation becomes a taking. I suggested to the Senator from Idaho that the only people who can resolve that are the Chief Justice and his Associate Justices on the U.S. Supreme Court.

There is plenty of law that says that the Federal Government has a right to make reasonable regulations that deprive a person of the complete use of his property.

Mr. McCLURE. I say to the Senator from Montana that, at least for the Senator from Idaho, I am not anxious to take people's property. I am certainly not anxious to take their property without compensation. As one Member of the Senate, to whatever extent I have the right to vote or the power to persuade, I am going to urge that, whenever we take a property away from a person, that person is compensated for that taking.

The Constitution of the United States——

Mr. METCALF. That is what we are talking about. The Senator says that is a taking and the Senator from Montana says that this is a reasonable regulation that does not interfere with property rights.

Mr. McCLURE. It does interfere with property rights. The Senator is just saying that we are not going to pay him for it. If they own the property and they could otherwise do the mining on their patented claim and we say they cannot do it any more, that is a taking of the right. The courts or others may wish to argue otherwise. I shall respectfully disagree with it.

If, as a matter of fact, we find a public interest and a national purpose in creating a national park, as indeed, I think we have in many cases—and as the Senator knows, I have supported that—and there are private property rights cut off by that taking for a national purpose in the national interest, I shall vote for it when I think it is in the national interest, and I shall also vote to pay the people whose property has been taken.

All I seek to do in this colloquy today is indicate what I believe to be a fact, that the people who, aside from giant corporations, are affected by this have not had their day in court. That, I think, is our fault. We should have insisted that they have their day in court. And we are going to cut off some rights which they have and we are saying, "We are not going to do it, we are not going to pay you for it."

I think we should look at each of these cases in turn. We should determine who is involved, what their rights are, what the public interest is in the production of the mineral as compared to the preservation of that unit of the park system. I think we might well, in each of those instances, say that the public interest in the preservation of the park is justified, and we might, therefore, in each instance, say that we want to buy out the private property rights which are being extinguished. But a necessary ingredient in making that decision is how much it is going to cost.

I submit that the committee has not done that and they escaped the responsibility for doing it by saying, well, it is not a taking.

Mr. METCALF. The Senator from Idaho can make any legal conclusions he wants. He can say that 400-some pages of hearings, from anybody who appeared to be interested, are not a day in court, but the record will speak for itself.

Mr. McCLURE. It certainly will. I submit that the record sustains what I said.

Mr. METCALF. I submit that the Senator from Idaho is completely wrong.

Mr. McCLURE. How far is it from here to Glacier Bay? How far is it from here to Mount McKinley? How far is it from here to the people who hold some of those unpatented claims who are not the giant corporations of this world, who do not have the money to buy an airplane ticket to come down here even if they knew about the hearing?

Mr. METCALF. The Senator is making an outrageous proposition.

Mr. McCLURE. It is not outrageous.

Mr. METCALF. That every single individual who is affected by the law has to come filing through a committee. We would not pass one piece of legislation.

Mr. McCLURE. We are not talking about a piece of national legislation.

Mr. METCALF. We certainly are.

Mr. McCLURE. That affects everybody in this country equally. We are talking about legislation that has a particular impact on a particular situs on a particular group of people, and I do not know whether there is one out there or not who wanted to be heard and could not be heard. I am not pleading the brief of some individual who has written me a letter and said, "Senator, do something to protect my rights."

But I know as a matter of fact, as does the Senator from Montana, that there are just an awful lot of people in this country who cannot afford the time and the money to come to Washington to present their case.

Mr. METCALF. Well, I do not know of a single proposition that was not considered or was not presented to the committee.

Mr. McCLURE. The Senator might have found one if, indeed, there had been field hearings in the areas that are being affected. The Senator from Montana and the Senator from Idaho may never know because that little guy or gal out there who might be affected by this legislation did not come and testify because they could not afford to, but we, as agents of the Federal Government, not as their agents, are going to cut off their right without ever having appeared in the area where they might have asserted their right, at least the right to be heard.

The Senator can say, "Well, they should have written a letter." Sure, we can do that in every instance. Let us hold court by letter. Let us not have witnesses. Let us have people write a letter to the judge. He can send it to the jury.

We do not do our business in this country that way. But beyond that I think fundamentally, aside from the issue of individual claimants of rights, I do not think the committee can tell this Congress what the rights are that are being extinguished because they conveniently said that there are not any.

You know and I know we have agencies of Government that continually underestimate the costs so they can get us to undertake some action and then present the bill later when the costs become apparent. That is exactly what is happening here, in my judgment.

The Senator may disagree with that judgment, but that is my judgment, that we are taking action here which will end up with liquidated claims presented against the Government and, in some instances, those claims will not be presented because the individual claimant is too small and too poor to be able to do so, and he will be cut off without any compensation because he did not have the economic might necessary to claim that compensation.

No estimate has been made of the cost of doing that simply by the convenient exercise of saying, "Well, since this is in the national interest we can take it and nobody has to be paid."

My judgment is that the committee has not adequately assessed for us the costs of this legislation and cannot adequately present to Congress the alternative of this cost against this benefit.

Mr. METCALF. I say to the Senator from Idaho, and he knows just as the Senator from Montana knows, it is impossible to estimate the cost if the various propositions the Senator from Idaho has presented are part of the law. It is just as impossible today as it was when the Public Land Law Review Commission proposed that we repeal these several separate laws and make compensation, if necessary.

The Senator from Arizona will remember that recommendation.

Mr. FANNIN. Mr. President, I do not remember, I will say to the Senator from Montana, that at any time we discussed taking without just compensation

Mr. METCALF. No.

Mr. FANNIN. As far as the Public Land Law Review Commission is concerned I cannot recall that.

Mr. METCALF. As I recall, the Senator said just the same as we are saying in this legislation, that the separate laws should be repealed, and that we should explore payments and, if the payments are necessary, they should be paid.

Mr. FANNIN. Well, I will just say to the Senator from Montana the arguments being given by the Senator from Idaho, so far as this Senator can remember, are very consistent with what was discussed in the Public Land Law Review Commission. Chairman Aspinall, I think, set forth these principles that are being stated here today and, as far as I can remember, the voting was in that direction.

Mr. McCLURE. I say to the Senator—and I will yield the floor because I have expressed my concern—there are times when looking at the costs we will still say that the benefit to be derived is worth the cost, and we will vote to pay that cost in order to get that perceived benefit.

Mr. METCALF. And I think that is what I referred to in what the Public Land Law Review Commission said.

Mr. McCLURE. Which I have stated many times myself.

Mr. METCALF. And that is what the Senator from Montana is saying.

Mr. McCLURE. I am saying that in my judgment the committee did not attempt to look at or ascertain the cost of the moratorium. The committee very wisely refrained from a decision to take the property rights which the committee was willing to recognize because it said it did not know the cost.

The Senator from Montana himself raised that point when Secretary Reed was testifying, that we needed to know what the costs were going to be, and we could not take action until we knew what the costs were going to be. But that was just on the permanent acquisition of property rights, not the interference with the exercise of property rights.

The committee, instead of attempting to put a finger on the moratorium, has sidestepped the issue by saying:

> There is no property right being taken and, therefore, we do not have to come up with any assessment of the costs and, therefore, we can represent to the Senate that there is no cost.

I suggest that that is an erroneous conclusion which again neither the Senator from Montana nor I can say with a certainty. It will be decided by the courts, I suspect, but there will be some people whose rights are trampled underfoot, who have no opportunity to present it because they are too small, too weak to be able to do it, and because those property rights might have such small dollar volume compared to the costs of litigation that they cannot defend their rights in court.

Mr. METCALF. Well, the Senator from Idaho is completely wrong when he says the committee did not consider this matter. The Senator from Idaho remembers when I interrogated Mr. Reed, Assistant Secretary Reed, and his counsel—it is on pages 62 and 63 of the committee hearings, and I suggested:

> Yes, but there is a vested properties right in a patented mining claim, whether it is a claim in a national park or on the BLM land, but Congress has the right to say that we will not have strip mining on there.
>
> We could absolutely prohibit it, as we have prohibited it under the Strip Mining Act for land in national monuments and historic sites and so forth or we can say that it should be done under certain regulations or we can say it should be done with reclamation provisions and bonds put up and we can say that there will be no strip mining until Congress has an opportunity to pass such an act.

I said to counsel, "Do you not have the authority?"

The response is, "Yes, sir, no question about it." Then counsel continued, "Our position has been that we would not recommend it, however." And that was Mr. Reed's position.

Mr. McCLURE. Would not the Senator agree, however, that that answer, that "Yes, we have the right and authority," does not answer the question of whether or not it is taking which is compensable.

Mr. METCALF. That is not completely correct. The committee has gone into the question, and in the committee the Senator argued the same proposition that we are arguing here today about what is the difference between regulation and taking. We agreed that there are areas that are still undecided. It may well be that the Senator is correct, that a moratorium and a denial of mining, a continuation by the Borax Co., or somebody else mining in Death Valley Monument, is a taking, but nobody can tell how much that is going to cost.

As the Senator knows, we are trying to get the cost down to just as low as possible.

Mr. CRANSTON. Will the Senator yield?

Mr. METCALF. The Senator from Idaho has the floor.

Mr. McCLURE. Mr. President, I yield.

Mr. CRANSTON. Mr. President, I thank the Senator for yielding. I simply want to say that I have been in the Chamber during most of the debate and I have been listening with interest. At this point, I want to express my very great admiration for the work which the Senator from Montana has done on this bill generally and specifically on the California problem relating to strip mining in Death Valley. When that began the Senator put in a bill almost instantly and brought it to the point of action in the committee very briefly in a very, very helpful way. This is very important to my State and to people all over the country, and, indeed, from all over the world, who know of and who enjoy the beauties of Death Valley which are threatened by the present strip mining operations.

I intend to speak later when that matter is before the Senate in the form of an amendment, I believe, that would strike out a very important part of the bill in relation to Death Valley.

At this point, I want to express my solidarity with and my great admiration for the work of the Senator from Montana.

Mr. METCALF. I thank the Senator from California.

At this time, I do not want to leave the impression that any of my friends and colleagues on the other side are opposed to the creation of national parks or national monuments, or anything of that sort. Every Member who has appeared in opposition to this legislation has been hard working in the creation of various parks by the Committee on Interior and Insular Affairs.

The Senator from Idaho and myself have a disagreement on a legal proposition. He arrives at a conclusion that I do not reach. I believe that conclusion will have to be resolved not by either of us but by appropriate parts of this separate Government. I believe he has made a helpful statement in clarifying some of the issues in this legislation.

Mr. GRAVEL. Will the Senator yield?

Mr. METCALF. I yield.

Mr. GRAVEL. I wonder if we might be accommodated. We would like to call up an amendment.

Mr. METCALF. I would be delighted.

Mr. HANSEN. Mr. President, I am very happy to accommodate my two colleagues from Alaska. I do have further observations to make on what we were discussing earlier. I will do that at a later time.

Mr. GRAVEL. I thank my colleagues.

I yield to the distinguished senior Senator from Alaska to call up an amendment.

AMENDMENT NO. 1359

Mr. STEVENS. Mr. President, we have an amendment at the desk which is jointly sponsored by Senator GRAVEL and myself. We ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. STEVENS. I ask unanimous consent that further reading of the amendment be dispensed with.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

The amendment is as follows:

> On page 3, line 22, immediately before the semicolon, insert the following: "except with respect to the following described area of such Monument: The area which is between the following described line on the east and the Pacific Ocean on the west, comprising approximately five hundred and thirty-one thousand acres: the area bounded on the east by a line extending north-northwesterly from the west shoreline of Taylor Bay, along the easterly limits of the rock outcrops and nunataks on the west side of Brady Glacier, to the large rock outcrop (elevation 4148) at the divide between Brady Glacier and Reid Glacier; thence westerly to Mount Bertha; thence west northwesterly to Mount Orville; thence northwesterly and northerly along the divide of the Fairweather Range to Mount Wilbur, Lituya Mountain, Mount Salisbury, and Mount Quincy Adams".

Mr. GRAVEL. May I ask for the yeas and nays on the amendment?

The **PRESIDING OFFICER.** Is there a sufficient second? There is not a sufficient second.

Mr. METCALF. Will the Senator renew his request?

Mr. GRAVEL. I ask for the yeas and nays.

The **PRESIDING OFFICER.** Is there a sufficient second? There is not a sufficient second.

Mr. STEVENS. We will renew that motion, Mr. President.

I know my colleague has a time frame problem. Would he like to proceed with our amendment?

Mr. GRAVEL. I would like the senior Senator from Alaska to proceed. I will say briefly I join him in this amendment. I believe we can accommodate the authors of this legislation, and I believe we can accommodate the unique situation that we have. I think it is the case to show that the area we seek to have excluded from this legislation is an area that has, from all indications, a large degree of minerals. It would seem unwise to take this mineral possibility from the national inventory in view of the fact of the shortages which are projected for the future.

It would not impair in the slightest the esthetic beauty of this great monument because, by and large, the area that would be retained, which would be preserved, is the area which is only visited by people.

The area that we are talking about is an area that faces the gulf of Alaska and is not generally enjoyed for its esthetic benefits.

I commend my colleague for providing the leadership in bringing forth this amendment and I hope he will be persuasive enough to secure sufficient votes to secure this exclusion.

I yield the floor to the senior Senator from Alaska to make the formal presentation in this regard.

Mr. STEVENS. Mr. President, when I appeared before the committee we asked to have Glacier Bay taken out of this bill, because of the pending request for the withdrawal of between 80 and 100 million acres of Alaskan land. The committee had the testimony of the Department of the Interior. As the committee knows, we are at odds with the Department of the Interior on most things now but the Department of the Interior recommended, speaking through Assistant Secretary Reed, that Glacier Bay National Monument be excluded.

To quote from page 58 of the hearings, he stated:

> The reason for this exception is that Glacier Bay is thought to contain large deposits of nickel and copper, critical minerals which are in short supply. Until a minerals survey of this national monument has been conducted, we recommend that no final decision on its withdrawal be made. The Bureau of Mines and the U.S. Geological Survey has undertaken this survey and their report is due in 1978.

The committee determined to continue to include Glacier Bay.

We went back to the history of this monument, and the amendment we have now tries to reflect that history. Let me briefly state the history.

In 1936 the act of Congress provided that the then existing national monument would be subject to mining. By an Executive proclamation there was added to that monument in April of 1939 the area that we now try to exclude from this bill.

I have a map, and it is too bad it is not larger so everyone could see it. This is a very interesting national monument. Glacier Bay is on the Inside Passage. If people want to visit the Glacier Bay National Monument, they come up the Inside Passage and go into Glacier Bay, which is the headwaters, really, of the Inside Passage. The people who visit the monument visit on the inside. We are seeking to exclude a portion of that which was added in 1939, which is on the gulf of Alaska side.

This is a very highly mineralized area. It was added to the monument after Congress made a commitment that mining would be permitted in this monument. Even at the time it was known it was a highly mineralized area. We find ourselves, unfortunately, in the position where we are trying to see to it that a commitment that was made by Congress, which was followed up and now has resulted in the location of the largest nickel deposit that is known in our country, and to see to it that the mineralized area is available for mining, subject to regulations of the Department of the Interior.

We know that, that it is subject to the regulations of the Department of the Interior. The difficulty—and I say this with great feeling for my friend from Montana—is that we are sitting here now as representatives of Alaska, and those people who are proposing the withdrawal of another 80 to 100 million acres of Alaska land are saying, "We are going to permit mining in this area, that area, and that area," and yet here we have half a million acres added to an existing unit in 1939, with a commitment by Congress that mining would be permitted in that area, that is proposed to be closed to mining. Incidentally, with the exception of one group, the exclusion of this area is supported by Alaskans. We contacted almost everyone that would be concerned, and we heard from only one organization that supports the bill being applicable to all of Glacier Bay National Monument.

I have talked informally with the Senator from Montana. It is unfortunate that we have to get into these collisions, I think. But we would like to have the consideration for this area continued by Congress in terms of the study that is underway.

This is not strip mining. This is a tunnel that goes under the glacier that, as I said, comes in from the gulf of Alaska side and not from the Glacier Bay side, that would continue the development of an area that is now, I am told, estimated to contain 1 billion pounds of nickel and 600 million pounds of copper; and that is just, they tell me, the tip of the iceberg as far as this area is concerned. It is probably one of the most highly mineralized areas in our whole State, and what we are asking Congress to do is make this bill apply only to the original monument area, and not to the area on the seaward side, the gulf of Alaska side, which was added to the monument mainly for management purposes back in 1939, after the commitment was made by Congress that the area would be available for mining.

I for the life of me cannot understand how we can proceed on the basis that this is necessary now, when the facts are not in as far as this area is concerned, in toto; but the facts that we have indicate that this is 12 percent of the production that is necessary to sustain our country in terms of demand for nickel alone.

I shall ask unanimous consent, Mr. President, to have printed in the RECORD a list of what we call withdrawals from the Alaska land account. We have 375 million acres, and there are some 146 million acres of land that is not designated yet. That is Federal land that is not designated. Proposals pending by Congress would withdraw approximately 100 million acres of that land.

I have received the letter from our colleague from Montana, and I must state to him that when we talk about 1 percent of the land area of the United States being in Park Service areas, I think we have to take a look at the Federal land and what has happened to it in a State such as mine, which now has the situation where over one-half of all the land in Federal ownership is in one State, my State. Almost 86 million acres have already been withdrawn permanently. The national interest withdrawals that have been made, the Native land claims withdrawals that have been made, the additionals withdrawals that will be made for Native selection, I say to my friend, have meant that as a practical matter there is very little Alaska land left for any use that is consistent with the national interest as far as minerals and metals are concerned.

I ask unanimous consent that two tables be printed in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Withdrawals from the Alaska land account:

Total area	375, 304, 000
Area in existing Federal withdrawals	79, 962, 000
National Park Service	7, 535, 000
Wildlife refuges	19, 906, 000
National forests	20, 723, 000
Naval Petroleum Reserve No. 4	23, 152, 000
Other military withdrawals	3, 019, 000
Transportation corridors	5, 516, 000
Department of Transportation	111, 000
Area designated for native ownership	43, 698, 000
Area designated for State ownship	104, 500, 000
Lands State has patent to	11, 000, 000
Lands State has tentative approval	41, 000, 000
Lands State has selected	17, 000, 000
Lands yet to be selected	35, 500, 000
Area in private ownership	965, 000
Remaining Federal land not yet designated	146, 179, 000

Figures from Federal-State Land Use Planning Commission press release dated October 25, 1975.

ALASKA LAND STATUS

Existing Federal designations:	
National Park Service	7, 535, 000
Wildlife refuges	19, 906, 000
Forest Service	20, 723, 000
Petroleum Reserve No. 4	23, 152, 000
Other military reserves	3, 019, 256
Transportation corridors	5, 515, 859
Department of Transportation	111, 000
Subtotal	79, 962, 115
ANSCA designations:	
National interest withdrawals, d(2)	78, 095, 000
Refuges replacement lands	2, 130, 897
Remaining Federal public lands*	101, 450, 558
Subtotal	181, 676, 455
State and private designations:	
Expected Native selections	43, 698, 000
Private lands patented	965, 000
State selections to date includes about 11,000,000 patented; 41,000,000 approved	69, 002, 930
Subtotal	113, 665, 930
Grand	375, 304, 000

* Includes approximately 35,447,000 acres for selection of remaining state entitlement totaling 103,300,000 granted by Statehood Act.

(Figures from Federal State Land Use Planning Commission Press Release dated Oct. 25, 1975.)

MR. STEVENS. I hope that the Senator from Montana recognizes the change in position that we are presenting here on the floor. We previously asked to exclude the whole monument from this bill. Now we ask to exclude just that area that was added, and added after the commitment from Congress that there would be mining permitted. I say advisedly that I do not believe this area would ever have been added to the national monument had it not been on the basis that mining would be permitted, because this is one of the most highly mineralized areas of our State, as I have said.

Whether you talk about the State, the chamber of commerce, the mining associations, or whatever it might be, the feeling in Alaska is that this possible mining on the coast is not incompatible with the dedication we have to the Glacier Bay National Monument, and I think that is one of the most beautiful places on Earth, as a matter of fact. If this mining deposit were on the other side, on Glacier Bay, I believe most Alaskans would be in here supporting the bill.

Mr. GRAVEL. Mr. President, will the Senator yield at that point?

Mr. STEVENS. Yes.

Mr. GRAVEL. I can recall when the mining company came in and spoke to me about Glacier Bay, and I discouraged them. At that time I felt this would be offensive to the monument and to the great scenic beauties we have here. But what we are talking about in our amendment is not that at all. What we are talking about is essentially a barren, unattractive piece of ground that is not visited by anyone. Why anyone would want to take that out is certainly beyond my imagination.

Mr. STEVENS. I find it difficult to understand why that part of the national monument is included in the exemption on the basis that it is a park area. In my days in the Department of the Interior we differentiated between national parks, on the one hand, and national monuments on the other. I think the committee's intention here is eventually to eliminate all categories, and have just a national park system; and perhaps that is a judgment Congress has to make. But right now, the problem is that if this bill passes, the Nation's domestic nickel supply is in very serious trouble, as I am informed. Nickel is essential, as we all know, to the iron and steel industry and the aerospace industry. There is only one domestic mining operation right now, and that is in Oregon. We are told that it has about 200,000 tons, and contains about 0.8 percent to 1.3 percent nickel.

We are dealing here with an entirely different situation. It has, as I have said, a billion pounds of nickel plus 600 million pounds of copper, and that is in an area so remote that it will actually take 2 more years for the study to be completed as to what the USGS and the Bureau of Mines believe is in that area. Since the study has not been completed, we think the area added in 1939, or substantially the same area, ought to be excluded.

I wish my good friend from Montana would find it in his heart to accept the judgment, on a bipartisan basis, of the two Senators from Alaska, and exclude this area, because I do not see what harm it does even to the intent of the committee's bill to recognize that this is not the part of the area that visitors visit as far as Glacier Bay is concerned.

There are no tourist facilities on the gulf side. There is no visitation on the gulf side. This is like the back side of the Moon, as far as Glacier Bay is concerned.

I really hope that he would yield to the voices of Alaskans and exclude this portion of the monument, as was the original intent at the time the monument was expanded, and permit it to be explored. We will have the report from the USGS in 1978. I ask my friend what pressure is there? The only pressure of which I know is the one proven claim of the largest supply of nickel in our country and I think the second largest remaining deposit of copper that is left in our country. Why should we close that door now?

I respectfully ask the Senator. I do not understand why we cannot have some voice in what is to be done with this land. It is in Federal ownership, but, as the Senator knows, it is under the glacier. We can only get access to it by tunneling under the glacier, and I am told only from the seaward side.

Why do we get included in such a bill? I understand the Senator from Arizona is going to argue his situation. I understand the problem is visitors being disturbed as to what was going on or alarm being raised as to whether the intent of that monument was being carried out. That is another issue.

To my knowledge no one ever raised the issue about Glacier Bay. We have not had any objections as to this portion of Glacier Bay. As to the original portion on the Glacier Bay side, I can understand the visitor there, having heard about what went on in other monuments, might say, "Do not let that happen here."

But, as the Senator says, both of us told the mining industry: "Do not touch the Glacier Bay side of the Glacier Bay National Monument."

This is the Gulf Alaska side. It is like going over the top of the hill, like they said, the back part of the moon. I really wish to know, is there not some rule so those who represent the people of the area ought to be heard? Where there is no voice being heard on the other side, is there not some rule that we ought to be heard as far as what happens to that portion of Alaska that is so important particularly to the national economy now?

Mr. METCALF. Is the Senator asking me a question or is that a rhetorical question?

Mr. STEVENS. I hope it is both.

Mr. METCALF. I shall be delighted to respond, if the Senator will yield at this point.

Mr. STEVENS. I am happy to yield to my friend.

Mr. METCALF. In the first place, it was the will of the majority of the committee that we repeal all the laws permitting mining in national parks, national monuments, and national memorials; and that includes Glacier Bay and Mount McKinley National Park.

I wish to respond to the Senator from Alaska, as I responded to him in committee when he made an eloquent presentation of the same matter, and tell him that the Committee on Interior and Insular Affairs has given the Senator from Alaska its attention, and he knows it as well as anyone else. We have listened carefully and adopted many of the suggestions that the Senator from Alaska has made insofar as some of the important legislation on which we have to pass because of the Alaskan Native Claims Act, the withdrawal of public land in Alaska, and the fact that Alaska has recently become a State.

However, we do have objection to mining in Glacier Bay and even underground mining in Glacier Bay from many people who support this legislation. We have objection from the Sierra Club, which testified before the committee. We have objection from Friends of Earth, which testified before the committee. As I remember, we had objection from some of the other agencies that represent the people of America who think that they own the public lands. I agree with them. They own the public lands. So it simply is not a matter for the State of Alaska. It is a matter for everyone in the United States who feels that he or she should have an opportunity to enjoy the national parks or the other lands that are set aside by Congress for scenic, natural and recreation purposes, which is the language that was in the original Yellowstone Park Act.

So, the majority of the committee is of the opinion that we should not mine borate in Death Valley, we should not mine nickel in Glacier Bay, and that we should have a uniform and complete prohibition of mining in any of these national parks, national memorials, or national monuments, and that is just it.

This is a part of a policy that we would like to consistently adopt, whether the land is on the outside of Glacier Bay or remote land in Yellowstone, or a part of Glacier National Park that is practically impossible to reach except by experienced mountain climbers.

Mr. STEVENS. My feeling is, if the Senator is right, why do we not simply exclude this from Glacier Bay? It was not part of the study which led to the creation of Glacier Bay. The only reason it was added was in 1939 after the commitment was made that mining could take place, because it is on the other side of this, and the monument took from the national forest. This was all national forest to begin with. So the national monument was created, and it left the Gulf of Alaska side inaccessible, by the way, for any management purposes for the Forest Service with barren land really not forested in the sense of the forest lands of the great southeastern part of Alaska. So they added it to the monument for management reasons, and they did it after there was a firm commitment that mining would be permitted because it has the highest mineralized value of southeastern Alaska.

How we can now say, "Oh, but we are going to prohibit mining in Glacier Bay," when that area that was added which was added only for management purposes and not for any ecological reasons? Why it should be included in this provision I do not know.

We are making an issue here because we can find ourselves in a different position than the position where things were done on the basis of good scientific evidence. There was the creation of Mount McKinley National Park, for instance, or the great withdrawal that I helped create in terms of the Arctic Wildlife Range, when I was Fred Seaton's assistant in the Department of the Interior. Those things were based on good scientific evidence as to what area was necessary to protect the features that we thought needed protection.

Now along come other people who say, "Oh, but you need to add 6 million acres to Mount McKinley National Park," which is already 2 million, or "You need to add 3 million acres to the Arctic Wildlife Range," which is already 9 million acres of land. We had this problem of executive establishment of national monuments that went on in the last administration and in Johnson's administration, and to his great credit, President Johnson turned down the request for the creation of the Gateways of the Arctic National Monument. At that time the proposal was to withdraw some 400,000 acres, and now some seek 10 million acres to set aside and prohibit mining and exploration of oil and gas in that area, also.

We sit here with a nation that is screaming for minerals, and the minerals crisis is going to be worse in another 5 years than the oil and gas crisis was at the height of the embargo. We all know that. The Senator knows that. And yet we have half the public lands of the United States, not 1 percent, as the Senator might suggest, but half of the lands of the United States that are in public ownership are in my State, and I tell the Senator that there is less than one-ninth of Alaska that is available for mining, or oil and gas development now.

How is it that if we are supposed to be the managers of the public lands, and I think Congress really is. Why can we not listen to the scientists who tell us this is the most highly mineralized area in southeastern Alaska? Why do we need to turn back the clock, specifically with a commitment made to Alaska in 1936 that this area would be subject to mining, and then this area that we are trying to exclude now was added because of management problems. Now, because of the management problem in 1939, the Nation may be denied the last known deposit of nickel in this country.

At one time, I felt that I was a real, ardent environmentalist. But people who never even have been there, come in here and testify before the Senator's committee. They have not been in this part of Alaska. If they say they visited Glacier Bay National Monument, they mean they went in from the Glacier Bay side.

It is beyond me. I just cannot understand it. We have a dual duty—not only to manage the public lands for the protection in the future, and I want to help the Senator on that, but also to keep this Nation strong with respect to our materials and metals. Here we have a billion pounds of nickel ready to be developed, and this bill may shut it off, declare a moratorium, and it is not to be available.

I just do not understand the Senator with respect to that. I am trying my best to understand him, because I know his dedication to national parks. If anyone is second to him in that respect, it has to be me, so far as national parks are concerned. These areas need to be protected for the future. But this area was not created as a national park for its beauty. It was for management purposes. I cannot understand why we cannot understand that in terms of this bill.

We say, "Take the original monument that was created for beauty's sake and give it your protection, but do not include this area that in 1939 was added solely because of management considerations."

The Senator is right—all the people of this country have a right to be heard with respect to what happens to public lands. We will stand with him on that. But does he not think that the people who know more about it than anybody else should be heard, also?

The only people I know who came in and asked for this designation for this portion of this area were the environmental groups. To my knowledge, there are no petitions from Alaska, with one exception, and that is the Fairbanks Environmental Center. And they represent the Friends of the Earth. I have great respect for them. They fight hard for what they believe. But that is not sufficient when all the others are on the other side.

Nearly all the fights I have in trying to represent Alaska are with the Department of the Interior. But here is a situation where they, too, said, "Exclude the whole thing, not just this additional part." We are saying, "All right, we recognize your goal. Put a moratorium on the national park areas."

Here is an area that was not created as part of a national park area. It is added because it was a portion of the Forest Service floating around up there in the northern part of the Gulf of Alaska, behind the Glacier Bay National Monument—roughly a half million acres in an area that is almost 3 million acres.

I believe that the Senator from Montana, with his desire for balance, should listen to us. I do not know how we can expect to deal with our people. Some of us put our political futures on the line by telling them that Alaska must cooperate with the rest of the Nation with respect to presenting a front and in being ready to assist in the development of the natural resources that are needed.

We have people who want to slow down this development, who would like to keep it in the ground until the price goes up. My colleague and I and our representative in the House have stood before the legislature and have been united and have said that we have a role to play. I have met with the Sierra Club and the Friends of the Earth and the others in my State and told them there has to be some balance. I am more than willing to protect the original Glacier Bay. We have done that ourselves. But I do not know why we cannot recognize the need for this area and also keep the commitment Congress made.

I say to the Senator, advisedly, that if Congress cannot keep this commitment of 1939 with regard to 500,000 acres of land, how can it keep the commitments it is offering to Alaska, when many Members of Congress are saying, "Withdraw this 80 million to 100 million acres of land more, with the stipulation that you can mine here or hunt there and do things that you cannot do elsewhere in the national park system, in the national forest system, in the scenic river system, and in the national wildlife refuge system"?

The Senator knows that those offers are being made to use now. To recognize unique situations, existing rights, and existing use patterns, including, for example, the concept of hunting in the Park Service in the remote area, where we need subsistence hunting. Commitments are being offered with uses not compatible elsewhere in the United States, which will be permitted if we can just establish these new areas.

To me, it is a testing ground. If those people mean what they are offering, if they understand what they are saying to us, they will support the exclusion of this area from the national park system bill, because Alaskans will not be in the position of believing that future Congresses will honor the commitments that are being offered to us now unless this Congress honors the commitment that was made to Alaska in 1939.

It is a small portion of the total area. We are talking about a half million acres, and the state contains 375 million acres. That commitment was made, and I think it should be kept. I urge the Senator to review his position and to help us keep the commitment, and we will work together, as we all try to designate those areas of Alaska that need greater protection for the future.

I am the first to admit that some areas need greater protection, and I want it; but I do not know how I can go into a native village and say, "Yes, if you create the Gateways of the Arctic, you can hunt caribou in this monument. Mind you, you cannot hunt in any other monument, but Congress says you can in this area." How can I say to them that I am sure Congress will keep this commitment, if this commitment on Glacier Bay is broken the first time the test comes up?

This is the first major discovery in the area since it was set aside in 1939. The study that the USGS and the Bureau of Mines is making will not be completed until 1978, for the whole area; but we know that this one discovery is there.

I find it difficult to express my feelings on how we possibly can look to the future and honor all commitments that Congress is offering us, if the commitments that were made in the past are to be wiped out.

Something that occurs 4,000 miles away gets national attention. I do not want to invade the area of the Senator from Arizona in talking about that and prejudge it. But we know that nothing came up in Glacier Bay that caused this. As a matter of fact, there was not even a ripple when it was announced that nickel mines had been found. Nothing at all came up.

I say to the Senator that I do not know where we are going to come out on this, but I hope that everyone who votes on it understands what is going on; because if this amendment is not agreed to, the D-2 land bills that come before Congress are going to take a long, long time for consideration. We are going to review every commitment and are going to see that the commitments are something we can understand and that future Congresses will honor. If this bill passes in its present form, it is breaking a commitment; it is reversing the field, so far as this one area is concerned.

I understand the Senator's position with respect to the entire monument, but that is a different consideration. This area would not be in the national monument but for one reason—administrative management.

We either should exclude it altogether or accept the amendment and say it does not apply to that area because that area's highest and best use for the Nation and for Alaska is mining, and it is not to be put into the same category as those areas that surround Glacier Bay, which are part of the monument.

I have spent time there in Glacier Bay, and it is probably one of the most beautiful places on Earth. But this is not the same area, this is the back side of it. I would like the Senator to come up there this weekend. We will fly in there. You can fly in there the year round. I will show the Senator the area we are talking about, and he will see it. I would be willing to rest my case on that trip, as a matter of fact, because I know what the Senator's judgment would be. It has no business being in this monument. But it is there for administrative purposes because it was totally isolated from the rest of the forest.

I think we should be heard. I believe that representative government, somehow or other, should come to the point where people are listened to, those who know more about this area than anyone else in this body.

I shall be more than willing, as I said, to rest my case if the Senator will just come along and we will show him the area.

Mr. METCALF. I am afraid that the last time I went to Alaska to be shown, I had to spend about 17 hours a day listening to Alaska Natives present their case for 4 or 5 days. The Senator from Alaska will remember those preliminary hearings for Alaska Native claims.

Mr. STEVENS. Those were good hearings, and I appeared there, and they started at 6 o'clock in the morning. The Senator from Montana did a good job.

Incidentally, it backs up the point of the Senator from Idaho. When Congress read the hearings that the Senator from Montana conducted in Alaska, 2 years later, we passed the act. Congress listened to us. Up until then, nobody could believe there was anything like the Alaska Native land claims.

Mr. METCALF. I just wanted to tell the Senator that we have held comprehensive hearings. This Senator is going to stand with the Senator from Alaska to keep the provisions of the Alaska Native Claims Settlement Act and its concepts and ideas forward and adopt further legislation that will take care of them.

I want to point out that the same argument that the Senator from Alaska is making about a commitment or the passage of a law or an act of Congress can be made about every single one of the areas with which we are involved. Every single one makes an exception to allow the mining law to apply in the park or the memorial or the national monument. For one reason or other, those past Congresses made that commitment. Today, this Congress feels that we should change that.

I say to the Senator from Alaska, if a time comes when the whole destiny of this Nation is dependent upon getting that nickel out of Glacier Bay, the Senator will find that Congress is perfectly willing to take care of this. Our position right now is that the majority of the committee feels that we should do the mining outside of the national parks before we start mining in the national parks, and leave it up to some future Congress to make the determination that the public interest requires us to abandon that proposition. That goes for Glacier Bay as well as for Death Valley National Monument or any of the other areas in this bill.

Mr. HANSEN. Will the Senator yield?

Mr. METCALF. I yield.

Mr. HANSEN. I thank my colleague from Montana for yielding. I know how sincerely he speaks.

I observe, Mr. President, that despite his firm belief and total conviction to stand behind the statement he has just made, the facts are these: In 1941, a year prior to Pearl Harbor, there was an increasing awareness in this body and throughout the world that the United States, sooner or later, was likely to become involved in World War II. I have read a number of studies and reports that have been made on Pearl Harbor. I recall very distinctly that for some time the Department of Defense in this country, then represented by the various agencies—the Army and the Navy and the Air Force—called attention to the importance of radar installations in the Hawaii National Park. Everyone agreed that it would be very worthwhile and very desirable to have the advantage then that very elementary radar installations could provide, that this Nation might have the advantage of knowing, insofar as the installation of a radar on top of the highest peak in the Hawaii National Park would aid the security forces of the United States. There was not any disagreement about it. The Park Service agreed, everyone else agreed. But invariably, they came down to this fact: The law says there could be—and I am not quoting the law precisely, essentially, the law said this: There can be no material alteration of the natural characteristics in a national park which would significantly alter the landscape insofar as its being viewed by a person is concerned.

As a consequence, we spent about a year's time—I was not then a Member of this body—but the Congress spent about a year's time trying to reconcile what the law said on the one hand and what the clear and united consensus of the people of the United States was on the other hand. There was not any doubt about the chances being very good that the United States would become involved in a war. There was not any doubt about the chance that Japan posed a clear and immediate threat to the security of the United States.

I shall not attempt to evaluate how much of the tragedy of Pearl Harbor, how many people, how many ships, how many aircraft, how many installations might have been saved if we had had radar in the Hawaii National Park.

Finally, very belatedly, we got a very poor system installed. It was a kind of jerry-built deal that was put in at the last moment when they finally got a whole lot of laws reconciled.

I make this point, Mr. President, simply to say that it is one thing—I know that my good friend from Montana is absolutely sincere. He would stand behind the commitment that he has just given this body that, if there is a clear-cut case that the nickel and the copper and the other minerals that might be recovered from Glacier Bay are important to the security of this country, he would follow through, as he has said, in seeing that the law was properly amended or changed in order to permit the accomplishment of that clear national objective.

The point I make is that, around the world, country after country has expropriated American property. They have kicked other nationals out. The price of copper has risen; the price of nickel has risen. The available supplies have to be purchased from foreign countries, under their terms and at their prices, or we are forced to try to produce those same metals and minerals that are critical to this Nation's defense and, indeed, security and life, within our own borders. That is why I am persuaded that there is awfully good reason to reject the proposals made by the Sierra Club and by the Friends of the Earth. I count a good many of my good friends in both those organizations, and I do not argue one bit, philosophically, with the position they take, except to say that I disagree with them on what must be considered important national priorities.

I think this is one of those important national priorities. I think we should not follow the recommendations that have been made by these two groups, but look, rather, at the broader compelling national interest and recognize that the case made by my good friend from Alaska should prevail.

I hope that my good friends on the other side, particularly my good friend who is managing the bill, will be persuaded by the very compelling case that I think has been made by Alaska's senior Senator.

I thank my colleague.

Mr. STEVENS. Mr. President, I understand the Senator from Idaho has an amendment that is noncontroversial. Would it be in order for me to withdraw this amendment and reoffer it? Would there be any provision against reoffering it at a later date?

Mr. METCALF. Can we have a unanimous-consent request?

Mr. STEVENS. Either way, I withdraw it.

The PRESIDING OFFICER. The Senator could withdraw and then reoffer it.

Mr. McCLURE. Mr. President, I have an amendment, Mr. President, I move the bill be amended as follows: On page 1, line 5, following the word "radically" strike the remainder of line 5, all of line 6 and line 7 through the word "to" in line 8, and insert in lieu thereof the following: "in recent years and continued application of the mining laws of the United States to".

Mr. President, the language would then read as follows——

The PRESIDING OFFICER. If the Senator will excuse me, would the Senator yield, would he send it to the desk?

Mr. McCLURE. Just a moment so I can read it. The language would then read as follows: In subsection (a):

> the level of technology of mineral exploration and development has changed radically in recent years and continued application of the mining laws of the United States to those areas of the National Park System to which it applies, conflicts with the purposes for which they were established;

And so on in the bill.

Mr. METCALF. Mr. President, will the Senator send his amendment to the desk so that the clerk can report the amendment.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

> The Senator from Idaho (Mr. McCLURE) proposes an amendment.

Mr. METCALF. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with. It has been explained by the Senator from Idaho, and the purpose for the amendment was explained earlier in this debate and colloquy.

Mr. McCLURE. The Senator is correct.

Mr. METCALF. I do not want to tie up the whole history of the mining law of 1872 or have any ambiguity about, so if my friend from Arizona is willing to accept the amendment, I am.

The amendment is as follows:

> Page 1, line 5, following the word "radically" strike the remainder of line 5, all of line 6 and 7 and through the word "to" in line 8 and insert in lieu thereof the following: "in recent years and continued application of the mining laws of the United States to".

Mr. FANNIN. Mr. President, I do accept the amendment. I commend the distinguished Senator from Idaho for a clarification of what is intended, and I think it is a welcome addition.

Mr. McCLURE. I thank the distinguished manager of the bill, the Senator from Montana, and the Senator from Arizona. I am prepared to vote, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Idaho.

The amendment was agreed to.

Mr. McCLURE. I thank the Chair.

Mr. METCALF. Mr. President, will the Senator from Alaska reoffer his amendment?

Mr. STEVENS. I do reoffer my amendment now.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

> The Senator from Alaska (Mr. STEVENS) proposes an amendment numbered 1359.

Mr. METCALF. Mr. President, I ask unanimous consent to dispense with further reading of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. My colleague would like to have the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second? Evidently there is a sufficient second.

The yeas and nays were ordered.

Mr. METCALF. Mr. President, would it be satisfactory to have the yeas and nays set aside at this period, agreed to, but to have the vote after the cloture vote or some part of this afternoon? We are going to have to quit in a couple of minutes.

Mr. STEVENS. As I understand from my colleague, we are supposed to quit at 1, but my colleagues have left the building, so we can discuss later when to vote.

Parliamentarywise, am I correct that when the time of 1 o'clock arrives we will set this aside and return to the cloture vote and then this will be the pending business after the cloture vote is over?

Mr. METCALF. Unless cloture is invoked?

Mr. STEVENS. Unless cloture is invoked.

The PRESIDING OFFICER. That is correct, unless cloture is invoked.

Mr. STEVENS. That is my understanding.

I ask unanimous consent to have printed in the RECORD a full statement given to me by a geologist. It is in terms of the background of nickel and the problems related to the domestic production of nickel.

Let me summarize it here so that we will understand it.

Canada now produces 35 percent of the world's demand from this type of deposit, and has produced 50 percent of the total world supply since 1905.

In the last 20 years there have been only two areas of the United States where nickel sulfides have been found to occur. One of those areas is in the northeastern part of Minnesota; the other is in this area which we call the Fairweather Range, which, as I said, was included in Glacier Bay National Monument because of the management problem.

In regard to the Minnesota deposit, in the 20 years of exploration in northeastern Minnesota, with an outlay of about $15 or $25 million, two deposits that have good economics have been located. Now, interestingly enough, both of these are in areas which are now under heavy attack because of their being located within the area that is proposed to be named Boundary Waters Canoe National Recreation Area. I am told that the eventual development of the copper/nickel deposits in northeast Minnesota are, at the best, uncertain. There is legislation pending in the House which would eliminate those areas.

Now, the most important nickel discovery in the United States in the last 50 years is this discovery in the Fairweather Range of Alaska. It is, I am told by this paper, at least 32,000 feet thick and highly associated with nickel/copper occurrences. The area that has been mapped so far is 8 by 17 miles.

I am now quoting:

> Drilling in only a small part of the south end of the stock has delineated a deposit estimated to contain 1 billion pounds of nickel and 600 million pounds of copper primarily valuable for its nickel content, the grade of the discovery averages about 0.53 percent nickel, which is at least double the percentage of nickel found in the Minnesota occurrences today. The Brady Glacier deposit averages about 0.33 percent copper. Most important, drilling to date indicates that the limits of the deposit extend an unknown distance beyond the area probed by drill holes. From what has already been learned, there is every reason to believe that ore extensions northward and downward could improve in grade.

What we are saying is that this is the last known deposit of nickel in the United States that is not under production that has any hope of production.

There are pending before Congress measures that would take the Minnesota deposits out of the area of production. Again I say, and I would hope, if my information is wrong my friend from Montana would correct me, I am informed that this area would not be in Glacier Bay National Monument but for administrative reasons.

It was not put in there in Glacier Bay to protect the area that the monument was originally created to protect. This is the Gulf of Alaska side, the portion that used to be the Forest Service area that was left out there alone when the other area of the Forest Service was made into the Glacier Bay National Monument.

If that is the situation, and that is my information, for the life of me I do not understand why a decision which was made in 1939 for administrative reasons now has turned into something that becomes a sanctum sanctorum of environmental protection to protect the glaciers. The glaciers are on the other side. The glaciers are on the bay side. It is called Glacier Bay National Monument. It is not called the Gulf of Alaska National Monument. The scenery is over on the bay side, and we want it to have protection, but we also want this deposit to be recognized as in the area for which Congress made the commitment for mining in 1936 prior to the designation of the addition to this area.

Mr. President, we will renew our reasons for this matter when we come back in. I want to assure my friends—before I do that I ask unanimous consent that the text of the article on Glacier Bay and the nickel deposit be printed in the RECORD that I have read from it.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Historically the U.S. has not been blessed with adequate domestic reserves of nickel. The only current domestic nickel mine is at Riddle, Oregon, where the reserves total 200,000 tons of metallic nickel in ore containing 0.8 to 1.3 percent nickel. This property supplies from 6 to 10 percent of the primary nickel consumed in the U.S. At the forecasted rate of domestic use, the Bureau of Mines estimates that by the year 2000 we will be spending over $1 billion annually for imported nickel. We have found nickel in other places of our country, but we seem to be doing our best to find ways to impede or prohibit its development.

Nickel is a glamour element that is becoming increasingly more essential in a wide range of equipment vital to modern society. It is essential to the $25 billion iron and steel industry. It has played a key role in development of the current $26 billion aerospace industry. Without nickel, the sophisticated industrial complexes that provide our standard of living would not be possible. Without nickel, superior military ordnance would not be possible.

In attempting to develop more efficient and less energy consuming equipment, engineers have pushed our present alloys to near their physical limits. Nickel is a critical component of most high-temperature alloys essential to the operation of oil refineries, nuclear and conventional powerplants, and jet aircraft turbines. We can expect more applications of nickel in the search for new, higher strength, alloys. Nickel also contributes essential qualities to many critical electronic and automotive components, and, in stainless steels and super-corrosion resisting alloys, it is indispensable for waste and pollution control systems.

Geologically, the currently important nickel deposits in the world can be divided into lateritic deposits and sulfide deposits. The Riddle, Oregon, deposit is a lateritic type derived by extensive weathering of basic rocks. In other parts of the world, large deposits of this type form by tropical or subtropical weathering. In this country, we have widely scattered occurrences of low-grade laterite deposits in California, Oregon, and Washington, but these are not economically minable under current conditions even though some parts of them may be found to be of a grade equal to that of the Riddle occurrence.

We are presently investigating the technical and economic potential of increasing domestic production of nickel from these western laterites. In addition to resolving the economic problems related to mining costs, ore grades, and market prices for both the nickel and associated cobalt, the high-energy requirements for these developments challenge our metallurgists to develop new innovative extractive techniques before we can transfer the technology to commercial practice. Our present focus on energy efficiency requires the utmost care in engineering and design to minimize energy intensive operations, which might project commercial development of the laterites many years in the future. If we can develop technology that would permit the extraction of the nickel from at least parts of these laterites, the question of whether or where open pit mining would be permitted is still another unknown. In any case, we cannot now project if or when we can expect their development.

The sulfide deposits are by far the most important source of nickel in the world. Canada produces over 35 percent of the world's demand from this type of deposit and has produced about 50 percent of the total world supply since 1905.

Sulfide nickel deposits occur in or near peridotite or norite intrusives, generally near the base of the intrusives, as disseminations and massive bodies of the minerals pyrrhotite, pentlandite, and chalcopyrite. In the past many geologists have thought these occurences resulted from droplets of the metals iron, nickel, and copper that segregated themselves from the molten intrusive rock and were concentrated by gravity and thermal wave action in low places in the magma chamber. More recently a theory has become popular that these metals were concentrated in hot solutions generated at depth in the crystalline host rock and were emplaced into the crystallized contact zone of the intrusive body.

In the last 20 years we have found two areas in the United States where nickel sulfides occur. Although we have quantified these occurrences as nickel resources, this somewhat deceiving classification does not mean that these deposits could ever produce a pound of nickel if we lack the incentive to take the steps necessary to change the resource category to a nickel ore reserve category.

One of these two areas is the northeastern part of Minnesota, an area underlain by a complex intruded rock mass, the Duluth Gabbro Complex. The other, also occurring in a complex of intruded rocks, lies in Alaska's Fairweather Range and its southern extensions. From what we see happening, however, these resources most likely will remain in this category for we seem to be putting numerous roadblocks in the way of any future recovery, even to the extent of stymieing needed exploration.

Nature seldom accumulates its metallic minerals in a nice neat package to permit their easy discovery and recovery. Usually the grade of deposits we call resources are marginal, sometimes requiring new mining, milling, and smelting techniques, and a long-term investment of huge high-risk capital outlays for their development.

The classification of resource simply implies that nickel occurs in such rocks. It in part assumes that exploration can be carried out to locate and define concentrations of sufficient grade and tonnage that would economically permit recovery, and that environmental restraints would not prohibit development.

We hear most about the enormous nickel resource of the Duluth Gabbro Complex which has been estimated to contain as much as 6.5 billion tons of rock averaging 0.21 percent nickel. However, this is a geologic concept of what might lie buried there based primarily on limited sampling of surface outcrops. Only a small part of the total rock mass has been tested by drilling. This estimate does not consider whether or not deposits found would be minable, either in terms of economics or technology, nor does it consider the cost or time requirements to find the isolated and irregular smaller, higher-than-average-grade masses that may prove minable in the whole of the host rock.

Moreover, it has taken more than 20 years of exploration in northeast Minnesota, with an outlay estimated at $14–$15 million, to find and evaluate two potentially economic deposits: International Nickel Company's property about 9 miles southeast of Ely, Minnesota, and AMAX's property about 14 miles south of Ely. Combined, these properties are thought to contain possibly 500 million tons of material containing 0.35–0.60 percent copper and 0.11–0.20 percent nickel. Unlike the Glacier Bay deposit, the nickel in the Minnesota occurrences is the minor constituent.

A recent study by the Mineral Resources Research Center, University of Minnesota, on the economic viability of mining, milling, and smelting of one of these deposits indicates that recovery at present costs and prices may not justify the substantial investment required. The fate of the other and better grade deposit is also uncertain, although this company has the green light to begin exploratory shaft sinking in the spring of 1976.

It is also interesting to note that a recent bill in the House, H.R. 10247, to create a Boundary Waters Canoe National Recreation Area, would establish a boundary within several hundred feet of INCO's Spruce deposit and it is understood that Forest Service is now redrafting the bill to further expand the boundary to in fact include the deposit and thereby prevent mining. Also, there is pending in the State legislature a bill that would prevent open pit copper-nickel mining and smelting in Minnesota. The eventual development of any copper-nickel deposits in northeast Minnesota is at best uncertain.

What could be our most important nickel discovery lies in the Fairweather Range, Alaska. The Fairweather Range and its southern extension on West Chichagof and Yakobi Islands are underlain by a gabbroic complex that in some places is at least 32,000 feet thick and has associated with it nickel-copper occurrences. The most important find to date is the Brady Glacier nickel deposit located within the Glacier Bay National Monument. This deposit is associated with the Mount Crillion-La Perouse gabbro stock, an intrustive rock mass that has been mapped over an area of 8 by 17 miles.

Drilling in only a small part at the south end of the stock has delineated a deposit estimated to contain about 1 billion pounds of nickel and 600 million pounds of copper. Primarily valuable for its nickel content, the grade of the discovery averages about 0.53 percent nickel, which is at least double the percentage of nickel found in the Minnesota occurrences to date. The Brady Glacier deposit averages about 0.33 percent copper. Most important, drilling to date indicates that the limits of the deposit extend an unknown distance beyond the area probed by drill holes. From what has already been learned, there is every reason to believe that ore extensions northward and downward could improve in grade.

North of this stock and also in the monument along the Fairweather Range is a similar gabbro intrusive, the Fairweather stock. This area has not been tested by drilling nor, in fact, has it been adequately mapped, but float rock from glacial moraines derived from this area contain significant amounts of copper, nickel, and chromium.

Overall, very little prospecting has occurred in the Fairweather Range within the monument, because of difficult access, extreme relief, and poor weather. The truth of the matter is that we have much to learn concerning the complex geologic conditions of those rocks and how the irregularly distributed mineral concentrations are related to these conditions.

Smaller stocks of the gabboric complex are found on West Chichagof and Yakobi Islands to the south, in the Tongass National Forest. There is no evidence found to date that nickel-copper mineralization associated with these smaller stocks is as high as that found in the Fairweather Range. Also, these two islands are on a priority list of the Sierra Club for designation as wilderness.

Ironically at a time in our history when domestic nickel could contribute significantly to our self-sufficiency and balance of international payments there seems to be a concerted move to withdraw from mining the areas containing these deposits or to prevent their mining.

Mr. METCALF. Mr. President, will the Senator yield for a unanimous-consent request

Mr. STEVENS. Yes, I would be happy to.

Mr. METCALF. Mr. President, I ask unanimous consent that an article on nickel on page 86 and following of the printed hearings on S. 2371 and a subsequent article on nickel from the U.S. Bureau of Mines, be printed in the RECORD at this point.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

NICKEL

(By Henry R. Cornwall)

ABSTRACT OF CONCLUSIONS

At the present time the free world requirement of nearly 1 billion pounds of nickel per year is supplied from deposits of nickel sulfides, mostly in Canada, and of nickel laterites, mainly in New Caledonia. World resources from these types of deposits are estimated to total 70 million tons (140 billion pounds) of nickel in 7 billion tons of material averaging about 1 percent nickel. An additional 7 billion tons averaging 0.2 percent nickel, or 14 million tons of nickel, is estimated for sulfide deposits in the United States. The 0.2–0.4 percent of nickel universally disseminated in peridotites and serpentinites throughout the world amounts to a figure several orders of magnitude greater than 70 million tons, as does the quantity of nickel contained in deep-sea manganese nodules; but new technological developments will be required to recover nickel successfully from these two types of occurrence. The discovery in 1949 at Thompson, Manitoba, of a major new type of nickle sulfide deposit suggests the possibility that similar deposits may exist elsewhere in the world.

INTRODUCTION

Nickel is vital to the economic welfare and security of the United States, as it is also to the other industrial nations of the world. This is illustrated by examining the uses of nickel. In 1970 (U.S. Bureau of Mines, 1970, Minerals Yearbook) the United States consumption was:

[In million pounds]

	Consumption
Steel	124
Super alloys	23
Nickel-copper alloys	13
Permanent magnet alloys	5
Other nickel alloys	71
Cast irons	10
Electroplating	50
Chemicals	2
Other	14
Total	312

Free world consumption (Metals Week, Jan. 3, 1972) in 1970 and 1971, by area, was as follows:

[In million pounds]

	Consumption	
	1970	1971
Western Europe and United Kingdom	376	327
United States	330	273
Japan	202	172
Canada	33	24
Australia	9	9
Other	25	20
Total	975	825

The United States obtains most of its nickel from foreign sources—mainly Canada. Since 1966 the primary production of nickel in the United States has averaged 26 million pounds per year. The remainder of the nickel consumed has come almost entirely from Canada. The United States is thus almost completely dependent on foreign sources of nickel under present economic conditions.

EXPLOITATION PROBLEMS

Exploitation problems in nickel mining and processing are in part the same as or similar to those for copper. Air pollution is a major problem around the smelters, and it is likely that strict controls on smoke exhalations will soon be enforced throughout the United States. Most other countries are less concerned with air pollution at the present time, but demands for stricter control are also increasing in those countries.

Another major consideration, particularly applicable to some areas of large potential laterite development, is that the political climate of some countries is not conducive to huge long-term investment (hundreds of millions of dollars) and a long development period (5 years or more for a large operation).

The cost and difficulty of recovering nickel-bearing nodules from mid-ocean depths of 3,500–4,500 meters are major problems. Furthermore, suitable refining methods have yet to be demonstrated. The availability of large and relatively low-cost sources of the component metals on land also reduces incentive to their development.

GEOLOGIC ENVIRONMENT GEOCHEMISTRY

Nickel is widespread in nature and is estimated to be the fifth most abundant element of the earth. Estimates of the nickel content of the earth's crust range from 0.008 to 0.02 weight percent (Fleischer, 1953). Ultramafic igneous rocks—dunite, peridotite, and pyroxenite—contain the most nickel, 0.1–0.3 percent; Vinogradov (1956) estimated the average nickel content of these rocks to be 0.12 percent. His estimates for other rock types are: mafic igneous rocks (basalt, gabbro, norite, and related rocks), 0.016 percent; neutral igneous rocks (diorite and andesite), 0.0055 percent; silicic igneous rocks (granite, rhyolite, and related rocks), 0.0008 percent; and sedimentary rocks (clay and shale), 0.0095 percent.

A generally accepted theory is that the core of the earth, 4,300 miles in diameter, has a composition similar to that of iron meteorites, most of which are kamacite—native iron with a nickel content of almost 7 percent. Inasmuch as the margin of the core is 1,800 miles below the earth's surface, this vast amount of nickel will probably never become available to man. The crust of the earth (about 10 miles thick), from which man must obtain the nickel he needs, contains only 0.003 percent of the total nickel in the earth, as computed from data given by Mason (1958, p. 44, 50).

The mantle, lying between the crust and the core of the earth, is nearly 1,800 miles thick and is believed to be peridotitic. Rocks of this ultramafic zone, like similar rocks exposed at the surface, may contain 0.1–0.3 percent nickel. Because the mantle makes up more than two-thirds of the total mass of the earth, it probably contains a large quantity of nickel.

The peridotite and related mafic rocks that have intruded the crust of the earth, and are in part exposed at the surface, probably have been derived largely from the mantle. Furthermore, most of the known nickel ore deposits are closely associated with mafic and ultramafic intrusive rocks, and the nickel in the ore bodies was probably derived either from the intrusives themselves or from similar rocks at depth. Thus the original source of most of the nickel ore bodies found in North America and elsewhere in the world was probably the mantle.

NICKEL MINERALS

The nickel minerals are given in table 86. The nickel-iron sulfide pentlandite

$$[(Fe,Ni)_9S_8]$$

is the principal present economic source of nickel, and garnierite (nickel-magnesium hydrosilicate) is next in economic importance. Garnierite—also called nickel gymnite, genthite, noumeite, and nepouite—is not a true mineral but rather a mixture of nickel serpentine, nickel talc, and possibly other silicates.

TABLE 86.—NICKEL MINERALS

Mineral	Formula	Occurrence
Native nickel-iron	Ni_3Fe	Rare.
Pentlandite	$(Fe,Ni)_9S_8$	Common.
Bravoite	$(Fe,Ni)S_2$	Minor; secondary.
Violarite	Ni_2FeS_4	Do.
Vaesite	NiS_2	Rare.
Polydymite	Ni_3S_4	Do.
Millerite	NiS	Minor; secondary.
Heazlewoodite	Ni_3S_2	Rare.

TABLE 86.—NICKEL MINERALS—Continued

Mineral	Formula	Occurrence
Siegenite	$(Ni,Co)_3S_4$	Minor.
Linnaeite	$(Co, Fe, Ni)_3S_4$	Do.
Gersdorffite	$NiAsS$	Do.
Niccolite	$NiAs$	Do.
Rammelsbergite	$NiAs_2$	Rare.
Chloanthite	$(Ni,Co)As_{3-x}$	Do.
Smaltite	$(Co, Ni)As_{3-x}$	Do.
Skutterudite	$(Co, Ni)As_3$	Do.
Maucherite	$Ni_{11}As_8$	Do.
Breithauptite	$NiSb$	Do.
Ullmannite	$NiSbS$	Do.
Parkerite	$Ni_3Bi_2S_2$	Do.
Annabergite	$Ni_3(AsO_4)_2 \cdot 8H_2O$	Rare; secondary.
Morenosite	$NiSO_4 \cdot 7H_2O$	Do.
Zaratite	$NiCo_3 \cdot 2Ni(OH)_2 \cdot 4H_2O$	Do.
Garnierite	Nickel-magnesium hydrosilicate.	Common; secondary.

Besides the nickel minerals given in table 86, nickel occurs in minor amounts in pyrrhotite ($Fe_{1-x}S$) and pyrite (FeS_2), particularly where these sulfides are associated with mafic or ultramafic rocks. In most of these occurrences the total amount of included nickel is less than 1 percent. Nickel may replace iron to a considerable extent in these minerals, but substantial amounts may also be present as intergrowths of pentlandite or other nickel sulfides. Native terrestrial iron also contains nickel, ranging in amounts from 2 to 75 percent, but such native nickel-iron is rare; it occurs in basalts and carbonaceous sediments and with limonite and organic matter in petrified wood. The most important occurrence of native terrestrial iron is on Disko Island, Greenland, where it occurs in basalt as particles and, in places, as masses as large as 20 tons.

TYPES OF DEPOSITS

Sulfide deposits are by far the most important present source of nickel, in regard to both quantity of nickel and number of deposits. In 1964 two sulfide districts in Canada were producing about 80 percent of the free world total; one of these, the Sudbury district, has produced more than half the total world supply since about 1905. In recent years, however, major deposits have been discovered in other parts of the world, particularly in Australia and South Africa, as well as two large but very low grade deposits in the United States.

Another type of deposit, in which sulfides (together with arsenides of nickel, cobalt, and copper) occur in hydrothermal veins, has been found in both Canada and the United States, but these deposits are small and unimportant as sources of nickel.

Important nickel deposits are found in the lateritic mantles formed by the weathering of peridotite, include dunite, pyroxenite, and serpentinite, mostly in tropical and subtropical climates. The weathering of fresh periodotite has yielded nickel-silicate laterites in which the hydrosilicate garnierite is the principal nickel mineral. These deposits contain more than 1.5 percent nickel. Large deposits of this type occur in New Caledonia, and medium to large deposits occur in Indonesia, Venezuela, Brazil, United States (Oregon), and elsewhere. The weathering of serpentinite (serpentinized periodotite) has also formed nickeliferous iron laterite that averages 0.9–1.4 percent nickel. Large deposits of this type occur in Cuba and the Philippines, and medium to large deposits occur in Indonesia, the U.S.S.R., the Western United States, Guatemala, and other localities.

Recent oceanographic research has revealed the presence of vast deposits of nickel-bearing manganese-oxide nodules on deep ocean floors, particularly in the Pacific Ocean. The nodules contains 0.1–1.1 percent nickel as well as somewhat lesser amounts of copper and cobalt.

Most of the nickel deposits of the world that were known as of 1950 were shown by the U.S. Bureau of Mines (1952, fig. V–1), but since then, major deposits have been discovered in the United States, Canada, Australia, Guatemala, Colombia, and South Africa.

SULFIDE DEPOSITS

The nickel-bearing sulfide deposits typically consist predominantly of pyrrhotite ($Fe_{1-x}S$) and associated pentlandite [$(Fe,Ni)_9S_8$] and chalcopyrite ($CuFeS_2$). Many of the deposits contain minor but recoverable amounts of platinum metals, cobalt, and selenium. These deposits occur in or near periodotite or norite intrusions and are generally considered to be genetically related to them. The sulfides occur as disseminations, massive bodies, or veins and stringers in the igneous rocks. Some of the massive ores contain fragments of the host rock. The individual ore bodies are normally elongate, lenticular, or sheetlike and may extend for hundreds or thousands of feet.

Many deposits occur at or near the base of peridotite or norite intrusives and are particularly well formed in local hollows or reentrants along the basal contacts. Magmatic segregation is considered by many geologists to have been the mechanism by which these deposits were formed; immiscible liquid sulfide droplets were segregated from the parent mafic or ultramafic magma at an early stage of crystallization, settling downward and coalescing to form a sulfide zone at the base of the intrusive. The evidence in favor of this mechanism seems to be strongest in many small deposits associated with relatively small intrusives. For some larger deposits, although the mode of occurrence is similar, the origin is disputed; typical of these are the large deposits in the Sudbury district, Ontario, Canada, which occur along the base of a basin-shaped or funnellike norite intrusive. Hawley (1962) has recently summarized the case for origin of these deposits by magmatic segregation. Others (for example, Yates, 1948) support a theory of epigenetic origin—introduction of the sulfides into the norite contact zone by hydrothermal solutions that migrated from depth. Different theories of origin have been proposed, and are summarized by Cornwall (1966).

Other nickel-bearing sulfide deposits occur along faults or shear zones; these are clearly epigenetic and the place of deposition was structurally controlled.

NICKELIFEROUS LATERITE DEPOSITS

Laterite has formed over large areas during long periods of intensive weathering and erosion, mainly in tropical to subtropical climates, where stable landmasses have gradually been reduced to almost flat featureless peneplains. Such a period of erosion took place during Tertiary time in many parts of the world. Where the rock exposed at the surface was periodotite (composed essentially of olivine and pyroxene), dunite (all olivine), pyroxenite (all pyroxene), or serpentinite (serpentinized peridotite), and laterite that was developed is almost invariably rich in iron and nickel.

The laterite formed from the weathering of serpentinite is richest in iron, generally containing 45–55 percent. The nickel content of this laterite commonly averages about 1 percent, ranging from about 0.9 to 1.3 percent for large volumes of material. These deposits are called nickeliferous iron laterite. The mode of occurrence of the nickel in this laterite is not known; most likely the nickel is included in the geothite, limonite, and serpentine minerals, which are the major constituents. Huge deposits of nickeliferous iron laterite, similar to those in Cuba, the Philippines, and Indonesia, are not known in North America, but several smaller deposits have been thoroughly explored in California, Oregon, and Washington.

The other type of nickeliferous laterite is known as the nickel-silicate type, because a significant part of the nickel occurs either as the hydrosilicate garnierite or as nickel-bearing talc or antigorite. This laterite has formed from the weathering of fresh peridotite, dunite, and, to a lesser degree, pyroxenite. The iron content is less than 30 percent in most laterite of this type; the SiO_2 content, which is very low in the iron laterite, may be as much as 30 percent; and the nickel content exceeds 1.5 percent and averages about 1.6 percent for large tonnages. The largest known deposits of nickel-silicate laterite occur in New Caledonia and Indonesia. A moderately large deposit occurs in the United States at Riddle, Oreg.

RESOURCES

Identified resources

This discussion considers first the world sulfide resources and second the world laterite resources of nickel. The basic figures are given in tables 87 and 88 and are considered conservative. The United States resources are given by States; resources of other nations are listed by country.

The United States sulfide resources are quite large (6.9 billion tons) but low grade (0.21 percent Ni). The very large estimate of nickel in the Duluth Gabbro near Ely, Minn., is based on data recently released by the Minnesota Geological Survey (P. K. Sims, written commum., 1972). Canadian reserves of minable ore are the world's largest with probably close to 2 billion tons of material that can be mined under present economic conditions. Australia probably has great potential for increasing the present estimate of 400 million tons and the yearly production rate is growing rapidly. South Africa also has potential for greater than the 200 million tons estimated here. U.S.S.R. tonnage is probably greater than 100 million, but grade is probably less than 0.6 percent nickel.

TABLE 87.—WORLD NICKEL-SULFIDE IDENTIFIED RESOURCES

Identified resources are specific, identified mineral deposits that may or may not be evaluated as to extent and grade, and whose contained minerals may or may not be profitably recoverable with existing technology and economic conditions]

Area	Tons of ore	Ni (percent)
United States:		
California	100,000	1.5
Colorado	70,000	.8
Montana (Stillwater)[1]	150,000,000	.25
Missouri	10,000,000	.5
Nevada	30,000	.3
Pennsylvania (Gap)	800,000	.7
Washington	100,000	.9
Minnesota (Ely)	6,500,000,000	.21
Alaska, Brady Glacier	200,000,000	[2] .25
Yakobi Island	20,000,000	.3
Funter Bay	600,000	.35
Maine	10,000,000	1
Total (0.21 percent Ni avg)	6,900,000,000	
Canada:		
Thompson district:		
Thompson mine	150,000,000	3.0
Mystery Lake deposit	200,000,000	.45
Moak Lake deposit	400,000,000	.7
Others	250,000,000	1
Total (1.0 percent Ni avg)	1,000,000,000	
Sudbury district	400,000,000	1.5
Other Canadian	100,000,000	1.5
Other Canadian	200,000,000	.2
South Africa	200,000,000	1
Norway	2,000,000	1
Burma	25,000,000	.3
Australia	300,000,000	.6
Australia	100,000,000	1.5
U.S.S.R.	100,000,000	.6

[1] Also contains 0.25 percent Cu.
[2] Also contains 0.64 percent Cu.

TABLE 88.—WORLD NICKEL-LATERITE IDENTIFIED RESOURCES

[Identified resources are specific, identified mineral deposits that may or may not be evaluated as to extent and grade, and whose contained minerals may or may not be profitably recoverable with existing technology and economic conditions]

Area	Tons of ore	Ni (percent)
Philippine Islands	100,000,000	0.8
Indonesia	500,000,000	.9
Australia	100,000,000	1.2
Solomon Islands	100,000,000	1.2
New Caledonia	500,000,000	1.8
Malagasy	2,000,000	2
Cuba	2,000,000,000	1
Dominican Republic	70,000,000	1.5
Guatemala	100,000,000	1.5
Venezuela (Loma Hierro)	60,000,000	1.6
Colombia (Cerro Matoso)	40,000,000	2.5
Brazil	20,000,000	2
Puerto Rico	100,000,000	.9
Greece	2,000,000	1.7
U.S.S.R.	100,000,000	1.5
Yugoslavia	20,000,000	1
United States:		
Nickel Mountain (Riddle), Oreg.	10,000,000	1.5
Northern California and rest of Oregon	55,000,000	.75
Washington (Cle Elum, Blewett)	30,000,000	.5
North Carolina	5,000,000	1

The world nickel laterite resources (table 88) include areas that have only recently been explored, such as the Solomon Islands, Colombia, and Australia, but most of the remainder have been known for many years, particularly the larger resources. The United States laterite estimate of 100 million tons probably will not be greatly increased, and the individual laterite bodies that it comprises are small. A number of companies have been and are currently negotiating with local governments for operating concessions in the Philippines, Indonesia, New Caledonia, Colombia, and Venezuela, and development has been delayed by such negotiations and difficulties of financing in areas where the risk appears high.

In a few areas the laterite estimates are probably quite accurate; in others, when large-scale mining starts, renewed exploration probably will substantially increase the resource estimates, such as in Indonesia, Australia, and Colombia.

Another very large nickel resource, recently described by McKelvey and Wang (1969), occurs on the deep floor of the Pacific Ocean in the form of manganese-oxide nodules. The nodules cover 20–50 percent of the bottom in large areas of the northeast, central, and southern Pacific. In addition to dominant manganese and iron, the nodules contain copper, nickel, and cobalt, with an average ratio of 3:4:1. Nickel content ranges from 0.1 to 1.1 percent, but large deposits appear to contain 0.8–1.1 percent. Estimates of the size of the nodule deposits range from 90 billion to 1.7 trillion tons; thus for a liberal estimate, a resource of 1.7 trillion tons of nodules averaging 0.95 percent nickel would contain 16 billion tons of nickel. However, the amount in deposits of suitable quality, abundance, and environmental setting to warrant dredging is likely to be much smaller.

SPECULATIVE RESOURCES

The discovery of the Thompson district, Manitoba, in 1949, and particularly the discovery of the Thompson mine in 1956, revealed a new type of nickel-sulfide deposit. Data collected by the company geologists indicated that the nickel was derived from peridotite and serpentinite where metamorphosed to a garnet-amphibolite-sillimanite assembage, indicating a temperature of 600° C or higher.

Unmetamorphosed peridotites in the area (as elsewhere in the world) contain 0.25–0.3 percent nickel; metamorphosed peridotite (metaperidotites) in the area contain significantly less. There is evidence that sulfur was available in hydrothermal solutions during metamorphism—metamorphosed iron-formation in the area has been partly converted to pyrrhotite ($Fe_{1-x}S$). In such an environment it is possible or even probable that nickel was mobilized by hydrothermya) solutions during metamorphism and deposited at present sites as the sulfide pentlandite), as first proposed by Michener (1957).

If this mechanism for the formation of the Thompson deposits is valid, peridotites throughout the world could have associated nickel-sulfide deposits where sufficiently metamorphosed in an environment where posited at present sites as the sulfide (pentimity to black shales, which commonly contain sulfur in disseminated pyrite.

Another possibility that would make vast quantities of nickel available would be the development of new metallurgical techniques to produce nickel from peridotites and serpentinites. Large bodies of these rocks occur in certain areas of the world, including both Eastern and Western United States, and they universally contain 0.2–0.4 percent nickel. The nickel is probably included chiefly in the lattices of the silicate minerals (mainly olivine and serpetine), but no method is now available for extracting it economically.

As shown in table 87, conservative estimates of world nickel resources are about 2 billion tons of sulfide averaging 1.0 percent nickel and 7 billion tons averaging more than 0.2 percent nickel. For nickel laterites (table 88), the figure is about 5 billion tons averaging about 1.0 percent nickel. The sulfide estimates might be doubled by new discoveries; the laterite estimate probably will not be as greatly expanded.

As mentioned above, if a practical method is found to extract the 0.2–0.4 percent of nickel universally disseminated through peridotites and serpentinites, vast amounts of nickel will become available. The total of estimates given in the preceding paragraph would be increased by several orders of magnitude. The potential size of nickel resources in unknown areas of deep-sea manganese nodules could be enormous.

PROSPECTING TECHNIQUES

Prospecting and exploration techniques are quite different for the sulfide-, laterite-, and nodule-types of nickel deposits. Prospecting for nickel sulfides can be well illustrated by briefly describing the methods used by Inco (International Nickel Co. of Canada, Ltd.) in their discovery of the major Thompson district in Manitoba in 1956. Geologists first studied aerial photos to find major structural lineaments and bodies of favorable rocks such as ultramafics with which nickel deposits are known to be associated. Such a lineament was discovered trending southwest from Hudson Bay through the Thompson area. The area was then flown with airborne magnetometer and electromagnetic equipment. Areas of coincidence of high magnetic anomalies and high electromagnetic conductivity were selected for exploration by diamond drilling. This drilling led to the discovery of two very large deposits of low-grade disseminated nickel sulfides in serpentinized peridotite intrusives. Attention was then turned to electromagnetic conductors that coincide with small magnetic anomalies. Such drilling resulted in the discovery of the Thompson deposit of nickel and iron sulfides in biotite schist that averages 3 percent nickel and extend for 3½ miles laterally and over 2,000 feet vertically.

Prospecting for nickel laterites involves first the identification of large laterite (intensely weathered saprolitic soils) areas overlying ultramafic rocks. Most of the large nickel or nickel-iron laterites have probably been found; they occur in or near the tropics and lie on Tertiary erosion surfaces. The first step in the search for such laterites is the delineation of old erosion surfaces in favorable areas. Then the areas of ultramafic rocks are outlined and the most promising selected for sampling on 500-foot or smaller centers. Sampling is done by augering or by digging pits. Nickel, iron, and magnesium determinations are made for 1- to 5-foot lengths in each hole. Thus areas of ore grade (commonly those of higher than 1 percent nickel) are delineated.

Nickel-bearing manganese nodules on the deep ocean floor are explored by dredging and bottom photography.

PROBLEMS FOR RESEARCH

Problems of developing potential nickel resources come under three headings: scientific, technological, and political.

Research on the origin of the metamorphosed ultramafic deposits (Thompson type) would almost certainly pay dividends in the form of new discoveries. How does the nickel occur in these peridotites, and what happens to it during metamorphism? What are the most favorable environmental factors for the formation of this type of deposit? What criteria can be used in searching for similar deposits elsewhere in the world?

The technological breakthrough of greatest potential value would be development of a technology for the extraction of nickel that is universally present in peridotites and serpentinites in small but abnormal amounts. For ocean-bottom manganese nodules, the cost and difficulty of recovery from mid-ocean depths of 3,500–4,500 meters are major problems. The separation and refinement of the nickel and other metals from the nodules also poses a metallurgical problem that has not yet been resolved.

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[From Commodity Data Summaries—1975
U.S. Bureau of Mines]

NICKEL

(Data in short tons of metal, unless noted)

Domestic Production and Use: One firm located in Oregon mined nickel ore and produced ferronickel. A second firm located in Louisiana produced nickel metal from imported material. Nickel was also produced as a byproduct of copper refining and from secondary sources. Secondary nickel was recovered from nickel-bearing alloys, stainless and alloy steel, and residues at copper smelters and refiners, foundries, and steel mills. At foundries and steel mills it is normally used in the form in which it is recovered. The principal forms of primary nickel consumed were: Pure nickel metal, ferronickel, nickel oxide, and nickel salts. Major industrial consumers totaled about 200 with the largest ones in Maryland, Michigan, New Jersey, New York, Ohio, Pennsylvania, and West Virginia. Major end uses were: Transportation, 22%; chemical industry, 15%; electrical equipment, 12%; construction, 10%. The estimated value of primary nickel consumed in 1975 was $600 million.

SALIENT STATISTICS—UNITED STATES

	1971	1972	1973	1974	1975[1]
Production:					
Mine	17,036	16,864	18,272	16,618	16,500
Plant: Refined metal from domestic ore	13,073	13,226	12,937	13,220	13,000
Byproduct, copper refining	2,581	2,505	958	873	900
Secondary	63,126	67,498	65,861	64,511	58,000
Imports for consumption	142,183	173,978	190,418	220,655	170,000
Exports (gross weight)	26,143	21,671	22,070	30,442	32,000
Consumption, reported (excludes most secondary)	128,802	159,286	197,723	208,409	145,000
Price: Metal f.o.b. Port Colborne, Ont. (cents per pound)	133	133–153	153	153–201	201–220
Stocks: consumer	16,005	26,260	28,946	45,284	37,500
Employment:					
Mine[1]	68	76	76	70	70
Smelter[1]	265	265	265	250	250

[1] Estimate.

Recycling: Production of secondary nickel was estimated to be 58,000 tons in 1975 and accounted for 28% of the total nickel consumed. Of the scrap consumed, 60% was estimated to be old and 40% to be prompt industrial.

Import Sources (1971–74): Canada 68%, Norway 8%, New Caledonia 6%, Dominican Republic 5%, Other 13%. Norway's raw material was nickel-copper matte from Canada.

Tariff	No.	*Rate of duty* *1-1-76*	 *Statutory*
Nickel ore	601.36	Free	Free
Nickel oxide	419.72	Free	Free
Ferronickel	607.25	Free	3¢/lb.
Unwrought nickel	620.03	Free	3¢/lb.
Waste and scrap	620.04	Free	3¢/lb.
Nickel powders	620.32	Free	3¢/lb.
Other	603.60	Free	Free

Depletion Allowance: 22% (Domestic), 14% (Foreign).

Government Programs: Office of Minerals Exploration is authorized to loan up to 50% of approved exploration costs. However no loans were made in 1975. Nickel is not currently a stockpile item.

Events, Trends, and Issues: Domestic nickel consumption in 1975 decreased by nearly 30% from the record high consumption in 1974 and brought about record high inventories of consumer held nickel during 1975. Pure unwrought nickel increased its share of the total U.S. nickel market in 1975 at the expense of ferronickel and nickel oxide. Record high consumer inventories of nickel were being worked off near yearend.

Demand for nickel is expected to increase at an annual rate of about 3% through 1980. Domestic mine production of nickel should remain at the level of the past 5 years and continue to supply approximately 8% of the primary nickel consumed. The United States should be able to obtain all the nickel it needs from relatively secure and diversified foreign sources at a constant dollar price little changed from that which prevailed in 1975, except for normal inflationary trends and added mining costs resulting from increased prices paid for energy and labor.

Expansion and rehabilitation of the Port Nickel, Louisiana, refinery was completed by yearend 1974. The company was involved in resolving start up problems during much of 1975 and operated at about 30% of capacity. Nickel output for 1976 is expected to reach 75% of capacity or about 60 million pounds. Considerable interest was expressed in developing nickel-copper sulfide deposits of northeastern Minnesota. However, many environmental concerns must be resolved before mining can proceed. Development of nickel laterite deposits in Oregon and California will have to wait detailed exploration of the area and improvements in extractive technology. A process being developed at the Bureau of Mines Albany Research Center shows promise as a method for economically extracting nickel and cobalt from the Oregon-California laterites. There are very extensive deposits of manganese nodules on the deep ocean floors which are currently under intensive U.S. and foreign investigation. There are legal problems as to ownership and mining rights as well as some mining and metallurgical problems to be resolved. However, these are receiving intense attention by several consortia at a cost of tens of millions of dollars.

WORLD MINE PRODUCTION AND RESERVES

	Mine production		Reserves	
	1974	1975[1]	Quantity	Grade of ore (percent)
United States	16,618	16,500	200,000	0.8–1.3
Canada	299,661	285,000	9,600,000	1.5–3.0
New Caledonia	142,800	140,000	26,000,000	1–5.0
Other market economy countries	188,344	200,000	16,100,000	.2–4.0
Cuba[1]	35,000	35,000	3,400,000	1.4
Central economy countries	143,000	145,000	4,200,000	.4–4.0
World total	825,723	821,500	59,500,000	

[1] Estimate.

World Resources: Combined sulfide and laterite world resources averaging approximately 1% nickel are estimated by the U.S. Geological Survey to total 70 million tons of nickel in 7 billion tons of material. Among the world's resources containing less than 1% nickel are U.S. sulfide deposits, estimated to contain 7 billion tons of material averaging 0.2% nickel. Furthermore, the peridotites and serpentinites containing 0.2 to 0.4% nickel are widely disseminated throughout the world and amount to a figure several orders of magnitude greater than 70 million tons. In addition, there are very extensive deep-sea resources in the form of manganese oxide deposits over large areas of ocean floors, particularly in the Pacific Ocean.

Substitutes and Alternates: A nickel-iron alloy (Niron process) is finding wider acceptance as a substitute for conventional nickel plating. However, with few exceptions, alternate materials would require increased cost or some sacrifice in the physical or chemical characteristics and hence affect the economy or performance of the product. Potential nickel substitutes include, aluminum, coated steel, and plastics in the construction and transportation industries; nickel-free steels in power, petrochemical and petroleum industries; titanium and plastics in severe corrosion service applications; cobalt as an underplate for chromium in decorative plating; platinum, cobalt and copper in some catalytic uses.

THE RICE PRODUCTION ACT OF 1975

The PRESIDING OFFICER (Mr. FORD). The Chair advises Senators that under the previous order, the hour of 1 o'clock having arrived, the 1 hour provided for under rule XXII will now begin.

The clerk will report the unfinished business which will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 8529) to establish improved programs for the benefit of producers and consumers of rice.

Mr. FANNIN. I suggest the absence of a quorum.

Mr. STEVENS. Will the Senator withhold that?

Mr. FANNIN. I withhold that.

Mr. STEVENS. May the Senator from Alaska propound a parliamentary inquiry?

The **PRESIDING OFFICER**. The Senator will state it.

Mr. **STEVENS**. Assuming that cloture is not invoked and the subject matter of the amendment of the Senator from Alaska is the pending business once again, is there any time limit on that amendment?

The **PRESIDING OFFICER**. There is no time limit.

Mr. **STEVENS**. Is the Senator from Alaska entitled to the floor again on the same day under these circumstances?

The **PRESIDING OFFICER**. Not unless there was an order.

Mr. **STEVENS**. That is my parliamentary inquiry. If I have yielded the floor because of a previous order, do I get the floor back when we return?

The **PRESIDING OFFICER**. It would take unanimous consent for the Senator from Alaska to get the floor back.

Mr. **STEVENS**. I will make that request at the appropriate time.

Mr. **FANNIN**. Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER**. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

ORDER FOR VOTE ON PRESIDENT'S VETO OF SENATE JOINT RESOLUTION 121

Mr. **MANSFIELD**. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **MANSFIELD**. Mr. President, I have cleared this with the other side. I have also discussed the matter with the distinguished Senator from Minnesota (Mr. HUMPHREY). Therefore, I ask unanimous consent that tomorrow at the conclusion of the vote on the nomination of Mr. Usery to be Secretary of Labor, the Senate then turn to the consideration of the veto of the President of the United States of Senate Joint Resolution 121, which would increase the Federal support price for milk and require mandatory quarterly adjustments; that the debate begin at that time, with the time to be equally divided between the Senator from Minnesota and the minority leader, or whomever he may designate, and that the vote on the question of overriding a veto of the President of the United States occur not later than the hour of 2 p.m.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **MANSFIELD**. Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER**. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. **JOHNSTON**. I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

THE RICE PRODUCTION ACT OF 1975

The Senate continued with the consideration of the bill (H.R. 3529) to establish improved programs for the benefit of producers and consumers of rice.

Mr. **JOHNSTON**. Mr. President, at 2 o'clock there will be a vote on cloture on this rice bill. I think it would be very unwise for the Senate to vote cloture this early in the debate. We, as opponents of S. 2260 and as proponents of a compromise, have made very clear that we will agree to a time certain to vote. But two things ought to transpire before we vote on the rice bill.

First of all is the referendum conducted among all rice gowers to determine their wishes with respect to the imposition of quotas, which has been completed, the results of which are now being gathered by the U.S. Department of Agriculture. The results of that referendum should at least be considered by the Senate before we vote cloture on a bill radically to change the rice legislation in this country. We at least ought to consider it, whether we follow it or not. Those results should be in by February 15 in certified form.

If we vote cloture today, it could or could not take the rest of this week to dispose of the bill. There are a number of very important amendments to consider. Perhaps it could be finished by Friday; I do not know. But what we are talking about is essentially an agreement to vote at a time certain on Wednesday of the week after the recess, which is very little time in terms of legislative days. I do not think that is unreasonable at all.

Mr. President, the second reason for needing additional time is because of what I think, or at least I hope, is the real possibility of a compromise. We have been repeatedly told that the amount of rice allotments today, which is about 1,600,000 acres, is insufficient, that we need more rice production.

On the other hand, we pointed out that the total amount of rice in production today, if continued, which is about 2.8 million acres, would lead to a carryover that is about 53 million hundredweight or almost twice the carryover which we have right now. The present carryover or projected carryover, according to USDA figures, is 34 million hundredweight. If we plant exactly the same amount of rice we have right now, that figure will almost double to 53 million hundredweight.

If we go to this bill and if we should possibly have the number of acres planted that are possible to be planted in this country, we would have such a tremendous glut of rice on the market that the price would undoubtedly go through the floor, and there would simply be no way to dispose of this rice.

Mr. President, for those who are first hearing this debate on this rice legislation, I wish to try to give them a thumbnail sketch of it in as concise a form as possible. Under the present law, we have what we call allotments and quotas. Farmers in rice-growing areas are granted allotments, a certain number of acres, that they can plant in rice.

If a quota is not in effect, that farmer may plant beyond his allotment with impunity. A quota is not now in effect. Therefore, rice farmers in this country have planted not the 1.6 million acres in allotments, which are granted, but 2.8 million acres, which is the amount that they wanted to plant. They have, of course, no assurance that they will be able to continue to plant beyond that allotment, but they are free to do so until and unless quotas are invoked.

The law provides that, when the Secretary of Agriculture determines that the amount of carryover or excess rice on the market is sufficient to warrant a restriction in the amount of supply, then the Secretary of Agriculture can recommend the imposition of a quota.

The Secretary of Agriculture has recently done that. He has recommended to rice growers the imposition of a quota.

That then triggers an election among rice growers, among both allotment holders and nonallotment holders, to determine whether they wish to have a rice quota. If they vote yes, then the quota is invoked, and the amount of rice production will then be restricted to 1.6 million acres.

That essentially is the present law. What this bill seeks to do is not simply to increase the allotment from 1.6 million acres but to take off all restrictions altogether.

The allotment holders would be given only the protection of an $8 per hundredweight target price, which is much less than the loan value at present. So, in effect, it would put the allotment holders in a position where they would not have sufficient protection to survive as rice growers.

The basic question, I think, involved in this legislation is not whether there will be a sufficient supply of rice, because everyone admits there is a glut of rice on the world market. World production last year was a record year and this year it is 6 percent above last year. The world carryover is 30 percent above last year. There are many rice-growing nations with huge excess supplies of rice that cannot move that rice, and in the United States there are huge supplies of rice, as I say, 34 million hundredweight, which is four times the average carryover of rice.

So, the question is not one of supply, and I do not think it has been talked about here as being a question of supply. Nor is the question one of price, because the price of rice right now is lower than it has been. At the supermarket, to be sure, the price of rice is up, but that is because the middlemen, who are the main proponents of this legislation, and the beer brewers, have increased their amount of profit tremendously.

Therefore, the question is not one of supply; it is not one of price. The real question is who grows rice? We have had figures to show that the average rice farmer in Louisiana has a farm of 94 acres. That is not a tiny farm, I do not guess, but it is certainly not a big farm by farming standards.

Those who wish to get into the rice business, by and large, are larger farmers. There are certain efficiencies in a large farm, I suppose. At least that is the thesis of Mr. Butz who wishes to do away with all quotas in rice, peanuts, and tobacco. He is constitutionally opposed to the quota program.

But when he speaks of invoking the discipline of the marketplace, what we really mean is a contest not of efficiency, because these small rice farmers are pretty efficient by anyone's standard, but what we are really talking about is invoking the discipline of the banker, who has the fattest bankbook, who can survive drought, changes in prices in rice for a year or two and come back and survive. I think it is just as simple as that, because there is no doubt that, if we increase the amount of rice acreage beyond 2.8 million acres or even if we continue it at its present rate, we are going to have more rice than we can dispose of.

Seventy percent of the rice grown this year, by Louisiana rice growers at least—and I think this is true throughout the country—is still in the bins and still has yet to be moved. It cannot be sold under present conditions.

So if we increase that even greater, the price is going to go out the door, and the allotment farmer will be left with $8 a hundredweight for rice, on which my rice farmers say they cannot survive, at least not the small farmers who have to make a profit. If he is a big farmer, particularly if he is strong financially, he can survive on $8, because he can break even this year, and he does not have to depend on what he makes out of farming to educate his children, buy clothes, and do the rest of the things that profit provides.

So it will be fine with the big farmer. He can take his writeoff, which the Internal Revenue Code so generously provides; he can write it off against his other income, whether it be oil income or not. I say that advisedly because many oilmen see farming as a suitable long-term investment. They see the price of farmland going up, as it has every year. They see a good long-term future in farming so they are investing their dollars in farmland. They are reclaiming a lot of land that never was considered good land before. They are reclaiming, draining, and leveling it off, and it makes perfect riceland. We have a lot of it up in northeast Louisiana. They are getting in the rice business. Whether they will make good farmers or not, or whether they will make efficient farmers or not, I do not know. I do know this: They have the economic strength to survive, whereas the average rice farmer whose farm is 94 acres in size in southwest Louisiana, where the bulk of the rice is grown, cannot survive an $8 price.

Mr. BUMPERS. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. BUMPERS. Are we on controlled time?

The PRESIDING OFFICER. There is no controlled time.

Mr. BUMPERS. I understood—and correct me if I am in error—that there would be an hour prior to cloture, equally divided between the proponents and opponents.

The PRESIDING OFFICER. The rule provides for 1 hour.

Mr. BUMPERS. I thank the Chair.

The PRESIDING OFFICER. The Senator may proceed.

Mr. JOHNSTON. Mr. President, I want to make that central point. I have made it before. It is not out of a romantic feeling for the small farmer. It is not out of sentimentality that I make this argument. It is a simple, cold, hard fact that small rice farmers, of which we have thousands in southwest Louisiana, will not be able to survive under this legislation.

I have no doubt that the need for rice production will be met either under this legislation or under the present law or under our compromise. Rice will be produced next year and the year after. That is not the question. It will be produced at reasonable prices, I believe, under either legislation. That is not the question. The big question is who produces it.

I will be very frank to admit that some of the people on both sides of the question in my State have called me. I hesitate to repeat the story. I have said it before during this debate, but I think it is very timely.

I received a call last week from a man who is a farm manager for a Texas oil man. Last year, they produced 7,500 acres of rice. That is as much rice as about 80 average farmers would produce in Louisiana. He has no allotment. He just got into the business. He reclaimed some land and got into the business.

He said, "Don't you dare vote against that legislation, because next year we want to plant 11,000 acres of rice."

That is the story. That is what this is all about—whether or not that kind of farmer should be able to plant 11,000 acres and drive out 110 or 120 smaller rice farmers.

I do not say that critically of the man who wants to plant the 11,000 acres of rice. That is his right under the present law, and there is nothing illegal or immoral about running a big rice farm. But it seems to me that it would be awfully unwise for the Senate to take the living away from 110 or 120 smaller farmers who do not have the economic viability to survive that an H. L. Hunt has—and that is whose farm it was. It is not a totally atypical situation.

Mr. President, I hope we can compromise on this bill. My senior colleague, Senator LONG, and I have an amendment which we offered yesterday. It would increase the amount of allotment acres.

We are not insisting on keeping the allotment at 1.6 million acres. This amendment would increase it to 2.2 million acres, which we believe is more than sufficient to produce all the rice that this country can use and all the rice we can export. But there is no way by which we could dispose, profitably or economically, of the amount of rice that is likely to be produced under open production.

Mr. President, I hope we will have time to let this compromise work its will. I think this will be accomplished if we can get by this cloture vote. Frankly, one of the things standing in the way of a compromise, I suppose, is that the proponents of this bill perhaps think that they have the votes. I suppose if you think you have the votes, you do not compromise. I believe that if we can show the proponents of this bill that the Senate is looking at this matter at least with an inquisitive mind and with a studious mind and is not going to be stampeded—I do not mean to say that critically, either, because the tactics of the proponents have not been those of a stampede—but at least we will not be hurried into making this decision. Certainly, the Senate should not make this decision in advance of the results of the referendum whereby all farmers who grew rice last year will have a right to express their opinion.

Mr. HUDDLESTON. Mr. President, will the Senator yield?

Mr. JOHNSTON. I will yield as soon as I make one point, and then I will yield for a question.

We have the unanimous agreement in opposition to this bill and in favor of our compromise of the four leading farm organizations: the National Farmers Union, the National Farmers Organization, the National Grange, and the American Farm Bureau of Federation. These farm organizations, I daresay, would not be for unwise rice legislation. They are joined, I might add, by the chairman of the Senate Committee on Agriculture and Forestry, who joins my senior colleague, Senator LONG, and me in support of this compromise.

Mr. President, before I yield to my distinguished colleague, I express the hope that the Senate will not act precipitately and vote cloture, the first crack out of the box, before we have a chance to hear the wishes of the rice farmers throughout the country, before we have a chance fairly and dispassionately to consider that what we have is a good compromise.

I yield to the Senator from Kentucky.

Mr. HUDDLESTON. I thank the distinguished Senator from Louisiana.

First, I say to the Senate that I think that the Senator from Louisiana has accurately characterized the nature of this legislation and its purpose when he asks, Who shall grow rice? That, basically, is the question—whether or not rice production in the United States shall remain closed and be restricted to those who hold allotments.

As to the question of whether this legislation is going to put great numbers of small rice farmers out of business in the State of Louisiana or the State of Mississippi or the State of Texas or the State of Arkansas or elsewhere, the Senate should be aware that the protections provided in this bill relate specifically and solely to those producers who now hold allotments. This large farmer they are so concerned about, who might go into production of rice, will have to do so at his own risk, without any protection.

Mr. JOHNSTON. Mr. President, will the Senator yield that point?

Mr. HUDDLESTON. If the Senator will let me finish my statement, I will be glad to answer his questions.

So the protection is for the little man, about whom we all have such great concern.

There is a great question about the supply of rice and the so-called glut on the market that we have at the present time. I point out that this occurred under the present program. The price declines that we have seen during the past few months, which are now below what the protections this bill, H.R. 8529, will offer, occurred under the present program.

The shortages that we had 2 or 3 years ago, which boosted prices up as high as $17 a hundredweight, occurred under the old program.

It does not make good sense to try to determine long-range programs on the basis of 1 year's production. We saw what happened with our other farm commodities. One year we had a surplus of wheat and other grains in this country that we did not know what to do with. Farmers were literally filling every bin in the country and these grains actually were a liability to the Nation. And 12 months later we had a great shortage not only in this country but also throughout the world, and we saw prices skyrocket because of it, to the great detriment of the consumers in this Nation.

So while production conditions may be optimum over 1 year or 2 years or 3 years, not only in this country but also other areas of the world, it is reasonable to expect, and by looking at history it is certain to expect, that these conditions will not continue.

The question is whether or not we will have a flexible program for rice in the United States, open production, as we have for other grains, with target price protection so that farmers who have been in the business can be assured that they will not be totally wiped out financially, whatever the vagaries of production might be in any particular year.

The question has been raised whether or not we are moving too rapidly and giving due consideration to this bill. I point out, Mr. President, that twice in 12 months, the Committee on Agriculture and Forestry has unanimously reported legislation proposing a target price program for rice. The measure reported on December 15, 1975, is very similar to that reported last year, with the exception that nonrecourse loans for nonallotment growers were eliminated.

Target price legislation for rice has been before Congress since November 6, 1973, when it was introduced in the House of Representatives. Since that time, 12 days of hearings, comprising over 730 pages of testimony, have been held on the rice program. In 1974, the Agriculture Committees of both the House and the Senate reported target price legislation, but passage was not secured in the Houses at that time.

On December 16, 1975, the measure under consideration here today, H.R. 8529, passed the House by a vote of 311 to 104. H.R. 8529 is nearly identical to S. 2260, a measure which was reported by the Senate Committee on Agriculture and Forestry; the Senate should have the opportunity to vote on H.R. 8529. Rice growers need to know now what arrangements they should be making for the 1976 crop—what financing, what equipment, what seed they need to buy. That is the reason we need to proceed with the cloture vote and give the rice farmers an idea of which program they are going to be operating under.

The Senator from Louisiana makes a point that a referendum is in progress, the results of which should be known within a few days. This, I believe, is a spurious argument at this particular time. This referendum is being held by present allotment holders of rice, with some new growers included—12,000 plus of the old allotment holders, some 2,400 new growers. The referendum is being held on the question of how the present program should operate and does not present a choice between two programs.

There is no question about what this vote is going to be. There is no reason to wait until the votes are counted to know that some 89 to 95 percent of those voting are going to favor quotas and higher loan levels. So that is not an issue in my judgment in this particular argument today.

There is a question about whether or not amendments should be considered. Mr. President, as Members of the Senate know, the vote for cloture does not, in any way, preclude the consideration of those amendments which are at the desk and have been read at the time cloture is voted. That would include all of the various so-called compromise efforts that have been made up to this point.

Mr. President, I think it is apparent that, with the Senate faced with a recess of some 10 days beginning on Friday, with rice farmers throughout the country wondering what program they are going to be operating under, some of them already past the time when they should have made arrangements to get their crops in the ground, it is important that the Senate speak on this measure as soon as possible. The cloture vote scheduled here today at 2 o'clock will enable us to move in that direction.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. HUDDLESTON. I yield to the Senator from Kansas.

Mr. DOLE. Mr. President, I am pleased to reassert my support for this rice bill. I might say at the outset that Kansas is not a producer of rice and, ordinarily, the Kansas wheat farmer, the Iowa corn farmer, or the Illinois bean producer never gives a moment's consideration to world rice production. I also understand, of course, that there is a great deal of controversy among my respected colleagues in the Senate on which way the vote should go.

It seems to me that the target price program has worked quite well for wheat and feed grains, and I think the same would apply insofar as the rice program is concerned. It brings one more commodity into line with the general philosophy of the Act of 1973. It makes it possible for a decision to be made by the farmers rather than some bureaucrat or by the Secretary of Agriculture.

The major change, of course, that it brings about removes a penalty for production and marketing without an allotment. As a result, of course new growers can start growing rice.

I think that perhaps I might say, also, that old producers are still protected by loans and deficiency or disaster payments on production from allotted acres.

I ask unanimous consent at this time to have printed in the Record a very excellent statement by Roderick Turnbull, director of public affairs of the Kansas City Board of Trade and, for a long, long time, the farm editor of the Kansas City Star. He points up one area that I think is of great interest. That is with reference to total production of rice worldwide.

In the 1975–76 crop year, worldwide production of rice was 346.9 million metric tons, as compared to 339 million metric tons of wheat. I think most people, at least in the Midwest, look upon wheat as the big crop in the world. I assume this comes as a surprise to some Americans.

Even more important are the exports of those two crops. This year's rice crop, as I said, at 346.9 million metric tons, is the largest in history. Yet the export market is only about 7.2 million metric tons. With a world wheat crop of 339 million metric tons, we export about 76 million metric tons; the point being that most rice is consumed where it is grown—whether it be in China, India, or wherever.

There being no objection, the statement was ordered to be printed in the Record, as follows:

STATEMENT BY RODERICK TURNBULL

Kansas City.—The ordinary Kansas wheat farmer, the Iowa corn grower, or Illinois soybean producer probably never gives a moment's consideration to world rice production.

Seldom does the broker or commission merchant at the Kansas City Board of Trade, or at the Chicago or Minneapolis Exchanges.

Yet rice is one of the world's greatest sources of food. And this year, 1975–76, the world's rice crop is estimated as the largest in all history.

More and more in recent weeks, professional grain or food analysts are referring to the size of the rice crop and commenting on its possible effect on prices of other grains.

Most rice is consumed in the countries where it is produced. As a commodity in world trade, it is far down the list in volume when compared to other grains such as corn or wheat, or to soybeans.

The U.S. Department of Agriculture through its Foreign Agricultural Service estimates the 1975–76 world rice crop at 346.9 million metric tons. This measurement is on rough or unmilled rice. The USDA also estimates the world wheat crop at 339.3 million metric tons. So, according to these figures, the rice crop is bigger than the wheat crop this marketing year.

This fact may come as a surprise to Americans, unless they are students of the subject, because in this country we think of wheat, or bread, as the staff of life. The fact is, the nations which have the biggest populations generally are rice consumers.

It is in world trade where wheat shows up to a big advantage.

This year's rice crop at 346.9 million metric tons is the largest in history, yet the latest USDA estimate on world exports is for only 7.2 million metric tons.

With a world wheat crop of 339.3 million metric tons, world trade in this commodity is estimated for this year at 75.8 million metric tons, ten times that of rice.

Ironically, the United States, which is way down the list in total production on rice, actually exports more than any other single country, which again demonstrates the fact that most rice producing countries consume what they raise. India this year is producing 69 million tons of rice, the People's Republic of China 120 million tons, and Indonesia 23.9 million tons. U.S. production is put at 5.8 million metric tons, yet its projected exports at 1.8 million tons are, as explained, the largest for any one country. Also, U.S. exports will be down this year from the 2 million tons of last year, because of ample supplies around the world. Some of the major importers of rice also are big producers, but individually, they don't buy much.

This year's record breaking world rice crop is up 6 percent from last year's production, which also, at the time, was a record. The crop in 1973–74 also was a record, so the world has seen three record crops in a row. They follow, however, a poor crop year in 1972–73, which as most will remember, was the year when U.S. grain exports took a big jump to the Soviet Union and many other countries around the world.

The rice harvest, the USDA explains, extends over six to eight months. Thus production estimates cover harvests in late 1975 and early 1976 in the northern hemisphere, and the crop harvested in early 1976 in the southern hemisphere. Yield figures are given on rough rice, but trade figures are on milled rice.

The big yields this marketing year, the USDA says, are due largely to an excellent Asian monsoon coupled with several years of attractive prices, some increase in the use of the new high-yielding varieties and an easing of recent input restraints.

As the USDA sees the world rice situation, more of this commodity will be available for export this year than the importers will take. As a result, world carry-over stocks will increase by about 30 percent, which would return them to the levels that existed before the failure of the 1972 Asian monsoon.

Meanwhile, some of the rice producing nations which have government price support programs may, the USDA contends, have difficulties this year.

Mr. DOLE. Mr. President, it seems to me, as has been pointed out by the distinguished Senator from Kentucky, that it does little good to delay, based on the results of a stacked referendum. I think it might be in the interest of moving legislation on that cloture be invoked.

I thank the Senator from Kentucky for yielding.

Mr. HUDDLESTON. Mr. President, I yield to the Senator from Mississippi.

Mr. STENNIS. I thank the Senator from Kentucky for yielding.

Mr. President, basically, on the merits of the bill itself, now before the Senate, I think it is largely a question of fairness to rice growers and would-be rice growers. We have a divided opinion in our State. I made a special promise to the rice farmers who have allotments that I would again look into this matter thoroughly, which I did. I think, unquestionably, as a matter of fairness, this bill or something in the neighborhood of it, ought to pass and become a law. The idea of excluding a group of Americans from growing agricultural products is basically unfair unless there is some overwhelming reason. The old cotton plan applied to everyone who was in it according to classifications, but always left the door open a little for others to come in.

I am not only supporting the bill, but the overwhelming facts further are that if additional farmers are going to grow rice, under the new law, in Mississippi for this year—and I think it is true generally all over the rice district—they need to know now so far as this crop year is concerned. Preparations have to be made for financing the rice crop. They have to make preparations for financing any other crop they may grow. They have to arrange to get the machinery, and much of the machinery cannot be bought off the shelf but has to be ordered. There is the question of preparation of the land. Even that which has been used for rice; new land has to be prepared and the dikes have to be built if the land has not been used for rice before. So to carry out this question of fairness for this year, if they are going to be given this right, and I think it is a right, it must be given soon—now. The bill has to be proposed promptly and passed.

Under those conditions, I think that I should vote for cloture. This bill has been fully debated. And, having decided that, I decided that it was my duty to say so now, and give the basic reasons therefor.

So for those reasons—I am going to vote for cloture on the first rollcall.

I thank the Senator for yielding to me.

Mr. HUDDLESTON. Mr. President, I might comment that more history has been made and will be made here today than just changing the rice program of the Nation.

I yield to the Senator from California.

Mr. CRANSTON. I thank the Senator very, very much.

Mr. President, I had planned to speak on this measure at greater length at some point but, in view of the hour and the limited time left, I will not do so presently.

I do want to state that my colleagues from Louisiana, Senator Long and Senator Johnston, have made a very persuasive case for opposing the enactment of H.R. 8529, the rice bill. I commend them for their very effective leadership on this very important issue. I fully support their efforts to educate the Senate on the lack of merit and the argument that we need a new rice program, for the simple fact is we do not need a new rice program. We have one that has worked well for rice farmers and consumers for some 20 years.

There certainly is solid argument for voting against cloture this afternoon since rice growers across the Nation, both old and new, are participating in a national referendum on this issue. By law the USDA must announce the results no later than February 15, and certainly we should not proceed in the Senate until we have heard from the rice growers.

At this point I would like to simply insert and have printed in the Record certain material that substantiates the case we have been making against this current bill, and so I submit for the Record, first, a fact sheet on rice; second, a summary of the proposed compromise to S. 2260 that has been offered by Senator Long, along with Senator Johnston and myself and others; third, a statement by the most important national farm organizations opposing cloture on the proposed Rice Act, and favoring compromise based on current law as proposed by Senator Long and others of us; and, finally, some material that relates to the following facts worldwide of what has been termed an extraordinary 1975–1976 harvest of rice across virtually all of Asia and which has resulted in a 6 percent increase over even last year's bumper crop, an article published in the January 26, 1976, issue of Foreign Agriculture by Mr. Weyland Beeghly of the Foreign Committee Analysis, Grain and Feed, Foreign Agricultural Service, which discusses in great detail the worldwide rice situation.

I ask unanimous consent that it and the other documents I have mentioned be printed in the Record at this point.

There being no objection, the material was ordered to be printed in the Record, as follows:

FACT SHEET ON RICE

1. Current Law: as announced by USDA on January 6, 1976, marketing quotas will be in effect for the 1976 crop. The carryover of rice as of 8/1/75 is 32.5 million hundredweight. The national rice allotment for 1976 is thus reduced to 1,652,596 acres.

Apportioned to states as follows:

	Acres
Arizona	229
Arkansas	399, 021
California	299, 766
Florida	957
Illinois	20
Louisiana	475, 008
Mississippi	46, 674
Missouri	4, 758
North Carolina	38
Oklahoma	149
South Carolina	2, 846
Tennessee	517
Texas	422, 313

2. World Rice Situation: According to Foreign Agricultural Service, USDA, the 1975/76 rice harvests across Asia are "extraordinary". This is the third bumper year in a row, up 6 percent from last year. 1975/76 world crop now estimated at 347 million metric tons, resulting in exportable supplies of 8.5 to 9.0 million tons. Actual imports, however, may dip to little more than 7 million tons in the face of good harvests and above-normal stocks in many importing countries.

3. Issue posed by S. 2260 (H.R. 8529): whether to stay in open production for 1976 as we have been for the past two years or return to marketing quotas and acreage controls in view of large domestic and worldwide rice surplus.

4. Rice Grower Referendum Not Yet Tabulated: The marketing quotas reimposed for 1976 (after two years without) must be approved in a referendum of all rice growers. Actual voting is now over, but the results are not yet tabulated. By law, the USDA must announce the results no later than February 15.

5. Key provisions of Compromise Rice bill:

(a) reduce taxpayer burden by reducing current loan rate from $8.50 per hundredweight to $7.50 per hundredweight.

(b) provide for new growers a substantial new acreage allotment.

(c) provide Secretary of Agriculture with flexibility to expand domestic rice production to whatever level is needed to provide market stability, adequate supplies and reasonable consumer prices.

(d) avoids further massive increases which open production this year would add to the current rice carry-over, now more than three times greater than the desired amount.

(e) avoids the displacement of small and medium sized rice farmers by vast new plantings of rice, much of it by large corporate farms.

SUMMARY OF PROPOSED COMPROMISE TO S. 2260

NATIONAL ALLOTMENT

For 1976, an increase of 400,000 acres to 2.2 million. Thereafter, the Secretary will set acreage annually to maintain a 10% carryover.

DISTRIBUTION TO NEW GROWERS

1. The 400,000 acre increase from the 1975 allotment of 1.8 to the 2.2 for 1976 will be distributed to new growers as permanent allotments.

2. Each new grower is entitled to a maximum of 150 acres, or 25% of his owned, or (in the case of producer allotments) validly-leased cropland, whichever is less.

3. In the event more than 400,000 acres is requested, each new allotment is reduced by the same percentage.

In the event less than the 400,000 is requested, the remainder will be allocated to all growers, both new and old, with less than 33% of their owned, or (in the case of producer allotments) validly-leased cropland already in allotments.

NEW GROWER "DEFINED"

A new grower is defined as one with no current allotment, or one with an allotment equal to less than 25% of his owned, or (in the case of producer allotments) validly-leased cropland. He must have grown *some* rice in 1975.

NAT. MINIMUM ACREAGE

Increase from 1.652 to 1.8 million acres.

MARKETING QUOTAS

Continually in effect.

LOAN LEVEL

$7.50 per cwt (down $1.00 from current level), to be escalated according to index of prices paid by farmers.

LOAN ELIGIBILITY

All allotment holders, both old and new, are eligible.

RESERVE

1% reserve for states to make adjustments, correct inadequacies or prevent hardships.

SALE/LEASE

Sale/lease of allotments within administrative areas allowed.

NEW GROWER ALLOTMENTS

If the Secretary in any future year increases acreage above 2.8 million acres, he would have option to declare a new allocation period for additional new grower allotments.

Increases between 2.2 and 2.8 will be prorated among all allotment holders, old and new, under system similar to current law. Same for acreage reductions below 2.2

TARGET PRICE

No target price.

NATIONAL FARM ORGANIZATIONS OPPOSE CLOTURE ON PROPOSED RICE ACT AND FAVOR COMPROMISE BASED ON CURRENT LAW

The American Farm Bureau Federation remains firmly in opposition to the extension of the target price-compensatory payment concept to rice. Accordingly, we support your effort to extend debate on H.R. 8529 until such a time as the U.S. Department of Agriculture makes available the results of the producer referendum currently being conducted to determine acceptability of marketing quotas for 1976.

We favor the present rice program and, therefore, we believe that the Senate should consider the results of the producer referendum. Limitation of debate prior to that time would be an injustice to the many producers who have expressed their concern as well as to other American taxpayers who have helped to finance this referendum.—John C. Datt, Director, Congressional Relations, American Farm Bureau Federation, Washington Office.

Under the current law, producers are now voting on the question of controlling 1976 production because of a surplus of rice now in hand. Producer prices have declined substantially. What's the hurry? Why should industrial users, exporters and some profiteers insist on changing the law to benefit a few greedy people? The U.S. Senate at least should wait for a report on the referendum vote before acting on S. 2260, and denying producers the right to use production control features of the current law.—Charles L. Frazier, Director, National Farmers Organization, Washington Office.

The National Grange does not favor legislative action on a new rice program during the time the referendum on the present program is being tabulated. We think the results of the referendum should be known prior to making any drastic changes. We therefore support a compromise bill which would reduce the support price and increase the national allotment by 600,000 acres to be allocated to new growers. Your support in this effort will be appreciated.—John W. Scott, Master, National Grange, Washington, D.C.

National Farmers Union strongly opposes S. 2260, the rice bill denying marketing quota authority for rice producers needed to operate a sensible rice program. No action should be taken that fails to preserve basic provisions of current law. Further, no congressional action should be taken until farmers' votes are tallied in the USDA referendum now underway.—Reuben L. Johnson, Director, National Farmers Union, Washington Office.

[From the Foreign Agriculture, Jan. 26, 1976]

RECORD CROPS LIFT WORLD RICE SUPPLY, DEPRESS TRADE

(By Weyland Beeghly)

Extraordinary 1975/76 harvests across virtually all of Asia are rapidly returning world rice supplies to the levels prevailing before the failure of the 1972 monsoon. But just as that year's drastically reduced crop launched an upward spiral in world rice prices, this season's upsurge in production has further depressed an already weakened market.

The 1975/76 crop—the third record in succession—is now estimated at 347 million metric tons,[1] up 6 percent from last season's bumper outturn. The gain can be attributed to an excellent summer monsoon, coupled with several years of attractive prices, some increased use of high-yielding varieties, and an easing of recent input constraints.

The outstanding crop has resulted in exportable supplies of 8.5–9.0 million tons. Actual imports, however, may dip below recent levels to little more than 7 million tons in the face of good harvests and above-normal stocks in many importing countries.

Nearly half of this year's increased outturn has taken place in chronically deficit India, where an almost faultless monsoon boosted production at least 9 million tons above last year's poor crop. However, major increases have also been registered in neighboring supplier countries such as Pakistan, Burma, and Thailand.

In Thailand, for example, production is now expected to exceed 15 million tons, up nearly 4 percent from the 1974 crop. Thai export offerings were considered uncompetitive during much of 1975, and 500,000 tons of unsold old-crop rice have been carried into 1976. This, combined with the new-crop surplus, puts current Thai export availabilities at nearly 2 million tons.

In recent weeks, Thailand has moved to make its prices more competitive with those of other Asian suppliers through the elimination of one type of export tax and the reduction of another. Thai quotations for top-quality rice have fallen more than 12 percent since early November.

Burma is also carrying in a little old-crop rice and, along with anticipated new supplies, may be able to export as much as 500,000 tons—the highest level in 4 years. About one-third of this is expected to go to Sri Lanka (Ceylon). Burmese rice exports in calendar 1975 are now estimated at 370,000 tons, up 86 percent from the previous year's.

Although Thailand and Burma have traditionally been two of Asia's strongest suppliers, Pakistan and the People's Republic of China (PRC) are more and more the dominant force in world rice trade.

In the last 6 months, Pakistan has emerged as the price leader in a number of Asian and African markets. It has also shown a growing interest in the Mideast, a market which last year accounted for one-half of U.S. commercial sales.

Pakistan's trading position will be even stronger in 1976 as the recently harvested crop was nearly 7 percent above the previous year's. The exportable surplus is put at 900,000 tons (including 200,000 unsold from the 1974 crop). About one-third of the surplus is basmati—a long, slender, aromatic rice once exported to only overseas Pakistanis and a few neighboring sheiks and shahs.

With the increase in Mideast oil revenues and Pakistan's apparent determination to match offers of the well-liked U.S. No. 2 long grain in the Persian Gulf, basmati has begun penetrating the Mideast market in greater volume. Early last fall, for example, Iraq—which was counted on as a major market for U.S. rice in 1975/76—bought 100,000 tons of basmati at $400 per ton, about half the price at which it had been offered a year earlier.

Pakistan has also been making overtures to Iran and, although the Iranians seem to have been disappointed by a small quantity of basmati received last year, the possibility of future purchases probably cannot be dismissed. Basmati bears a close resemblance to the preferred locally grown rice, and some Iranian officials have commented that future grain procurement should, to the extent possible, take place within the framework of trading arrangements with neighboring countries.

Trading activities of the PRC are perhaps not so worrisome from a U.S. standpoint, as most sales have been made to Far Eastern buyers. The PRC became Asia's leading supplier in 1973, when other Asian exporters reduced offerings, and has maintained that position ever since. However, its exports in calendar 1976 may decline somewhat—to perhaps 1.2 million tons from an estimated 1.5 million last year—as the world market becomes increasingly competitive.

In most other exporting countries, supplies also appear larger than those of a year ago. Egypt, through the use of new price and procurement policies, seems intent on selling 200,000 tons, twice as much as in 1975. North Korea is reported to have at least 200,000 tons available for shipment. Southern Hemisphere suppliers will likely offer about 100,000 tons more than the half-million moved in 1975. And of course the United States has a substantial quantity unsold out of the 1975/76 crop. Of the 12 leading exporters, only Italy—which drew heavily from stocks last year—is likely to offer less rice in 1976.

Excellent crop conditions have not, however, been limited to the supplier countries. Combining to dampen demand by a number of importers are the bumper harvests, along with—in some cases—increased stock levels, fiscal and policy considerations, and port congestion.

Last year, for example, Indonesia, South Korea, Iran, and Sri Lanka were the four largest rice buyers in Asia, accounting for roughly 30 percent of world demand. In each of these countries—except possibly Indonesia—imports will likely decline in 1976.

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[1] All production figures are on a paddy basis; trade and stocks are in terms of milled rice.

Aside from India, and probably the PRC, Indonesia is holding the largest rice reserve in the world, most of it accumulated during 1973 and 1974—2 years of costly stockbuilding. In 1975, imports dropped by nearly two-thirds, and although buying plans for 1976 are not yet final, imports are unlikely to exceed the 1975 level of about 600,000 tons.

Meanwhile, Indonesian production continues to grow steadily as more area comes under high-yielding varieties, double-cropping increases, and marshlands are drained for rice cultivation. The 1975 crop is put at about 24 million tons (16.3 million, milled) 5 percent above 1974's.

South Korea's 1976 rice policy seems somewhat contradictory. Although the 1975 crop appeared significantly damaged by a late-season attack of brown planthoppers, the Government has put production at 6.48 millions tons, up 5 percent from the 1974 record. With heavy stocks (800,000 tons) in hand, Korea is now claiming "rice self-sufficiency," in spite of a continuing policy prohibiting the serving of rice in restaurants 2 days per week and specifying the mixing of barley with rice to extend Government rice supplies.

The situation can perhaps best be understood by noting the country's severe foreign exchange shortage. Thus, Korea—which paid cash for 300,000 tons of U.S. rice in 1974-75—may find it difficult to buy commercially in 1976.

Buying interest has also waned in the vital Iranian market, which in 1974-75 took 450,000 tons of U.S. topgrade rice. Although the 1975 Iranian crop is perhaps slightly larger than in 1974, sluggish import demand appears largely due to port congestion, a slight buildup in stocks, and probably a willingness to await further price developments. The Iranian army is continuing to buy at least 10,000 tons of U.S. rice monthly, but purchasing for civilian use may not strengthen until spring.

As in the past, Sri Lanka will continue to fill most of its rice deficit under a longstanding rice/rubber barter arrangement with the PRC. Although the 1975 season was one of the dryest on record, prospects look better for the 1976 crop (harvested in February-March, July-August) as the drought has been broken and new Government policies appear to encourage increased production. Calendar 1976 imports are expected to decline by 25 percent to about 300,000 tons.

In Bangladesh, as in India, a favorable 1975 monsoon led to expanded output and the likelihood of significant gains in per capita consumption of rice. Production in 1975/76 is now estimated at 18.5 million tons, up 8 percent from that of a year earlier. Though there are reports of inadequate storage facilities and some spoilage, "surpluses" in Bangladesh tend to be short lived. Barring new problems with port congestions, imports are likely to remain near 1975 levels.

The Philippines appears to be self-sufficient in rice for the first time since 1971. The 1975 crop was untouched by typhoons, and production is currently estimated at nearly 6 million tons, up almost 6 percent from that of 1974/75.

Based on current estimates, the 1975/76 rice crop will exceed consumption requirements by about 100,000 tons (milled), thereby permitting some stock buildup. Officials say they do not intend to buy any rice in 1976.

This weak import demand—particularly in South Korea and Iran, which last year accounted for 43 percent of U.S. rice sales—is having a significant effect on U.S. export sales. Moreover, other Asian buyers appear reluctant, in a falling market, to purchase large quantities from a distance when smaller amounts can be had more quickly nearby.

WORLD RICE PRODUCTION, TRADE, AND STOCKS[1]

[In million metric tons]

Country or region	1973–74	Preliminary 1974–75	Projected for 1975–76 As of Oct. 7	As of Dec. 19
Production:[2]				
Bangladesh	17.6	17.1	18.5	18.5
Burma	8.6	8.6	8.7	9.0
India	65.7	59.5	66.0	69.0
Indonesia	21.5	22.7	25.0	23.9
Japan	15.2	15.4	16.0	16.4
Korea, Republic of	5.9	6.2	6.4	6.5
Pakistan	3.7	3.5	3.8	3.7
PRC	113.0	117.9	118.0	120.0
Thailand	14.4	14.5	15.0	15.0
Subtotal	265.6	265.4	277.4	282.0
EC-9	1.1	1.0	1.0	1.0
Australia	.4	.4	.5	.5
Argentina	.3	.4	.4	.4
Brazil	6.4	6.5	6.5	6.5
All others	46.5	47.9	49.5	50.7
Total non-United States	320.3	321.6	335.3	341.1
United States	4.2	5.2	5.7	5.8
World total	324.5	326.8	341.0	346.9
	1974	1975	1976	1976
Exports:[3]				
Burma	.2	.4	.4	.5
Pakistan	.5	.5	.5	.7
PRC	1.9	1.5	1.8	1.2
Thailand	1.0	1.0	1.3	1.2
Other Far-Eastern suppliers	.9	.7	.3	.5
Subtotal	4.5	4.1	4.3	4.1
Southern Hemisphere suppliers	.3	.5	.5	.6
All others	.9	.9	.4	.7
Total non-United States	5.7	5.5	5.2	5.4
United States	1.7	2.0	2.3	1.8
World total	7.4	7.5	7.5	7.2
Imports:				
Bangladesh	.1	.3	.3	.4
EC-9	.6	.6	.6	.6
Hong Kong	.3	.4	.4	.4
Indonesia	1.8	.6	.7	.6
Iran	.1	.5	.5	.4
Khmer (Cambodia)	.3	.4	.1	.1
Korea, Republic of	.3	.5	.4	.2
Philippines	.2	.1	.2	
Sri Lanka (Ceylon)	.3	.4	.4	.3
All others	3.4	3.7	3.9	4.2
World total	7.4	7.5	7.5	7.2

[1] Production is on rough basis; trade and stocks are listed as milled.

[2] The world rice harvest stretches over 6 to 8 mo. Thus, 1975-76 production represents the crop harvested in late 1975 and early 1976 in the Northern Hemisphere, and the crop harvested in early 1976 in the Southern Hemisphere.

[3] Calendar-year basis.

It may well be that world import demand is stronger than currently indicated since many importers are in a position to sit on the sidelines and await the most favorable prices. At the same time, it is worth noting that buying by several traditional U.S. cash markets such as Canada, the European Community, South Africa, and Saudi Arabia is bouncing back from the reduced levels of 1974/75. While this will not wholly compensate for the weakness in most Asian markets, U.S. rice exports are still expected to approach 2 million tons in 1975/76, the second best year on record. Prices, however, will be off considerably.

The long-run outlook for U.S. rice exports will, of course, continue to be strongly influenced by the performance of the Asian monsoon and efforts of the rice-eating peoples to increase production commensurate with population growth. During the next few years the following developments could also prove significant:

The end of war in Indochina will likely result in the reemergence of that area as a major source of export supplies. Although availabilities will probably not return to pre-World-War-II levels, 500,000 tons could well be offered from this region by 1980. Saigon has already begun exporting limited quantities of Vietnam-origin rice, although most observers believe the country (North and South) does not yet have a rice surplus.

The situation in Cambodia is apparently less favorable. There are reports that much of the country suffered acute hunger during the latter stages of the war and immediately thereafter, resulting in the slaughter of large numbers of draft animals. Moreover, there is evidence that the monsoon may not have been as generous in Cambodia's main rice-growing regions as it was over most of the rest of Asia. The possibility of Cambodia offering rice before 1977 must, therefore, be considered unlikely. However, when both Cambodia and Vietnam are able to shake off the effects of war, most observers expect them to sharply alter the Asian supply picture.

In South Asia, both Pakistan and India are showing increased interest in the foreign exchange potential of larger basmati exports to the Mideast. This is indicated by both a more aggressive marketing approach, and by strong research efforts to develop highyielding basmati-type varieties. In addition, Pakistan is expected to build a dozen new mills and storage facilities this year to boost the quality of its often-criticized coarse-rice offerings.

Now that dwarf rices occupy much of Asia's "most manageable" rice land, some research is being directed toward providing better varieties for problem areas and conditions. For example, promising crosses have already been made of IRRI dwarf varieties with long-stemmed floating types to provide high-yielding strains to the estimated third of Asia subject to annual flooding and deep-water conditions.

Any possibility of the world being inundated by rice remains, of course, remote. Aside from rampant population growth and the fickleness of monsoons, plant scientists are showing increased concern over the possible breakdown of insect and disease resistance in Asia's high-yielding varieties. This is particularly true in those countries where year-round rice cultivation precludes an interruption of insect/disease life cycles.

Given these uncertainties, periods of light supply and higher prices will undoubtedly recur from time to time.

A basic question is whether, under the current return to heavier supply conditions, U.S. rice can remain competitive. For, although Asian yields may be modest and the quality of the grain uneven, low labor costs have always permitted this rice to be marketed cheaply throughout the world.

Mr. LONG. Mr. President, will the Senator yield?

Mr. CRANSTON. Mr. President, I am delighted to yield to the Senator from Louisiana (Mr. LONG).

The PRESIDING OFFICER. The Chair recognizes the Senator from Louisiana (Mr. LONG).

Mr. LONG. I see a memorandum here by our friend from Arkansas, and I am sure he will make reference to it.

I have heard the argument that it does not make any difference what the farmers think. In fact, the managers of the bill are willing to concede that the farmers will vote 90 percent against. This is their fate here. Their fate is involved.

Mr. HUDDLESTON. Mr. President, will the Senator yield? The Senator pointed to the farmer. The farmer is not voting on this issue. He is voting whether to continue the present program.

Mr. LONG. But he is voting on whether he wants to vote for open rice production or the present production. He understands his fate here, and that is what is in this bill. He is opposed. We have three times as much rice on hand as we ought to be carrying over. We have reason to think if you do not control production you are going to have five times as much rice on hand, and these surpluses are going to burden this program.

Mr. HUDDLESTON. Mr. President, will the Senator yield on that point?

Mr. LONG. Yes.

Mr. HUDDLESTON. The proposed law gives the Secretary of Agriculture the authority any time where the carryover is 15 percent of normal usage to engage in a set-aside program to reduce production.

Mr. LONG. I know the farmers have asked for this referendum. They have asked for a chance to vote, being very well aware of this bill, and this bill is what they are worried about more than any other single thing because the farmers would like to control—the farmers know these big surpluses exist. They know the law gives them the right to control production, they know in their judgment that both their interests and the national interests require that these big surpluses be limited and be curtailed, and they also know it serves no purpose now to have other producers coming in, like one future producer, who contacted me, wants to plant 7,500 acres, and every pound of that rice will have to be bought by the Federal Government, processed, and then put into storage because he cannot even give the stuff away.

That is what we are in for, and that pushes the price down, down, and down, and the farmers know what everybody else knows, when you have got these huge surpluses hanging over the market those are going to push the price down.

Now, to take the view that it is of no concern, it is of no concern what those farmers think, while I notice here that there are 4,633 allotment farmers and another 1,500 that are entitled to vote in the State of Arkansas, I would not be telling my farmers, 6,000 of them, that we do not care what they think about this matter, and we are not even going to bother to count their ballots after they vote on what they want. We have, it so happens, 5,000 of them from Louisiana in one category, and——

Mr. BUMPERS. Mr. President, will the Senator be willing to let the passage of this bill hinge on how the vote in Arkansas goes?

Mr. LONG. I say to the Senator I would be willing to let it go on how the vote nationwide goes. Would the Senator?

Mr. BUMPERS. I understand.

Mr. LONG. No, the Senator would not, would he? [Laughter.] That is what I am asking for, and that is what every big farm organization representing farmers is asking for, the right to have their farmers, the farmers who are members of their organizations, that they can be heard.

Who here who represents farmers, be they wheat farmers, be they cotton farmers, be they tobacco farmers, who here wants to take the view that even though his farmers vote, they do not think enough of their farmers to even let their ballots be counted, do not care what they think?

Oh, no, we have got a program that the beer manufacturers like because they have had a big windfall in their costs, and they want another windfall.

Here the price has gone down $2 in the last 3 years on rice compared to what it was 3 years ago, and meanwhile, all these middlemen, beer manufacturers and others, have advanced their spread 250 percent while the farmer is getting a quarter less.

Now, that type thing, Mr. President, is rather unfair, and the farmers know you should not be bringing in all this large additional production; you ought to be controlling production, as the law provides.

Under the law, they are entitled to have this election; they are entitled to have their votes counted. Morally, by any moral standard, these 15,000 farmers are entitled to have their judgment considered.

Now, the Senator makes a point that we are only talking about the present farmers, we are not talking about the new farmers.

Well, I would call a farmer who started planting rice this last crop year, every farmer who has got so much as a pound of rice he produced himself, I would call him a rice farmer. They are all eligible to vote in this referendum.

The only one we are not talking about is this millionaire friend of mine who would like to plant 7,500 acres, someone who is interested in planting 15,000 new acres, someone who was not in the business before, and for him to go into the business with the Government having to buy every pound he produces and add to the surplus we have on hand, rice that you cannot even give away, that makes life more difficult, and prejudices and tends to move out the smaller farmer.

Mr. President, we have a farm program that was built on the theory that the farmers' fate should not depend upon the vicissitudes of the international world market.

Mr. THURMOND. Mr. President, I support passage of this rice program legislation, as passed by the House and reported by the Senate Committee on Agriculture and Forestry.

This legislation establishes a responsible agricultural policy toward rice production that both protects U.S. rice producers against drastic price declines and encourages market expansion. Rice is an important agricultural export for the United States, with our rice growers supplying about one-fourth of all the rice that moves in world trade.

The bill before us would establish a target price and loan program for rice similar to that presently in effect for most of the other major agricultural commodities. It proposes a 1976 target price of $8 per hundredweight and a loan level of $6 per hundredweight, with adjustments to be made in 1977 to reflect changes in the index of prices paid by farmers for production inputs.

Mr. President, South Carolina was one of the leading rice-producing States in the earlier years of our Nation's history. However, over the years, it became uneconomical to grow rice in my State. Now, there is a very good possibility that rice production could make a comeback in South Carolina.

Clemson University, the land-grant college in South Carolina, has been conducting research at its coastal experiment station to evaluate the feasibility of rice production. The favorable results of this early research provide further reason for me to support this bill, for it opens up the rice program, making it possible for farmers without established rice allotments to grow this commodity. Without this legislation, it would not be possible for South Carolina farmers to reenter the arena of rice production.

Mr. President, I urge the Senate to enact this agricultural legislation in order to remove the present antiquated restrictions on rice farming, provide protection to rice growers, and encourage the production of this commodity so important to the diets of Americans and others throughout the world.

Mr. President, I ask unanimous consent that an article from the July 1975 issue of the South Carolina Farmer magazine, describing the research underway on rice production in South Carolina, be placed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From South Carolina Farmer, July, 1975]

Rice May Rise Again As S.C. Money Crop

When Charleston was Charles Towne, rice was one of the major crops grown in South Carolina and, as late as the 1920's, the Palmetto State was one of the leading producers until several factors forced local farmers out of business.

With the advent of new varieties, Clemson University researchers believe it is now possible to overcome these factors. They think rice could return to its place of prominence, provided the current allotment system is also renovated.

To test the effectiveness of these new short-season varieties, Clemson researchers have already planted rice at Clemson's Truck Experiment Station at Charleston. Other plots are under cultivation in cooperation with several farmers in Charleston County.

The experiments will continue for the next few years and dryland rice, as well as typical floodland rice, will be utilized in hopes that inland and coastal acreage might be put in production.

Soon after curtailment of growing rice in South Carolina, rice growers in the Southwest pushed for and obtained the establishment of rice quotas. Clemson Pathologist Dr. Wayne Sitterly, superintendent of the Truck Station branch of the S.C. Agricultural Experiment Station, feels the natural factors that halted production here may be overcome, but he said the key to a comeback will be the expansion or lifting of allotments.

"Quotas have been lifted on a year-to-year basis for the past two years by the U.S. Department of Agriculture. They lift them as long as there remains a shortage of rice for food," he said.

Current figures show rice to be a profitable crop, selling at approximately $14 per bushel.

But seven-year projections are even brighter, predicting an increase of $9 per bushel due to continued shortages, Sitterly said.

Although S.C. is currently second in rice consumption, Sitterly doesn't believe "rice will come back to the state as a result of how much we eat because most of our rice would be exported. Our rice for consumption would probably continue to come from Arkansas, Louisiana or Texas. We probably would not refine our rice; we would just harvest it and ship it abroad.

"In fact, the U.S. exports more than 90 per cent of its total rice crop and world demand is quite strong," he added. "I don't think we would have to worry about selling it even if we didn't eat one grain here."

South Carolina has a long history in rice production which began when the first colonists settled here. Sitterly noted "we grew it quite well up until 1925, and then our production dropped off until there was almost no production by 1932.

"Hurricanes were cited as the greatest factors in halting rice growing here," he said. "Growers didn't have a variety that was ready for harvest before the major hurricane season opened up.

"Other major problems encountered included weeds and rice birds. The weeds limited yields, and rice birds would come along and clean house in a hurry."

Sitterly feels the new "short-season" varieties, which mature in approximately 90 days, may provide a means of bypassing the hurricane season and that flooding and herbicides will solve the weed problems which haunted producers in the past. But the rice bird situation remains a question mark.

Sitterly said the main goal of Clemson's research is to see if any of the modern rice varieties will produce high yields and still allow farmers to beat the hurricane and bird seasons.

The pathologist said it will take at least two years to determine which of some 12 promising varieties are best suited to S.C. conditions.

"This is our first year of growing rice," he smiled. "The only thing we have to go on is the experience of owners of duck hunting land who have been growing rice quite successfully for the past few years.

"We're going to look at both flood rice and dryland rice," he added. "The same varieties are being grown in both areas to determine which are better suited."

Sitterly noted the only key difference between flood rice and dryland rice is the use of water in flooding, but "the yields of those varieties grown without water are never as high as those grown with water."

Planting sites are not hard to come by either, according to Sitterly. "As far as we can see, there shouldn't be any reasons why you can't grow rice along the coastal areas of S.C. or inland throughout the Coastal Plain. All you have to do is plant it similar to wheat," he said.

Two years from now, the researchers hope to have some answers to give persons interested in growing rice. "I have a file of letters an inch thick, one from as far away as Brunswick, Ga., wanting to know our latest rice growing recommendations," Sitterly said.

But Sitterly emphasized the real future of rice in the Palmetto State will be determined by the legislation which would eliminate quotas permanently.

"That bill pending in Congress is of prime importance to us," Sitterly says. If we could just get the quotas lifted long enough to get our farmers producing rice, we could possibly have our allotments at that particular level if they decide to re-establish quotas later."

Mr. TUNNEY. Mr. President, I am voting today against cloture on the Rice Production Act of 1975 in the hopes that a compromise can soon be reached—a fair and just compromise which not only the rice producers of California and the rest of the country will be satisfied with, but also one which new rice growers can live with.

For the past several days the distinguished Senators from Louisiana, Mr. LONG and Mr. JOHNSTON, have eloquently explained the problems we would face with the passage of this bill, S. 2260.

California is winding up with the largest rice harvest of its history and reports continue to come in from around the world that every rice producing country has a surplus this year. The market is glutted. Without growing any rice in 1976, California will have enough rice in surplus to meet all of next year's requirements. And the other rice producing States, Louisiana and Texas, are experiencing similar problems.

Lifting the planting restrictions in the next 2 years, by scrapping the present system of allotments and marketing, would permit farmers in suitable States to enter into rice production for the first time. The problem here is not added competition between States, but rather, if there will be any competition in the world market with open production at this time. The U.S. rice industry has had unrestricted production for the last 2 years and as a result production has increased incredibly. World production has increased 6 percent in the last year—with the result that all rice-producing countries in the world are self-sufficient or have rice available for export.

Although it is doubtful that present production restrictions can now be retained, I believe it is of the utmost importance that we reach a compromise agreement and not pass legislation while the rice farmers are voting in the USDA referendum on the 1976 marketing quotas. The results of the referendum will be announced around February 15 by the Department of Agriculture so I believe we must use this time now until the results have been announced to come to a just compromise between advocates of S. 2260 and the old rice producers.

Several compromises have been floating around the last couple days and from what I can determine the old rice growers are willing to go more than half way to come to some agreement which will break the impasse. Senator TALMADGE, the chairman of the Agriculture Committee, has also responded to the letter I sent along with Senator CRANSTON and the Senators of Louisiana and Texas that he now also wants a compromise.

If the changes proposed by S. 2260 were likely to result in any meaningful benefit to the average American consumer, I might look more favorably to a system of target-pricing and open-production, but there seems to be no relationship between the price the consumer pays and the price the farmer receives. I have always thought that it was more important to look at ways to narrow the unprecedented farm-retail spread than to change the basic concepts of the rice law. The thought of an even greater surplus and the threat that small and medium-sized farmers might go out of business because of that surplus makes it all the more necessary that an agreement is reached soon on this bill, so we will not have to be agonized by the lists of amendments which will surely follow.

I reiterate that my vote against cloture is a vote for compromise and a vote to first of all let the rice growers of this Nation be heard by their ballots.

Mr. EASTLAND. Mr. President, this bill is an effort to keep the rice program alive and a viable part of our agricultural economy. Few people realize the importance of our rice industry. Though less than 15,000 of our farmers produce rice, it supplies the needs of our domestic population and we export from 60 to 70 percent of our production. Last year these exports earned over $1 billion and accounted for nearly 5 percent of our total agricultural export income.

We have had 2 years of open planting and rice production has grown substantially, and both domestic and export markets have increased. This progress was made under the suspension of the present rice law which had to be reimposed under our present supply situation. Secretary Butz announced marketing quotas on rice for the 1976 crop on December 31, 1975. Without this bill, we are back to very restricted production, limited supplies, high price supports and Government subsidies.

This bill contains several important provisions. It provides a 2-year program for the 1976 and 1977 crops without marketing quotas and raises the minimum acreage allotment for old growers to 1.8 million acres. It protects the allotment rice grower with a $6 per cwt loan and an $8 target price adjusted each year for changes in the index of prices paid by farmers for production inputs on the production from allotted acres.

It will permit new growers to plant rice, and allotment growers to plant in excess of their allotment, without penalty but without the benefit of price supports or target prices on the unallotted acres.

The allotment grower receives several improvements in this bill. It increases his minimum allotment for 2 years by 147,000 acres. It gives him a target price with the largest base. It provides a disaster provision, not in the present law. It also retains a reasonable loan level for his allotment production. It gives the rice producer the opportunity to fight to retain the gains, and to build increased export markets on a price competitive basis.

The Secretary of Agriculture, under the present law, had to announce the rice program before December 31, 1975. He also had to announce the Rice Referendum, which will be held January 30, 1976. If we are to improve the rice producers program, we need to take action now. The House has already acted on a good bill and the Senate should accept it. Both old and new growers need to know what the program will be in order to plan—to decide to or not to plant—how much to plant, if any—to obtain financing—and to book seed and fertilizer.

The provisions in the present law are too restrictive to permit farmers to produce adequately for world markets. This is one of the chief needs for amending the existing law by the passage of the pending bill. We should not, under archaic law, announce to the world that we are reducing food production while some of our own people are hungry and millions in other countries are facing starvation.

The existing law does a disservice to our rice producers, our consumers and our foreign customers in that the acreage provisions and the price support formula will curtail production opportunity through reduced acres, will increase domestic prices and will cause us to lose world markets. Acreage restrictions would not let us produce the rice, and we would not have it available. That which we produce on the restricted acres would be priced above world market prices by our price support formula and that which we would export would be partially at the taxpayers' expense.

In the last 2 years, the price support formula has raised the price support from $6.07 per hundredweight to $8.52 per hundredweight this year. If the price support formula works over the next 2 years at the same ratio, our floor price on rice would be nearly $11 per hundredweight or above present world prices. This would cause all rice for export to be washed through the Commodity Credit Corporation loan program.

The opponents of the bill fear that open-ended planting would produce an excessive amount of rice and cause depressed prices. I would like to point out that the old grower would be protected on his allotted acres by the target price which is profitable at today's production costs. The new grower, who would not have the benefit of the target price nor even the lower support price, would hesitate to plant excessive acreage from which he could not recover the cost of production and a profit. Further, production credit sources would not advance money for farmers to operate at a loss.

Mr. President, since 1954 we have operated on a philosophy that the farmer did not have sufficient judgment to measure markets, prices, production costs, and figure profits on the basis of his know-how and available land and water resources. Our programs have required the Government to exercise control over the farmers production opportunities and set his prices until the passage of the 1973 act.

In that act, the Congress and the administration accepted the premise that the farmer could exercise judgment in planting food grain crops other than rice on a choice basis. During these years, the farmer has shown excellent judgment, has produced abundant food crops and has supplied our domestic needs and exports to the tune of $20–$23 billion annually. Because of the abundant market demand overseas, both our crops of wheat and feed grains have moved into export and our Presidents, right or wrong, imposed export quotas on soybeans, wheat and feed grains on a total or limited basis. Because of this abundant market, the Secretary of Agriculture has suspended quotas on rice for the last 2 years. We have been and are able to offer rice to the two-thirds of the world's population that prefer it as a food grain. Without the passage of this bill, that opportunity will cease, and more pressure will be placed on our other food grain crops to feed a hungry world.

Mr. President, in my judgment, this bill is needed by the farmers of America, the consumers of America and the hungry peoples of the world. I urge the Members of the Senate to vote for its passage.

CLOTURE MOTION

The **PRESIDING OFFICER.** The time for debate under the unanimous-consent agreement having expired, pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion, which the clerk will state.

The legislative clerk read as follows:

CLOTURE MOTION

We the undersigned Senators hereby move, pursuant to rule XXII of the Standing Rules of the Senate, to bring to a close debate on H.R. 8529, the Rice Production Act.

1. Dale Bumpers
2. Walter D. Huddleston
3. Wendell H. Ford
4. Gary Hart
5. Gale W. McGee
6. Patrick J. Leahy
7. Philip A. Hart
8. Harrison A. Williams
9. Hugh Scott
10. Hiram L. Fong
11. Thomas F. Eagleton
12. Claiborne Pell
13. Daniel K. Inouye
14. John A. Durkin
15. Robert P. Griffin
16. Richard (Dick) Stone

CALL OF THE ROLL

The **PRESIDING OFFICER.** Pursuant to rule XXII, the Chair now directs the clerk to call the roll to ascertain the presence of a quorum.

The second assistant legislative clerk called the roll, and the following Senators entered the Chamber and answered to their names:

[Quorum No. 3 Leg.]

Abourezk
Allen
Baker
Beall
Bellmon
Brock
Bumpers
Byrd, Robert C.
Cranston
Culver
Domenici
Ford
Garn
Glenn
Goldwater
Gravel
Hansen
Haskell
Helms
Huddleston
Johnston
Laxalt
Long
Magnuson
Mansfield
McClellan
McGee
Morgan
Packwood
Pastore
Ribicoff
Roth
Sparkman
Stafford
Stennis
Stone
Talmadge

The **PRESIDING OFFICER** (Mr. HANSEN). A quorum is not present.

Mr. **MANSFIELD.** Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The **PRESIDING OFFICER.** The Sergeant at Arms will execute the order of the Senate.

Pending the execution of the order, the following Senators entered the Chamber and answered to their names:

Bentsen
Biden
Brooke
Buckley
Burdick
Byrd,
  Harry F., Jr.
Cannon
Case
Chiles
Church
Clark
Curtis
Dole
Durkin
Eagleton
Eastland
Fannin
Fong
Griffin
Hartke
Hatfield
Hathaway
Hollings
Hruska
Humphrey
Inouye
Javits
Kennedy
Leahy
McClure
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Pearson
Pell
Percy
Proxmire
Randolph
Scott, Hugh
Scott,
  William L.
Stevens
Stevenson
Taft
Thurmond
Tower
Tunney
Weicker
Williams
Young

Mr. **ROBERT C. BYRD.** I announce that the Senator from Indiana (Mr. BAYH), the Senator from Michigan (Mr. PHILIP A. HART), the Senator from Washington (Mr. JACKSON), and the Senator from South Dakota (Mr. McGOVERN) are necessarily absent.

I further announce that the Senator from Colorado (Mr. GARY HART) is absent on official business.

I also announce that the Senator from Missouri (Mr. SYMINGTON) is absent because of illness.

Mr. **GRIFFIN.** I announce that the Senator from Maryland (Mr. MATHIAS) and the Senator from Pennsylvania (Mr. SCHWEIKER) are necessarily absent.

I also announce that the Senator from Oklahoma (Mr. BARTLETT) is absent on official business.

The **PRESIDING OFFICER** (Mr. FANNIN). A quorum is present.

VOTE

The **PRESIDING OFFICER.** The question is, Is it the sense of the Senate that debate on H.R. 8529, a bill to establish improved programs for the benefit of consumers and producers of rice, shall be brought to a close?

The yeas and nays are mandatory under the rule, and the clerk will call the roll.

The legislative clerk called the role.

Mr. **MORGAN** (after having voted in the negative). Mr. President, on this vote I have a pair with the Senator from Washington (Mr. JACKSON) and the Senator from South Dakota (Mr. McGOVERN). If they were present and voting, they would vote "yea." If I were at liberty to vote, I would vote "nay." Therefore, I withdraw my vote.

Mr. **ROBERT C. BYRD.** I announce that the Senator from Indiana (Mr. BAYH), the Senator from Michigan (Mr. PHILIP A. HART), the Senator from Washington (Mr. JACKSON), the Senator from Arkansas (Mr. McCLELLAN), and the Senator from South Dakota (Mr. McGOVERN) are necessarily absent.

I further announce that the Senator from Colorado (Mr. GARY HART) is absent on official business.

I also announce that the Senator from Missouri (Mr. SYMINGTON) is absent because of illness.

Mr. **GRIFFIN.** I announce that the Senator from Maryland (Mr. MATHIAS) and the Senator from Pennsylvania (Mr. SCHWEIKER) are necessarily absent.

I also announce that the Senator from Oklahoma (Mr. BARTLETT) is absent on official business.

The yeas and nays resulted—yeas 70, nays 19, as follows:

[Rollcall Vote No. 21 Leg.]

YEAS—70

Abourezk
Baker
Beall
Bellmon
Bentsen
Brock
Brooke
Bumpers
Burdick
Byrd, Robert C.
Case
Chiles
Church
Clark
Culver
Curtis
Dole
Domenici
Durkin
Eagleton
Eastland
Fannin
Fong
Ford
Garn
Glenn
Gravel
Griffin
Hansen
Hartke
Hatfield
Hathaway
Hollings
Hruska
Huddleston
Humphrey
Inouye
Javits
Kennedy
Laxalt
Leahy
Magnuson
Mansfield
McClure
McGee
McIntyre
Metcalf
Montoya
Moss
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Scott, Hugh
Stafford
Stennis
Stevens
Stevenson
Stone
Taft
Thurmond
Weicker
Williams
Young

NAYS—19

Allen
Biden
Buckley
Byrd, Harry F., Jr.
Cannon
Cranston
Goldwater
Haskell
Helms
Johnston
Long
Mondale
Nunn
Roth
Scott, William L.
Sparkman
Talmadge
Tower
Tunney

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Morgan, against.

NOT VOTING—10

Bartlett
Bayh
Hart, Gary
Hart, Philip A.
Jackson
Mathias
McClellan
McGovern
Schweiker
Symington

The PRESIDING OFFICER. Three-fifths of the Senators duly chosen and sworn having voted in the affirmative, the motion is agreed to.

THE RICE PRODUCTION ACT OF 1975

The Senate continued with the consideration of the bill (H.R. 8529) to establish improved programs for the benefit of producers and consumers of rice.

The PRESIDING OFFICER. Each Senator now has not more than 1 hour for debate.

Who yields time?

Mr. LONG. Mr. President, I have an amendment at the desk which I wish to call up. I have a copy of it in my hand.

The PRESIDING OFFICER. The amendment will be stated.

Mr. LONG. Mr. President, I send the amendment to the desk.

The PRESIDING OFFICER. The Senate will be in order. The Chair cannot hear the Senator from Louisiana.

The amendment will be stated.

The legislative clerk read as follows:

The Senator from Louisiana (Mr. LONG) for himself and Mr. JOHNSTON proposes an amendment in the nature of a substitute.

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

That this Act may be cited as the "Rice Production Act of 1976".

SEC. 2. Effective for the 1976 through 1978 crops of rice, sections 352 and 353 of the Agricultural Adjustment Act of 1938 are amended to read as follows:

"NATIONAL ACREAGE ALLOTMENT

"SEC. 352. (a) (1) The national acreage allotment for rice for 1976 shall be 2.2 million acres.

"(2) The national acreage allotment for rice for 1977 and subsequent years shall be an amount of acreage determined by the Secretary sufficient to produce an amount of rice adequate to meet domestic consumption and export requirements for the marketing year commencing in the calendar year for which the allotment is established, plus a carry-over equal to 10 per centum of such amount.

"(3) In no year shall the national acreage allotment for rice be established at less than 1.8 million acres.

"APPORTIONMENT OF NATIONAL ACREAGE ALLOTMENT

"SEC. 353. (a) The national acreage allotment for the 1976 crop of rice shall be apportioned by the Secretary to farms and, in producer States and administrative areas, to producers as follows:

"(A) 1.8 million acres shall be apportioned among farms which, and producers who, had rice acreage allotments for the 1975 crop, and shall be apportioned on the same basis as the national acreage allotment for 1975 was apportioned among farms and producers; and

"(B) 400,000 acres shall be apportioned among new farms and new producers making application for rice acreage allotments for the 1976 crop.

"(b) The national acreage allotment for the 1977 and subsequent crops of rice shall be apportioned by the Secretary among the several States in which rice is produced on the basis of the rice allotments established in each State in 1976.

"(c) Except as otherwise provided in subsection (f), the State acreage allotment for 1977 and subsequent years shall be apportioned to farms owned or operated by persons who had rice acreage allotments in the State in the preceding year, and shall be apportioned on the same basis as acreage allotments were apportioned in such preceding year.

"(d) If the Secretary determines that part of the State acreage allotment should be apportioned on the basis of past production of rice by the producer on the farm and part on the basis of the past production of rice on the farm, he shall divide the State into two administrative areas, to be designated 'producer administrative area' and 'farm administrative area', respectively, which areas shall be separated by a natural barrier which would prevent each area from being readily accessible to rice producers in one area for producing rice in the other area, and each such area shall be composed of whole counties. For purposes of this section, in States which have been divided into administrative areas pursuant to this subsection the term 'State acreage allotment' shall be deemed to mean that part of the State acreage allotment apportioned to each administrative area and the word 'State' shall be deemed to mean 'administrative area', wherever applicable.

"(e) (1) For the purposes of this section—

"(A) a 'new farm' is a farm which had no rice acreage allotment for the immediately preceding crop year, or a farm for which the allotment in such year was equal to less than 25 per centum of the cropland on the farm suitable for the production of rice, as determined by the appropriate county committee; and

"(B) a 'new producer' (in the case of producer administrative areas) is a producer who had no rice acreage allotment for the immediately preceding crop year, or a producer who had a producer acreage allotment in such year equal to less than 25 per centum of the cropland (owned or otherwise controlled by the producer in a producer allotment area) suitable for the production of rice, as determined by the appropriate county committee.

"(2) Notwithstanding any other provision of this section, no farm or producer in any State shall qualify as a new farm or new producer for the 1976 crop year if no rice was planted on the farm, or, in the case of a producer in a producer administrative area, no rice was planted by the producer in such State, in 1975.

"(3) Each new farm or new producer shall be entitled to a maximum rice acreage allotment equal to the lesser of the following: (A) 150 acres, or (B) an acreage equal to 25 per centum of the cropland on the farm or (in the case of a producer in a producer administrative area) of the cropland under the control of the producer suitable for the production of rice, as determined by the appropriate county committee.

"(4) In determining the eligibility of any farm or producer for an allotment as an old farm or old producer, such farm or producer shall not be considered to have produced rice on any acreage which under subsection (h) is either not to be taken into account in establishing acreage allotments or is not to be credited to such producer.

"(5) If the amount of acreage available in any year for allocation to new farms and new producers is less than the total acreage for which application was made, the Secretary shall reduce the acreage allotment requested in each application by an amount which bears the same ratio to the total acreage requested in the application as the total acreage available for allocation to new farms and producers bears to the total acreage allotments requested in all applications.

"(6) If the amount of acreage available for allocation to new farms and new producers exceeds the amount of acreage for which applications were made, the Secretary shall apportion the excess acreage among—

"(A) all farms (old and new) on which the rice acreage allotment is less than 33 per centum of the total cropland on the farm suitable for the production of rice, as determined by the appropriate county committee, and

"(B) all producers (old and new), in the case of producer administrative areas, whose rice acreage allotments are less than 33 per centum of the total cropland under the producer's control suitable for the production of rice, as determined by the appropriate county committee.

In the event the amount of excess acreage available for apportionment under this paragraph is less than the total acreage for which application is made, the Secretary shall reduce the additional acreage requested in each application by an amount which bears the same ratio to the total additional acreage requested for any farm or by any producer as the total excess acreage available for reallocation bears to the total additional acreage requested in all applications.

"(f) In any year in which the Secretary establishes the national acreage allotment for rice in excess of 2.8 million acres, the amount of acreage in excess of 2.8 million acres shall be apportioned among new farms and new producers making application for rice acreage allotments on the same basis that acreage allotments were apportioned to new farms and new producers in 1976, except that there shall be no requirement that rice has been planted on the farm or by the producer in any previous year.

"(g) Not to exceed 1 per centum of the national acreage allotment apportioned within any State in any year may be reserved by the State committee for making adjustments in farm allotments to correct inequities or to prevent hardships, and for making corrections in farm or producer allotments.

"(h)(1) Any acreage planted to rice in excess of the farm acreage allotment shall not be taken into account in establishing State, county, and farm acreage allotments.

"(2) In determining the past production of rice by producers on a farm for the purpose of establishing farm acreage allotments for the 1976 and subsequent crops, the acreage of rice on the farm for any year for which farm acreage allotments were in effect shall be divided among the producers thereon in the proportion in which they contributed to the farm acreage allotment.

"(i)(1) The Secretary shall permit the owner and operator of any farm for which a farm acreage allotment has been established to sell or lease all or any part, or the right to all or any part of such allotment, to any other owner or operator of a farm in the same administrative area, or to transfer all or any part of such allotment to any other farm owned or controlled by him in the same administrative area. The Secretary shall also permit the person for whom a producer allotment has been established to sell or lease all or any part of such allotment to any other person in the same administrative area.

"(2)(A) If a producer in a State in which farm rice acreage allotments are determined on the basis of past production of rice by the producer on the farm dies, his history of rice production shall be apportioned in the whole or in part among his heirs or devisees according to the extent to which they may continue, or have continued, his farming operations, if satisfactory proof of such succession of farming operations is furnished the Secretary.

"(B) Upon dissolution of a partnership in a State in which farm rice acreage allotments are determined on the basis of past production of rice by the producer on the farm, the partnership's history of rice production shall be divided among the partners in such proportion as agreed upon in writing by the partners.

"(C) Any part of the farm rice acreage allotment on which rice will not be planted and which is voluntarily surrendered to the county committee shall be deducted from the allotment to such farm and may be reapportioned by the county committee to other farms in the same county in amounts determined by the county committee to be fair and reasonable. Any allotment surrendered under this subparagraph shall be regarded for purposes of this subsection as having been planted on the farm from which it was surrendered.

"(j) Any acreage planted to rice in excess of the farm or producer acreage allotment in the crop years 1976 through 1978 shall not be taken into account in establishing farm or producer acreage allotments in any year following such period.".

Sec. 3. In order to carry out the amendments made by this Act, the Secretary of Agriculture shall begin accepting applications for rice acreage allotments for the 1976 crop within 15 days after the date of enactment of this Act and shall accept such applications for a period of 15 days.

Sec. 4. Effective for the 1976 through 1978 crops of rice, section 354 of the Agricultural Adjustment Act of 1938 is amended to read as follows:

"MARKETING QUOTAS

"Sec. 354. Marketing quotas shall be in effect with respect to any crop of rice for which acreage allotments were in effect under this Act.".

Sec. 5. Effective for the 1976 through 1978 crops of rice, section 101 of the Agricultural Act of 1949 is amended by adding at the end thereof a new subsection as follows:

"(g) The Secretary shall make available, to cooperators in the several States of the United States, loans and purchases on the 1976 crop of rice at a rate equal to $7.50 per hundredweight, adjusted to reflect any changes in the index of prices paid by farmers for production items, interest, taxes, and wage rates during the period beginning on the date of the enactment of the Rice Production Act of 1976 and ending on July 31, 1976. Loans and purchases for the 1977 and subsequent crops of rice shall be established at a rate equal to the adjusted rate for the preceding year, adjusted to reflect any changes in the index of prices paid by farmers for production items, interest, taxes, and wage rates during the period beginning on August 1 of the preceding year and ending on July 31 of the year for which the rate is being computed. The loans and purchases for any crop shall be made available only to cooperators.".

Sec. 6. Section 408 (b) of the Agricultural Act of 1949 is amended by striking out the period at the end of the first sentence and inserting in lieu thereof the following: ": *Provided further*, That for the 1976 through 1978 crops of rice, a cooperator shall be a person who produces rice on a farm for which a farm acreage allotment has been established or to which a producer acreage allotment has been allocated.".

Sec. 7. Effective only with respect to the 1976 through 1978 crops of rice, section 408 of the Agricultural Act of 1949 is amended by adding at the end thereof the following new subsection:

"REFERENCE TO TERMS MADE AVAILABLE TO RICE

"(m) Reference made in sections 402, 403, 406, 407, and 416 to terms 'support price', 'level of support', and 'level of price support' shall be considered to apply as well to the level of loans and purchases for rice under this Act, and references made to the terms 'price support', 'price support operation', and 'price support program' in such sections and in section 401 (a) shall be considered as applying as well to the loan and purchase operations for such rice in this Act.".

Mr. LONG. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. LONG. Mr. President, this amendment proposes a 20-percent increase in rice acreage for the coming year, which means 400,000 additional acres to be allotted to the new producers of rice. Every bit of that rice will go into storage.

The PRESIDING OFFICER. The Senate will be in order. Senators conversing will retire to the cloakroom. The Senator will suspend until the Senate is in order.

Mr. LONG. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. LONG. Mr. President, this amendment proposes an increase of 400,000 acres for rice production. Under the old structure of the law, this would allow what amounts to a 20-percent increase in rice acreage and allocate all of that to those farmers who went into the production of rice recently, with each one having the privilege of having 150 additional acres of rice production—none of it for the old farmers.

This will be a tremendous increase in rice production, but at least it will have some limitation. The alternative is to have vast, unlimited production of rice, with the Government being required to buy every bit of it. This would provide a drop in the price that would be supported from $8.50 to $7.50. All allotment holders, both old and new, would be eligible.

If the Secretary of Agriculture, in future years, were to increase acreage above the 2.8 million acres, he would have the option to declare a new allocation period for additional grower allotments.

This amendment proposes a big increase in rice production at a time when we already have on hand three times as much as we can carry over. But at least we would have some control on rice production, and we would not have the ridiculous anomoly of very wealthy people going into rice for the first time, when we have enormous surpluses and when the Government will have to buy all of it, with those people planting unlimited acreage, which places the burden on the Treasury of the United States and on the taxpayers, for no purpose other than merely to make it possible for more and more people to produce something which we have in great surplus. The Government would have to buy it, and the Government has no market, no one to whom it can even give this additional rice.

I hope the amendment is agreed to.

Mr. MAGNUSON. Mr. President, will the Senator yield me 10 seconds, on my time?

Mr. HUDDLESTON. I yield.

FISHERIES MANAGEMENT AND CONSERVATION ACT

Mr. MAGNUSON. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 200.

The PRESIDING OFFICER (Mr. Fannin) laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H.R. 200) to provide for the conservation and management of the fisheries, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. MAGNUSON. I move that the Senate insist upon its amendment and agree to the request of the House for a conference, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. Magnuson, Mr. Pastore, Mr. Hollings, Mr. Muskie, Mr. McIntyre, Mr. Kennedy, Mr. Pell, Mr. Pearson, Mr. Stevens, Mr. Beall, Mr. Weicker, and Mr. Packwood, conferees on the part of the Senate.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that H.R. 200, as amended and passed by the Senate, be printed for the use of the Senate and that 500 copies be delivered for use of the Senate Committee on Commerce.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE RICE PRODUCTION ACT OF 1975

The Senate continued with the consideration of the bill (H.R. 8529) to establish improved programs for the benefit of producers and consumers of rice.

Mr. HUDDLESTON. Mr. President, the amendment offered by the distinguished Senator from Louisiana does not materially affect the present program and would not be consistent with the objectives of the legislation we are considering. It still would maintain the production of rice within a locked-in program.

Therefore, I move that the amendment of the Senator from Louisiana be tabled.

Mr. JOHNSTON. Mr. President, will the Senator withhold that motion for a few minutes?

Mr. HUDDLESTON. I withhold, until the Senator from Louisiana has had an opportunity to comment.

Mr. JOHNSTON. I thank the Senator from Kentucky.

Mr. President, this is the compromise bill we have been speaking about. We recognize that this bill has been well lobbied. The brewers have been in here with the best lobbyists that are available. The so-called consumer groups, in my judgment, have been sold a bill of goods.

I fear that unless this amendment is agreed to, many small farmers of Louisiana will go down the drain, as will many small farmers in other parts of the country. I fear that many of those farmers from other parts of the country, our neighbors in Mississippi and our neighbors in Arkansas, when they have a little chance to enjoy the fruits of this law, if the bill is passed and our amendments fail, are going to have very agonizing reappraisals.

If, in fact, they get into the rice planting business, where they are not now in that business, I think we shall find, Mr. President, that there is going to be a glut of rice on the national market and on the international market the like of which we have not seen before, at a price that is through the bottom of the floor. In the process, there will be a lot of broke and bankrupt rice farmers.

This amendment will increase the amount of rice acreage from 1.6 million on allotment, roughly, which will be provided for in the 1976 crop, to 2.2 million, an increase of almost 600,000 acres this year. Mr. President, that is more than enough to cover any demand for rice that anybody would have. It is more than enough to provide for the world markets. Indeed, we have as carryover, right now, in the bins virtually enough rice to cover all of next year's consumption in this country. Already, we have that in the bins from last year's crop.

On top of that, if this bill should pass in its unamended form, we are going to have a glut of rice, as I say, that will never be disposed of, in my judgment. The rice farmers in my State presently have 70 percent of their rice crop already in the bins that they cannot move. If this bill should pass without some kind of control on it, then that 70 percent, I predict, will rise to 100 percent and the docket in the bankruptcy court will rise precipitately.

Mr. President, this is, I think, a reasonable compromise, one designed to cover all of our domestic and foreign markets at reasonable prices, and to give the farmer, particularly the small farmer, a chance to survive. I fear, Mr. President, that the importuning of "consumer" groups has been heard in the Senate. I wish to point out to consumer groups, if, indeed, they are the ones exercising the great political power which I saw exercised on that cloture vote, that the rice farmer is getting 2 cents less than he was in 1973, but the price of rice at the store, at retail, is now 500 percent what the farmer gets. Back in 1973, it was only 200 percent what the farmer gets. Now it is 500 percent—five times. That is the problem we need to address ourselves to. It is true in other commodities as well, but particularly in rice.

If the price is too great, do not take it off the back and the hide of the farmer. It is not his fault. His price is going down. It is the brewer and the miller and those middle men who are grabbing the profit from the rice business, not the rice farmer.

Mr. President, this amendment is a reasonable one. It will cost the Government less than the present bill; it will provide all the rice we can possibly market, both nationally and internationally, and, in the process, preserve the American rice farmer. I ask favorable passage of this amendment.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. HUDDLESTON. Mr. President, if the Senator from Louisiana is concerned that so many rice farmers will go out of business under the proposed legislation, H.R. 8529, provides a protection level of $8 as a target price; the amendment that has been offered provides anly a loan level of $7.50. It appears that they will be more likely to go broke under the amendment.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HUDDLESTON. Yes.

Mr. LONG. The way I understand this bill, it is nice to talk about the protection this bill provides, but in so many situations, there is really no protection at all. For example, this target protection varies between $2 and zero. If it were in effect this year, there would be no deficiency payments, because a 5 months' average, August to December 1975, would exceed $8. Under S. 2260, this loan level protection would be reduced to $6.

Mr. HUDDLESTON. Is the Senator asking me a question?

Mr. LONG. Is that correct?

Mr. HUDDLESTON. The point was made that the marketing year on which the average will be computed begin in August. It is the year coming up and not the year that has just passed. So the figures are unknown at this time.

Mr. LONG. Then is this not correct: If this bill had become law at this time last year—in other words, if it were the law now, if it had been the law for this crop, would it not be so that, with rice selling above the $8 price during that market year, then any rice he had on hand now would not be entitled to any protection at all under the target price concept? He would be entitled to a loan level of $6 and he would not be entitled to any payment under the target price.

Mr. HUDDLESTON. If the market price were above the $8 level, he would not be entitled to the target price.

Mr. LONG. That is the test of the pudding. If we had this bill on the statute books now, if this were the existing law and had been the existing law during this last year, the farmers would not be entitled to $2, they would have been entitled to zero. They would have been entitled to nothing whatever under that target concept.

In addition to that, their loan price would have dropped off from $8.50 to $6. What my amendment seeks to do is at least to hold that loan value at $7.50, compared to what would now be about $8.50. So he would have less loan value. Admittedly, he has to settle for less. But not as little as he would have to settle for if this law were on the statute books today.

Mr. HUDDLESTON. But he has made money on the crop by selling it in excess of $8. The January price was $7.87. If that should prevail through the first 5 months of the marketing year, then we would see the target price come into play and would get the difference between the average market price and $8.

Mr. LONG. If the man had not been able to sell it at that time and he had the rice now, or had the rice still left on hand at the end of that crop year, he would be stuck with it.

Mr. HUDDLESTON. Whose time are we on, Mr. President?

The PRESIDING OFFICER. The time of the Senator from Louisiana. The Senator from Louisiana has the floor.

Mr. LONG. I asked the Senator to yield to me and he yielded. Charge it to my time; that is perfectly all right.

If he had not been able to sell it, would that not be the situation right now?

Mr. HUDDLESTON. No. If the average price is below the target price, he is entitled to the difference between the average price and the target price.

Mr. LONG. The point is, if the price during the crop year had been above the $8, then from that point forward, if the price goes down—if it goes down after December, would it not be correct that that man would then be left without any protection by the target price, and only a $6 loan level?

Mr. HUDDLESTON. Presumably, he would have sold his crop between August and December.

Mr. LONG. But if he had not been able to sell it, he would have no protection; is that not correct? In Louisiana, we have a great number of people who have not been able to sell their crop yet.

Mr. HUDDLESTON. Then that is his option, whether or not he sells it, No. 1.

Second, he still has the rice. The protection is still there.

Mr. LONG. Without the bill we have before us, I say to the Senator, he would be protected at an $8.50 price. Under the amendment I am offering, he would be protected at $7.50. Under the bill we have before us, that man would have his level of protection reduced to $6. That is just about the price that people were getting for rice when I was elected to the Senate 28 years ago. The Senator knows how much everything else has gone up in cost since that time, for the farmers and all the others.

Mr. HUDDLESTON. Mr. President, I move to table the amendment of the Senator from Louisiana and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The question is on agreeing to the motion. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

(At this point Mr. Goldwater assumed the Chair.)

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Iowa (Mr. Clark), the Senator from Michigan (Mr. Philip A. Hart), the Senator from Washington (Mr. Jackson), the Senator from South Dakota (Mr. McGovern), and the Senator from California (Mr. Tunney) are necessarily absent.

I further announce that the Senator from Colorado (Mr. Gary Hart) is absent on official business.

I also announce that the Senator from Missouri (Mr. Symington) is absent because of illness.

On this vote, the Senator from Washington (Mr. Jackson) is paired with the Senator from California (Mr. Tunney). If present and voting, the Senator from Washington would vote "yea" and the Senator from California would vote "nay."

I further announce that, if present and voting, the Senator from Iowa (Mr. Clark) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from New York (Mr. Buckley), the Senator from Maryland (Mr. Mathias), and the Senator from Pennsylvania (Mr. Schweiker) are necessarily absent.

I also announce that the Senator from Oklahoma (Mr. Bartlett) is absent on official business.

The result was announced—yeas 62, nays 26, as follows:

[Rollcall Vote No. 22 Leg.]

YEAS—62

Abourezk
Allen
Baker
Beall
Biden
Brock
Brooke
Bumpers
Case
Church
Culver
Curtis
Dole
Domenici
Durkin
Eagleton
Eastland
Fannin
Garn
Glenn
Goldwater
Gravel
Griffin
Hansen
Hartke
Hatfield
Hathaway
Hollings
Hruska
Huddleston
Humphrey
Inouye
Javits
Kennedy
Laxalt
Leahy
Magnuson
McClellan
McGee
McIntyre
Mondale
Montoya
Moss
Muskie
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevenson
Taft
Thurmond
Weicker
Williams
Young

NAYS—26

Bellmon
Bentsen
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Cranston
Fong
Ford
Haskell
Helms
Johnston
Long
Mansfield
McClure
Metcalf
Morgan
Nelson
Nunn
Packwood
Roth
Stevens
Stone
Talmadge
Tower

NOT VOTING—12

Bartlett
Bayh
Buckley
Clark
Hart, Gary
Hart, Philip A.
Jackson
Mathias
McGovern
Schweiker
Symington
Tunney

So the motion to lay on the table Mr. Long's amendment (No. 1364) was agreed to.

Mr. TOWER. Mr. President, a considerable length of time has been expended, and is likely to be expended, debating the merits of H.R. 8529, and what many of us perceive as its shortcomings. As a representative of the Nation's third largest rice-producing State, I feel it is incumbent to add to this discussion, in the hopes that enough of my colleagues will understand, as I do, that this is hardly the time to be changing directions in our rice program.

Right now, rice farmers across the Nation are voting whether we should continue with open production of rice as in the last 2 years, or whether we should return to marketing quotas and acreage controls in order to stabilize the rice market, which is presently faced with an enormous surplus of rice.

There are two aspects to the contention that any action taken now would be precipitous. First, it seems to me that the wisest course of action—and the one which is most consistent with our system of representative government—would be to await the decision of those individuals who have to live with a national rice program. This is hardly a far-fetched proposition, or one which would hope only to forestall the inevitable.

What we should do is make an honest effort to listen to the voice of the citizens involved in our decision, to make sure that we are not going off half-cocked on a new program that may be perceived by our constituents as being against their best interest.

I do not pretend that the decision of the ballots being cast right now is going to be unequivocal, or that there is a substantial number of rice farmers who want some change in the program. A large number of rice farmers have told me that the machinery of this program needs tuning and adjustment. But that is not what is being proposed here.

What is being proposed, in my opinion, is a wholesale overhaul—radical surgery—on a program that has worked well within limits since it was implemented.

Before we attempt to change this program, we ought to know what the desires of the farmers affected are.

I believe that these farmers—whether they be from Texas or from some other State—are going to let us know that they realize the severity of the problems facing the industry, and that they are aware of the dangers of open production in the coming year. If we ignore their concerns, and their warnings, we hardly do justice to the allusion to this body as the world's greatest deliberative body.

We do not do that title justice, Mr. President, by taking precipitous action before all the facts are in. And we do not do it justice by attempting to railroad through a program with which many of our colleagues may be unfamiliar, coming as they do from States remote from the rice-producing areas of this country.

As I said, the voting is now going on, all across the rice belt. Within a couple of weeks, that collective voice will be heard, and I think we ought to wait long enough to listen. My colleagues and I, who oppose this legislation at the present time, attempted to secure an agreement with proponents of this bill, to wait until the middle of February for a discussion of its merits and demerits, having with us the guidance of the electorate, the people we are supposed to represent in this body. Unfortunately, such an agreement could not be obtained.

I cannot help but question the wisdom of enacting or rejecting a program which essentially is up for referendum at this moment. It appears as if a full debate on the issue does not depend on what the persons affected have to say.

I believe we must have that opinion, Mr. President. I think it is essential to correct whatever misconceptions we may have about how this program will affect the farmers who will have to try to make a living, and will have to supply this country and the world with rice after the program is established.

There is a second reason for curbing the urge to rush over the precipice, and that is the need to educate ourselves about the present program, the proposal for change we have in front of us, and the alternatives which may be presented later. I know that one such proposal, in the form of a compromise, has been developed by the producers in rice growing States and is thought to combine the best aspects of this bill, the old program, and the need for fine tuning and adjustment of which my constituents feel are necessary

I do not believe for a minute that this body, were it fully aware of the plight of rice farmers today, would proceed to dismantle the only protection they have, cast it to the wind, and leave them in a position so vulnerable that many, if not most, will be unable to continue farming rice.

We often hear of the plight of a particular group of our constituents, and their proposals for solving the problem facing them. For many of my colleagues, the problem has been how to enter the present program with the advantages of growers who hold acreage allotments. This is a critical problem, and I fully believe that the ideal solution would be to have a perfectly free market environment in which all would participate.

There are rice farmers in my own State who would like to gain full access to the present program, so this is not an isolated problem. But I must say to the growers in other States what I say to my own constituents, that we do not have an ideal situation. We do not have a perfectly free market environment, and we cannot as long as the sale of the rice we plant is so dependent on the ups and downs of a world market.

I do believe, however, that we need to get more people into the rice allotment program, and we need to make that program work as it has in the past. This, Mr. President, is the essence of the proposed compromise. It is a compromise which does not destroy what we have, but builds on it to improve the lot of all rice producers.

What we must realize is that we are not in a position which allows us complete freedom of action. We cannot start all over with a new program as two teams might begin a football game.

The truth of the matter, Mr. President, is that we are going into the third quarter of that game, and our team of rice producers, whether they hold allotments or not, are substantially behind in the score.

They are behind in that score because of the severe drop in world demand for our rice over the past year, a year in which we went all out for full and open production of rice, and then saw the bottom drop out of the market. Even the most optimistic predictions of price levels this year are $2 to $3 below their record peak of 1974.

You might say that our team has been outscored 3 to 1 in the first half. Our carryover supplies, which may reach as high as 30 million hundredweight this year, are approximately three times as high as this country needs as a reserve and to fill the pipeline from farm to consumer.

I do not need to tell my colleagues what such an oversupply does to the prices received by producers. If none of us had any lessons in economics before we came here, this body has educated us to the forces of supply and demand. In gross economic terms, prices received have fallen by about $4 a hundredweight, from $12 to $8, in a little over a year. Some way we are still on the way down.

But let us not talk macroeconomic effects. Let us talk about the individuals who are on the producing end—the individuals who are just making it with today's prices.

I had the opportunity on several different occasions last fall to talk to these people, and what they told me does not augur well for the future of rice farming.

What I heard was that their costs of production have more than doubled over the past 7 years, as the cost of living has gone up another 150 percent.

What they told me was that they planted in anticipation of firm world demand at the beginning of the 1975 crop year, and later saw that demand evaporate like so much rain in west Texas.

What they said was that they have about 1 more year to try to get even after the losses of 1975, and if they cannot do so, they will be out of rice farming altogether.

Mr. President, what I heard from Texas rice farmers is no different than what my colleagues have heard from farmers in California or Louisiana, or other rice-growing States. The market is depressed—prices are depressed—and when this happens, the small farmers who cannot extend their loans for another year and have another year of bad prices, are going out of business.

As a matter of public policy, I do **not** believe we can afford to let that happen. And that brings me to H.R. 8529, because this is the bill that will make **it** happen, whether we intend it to happen or not.

Make no mistake about it, Mr. President. This is not a bill which will guarantee markets to rice farmers. Unless the world demand for rice improves, what it will guarantee, instead, is that many producers will be farming some other crop, if they are farming at all.

This is not a bill which will guarantee small producers an even break with those persons engaged in rice farming on a large scale. Quite the contrary, it will only guarantee that small farmers will go broke first, because, traditionally, they are the group with the smallest margin for error.

Mr. President, I have said that we should wait until farmers have completed the referendum on what type of a program they desire, before we decide whether H.R. 8529 is the kind of program which will do the country the most good.

I believe that the decision of these farmers will underline the doubts that I and many of my colleagues have about this bill.

I feel certain that the farmers in the rice belt are better aware of the impact of present rice stocks than we are, because they are the ones whose incomes are directly affected. They are the ones who will make it, or go broke trying.

I have no doubt that in this case, any action we take here in accepting this House measure will only harm the tenuous position of the rice community in this country.

Mr. President, this is not just my feeling or belief. Every national farm organization in this country is on record as supporting an alternative to this legislation. Each of these organizations represents rice farmers, and I think we ought to heed well their suggestions and advice. I doubt that there is a better counselor than the voice of agriculture when it comes to farm programs. Much of what is wrong with the way our farm programs are run today is because the voice of farmers is not heeded.

I understand that the chairman of the Senate Committee on Agriculture and Forestry, my good friend from Georgia, has endorsed an attempt to compromise the needs of old growers and those of new growers, and I think we should give him our attention.

There is much that can be said in this matter, and much that yet remains to be said. I know, however, that other of my colleagues can address the various issues better than I, and I welcome their participation in this debate.

Mr. President, I noticed that Congressional Quarterly listed a dozen or so key votes taken during our first session. I also noticed that not one of these was an agricultural issue. I do not know the criteria by which these various key votes were chosen, but when the selection occurs for this 2d session of the 94th Congress, this vote will be crucial for the future of rice farming in the United States.

For this reason, I believe we must say all that can be said in defense of both positions on this bill. There is no future in hiding from the facts, and there is no future in ignoring the voices of our constituents.

Mr. McCLELLAN. Mr. President, I support H.R. 8529, the "Rice Production Act of 1975" which Senator EASTLAND introduced on July 31, 1975. Its provisions are the same as S. 2260 with Senator STENNIS and myself as cosponsors. Since then Senators BUMPERS, EAGLETON, WILLIAMS, HATFIELD, and HARTKE have joined as cosponsors.

Last year I introduced S. 4121, the "Rice Act of 1974," with a majority of the members of the Agriculture Committee as cosponsors. That bill was also identical with the pending bill, and was unanimously reported from the Agriculture Committee in December of 1974. I am again cosponsoring this legislation to provide opportunities to continue rice production at a level consistent with growing domestic and foreign needs. H.R. 8529 is such a bill.

After months of effort, the language of this measure has been developed to strike a balance between the interests of old and new growers of rice with minimal risk of cost to the Government and with protection for cooperators participating in a market-oriented rice program. H.R. 8529 is identical in all significant respects to S. 2260 which was unanimously reported from the Senate Agriculture Committee on December 15. H.R. 8529 was passed by the House on December 16 by a 311 to 104 vote.

The "Rice Production Act of 1975" would establish for the rice producer, in the 1976 and 1977 crop years, the freedom and market-oriented policy which was provided for certain other farm commodities under the Agriculture and Consumer Protection Act of 1973. This law is working satisfactorily. That act applied the target price concept to wheat, feed grains, corn, sorghum, and milo, and upland cotton. H.R. 8529 would permit rice growers to make the same essential decisions concerning the amount of land to devote to rice based upon their evaluation of supply and demand conditions in the marketplace just as is done for other grain crops. It opposes a significant change from present rice policy, in existence for almost two decades, which has required the Department of Agriculture to restrict the rice supply. To exercise this authority, the Department has been forced to utilize various rice production programs with acreages varying between 1.65 million and 2.8 million acres. These fluctuations have not contributed to the stability of the rice industry. Neither the farmer nor the consumer can know what the next year will bring.

The new policy established by H.R. 8529 will encourage efficient use of the land by permitting the growth of rice in areas most suitable for its cultivation and thereby maximize the crop production at the most efficient and economical levels. Additionally, growers will have the flexibility to shift between rice and other crops based upon their assessment of market conditions. This program has the potential for allowing farmers to produce those crops which will yield them the best return on their investment and can provide relief to consumers by freeing the price of rice from the artificial influences of the present rice program with its restrictive production requirements.

Agricultural exports remain a significant factor in improving the Nation's balance-of-payments position. Historically, over 60 percent of our rice crop has moved into export channels making the United States the world's largest supplier. The 1974–75 U.S. exports of rice exceeded $1 billion—a substantial part of total U.S. agricultural exports. A number of OPEC countries have become increasingly important rice markets. In 1973 they, with other Middle Eastern countries, bought 155,000 tons of rice. In 1974, their cash purchases increased to 700,000 tons. By encouraging efficient land utilization and increased rice production, the Rice Production Act of 1975 can further enhance the competitive position of American rice in the world market and favorably influence our balance of trade which has been adversely affected by the increased costs of imported oil.

Continuing expanded production is important for humanitarian reasons as well as economic ones. The World Food Conference held in November 1974 in Rome, Italy, highlighted the increasing need for producing more of the world's basic food crops. Rice, the world's principal food crop, is the primary food of literally hundreds of millions of the world's people—millions of whom are among the most needy, hungry, and deprived. Information supplied to my office by the Department of Agriculture's Economic Research Service indicates that practically all gains in food production in less developed countries are absorbed by the rapid increase in population—a situation that condemns millions to continue living on a marginal or even starvation diet. Because the United States is the only country with the potential to expand efficient rice production, increased U.S. rice acreage, which would be encouraged by the Rice Production Act of 1975, could help provide more of the very basic substance of life for many of these people. The pending bill provides a unique opportunity for the Congress to address the problem of hunger in the world while providing a positive influence on our Nation's balance of trade and a workable new rice policy combining a measure of protection for our farmers and incentives which will allow continued production based upon the individual's assessment of market conditions.

The Secretary of Agriculture has been compelled, under current law, to drastically cut rice acreage for the 1976 crop. The reduction from this year's 2.8 million acres to the statutory minimum of 1.65 million acres, a decrease of over 40 percent, will have a drastic effect on U.S. rice production. This action, I think many would agree, is a step in the wrong direction.

Mr. President, I want to emphasize the need for change and improvement in the present rice law. An expanding overseas market provides a continuing opportunity, if our rice can sell at competitive prices, that should be seized, and indications are that now is the opportune time to do so. Passage of H.R. 8529 will provide the appropriate legal framework for capitalizing on this opportunity. The vote on cloture today, I think, clearly indicates the sentiments of this body, and I hope we can now proceed expeditiously to final passage.

Mr. President, I urge the Senate to pass this legislation without amendment so that our rice farmers—both allotment holders and new growers—will have adequate time to plan for the 1976 crop and the rice industry can continue its orderly expansion.

Mr. CRANSTON. Mr. President, I oppose this bill for reasons I stated earlier today—but I fear the die is cast, so I will not now go on at great length.

I will make a few brief points:

First, Rice farmers across the Nation—both old and new growers—are participating in a national referendum of the recent USDA decision to reimpose marketing quotas on rice production. The results of this referendum have not yet been tabulated, but by law the USDA must announce the results no later than February 15. That is, practically speaking, just a few legislative days away, since we have a recess coming up next week.

Late last week we attempted to get the other side to agree to a time certain to vote on this rice legislation on February 18—just 3 days after the referendum results must be announced and 2 days after we return from the February recess. But the other side has persisted in forcing the Senate to vote now—before the sentiment of rice growers themselves is known—to alter drastically the manner in which we structure our rice program.

It seems highly presumptuous of the Senate to prejudge the results of this referendum by voting on this bill before the results are tabulated and announced. Regardless of the individual preferences for or against the merits of H.R. 8529, out of respect for our rice growers and for our democratic procedures, it is unfortunate that we will now vote on this bill before the referendum is complete.

Second, Mr. President, much of the rationale for H.R. 8529 is unsupported by the facts. We hear a lot about the need to produce more rice to feed the hungry around the world. And I would be the first one to support this if rice were needed. The simple fact is, however, that rice is at this very moment in great surplus not only here at home but worldwide.

The current domestic carryover of rice is more than 42 million hundredweight—more than three times what is needed. And worldwide what has been termed an "extraordinary 1975–76 harvest of rice across virtually all of Asia" has resulted in a 6 percent increase over even last year's bumper crop.

Even more basic, Mr. President, is that the Department of Agriculture's own analysis of domestic and worldwide need for rice in the upcoming crop year prompted the Department to announce a reimposition of marketing quotas for the 1976–77 marketing year and to reduce the planted acreage to the minimum allowed by law—1.6 million acres. Even the USDA, despite Secretary Butz's desire to scrap the current rice program, recognizes that it makes little sense to plant more rice than we need. If we do, we will simply store it at taxpayers' expense in Government warehouses, or we will shift our domestic surplus to the world market through subsidized or free shipments.

Third, Mr. President, the one argument used by our colleagues on the other side of this issue which makes some sense is that perhaps the current program too severely restricts the entry of new rice growers—those who have not had the benefit of acreage allotments in the past. On this, I would like to say that for the past 2 marketing years there has been little to prevent a serious new rice grower from growing rice. For the past 2 years, marketing quotas—penalties for overproduction—have not been implemented. So it is a fair assumption that anyone with a serious desire to grow rice could have done so in 1974 and 1975.

The "compromise" rice program Senator LONG offered really had much to commend it. It would have generously set aside new rice acreage allotments for new rice growers. In 1976, 400,000 acres of allotments would have been distributed to new rice growers.

Mr. President, the Senate should vote today for the rice growers of America. The Senate should not proceed precipitously to prejudge the rice growers' own view of this complicated issue. We should wait until the ballots are counted.

Mr. HUDDLESTON. Third reading.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment——

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read a third time, the question is, Shall it pass?

Mr. MANSFIELD. Mr. President, did the Senator from Louisiana wish to speak before we vote?

Mr. JOHNSTON. Yes.

Mr. MANSFIELD. Mr. President, no action has been taken.

Mr. JOHNSTON. Mr. President, I shall be very brief. I suggest that the Members remain in the Chamber.

Mr. President, I do not plan to ask for a rollcall vote. I do not know whether or not the principal sponsors of the bill wish a rollcall vote.

Mr. President, even I can recognize the formidable nature of the support for this bill. It includes the very powerful Senators who have supported it. It includes consumer groups.

Mr. President, I understand that the sponsors of the bill are not going to ask for a rollcall, so I believe there will be no rollcall on this bill. My colleagues can return to their offices if they wish, unless a rollcall vote is asked for.

Before the final vote, Mr. President, I simply want to point out that there is a formidable array of opposition and, for that reason, we will not take the time of the Senate, either with protracted debate or with a protracted series of amendments.

I sincerely hope that our prediction of disaster for the small rice farmer will not materialize.

It is very curious to me that Senators from tobacco-producing States and peanut-producing States would be so anxious to take these quotas off.

I do not understand why 2.2 million acres would not be sufficient rice to cover all domestic needs and all that we could export. But, Mr. President, there comes a time when minds are fixed, and when the votes are against you; there comes a time when the odds are there, and I think you might as well face it.

For that reason, I reserve the remainder of my time and yield to my senior colleague.

Mr. LONG. Mr. President, I ask for the yeas and nays on passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is, Shall the bill pass? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Michigan (Mr. PHILIP A. HART), the Senator from Washington (Mr. JACKSON), the Senator from Wyoming (Mr. MCGEE), the Senator from South Dakota (Mr. MCGOVERN), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that the Senator from Colorado (Mr. GARY HART) is absent on official business.

I also announce that the Senator from Missouri (Mr. SYMINGTON) is absent because of illness.

On this vote, the Senator from Washington (Mr. JACKSON) is paired with the Senator from California (Mr. TUNNEY). If present and voting, the Senator from Washington would vote "yea" and the Senator from California would vote "nay."

Mr. GRIFFIN. I announce that the Senator from New York (Mr. BUCKLEY), the Senator from Maryland (Mr. MATHIAS), and the Senator from Pennsylvania (Mr. SCHWEIKER) are necessarily absent.

I also announce that the Senator from Oklahoma (Mr. BARTLETT) is absent on official business.

The result was announced—yeas 76, nays 12, as follows:

[Rollcall Vote No. 23 Leg.]

YEAS—76

Allen
Baker
Beall
Bellmon
Biden
Brock
Brooke
Bumpers
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Culver
Curtis
Dole
Domenici
Durkin
Eagleton
Eastland
Fannin
Fong
Ford
Garn
Glenn
Goldwater
Gravel
Griffin
Hansen
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Inouye
Javits
Kennedy
Laxalt
Leahy
Magnuson
Mansfield
McClellan
McClure
McIntyre
Mondale
Montoya
Moss
Muskie
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Scott, Hugh
Scott,
  William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Taft
Thurmond
Weicker
Williams
Young

NAYS—12

Abourezk
Bentsen
Burdick
Cranston
Johnston
Long
Metcalf
Morgan
Nelson
Roth
Talmadge
Tower

NOT VOTING—12

Bartlett
Bayh
Buckley
Hart, Gary
Hart, Philip A.
Jackson
Mathias
McGee
McGovern
Schweiker
Symington
Tunney

So the bill (H.R. 8529) was passed.

CHANGE OF VOTE ON H.R. 8529

Mr. CLARK. Mr. President, I inadvertently voted "No" on H.R. 8529. I intended to vote "Aye." It would not change the outcome of the vote. Therefore, I ask unanimous consent that my vote be recorded as "Aye."

The PRESIDING OFFICER. Without objection, it is so ordered.

(The rollcall vote on H.R. 8529 reflects the foregoing unanimous consent request.)

Mr. HUDDLESTON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MUSKIE and Mr. HUDDLESTON addressed the Chair.

Mr. HUDDLESTON. Mr. President, will the Senator yield me 1 minute?

Mr. MUSKIE. Yes, I yield to the Senator.

POSTPONEMENT OF CONSIDERATION OF S. 2260

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that S. 2260 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. MUSKIE. I yield.

REGULATION OF MINING ACTIVITIES WITHIN THE NATIONAL PARK SYSTEM

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, without the rights of the Senator from Maine (Mr. MUSKIE) being impaired, that the Senate resume consideration at this time of S. 2371.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 2371) to provide for the regulation of mining activity within, and to repeal the application of mining laws to, areas of the National Park System, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alaska.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield further to me so that I may make two additional requests?

Mr. MUSKIE. Yes, I yield.

EXTRADITION TREATIES WITH GREAT BRITAIN, NORTHERN IRELAND, AND SPAIN—REMOVAL OF INJUNCTION OF SECRECY

Mr. ROBERT C. BYRD. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the extradition treaty with the Government of the United Kingdom of Great Britain and Northern Ireland—executive A, 94th Congress, second session—and a supplementary treaty on extradition with Spain—executive B, 94th Congress, second session—both of which were transmitted to the Senate today by the President of the United States.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I ask unanimous consent that the treaties with accompanying papers be referred to the Committee on Foreign Relations and ordered to be printed, and that the President's messages be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The messages of the President are as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Extradition Treaty Between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland, together with a Protocol of Signature and an exchange of notes, signed at London on June 8, 1972. I transmit also, for the information of the Senate, the report of the Department of State with respect to the Treaty.

The Treaty, one of a series of extradition treaties being negotiated by the United States, significantly updates the present extradition relations between the United States and the United Kingdom and adds to the list of extraditable offenses both narcotic offenses, including those involving psychotropic drugs, and aircraft hijacking.

The Treaty will make a significant contribution to the international effort to control narcotics traffic and aircraft hijacking. I recommend that the Senate give early and favorable consideration to the Treaty and give its advice and consent to ratification.

GERALD R. FORD.

THE WHITE HOUSE, *February 3, 1976.*

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a supplementary treaty on extradition between the United States and Spain, signed at Madrid on January 25, 1975.

The supplementary treaty modifies our treaty on extradition with Spain by increasing from 30 to 45 days the period of time during which a person may be provisionally arrested and detained pending presentation, through diplomatic channels, of documents in support of an extradition request. This change is in keeping with modern extradition treaties and is intended to prevent the release of an arrested person for lack of properly prepared extradition papers.

I transmit also for the information of the Senate the report of the Department of State with respect to this supplementary treaty.

I recommend that the Senate give early and favorable consideration to the supplementary treaty, and give its advice and consent to ratification.

Gerald R. Ford.

The White House, *February 3, 1976*.

Mr. ROBERT C. BYRD. I thank the Senator from Maine.

GOVERNMENT ECONOMY AND SPENDING REFORM ACT OF 1976— S. 2925

Mr. MUSKIE. Mr. President, today on behalf of Senators Roth, Glenn, Bellmon, and myself, I am introducing a bill which I hope will accomplish for all Federal programs individually what budget reform has begun to do for the Federal budget as a whole, that is, to lend a new element of discipline and cohesiveness to the way the Federal Government handles the American taxpayer's money.

Mr. President, I ask unanimous consent to add the names of Senators Huddleston and Nunn to the list of cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. A variety of factors have brought me to this point today.

First and foremost, I suppose, are the regular public opinion polls telling us that the American people have lost faith in their Government. People do not think they are getting their money's worth out of Government; people believe that the Government does not care what they think any more; the only Government worker getting high marks from the public is the local trash collector, because at least people know whether he is doing his job.

Mr. MUSKIE. A second factor has been my experience this year on the Budget Committee. If there is one point that has been brought home to me during my brief tenure as chairman of that committee, it is that during any given year, we have only a limited amount of resources to commit to solving serious national problems. There may have been a time when we could afford nearly a thousand different legislative solutions to a few dozen national problems—when we did not have to worry which programs were working and which ones were not, because we knew there was enough in the till for everyone.

Today, we no longer have those options.

Let me illustrate with an example from a General Accounting study of neighborhood health care clinics in the District of Columbia. In that study, GAO investigators found eight clinics in one neighborhood in the District, funded under several different Federal programs whose administrators were obviously unaware of what each other was doing. In several of these clinics, doctors were seeing only a handful of patients a day, while in many parts of the country the shortage of health care is critical.

I do not know whether this story is typical or not. What I do know is that as one who has strongly supported an increased Federal role in improving the quality of health care available to Americans, I am outraged by the waste this example demonstrates. I also know that the budget realities of today and tomorrow do not leave room for wasting scarce resources in this way. We cannot—and we should not—continue to keep paying for a system where one hand does not know what the other is doing.

The third factor which has led me to introduce this legislation is also related to my experiences with the Budget Committee—more specifically, to the tremendous successes we have had in our first year of operation.

Through the new budget process, Congress is finally beginning to regain control over the Federal budget—the most important statement of national priorities that we have. Yet it becomes clearer to me every day that even if the process works better than any of us had dreamed, that statement of priorities will not be complete unless we have control over the services which the budget is intended to buy.

Budget reform by itself is an essential element in regaining this control. Nevertheless, I have come to see the budget process not as an end in itself, but as a first step in a broader effort we need. Budget reform gave us a badly needed method for looking at the picture as a whole. The legislation I am introducing today will make us take a closer look at all the component parts of that picture, to insure that we are getting the most for the money we spend. It is a logical second step.

Why is such a second step necessary?

One way to answer that question would be to have a dramatic reading from the catalog of Federal domestic assistance. I think most of us would be astonished at what we heard: That we have 228 health programs, 156 income security and social service programs, 83 housing programs, et cetera, et cetera—that all in all, we have nearly 1,000 Federal programs, touching on virtually every aspect of life in these United States.

Or we could turn to the Federal Government manual, where we would discover that in addition to the 11 Cabinet departments, we require 44 independent agencies and 1,240 advisory boards, committees, commissions, and councils to run the Federal Government. In 1974 alone, 85 separate governmental bodies were created, of which only 3 were subsequently abolished.

Or we could look outside Washington, where we would find over 4,000 geographic program areas recognized under 24 different Federal programs—quasi-governmental units such as law enforcement planning regions—481—comprehensive areawide health planning agencies—195—air quality regions—247—and many more.

Or we could turn to the dozens of GAO reports and audits done every year, detailing the administrative chaos in Federal aid to vocational education or to the handicapped for example—or explaining how this Federal agency had no information on what it was spending on administrative costs as opposed to actual services.

We could do what I did in November, which was to hold a hearing in my home State on problems, the people there have in dealing with the Federal Government. With only a few days advance notice, a 100 people turned out to talk about what was bothering them—how they had to wait a year and a half to get a ruling on their claim for disability compensation, or how it has taken their town 3 years to obtain Federal approval for a new sewer system they were required to build by Federal law.

What any of these exercises would tell us is that Government has become out of touch and out of control. And clearly this is a finding with which an increasing number of Americans would agree.

Almost 10 years ago, my Subcommittee on Intergovernmental Relations opened a series of hearings on our federal system. In my opening remarks, I posed a number of questions about the future of a "burgeoning governmental system," which had grown to over 170 Federal-aid programs, at a total cost of almost $15 billion. Among the questions I raised were:

What happens to a Federal program after it leaves the Congress?

Where is Congress going with the grant-in-aid programs? Will there be more proliferation of separate programs?

How well are Federal departments coordinating their programs and services both within their agencies and with other departments?

Today, hundreds of well-intentioned new programs and billions of dollars later, we still do not have satisfactory answers to those questions.

Even worse, we still have not solved the basic problems which prompted us to enact all these programs in the first place.

We have spent billions on health care, and enacted hundreds of health-oriented programs, yet we still have not cracked the fundamental problem—providing high-quality care at a price people can afford.

We have spent billions on education, only to find that our high school graduates are not learning even the basic reading and writing skills.

And we have spent billions on the problems of our cities, yet the root cause of those problems, defined so eloquently by the Kerner commission several years ago, still remains.

Solutions to these problems elude us not because we have not tried. But in too many cases we in Congress have satisfied ourselves with the rhetoric of legislation, leaving the hard work of implementation—from rulemaking to evaluation—to the executive branch. To put it another way, we in Congress have not paid enough attention to how well the programs we adopted were working—at least not beyond a cursory review every few years.

And now these years of inattention to performance are taking their toll, as we reap a bumper crop of public disenchantment with Government so unresponsive that it cannot even perform the simple day-to-day tasks that need to be done.

To be sure, Government inefficiency is becoming today's No. 1 villain. Horror stories about bureaucratic bungling make good copy, and I am sure that all of us, at one time or another, have been guilty of taking a ride on some well-intentioned Government worker's mistake.

But I think the time has passed when the American people will be satisfied with such press release exclamations of outrage. They are ready for hard evidence and real results that we are serious about making Government more productive.

The legislation I am introducing today is intended to produce these kinds of results. It will not do so overnight, nor in a very exciting way. Like budget reform, it focuses on the nuts-and-bolts operations that we in Congres are concerned with every day.

I offer this not as a suggestion that we abandon our commitment to solving the Nation's problems.

On the contrary, I offer this legislation in recognition of the fact that until we bring what programs we now have under control, we simply may not have the reserves we need—either in the budget or the public's trust—to pursue new legislative solutions to pressing national problems.

Out of my considerable concern that Government in Washington has become so big and unresponsive that it is dragging down many of the good programs I and others have worked for over the years, I introduce this bill.

The legislation I am proposing would do the following things:

First, it would put all Government programs and activities on a 4-year reauthorization schedule. All would have to be reauthorized every 4 years, or be terminated.

The sole exceptions to this mandatory termination provision would be payment of interest on the national debt, and programs under which individuals make payments to the Federal Government in expectation of later compensation—that is, railroad retirement, social security, civil service retirement, and medicare.

Second, the bill would establish a schedule for reauthorization of Government programs and activities on the basis of groupings by budget function. Programs within the same function would terminate simultaneously, so that Congress would have an opportunity to examine and compare Federal programs in that functional area in its entirety, rather than in bits and pieces. The schedule would be set up so that all of the functional areas would be dealt with within one 4-year cycle.

Third, the bill would reverse the assumption that old programs and agencies deserves to be continued just because they existed the year before, by incorporating a zero-base review into the reauthorization process.

Fourth, the bill would make maximum use of the timetable for authorization bills already required by the Congressional Budget Act, and it would encourage Congress to make better use of the program review already undertaken by the General Accounting Office.

Finally, the bill would set up a one-time procedure under which the GAO would identify duplicative and inactive programs so that congressional committees would be encouraged to eliminate or consolidate them, as soon as possible.

These provisions are explained in greater detail in a summary of the legislation following my introductory remarks.

I ask unanimous consent that that summary be printed at the end of my statement.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

(See exhibit 1.)

Mr. **MUSKIE**. Mr. President, in offering this proposal, I am very much aware that as now written, it would dramatically alter the way we do business here in the Senate—and that therefore it will be the subject of considerable debate. So I would like to say at the outset that I am not wedded to all the particulars in this bill. I consider it a first draft—a starting point for consideration of what I think is one of the most important items of the congressional agenda this year.

We in Congress have, unfortunately, not escaped the public's discontent with its Government. The bill I am introducing today offers a way for Congress to respond rationally and constructively to the criticism that we are not in control of our own house.

It cannot and should not offer the promise of instant efficiency. But it does offer a stronger congressional voice in setting national priorities—out from under a suffocating bureaucracy which now has the upper hand in the fate of programs we enact.

And it offers us one of the few chances we have to clear out some deadwood and make room for a legislative agenda that is changing with the Nation.

Exhibit 1

Summary and Explanation of the Government Economy and Spending Reform Act of 1976

The Government Economy and Spending Reform Act of 1976 is designed to improve the degree of control which Congress exercises over the actual delivery of services to the American people, by requiring regular review and reauthorization of Federal programs and activities. It is designed to expand the budgetary options available to the Congress by redefining or eliminating ineffective and duplicative programs and permitting more creative and flexible planning of Federal efforts.

It would put government programs and activities on a four-year reauthorization schedule. All government programs and activities—permanent and otherwise—would have to be reauthorized every four years. Programs not so reauthorized would be terminated.

The only exceptions to mandatory reauthorization or termination are provided for programs under which individuals make payments to the Federal government in expectation of later compensation (Social Security, Railroad Retirement, Civil Service retirement, Medicare, etc.), and interest payments on the national debt.

Those programs and activities exempted from the reauthorization or termination provisions of the bill would still have to be reviewed every fourth year, with the exception of debt interest payments.

The schedule established by the bill for reauthorization of Federal programs and activities would follow groupings according to budget function. Programs within the same function would be reconsidered simultaneously, so that the Congress would have an opportunity to examine and compare federal programs for a particular functional area in their entirety, rather than in bits and pieces. The schedule would be set up so that all of the functional areas would be dealt with within one four-year cycle.

This measure reverses the assumption that old programs and agencies deserve to be continued just because they existed the year before, by incorporating the concept of zero base review into the reauthorization process.

It would make maximum use of the timetable for authorization bills already required by the Congressional Budget Act, and it would encourage Congress to make better use of the program review already undertaken by the General Accounting Office.

And the bill would set up a one-time procedure under which the General Accounting Office would identify duplicative and inactive programs so that congressional committees would be encouraged to eliminate or consolidate them.

SCHEDULED TERMINATION OF FEDERAL PROGRAMS

The requirement that all government programs terminate at least once every four years, with the exceptions listed above, is designed to give Congress a procedure for conducting a working oversight of all Federal programs and activities.

Even programs costing comparatively little would be subject to this process. It is especially important that programs such as entitlements be covered because those programs often escape thorough review of their effectiveness.

The four-year limitation on authorizations should allow a sufficient accumulation of experience for testing the results and effectiveness of government programs. However, it is short enough to allow Congress to examine programs before they get out of control.

While the thrust of this legislation is to encourage congressional committees to review and reauthorize all of their programs on a four-year cycle, committees would have the option of authorizing programs for less than four years.

SCHEDULING OF PROGRAM TERMINATION

The legislation would change the date of authorization of all but a very few Federal programs, by limiting reauthorization to a maximum of four years. It would schedule termination, review and reauthorization of programs by budget function or subfunction. Beginning September 30, 1979, and over the subsequent four-year period, all programs and activities would be scheduled for reauthorization or termination, with those budget functions entailing the lightest work load scheduled first, and the more difficult ones scheduled toward the end of the four-year period. (See the schedule attached to this summary.)

The purpose of establishing the schedule by budget function would be to allow the Congress to take a close look at what the Federal government is doing in an *entire* policy area, rather than in bits and pieces as is the norm now. Programs and functions which overlap not only Executive agencies but also congressional committees would therefore be reviewed as a whole, instead of individually as Congress now reauthorizes most programs and activities.

To account for the possibility that certain legislative committees may be unable to meet the reauthorization deadlines because of the workload involved in particular functional areas, the legislation would authorize the Budget Committee of either house to report legislation providing for adjustments of the scheduled deadlines.

PROVISIONS FOR PERMANENT AUTHORIZATIONS

Under the bill all existing government programs and activities with permanent authorizations—excluding the exceptions mentioned above—would terminate according to the schedule of budget functions and subfunctions between September 30, 1979 and September 30, 1983 unless reauthorized, and would then be subject to the four-year limitation on authorizations.

The legislation does recognize that in some cases it may be difficult to identify permanent authorizations, and in others the four-year limitation on authorizations may be impractical. As a result, the legislation would require that by April 1, 1977, the General Accounting Office submit to the House of Representatives and the Senate a list of all provisions of law which establish permanent authorization for government expenditures.

That list should break permanent authorizations down by committee of jurisdiction, and for those funded in the appropriations process, by appropriations bills in which they are included. To the extent practicable, the GAO should also determine the amount appropriated for each permanently authorized program or activity over the preceding four fiscal years.

ZERO BASE REVIEW OF ALL PROGRAMS BEFORE REAUTHORIZATION

This legislation requires that the standing committees of the Senate and the House conduct a zero base review and evaluation of all programs and activities within their jurisdiction every fourth year. The zero base review and evaluation must be conducted during the 12-month period ending on March 15 of the year in which that program is scheduled for reauthorization.

Unlike the practice which often governs present budget planning, the zero base review and evaluation would not assume that programs are to be funded in the next budget merely because they were included this year. As part of the zero base review, congressional committees would first make an assessment of the impact of having no new expenditures for a particular program, and then make an assessment of what level of program quality and quantity could be purchased at particular incremental levels of expenditures. For example, the evaluation may include an assessment of what level of program activity could be purchased at 75 percent of this year's expenditures as well as what level of program activity could be purchased at each additional 10 percent increment of expenditure.

In addition, in a zero base evaluation, congressional committees would be required to include:

1. An identification of other government programs and activities having the same or similar objectives, along with the comparison of the cost and effectiveness of such programs or activities and any duplication of the program or activity under review.

2. An examination of the extent to which the objectives of the program or activity have been achieved in comparison with the objectives initially set forth by the legislation establishing the program or activity and an analysis of any significant variance between the projected and actual performance.

3. A specification to the extent feasible in quantitative terms of the objectives of such program or activity during the next four fiscal years.

4. An examination of the impact of the program or activity on the national economy.

Each standing committee must submit a report to its House detailing the results of its zero base review and evaluation of a program on or before March 15 of the year in which the review occurs. Whenever a committee recommends authorization of a program similar to others it has identified, its report must include a detailed justification for the program it is authorizing and explain how it avoids duplication with other existing programs.

To assist the authorizing committees in conducting their zero base review and evaluations, the General Accounting Office would be required by December 31 of the year preceding to send those committees the results of audits and reviews and evaluations the GAO has conducted on the program to be reviewed. In addition, the committees could call upon the GAO or the CBO for whatever assistance they may render in the conduct of the zero base evaluation.

ENFORCEMENT OF ZERO BASE REVIEW REQUIREMENT

This legislation would require that congressional committees conduct a zero base evaluation of all government programs and activities scheduled for termination in a given year prior to reporting out legislation to reauthorize them.

To enforce that requirement, any bill which authorizes expenditures for any government program or activity would not be in order in either House unless the committee reporting it had submitted its zero base review and evaluation report on that program or activity.

The only exception to this rule would be in those cases in which a committee chooses to authorize a program or activity for less than four years. In those cases, every authorization bill would not have to be accompanied by a zero base evaluation. But the committee would still be required to undertake a zero base evaluation every four years, at the time of the program's scheduled termination and review, and must report a reauthorization bill in the year it completes that review.

EXECUTIVE ZERO BASE BUDGETING

The legislation requires that prior to submission of the President's budget message, the Executive Branch must conduct a zero base review and evaluation of all Federal programs and activities scheduled for termination in the upcoming year. The President would be required to submit the results of this review and evaluation along with his regular budget message.

TIMETABLE FOR ZERO BASE REVIEW AND EVALUATION

The timetable for the zero base review and evaluation of a government program or activity would be as follows:

December 31 of preceding year—GAO reports results of its previous audits and evaluations as well as requested information and analyses to standing committees.

December 31 of preceding year—CBO reports requested information and analyses to standing committees.

15th day after Congress meets in the year—President summits budget message, accompanied by results of zero base review and evaluation by Executive departments of programs scheduled for termination during upcoming fiscal year.

March 15 of the year—Standing committees complete zero base review and evaluation of program or activity and report to House or Senate.

May 15 of the year—Standing committee, under Congressional Budget Act, must report authorization legislation to its House.

CONTINUING REVIEW AND EVALUATION

The legislation would require the Comptroller General to make follow-up evaluations at least once every six months of any program that the General Accounting Office has reviewed and had found to have fallen short of its objective. Those follow-up reports must be submitted to the Appropriations Committees of both Houses and to the standing committee of each House which has jurisdiction over the program.

In addition, the legislation would require that the Comptroller General furnish both Appropriations Committees and the appropriate standing committees of each House summaries of any audits or evaluations the General Accounting Office has conducted involving programs or activities under their jurisdiction.

Finally, the legislation will require the President to include in his annual budget specific objectives for each program or activity and an analysis of how that program or activity achieved the objectives set out for it in previous budgets.

EARLY ELIMINATION OF INACTIVE OR DUPLICATIVE PROGRAMS

The legislation directs the Comptroller General to submit a report to Congress before July 1, 1977, identifying those government programs and activities for which no outlays have been made for the last two completed fiscal years and those programs and activities which have duplicative objectives.

The legislation further requires each standing committee of the House or Senate to follow-up on that report on or before May 15, 1978 with a view toward eliminating inactive programs and activities and eliminating programs and activities which duplicate other programs and activities or to consolidating duplicate programs and activities.

SCHEDULE FOR TERMINATION AND REVIEW OF FEDERAL PROGRAMS

CATEGORY NUMBER, FUNCTIONAL OF SUBFUNCTIONAL CATEGORY

Termination date, Sept. 30, 1979

050. National Defense.

150. International Affairs.

250. General Sciences, Space, and Technology.

750. Law Enforcement and Justice.

Termination date, Sept. 30, 1980

350. Agriculture.

400. Commerce and Transportation.

450. Community and Regional Development.

501. Elementary, secondary, and vocational education.

502. Higher education.

503. Research and general education aids.

604. Public assistance and other income supplements (Public housing only).

Termination date, Sept. 30, 1981

300. National Resources, Environment, and Energy.

550. Health.

600. Income Security (Except public housing in subcategory 604).

700. Veterans Benefits and Services.

Termination date, Sept. 30, 1982

504. Training and employment.

505. Other labor services.

506. Social services.

800. General Government.

850. Revenue Sharing and General Purpose Fiscal Assistance.

Mr. MUSKIE. Mr. President, I express my appreciation to my colleagues who have joined me in fathering this legislation and introducing it today. I welcome to their ranks the distinguished Presiding Officer at the moment, who has listened to the case and been persuaded by its merits, rather than by me. I am delighted to ask that Mr. GOLDWATER be added as a cosponsor to the pending legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. I yield to my good friend from Delaware, who is the ranking Republican cosponsor of the bill.

Mr. ROTH. Mr. President, during my travels throughout the State of Delaware, I find that people are confident and expectant about the future of our country, but are frustrated and concerned about the present course of Government. For many, the promise of Government has been broken—either unfulfilled or not to be trusted. I believe we in Congress have a continuing responsibility to reexamine the quality of Government services and strive to deliver dependability and value rather than inflation and empty rhetoric.

I am introducing legislation today with Senator EDMUND MUSKIE which will provide a means to improve the budget process and assure that the American taxpayer will get improved services equal to the high price each pays.

This bill provides for a complete review in Congress of each Government spending program every fourth year. It requires that each dollar of spending be examined so that money is not wasted on programs which are ineffective or are of low priority. This legislation is important for Congress because it will provide Congress the means to reform spending, but it is even more important for the American people because it answers to their demand for fiscal responsibility in Government.

Public confidence will remain low as long as our Government makes no visible progress in trimming duplication, inefficiency, waste, and redtape from its multibillion dollar budget. Nothing is more upsetting to the people than to see inflation and joblessness grow at the hands of Government spenders who fail to cure even the most obvious defects.

The growth of Federal spending has been so rapid during the past decade that the impact of the Federal budget on the economy has measurably increased. In 1967, the Federal budget was $158.2 billion. Only 10 years later, we have a proposed budget totaling $394.2 billion, nearly 2½ times larger. In the last 3 years alone, spending has increased by as much as it did in the 176 years from 1789 to 1965.

Congress has made great improvement in its handling of the national budget in recent years. In 1974 the historic Budget and Impoundment Control Act was passed to allow Congress a procedure to set a spending ceiling and to require all committees to remain within that ceiling during the appropriations process.

I worked hard in support of these budget reforms and I am equally committed to the goal of new spending reforms.

The budget reform has been instrumental in keeping the annual budget within specific limits. However, it creates no process to serve as a check on growth in the size of the budget. Nor does it provide a means for Congress to evaluate its spending patterns and eliminate duplication or ineffective programs.

Congress must face the spending issue head on. It is all too easy to agree on a rubbery spending ceiling which can later be amended to allow higher spending levels.

It is commonsense that where two programs serve one objective, combining them would reduce administrative costs and redtape. Yet throughout the Federal service, many programs and agencies overlap.

Today there are nearly 1000 categorical programs administered by 54 Federal agencies. Ten agencies administer some 230 different health programs, including 23 for planning and building health facilities and 22 to deal with drug and narcotics addiction.

There are seven Federal programs that provide health services for outpatient health centers in one city—the District of Columbia. Or, consider that there are 14 separate units within the Department of Health, Education, and Welfare which administer programs for educating the handicapped. Similarly, in the area of Federal water pollution research and development there are at least 25 bureaus and offices in 12 separate departments or independent agencies which serve the same objective.

This duplication of effort only succeeds in impeding productivity and reducing the effectiveness of Government services. Yet, year after year, funding is renewed for most Federal programs without concern for wasteful overlap or poor program effectiveness. This practice becomes a fruitless exercise indeed of throwing money at a problem without regard for value or cost effectiveness.

There is always room to make government more efficient and more effective. This proposal which I am submitting with Senator MUSKIE today will provide that no spending is automatically renewed until it is shown to be worthwhile.

Throughout my career I have demonstrated a strong commitment to better government not bigger government. In 1969, I completed a 1,000-page report which identified for the first time the full range of Government spending programs for domestic assistance. One of my earliest experiences in Government was as a member of a Hoover Commission investigation whose recommendations to streamline Government were substantially adopted.

Each level of government must practice fiscal responsibility as well as preach it. State and local governments must be equipped to deliver services financed from their respective tax bases. Likewise the Federal Government cannot continually add new spending without facing up to the fiscal reality of a strained tax base.

The legislation which we are offering today, Mr. President, would make several simple but basic changes in the way Congress approaches the annual budget. It would end the unspoken rule that money spent on a program this year must be continued or increased in next year's budget. The permanent authority for program budgeting had led the Federal Government into the fool's trap of throwing good money after bad for a wasted enterprise. This legislation offers a procedure for quadrennial renewal of all budget authority. The new assumption will be that no new budget authority is necessary until a program is proven worthwhile and cost effective. This is a familiar and sound practice of zero-base program review and evaluation. It offers a comprehensive yet critical review of all Federal spending before new money is committed to old programs.

This stricter process for review will bring many other important reforms to Government spending. It will help Congress get a handle on uncontrollable growth in spending. Since budget authority must be renewed, higher costs will be repeatedly reassessed against program goals. If a program expense outweighs its benefits to the economy or to the health or social well-being of the people then the program could be terminated. At a minimum an opportunity for decisionmaking by the Congress will be built into the budget procedure.

The periodic renewal of all program authority in accordance with a zero-base review will promote control over backdoor spending. Cost estimates for programs during succeeding budgets would be required by standing committees in order to evaluate each program before advising Congress to reauthorize it.

The authorization process will be restructured to provide for a regular and meaningful review of all existing programs. Programs will be assigned a renewal date with other programs in the same broad area. The establishment of a fixed renewal date would end the practice of providing permanent program budget authority. It would establish regular intervals for program review by congressional committees and a fixed year for program renewal.

The first of four quadrennial renewal periods would commence on October 1, 1981. All programs, unless otherwise exempted, would be reviewed once every 4 years. Thus, a program which is reviewed and renewed beginning October 1, 1981, would automatically come before the appropriate committee for review in 1985 and renewal on or before October 1, 1985.

In addition to a restructuring of the authorization process this legislation provides for regular program evaluation during each quadrennial review.

The President would submit legislation to Congress for a proposed reauthorization and Congress would have until March 15 of the following year to report renewal legislation from the committee of jurisdiction. During that period evaluation and review of each program would occur.

The President would also submit a

comprehensive evaluation of the program with evidence on the cost of the program, its accomplishments, and cost effectiveness. This would give each standing committee an opportunity to review each program.

At the request of any standing committee, the General Accounting Office would also review programs. GAO would submit to Congress a comparison of all programs with similar objectives and a summary of findings of its prior audits and programs evaluations.

Also, at the request of a committee with jurisdiction, the Congressional Budget Office would make an independent zero-base review and evaluation of the program. This would be provided to the committee of jurisdiction well in advance of its March 15 deadline for its recommendation and report.

In January the President would submit a budget containing estimates based on zero-base review for those programs to be renewed during the next year.

Thus each legislative committee would be equipped to evaluate a program's overall worth. The legislative committee would be able to decide whether the resources necessary to meet objectives in a given program are being used effectively.

Programs which have not met goals established by Congress would not be renewed. Programs which overlap or serve similar objectives could be consolidated. Programs which receive a poor evaluation or that were rated as not cost effective could be terminated. Thus, scarce resources could be allocated within a functional area so as to maximize program effectiveness. Each committee would explain in its report to Congress which programs serve similar objectives and should be consolidated. Alternatively, if similar programs should not be consolidated the report will explain why not.

A summary of the timetable for program review and reauthorization follows:

By December 31 of the year preceding review, GAO reports to standing committees of Congress information and analyses on programs as required to assist with the committee's zero-base evaluation of programs submitted for renewal.

By December 31 of the year preceding review, the Congressional Budget Office reports information and a zero-base analysis requested by the standing committees.

In January of the year of review the President submits to Congress a budget with zero-base request for programs to be renewed.

By March 15 of the year of review each standing committee completes review and evaluation of program and makes recommendations to its respective House.

By October 1 of that year each House acts on the proposed program authorizations and differences are reconciled.

This legislation will give Congress an important handle on Federal spending. The Budget Reform Act challenged the assumption that Congress could add to the national expenditure total year after year without specifying limits and yet not seriously undermine Federal fiscal and monetary policy. The disturbing consequences of double-digit inflation and 8 percent unemployment have proved this assumption wrong.

This legislation now goes a step further and challenges the assumption that spending for a worthwhile program must continue year after year without review in the context of changing national priorities. The often expressed goal of establishing a set of national priorities has never been married to the fiscal reality of finite national resources. This legislation provides Congress with a realistic process for maximizing the effectiveness of the spending by the Federal Government and minimizing the unproductive use of the people's tax money.

Unless such a procedure is adopted, Congress can scarcely hope to gain control over growth in budget expenditures and rapidly expanding public debt. If Congress is to retain a measure of choice in setting a legislative program for the Nation, then it must have a handle on competing claims for our limited tax resources.

I urge my colleagues to consider this procedure as necessary to the preservation of legislative choice and to the improvement of delivery in Government services. The alternative is to allow unproductive, wasteful, or low priority spending to continue to burden the economy. The public's demand for fiscal responsibility deserves full attention by this Congress.

The goal of improving the services of Government is one I have continually sought to promote. When I first came to Congress I discovered we had almost no information on what programs existed in the area of Federal domestic assistance. There were virtually no controls over the distribution of Federal grants and even less information on whether these programs were effective in meeting goals established by the Congress.

Congress should not shrink from the job of continual evaluation of existing programs and reexamination of legislative priorities. This legislation, I believe, will aid Congress in carrying out this responsibility.

But it is really the American people who stand to gain from this reform. If it fails we will all bear the cost of higher inflation and continued unemployment. If it succeeds, then we will get more effective Government service at less cost.

Mr. President, at this time I am happy to yield for another principal sponsor of this legislation, the junior Senator from Ohio (Mr. GLENN).

GOVERNMENT ECONOMY AND SPENDING REFORM ACT OF 1976

Mr. GLENN. I thank the Senator.

Mr. President, I am pleased to join Senator MUSKIE and Senator ROTH and Senator BELLMON in introducing "The Government Economy and Spending Reform Act of 1976."

This is a major piece of legislation that addresses one of the primary areas of concern of the American people; namely, the control of Federal spending and the improvement in performance of their Government. As Senator MUSKIE stated in his reply to the President's state of the Union message, Americans do not want to see their Government dismantled as some have already suggested in this year of overheated political rhetoric. What our citizens are demanding is an efficient, responsive, and competent Government, one that delivers what it promises, one that makes its decisions humanely, clearly, and understandably, and that does not proliferate and continually grow minus any rational scheme.

I believe that the Government Economy and Spending Reform Act of 1976 has the potential of coupling itself with the Congressional Budget Act to serve as a thoroughly effective mechanism by which the Congress may get a better handle on money spent by the Federal Government.

The once ever-expanding pie of Federal expenditure has begun to reach its limits. Within that limitation, competition for program priority and preference will be severe. That competition must be rational, sane, and substantive. The Government Economy and Spending Reform Act of 1976 provides a framework for serious evaluation of our programs and our spending. Basically and fundamentally, the bill requires that congressional committees take a hard look at programs under their jurisdiction and report, among other things:

First, whether they are, indeed, working as Congress intended;

Second, whether the program is duplicative of others; and

Third, the impact the program has on the national economy.

In other words, we are asking that congressional committees assume their oversight function with increased vigor and vitality and with more quantitative stringency. With the exception of programs to which individuals make payments to the Federal Government in expectation of later compensation—social security, railroad retirement, civil service retirement, medicare, et cetera—all Government programs would have to be reauthorized after stringent review every 4 years. Additionally, the bill requires an intensive executive branch review and evaluation of Federal programs and activities scheduled for termination in the coming year. This review would be required in the President's budget message and would act as a check against arbitrary and ill-considered budget slashing or excessive padding on the part of the executive branch.

Mr. President, this bill is not fixed in iron. There will be serious, justifiable questions raised about its operation. Why begin with virtually every program, no matter how small? Are all types of programs subject to this type of mandated review? Personally, I think of the various civil rights provisions possibly subject to our bill. I would not want to see vital civil rights protections subject to short-term emotional and political considerations. Are civil rights properly subject to quantitative review? Can this type analysis apply to the Department of Defense?

All of these questions and many more must be dealt with at the upcoming hearings of the Government Operations Subcommittee on Intergovernmental Relations. I look forward to these hearings and to finding answers to these questions and others and to improving our bill where necessary.

But overall, and in principle, I strongly support this bill and I am happy to be a principal cosponsor of it. I know that we must clean up and improve our Government. Only by eliminating dead weight, inoperative wasteful and inefficient programs can we make available the resources needed to adopt fresh, innovative, and exciting new solutions to our pressing problems of poverty, discrimination, urban decay, pollution and so on. This bill is perhaps a small procedural step that will free us from so much built-in failure, that will help restore our people's confidence in Government and will help us along the road to really moving to cure the ills of the Nation.

I am very pleased to join my distinguished colleagues from Maine, Delaware, and Oklahoma in their cosponsorship. I look forward to an active role in hearings on this bill.

REGULATION OF MINING ACTIVITIES WITHIN THE NATIONAL PARK SYSTEM

The Senate continued with the consideration of the bill (S. 2371) to provide for the regulation of mining activity within, and to repeal the application of mining laws to, areas of the National Park System.

The **PRESIDING OFFICER** (Mr. TOWER). Who seeks recognition? The Senator from Montana.

Mr. **METCALF.** Mr. President, what is the pending business?

The **PRESIDING OFFICER.** The pending business is the amendment of the Senator from Alaska (Mr. STEVENS), No. 1359, to S. 2371, a bill that would provide for the regulation of mining activity within, and to repeal the application of the mining laws to, areas of the National Park System, and for other purposes.

Mr. **METCALF.** Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER.** The absence of a quorum has been suggested. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. **STEVENS.** Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. **STEVENS.** Mr. President, I would like to explore with the manager of the bill if it is possible to get a time agreement to vote on this matter tomorrow. We have noted the "Dear Colleague" letter that was sent out by the chairman of the subcommittee dealing with this matter. We have in preparation a response to that.

I believe it is a matter of very deep public policy which is involved in this amendment. While I had hoped that we might be able to explore some compromise, that does not seem to be possible at this time. I would like the opportunity to make certain that our colleagues understand the gravity of the situation, as far as the Senators from Alaska are concerned. I am willing to agree to a time certain for a vote tomorrow, if that is possible. I would hope that it would be possible. My colleague should be here soon, and he wants to participate.

Mr. **METCALF.** Will the Senator yield?

Mr. **STEVENS.** Yes.

Mr. **METCALF.** I have talked to the Senator from Alaska about putting this over until tomorrow. This was scheduled. There has been extensive debate on the Senator's amendment. I would hope that we would be able to get to the yeas and nays rapidly on his amendment and finish the bill today.

Mr. **STEVENS.** I would like very much to cooperate with the Senator from Montana. I want him to know that I understand the urgency as far as moving on the calendar in general. But we just started this bill today. As I said, the remarks that we have made, Senator GRAVEL and I, will not be available to the other Members of the Senate in printed form until tomorrow. We are preparing a letter. I do not think it is unreasonable to ask that they at least be given a chance to read the reasons we have stated and the very deep feelings we have on this matter. I would be prepared to vote tomorrow as early as the Senator would like to vote.

We can get this letter to them and we can urge them to read the RECORD to understand it is not just an Alaskan matter.

This deals, in our opinion, with the last known deposit of nickel that will be available to this country under the current environmental circumstances. Today it is available. I would be more than willing to work out any kind of protections or restrictions the Senator from Montana wants in terms of the exercise of discretion about the availability of this area for mineral development, but I do not want to see it absolutely closed to mineral development.

I would point out, incidentally, the National Environmental Policy Act will apply to this area. This amounts to a substantial Federal decision in which there would have to be an environmental impact statement filed before any development would occur in this area.

It is my understanding that is the case. I see the staff disagrees with that. Let us make it apply, then.

Mr. **METCALF.** How much time tomorrow does the Senator from Alaska want to continue the debate that has gone on all afternoon?

Mr. **STEVENS.** I just would like to agree that we would have a time certain for a vote tomorrow. I do not ask for any time tomorrow. I just want to deliver this letter to our colleagues and ask them to read the RECORD.

Mr. **METCALF.** The majority leader is in the Chamber. I am just wondering if the Senator from Alaska woud agree to a time limitation to vote at 9:30 tomorrow on his amendment. We can make it 10 o'clock. We will come in at 9 and the Senator would have until 10 o'clock, after the special orders.

Mr. **STEVENS.** That is all we seek. The Senator is very gracious. We want to deliver the letter to Senators and ask them to read it. We can vote as early as the majority leader wants.

Mr. **METCALF.** And then 30 minutes on additional amendments——

Mr. **STEVENS.** I have no other amendment. As far as I am concerned, that is agreeable to me.

Mr. **FANNIN.** May I say to the Senator from Montana——

The **PRESIDING OFFICER.** The Senator from Alaska has the floor.

Mr. **STEVENS.** I am happy to yield.

Mr. **FANNIN.** If we could vote on the amendment of the Senator from Alaska, I do not think it will take very long to get the others out of the way.

Mr. **METCALF.** I would like to get it out of the way. If we are going to write it off this afternoon, I think we should rapidly get it out of the way tomorrow.

Mr. **FANNIN.** I do not think there is any doubt but what we can go forward quite rapidly tomorrow after the amendment of the Senator from Alaska is out of the way.

Mr. **MANSFIELD.** Will the Senator from Alaska yield to me?

Mr. **STEVENS.** I yield.

Mr. **MANSFIELD.** Would it be all right, after the amendment of the Senator from Alaska is disposed of, to have 30 minutes on all other amendments and 15 minutes on debatable motions and appeals, with no time set as to when the final vote will occur? We do have to go on the Usery nomination at 11 and then the override of the milk bill veto. After those are disposed of, we will probably get back to this around 2:20 or 2:30.

Mr. **STEVENS.** I will say to the majority leader I am reminded we have another version of this. Should we come very close we might offer the other amendment, which deals with a permit system within the same area.

Mr. **METCALF.** If the Senator will yield, if I offer the substitute amendment, I can do it in 30 minutes or 15 minutes.

Mr. **STEVENS.** I am perfectly agreeable to any timeframe, but I believe the Senator from Arizona speaks for people who have other amendments. I do not know what other amendments there are. I am happy to agree to any timeframe that is agreeable to other participants here so long as we can have a vote sometime tomorrow after 9:30.

Mr. **FANNIN.** I will say to the Senator from Alaska and the Senator from Montana there is no desire to delay. The Senator from Idaho does have in mind that if the amendment of the Senator from Alaska is close, we may need some additional time.

Mr. **MANSFIELD.** That is all right.

Mr. **METCALF.** Does the Senator from Idaho have an amendment?

Mr. **McCLURE.** Will the Senator yield?

Mr. **STEVENS.** I yield.

Mr. **McCLURE.** I will say to the majority leader it seems to me that what we are really wrestling with here is that we have no way of judging what the will of the Senate may be. They seem willing to look at some of the details of this legislation. If the amendment of the Senator from Alaska is adopted, then there is quite a different context in which to operate and it is hard to predict that in advance of the vote.

But my judgment would be that things

will fall very well into place according to the vote on the amendment now pending.

Mr. MANSFIELD. One way or the other.

Mr. McCLURE. And the substitute to it. But it is hard to make an agreement on time until that vote has been taken.

Mr. MANSFIELD. Well, I wish the Senator would permit us to make an agreement on time, because we go out Friday for a week. We have a very difficult schedule ahead of us. We have the foreign aid bill, we have a copyright bill, we have the Oklahoma Senate election——

Mr. METCALF. We have three bills pending from the Interior Committee, and we have a bill from Commerce on wildlife refuges, all of which are matters of some urgency.

Mr. MANSFIELD. Mr. President, will the Senator yield to me?

Mr. STEVENS. Yes, I shall be happy to yield. Again I might say we have no problem about a time limitation on amendments, I do not think.

ORDER FOR ADJOURNMENT UNTIL 9 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 9 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR TOWER TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that after the two leaders have been recognized tomorrow, the distinguished Senator from Texas now presiding (Mr. TOWER) be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that beginning at the conclusion of the remarks of the distinguished Senator from Texas, the time between that time and 9 o'clock be allocated between the sponsor of the amendment, the distinguished Senator from Alaska (Mr. STEVENS) and my distinguished colleague from Montana (Mr. METCALF).

The PRESIDING OFFICER. Will the Senator restate that request?

Mr. MANSFIELD. Or 10. Beginning at the conclusion of the remarks of the Senator from Texas, that the time from then until 10 o'clock be equally divided between the Senator from Alaska (Mr. STEVENS) and the Senator from Montana (Mr. METCALF), and that at 10 o'clock a yea or nay vote will occur. I am not asking for that now.

Mr. STEVENS. We have an order for the yeas and nays.

Mr. MANSFIELD. All right. That will occur. Then following that, I ask unanimous consent that all other amendments be given a 30-minute allocation; that on amendments to amendments, motions, and appeals there be a time limitation of 15 minutes, the time to be equally divided between the sponsor or sponsors of the amendment and the manager of the bill, and that it be done under the usual rule.

The PRESIDING OFFICER (Mr. McCLURE). Is there objection?

Mr. FANNIN. Could we have two amendments with 20 minutes on a side, 40 minutes in all, instead of 30 minutes?

Mr. METCALF. I will agree to 40 minutes on his side and I will take 20 minutes.

Mr. MANSFIELD. All right; I will change my unanimous-consent request accordingly. That there be a time limitation of 40 minutes on each of two amendments, the time to be equally divided between the sponsor of the amendment and the manager of the bill.

Mr. FANNIN. And any other amendments would have 30 minutes?

Mr. MANSFIELD. Fifteen minutes.

Mr. FANNIN. Fifteen minutes? I thank the Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. MANSFIELD. Mr. President, for the information of the Senate, it had been anticipated that we would complete this bill this afternoon, but perhaps the agreement reached is the best way out of the impasse.

Following that vote, it is hoped in some way or fashion to take up S. 1640, a bill to provide for the establishment of the Santa Monica Mountains and Seashore Urban Recreation Area, and H.R. 5512, a bill to amend the National Wildlife Refuge System Administration Act of 1966, and for other purposes. I had hoped it might be possible to get a time limitation agreement on those bills.

Mr. President, that will be the schedule, but I wish to put the Senate on notice that at some time tomorrow, Calendar No. 579, S. 2662, a bill to amend the Foreign Assistance Act of 1961 and the Foreign Military Sales Act, will be laid before the Senate, and perhaps we will get started on that.

REGULATION OF MINING ACTIVITIES WITHIN THE NATIONAL PARK SYSTEM

The Senate continued with the consideration of the bill (S. 2371) to provide for the regulation of mining activity within, and to repeal the application of mining laws to, areas of the National Park System.

The PRESIDING OFFICER. The Senator from Alaska still has the floor.

Mr. STEVENS. Mr. President, I have pointed out earlier today the support the position we took before the committee, which would have been to eliminate the Glacier Bay National Monument entirely from the coverage of the bill, had in our State. I ask unanimous consent to have printed in the RECORD letters that we have received from the Greater Ketchikan Chamber of Commerce, the Juneau Chamber of Commerce, and the president of the Alaska Miners Association concerning this matter.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

GREATER KETCHIKAN CHAMBER
OF COMMERCE,
Ketchikan, Alaska, January 6, 1976.

Hon. DON YOUNG,
House of Representatives,
Longworth Office Building,
Washington, D.C.

DEAR CONGRESSMAN YOUNG: The Greater Ketchikan Chamber of Commerce opposes the bill, recently passed by the Senate Interior Committee, which would ban mining in the Glacier Bay Monument. The mining industry in particular and all industry in Southeast Alaska in general is constantly buffeted by Federal Law making it harder and harder to have an economy.

The Forest Service threatens to set aside a huge chunk of the Chichagof-Yakobi Islands as a wilderness in which no mining would be allowed. This area has mining potential and is currently being explored and drilled by mining companies. The Forest Service also has designated the Smeaton Bay area as a roadless area and is considering it as a wilderness study area. The upper Wilson Arm area contains a potentially large deposit of Molybdenum ore which is under development exploration and could provide five hundred jobs for the Ketchikan area.

Recent decisions by the EPA and the Organic Act threaten the timber industry in Alaska and the very essential economy of Southeast Alaska.

With the fishing industry already a disaster and if there are no mining developments and with a timber industry that could come to a grinding halt at any time, how would you propose that the residents of Southeast Alaska support themselves?

If we were a well developed state with numerous industries flourishing, it might make sense to take a deep look before expanding. On the other hand, we have hardly any industrial base.

We urge you to do all possible to prevent the bill banning mining in Glacier Monument from becoming a law.

Sincerely yours,
STEVE BRENNER,
President, Chamber of Commerce.

GREATER JUNEAU
CHAMBER OF COMMERCE,
Juneau, Alaska, December 30, 1975.

Hon. TED STEVENS,
U.S. Senate,
Russell Building,
Washington, D.C.:

DEAR SENATOR STEVENS: The Greater Juneau Chamber of Commerce strenuously opposes the bill, recently passed by the Senate Interior Committee, which would ban mining in the Glacier Bay Monument. The Juneau area in particular, and Southeast Alaska in general, is constantly buffeted by federal law making and regulating which renders it harder and harder to have an economy. Recent decisions by Mr. Russell Train and his EPA greatly jeopardize the economic existence of the Ketchikan and Sitka pulp mills. Endless litigation by the Sierra Club, utilizing the "standing to sue" which Congress accorded such organizations which have no direct interest in the subject matter of the suit, casts in doubt the Berners Bay pulp project. The Forest Service looks askance at mining within the Tongass National Forest and threatens to set aside a huge chunk of the Chichagof-Yakobi islands as a wilderness in which no mining would be allowed. On and on it goes!

If we were a well-developed state with numerous industries flourishing, it might make sense to take a deep look before expanding. On the other hand, we are a brand-new "sovereignty" with hardly any industrial base. We must develop, or we will not survive, a future status which many statehood opponents predicted. We need encouragement from the Federal Government, not constant roadblocks.

We urge you to do all possible to prevent the bill banning mining in Glacier Monument from becoming law.

Sincerely yours,

JOSEPH R. HENRI,
President, Chairman, Resources and Energy Committee.

FAIRBANKS, ALASKA,
October 7, 1975.

Senator TED STEVENS,
Washington, D.C.

Ref. SB2381 by Metcalf, the Alaska Miners Association thinks such a bill is poorly timed as it would further limit the available minerals to our country's industry at a time of mineral short supply. If anything is done regarding mineral deposits on Federal land they should be made less difficult to mine and develop rather than to completely deny them to the public. These minerals belong to the public and are on public land; to develop them would do little damage to the park system. At present our industry is dependent upon foreigners to supply all or part of over 50 of our strategic minerals.

If all of this supply is shut off at one time, our manufacturing would be at a standstill.

WILLIAM WAUGUAM,
Alaska Miners Association President.

Mr. STEVENS. I will say again to my friend from Montana that I would be more than happy to explore with him any amendment that would assure that discretion should be vested in the Secretary of the Interior to control mining activity within the confines of this monument. even though I do not believe that this Fairweather area actually belongs in the Glacier Bay National Monument, as I have stated. I do believe that as long as it remains within the national monument, the concepts of the use of the surface should be subject to whatever regulation the Secretary wishes to impose. I do not know if that would meet with the Senator's approval at all, but I wish there were some way in this modern day we might get down to the point where we could put a map in our RECORD, because it is impossible to discuss an issue like this and have people understand it without a map of an area such as Glacier Bay.

The impact of what we are doing today in terms of the proposal that we have made would be that we would exclude from the coverage of the bill that has been reported by the Committee on Interior and Insular Affairs a portion of that area which was added in 1939, and I think that if we could put into the RECORD the statement as to how this would impact the existing Glacier Bay Monument, perhaps people who read the RECORD could understand it even more.

I am particularly hopeful that the Senator from Montana would examine again the statement that was presented by the Geological Survey which I have already placed in the RECORD. I inquire of the Senator from Montana, if we agreed to add a provision assuring environmental assessment as far as the surface use of this mining claim was concerned, whether it would make the matter any more acceptable to him.

Mr. METCALF. The answer is "No." The answer is that the Senator from Montana is going to oppose any proposition to provide for mining or any mining activity in any of these areas of the national parks, national monuments, and national memorials.

Hopefully, we will beat back the amendment of the Senator from Alaska. Again, I assure the Senator from Alaska if sometime we need the nickel, since we know it is there and it is part of our national reserves, I will be on his side to try to use it for the public interest and the national interest.

Mr. STEVENS. I appreciate the Senator's position, but I have to counter by saying that, if the experience in Minnesota is going to be an example for Alaskans who are involved in this area, then I do not see how we will ever know.

We have been involved 20 years now in Minnesota and, as the claims have been really proven up, they are to be withdrawn by Congress in connection with an environmental area. I do not see any inconsistency with that. That is the desire of the people of that area, apparently. The problem is here where the commitment was exactly the opposite to begin with, and we now have proof as to this deposit. I do not understand why we should not close Glacier Bay National Monument, that portion of it, at least, which is on the Gulf of Alaska side, and entirely disassociate it from Glacier Bay which is the name of the water body, the Glacier Bay, an area which no tourist is going to come to if he wishes to visit Glacier Bay.

If a tourist wishes to visit Glacier Bay, he will go to Gustavus at the headquarters and ranger station and take a trip into Glacier Bay on a vessel up toward far end toward Russell Island or up around Muir Inlet which is a beautiful area, or over into Bear Track Cove around the island. But no one in his right mind is going to go out in the Gulf of Alaska to visit the Glacier Bay National Monument.

That is the problem. It should not be part of the Glacier Bay National Monument, and we have tried our best to develop this, and I do not know. I wish we could explore with the Senator whether he will agree to delete that area from the Glacier Bay National Monument. If he does not want mining in a national monument, I will agree: take the area out. It did not belong there. It would not have been there except for the 1939 action for administrative purposes.

Mr. METCALF. I will explore that area with the Senator, if he wishes to introduce a bill for that purpose and hold inquiries on it. But at the present time I am going to resist any amendment that will permit mining in any of these various national monuments, and national parks as a consistent policy.

It may be that the Senator, with his solid support and his contention that this is only an administrative act, can convince the committee that we should remove that. It is not my subcommittee. It is another subcommittee, as the Senator knows, on which I serve, in the Committee on Interior and Insular Affairs. But I do not believe that we should, in order to make a left-handed approach at mining in the national parks, eliminate Glacier Bay at this time without hearings, discussion, and the regular process of a bill going through the committee activity.

Mr. STEVENS. I am not going to introduce such a bill, because I do not think it would have any future, as I am sure the Senator from Montana realizes, because it has been added to the Glacier Bay National Monument, and I have never seen any of these areas taken out.

I mentioned to the Senator the mountain of limestone that is only a few miles from the border of Mt. McKinley National Park. It has very close access. It is the only limestone I know of that exists in my State. Had it been accessible, we would have been able to develop that limestone and use it for this fantastic multibillion dollar project, the Alaska pipeline, but instead we import into the State of Alaska the limestone that is necessary to make concrete and all the products associated with this vast project. The Senator knows who is paying the bill. Paying the bill are the people from what we call the South 48.

Years ago when we explored taking that portion of it out of Mt. McKinley National Park, I thought I fired an arrow in someone's heart. What we were trying to do at the time was to make the boundaries realistic as far as the mountain was concerned.

Incidentally, part of Mount McKinley was never even in the park. I do not know if my friend knows that. When they drew the line they left part of the mountain out.

Mr. METCALF. As the Senator knows, I conducted several hearings up in the State of Alaska, so I recall that. But a whole lot of things are not in the park. I have told my friend from Utah that he did not have enough areas in some of the parks that he created.

Mr. STEVENS. I am sure my friend knows that part of this area is named after one of the great conservationists, John Muir. Back in the twenties several people examined the area and decided what would be necessary to protect the ecology of the area and the total environmental protection that was needed. They left this gulf of Alaska portion out. It was not until 1939, 14 years after, that this area was even suggested as a national monument that this portion of the area was put in the monument for administrative purposes, and now here we are another 40 years later, almost; we are in the situation where all mining is going to stop, because someone made an administrative decision in the 1930's to put it in a monument where it did not belong.

Mr. METCALF. Mr. President, will the Senator yield to me for a moment?

Mr. STEVENS. Yes, I am happy to do so.

Mr. METCALF. The position of the Senator from Montana and a majority of the committee is that we are absolutely adamant about mining in any of these national parks and national monument areas. It does not make any difference whether it is Glacier Bay, Mount McKinley, Death Valley, or any of the other areas. The purpose of this bill is to remove mining from the national parks.

With the Senator's desire of having a dear colleague letter go to everyone tomorrow, I hope that that statement will also go into the RECORD, that the position of the majority of the committee is that we refuse to acknowledge that there should be any mining in the national parks at this time, and it would be up to a future Congress to determine whether or not we need the nickel and we need the other areas. It may be that some day we will even need geothermal energy and harness Old Faithful. But that is up to a future Congress to do that.

Mr. STEVENS. I might say, I think my friend may set in motion some things which are irreversible, and I hope that future Congresses, who look at what may be done here with this bill, understand what is in the mind of the Senator from Montana which, as I understand it, is a review to determine whether any future mining activity should be permitted. Maybe I have misunderstood that.

Mr. METCALF. I think there should be constant review.

Mr. STEVENS. The difficulty is the same as with my mountain of limestone. The Senator knows people who drew the line around Mount McKinley Park only followed the riverbed. That is like our great 25 million acres Naval Petroleum Reserve No. 4. I went back and researched the history as to how that happened. Someone, sitting in Washington, literally drew a line on a map, following the great Teapot Dome scandal, and wished to show that they were all concerned about the future of petroleum in this country, so they created way up in the northern part of Alaska 25 million acres Naval Petroleum Reserve No. 4.

In order to do that, they followed normal rivers and tops of ridges that were visible on the map. That is how that was created. It had nothing to do with the availability of petroleum or gas in the area. This area had nothing to do with the protection of Glacier Bay National Monument, nor did that riverbed have anything to do with the protection of Mount McKinley National Park. They are irreversible.

I ask the Senator to name one area he knows that has ever been taken out of a national park.

Mr. METCALF. I do not know of an area that I would approve of being taken out of a national park.

The Senator from Wyoming suggested that we should have put radar on the top of the highest mountain in Hawaii. Had I been in Congress at that time, I certainly would have felt that that was something that was appropriate—an invasion of the park, so to speak—and was needed and necessary for the public defense.

Mr. STEVENS. The day existed when Congress and the administration downtown, the Executive, were in agreement that there were gradations of the National Park System. One was the park itself, a national park——

Mr. METCALF. If the Senator will yield, it is not what they do downtown; it is not what the Sierra Club says; it is not what the Newmont Mining Corp. says; it is not what International Nickel says. It is what the Congress of the United States says on the floor here today insofar as mining in the national park is concerned.

Mr. STEVENS. With due respect, I do not know of any of the people the Senator has talked about, who testified in regard to this bill except the Sierra Club.

The great problem is that those of us who try to protect the future and the rights of future generations to make decisions, somehow or other get painted into the corner of vested interests. The day will come when this country will vitally need nickel. We are probably there already. Those of us who worry about the future of the country and its ability to survive suddenly become painted into the corner of some vested interest, because of this very problem.

Someone stood in the very position where the Senator from Montana is standing and made a commitment and said:

> We are going to allow mining in this monument area.

Following that, someone downtown—and the Senator says it does not matter what happens downtown—said:

> In view of what Congress did, in 1936, by 1939 let's put the rest of this area into the monument. Sure, it is a mineralized area, but mining is permitted there. Congress has already acted upon that.

Then they add another 500,000 acres to the monument. Now we are here, 37 years later, saying, "Oh, no, Congress didn't mean that. Congress never made any commitment."

Now we are going to say that within a national park area there will be no mining at all. This area, I am certain, would not have been added to the monument if that had not been passed by Congress in 1936.

So what the Senator is saying is that this is an ad hoc Congress and we are going to change the rules day by day.

I want to protect the park system. The difference between the Senator and me is that I believe a park is sacrosanct. We have not ever invaded the park with anything I have done. I might try to redesignate the boundary in order that something which should not occur within the park should occur outside the park.

The Senator knows that the McKinley Park Hotel was the old railroad hotel and it burned down. Beyond that, it was never supposed to be part of the park in the beginning.

As I said, when they drew that Mount McKinley National Park boundary, they did not even pay any attention to where the mountain was. Here they did not pay any attention to where Glacier Bay was. We want to try to protect the future.

I asked the Senator from Montana once before—and I am not going to press him too much further, because he has been very patient with me—what is the pressure on Glacier Bay that makes the Senator from Montana want to add it to this bill?

Mr. METCALF. The Senator from Montana wants to prohibit mining in the national parks, the national monuments, and the national memorials. That goes for Glacier Bay, for Death Valley, for the Organ Pipe Cactus, and for any of the others that are provided in this measure.

Mr. STEVENS. I say to the Senator, advisedly—we will have to make a study of them—that I do not think half of the areas that are now included in the system he just mentioned would have been included at the time if the people in the area or even the people in Congress knew that a later Congress would come along and just make that decision across the board.

Mr. METCALF. A Congress can come along and change the decision we are making today, just as a later Congress can come along and change any other decision. The Senator from Alaska and I cannot bind a later Congress. However, we are preserving for future generations the nickel deposits that we are talking about in Glacier Bay and saying that we are going to mine the nickel outside of the national parks before we mine the nickel in the national parks.

Mr. STEVENS. There is none.

Mr. METCALF. Yes, there is. In Stillwater County, Mont., there is a substantial supply of nickel.

Mr. STEVENS. There is only one operator of nickel mines in the United States, and that is in Oregon. The one in Minnesota is about to be put into a canoe area, and our area may be ready to be shut off.

Mr. METCALF. I tell the Senator from Alaska that during World War II, substantial nickel mining was done in Stillwater County, a few miles from Columbus, Mont. A big stockpile was established of nickel and chrome. The nickel deposit is a part of the material that I put into the RECORD a few minutes ago. In Stillwater County, Mont., there are 100 million tons of ore, 5 percent nickel. That is on page 89 of the hearing record. There is nickel in California.

Mr. STEVENS. I do not know what the date of that is.

Mr. METCALF. It is the U.S. Geological Survey Professional Paper 820—U.S. Mineral Resources.

There is nickel in California, in Colorado. I talked about the nickel in Montana. There is a little nickel in Missouri. There are substantial amounts of nickel in Nevada. The Senator has mentioned Minnesota. Alaska nickel deposits already have been mentioned. There is a small amount of nickel in Maine.

Why can we not mine that nickel and leave this other in a strategic reserve? That is a rhetorical question. The Senator need not answer.

Mr. STEVENS. I find it very interesting that the U.S. Geological Survey would give me a report, which I already have put in the RECORD, and that this one comes along. Is that Montana property Federal property?

Mr. METCALF. The Federal Government, as I understand it, has purchased the entire deposit that was mined originally for chrome, a big stockpile during World War II, and now it is Federal property for nickel. There is a substantial nickel deposit.

Mr. STEVENS. Why is it not being worked? We increased our imports. We went up from 69 percent of our nickel in 1973 to 72.3 percent in 1974, and we were up to 71 percent in 11 months in 1975. We are increasing our imports of nickel to the point where I am told that unless we develop this Alaska deposit, we are going to be up to 90 percent dependent upon imports.

I ask the Senator, with regard to his State, why they are not developing the nickel in Montana.

Mr. METCALF. Because Canadian nickel is cheaper to mine than any of the other nickel deposits anywhere, including nickel in Alaska.

Mr. STEVENS. The nickel in Alaska has been recategorized. As I told my friend, the content of ours is twice the percentage of nickel that is shown in this and five times as much in terms of the deposit in one 8-by-17-mile area alone.

Mr. METCALF. I agree with all those things. I do not see why we cannot mine Canadian nickel or Montana nickel or California nickel before we have to invade and infringe upon the national parks.

Mr. STEVENS. This is not a national park. It is a national monument, and it is just an area that was added for administrative purposes.

Mr. METCALF. The Senator has made that point, and the Senator from Montana is aware that the Senator's contention is that it was added only for administrative purposes. But it is part of the national monument, and it is part of our national park and memorial system. As far as the Senator from Montana is concerned, and I think a majority of the committee, we are opposed to mining in any of these areas unless a great public interest is shown and a great need for the mining, whether it is nickel there or borax down in Death Valley. That is the purpose of the legislation. That is why the bill is on the floor.

Mr. STEVENS. I think we understand the purposes of the bill. Why does the Senator not bring out a bill that says there is no more distinction between monuments and memorials and parks? Why not call them all parks now? There used to be a valid distinction. The valid distinction was in terms of the treatment given the area. The great park in Montana, the great park in Alaska, the great parks in the West were treated differently from the monuments.

Mr. METCALF. We already passed that bill. That bill was passed on August 18, 1970, that provided that national monuments and memorials should be a part of the National Park System.

Mr. STEVENS. I know it is part of the park system, but they are still treated differently. The acts that created each one are different from the acts that created the parks.

Mr. METCALF. And we are trying today to find a remedy to that with respect to mining.

Mr. STEVENS. I do not know yet. I still think one of the problems is that before we pass the bill, we are going to have to take a look at what other commitments were made at the time these monuments were created. What about Organ Pipe Cactus and Death Valley and Glacier Bay? What other commitments were made as to the treatment of the areas that are now going to be overridden, because we are going to treat them all as if they were, in fact, national parks? National parks were supposed to be the most significant area that we can define in the Nation, such as Yellowstone and Yosemite and Mount McKinley, the geographic areas that were to be protected, to protect that significant feature of the U.S. scenery that total protection was necessary for.

After that, there were the monuments. After that, there were the memorials.

Mr. METCALF. And historic sites.

Mr. STEVENS. We graded them all. Is the Senator going to allow mining in historic sites?

Mr. METCALF. No.

Mr. STEVENS. I did not know that until just now.

Mr. METCALF. No, that was part of the surface mining bill, the Senator will remember, that the President vetoed, that we would allow some surface mining in those historic sites.

Mr. STEVENS. Does this bill apply to historic sites?

Mr. METCALF. No.

Mr. STEVENS. The Senator says it applies to the national park system?

Mr. METCALF. Yes, as defined by the act of August 18, 1970, which put the monuments and the memorials in the national park system.

Mr. McCLURE. Will the Senator from Alaska yield?

Mr. STEVENS. I am happy to yield.

Mr. McCLURE. I think the Senator has touched on what I think is a significant difference. As a matter of fact, I think that had a different subcommittee of the Committee on the Interior handled that matter, they would have made a distinction. There is a distinction between parks and monuments and memorials and historic sites and the purposes for which they are established.

Mr. METCALF. May I correct the Senator?

Mr. McCLURE. Certainly.

Mr. METCALF. The full committee handled this bill.

Mr. McCLURE. I understand that.

Mr. METCALF. It was not handled by a subcommittee.

Mr. McCLURE. I thank the Senator for making that correction. But there is a distinction between the parks and a monument. The fact that we may have combined them in a national park system—there was nothing in that statute that combined them that, for 1 minute, obliterated the distinctions in the statutory purposes.

The statutory purpose for which a park is created is quite different from the statutory purpose for which a monument is created. That has been historically true. It remains just as true today as it was historically, and the act to which the Senator from Montana makes reference did nothing to delete that difference.

I think if we look at the language of the bill and the legislative history of that bill, it would be just as clear now as it was before the passage of that act that there is a difference. There is a statutory mandate in each of those which is delineated in National Park Service publications. We could bring those in, and perhaps should, tomorrow, to make sure that the debate on this bill does not move any further toward obliterating the distinctions between the two.

I have another question I should like to ask, because we seem to be saying now that a national monument, national park, or anything to do with the National Park System, is so sacrosanct that it cannot be touched. I assume that we will not say, "You cannot build any roads." People can build roads in the national park. I think we are not changing that.

We can build concessions. We can build tourist facilities in a national park, and we are not changing that.

As a matter of fact, in some instances, the Federal Government conducts the mining operation in a national monument.

Mr. METCALF. We have been very careful to deal only with mining in this legislation.

Mr. McCLURE. Is it not correct that the Federal Government, under the purposes of a national monument in some instances, conducts the mining operation?

Mr. METCALF. I am not aware of it. The Senator may be aware of something.

Mr. McCLURE. What would the Senator say is the removal of a fossil in the Fossil Buttes National Monument in the State of Wyoming; what is the removal of dirt and removal of a fossil in Dinosaur National Monument in Colorado?

Mr. HANSEN. Very meticulous.

Mr. McCLURE. What are we doing in the Florissant Fossil Beds in the State of Colorado, if we are not, in essence, doing a restricted, purposeful mining and removal of a material?

Mr. METCALF. I agree that there are areas where we remove petrified wood. These are all archeological and historic expeditions that are not mining.

Mr. McCLURE. Then we should not say, as the Senator from Montana has said, that the purpose of this bill is to see that there will be absolutely no mining in any of these parks or mounments.

Mr. METCALF. Well, mining as we understand it, bringing in drag lines and flying over with helicopters and exploring with modern technology and mining activities.

As the Senator from Wyoming has said, the exploration of some of the things that the Senator from Idaho has enumerated is carefully done with mining equipment that is a trowel, or smaller than a trowel. It may be as small as a spoon.

What we are trying to prohibit is the destruction and the absolute desecration of a whole landscape, such as is taking place in Death Valley.

Mr. STEVENS. But that is just the problem. You see, we cannot point to that and say it is happening up our way at all.

Mr. METCALF. Nothing is happening yet, but it could.

Mr. STEVENS. Oh, the Senator just knows that is not true. We are talking about underground mining that is going to have controlled access and it is in the backside of the glacier, going under the glacier. We will not even be able to see it. This is an area that has no roads at all, it has no habitation at all. As a matter of fact, we protected the whole part of the original Glacier Bay, and it is totally a wilderness area, as the Senator knows. This is a de facto wilderness area, this site, because no one goes over there. There are no villages, no communities, no roads, no airports; there is no access except by wading in from a boat.

This development, the most you would ever see if this development occurs, you will see a dock that will be about, I would say, 50 by 20 feet, and a little road winding up behind a thing into the opening of the underground mine.

I just do not understand it. The Senator equates this to strip mining. But the real problem is that he says we are going to leave this nickel in the ground and keep it for future generations, and if there is ever a national emergency it will be mined.

And I say to you you are setting up, you are establishing, the framework for the destruction of the park system.

Mr. METCALF. Not, I, Congress.

Mr. STEVENS. Yes. But it is the Senator's proposal that is setting it up, setting it up so that future generations will have no alternative but to invade portions of the National Park System because where we know there are minerals, where we know there is a national need, we ought to have the courage to look these people in the eye and say, "There is a national need for things like that nickel deposit and we are going to exclude it from this prohibition, and we are going to say 'Mine that under environmental protection and plan for it, take the time to develop it.'"

But the Senator's proposal is going to get us to the point where a national crisis is going to come along, and it will be like building the Alaska Highway about which I remarked to the Senator before. Congress was approached from 1930 to 1941 by Alaskans to build the Alaska Highway. Finally, when the National Government wanted it, they built it in 11 months, and we have spent the last 30 years straightening it out and rebuilding it because it just went in. You talk about environmental destruction, talk about strip mining and the things that happened in terms of the mining area, go and look at the old pictures and see how they built the highway. They built it during a crisis.

Mr. METCALF. That is just what we are trying to prevent.

Mr. STEVENS. I am telling you that is what is going to come from the mining in this area in the event of a national emergency. It will not be done until it is absolutely necessary, and then they will have there every kind of machine that has been devised by man, put it into my State, to take something out, just like the pipeline.

We tried to get the pipeline, and get ready, but, we were held up. All of a sudden it came out of the chute, just like a bronco, and we have been trying to ride it ever since.

Mr. METCALF. A Brahma bull.

Mr. STEVENS. I do not understand why we cannot plan—why can we not plan for development?

Mr. METCALF. Of course, we can.

Mr. STEVENS. Why can we not plan for protection, too?

Mr. METCALF. And part of the plan has to be a plan to provide that we shall not invade the national parks unless it is necessary and in the national interest.

Mr. STEVENS. Well, with due respect, what the Senator is talking about is a prohibition. This is as good as prohibition was in terms of liquor, and the time will come when it will be repealed, and the Nation will reel, just as it did during prohibition, in my opinion.

I do not know why we should turn to prohibition, but a bunch of people raise red herrings all over the place. There is no strip mining in Glacier Bay, there never has been; it will not be. It will be underground activity. It is hard rock mineral, and it has nothing to do with the strip mining problem.

I understand the strip mining problem is another problem, but why should it be constantly thrown in with the scare tactics that come out of something from Death Valley Monument?

You know, every time I think about it, I am reminded, I just flew into Miami, and there are more miles of road in Dade County than there are in my own State, and my State is one-fifth the size of the whole United States.

The reason I mention it is we cannot get approval of even building a road because of some of the excesses and abuses that have occurred down here. So we are going to be constantly punished, I think, by the prohibitions that come out of the excesses of the people who have no environmental concern.

We do have environmental concern. We have shut them off from this area. The two Senators from Alaska told the mining companies that we would not support their entering the area that is on the Glacier Bay side, and when they did go in and went in from the back side of it, in the area that previously was considered to be totally inaccessible, not subject to any commitments, open to mining, they do develop it, then we are put in the position of saying, "Oh, no, Congress really did not mean it because we were going to shut it off because there is something that happened in the Death Valley."

When is Congress going to discover that we are 3,000 miles from Death Valley, and it is about like saying you cannot mine that Montana ore because of what is going on in West Virginia. We have not done that, but that is what is happening here, and the Alaskans are starting to get real disturbed about the reactions that hit our State as a backwash, sort of like the ninth wave from a tidal wave concept, because there is something someone has done somewhere else.

Why can we not be treated on the basis of what happened up our way? Can you tell me anything that happened in Glacier Bay that disturbed you or the environmentalists?

Mr. METCALF. I am disturbed about what might happen in Glacier Bay, and I will tell the Senator from Alaska what we want to do is to treat the State of Alaska just exactly as we treat the other States of the Union, and the Senator from Alaska knows that the Senator from Montana has attempted at all times to give Alaska the very benefits of every need that Alaska needs, every desire that Alaska has, to improve its environment and to go into future activity as a State.

Mr. STEVENS. The Senator is correct. I want to make certain that I agree, with the exception of helping us plan for the orderly protection of our resources and the utilization of them in the areas that are withdrawn.

Now, if the Senator, I am sure, would go up there, as I said this morning, and see it, I do not think he would put this area in the monument That is the problem.

Mr. METCALF. Well, it is in the monument.

Mr. STEVENS. It is like having San Francisco Bay in Death Valley Monument for administrative reasons.

Mr. METCALF. This is in a monument. That is the problem.

Mr. STEVENS. Yes; that is the problem, all right.

I will be happy to yield to the distinguished Senator from Wyoming.

Mr. HANSEN. If my good friend from Alaska will yield, Mr. President, I rise simply to make the point that I may have been misunderstood this morning by my good friend from Montana when I was talking about the situation that occurred in this country back prior to 1941 when, as I said earlier today, the United States, along with astute observers almost everywhere, was no longer questioning whether America would become involved in World War II; it was simply when and where. And, of course, there were two very prime areas where we could become involved. One would be by virtue of a hostile act on the part of Germany or Italy, and another would be by virtue of a hostile act from Japan.

I made the point this morning or rather tried to make the point that the problem that I see with this bill—and I do not disagree at all with my good friend from Montana as a matter of philosophy, I share his view that we should not have mining in national parks—but I would hope, as we create new ones, that we take occasion to have the U.S. Geological Survey inventory the mineralization of an area and be able to tell us beforehand what the situation is so that we might understand what we are doing.

For those areas that have been incorporated into the national parks or the Monument System, wherein mineralization is a fact and rights have been established, and that, of course, is the situation in Death Valley, it is the situation in Glacier Bay and in other areas as well within our park system, we have to recognize that we are dealing after the fact

As the Senator from Alaska has pointed out, recognition of these rights and of the presence of the vast mineral deposits, including both nickel and copper, were noted, and provision was made that they could be mined

To get back to the analogy that I tried to draw this morning between our situation prior to our active involvement in World War II and this situation, I made this point: we knew if we were going to protect ourselves insofar as a possible attack from Japan might be concerned, we would be well-advised to have whatever advance warning could be made available to us by virtue of radar, and the agencies that spoke for our defense establishment back prior to early in 1940 recommended that we install radar on one of the highest peaks within the Hawaiian National Park.

Mr. President, I just would like to conclude as quickly as I can by saying that I think there is an analogy between the situation confronting the United States prior to our entry into World War II and the present bill before us in this regard: There was universal recognition of the fact that we were in considerable jeopardy by virtue of the possibility of a surprise attack by the Japanese. In order to minimize this possibility the departments of the military establishments wanted to install radar on the highest mountain in the Hawaii National Park. No one in the Park Service disagreed with the overriding national interest in doing that.

It seems to me that it is not enough now to say that when the national interest evolves to the point, if indeed it does, that these minerals become vital and critical to our needs, we will take steps forthwith to see that they are made available.

I know, as I said earlier today, there is no question that our good friend from Montana, the floor manager of the bill (Mr. Metcalf), will, if he is here when such a time should develop, keep his word. He is a man of his word. He means what he says. I have no question at all about the commitment that he has voluntarily made on that score. But the point is that we dawdled for almost a year trying to cope with what the law said which deals with the creation, establishment and management of national parks and what the clear and very obvious national need was.

It took us about a year before we could get around to taking all of those necessary legislative and executive actions which made it possible for even the crudest kind of a radar installation to be placed upon the mountain in the Hawaii National Park. Of course, the rest is history.

We know that the Japanese air strike was made on Pearl Harbor.

I said earlier today and I repeat again, I have no idea how to quantify what might have been the result of our efforts had we known, through an earlier installation of radar there, the smaller loss in ships, in planes, and military installations as well as, most important of all, in lives if we had had the warning that might have been available to us.

I make the point with reference to this bill that sometimes, if our need should develop critically enough, our best intentions may be frustrated simply by the time frame in which we are forced to operate.

Let me illustrate what I am trying to say. Presently we import about 40 percent of all of the oil that we use in this country from foreign sources. I do not think anyone would say, "Let us not strip mine coal in the West; let us not build nuclear generators," if it could be conclusively shown and demonstrated that the very security and, indeed, the continued existence of the United States was dependent upon the development of our own domestic energy reserves.

We are almost in the situation with oil that I believe we could be with these materials. Right now, if the OPEC countries were to shut off that 40 percent of our oil supply upon which we vitally depend, we could be in very serious trouble tomorrow. Factories would be closed. Men would be thrown out of work. Schools would be shut down. Transportation would grind to a halt. There would not be anyone who would say, "Let us not do the best we can in trying to meet that situation."

Building up the sort of dependency that it seems to me we may be heading toward as we deny ourselves access to these important, critical minerals that we own, contained within lands completely under the sovereign jurisdiction of the United States, is to encourage the kind of situation arising which could be duplicative of the energy problem that I think we could face.

So I say to my colleague I believe this is an unnecessary and unwarranted risk that we should not take. I see good reason to support the amendment by the distinguished Senator from Alaska. It would simply mean that the U.S. Congress is keeping a commitment that an earlier Congress had made back, I believe, some 37 years ago.

I will join and work shoulder to shoulder with my good friend from Montana in seeing that we minimize to the greatest extent possible any further mining in national parks. I repeat that I think we can do that by first knowing what the mineralization may be in areas that are proposed for inclusion in the system; and second, if those minerals can be mined for which an established right exists, I would join with him in buying up those rights if the minerals that we would lose are not critical to our national well-being, because it seems totally inconsistent to be mining in areas that are set aside. On that point I think the Senator and I have no disagreement whatsoever.

When we are talking about minerals that are in short supply, that are critical to our continued well-being, that we have reason to think may be denied us or, indeed, have been denied us by foreign countries, either through expropriation or through new policies that do not look with favor upon our policies here, then I think we have another situation that does require an examination of the importance of such minerals to the United States.

Mr. President, I ask unanimous consent to have printed in the Record a study by Gary Bennethum and L. Courtland Lee, both employees of the Department of the Interior, entitled "Is Our Account Overdrawn?" It deals extensively with the minerals that are available to Americans in this country and are under our mining laws and our public land laws.

There being no objection, the study was ordered to be printed in the Record, as follows:

Is Our Account Overdrawn?

(By Gary Bennethum and L. Courtland Lee)

Over the years, withdrawals of public land from operation of the mineral laws have taken many forms and been initiated by many interests with no overall accounting of the withdrawals. Withdrawals have been encouraged with little regard for their cumulative effect. The key question is: Have we withdrawn so much land from mineral exploration and development as to seriously affect the long-term mineral position of our country?

With increasing awareness of the importance of mineral resources to the vitality and security of an industrial nation, considerable attention is focusing on the availability of these resources on public land. There is a general feeling, particularly in the mining community, the following a half decade of acute interest in the environment coupled with governmental shortsightedness of the unique problems associated with development of mineral resources, the mineral disposal laws have been made all but meaningless by piecemeal withdrawal, both legislative and administrative, on increasing amounts of public land.

The power to withdraw lands from the operation of the public land laws, including the Mining Law of 1872 and the 1920 Mineral Leasing Act, is one of the most important governmental powers affecting the mining industry. The mineral potential of an area is of little value if the area has been put off limits to mineral exploration and development. Yet, withdrawals are one of the least appreciated and understood government powers.

The withdrawal process involves complex interrelationships between Congress and the executive branch of government. It is so fundamental that our founding fathers saw fit to give to the Congress the power over the disposition of the public lands. Article IV of the Constitution states that Congress has the power to dispose and to make rules respecting the Territory belonging to the U.S.

PUBLIC LAND WITHDRAWALS MADE IN THREE WAYS

In more recent times the executive has asserted, the Congress has acquiesced, an authority to make withdrawals without specific statutory authorization. Basically, withdrawals (and reservations) of public lands are accomplished in one of three ways: (1) withdrawal of specific lands by an Act of Congress, (2) withdrawal by the executive pursuant to specific Congressional delegations, and (3) withdrawals by the executive based on an asserted inherent nonstatutory power.

Aware of the need for information in this area, the writers' undertook an independent analysis in order to determine the extent of the withdrawal of land from operation of the mineral laws. To better understand the results of this study, we have considered all the publically owned land of the United States as a mineral-land bank account. Lands which have been put off limits to mineral exploration can no longer be considered as assets in our account. History has shown that, after lands have been withdrawn for certain uses, only rarely are they reopened by a revocation of the withdrawal specifically to allow mineral exploration and development to again occur. Realistically, nothing short of a national emergency will provide the incentive for reopening many of these withdrawn lands to mineral development. In the vast majority of cases the lands were withdrawn without any realistic evaluation of their mineral potential. Thus, the minerals in these lands cannot be considered to be available in a national emergency since there is no way of knowing which withdrawn lands should come back into our account should a serious shortage of a mineral commodity occur. Also, long lead times and the uncertainty of mineral exploration and development seriously limit the contribution these withdrawn lands could make.

This account, which contains over one-third of the nation's onshore land with its associated minerals, is owned by all the people of the United States. We have used acres of lands as the medium of exchange in this account and, for simplicity, we have assumed that land with high mineral potential has the same value as land with low mineral development potential. As a practical matter, of course, mineral deposits are not distributed randomly, but are often associated with certain geologic conditions. Thus, one could effectively eliminate all future domestic copper production by withdrawing a few relatively small areas where certain geologic conditions exist.

WITHDRAWALS INITIATED BY MANY INTERESTS

Over the years, access to this land for mineral evploration has been restricted or precluded through the removal of lands from operation of the mineral laws. These actions, or withdrawals, have taken may forms and have been initiated by many interests with the net effect of withdrawing from our account areas for mineral exploration and development. In those cases where lands once withdrawn have been reopened to operation of the public land laws, in actions called revocations, they have been considered to be deposits to our mineral land account.

The key question, which has tremendous national and international implications, is—have we withdrawn so much land from mineral exploration and development as to seriously affect the long term mineral position of our country? Have we overdrawn our account and thereby mortgaged our future to international cartels made up of supplier countries who will be able to band together to control key mineral raw materials?

TWO BASIC LAWS COVER MINERAL DISPOSAL

In order for anyone to answer these crucial questions, we must have some idea of the status of our minerals land account. In other words, we need a national audit. We have attempted to provide this audit by considering what has been formally withdrawn from operation of the mineral laws, where mineral exploration and development have been precluded, and what has been removed through executive and legislative actions which have the effect of *de facto* or "in fact" withdrawals, where access to the lands for exploration and development is so restricted that "as a practical matter" they are also withdrawn. These "in fact" exclusions are the result of conditions which create such a disincentive to exploration and cloud the mineral title to such an extent that making the necessary large investments for mineral development is unacceptably risky. Both the withdrawals by law and the withdrawals in fact constitute debits to our account. If the net withdrawals are subtracted from our initial assets, what is left is the acres of land theoretically open to the mineral laws.

For the vast majority of mineral resources on public lands, mineral disposal, including access for exploration and development, is provided under two basic laws: the Mining Law of 1872 and the Mineral Leasing Act of 1920. The Mining Law of 1872, hereafter referred to as the Mining Law, is still in effect on public domain lands, which are those lands that have never passed out of federal ownership. The Mining Law applies to all minerals exclusive of oil, gas, coal, phosphate, sodium, oil shale, sulfur, potash and certain other hydrocarbons and nonmetallics which are provided for under the Mineral Leasing Act of 1920.

TABLE 1. *Original public land assets subject to operation of the mining and leasing laws*

LEASING LAWS	
Original assets (1974 figures):	*Acres*
Public domain	704, 750, 000
Acquired land	56, 250, 000
Mineral estate reserved	63, 200, 000
Total assets subject to the leasing laws prior to withdrawals (all states)	*824, 200, 000
MINING LAW	
Lands subject to operation of the Mining Laws; Alaska, Arizona, Arkansas, California, Colorado, Florida, Idaho, Louisiana, Mississippi, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming:	
Public domain	703, 000, 000
Mineral estate reserved	89, 300, 000
Total assets subject to location under the Mining Laws prior to withdrawals	*742, 300, 000
Total acres of land in the 50 United States	2, 263, 587, 000

* Note that these figures include areas where both laws apply.

Mineral disposal on all lands which have been acquired by the federal government is made under the Acquired Lands Act of 1947. Acquired lands are not considered public domain. Disposition of geothermal steam is made according to the Geothermal Steam Act of 1970. Not considered here are common variety minerals which are mostly used for construction purposes and are disposed of by the Material Sales Act of 1947 as amended by the Common Varieties Act of 1955. Hereafter, the term "mineral leasing laws" will include the Mineral Leasing Act of 1970, as amended, the Acquired Lands Act of 1947 and the Geothermal Steam Act. The term mineral laws will refer to both the Mining Law of 1872 and mineral leasing laws.

OVER 700 MILLION ACRES SUBJECT TO MINING LAW

Due to the guaranteed access under the location patent system of the Mining Law of 1872 and the discretionary authority resting with the Secretary of the Interior to issue leases under the leasing laws, the two laws were dealt with separately in our study. The original assets in our account prior to accounting for withdrawals and deposits (revocations), are shown in table 1. As of 1974, we had 824 million acres of land theoretically subject to the leasing laws and 742 million acres subject to the Mining Law, exclusive of withdrawn land.

In addition to presenting for the first time an overall audit of the total account, we have examined the history of some of the major withdrawal categories and the recent trends in executive withdrawals. To do this we analyzed all the public land orders published between 1964 and 1974 which specifically withdrew or opened public land to the mineral laws. In taking this approach, we have attempted to focus attention on what has been happening to our account in recent years and what our balance presently is.

OVERVIEW OF THE TOTAL ACCOUNT

If all the withdrawals "by law" and withdrawals "in fact" are subtracted from our total assets we can determine fairly accurately what our present situation is. Fig. 1 and 2 present the startling results of this analysis for the Mining Law and the mineral leasing laws, respectively. We have included withdrawals made in all three ways: (1) by an Act of Congress; (2) by executive action pursuant to general authority delegated by Congress; and (3) by the executive's inherent nonstatutory withdrawal authority. Each of the major withdrawal categories in fig. 1 and 2 will be discussed later in more detail.

Due to the constantly changing nature of our account, a fixed point in time had to be chosen in order to make a comparison. The year 1968 was chosen because, (1) it ushered in the new wave of environmental concern and (2) withdrawal activity was fairly constant in the previous years. Summaries of all withdrawals have been made for 1968 and 1974 to focus on the effect of recent withdrawals on our account.

Wherever possible, overlapping withdrawals have been eliminated to avoid double accounting. Overlapping is surprisingly slight, probably due in part to executive agencies' desire to maintain their own authority over lands they administer.

However, where overlapping withdrawals have occurred, for example, between military reserves and game ranges, or roadless areas and Alaskan lands, they have been eliminated. Some administrative and recreation sites may overlap the roadless areas category and proposed BLM primitive areas overlap some Classification and Multiple Use Act withdrawals, but these have been corrected to the maximum extent possible. Also, acreages under mineral lease, 63.0 million in 1968 and 73.8 million in 1974, may overlap to some extent the withdrawn categories. Mineral leases issued prior to any withdrawal remain in force for at least the primary term of the lease (usually 10 years for oil and gas and 20 years for other leasable minerals). The vast majority of these leases, however, would be located in other than withdrawn areas and have therefore been included as a separate category.

Mining law

In fig. 1 for the Mining Law, we have arranged the withdrawal categories in order of descending authority and effectiveness. The National Parks system containing lands specifically withdrawn by Congress, withdrawals for military reservations, and state selections are made under firm statutory authority. Of similar authority, but more recent, are specific categories of legislative segregation under the Wilderness Act, Wild and Scenic Rivers Act, and the Alaska Native Claims Settlement Act (ANCSA), and the Classification and Multiple Use Act (C&MUA). Of somewhat lesser authority or effectiveness are certain executive withdrawals such as the utility corridor, oil shale withdrawals, and proposed withdrawals. Under Department of the Interior procedures, approval of a request to file a withdrawal application segregates the land from the operation of the public land laws. Thus, although not officially withdrawn, since no withdrawal notice is published in the Federal Register, the lands are effectively removed from the mineral laws. There are cases where such withdrawal applications have remained in effect for decades without any withdrawal notice being published.

In 1968, only about 17 percent of the 740 million acres of public domain in our original account was withdrawn from operation of the Mining Law. The remaining land was theoretically open to mineral exploration and development but was encumbered by existing leases and an estimated 10 million unpatented mining claims. These unpatented claims have an impact on the availability of the lands for mineral exploration and development. Due to the impossibility of checking the validity of outstanding mining claims, we have ignored this complication affecting the remaining public domain and have assumed that existing unpatented mining claims have no affect on our account.

In 1974 approximately 53 percent of our original assets were withdrawn from the Mining Law. An additional 14 percent is included in de facto withdrawals. In some of these areas, one could theoretically explore for and develop a mineral deposit if no vehicular equipment is used or if certain other "restrictive" conditions are met. In other areas, mining claims are contested immediately, thus affording no opportunity to perfect a discovery. The test of whether or not a de facto withdrawal exists obviously cannot be based on the superficial determination of the existence of specific legislation or a public land order affecting the lands. But rather it must be the "real world" test of whether or not access for discovery and tenure after discovery are sufficient to justify capital risk taking.

In 1974 the total acreage completely or partially (e.g., nonmetalliferous only) withdrawn from the Mining Law amounted to 67 percent or two thirds of all public lands. What is perhaps even more alarming is the fact that the cumulative effect of this situation has occurred without the knowledge of govenment.

Leasing laws

Fig. 2 shows the situation for the mineral leasing laws. We have again arranged the categories in descending order of authority and effectiveness. The basis for the ranking is the certainty of the withdrawal authority, how long it has been in effect, and how effectively the areas have been withdrawn from our account.

Unlike the Mining Law, Congress included specific provisions in the mineral leasing laws and their amendments which removed certain classes of lands from mineral leasing. Thus, National Parks and Monuments and the Naval petroleum and oil shale reserves are excluded from the coverage of the laws. There are some exception here which will be discussed in more detail later. Withdrawals pursuant to state selection have long standing authority and, therefore, rank rather high on our list; most of this land is in Alaska. More recent legislation such as ANCSA, the Wilderness Act, and the Wild and Scenic Rivers Act provide specific statutory authority for withdrawing lands from the leasing laws. However, future congressional action will further define the areas to be withdrawn so we have rated these lower in our chart.

Following the legislatively authorized withdrawals we have placed the executive withdrawals such as the utility corridor, oil shale and game range withdrawals. The latter are specifically closed to oil and gas leasing by regulation but leasing may be allowed where drainage occurs. In addition, there are classes of land where the mineral leasing agency, the Bureau of Land Management (BLM), must get the surface administering agencies' consent before any lease is issued. In certain cases, published policy, as in the public land order for the utility corridor and oil shale withdrawals, precludes mineral leasing. In other cases, it is internal agency policy not to consent to mineral leasing, as in the Forest Service's roadless areas. The result on our account is the same and these actions constitute de facto or "in fact withdrawals.

Power site withdrawals constitute another class of de facto withdrawal. In some power site withdrawals, leasing may occur, however, should an area be flooded, no compensation will be made to the lessee. Who will invest exploration and development capital to explore and develop a mine in an area which could be flooded with no compensation for the lessee? One of the lowest withdrawal categories in fig. 2 is the BLM primitive and roadless areas. These are placed at the bottom not because their impact is the least but because their legal authority is the most uncertain.

In 1968 about 17 percent of the 824 million acres theoretically available were withdrawn from the leasing laws. Another 63 million acres were encumbered by existing mineral leases, mostly for oil and gas development. Leasing in already leased areas may be allowed but the physical impossibility of developing more than one mineral deposit in the same area, especially where non oil and gas leases exist, severely restricts new leasing in many of these areas. They have, therefore, been categorized as restricted for new mineral leasing recognizing that this restriction is more serious where non oil and gas leases or a producing oil and gas field exist.

The remaining acreage, although encumbered with mining claims, was theroretically open to mineral leasing.

Between 1968 and 1974 the situation for mineral leasing changed dramatically. For one thing, surface managing agencies developed and implemented land use planning systems. Also, significant new legislation was enacted which severely impacted the availability of lands for mineral leasing. The result is that as of 1974, 64 percent of our initial assets have been withdrawn from our account. Another 9 percent is mildly to severely restricted by already existing leases. The remaining 27 percent is open but subject to land use planning, which may zone out an area for mineral leasing because of "unacceptable environmental" impacts or some other reason.

Because leasing is discretionary, it is impossible to determine what percentage of our remaining lands is actually available. It is logical, and indeed the case, that where areas have been withdrawn "to protect them from the Mining Law" such areas would also not be leased for many forms of non oil and gas mineral development under the leasing laws.

Unfortunately, it is almost impossible to accurately survey all of the surface managing agencies to determine how their discretion would be exercised. In order to calculate exactly what remains open, such data should be analyzed to determine the cumulative effect of these decisions on the remaining lands in our account.

Even without this data, the fact remains that 73 percent of the land in our account is totally or partially withdrawn or restricted from the operation of the mineral leasing laws. The main reason this situation has occurred is the lack of any governmental mechanism for assessing the cumulative effect of individual withdrawal decisions.

CONGRESSIONALLY DIRECTED WITHDRAWALS

Withdrawals and reservations of public lands were initiated shortly after the founding of our country. The Congress enacted specific statutes authorizing the President to withdraw lands for military reservations, townsites, trading posts, etc. During this period, Congress carefully controlled the specific delegations of withdrawal authority to the executive branch.

The establishment of National Parks in 1872 and National Forests in 1891, the 1902 Reclamation Act and the 1906 Antiquities Act all reflected Congress' intent in designating specific areas or general classes of public lands for specific purposes. Under these acts, Congress withdrew specific lands or delegated withdrawal authority to administrative agencies pursuant to criteria and standards established by Congress.

The following discussions relate to the more important congressionally directed withdrawal categories in fig. 1 and 2.

Park system

Since the creation of Yellowstone Park in 1872, the withdrawal of public lands for National Parks has been usually undertaken through enactment of specific legislation by Congress. In most cases, Congress has provided that the parks be withdrawn from the mineral laws. These withdrawals are the highest form of withdrawal authority and represent one of the most legitimate reasons for withdrawing land from our mineral account.

The National Parks are administered by the Park Service, which also administers lands withdrawn for national monuments. National monuments are sometimes established by congressional action but usually are established through executive initiated withdrawals. Many national monuments are withdrawn under the 1906 Antiquities Act which authorizes the President to establish places of historic or scientific value as national monuments. National monuments are generally closed to the Mining Law, and leasing activity within national monuments is prohibited under the 1920 Mineral Leasing Act; thus, mining in national monuments is precluded unless expressly authorized by an act of Congress. Where Congress has created national monuments it has expressly authorized mining in a few instances. Glacier Bay National Monument in Alaska is an example.

Overall, about 14.6 million acres of public domain in the National Parks system are withdrawn from the Mining Law. This figure is exclusive of areas within Mount McKinley National Park, Death Valley, Glacier Bay, and Organ Pipe National Monuments, which are partially open to the Mining Law.

About 24.6 million acres of public domain and acquired lands have been taken out of our mineral leasing account for the National Parks system.

The Park Service also administers National Recreation Areas (NRA). Most of these are created by the executive on lands already withdrawn for reclamation purposes. In several cases, controlled mineral leasing may be allowed in NRA's. Thus, in the Lake Mead NRA and the Whiskeytown-Shasta-Trinity NRA, mineral leasing may be allowed under special conditions and regulations which the Secretary of the Interior prescribes. Most of the remaining NRA's are managed cooperatively between the Park Service and the Bureau of Reclamation. And except for the few areas mentioned, they constitute *de facto* withdrawals from our account. However, these withdrawals are not included in the National Parks statistic in fig. 1 and 2. They are accounted for under the reclamation withdrawal category.

Military withdrawals

The history of public lands withdrawals for military purposes reflects all of the complex interrelationships between the executive and legislative branches of government in the area of withdrawal authority. Prior to 1909 the executive freely withdrew public lands to establish military reservations and bases. But in 1909, President Taft withdrew large areas of petroleum reserves which later became Navy Petroleum Reserves. This action lit the flames of controversy within the legislative branch of government and resulted in the only law ever enacted by Congress which dealt with the general withdrawal power of the executive, The General Withdrawal Act of 1910 or the Pickett Act.

Subsequent to passage of the Pickett Act, some of the lands previously withdrawn by executive order were rewithdrawn under the authority of this act. But even after the Pickett Act no effective statutory authority existed for controlling military withdrawals since the executive frequently used executive orders and public land orders to effect withdrawals without citing this act as authority. To remedy this situation, Congress in 1958 passed the Defense Withdrawal Act for the express purpose of modifying the asserted nonstatutory authority of the executive to make withdrawals for military purposes. The act requires that all proposed military withdrawals over 5,000 acres be established by specific congressional authorization. Many such withdrawals have been approved by Congress since passage of the Defense Withdrawal Act.

Although some areas withdrawn for military purposes are theoretically open to the mineral laws, there remains about 41.3 million acres of public domain which are withdrawn from the Mining Law. This includes 23.9 million acres in withdrawals for Naval petroleum and oil shale reserves. Also, approximately 48.1 million acres of public domain and acquired land are as a practical matter withdrawn from the mineral leasing statutes. Legislation in the 94th Congress affecting certain Naval petroleum reserves could slightly reduce this figure. Today's need for separate military hydrocarbon reserves is questionable at best, but this subject is beyond the scope of this discussion. Nevertheless, since petroleum and oil shale reserves are expressly excluded from leasing by the provisions of the 1920 Mineral Leasing Act, only through an act of Congress could these valuable energy reserves be deposited back into our account.

Overall, withdrawals from our account for military reserves constitute one of the major classes of withdrawal actions. With the exception of the Naval petroleum and oil shale reserves many of these withdrawals are for national defense purposes. It is, therefore, unlikely that any major portion of these areas will be deposited back into our account in the near future.

Alaska Native Claims Settlement

The land use and ownership situation in Alaska is extremely complicated and requires some historical background to fully understand what has happened to our account in recent years and what will likely happen in the future.

By the time it entered the Union in 1959, only 600,000 acres of land in Alaska were in private ownership. The remainder was public domain which included significant withdrawals from the mineral laws, mostly in military reservations, national parks, wildlife refuges and petroleum reserves. As the state started to select lands granted to it in its statehood entitlement, native groups protested that the state was selecting lands to which they had rights. To protect the lands until the native rights could be determined, Secretary of Interior Stewart Udall in 1966 imposed a freeze on all Alaskan public land actions, including withdrawals. Pressures to resolve the native question were intensified after the discovery of oil in 1968 and culminated in passage of the Alaskan Native Claims Settlement Act (ANCSA) of 1971, which was supposed to end the freeze and finally settle the land issues.

The act effectively withdrew all unreserved public lands in Alaska from the Mining Laws (except for metalliferous minerals) and the mineral leasing laws for a period of 90 days and authorized the Secretary to make any necessary withdrawals under the existing law and authority to protect the land from state and private ownership and mineral entry.

Under the act, Congress awarded the natives nearly $1 billion for regional development corporations and 40 million acres of land to be selected from a pool of 25 townships adjoining each native village. Withdrawals for villages and regional deficiencies for villages withdrawn by the act itself terminate Dec. 18, 1975; however, the subsequent withdrawals made by the executive pursuant to the act remain in effect until revoked by the Secretary of Interior. There are basically two types of executive withdrawals mentioned within the act. The first, section 17, d–1, withdrawals are to be made in the public interest under the Secretary's existing authority. The d–1 withdrawals permit metalliferous location under the Mining Laws except where they overlie a withdrawal that previously withdrew the lands from all forms of mining. The section 17, d-2 withdrawals were withdrawn by the Secretary for possible inclusion into the four systems; national park, forest, wildlife refuge, and wild & scenic river systems. Section d–2 withdrawals withdrew the land from all minerals exploration under the mining laws. Both d–1 and d–2 withdrawals remove the land from operation of the leasing laws.

Basic provisions of the act required that 120 million acres be withdrawn in aid of native selection pursuant to provisions of ANCSA. These lands are withdrawn from both the Mining Law and the mineral leasing laws. The natives will select about 43 million acres. Of the remaining 77 million acres, some will go to satisfying state selection rights of which Alaska's remaining entitlement is about 35 million acres. Not all the 35 million acres will be selected out of the 77 million. The remaining acreage may be reopened to the Mining Laws and mineral leasing laws at the Secretary's discretion.

A second provision of ANCSA permitted the withdrawal of up to 80 million acres for possible inclusion within the four systems. The Secretary withdrew approximately 80 million acres for this purpose in March 1972. In September 1972, the Secretary made a series of adjustments to these withdrawals. As a result, about 14 million acres of the 80 million acres of d–2 lands initially withdrawn in March for the four systems were shifted to withdrawals for native deficiencies, state selections or d–1 (public interest) purposes. However, the d–2 withdrawal status (which withdraws lands from all the mineral laws) was not removed from the mineral estate.

Approximately the same acreage of lands initially withdrawn for d–1 in March was added to the d–2 withdrawals, thereby holding the overall d–2 withdrawals close to the 80 million acre statutory limitation.

Under the act, the Secretary of Interior had to submit to Congress by December 1973 his plans for dividing up Alaska into parks, refuges, forests, multiple use areas (which hopefully includes mineral exploration and development) etc. The bill submitted by Interior Secretary Rogers C. B. Morton would set up three new national parks (two are more than four times larger than Yellowstone), double the size of Mt. McKinley National Park and enlarge and redesignate Katmai National Monument to park status, and establish four new national monuments; it would add 31.6 million acres to the National Wildlife Refuge System (which now contains about 30 million acres), and among other things, add 18.8 million acres to national forests and 20 areas containing 800,000 acres to wild and scenic rivers. These proposals total 83.4 million acres or 23 percent of the land area of Alaska.

Morton's recommendations included approximately 65 million acres of d–2 withdrawals and 18.4 million acres of d–1 withdrawals. The 18.4 million acres of the d–1 withdrawals in the Secretary's legislative proposal at present are open only to metalliferous mineral location under the 1872 Mining Law. The 65 million acres of d–2 lands remain closed to both the mining laws and the mineral leasing laws.

As soon as the Secretary's proposal was made known, it was immediately attacked by environment groups who placed a full-page newspaper ad of protest urging Morton to change his recommendations. One of the groups' major concerns was that large areas of Alaska would go to multiple use! The groups, including the Sierra Club, Wilderness Societies and the National Audubon Society, later drafted and had introduced in Congress their own bill which includes vastly larger areas for parks and refuges.

Various other interest groups and legislators will be sponsoring their own bills. Congress is not bound by the Secretary of the Interior's recommendations. It can add any lands it wishes to the parks and refuges, including some mineralized areas disputed by the state of Alaska. Congress has until Dec. 18, 1978, to act on the proposals, and during that time the proposed areas are required to be "protected," including the possibility of additional withdrawals on the d-1 and other lands.

It is certain that, in the years ahead, various preservation and "public interest" groups will be pressuring Congress to preserve entire "ecosystems" for future generations. And during the ensuing months, pictures of snowy mountain peaks and analogies to the destruction of the great buffalo herds will be presented to the public as the strawman argument of preservation versus destruction is raised in defense of America's last frontier. Very few will consider whether the "buffalo" being destroyed is America's future mineral wealth.

TABLE 2.—*Alaska Native Claims Settlement Act (ANCSA)*

MINING LAW (METALLIFEROUS)	
Total U.S. lands owned in Alaska	353,383,000
Reserve acreage prior to ANCSA including open National Forest lands	−72,919,000
Acquired lands	−17,000
State selected lands, patents, tentative approval of patents (unperfected entries)	−25,500,000
Net public domain open to location prior to ANCSA	254,947,000
Acres withdrawn from metalliferous location (utility corridor)	−2,898,000
Lands open to metalliferous location after ANCSA	−46,000,000
Net lands withdrawn from metalliferous and nonmetalliferous location by ANCSA	206,049,000
MINING LAW (NON-METALLIFEROUS ONLY)	
Net public domain open to location prior to ANCSA	254,847,000
Withdrawn for utility corridor	−5,343,000
Withdrawn from metalliferous and non-metalliferous by ANCSA	−206,049,000
Net withdrawn from nonmetalliferous only by ANSCA	43,555,000
LEASING LAWS	
Total U.S. lands owned in Alaska	359,383,000
Reserved acreage prior to ANCSA including open national forest lands	72,919,000
Lands selected by states, patents and tentative approval of patents unperfected entries)	−25,500,000
Area withdrawn for the utility corridor	−5,343,000
Area withdrawn from leasing by ANCSA	249,621,000

Because of the many changes and complexity of the public land orders concerning ANCSA, a determination of the precise acreage of the public domain closed to entry under the Mining Law and the leasing laws by ANCSA was difficult to make (see table 2). Our calculation required knowing the total acreage of public domain in Alaska, and in additions and withdrawals under Sections 11 and 16 of ANCSA; this excludes large areas of forest effected by power site withdrawals. By deleting these reserved lands, state selected lands, pending state selection, unperfected entries, and utility corridor lands from the total U. S. lands in Alaska and then comparing this figure to what is open in unreserved public land subsequent to ANCSA, the specific withdrawal by both legislative and executive actions associated with this act was obtained. As shown in table 2, a total of 206,049,000 acres of Alaskan public domain were withdrawn by ANCSA from entry under the Mining Law of 1872 for metalliferous and non-metalliferous mining, and an additional 43,555,000 acres were withdrawn from non-metalliferous only. Also, as shown in table 2, there was a total of 249,621,000 acres withdrawn from operation of the mineral leasing laws by ANCSA.

Presently, the only public domain in Alaska open to the mining laws includes: 46 million acres of d–1 withdrawn lands left open to metalliferous location by ANCSA, 2.9 million acres open for metalliferous location by the utility corridor withdrawal and 18.6 million acres in National Forest lands. Ironically, 2,952,592 acres are open to the Mining Law in Mt. McKinley National Park and Glacier Bay National Monument; the 1,013,100 acres remaining open in Glacier Bay National Monument cannot be patented; and 3,152,026 acres in the Clarence Rhode and Cape Newenham Wildlife Ranges. Accounting for withdrawn Alaska lands not included in ANCSA is made separately under the appropriate individual categories in fig. 1 and 2.

The land withdrawn for native claims and the land selected by the state of Alaska may eventually be available to some form of mining pending the discretion of the owners, but remain forever closed to the Mining Law and mineral leasing laws. Additional restrictions will certainly affect the public domain which is left. For example, under authorities proposed in Congress, roughly 70 million acres of roadless Alaskan public domain would be studied for intensive management as primitive or roadless areas. Those lands entering the four systems are sure to be withdrawn or severely restricted for mineral exploration and development.

Ignoring these uncertainties, approximately 45 million acres of leftover public domain could eventually be reopened to the Mining Law and mineral leasing laws by a Secretarial order and some portion of the 80 million acres left over after native selection could be opened to the mineral laws at the Secretary's discretion. Finally, portions of the National Forests and a few other areas may be opened for mineral exploration and development in the future. At this point it is not possible to determine what our future mineral land account will be; except only a relatively small fraction of the pre-ANCSA public domain will ever be again opened to the mineral laws.

In any event, through 1974 all lands affected by the ANCSA, except 46 million acres open for metalliferous location only, remain closed to the mining and leasing laws, and will remain so until ANCSA is completed. These lands remain withdrawn from our account.

The Wilderness Act

On Sept. 3, 1964, Congress passed the Wilderness Act to establish a National Wilderness Preservation System. At the time of enactment, 9.1 million acres already being managed as wilderness by the Forest Service were included within the system.

The act required that within 10 years after Sept. 3, 1964, the Secretary of Agriculture should review each area classified by Agriculture as primitive and report on its suitability for preservation as wilderness. The Secretary of the Interior was also given a similar mandate for areas in excess of 5,000 roadless acres in the park system, national wildlife refuges and game ranges. Each area recommended by the executive would become wilderness only if approved by an act of Congress.

Under the act, the agency administering the land is responsible for "preserving the wilderness character of the area" until 1984. "Subject to valid rights then existing, effective Jan. 1, 1984, the minerals in lands designated by this chapter as wilderness areas are withdrawn from all forms of appropriation under the mining laws and . . . mineral leasing. . . ." The act further identifies what prohibitions and restrictions must be imposed to "preserve" the wilderness areas in their pristine state. There "shall be no commercial enterprise and no permanent road . . . no temporary road, no use of motor vehicles, motorized equipment or motorboats, no landing of aircraft, no other form of mechanical transport, and no structure or installation within any such area." Although, theoretically open to the mineral laws until 1984, these areas are as a practical matter withdrawn. In addition, any mineral patent granted prior to 1984 must reserve to the U.S. title to the surface.

By the close of 1974, there were 125 wilderness units comprising 12.6 million acres within the system. Of these, 85 or 11.6 million acres are in National Forests and 10.7 million acres in states where the operation of the Mining Law of 1872 is still in effect. An additional 3.8 million acres of National Forests were classified as primitive areas.

In conjunction with the act, the Forest Service has inventoried all "Roadless and undeveloped areas" comprising 5,000 acres or more for possible inclusion within the system. An additional 1,449 areas with 55.9 million acres were examined and screened to 274 areas of 12.3 million acres worthy of study. These 12.3 million acres are presently being managed as wilderness and are subject to special wilderness management regulations.

In 1972 in the U.S. District Court of Northern California, the case of Sierra Club vs. Butz arose out of Sierra Club objections that not enough acreage had been selected for study under the act. In an agreement between the Forest Service and the Sierra Club to discontinue the litigation, the Forest Service adopted a policy of managing to the maximum extent possible all 55.9 million acres as roadless, with no surface occupancy until such time as these areas not selected for study as wilderness are covered by land use plans and environmental statements which consider the wilderness alternative.

Perhaps the most misleading section of the act is the requirement for the Geological Survey and Bureau of Mines to evaluate the mineral values present and make public the results of such surveys on all areas to be included within the system. Although the areas proposed and included in the system continue to grow, these agencies are confined to the statutory 1984 time-frame for their evaluation. These "thin skin" mineral surveys are grossly misleading since they create a false sense of security in those who will use them to make tradeoff decisions between wilderness and mineral values. Who can say that minerals for the future do not exist beneath these lands? The history of mining is replete with examples where an individual, through perseverance, luck and deep drilling, found valuable mineral deposits where others, who had gone before, said they did not exist.

In late 1974, President Ford sent his recommendation on additional wilderness areas to Congress. It included 37 areas encompassing over 9 million acres to be added to the existing wilderness system and left open the inclusion of large segments of three western game and wildlife refuges until mineral surveys are completed.

The pending 1984 withdrawal coupled with present severe limitations on modern commercial exploration techniques, many of which require some road access and all of which require surface occupancy, has practically precluded the necessary exploration to discover commercial mineralization prior to 1984 when the areas will be withdrawn. Even though theoretically open, these severe exploration restrictions on image conscious mining corporations, and the tenuous future title in event of discovery, effectively remove these areas from our account under the Mining Laws.

The present policy of the Forest Service is to recommend no leasing in those areas already within the system, existing primitive areas, and all 55.9 million acres of roadless areas, including acquired land. These recommendations are, with few exceptions, accepted by the Bureau of Land Management which has the statutory authority to lease. All these lands therefore have been removed from operation of the leasing laws and remain withdrawn from our account.

Wild and Scenic Rivers Act

On Oct. 2, 1968, Congress passed the Wild and Scenic Rivers Act and at the same time designated eight rivers for inclusion within this system.

The act establishes three classifications for rivers: wild, scenic and recreation. It provides that all areas classified by Congress as wild are to be permanently withdrawn. Until Congress makes this classification, all areas subject to the Mining Law and located within ¼ mile from either bank of a designated or proposed river are withdrawn from operation of the Mining Law until such time as Congress should act upon a positive recommendation for inclusion into the system or until Oct. 2, 1976, whichever comes first. Areas other than wild may be withdrawn from the mining laws by special request to Congress or by administrative action. In those river sections designated scenic and recreational in excess of the ¼ mile corridor, access for location of a claim under the Mining Law is still possible. However, other limitations such as rights of way needed by the mining operation may be prohibitively expensive in terms of public image and in terms of high development cost. While most of these areas may meet our definition of de facto withdrawals we have not considered them to be withdrawn from our account because no accurate acreage figures are available.

Some mining activity could be permitted in those river areas designated as recreational, though it would be severely restricted and controlled. Although these areas may not be formally withdrawn from the leasing laws, it is general administrative policy not to issue any leases in areas designated wild or scenic.

The total land withdrawn from the operation of the mineral laws under this act is about 246,000 acres of public land administered by BLM and 224,000 acres of land administered by the Forest Service. Alaskan rivers have not been included since they were withdrawn by d-2 overrides under the ANCSA.

In early 1975, Congress enlarged the existing system of eight designated and 27 study rivers to include 29 additional river study areas. Public land, although withdrawn within the ¼ mile corridor of these additional river study areas, has not been included in the statistics in this study. Furthermore, our statistics do not reflect proposed amendments to the present federal acreage in the original eight rivers and 27 study rivers. The size of these amendments varies from less than ¼ mile up to 1 mile or greater from the banks of the designated rivers. Most of these amendments take into consideration topography and scenic values with no explicit consideration of potential mineral values. Leasing of minerals would not be permitted on federal lands within any area being studied for possible inclusion within the system, except perhaps oil and gas on a case-by-case basis. We have not considered those areas outside the ¼-mile statutory zone or areas potentially affecting water quality in tributaries to these rivers as being withdrawn from the mineral laws. Both categories of areas are here considered open under the Mning Law, although they might not be explored or developed due to high costs, water quality risks and damage to public image. Decisions to lease would be handled on a case by case basis by the Bureau of Land Management office having jurisdiction. With the possible exception of some oil and gas drilling, leasing would not likely be permitted in any of these areas.

In summary, the act has presently withdrawn 470,000 acres of federal land in ¼-mile corridors from the Mining Law in eight existing and 27 study river corridors. This figure does not include designated rivers in Alaska and the 29 additional study rivers proposed in 1975. These 470,000 acres are also withdrawn from leasing. This statistic also does not include public land study areas in excess of the ¼-mile zone being studied for inclusion within the system which are also effectively withdrawn from our account. It should be emphasized that the impact of the Wild and Scenic Rivers Act is considerably greater than indicated in our statistics. Surface managing agencies are studying at least 17 rivers involving public and acquired land for inclusion in this system. Many of these areas are effectively zoned off limits to mining through land use plans or the withholding of leasing approval and access. As better data develops and classifications are made, lands in addition to the 470,000 acres will be withdrawn from the mineral laws of our account.

Atomic Energy Commission

Withdrawals for Atomic Energy Commission purposes (now ERDA and Nuclear Regulatory Commission) are of two types, consisting of congressionally directed withdrawals and those initiated by the executive without specific statutory authority.

In 1945, President Truman, citing only his authority as President, withdrew all public lands of the United States which contained deposits of radioactive minerals from operation of the public land laws. This executive order (E.O.) was subsequently modified in 1946 and 1947 by new orders which provided for the reservation of source materials in certain U.S. lands. It is interesting to note that these sweeping executive withdrawals cited no specific authority. Finally, in 1954, the Atomic Energy Act was passed, which, among other things, granted the Atomic Energy Commission authority to lease deposits of source materials in lands which, presumably, are not subject to location under the General Mining Law. Shortly after passage of this act, in 1955, E.O. 10596 was issued, which revoked the previous orders used to withdraw source materials in certain lands.

The Atomic Energy Commission did not have authority to withdraw public lands for its own use. It had to rely on Congress and the executive to withdraw lands it needed. There are basically two reasons for most of the AEC-sponsored withdrawals: to establish research or storage sites and to effect control over source materials. The public land orders issued by the Department of the Interior for the AEC usually withdrew lands from all mineral laws. Some do not withdraw lands from the leasing laws since leasing is a discretionary act. The biggest portion, about 83 percent, of the lands withdrawn from our account for AEC uses are for three testing and research facilities: the Nevada Test Site, the National Reactor and Testing Station in Idaho, and the Hanford facility in Washington. A total of about 1.4 million acres are withdrawn from the Mining Law for AEC uses. An additional 0.6 million acres are expressly or in fact withdrawn from the leasing laws.

Small Tract and R & PP Act

Small tracts of public domain can be leased or sold under the Small Tract Act of June 1, 1938. Acreages designated for this purpose have remained fairly constant in recent years, amounting to 457,000 acres in 1974. Many of these are business site leases. Applications for such sites segregate the lands from the mineral laws and when approved these tracts are withdrawn from our account.

The BLM has in effect withdrawn and reserved areas from the mineral laws for recreational use under the authority of the Recreation and Public Purposes Act of 1926. This statute authorizes the Secretary of the Interior to dispose of public lands to states, municipalities etc. for recreational projects. The act does allow for classification of lands in Alaska. If no application is filed within 18 months following such classification, the Secretary "shall restore such lands to appropriation under the applicable public land laws." Interior has extended this classification authority to all lands of the U.S. through use of section 7 of the Taylor Grazing Act of 1934. Departmental regulations in two different places provide that, "Lands in Alaska and lands in the states classified pursuant to the act under section 7 of the act of June 28, 1934, will be segregated from all appropriations including locations under the mining laws. . . ." Nothing in section 7 of the Taylor Grazing Act authorizes classifying lands as closed to the mining laws. In fact, the Taylor Grazing Act specifically provides that nothing therein should restrict operation of the mining or mineral leasing laws.

While the legal authority for classifying these lands as closed to the mineral laws is rather tenuous, fortunately, not very much acreage is involved. In 1973 and 1974, only 17,000 acres were segregated under this category and 57,155 acres were under recreation and public purposes leases. These acres are withdrawn from our account. In more recent years, recreation areas have been withdrawn under the inherent non-statutory authority of the executive. These more recent withdrawals have been accounted for under the administrative and recreation category in fig. 1 and 2.

Classification and Multiple Use Act
(C & MUA)

On Sept. 19, 1964, the Classification and Multiple Use Act was passed by Congress. Authorization for segregating and classifying public land under this act expired on June 30, 1969, however, classifications made prior to its expiration remain in effect. The effect of these classifications is to exclude from entry under the Mining Law onto the acreages listed below:

Alaska	*3,246,624
Arizona	158,497
California	123,774
Colorado	7,466
Idaho	15,099
Montana	16,423
Nevada	137,180
New Mexico	54,573
Oregon	59,675
Utah	31,085
Wyoming	59,855
Total	3,910,251
Total (exclusive of Alaska)	663,627

* This segregation was included in the ANCSA withdrawals and has been excluded in the summary sheet for the Mining Laws under 1974 to eliminate double accounting.

Miscellaneous

There are a host of other laws under which relatively small amounts of land are withdrawn from our account for specific uses. Also, the executive, under its nonstatutory withdrawal authority has been withdrawing large numbers of areas for uses ranging from the creation of a 12,200-acre reserve for the desert tortoise in California to the withdrawal of one of the first gold mining camps in Montana. Table 3 identifies some of these miscellaneous withdrawal categories with estimated acreages for 1968 and 1974.

In table 3, townsites and other spacial uses include areas on public domain within incorporated cities, towns or villages, some of which are former mining camps. Other spacial uses refer to withdrawn easements for roads, power lines or irrigation ditches.

Other water uses include watershed withdrawals, natural springs, public water reservoirs, irrigation projects, underwater research and development, water salvage projects and underground water supplies.

Areas withdrawn for wildlife other than game ranges and wildlife reserves include withdrawals for wildlife management areas, waterfowl protection areas, desert pup fish areas, and withdrawals for various other species of wildlife.

One of the larger of the miscellaneous categories is stock driveways. These lands were historically reserved for driving cattle to the railroads and were usually not withdrawn from the Mining Laws.

Research, scientific, and educational areas include botanical sites, archaeological areas, ecological plots, national historic sites, experimental forests, scientific study sites, experimental range and pasture, pine and seed orchards, geologic sites and certain Science Foundation lands.

Other miscellaneous withdrawal categories include post office, air navigation and lookout sites, rockpits, airports, fire control centers, test sites, fish hatcheries, pumping projects, creek channels, job corps sites, hospital sites, prisons and others.

EXECUTIVE WITHDRAWALS

Many of the withdrawals from our account are initiated by the executive without any specific statutory authority.

It is not clear at what point the executive began to assert its nonstatutory withdrawal power, but in the early 20th century President Taft issued Temporary Petroleum Withdrawal #5, which withdrew from the mineral laws approximately 3 million acres of oil lands in California and Wyoming. There was no specific statute authorizing this withdrawal and it was subsequently challenged and affirmed by the Supreme Court in the famous Midwest Oil Case. The court upheld the President's authority to withdraw these lands based on an implied acquiescence in such withdrawals by Congress. It is important to understand that the court did not state that the President possessed this inherent withdrawal power, it merely stated that the practice of withdrawing without statutory authority was known to Congress for some time and Congress' acquiescence (by not overturning the withdrawals) operated as an implied grant of power to withdraw.

Shortly after the petroleum withdrawal in 1909, the then Secretary of the Interior expressed concern over his legal authority to make withdrawals. President Taft, concerned about this problem, asked Congress to enact legislation to authorize temporary withdrawals. This request eventually resulted in the Pickett Act, the first and only statute Congress has enacted affecting the general withdrawal authority of the executive. Although the legislative history of the Pickett Act strongly supports the contention that the act was intended to cover the entire range of the executive's withdrawal power, the executive has continued to exercise a non-statutory authority to make permanent withdrawals. The Pickett Act specifically prohibits the withdrawal of public lands from metalliferous location under the Mining Law.

The authority usually cited for withdrawing lands from the Mining Law is a 1941 Attorney General's opinion which held that the Pickett Act was only intended to control "temporary" withdrawals, leaving open the authority of the executive to make permanent withdrawals. Interestingly, an earlier draft of this opinion reaches the exact opposite conclusion, but because of arguments from the Secretary of the Interior it was not issued. In more recent times the use of this asserted nonstatutory authority has even been used to make temporary withdrawals from the Mining Law even though the Pickett Act expressly forbids making such withdrawals for metalliferous minerals.

In 1942, the President delegated all of his authority to withdraw public lands to the Secretary of Interior. This delegation was subsequently amended and in 1952 Executive Order 10355 was issued. This E.O. effectively gives the Secretary of Interior complete control over the executive's withdrawal process, including the President's powers under the Pickett Act and the exercise of the inherent power referred to in the 1941 Attorney General's opinion. The Department of the Interior has increasingly relied on its nonstatutory authority, especially where removal of the land from the Mining Laws is considered necessary.

TABLE 3.—MISCELLANEOUS WITHDRAWALS

[Millions of acres]

	1968 withdrawals		1974 withdrawals	
	Mining law	Leasing laws	Mining law	Leasing laws [1]
Townsites and other special uses	2.5	1.5	2.5	2.5
Water uses (other than reclamation and power site withdrawals)	1.4	0.2	1.5	1.5
Wildlife (other than F. & W.)	.3	.3	.5	.5
Stock driveways (nonmetalliferous only)	3.1		2.5	
Research, science and education	.4	.4	.4	.4
Other miscellaneous	1.0	1.0	1.0	1.0
Less miscellaneous overlaps	-.8	-.8	-.8	-.8
Total net withdrawn	7.9	2.6	7.6	5.1

[1] This includes what has been effectively withdrawn.

Oil shale

One of the best examples of the scope of the executive's withdrawal authority is provided by President Hoover's 1930 E.O. 5327 which "temporarily" withdrew deposits of oil shale and lands containing such deposits from leasing under the Mineral Leasing Act. This floating "temporary" withdrawal was modified by three subsequent orders to more precisely identify the lands affected and allow sodium leasing. The fourth withdrawal occurred in 1968 when Interior issued Public Land Order 4522, which withdrew 3,676,000 acres in Colorado, Utah and Wyoming from the mining laws. This withdrawal did not rely on the Pickett Act "temporary" withdrawal authority even though the previous "temporary" oil shale withdrawals were in effect for 37 years. But rather, Interior withdrew the oil shale from Mining Laws, an action expressly prohibited by the Pickett Act, through use of its asserted nonstatutory withdrawal power delegated from the President by E.O. 10,355.

The purpose of this withdrawal was to protect the oil shale lands from appropriation under the Mining Law after the presence of aluminum bearing dawsonite attracted a flurry of claim staking and for the protection of other resources in the lands. In 1972, there was a series of revocations and restorations affecting 917,000 of these acres prior to the prototype oil shale lease sales. The withdrawn areas which were not affected by these revocations remain withdrawn from our account for metalliferous minerals and mineral leasing for sodium.

Fish and wildlife refuges

As of 1974 there were 24.4 million acres of public domain land withdrawn for the purposes of the Fish and Wildlife Service. About 24.3 million acres of this are in states subject to the Mining Law (see table 4). Withdrawals for fish and wildlife purposes are usually accomplished through executive or public land orders, however, it is often not clear whether these orders are based on the statutory authority under the Pickett Act, and therefore open at least to metalliferous mineral location, or whether they are based on the implied nonstatutory authority of the executive.

In a report to the Public Land Review Commission, the Fish and Wildlife Service (F&WS) identified 27 reserves created prior to the 1910 Pickett Act. These the agency considers to be closed to all the mineral laws. Withdrawals subsequent to the Pickett Act usually cite the "authority vested in the President" or E.O. 10,355 as authority but do not contain specific language concerning operation of the mineral laws. But since the F&WS considers these areas also to be withdrawn from the mineral laws, it is likely the authority relied on is the implied nonstatutory authority of the executive. This situation has created some confusion, however, especially where Pickett Act language is used in the withdrawal order: The creation of the Kenai National Moose Range (E.O. 8979, 1941) demonstrates the confusion among administrators as to whether or not these orders close an area to the mineral laws. This particular case went to the Supreme Court in *Udall vs. Tallman,* but the ruling only held that mineral leasing wasn't expressly precluded. The F&WS considers this area to be closed to the Mining Law. There are also examples of orders which cite the Pickett Act as authority but which the F&WS still consider to be closed to the Mining Law, e.g., E.O. 8592, Nov. 1940.

Finally, there are situations where Congress has enacted statutes which give, some have been interpreted as giving, authority to withdraw lands for fish and wildlife purposes. Most of these, however, grant authority to create refuges on lands already withdrawn for specific purposes, usually national forests or reclamation purposes. Where such overlaps have occurred in our statistics, we have corrected for it by reducing the other withdrawal category, e.g. reclamation purposes.

In more recent years, the Interior Department has attempted to clarify this situation by specifically stating in the orders that the "lands are withdrawn from the mining laws but not the mineral leasing laws." The situation is further clarified by departmental regulations which provide that the filing of mining claims and prospecting and removal of minerals is prohibited on national wildlife refuges. The exception provided in the regulations is for oil and gas leasing where drainage occurs.

With respect to leasing for other minerals, the F&WS manual states: "Application for leases are referred to the service by BLM for recommendations. In conformance with service policy—the service usually recommends against leasing." This same policy also applies to lands which are not in the F&WS system but are jointly managed by F&WS and another agency. Such policies, of course, do not permit individual assessment of potential mineral values so that intelligent land use decisions can be made between mineral and wildlife habitat values. Nevertheless, the F&WS lands withdrawn from the Mining Law in fig. 1 and 2 are also withdrawn from mineral leasing.

Almost all wildlife refuges are withdrawn from the Mining Law. At the close of 1974 there were only three game ranges clearly open to the operation of the Mining Laws, and one, the Charles M. Russell Game range with only 357,000 acres left open to the Mining Law, was segregated from mineral entry by a proposed withdrawal filed in early 1975. There are four additional game ranges in Alaska comprising 3,260,000 acres which are not specifically segregated from mineral entry in the withdrawal order but by F&WS interpretation of the order (see table 4). These have been withdrawn from our account but are accounted for under a separate withdrawal category. It is unlikely that lands withdrawn for fish and wildlife purposes will be reopened to the mineral laws and they will remain withdrawn from our account.

TABLE 4. *Fish and wildlife lands subject to the mining law*

Total Fish & Wildlife public domain lands subject to the Mining Law	24,299,115
Open to the Mining Law (1974)—Game range and state:	
Clarene Rhode, Alaska	2,887,026
Cape Newenham, Alaska	265,000
Charles Russell, Montana [4]	357,000
Kofa, Arizona [4]	660,000
Cabeza Pride, Arizona [4]	[1] 34,000
Charles Sheldon, Nevada [4]	520,000
Desert Game Range, Nevada [4]	[2] 975,749
Game ranges not specifically withdrawn from mining in the withdrawal order: [3]	
Aleutian Island Wildlife Refuge Alaska	480,000
Nunivak Wildlife Refuge, Alaska	1,001,000
Bering Sea Wildlife Refuge, Alaska	39,000
Kenai Moose Wildlife Refugee, Alaska	1,730,000
Net wildlife refuges closed to the Mining Law	15,340,340

[1] Excludes 827,000 acres withdrawn for military purposes.

[2] Excludes 612,800 acres withdrawn for military purposes.

[3] According to Fish & Wildlife Service, these are withdrawn from the Mining Law.

[4] Segregated by proposed withdrawals.

Utility corridor—Alaska

On Dec. 29, 1971, Interior issued Public Land Order 5150, which withdrew lands for reservation as a utility and transportation corridor. This affects approximately 5,343,300 acres of land in Alaska. Of this acreage, 2,897,520 acres were withdrawn from the mining laws and the leasing laws. The remaining 2,445,780 acres were left open to metalliferous location under the mining laws only. All 5,343,300 acres were withdrawn from the leasing laws.

Although nearly contemporaneous with the Alaska Native Claims Settlement Act this public land order constitutes a separate executive action on nonoverlapping land areas and therefore represents a separate withdrawal from our account.

Primitive and roadless areas

The Bureau of Land Management can affect the lands in our account in two important ways. First, it is the responsible federal agency for reviewing all agency withdrawals and recommending to the Secretary of the Interior what action to take. In short, it administers the executive's total withdrawal authority delegated to Interior under E.O. 10355. Second, as the major public land managing agency, it may withdraw (both de jure and de facto) lands from our account in implementing its own resource programs. Executive withdrawals from the mining or mineral leasing laws have been initiated by BLM for numerous reasons.

Many of these have been accounted for in our study under several other withdrawal categories, such as administrative and recreation, proposed withdrawals, utility corridor, and miscellaneous categories. However, some of the major withdrawals from our account are for the creation of "primitive" and roadless areas.

The concept of a BLM "primitive" area is said to evolve from the Classification and Multiple Use Act. While no such mandate is in this act, which expired June 30, 1969, the act did recognize the classification of lands for wilderness values but did not authorize withdrawals for this purpose. In fact, wildernesses can only be established by Congress, which did not provide for inclusion of BLM lands in the system established by the Wilderness Act of 1964.

Under the nonstatutory withdrawal authority delegated by E.O. 10355, the BLM has withdrawn about 0.2 million acres from the mineral laws for establishment of primitive areas. About 0.1 million acres of this has been corrected for overlaps with classification and Multiple Use Act segregations (see fig. 1). Also, withdrawal applications for creation of primitive areas have been proposed on an additional 1.6 million acres. These areas have thus been segregated from the operation of the mineral laws and are effectively withdrawn from our account. Finally, there are 3.9 million acres pending designation as primitive areas. According to BLM internal instructions "to qualify for designations the proposed area must either be withdrawn or have been classified . . . under the C&MU Act."

Designation of an area is not a withdrawal in the legal sense, rather, according to BLM, "it is merely a process of naming and morally obligating the Bureau to a specific course of action." The BLM recognizes that "a proposed primitive area can be protected from incompatible intrusion long before the actual designation is finalized." But BLM does make an attempt to limit withdrawals and to "concentrate on key and significant areas or features within the total area being proposed for designation." Interior regulations provide criteria for primitive area use. Travel is restricted to nonmechanical forms, construction is not allowed in or on the land except where authorized, roads, mechanized equipment, nontransient occupancy and the landing of aircraft is prohibited except for certain authorized activities and then only under conditions specified, (43 CRF section 6221.2).

TABLE 5.—AREAS WITHDRAWN FROM MINING LAW AND CLOSED TO LEASING

[Millions of acres]

	Withdrawn from the mining laws	Withdrawn from the leasing laws	Net withdrawal
Military reserves	41.3	34.5	6.8
Indian purposes	4.2	0	4.2
Classification and multiple use	.7	0	.7
Reclamation	5.7	0	5.1
Atomic Energy Commission	1.4	0	1.4
Administration and recreation	1.9	0	1.9
Natural areas	.3	0	.3
Small tract and recreation and public purposes classification	.5	0	.5
Effectively withdrawn from leasing, total			20.9

Mineral leasing is usually not permitted in proposed primitive areas and mining claim activity is restricted to the point where it meets our definition of a *de facto* withdrawal. The 3.9 million acres of proposed primitive area (as of 1974) are therefore withdrawn from our account in fig. 1 and 2.

BLM roadless study areas include those withdrawn as primitive areas and those areas where withdrawal or designation is pending. There were about 89.5 million acres of roadless areas identified by BLM at the time of this study. Some 64 million acres are in Alaska and overlap ANCSA withdrawals. Of the remaining 25.5 million acres, 5.6 million acres overlap existing and proposed BLM primitive areas and 0.7 million overlap C & MU Act lands which have been segregated from mineral entry. This leaves 19.2 million acres of nonoverlapping areas within this category. The identification of these roadless areas is the first step in the creation of primitive areas. How many acres of this eventually are withdrawn as primitive areas is uncertain. But once an area has made it to the last step of the BLM planning process the BLM considers itself to be "obligated" to the protection of the primitive values. In addition, several bills were introduced in the 93rd and 94th Congress which would provide more specific authority to consider and withdraw these roadless areas for their primitive and wilderness values.

De facto withdrawals from leasing law

Many public land orders withdrawal lands from operation of the Mining Law but do not specifically withdraw the lands from mineral leasing. But, because the issuance of a lease depends on the exercise of administrative discretion, many of these areas are also effectively withdrawn whenever the administrator chooses not to exercise his discretion. In many cases, it is agency policy not to approve mineral leasing whenever requested by the mineral leasing agency, the BLM. In other cases, a local administrator will choose not to issue a mineral lease in order to further protect the areas already withdrawn from the Mining Law. Some reports accompanying proposed withdrawal requests boldly state that although the proposed order only withdraws the lands from the Mining Laws, no mineral leasing applications will be approved! It is impossible to precisely determine how many acres withdrawn from the Mining Laws are also withdrawn from mineral leasing. However, where certain categories of land have been withdrawn to "protect them from the Mining Law" it is unlikely that mining under a lease would be allowed. In table 5, we have attempted to estimate the acreages which are closed to the Mining Law and also closed to mineral leasing. These estimates are based on agency policy and responses to requests from the leasing agency. It should be noted that there are some exceptions for the issuance of oil and gas leases.

TABLE 6.—SEGREGATION AS A RESULT OF OUTSTANDING PROPOSED WITHDRAWALS 1970–74

Year	Number of proposed withdrawals	Terminated or furthered into PLO's	Outstanding proposals	Outstanding acres withdrawn from mining laws	Outstanding acres withdrawn from leasing laws
1974	43	1	42	[1] 3,532,804 [2] 32,987	1,702,990
1973	32	2	30	84,026 [3] 2,400	1,064 [3] 9,171
1972	53	10	43	65,414	19,737
1971	55	25	30	66,865	26,069 [3] 1,280
1970	65	33	32	54,407	3,869
Total for 5 yrs	248	71	177	3,803,516 [1] 35,387	1,753,729 10,451
Net withdrawn, including effective elimination from leasing except oil and gas				2,578,912	[4] 1,209,716

[1] Includes 1,439,800 acres overlap with military areas previously withdrawn from the mining law.

[2] Nor nonmetalliferous only.

[3] Withdrawn for all but oil and gas.

[4] Includes areas specifically withdrawn for leasing, exclusive of oil and gas, and areas withdrawn from the mining law only.

Tennessee Valley Authority

Leasing on acquired lands requires the consent of the surface managing agency prior to issuance of a lease by the Bureau of Land Management. The Tennessee Valley Authority administers 916,000 acres of acquired lands. In 1974 the TVA was withholding consent on the lands it administers, thereby effecting a withdrawal from the leasing laws of this land from our account.

Proposed withdrawals

The filing of a withdrawal application and noting of the records effects an immediate segregation of that land from mineral entry. This segregation remains in effect until terminated or until a final public land order is published. Table 6 shows the acreage segregated by outstanding withdrawal applications. There are outstanding withdrawal applications which date back to 1956, although the data presented here includes only the applications filed the last five years.

Of the 3.7 million acres segregated from mineral entry in 1974, we have removed 1.4 million acres since they were previously withdrawn from the mining laws for military uses. Eliminating this overlap produces a net of 2.3 million acres which have been segregated and effectively withdrawn from entry under the Mining Laws in 1974 alone. This includes 167,000 acres withdrawn for geothermal exploration and development, and numerous miscellaneous proposals, mostly for recreational purposes. There remain numerous outstanding proposed withdrawals prior to 1970 and several large proposed withdrawals in early 1975 (e.g., 980,000 acres in the Russell Game Range in Montana, of which only 357,127 were still open to Mining Laws). Large withdrawals for primitive areas also loom on the horizon. We have only withdrawn from our account those segregations shown in table 6. Should these proposals be terminated, they would be deposited back into our account, should they ripen into public land orders they will be withdrawn permanently. At this point in time, however, they are withdrawn from our account.

WITHDRAWAL TRENDS

In order to examine recent trends in executive initiated withdrawals, we have examined over 1,500 public land orders for their specific effect on mineral lands. This analysis considered all published withdrawals and revocations in excess of 20 acres between 1964 and 1974. Our purpose was to get some idea of which land use categories were making deposits and withdrawals from our account and to see if any meaningful average annual withdrawal rate could be established.

Fig. 3 shows the total executive withdrawals less revocations by major land use category for the 10-year period. Keep in mind that this chart does not represent all the withdrawals put into effect during this time period, but only those initiated by the executive. Furthermore, the recent increases in proposed withdrawals have not been included. For the Mining Law, military, wildlife, and administrative and recreation uses took the most land out of our account and deposited the least. All remaining withdrawals and revocations were lumped into the "other" category. Because this account included Alaskan withdrawals, it shows the biggest deficit over revocations (for this category, please note the difference in scales between withdrawals and revocations).

For leasing, fig. 3 shows that there was relatively less executive initiated withdrawal activity during this period except for military withdrawals and the "other" category. The withdrawal problem for leasing cannot be analyzed simply by looking at published withdrawal notices. The exercise of leasing discretion by the surface managing agencies and the effects of congressional enactments are the key factors in assessing the impact of withdrawals on the mineral leasing laws.

An examination of withdrawal trends in this 10-year period indicates that during the Department of Interior's withdrawal review program, revocations almost balanced withdrawals. However, beginning in 1967 the level of withdrawals began increasing substantially, perhaps due in part to a de-emphasis in the withdrawal review program. In 1971 withdrawals (exclusive of ANCSA) took quantum jumps as concern for the environment and wildlife habitat became a major national goal.

Because of the large variations in the net acreage withdrawn, we were not able to calculate a meaningful average annual withdrawal rate. However, certain broad withdrawal trends can be predicted. In the years ahead, the recent increases in executive initiated recreation, primitive and national area withdrawals will continue. Additional withdrawals to establish new wilderness and legislatively authorized primitive areas can also be expected along with larger acreages for wild and scenic rivers.

Some agencies, in attempting to comply with the Endangered Species Act, have proposed that "critical habitat" of endangered and threatened species be identified along with a list of actions which cannot take place on the designated areas. Identification of these areas would result in special regulations or other adminisrtative and management actions designed to protect these endangered species "enclaves." Various other bills, all providing authority to zone out or "control" mineral exploration and development, in certain areas, are also on the horizon. The problem with most of these bills is that they do not consider the large areas that have already been withdrawn from mineral development. None of these bills contain provisions for reviewing and eliminating the single use oriented withdrawals now in effect.

CONCLUSION

We have shown that through governmental actions we have firmly withdrawn nearly 400 million acres from the operation of the Mining Law and over 500 million acres from the leasing laws. In addition, over 100 million acres for the Mining Law and 70 million acres for the leasing laws are encumbered or are being managed in such a way as to constitute a *de facto* withdrawal from mineral development.

This means that, for the Mining Law, mineral exploration and development is specifically prevented or discouraged in an area the size of the states of California, Arizona, Washington, Oregon, Nevada, Utah, Idaho and one half of Colorado.

For the mineral leasing laws, exploration and development is prevented or discouraged in an area equal in size to all states east of the Mississippi except Maine. This does not include acreages which are presently under lease where further leasing may be restricted, especially in areas of non oil and gas leases and producing oil and gas fields. For mineral leasing, portions of what remains may be withdrawn through *a priori* zoning under various land use planning systems, although the magnitude of this latter problem cannot be assessed at this time.

One of the major reasons this situation has occurred is the lack of any mechanism for assessing the cumulative impact of thousands of discrete withdrawal actions. Each interest group working to have more land withdrawn does not consider the cumulative impact of its, and other group's, successful efforts. Rather, it tends to see its own reasons for withdrawing lands as more important and more in the national interest than land needs for mineral exploration and development. The rhetoric behind these withdrawal debates results in most areas being totally withdrawn from mineral development and what remains being totally open.

This kind of a land use strategy is economically unsound and is simply bad public policy. Since there is now more public land withdrawn from mineral development than is open we must create a middle ground where the mineral industry will have to accept reasonable conditions on its activities while the preservationists and others will have to accept the fact that somewhere in that million acre wilderness area, there is a mine. Given the present situation and our minerals-land account, it may be already too late. Whatever happened to multiple use anyway?

And government exploration and development is not the answer, although there will be those who have no concept of what is involved in discovering and developing a mineral deposit who will argue that only the government is capable of exploring for minerals on federally-owned lands. If past government involvement in private industry is any indication, this alternative would be a total failure and an unacceptable burden on the already burdened American taxpayer.

The other major reason this situation is not appreciated is because the consequences are long term. In fact, the withdrawal of mineral lands today will not be felt for decades to come.

However, there will be consequences, both for our economy and for our national security. Our actions increase the likelihood of national problems brought about largely through artificial altering by foreign cartels of supply and prices. Recently, the U.S. Geological Survey forecast that within the next 25 years the United States shall be 100 percent dependent on imports for 12 essential mineral commodities, more than 75 percent for 15 and more than 50 percent for 26 commodities. The implications are staggering. But the purpose of this article is not to point a finger of blame but only to make the public aware of what we are doing. Intelligent land use decisions must be very finely balanced. Such balance in tradeoff decisions is not possible if we do not know what the mineral side of the scale contains.

We began this article by asking whether our mineral lands account was overdrawn. We don't pretend to know the answer, but if it is and we continue to make withdrawals regardless of our total assets then, when will we be required to balance our account; who will be asked to make up the deficit; and at what price?

REFERENCES

[1] Study of Withdrawals and Reservations of Public Domain Lands, vol. I, II, III. Prepared for the Public Land Law Review Commission, 1968.

[2] Ohle, Ernest L. Presidential Address. Economic Geologists, "SEG, and the Future," Economic Geology, vol. 70, 1975.

[3] Stowe, Carlton H. "Enforcement of New Leasing Regulations: Utah's Oil and Gas Activity to come to a Screeching Halt?" Utah Geological and Mineral Survey, Jan. 1974.

Mr. HANSEN. I thank the Senator from Montana, and I yield the floor.

Mr. METCALF. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. METCALF. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR FILING OF MINORITY REPORT ON OKLAHOMA SENATORIAL CONTEST BY MIDNIGHT TONIGHT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the minority may have until midnight tonight to file a report on the Oklahoma contested election.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 9 o'clock tomorrow morning. After the two leaders or their designees have been recognized under the standing order, Mr. Tower will be recognized for not to exceed 15 minutes, after which debate will be resumed on the pending Stevens amendment No. 1359 to the pending bill S. 2371.

At 10 a.m. a rollcall vote will occur on the Stevens amendment No. 1359, after which debate will continue on various amendments until 11 a.m., and, of course, between the time of the vote on the Stevens amendment and the hour of 11 a.m. there could be other rollcall votes.

At 11 o'clock a.m., the Senate will go into executive session to consider the nomination of Mr. Willie J. Usery, Jr., to be Secretary of Labor, and a vote will occur on that nomination at no later than the expiration of 1 hour from the beginning of the debate thereon.

After the vote on the Usery nomination has been disposed of, the Senate will proceed to debate the override of the Presidential veto of Senate Joint Resolution 121, with an automatic rollcall vote to occur on the override at no later than 2 p.m.

Upon the disposition of that vote, the Senate will resume consideration of the now pending measure and the then unfinished business, S. 2371, provided final action has not occurred thereon prior thereto. It is hoped and believed that final action will be completed on S. 2371 with additional rollcall votes on amendments and motions related thereto and on final passage tomorrow.

It is the hope of the leadership that by the close of business tomorrow there can be laid before the Senate, at least, and made pending the bill S. 2662, a bill to amend the Foreign Assistance Act of 1961 and the Foreign Military Sales Act.

Also, it will be the intention of the leadership, upon the disposition of the pending measure, S. 2371, to proceed as soon as possible to the consideration of S. 1640, a bill to provide for the establishment of the Santa Monica Mountains and Seashore Urban Recreation Area in the State of California; and also to take up and dispose of H.R. 5512, an act to amend the National Wildlife Refuge System Administration Act of 1966.

Also waiting in the wings are the following: House Joint Resolution 549, joint resolution to approve the covenants to establish a Commonwealth of the Northern Mariana Islands in political union with the United States of America, and the copyright legislation, S. 22.

Then the Senate will hopefully proceed to consider Senate Resolution 356, a resolution relating to the Oklahoma senatorial contest election. Of course, that will surely come up following the Senate recess.

So there will be several rollcall votes tomorrow, Mr. President, and there will be rollcall votes on Thursday and on Friday.

ADJOURNMENT UNTIL 9 A.M.

Mr. METCALF. Mr. President, I move, in accordance with the previous order, that the Senate adjourn until 9 o'clock tomorrow morning.

The motion was agreed to, and, at 5:15 p.m., the Senate adjourned until tomorrow, Wednesday, February 4, 1976, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate February 3, 1976:

CIVIL SERVICE COMMISSION

Georgiana H. Sheldon, of Virginia, to be a Civil Service Commissioner for the remainder of the term expiring March 1, 1977, vice Jayne Baker Spain, resigned.

DEPARTMENT OF STATE

J. Owen Zurhellen, Jr., of New York, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Surinam.

EXTENSIONS OF REMARKS

TRIBUTE TO A DISTINGUISHED PUBLIC SERVANT

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. DOWNEY of New York. Mr. Speaker this week Amityville's chief of police, William Kay, retired, ending a 36-year career. The following article from Newsday is only one of many that gives evidence of Chief Kay's extraordinary career. I wish to join in the tribute to Chief Kay, who has served his community well, and has been a wonderful example of selflessness and dedication for all citizens of his community.

[From Newsday, Jan. 19, 1976]

AMITYVILLE CHIEF ENDS 36 YEARS ON THE FORCE

(By Dallas Gatewood)

AMITYVILLE.—Chief William Kay sat at the desk in his small office at the rear of the Amityville police headquarters yesterday and approved 15-minute change in schedule for a village school crossing guard.

On his desk was a pen with the motto "service and courtesy" printed along its length. "We've always pushed service and courtesy," said Kay, 62, who is retiring from the department Wednesday after a 36-year tour of duty. Kay broke from the routine tasks yesterday and recounted a few of the tales that make up the high points of his career.

Kay's career began in 1939, when he was appointed substitute patrolman at the rate of $5 a day. A few months after he began work, Kay rescued a dog who had fallen through ice in the Great South Bay. For his efforts, Kay fell through the ice himself, receiving a freezing bath and subsequently a commendation from the American Humane Society.

In 1957, George [the Eel] Larned led a notorious crime spree across Long Island that included the shooting of an Amityville man during a burglary. When Kay arrived at the burglary scene, "I could smell the pungent odor of gunpowder," he said. But Larned eluded capture until, after holdups and shootouts with police on Long Island and in New York City, he was crippled by a policeman's bullet during a holdup attempt in Manhattan. "He was a real bum," Kay said.

In the days of Larned, the Amityville department participated in investigations, but in 1960 the Suffolk County police department was formed and took over all felony investigations from villages in western Suffolk. In November, 1974, after Ronald DeFeo was accused of killing his father, mother and their four other children in their Amityville home, Kay was on the scene. But he had to stand by as the county police conducted the investigation leading to DeFeo's arrest and conviction. It was the biggest crime committed in Amityville during Kay's career.

"Of course you like to keep your bailiwick to yourself, but the smaller department can't spend the money when it comes to investigations that a big department can," Kay said.

Kay will be replaced as head of the 26-man force by his second-in-command, Lt. Edward Lowe. "I'll miss the work, no doubt about it," Kay said. "But I feel happy to be free."

OUTRAGEOUS REMARKS OF WILLIAM M. KUNSTLER

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. YOUNG of Florida. Mr. Speaker, an article in the Washington Post on Thursday, January 29, 1976 carried the headlines "Kunstler: JFK, RFK 'Dangerous' ". The Associated Press reported in this article that Attorney William M. Kunstler stated—

> I don't disagree with murder sometimes, especially political assassinations, which have been a part of political life since the beginning of recorded history.

In addition, Mr. Kunstler was quoted as saying, ". . . two of the most dangerous men in the country were eliminated," and that he was not entirely upset by the assassination of the Kennedys.

How long, Mr. Speaker, must we tolerate statements like this coming from an officer of the court who is sworn to uphold our system of justice in this country? This is not the first time Mr. Kunstler has made derogatory remarks about public officials, nor do I think it will be his last. Assassination of any person, whether a public official or a private citizen is contrary to the basic principles on which our country was founded. It is unbelievable to me that anyone in his right mind could state at a News Conference his praise for the assassination of two well-loved American leaders. While I did not always agree with President Kennedy or his brother, Senator Robert F. Kennedy, I cannot condone the deranged attitude that assassination is the proper way to express such disagreements. Mr. Speaker, the moral fabric of our society is endangered by Mr. Kunstler's shocking support of murder as an answer to those with whom we sometimes disagree, and I believe that any bar association—of which he is a member—should immediately institute appropriate reprimands in connection with conduct unbecoming of one who holds a position of trust and respect as a member of the bar. He has continuously showed his disrespect for the position he holds, and has a history of disruption in courts in which he is either present or representing a client.

The article follows:

KUNSTLER: JFK, RFK 'DANGEROUS'

DALLAS, Jan. 28.—John and Robert Kennedy were two of the most dangerous men America ever produced and "I'm not entirely upset" by their assassination, lawyer William M. Kunstler said Tuesday.

"Although I couldn't pull the trigger myself, I don't disagree with murder sometimes, especially political assassinations, which have been a part of political life since the beginning of recorded history," Kunstler told a news conference.

"I'm not entirely upset by the Kennedy assassination. In many ways two of the most dangerous men in the country were eliminated," he said. "It is hard to tell what the glamour of Kennedy could have done.

Kennedy elicited adulation. And adulation is the first step toward dictatorship."

Asked by a reporter whether he felt his remarks might encourage assassinations, Kunstler replied: "No, deranged people aren't made possible by my feelings that . . . maybe we're better off without the Kennedys than with them. Deranged people are going to operate whether William M. Kunstler says one thing or another."

Kunstler, here to address a political seminar at Southern Methodist University, was the defense counsel for the Chicago 7, charged with disrupting the 1968 Democratic National Convention. He also is chief counsel for Symbionese Liberation Army members William and Emily Harris.

DEMOCRATS' REPLY FALLS SHORT

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. DERWINSKI. Mr. Speaker, in a very thoughtful editorial commentary in their January 24–25 edition, the Chicago Daily News, in my judgment, properly analyzed the answer of the Democratic congressional leadership to President Ford's State of the Union message. I insert the editorial in the RECORD as a commentary from mid-America that deserves attention.

Democrats' Reply Falls Short

The Democrats' response to President Ford's State of the Union and budget messages was disappointing in that it centered on broad philosophical issues rather than advancing specific counterproposals.

Sen. Edmund Muskie (D-Maine) was selected by the Democratic leadership to reply to Ford's message. Muskie referred to a vague "need" for a wage-price council, decried the lack of an antitrust policy and criticized Ford because he "offers no new jobs." It was clear from the substance of the speech that while the Democrats enjoy an arithmetic majority in Congress, they are far from one mind on specific goals and programs.

Muskie did stress, however, his belief that U.S. corporations "each year grow more wealthy and more powerful," and his context clearly implied that profits were excessive. This canard serves only to play upon the public's belief that corporations are wallowing in profit margins upwards of 50 per cent as one recent poll of college students showed.

But a recent report by Standard & Poor's shows that the average corporation makes a profit of about 5 cents from every dollar of sales it generates, and several industries—like apparel and retail stores—make far less than that.

Part of that nickel profit must be divided among stockholders in dividends, and a portion must be retained by the company to pay for the new factors and equipment essential for a healthy economy.

Few would agree that that level of profitability is excessive, and a good case could be made that a 5-per cent profit margin eventually will undermine U.S. business strength, rather than enhance some ill-defined power that Muskie contends is growing.

There is plenty of room to debate Ford's budget and his over-all goals as stated in his address. But to be meaningful, the debate should turn on specific proposals with specific price tags, and avoid such roundhouse punches as Muskie threw at American business.

THE POOR LOSE UNDER SECTION 235

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. HARRINGTON. Mr. Speaker, as I am sure most of my colleagues are aware, the Department of Housing and Urban Development, faced by congressionally initiated legal proceedings recently reactivated the section 235 home ownership program; a program which was originally designed to spur new housing construction at affordable levels for low- and middle-income families.

Predictably however, HUD, prior to releasing the long-impounded funds, made substantial changes in the regulations governing the program; regulations which subverted the program's original intent. The original program was designed to bring middle- and low-income individuals into the homeowner market, yet, recent changes such as the raising of the mortgage interest rate have virtually insured the elimination of low income participation and made it more difficult for middle-income families to gain any tangible advantage from the program.

The original impoundment of 235 funds, and the more recent tampering with the program's regulations serve as still further examples of the administration's attempt to subvert congressional efforts to help low-income families raise their living standard and become more self-sufficient.

The inadequacies of the 235 program as it is presently constituted are explored more fully in the following article which appeared in the October–December 1975 issue of Trends in Housing, published by the National Committee Against Discrimination in Housing.

The text of the article follows:

Poor Lose Under 235—Revised Program Raises Interest, Down Payments

The recast version of the Section 235 home ownership program, recently announced by the Department of Housing and Urban Development (HUD), "casts out" low-income families for whom Congress enacted the program in favor of those whose incomes are described as "moderate." (In most metropolitan areas "moderate" means an annual income of $12,000 or more. In the Boston Metro Area, for example, the figure is $12,667.) Thus, minority access to Sec. 235 housing is expected to be substantially reduced under the revived program.

Those are the overriding conclusions of an NCDH analysis of the conditions under which HUD is reactivating Sec. 235, and will release impounded funds for construction of a projected 250,000 housing units. Sec. 235 was halted in January 1973 when the Nixon Administration imposed a moratorium on federally subsidized housing and community development programs.

The NCDH analysis, which charges the new Sec. 235 violates the intent of Congress, points to the following changes HUD has decreed:

Most structurally-sound existing housing will be eliminated, since only buildings to be extensively rehabilitated will be included.

The minimum interest rate on mortgages will be raised from 1% (enacted and re-enacted by Congress) to 5%.

The minimum down-payment will be raised from a flat $200 to $750 plus closing costs.

HITS MINORITIES

Racial minorities constituted more than 30% of the home buyers under the original Sec. 235 program. The revised version, according to HUD, is designed to serve "families who traditionally have been successful homeowners but are now priced out of the new home market because of high interest rates and escalations in housing costs." But traditional buyers of new homes have been overwhelmingly white. In 1973, blacks occupied only 6% of the new housing units built since 1970, a period when that small percentage was boosted by the existence of the Sec. 235 program.

RACIAL STEERING

Another serious deficiency in HUD's new plan is the lack of safeguards against racial steering, an abuse that characterized the earlier program, as was documented by the U.S. Commission on Civil Rights in its report, Home Ownership for Lower Income Families: A Report on the Racial and Ethnic Impact of the Section 235 Program (June 1971). The Commission's report, based on an investigation conducted in four metropolitan areas found that:

Most new 235 housing in two of the areas was located in the suburbs and nearly all was purchased by whites. In the other areas, most new 235 housing minorities were able to buy was located in sub-divisions reserved exclusively for minority families.

In all four areas, most existing housing under the program was located in central city ghettos or "changing" neighborhoods and almost all was sold to minority families.

Minority buyers bought older, cheaper housing and received less in assistance payments than their white counterparts.

HOUSING/SCHOOLS

Despite the change in focus HUD has imposed, NCDH points out that the manner in which the recast Sec. 235 is administered has obvious implications for school desegregation. The analysis states that if HUD adheres to statutory requirements that its programs be administered "in a manner affirmatively to further" equal opportunity, the projected 250,000 new housing units could be used to reduce the need for busing to achieve racial balance in schools.

"Most units are likely to be either single family homes built on relatively inexpensive land in urban fringe areas or condominiums, cooperatives, or extensively rehabilitated in the inner city," NCDH forecasts. "Left to the dual racial market in real estate, whites will occupy the fringe area units and minorities the inner city units. HUD's insistence upon affirmative fair marketing based on occupancy goals for target populations could, however, result in significant increases of minority enrollment in suburban schools and increases of white enrollment in inner city schools. But affirmative marketing is not mentioned in HUD's rather comprehensive description of the new 235 program."

ECONOMIC IMPACT

Finally, NCDH questions the feasibility of the new 235 program as an inducement to homebuilders. It notes the limitation of 235 units to 30% of any one-family housing development or multi-family building. Furthermore, since the median price of new housing in 1974 was $38,600, Sec. 235's mortgage ceiling of $21,600 per unit ($25,200 in certain high cost areas, with an additional $3,600 for families of five or more in any area) is apt to limit the program's single-family house construction to small cities and towns in non-metropolitan areas, except possibly in parts of the South and Southwest, where lower costs might permit some use in metropolitan regions.

TRIBUTE TO OUTSTANDING PUBLIC SERVANT

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. ANDERSON of California. Mr. Speaker, it is with personal sadness and yet with great happiness for my friend, that I announce that my administrative assistant, Mr. Harry R. Anderson, is retiring and will be leaving Capitol Hill.

As every Member of this great body knows, no man or woman alone can adequately represent the citizens of his or her congressional district. The people of the 32d District of California have been fortunate to have a public servant like Harry Anderson assisting their representative in Washington. Harry has done a tremendous job of listening to the needs of the people of California, and working aggressively and effectively to find solution to their problems.

Harry Anderson graduated from the University of California at Berkeley in 1934, with a degree in business administration. In 1941, he married Miss Merle K. Kueny, and a short time later entered active military duty as a second lieutenant in the U.S. Army. Harry served with the 98th Combat Wing in Europe during World War II, for which he was awarded six campaign ribbons and a bronze star.

My first contact with Harry Anderson came while I was serving on the Ways and Means Committee in the California State Assembly. Harry was a member of the team that presented Gov. Earl Warren's budget to the State legislature. I was immediately impressed with this man's working knowledge of State finances, and in particular the complex finances of California.

Later, during my tenure as lieutenant governor of California, Harry Anderson served in the administration of Gov. Pat Brown as deputy director of the California Fish and Game Department, a position which he held from 1960 until 1965.

In 1965, President Johnson summoned Harry Anderson to Washington as Assistant Secretary of the Interior. His responsibilities as Assistant Secretary included the administration of public lands, U.S. territories, and the Bureau of Indian Affairs, among others. Harry served in this position until the end of the Johnson years.

The above highlights of Harry Anderson's public service do not do his career proper justice. But this varied and intense background provided Harry with tremendous knowledge concerning the needs of the people of California, especially the 32d Congressional District with its complex industrial, and fish and wildlife makeup.

No "thank you" to Harry Anderson would be complete without an additional "thank you" to the woman who made Harry complete—his wife Merle. Through 34 years of marriage she has been the kind of wife that most men dream of—his best friend, his most enthusiastic supporter, a wife who speaks those encouraging words when most needed, and a mother to their daughter, Bettina Beau. Bettina is now married to Mr. Steven Sims, and they have provided Harry and Merle with the special blessing of their first grandchild, Steven Anderson Sims.

While Harry has chosen to retire from public service in an official capacity, we that know him well, realize that a true public servant of Harry's caliber never really retires.

In behalf of my wife Lee and our entire family, my staff, and the citizens of California: we say, "thank you" Harry Anderson for being a friend and a dedicated public servant.

DIABETES: A NATIONAL AND PERSONAL TRAGEDY

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Ms. ABZUG. Mr. Speaker, last year the House authorized the creation of the National Commission on Diabetes. At that time we reviewed some aspects of this insidious disease. Recently the Commission released its first report to Congress. An immediate conclusion that can be drawn from this report is just how little we knew about the problem 11 months ago. In defining the magnitude of diabetes in America the Commission has taken the first step in finding a cure.

The record is frightening: only heart disease and cancer claimed the lives of more Americans last year. Women are 50 percent more likely than men to have diabetes; non-whites one-fifth more likely than whites, and persons with incomes of less than $5,000 a year are three times more likely to have the disease than persons with a higher income. Because of the genetic connections of this disease, there has been a geometric, rather than an arithmetic, increase in the incidence of diabetes. Between 1965 and 1973 the number of known cases rose by more than 50 percent.

These statistics point out the need for a far greater commitment to eradicating this disease than our Government has made to date. I have recently received a letter from one of my constituents whose own experience with diabetes speaks more clearly than any statistical data. Mr. Speaker, I would like to share this mother's letter with my colleagues as we review the Commission's recommendations.

DEAR CONGRESSWOMAN ABZUG: I am writing to you as your constituent and as the devastated mother of a 16 year old diabetic son. For three years I have watched Peter inject himself 730 times a year. Two insulin injections a day. Hardly different from the way a diabetic had to treat himself fifty years ago. Man on the moon, technological advances beyond our comprehension, wars galore, but never any real attention, any respectable sums of federal funds for diabetic research. Why, Mrs. Abzug? Why?

As you can see from the findings of the National Commission on Diabetes, dreadful complications hang over Peter's beautiful head.

I am not good at figures, but I am sure that no more than a half cent, if that much, of my husband's tax money (and how hard he labors) goes into trying to find a cure for his son. Surely the most important thing in the whole world.

Spending two-three billion dollars more on armaments, Mrs. Abzug, will this assure peace on this planet? Spending a few billion less means certain death for all of us? There is something mad about this that I do not understand. Because those few billions for research could possibly mean a cure for a host of ailments, including diabetes.

I go around begging for pennies for research in the face of a hundred billion dollar budget for killing power. I shouldn't have to do this. I know it is called defense. How about defending my child from a world of darkness, from failing kidneys, from insulin injections, insulin reactions, coma, from a life filled with fear of the complications of diabetes?

Mothers like myself silently scream through the night for help and all we hear from Washington is screams for more guns.

Please, Mrs. Abzug, scream for life, not death. Help turn this madness around.

Peter must be cured and by Peter I mean all people who are afflicted with one disease or another.

Thank you,

Sincerely,

ISABELLA LEITNER.

JIM THORPE ATHLETIC HALL OF FAME

HON. GLENN ENGLISH

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. ENGLISH. Mr. Speaker, I would like to take this opportunity to correct an apparent error which has taken place recently.

Over the past year, I have been contacted by many Oklahomans who have felt that it would be a fitting honor to a great Oklahoma athlete, Jim Thorpe, to charter a national Jim Thorpe Athletic Hall of Fame.

As a proud Oklahoman, I am happy to support this principle, and I share this feeling with those proposing such a memorial.

Unfortunately, it appears that my support for the concept was interpreted, without my knowledge or consent, to be an endorsement for a specific legislative proposal—which I did not see until yesterday.

Mr. Speaker, I would like to state clearly for the record that neither I nor my staff had the opportunity to examine or approve for cosponsorship a draft of H.R. 10575 prior to its introduction in November of 1975. Had I had the opportunity to do so, I would not have agreed to be listed as a cosponsor. Much to my surprise and dismay, H.R. 10575 includes a provision which would appoint me to serve as an adviser to the Atlethic Hall of Fame.

While I support the concept of a National Athletic Hall of Fame in Oklahoma, I cannot and will not be part of any legislative effort which might be self-serving.

For these reasons, I feel obliged to ask the distinguished member from Florida, Mr. Chappell, to reintroduce H.R. 10575 without the inclusion of my name as a cosponsor or adviser to the Athletic Hall of Fame.

Thank you, Mr. Speaker.

THE PUBLIC HEALTH CANNOT BE SACRIFICED

HON. DOMINICK V. DANIELS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. DOMINICK V. DANIELS. Mr. Speaker, the Washington Post today carried another article on the continuing saga of industrial giants attempting to intimidate workers and communities by threatening to close their doors rather than comply with laws designed to protect the environment. This argument has a familiar sound—the Subcommittee on Manpower, Compensation, and Health and Safety which I chair has listened for many years to similar representations from industries opposed to the Occupational Safety and Health Act and standards promulgated to protect American workers.

I believe that the public health cannot be sacrificed as a requirement of doing business in these United States. My subcommittee recently held a hearing in Hopewell, Va., concerning the Kepone poisoning of workers. This hearing has convinced me that we in Congress cannot give an iota of credence to the view that production is more important to this Nation than the health of its people. We can no longer sacrifice the public well-being in the name of corporate profits.

Text of the article follows:

[From the Washington Post, Feb. 3, 1976]

ARSENIC: A DARK CLOUD OVER "BIG SKY COUNTRY"

(By Bill Richards)

ANACONDA, MONT.—Like a perpetual smudge across the famed Montana Big Sky, the thick clouds of smoke roll night and day from the mouth of the world's largest smokestack here.

The red brick stack, rising 585 feet above the Anaconda Co.'s giant copper-smelting works, is visible from 20 miles up the Deer Lodge Valley against a picture-postcard backdrop of the snow-covered northern Rocky Mountains.

To the 10,000 people who live in this aging and soiled little mountain city the sight of the fleecy clouds of white smoke drifting across Anaconda's rooftops is a reassuring one. Anaconda is a one-company town whose economy would stop cold if the smoke ever stopped belching from the smelter's stack.

"Let's face it," said Del Shepart, the bargaining agent for Steelworkers Local 6002, which represents 1,100 smelter workers. "Without the smelter this town couldn't support two cowboys and a saloon."

In the last year, however, concern has been growing among federal and some state health officials that the innocuous-looking puffs of smelter smoke may be responsible for an alarming death rate here from lung cancer and other respiratory diseases.

In a massive study of 3,021 U.S. counties by the National Cancer Institute's epidemiological branch last year, Deer Lodge County, which includes Anaconda and another 10,000 persons scattered up the valley, ranked ninth in lung cancer death rates around the nation.

The cancer researchers fixed the county's death rate at 65.2 deaths annually from cancer for every 100,000 persons. That figure is nearly twice the national average and more than three times as high as the expected rate for a rural county such as this one.

Another study by the Montana Department of Health and Environmental Sciences released last summer showed county death rates also well above the national average for emphysema, asthma and bronchitis.

A third report published last July in The Lancet, a British medical journal, by two National Cancer Institute researchers found an above average rate of lung cancer—though not as high as the one here—in all 36 U.S. counties with smelters.

In each case, the researchers reported, the ore involved in the smelting process contained arsenic—an element strongly believed by most medical researchers to cause cancer in humans.

More ominous, the researchers found high lung cancer death rates not only in men—who are often exposed to arsenic on their jobs inside smelters—but also among women who generally never went inside smelters and were not previously believed to have been exposed to arsenic.

"The most likely explanation for the increased lung cancer mortality," the researchers concluded, ". . . is neighborhood air pollution from industrial sources of inorganic arsenic."

However alarming those figures may have been to the medical and industrial sectors on the outside they have stirred virtually no reaction or complaint among the people who live here in Anaconda.

The concern here these days is about jobs, not pollution from a substance that takes 20 years to cause cancer after a person is exposed to it.

In the squat cinderblock union hall here, nobody talks about pollution except for an occasional dig at "those environmentalists" who it is feared would rather see the plant shut down.

"What bothers me is not what happens 20 years from now, but how I feed my kids tomorrow," said Natt Strizich, the president of the union local and a truck driver at the smelter.

Like most people here, Strizich said he would rather not think about the prospect that the smelter may some day lead to cancer.

"So the studies are right, what are my options?" he asked, tilting a chair back against the wall under a picture of John F. Kennedy nailed into the cinderblock wall. "I'm 42 years old, I've got six kids and a high school education. If the plant closes what do I do?"

Last November, Strizich's union local joined forces with Anaconda city officials and company representatives opposing an effort by the Environmental Protection Agency to stiffen the state's air pollution laws for sulfur dioxide. The chemical is another pollutant given off by the smelter and is suspected of being responsible for some respiratory problems here.

Anaconda has fought bitterly against the proposed federal standards, contending that it already is spending $50 million on pollution control and can't afford to meet the tougher standards.

Anaconda company officials have hinted that they would sooner shut down the smelters than try to meet the EPA standards. That prospect is enough to send shudders through the state from here to the capital at Helena.

Anaconda says nearly 5,000 of its workers in Montana would be out of jobs if the smelter closed down and another 15,000 jobs would be affected. The company's payroll in Deer Lodge County alone amounts to nearly $20 million annually.

But while the federal and state laws on sulfur dioxide are fairly clear, there are virtually no regulations covering arsenic emissions. Federal occupational safety experts testified last year at hearings in Washington, however, that arsenic emissions are considered so dangerous that workers who are exposed to them risk developing cancer.

Anaconda officials said during a recent interview that the Smelter emits about 12 tons of arsenic through its smoke stacks here each day.

Since 1971, when Anaconda lost its sales market for arsenic and stopped trapping and collecting it, the smelter's stack emissions of arsenic have jumped nearly 100 per cent, according to the Anaconda officials.

Jack McCoy, the manager of the Anaconda smelter, said the American Smelting and Refining Co. (ASARCO) stopped buying Anaconda's arsenic in 1971 after reports that it was a potential carcinogen (a cancer-causing agent). "ASARCO was the first to feel the pressure about arsenics," McCoy said.

Anaconda claims that under its pollution abatement program arsenic emissions will drop to only a few pounds an hour later this year.

A spokesman said the smelter plans to dig a huge hole near the plant and bury the arsenic collected by the pollution-control equipment while studies go on to determine whether any commercial use can be found for the chemical.

Anaconda officials do not deny that the plant has been giving off arsenic. But they said that the pollution equipment should solve the problem. "There were a lot of problems in the past," said George MacArthur, Anaconda's director of environmental affairs. "There are a lot of people who are working hard to do better now."

According to figures collected by the Montana health department, however, the smelter is still raining a steady shower of arsenic particles on the city of Anaconda. Readings taken by the state's air quality division at Anaconda Junior High School in 1971 showed there were up to 5.4 micrograms of arsenic in each cubic meter of air. The school is two miles from the smelter.

The amount of arsenic being put into the air today by the smelter is now twice as high as in 1971, company officials said.

By contrast, air samples collected by the Department of Health, Education and Welfare in 22 of the most heavily polluted cities in the U.S. showed that in Akron, Ohio, where arsenic readings were the highest, the levels were still 100 times less than the amount in Anaconda's air now.

Benjamin F. Wake, director of Montana's Environmental Sciences Division, which is responsible for overseeing the State's air quality, said he tried as far back as 1967 to get the state to set levels for arsenic in the air outside of plants. "No one in the legislature was interested," said Wake. "I just wasn't able to get it through."

Wake said he had contacted Anaconda officials about the possibility that the smelter's arsenic emissions might be dangerous. "Their reaction was what you might expect," he said. "They said they didn't feel it was any problem. Apparently they still don't."

RADICAL LEFT AND BICENTENNIAL

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. DERWINSKI. Mr. Speaker, Bill Anderson is an outstanding columnist for the Chicago Tribune. In a column which appeared in the Tribune on January 22, 1976, he properly calls our attention to the so-called Peoples Bicentennial Commission, which is, in my judgment, a deliberate attempt by the radical left to interfere with the legitimacy of our Bicentennial observance.

PEOPLES BICENTENNIAL COMMISSION IS SLICK, AS IN SLIPPERY

(By Bill Anderson)

WASHINGTON.—A glaze of ice covered the area this week, causing out-of-control skids of cars and people.

The slickness was like the actions of a group identified as the Peoples Bicentennial Commission. This so-called commission is a small but vocal organization engaging in shrill, blunderbuss attacks on corporations and establishment politicians while calling for a "revolution" on July 4 instead of a celebration.

It rips through institutions like an accident—but one skillfully planned to play on the misgivings and fears of the young, the poor, and the old.

Through either ignorance or libel of history, the group takes grains of truth to heap tons of abuse. A tabloid publication with the nonsense name of "Common Sense" is marketing the hyperbole.

Some observers have suggested that if the P.B.C. was just ignored, it would go away. But similar organizational attempts in the past, coupled with the growing commercialization on the Bicentennial theme, indicate the group is attracting a following.

The P.B.C. has a headquarters here. Last year it spent $14,500 out of a proposed $350,000 budget for a national poll seeking reaction to the present United States economic system. Not surprisingly, the P.B.C. reported the poll showed "the American public has clearly lost confidence in our economic system . . ."

The announced goal of the organization is to encourage 250,000 Americans to demonstrate here in "the largest economic rally in American history." Meanwhile, its backers are coldly capitalizing on American economic [and political] imperfections, real and perceived, to promote the "revolution."

For example, "Common Sense" in the current issue devotes 40 pages of trying to invoke the names of John Adams and Benjamin Franklin and other patriots as a device to castigate almost everything from the Freedom Train to Exxon.

Under a heading, "I pledge allegiance," P.B.C. editorialized that "a new monarchy has grown up in America. Today's royalists—America's giant corporations—make King George look like a petty tyrant."

It was charged that the corporate symbols of Exxon, G.M. and I.T.T. "have replaced the American flag in cities and towns across the country. Our political leaders have allowed the giant corporations to take over our country without so much as a whimper of protest . . .

"Most of the men running for the Presidency in 1976 have held major political office for a decade or more. During those years, they fiddled while the giant corporations set fire to our way of life and turned our dreams to ashes."

The slippery partial-truths suggest that none of the candidates know what it is to work for a living, meet a home mortgage payment, or provide for a family. This massive indictment included George Wallace and Fred Harris, the two original "poor boys" in the race, along with Humphrey, Jackson, President Ford, Reagan, and Sanford—all of whom started with humble or Depression-day backgrounds.

P.B.C.'s corporate drum beating the fat cats neglects to mention its own big-spending publicity drive fueled with foundation funds and books sold through the capitalistic system. It is super-slick, like the ice that finally melted here this week.

Postscript—Violence-prone radicals melding into idealistic political youth groups helped create the disorder at the 1968 Democratic Party Convention in Chicago. Now many police across the U.S. are concerned that radical terrorists will attempt to play on the emotions of those participating in legitimate Bicentennial demonstrations. Extra police will be put on duty here at costs estimated at above $4 million.

ARKANSAS WAGONS ROLL INTO THE BICENTENNIAL

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. ALEXANDER. Mr. Speaker, when the Bicentennial Wagon Train Pilgrimage sets out from various points around the country toward Valley Forge this July, it will have Arkansas Village in Jonesboro, Ark., to thank for its wagons.

As far as we can tell, this small family-owned business in Jonesboro is the only place in the country that turns out buggies, stage coaches, and fringe-topped surries like those that graced the streets of America in days past.

Arkansas Village is constructing a train of covered wagons, one for each of the 50 States, that will converge in Valley Forge, Pa., on July 4.

I would like to share with my colleagues an article from the January-February Arkansas Industrial Development Commission publication, This Is Arkansas, concerning these Arkansas-made wagons.

THE WAGONS ARE ROLLING AGAIN

During the eighteenth and nineteenth centuries, an endless procession of covered wagons, loaded down with hopeful pioneers and their meager possessions, ambled across the Allegheny Mountains and headed towards the sunset. The sounds of wagon wheels moving west held a promise of a better life.

Now the wagons are rolling again. Except this time they have turned around and are going east—back to their heritage and a joyous birthday party that celebrates 200 years of history. Conestogas, Prairie Schooners and Chuck Wagons are once again rolling across the continent in search of a dream.

Called the Bicentennial Wagon Trail Pilgrimage, the trek is history in reverse. A train of covered wagons, one for each of the 50 states, will cross the country from several different routes and converge in Valley Forge, Pa., on July 4, 1976, to rededicate a faith in principles that inspired the nation's forefathers.

When the organizers of the pilgrimage began to formulate plans for this ambitious project, they ran into a problem: with 20th century automation and high geared technology, where could they find a manufacturer with the long forgotten skills to construct 50 covered wagons? In the entire nation, they found only one.

"As far as I know, we were the only ones who bid on the wagons, so I guess we are the only ones who still know how to make them," said Charles Barnett, president of Arkansas Village at Jonesboro. The small family-owned business turns out buggies, stage coaches and fringe-topped surries like those that graced the streets of America in days past.

The Jonesboro Company is constructing wagons for the pilgrimage guided by authentic 18th century blueprints provided by the bicentennial committee. Three basic designs were requested by the committee—the Conestoga, Prairie Schooner and Chuck Wagon.

Constructed of oak, pine and hickory, the wagons are surprisingly small. The Conestoga wagon, the most popular with early pioneers because it had more "give" to it, measures 12 feet long at the bottom and 16 feet at the top, and a width of 36 inches at the bottom and 42 inches at the top, giving it a curved appearance.

"That curved body makes the Conestoga look more like a sea-going ship," Mr. Barnett explained. "The curve allows the wagon to take ruts in the road better than a flat-bed wagon."

Prairie Schooners are also shaped like a ship but are not curved as much as the Conestogas. They are 12 feet long at the bottom and 13 feet long at the top and have the same width dimensions as the Conestogas. The Chuck Wagons are basically 12 feet long and 42 inches wide. They come equipped with a food storage unit in which the wagon train is carrying food and supplies.

Wheels for all three wagon styles are built the original way with only a few modifications. "They used to make hubs that were all wood," Mr. Barnett, said, indicating the wheel center which resembled a small barrel. "We put steel barrings in there to add some more durability."

The wheels themselves are constructed of hickory, as in days past, because of its durability. However. rubber rims have replaced steel tires to take the wear of modern asphalt highways and make the ride a little smoother for present-day pioneers.

Bolts and rivets hold the wagons together. One major difference in the bicentennial wagons and their predecessors is construction time. Power tools and other 20th century gadgets have greatly speeded up the process of riveting the lumber.

"These wagons had to be riveted," Mr. Barnett said, giving a wagon a hard shake to test its soundness. "Just bolts and nails wouldn't keep it together very long."

Each wagon comes equipped with the same extras enjoyed by eariler buyers—nothing. "We did add springs to the seats to make them a little more comfortable, but these wagons are in the same condition as people received them a long time ago," Mr. Barnett said.

Even though bueprints and the original plans for building the wagons were provided, many of the instructions that were common knowledge to the early builders were not included. Mr. Barnett explained, "It took us a couple of weeks to put the first ones together because we spent quite a bit of time worrying over the design. But now that we have it figured out, we put together several a week and hardly ever look at the blueprints."

This is not to say that modern automation and rapid assembly lines are used to put the wagons together. Each one is constructed separately, by hand. As two workers struggled to fit a tailgate onto a Conestoga, Mr. Barnett said, "You can see that it would be almost impossible to build these with a machine."

Every piece of lumber that goes into the wagons has been kiln-dried in a specially heated room to extract all moisture, and to prevent warping. The wheels, which are soaked to make them pliable, are the most rigorously dried.

"We have to be very careful to get the wheels thoroughly dried before we attach the rims," Mr. Barnett warned. "If that wood doesn't have every bit of moisture out, as the weather changes, it will swell and then contract and the rim will come rolling off."

Arkansas Village modified the design of the brakes for the wagons and added a steel collar to improve the system over the old wooden brakes. The new brakes were so effective in slowing the wagons that the State of Washington Train, which began its long trek last July 1, burned out nearly all its brakes trying to get over the Rocky Mountains and had to re-order before it could continue.

The Washington Train will be following the old Oregon Trail and Missouri Road as it heads towards Valley Forge. There are six separate main trains in all, with branch trains that will converge into one long train outside of Valley Forge. The pilgrimage trains will follow, as closely as possible, many of the old trails west, including the Wilderness Road, the Sante Fe Trail and the Great Wagon Road.

In March, the Arkansas wagon will join the Southern Train which will originate in Texas and follow the Wilderness Road across the Appalachian Mountains to Pennsylvania. As of November, the Arkansas Bicentennial Committee had not decided whether to order a Conestoga, a Prairie Schooner or a Chuck Wagon. However, Mr. Barnett said it would not take long to construct Arkansas' contribution once the decision is made.

All the wagons are stained a deep blue, as were many of the original models. The "covers" are made of white canvas and the wheels are left the natural wood, having been treated only with a protective oil.

When it finishes making the bicentennial covered wagons in November, Arkansas Village will go back to the business of making anything that a horse can pull. Since 1874, the Jonesboro company has been constructing horse-drawn vehicles under the name Huntingburg and Laymon. In 1969, the name Arkansas Village was adopted when the Barnett family took over the business.

"Most of our business is from restoring old buggies and carriages that people have had in their families for generations," Mr. Barnett said, leading the way to a room where three restored carriages were parked. The carriages were of exquisite design and detail, upholstered in leather and featuring two gold-colored lanterns on the sides. "These were probably the Cadillacs of that era," he said.

According to Mr. Barnett, working with the old vehicles has made him feel more a part of history. Although his employees did not know how to build buggies when they came to work, they now possess skills that are nearly extinct. And the demand for carriages is rising.

"There are more horses in this country today than there were when automobiles were introduced," he said. "Most of these horses are for pleasure and there is no greater pleasure than taking an afternoon buggy ride."

The Bicentennial Pilgrimage Wagon Train was designed to make people remember their past and the heritage that was left to them. Arkansas Village spends each day reliving and preserving a part of that history.

EXPLANATION OF ABSENCE

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. GILMAN. Mr. Speaker, due to yesterday's ice and snow which closed down all of New York's airports, I was unavoidably detained at LaGuardia Airport and, consequently, was absent during call number 30, a quorum call.

A REPORTER AT LARGE: ENERGY—I

HON. TENO RONCALIO

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. RONCALIO. Mr. Speaker, I include the article, which I referred to early today, for the further information of the members.

The article follows:

[From The New Yorker, Feb. 2, 1976]

A Reporter at Large: Energy—I

(By Barry Commoner)

In the last ten years, the United States—the most powerful and technically advanced society in human history—has been confronted by a series of ominous, seemingly intractable crises. First there was the threat to environmental survival; then there was the apparent shortage of energy; and now there is the unexpected economic decline, which has made for high rates of unemployment and inflation. These are usually regarded as separate afflictions, each to be solved on its own terms: environmental degradation by imposing pollution controls; the energy crisis by finding new sources of energy and new ways of conserving it; the economic crisis by manipulating the federal budget, taxes, and interest rates. But each effort to solve one crisis seems to clash with the solution of the others—pollution control reduces energy supplies; energy conservation costs jobs. Inevitably, proponents of one solution become opponents of the others. Policy stagnates, remedial action is paralyzed, and the stagnation and paralysis add to the confusion and gloom that beset the country.

The uncertainty and inaction are not surprising, for this tangled knot of problems is poorly understood not only by citizens in general but also by legislators, administrators, and even the separate specialists. It involves complex interdependencies between the three basic systems—the ecosystem, the production system, and the economic system—that, together with the social and the political order, govern all human activity. Given these dependencies—the economic system dependent on the wealth yielded by the production system, and the production system dependent on the resources provided by the ecosystem—it would appear that the economic system ought to be designed to conform to the requirements of the production system, and the production system to conform to the requirements of the ecosystem. This is the rational ideal. In reality, the relations between the three systems are the other way around. The environmental crisis tells us that the ecosystem has been disastrously affected by the design of the modern production system, which has been developed with almost no regard for compatibility with the environment or for the efficient use of energy. Gas-gulping cars pollute the environment with smog; petrochemical factories convert an unrenewable store of petroleum into nondegradable or toxic agents. In turn, the faulty design of the production system has been imposed by the economic system, which invests in factories that promise increased profits rather than environmental compatibility and efficient use of resources. The relations between the great systems on which society depends are upside down. What confronts us is not a series of separate crises but a single basic defect—a fault that lies deep in the design of modern society.

Energy plays a decisive role in the interactions between the three systems. Energy radiated from the sun drives the great ecological cycles. Energy derived from fuels powers nearly every production process. Most of the increases in the output of the production system and in the rate of economic growth are due to the intensified use of energy to power new, more productive machinery. The intensified use of energy is responsible for the rapid drain on fuel supplies and for much of the present environmental pollution. And the intensified application of energy to production processes is closely associated with three of our main economic difficulties: unemployment, inflation, and the less visible but equally dangerous shortage of capital. The energy crisis is so tightly linked to the crucial defects of the system as a whole as to offer the hope of leading us out of the labyrinth of interwoven crises—if we can understand it. And we do not. This has been made painfully evident by the rapid, unperceived onset of the energy crisis. For decades, the United States and most of the rest of the world employed energy as though it were a freely given resource, its availability and uses as clearly understood as those of water or air. But suddenly the availability of energy can no longer be taken for granted; the energy shortage has become a huge problem, strongly affecting almost every aspect of society. In the last few years, energy-supply problems have disrupted daily life; they have triggered an economic recession; they have led to a bitter confrontation between Congress and the President; they have altered the political relations between the industrialized countries and the developing countries; they have generated lightly disguised threats by President Gerald Ford and Secretary of State Henry Kissinger to use military force against oil-producing countries.

The energy crisis illuminates the world's most dangerous political issues as it wrenches into open view the brutality of national competition for resources, the festering issues of economic and social injustice, and the tragic absurdity of war. The crisis forces us to make long-avoided choices. If we must give up present energy sources and find renewable ones, curtail the wasteful uses of energy and the blind replacement of meaningful human labor by energy, where and how will the necessary decisions be made? Can these decisions be made, or even debated, without reexamining the precepts of the economic system that now govern how energy is produced and used?

There are no simple answers to these questions. But there is one way to begin to look for them, and that is to recognize that the problems will not be solved by technological sleight of hand, clever tax schemes, or patchwork legislation. The energy crisis and the knot of technological, economic, and social issues in which it is embedded call for a great national debate—to discover better alternatives to the deeply faulted institutions that govern how the nation's resources are used.

And to begin that debate we need to understand how the ecosystem captures energy, how the production system uses it, and how the economic system governs what is done with the resultant wealth. To penetrate the chaos that surrounds the subject of energy, there is one essential tool available to us—the science of thermodynamics. This tool is complicated and difficult, but none of us—for we all need to understand and do something about the energy crisis—can any longer indulge in the luxury of evading a science on which the future of the world has come to depend.

Perhaps the most important role of

thermodynamics in the structure of science is that it establishes a link between our everyday awarenss of the one-way passage of time and the laws of physics, which generally do not distinguish between past and future. In establishing this link, thermodynamics also gives un enormously valuable means of determining the ways that energy can be most effectively used to serve human needs. How does energy relate to the direction of time? Consider a teacup in two possible positions: resting on the floor or several feet up, in say, a waiter's hand. Now, if we watch the cup on the floor, even after a very long time nothing will happen. Certainly it will not fly up into the waiter's hand. In contrast, our experience tells us that the elevated cup, if released from the hand, will spontanously fall to the floor. Of the two events, only one—the cup falling—can happen by itself; the reverse event does not, and the cup, once fallen, lies there on the floor.

A simple experiment shows that the downward flight of the cup—or of any other object—is in theory entirely reversible, and in practice nearly so. Let us attach a thread to the cup and, hooking it over a friction-free pulley (perhaps obligingly held by the waiter), attach to the other end a weight about equal to that of the cup. Now as the cup falls it will raise the weight, and with a little encouragement the raised weight can then be made to fall and lift the cup. Carried out with more scientific sophistication, such an experiment tells us that as long as the cup is in motion there is nothing about its downward movement that cannot be undone—reversed. However, once it crashes on the floor and irreversible. It can no longer lift a counterbalancing weight, and cannot leave its resting place on the floor unless some outside agency intervenes. There is such an agency—the application of energy, which can generate the force required to lift the cup.

Various other external agencies might raise the teacup. A person could simply pick it up, using muscles to do the work, the required energy coming from the combustion of bodily fuel—sugars and other food substances. Or he could lift the cup on a little elevator hoisted by a motor-driven reel, the requisite energy coming from a battery or from electric lines, and ultimately from a power station fuelled by oil, coal, or perhaps uranium. In the one-way world of real life, in which teacups and other objects do not spontaneously move upward once they crash to the floor, they can be made to move upward, but only by doing work through the expenditure of energy. Technically, "work" is defined as force exerted through distance, and the flow of energy is the agency that produces work. "Power" is the technical term for the rate at which work is done—the work accomplished per unit of time. Or, at least, the energy *seems* to be expended. The muscular energy exerted to lift the teacup is certainly no longer available to do more work. (By lifting enough teacups, a person could, after all, eventually exhaust his ability to work if he failed to restore his metabolic energy by eating.) Or, if the teacup were to be hoisted by a battery-driven motor, it would certainly turn out that the battery could do less work than it could originally—that some of its stored energy was spent.

But in fact the loss of energy is only apparent. This is something that was learned about energy in the eighteenth and nineteenth centuries. With the development of the first steam engines, at the end of the seventeenth century, it became clear that heat could be converted into mechanical work and employed to pump water out of a mine and, much later, to drive a locomotive. Heat was at first regarded as a special kind of substance ("caloric") that had no fixed relation to the amount of mechanical work it generated. However, by measuring the heat produced during the boring of a brass cannon, Count Rumford (the American-born physicist Benjamin Thompson, who had been ennobled by the Elector of Bavaria) showed that it resulted from the friction generated by the motion of the drill, and not—as was widely believed at the time—from "caloric" squeezed out of the brass.

Such experiments suggested that heat and mechanical motion are expressions of the same sort of thing—which we now call energy. Methods were developed to measure both, and it was found that the amount of energy involved in the mechanical motion of a machine (such as the cannon-boring machine) is precisely equal to the energy represented by the heat produced by the resultant friction. This notion was eventually embodied in the First Law of Thermodynamics: energy can be neither created nor destroyed. When it is transferred from one form into another—in this case, from motion into heat—no energy is lost or gained. Energy is conserved; the amount that the universe possesses is fixed.

If we now return to our teacup, we are confronted with a new problem: Where is the energy that was seemingly lost—for example, by the electric battery—when the cup was lifted from the floor? If the law of energy conservation is true, this energy cannot be lost; it must be somewhere. Initially, the energy exerted to lift the cup off the floor must be somehow contained in the teacup's new location. Any weighty object elevated above the earth contains a form of energy—gravitational potential energy—that can be got out of it by letting the object fall. In falling, the object exhibits this energy in the form of motion—kinetic energy. So far so good. The teacup experiment seems to obey the law of the conservation of energy; the energy removed from the agency that lifted it is contained in the elevated cup. But in falling to the floor the cup loses both its kinetic and its potential energy. Now, where has the energy gone?

From Rumford's experiment, we know that as motion is countered by friction its energy is converted to heat. We can suspect, then, that when the movement of the falling cup is halted by the collision with the floor, its kinetic energy is converted into an equivalent amount of heat. After striking the floor, the cup—or its fragments—and the floor itself should be a little warmer than they were before. While this measurement cannot readily be made on a fallen teacup, it can be and has been made on more massive objects falling a good deal farther. For example, the water at the bottom of Niagara Falls is an eighth of a degree Centigrade warmer than it is at the top. A computation shows that the energy represented by this extra heat is exactly equivalent to the potential energy of the water at the top of the falls. The energy is conserved.

All is well, then. We can assume that the energy used to lift the teacup is not destroyed and can be fully accounted for, after the fall, as heat. The First Law of Thermodynamics—the conservation of energy—works with the falling of a teacup as well as it does with the boring of a cannon. But this logical triumph is short-lived. With a little further thought, a strange inconsistency appears. Since the energy needed to lift the teacup in the first place reappears as heat when it falls to the floor, why not use the energy represented by that heat to lift the teacup once more? But if that were possible, then the crash of the teacup would be a readily reversible process, and we would have the experience of teacups falling to and rising from the floor with equal ease.

Clearly, we are in some kind of logical trouble. The discovery of the First Law has solved one problem but created another. While the First Law closes the door on machines that purport to do work by creating energy—perpetual-motion machines—it appears to tolerate, and even to encourage, machines that are almost as miraculous in their freely given power. Consider another version of the teacup situation: a ship floating on the sea, which—like the floor—contains energy. The amount of heat energy in a given amount of seawater of known temperature and its relation to the amount of energy needed to drive the ship are easily calculated from the First Law. It turns out that the needed energy could theoretically be obtained from the four inches of water immediately surrounding the ship's hull by cooling that water a little. A ship equipped with a device that continuously extracted heat from the surrounding water could, in cooling the water by one degree, obtain from it enough energy to sail the sea, using no fuel, forever. The same marvelous device sitting at the bottom of Niagara Falls and extracting enough heat from the water to cool it by an eighth of a degree could obtain sufficient energy to drive the water back to the top of the falls. Such a device would be a perpetual-motion machine—which, far from being forbidden by the First Law, in a sense seems to be suggested by it.

If such a machine could actually operate, it would not only levitate teacups and reverse the direction of Niagara Falls but also wipe out the passage of time. We can look at it this way. We are aware of the passage of time because events happen: the hands of a clock move; sand runs down the hourglass; water flows down Niagara Falls. Each of these events is a spontaneous, irreversible process, in which the energy of motion is converted to heat. If a perpetual-motion device could indeed recapture the heat energy and, with no loss, use it to reverse the original process, the clock's hands would move backward as fast as they moved forward; the sand and the Niagara River would run upward as fast as they ran downward. The forward and backward motions would cancel each other; nothing would occur; time would stand still.

Since none of these events happen, it appears that this type of perpetual motion, in which energy is not "created" but simply gathered up from the vast reservoirs of heat on the earth's surface, is also impossible. The relevant principle is that energy occurring only as heat stored in a single reservoir, no matter how plentiful the amount of the heat, cannot be used to do work. This is one way of stating the Second Law of Thermodynamics, which involves the nature of heat—in particular, its intensity, or temperature, and its relation to other forms of energy, such as motion.

But why is it that the conversion of the kinetic energy of bulk motion—the teacup smashing against the floor or the water of the Niagara River crashing at the bottom of the falls—into heat makes that energy no longer available to reverse the spontaneous fall? In a sense, most of the science of thermodynamics is built around efforts to answer this question. To deal with it, we need to wander deeper into the thicket of abstract thermodynamic ideas and consider two more subjects: order and probability.

The kinetic energy of the water flowing over Niagara Falls is represented by the downward motion of huge numbers of molecules. All these water molecules fall together—as a random, jiggling crowd, it is true—with the same overall direction and speed. In this respect, the bulk downward motion of the water—its kinetic energy—is a regular, coherent motion. When the water hits bottom, the energy represented by its bulk motion is converted into heat; the water molecules jiggle more fiercely, raising the temperature by an eighth of a degree. Their movements are random—on the average, equally intense in all directions. Compared with their earlier, coherent downward motion, the molecules' motion is now disordered, in the sense that all possible directions of movement are equally expressed. Now, in bulk, the water as a whole goes nowhere; on the molecular scale, the motion has no recognizable pattern; it lacks the order of the falling water. In the conversion of the kinetic energy of the falling water into heat—an event that is crucially linked to the irreversibility of the process and to the one-way direction of time—order gives way to disorder.

In thermodynamic terms, disorder is represented by a situation in which the outward appearance of an object is consistent with a large number of different possible internal arrangements of the constituent parts, and order is increased if the overall appearance will permit fewer arrangements. Thus, various heaps of lumber can have the same outward shape with the separate boards arranged internally in thousands of different ways. If the same pieces of lumber are to have the outward appearance of a barn, however, the number of possible internal arrangements is much reduced. In other words, the overall structure of a barn will tolerate fewer different internal arrangements of boards than will the structure of a heap. Thus, in the thermodynamic sense order is a measure of the degree to which the overall properties of a physical system dictate the selection of a particular internal arrangement of its parts. Order expresses the relation of the properties of the whole (the barn) to the properties of its parts (the boards). Order signifies that the properties of the whole are not a simple summation of the properties of the parts but are strongly affected by the relations among them—in particular, by how these relations are limited or constrained. The whole, therefore, constitutes a system whose behavior is strongly affected by its internal design.

Spontaneous, irreversible processes are the events that signal the one-way passage of time, and the affected systems end up with less order than they had when they began. In each case, some random, reversible, time-independent processes generate disorder in a system that began with some degree of order. And so we can account for the universal experience that, with the passage of time, more and more disorder is observed in the world, if we assume that the world was once a more ordered system than it is now. It is the earlier existence of order that gives us a way to sense the passage of time. A barn can be seen to decay with time because it was once a perfectly formed barn. A clock tells time because it was once wound up. This shift from order to disorder is the foundation of the Second Law of Thermodynamics, which, together with the First Law, governs the outcome of every energetic process. The Second Law asserts a single cosmic fact: that the universe is constantly, irreversibly becoming less ordered than it was. It is this behavior of the universe that accounts for the one-way direction of events and the irreversible passage of time.

Since an ordered arrangement will, in time, spontaneously become more disordered, it follows that an improbable situation will tend to become transformed, with time, into a more probable one. This is yet another way of stating the Second Law of Thermodynamics: "Every system which is left to itself will, on the average, change toward a condition of maximum probability." Stated this way, the Second Law does not claim that a system will certainly change into a more probable configuration. It claims only that this will happen on the average. Any particular change might go the other way, but with a low probability. What this feature of the Second Law tells us is that we cannot be absolutely certain that, say, the teacup (or its fragments) will not spontaneously leap upward. But the probability of this event is fantastically small. In "The Anatomy of Science," published in 1926, Gilbert N. Lewis, a brilliantly iconoclastic chemist, who liked to be accurate about such things, computed the actual probability that an object weighing one one-hundred-millionth of a gram, if looked at once a second, will ever be found one ten-millionth of a centimetre above a supporting surface. On the average, the object will be found in this position 6.32 times every million years. The probability that an object as large as a teacup will rise several inches off the floor is so small that it would take a lifetime of writing zeros to record the number of years in which it might happen even once. A reasonable estimate of this probability is never. When we lift the teacup, this otherwise enormously improbable event does occur. In other words, work can powerfully increase the probability of an event. Work suitably done on a disordered heap of lumber can produce the more ordered, less probable state known as a barn.

The framework of the Second Law of Thermodynamics binds together a fundamental body of knowledge—about the spontaneity and irreversibility of natural processes, the degree of order and disorder in the universe, and the meaning of probability and information. The central assertion of the Second Law is that the spontaneous processes that are the actual events of the real world always lead to states that are less ordered and more probable and that represent less information than the states in which they began. This means that every spontaneous process irreversibly decreases the order of the universe and brings it to a more probable state, which contains less information than before. Whatever happens in the world leads in this downhill direction. The Second Law also tells us that such a natural process can be reversed by the application of energy but that this reversal can be accomplished only at the expense of further decay in the overall order of the universe.

In these ways, the Second Law of Thermodynamics lays out the grand scheme of what happens in the world: what events (a teacup falling, a river crashing down falls, a sand castle crumbling into shapelessness) are likely to happen spontaneously, on their own; what events (the cup or the river water raised to its original heights, the castle organized from the jumbled sand of the beach) are vanishingly improbable unless they are made to happen by doing work. Thus, every event, everything that happens in the universe, is fundamentally connected with energy. And in this relation we can begin to see the strong links between the abstract, cosmic aspects of thermodynamics and its prosaic uses in industry and everyday life.

The chief practical purpose of thermodynamics is to learn how energy can best be harnessed to work-requiring tasks. These tasks—the work that people do—are all intended to generate order from disorder (building barns from heaps of lumber or skyscrapers from piles of sand, cement, and metallic ores); to produce events that in nature are enormously improbable (teacups lifted from the floor, rockets shot toward the moon); to create new information (the designs of the barns, skyscrapers, and rockets). What people do, then, is to use energy to reverse, in highly specific, localized ways, the decay of the universe toward disorder, increased probability, and loss of information. We cannot, of course, change the fate of the universe; overall, the spontaneous downhill process continues. But human activity does create, for a time, local islands of order, improbability, and information—barns, skyscrapers, rockets, and all the other trappings of civilization. The practical value of thermodynamics is that it can teach us how to mobilize this energy and most effectively use it to generate the activities of civilized life.

The junction point between the splendid, arching abstractions of thermodynamics and its powerful, concrete achievements was first arrived at by a young French physicist and economist, Sadi Carnot. This is contained in a pamphlet he published in 1824, when he was twenty-eight (he died in a cholera epidemic eight years later), under the title "Reflections on the Motive Power of Fire, and on Machines Fitted to Develop That Power." Carnot was interested in improving the efficiency of steam engines, because engines of the time had low efficiencies; only a small per cent of the energy applied to them as heat was recovered in the form of mechanical work. Carnot worked out general principles that govern the operation not only of steam engines but of "all imaginable heat engines" as well.

The basic outcome of Carnot's formulations was the idea that any engine that can absorb heat to do work, or can use work to absorb heat, must be hot in one place and cold in another. The amount of work that can be got out of a given amount of heat as it flows from the engine's hot place to the cold reservoir depends on the difference between their temperatures. (Temperature measures not the amount of heat energy but, rather, its intensity—the special quality of energy that tells us how well it can yield its most valuable product, work.) Although the energy content of the whole system is constant (in keeping with the First Law), a particular quality of the energy—its availability to do work—is diminished as the energy flows from its hot, entering status to its cooler, final status. Carnot showed that there is an absolute limit to the efficiency of a heat engine. Only part of the energy that enters it as heat can be converted to mechanical work; the rest is rejected into the surroundings as low-temperature "waste" heat. The work that can be produced by the operation of the engine is equivalent to the loss of the energy's work capability as it flows through the engine. Thus, although no energy is lost in the operation of a heat engine, something associated with that energy—its ability to do work—is irretrievably lost.

Carnot's pamphlet became the starting point of thermodynamics, which created a series of mathematical relations that connected the efficiency of heat engines to measures of the work available from energy, and to measures of disorder, probability, and information. There emerged a new concept—entropy—which was mathematically related to all these thermodynamic properties. Entropy is a measure of the unavailability of energy for work, of disorder, of a high degree of probability, of a loss of information. When the entropy of a system increases, its energy is less able to do work. In any irreversible process, in which entropy necessarily becomes larger, the total energy is conserved but some of the work that can be got from it is lost.

A kind of paradox seems to lie at the heart of a good deal of the confusion about the theoretical and the practical meanings of the energy laws. The laws of thermodynamics tell us that while energy cannot be lost, merely possessing it is of no value. Energy is valuable only insofar as it is used to generate work, to produce power. But in that process some of its ability to do work is necessarily lost. What inevitably diminishes is not the world's stock of energy but its ability to do what we value—work. The scientific knowledge that is symbolized by the laws of thermodynamics gives us the ability to measure both of the basic attributes of energy—its amount and its ability to do work. The First Law gives us the basis for measuring amounts of energy regardless of their form or their availability to do work. It enables us to count up our stores of energy—the amount represented by a tank of gasoline or by the huge beds of coal in the Western states. Applying these measures, we have begun to worry about budgeting the use of these stores. We have begun to think about "conserving" energy—saving so many B.T.U.s of energy by home insulation and so many by driving at fifty-five miles an hour. But the Second Law tells us that it is not energy that needs to be conserved: what needs to be conserved is a certain quality that is associated with energy but that different forms of energy possess in differing degrees. This quality—the available work that can be obtained from the energy—is not conserved; it is irretrievably lost whenever energy is used to produce work. The science encompassed in the Second Law, if we would use it, is specifically designed to show how we can maximize the amount of work—the value—that can be got from using a given amount of energy. It is not the First Law that ought to govern the campaign to conserve energy but, rather, the Second.

Yet most of the present measures of energy efficiency and the resultant conservation efforts are based only on the First Law. Indeed, the pioneering comprehensive effort to show how the Second Law might be used to measure and maximize the work yielded by energy in transportation, industrial processes, and home heating was made by a group of American physicists, under the auspices of the American Physical Society, in the summer of 1974, and the results were published last year under the title "Efficient Use of Energy." The analysis showed that in some instances the efficiencies measured according to the precepts of the Second Law are about eight times as low as the efficiencies measured by applying the First Law. Because we have thus far failed to use the appropriate (Second) law of thermodynamics to judge the efficiency with which the limited stores of fuel that drive the production system are used, we have been misled into the illusory belief that we are many times as well off as we really are. The Second Law of Thermodynamics is perhaps our most powerful scientific insight into how nature works. A hundred and fifty years have elapsed since it was discovered; it may well be time for us to begin using it to govern the ways in which energy is employed.

Science has social value because it can provide useful answers to important questions. But science also has the more basic capacity for asking the right questions. The science of thermodynamics is a rich source of both answers and questions, but we have used it chiefly to find answers rather than to propound questions. Thermodynamics has given us numerous valuable answers; it is the foundation of the design and construction of every modern instrument of agricultural and industrial production, of transportation and communications. But the energy crisis and its attendant environmental and economic problems tell us that there is something seriously wrong with the ways in which the automobiles, power plants, and factories that are the practical fruits of this science meet human needs. Yet among these devices there are relatively few that are purely technological mistakes; most of them work fairly well.

What, then, has gone so wrong? The answer, I believe, is that we have failed to use thermodynamics to ask the right questions. As a result, we are burdened by powerful and overbearing answers to the wrong questions, or to questions that no one has bothered to ask. For example, one reason some people are so enthusiastic about nuclear power is that they assume that one of its products, electricity, is an essential and unquestioned good. However, behind this assumption lies an unasked question: What is electricity good for? Thermodynamics can answer that question; but, even more important, thermodynamics requires that the question—and others, equally important—be asked.

Oil epitomizes the energy crisis. It is the dominant source of energy for most of the world. Oil, together with the closely related natural gas, provides three-fourths of the national energy budget in the United States. Oil is the basis of the two industries—automotive and petrochemical—that, with the petroleum industry, make up nearly a fifth of the total United States economy. And apart from their economic effects, the oil-based industries have done a great deal to set the pattern of national life. Oil powers the horde of cars, the vehicles of the urban diaspora that has scattered people's homes, and the places where they work and shop, over wide, once rural areas. The intensive use of petroleum-based fertilizers and pesticides has nearly transformed the farm from an outpost of nature into a branch of the chemical industry.

Because of the enormous importance of petroleum in the American economy, an assured supply of oil ought to be among the highest of national priorities. Many people were shocked, therefore in the fall of 1973 to find that the petroleum supply was far from assured; that nearly half of it came from abroad; and that the embargo imposed by Saudi Arabia and other Mideast oil producers—to express their displeasure over the American attitude toward their conflict with Israel—appeared to create serious shortages of gasoline and fuel oil. On the East Coast, gasoline was so hard to find at times that motorists spent hours in long lines (their idling engines uselessly burning gasoline) waiting to buy a few days' supply. Heating oil was also scarce, and farmers were forced to pay premium prices for the propane that they needed to dry harvested grain before it rotted.

The 1973 oil embargo set off a sharp rise in the price of gasoline, heating oil, propane, and the numerous chemicals—especially fertilizers and pesticides—that are made from petroleum products. The gasoline shortage depressed the sale of cars, and the automotive industry went into a steep decline; within a year about twenty per cent of its plant capacity and more than a hundred thousand of its workers were idle. The increased fuel costs raised rents, and the rising cost of agricultural chemicals contributed to inflated food prices. Suddenly energy problems were problems of inflation and unemployment; energy had become firmly enmeshed in the deepening economic crisis.

The oil companies were quick to respond to the nation's ordeal; they sharply stepped up their advertising budgets. Oil-company advertisements sought to explain the sudden onset of the energy crisis. They blamed the environmentalists for delaying the construction of offshore wells, of refineries, of power plants, and Congress for its failure to enact tax concessions that would give the industry the "incentive" to produce more domestic oil. Yet, despite the advertisements—or perhaps because of them—some public-opinion polls showed that more than half of the American people blamed the oil companies for the energy crisis.

The ensuing debates and discussions—including the interminable and largely fruitless haggling by Congress and President Ford over the control, or lack of control, of the price of oil and natural gas —have been seri-hampered by the shortage of an essential ingredient: the facts. During the 1973 crisis, no one knew exactly how much oil the country had or needed. The oil companies claimed that the long lines at gasoline stations were caused by a severe shortage of crude oil resulting from the embargo. When all the data were in, however, it was learned that at the end of 1973, when the embargo had been in effect for about two months, the available stocks of gasoline were only about one and a half percent below the amounts available a year earlier, and that at the end of February, 1974, nearly three weeks before the embargo was lifted, gasoline stocks were five percent higher than they were a year earlier. When congressional committees tried to investigate such discrepancies, they discovered that nearly all the original information about the production and availability of petroleum was in the hands of the oil companies and their organizations. Few hard facts about the oil situation reached the arena of public debate in a form that the participants could understand. In their absence, sharp disagreements broke out, and suspicions flourished.

Was the country really "running out of oil" or were the oil companies promoting that idea in order to justify a price rise? Was the failure of the American petroleum industry to meet the rising demand for oil and its derivatives caused by the depletion of a limited resource or the result of deliberate oil-company policies? Where were the missing facts? Ironically, the sought-for data were hidden—perhaps unintentionally but nevertheless effectively—by a modern bureaucratic version of the wonderfully simple method made famous by "The Purloined Letter." All the facts needed to delineate, in stark and frequently embarrassing terms, the role of the oil companies in the oil crisis were and are available. They are laid out in great detail in reports published by the Federal Energy Administration and other government agencies and by the National Petroleum Council, an official arm of the oil companies established to advise the Department of the Interior. These reports make up thousands of heavily documented pages; one report on the availability of oil and gas in the next decade is more than seven hundred and fifty pages long and contains six hundred and eighty-eight tables and a hundred and fourteen illustrations and graphs. We can learn a good deal about the origin of the oil crisis from these informative but rarely discussed reports.

Petroleum fuels are used, in the main, for two energy-requiring tasks in America. About fifty-four per cent of the petroleum is used to drive transportation vehicles, and about twenty-one per cent is used to warm up the places where people live and work—that is, to provide "space heat"—and to heat water for washing. In view of the enormous amount of petroleum used for these purposes—the per-capita consumption is about three and a half gallons a day—and the considerable trouble that results from consuming more petroleum than we produce, it seems sensible to find out how much of it is wasted. Waste or its converse—efficiency—can be looked at in several ways. The most obvious way to waste a resource such as petroleum or natural gas is to lose it before it can be used. Oil spills and pipeline fires fall into this category; the amount of petroleum lost in such events is tiny compared to the amount used, and can reasonably be neglected.

A resource can also be wasted *when* it is used, in the sense that some of it is frittered away in the process and does not end up where it is wanted. In the case of petroleum, this kind of waste is moderately large but not overwhelming. Consider a familiar example: the amount of heat wasted as an oil-burning furnace system delivers heat to the rooms that it is supposed to warm. One way to compute efficiency of such a furnace system is based on the First Law of Thermodynamics. This tells us that the energy produced by burning a given amount of fuel must be conserved as it flows from the furnace to the rooms. Therefore, the amount of energy wasted is equal to the amount produced in the furnace less the amount that reaches the rooms. (The difference might represent heat that goes up the smokestack or leaks out of the house as it is transferred.) This First Law efficiency can then be expressed by the ratio of the amount of heat delivered to the rooms to the amount that is generated when the oil is burned.

Measurements of such efficiencies were for a long time ignored by everyone except heating engineers. But in the last few years, as the need for conserving fuel has become painfully apparent, such data have been reported in the growing literature of energy technology. By all accounts, the efficiency of furnaces computed in this way is moderately good. A typical efficiency for an oil-burner supplying warm air to a home at 110° F. when the outside temperature is 32° F. is sixty to sixty-five per cent. This suggests that there is some room for improvement but not a great deal. Even if the oil-burner system were made one hundred per cent efficient (impossible in practice), by this measure the amount of fuel used would be reduced by forty per cent or less.

Nearly all the current estimates of possible energy savings are made in this way, using the First Law to find out where energy is lost and how to stop some of the losses. The general outcome is a possible saving of no more than thirty or thirty-five per cent. However, the First Law, as we have seen, is only the initial building block of the science of thermodynamics, which in the subtleties of the Second Law becomes vastly more revealing. The Second Law reminds us that energy in itself has no value unless it can be used to produce work by flowing from one place to another; that every spontaneous, irreversible event, such as heating a home, involves the loss of available work; that the value of energy is measured by the work it can do; and that the efficiency with which energy is used ought to be measured by how closely the amount of available work used to accomplish a task corresponds to the minimum amount that the task requires.

These basic precepts define the Second Law efficiency proposed by the American Physical Society's study. To compute this efficiency, one begins by determining the minimum loss of available work that is entailed in accomplishing a particular task—in this case, to warm a home by delivering air at 110° F. while the outside air is at 32° F. The next step is to compute the work that is available from the amount of energy that is actually used to accomplish the task—in this case, the available work that is consumed when the oil is burned and the heat transferred to the rooms. The Second Law efficiency is the ratio between these two measurements, or (to quote the A.P.S. study) 'the efficiency is equal to the ratio of the least available work that could have done the job to the actual available work used to do the job." When such a Second Law efficiency is computed for the oil-burner system, it turns out to be eight and two-tenths per cent. According to the First Law, the oil-burner system wastes a little less than half of the energy that it uses; according to the Second Law, it wastes all but about eight per cent of the work available from the energy that it uses. The Second Law efficiency tells us that there is much more room for improvement than the First Law suggests.

In a sense, the two procedures take an opposite approach to the efficiency problem. The First Law approach focusses on the energy content of the fuel and computes how much of it fails to get where it is supposed to go—to the rooms. It ignores alternative ways to heat the home and is concerned only with how well a particular method works. The Second Law approach focusses on the *task* and determines how much work is needed to get it done. It then seeks out whatever method does the job with the least available work. The Second Law approach makes the most of that quality of an energy source that gives it its value—the work available from it. This is the quality that, unlike energy itself, is always consumed, and the Second Law efficiency aims at finding a way of using as little of it as possible in getting the task done.

It turns out that the most efficient way to warm a house is often not by burning the fuel but by using it to run a kind of refrigerator. In its familiar sense, a refrigerator is a heat engine that uses mechanical work (the motion of a motor-driven pump acting on a compressible gas) to cause heat to flow from a colder place (inside the refrigerator) to a warmer place (the kitchen). The same kind of device (now called a heat pump) can be used to bring heat into a house by extracting warmth from the colder out-of-doors. The heat pump cools the out-of-doors in order to warm the house, just as the refrigerator warms the kitchen in order to cool its own interior. But Sadi Carnot's work reminds us that the engine used to drive the heat pump—for example, a diesel engine—cannot convert all the energy of its fuel into such a mechanical work. Some of it must be rejected into the environment as waste heat. Since this waste heat is at a suitably low temperature, it can readily be used to help warm the home (through an appropriate heat exchanger). According to the A.P.S. study, with a heat-pump arrangement a diesel-driven home-heating system could operate with a Second Law efficiency of about twenty per cent. This is more than a twofold improvement over the conventional furnace—something that would appear to be impossible if the efficiency were computed by the First Law, at sixty-five per cent.

Considerations of the same sort can be used to effect substantial improvement in the Second Law efficiency of transportation, which is only about ten per cent. Since transportation accounts for more than half of the petroleum that is consumed, such an improvement could do a great deal to reduce the enormous waste that is revealed by thermodynamic analysis. What is so shocking about this waste is that petroleum is an irreplaceable resource. This is evident from what we know about its origin. There is persuasive geological evidence that underground deposits of petroleum, natural gas, and coal are the residues of fossil plants; hence the term "fossil fuels." As the plant remains were buried, their organic compounds were subjected to variable pressures and temperatures. Depending on local conditions, the ensuing chemical reactions produced the hydrocarbons of petroleum and natural gas or the nearly pure carbon of coal. All these fossil-fuel deposits represent energy originally delivered to the earth as sunshine and converted into chemical form by photosynthesis.

Oil deposits are now generally found at depths ranging from a few hundred feet to about twenty thousand feet. The only way to know if oil lies below a particular point on the earth's surface is to drill down. The amount of oil in a given geological area, or field, can be estimated by drilling enough exploratory wells into it. Since drilling to such depths is expensive, an effort must be made in advance to find where oil can be expected to occur. This is done by geophysical exploration—for example, by monitoring the echoes of shocks from explosive charges in order to map out the reflecting contours of underlying structures. An experienced geologist who examines such an underground-contour map can judge what areas are most likely to contain oil. The judgment involves some guesswork, so the results are uncertain. In any case, the most promising sites are chosen, and exploratory wells are drilled. These usually fail to find oil. In 1973, even after the best available geophysical exploration, about eight out of every ten exploratory wells drilled in the United States were "dry holes." Finding oil is very much a hit-or-miss geological proposition and a risky economic one.

The immediate outcome of a successful exploratory effort is the discovery of a certain amount of crude oil "in place." This term refers to the size of the underground reserve of oil that has been discovered, only part of which can be brought to the surface, or "produced." As of 1970, an average of about thirty per cent of the oil in place was actually produced, but, owing to improved recovery methods, this is expected to increase to about forty-two per cent over the next twenty-five years. The amount of oil discovered, corrected for the recovery rate, constitutes the crude-oil reserve—that is, the amount of oil that is known to exist underground and that can actually be brought to the surface. It represents the nation's stock of available oil, as it is known at the time. Two processes affect the size of this stock. One of them is discovery of new oil in place, which adds to the reserve. The other process is the rate of production of oil, which, of course, diminishes the reserve.

Until 1959, the size of the American crude-oil reserve gradually increased, because the rate of new discoveries exceeded the annual rate of production. For several years, beginning in 1959, the size of the reserve remained roughly constant. Then, in 1967, the reserve began to decline progressively. We were consuming more oil each year than was found, and the notion arose that we were beginning to "run out of oil." This idea plays a powerful role in the current arguments over oil policy, and needs to be closely scrutinized. One reason for the falling reserve in recent years is that the rate of petroleum production has increased in order to try to meet a rapidly growing demand. The annual rate of production of domestic crude oil increased by forty-three per cent between 1953 and 1969, reaching a peak of slightly more than nine million barrels a day in 1970. Over the same period, the rate of finding new oil—the amount found each year—decreased by some thirty-five per cent of its 1953 value.

The decline in the rate of oil discovery that began rather abruptly in 1957 has continued. It has brought on an equally abrupt decline in the ability of the petroleum industry to meet increasing domestic demand and led to the now lamented dependence on imported oil. Between 1954 an 1957, oil imports increased only slightly, from fourteen per cent of total domestic consumption to nineteen per cent. Imported oil amounted to twenty-two per cent in 1965 and forty per cent in November of 1974. Thus, the gap between American oil consumption and domestic oil production, and its grave economic and political consequences, can be traced to a rather sudden decline after 1957 in the rate at which oil was discovered in the United States. If we are to make any sense out of the confused debate over oil policy, we need to find out why this decline occurred and whether there is any hope of reversing it.

The issue that we must examine is to what extent the falling rate of new oil discovery in the United States is due to the physical depletion of accessible oil deposits (an irremediable situation) and to what extent it results from conscious decisions on the part of those engaged in the search for oil to hunt less diligently. Suppose it to be true that the rate of finding new oil in the United States is declining because we are running out of oil. Then, as new oil fields are found, and the number remaining to be found is thereby reduced, each additional new field would become increasingly more difficult to find. A familiar analogy might be the matter of trying to find all the beads scattered from a broken necklace. The first few beads are easy to find, but the task becomes increasingly difficult as progressively fewer beads need to be spotted, in widely dispersed places.

In the same way, if the number of accessible but as yet undetected oil fields in the United States is now being appreciably reduced by current discoveries, then the effort needed to find each new field should be increasing. If we chose not to increase the exploratory effort, then the amount of oil found per year would decrease. And if the amount of oil discovered per unit of exploratory effort remained constant with time, it might be concluded that there was still a good deal of oil left to be found. As in the hunt for scattered beads, the rate of discovery of new oil can be used as an indicator of the phase of discovery process. A year-by-year record of the effort made to find oil and the rate at which it is found can tell us where we are at the moment in the inevitable process of exhausting the discoverable fields of oil.

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Much of the controversy among oil experts regarding the potential oil reserve in the United States and what fraction of it we have consumed thus far results from the different ways in which they obtain and analyze this record. Unfortunately, the way in which the analytical method influences the results is not usually made clear. This is one reason that policymakers and the public are confused by the disagreements on how much oil remains to be found in the United States. The unexplained disagreements have seriously hindered the effort to develop a sensible petroleum policy.

One of the curious aspects of these disagreements is how sharply they divide oil companies and government agencies. A recent summary by the Department of the Interior lists five oil-company estimates of as yet undiscovered recoverable petroleum, which future exploration is expected to discover: 168 billion, 90 billion, 89 billion, 55 billion, and 24 billion to 64 billion barrels. Also listed are four United States Geological Survey estimates: 458 billion, 400 billion, 200 billion to 400 billion, and 72 billion barrels. Even more curious are the separate estimates of onshore and offshore reserves made by the Geological Survey and Mobil Oil Corporation. For onshore reserves, including Alaska, the Geological Survey estimates are 135 billion to 270 billion barrels of oil. The Mobil Oil Corporation estimate is much lower: 34 billion barrels, or thirteen to twenty-five per cent of the Geological Survey estimate. However, the offshore estimates are in much better agreement; Mobil's estimate (54 billion barrels) is within forty-two to eighty-four percent of the government's (64 billion to 130 billion barrels). Perhaps by coincidence, the disparities between the two sets of estimates parallel the interest of the oil companies in developing offshore deposits rather onshore ones.

Such disagreements—and the resulting confusion—can be considerably reduced by sorting out the factors that influence the rate of finding oil. Both geophysical oil exploration, which seeks to find geological deposits that may contain oil, and the drilling of exploratory wells are carried out by people—geologists, geophysicists, drillers—who are in the hire of oil companies. (The federal government dces little or no exploration itself.) The decision to employ these people and to direct them to look for oil is, of course, made by the oil-company management, so one element that affects the rate of oil discovery is simply the company's policy on how hard to look for oil. In addition to these administrative decisions, physical factors arising from the actual depletion of deposits will, naturally, affect the discovery rate.

The combined effect of the administrative and physical factors can be measured by the rate of discovery—the amount of new oil found per year. This method of measurement does not distinguish the relative influence of the two factors. Its main practitioner is a well-known oil geologist, M. King Hubbert, formerly with the Shell Oil Company and now with the Geological Survey. Hubbert's estimates, based on the variations in the amount of oil discovered per year, start in 1860, shortly after the first American oil well was brought into production. Despite the dual factors involved in these measurements, his estimates lead him to conclude that "the discovery of crude oil in the coterminous part of the United States and its adjacent offshore areas has passed its culmination and is well advanced in its decline—which means that the ultimate amount of oil recoverable in the United States is about 175 billion barrels. Since about 107 barrels had already been consumed by 1974, this would leave about 68 billion barrels available for future use. With oil now being consumed at the rate of about six billion barrels a year, we are indeed "running out of oil."

Hubbert acknowledges, in effect, that his conclusion takes account of the influence of company decisions on how hard to seek oil, for he states, "When a given amount of exploratory effort per year in a given area yields over a long period of time continuously diminishing returns in the amount of oil discovered, the inference can hardly be avoided that the pond is about fished out." The phrase that I have emphasized is critical. To go back to the bead analogy, it is certainly true that for "a given amount of exploratory effort" a declining rate of finding beads would mean that there are few remaining ones to be found. But if you stop looking for a while the amount of exploratory effort is no longer "given," and the resultant slow rate of finding beads means not that most of the beads have been found but that you have become less interested in finding them.

Another geologist, the late Alfred D. Zapp, who was also on the staff of the Geological Survey, proposed a different way to measure the rate of oil discovery. His method diverged sharply from Hubbert's both in its assumptions and in its results. Zapp's method eliminated the influence of company decisions by comparing the amount of new oil discovered in a given period with the amount of exploratory drilling actually carried out (as given by the total length, in feet, of the exploratory wells). Where Hubbert plots the amount of oil discovered per year for successive years, Zapp plots the amount of oil discovered per foot of exploratory well for successive cumulative lengths of wells drilled. In this way, Zapp's method, unlike Hubbert's, really does measure the amount of oil found for "a given amount of exploratory effort." It reflects only the frequency with which a purely physical effort—the probing of the earth by a given length of exploratory well—manages to hit upon an oil deposit, and records the amount of oil in it. Hubbert has acknowledged this difference in methods, stating that Zapp's results are "less subject to economic and administrative influences."

To return to the bead analogy, Zapp would record how many beads are found per unit of effort, perhaps measured by the amount of floor space covered in order to find one bead. In contrast, Hubert would measure the number of beads found per minute. This measure would include the effects of "administrative" decisions, such as deciding to hurry the search for a time or to give it up temporarily in favor of some more attractive pursuit. Using his method, Zapp estimated that the potential recoverable oil in the United States amounted to about six hundred billion barrels. And the estimates by other government geologists, also based on the Zapp method, were in the range of four hundred billion barrels of recoverable crude oil, all of them well in excess of the estimates made by Hubbert and the oil companies.

Hubbert's rejoinder to these estimates has been to reanalyze Zapp's data in an effort to show that the amount of oil found per foot of exploratory well has actually been decreasing since about 1935, as one would expect if oil deposits were becoming scarcer. Some evidence of such a decline can be seen in the data, but it is sporadic; instead of following a smooth curve, as Hubbert's hypothesis would require, the decline actually occurs in two rather sudden drops—one around 1945 and the other around 1953. This suggests that the decline is the result of some gradual process, such as the progressive depletion of accessible oil deposits, but of some more abrupt event, such as a change in drilling procedures.

In any case, Hubbert's own figures for oil discovered per foot of exploratory well drilled, which he computed by applying Zapp's method, show that since 1953 there has been no sign at all that the Zapp ratio has fallen as exploratory drilling has continued. Far from declining, the ratio has increased slightly. This is a crucial fact, for it is precisely in the post-1955 period that the amount of oil found per year (that is, in the Hubbert type of measurement) has steadily decreased. Between 1956 and 1969, the amount of oil discovered per year decreased nearly thirty per cent. Thus, Zapp's method shows that in this critical period there has been no decrease in the physical efficiency of discovery (measured by the amount of oil found per foot of well drilled), while Hubbert's method (which includes policy decisions as well as the physical-efficiency factor) has it declining sharply. It follows, then, that the reason for the decreased rate of oil discovery per year is not that the returns have diminished as the stock of oil is depleted but that the oil companies have been making progressively less effort to look for oil.

This explanation is confirmed by the records of the number of exploratory wells drilled annually between 1950 and 1971. In 1950, about ten thousand wells were drilled; the number increased to a peak of about sixteen thousand in 1956 and then dropped sharply, declining to just under seven thousand in 1971. The number of months spent in the field by geophysical crews also dropped between 1956 and 1971—from about eight thousand to twenty-seven hundred. Thus, there is in fact no discrepancy between Hubbert's results and Zapp's. Indeed, with respect to the crucial events since 1957 that have led to the heavy foreign oil imports, the two sets of results lead to the same conclusion: The declining rate of oil discovery per year is a result of company decisions to cut back on exploration efforts, rather than a result of the depletion of accessible oil deposits. We are not so much running out of domestic oil as running out of the oil companies' interest in looking for it.

Why did American companies that had been organized to produce oil decide after 1957 to reduce their effort to find it in the United States? The officially published reports provide the answer. In July of 1970, the Committee on Possible Future Petroleum Provinces of the United States of the National Petroleum Council, in response to a request from the Department of the Interior, published a summary of a detailed study of the nation's potential petroleum reserve. (The study itself, "Future Petroleum Provinces of the United States—Their Geology and Potential," was published the following year, in two thick volumes, by the American Association of Petroleum Geologists, with funds provided by the National Petroleum Council.) The study committee was headed by the chairman of the board of the Standard Oil Company of California; the members included officers of large, integrated oil companies and a number of the independents. Leading geologists from universities, government agencies, and industry serves as advisers. The actual work was done by eleven regional subcommittees comprising a total of a hundred and forty-one geologists drawn from oil companies and the federal and state geological surveys. Obviously, the group was in an excellent position to consider the geological aspects of the problem of finding new petroleum in the United States and to estimate the potential size of the reserve.

The summary completely supports the conclusion I have drawn from the Hubbert-Zapp controversy—that the recent decline in the oil-discovery rate was caused by deliberate company decisions. The reasons for those decisions are spelled out explicitly. A sharp distinction is made between oil-company practices before and after 1957. Before 1957, the ratio of company expenditures for the exploration and development of new oil fields to barrels of crude oil produced increased steadily, rising about two hundred per cent between 1942 and 1957. After 1957, there was an abrupt change; instead of increasing, the exploratory expenditures per barrel of crude oil poduced fell—by some twenty-five per cent in the next ten years. This trend is in keeping with the post-1957 decline in the footage of exploratory wells drilled and in the rate of geophysical exploration.

This reversal in the trend of exploration expenditures was foreshadowed by changes in the oil companies' income. While the price of a barrel of crude oil increased by more than a hundred per cent between 1942 and 1952, it increased by only eleven per cent in the next five years, by only four per cent between 1957 and 1962, and after 1962 it even declined slightly (until, of course, the recent sharp rise, beginning with the 1973 embargo).

On the analyses of the potential petroleum reserve in the country's geological regions, the summary remarks, "None of the 11 regions has been adequately explored," and it asserts that the potential recoverable oil reserve of the United States "may exceed 432 billion barrels." With a hundred and seven billion barrels already consumed as of 1974, according to this estimate there would remain about three hundred and twenty-five billion barrels available for future use. This is more than four times Hubbert's estimate of sixty-eight billion barrels of crude oil available after 1974. Finally, the summary reaches an unmistakable conclusion about the cause and the consequences of the declining rate of oil discovery:

"The trend in the last decade of devoting a declining percentage of producing revenue to finding and developing production of crude oil and naturals gas has resulted in a drastic decline in exploratory and development drilling which together with deemphasis of the onshore of the coterminous United States is inimical to the development of the country's enormous petroleum resources.

"To the extent that policies of industry and government militate against accelerated exploration, particularly drilling, a high percentage of the petroleum resources of the United States is immobilized."

The evidence provided by this distinguished group, uniquely qualified to estimate the effect of both geological and economic factors on discovery rate, appears to be irrefutable. The failure of the oil companies to keep up with the increase in domestic demand since 1957 is the result of their decision to reduce exploratory efforts following a period of disappointing economic returns on the domestic oil produced. It was this decision that led to lower production of domestic oil, to the growing gap between domestic production and domestic demand, to the increased importation of oil to make up the difference, to the nation's vulnerability to an oil embargo—and to all the economic troubles that followed.

The motivation for this historic shift in the status of the nation's oil supply is not hard to find. Between 1947 and 1956, the profitability of the domestic petroleum industry dropped from a return of about fifteen per cent on equity to fourteen per cent. In that same period, the profitability of foreign operations by American petroleum companies increased from a return of about fifteen per cent on equity to a return of about twenty-eight per cent. The lesson was not lost on the oil companies. This was made clear in 1966 by an explanation that Howard W. Blauvelt, then vice-president (and now chairman) of the Continental Oil Company, gave of why his company, which in 1950 operated almost entirely within the United States, "decided to go abroad." In a paper published under the refreshingly frank title "How to Become a Foreign Oil Company," he cites three reasons for this move:

"First, there was the need to maintain and increase our sources of low-cost oil. . . . Only the low-cost operator can survive and earn a reasonable profit. The cost of finding and developing a barrel of crude oil in the U.S. was revealing a stubborn upward trend. . . . The discovery of prolific reserves in the Middle East, beginning prior to World War II . . . had made it evident where the large fields of low-cost oil could be found."

A second reason was the simple fact of economic competition; a producer of purely domestic oil would find it all but impossible to compete with companies whose foreign operations enabled them to sell oil in the United States at a lower price. Finally, Mr. Blauvelt tells us:

"A third consideration important in our decision was the apparent profitability of foreign oil operations. As overseas crude output rose, profits also grew rapidly, and the rates of return earned by U.S. companies from their international operations proved considerably higher than the returns from their U.S. operations alone."

Mr. Blauvelt also notes that his company's actions were not unique:

"The decision taken by Continental in the fifties to go abroad was in line with similar decisions by other U.S. oil companies [so] the number of U.S. oil companies operating abroad rose from 13 in 1945 to over 200 at present."

Thus, we have the direct testimony of an officer of a major United States oil company on why the decision was made in the nineteen-fifties to divert to foreign countries the effort to find and produce oil. It can fairly be summed up in one word: profit.

But all this is past. If we are to benefit from our understanding of the recent history of American oil resources, that knowledge must be used to develop a more rational oil policy. We now know that there is no physical reason for the failure of the petroleum industry to keep up with domestic demand, a failure that made the country dependent on foreign oil and set the scene for the 1973 oil crisis and the ensuing economic difficulties. Despite confusing disagreements among oil geologists, it is now evident that some three hundred and twenty-five billion barrels of domestic crude oil are available to us. At the present rate of oil consumption, this amount would take care of the total national demand for oil, without any imports, for fifty or sixty years. There is good reason to believe that in that time nearly all our present reliance on oil could be replaced by energy from our one renewable source—the sun.

What would be a rational, prudent response to these facts? Clearly, there is no need to act as though we were now running out of oil, for we are not. On the other hand, there is a limit to the accessible supply of domestic oil, which, if it is not approached in fifty years, is likely to confront us in the following half century. This physical fact alone is a persuasive reason to plan for a transition from our present heavy dependence on petroleum to renewable sources of energy. There are strong economic reasons as well. And it is essential that the transition be an orderly one; this is obvious from the disastrous economic consequences of the chaotic response to the 1973 embargo. Given that there is enough domestic oil to support us during the expected development of renewable resources, the fundamental problem is to discover what it will cost to produce the available oil and how these costs can be met. A task force of Project Independence Blueprint (an effort by the Federal Energy Administration to discover how the United States might become independent of imported oil) has made a detailed study of this problem, based partly on an earlier one conducted by the National Petroleum Council. The task force concluded that it should be possible to reach an annual production of total petroleum liquids (crude oil plus a small amount of liquid petroleum derived from natural-gas production) of eight billion one hundred million barrels per year. This is more than the total quantity of petroleum liquids (including imports) consumed in 1974, which was about six billion barrels. Thus, if some steps are taken to control the rate of increase in petroleum consumption, it should be possible to produce—if we wished to—all or nearly all our needed oil from domestic sources over the next decade. We could then readily sustain our energy needs during an orderly transition to alternative sources; there would be no necessity for shortages, rationing, or panic over future energy supplies.

The task force also computed the capital that would be needed to meet the cost of reversing the present trend toward reduced domestic exploration and production. In 1974, in order to produce about three billion eight hundred million barrels of domestic petroleum liquids, the industry invested about a billion three hundred million dollars in capital. In order to increase domestic production from that level to about seven billion three hundred million barrels in 1985 and to eight billion one hundred million barrels in 1988, annual capital expenditures would need to rise to about nine billion one hundred million dollars in 1980 and remain at a level of about eight billion dollars per year thereafter. (These and the following dollar values are cited in 1973 dollars to eliminate the effect of inflaton.) In 1974, the productivity of the invested capital—that is, the amount of oil produced per dollar invested—was about three barrels. In contrast, to produce a total of about eighty billion barrels between 1975 and 1988, about a hundred billion dollars of capital would be needed, representing a capital productivity of about eight-tenths of a barrel per dollar. In increasing the annual rate of oil production, the productivity of invested capital—the efficiency with which capital is converted into oil production—would fall by seventy percent.

This considerable increase in the cost of producing the extra oil must be met in some way. The task force has computed that in order to provide the capital needed to support such a high rate of production a barrel of oil would have to be sold at a minimum price of eleven dollars. The price early in 1975 averaged about seven dollars. Thus, the United States can become essentially independent of imported oil *if* there is a sharp increase in the price of domestic oil. This, of course, represents the oil companies' demand for higher returns, to provide "incentives" to invest enough capital to produce more oil. If we meet this demand, how much more oil can we expect to get in return for paying such a high price for it? According to the task force, if the price were held to seven dollars a barrel, total production between 1975 and 1988 would amount to only about seventy billion barrels; this means that to finance the production of that much oil, the public would need to pay a total of four hundred and ninety billion dollars for crude oil. If the price were allowed to reach a minimum of eleven dollars a barrel, the industry would produce about eighty billion barrels of oil, and the total cost to the public would be eight hundred and eighty billion dollars. So in order to finance an increase of about ten billion barrels in national oil production, three hundred and ninety billion dollars additional would be paid for the oil; this means that the price per barrel of this additional oil would be about thirty-nine dollars. In other words, the price of oil must rise disproportionately more than the increase in production that the price is supposed to finance; for each additional dollar spent to meet the oil industry's demand for higher prices, the nation would receive progressively less return in the amount of oil produced. The law of diminishing returns is at work.

Why is increased oil production so closely linked to higher prices? Here we can turn to the National Petroleum Council report that provided the method of calculation used by the F.E.A. task force. It was by computing what income the oil companies would need in order to sustain a specified rate of return on their investment that the N.P.C. report determined the price per barrel of crude oil required to support various levels of domestic crude-oil production. The report showed that the price of crude oil in 1970 was equivalent to a fifteen-per-cent return on net oil-company assets. It noted, however, that if the price of oil were to remain constant, as measured in 1970 dollars, "in 1985, the rate of return on net fixed assets would decline to a completely unacceptable level of about 2 per cent." Accordingly, the report explained "the projections indicate the need for significant price increases, a strong reversal of prices being required if the industry is to attract the venture capital required."

This study, which was completed in 1972, showed that to maintain the current rate of oil production from the forty-eight contiguous states, the price per barrel of crude oil, which had declined slightly in real dollars betwen 1955 and 1970, would need to increase slightly at first but rather sharply beginning in 1973. This is an impressive demonstration of the accuracy of the council's computations. In advance of the 1973 oil embargo, the council predicted, from the requirements of the oil industry for a satisfactory rate of profit, that in 1973 the price of crude oil, which had declined slightly during the preceding decade, would need to rise. And it did rise. This reflects a remarkable gift of economic prophecy; or perhaps the industry's prophecy was somehow self-fulfilling. It appears that we can again quite fairly sum up the factors that govern the price the oil industry demands in return for producing, from oil reserves that clearly exist, the amount of oil that the nation needs in a single word: profit.

Nearly all the discussions of the size of oil-company profits since the 1973 oil embargo have been cast in moral terms: How large a profit should the companies be allowed to enjoy? How much profit is "excessive"? In fact, until recently American oil-company profits, which, of course fluctuate from year to year, depending on current economic conditions, have not been appreciably different from those of other industries. Here we are concerned with a quite different aspect of the profit issue: How does the expected rate of profit influence the companies' decision to find and produce domestic oil? Despite the apparent complexity of this question, the answer turns out to be readily at hand—in the deliberations of the F.E.A. task force that studied the factors that might influence the future production of domestic oil. The report states:

"Future oil production is mainly a function of its anticipated profitability compared to other opportunities for investment, the amount of exploratory drilling undertaken and its success, and the extent of constraining policies that limit profitability or the availability of land favorable for exploration and production."

Of these operative factors, the controlling economic consideration is the relative profitability of producing oil—the profit that it is expected to yield compared to any other investment that can be made with the available capital. According to Blauvelt, this is precisely why some American oil companies hastened in the nineteen-fifties to take the profits they had earned in this country and invest part of them in the development of foreign oil production. That decision was mandated not by the absolute size of the industry's profit rate, which at the time was not very different from the profit rate of the rest of American industry, but by the difference between that rate and the profit that might be had elsewhere—in this case, the Mideast. It is this principle—that the profit differential will determine where investments are made—which accounts for the recent tendency of oil companies to invest their capital in chemicals. According to a January 1975, report in *Chemical & Engineering News*, "the renewed interest in chemicals by [oil] companies that took a beating in chemicals just a few years ago is due to the enormous profit gains in basic petrochemicals in the past year." It also explains why in 1974 the Mobil Oil Corporation spent eight hundred million dollars to purchase a majority interest in Marcor, Inc., a company formed in 1968 by the merger of Montgomery Ward, the nation's fourth-largest general-merchandise retailer, and the Container Corporation of America, the largest domestic producer of paper-board packaging.

Clearly, then, the oil companies' interest in producing domestic oil is not governed by devotion to the national need for oil, or even by an insistence that their effort to meet that need be rewarded by an equitable rate of profit. Rather, the oil companies' decisions are governed by their insistence on being free to invest their capital in whatever activity promises the greatest profit. This position is explicitly confirmed by statements from oil-company officers, of which a recent example, from John J. Dorgan, an executive vice-president of the Occidental Petroleum Corporation, is typical:

"It doesn't mean a thing to say to a private company that there's a great need for oil. You have to have incentive. If it turns out that phosphate rock is more profitable, we'll put our money there."

Apparently, then, the oil companies are not a reliable vehicle for the production of American oil, since they seem to be interested less in producing oil than in producing profit. Like a poorly trained bird dog distracted by the appearance of a stray rabbit, an oil company is likely to drop one project for another whenever there is a hint of larger profits. Another oil-company official—George C. Hardin, Jr., formerly vice-president for North American oil and gas exploration of the Kerr-McGee Corporation and now president of the Ashland Exploration Company, a division of Ashland Oil, Inc.—confirmed this inference as it affects the direction taken by oil-exploration efforts. In a paper entitled "Economic Parameters in Prospect Evaluation," which was presented at a West Texas Geological Society symposium in 1966, Hardin said:

"Although modern oil and gas exploration is based on geology and related sciences, the goal is economic. . . . The goal of any exploration program should be to find oil and gas at a profit."

Apart from their unreliability as orderly vehicles for the development of the nation's oil resources, the oil companies, like most of the United States economic system, must operate according to the principles of private enterprise. Therefore, not only their willingness to undertake a new productive operation but also their ability to do so depends entirely on whether or not their own private efforts are sufficient to produce the requisite amount of capital. From the data available, it is evident that the productivity of capital will decline sharply in future efforts to find and produce more domestic oil, and thus that very large and rapidly increasing amounts of capital will be needed if the expansion is to take place. The question arises, therefore, of whether the industry will be able to raise these large amounts of capital by its own efforts out of accumulated profits and borrowing power.

A recent article in the Oil & Gas Journal carries the headline "U.S. Oil Industry Falling Far Shy of Capital Needs" and opens with this statement:

"Will the U.S. oil industry be able to raise enough money to make the investments required to meet future energy demand? That's a question causing increasing worry among oil executives."

Current (1974–75) earnings of American oil companies are much higher than they were for most of the post-war period—an average of about fifteen and a half per cent after taxes. Nevertheless, William T. Slick, Jr., a senior vice-president of the Exxon Company, U.S.A., has said, "Current earnings aren't adequate to generate the necessary capital." The annual net income of the eight largest American petroleum companies over the period 1951–71 was not very different from those of all manufacturing companies. The petroleum companies earned a net income of eleven and a half per cent and all manufacturing companies ten and a half per cent on stockholders' equity after taxes. But this rate of return, or even the present rate, may be insufficient to raise the industry's needed capital. A Gulf Oil official has said:

"Unless the industry can earn a 15–20 percent rate of return after taxes, it will neither be able to generate the needed funds internally [out of profits] nor will it be able to borrow them at attractive rates."

This appears to be a worldwide problem in the industry, for a March, 1975, survey by the Chase Manhattan Bank reports that—assuming a ten-per-cent rate of inflation—of the eight hundred and forty-five billion dollars in profits needed for world petroleum production between 1970 and 1985 only seven per cent had been accumulated by the end of 1974. This makes the situation quite plain: Unless the oil companies are allowed to earn a rate of profit that considerably exceeds the rate of profit of corporations generally—and their own average rate of profit in the postwar period—the industry will not be able to generate from its own productive activities the capital needed to maintain, let alone expand, domestic production of oil in the United States.

Like oil, coal is the product of the singular burst of photosynthetic activity that, some billion years ago, produced all the fossil fuels the earth now possesses—and the oxygen needed to burn them. But there are striking differences between the problems of using hydrocarbon fuels—oil and natural gas—and those of using coal. The known reserves of coal are about ten times as large (measured by their energy content) as the known oil and gas reserves. There seems to be general agreement among geologists that the accessible deposits of coal, in the United States and worldwide, can last from four hundred to six hundred years at the present rate of use. There is no short-term problem of "running out of coal;" the United States does not import coal but exports it; there is no threat of a "coal embargo." While there are huge reserves of coal, using them (for example, during a transition to renewable energy sources) involves two difficult problems. One is how to use coal for transportation, which represents about a quarter of the national energy budget. The other is the effect of coal production and use on environmental quality and health, for the hazards include water pollution caused by acid seepage from underground mines; the gross ecological disruption brought about by stripmining: the damage to the health of underground miners; and the danger of cancer.

Coal was once the main source of energy for transportation: until the nineteen-twenties, coal-fired railroads and ships carried most of the freight and passengers. Since then, petroleum-driven cars, trucks, and airplanes have been displacing the railroads. And after the Second World War the railroads themselves gave up coal; the coal-driven steam locomotive has given way to the diesel engine to the point of becoming a museum piece. One reason for these shifts is that by weight hydrocarbon fuels contain nearly fifty percent more energy than coal. Another reason is that they can be used in internal-combustion engines, while coal is restricted to externally heated devices, such as steam engines. The most efficient internal-combustion engine, the diesel, has a thermal efficiency (the efficiency with which heat is converted into mechanical work) about forty percent greater than that of a steam engine. In addition, internal-combustion engines have a considerable weight advantage over steam engines. The weight of a diesel engine is significantly less than that of an equally powerful steam engine, and the weight advantages of gasoline and jet engines are even greater. Coal, therefore, cannot directly meet the enormous needs for energy to fuel vehicles. There is one outstanding exception: electrified railroads, which can be very efficiently operated on electric power produced by a coal-fired power plant.

However, coal can be chemically converted into either liquid or gaseous hydrocarbon fuels that can be used in engines now run on petroleum products. A similar process produces oil from certain shale deposits. The problems of producing and using the synthetic hydrocarbon fuels made from coal and shale are similar. Under the impetus of the notion that we are "running out of oil," there has been a recent upsurge of interest in the production of such synthetic fuels. One of the most recent manifestations is the hundred-billion-dollar corporation—originally proposed by a task force headed by Vice-President Nelson Rockefeller and subsequently embraced by President Ford—that would use public credit and public funds to finance the development, by private corporations, of synthetic-fuel processes and other energy sources. In October of 1975, Senator Paul J. Fannin, Republican of Arizona, introduced a bill to carry out the purposes of this scheme by establishing an Energy Independence Authority that would provide a hundred billion dollars in guaranteed loans to private companies engaged in the development of new energy sources. The bill is still in committee, and an effort to legislate a six-billion-dollar guaranteed-loan program for synthetic-fuel production—similar to one of the provisions in the E.I.A. bill—has already failed. The proposal, reduced to two billion dollars, appears in President Ford's new budget as an "off-budget item," on the ground that the funds to be spent are reimbursable loans; however, twenty-five billion dollars in expenditures for the E.I.A., which are not to be secured by reimbursable loans, are nevertheless included, also "off-budget." Still, the existing reserve of domestic natural petroleum could readily take care of our total needs for such fuels for a period of fifty years or more, in which time they could be replaced by renewable fuel sources. There would be no need to develop coal conversion or shale-oil production. Nevertheless, in the absence of such a rational energy program, the production of synthetic fuels from coal and shale is often put forward as a viable substitute for imported oil, and—leaving aside for the moment the serious hazards to health and environment—we need to consider how well it might serve that purpose.

Coal is largely composed of carbon. Like oil, it can be burned at high temperatures, and is therefore a source of high-quality energy. Coal now provides nearly a fourth of the total energy consumed in the United States. In order to determine how efficiently it is used, we need to loook at the jobs to which it is applied. In 1968, fifty-four per cent of the coal was used to generate electricity, about twenty-four per cent to provide heat for industrial processes, and about eighteen per cent to provide industrial steam. Coal is well suited to each of these tasks, since they all need relatively high temperatures (ranging up to 3000°F.). The Second Law efficiencies for these tasks, computed on a national average by the American Physical Society study, are twenty-five to thirty per cent—much higher than the efficiencies for the main uses of petroleum: transportation, space heat, and hot water. Thus, in sharp contrast to petroleum, coal in the United States is fairly well matched, thermodynamically, to the energy-requiring tasks it performs.

If we look more closely at what is done with the electricity that is produced by coal-fired power plants, however, at least one very wasteful practice turns up—the use of electricity for space heat and hot water. When high-quality electrical energy is used to provide such low-quality heat, even by First Law computations about two-thirds of the energy content of the ultimate energy source—the fuel burned by the power plant—is wasted. The Second Law efficiencies are very much lower—for example, only one and a half per cent for electrically heated water. Of the electricity generated by coal-burning power plants, about ten per cent is devoted to such thermodynamically mismatched uses. Almost all the energy expended in these wasteful ways could be saved by using low-quality energy sources instead.

One obvious way to do this is to recognize that a home using electricity for hot water or space heat is simply hooked up to the wrong energy output of the power plant. Every power plant produces two kinds of energy, which are very different in quality—electricity (high quality) and rejected heat (low quality)—and for maximum efficiency these two sources should be matched to thermodynamically appropriate tasks. Electricity should be used for tasks that are mechanical (driving a train or a washing machine) and for other tasks requiring high-quality energy, such as illumination. The low-quality rejected heat should be used for low-temperature heating (of a home or of the washing machine's hot water)—tasks that can be done with precisely that kind of low-quality energy (Air-conditioning offers an interesting option. Common air-conditioners are driven mechanically by a compressor and are efficiently run by electricity. However, there are less common heat-operated air-conditioners that could be run by the power plant's rejected heat, saving the electricity for tasks that must use it.) To achieve such a thermodynamically efficient match between energy sources and energy-requiring tasks, the power plant and the homes (or commercial buildings) that it supplies must be linked into an integrated system—by wires to conduct electricity, and by steam or hot-water lines to conduct low-temperature heat. The Second Law efficiencies of such combined electricity-and-heat systems are very high, ranging from forty-four to forty-nine per cent. If the same fuel were used to provide electricity and heat (and heat-operated air-conditioning) separately, about thirty to seventy per cent more fuel would be needed to obtain the output of the combined systems. Such "total-energy systems" are also effective on a much smaller scale, and small-scale systems have been installed in apartment and commercial building complexes. Some buildings in New York and many in Moscow are supplied with waste heat from local power plants.

Thermodynamic considerations make it appear that the task to which coal can be most efficiently applied, apart from producing electricity to drive domestic appliances and industrial equipment, is the one for which it is used least—ground transportation. Only about two-tenths of one per cent of coal is now used for that purpose. Electricity can be converted with nearly one-hundred-per-cent efficiency to the motion of a train. What is more, an electric train can neatly prevent one of the main thermodynamic inefficiencies in transportation—the heat dissipated when friction is used to brake a vehicle to a stop. Suitably equipped, an electric train can be stopped by a switching arrangement that converts the train's motor into an electric generator, which transforms the train's forward motion into electricity that can be fed back into the power system while the train slows down. A large power network receiving electricity from coal-fired plants and used to run electrified railroads would be an ideal way to make efficient thermodynamic use of coal. Though transportation now accounts for about a fourth of the total United States energy consumption, only about one per cent of the required energy is obtained in this thermodynamically sensible way.

In contrast, the notion of converting coal into a liquid fuel to run vehicles flies in the face of thermodynamics. For one thing, by the time the fuel has been produced, about a third of the coal's original energy content has been used up to run the liquefaction process. Then, when the fuel is used to run cars and trucks, most of it is wasted, because these vehicles operate with a Second Law efficiency of about ten per cent. The waste heat that their engines produce is spewed into the environment and cannot be applied to any useful tasks. Thus, while the present uses of coal are well matched to thermodynamically suitable tasks (the production of electricity and of industrial heat and steam), there is an as yet unexploited opportunity to extend its use to transportation and to combined electricity-and-heat systems.

Coal, coal conversion, and shale oil, among others, have been suggested as alternatives to oil and natural gas. It is appropriate, therefore, to compare the environmental and health effects of these fuels. Apart from the aesthetic effects of oil derricks, the environmental impact of land-based oil and gas operations is less than that of underground coal mines, and very much less than that of stripmining or shale-oil production, both of which involve the displacement of huge amounts of material. The main environmental effects of oil production (excluding the refining and use of fuels) are in the ocean. Belatedly, the industry has begun to develop methods for cleaning up oil spills, but these still occur frequently and place an ecological burden on the marine food cycles that is thus far poorly assessed. If oil pollution were to seriously affect the photosynthetic activity of marine algae, it might turn out to be a global catastrophe. Another major environmental question about oil production is the impact of offshore operations. These are just now in the process of being assessed. The oil industry claims that with newly developed precautions the sort of disastrous blowout that fouled miles of beaches around Santa Barbara, California, in 1969 can be avoided. However, it is too soon to tell whether they will work, and the danger must be regarded as still grave.

Air pollution is probably the most serious environmental problem associated with the use of coal. Certain types of coal contain sulphur. These, when burned, release sulphur oxides, which are particularly pernicious pollutants, for they tend to interfere with the self-protective mechanisms in the lungs that help to reduce the effects of dust and other pollutants. As a result, the health effects of other air pollutants may be intensified in the presence of sulphur oxides. Certain fuel oils are also high in sulphur content and contribute significantly to the sulphur-oxides problem. When coal is burned, it also tends to produce fine ash particles, some polycyclic aromatic hydrocarbons (including at least one that is carcinogenic), and mercury and other toxic metals. Precipitators that significantly reduce the emissions of ash are widely used. The Environmental Protection Agency and the utility industry have been battling over the feasibility of stack devices that remove sulphur oxides. Recent developments tend to support the E.P.A.'s contention that they are technically and economically feasible, but they are not widely used as yet. On balance, the air-pollution problems created by the burning of coal are more serious (and therefore more costly to control) than those resulting from the burning of oil. Of the three fossil fuels natural gas is clearly the most environmentally benign and coal the worst.

In general, the main advantage of coal production over oil and natural-gas production in a future energy program appears to be that, unlike petroleum, coal production can be expanded without a reduction in capital productivity. However, this advantage immediately disappears if coal is to be converted into liquid or gaseous fuel. Such conversions are technically complex processes, in which large amounts of coal go through a series of carefully controlled chemical treatments. In a typical coal-liquefaction plant, the coal is made into a paste with oil, and then treated with hydrogen gas in a reactor at high pressure and high temperature. The crude hydrogenation product is subsequently separated into a series of different liquid products, some of which are further purified before being shipped. Such a conversion plant is comparable to an oil refinery in technical complexity, so the capital costs are high compared with the cost of producing coal itself. For example, in 1970 a strip mine produced per year per dollar of capital invested coal representing about two million B.T.U.s of heat energy. In contrast, if that coal were liquefied, the amount of fuel produced per dollar of invested capital would represent only about two hundred and fifty-four thousand B.T.U.s of heat energy—a reduction of more than eighty-seven per cent in capital productivity. Similarly, coal gasification involves a reduction of ninety-two per cent in capital productivity compared with direct production of strip-mined coal. In shale-oil production, only about four hundred and twenty thousand B.T.U.s of heat energy is produced per dollar of capital invested. Thus, if coal or shale is used to replace oil or natural gas, it would be impossible to escape the same problem—escalating capital costs—that makes the expansion of crude-oil production so difficult. This is reflected in the estimated price of synthetic fuels—about twenty-six dollars per barrel, or well above the highest expected price of natural crude oil.

Of course, the problems with capital costs are not the only ones associated with coal conversion. A 1974 National Cancer Institute survey of cancer deaths in the United States showed that for the years 1950 to 1969 death rates among males from lung, liver, and bladder cancer are significantly higher in the one hundred and thirty-nine counties in which the chemical industry is most highly concentrated. The scientific study of environmental cancer had its origins in Percivall Pott's classic account, in 1775, of the occurrence of cancer of the scrotum among chimney sweeps. More than a century later, it was discovered that skin cancers can be caused by certain chemical substances found in soot and coal tar. More than two hundred different chemicals have been identified in the output of one coal-hydrogenation plant in West Virginia, including many polycyclic aromatic hydrocarbons. The workers' health record at this plant during the years 1954 to 1959 stands as a sombre reminder that the chemistry of coal conversion may produce powerful carcinogens. The plant, designed as a large-scale pilot plant with a potential capacity of three hundred tons of coal a day, began operation only after seventeen years of extensive research. But it was not until late in 1952, after the plant was already in business, that the company toxicologist reported that some of the chemicals used in the hydrogenation process caused cancer when applied experimentally to animals. The plant medical director noted, "This stimulated the introduction of protective measures for workmen who would be exposed." The plant's medical department set up an elaborate program of education, hygiene, and frequent medical examinations in order to prevent exposure and to detect skin cancers as early as possible. Examination of three hundred and forty-two workers in the plant with nine months or more of exposure between 1954 and 1959 found five cases of verified skin cancer, eleven cases of probable skin cancer, and forty-two precancerous skin lesions. The incidence of verified and probable skin cancer in this group was sixteen to thirty-seven times as high as the incidence in simliar populations outside the plant. The medical director's report concluded that despite intensive hygienic precautions, "Heavy exposures to coal-hydrogenation materials, even those of relatively short duration (less than ten years), are capable of producing cutaneous tumors—both precursors and neoplasms," or actual cancers.

Despite all these difficulties, the Ford Administration is actively pressing for the development of coal conversion and shale-oil production. These schemes are economically feasible only if the price of the product that they are supposed to compete with—natural crude oil—is very high. When, following the 1973 embargo, the price of crude oil began to rise, seemingly without any foreseeable limit, commercial interests started to develop several experimental and pilot-plant operations. However, when the price of crude oil failed to rise sufficiently, some of these projects were abandoned, because it was evident that their products would be unable to compete unless the price of crude oil increased further. At this point, the federal government tried to come to the rescue. President Ford and Secretary of State Kissinger, despite their earlier efforts to persuade the OPEC countries to reduce oil prices, now attempted (unsuccessfully thus far) to persuade them to agree to a floor for crude-oil prices. In a speech to the National Press Club, in Washington, in February of 1975, Mr. Kissinger proposed to "insure that the price for oil on the domestic market does not fall below a certain level," so that investors in alternative energy sources such as coal conversion and shale oil would not be discouraged. In March, a New York Times dispatch from Paris where the Kissinger plan was adopted by a conference of oil-consuming countries, stated:

"Countries with large domestic energy reserves, such as Canada and the United States, need a price floor to safeguard capital investments in the development of new energy sources such as oil shale and coal gasification. . . . The United States might preserve the floor by imposing a tariff or quota system on the imported oil or setting a special tax."

It seems to me that not only these efforts but also Mr. Ford's persistent attempts to raise the price of domestic oil by imposing a tariff on imported oil or by lifting price controls may be motivated less by the hope of reduced consumption (as he claims) than by his interest in making the synthetic-fuel industry a safe investment for private capital.

Against this background, the pessimism regarding the future of coal conversion which was exhibited at a coal conference held in Chicago in mid-1975 is understandable. It was reported that the cost of coal-conversion plants is so high that their products would need to be sold at a price equivalent to twenty-six dollars per barrel of oil. Since such plants could not possibly compete with oil production on their own, potential operators were looking to the federal government for help. However, a government representative reported that plans for a demonstration coal-conversion program were uncertain because it was doubtful whether the industry could raise its one billion two hundred and fifty million dollars of the total capital of two billion eight hundred million. The account closes with the observation of some conference participants that "more funds to encourage domestic gas exploration might do more for our energy budget than would the big and expensive coal-conversion plants."

Now Mr. Ford has discovered how to make up for the inability of private companies to assume these risks. He is offering them public funds. This, after all, is the real meaning of the proposed hundred-billion-dollar corporation designed to provide government guarantees against the risks of investing in synthetic-fuel production. If this move succeeds, it would eliminate one of the main barriers that have thus far held back the unnecessary, hazardous, and enormously expensive enterprise—the unwillingness of private entrepreneurs to risk their own funds. In addition, the new scheme has a special kind of irony. It proposes to use public funds to guarantee an enterprise that would burden the people of the United States with higher fuel prices if it succeeds and with higher taxes if it fails.

CONGRESS ACTS ON JOBS

HON. DOMINICK V. DANIELS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. DOMINICK V. DANIELS. Mr. Speaker, I wish to commend to my colleagues two editorials which appeared in the January 28 and February 1 editions of the New York Times.

These editorials contend the administration is intent on institutionalizing developing any effective solutions to the Nation's No. 1 problem—unemployment.

I have watched in dismay as the President has vetoed one jobs-creating bill after another. Can it be that the administration is intent on institutionalizing joblessness in this country?

What the President is making quite clear in his anti-jobs position is that millions of Americans must suffer the humiliation and frustration of being unable to find a job in order that our economy can be maintained at a relatively "cool" level. This means that the rest of us who are fortunate enough to have jobs will suffer less erosion of our earnings through inflation.

Mr. Speaker, this approach to solving the problem of inflation is not vastly different from Marie Antoinette's approach to solving the problem of starvation among the poor in 18th century France, and it is equally inhumane.

I can understand the administration's problem in coping with the duel dilemma of inflation and recession occurring simultaneously. This complex problem defies standard textbook solutions. There has been a chorus of conflicting advice from economists of all persuasions. It is easy to understand how effective administration action might well have been delayed while all these various arguments were being weighed for merit and policy applicability.

It has now been over a year since Congress enacted the emergency public service jobs legislation which I authored. Since that date our unemployment rate has steadily increased, yet the administration continues to deny that we have any real problems.

Today over 310,000 Americans have been placed in public service jobs under title II and title VI of the Comprehensive Employment and Training Act. During House debate on the bill, I stated that the legislation was not designed to be a panacea for all the Nation's unemployment ills—but it was designed to be the first step in a positive direction.

Unfortuantely, our unemployment rate is still far above levels that prudent economists view as "acceptable"—and I must admit that I have trouble accepting a factor of permanent joblessness at any level.

The administration's response has been directed primarily in the direction of providing the private sector with additional economic advantages. Supposedly, the private sector will suddenly become an altruistic force in job-generation on a massive scale.

Ideally, the private sector should provide the lion's share of jobs in the country. However, current economic conditions are far from ideal, and the President's policies are further retarding the economic recovery essential to any positive private sector initiatives in this direction.

Mr. Speaker, the administration fails to perceive the human dimensions of our unemployment problems and additionally fails to understand the intrinsic relationship between continued high rates of unemployment and economic stagnation. This is a self-perpetuating economic circle that can only be broken by putting people back to work.

I am not an economist, but I certainly understand this basic economic fact of life—unemployed people do not provide the goods and services upon which economic vitality is measured.

Unemployment drains our national economic resources, and saps the vitality from the very core of our industrial society.

Unemployment, for all its economic dimensions, extracts the cruelest toll of all from the most precious resource this country has—its people. Extended unemployment is a frustrating and terrifying experience. One has only to look at the sobering statistics on increasing divorce rates, and rising rates of alcoholism and suicide, to understand what kind of impact unemployment is having on our society.

Sociologists also link rising crime rates with unemployment, citing the disproportionate rate of joblessness among youth and minority groups.

Mr. Speaker, the Education and Labor Committee has reported out legislation which I authored, H.R. 11453, extending and amending title VI of CETA. If this legislation is enacted by the Congress and fully funded, there will be approximately 280,000 additional public service jobs making a total of 600,000 jobs available to the Nation's unemployed by the end of this fiscal year.

The committee action underscores my conviction that Congress must take the lead in the vital effort to reduce unemployment.

The administration has amply demonstrated its insensitivity to the unemployment problem.

Congress has already taken the initiative in getting jobless Americans back to work, and I hope that this vital momentum will be continued through the passage of my CETA legislation.

Mr. Speaker, I include at this point in my remarks the two editorials from the New York Times which commend the initiatives taken by Congress to address the serious problem of unemployment:

Economics for People

The economic model of a nation is an abstraction with no particular virtue of its own. The economy must function to serve people; the needs of people cannot be manipulated to serve the interests of an abstract economic model. The only reason for restating these truisms is that the Ford Administration's economic policy skirts dangerously close to turning a seemingly obvious priority on its head.

The President's annual Economic Message to Congress only confirms the apparent tendency of his earlier budget and State of the Union messages to sacrifice the goals of individual well-being upon an altar of economic abstractions—and a rickety one at that. Paying lip service to the "social hardships and economic waste associated with the current level of unemployment," the Council of Economic Advisers nevertheless throws in the towel on serious efforts to reduce the plague of unemployment very significantly this year, next year, and probably on through the rest of the decade.

Hidden in the figure of seven percent unemployment is the dismal fact that the jobless rate will be far higher among minority groups, particularly in the cities, among young people and women—segments of the population already most disaffected with the political system as it has operated over recent years.

These groups, the Administration seems to be saying, must pay the price for orderly economic growth without inflation. But they are the people least equipped to pay additional price for anything. The rate of inflation in the President's model will still hover around six percent, a toll upon everyone's purchasing power but upon the limited resources of the poor most of all.

By deliberately holding down the rate at which the economy can pull itself out of stagnation, the President's policies would cost the nation some $150 billion annually, the output of real goods and services lost in the model of "moderate" economics.

The Economic Report is certainly correct in warning against policies "that promise short-term benefits but risk interfering with our long-run goals." At least President Ford cannot be accused of proclaiming a policy of the quick fix to make the economy feel better by Election Day. The spectre of rekindled double-digit inflation is on everyone's mind—Democrats in Congress as well as Republicans in the Treasury and White House.

One way of suppressing inflation—a wasteful and inhumane way—is to suppress the whole economy, maintain a "safety valve" of unused capacity and unemployment. The seven million Americans involved, and their families, find little safety or satisfaction in this approach. Another way, which Congress will presumably continue promoting, is to stimulate the economy into a more rapid recovery, providing the budget surpluses and national savings needed, for noninflationary growth—without punishing people in the process.

Congress Acts on Jobs

Behind the bombast of President Ford's renewed rejection yesterday of emergency jobs for the jobless is the reality that his own program promises them nothing more than year-after-year unemployment. The emptiness of the Administration program was precisely what impelled Congress by an overwhelming majority last week to disregard President Ford's veto threat and vote a public works bill aimed at generating at least 600,000 jobs and providing extra cash for states and cities caught in a fiscal squeeze resulting from the economic slump.

Some such action was made inescapable by the President's own admission that, if his economic plans were followed, unemployment would hang on at 7 percent or higher for the next two years and stay above 6 percent for a couple of years after that. Nearly half the Republicans joined the Democrats in deciding that they preferred not to face the electorate on a protracted-joblessness platform of that kind.

The long, dim unemployment forecast of the President and his economic advisers helps to negate the White House argument that the bill should be rejected because public works projects take a long time to get started. Idle time is the one thing the Administration seems ready to give the jobless plenty of.

Nevertheless, with so much unemployment and slack in the economy, the sensible course is to make the stimulus of this bill take effect as soon as possible. Providing help quickly can be done by accelerating distribution of the $1.5 billion in countercyclical revenue sharing to state and local governments. This could help not only to create but to save many jobs in hard-pressed cities and states, of which New York City and State are only the most conspicuous examples.

It would have been wiser if more of this emergency program had taken the form of revenue sharing, since there is likely to be unnecessary waste tucked into the long list of new public works projects, including sewers, water-pollution plants, offices, libraries, playgrounds, roads and other construction authorized by the bill. The extra $1.4 billion added to the bill for wastewater-treatment plants and other projects in rural areas appears to have been aimed more at broadening rural support for the bill than in meeting immediate needs.

Though this public-works bill has faults, Congress made the right decision in giving priority to the problems of joblessness and the fiscal plight of the cities and states. Mr. Ford's utterly relaxed program for dealing with the personal and social hardship caused by a mismanaged economy is no conscionable alternative.

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200 YEARS AGO TODAY

HON. CHARLES E. WIGGINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. WIGGINS. Mr. Speaker, 200 years ago, on February 1, 1776, the Continental Congress debated a committee report for the improvement of postal service in the colonies. Congress returned the report to committee for further consideration, and directed Postmaster General, Benjamin Franklin, to inquire of the postmasters in the colonies the terms under which carriers would deliver the mail.

The previous year, Congress had acted to provide adequate mail service throughout the colonies by authorizing the establishment of a line of posts from Falmouth—now Portland, Maine—in New England to Savannah in Georgia.

THE BASIS OF CIA OVERSIGHT

HON. DAVID C. TREEN

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. TREEN. Mr. Speaker, the House voted 246–124 last Thursday to uphold the agreement between the President and the House Select Committee on Intelligence regarding the publication of classified information. It was refreshing, thereafter, to read that the Washington Post, which itself has published classified information from time to time, approved of the House's action.

I urge my colleagues, who have not already done so, to read the following January 30, Washington Post editorial, which concluded that "the right to conduct some national security affairs in secrecy must be upheld."

THE BASIS OF CIA OVERSIGHT

Mr. Pike's position on the report of his House intelligence committee is, in brief, untenable. He agreed last September in accepting certain classified information from the Executive branch that the White House would be the final arbiter of what part of it would be disclosed. To claim that his pledge applied to the receipt of information then but not to the reporting of it now is to make a mockery of his pledge and to undermine the basis on which any future intelligence oversight committee could ask for confidential information. That the information at issue describes "atrocious and horrendous things," in Chairman Pike's characterization, does not dissolve his obligation to keep his word. Nor is it a suitable alibi that much of the information had leaked already. That merely raises the question of whether the Pike committee was living up to its obligation to maintain confidentiality in the period before the release of the final report became an issue.

Fortunately, the Rules Committee was of a mind to preserve the integrity of the House by holding up release of the report until the full House had acted on it. And the House followed suit last night by voting overwhelmingly to delay disclosure. Mr. Pike has insisted that he would release the full report or no report at all. We cannot believe, however, that the House will be guided by his stubbornness in the matter. Enough has leaked from the report to establish that there is much of legitimate public value in the sections of it likely to be approved by the President. Chairman Pike's cry of "cover-up" will only become reality if he is allowed to make it so.

The whole episode in fact underlines the difficulties of countenancing and controlling a secret agency in a democracy—even an agency whose ostensible purpose is to protect that democracy. Mr. Pike, not alone, went at the intelligence establishment determined to root out the abuses of secret power which had transpired over the years. Those abuses were real and frightening, emperiling not only the liberties of American citizens but, in some cases, the very security which the agencies were meant to uphold. It is true, too, that to the extent that power continues to be wielded unaccountably, there can be no firm guarantee that it will not again be abused. It is a fair question whether the costs of secrecy outweigh the claimed benefits, which in the best of circumstances are likely to be difficult to confirm. Mr. Pike has no corner on honest concern.

The opposite risk is, of course, that too little weight will be given to the "fact" that the world remains a menacing place and that it would be tempting fate to go over to an open security system which would deny the country and, within it, the Executive branch the flexibility needed to cope with what the President and his advisers perceive to be grave national threats. This is, we think, the trap into which Mr. Pike has fallen. Disclosure of the particular secrets which he would now like to tell may or may not be as harmful as the administration claims. The point is, nonetheless, that the right to conduct some national security affairs in secrecy must be upheld.

There can be no congressional oversight unless the President takes the Congress into his confidence. But the President cannot take the Congress into his confidence if secrets are to be betrayed. Just how oversight should be conducted and to what extent Congress should be empowered to veto operations which its overseers disapproved are questions being addressed in the proposals for reform offered yesterday, for instance, by a majority of the Senate intelligence committee. We intend to return to these and other such proposals. If there is not a modicum of mutual confidence and trust between the Executive and Congress, however, it becomes foolish even to consider reform. The security of the country and the liberty of its citizens can best be pursued—we are tempted to say, can only be effectively pursued—when there is respect for the procedures agreed on between the two branches. That is why it is so important for both of them to keep the agreements they do manage to work out with each other.

SUCCESS OF THE 30TH ANNUAL HULA BOWL CLASSIC AT ALOHA STADIUM—A TRIBUTE TO MACKAY YANAGISAWA

HON. SPARK M. MATSUNAGA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. MATSUNAGA. Mr. Speaker, I would like to call the attention of my colleagues to a recent sporting event that took place in the State of Hawaii. I refer to the 30th annual Hula Bowl classic football game, held this year for the first time at Honolulu's new Aloha Stadium.

A record crowd of 45,458 attended the game, the largest crowd ever to witness a sporting event in Hawaii. In addition, this was the first time the Hula Bowl game was broadcast live on national television, via satillite. All-America players from more than 41 different colleges participated in the East-West classic, more All-America's than in any other game.

The Hula Bowl is sponsored by the Frank E. Gannett Newspaper Foundation, a charitable organization. Proceeds from the game are distributed to various charities in Hawaii through the Hawaii Newspaper Agency Charities. This year, more than $100,000 will be given to educational, civic, cultural, health, philanthropic, and other tax-exempt groups.

Of special sentimental interest to me, personally, was the fact that the 30th Hula Bowl classic was played at the Aloha Stadium, under the management and directorship of my good friend of over 30 years, Mackay Yanagisawa. I take great pride in the little known fact that I helped Mackay Yanagisawa to draft the first contract he signed with America's greatest football players for the first of what is now one of the Nation's greatest sports events of the year. I shall never forget the young dreamer of sportsdom who struggled to make ends meet, never giving up, at times with only hope for the future to live on—Mackay Yanagisawa, without whom there would be no Hula Bowl Classic today.

One of the amazing things about Mackay Yanagisawa is that even during his struggling years, he contributed a major portion of the proceeds from the annual game to charitable institutions. He is truly a native son of Hawaii imbued with its spirit of Aloha. No recognition of the Hula Bowl Classic is complete without a tribute to its founder, Mackay Yanagisawa. I therefore congratulate him by this means.

The Gannett Foundation is also to be congratulated for taking over the sponsorship of the annual sports-spectacular and converting it into a wholly charitable endeavor.

The truly remarkable aspect of this year's event is that 90 percent of the work of preparation, entertainment, and general organization was done by volunteers. By way of congratulating them, I submit the names of these persons for insertion in the RECORD:

LIST OF VOLUNTEERS

Buster McGuire, Managing Director; Yoshio Yanagawa, Vice-Director; Charles Bessette, Coordinator; Ray Tanaka, Game Pageant; Douglas Sakamoto, Administration; Jack Dawson, Transportation; Earl Galdeira, Public Relation; Robert Hamasaki, Awards; Tom Hugo, Liaison; John Johnson, Player Personnel; Abe Kauhane, Services; Terry Kuniyuki, Grounds; Chuck Leahy, Game Entertainment; Buck Lum, Activities; Walter Soga, Reception; Irving Swig, Promotion.

Mr. Speaker, as a means of congratulating the All-American and near All-American players and the colleges they represented, I offer their names for inclusion in the RECORD as follows:

LIST OF PLAYERS AND COLLEGE

East Team: Don Bitterlich, Temple; Gordon Bell, Michigan; Cornelius Greene, Ohio State; Dave Buckey, N. Carolina St.; Tim Fox, Ohio State; Don Buckey, N. Carolina St.; Al Staerkel, Army; Jeff Grantz, South Carolina; Ray Preston, Syracuse; Don Dufek, Michigan; Ernie Jones, Miami; Mike Pruitt, Purdue; Sonny Collins, Kentucky; Chet Moeller, Navy; Archie Griffin, Ohio State; Brian Baschnagel, Ohio State; Don Macek, Boston College; Randy Johnson, Georgia; Reggie Williams, Dartmouth; Greg Buttle, Penn State; Dennis Lick, Wisconsin; Tom Rafferty, Penn State; Ken Novak, Purdue; Bob Bos, Iowa State; Stu Levenick, Illinois; Keith Simons, Minnesota; Dan Jilek, Michigan; Tom Perko, Pittsburgh; Bennie Cunningham, Clemson; Barry Burton, Vanderbilt; Greg Schaum, Michigan State; Earl Bruce, Iowa State (Head Coach); George Hill, Ohio State (Assistant); George Chaump, Ohio State (Assistant).

West Team: Steve Davis, Oklahoma; Steve Rivera, California; Tinker Owens, Oklahoma; John Sciarra, UCLA; Al Burleson, Washington; Joe Washington, Oklahoma; Tony Davis, Nebraska; Pat Thomas, Texas A & M; Gary Campbell, Colorado; Mike Haynes, Arizona State; Chuck Muncie, California; Arnold Morgado, Hawaii; Danny Reece, USC; Randy Cross, UCLA; Peter Brock, Colorado; Jack Harrison, California; Dave Lawson, Air Force; Brian Murray, Arizona; Bob Simmons, Texas; Scott Parrish, Utah State; Ed Simonini, Texas A & M; Everett Little, Houston; John Woodcock, Hawaii; Ike Forte, Arkansas; Ted Pappas, Stanford; Bob Martin, Nebraska; Pat Richardson, Hawaii; Henry Marshall, Missouri; Dewey Selmon, Oklahoma; Leroy Selmon, Oklahoma; Cliff Laboy, Hawaii; Barry Switzer, Oklahoma (Head Coach); Larry Lacewell, Oklahoma (Assistant); Larry Price, Hawaii (Assistant).

AMENDMENT TO THE NATURAL GAS BILL

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. HARRIS. Mr. Speaker, I oppose removing control on the price of natural gas and other fossil fuels in the absence of competition in the petroleum industry. I oppose the rule which has been granted for the consideration of H.R. 9464, and the entire procedure under which this bill and its primary amendment will come to the floor.

The House should defeat the rule and deny this latest attempt by the petroleum industry to raid the pocketbooks of consumers and to line their own fat coffers at the expense of homeowners and small businesses. If the rule should be adopted, I intend to offer a major amendment in the nature of a substitute to the Krueger amendment, which I am inserting at this point in the Record.

My amendment would plug a major loophole in the existing Natural Gas Act which has allowed producer-State supplies to be exempt from the regulatory authority of the Federal Power Commission. My amendment would end the major price differential between various categories of natural gas produced in the country by applying controls to intrastate prices.

The Federal Power Commission has done a good job of regulating the natural gas utility and the wellhead price in interstate commerce. From the outset of the present administration in 1969, the price of new interstate gas has been allowed to double to a level of 52 cents per thousand cubic feet—more than accounting for inflation of production costs in that period. Meanwhile, unregulated prices of gas used within the producer States has been set at three times that amount by the major oil companies who own most of our gas fields and reserves and which fix the price of energy in this country. The cost of natural gas in the intrastate market has risen to this level, not because it is justified in economic terms, but because the oil companies knew the administration would let them get away with it.

I believe it is time to put a halt to this kind of price gouging. Let us get serious about energy production and escalating energy costs. Let us allow the FPC to establish a reasonable price for all natural gas, and one that is related to its actual cost of production and a reasonable rate of return for investors. Let us end the talk of deregulation—phased, overnight, or otherwise—so investors and producers will know the long-term and rational policy on gas prices on which to make decisions.

If consideration of the Krueger amendment is agreed to by this House, I intend to offer a series of three amendments en bloc which will extend to the FPC the regulation of presently unregulated intrastate gas prices in lieu of the provisions of the Krueger amendment that deregulate gas. Plugging this loophole in the regulatory structure would be in the interest of consumers all over the country, and I urge your support for my amendments.

Harris amendment to Krueger amendment:

Amendment to Krueger Amendment to H.R. 9464, Offered by Mr. Harris

In Section 102(a), in the second sentence, delete the phrase "limited exemptions from regulations of natural gas," and insert in lieu thereof the phrase "regulation of natural gas sold in intrastate commerce".

In Section 102(b), delete the phrase "allow natural gas companies" and insert in lieu thereof the phrase "order natural gas companies".

In Section 102(b), delete the phrase "free from the provisions of the Natural Gas Act (15 U.S.C. 717 et seq.), except for the reporting requirements of such Act" and insert in lieu thereof the phrase "subject to all the provisions of the Natural Gas Act (15 U.S.C. 717 et seq.);"

In Section 104, in the first *Provided further* clause, delete the words "exempt from the provisions of this Act, except for reporting requirements," and insert in lieu thereof the phrase "apply the provisions of this Act to".

In Section 104, delete the second sentence beginning with the words "Exemptions granted pursuant to this proviso . . ." through the two *Provided further* clauses in that sentence, and insert in lieu thereof the following sentence:

"Natural gas sold and delivered or transported pursuant to any order issued under paragraph (2) of Section 7(c) of the Natural Gas Act as amended by Section 104 of the Natural Gas Emergency Standby Act of 1975 shall be subject to the jurisdiction of the Commission."

In Section 208, as added by Section 24(a), delete the phrase "rulemaking procedures under of [sic] 553 of Title 5, United States Code" and insert in lieu thereof "the full hearings requirement of Section 4(e) of the Natural Gas Act (15 U.S.C. 717(c)(e)" and delete the phrase "interstate commerce by any person of new natural gas produced from offshore Federal lands on or after January 1, 1976 through December 31, 1980" and insert in lieu thereof the phrase "interstate or intrastate commerce by any person of new natural gas wherever produced on or after April 15, 1976".

In Section 208, as added by Section 24(a), delete the second sentence beginning "In establishing . . ." and continuing through subparagraphs (1), (2), (3), and (4) thereof.

COMMONSENSE IN EDUCATION

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. ANDERSON of California. Mr. Speaker, many of us are concerned and even alarmed by what we see happening in our Nation's schools. Lack of respect for those in authority has contributed to increased crime and violence on school grounds, often to the point where the personal safety of teachers is in doubt. Drug use is filtering its way down to younger and younger schoolchildren each year. Busing has not promoted racial understanding, but instead has promoted division and often violence between blacks and whites.

During the sixties, we seemed to question all of the old values of the fifties. Many seemed to want to throw the baby out with the bath water. I believe that the time has come for a commonsense appraisal of American values in education.

Mr. Speaker, in this regard, I am extremely encouraged by the attitude and actions of the Reverend Jesse Jackson, as well as men and women like him. During his visit to our Nation's Capital in recent days, the Reverend Jackson has advocated balance between the need for change in our educational system and respect for traditional values. I recommend the following articles from the Washington Post of January 30, 1976 and February 2, 1976, respectively:

Jesse Jackson: Making Johnny Learn

(By William Raspberry)

It took a little while to see where the Rev. Jesse Jackson was headed.

"This might break a favorite habit of yours," he told the Tuesday morning assembly at Dunbar High School just as he started his honors day talk, "but since the place has a roof on it, and since it's warm in here—why don't you young men just take your hats off."

There was some giggling, some applause (particularly from the teachers and parents who were there) and some embarrassment. But every last hat came off, and the director of Operation PUSH, the former lieutenant of Martin Luther King, the Chicago-based "Country Preacher," was in control.

The control was absolutely vital to his secondary mission here—getting young black people to develop the self-respect and discipline he believes is necessary for their academic success. (His primary mission is the running of a revival at the 19th Street Baptist Church and helping to launch a Washington affiliate of People United to Save Humanity—PUSH.)

This fiery phrasemaker, ostensible radical and revolutionary is revealing himself as a thorough-going conservative with an abiding—and infectious—faith in the old values. He also is showing that he understands the value of symbols, of which doffing hats is one.

Mr. Jackson has spent this week visiting high schools around the city, talking to students not about revolution but, about their responsibilities as civilized human beings.

In a between-sessions interview at his hotel room, he likened himself—not quite so immodestly as it sounds—to a Moses just arrived in Canaan.

"You know, when the Israelites got close to Canaan and the physical struggle was over, they turned to worshipping the Golden Calf, fighting among themselves and generally lost the sense of what they were about.

Moses had to risk his popularity by going to the mountain top, not for a bigger budget but for Ten Commandments of ethics by which civilized people live. It was a prophetic thing he did.

"Well, that's where we are now in the struggle. You can talk black and be popular, you can argue for a bigger budget and more concessions and be politic, or you can be prophetic and say what needs to be said."

And what needs to be said he summarizes in the formula he repeats at every opportunity: "Nobody will save us from us—but us."

He won't call them Commandments, but Mr. Jackson has been espousing ten points which he believes will lead to the restoration of discipline and academic excellence in the public schools, here and in urban centers across the land.

I won't list them here, but their essence is self-respect and self-control.

He expressed shock, for instance, at the presence of uniformed police officers in some of the schools and told the student athletes (his emphasis is always on the boys) that they should assume it as their job to become "peace brothers" for the maintenance of discipline in their schools.

He repeats many of his points during his revival sessions because he believes that churchgoing parents may be important as "the institutional group capable of sustaining something past the moment."

One of his notions is that, for at least a year, report cards should not be sent home with the students but that parents should be required to come to school to pick them up and to discuss their children's educational progress. "If the parents don't show up we ought to send a citizen's equivalent of the truant officer to go looking for them."

This civil rights radical is conservative enough to believe that one source of the discipline problem in the schools is that the schools are too informal. As a remedy, he would institute regular fall and winter convocations at every high school (shirts and ties for students, full academic regalia for teachers).

Principals could take advantage of the convocations and their state of the school messages to extract pledges that "If I take your children's hats or dice or cards, or if I take their radios and sell them and put the money in the senior class treasury, I won't have to fight you in court."

He would have the mayor and city council proclaim weekdays between 7 and 9 p.m. as a "citywide study hour" as a means of helping parents to tear their children away from their TV sets. "And somewhere around 10:30 ought to be bedtime," he declares.

"If Johnny can't learn because he is hungry, that's the fault of poverty. But if Johnny can't pay attention because he's sleepy, that's the fault of parents."

He would enlist fathers for regular school patrol duty and demand that radio disk jockeys "assume another level of responsibility since they program more of our children's minds than their parents and teachers."

And he would have everybody abandon the rhetoric that leads black youths to see themselves as society's victims rather than as human beings with the capability of controlling their own destinies.

"What urban education needs is not more money but more parents willing to give their children care, motivation and chastisement—the will to learn," he declared.

"Do that and these other things will become less of an issue—things like budgets, or such nonsense as black children can't learn from white teachers."

The Discipline Revival

(By William Raspberry)

Early reaction to what the Rev. Jesse L. Jackson has been saying about the need for discipline—including self-discipline—in the city's public schools makes clear that the Chicago-based director of Operation PUSH has hit home with a lot of parents and teachers.

His notion that we had better spend less time convincing black children that they are society's victims and more time stressing the need for them to assume personal responsibility for their lives appears to be an idea whose time has come.

The problem, as he understands exceedingly well, is how to crystalize the early reaction into permanent change, how to make certain that the seeds he has been planting will take root and grow.

In that regard, he has meetings scheduled this week with the six area superintendents of the local schools and with teachers, particularly through their churches, to try to build the "institutional support" that is necessary if his ideas are to survive his presence here.

Friday night, after the last of his weeklong revival-meeting sessions at the 19th Street Baptist Church, he met with the several dozen teachers, school administrators and ministers in the congregation to enlist them in the educational division of the PUSH (People United to Save Humanity) chapter he is establishing here.

"We're trying to pull together a minimum of 200 ministers to mobilize the parents and teachers in their neighborhoods," he told them, stressing the importance of church-relatedness to his approach.

For he believes that the key reason teachers cannot command respect and discipline in the classrooms is that thy have lost their moral authority.

By that he does not mean so much that teachers are sinners in the revivalistic sense but that they have assumed responsibility only for the children's academic development. On the other hand, many people "who are parents biologically do not know how to be parents of children in school in terms of motivating them to learn," he said. His notion is to pull the two groups together, through the churches, to reinforce each other.

I am convinced that Mr. Jackson is on to something of profound importance. If he were a sociologist rather than the self-styled "Country Preacher," he might describe the underlying problem as anomie—the condition of normlessness in which people don't know how to behave because the norms which generally guide their behavior have been eroded.

For all of our talk of not caring what people think about us, the truth is that we really don't know who we are except as people define us. To an incredible degree, we are actors, playing the roles we think are ours as faithfully as we know how.

Too many of our children are receiving confusing and conflicting signals as to who they are—helpless and hopeless victims of racism, proud (or rebellious) young black men and women, child-like innocents of whom nothing is expected, potentially significant contributors to the general society, bums, bullies and failures.

If it is true that our perceptions of who we are—based on what we perceive others think we are—constitute the single most important influence on our behavior, small wonder so many children are having such a difficult time getting themselves sorted out.

Mr. Jackson makes frequent reference to his childhood in North Carolina, where, as early as first grade, his unwed mother, his teacher and the school principal "trapped me in a triangle of love from which I could not escape."

That sense of entrapment in love may have been a good deal easier to achieve in tiny Greenville, N.C. (pop.: about 12,000 when Mr. Jackson was born there in 1941) than in the teeming cities where uprootedness and unconnectedness combine to produce the very anomie Mr. Jackson is trying to attack.

To a significant degree, what he is proposing is the establishment of small towns in the city, a series of caring communities in which every adult is parent to every child.

Jesse Jackson is, in short, proposing a miracle. And yet, with a little luck and a lot of focused commitment, it could take hold. Not that thugs would suddenly become young gentlemen and hall-rovers instant scholars.

But it just may be possible to reestablish in the classrooms a situation where serious scholarship, mutual respect and discipline are the norm, and where peer pressure serves to reinforce that norm.

It certainly is worth trying.

THE RESPONSIBLE COURSE IN DAY CARE STAFFING AND FUNDING

HON. GUY VANDER JAGT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. VANDER JAGT. Mr. Speaker, a conference committee composed of members of the Senate Finance Committee and the House Committee on Ways and Means presently is struggling to solve extremely serious problems associated with Federal staffing requirements for child day care centers and their Federal funding as a part of the social services program. The results of this conference will affect the quality of day care throughout the country and should deeply concern us all.

Public Law 93-647 required that effective October 1, 1975 child care providers meet specific staffing standards in order to qualify for funding under title XX of the Social Security Act. Indication that many providers would not be able to meet this requirement by that date led Congress in Public Law 94-120 to postpone until February 1, 1976 the imposition of penalties for noncompliance. Had the House's extension as originally proposed in H.R. 9803 been accepted, the cut-off of funds for centers failing to comply with the requirements would have been delayed until March 31, giving Congress two more months in which to responsibly examine these issues.

House Report 94-511 accompanying H.R. 9803 indicated that there had been insufficient opportunity for the House to consider the complex issues surrounding the imposition of penalties for noncompliance with the Federal Inter-Agency Day Care Requirements. To quote the report:

> The Subcommittee (Subcommittee on Public Assistance) was convinced that the issue could not be given the consideration that was needed in the time available before October 1 when Public Law 93-647 goes into effect.

Similarly, at a later point in the report the committee stated:

> Your Committee does not wish to give any impression that it has made a decision to permanently lower or modify the proposed standards. Rather, it believes a period of time is necessary in order to give thorough and orderly consideration to the problems involved and to attempt to arrive at the best solutions that can be found.

And finally, to quote the committee once more:

> Under Public Law 93-647, the Secretary of Health, Education and Welfare is responsible for making a study of day care standards and regulations and for making a full report to the Congress during the first six months of 1977 based on the data he obtains. Much more definitive judgments may then be available for the formulation of permanent standards. In the next six months your Committee will also be examining this issue closely to determine appropriate future action.

Regrettably, the Subcommittee on Public Assistance and the Committee on Ways and Means have been unable during the 3½ months since the extension was passed to consider this matter as had been contemplated and promised to the House. The extension granted in Public Law 94-120 expired on February 1, 1976, and unless the conference is able to reach agreement on appropriate legislative remedies a sizeable number of day care centers, perhaps 20 percent or more of those currently operating, could be forced to close through loss of vital fundings under title XX or an inability to overcome the substantial cost increases implicit in the staff ratios.

Forcing child care centers across the country to meet Federal staffing ratios deeply concerns me, particularly in the absence of an opportunity for the House of Representatives to thoroughly and directly consider the appropriateness of the standards and the consequences of the imposition of financial penalties. The House has never faced this question in a comprehensive manner.

If there is one point on which we could reach agreement, it is that children should receive the best of care. We hope the care accorded them will be inspiring, that their intellectual capacities will be stimulated, and that they will have opportunities for sound physical development; in short, we hope that all children in this great land will spend their formative years constructively, building a foundation for lives rich in meaning and satisfaction. But beyond this point consensus rapidly dissolves, especially in the face of acts of arbitrary Federal authority.

We all want our elementary school children to have excellent educational opportunities. Toward that objective we now appropriate many millions of Federal tax dollars. We should remember that there is an absence of consensus among experts as to the most appropriate teacher-pupil ratio in our elementary schools; no one seriously proposes that the Federal Government from Washington dictate that balance for classrooms throughout the Nation. Teacher-pupil ratios have been the subject of intense debate within the educational profession and among educational psychologists for years. In my judgment, the situation in the field of child care is little different. In the limited opportunity that we have had to examine this situation, I have seen no basis for believing that the Federal standards or any identifiable alternative are of such credence as to merit their forced adoption in thousands of child care centers across America. And the absence of such consensus sharply questions the advisability of markedly increasing Federal funds to enable centers to comply with the standards, an approach now proposed by the Senate.

Mr. Speaker, the only reasonable course for Congress to take at this critical hour is to postpone the imposition of Federal penalties for noncompliance once again, holding in place the staffing patterns actually in effect in centers last September as well as pertinent State requirements. Only through such an extension of time can the House of Representatives fulfill its responsibility to the country, and only through this approach can the Committee on Ways and Means effectively examine the issues and provide the House with guidance which the committee asserted last September to be essential to sound decisionmaking.

We are not prepared at this time to mandate compliance with standards whose appropriateness we have not had an opportunity to meaningfully evaluate. To do so virtually without any benefit of studies presently underway within the Department of Health, Education, and Welfare under Federal funding amounting to almost $8 million seems extremely shortsighted and shaky. Without convincing indication of necessity, we ought not remove from States the flexibility to develop requirements for day care that are tailored to their more sensitive assessment of needs and conditions. We cannot simply in conference accept the Senate's proposals for new categorical funding of day care that would distort the fundamental premise of title XX and skew State services toward day care at the expense of other important social programs. And certainly we cannot condone a forcing of day care centers to close because of our failure to responsibly meet the problem before us.

We all should be mindful of the House Budget Committee's deep concern about the financial implications of the Senate amendments to H.R. 9803. In contrast to its Senate counterpart, the House Budget Committee finds no evidence that new day care funds were included in the fiscal 1976 budget resolution adopted by Congress. Furthermore, as noted in the following two paragraphs of a memorandum from Mr. Wendell Below of the Budget Committee to Chairman BROCK ADAMS, the Senate amendments violate significant procedural provisions of Congress new budget process:

> Even if the FY 1976 costs of the day care bill were within the targets set out in the budget resolution, that fact would have little bearing on section 401(b)(1), the provisions of which are aimed at controlling backdoor spending, not enforcing the targets and ceilings contained in the budget resolution. In light of the fact that the "technical" violation would permit the creation of an entitlement with an anticipated annual cost of $20 million, it appears that there are substantial policy reasons for abiding by the letter, as well as the spirit, of the law.
>
> Furthermore, H.R. 9803 appears to violate section 303(a) of the Budget Act, which provides that it shall not be in order to consider a bill, resolution, or amendment containing new entitlements for a fiscal year until the first concurrent resolution for that fiscal year has been agreed to. Section 4(b) of H.R. 9803 creates separate new entitlements, above and beyond the entitlement created by section 3, for FY 1976, the transitional period, and FY 1977. In FY 1977, the additional entitlement would cost $50 million. Consequently, consideration of the bill before the first concurrent resolution for Fiscal 1977 as agreed to will violate section 303 and place the bill out of order.

With Congressman HERMAN T. SCHNEEBELI's support, I have introduced today a bill to suspend until the start of fiscal 1977 the imposition of Federal penalties for noncompliance with these Federal standards. Adoption of this legislation would avoid interfering with the congressional budget process and give Congress the chance to address the substantive issues of this matter in an appropriate manner. I hope that this legislation will lead us to solve the crisis now being felt throughout this vital service industry and permit the uninterrupted care of children now attending our day care centers.

THE RELENTLESS KGB

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Ms. HOLTZMAN. Mr. Speaker, despite the signing of the Helsinki agreement, evidence persists that human rights are still in grave trouble in the Soviet Union. For example, Dr. Valentin Turchin, the Chairman of Amnesty International in the Soviet Union, is in danger of prosecution because of his leadership in that organization. Dr. Turchin's case is of particular concern to me because I had the honor of meeting with him when I visited the Soviet Union last spring. In this respect, I would like to draw my colleagues' attention to an important piece which appeared in the February 5 issue of the New York Review of Books. The text of the article follows:

The Relentless KGB

(By Peter Reddaway)

The Soviet group of Amnesty International is finding itself the target of mounting police harassment. One member has been sentenced, and the trial of a second is imminent. At the same time the group continues to operate vigorously, working on the same lines as Amnesty groups in some twenty-five other countries.

Thus a battle of wills is underway. The outcome should help to show how seriously the Soviet authorities are taking "Basket 3" of the recently signed Helsinki agreements. For the work of the twenty-strong Amnesty group does not touch on Soviet internal affairs. It is concerned with assisting three prisoners of conscience, one in capitalist Spain, one in third-world Sri Lanka, and one in communist Yugoslavia. What is unusual, in Soviet conditions, is that a group not backed by the regime should be active in an international humanitarian organization.

The group member already sentenced is Dr. Sergei Kovalyov, an eminent research biologist and close friend of Andrei Sakharov. Kovalyov was arrested in Moscow in December 1974, only three months after Amnesty International had officially recognized the Soviet group. A year later he was condemned to ten years of forced labor and internal exile for his involvement in such *samizdat* publications as the *Chronicle of Current Events*. His Amnesty membership did not figure among the charges, but is believed to have been a significant factor in his arrest and sentence.

Throughout his year of detention Kovalyov was allowed no visits from his wife or friends, and the lawyers he wanted to engage were arbitrarily banned by the authorities. He decided, in the circumstances, to be unrepresented and to defend himself.

The trial was held in Vilnius, the capital of Lithuania, on the grounds that one of the charges concerned his alleged circulation of the *samizdat* publication *A Chronicle of the Lithuanian Catholic Church*. Some of his Moscow friends were forcibly prevented by police from boarding the train to go to Vilnius, and the score who got there, including Dr. Sakharov, were barred each day from attending. They could only keep vigil outside. Amnesty International's requests, over several months, to send an observer to the trial were rejected. Dr. Kovalyov was refused permission to call relevant witnesses, including Dr. Sakharov.

Meanwhile, Soviet reports for foreign consumption solemnly intoned each day that the proceedings were open and that all legal norms were being observed. The domestic media, by contrast, told the Soviet population nothing at all.

Kovalyov's sentence was, it seems, a calculated Soviet reply to the many representations on his behalf made by Soviet citizens and by statesmen, scientists, and humanitarian organizations in the West.

Now it is the secretary of the Amnesty group, Dr. Andrei Tverdokhlebov, who is due to stand trial. A physicist aged thirty-five, Tverdokhlebov was arrested last April. The charges against him involve his alleged circulation of "deliberate fabrications defaming the Soviet social and political system," a crime carrying a maximum penalty of three years' imprisonment. But the investigators have reportedly had difficulty building a case against him. He is well known for the careful way in which he has observed the law in carrying out his humanitarian activities. His legal writings and his appeals for persecuted individuals and groups have been widely published in *samizdat* and in the West, and show a scrupulous, sometimes even pedantic concern for accuracy. They are impressive documents and account for the fact that interventions on his behalf have been even more numerous than those for Kovalyov.

Recently Tverdokhlebov requested academic materials for the scientific research he is continuing while in detention. He also asked permission, as a believer, to be visited by a priest. Both requests were refused by the prison authorities without explanation.

Meanwhile, the group has been continuing its work, even though most of its mail from Amnesty's London headquarters is confiscated by the censors, and even though its officers are being subjected to severe police harassment. The chairman, Dr. Valentin Turchin, a brilliant physicist and another close friend of Dr. Sakharov, was recently told that criminal charges were being prepared against him. Earlier he was sacked from his job, and last summer he was grilled by the KGB in a series of exhausting interrogations.

Similarly grilled was the group's new secretary since Tverdokhlebov's arrest, Vladimir Albrekht, a mathematician. Now he too has been sacked, and forced to take work as an elevator attendant.

The aim of the KGB seems clear: to break up through intimidation a group which it would be illegal and impolitic—especially after Helsinki—to ban outright.

NEW YORK TASK FORCES OUTLINE SOLUTIONS TO FOOD STAMP PROBLEMS

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. RICHMOND. Mr. Speaker, the food stamp program is a valuable nutritional supplement for many Americans. Its benefits allow millions of people to eat better and more nutritionally. Yet, many of my colleagues would like to dismantle the program in the name of "reform," because they see problems in the way the program is run.

I agree that there are problems, but I also believe there are solutions to these problems that can improve the program without removing millions of eligible people from it. This view is shared by individuals and organizations all across the country who feel as I do that we must do all we can to improve this vital program.

I would like to bring to my colleagues' attention the views of two of these organizations from my home State of New York. The Nutrition Task Force of the New York State Alliance of Community Action Programs and the New York City Hunger Task Force of the Community Council of Greater New York have been active for many months in studying the food stamp program. Their recommendations for legislative remedies, based on their studies, are sound, reasoned, and pragmatic. I urge my colleagues to give their full consideration to these well-thought out proposals:

STATEMENT BY NUTRITION TASK FORCE

The Nutrition Task Force of the New York State Alliance of Community Action Programs has for the past eighteen months been concerned about problems surrounding the food stamp program. Indicative of the scope of these problems is the low participation rate in upstate New York. Less than half of those potentially eligible take advantage of the program designed to feed hungry people. Why?

A research report "Too Few Not Too Many" contracted by the Alliance documents a number of the program's failures and belies many of the "rip off" stories now popular in the press. On all levels, local, state, and federal changes need to be made in order to insure all of our citizens have available to them the means for purchasing a nutritionally adequate diet.

We are aware Congress is now working on reform legislation. We commend their recognition of the problems but want to stress the reform should be in the program's complex administration and not on reducing needed benefits. The following issues need to be addressed on the federal level.

First, this report documents a need for the elimination of the purchase price of food stamps. Over 25% of the food stamp recipients interviewed stated they were unable to purchase their allotment on a regular basis because they lack the necessary cash.

This lack may be the result of always having to play the catch-up fiscal game by paying on long standing bills and depleting available cash. It also may result from families receiving their income in such small amounts that it is dribbled away or it may be the result of the system itself. For example, banks in some areas only sell in specified times such as Tuesday, Wednesday, or Thursday. When individuals receive their checks on a Friday, they must wait until the following Tuesday to buy their allotment. Chances are, however, they are out of food and need to use the cash set aside for the purchase requirement.

Another issue is the need to retain eligibility based on current available income. To pass legislation which allows eligibility based only on gross income alone would seriously hurt people in need.

Ever increasing costs related to housing, energy, and medical expenses drain more and more of peoples take home pay.

In our report, transportation, was identified as a major problem especially related to rural areas and the difficulty in getting to certification and purchasing sites. In order to eliminate this, a mandatory public assistance withholding plan already legislated needs immediate implementation.

Finally, people are hungry. Of course interviewed, 36.3% stated they ran out of food and if they could not borrow food from friends they had to go hungry. To lower the method by which coupon allotments are figured would force thousands more to be in the same situation. It must be our national policy that all citizens have a basic right to a nutritionally adequate diet and all legislation must be written to insure that right.

COMMUNITY NUTRITION PROGRAM OF NEW YORK STATE

Director, Wesley Bourdette.

Information Coordinator, Billie Crowell.

Community Nutrition Program Cluster Coordinators:

Name and cluster

Mrs. Reta Tanner, Chemung.
Ms. Virginia Brown, Chautauqua.
Mr. Bill McDonald, Monroe.
Ms. Barbara Copes, Onondaga.
Ms. Maryann Bollinger, Clinton.
Ms. Joan Dully, Jefferson.
Mr. Ralph Moore, Schenectady.
Ms. Marsha Meyers, Saratoga.
Mrs. Kay Cambone, Newburgh.
Ms. Billie Anderson, Broome.
Ms. Eleanor Samela, Westchester.
Mr. David McKenzie, Jr., Nassau.

Community Nutrition Program Nutrition Advocates:

Name and County

Ms. Laurie Samuels, Steuben.
Ms. Cathy Butler, Tompkins.
Ms. Angeline Costner, Erie.
Ms. Linda Oleander, Niagara.

Name and cluster

Ms. Nancy J. Letson, Cattaraugus and Alleghany.
Mr. Alan Burke, Orleans.
Ms. Jan Herman, Wayne.
Ms. Deidre Viera, Onondaga.
Ms. Barbara Broome, Cayuga.
Mr. Khaja Naseevuddin, Oneida.
Ms. Astra Bain, Oneida.
Ms. Cindy Moreland, Cortland.
Mr. James Goff, Essex.
Ms. Paula Ashley, Warren.
Ms. Barbara Remias, Hamilton.
Ms. Mae Hammitt, Washington.
Ms. Bernice Cyrus, St. Lawrence.
Ms. Rita Markham, Lewis.
Ms. Peg Wright, Franklin.
Ms. Patricia Sidlauskas, Fulmont.
Ms. F. Sue Johnson, Albany.
Ms. Marion Churchill, Schoharie.
Ms. Grace Braley, Rockland.
Ms. Eileen McGuire, Delaware.
Ms. Donna Brown, Chenango.
Ms. Isabell Zachov, Otsego.
Mr. Robert Hildebrand, Tioga.
Ms. Margaret Jessup, New Rochelle.
Ms. Clotella Collins, Suffolk.

Statement of Principles, Food Stamp Reform, NYC Hunger Task Force, Community Council of Greater New York

The NYC Hunger Task Force was formed in the fall of 1975 as a result of recommendations to the Community Council's Board of Directors by an Emergency Task Force on Hunger and Malnutrition in New York City. The Emergency Task Force, meeting in the spring of 1975 examined participation rates, administrative problems and funding potential for all the Federal food assistance programs in NYC. While all nutrition programs were studied, the Food Stamp Program received close scrutiny and engendered several priority recommendations for follow up. Many of the serious problems in NY City's Food Stamp Program clearly result from local and State administrative interpretations, therefore the Hunger Task Force regards the need for reform of the national program as paramount;

The Food Stamp Program has always been recognized for its value to low-income, unemployed and working families by providing both an income supplement to pay for basic necessities and a mechanism for achieving a nutritionally adequate diet, particularly at this time of unemployment and inflation.

Current attacks on the program—in the Congress, by the Administration and through the media—have distorted the merits of the program by raising the spurious issues of fraud and ineligibility. In fact, according to the U.S. Department of Agriculture's (USDA) own report to the Senate Agriculture Committee of June 30, 1975, 50% of all Food Stamp participants live in households with under $3,000 a year in take-home pay; 87% of those recipients with household income over $6,000 a year live in families of at least five persons. Altogether 97% of all Food Stamp participants are in households with incomes under $9,000 a year. According to USDA's report to the Senate Agriculture Committee, 8/100 of one percent of the Food Stamp caseload was receiving benefits fraudulently.

We believe that when the dust settles, it should be clear that the reforms necessary in the Food Stamp Program are those which make it: more equitable; more accessible; less costly and cumbersome to administer; more supportive of working families; more nutritionally adequate; less subject to error.

The principle objective of Congress in enacting Food Stamp reform should be to develop a program which in concept and execution completely avoids stigmatizing the recipient by virtue of his or her participation in this program. Public Assistance in its present and past operation is the shame of this nation. For one-fifth of this country's history, the Congress has consecrated a welfare system which brings grief to the receiver and the giver. Now the Food Stamp Program is at its fateful watershed—when it can emerge as the first national income assistance program to America's low income families or sink into the mire of disgrace as a niggardly given, sullenly taken welfare program. The choice is in the hands of Congress. The Hunger Task Force of the Community Council of Greater New York can only support those reform measures which improve the Food Stamp Program for the people it serves.

A Food Stamp measure which meets the test of progressive and decently motivated reform must include the following:

1. Elimination of the Purchase Requirement (EPR).

Over one half of the people with incomes falling below the poverty level do not participate in the Food Stamp Program. Only 35% of the elderly persons participating in the SSI (Supplemental Security Income) Program receive food stamps. The major reason these "poorest of the poor" do not participate in the Food Stamp Program is because they are unable to collect enough cash from their strained budgets to buy their food stamps and because long waits on bank lines (to purchase food stamps) are substantial hardships, particularly for the aged and infirm. Often, if the poor do use food stamps, they are forced to buy less than their full allotment. This same problem applies to the working poor whose small "bonuses" often do not justify the large cash outlay and long waits on bank lines. The elimination of the purchase price would end this barrier to Program participation.

The elimination of the purchase price would also significantly decrease administrative costs as well as lessen the burdens on program administrators. Huge amounts of time and money are now expended on the mailing of "Authorization-to-Purchase" (ATP) cards; the handling of cash exchanges for food stamps (usually twice a month); and accounting for all the cash and stamps that flow through local offices. Thus, the elimination of the purchase price requirement would vastly simplify the Program; save costs; and permit more people to receive food stamps.

2. Implementation of an adequate Standard Deduction (SD).

At present, an applicant household is entitled to a number of deductions from gross income: taxes, union dues, and other mandatory payroll deductions; work-related expenses up to $30 a month; medical expenses (if they total over $10 a month); child care costs (which enable a household member to work): education costs covering tuition and fees; child support and alimony payments; disaster expenses; and shelter costs (including rent and utilities) which exceed 30% of income after the other deductions have been taken. These deductions allow net income to reflect the amount of household income that is available for food.

Unless the standard deductions are adequate, and unless mandatory payroll deductions can still be deducted from the income calculation, there will be huge disincentives to work. In addition, there must be an optional policy for allowing itemized deductions for those households with extraordinary medical expenses.

3. Elimination of the Work Registration Requirement.

The Work Registration Requirement implies that the applicant is withholding information about his income, or is willing to live entirely on an amount adequate to purchase only his food, or that the state can find employment for the out-of-work. These are all verifiably false assumptions. The Work Registration Requirement is simply a negative value judgement about the forthrightness and initiative of those of low income. Given present unemployment rates, this requirement is not merely punitive but unfeasible.

4. 100% Federal financing of the Administrative Costs.

The present 50–50 administrative cost sharing with the states, has resulted in uneven implementation of the program nationally. Many States—including New York—have paid lip service, but little more, to administering a truly equitable and efficient Food Stamp Program.

5. Administrative Streamlining of the Program.

Among the ways this program can be more effectively administered:

Certification process should be simplified and made uniform. For those unable to come in for initial interview, mailed certification should be utilized.

Recertification should be on an annual basis for the aging or permanently disabled. For households in which anticipated income is stable, recertification periods should be six months. If less than that for cases with sharply fluctuating income, interim mailed recertification should be available.

Program information and forms should be available in other languages for the non-English reading population. Bilingual staff must be available.

Adequate facilities—accessible by public transportation and open at hours when working people can attend—should be available both for certification and Food Stamp purchases.

Adequate training programs for certification workers which keep them informed about the latest procedures as well as generally sensitive to clients.

6. Program Benefits.

Program benefits should include:

Coupon allotment levels based on the Low Cost Diet Plan rather than the Thrifty Food Plan, adjusted for household size, calculated semi-annually.

The present system of establishing eligibility levels should be retained, however, it should be based on the Low Cost Diet Plan rather than the one now in use. This would increase eligibility levels. At the same time through use of the Standard Deduction, there will be a ceiling on eligibility. Third-party vendor payments (i.e. Medicaid) or in kind benefits (free school lunch, public housing subsidies, etc.) should not be counted as income.

Retention of Food Stamps for use by "Meals on Wheels" for homebound participants.

Retroactive benefits be awarded as lump sum cash payments.

7. Other Matters.

New food stamp legislation should:

Continue and make more explicit outreach efforts to non participants.

Increase availability of working knowledge of nutrition through distribution of appropriate materials at Food Stamp centers and interpretive information regarding cost and nutrition quality at such accessible points as supermarkets and schools.

Operate an effective quality control program to assure public confidence in the program.

Render stiff and explicit penalties for fraud and deception.

Define "household" as a group of individuals living as a common economic unit (but not necessarily sharing a common kitchen).

NEW YORK CITY HUNGER TASK FORCE

Evelina Antonetty, United Bronx Parents.

Jim Aridas, WIC Program Director, Sunset Park Family Health Center.

Joy Barnes, National Council of Negro Women.

Fran Barrett, Technical Assistance Unit, Community Service Society.

Rona Bartelstone, N.Y.C.H.A. Dist. 6, Social and Community Services.

Terry Bevis, New York Junior League.

David J. Billings, III, Exec. Dir. Inner-City Central Services Corp.

Jeanne Brewer, Liz Robbins, Agency for Child Development.

Jocelyn Cooper, Community Development Agency.

Catherine Cowell, Dir. Bureau of Nutrition, NYC Dept. of Health.

Janice Dodds, Food and Nutrition Council; Columbia University.

Bob Drogin.

Rev. Leland Gartrell, New York City Council of Churches.

Harrison J. Goldin, Comptroller, City of N.Y.

Represented by Steve Newman.

Kathy Goldman, Citizens' Committee for Children.

James Greenidge, Chairman, Council Against Poverty.

Hon. Jolie Hammer, Deputy Borough President, Manhattan.

Joan Harris, Director, Title VII, N.Y.C. Dept. for the Aging.

Marion Harvey, New York City Food Stamp Outreach Coordinator.

Beth Hay, Food Stamp Task Force, CALS,

Brig. James G. Henderson, The Salvation Army.

Ellen Herz.

Marcella Katz, Health Insurance Plan.

Fr. Robert Kennedy, Catholic Charities, Diocese of Brooklyn.

Dr. Louise Light, Department of Economics, NYU.

Jay Lipner, Food Research and Action Center.

Max Manes, Seniors for Adequate Social Security.

State Senator Manfred Ohrenstein, Represented by Norman Kent.

Jan Poppendieck.

Barbara Powers.

Lillian Reiner.

Cecelia Snow Renga, Catholic Charities. Archdiocese of New York.

Congressman Fred Richmond, 14th District, New York.

Arthur Schiff, Department of Public Affairs, Community Service Society.

James Shanahan, OCIM/HRA.

Nick Siconolfi, WIC Program Director, Bronx Lebanon Hospital.

Dick Skutt, Food Stamp Task Force, CALS.

Joan Swan, American Friends Service Committee.

Gertrude Wagner, Fulton Senior Citizen Center.

VIGILANT ENGINE & HOOK & LADDER CO., GREAT NECK, N.Y.

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. WOLFF. Mr. Speaker, when Prometheus stole fire from the gods he knew that he was providing humankind with a treasure worth more than anything a man had ever possessed—he was also unleashing a destroyer of great magnitude. Prometheus was punished cruelly by the enraged gods for his gift of fire, while man has spent century upon century since that ancient time trying to tame it. We have become much more knowledgeable in our uses of fire as each generation passes, and more sophisticated in our ways of combatting the danger of flames. However, in spite of advances since the time fire and man first clashed, we rely as strongly as man ever has, on the courage and compassion of our firefighters.

Great Neck, New York's Vigilant Engine & Hook & Ladder Co., established in 1904 is composed of men possessing these admirable traits. On January 24 of this year I was pleased to be present when the company honored various members of its force for outstanding service. They are:

Fireman of the year: Awarded for active devotion to duty beyond the normal requirement—George Toy.

Medal of valor: 1st Assistant Chief Frank Gilliar and Fireman George Toy—for rescue on February 20, 1975 at 9:15 a.m.

Tenure wards: 20 years of active service—Harvey Bieber, Frank Gilliar, Jr., William Hansen, Peter Nikkels; 30 years of active service—William Pritchett; 40 years of active service—John Hadjuk and Fred Williams.

Ambulance recognition: In appreciation for ambulance service to our community—The Vigilant Fire Department.

In addition, the officers of the Vigilant Engine & Hook & Ladder Co., are:

Administrative officers for 1976: President, Ralph Fliedner, Jr.; vice president, Michael Hunt; treasurer, Robert Lincoln, Sr.; financial secretary, David Logan; recording secretary, Thomas Mansfield; sergeant at arms, George Toy.

Fire officers for 1976: Chief, James Dunn; 1st assistant chief, Frank Gilliar, Jr.; 2nd assistant chief, Robert Lincoln, Jr.; captain, Edward Canfield; captain, Leo Flook; 1st lieutenant, Lee Ielpi; 2d lieutenant, Dennis Hill.

I am confident that every man, woman, and child living under the watchful eye of the Vigilant Engine & Hook & Ladder Co., joins me in thanking these men for their bravery and for the unselfish risks taken in providing their priceless service as firefighters.

NEW YORK STATE FISCAL CRISIS

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. PEYSER. Mr. Speaker, although the New York City fiscal crisis has abated somewhat, in the wake of the administration's approval of aid to the city, and although the issue of default is no longer blaring across the front page headlines of our Nation's newspapers, default is still a very real problem confronting the Nation. Indeed, there is a very real horror that not only cities, but States as well may default. The State of New York is currently undergoing such a crisis.

During the course of the past several months, I have augmented my own assessment of the current economic climate with talks with financial experts, including New York State Comptroller Arthur Levitt. Consequently, I am deeply concerned that New York State may not be able to market the approximately $4 billion in bonds to the private sector necessary between now and this summer. This, coupled with the Governor's new budget, could have devastating impact.

First, it would mean a loss of desperately needed revenue for our local communities, already tremendously overburdened by local and property taxes. Second, the State's financial picture could prevent it from taking advantage of potential Federal funds to which it has a right, by limiting the State's ability to meet the matching requirements. Third, it could again lead to an emergency situation requiring congressional action to prevent the default of the State.

In order to avoid the dramatic situation that we experienced with New York City, I have called upon the New York State congressional delegation to work together closely with Governor Carey to assess the true budget problems of the State. However, I believe that it is critical, not only for New York State, but for all other States and localities, that the Congress immediately make known its intention on revenue sharing and other aid programs. It is vital that local governments know whether this assistance will be forthcoming.

Although the situation is serious, I believe that if the Congress acts responsibly we can avoid another New York City "cliffhanger" and still assure the financial stability of New York State and other municipal governments.

FIREMEN'S HASTE SAVES DOG BITE VICTIM

HON. SAM STEIGER

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. STEIGER of Arizona. Mr. Speaker, the Phoenix Fire Department is recognized nationally not only for its skill in combatting fires, but also for its outstanding program of fire prevention and for its life-saving paramedic units.

The high degree of efficiency of Phoenix paramedics was demonstrated once again on January 25 when Firemen Don Koepp and Ernie McBroom saved the life of a young girl who had been viciously attacked by a dog. Mr. Koepp and Mr. McBroom proved that they do their work very well and with great human compassion.

I would like to recognize their efforts by having reprinted in the RECORD an article written by Max Jennings of the Arizona Republic:

FIREMEN'S HASTE SAVES DOG BITE VICTIM

(By Max Jennings)

Firemen Don Koepp and Ernie McBroom were returning from a minor traffic accident call and were about to pull into the fire station when the radio crackled again for the paramedics.

This time the call was for a dog bite victim 15 blocks away. McBroom headed the truck for the address at 1112 W. Hatcher.

The two firemen, for whom emergencies are routine, could not know a life was hanging on the 90 seconds it would take them to get there.

As the paramedics raced toward the home, James Cowan struggled to loosen the vise-like grip of a 100-pound Alaskan malamute dog which had attacked his 10-year-old stepdaughter.

Cowman had been standing next to his dog when it suddenly sprang at the girl, grabbing her by the throat. He kicked it and tried to drag it away, and then in desperation began to choke it.

Finally the animal freed little Patty Grenados. As Cowan struggled to tie it up, his wife, who had called firemen, dabbed at the gaping wound in her daughter's throat with a washcloth.

When Koepp and McBroom arrived, Koepp headed into the home. McBroom stayed to get a first aid kit.

Koepp found Patty sitting on the floor, choking on her own blood.

"There was so much blood I knew that the severity of the wound was such that there was nothing we could do on the scene that we couldn't do on the way to the hospital," Koepp said.

He picked up the little girl and met his partner coming in the door.

McBroom and Koepp have worked hundreds of emergencies together, but when McBroom saw his partner, he knew this one was different. McBroom knew Koepp had a daughter of his own.

"The way he held the little girl in his arms . . . I could tell immediately," McBroom said. "He was holding her up to him and talking to her."

Koepp and Cowan loaded Patty in the rescue unit. McBroom started the engine and was rolling as soon as they had her inside.

As the two worked frantically over Patty, trying to stop the bleeding and keep her breathing, McBroom was trying to negotiate the six blocks to John C. Lincoln Hospital and run his radio at the same time.

A doctor was there as soon as Koepp carried Patty into emergency.

"Within 30 seconds there were four doctors in the room," Koepp said.

The doctors stuck a tube in Patty's throat so she could breathe and gave her something to calm her.

Then Koepp, who had been a fireman for nine years, did something he had never done on duty.

"I cried. I couldn't help it," he said. "I'd never cried on a call before. My partner said I was associating her (Patty) with my own daughter. We try not to do that."

Koepp and his partner returned to the fire station and Koepp tried to wash Patty's blood out of his jacket. It had soaked through to his t-shirt.

The two firemen were to make several more calls before they got off duty after Patty's accident last Tuesday.

But they could not get Patty off their minds. Both returned to the hospital to see her, and they check on her every day. They were told the dog will be destroyed.

"I'm not very religious," Koepp said Saturday. "But I think God deserves credit for this. We were in the right place and the child's stepfather was in the right place."

Patty didn't remember the paramedics when they went to the hospital to see her.

Doctors don't know if Patty will have permanent damage to her vocal cords. But they've taught her to use her finger to close the hole opened in her throat so she can talk.

And when Koepp took a small present to her, she rolled over painfully on her side, and whispered to Koepp.

"Thank you," she said. "Thank you."

DEAN WRIGHT PATMAN HONORED WITH AWARD OF THE PHOENIX, HIGHEST AWARD OF CUMBERLAND COLLEGE OF TENNESSEE

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. EVINS of Tennessee. Mr. Speaker, the gentleman from Texas (Mr. PATMAN) the distinguished Dean of the Congress, was honored recently by presentation of the Award of the Phoenix, the highest award which his alma mater, Cumberland College of Tennessee, Lebanon, Tenn., can give an alumnus.

As a member of the board of trustees of Cumberland College and as the Representative of the Fourth Congressional District of Tennessee, in which Cumberland College is located, it was my pleasure to present the award to Congressman PATMAN at a recent Washington dinner meeting of Cumberland alumni.

Congressman PATMAN is concluding his 48th year—24 terms in the Congress—and his long and distinguished career of public service will stand as a monument to his dedication and ability—and the trust and confidence of the people of his beloved First District of Texas.

Congressman PATMAN served as chairman of the Banking and Currency Committee for 11 years and the House Small Business Committee for 19 years and is current alternating chairman on the Joint Economic Committee and the Joint Committee on Defense Production.

Dr. Ernest Stockton, president of Cumberland College, attended the ceremony honoring Congressman PATMAN and the Cumberland College singers provided excellent music during the program. Vice Chairman Alfred T. MacFarland of the Interstate Commerce Commission served as toastmaster.

The Award of the Phoenix drew its name from the rebirth of Cumberland University following a disastrous fire during the War Between the States.

Because of the interest of my colleagues and the American people, I place the resolution honoring Congressman PATMAN with the Award of the Phoenix in the RECORD herewith.

The citation follows:

CITATION—WRIGHT PATMAN

> Whereas, the Honorable Wright Patman is a distinguished graduate of Cumberland University, where he received the Bachelor of Law Degree in 1916; and
>
> Whereas, he served with distinction as a member of the Texas legislature and as District Attorney, Fifth Judicial District of Texas; and
>
> Whereas, he was elected to the United States House of Representatives in 1928 and is now serving his 24th consecutive term, which is the fourth longest Congressional service in the history of our country; and
>
> Whereas, he has authored, sponsored, and successfully supported key legislation to provide housing and other benefits for veterans of World Wars I and II and of the Korean and Vietnam conflicts, as well as legislation for the encouragement and protection of small business, the family farm, small towns, and rural America; and
>
> Whereas, he has played a large role in the introduction and passage of major legislation with respect to "full employment", area redevelopment, urban and rural housing, and "economic stabilization"; and
>
> Whereas, as co-sponsor in 1934 of the Federal Credit Union Act and author of legislation which created the National Credit Union Administration, he is the "father" of a system of "people's banks" that provide safe facilities for savings and sources of loans at reasonable rates; and
>
> Whereas, he was a pioneer in ecology through his support of soil and water conservation and rural electrification; and
>
> Whereas, he has been a consistent champion of the family farmer, the small business man, and "the people", as well as a fearless fighter for the principles in which he believes—free competition, the limiting of monopoly and the concentration of economic power, the availibility of credit at reasonable rates, and for equitable taxation;
>
> Now, therefore, the Alumni Advisory Board and the Board of Trustees of Cumberland College, recognizing the great contributions Wright Patman has made to our country, and the credit he has reflected on his Alma Mater, present him with the Award of the Phoenix, the highest honor Cumberland can bestow on one of her graduates.

TRACY KNIGHT WINS RIGHT TO WORK ESSAY CONTEST

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. GRASSLEY. Mr. Speaker, in this, our country's Bicentennial Year, we must focus our attentions on the basic freedoms for which our forefathers fought 200 years ago. The Iowans for Right To Work is an organization dedicated to one of these basic freedoms—the freedom of choice in execution of a livelihood.

In an educational effort among Iowa's high school students with respect to this freedom, The Right To Work Committee sponsors an annual essay contest soliciting articles written by secondary school students in support of voluntary unionism.

Among the winners in this fine competition at the county level are Daniel Berkland, Terrill; Donald West, Yale; Geraldine Hewlett, Grand River. Those winning second place in each district are Shalene Rae Baker, New Sharon; Lyn Le Countryman, Adel; Larry Batten, Hardy; David Kollmorgan, Belle Plaine; and Regina W. Gansen, Elma.

District winners include Terry Rusk, Belle Plaine; David Boughton, New Sharon; Debra Anstey, Massena; and Jill Tindall, Akron, all of whom were awarded two shares of stock in the Northern Natural Gas Co.

This year's State winner, a constituent of mine, is Tracy Knight, a 17-year-old junior at the Steamboat Rock Iowa Community High School. As a prize, Tracy received seven shares of Northern Natural Gas stock. Under the direction of his teacher, Mrs. Kay (Robert) Roelfsema, Tracy constructed and submitted the following fine essay, the reading of which I recommend to all my colleagues of the House:

> We as American people should support Right to Work because of the stand our forefathers took on liberty and freedom. We, as Americans, should hold our right of freedom of choice as a patriotic duty.
>
> "The principle of what we call 'voluntary unionism' is so simple and straightforward, I find it hard to understand what the fuss is all about. Our religious heritage, our American heritage, and plain common sense are all on the side of freedom of choice," said Walter Knott, the president of Knott's Berry Farm.
>
> The question of right to work is voluntary versus compulsory unionism. We, as Americans, cannot and should not let government, business, or any organization take our right

of choice. We should not be forced to give up a freedom of choice, especially one affecting something so basic as making a livelihood.

Iowa is a stronghold for individual freedom by being a right to work state. It would be a step toward dictatorship to forego this right!

HENRY HOLLOWAY: MARYLAND FARM LEADER

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. BAUMAN. Mr. Speaker, there are a great many thousands of Americans engaged in agriculture, feeding not only the people of the United States but of the world. Currently less than 5 percent of our citizens accomplish this amazing feat, unequaled in history.

Recently the Record of Havre de Grace, Md., published an article by Tessa G. Turner regarding one of the farm leaders in the First Congressional District of Maryland, Henry Holloway of Harford County. Mr. Holloway heads the Farm Bureau of Harford County and also is a hog farmer.

I would like to share with the Members of the House this story about a typical leader in the agriculture community who devotes many hours to work on his farm, as well as many hours of serving his community and his Nation:

DARLINGTON'S HENRY HOLLOWAY IS INVOLVED IN MORE THAN THE FARM

(By Tessa G. Turner)

The pressures of development and government regulation on the modern day farmer have led Henry Holloway to be involved in a wide range of interest groups and projects that take him away from his Darlington Farm.

Holloway, 42, who has one of the largest hog farms in Harford County, could be gone every night of the week to meetings involving the development of a county master plan and soil conservation, or as a member of advisory boards to the Maryland Secretary of Agriculture and the county Board of Education. The Darlington farmer is president of the Harford County Farm Association and the first vice-president of the Maryland Farm Bureau. He's concerned about the future of farmland and those who make their living from the soil.

Holloway grew up on the farm that he and his brother, Richard, 40, now operate as a partnership. Their father, Clifford W. Holloway, 82, is still active on the farm. The Holloways own 400 acres of land and they rent 350 additional acres from neighbors like Federal Judge C. Stanley Blair. Henry raises about 300 hogs while Richard is responsible for the 300 herd of cattle.

Holloway said they try to market their beef and pork year round. Following a family tradition, they take the largest part of their livestock to the Lancaster market, and sell between 25 and 30 per cent straight to the consumer's freezer. During the past eight years, they have had nothing to do with the processing of the meat, he said.

Holloway said he keeps 65 sows at his farm near Susquehanna State Park, and at times, there are as many as 200 baby pigs. Most sows farrow twice a year, Holloway said, and there are about 10 pigs in each litter. The largest litter he has ever seen had 23 piglets.

"They're fascinating animals," Holloway said. "They're not as dirty as most people think."

In fact, they're probably one of the cleanest animals around. They're constantly looking for a cool, wet place to lie because they can't perspire. That's why they get in mud. If they had their choice between dirty water and clean water, I'm sure they would choose the clean water."

Unlike cattle that are usually raised until they are two years old before they are slaughtered, pigs are sold when they are five-and-a-half to six-months-old. Holloway said the biggest job with hogs is taking care of the little ones when they are born, making sure they are kept warm and keeping the mother from lying on them. He says he has stayed up many nights while a sow was giving birth. Piglets are born with eight wolf teeth, he said, and while they are young, the farmer cuts their fighting teeth and usually knotches their ears for identification.

Ninety per cent of the Holloways' income at the Darlington farm is from their livestock and they grow corn, barely and hay for feed. They purchase soybean oil meal to add to their feed as a protein supplement.

Since the Holloways produce hogs for the market, they believe in crossbreeding. They use a four-way cross in the swine herd—Yorkshires, Hampshires, Durocs and Chesters. Their cattle are Angus-Charolais crossbreds.

There's always something going on at the Holloway farm. Holloway's wife, Barbara, a county 4-H leader, has homemade bread dough rising on the counter in the kitchen while she and her helper, three-year-old Andy, cut out doughnuts and made cinnamon rolls. The other Holloway children, Henry, 16, Teresa, 13, and Judy, 10, are all active in 4-H projects. This week, Henry, a junior at Havre de Grace High School, is representing the state in the National 4-H Club Congress in Chicago as the Maryland Swine Project Winner.

In addition to his own 4-H leader activities, Henry Holloway is supervisor of the Harford Soil Conservation District, a state group responsible for keeping tabs on the conservation of soil and water in the county. He said he sees flood control or, storm water management as it is called, as the biggest problem that faces the area now in soil conservation.

Holloway is also on the Citizen Planning Advisory Committee on the Master Plan, a committee appointed by the Harford County Council. Holloway said there are 19 members on the committee, and there are 19 different opinions. As a farmer, he said, he sees the biggest problems in Harford County as the pressure of development and the pressure of government regulations that the modern farmer must adhere to. He said the regulations on water, air and noise pollution are endless.

Speaking of development closing in on the farmer and government pressures, Holloway told the story of a New Jersey poultry farmer who had several people build houses and move near his farm. The new residents soon complained about the smell from the chickens, and when the farmer was taken to court, he was ordered to do something about the odor.

"I just can't think that people in America will keep putting up with the bureaucracy we've been dealing with," Holloway said. "Something has to change."

Holloway said he told his wife about ten years ago that if they were going to continue farming, the time would come when they would have to move further west. Mrs. Holloway is starting to believe him now. The 116-acre Stokes property just two miles from the Holloway farm was being considered as a county park, and the Holloways like other area farmers, are starting to feel hemmed in.

Holloway is also on the Maryland Agriculture Commission, serving as a board member advising the Maryland Secretary of Agriculture, Young D. Hance.

THE LATE BENET D. GELLMAN, AN OUTSTANDING CONGRESSIONAL COMMITTEE COUNSEL AND PUBLIC SPIRITED CITIZEN

HON. LEONOR K. SULLIVAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mrs. SULLIVAN. Mr. Speaker, I have lost a good friend and a young man whose legal skills and brilliant mind I shall deeply miss in the death of Benet D. Gellman, who served for 10 years as a counsel for the House Committee on Banking and Currency under the chairmanship of the Honorable WRIGHT PATMAN. Mr. Gellman resigned from the Committee on Banking, Currency and Housing last June to go into the private practice of law.

As a senior member of the committee, and for many years chairman of its Subcommittee on Consumer Affairs, I leaned very heavily on Ben Gellman for technical legal advice on legislation in which I was intimately involved, but more than that I also depended upon him on many occasions for advice and guidance on the philosophy of the legislation to try to make it as fair as possible and as effective as possible for consumers and the general public.

Very few people outside the Congress are aware of the contributions made by people like Ben Gellman in shaping legislation to accomplish its real purpose. He was completely honorable and above board in presenting to the committee and to all of us who sought his counsel the alternatives we faced in writing legislation so that we could make informed judgments on the directions we wanted to follow.

He did not seek to impose his own convictions upon the Members, but he was quick to point out to us how the language before us would accomplish or detract from the objectives we individually had in mind. This is the true test of a professional staff member of a Congressional committee.

Ben Gellman played important roles in many areas of the Banking Committee's jurisdiction. But as a consumerist, I am most grateful to him for the help he gave me on such issues as the Consumer Credit Protection Act of 1968, which includes the Truth in Lending Act, the Equal Credit Opportunity Act dealing with discrimination in extensions of credit, and the Real Estate Settlement Procedures Act. I will always remember furthermore his assistance to the House conferees in the bitter battle between House and Senate some years ago over the Bank Holding Company Act.

Congressman PATMAN spoke eloquently yesterday of Benet Gellman's contributions to the public interest over the years Ben worked directly under Mr. PATMAN's leadership and expressed the deep sympathy all of us who knew Ben feel for his wife and children. I certainly join in those comments.

Ben was only 41 when he died. His wisdom and legal ability belied his years. The people of the United States derived immeasurable benefits from the years this outstanding young man devoted to the process of legislation in the U.S. House of Representatives.

THE EMERGENCY EDUCATION REVENUE ACT

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. PEYSER. Mr. Speaker, as a result of the national recession, inflation, and local budgetary problems, educational programs across the country have undergone severe budget cuts that threaten the very quality of our children's education.

This is not an isolated phenomenon. It exists from coast to coast. Our major cities, New York, Los Angeles, Memphis, New Orleans, Washington, D.C., and Philadelphia have been victims of severe budget cuts. Expenditures for educational programs have been cut everywhere because of insufficient revenues. Unless the Federal Government steps in, there will be a frightening decline in the quality of American education. In fact, it has been estimated that approximately 45 million pupils currently enrolled in public schools may be suffering from such a decline.

In New York State for instance, $110 million is being pared from the aid to education budget to communities around the State. Obviously the burden then falls upon the local taxpayer, who must make up the difference. To allow such a burden to be borne by another segment of our society, particularly those on fixed income who have been victimized by the inflationary/recessionary syndrome, would be unconscionable.

To help combat these multi-million dollar deficits, teacher layoffs, shortened schedules, and the elimination of essential programs in the Nation's schools, I am introducing with the distinguished chairman of the House of Representatives' Education and Labor Committee, Mr. Perkins, of Kentucky, the Emergency Education Revenue Act.

The act will provide emergency financial assistance to local school districts in order to maintain elementary and secondary educational services at a quality level.

To be eligible for assistance under the act, a school district must demonstrate to the Secretary of the Department of Health, Education, and Welfare that its educational spending has been cut so drastically that vital educational services are no longer being provided at a quality level, and the school district must show that it has made a valid effort to raise the necessary revenue, either by borrowing, raising taxes, or by budget cuts in other areas. In other words, the school district must show that it cannot raise the additional revenue essential to provide these quality services. Lastly, the State must provide assurances that it will not reduce the amount of State assistance to the school district as a result of emergency aid provided under the auspices of this act.

It is my belief that swift enactment of the Emergency Education Revenue Act will alleviate the stresses and strains upon our educational system, our taxpayers, and our cities and States. I hope that we can have hearings on this bill as soon as possible.

FISCAL RESTRAINT AND ECONOMY IN GOVERNMENT DRAW EDITORIAL SUPPORT

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. EVINS of Tennessee. Mr. Speaker, there is a strong and deep feeling among many of the citizens and leaders of this country that the time has come for a greater exercise of fiscal restraint in legislating new programs and in appropriating funds for the various agencies, bureaus, and departments of the Federal Government.

Cuts and reductions must be made whenever possible. With high taxes at all levels of Government, with the costs of food, fuel, and other necessities rising and with inflation eating away the value of the American dollar, the American people are caught in a financial squeeze and they are looking to the Congress to provide leadership in reducing the costs of Government.

In this connection, I place in the Record herewith an editorial from the Nashville Banner which points up some of the high costs of intelligence gathering—so-called cloak-and-dagger operations—by the U.S. Government—$10 billion a year—and other excessive higher costs which are subject to question.

The time has come for closer oversight, Mr. Speaker, to weed out these instances of waste and extravagance.

Because of the interest of my colleagues and the American people in this most important matter, I place the editorial in the Record herewith:

BUDGETING ERRORS CALL FOR CHANGE

As one shudders at the proposed federal budget and its spending total of $395 billion, one wonders where in the world—literally—is all of that money going.

If you've said to yourself that it is all carefully accounted for, think again.

Just this week the Select House Intelligence Committee said the total cost of U.S. intelligence operations is more like $10 billion a year, three or four times the amount listed in the annual defense appropriations bill.

And over at the Pentagon they've lost about $8.4 million in equipment ordered for other countries but never delivered.

How does one lose $8.4 million worth of guns, tanks and jets? No one knows. Or if anybody knows, he isn't telling.

And the White House occupant is hardly immune to such miscalculation. President Ford's plan to protect 25 million Medicare patients against catastrophic illness called for an expenditure of $500 million. But the White House Office of Management and Budget says now the cost may run twice that because of a last-minute decision to provide more generous hospital benefits for the elderly and the disabled. That was a $500 million oversight not updated in the budget.

To top it all off, the Office of Management and Budget's deputy director, Paul H. O'Neill, said there was nothing to worry about, since there is a contingency fund of $1.6 billion to pay unforseen expenses.

Something like petty cash, we suspect.

Maybe as soon as the House Oversight and Investigations subcommittee completes its information on the number of unnecessary medical operations performed in the United States, it can get on with tending to oversights in its own front yard.

As recently as eight years ago "relatively uncontrollable" spending made up only about half the budget. These items included prior contracts and obligations, defense commitments, some civilian programs, payments for individuals and interest. All of these are "locked in" and are obligations that have to be met. Today, that kind of spending makes up three-fourths of the federal outlay of dollars.

How can this be corrected in a bureaucracy so immense that $500 million miscalculations on one item are pooh-poohed with the sudden thought of that $1.6 billion petty cash box? Or the loss of more than $8 million in weaponry between the U.S. and its foreign destination? Or the quadrupling of spy costs to the tune of $7 billion or more this year?

The situation will continue to exist as long as the preceding year's budget is used as a guideline, brought up to date with percentages of increase from year to year.

It is obvious the President cannot watchdog every department of the federal government. Nor can the cabinet member heading that department be knowledgeable of what the field office in Houston or Nashville or Meridian or Greenwich is doing right or wrong. That is up to the man in charge at the field level and it is his job to make recommendations on budgets for his part, to make up the whole.

What is needed is a return to the basics of simple bookkeeping and let every governmental department start afresh each year, without additions or subtractions on the previous budgets, and reexamine every program, making it justify its existence, thus regaining control of the now-uncontrollable spending spree.

It is called zero-based budgeting and it is not altogether fantasy. It is used daily in businesses and in homes. It can work in government. At least, it will work better than what we have now.

As it stands now, no one really knows what the bottom line of the budget will be by the end of the fiscal year. The only real certainty is that the President and Congress—together or separately—will produce another huge deficit and another huge spending bill.

BRAZIL PRESIDENT SEEKS TO PREVENT TORTURE

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. FRASER. Mr. Speaker, I would like to include in the Record an article describing the recent decision by the President of Brazil to remove General Adnardo d'Avila Melo as 2d Army Commander in Sao Paulo. The decision was announced minutes after it was disclosed that a metal worker had been found dead in a prison which was under the jurisdiction of the 2d Army. Earlier, Vladmir Herzog, a journalist, had also been found dead in a Sao Paulo army prison.

I would like to personally commend President Geisel for this decision and his efforts in general to eliminate the incidence of torture.

The prevalence of torture and other abuses of human rights in Brazil has been profoundly disturbing to me. The Subcommittee on International Organizations has held two hearings on the human rights situation in Brazil. On December 11, 1974, we received testimony from Rev. Fred Morris, a U.S. citizen, who was tortured by the army in Recife, Brazil.

The document follows:

[From the Washington Post, Jan. 21, 1976]

Brazil General Removed

Rio de Janeiro.—President Ernesto Geisel has removed one of Brazil's most outspoken and hardline generals from his Sao Paulo command following the death of a political prisoner in an army prison—the second such death in that city in four months.

The replacement of Gen. Ednardo d'Avila Melo as 2d Army commander in Sao Paulo was announced by presidential decree within minutes of an army announcement that a metal worker had been found dead in his cell over the weekend.

Observers here saw the removal as an attempt to impose a new code on the country's security forces, which have been accused by political prisoners and lawyers of torturing hundreds of prisoners.

After the death of journalist Vladimir Herzog in a Sao Paulo army prison cell in October, described by the army as suicide, Geisel was quoted by newspapers as saying he would not allow such an incident to happen again.

ANOTHER MEDICAL INVENTION BY WALTER JINOTTI

HON. EDWARD J. PATTEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. PATTEN. Mr. Speaker, Walter Jinotti has done it again. First he invented an improved blood pump for transfusions which has saved the lives of hundreds of persons. Later, Walter invented an improved method of providing relief for sinus sufferers, which has helped millions of persons in the Nation. And his latest achievement is a device that alerts a nurse when a patient's intravenous bottle needs changing.

Mr. Speaker, I am proud of Walter Jinotti, who is not only an active and versatile inventor, but is also a concerned citizen whose contributions to good government are many.

Walter's latest invention resulted in another newspaper article in the Home News of New Brunswick, N.J. I hereby insert the article with pride and I know that before too long, Walter Jinotti will invent another medical device that will help people, because that is the story of his life: helping people.

The article follows:

Serum Alarm Patently Inventive

New Brunswick.—Walter Jinotti, medical inventor and technician at Middlesex General Hospital, has obtained a patent on a device that alerts a nurse when a patient's intravenous bottle requires changing.

Jinotti, of 10 Scott St., is the inventor of an improved blood pump for transfusions and an improved method of providing relief for sinus sufferers.

His new device will alert the closest nurses' station by sending a radio signal three minutes before an intravenous fluid bottle empties. This allows the nurse to work with more than one patient and attend a patient before the bottle is empty.

Jinotti, the head of the hospital's vascular department, calls his invention the I.V. Alert. It runs on a battery or electrical current, he said. A number of models are being tested.

Jinotti said eight manufacturing firms have expressed interest in producing his invention.

Former Secretary of Health, Education, and Welfare Caspar Weinberger has praised Jinotti for his "highly commendable" invention of the new blood pump.

Rep. Edward J. Patten, D-15th Dist., also commended him in remarks printed in the Congressional Record. Patten called Jinotti "one of the most versatile and valuable" medical inventors in New Jersey.

Jinotti also serves as chairman of the city's Commission for Environmental Health, which is responsible for finding ways to improve New Brunswick's potable water supply.

INFLATION AND THE DEREGULATION OF NATURAL GAS

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. BLANCHARD. Mr. Speaker, it is common knowledge that during the last year, the problem of inflation has topped all the polls as the issue which is most on the minds of Americans.

Today the House of Representatives, casting aside the warnings of the Energy and Power Subcommittee that not enough facts are available, voted to discuss immediately the question of removing Federal price controls on natural gas.

I was most disappointed by that decision, Mr. Speaker, because deregulation of gas has obvious and direct effect upon inflation.

Last year, the House spent several months debating the issue of decontrol of oil prices, because of its great importance to our Nation's economy. But with today's vote, the House has decided to deal with deregulation of natural gas—which accounts for fully one-third of this Nation's energy—in 3 hours of debate.

This action was taken despite the fact that a recent General Accounting Office—GAO—report shows that consumers will pay a staggering price for deregulation during the next 10 years.

The GAO estimated, in fact, that the price tag will amount to $75 billion for 7.8 trillion cubic feet of gas—a price which works out, in equivalent terms, to $54 a barrel of oil, or more than four times the blackmail price we are now paying the OPEC cartel.

It is hardly surprising, Mr. Speaker, that inflation now leads all the polls when our Government's only response to the energy crisis is to recommend higher and higher prices for oil and natural gas.

But it is a little hard for me to understand how those who applauded the President's recent veto of a bill that was $1 billion above his request can turn around a week later and cast their votes for a $75 billion giveaway to the oil and gas industry.

If that is not inflationary, I do not know what is.

It is my sincere hope that in the time which remains before deregulation comes to a final vote, the House will take a more responsible attitude toward this ill-considered legislation.

STUDENTS PETITION FOR A STRONG NATIONAL SPACE PROGRAM

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. TEAGUE. Mr. Speaker, students of Dr. Lawrence C. Wolken of the Alief Independent High School District recently reviewed our national Space program with emphasis on the highly successful Skylab effort. After this review these students decided that their new knowledge compelled them to petition the U.S. Congress on behalf of a strong future Space program. Because of their efforts and for the benefit of my colleagues, Dr. Wolken's letter and the petition presented by 277 students of the Alief Independent High School of Alief, Tex., are submitted for the Record:

Alief Independent School District,
Alief, Tex.

Hon. Olin Teague,
Chairman, Science and Technology Committee, Rayburn House Office Building, Washington, D.C.

Sir: In my astronomy class during the fall quarter this year, NASA's budget became a topic of discussion as a result of the question, "Why doesn't NASA have more space projects going at the present time and planned for the future?" The only answer I could give them was that NASA couldn't conduct more projects because of their limited budget for the past couple of years.

The students became interested in NASA and the space program as a result of a class project on Skylab. Each student familiarized himself with the Skylab program in general, and then chose a particular phase of the program to study in detail. Each student then presented his findings as part of an 80 min. oral presentation to other students in our district. In all, 1800 high school, middle school, and elementary school students became informed about the Skylab program by attending the class's presentation.

In preparation for the program, we used material provided by NASA and went on a field trip to the Johnson Space Center here in Houston. The class spent nearly a month on the project and became very interested in the space program. When I mentioned NASA's budget in response to their question they wanted to know what they could do to help increase NASA's funding. The only suggestion I could think of was for them to write a petition, get as many signatures as possible, and to send it to an appropriate member of Congress. So the students wrote the petition themselves and took it around the high school and got other students, teachers, and administrators to sign it.

Unfortunately, this took place right at the end of the quarter, so they only had a day and a half to circulate the petition; given more time, I feel certain they would have obtained more signatures. Enclosed you will find the petitions.

We hope that you will take these into consideration, and show them to other appropriate members of Congress. We feel the people of the U.S. are interested in the space program, and would show even greater interest if better informed of NASA's projects. We have tried to do our part by informing a sizable segment of the school population in Alief of the Skylab program. Thank you for your consideration of this matter.

Very truly yours,

LAWRENCE C. WOLKEN.

To the Congress of the U.S.A.:

We, the taxpayers of today and tomorrow, have become increasingly interested in the space program for the near future. We have educated ourselves and our peers on the past functions of NASA. We are also aware that NASA has insufficient funding for the plans which it could be executing in the late 70's through the 80's.

Many of us are willing to spend our future preparing ourselves in space related fields, but see no point in spending our money on a career that will be closed to us because of a lack of financial backing from Congress. We also feel that our future, as well as the future of mankind, can greatly benefit from the space program. Therefore, we implore you, the Congress of the U.S.A., to enlarge the budget of the National Aeronautics and Space Administration for the coming years.

We feel confident that you will not ignore our request.

SENIORS FOR ADEQUATE SOCIAL SECURITY TESTIFY

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. RANGEL. Mr. Speaker, one of the most active senior citizen groups in New York City is Seniors for Adequate Social Security. This organization is committed to fighting for legislation at the city, State and Federal levels to guarantee the elderly enough income for them to live in dignity.

I have been fortunate in having the input of SASS and its leaders, especially my constituent Max Manes who tirelessly pursues economic justice for the elderly. As the Committee on Ways and Means debates such critical issues as SSI, title XX and national health insurance, I know that SASS will continue to be vigilant to insure that the rights of our senior citizens are protected.

I am pleased to include in the CONGRESSIONAL RECORD the testimony of Mr. Manes on behalf of Seniors for Adequate Social Security given before the New York State Democratic Platform Committee:

SENIORS FOR ADEQUATE SOCIAL SECURITY NEWSLETTER

1976—PUT THE HEAT ON THE POLITICIANS

A delegation of SASS members attended hearings of the New York State Democratic Platform Committee in preparation for the 1976 National platform at City Hall, Nov. 15. Max Manes spoke for SASS, Rose Kryzak also testified for the Queens Council of Senior Citizens, and Neil MacGillicuddy testified for Retirees Division of District 65. We were asked to submit a written statement. The following was sent, after having been unanimously endorsed by the SASS membership meeting held Nov. 20.

TO THE NEW YORK STATE DEMOCRATIC PLATFORM COMMITTEE:

SASS—Seniors for Adequate Social Security, urges you to address yourself forcefully to the number one problem facing the elderly—inadequate income. Also to the problem of health, which runs a close second. A repetition of old platitudes will not do. Action to solve these and the multitude of other long neglected problems is needed.

Implementation of the 1971 White House Conference on Aging Income Recommendation is long overdue, and must not be delayed any longer. It calls for "the adoption now, as the minimum standard of income adequacy, of the Intermediate Budget for an elderly couple prepared by the Bureau of Labor Statistics, with not less than 75% of that budget for a single individual." (As of the Fall of 1974, that budget was, for the National Urban level, $6,041 yearly—for New York and Northeastern New Jersey, it was $7,105.) Last March the Federal Council on Aging, after expressing concern in its Report to the President, stating "We have become increasingly aware that the economic plight of the elderly is of crisis proportions", made the same recommendation.

The 1971 Conference urged this as an immediate step, recommending that it be done now, and added "As a follow up in the progression of the benefit floor, not later than 1974, the minimum income for Social Security and Adult Assistance (now SSI) beneficiaries be upgraded to provide the elderly with the "comfortable" standard of living established by the Bureau of Labor Statistics.

2. Supplementary Security Income, SSI, the new program that started Jan. 1, 1974, is supposed to give the poorest of the elderly, blind and disabled a guaranteed annual income. In practice it is "guaranteed poverty and hunger". The N.Y. Times called it "Supplementary *In*security". Payments are below official poverty level, as is the average payment under Social Security. Procedures for qualification for SSI are complicated and humiliating and must be done away with.

The Administration and Congress cannot continue to ignore the following principle spelled out by the Conference: "It must be the policy of the U.S. that poverty be eliminated as a concomitant of the older years. In this regard, priority must be given to providing older Americans with an income to keep them from poverty and subsequently to assure the aged an income foundation that will provide them with a comfortable existence."

Political parties and politicians seeking votes among the elderly and near, or future, elderly, must commit themselves to work to translate this into reality.

3. The automatic cost-of-living increases must go into effect earlier and at shorter intervals to keep pace with rising living costs. They should be based on a special Consumer Price Index for the elderly, designed to truly reflect their spending patterns.

4. Ten years of Medicare, and the elderly are no nearer a solution to their health care problems than before. They are paying more for health care than they ever did, and costs continue to rise, and drain their limited incomes. Those who qualify for Medicaid are forced to go through a wringer of red tape to get care of questionable quality. The White House Conference called for a "comprehensive health security program which would include the aged as well as the rest of the population". The Kennedy-Corman Bill (S. 3, H.R. 21) must be enacted. It's the only bill that would establish a broad system of health care, not just a method of paying for doctors, hospitals and other health services. In some areas it could be strengthened, such as dental, long term and some care. It must under no circumstances be tied to insurance companies and other profiteering interests. Consumers should have a voice at all levels in the control of cost and quality.

5. The present method of financing Social Security should be drastically changed to ease the burden weighing so heavily on lower income groups and those earning $14,100 annually or less. Why should those earning more than that enjoy 100% tax exemption for all their earnings above that figure? Why shouldn't General Revenue contribute to finance Social Security?

Income and health care are the prime problems. But the elderly face many others: housing, transportation, etc. Present programs have only scratched the surface of these problems. Much more will have to be done just to get on the road toward their solution.

Opening the 1971 White House Conference on Aging, its Chairman, Dr. Arthur S. Fleming, said: "The cry of older persons throughout our Nation is, 'Act, do not write about me, do not even talk about me, but act!'" Immediate action is needed, and the elderly don't have the time to wait.

THIRTY-NINE WOMEN WIN WOODROW WILSON FELLOWSHIPS

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Ms. ABZUG. Mr. Speaker, 39 women have been selected this year as Woodrow Wilson fellow dissertation winners in the area of women's studies and I want to take this opportunity to include their accomplishments in the RECORD.

The awards bear the name of President Woodrow Wilson who was the focus of controversy during World War I when women activists demonstrated in front of the White House on behalf of women's suffrage. As a result of pressure from women's suffrage groups and their contribution to the war effort, Wilson threw his support behind the suffrage amendment. It was passed by Congress and ratified by the States during his Presidency. Therefore it is fitting that these women scholars be honored with an award bearing his name:

AWARD WINNERS, 1975–76 COMPETITION—DOCTORAL DISSERTATION FELLOWSHIPS IN WOMEN'S STUDIES, WOODROW WILSON NATIONAL FELLOWSHIP FOUNDATION

Sara Alpern, U. of Maryland, History. Freda Kirchwey and *The Nation*: A Personal and Intellectual Study.

Karen Jane Blair, SUNY at Buffalo, History. Clubwoman as Feminist: The Woman's Culture Club Movement in the U.S., 1868–1914.

Susan Burkhead, Bryn Mawr College, French. Diderot and Women.

Susan Paulette Casteras, Yale University, History of Art. Women and the Wall: An Inconographic and Historical Analysis of Their Images in Victorian Painting.

Miriam Judith Cohen, U. of Michigan, History. Italian American Women in New York City, 1890–1940.

Carmen Diana Deere, U. of California, Berkeley, Agricultural Economics. This Division of Labor by Sex in Agriculture: Women's Subsistence Production on the *Minifundia* (Honorary).

Virginia Goldsmith Drachman, SUNY at Buffalo, History. The Study of the Relationship of Feminism to Health Care: The Attitudes and Practices of Male and Female Doctors Toward Women Patients in Late Nineteenth Century America.

Martha Richmond Fowlkes, U. of Massachusetts, Sociology. The Wives of Professional Men: A Study of the Interdependency of Family and Careers.

Hannah L. Frisch, U. of Chicago, Psychology. Play Behavior of Adults with Infant Boys and Girls.

Naomi Ruth Goldenberg, Yale University, Religious Studies. Gods and Genders in a New Mythology: The Place of Depth Psychology in a Feminist Critique of Religion.

Kathleen Elizabeth Grady, CUNY Graduate Center, Psychology. Sex as a Social Labelling Phenomenon: The Illusion of Sex Differences.

Katherine Jean Herbig, Claremont Graduate School, History. Friends for Freedom: The Lives and Careers of Sallie Holley and Caroline Putnam.

Judith Jeffrey Howard, U. of Connecticut, History. The Woman Question in Italy, 1861–1893.

Barbara A. Kaiser, Tufts University, History. Juridical Rights of Women in Montpellier During the Late Twelfth and Early Thirteenth Centuries.

Jeanne Henry Kammer, Carnegie-Mellon University, English. After Great Pain: Form and Voice in the Poetry of American Women from Dickinson to Levertov.

Judith Anne Lawson, U. of Iowa, English. Perilous Heaven: Love in Twentieth Century British Novels by Women.

Suzanne Lee Lebsock, U. of Virginia, History. Women's Property and Enterprise in Virginia.

Margaret Burke Lee, U. of Chicago, English. Marriage, Divorce, and the Turn of the Novel: A Study in Cultural Change and Literary Form.

Ellen Lenney, Stanford University, Psychology. Problems of Low Self-Confidence in Women.

Kathryn S. March, Cornell University, Anthropology. Himalayan Buddhist Women: "With Nothing but the Body of a Woman."

Patricia Summerlin Martin, Rice University, History, Sisterhood and Suffrage, Evangelical Protestant Women and the 19th Amendment.

Saundra Rice Murray, Howard University, Psychology. Achievement Evaluation: Causal Attribution, Sex, Sex Role and Racial Variations.

Regina Smith Oboler, Temple University, Anthropology. Female Husbands and the Conceptual Definition of Male and Female in an East African Society.

Valerie Anne Pichanick, U. of Massachusetts, History. The Conscience and Social Consciousness of Harriet Martineau.

Marian Hentzell Roffman, U. of Hawaii, History. Working-class Women in Medieval France: Their Legal and Social Status and Their Economic Role Within, and Outside of, the Gilds.

Leila Jane Rupp, Bryn Mawr College, History. Women Work in Wartime: The Labor Mobilization of Women in Germany and the U.S. in the Second World War.

Michele Leiss Stepto, U. of Massachusetts, English. William Blake's Trial of the Muse: Images of the Female Will in the Writings of Blake and Other Poets, Romantic and Modern.

Carolyn Wedin Sylvander, U. of Wisconsin, Madison, English. Jessie Fauset, Black American Novelist: Her Relationships, Literary and Biographical, to Black and White American Writers of 1910–1930, Including the "Harlem Renaissance" Period.

Denise Lynn Warren, U. of California, Los Angeles, French. Simone de Beauvoir: Towards a Feminist Praxis.

TUITION AND FEES OF A NUMBER OF OHIO SCHOOLS

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. VANIK. Mr. Speaker, the following chart—originally prepared by my office—lists the tuition and fees of a number of Ohio schools.

The figures used are from the academic year 1974–75 and may be slightly lower than current rates. When total tuition costs at Ohio State University alone have risen more than $120 in the last two school years, it is easy to see that it is becoming increasingly difficult to meet these expenses.

I am hopeful that the information listed below will be of some use to those who are in the position of selecting a college:

COSTS AT COLLEGES AND UNIVERSITIES FOR THE 1974-75 ACADEMIC YEAR

					For further information about	
College	Location	Tuition and fees	Room and board	Total	Financial aid, write to	General information, write to
PRIVATE COLLEGES AND UNIVERSITIES IN OHIO						
Antioch College	Yellow Springs	$3,195	[1] $1,050	$4,245	Ruth Ricket	Ruth Ricket.
Ashland College	Ashland	2,504	1,260	3,764	Edward West	Giles Krueger.
Athenaeum of Ohio	Norwood	1,425	650	2,075	Rev. Donald Tenoever	Rev. Donald Tenoever.
Baldwin Wallace College	Berea	2,679	1,215	3,894	David Darr	John Amy.
Bluffton College	Bluffton	2,260	1,025	3,285	Carl Lehman	John Slotter.
Borromeo Seminary of Ohio	Wickliffe	1,015	900	1,915	Rev. Hugh Bode	Rev. John Valley.
Capital University	Columbus	2,495	1,160	3,655	Mrs. Rosemary Wells	Roger Wiley.
Case Western Reserve University	Cleveland	2,875	1,455	4,330	Donald Chenelle	Karl McEachron.
Cedarville College	Cedarville	1,566	1,110	2,676	David Gidley	Bob White.
Cincinnati Bible Seminary	Cincinnati	1,003	900	1,903	David Baumgardner	Miss R. Russell.
Cleveland Institute of Art	Cleveland	1,950	1,400	3,350	John Swift, Jr.	John Swift, Jr.
Cleveland Institute of Music	do	2,872	1,430	4,302	William Kurzban	William Kurzban.
Dayton, University of	Dayton	1,830	1,122	2,952	James Hoover	James Hoover.
Defiance College	Defiance	2,350	1,020	3,370	Gerald Mallot	Gerald Mallot.
Denison University	Granville	2,970	1,300	4,270	Dr. William Hoffman	Dr. William Hoffman.
Dyke College	Cleveland	1,350	1,400	2,750	Von M. Smith	Charles Jones.
Edgecliff College	Cincinnati	1,600	1,270	2,870	Sister Marcia Kenning	William Russell.
Findlay College	Findlay	2,205	1,014	3,219	Mrs. Lottie Freeman	Mike Alexander.
Franklin University	Columbus	1,080	(2)	1,080	Billy McCarthy	Gene Marshall.
Heidelberg College	Tiffin	2,570	1,030	3,600	George Deinzer	John Nelson.
Hiram College	Hiram	2,835	965	3,800	Alan Donley	Richard Plank.
John Carroll University	University Heights	2,000	1,075	3,075	Carol Semzura	John Sammon.
Kenyon College	Gambier	3,036	1,372	4,408	P. Wesley Tutchings	John Kushan.
Lake Erie College	Painesville			[3] 3,700	Harry Biser	Judson Betts.
Malone College	Canton	1,858	1,008	2,866	Guy A. Hull	Guy A. Hull.
Marietta College	Marietta	2,550	1,150	3,700	James Stephens	Jay Showalter.
Mary Manse College	Toledo	1,500	1,050	2,550	John Minnick	Dan White.
Mt. St. Joseph On-The-Ohio	Mt. St. Joseph	1,824	1,240	3,064	Sister Martha Conley	Sister Mary Browne.
Mount Union College	Alliance	2,460	1,095	3,555	Charles Pollock	Richard McLaughlin.
Muskingum College	New Concord	2,610	1,120	3,730	Mrs. Frances Becker	Clancy Biegler.
Notre Dame College	South Euclid	1,400	1,200	2,600	Sister Margaret Therese	Sister Mary Lisbeth.
Oberlin College	Oberlin	3,304	1,365	4,669	James White	Lawrence Buell.
Ohio Dominican College	Columbus	1,880	1,220	3,100	Miss Pat Jeffers	Susan McGough.
Ohio Northern University	Ada	2,256	1,095	3,351	John Gwinn	William Robinson.
Ohio Wesleyan University	Delaware	2,800	1,230	4,030	Fred Pollock	David Treadwell.
Otterbein College	Westerville	2,750	900	3,650	Elsley Witt	Michael Kish.
Pontifical College Josephinum	Worthington	1,505	1,450	2,955	Father Pacheco	Msgr. DeRuntz.
Rio Grande College	Rio Grande	1,890	1,275	3,165	Mark Abell	Dean Brown.
St. John College	Cleveland	1,800	1,400	3,200	Louis Kneier	Miss Barbara Kiss.
Steubenville, College of	Steubenville	1,690	1,100	2,790	Dennis Palmer	Ronald Jarvis.
Tiffin College	Tiffin	1,360	[4] 800	2,160	Lyle Gebhardt	Wayne Huffman.
Urbana College	Urbana	1,908	1,380	3,288	Roland Patzer	Roland Patzer.
Ursuline College	Pepper Pike	1,575	1,150	2,725	Douglas Ita	Douglas Ita.
Walsh College	Canton	1,699	1,100	2,799	Bro. Richard Levesque	Norman Kutz.
Wilberforce University	Wilberforce	1,730	1,050	2,780	Charles Johnson	Robert Thomas.
Wilmington College	Wilmington	2,415	1,185	3,600	Larry Thompson	Alexander Murdoch, Jr.

COSTS AT COLLEGES AND UNIVERSITIES FOR THE 1974-75 ACADEMIC YEAR

College	Location	Tuition and fees	Room and board	Total	For further information about Financial aid, write to	General information, write to
Wittenberg University	Springfield	$2,694	$1,248	$3,942	Dr. Paul Manuel	Dr. Paul Manuel.
Wooster, College of	Wooster			[5] 3,891	Dr. Lawrence Riggs	Byron Morris.
Xavier University	Cincinnati	1,880	1,190	3,070	William Helmecamp	Rev. Buschmann, S.J.
TAX ASSISTED UNIVERSITIES IN OHIO [6]						
Akron, University of	Akron	705	1,320	2,025	Robert Hahn	John Owen.
Bowling Green State University	Bowling Green	780	1,155	1,935	Beryl Smith	John Martin.
Central State University	Wilberforce	663	1,131	1,794	Asbury Turner	Dr. Lionel H. Newsom.
Cincinnati, University of	Cincinnati	930	1,407	2,337	Harry Beck	John Hattendorf.
Cleveland State University	Cleveland	720	(7)	[7] 720	William Bennett	Dr. Richard Gulbenkian.
Kent State University	Kent	834	1,335	2,169	William Johnson, Jr.	Thomas Korllos.
Miami University	Oxford	780	1,395	2,175	Charles Kinder	Charles Schuler.
Ohio State University	Columbus	750	1,335	2,685	Rodney Harrison	Edward Rhine.
Ohio University	Athens	780	1,329	2,109	Michael L'Heureux	Jerry Reese.
Toledo, The University of	Toledo	780	1,470	2,250	Clark Reber	Richard Eastop.
Wright State University	Dayton	795	1,410	2,205	Joel Cohan	Elenore Koch.
Youngstown State University	Youngstown	630	975	1,605	John Wales	William Livosky.
TAX-ASSISTED COMMUNITY COLLEGES IN OHIO [8]						
Cuyahoga Community College:						
Metro Campus	Cleveland	330			Roy Chiles	John Tselainos.
Western Campus	Parma	330			Ted Lesniak	Ernest Mielke.
Eastern Campus	Warrensville Township	330			Thomas Morris	Eugene Malone.
Lakeland Community College	Mentor	418			Mrs. Barbara Seiter	F. M. Williams.
Lorain County Community College	Elyria	450			Paul Boguski	Tim Boylan.
Sinclair Community College	Dayton	450			Jerry Swiesler	Kenneth Weaver.
TAX-ASSISTED TECHNICAL COLLEGES IN OHIO [9]						
Belmont Technical College	St. Clairsville	660			Frank Secreto	Thomas Ostasiewski.
Central Ohio Technical College	Newark	645			Richard Dyson	Robin Livesay.
Cincinnati Technical College	Cincinnati	525			Eleanor Bonner	Ann Rasche.
Clark Technical College	Springfield	645			Student Services Office	Student Services Office.
Columbus Technical College	Columbus	651			Richard Calendine	Joseph Schindler.
Hocking Technical College	Nelsonville	525			J. William Hill	J. William Hill.
Jefferson County Technical Institute	Steubenville	315			Carl Arlotta	Harry Johnston.
Lima Technical College	Lima	627			Gary Weaver	Sam Bassitt.
Marion Technical College	Marion	720			Kay Greenland	Kay Greenland.
Michael J. Owens Technical College	Toledo	510			Craig Rhodes	Leroy Marquette.
Muskingum Area Technical College	Zanesville	510			David Moon	Tim Shepfer.
North Central Technical College	Mansfield	600			Mrs. Carol Anderson	Robert Brook, Jr.
Northwest Technical College	Archbold	645			Robert Osborne	John Wilson.
Scioto Technical College	Lucasville	540			Arnold McCoy	Arnold McCoy.
Stark Technical College	Canton	525			Stanley Kuceyeski	Ronald Armitage.
Terra Technical College	Fremont	480			Richard Dagg	Lyle Smith.
Washington Technical College	Marietta	475			Mrs. Vivian Cornwell	Mrs. Vivian Cornwell.
PRIVATE TWO-YEAR COLLEGES IN OHIO						
Kettering College of Medical Arts	Kettering	1,490	760	2,250	Eugene Cowling	Eugene Cowling.
Mount Vernon Nazarene College	Mount Vernon	1,500	900	2,400	Mrs. Britta Bridges	William Bennett.
OUT-OF-STATE COLLEGES AND UNIVERSITIES [10]						
Brown University	Providence, R.I.	3,500	1,630	5,130	Lloyd Cornell, Jr.	Milton Noble.
California Institute of Technology	Pasadena, Calif.	3,140	1,083	4,223	Stirling Huntley	Stirling Huntley.
California, University of (L.A.)	Los Angeles, Calif.	2,125	1,400	3,525	Lawrence Dreyer	Robert Kinsman.
Carnegie-Mellon University	Pittsburgh, Pa.	2,900	1,475	4,375	Bill Turner	Bill Turner.
Chicago, University of	Chicago, Ill.	3,000	1,800	4,800	Fred Brooks, Jr.	Mrs. Margaret Perry.
Columbia University	New York, N.Y.	3,475	1,750	4,225	Kenneth Ostberg	Michael Lacopo.
Cornell University	Ithaca, N.Y.	3,530	1,575	5,105	Phillip Bisselle	Dr. Walter Snickenberger.
Dartmouth College	Hanover, N.H.	3,570	1,622	5,192	Harland Hoisington, Jr.	Edward Chamberlain, J.
Duke University	Durham, N.C.	2,780	1,275	4,055	I. Croom Beatty, IV	Dr. Clark Cahow.
Harvard University	Cambridge, Mass	3,400	1,950	5,350	L. Fred Jewett	L. Fred. Jewett.
Illinois, University of	Urbana, Ill.	1,680	1,222	2,902	Edward Sanford	Gary Engelgau.
M.I.T.	Cambridge, Mass	3,350	1,907	5,320	J. H. Frailey	Peter Richardson.
Michigan, University of	Ann Arbor, Mich.	2,600	1,402	4,002	Thomas Butts	Dr. Clifford Sjogren.
Middlebury College	Middlebury, Vt			[11] 4,400	Charles Brakeley	Fred Neuberger.
Minnesota, University of	Minneapolis, Minn.	1,530	1,300	2,830	Student Financial Aid Office	Admissions Office.
Mount Holyoke College	South Hadley, Mass.	2,950	1,550	4,500	Mrs. Groverman Payne	Miss Clara Ludwig.
Northwestern University	Evanston, Ill.	3,480	1,460	4,940	Richard Wiringa	Roger Campbell.
Notre Dame, University of	Notre Dame, Ind.	2,830	1,160	3,990	Mrs. June McCauslin	John Goldrick.
Pennsylvania, University of	Philadelphia, Pa.	3,450	1,535	4,985	George Koval	Peter Seely.
Princeton University	Princeton, N.J.	3,500	1,375	4,875	Kenneth Kohl	Timothy Callard.
Purdue, University of	Lafayette, Ind.	1,700	1,280	2,980	D. E. Holec	Charles Henry.
Radcliffe College	Cambridge, Mass.	3,400	1,950	5,350	Mrs. Sylvia Simmons	Mrs. Alberta Arthurs.
Rensselaer Polytechnic Institute	Troy, N.Y.	3,250	1,450	4,700	Robert Magee	Robert Magee.
Rice University	Houston, Tex.	2,185	1,496	3,681	Dorothy Irrgang	Richard Stabell.
Smith College	Northampton, Mass.	2,940	1,550	4,490	Anne Keppler	Mary McDougle.
Stanford University	Stanford, Calif.	3,375	1,535	4,910	Robert Huff	Dean Fred Hargadon.
Swarthmore College	Swarthmore, Pa.	3,125	1,425	4,550	Mrs. Lynne Mifflin	William Quesenbery.
Vassar College	Poughkeepsie, N.Y.	3,100	1,350	4,450	Miss Mary-Alice Hunter	Richard Stephenson.
Wellesley College	Wellesley, Mass.	3,050	1,600	4,650	Mrs. Amy Nychis	Mrs. Mary Ellen Ames.
Wisconsin, University of	Madison, Wis.	2,050	1,400	3,450	Dir. of Financial Aid	Dir. of Admissions.
Yale University	New Haven, Conn.	3,650	1,700	5,350	Worth David	Worth David.

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[1] This charge is for ½ of the academic year. Inasmuch as Antioch has a co-op program, students are often on off-campus assignments ½ of the academic year.

[2] Franklin University has no room and board facilities.

[3] This is a comprehensive fee which covers tuition, fees, room and board and the winter term abroad.

[4] Room costs are $400 per year. The rooms provide cooking facilities, and the university estimates that a student can prepare his own meals for $400 a year.

[5] This is a comprehensive fee which covers tuition, fees, room and board.

[6] The charges are for students who are Ohio residents. Tuition fees are higher for out-of-State students.

[7] Inasmuch as Cleveland State University has very limited residence facilities, room and board charges are not included in total.

[8] The charges are for students living in the same county as the one in which the college is located. Charges are higher for out-of-county students. Community colleges are primarily for commuting students, seldom having any room and board facilities, and thus charges shown are only for tuition and fees.

[9] The charges are for students living in the district served by the institution. Charges are higher for other students. Technical colleges are primarily for commuting students, seldom having any room and board facilities, and thus charges are only for tuition and fees.

[10] Costs shown are those charged out-of-State residents, such as students from Ohio.

[11] This is a comprehensive fee which covers tuition, fees, room and board.

TERRY SHELL APPOINTED U.S. DISTRICT JUDGE

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. ALEXANDER. Mr. Speaker, I am pleased to share with my colleagues an article from the January edition of the Arkansas Lawyer dealing with the investiture ceremonies of Judge Terry Shell as U.S. district judge for the Eastern District of Arkansas.

This man has distinguished himself on the bench for many years as both a fair and a firm judge, an exceptional choice for this appointment. I am proud to call him my friend.

The article follows:

JUDGE SHELL

"A Judge must be clear from the spirit of party, independent of all favor, well inclined to the popular institutions of his country; firm in applying the rule, merciful in making the exception; patient, guarded in his speech, gentle and courteous to all. Add his learning, his labour, his experience, his probity, his practiced and acute faculties, and this man is the light of the world, who adorns human life and gives security to that life in which he adorns."—Sydney Smith, 1824.

Terry Lee Shell became U.S. District Judge for the Eastern District of Arkansas at investiture ceremonies on September 26, 1975 at the Federal District Courthouse in Jonesboro.

The court was called into session by U.S. Marshal Len Blaylock and convened by U.S. District Judge G. Thomas Eisele. The invocation was given by Rev. Emil Williams, pastor of the First Baptist Church of Jonesboro. U.S. District Judge Oren Harris read Judge Shell's commission, signed by President Ford and U.S. Attorney General Edward H. Levi. Judge J. Smith Henley, recently elevated to the U.S. Eighth Circuit Court of Appeals, administered the oath of office as Judge Shell stood with his right hand raised, his left on the Bible held by his wife Sara.

After Judge Shell received his judicial robes from Miss Lenita Stack, his veteran court reporter, he received a gavel from President Joe C. Boone, Jr. of the Craighead County Bar Association on behalf of the lawyers in the county.

U.S. Senator John L. McClellan, Chief Justice Carleton Harris of the Arkansas Supreme Court, Arkansas Congressmen Bill Alexander and Ray Thornton, President Robert C. Compton of the Arkansas Bar Association, and Edward L. Wright, Past President of the Arkansas and American Bar Associations spoke during the ceremony, praising Judge Shell's contributions to the Bench and Bar. Congratulatory telegrams from U.S. Senator Dale Bumpers, Arkansas Governor David Pryor and Congressman John Paul Hammerschmidt were read at the ceremony.

Following his investiture, Judge Shell held a reception in chambers for the many guests in attendance. More than 200 persons attended the luncheon honoring Judge Shell in the ballroom of the Carl R. Reng Center at Arkansas State University.

Terry Lee Shell is a native Arkansan born in Franklin, Arkansas, on April 22, 1922, one of two sons and a daughter born to the late Elmer G. Shell and Roxie Shell. Judge Shell's brother, the late Lt. John Russell Shell, was killed in action in North Africa in World War II. His sister, Mrs. Charles Wiles, resides in Jonesboro, as does his mother.

The Shell family moved to Jonesboro in Judge Shell's youth. He attended Jonesboro Public Schools and graduated from Jonesboro High School in 1939. He attended Arkansas State College (now Arkansas State University) until 1942, when he volunteered for the Army ASTP program. Judge Shell served during World War II with the 99th Infantry Division serving in Europe. During the "Battle of the Bulge" Judge Shell was captured by German troops.

Following discharge from the service in November of 1945, Judge Shell re-enrolled at Arkansas State College, receiving a BSE Degree in 1946. He then attended the University of Texas School of Law from 1946 through 1948 and graduated from the University of Arkansas School of Law in 1949, receiving LL.B. and JD Degrees from the University of Arkansas School of Law.

After graduation from law school, Judge Shell entered the private practice of law in Jonesboro, being associated with the late Edward L. Westbrook from 1949 through 1960.

Judge Shell served one term as a State Representative in the Arkansas State Legislature from 1953 through 1954. He was elected Prosecuting Attorney of the Second Judicial District and served as prosecutor from 1955 through 1960, when he was elected Chancellor of the Twelfth Chancery District. Judge Shell served as a Chancellor with distinction and honour from 1961 until his resignation on September 25, 1975, to accept appointment as U.S. District Judge.

During his ten years as Chancellor of the Twelfth Chancery District Judge Shell was an active member of the Arkansas Judicial Council, serving on the Executive Board as Vice President in 1971 and as President in 1972.

Judge Shell was one of 18 members appointed by Chief Justice Carleton Harris and then Attorney General Ray Thornton to serve on the Arkansas Criminal Code Revision Committee, which authored the new Criminal Code of Arkansas adopted as Act No. 280 of the Acts of 1975.

He is a member of the Craighead County, Northeast Arkansas, Arkansas and American Bar Associations and a member of the American Judicature Society. He is an active member of the First Baptist Church of Jonesboro. Judge Shell is married to the former Sara McCutcheon of Hooks, Texas. They are the parents of two daughters, Mrs. Larry (Suzanne) Churchill of Jonesboro and Jeannie Shell, a student at Jonesboro High School.

THADDEUS KOSCIUSZKO NATIONAL MEMORIAL TO BE DEDICATED

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. ANNUNZIO. Mr. Speaker, on February 4, I shall be privileged to attend the dedication ceremonies opening the Thaddeus Kosciuszko Home in Philadelphia, Pa., as a national memorial.

This is a most appropriate celebration of America's Bicentennial heritage of liberty and freedom, because Kosciuszko was one of the most outstanding of the Polish patriots who contributed to the American struggle for independence a much-needed scientific knowledge of military engineering and an unwavering enthusiasm for the cause of freedom.

Gen. Horatio Gates, a commanding general of the American forces said of this Revolutionary War hero,

> Let us be honest: the military skill of General Kosciuszko is as responsible for the victory of the Revolutionary War as it was at the Battle of Saratoga.

Indeed, this honor being extended to General Kosciuszko symbolizes the mighty contributions, made by millions of Polish-Americans who followed him, to the growth and advancement of our country throughout the 200 years since our original struggle for freedom. It is important for all Americans to remain aware of the fact that American greatness is the result of vital contributions made by all of the ethnic groups who emigrated to this Nation.

In 1972, as a cosponsor of legislation to designate Kosciuszko's home at 301 Pine Street, in Philadelphia, as a national memorial, I was proud to join with the American Polonia in their efforts to achieve national recognition of the heroic accomplishments made by this freedom fighter.

After meeting with the Secretary of the Interior Rogers C. B. Morton, I was encouraged by the Interior Department's reversal of its previous recommendation that the Kosciuszko Home was unworthy of restoration, and after further consultation with appropriate Members of the House of Representatives during that summer of 1972, hearings on my bill were held and the legislation subsequently passed the Congress and was signed into law.

Special recognition, however, should go to Mr. Edward J. Piszek who is the single most important individual involved in efforts to have the Kosciuszko house restored in time for America's 200th anniversary celebration. Mr. Piszek purchased the home, and the property next door to the Kosciuszko residence, to save it from being destroyed in Philadelphia's redevelopment efforts. He subsequently turned the two properties over to the National Park Service without charge so that this historic edifice would be saved for generations of Americans to enjoy and be reminded that only through struggle and sacrifice can liberty be won and freedom's precious ideals be perpetuated.

Mr. Speaker, by setting aside the home in which Kosciuszko resided at 301 Pine Street in Philadelphia as a national historic site, we say publicly that the selfless spirit of a very great man shall never be forgotten by a grateful America.

REINTRODUCTION OF THE GRAND JURY REFORM ACT

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. CONYERS. Mr. Speaker, today I am reintroducing the grand jury reform act, with six substantive modifications. Except for these changes and several technical improvements, the bill remains identical to H.R. 2986 which I introduced with 24 cosponsors in the 1st session of the 94th Congress.

The Subcommittee on Immigration, Citizenship and International Law, chaired by our able colleague from Pennsylvania (Mr. EILBERG) is scheduled to begin shortly hearings on this subject. The bill I support is designed to end the pattern of grand jury abuse of recent years, and would introduce rudimentary protections and rights into the grand jury process and take important steps to restore the independence of the grand jury from the prosecutor. The following is a summary of the bill, with the new modifications appearing in italics:

SUMMARY OF THE GRAND JURY REFORM ACT OF 1976

RECALCITRANT WITNESSES

Twelve or more members of the grand jury must vote to make application to the court for an order directing a recalcitrant witness to show cause in a hearing why he should not be held in contempt.

Gives the witness ten days notice of a contempt hearing. In the case of a witness subpoenaed to trial, and upon a showing of special need, shorter notice may be given, but not less than five days.

The witness has the right to appointed counsel in contempt proceedings, if the witness is unable to afford it.

Imprisonment shall be in a federal institution, unless the witness waives this right.

Reduces the period of imprisonment from a maximum of 18 to 6 months for civil contempt, and prohibits reiterative contempt, *both civil and criminal*, by making the six months cumulative, applying it against any confinement resulting from prior, subsequent, or related grand jury investigations.

Provides that the confined person shall be admitted to bail, pending appeal, unless the appeal is patently frivolous and taken for delay. Appeals shall be disposed of pursuant to an expedited schedule, eliminating the unique "'30 day rule", which requires that appeals be decided within 30 days.

Provides that a refusal to answer questions or provide other information shall not be punished if the question or request is based on any violation of the witness's constitutional or statutory rights. *Moreover, relevance standards are defined for a subpoena and for grand jury questions, introducing at least some check on previously limitless prosecutorial discretion.*

Applies all of the above protections to witnesses subpoenaed to trial as well as grand jury witnesses, with the exception of grand jury voting, where in trial the determination is made by the court.

NOTICE TO THE GRAND JURY OF ITS RIGHTS AND DUTIES

Requires that the district court judge who empanels the grand jury give instruction to the grand jurors at the beginning of their term, including: grand jury powers with respect to independent investigation, its right to call and interrogate witnesses, its right to request documents and evidence, the subject matter of the investigation, the necessity of legally sufficient evidence to indict, and the power of the grand jury to vote before a witness may be subpoenaed, granted immunity, be given contempt hearing or indicted.

Prescribes that failure to so instruct the grand jury is just cause for a refusal to testify or for a dismissal of an indictment by that or a subsequent grand jury on the same matter.

INDEPENDENT INQUIRY

Allows the grand jury, upon notice to the court, to inquire on its own initiative into offenses committed by Government or former Government officials. *However, a grand jury must first attempt to work with the U.S. Attorney beforehand.* The grand jury shall serve for 12 months with no more than two extensions for a maximum of 24 months.

A citizen has the right to bring a complaint to the grand jury, with the requirement that the complaint first be brought to the U.S. Attorney, who must keep an open record of such complaints and their disposition, and only then can the court be approached to arrange a grand jury appearance.

Provides that the court, upon a vote of the grand jury, shall appoint a special attorney to assist the grand jury in investigation. Such attorney will be paid $100/day and may fix compensation for such assistants as is deemed necessary, with the approval of the court. Such attorney shall have exclusive power to assist the grand jury and shall sign any indictment, in lieu of a Government attorney.

RIGHTS OF GRAND JURY WITNESSES

Provides that subpoenas be issued only on an affirmative vote of 12 or more members of the grand jury. Subpoenas are not returnable on less than seven days notice. The subpoena must advise the witness of the right to counsel, the rights against self-incrimination, whether his conduct is under investigation, the subject matter of the inquiry, and the substantive statutes involved. Any witness not advised of these rights cannot be prosecuted, subjected to penalty, or have the evidence used against him in court.

The requirement is added (in keeping with ABA standards) that a witness who declares his intention to claim the fifth amendment right against self-incrimination should not be subpoenaed to the grand jury unless an immunity order is obtained.

Gives witnesses the right to have counsel in the grand jury room, such counsel to be court appointed where appropriate. Counsel shall not be bound by secrecy.

Prescribes that when an investigation includes violations of substantive criminal statutes as well as conspiracy, the grand jury may not be convened in the district where only the conspiracy is alleged. On the motion of the witness the court shall transfer the investigation to another district in which the proceedings may be properly convened. The court shall take into account the distance of the proceedings from the residence of the witness, other burdens on the witness, and the existence and nature of any related proceedings.

Once a grand jury has considered a matter, the Government shall not bring the same matter to another grand jury unless the Government shows and the court finds that the Government has discovered additional relevant evidence.

Provides that transcripts shall be made of the proceedings and be available to the witness, a copy shall be furnished without cost.

Gives the witness and his counsel the right to examine and copy any statement of the witness in the possession of the United States which relates to the matter under investigation.

Witnesses are given the right to file additional clarifying comments to their grand jury testimony, which will be included in the record and circulated to the jury.

Provides that no person shall be required to testify or be confined if, upon evidentiary hearing, the court finds: (a) a primary purpose or effect of the subpoena is to secure for trial evidence against a person already under indictment or formal accusation. (b) Compliance with the subpoena is unreasonable or oppressive and involves unnecessary appearances; or the only testimony that can reasonably be expected is cumulative, unnecessary or privileged. (c) The primary purpose of the subpoena is punitive.

Gives the court in the district out of which the subpoena was issued, the court in the district in which the subpoena was served, and the court in the district in which a witness resides concurrent jurisdiction over motions to quash and other relief. It allows such motions at any time. If a motion is made prior to or during an appearance, the appearance is stayed, pending ruling. If the motion is made during or subsequent to the appearance, the motion must be made in the district of the empaneled jury.

A person may testify on a matter before a grand jury or appear before a grand jury to request that it engage in independent inquiry, unless the court finds that such testimony or such appearance would serve no relevant purpose.

IMMUNITY OF WITNESSES

Abolishes all forced and use immunity before grand juries and courts. Transactional immunity is allowed with the written consent of the witness, and by affirmative vote of twelve or more members of the grand jury; or in the case of a trial proceeding, with the consent of the witness and by application of the U.S. Attorney.

Provides transactional immunity for witnesses before congressional committees and agency hearings.

REPORTS CONCERNING GRAND JURY INVESTIGATIONS

Requires the Attorney General to file detailed annual grand jury reports, describing: (A) the number and nature of investigations in which grand juries were utilized. (B) The number of reports for orders compelling testimony, and the number granted. (C) The number of immunity grants requested, the number approved, and the nature of the investigations. (D) The number of witnesses imprisoned for contempt, and the dates of their confinement. (E) An assessment of the effectiveness of immunity, including the number of arrests, indictments, no-bills, etc. Resulting from compelled testimony, and (F) A description of the data banks, etc. by which grand jury data is processed and used by the justice department.

EVIDENCE

Requires the Government to introduce all evidence in its possession tending to prove the innocence of a potential defendant.

Prohibits the grand jury from returning an indictment on the basis of hearsay evidence alone.

IDA NUDEL: A GUARDIAN ANGEL FOR SOVIET JEWS

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. EILBERG. Mr. Speaker, thousands of Soviet Jews are now in Siberian labor camps as "prisoners of conscience." Because they try to exercise their religious beliefs, or have made application to emigrate to Israel, Jews in Russia have been given lengthy and unjustified prison sentences.

Many Jewish prisoners are able to maintain some hope through contact with their "guardian angel," Ida Nudel. This woman, almost singlehandedly, is standing up against the public prosecutors of the Soviet Union, and exposing the unwarranted punishment of Soviet Jews who have expressed a desire to emigrate to Israel.

It is difficult for Americans to realize the living conditions in the isolated Siberian jails. The cold, dark cells, barely 12 by 12 feet, house six to eight prisoners. The health of those incarcerated is destroyed from the dampness and filth, and the isolation is sometimes successful in destroying their souls, as well.

Although the secret police have tapped her phone and prevented her from keeping a decent job, Ida Nudel knows the condition and whereabouts of every Jewish political prisoner.

One Soviet prisoner, Vladimir Markman, was arrested in 1972 for the "crime" of swearing at a telephone operator who had cut off his telephone call to Israel. For this offense, he was sentenced to 1 year in a Soviet labor camp. He also served 2 more years for saying that Jews were persecuted in the Soviet Union. Mr. Markman was released in the spring of 1975, and allowed to emigrate to Israel to join his wife and child.

Although his story has a happy ending, thousands of other persecuted religious and political prisoners are not so fortunate. Ms. Nudel is one of few persons in the Soviet Union who has had the strength to stand up against the tactics of fear so commonly used by the ruthless Soviet machine. Although she has been threatened, she is continuing her fight for the victims of Soviet political and religious repression.

After his move to Israel, Mr. Markman wrote a tribute to the Soviet "angel of mercy." I would now like to share this article with my colleagues, which details the lives of Jewish prisoners and the dedication of Ida Nudel:

For Whom Is the Bell Tolling?

(By Vladimir Markman, Former Prisoner of Conscience in the Soviet Union, now in Israel)

Prisoners had been released from prison camp early in the morning when the cold Siberian sun had become tired of rising over the endless Siberian Taiga. Around me, huddling in their camp rags, a handful of convicts crowded. It was April, the beginning of spring. They knew that in a month or two the trees would be covered by green foliage, and the road on which the prisoners leave the camp after their release would become marvelously beautiful. But the reputation of that road was evil. On it bandits sometimes accosted those who had left the camp. Usually after ten to fifteen years of imprisonment the poor devil had accumulated a little bit of money for his backbreaking toil. The violence is over in a flash: the money is taken from him and the poor fellow is either beaten until he is disfigured beyond recognition, or he is murdered. The most waited for, happiest day in the life of an individual, who again had become free, often ended in just such a fashion. "It would be good if we could get a ride to the station in an auto," said one of the prisoners, "the road is so dangerous."

I was looking for the last time at the downcast figures of the prisoners with their stone faces and petrified souls. I knew their thoughts well. Each of them were figuring out mentally how much time he had yet to serve. Each makes this calculation every day in spite of himself, every morning and every evening. Without glancing back, I went to the officer of the watch. The guards ordered me to remove all my clothes to see that I hadn't concealed some kind of note from a prisoner, or some sort of records. One of the secret-police guards muttered sullenly: "Who is it that has come to meet you, a relative?" I nearly jumped out of my skin from joy.

Naturally, it could only be Ida Nudel. She made sure that I would be met.

For the last time the ferocious faces of the secret-police guards looked me over at the gate. The bars are unbolted with a clanging and the gate flies open—freedom. At my first steps, I see an individual—a messenger from Ida Nudel, who has come to meet me, making the trip from Moscow of 4,000 kilometers. It was one of the Moscow activists, Mischa Lieberman. As we got into the car I took a last glance at the camp from the hilltop. It seemed to be a gigantic black rubbish pit, around which stood downcast solid walls of bare gray trees, which seemed to have stiffened from melancholy and despair.

When I arrived in Moscow, the first thing I did was make my way to Ida Nudel. I had never seen her, never been acquainted with her. But throughout the length of my prison term I felt her concern. Her letters gave me warmth, with an almost physical presence, in the cold Siberian nights when the cruel blizzards blanketed the camp, fettered by a heavy prison slumber. In her inscrutable way she found ways of helping me in my captivity which, unfortunately, now one cannot even recount.

As I waited for her outside her house, I noticed the warm May day. The trees were covered with a happy green shawl of spring foliage. Two young girls were rocking themselves on the swings with screeches of rapture. Suddenly BRR came to mind: Barracks of Reinforced Regime. Those individuals who, in the opinion of the administration, violated the regimen of the camp were put there. The cell, 4 by 4 meters, collapsible bunks—folded up at 6 in the morning and unfolded at 11 at night for sleep—hardly a gleam of light in the cell. Usually such a cell held six to eight people. Street clothes and shoes were taken from you and you were given thin sneakers. The floor was cement; temperatures ranged from 10 to 14 centigrade. One's day was taken up with either standing in one place or walking four steps forward and four steps back. There was no place to sit or lie; the stifling air, the stench, were overwhelming. Thus, half year later you leave with tuberculosis.

I was not destined to escape BRR. This was entirely obvious. Informers followed on my heels. The detachment chief found fault with every little thing. I had already been in isolation and next was BRR. I sent Ida Nudel a postcard in which I attempted to hint at my helpless situation. I didn't count upon anything happening, since one could hardly understand anything from my text, no less take action. I could not write a clear text, because the camp censor would not let it pass. How Ida figured it out is beyond understanding. A telegram was received from her at the camp: "Immediately cease the persecution of Vladimir Markman . . ."

Ida succeeded everywhere, in the office of the Public Prosecutor of the USSR, in the Central Committee of the Communist Party of the Soviet Union and in many other channels. If there was unwarranted punishment, it became known to all.

Now the Soviet Union tries to pretend that it represents a human regime. And not infrequently, fearing publicity, does not resort to the extreme measures which it resorted to before with great pleasure and undoubtedly would resort to again, but not on the same scale.

Here I am, on a warm spring morning, waiting for Ida Nudel, thanks to whom I was able to avoid the BRR punishment barracks. I imagined she would be a tall, big woman with a masterful gait. But suddenly a small woman in a sport coat passes me. There is a smile and a shyness in her eyes. She walks past and suddenly turns around and says: "Are you Volodya?" It is she, Ida Nudel! Yes, naturally that is how it should be, sister of all the convicts, our Ida: modest as a school girl, kind and selflessly devoted to each convict as to her very own brother.

Ida lives in one of the new apartments in the outskirts of Moscow. Her one-room apartment is modestly furnished. Naturally, she has a very low paid job or she doesn't work at all, since they don't put up with people such as her on jobs. The KGB knows each of her steps; her telephone has been disconnected. Naturally, her apartment is bugged. Her husband is in Israel; she is alone. No reason has been given for her refusal to emigrate.

Ida knows absolutely everything about each political prisoner serving time for wishing to go to Israel. But not every prisoner knows what Ida has had to do for them. It is not easy to save individuals from Vladimirsky Prison or from BRR.

And what does have to be done to save a Jewish young man whom the camp administration wants to throw to the mercy of the homosexuals or into an isolation cell? What can be done to help the relatives of the imprisoned, to comfort and cheer them, see their tears and hear their moans day after day? Ida knows better than anyone else.

And now, having myself left the Soviet Union, knowing all the brutality the KGB is capable of, I look with alarm at the punishment that is being prepared for Ida Nudel. The Moscow KGB has reached the extremes of cynicism. They want to put Ida Nudel in a psychiatric institution, allegedly for the purpose of compulsory treatment of alcoholism! Ida Nudel doesn't drink at all. What the psychiatric treatment for political dissenters consists of is well known. Mockery, painful injections, medicines that shatter the psyche—it is difficult to emerge physically or mentally healthy after such treatment.

Why does the KGB hate Ida Nudel? There are serious reasons for this. The fact of the matter is that the holiest of holies upon which Soviet power is based is fear. Imprisoning an individual in a prison camp, the system says to all remaining individuals: "The same thing is waiting for you." And suddenly someone is discovered who encroaches upon the holiest of holies of this system. Can there be a worse sin in the eyes of the KGB than helping political prisoners? Instead of shivering in fear, people are found who fight for those who have become the victims of repression.

A small woman stands before the gigantic ruthless Soviet machine. She stands before a machine which has with indifference suppressed not only individuals but entire nations, peoples and governments. And to this day, there are many indifferent individuals in the world, who look with indifferent curiosity at how the terrible millstones work.

Hemingway referred to this indifference when he said: "For whom does the bell toll? It tolls for you."

Translated from the Russian, December, 1975.

THREE ENGINEERS QUIT

HON. ANTHONY TOBY MOFFETT

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. MOFFETT. Mr. Speaker, nuclear power is a major national issue. Congress has made and will continue to make important decisions that will influence the decline or development of this industry. The nuclear industry frequently articulates its side of the story in the Halls of Congress, but I would ask that my colleagues seriously consider other perspectives for that reason, I submit for the RECORD a most disturbing New York Times story of February 3, 1976 by David Burnham entitled "Three Engineers Quit G.E. Reactor Division and Volunteer in

Antinuclear Movement". I urge my colleagues to take note of the engineers' criticisms of the industry.

The article follows:

THREE ENGINEERS QUIT GE REACTOR DIVISION AND VOLUNTEER IN ANTINUCLEAR MOVEMENT

(By David Burnham)

SAN FRANCISCO, February 2.—Three managing engineers from the division of the General Electric Company that builds nuclear reactors quit their jobs today and volunteered to work for the California movement to halt nuclear power.

Attempts to obtain a comment today from G.E.'s nuclear energy division were unsuccessful.

The three engineers, who abandoned positions that paid between $30,000 and $40,000 a year, said in an interview that they had decided to resign because they believed that nuclear energy represented a profound threat to man.

The decision of the three to speak out against what they had worked to build during most of their professional careers was seen as giving an important impetus to a California initiative proposal on the ballot in the June primary that eventually could lead to an end to the operation of atomic reactors in California.

Organizations in at least a dozen other states, mostly in the West, hope to get a variety of their own antinuclear initiative proposals before the voters in the November elections.

UTILITIES CONCERNED

Although industry lawyers have contended that the provisions of the California initiative and those of the other states may be found unconstitutional, the utilities and such lobbying groups as the Atomic Industrial Forum are deeply concerned about the apparently growing public position to nuclear power.

The three engineers who threw their experience and knowledge behind the coalition of groups trying to halt nuclear power in California were until today middle level managers in a G.E. facility in San Jose 48 miles south of San Francisco. Married, each with three grade school-age children, they are Dale G. Bridenbaugh, 44, years old; Gregory C. Minor, 38, and Richard B. Hubbard, 38. Together, they had amassed 54 years with General Electric.

"My reason for leaving is a deep conviction that nuclear reactors and nuclear weapons now present a serious danger to the future of all life on this planet," Mr. Minor, manager for advanced controls and instrumentation, said in his letter of resignation.

"From what I've seen, the magnitude of the risks and the uncertainty of the human factor and the genetic unknowns have led me to believe there should be no nuclear power," said Mr. Bridenbaugh, manager for performance evaluation and improvement.

THREAT OF ACCIDENT

"I am now convinced that there is no way you can continue to build plants and operate them without having an accident," explained Mr. Hubbard, manager for quality assurance of G.E.'s nuclear energy control and instrumentation department.

The three men discussed their decision to leave the only employer any of them has ever known and go to work for the groups opposed to nuclear energy during a three-hour interview yesterday in a hotel suite.

Each cited different incidents or problems that had played a part in his growing doubts about nuclear power, among them the explosion of a nuclear bomb by India, the disputed health effects of radiation, the American decision to sell reactors to Israel and Egypt and the serious accidental fire almost one year ago in the world's largest reactor complex at Brown's Ferry, Ala.

"I remember in 1969 or 1970 making a trip to Japan," Mr. Bridenbaugh recalled. "Up to this time I had always felt I was a white hat guy doing things to protect the environment, to clean up power plants. I had never really been directly questioned about whether nuclear power was right or wrong."

Mr. Bridenbaugh explained how he had arrived at his hotel and how, in response to a question from the bellboy, he had proudly exclaimed that he was in Japan to work on a reactor G.E. was building there.

"The bellboy kind of shrank back and said, 'I don't think that's a good thing,' " he said. "I have always remembered that; it was the first time I had ever been confronted with someone other than myself with doubts."

Mr. Minor recalled an occasion when he began working for G.E. at a Government facility in Hanford, Wash., when he looked down into a pool of water glowing with the intense blue radiation that plutonium gives off.

"I looked through that 10 or 15 feet of water, the life-saving shield between me and that fuel, and I knew that if any one of those elements were to come up and hit me in the eye, that I was dead, just like that. Or if the water was gone, I was dead, just like that," he said.

"And I got the feeling right there of the very precarious balance we have between radioactive materials in a safe state and radioactive materials in an unsafe state, and the dangers to life are that close."

HUMAN ERROR

Mr. Hubbard said his work in designing control rooms had led him to believe that "human error is a very credible event."

"The Brown's Ferry incident," he said "showed human fallacy. I have been involved in making a lot of field fixes in reactors and I have developed a strong feeling that we don't really know what is going on inside a reactor."

All three expressed disbelief that the United States would sell reactors to Israel and Egypt.

Mr. Bridenbaugh said: "As recently as last year I was giving a sales pitch, so to speak, a talk to delegates from Egypt, explaining to them how easy and safe and comfortable it is to operate a reactor, and about the same time Dick was talking to the Israelis. "I said to my boss, "How can we rationalize these sales." He said, "Well, I have struggled with myself, and I guess that the way I rationalize it, is if we don't do it, the French will, so what the hell'."

The man said that after developing their private doubts over a period of years, beginning a few months ago they came together, partly with the help of a nonprofit educational organization called the Creative Initiative Foundation.

All three said they had discussed the decision, the loss of income and the expected scorn of their fellow engineers with their wives.

"She has given me 100 percent support and there are positive benefits in that, having gone through this thing together, we have become a lot closer," Mr. Bridenhaugh said. "I am sure there will be hostility in the industry, that some will see us as traitors. As far as the people I know at G.E., I don't really expect anything other than the cold shoulder."

He said that he was not so much concerned about individual decisions facing the manufacturers, utilities and the Nuclear Regulatory Commission, but with the steadily rising pressure to keep the reactors operating as the nation increases its reliance on them.

He declared that when he personally began considering the safety question in connection with more than 20 G.E. reactors in the United States, "when I defined my program objectives it was not really to assess the safety of the plant, it was to see what could be done to assure their continued operation."

According to a recent report to the Government, General Electric is the world's largest manufacturer of nuclear equipment, having supplied 27 of the 99 reactors reportedly operating as of late 1974. According to Allan Benasuli, an analyst with Drexel Burnham, G.E.'s nuclear sales are about $450 million a year, or 4 percent of all its sales.

SAGINAW STUDENTS PREPARE PROPOSALS FOR STARTUP OF CON-CON

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. TRAXLER. Mr. Speaker, our Bicentennial Year is underway and so is the Saginaw Student Constitutional Convention. Since November I have shared the background of this historic event with you and all my colleagues, and over the next several days I will provide you with the news accounts of the proceedings.

We all know the importance of establishing a procedure whereby our body can function. The students in Saginaw, Mich., have attempted to develop these operating guidelines over the previous sessions. On Tuesday of this week they opened their convention and attempted to put those guidelines into effect.

The article by Jacqueline Bates in the Saginaw News provides a good summary of the initial procedural considerations demonstrated by the students involved in the convention. It also brings to light some good examples of the problems of trying to set up a workable program within very demanding time constraints.

Mr. Speaker, I am certain that after reading the following article you and all of my colleagues will recognize the effort demonstrated by these students and will be anxiously awaiting the stories related to the official actions of the Saginaw Student Constitutional Convention:

C (FOR CONSTITUTION)–DAY NEARS

148 STUDENT DELEGATES

(By Jacqueline E. Bates)

The debate is yet to come.

When the 148 delegates to the Student Bicentennial Constitutional Convention meet at the Civic Center Tuesday through Thursday, it may become a little chaotic.

To begin with, during the first hour the students must estabilsh rules to conduct the three-day meetings. The students may choose to keep their present code of conduct, or they may come up with something new.

Then delegates must discuss and approve proposals developed by various committees.

Only about half of the 148 delegates met Friday at Swan Valley High School for final preparation sessions that had been rescheduled twice. Area schools were closed because it was the end of the marking period. Heavy snow and a free school day apparently kept many students, and faculty advisers, away.

The four committees—bill of rights, judicial, executive and legislative—broke into groups for about a hour and a half to finalize their proposals. Several of the groups found they did not have enough delegates for a quorum, and will have to have their proposals approved in caucus next week.

One group, the Legislative Committee, met almost one hour longer than the other three committees and formalized all of their proposals except for the electoral college.

Tommy L. Ford, a senior from Buena Vista High School, chaired the committee and said he was very pleased with the progress of his fellow committee members.

"The problem at the last meetings was that people had to get up and go," he said.

"We got everything done except the electoral college, and I have decided—and I'm going to talk to my committee about it later—everybody who has an idea will present their different ideas and we'll vote on it. A lot of people would like to get rid of it (the electoral college) I know.

"The people in my committee are really bright people. There were some things that I wanted to get done, but I didn't. There were some ideas I wanted to get in and discuss with them."

Ford said he is confident the convention will be a success.

"I think everything's going to run smoothly except the bill of rights committee proposals," he predicted.

"That's where personal feelings come out and that's where you're going to get a lot of debate . . . especially on capital punishment.

"I think everything we put in here will be accepted in the Constitution, at least of a lot of it. The Bill of Rights is the main problem."

Thomas A. Ulmer, vice president of delegates, said the absence of many students did not prevent the others from working.

"Everything that was done today, the committees will vote on when a quorum is present," he said.

The Judicial Committee finalized its proposals a week ago, said Ulmer, a student at Bridgeport High School.

"I was pleased with the people that came," he continued.

"It seems a lot of people thought taking a day up north was more important than being here. Those who did show up are really interested in getting things done.

"I'm sure some of the committees will have to get together during or before the convention to finish their work."

Some delegates have already expressed their concerns about not having enough time to formalize their proposals and present them to the entire convention, Ulmer said.

"We had a lot of last-minute agenda questions," he said.

"Right now I can't even visualize how the convention's going to go. Either it's going to go good or there's going to be a lot of problems."

"I don't know if the Bill of Rights Committee will be ready."

Robin Elder, an Eisenhower student and temporary chairman of the Bill of Rights Committee, said her committee did not finish all of its proposals, but will be finished by Tuesday.

"It was kind of fiery," she said of her meeting.

"We're trying to decide on mercy killing and it's almost as bad as capital punishment . . . we got capital punishment passed.

"We didn't have a quorum and the proposals we passed we will present to the whole committee next Tuesday."

The Bill of Rights Committee has the most members of the four groups—68—and there were about 30 present for the final session.

That committee will be the last to present its proposals during the three-day sessions.

Robert A. Fitzgerald, chairman of the faculty committee responsible for organizing the convention, said he is pleased with progress of the event.

"Things are just beginning to gel," he said. "Everything went great. We get the last minute jitters about things being done, but we've been planning for a year and surprisingly things seem to be falling into place."

Teachers involved in the event worked well together, he said, with everyone doing their share.

"The only problem was that some didn't show up today," he said.

"Right now I think the only problem that would really be a catastrophe would be if the weather was bad."

Faculty advisors have decided bad weather conditions would be dealt with depending on how severe conditions are.

If it is necessary to cancel two days or more of the convention, the event will be postponed until April. If only one day is canceled, the sessions will resume at an area high school.

Cancellation of the convention will be decided by the Saginaw County Bicentennial Commission, sponsoring the convention in partnership with The Saginaw News.

Fitgerald emphasized the public is welcome to attend the convention.

VA ADMINISTRATOR RESPONDS TO CHICAGO TRIBUNE ARTICLES

HON. RAY ROBERTS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. ROBERTS. Mr. Speaker, recently a series of newspaper articles in the Chicago Tribune criticizing the operation of the Veterans' Administration have been placed in the Congressional Record. On January 22, 1976, the Honorable Richard L. Roudebush, Administrator of Veterans Affairs, replied to the criticisms in the first two articles in a TWX directed to Mr. Clayton Kirkpatrick, editor of the Chicago Tribune, in which he vigorously protested the charges made and termed the articles an example of "misleading reporting."

Mr. Speaker, I insert a copy of the TWX in the Record:

Based on reading just the first two articles in your current series on the Veterans Administration, I must vigorously protest this blatant example of misleading reporting.

The scare headline pronouncements on the Jan. 18 and 19 articles that veterans are the victim of a clumsy VA giant, and that poor care is common fare at VA hospitals obviously reflect the conclusions of your task force reporters, and not the conclusions of any knowledgeable and reputable authority.

To support these conclusions the reporters depend in the main on quotes from several complaining veterans (out of the many million we serve each year); one member of Congress; one VA nurse (out of the 25,000 employed by VA), and a few non-VA critics of the G.I. bill education program.

They also cite a couple of veteran hospitalization cases (out of the more than one-million patients VA treats each year), and a handful of general accounting office reports with no comment on VA replies to these reports, or subsequent corrective action where VA agreed with GAO.

The negative bias of the task force is exemplified by the reporters writing about a 1974 survey of VA hospitals by what the Tribune itself called a "prestigious" study group. The article talks only about the confusing rules governing admission to VA hospitals and clinics that is mentioned in the survey report. Totally ignored in this same "prestigious" report is one of the main conclusions that a great majority of VA patients are receiving good to outstanding medical care, and that most of the patients themselves felt their doctor had given them the best possible care, that VA hospital employees were dedicated to their mission, that patients were treated with respect and understanding, and that they would want to return to the same VA hospital again if the need arose.

I am confident that the 100 medical schools in America that help monitor the quality of VA medical care, and every other competent medical authority in the Nation with overall knowledge of the VA program would agree with the evaluation of this "prestigious" group. Yet your task force concludes that poor care is common fare in VA hospitals.

The initial article claims that because VA is big it is inefficient and should be broken up. This same specious reasoning could be used to argue that the Tribune with its massive circulation and staff must be inefficient and should be broken down into a dozen or so smaller daily newspapers.

The task force quotes Senator Proxmire. It could also have quoted the Senator's appropriations Subcommittee counterpart in the House, Rep. Edward P. Boland, who had this to say recently about VA: "The judgment of this subcommittee is that the VA does a truly remarkable job. The VA operates the largest hospital system in the world and does an absolutely fantastic job. Oftentimes the public, I think, doesn't realize the task that the VA has and also the dispatch, and I think the outstanding job that it does in servicing veterans. I am sure there are some problems from time to time, but there have to be in an organization so vast and so complex. Those are the problems that get into the press and onto television."

The task force reporters accuse Congress of enacting hasty, election-year legislation providing prepayment and advance payment of G.I. bill education allowances. They neglect to say that the administration first advanced this proposal, that it was carefully considered in Congress, and that the legislation has accomplished its real purpose of permitting additional thousands of veterans to go to school under the G.I. bill. They note the resultant overpayment problem, but don't mention that VA recovered $594 million in just the last 17 months. They observe there is abuse by some veterans, but at the same time fault VA for issuing what they call tough, new guidelines for correcting the abuse.

They accuse VA of tight-fisted pay policies knowing full well that pay scales are established by law, and only belatedly acknowledge a bonus pay law for doctors and dentists enacted last October. They say VA seldom permits its doctors to maintain private practices, and almost scoff at VA's chief medical director when he says the reason is an old-fashioned belief that "a VA physician's first allegiance and first responsibility is to his VA patient."

They criticize VA for assuming the National Cemetery System from the Army, and for embarking on a cemetery expansion program. They do not say the transfer was required by law, or that there was crying need for expansion because no new cemeteries had been established since 1950 despite the tremendous growth in the veteran population.

They say there was no need for VA to place 1,300 vet reps on college campuses to assist veterans going to school. And yet VA has literally hundreds of letters from college officials all over America—including 10 from Illinois colleges alone—highly praising this innovative act and the great assistance it has afforded both colleges and the veterans in training.

Tribune readers would have difficulty finding one positive or good word about VA and its performance. Yet I, our chief medical director, and scores of other VA officials were interviewed at length, and hundreds of hours were devoted by VA people in cooperating with the task force's research mission. It is our policy in dealing with media to be completely open and truthful, but we are also positive in our approach. Just as the Tribune proclaims it is "the world's greatest newspaper," we sincerely believe that VA is doing the best job of any Federal agency. In the opening articles I have seen, however, even the few VA quotes that were screened out for use generally were diminished by the constant use of the words "admitted" and "conceded."

I frankly cannot conceive of how a series of articles could be so one-sided and distorted unless the task force deliberately set out to denigrate the VA, and then dug diligently for every shred of criticism and discontent to accomplish the objective.

Since the articles I have seen thus far malign not only the VA and its more than 200,000 dedicated employees, but also Congress and the veteran organizations, I respectfully ask as a matter of fairness that you publish this telegram as soon as possible to give your readers a semblance of balance and perspective.

Richard L. Roudebush,
Administrator of Veterans' Affairs.

A BICENTENNIAL SALUTE TO REV. THEODORE S. LEDBETTER

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. FAUNTROY. Mr. Speaker, as this great Republic celebrates its Bicentennial and we reflect upon the virtues of the Founding Fathers of our Nation, I think it most appropriate that we pay tribute also to those who today carry on in the best tradition of the faith and works of the fathers of our country. Here in our Nation's Capital, we are privileged to have one such man whose life and works are the very embodiment of the faith, the sense of conscience and the response to duty that have so endeared the Founding Fathers to us all. I speak of the Reverend Theodore S. Ledbetter, esteemed minister of the Plymouth Congregational United Church of Christ.

History, Mr. Speaker, is nourished by instructive example. The instructive example of the life of Dr. Ledbetter has indeed enriched the public service, exalted the public life, and added luster to the work of the church in America.

The Reverend Theodore Ledbetter in over 30 years as an ordained minister has moved like a giant across the backdrop of our times. Educated at Atlanta University and Oberlin Graduate School of Theology, and recipient of honorary doctorate degree in 1968 from Ursinus College, Reverend Ledbetter is nationally recognized as an outstanding educator and towering intellectual in the religious community. He has held prominent positions in the United Church of Christ, including general synod delegate, chairman of Stewardship Council, and is currently a member of the executive council.

A man of inexhaustible energies, Reverend Ledbetter has devoted his talents to building bridges of racial understanding and advancing human relations. In cities like New Haven, and Washington, D.C., Reverend Ledbetter's dynamic leadership and social activism have promoted an era of racial brotherhood unparalleled in most American cities. His care and concern for the youth of this Nation have opened new vistas of opportunity and self-respect for our young people. He is one of the most popular leaders of youth summer camps around the country and is a much sought after guest lecturer at colleges and universities.

As minister of Plymouth Congregational Church, since 1958, Reverend Ledbetter's inspiring leadership has resulted in the construction of a beautiful four-building house of worship and a membership of over 1,400. His contributions to churchdom are matched only by his concern for his community and the citizens of Washington, D.C. He has served his community with distinction on the board of the Council of Churches, the United Planning Organization, and as a delegate to the National Democratic Convention.

Washingtonians celebrating our Nation's Bicentennial see reflected in Theodore S. Ledbetter the sterling qualities that endear the Founding Fathers to all Americans. As the patriots recognized the outstanding leadership qualities of the father of our country, George Washington, so four different church institutions over the past 40 years have earnestly sought and successfully achieved the privilege of following his leadership. Tillotson College of Austin, Tex., was fortunate enough to have him as its dean of men from 1935 to 1937. The Plymouth United Church of Christ of Louisville, Ky., was next to benefit from his leadership from 1937 to 1947. The historic Dixwell Avenue United Church of Christ of New Haven, Conn., was guided by his creative perceptive hand from 1947 through 1958. And since that time, of course, the citizens of our Nation's Capital have been blessed with his dynanism.

Theodore S. Ledbetter, Mr. Speaker, is a man imbued with the kind of "commonsense" that made Tom Paine the darling of the patriots of 200 years ago. I know this from very personal experience, Mr. Speaker. For it was my privilege while a student at Yale University Divinity School to do my field work at Dixwell Avenue Church, where Dr. Ledbetter was minister and thus to benefit greatly from his wise counsel. You can imagine, therefore, my joy at finding that as I began my ministry in 1958 here in the District of Columbia at New Bethel Baptist Church, I could depend upon his continued guidance and counsel because he, too, was coming to Washington to serve the Plymouth Church.

The practical wisdom of a Benjamin Franklin is seen in Dr. Ledbetter's prudent application of religion to life while a pastor in Louisville, Ky., by founding Camp Ski Hi for Boys, developing an effective social welfare program and reopening the Chestnut Street YMCA that had been closed for 32 years.

The political sagacity of a Thomas Jefferson is reflected in the fact that he is not only an acknowledged leader in Democratic Party politics, having served on the District of Columbia Central Committee, and having been a delegate to the 1960 Democratic National Convention, but also in the fact that he serves as a valued member of the executive council of his national church body, the United Church of Christ.

He is married to the former Orelia Washington of Beaumont, Tex., a public schoolteacher in Washington's C. Melvin Sharpe Health School for the physically handicapped. They have three adult sons: Ted, Jr., consultant on cable TV; Leslie, an editor for New York Times; and Charles, IBM senior programer.

I consider it an honor and a privilege to introduce this testimonial into the Congressional Record in recognition of Rev. Theodore Ledbetter, a great American who has earned, by his deeds, the respect and admiration of the citizens of our Nation's Capital as a founding father of religious leadership in Washington, D.C.

LIBRARY OF CONGRESS STUDY "SURVEY REPORT ON INDIVIDUAL RETIREMENT ACCOUNTS"

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. VANIK. Mr. Speaker, in a hearing on November 17, 1975, chaired by our colleague from Texas (Mr. Pickle), the Oversight Subcommittee of the House Ways and Means Committee released a study prepared by the Library of Congress on individual retirement accounts.

There has been an enormous amount of interest in this study, and I would like to enter it into the Record at this point so that it may be more widely avaliable:

Survey Report on Individual Retirement Accounts

(A Report Prepared According to the Instructions of the Honorable Charles A. Vanik, by the Education and Public Welfare Division, Congressional Research Service, Library of Congress)

INTRODUCTION

In mid-September, the Ways and Means Oversight Subcommittee requested the Congressional Research Service to study certain consumer problems in the marketing and sale of Individual Retirement Accounts (IRAs). Specifically, the Subcommittee was concerned whether adequate information was available to consumers regarding various administrative and acquisition costs and charges which are incurred by the purchasers of certain types of plans.

As a result of the request, the Congressional Research Service has conducted a survey, primarily in the Greater Washington, D.C., Metropolitan Area, of

(1) the different types of fees and charges (and the quality of the disclosure of those charges) in IRAs offered by insurance companies;

(2) differences between IRAs sold by different industries: in particular, differences between IRAs sold by insurance companies and in IRAs sold by banks and savings and loan associations.

The CRS does not attempt to provide a shopping list or identify for the consumer any one "best" plan. In purchasing a retirement plan, each consumer must determine his own unique needs. In addition, the consumer should note that interest rates and investment returns on stock portfolios—which primarily determine the retirement pay-out—have fluctuated in recent years. For example, interest rates are recently at historic highs, but long range interest rates can only be guessed at. In addition, legislation is moving in the Congress which could result in fundamental changes in the interest rate relationship between commercial banks and savings and loans. The result is that the consumer must realize that an IRA is an investment and subject to variation in the rate of return. Some consumers may want to place their IRA in an investment medium with a higher investment risk such as a mutual fund or an insurance company variable annuity in the hope that market developments will enable its investment portfolio to pay a rate of return in excess of the traditional interest rates paid by commercial banks and savings and loans. Another investor may choose to purchase an IRA from a commercial bank or a savings and loan association with a fairly predictable interest rate.

These decisions must be made by the consumer. This study only identifies some of the differences (1) among insurance plans and (2) among insurance plans and plans purchased from commercial banks and savings and loans, and plans utilizing government retirement bonds.

Since IRAs provide a tax deduction to the purchaser, it is anticipated that there will be a major increase in IRA purchases during the remaining weeks of 1975 before the tax year ends. As early as July 31, 1975, Secretary Simon testified before the House Ways and Means Committee that:

"Every day we see articles or advertisements in the newspapers explaining the advantages and benefits of an IRA, and people are responding to those advertisements. They are increasing their retirement savings."

Therefore, increased consumer awareness of differences between IRAs is particularly important at this time.

BACKGROUND

Prior to the Employee Retirement Income Security Act of 1974 (ERISA) when an employee save independently for his own retirement, both his contributions and the investment earnings on his retirement savings were currently subject to taxes. However, corporate pension plans and retirement plans for the self-employed enjoyed favorable tax treatment. Both the contributions which an employer made to a qualified private retirement plan on behalf of his employees and the investment earnings on these contributions were generally not subject to taxes until they were paid to the employee or his beneficiaries. The tax liability on investment earnings was also deferred when an employee contributed to the plan, although the contribution itself was taxable.

In his December 6, 1971, message to Congress transmitting recommendations for private pension reform, President Nixon stated that:

"This inequity discourages individual self-reliance and slows the growth of private retirement savings. It places an unfair burden on those employees (especially older workers) who want to establish a pension plan or augment an employer-financed plan. To provide such persons with the same opportunities now available to others. I therefore ask the Congress to make contributions to retirement savings program by individuals deductible up to the level of $1,500 per year or 20% of income, whichever is less. Individuals would retain the power to control the investment of these funds, channeling them to bank accounts, mutual funds, annuity or insurance programs, government bonds, or into other investments as they desire. Taxes would also be deferred on the earnings from these investments."

During the deliberations on pension reform legislation, the House Ways and Means Committee was cognizant of the fact that, not counting Social Security, over one-half the workforce was not covered by any pension plan; yet these uncovered workers were in essence subsidizing the pensions of covered workers through taxes that they paid. The pension community which could render retirement savings services to the noncovered groups was interested in the inclusion in pension legislation of some tax incentives for individual retirement savings.

The Ways and Means Committee Report on H.R. 12855 (H. Rept. No. 93-807)—which eventually became title II of the House-passed version of ERISA—stated that: "Another objective of the Committee bill is to provide more rational and equitable tax treatment under retirement plans." To do this the Committee "believes that there is need on equity grounds to grant individuals who are not covered by any kind of qualified pension plan some of the tax advantages associated with such plans by providing them with a limited tax deduction for their retirement savings."

In the final legislation, individuals who were not covered under any qualified pension plan (government or private) were given a tax incentive for the first time to save for their own retirement.[1] Specifically individuals not covered by a qualified retirement plan[2] are now entitled to take a tax deduction of 15 percent of earned income or $1,500 a year, whichever is less, for retirment savings and place the money in an Individual Retirement Account (IRA), deferring the tax liability on their contributions and earnings until they start drawing their pension. At that time the individual is likely to be a lower income bracket and, if age 65 or over, entitled to an additional tax exemption.

Under ERISA, tax deductible contributions to an individual retirement savings program can be made through:

(1) An *individual retirement account* at a bank, federally insured credit union, savings and loan association, or certain other persons who, under regulations, act as a trustee or custodian;

(2) An *individual retirement annuity* of a life insurance company;

(3) *Individual retirement bonds* purchased from the United States Government; or

(4) A *trust account* established by an employer, or an employee association.

THE MODEL TRUST AGREEMENT AND IRS PUBLICATION 590

In the Conference Report accompanying ERISA (H. Rept. 93-1280) it was stated that it was the understanding of the conferees:

". . . that the Internal Revenue Service anticipates developing a prototype individual retirement account which would include a full disclosure of all the material elements governing the retirement savings deduction. This prototype plan would quality under the requirements for an individual retirement account. Other plans would be required to seek prior approval from the Internal Revenue Service and the conferees expect that one of the requirements for approval would be a disclosure statement of all the material elements governing the retirement savings deduction."

The Internal Revenue Service has formulated a model trust and a model custodial account agreement form that meets the requirements of an individual Retirement Account for those individuals who wish to adopt this program. Form 5305 (Individual Retirement Trust Account) and Form 5305-A (Individual Retirement Custodial Account) have been designed for this purpose. These forms are agreements entered into between the eligible individual and the trustees or custodian. They are not filed with the Internal Revenue Service. Contributions made under the Model Trust or Model Custodial Account are deductible within the prescribed limits, provided the terms and conditions of the trust or custodial account are followed.

Both forms outline the material elements governing the legislative requirements for an IRA account, including:

Contributions to an IRA must be in cash with any contribution in excess of the limitations being subject to a nondeductible 6 percent excise tax.

Except in the case of death or disability, distributions may not begin before age 59½.

Premature distributions, taxed as ordinary income, are subject to an additional 10 percent penalty tax.

Attempts to borrow IRA assets will result in the immediate disqualification of the IRA plan with the entire assets subject to ordinary income taxation.

Distributions must begin by age 70½ and be made at a rate sufficient according to law to avoid a 50% penalty.

The Conference Report went on further to state that:

"The conferees also expect the Internal Revenue Service to develop a pamphlet which sets forth the restrictions and limitations with regard to the individual retirement accounts, including, for example, the penalties for premature distributions, the fact that the account is not eligible for estate and gift tax advantages or the lump-sum distribution rules that qualified plans are entitled to. It is the hope of the conferees that such pamphlet would receive wide distribution so that individuals would be fully informed on the restrictions and limitations of such an account."

The Internal Revenue Service issued such a pamphlet in April 1975 entitled "Tax Information on Individual Retirement Savings Programs" (Publication 590). This publication outlines such matters as which individuals are eligible to set up an IRA account, the amount of the allowable deductions, methods of participation, tax penalties for excess contributions, and various prohibited transactions. It does not, however, caution the taxpayer as to the load factors[3] associated with certain investment mediums or other sales or custodial charges that are often incurred in establishing an IRA account. In this regard, the Conference Report expressed special concern that the consumer be advised of charges which might be associated with insurance contracts:

"Also, in accordance with regulations to be prescribed by the Secretary of Treasury or his delegate, there is to be disclosure of such matters as load factors for insurance contracts and earnings factors for individual retirement accounts. These required disclosures are to be made in layman's language, and civil penalties are imposed under the substitute for failure to adequately disclose."

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[1] The term "government plan" means a plan established and maintained by the Federal, State, or local government. However, Social Security and Railroad Retirement plans are not considered government plans.

[2] Such as a qualified pension plan, profit-sharing plan, thrift plan, stock bonus plan, governmental retirement plan, tax-sheltered annuity plan, a qualified bond purchase plan of an employer, or a qualified plan for selfemployed individuals.

[3] A front end load is the charging of a larger percentage of the commissions and other sales charges against the first year's premium, and a smaller amount in subsequent years. For instance, a life insurance company may have a load charge of 30% of the first year's premium and 9% of each year's premium payment thereafter.

Although the Individual Retirement Account deduction has been available since the first of this year temporary disclosure regulations were not published by the Internal Revenue Service until November 6, 1975.

VARIATIONS BETWEEN INSURANCE COMPANY IRA DISCLOSURES

In the interim before temporary regulations were issued, the matter of disclosure had been left up to the individual insurance companies. Without regulations setting forth standardized disclosure requirements, the degree and number of disclosure of load factors and other fees and commissions has varied from company to company.

In response to the request to the Congressional Research Service, we surveyed the different types of charge and fee disclosures made by life insurance companies. Our survey is based principally on the sales literature offered by nine life insurance companies. If rates of return, load factors, and other sales and expense charges were not delineated in the literature offered consumers, followup conversations were made with company representatives in the time permitted to ascertain these items. Our survey was based on only nine life insurance companies and we believe that certain general observations may be made for IRAs offered by these companies.

1. Promotional literature

Life insurance companies have been actively marketing IRAs. The promotional literature on IRAs often shows projected growth of various sums of money in a tax-deferred IRA account compared to the same savings in a non-tax-deferred account. In this study, we found that an interest rate of 5% or 5½% is usually used in the promotional literature for illustrative purposes. The results are quite impressive. For instance, one brochure available from a life insurance company shows that an individual contributing $1,500 a year into a IRA would have $104,642 at the end of 30 years whereas without IRA tax deferment the accumulation would be only $62,794—a difference of $41,848. However, these illustrations do not reflect taxation at the time of retirement payout, although the literature makes note of the ultimate tax liability. The brochure states, however, that the company does not guarantee the 5% rate of return used in the illustration nor does it reflect the sales and acquisition charges in its growth projections. The projections are qualified by the following statement in small print:

"Results shown should not be considered as a representation of an actual IRA investment. The comparison is solely intended to illustrate the advantages of having a tax-sheltered plan over that of a non tax-sheltered plan. . . . no provision has been made for sales, acquisition or other charges usually incurred in an actual program."

The proceeds from IRAs are eventually subject to income taxation in the year the individual starts drawing out his retirement savings. The non-IRA account has already been taxed and additional taxes normally would not be incurred when drawn out at retirement.

In addition to these observations on the sales literature, the CRS discussed the plans with company representatives. The survey revealed that local agents of the insurance companies did not always possess a sound working knowledge of IRAs—particularly with regard to load factors and sale charges. They frequently could not answer specific questions or provide information beyond that which was presented in the sales literature.

2. Complexity of contracts

The arrangements offered by insurance companies can be relatively complicated and difficult for a layman to understand.

Life insurance companies offer a wide variety of products designed to meet the various needs of different individuals. IRA provisions have often been incorporated with these pre-ERISA products. Among the IRA arrangements that are offered by the life insurance industry, an individual may choose a fixed annuity, a variable annuity, a mutual fund, a retirement endowment contract, a retirement income contract, a flexible premium retirement annuity, a split-funded annuity, or a single premium annuity. The individual is also offered an option whereby the insurance company will continue making premium payments if the individual becomes disabled. (It is not clear at this time whether IRS will consider this a tax deductible item.) Another feature offered by a life insurance company is that if the individual dies before retirement, there is a pre-retirement death benefit equal to the guaranteed cash value of the annuity, or the sum of all purchase payments made, whichever is larger. However, this essentially places the IRA with an insurance company on the same footing as a bank or savings and loan IRA. In other words, if the individual dies relatively early after setting up an IRA his beneficiary will at least recoup the load costs that were factored in during the early years. However, the cost of this 'incidental" life insurance protection is not a tax deductible item.

It is important, therefore, for the consumer to be aware of the fact that only the retirement savings element in the contract, and not the part of the premium used to purchase life insurance, is to be tax deductible. The insurance company issuing the contract is required to provide the individual with an annual statement indicating the portion of the premium that is deductible and the portion that is allocated to life insurance and is not tax deductible.

3. Fees, commissions, and load factors

The amount of the load charge associated with an insurance IRA annuity varies from company to company. An insurance company may deduct 8 or 8½% of each premium payment as a level load charge or have a front end load charge of say 30 or 40% of the first year's premium, and 6 to 9% of each premium payment thereafter.

The manner in which life insurance companies deal with the disclosure of load factors and other charges also varies from company to company. Some companies cite the actual charges whereas others build them into tables showing the guaranteed cash value and the illustrative growth.

Following is a simplified summary chart showing the load charges frequently associated with a flexible premium retirement annuity offered by the nine life insurance companies included in our survey. The flexible premium retirement annuity is most similar to a savings and loan IRA. A detailed breakdown of the actual load charges is appended.

Illustrative comparison of load charges frequently charged by insurance companies—flexible premium annuity plans

Manulife ____________	40 percent first year, 6 percent thereafter.
Prudential ___________	8¾ percent.
New England Life_____	8 percent.
Mutual Benefit Life___	30 percent first year, 9 percent thereafter.
Connecticut General_	*20 percent first year, 5 percent thereafter.
Connecticut Mutual___	8–9 percent.
Metropolitan Life_____	*20 percent first year, 5 percent thereafter.
Pacific Fidelity Life___	6 percent.
Occidental Life________	8½ percent of first $15,000, 6 percent next $35,000, etc.

*Estimated by company. Actual charges would vary depending on age of individual and length of policy.

It should also be noted that life insurance companies usually charge the consumer an additional amount if he makes his premium payments more frequently than annually. This charge primarily reflects the added cost of billing the customer each month and to process the smaller premium payment. One advantage of billing a consumer is that it serves to remind him of his retirement saving objective.

4. Withdrawal or discontinuance of an IRA

One matter which a consumer must be aware of is that he will be ineligible to make IRA contributions if he becomes an active participant in another tax-qualified retirement plan.[4] Thus, he woulld have to cease making contributions. Under other circumstances, an individual may be eligible for an IRA deduction, but he may be financially unable to continue with his retirement savings. There would be financial consequences if the individual's IRA were with a life insurance company having a front end load—the reason being that the individual could not contribute additional sums to his account, and if an endowment policy is being utilized, any cessation of premiums is considered a "lapse". The value of the contract in this event is the cash surrender value, or its equivalent in terms of a reduced paid-up endowment if the contract is not surrendered for its cash value. Life insurance companies point out that this type of front end load policy is recommended only if the outlook is good for long term eligibility for IRA and continuation of premium payments.

For this reason, one life insurance company cautions the consumer that "it is inadvisable for the taxpayer who expects at an early date to be an active participant in a plan to establish an Individual Retirement Annuity." Another company states to the consumer that "The Flexible-Purchase Pension Annuity is intended primarily to provide pension retirement benefits. For a number of years after the date of issue of the contract, the cash-value will be less than the total of the purchase payments made to the company."

5. Minimum guaranteed return

Insurance companies indicate they will pay whatever their current dividend schedule is although they usually guarantee to pay at least a 3 or 3½% return. They caution the consumer, however, that the dividend schedule is not a guarantee and is subject to change.

Life insurance companies base their projections of growth of an IRA policy on the current rate of return of the company. The actual percentage rate is usually not shown, nor were we able to secure this information in most cases. However, the current rate of return of the companies in our survey appear to be about 7 or 7½%. The consumer is cautioned that the rate of return available in the future will depend on changing business and economic conditions, and other items such as mortality experience and expenses, and that the dividend scales will therefore be changed from time to time. Thus, their growth projections show what the results would be after charges are deducted if the current rate of return were to continue without change.

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[4] However, on October 29, 1975, the Ways and Means Committee approved a measure which would permit an individual covered by a limited pension to supplement employer contributions provided combined contributions did not exceed the present 15 percent $1,500 limitations.

MOVE FOR ADOPTION OF AMENDMENTS

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. FRENZEL. Mr. Speaker, the House is scheduled to act on H.R. 11552, the postcard registration bill. I hereby serve notice of my intention to move for the adoption of the following eleven amendments:

AMENDMENT TO H.R. 1686 OFFERED BY MR. FRENZEL

Page 2, line 4 and 5, strike out "an elector for President and Vice President,".

AMENDMENT TO H.R. 1686 OFFERED BY MR. FRENZEL

Page 2, line 13, strike out "and any election" and all that follows through "delegates to such a convention".

AMENDMENT TO H.R. 1686 OFFERED BY MR. FRENZEL

Page 6, lines 1 and 2, strike out "and as the Administration determines appropriate".

AMENDMENT TO H.R. 1686 OFFERED BY MR. FRENZEL

Page 6, immediately after line 22, insert the following new subsection:

(d) Registration forms may be prepared in a language other than English.

AMENDMENT TO H.R. 1686 OFFERED BY MR. FRENZEL

Page 6, immediately after line 22, insert the following new subsections:

(d) Registration forms shall be prepared in a language or languages other than English for each State with respect to which the Administration determines, from the most current and accurate data available, that at least 5 percent of the residents of such State or 50,000 such residents (whichever number is less) do not speak or understand English with reasonable facility. The Administrator shall certify any such State as a bilingual State.

(e) In any State certified as a bilingual State under subsection (d) bilingual registration forms shall be provided in the predominant foreign language or languages (as determined by the Administrator) and in English, and any instructions, notices, or accompanying materials shall be prepared in such foreign langauge or languages as well as in English.

(f) In any State not certified as a bilingual State under subsection (d) registration forms may be provided in a foreign language or languages other than English.

AMENDMENT TO H.R. 1686 OFFERED BY MR. FRENZEL

Page 6, line 23, strike out "Distribution" and insert in lieu thereof "Availability".

Page 7, strike out line 2 and line 3, and insert in lieu thereof the following: officials with respect to the availability of registration forms in post offices and appropriate Federal, State, and local government offices. Such registration forms shall be generally available, and this section shall not be construed to place any time limitation upon the duration of such availability."

Page 7, strike out line 4 and all that follows through page 8, line 2.

Page 8, line 3, strike out "(d)" and insert in lieu thereof "(b)".

Page 8, line 5, strike out "for the distribution" and insert in lieu thereof "with respect to the availability".

Page 8, strike out line 7 and all that follows through line 11.

AMENDMENT TO H.R. 1686 OFFERED BY MR. FRENZEL

Page 13, line 12, strike out "sections 6 and 7" and insert in lieu thereof "section 6".

Page 13, strike out line 13 and all that follows through line 23.

AMENDMENT TO H.R. 1686 OFFERED BY MR. FRENZEL

Page 7, line 11, strike out "a sufficient quantity" and all that follows through "rural or star route" and insert in lieu thereof "one postcard for each person 18 years of age or older".

Page 8, strike out line 7 through line 11.

AMENDMENT TO H.R. 1686 OFFERED BY MR. FRENZEL

Page 7, strike out line 22 and all that follows through page 8 line 2, and insert in lieu thereof the following:

(c) The Postal Service shall distribute the registration forms no earlier than 120 days or no later than 60 days before the close of registration for each biennial general election.

AMENDMENTS TO H.R. 1686 OFFERED BY MR. FRENZEL

Page 9, line 1, strike out "may" and insert in lieu thereof "shall".

Page 9, lines 2 and 3, strike out "is authorized to" and insert in lieu thereof "shall".

AMENDMENT TO H.R. 1686 OFFERED BY MR. FRENZEL

Page 10, line 13, immediately after "that State." insert the following: "The Administration is authorized to compensate any State which adopts a centralized accounting system for voter registration form processing costs."

AMENDMENT IN THE NATURE OF A SUBSTITUTE

Offered by Mr. Frenzel

Strike out all after the enacting clause and insert in lieu thereof the following:

That this Act may be cited as the "Voter Registration and Election Administration Assistance Act of 1976".

SEC. 2. The Federal Election Campaign Act of 1971 is amended by redesignating title IV as title V; by renumbering sections 401 through 408 as sections 501 through 508, respectively; and by inserting immediately after title III the following new title:

"TITLE IV—ASSISTANCE FOR VOTER REGISTRATION AND ELECTION ADMINISTRATION REFORM

"SHORT TITLE

"SEC. 401. This title may be cited as the 'Voter Registration and Election Administration Assistance Act'.

"DEFINITIONS

"SEC. 402. As used in this title—

"(1) the term 'State' means each State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States;

"(2) the term 'political subdivision' means any city, county, township, town, borough, parish, village, or other general purpose unit of local government of a State, or an Indian tribe which performs voter registration or election administration functions (as determined by the Secretary of the Interior); and

"(3) the term 'grant' means any grant, loan, contract, or other appropriate financial arrangement for the purpose of voter registration or election administration.

"ESTABLISHMENT OF GRANT PROGRAM

"SEC. 403. The Secretary of the Treasury shall, in accordance with the provisions of this title, make grants to the States to carry out programs to encourage voter registration, education, and participation.

"APPORTIONMENT OF GRANTS

"SEC. 404. Amounts appropriated to carry out the provisions of this title for any fiscal year shall be apportioned to each State in an amount which bears the same ratio to the aggregate amount so appropriated for such fiscal year as the voting age population in such State bears to the total voting age population in all the States.

"DELEGATION OF AUTHORITY

"SEC. 405. The chief election officer of each State shall be charged with responsibility for administering grants made under this title. The chief election officer may, after properly and equitably distributing each grant made under this title in accordance with State law, delegate all or part of his responsibility under this title to appropriate officials of the political subdivisions of the State to which any distribution of a grant is made.

"USE OF FUNDS

"SEC. 406. (a) Each State may, in its discretion, allocate all or part of any grant made under this title to political subdivisions of such State. Each grant made under this title shall be used for programs related to voter registration and election administration, including but not limited to—

"(1) programs to increase opportunities for voter registration, such as mail registration, expanded registration hours and locations, mobile registration facilities, election day registration, re-registration programs, door-to-door canvassing procedures, and other methods which the State may deem appropriate;

"(2) programs to improve election administration procedures, such as the purchase of additional voting machinery, organization and planning of election administration activities, improvements in ballot preparation and absentee ballot procedures, coordination of election activities, and other methods designed to facilitate the efficient functioning of the election administration process;

"(3) planning, evaluating, and designing the use of electronic data processing or other appropriate procedures to modernize voter registration and election administration and make such registration and administration more efficient, with special emphasis on techniques which would allow voter registration closer to election day;

"(4) programs for the prevention and control of fraud;

"(5) education and training programs for State and local election officials;

"(6) establishing nonpartisan programs for the purpose of voter and citizen education; and

"(7) other programs designed to improve voter education and participation that are approved by the States or political subdivisions thereof.

"(b) No State or political subdivision thereof shall use all or part of any grant made under this title to finance any activity funded by such State or political subdivision on April 1, 1975, unless such State or local financing is continued at the same level as existed on such date.

"(c) Nothing in this title shall be construed to require action by any State or political subdivision thereof. In any case in which a State or political subdivision thereof does not use all or part of any grant made under this title to carry out programs authorized under this title, the unused portion of such grant shall be returned to the Secretary of the Treasury at the end of the fiscal year for which the grant was made and the Secretary shall cover the funds so returned into the Treasury as miscellaneous receipts.

"REVIEW OF PROGRAMS BY THE COMPTROLLER GENERAL

"SEC. 407. (a) The Comptroller General shall audit and review annually the programs of at least five States receiving grants under this title.

"(b) The Comptroller General shall disseminate to all the chief elections officers of the States a summary of the types of programs he found to be most effective and found to be least effective.

"(c) The Comptroller General shall collect, analyze, and arrange for the publication and sale by the Government Printing Office of infomation concerning voter registration and elections in the United States.

"(d) The General Accounting Office shall conduct a study of the reasons for the decline in voter participation and the role of registration obstacles in low voter turnout during the period beginning January 1, 1960, and ending December 31, 1974.

"(e) The Comptroller General shall submit to the President and to the Congress annually a report concerning his activities under this title, together with such recommendations as he may deem appropriate.

"CENTRALIZED VOTER REGISTRATION LISTS AND CONFIDENTIALITY

"SEC. 408. (a) The Federal Government is prohibited for maintaining a centralized voter registration list.

"(b) Nothing in this title shall be construed as allowing the disclosure of information which permits the identification of individual voters.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 409. For the purpose of carrying out the provisions of this title, there is authorized to be appropriated the sums of $35,000,000 for the fiscal year ending June 30, 1976.".

SEC. 3. Section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431) is amended by striking out "title IV" and inserting in lieu thereof "title V".

Amend the title so as to read: "A bill to amend the Federal Election Campaign Act of 1971 to establish a program of Federal financial assistance to encourage and assist the States and local governments in voter registration and election administration, and for other purposes.".

RESEARCH REPORT URGES UNITED STATES TO CUT COMMITMENT TO LIQUID METAL FAST BREEDER REACTOR

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. COUGHLIN. Mr. Speaker, the American Enterprise Institute recently released an enlightening report entitled, "The Liquid Metal Fast Breeder Reactor: An Economic Analysis."

The report was commissioned by AEI's national energy project chaired by the Honorable MELVIN R. LAIRD, cur esteemed former colleague, former Secretary of Defense and former domestic counselor to the President. The project was established in early 1974 in order to examine the broad issues affecting U.S. energy demands and supplies.

In commissioning the report, the project sought to attain an unbiased analysis of the cost benefits of the LMFBR. This study is particularly significant since most of the research to date on this program has been done either by environmental groups, which oppose it, or by those with a vested interest in LMFBR development, such as manufacturers of program components.

In essence, the report concluded that there are serious doubts about the assumptions and projections employed in the Atomic Energy Commission's cost-benefit analyses of the LMFBR. As a Congressman who has long questioned the statistics used to justify massive Federal spending on this program, I found the report's findings to be totally in accord with criticisms I have made about the cost effectiveness of the program. We must exercise caution to insure that our energy priorities are not misdirected or an irreversible commitment made to a program that could be out of date by the time it is commercially operative. I commend the report's findings to the attention of my colleagues and urge once again—as I have done repeatedly in the past—that they take the time to reflect on the wisdom of moving so rapidly forward on the LMFBR when there are still so many uncertainties about the program.

The report's "findings" follow:

EXCERPT FROM AMERICAN ENTERPRISE INSTITUTE REPORT

FINDINGS

The present study raises serious doubts about the assumptions and projections employed in the AEC's cost-benefit analyses on the Liquid Metal Fast Breeder Reactor Program. Many of the AEC's projections lead to an unrealistically large benefit from the LMFBR: Uranium resources are underestimated. The high-temperature gas reactor is artificially restricted to a low level of participation in the future electric power system. Future energy demand is overestimated. The plant capital cost of the LMFBR is decreased too rapidly to fit any reasonable learning curve. And finally, schedule slippages and cost overruns are not adequately reflected in the analyses.

It thus appears that the LMFBR's high efficiency in uranium utilization is not sufficient to compensate for its higher plant capital and program costs. The LMFBR program yields no net discounted economic benefits. Moreover, according to Cochran, the environmental benefits claimed by the AEC also do not exist.[1] In view of the above considerations, can one justify support for the LMFBR program at the level proposed by the Atomic Energy Commission? Recommended expenditures for this program over the next five years total $2.6 billion (in undiscounted current dollars), equal to 63 percent of the nuclear fission R & D budget, 26 percent of the energy budget, and almost twice the nuclear fusion reactor budget. This is the highest expenditure among all the federal energy R & D programs.

Should we continue to treat the fast breeder reactor as our top priority program, knowing that it will not supply electricity until 1987 at the earliest, that it will not help alleviate our current energy crisis and that, once introduced, it will probably be displaced or replaced by fusion reactors in ten or twenty years? It is true that $5 billion or even $10 billion (discounted at 10 percent to mid-1974) for the development of the breeder reactor is only a small percentage of the national electrical energy cost of $200 billion (discounted at 10 percent to mid-1974) or $6,000 billion (undiscounted) in the period from 1974 to 2020. The amount looks even smaller when compared with $140 billion (undiscounted) in military aid and $350 billion (undiscounted) in total expenditures spent over the years in Vietnam.

We are convinced that national energy programs deserve much stronger support than they currently receive because energy is an essential commodity which dictates the future of our economy and our livelihood. If funds for energy programs were abundant and if all other energy programs were adequately funded, the fast breeder program could be supported on the basis of the same philosophy that underlies support for basic research and development. Unfortunately, all of our energy programs have to compete with each other within the framework of present and future federal energy budgets. Supporting the LMFBR program at the currently planned level will require reducing our commitment to other worthwhile energy programs. The eventual loss to society will not be the $5 billion or $10 billion that the LMFBR program will cost. Rather, it will be the difference between the national energy cost with the LMFBR included in the electrical energy system and that of an alternative energy system which comes about from the release of funds from the LMFBR program. The difference may be many times $10 billion. The concern, therefore, is not so much the cost of the LMFBR program but rather the optimal mix of programs, under a given energy budget, that will provide us with adequate energy at the lowest cost.

Should a portion of the funds for the FBR program be transferred to other programs, such as the safety of the LWR, the pollution abatement of coal-fired power plants, the in-depth assessment of uranium resources, the improvement of the HTGR, the accelerated development of fusion reactors, the increase in domestic production of oil and gas, the massive substitution of coal for oil and gas, the exploitation of renewable energy sources, and the conservation of energy and energy resources? In order to fulfill the nation's electric energy requirement, should we reduce the FBR program to a low level, regard it as a backup option, and concentrate efforts and resources on improvements in the LWR and coal-fired plants for the short term, on the HTGR for the intermediate term, and on the development of the fusion reactor for the long term? The answer to both questions is yes. Before the nation commits itself more heavily to the FBR, it can afford to wait another five to ten years for better projections of future energy demand, better estimates of uranium resources, and a clearer determination of the feasibility of an economically and environmentally acceptable commercial fusion reactor. However, further studies have to be conducted and alternatives examined in a cautious manner before one can spell out in detail the energy budget reallocation and develop an optimal national energy policy upon which the welfare of this generation and future generations so vitally depends.

PROF. CHARLES BLACK OF YALE LAW SCHOOL REFLECTS ON THE EXERCISE OF THE EXECUTIVE VETO

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. DRINAN. Mr. Speaker, we are all painfully aware of the 44 bills vetoed by

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[1] Cochran, *Fast Breeder Reactor*, pp. 223–29.

President Ford since he took office in 1974. Presidential vetoes in the areas of education, housing, public service employment, energy, environmental protection, and labor have hampered economic growth and adversely affected nearly all Americans. The Presidential veto has not, however, always been utilized as a means of thwarting the will of a congressional majority on issues of public policy.

In an insightful address recently delivered at Duke University Law School in Durham, N.C., Prof. Charles L. Black, Jr. traces the history of the veto and contrasts its early use with that of our recent Presidents. Professor Black is Sterling Professor of Law at Yale University and a pre-eminent authority on constitutional issues. In this, the first part of his address, Professor Black reviews the use of the veto from the ratification of the Constitution through the 1840s. I commend this historical treatment of a very timely subject to all of my colleagues:

Some Thoughts on the Veto

The American Presidency has exercised an enormous fascination on the minds of historians and political theorists. The result has been an immense literature, with current and cross-currents of tendency, with evaluation countering evaluation, view neutralizing view. This literature, and particularly its historical component, is often recurred to for the ascertainment of the *correct* view of presidential power, or for arguments leading to what someone is putting forward as the correct view. This is as it should be. But to me the literature on the Presidency—and most emphatically the historical part—teaches a larger and more general truth. Questions about presidential power have in the past produced different answers in different minds; one can conclude that our own received views are self-evidently right only if one is willing to assert that such minds as those of Madison and J. Q. Adams could not see the obvious, as to something closer to them than to us. I would make the contrary assertion. The history of presidential power is a history of the resolution of doubtful questions that remain doubtful; it is not, as I think some would make it, a history of the gradual acceptance of evident truth. It is a history of the molding and remolding, of material of high plasticity, still plastic today. For there is no reason to think that that material suddenly froze hard around about 1950.

Our generation—or, to the students among my hearers and readers—your generation—can still mold this office, can still to some practical purpose hold dialogue fundamentally searching the reach of its powers. It is worth examining the material freshly. And we are most strongly led to do this by the obvious fact that this office is not now performing in a satisfactory manner; it has assumed the form of a quadratic equation with two firm answers—"too much" and "too little"—and nothing firm in between. It seems we cannot find a resting place—or, better, a dynamic balance—between presidential weakness and presidential imperialism.

In March, or as soon thereafter as the Yale University Press completes its turnings, there will be forthcoming a book of dialogues[1] between me and my close friend of more than half a century, Congressman Bob Eckhardt of Texas—the one important name I really have a right to drop. At one point in these conversations, as we were talking about the immense and pervasive power—not only as custom but as law—of the unwritten American Constitution, Eckhardt mentioned and stressed the countervailing (though not disconfirming) fact—the fact that the written text remains and can always be recurred to, while the practices that have grown up around or parallel to the text are, comparatively, plastic. Nowhere are both these things more evidently true than with regard to the Presidency. A good start, then, is from the textually expressed powers of the Presidency, and chief stress may be placed upon what might now be made of them, or done about them. Let us remember, always, that we, quite as much as John Tyler, are the subjects of history, that the historians of the twenty-second century will look back on us to see what we made of the still plastic Presidency. The one thing it is almost impossible they will find is that we effected no major changes—that the material had hardened when Franklin Roosevelt or Lyndon Johnson was in office. Changes, and directions of change, there will certainly have been. The only thing we have to decide is to what extent we can, and will, shape this plastic material consciously and by public resolve. I stress the word "will", as verb or noun; I have often made, and cannot make too often, the point that it is will, not new constitutional structure, that we need to make our government work.

I start (and in these remarks will finish) with the veto power. It stands first in the Constitution, because, though it concerns the Presidency, it makes the President a part of the legislative process, and so was placed in Article I.

Woodrow Wilson may have been the first to see fully into the importance of this power. His words are not always remembered today; some recent works on the Presidency consider the veto quite briefly, and as a sort of accidental feature of our system, one producing interesting and dramatic incidents from time to time, but not of pervading systematic importance. I think the obviously well-pondered words of Wilson ought to be quoted:

"For in the exercise of his power of veto, which is of course, beyond all comparison, his most formidable prerogative, the President acts not as the executive but as a third branch of the legislature."

And again:

"The President is no greater than his prerogative of veto makes him; he is, in other words, powerful rather as a branch of the legislature than as the titular head of the Executive."

(I read these words, when I got around to reading them, with some rue, for I had been saying the same thing for some time. Reading can be recommended on a number of grounds, unnecessary to be canvassed here, but it has the distinct drawback that, if indulged in to excess, it almost always destroys the precious illusion of the originality of one's own insights. My own, identical with Wilson's in all but context, arose from my asking myself, "To what state could Congress, without violating the Constitution, reduce the President?" I arrived at a picture of a man living in a modest apartment, with perhaps one secretary to answer mail; that is where one appropriation bill could put him, at the beginning of a new term. I saw this man as negotiating closely with the Senate, and from a position of weakness, on every appointment, and as conducting diplomatic relations with those countries where Congress would pay for an embassy. But he was still vetoing bills.)

It is interesting that these words of Wilson's occur in contexts that make little of the President's powers other than veto. Wilson, publishing in 1884, saw Congress as the overwhelmingly dominant power. Indeed, both the quotations just given (as the second one exhibits) form a part of this picture; that Wilson was saying was that the President was powerful only as a part of Congress, which, in a sense, the veto power makes him. What I think Wilson did not see, or did not bring out with sufficient emphasis, was that this veto power, so firmly fixed in the text, could make the President, in the absence of energetic, principled and tactically imaginative resistance in Congress, the most important part of Congress. And that may be what happened, or is happening. (The weapon of the veto, moreover, could give the President offensive and defensive means for strengthening his other powers; used skillfully, it could get him out of that modest apartment. As to this more later.)

The history of the veto illustrates the power of text over expectation. The prime original purpose for the inclusion of this power was that it was thought to give the President the means of protecting his own office from Congressional encroachment. There may have been an anticipation that it would be used to vindicate the President's own constitutional views, by being interposed against legislation he considered unconstitutional. (This theme, though I cannot find it in the 1787–88 material, appears very early in veto practice and veto messages; consider Washington's first veto, below, and the other early vetoes. Tyler, in his first veto message, alludes to the prescribed Presidential oath as the source of the obligation to veto bills thought unconstitutional. This connects in my mind with the suggestion of George III that his coronation oath might obligate him to refuse the royal assent to certain bills.) Certainly it was anticipated that any other use than these would be sparing, would occur only in cases where "the public good was evidently and palpably sacrified . . ." Hamilton, in the Federalist, even went so far as to suggest that "greater caution" in the use of the veto would be expectable in the case of the President than in the King of Great Britain, who by Hamilton's day, never refused the royal assent; this was hyperbole, natural in the polemic context, but even in its exaggeration it underscores an original understanding that the veto would be used only rarely, and certainly not as a means of systematic policy control over the legislative branch, on matters constitutionally indifferent and not menacing the President's independence.

The early history of the use of the veto more than sufficiently confirms this understanding, though like all the history I know anything about, it contains a residuum of unexplained occurrences. According to Mason's count, all the Presidents up to Jackson vetoed nine bills. Washington vetoed two bills in eight years—one because of its plain unconstitutionality. The other, a bill reducing the size of the military establishment, may have been seen as a dangerous weakening of the country's military force, connected with the Commander-in-Chief power, so that the veto may well be thought to fall within the category of defense of the presidential office, in the very case against dangerous reduction of the force at its disposal for executing its duties. (Indeed, the veto message gives color to this view, for it mentions that one of the companies of dragoons which the bill would have had mustered out had "been lately destined to a necessary and important service"—not specified.) John Adams and Thomas Jefferson vetoed no bills—twelve years without a veto.

Madison vetoed six bills in eight years. Four of these were on constitutional grounds; two were, prima facie, on grounds of expediency. One of these two was a pocket veto; Madison thought the bill, which dealt with naturalization "liable to abuse by aliens having no real purpose of effectuating a naturalization . . ."

There was no policy disagreement; Madison approved of the general purpose of the bill, and at the next session of Congress an amended bill was passed and signed. The other "expediency" veto was plainly animated by a policy difference—the first veto clearly of that kind, and the only one of that kind before 1832. But it should be noted that the policy difference went to a life-and-death issue, connected with presidential responsibility; Madison vetoed a bill chartering a Bank of the United States, on the ground that the proposed charter, in his view, failed to provide adequately for circulating money in time of war, and for the conduct of the war. Perhaps, without stretching too much, such a veto may (like Washington's second veto) be connected with protection of the President's role as Commander-in-Chief, and with the effective execution of that power.

Monroe, eight years in office, vetoed one bill, on constitutional grounds, John Quincy Adams none. Though Jackson vetoed twelve, almost all of these were on constitutional grounds. Van Buren vetoed none.

Thus history, made by Presidents all of whom except Van Buren were old enough to remember the adoption of the Constitution, and covering more than the first half-century of the country's history, confirms in usage the view that the original expectation was that the veto would be sparingly employed, and used mainly as a means of defense of the presidency itself and of the Constitution.

Tyler vetoed pretty freely; he was the first to do so. It may be no accident that this happened in the case of the first President to whom the early years of the Constitution's operation were something to be read about; and it may be no accident that it happened in the case of the first President not elected President, but succeeding from the Vice-Presidency, for a want in the informal power of prestige may stimulate the use of an ultimate weapon. The reaction is described by Binkley:

"President Tyler's veto of a tariff measure a year later induced the first move in our history toward the impeachment of a President of the United States. Representative John Miller Botts introduced the impeachment resolution charging the President "with the high crime and misdemeanor of withholding his assent to laws indispensable to the just operation of the government, which involved no constitutional difficulty on his part, of depriving the government of all legal sources of revenue, and of assuming to himself the whole power of taxation, and of collecting duties of the people without the authority or sanction of law."

"On the motion of John Quincy Adams a select committee of thirteen was appointed which drew up a report formulated by Adams and arraigning Tyler for strangling legislation through the misuse of the veto power. In reply the President sent to the House a vigorous protest which that body, following the precedent set by the Senate in the case of Jackson's protest, treated as a breach of privilege and refused to receive on the ground that the House has the constitutional right of impeachment.

"To the present generation the Whig movement to impeach a President for the exercise of the veto power must seem absurd. So popular has the exercise of this power become that its employment rarely fails to elicit applause. This generation has to be reminded that a century ago it had not yet become generally accepted that the President possessed the right to pass independent judgment as to the wisdom of a piece of legislation. He might resort to the veto to protect his office against encroachments or he might refuse his signature to a measure he considered unconstitutional but many believed that only Congress should determine the legislative policies of the government."

The last paragraph comes perilously close to anachronism; it all but invites us to laugh, charitably perhaps, at the "absurd" views held by eminent and well-informed public men during the first fifty years under our Constitution. What is really proved, I think, is that *we* have departed—in our expectations and in our tolerance of presidential practice—from the rather clearly demonstrated expectations of those whose expectations count most, the people who personally knew the Constitution's beginnings. We act at our great peril when we consider "absurd" something which seemed not at all absurd to John Quincy Adams—as searching and as balanced a mind as our politics has known.

But the text stayed there. It contained no limitations. It outlived all the people who understood, it may be, what limitations were placed upon it by an unspoken propriety. And if Tyler had not made a beginning toward its unlimited use, it was quite inevitable that some President would have done so.

DAVID LILIENTHAL URGES UNITED STATES TO HALT EXPORT OF NUCLEAR PLANTS AND MATERIALS

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. EVINS of Tennessee. Mr. Speaker, David Lilienthal, first Chairman of the Atomic Energy Commission, and former Chairman of the TVA, said in a recent interview in the Washington Star that the United States is "courting disaster" by the continued export of nuclear plants and materials to foreign countries.

Mr. Lilienthal points out the danger that these materials can be used to develop atomic bombs, as was done in India, and he urges action now to halt this distribution of nuclear materials.

Because of the interest of my colleagues and the American people, I place the article detailing the interview in the RECORD herewith:

QUESTION AND ANSWER—LILIENTHAL: STOP EXPORT OF A-PLANTS

(David Lilienthal, the first chairman of the Atomic Energy Commission, is considered the father of the TVA and a pioneer in expanding nuclear energy producing facilities. He was interviewed by Washington Star Staff Writer Roberta Hornig.)

Question: Nuclear power plants have been widely hailed as one of the most peaceful uses of atomic energy and yet you are now calling for a halt to their export and to their proliferation. What made you change your mind about nuclear power plants?

Lilienthal: Well, nuclear power plants for electricity, I still strongly favor. They supply a substantial part of the energy in this country. Their future, I think is assured. The problem arises in the export of these plants and materials that go into them because it's equally useful for bombs. And it's the destructive uses rather than the peaceful uses that cause me great concern and causes everyone great concern.

Q: How realistic a possibility is that?

A: What has happened is that in a good many of these exports we find the very things that we're now worried about: the proliferation of weapons. The materials in the nuclear power plant being used for weapons materials. Until we get some assurance that will not happen, it seems to me we ought to stop nuclear power plants until we're completely sure they will not be used for weapons.

Q: That happened in India, didn't it?

A: Yes, and that was a lesser case of deception. It was a so-called research reactor. Even a tiny research reactor was enough to produce enough plutonium to produce a bomb. But there are other cases where it's even more serious than that. The people of the United States are going to be very troubled about this when they find out the amount of this bomb material we've been shipping all over—Japan, Germany and France—without any real safeguards. There's going to be quite a lot of questions asked. The only way, it seems to me, to get it seriously discussed is just to clamp down until we get this kind of assurance.

Q: One of the arguments has been if the United States fails to provide these nuclear materials, other members of the nuclear club can always export theirs. How can there be assurance that there will be a stop?

A: We can't be assured, we can only do our part. At the present time we're the first proliferators, we're the major proliferators now. We can't stop this proliferation unless we show our good faith by stopping ours. Someone has to start somewhere and the United States is the right place to start.

Q: And if it isn't stopped?

A: If there are a dozen or 15 countries, some probably unstable and irresponsible, having atomic weapons it provides for a very unstable world. The worst thing that could happen is that one of these countries at a time when it's politically upset could make use of a weapon of this kind—use it to demonstrate its machismo, to show what big shots they are. It might attack a neighbor and set off a whole domino effect of horrible events just as the assassination of that poor little Balkan prince did.

Q: Causing World War I.

A: This would be a lot more than that. People would say, if it were secret, who did it, was it among our enemies, if it were say India versus Pakistan or Pakistan versus some other country, or coming closer to home, countries in Latin America who are preparing: proliferation is beginning to spread there.

Q: How about the Middle East, where we seem to be selling a great number of weapons?

A: That's the most acute case of all. But there, both Egypt and probably Israel and other countries in the Middle East are on their way or maybe have arrived and that simply magnifies the instability of the world. It becomes something like a string of firecrackers, one setting off the other. That's something we should make a most extraordinary effort to prevent. An embargo is the mildest form of meeting this.

Q: We keep hearing that any good scientist can make a bomb. Is this true?

A: That's utter nonsense, childish nonsense. For one thing, a good deal of this stuff is highly radioactive. And it would have to be somebody who knows what the hell he's doing. I went into the plutonium fabricating plant at Los Alamos in my first experience with the AEC. And we were covered from head to foot and then we were fumigated. The notion that kids can make these weapons is really childish.

Q: How about terrorist groups?

A: They can certainly hijack. It would take quite an organization to do it. And there's no reason why we shouldn't protect ourselves against that. We should do it carefully and begin now. Groups would be larger than just a few united people. It would have to be an organization. And that's not too incredible. There's a lot of cuckoo people in the world.

Q: So you feel basically secure with the safeguards within the United States?

A: Yes.

Q: What about the new processing plants?

A: You see the complaint there is a matter of safety, safety in of the operations. Theft I think is a minor problem in the

United States. It would be a good way to get rid of a lot of terrorists if they started messing around with some of this stuff.

Q: You're talking about an embargo of nuclear power plants and nuclear materials. What about safeguards against ones that have already been exported? What about safeguards in plants in our own country?

A: Safeguards in plants in our own country are now going to be given more attention, I think they're reasonably good. Safeguards overseas by the international agency have been quite effective up to a time. I think they should be strengthened. The policemen, the inspectors ought to know more about the atomic energy business so they can detect things which are going on which isn't the case for the international agency so far. But it's done a good job but its resources are inadequate. Until it's greatly strengthened, I think we ought to stop this business of handing the stuff out to anyone. Remember this is all done through private companies. We're not talking about the United States, we're talking about Westinghouse, General Electric, etc. It's not nation-to-nation, country-to-country, we have delegated to private companies a sovereign power. We ought to get busy and withdraw it.

Q: Can you give any examples of how to increase and operate the policing?

A: Yes, for one thing, the international agency is seriously underfunded and understaffed. The quality of the people who are in charge is very good but their functions are very limited considering the nature of this problem. So I would think they ought to be authorized and encouraged and have research facilities and operational facilities so they have on board people who know what's going on at any of these plants without simply accepting the ideas, yes and no of the people who are running it.

Q: How about a watchdog police force. Do you think there should be such a group?

A: I would think the whole point of calling people out when they are violating the international safeguards is that there should be something done about it. I think after a hearing before a committee or an action by the Congress of the United States public opinion is really going to be worked up. This would be as effective as anything else. We can hardly have any country standing up against the united worldwide opinion that it's threatening the lives of the world by what it's doing. Now, they've done it before, Hitler did it. We've had in my generation too many examples that these horrible things can happen. But that in many cases no one took any account of the eventuality in advance.

WAYS AND MEANS OVERSIGHT SUBCOMMITTEE REPORT OF ACTIVITIES FOR 1975

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. VANIK. Mr. Speaker, in December 1974, the Ways and Means Committee created a permanent Subcommittee on Oversight, which I have had the honor of chairing during 1975.

Because the subcommittee was new, it had no budget authority until April 1, 1975. Due to the importance of proceeding carefully in the development of a professional staff, the subcommittee did not really have operating staff until early June, although several hearings were held during the spring. It is now fully staffed, and I believe that the quality of the staff is very professional—one that the Members can have confidence in.

As a result of these budget and start-up requirements it can be said that the subcommittee was only in operation for half a year. In other words, in 1976, I expect that we will be able to do a great deal more than we did in 1975.

Nevertheless, in 1975, I believe that the subcommittee had some notable accomplishments. I would like to take this opportunity to describe my impression of the activities of the subcommittee during its first half year of operation, and, where possible, describe some of our plans for 1976. The following report is my personal opinion and is not a subcommittee report. Members of the subcommittee may have quite different views on the various areas of our 1975 activities.

OVERSIGHT OF INTERNAL REVENUE SERVICE ACTIVITIES

The subcommittee has concentrated most of its attention on the Internal Revenue Service. While other congressional committees have from time to time looked at the IRS, most of the IRS' power derives from Title 26 of the United States Code, which is under the jurisdiction of the Ways and Means Committee. In addition, it is difficult to oversee the IRS adequately without having occasional access to tax information background papers. The Ways and Means Committee is one of three congressional committees with standing authority to use such information and this tool, used carefully and only when absolutely necessary, will enable the Oversight Subcommittee to carry out an effective program of monitoring the IRS.

1. OPERATION LEPRECHAUN

On March 14, 1975, several newspapers carried rather sensational stories about an IRS Intelligence Division operation in which an IRS special agent was alleged to have paid informants to spy on the "sex and drinking" habits of a number of prominent Floridians. Since the IRS had recently suspended certain information gathering and retrieval programs, the subcommittee was concerned that there might have been a general failure of controls over the activities of the law enforcement and investigatory divisions of the IRS, with resulting infringements of the rights of taxpayers.

The subcommittee held three hearings on Operation Leprechaun: March 26, December 2, and December 12, 1975. There are still a number of unanswered questions about Operation Leprechaun, but the hearings have uncovered evidence to indicate that the special agent in charge of Operation Leprechaun was successful in developing significant tax cases as a result of the use of informants and that the public charges against the agent were accepted too hastily by the media and the National Office of the IRS.

2. THE ROLE OF THE IRS INTELLIGENCE DIVISION

Operation Leprechaun, while important to the agent who has been accused and to the IRS operations in the Florida area, is also of National importance, because the abuses which are alleged to have occured in Operation Leprechaun have been cited by IRS officials as a major reason for suspending a number of intelligence division activities throughout the country. The intelligence division is the criminal enforcement arm of the Internal Revenue Service.

While I am deeply concerned that the IRS' intelligence gathering activities be limited to tax matters and not the types of abuses engaged in by other Federal law enforcement agencies as recently documented by the Congressional Intelligence Committees, I am also concerned about the intense and bitter dispute between the Department of Justice and the IRS about the role of the IRS in law enforcement activities. I believe that in the past the IRS has been one of the most effective tools in the Government's fight against organized crime and political corruption. While IRS participation in these law enforcement efforts should be carefully monitored, I personally would not want to see all such IRS activities stopped.

The subcommittee staff has found that many IRS intelligence division personnel feel that the IRS regulations have become too restrictive and that the effectiveness of the intelligence division is imperiled.

For example, on December 12 the subcommittee held a hearing in which several witnesses described how IRS regulations resulted in so much redtape and delay that IRS agents in Florida were unable to refer a potential witness, who could have helped convict an alleged gangland murderer, to the proper Florida authorities before that alleged murdered was acquitted in a trial. The December 12 hearing also disclosed another murder case in which IRS regulations prevented IRS agents from cooperating with local authorities with non-tax information and several cases where the national office policy with respect to the pay of informants had discouraged the collection of future, valuable tax information, I might say that in the one murder case, the subcommittee investigators were the ones who placed the witness and the local authorities in contact with each other and this may result in possible perjury actions and further actions against the accused person in another state.

The afternoon before the December 12 hearing, the IRS issued a new set of regulations governing the pay of informants and other intelligence gathering activities. The subcommittee is currently studying these regulations and will provide comments on them to the IRS when the second session convenes. It appears that the regulations would prevent some of the problems which were described in the December 12 hearing.

The area of intelligence gathering is a difficult one which will require constant, vigilant oversight. I am hopeful, however, that the subcommittee can help ensure that there is a balance between necessary law enforcement activities and the rights of the taxpayer. The new regulations, which I feel were prompted in part by the subcommittee's investigations, are a step in the right direction, but need more work to eliminate unnecessary red tape. My more detailed personal comments on Operation Leprechaun are included in the CONGRESSIONAL RECORD of December 19, 1975, page 42447.

3. SPECIAL SERVICES STAFF

On June 25, 1975, the subcommittee held a hearing on the report of the Joint Committee on Internal Revenue Taxation on the special services staff issue. The special services staff was a small unit established in the IRS in 1969 and terminated by Commissioner Alexander in 1973. It established files on a number of politically active organizations—generally tax exempt groups and individuals—and referred some files for adult action by regular IRS offices.

Several members of the subcommittee and I have introduced legislation which would establish penalties for this type of activity which has the potential of dampening our first amendment freedoms. In addition, as the report to the tax reform bill (H.R. 94–658) indicates:

> As an aid to proper oversight and to future decision-making in this area, your committee intends that the Internal Revenue Service report annually to the tax-writing committees of the Congress on the Service's activities with regard to organizations tax exempt under section 501(a) . . .

I am hopeful that this annual review of the types of tax-exempt organizations being audited will insure that the power of the tax laws are used neutrally.

4. ADMINISTRATIVE CHANGES IN IRS PROCEDURES

On July 10, 18, 25 and September 22, the subcommittee held hearings on proposed administrative changes in IRS procedures. These hearings concentrated on the issues of:

Restrictions on disclosure of tax return information;

Private letter rulings;

Jeopardy and termination assessments;

Regulation of tax return preparers;

Declaratory judgments for tax exempt organizations; and

John Doe summonses.

I believe that these hearings provided a great deal of technical information necessary for the proper drafting of amendments which were included in H.R. 10612, the Tax Reform Act of 1975. In general, I feel that the most important points raised in the subcommittee's hearings were included in the bill which passed the House.

The regulation of disclosure of tax return information was not included in H.R. 10612 but the Ways and Means Committee held a hearing on the subject on January 28, 1976. At that hearing I released a subcommittee survey of the use of IRS tax information by other agencies of the Government. This survey showed significant differences between the number of tax returns the IRS provides other agencies and the number of returns those agencies say they receive. The need for careful recordkeeping is obvious.

In addition, the hearings—as well as letters which the subcommittee has received from the public—have caused four members of the subcommittee and myself to draft legislation, H.R. 9599, entitled the Taxpayers' Bill of Rights of 1975. Identical legislation was introduced in the other chamber by Senator WARREN MAGNUSON and others. This bill proposes a system of taxpayer complaint offices, a pilot project of assistance to taxpayers in audits, and clearer explanations of appeal routes. During the coming months, I personally hope to expand and improve this legislation so that it may be considered during the second session.

5. TAXPAYER SERVICES

In early spring, the subcommittee staff conducted a "test' poll of IRS taxpayer assistance offices, asking a number of simple to moderately hard questions. The subcommittee found a 25 percent error rate, a figure which coincides with internal IRS studies. The subcommittee held a hearing on February 27 and April 14 on taxpayer services and received information from the IRS on plans for improving services for the spring of 1976. Longer training is being provided taxpayer service representatives, and it is my personal belief that the Service is making a valiant effort to improve the quality of service.

The subcommittee will continue its attention to this area. We received a briefing on taxpayer service plans on July 14. Subcommittee staff visited the Philadelphia training center on October 24, and two staff members will spend a week each in IRS telephone assistance centers this coming February to determine what trouble spots remain and what progress the IRS is making.

The Internal Revenue Code is impossibly complex and the only real solution to taxpayer assistance is massive simplification. But until that day comes, I believe that the IRS must make every effort to provide the right answers and the best of service. Two possible solutions for better service are staggered filing dates and specialized training of taxpayer service representatives. The subcommittee is currently soliciting comments on the staggered filing date proposal and is pleased to note that the IRS is experimentng with specialized training rather than expecting each TSR to be able to answer questions on the whole range of the Internal Revenue Code.

In another but related area, the IRS has established four experimental offices to help with taxpayer complaints in 1976. It is important that this project succeed and subcommittee members will be visiting these operations to determine how well they are serving the public.

6. EARNED INCOME CREDIT

The earned income credit of up to $400 provided by the Tax Reduction Act of 1975 is only available to those who file returns, yet many individuals in the income levels which would be helped by this credit do not file. The subcommittee staff held a meeting on November 20 with the IRS and organizations who work with low-income families to discuss how the earned income credit could best be advertised. The subcommittee held a meeting on December 11 with the IRS and other government agencies to encourage those agencies to cooperate with the IRS in advertising the earned income credit. As a result of the meeting, I believe that many AFDC/medicaid and food stamp beneficiaries will receive notices on the importance of filing for the credit.

7. AMERICAN MEDICAL ASSOCIATION

On July 29th, Public Citizen, a public interest research group, wrote to the subcommittee charging, basically, that the IRS had failed to enforce the tax laws with respect to advertising income of the American Medical Association. On August 6, the subcommittee wrote to the IRS asking for a description of IRS actions with respect to the tax law in question. The subcommittee received a response from the IRS on October 30. While the subcommittee has not had an opportunity to meet in executive session to discuss the IRS' letter, the staff is satisfied, at the present time, with the IRS's response, and I hope that the full subcommittee will be able to meet early in 1976 to review the letter and determine whether further action is required.

8. REPORT OF THE ADMINISTRATIVE CONFERENCE OF THE UNITED STATES ON THE INTERNAL REVENUE SERVICE

In November, 1975, the staff of the Administrative Conference of the United States issued a 1,000-page report on Some Administrative Procedures of the Internal Revenue Service. The subcommittee will be reviewing, at great depth, the sections of the report dealing with the audit and settlement processes, the collection of delinquent taxes, confidentiality, and taxpayer services and complaints. Congressman JIM JONES of the subcommittee is in charge of the inquiries into the issue of the collection of delinquent taxes, and I am hopeful that we will be prepared for hearings on this topic by early spring.

Among other IRS-related activities, Congressman CHARLES RANGEL of the subcommittee and I have requested information from the IRS to determine whether there is any validity whatsoever to some recent charges that black civil rights activists in certain areas have been harrassed and selected out for unjustified audits by the IRS.

The subcommittee held a briefing for ways and means staff in October on the new tax administration system being planned by the IRS. This is a new, complex, and sophisticated computer system which the IRS will be moving on line during the next several years. The subcommittee plans to do more in the area of computer access and computer confidentiality during the next session.

The subcommittee has requested and expects to receive a GAO report in late spring on delays in the issuance of regulations implementing the provisions of various tax laws. Some of these regulations take as long as six years to issue; the subcommittee will seek ways to reduce and eliminate such delays.

OVERSIGHT OF THE ADMINISTRATION OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974

The Employee Retirement Income Security Act of 1974 was a product of the House and Senate tax-writing and labor committees. Administration of the Pension Reform Act is divided between the Department of Labor, the IRS, and a new agency, the Pension Benefit Guarantee

Corporation. Divided administrative responsibility is often a guarantee for confusion, and this new complex program has been marred by a difficult beginning.

The subcommittee has stressed the need for simplified reporting requirements—Congressional Record, July 25, 1975—and the early issuance of necessary regulations—Congressional Record, August 1, 1975.

On November 17, under the direction of subcommittee member J. J. Pickle, the first hearing was held on individual retirement accounts and the failure of the IRS to issue regulations to disclose adequately to the consumer the terms of sale of these retirement investments. The regulations were issued without public comment just before the hearing. The hearing provided a number of suggestions for change, and it is our expectation that new and better disclosure regulations will be issued momentarily. In the meantime, regulations have been issued significantly simplifying one of the forms required from IRA owners. In addition, new regulations will permit IRA purchasers who, as a result of greater disclosure, feel that they are dissatisfied with their purchase to terminate or make a one-time rollover into another IRA without penalty. On January 2, the FTC announced it would begin an industry wide investigation into advertising and marketing practices accompanying the sale of IRA's. This investigation is a direct result of meetings with FTC officials by Representative Pickle and myself.

Finally, we are working with the Bureau of Public Debt to encourage more awareness among IRA purchasers of the very real attractiveness of the U.S. individual retirement bonds sold by the Treasury.

At the November 17 hearing, the subcommittee released a Library of Congress survey of IRA sales in the Washington area. This study is a valuable document for customers throughout the Nation.

On November 20 and December 9 the subcommittee held hearings on problems created by certain IRS and Department of Labor ERISA regulations, primarily in the areas of reporting and disclosure, vesting, and prohibited transactions. The December 9 hearing was a joint hearing held with the Education and Labor Committee's Subcommittee on Labor Standards—the Dent-Erlenborn pension task force. Joint hearings can obtain a maximum of results since it insures the cooperation and response of all of the officials in charge of administering ERISA. I hope that in the future we will be able to continue to coordinate our oversight of ERISA.

The November 20 hearing primarily heard from outside witnesses and defined the problems facing the successful administration of ERISA. The December 9 hearing resulted in a number of announcements by Commissioner Alexander and the Department of Labor which will hopefully reduce the cost of administering plans under the new act and which will eliminate the threat of massive terminations of private pension plans. Specifically, at the hearing the IRS announced:

> First, that a simplified annual report form 5500C for small plans is being developed; second, that a simplified 5500K report form is also being developed for Keogh plans; third, that the IRS filing date for these forms will be postponed by several months; fourth, that the IRS will not require the filing of the Schedule A insurance information; fifth, that the IRS will not be requiring an accountant's opinion in connection with annual reports of small plans; sixth, that the tests for discrimination against rank and file employees under Revenue Procedure 75–49 are being reevaluated; seventh, that Revenue Procedure 75–480 containing actuarial assumption rules with respect to social security offset plans is being reconsidered; eighth, that the previously announced special reliance procedure which freezes applicable law for a defined period is in effect; and ninth, that interagency policies with respect to prohibited transactions exemptions are being intensively reviewed.

It should be noted that during October Congressman Pickle testified before the House Appropriations Committee on our findings that the budget for the IRS office administering pensions was inadequate. The House Appropriations Committee provided an extra $4 million for this office in the fiscal year 1976 supplemental. While this was struck in the other body, the groundwork has been laid for an improved budget this year.

OVERSIGHT ON WELFARE ISSUES

At the request of the Public Assistance Subcommittee, the Oversight Subcommittee has undertaken several studies in the area of welfare.

1. AFDC QUALITY CONTROL

First, the subcommittee has conducted a major investigation of the Department of HEW's quality control—QC—plan designed to reduce errors in the Aid to Families with Dependent Children program. We all support efforts to reduce errors and frauds in welfare payments; the question is whether HEW's quality control program is really effective. In hearings on October 31 and November 3, the subcommittee received testimony from several State representatives and from the GAO and QC was ineffective and that HEW's claims of savings as a result of its QC program were grossly exaggerated. The States particularly criticized HEW's policy of applying fiscal sanctions or payment cutbacks on States which do not reach certain arbitrarily set error tolerance levels. At the request of subcommittee member Representative Richard Vander Veen, the GAO has supplied the subcommittee with an opinion that seriously questions the legal authority of HEW to impose fiscal sanctions.

The subcommittee will be working with the Public Assistance Subcommittee to encourage a more effective and realistic error reduction program which does not place harsh penalties on the States.

2. SUPPLEMENTAL SECURITY INCOME

A second major ongoing investigation is on the administration of the supplemental security income program for the aged, blind, and disabled. During the summer of 1975, it became apparent from reports in the media that the Social Security Administration's handling of this program, enacted in October, 1972, and implemented January 1, 1974, was woefully deficient and that there was an enormous level of payment errors—probably $800 million worth—in the first 18 months of the program.

Under the direction of Representative Sam Gibbons, the Subcomittee held hearings on September 8 and October 20 and issued an interim letter report to the Public Assistance Subcommittee on November 21, 1975. The subcommittee's first 1976 hearing was on SSI on January 26.

There is no doubt that the Social Security Administration is making efforts to improve the program; whether these efforts are adequate or effective is yet to be determined. It is my hope that the subcommittee's continuing study of SSI problems can help insure that the agency gives adequate attention to the program.

It appears that the subcommittee will be able to encourage the Social Security Administration to make major improvements in its training programs. The President's fiscal year 1977 budget adopts a major subcommittee recommendation by converting term and temporary employees to permanent positions. Improvements in staffing can result in millions in program savings and reduced administrative overhead.

In addition, I believe that the subcommittee's hearings will provide some valuable information on the leadtime required for the implementation of major new social programs, the problems involved in the management of large-scale electronic data systems and the role of social security in the administration of future social welfare programs.

OVERSIGHT OF MEDICARE PROGRAMS

At the suggestion of Health Subcommittee Chairman Rostenkowski, the Oversight Subcommittee has conducted an in-depth study of the end-stage renal disease and the Health Research Amendments provisions included in the Social Security Amendments of 1972, Public Law 92–603.

The subcommittee held hearings on the chronic kidney disease program on June 24 and July 30, conducted a nationwide survey of dialysis and transplant facilities and issued a report on October 22, 1975. Additional chronic kidney disease hearings will be held in 1976 on the issues of facility utilization, payment levels to physicians, and the Bureau of Health Insurance's efforts to reduce costs in this program. The October 22 report noted that significant cost savings were possible through increased home dialysis, through increased transplantations, and through purchase rather than rental of durable medical equipment:

Home dialysis: Physicians have indicated that approximately 50 percent of the dialysis patients are capable of undertaking dialysis in their homes. If a level of home dialysis of 50 percent was achieved by the mid-1980's, there could be an annual savings of between $160 and $306 million per year over recent cost projections.

Transplantations: It is estimated that 6,000 transplants could probably be performed each year. If 60 percent of these were successful, this would result in a savings of $720 million over a 5-year period based on calculations of approximate cost for maintenance dialysis versus approximate cost for treating patients with transplantation.

Durable medical equipment: Based on figures supplied in the subcommittee report for patient population size, initial cost of a dialysis machine, and rental payments, if the dialysis machine is purchased outright, rather than rented, there is a potential savings to the program of $5,400 every 5 years for each machine. When this figure is multiplied by 20,000 patients—assuming a total patient population of 40,000–50,000—the total potential savings are $108 million every 5 years.

Since I am also a member of the Health Subcommittee, I am drafting legislation to incorporate the subcommittee's findings into law. I am hopeful that these recommendations can be approved by the Health Subcommittee early in 1976.

The subcommittee staff completed an investigation of the various cost-saving experiments and demonstration programs authorized under the various medicare amendments. The staff found a woeful lack of direction and achievement in these potentially important experiments and reported:

> The Subcommittee recognized the complexity of the experimental programs and the difficulty involved with their operation. However, the Subcommittee also believes that experiments may hold the key to potential improvements in Medicare cost controls and quality. The failure of HEW to conduct a vigorous and timely series of experiments is a lost opportunity. No cost can be calculated for this failure; it is the committee's concern that the lost savings may be enormous.

The subcommittee staff will attempt to follow this issue in 1976 to determine whether there are any improvements in the demonstration and research projects.

These have been the major areas of activity of the subcommittee in 1975. I have not included several areas, particularly in the health field, where we have started long-range research which should begin to bear results in 1976. As I indicated earlier, I am hopeful that the subcommittee will be able to accomplish a great deal more in 1976—that our actions will result in hundreds of millions of dollars in savings for the taxpayer and that we can help insure the delivery of more efficient and effective Government services to the public.

PIPE DREAMS: THE NATURAL GAS CHARADE

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. HARRINGTON. Mr. Speaker, the claims of natural gas proponents that they are "working for the consumer" display at best a potentially tragic misunderstanding of the true nature of the situation. At worst, they amount to further lies in the grand scheme to hoodwink skeptics, Members of the Congress and the entire country into accepting deregulation without so much as a whimper of protest. Before we embrace too wholeheartedly the figures of the oil and gas industries and of deregulation proponents that apparently prove how "gas at $1.50 is better than no gas at $0.52," we must take time to study recent reports that show that such ditties do not even address the real situation.

When consideration of H.R. 9464, the Emergency Natural Gas Act of 1975, began some months ago, the Congress was dependent upon Federal Energy Administration, Federal Power Commission and oil and gas industry statistics that indicated that there might be as much as a 20-percent shortfall in needed natural gas supplies this winter, causing widespread unemployment in industries relying directly or indirectly upon natural gas.

Since that time, a series of studies done by the Office of Technology Assessment and the General Accounting Office have concluded that these figures were extremely "misleading" and that the reports mysteriously failed to identify any specific, or even broad, areas of projected unemployment or shutdowns of industrial operations.

In addition, reliable studies have been released approximating the effects of deregulation. For example, a December 31, 1975, Library of Congress study concludes that deregulation would cost consumers between $12.7 and $14.6 billion by the end of 1976, without assuring an increase in production. The study found that these costs would add eight- to nine-tenths of a percentage point to inflation rate, causing an economic shock that would increase unemployment by possibly several hundred thousand jobs.

It seems that much misinformation has been disseminated in the media on the need for, and effects of, deregulation—most of which has been based on the false premise that in the absence of regulation, the industry would arrive at a competitive price as a product of the interaction of competing independent producers. But the fact is that the natural gas industry, dominated as it is by integrated companies, is not competitive. Deregulation, therefore, would create a marketplace controlled by a noncompetitive industry. As the price of new, uncontrolled crude oil over the past 3 years has risen from $3.90 to $13.05 per barrel, interstate natural gas prices have risen in tandem, resulting in a price increase of almost 300 percent. If deregulated, the price of interstate natural gas would also rise to the artificially high OPEC price:

Although dire predictons of widespread shortages this winter proved grossly overstated and for the most part completely unfounded, we nevertheless must prepare ourselves to face the increasing problem of ever-diminishing supplies. Until recently, there has been little impartial information on the causes of diminished supplies and I had delayed taking a strong stand for or against deregulation until I could feel confident that we had found the real source of the problem. To deregulate and raise prices in an attempt to stimulate increased exploration and drilling when the source of the shortages was not in fact a lack of funds or economic incentive, could only hurt the consumer while failing to solve the essential problem.

Having considered the evidence, I have concluded finally that the charge that regulation has caused the current natural gas shortages—because producers need greater economic incentives than the current reimbursement for all expenses plus 15 percent return on investment—is simply false. On the contrary, it seems to me that the real problem is that the present system of regulation and Government control over the industry provide too great and incentive for keeping natural gas out of production; in other words, Government participation in the industry must be reorganized to encourage production rather than to encourage producers to create shortages. As it is now, there are convincing economic reasons for producers to withhold supplies and actually create shortages. This is done through a variety of methods, encouraged in a variety of ways.

Since 1969, the FPC has as a matter of policy granted substantial periodic increases in the regulated price of gas, at the same time publicly advocating total deregulation. In expectation of continued price rises and possible deregulation, producers naturally withhold supplies from production until a later date. Although reserves have been committed under binding contracts for interstate shipment, speculating producers deliberately fail to meet contractual obligations. For example a Federal Trade Commission memorandum of March 25, 1975, states that—

> The documents obtained from Gulf and Union . . . and the AGA field estimates show the existence of frequent and large discrepancies between reserve estimates used internally by these companies and the estimates reported to the AGA.

Such misrepresentation of the amount of a company's reserves is one such method.

Intentional withholding of supplies contracted for by the pipelines is another. An October 7, 1975, staff memorandum of the House Subcommittee on Energy and Power noted that all major producers have failed to comply with their obligations, and indicated that deliberate withholding, rather than unavoidable production shortages, was the cause of the resulting shortages.

In other cases, producers have failed to initiate drilling. A November 21, 1975 report of the House Commerce Committee's Subcommittee on Oversight and Investigations found that Getty and Tenneco failed to initiate timely new drilling in a high producing gas field at Bastion Bay, La., causing serious curtailments in delivery.

The same subcommittee found that producers have allowed deterioration of their physical plants and have been slow in making repairs in apparent violation of the Natural Gas Act and resulting in severe disruptions in delivery.

An FPC staff report in 1974 revealed that there were producible shut-in wells on 168 off-shore leases, containing 4.7 trillion cubic feet of proved reserves and 3.3 trillion cubic feet of probable reserves. As a result, the FPC is currently investigating a number of large reserves which are already dedicated to interstate commerce but are not being produced, the volume of which increased to over 8 trillion cubic feet in 1974.

At Exxon's and Quintana's Garden City, La., field the Oversight and Investigations Subcommittee found that capital that could have been allocated to maintain the interstate deliverability rates was shifted to fields whose production is not dedicated to the interstate market. Thus, producers could maximize current profits by slowing current interstate production with the resultant shortfall on contracts until interstate prices might rise.

In all these attempts to maximize profits and create shortages that would precipitate deregulation, neither pipeline companies nor the FPC have used their authority to take producers to court and enforce contracts.

Indeed, policies employed by the Federal Government often result in the creation, whether deliberate or not, of incentives for low production. Federal offshore leasing policies permit leaseholders to tie up leases for future production rather than requiring leaseholders to drill immediately for gas. Federal tax policies, by giving greater tax credit for royalties paid to foreign nations than for royalties paid to American owners in domesic production, promote exploration and production abroad rather than at home.

Finally, the unregulated intrastate gas market encourages sales within the State rather than dedicating gas to interstate commerce, since producers can get up to four times the regulated maximum price ceiling of 52 cents per thousand cubic feet of interstate gas. A Library of Congress study released by Representative Dingell on November 21 calculates that a gas producer of average size could profitably withhold presently available productions up to 6 years in anticipation of deregulation.

In view of such strong economic incentives in favor of withholding gas and creating unnecessary shortages, it comes as no surprise that New England, far from the source of natural gas and at the end of interstate pipelines, has been deprived of badly needed supplies.

The solution, therefore, is not to deregulate but to get rid of such illogical disincentives to healthy production and to provide, instead, incentives that would stimulate interstate sales and energetic exploration and production.

In addition, conservation steps must be taken, as natural gas, like all natural resources, exists only in limited supply. Only within the last 2 years have there been attempts to curb unrestrained use, and waste natural gas for electricity generation.

The Federal Government and the Congress too often have rushed to prevent imminent energy shortages, only to learn later that the shortage was not real. Given the evidence, I cannot vote to end, perhaps irrevocably, all Federal control over so major a source of energy, and I urge my colleagues to join me in preventing passage of legislation currently under consideration that would achieve just that.

DOMINIC J. COMPARSI: FORTY YEARS OF OUTSTANDING SERVICE

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. ANDERSON of California. Mr. Speaker, last week over 175 residents of San Pedro held a surprise celebration for a man who has long been a very special member of their community. He is Dominic J. Comparsi, and the occasion was the 40th anniversary of his service with the Bank of America.

A native of San Pedro, Dom Comparsi is manager of the town's Tenth and Pacific Avenue branch of the bank. His tremendous popularity goes far beyond the walls of his bank, however. Throughout his long career, Dominic has contributed selflessly to almost every organization in San Pedro and the Harbor area. The San Pedro Boys Club, the Lions Club, March of Dimes, YMCA, Chamber of Community Development and Commerce, and many other organizations have benefitted from his energetic participation in their activities.

Dominic Comparsi's personal popularity with those around him is best shown by mentioning the fact that the party held in his honor was organized by Comparsi's fellow employees.

My wife, Lee, and I both join in congratulating Dominic and his lovely wife Lou on this very special occasion. Mr. Comparsi and the Bank of America should be very proud of their 40 years together.

I insert the following article from the January 28 issue of San Pedro News-Pilot into the Record, as it gives a good description of both the party, and of Dominic Comparsi's many contributions to the community.

Friends Surprise 'Mr. C' on 40th

(By Bobbi Ellis)

More than 175 San Pedrans, who had been keeping a mutual secret for more than a month-and-a-half—got to break their silence Tuesday night in San Pedro at a surprise party for a friend.

The object of their attention—and earlier closemouthedness—was San Pedro banker Dominic J. Comparsi.

The occasion was a long-planned celebration honoring Comparsi's 40th year with the Bank of America.

Whether or not the party planners and goers were successful in keeping it a secret from the honor quest until zero hour remains Comparsi's secret.

But he swears he was surprised.

Word-of-mouth news about the festivities had been spread throughout the community for weeks, each person telling the next to "keep it quiet . . . it's a surprise."

To keep Comparsi from suspecting too much, a mini-celebration was conducted earlier Tuesday at the bank. The potluck luncheon was complete with a congratulatory sign and visits from old friends and former business associates, most of whom showed up again later in the day at Tony's Steak House, the site of the surprise party.

Both events—luncheon and surprise party—were organized by the 26 members of Comparsi's B of A crew.

"We think he might have begun to suspect something was up" a staff spokesman said, referring to earlier Tuesday when Comparsi mused aloud as to the whereabouts of the B of A's anniversary gift—a watch, which he had been allowed to select ahead of time.

The watch, a diamond Omega, was presented Tuesday during the community festivities.

Other gifts included a silver dollar money tree from the San Pedro B of A staff.

On hand were B of A regional vice presidents Myles Ketchum and Norm Jackson and Harbor Area assistant vice president in charge of the 28 regional offices, Ray Linton.

To lure the honor guest to the restaurant, Mimi Jarrin, his former secretary, and her husband had been recruited to extend an "absolutely unrefusable" invitation to Comparsi and his wife, Lou (Lucille), requesting that the two couples mark the banking aniversary together at a quiet dinner.

It was noted that the "quiet dinner" invitation might have caused further suspicion on Comparsi's part, "because his previous anniversaries have been observed after banking hours at parties attended by large numbers of guests—including the entire bank crew," the staffer said.

According to the spokesman, Comparsi wanted to turn supposedly quiet dinner for two couples into an affair similar to those of other years. He extended invitations all around—without getting any takers.

Everyone at the bank had an excuse, the spokesman said.

"Some said they were dieting, others were enrolled in night school, some had important meetings to attend. . . .

"I don't think he believed any of us," she added.

But whether he knew—or didn't know—everything went as planned, from the brief congratulatory speeches to the moneybag-shaped anniversary cake.

Sharing the community's tribute to the longtime San Pedro resident were representatives from nearly every organization in town, most of which—at one time or another—have benefitted from Comparsi's volunteer help.

A past president of both the San Pedro Boys' Club board of directors and the Lions Club, the banker is a former March of Dimes chairman; former president of the Western Boys Baseball Association, and past president and a director of the San Pedro Chamber of Community Development and Commerce.

In addition, Comparsi has long been active in the YMCA, Boy Scouts, Red Cross, American Legion and Knights of Columbus.

In 1970, he was chosen Kiwanis Club "Man of the Year."

Married for 38 years, Comparsi and his wife have two grown children, Carol Ann, a speech therapist for the Anaheim School District, and Vince, who resides in San Pedro with his wife, Kathleen, and son, Vince, Jr.

NATIONAL HOUSING PROGRAMS: THE REAL PROBLEM IS POVERTY

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Ms. HOLTZMAN. Mr. Speaker, since 1949, the Federal Government has spent billions of dollars on housing programs—with distinctly mixed results.

In a thoughtful and cogent analysis, which appeared in the January 24, 1976 issue of The Nation, my distinguished colleague from Michigan (Mr. JOHN CONYERS, Jr.), discusses some of the failures of Federal housing programs. While I may not agree with all the points that Congressman CONYERS makes in this article, and while neither he nor I would suggest that past failures justify the Federal Government's present neglect of urban housing, I believe that his views merit serious consideration. I commend the article to the attention of all my colleagues:

THE REAL PROBLEM IS POVERTY

(By Representative JOHN CONYERS, Jr.)

WASHINGTON.—When Congress passed the National Housing Act in 1949, it announced that every American had the "right to a decent house in a suitable living environment." Administrations have come and gone since then, dozens of programs have been designed and billions of dollars spent. Yet here we are, more than a quarter of a century later, no closer to fulfilling this goal than we were then. If anything, the situation is worse, at least for the poor and near poor who live in crumbling inner cities, the victims of the government's policy of "benign neglect" (the one recommended by former Presidential assistant Daniel Moynihan) for decades.

What went wrong? Some say the problem is that we have yet to hit upon the right mix of programs to make the dream a reality. Others cynically suggest that the programs were never meant to work. Still more blame corruption, bad administration, a slovenly bureaucracy—and so it goes, endlessly. The one explanation for the glaring failure of all the programs which has perpetually eluded policy makers is that when they try to solve the nation's housing ills in isolation, without attacking all the other problems that stem from social inequality, such attempts are doomed from the start. Nothing short of a full-employment program, one assuring each worker the right to a job at livable wages, will solve the riddle of housing.

What evidence do we have for this? The history of the last few decades tells a great deal about which Americans do, indeed, have the "right" to that decent house in that "suitable living environment." The story begins in the 1930s, when social unrest was rising, when unemployment and lack of demand struck at the heart of the American economy. One arm of the stratagem that become known as the New Deal was to rescue the housing industry, to stabilize mortgage finance and to induce as many Americans as possible to become debt-encumbered home owners. People must have a stake in the system and homes bought over a major span of their lives give them that stake. That was the message of Hoover's Commission on Homeownership as early as 1931.

The idea was launched with a vengeance in the package of reforms that set up the Federal Housing Administration (FHA). These programs worked, but only for middle-income groups. Since the FHA was designed to insure mortgages, it was careful to screen out the many who desperately needed housing but were decidedly bad risks. Thus, the FHA scheme lay behind that dynamic which built the American suburbs. Without it, the Douglas Commission of 1968 concluded, the incredibly rapid suburbanization of America could not have occurred.

The administrative reforms of the 1930s were not the only gifts handed the middle- and upper-income groups. There were also the fiscal tools embodied in the tax laws, which exist even now. First, home buyers were allowed to write mortgage interest off of income tax, a device which by 1972 was yielding an effective subsidy of $6.2 billion a year. Second, there was the comfortable capital-gains arrangement for home owners, which adds another $3 billion a year in subsidies to this group (those selling their homes don't have to pay tax on the profit from the sale so long as they buy houses of at least the same value, and owners aged 65 or older are forgiven the first $10,000 of profit). Thus, according to the script, the middle classes became responsible debt-encumbered home owners and rewarded the system by their conservatism.

The financial institutions, too, reaped tremendous advantages. The banks were clearly hurting, because widespread foreclosures during the depression had left them without clients and made them the unwilling owners of thousands of homes. With the FHA ready to insure new mortgages, the banks were back in business—and without a risk: if home buyers couldn't make monthly payments, FHA would pick up the tab. And with spectacular generosity, the government also agreed to cover most of the costs the banks incurred when selling off the stock of homes they had acquired.

And what of poor and low-income families? Before the reforms of the late 1960's, their "rights" to decent housing were limited to another route, one called "filtering." The concept is simple. Upper- and middle-income families, spurred to seek new housing (by tax subsidies and the advantages of suburban living), left behind their old homes. Since these were of better quality than the ones occupied by the poor, they would, as they passed down the income chain, ultimately improve the housing lot of groups at the end of the line. Filtering has indeed occurred. It accounts for the favorable statistics the government broadcasts—for example, that the number of families living in houses without plumbing was dramatically reduced between 1950 and 1970. But what the statistics conceal is that the poor and near poor are living in dilapidated housing in which the plumbing doesn't work in 1976.

It is hardly surprising. Housing that is not maintained properly deteriorates quickly. And since low-income families have scarcely enough money to cover normal repairs, little, if any, is left for the major outlays of new heating systems and the like. Thus, the older but "decent" housing bequeathed them quickly decayed. Also, where the housing becomes part of the rental stock, landlords concerned with profit rates tend to maintain them at the lowest level possible.

Some programs were designed specifically for the poor, but they were miserably inadequate. The most visible of these was public housing which was begun in 1937 and received some interest in the war years for strategic reasons. But it returned to its essentially repressive form after 1945. Stringent income limits, strict controls on quality and location (nowhere near the burgeoning job market in the suburbs) turned public housing into housing of the last resort for most of the poor. That there are long waiting lists for entry only testifies to the terrible conditions elsewhere and to the fact that urban renewal tosses the poor out on the streets.

Then came the 1960s, the riots and the revolt of the poor; American society was again threatened. Forced to act, Congress reached back into the past, turned up and dusted off the same schemes of the 1930s. If the middle-income groups had become docile home owners, why not extend the benefits to the poor? Congress realized that subsidies were needed to do this and by 1971 was pumping about $2.5 billion a year into housing in the form of direct aid (five times the level of 1969).

Where did the billions go? A large chunk went into the Department of Housing and Urban Development's "235" home ownership program which helped some families buy houses with very little cash. Under this program, the government paid the closing costs and gave subsidies to reduce the mortgage interest rate, sometimes bringing it to as low as 1 per cent.

It is this program that HUD Secretary Carla Hills recently announced plans to revitalize, though in a form distinctly less generous than before. Now, interest rates will be subsidized only down to 5 per cent, and buyers must pay all other costs. And with amazing candor, Secretary Hills has observed that the main goal of the program is to stimulate the construction industry; improving the housing of the millions who now live in squalor would be secondary. Once again, housing policy will be used to rescue the ailing economy.

Who benefited from the first 235 program and who is likely to benefit from the next? Some low- and moderate-income families did find homes. But both buyers and benefactors (the government) got precious little for their dollars, since a disproportionately small amount of housing was ever produced for the vast sums paid. The real estate industry, on the other hand, with both new and existing housing had a bonanza. Basically, it worked like this. Speculators bought old homes cheaply, did just enough cosmetic repairs to make them presentable and sold them for as much as double the original price. The proud new home owners soon faced the reality of their bad buys—major structural repairs. Many, who couldn't afford both the monthly payments and the cost of repairs, were forced to move. In Detroit, the default rate reached 30 per cent in some areas.

FHA program administrators and inspectors, too, had their own bonanzas. As subsequent scandals revealed, a steady stream of graft funneled into their pockets in return for grossly inflated appraisals and for approvals of obviously deficient repairs (the housing act required that FHA appraise the value of a home before it could insure a mortgage). Developers of new suburban housing staged their own extravaganzas. Quick to see that HUD subsidies guaranteed a ready market of buyers, housing developments tailored specifically for those covered by the program mushroomed around the country. But again many buyers found more burden than joy in home ownership because construction was often shoddy. Thus, they too were soon plagued with the problems of costly repairs.

Besides the basic loopholes which left the program open to abuse and corruption, the government never recognized that for low-income groups home ownership is not economically sound. Saddled with low-quality housing, they have but one choice when the roof falls in—to give up their homes. If the family income is too low to cover the initial cost of the house without government help, then a one-time subsidy to cover the down payment or some of the mortgage does nothing in the long run. Similarly, single-shot subsidies to the poor to cover the cost of rehabilitating their old homes or for some expensive repair are only stopgaps. Next year, something else needs to be fixed and the poor, who cannot afford such outlays, are forced to let their homes deteriorate.

Some of the billions were also earmarked to house the most indigent. The vehicle was

HUD's 236 program, which subsidized rents. While it is true that this plan allowed some also a boon to landlords, since it insured that rents would always be paid. And, as families to move into better housing, it was with the public-housing programs, the amount approved by Congress was miniscule when compared to the sums needed.

By 1972, the inner cities had grown quiet, Nixon was in the White House and it was generally agreed that the housing programs, having cost billions, had produced little. A moratorium was declared on all subsidy programs. But at present, with discontent growing, unemployment high and the economy refusing thus far to respond to manipulation, the government is returning to its surest safety valve—housing construction. It seems likely that there will be a restoration of the 235 program. Besides diffusing the discontent, the program will help developers unload much of the housing built in 1972 which lies empty because inflation and unemployment have cut deeply into potential home owners' pockets. Again, with a ready market of buyers (assured by HUD subsidies), demand can be stimulated and the developers can gear up for new construction.

For the poor, the government's latest answer is the "Section 8" housing scheme, designed to help "lower-income families secure decent, safe and sanitary housing." Even on paper, this plan scores low, since built-in loopholes insure that it will be inadequate, ineffective, regressive and open to wide abuse. Most important, the financial institutions are simply refusing to lend capital to developers who might build for this market—either for constructing new units or rehabilitating old housing—insisting the program is too risky. The result is predictable; in the Baltimore area, for example, not one major developer is building for Section 8.

In fact, the thinking behind this program is grossly misguided because supplying housing through the private sector costs the government almost twice as much as does conventional public housing. Private developers must borrow at current interest rates, while city housing authorities can obtain construction funds with low-interest bonds at half the price. Also, developers must pay full property taxes, where housing authorities make payments to the city in lieu of taxes at about 40 per cent of the tax rate. Thus the government, when it chooses the private-market route, pays vastly more and gets inestimably less. Section 8 is a public relations scheme, the administration's showpiece of its concern for the poor. Even a HUD official was forced to admit that the budget and target—up to $660 million for 400,000 units—were merely a "drop in the bucket."

Current legislation being proposed in Congress continues to attack the problem piecemeal and offers aspirins where surgery is needed. Each bill has some merit and will undoubtedly help some part of the population, but the net effect on the decaying habitations which blight the American landscape and the lives of those who inhabit them will be nil. In the House, one bill calls for safeguards for renters who live in buildings being converted to condominiums; another seeks disclosure by financial institutions of their mortgage lending practices, to uncover red-lining (when banks refuse mortgages for homes in changing or blighted areas). A third would subsidize rent for SSI recipients who pay more than a third of their income for housing. Others press for deferred mortgage payments for home owners (currently buying under FHA or V.A. insurance schemes) who have been hit by layoffs and can't meet the monthly tab, or for loans for low- and moderate-income families to rehabilitate their homes.

The only bill that begins to attack the problem calls for construction of 3 million units over the next three years, but even that is hopelessly inadequate since seven times the number is needed. Also, the bill states that 2 million of the units should be provided through the private sector. Despite its obvious lacks, it is probable that the bill will never be reported out of subcommittee, and never reach the floor of the House, let alone pass. Housing and the poor are low priorities for most legislators.

In the Senate, two bills scheduled for hearings have even more limited goals; one calls for flood insurance, the other seeks government aid to home owners who insulate their houses to save energy. And though Congress passed the Emergency Housing Act of 1975, which was designed to assist home owners faced with foreclosures, to subsidize mortgages for middle-income groups through the Government National Mortgage Association and to provide funds for rehabilitation, the President and Secretary Hills are sitting on the moneys, insisting such schemes are wasteful or unnecessary.

Such a review of the country's past and present gestures toward housing makes it clear that any real commitment to change the abysmal conditions is virtually nonexistent. By contrast, the British Government, after World War I, decided that the private market simply couldn't provide adequate housing for the lowest income groups. Thus, it began a wide-scale public-housing program and currently owns about 30 per cent of the country's housing stock. In the United States, by contrast, the government has about 2 per cent of the stock. Tax incentives are continually offered to investors who will build for the low- and moderate-income groups, but such schemes usually benefit builders, not buyers, and also contribute directly to urban decay. Buyers of this housing often leave fair-quality homes behind, but the poor can't afford them and landlords can't rent them profitably. They are boarded up, while more people are crowded into fewer units. The vacant dwellings are quickly vandalized, deteriorate and add to the cities' blight; the overcrowded homes crumble under the weight of numbers never intended to inhabit them.

Some in government insist we need more imaginative programs or innovative concepts for housing the poor. But with the best intentions—which the government has never expressed—simply designing new programs will merely shift the problem elsewhere. For only a system that can offer full employment at equitable wages can give the poor and low-income groups the ability to change the conditions, not only of their housing but of their lives. And until we can guarantee that, we can expect a replay of the last four decades: new programs, new billions and new blight.

PRESIDENT KAUNDA'S STATEMENT ON ANGOLA

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. BINGHAM. Mr. Speaker, one of the outstanding leaders of Africa is Dr. Kenneth Kaunda, President of Zambia.

While bitterly opposed to the intervention of South Africa in Angola, he has also registered strong opposition to the intervention of the Soviet Union in that war-torn land.

I have recently obtained the complete text of President Kaunda's address at the OAU summit meeting on January 12. I commend this eloquent and important speech to my colleagues and other readers of the RECORD:

SPEECH BY HIS EXCELLENCY DR. KENNETH D. KAUNDA, PRESIDENT OF THE REPUBLIC OF ZAMBIA TO THE FIRST EXTRAORDINARY SESSION OF THE ASSEMBLY OF HEADS OF STATE AND GOVERNMENTS OF THE ORGANIZATION OF AFRICAN UNITY AT ADDIS ABABA, JANUARY 12, 1976

Mr. Chairman, since the birth of the OAU, this is the most serious and tragic crisis the Continent has ever faced. Angola is serious and tragic to the people of that country; it is tragic in its implications for the unity and security of Africa. Angola is an emotional issue. It could divide Africa without ending the war. It is an emotional issue because people, as I am speaking now are dying. Men, women and children, the sick and the poor are being mowed down like animals by weapons from countries whose own nationals are enjoying peace and progress in their own countries.

Angolans suffered from colonialism for centuries and fought a war of liberation in the last 14 years from Portuguese colonial and fascist rule and for full national independence. Today, they live in the shadow of death day in, day out. Today in vast areas of independent and sovereign Angola, dying is more sure than living. Men and women, old and young live only one step ahead of the disaster that dogs them at every turning. Africa has failed them. Angolans are dying now while we are discussing ideology. The people of Angola are suffering, refugees without homes. I live near Angola and I can hear the voices of poor children crying in pain and desparation. Yet here we are debating ideology in the comforts of distance. Events in Angola are saddening. Events in Angola are a challenge to Africa. The civil war in Angola must be brought to an immediate end. We in this Organisation cannot on any grounds whatsoever let or encourage Angolans to kill one another or be killed. If the OAU has an obligation to an independent Angola, it is to stop the war. It is war, no matter how much we try to interpret it. It is being fought with tanks, armoured cars and even from the air. Worse still, it is already internationalised. We must reject the erroneous and dangerous assumption that a truly independent Angola will only be achieved through intensification of the civil war.

Therefore, this Summit must, very carefully and cooly, examine every aspect of the Angolan tragedy. We must look at the fundamental causes and not merely at the effects of the civil war. We should not indulge in endless recriminations. We must not sink so low as to trade insults amongst ourselves. I am saddened and very deeply hurt that even young comrades in this Hall whose Heads of State could not even leave their countries, who could not even send their Foreign Ministers could hurl insults at us, young Comrades who know nothing about the real struggle in Southern Africa from the safe distance of their countries. Zambians have died for the cause of liberation. We take the problem of Southern Africa very seriously and cannot accept insults.

This Summit should clearly address itself to the basic problem in Angola and then suggest ways and means which will achieve two fundamental aims namely: first the ending of the conflict in Angola in the interests of Angolans as a whole and second the strengthening of unity in the OAU which the Angolan tragedy so clearly threatens. In our view this meeting should start by examining the objective reality of the situation by looking at the whole issue from at least three angles:

(a) The history of the Angolan struggle and OAU attitude to it;

(b) What the current situation is in Angola and what Angolans and we Africans gathered here want;

(c) What Africa's collective position should be in order to resolve the problem within the OAU context.

The OAU recognized the three nationalist movements in Angola. Until early, 1975, this Organization recognized the Popular Movement for the Liberation of Angola (MPLA) and the Front for the Liberation of Angola (FNLA). Subsequently, this recognition was extended to the National Union for the Total Independence of Angola (UNITA). No one can dispute that the OAU regarded each movement as a legitimate and authentic representative of the Angolan people and expression of their aspirations. The OAU did not meet before the Independence of Angola to withdraw recognition from any of the movements. Until the 11th November, 1975 all our actions clearly show that the OAU was working toward achieving unity among the three groups. Zambia was among the countries charged by this Organization to unify the Angolan Liberation Movements. The others were Congo, Tanzania and Zaire. In accordance with our mandate we kept the OAU informed.

We as an Organisation have done nothing to indicate that we have changed our collective attitude and actions in this regard. In June last year, the Summit in Kampala called for reconciliation and unity amongst the three movements. MPLA, FNLA and UNITA were together and on the basis of equality in Mombasa, Alvor, and Nakuru. Pictorial history will show them embracing and smiling in acknowledgement of their common brotherhood and basic aims. No one claimed exclusive right to represent the people of Angola. Africa prayed for their unity. We in Zambia worked and continue to work for their unity.

There should be no misunderstanding about Zambia's position regarding our relations with the MPLA. Our relations date back to the time shortly after our independence when they opened their eastern zone in their fight for the liberation of Angola. The MPLA established its base in Zambia. The base is still there today. It is from this base that the MPLA intensified its heroic war of liberation against the fascist Portuguese forces. Zambia has always been, as the MPLA themselves referred to us, a logistical bridgehead for their armed struggle against the Portuguese fascists. The MPLA asked for material assistance and we gave it to them generously. Considering our obligations to the liberation movements of Zimbabwe, Namibia and Mozambique then, this is a great sacrifice for the 5 million people of Zambia. Few countries have made similar sacrifices. It is a fact that MPLA fought heroically and made great sacrifices. We had experience of their heroism because Zambia, as is well known, acted as their rear-guard. Without that rear-guard support from Zambia, the struggle could have been more difficult. We made these sacrifices for the cause of MPLA, namely, the independence of the Angolan people.

In referring to our fraternal assistance to the MPLA, I want to stress the fact that preference for one movement does not and should not necessarily preclude other movements from the gigantic task of national reconstruction.

This cardinal principle is even more relevant to the current situation in Angola. As I have stated above, the OAU has not withdrawn recognition from any of the three Political Parties in Angola formally or otherwise. MPLA, FNLA and UNITA remain in the territory of Angola as political and military facts. As of now the following is the situation in Angola:

(a) Angola is a multi Party State with three Political Parties struggling for power. None has an exclusive right to represent the people of Angola as a whole;

(b) The two super-powers and other countries have intervened on the side of one or the other of the claimant governments;

(c) South Africa, that racist and major problem for Africa, has taken sides and is fighting against one of the Parties;

(d) Two contending Governments have been declared by the three movements and some African governments have recognised the Luanda based Government while others are calling for the formation of a Government of National Unity.

We cannot pretend that the three Political Parties do not exist in Angola. This would be a futile exercise in self-deception. The fact that each one is idealogically unacceptable to one or the other of member states of the OAU does not render its existence null and void. The fact that all of them are being supported by countries or forces against which some member states object to does not erase the fact of a Party.

Another factor is one of foreign intervention. Here, I would like to state first and foremost that everyone in this Hall condemns South African intervention in Angola. We have repeatedly condemned South Africa and do condemn them now. We call for the withdrawal of all South African troops from Angola. We in Zambia need no lecturing from anyone about apartheid and colonialism. We have fought South Africa apartheid for many years. Our people have been killed or maimed and property destroyed in support of the liberation struggle. We know that pious speeches do not bring liberation. Only action does. I know some of us will forget about the struggle soon after take-off from Addis Ababa, while for Zambia, this is only part of the daily programme.

There is an equally dangerous dimension contributing to the Angolan tragedy. This is the intervention of super-powers and their allies. In the history of independent Africa, this is the first time that thousands of non African regular troops and heavy sophisticated military equipment have been brought in to install one Political Party into Power and in service of their hegemonic interests. This is a most dangerous phenomenon which constitutes a grave threat to the entire continent and the unity of Africa.

The involvement and rivalry of superpowers in Angola must not be condoned by the OAU. Whilst these superpowers are trumpeting the end of the cold war era, in their bilateral relations, they are at the same time sowing seeds of discord in Africa. Angola is now a theatre for their hegemonic rivalry.

It is dangerous for Africa to side with one superpower for that is an automatic invitation to the other to get involved. The world is cruel. Time has come for us to reaffirm the basic principles of Pan-Africanism.

1. No intervention by foreign powers in African Affairs.

2. No interference in the internal affairs of other independent States.

All foreign intervention must cease and all foreign troops and equipment must be withdrawn from Angola. Africa must never be the instrument for furthering the objectives of any superpowers.

Africa must understand that imperialism is imperialism. It knows neither race nor colour nor ideology. All nations which seek to impose their will on others are imperialists. Africa must not permit these Trojan imperialist horses which can come under the guise of furthering the cause of liberation to divide us.

But the truth is that in 1965 shortly after U.D.I. in rebel Rhodesia, I sent a mission to Moscow and Washington, D.C. to explain the grave consequences of U.D.I. and to ask for material assistance. Moscow's reply was that they could not give us assistance because our economy was still organised on capitalist basis. This was shocking to us. We were only a year old and yet Moscow expected us to overhaul the capitalist system and organise our economy on Socialist lines without manpower and the capacity to build a socialist

This is why it pains us to hear the insults when people talk about fighting South Africa. We have been fighting South African apartheid since independence. We have fought the Portuguese and the rebels in Rhodesia. Fighting is not a new thing to us. We have fought capitalism as well. If anyone wants to see our revolution I say come and see. We do not talk about revolution, we believe in revolutionary action. There can, therefore, be no doubt about our programme.

China as I have said refused to be involved in the tragedy of the Angolan civil war.

In dealing with this grave issue, Zambia is in no way questioning the sovereign right of each member state to make its own independent decisions. However, if we as member states fail to harmonise our views on such issues as Angola our Organisation will no longer be credible. We run the risk of playing into the hands of the enemies of Africa. We believe that the existence of two rival governments or the recognition of one of them does not necessarily preclude reconciliation between the two claimant governments. In the analysis peace in Angola will only be achieved through an agreed solution.

Assistance to liberation movements must not be an excuse for establishing hegemony in Africa. In this respect, we should learn from the People's Republic of China. Among the socialist countries China is easily the leading source of material assistance in the liberation struggle. Her contribution is immense. The OAU asked the People's Republic of China for assistance, she gave it willingly, but China has not sought to impose her will on the people of Africa. She has not sought to twist the arm of Africa by any means. In this context we in Zambia deeply regret the untimely death of Premier Chou En Lai. We pay tribute to him for leaving behind a clean record. China helped the struggle in Angola. But she has no imperialist ambitions.

China helped us in Zambia by building a Railway Line from Kapiri Mposhi to Dar-es-Salaam in Tanzania. She gave us massive assistance which strengthened our resolve to fight colonialism, racism and fascism in Southern Africa. Let there be no misunderstanding. We are not against the Soviet Union. Our relations with the Soviet Union are very good. We have bought many things from them. Even now at the Addis Ababa Airport, we have a plane, a YAK 40, which we bought from the Soviet Union and Soviet personnel are helping to train our officers. So there can be no doubt about our bilateral relations.

We are also certain that if the fundamental issue of unity is achieved among the contending parties it will be easy for Angolans and the OAU to remove all external factors contributing to the intensification of the conflict. The OAU should not play a divisive role in Angola. If we are not careful, we shall create a very dangerous precedent for Africa. We could very easily erode the very principles which have sustained our unity in the past. We could sow seeds of Angola's dismemberment. Zambia does not want any of these possibilities to occur. Zambia is committed, as always, to the unity of both the OAU and Angola. Zambia's objectives in this regard are as follows:

(a) Peace in Angola. We want peace which means more than the absence of a fruitless war. We seek the establishment of understanding, harmony, and co-operation among all the people of Angola who have struggled for centuries for freedom and peace against foreign domination and exploitation. Today in Angola, as I have stated on previous occasions, there is independence which we happily recognise but which does not carry with it the attributes of freedom.

(b) Zambia would like to see the establishment of a united and prosperous Angola. In Zambia's view if the war continues it will result in the balkanisation of Angola. The OAU does not want to see this happen. The OAU and the Angolan people did not fight for such an outcome. Zambia did not make sacrifices in support of the Angolan people in order to achieve that negative outcome. We have repeatedly stated that Africa must not build conditions for the partition of Angola but for her unity.

(c) Zambia wants a progressive and non-aligned Angola completely free from external pressures.

In the light of the foregoing, Zambia stands by the call for the establishment of a Government of National Unity in Angola that will bring peace and unity and reconciliation in Angola. We thus recommend to this Extraordinary Session of our Assembly:

(a) That the OAU should condemn South Africa's aggression in Angola and call upon her to withdraw from Angola forthwith;

(b) That the OAU should condemn and call for an immediate end to all other forms of intervention;

(c) That the OAU should call for an immediate ceasefire;

(d) That the OAU calls upon the three Angolan Movements to find a political solution which should guarantee peace, unity and the territorial integrity of their bleeding fatherland;

(e) That the three movements must form a Government of National Unity.

Mr. Chairman, we came here not to save face but to save the lives of millions of innocent Angolans.

We are here not to usurp the sovereign right of the Angolan people to determine their own destiny. We are here to help end the senseless killings of brother by brother in the current civil war.

We are not an Electoral College. We did not come here to confirm any one political party as the government of Angola. We are here to build bridges of love and understanding across the chasm of fear, hatred and destruction.

We are here not to confirm the right of any foreign power to intervene in Angola. We are here to ensure that the people of Angola are left alone to determine their own destiny without foreign interference in any shape or guise.

Our inescapable duty is to ensure that Angola achieves peace, unity, economic and social progress. We remain committed to finding a solution that will help Angola achieve these objectives.

Mr. Chairman, this is the challenge of the OAU. We must face the crisis without emotion. Time is against the OAU and the true interests of the people of Angola. Africa's honour is at stake. Zambia is, however, confident that our collective wisdom will prevail so that Africa can emerge as a continent capable of making its own decisions which are primarily in the interest of the African people. To this end, Zambia reaffirms its commitment to the principles and ideals of the OAU Charter and to the legitimate aspirations of the Angolan people.

Africa, where is your Power? Is it in insults we have heard? No. Is it in division which we witness? No. The Power of Africa lies in Unity; in constructive action. Without these elements we simply have no power.

Finally, Africa must not deceive itself. Decisions on Angola, effective decisions I mean, are being made in Moscow and Washington, D.C. Our failure to find a solution here confirms that OAU has no power to shape the destiny of Africa. The power is in the hands of superpowers to whom we are handing over Africa by our failure. We must not fail, we must not be divided. We must be united.

OPERATION TOP NOTCH

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. JACOBS. Mr. Speaker, the construction industry in Indianapolis has announced a program called "Operation Top Notch." Following is the text of the press release announcing the program:

OPERATION TOP NOTCH

INDIANAPOLIS.—Nineteen management and labor organizations which comprise the backbone of the construction industry in the Indianapolis area announced today a program "to make the city a strong challenger in the national competition for new business growth."

Called "Operation Top Notch," the project's purpose is to create in Indianapolis a more harmonious and productive building climate, based on more efficient use of building shifts available in the area.

The 19 organizations today signed Memorandum of Understanding which pledges them to numerous improvements in contractor-union relationships.

Notable among commitments made by the construction unions is their pledge not to strike or picket to settle jurisdictional disputes, to cut back on overtime and to eliminate costly and inefficient work practices such as slow-downs, standby crews and unnecessary work rules.

Speaking for the contractor groups which signed the memorandum, John R. (Jack) Fenstermake, president of the Hugh J. Baker Co., said the contractors and the unions want the "Top Notch" label to be synonymous with "the very best quality that our industry has to offer."

"If we are to continue to have an active construction market in Indianapolis," he said, "we (the contractors and unions) must make this city extremely competitive in attracting new investment."

He predicted some contractors might be forced to close and workers would need to seek other areas of employment if the city's industrial and commercial development program fails.

Representing the unions, Jack Muir, business representative of Local 22 of the Ironworkers, said: "Maybe it is vested interest which brings us together, but let's not lose sight of the fact that the public interest is being served in the long run. This program means more jobs and a better life for everybody."

Muir said the unions would not have forfeited the right to strike or picket if they were not serious about improving productivity and eliminating wasteful practices of the past.

Fenstermaker explained that our construction groups, including many larger general contractors, are expected to join the first 19 signers as soon as the concept has been approved by their boards of directors.

The 19 groups which have signed the memorandum to date include:

Asbestos Workers Local No. 18.

Bricklayers Local No. 3.

Carpenters District Council of Central & Western Indiana.

Cement Masons Local No. 532.

Central Indiana Building & Construction Trades Council.

Construction League of Indianapolis.

Electrical Workers Local No. 481.

Elevator Constructors Local No. 34.

Glaziers Local No. 1165.

Iron Workers Local No. 22.

Laborers Local No. 120.

Mason Contractors Association of Indianapolis.

Mechanical Contractors Association of Indiana.

National Electrical Contractors Association.

Operating Engineers Local No. 103.

Plasterers Local No. 46.

Plumbers & Steamfitters Local No. 440.

Sheet Metal Contractors Association of Central Indiana, Inc.

Sheet Metal Workers Local No. 41.

Muir estimated that as many as 25,000 Indianapolis area construction workers will be covered in the "Top Notch" agreement.

PHILIP HART: THE GENTLE WAY AS THE EFFECTIVE WAY

HON. PHILIP E. RUPPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. RUPPE. Mr. Speaker, yesterday in the Washington Post, Mr. Colman McCarthy wrote a lengthy column on the senior Senator from my State of Michigan, the Hon. PHILIP A. HART.

His eloquent words have described for the Nation what we in Michigan have known for a long time: Senator PHILIP A. HART represents the very highest caliber of public service.

His career both in Michigan and here in Washington has been identified with a continuous stream of decency and fair treatment for all citizens. Yet, in so doing, he has never hidden or falsely represented his own differing opinions from those that have been popular at a given time.

Rarely has he sought headlines, yet they have come his way. Never has a hint of demogogery slipped into his words, yet his language has sounded like thunder for what he believes is right.

I am deeply humbled and proud to say that he is one of my constituents from northern Michigan. I am equally proud to be able to say that he is my Senator.

I ask that Mr. McCarthy's column be reprinted in the RECORD:

PHILIP HART: THE GENTLE WAY AS THE EFFECTIVE WAY

(By Colman McCarthy)

A few years ago, a Washington journalist wrote a book in which he called Sen. Philip Hart "a man widely regarded as the gentlest and kindest in the Senate." The galleys of the book were sent to then-Sen. Paul Douglas of Illinois, who had been asked to review the book for The Washington Post. He read the reference to Hart but was troubled. It took Douglas several phone calls to track down the author, who was at his vacation retreat. Talking with him, Douglas explained that he knew it was unusual for a reviewer to call an author before the book came out, but he had a suggestion for a galley change. Must it say that Senator Hart is "widely regarded" as the Senate's gentlest and kindest man? Couldn't the book just state "he is," and avoid the cop-out qualifier?

This story is not one of the vintage political tales that float to the top of the air currents in Congress, so many of the stories flavored to put down another member or raise up the teller. But the solicitude of Sen. Douglas—authentic feeling, not the hollow "my distinguished colleague" kind—suggests that nothing less was due Philip Hart than unqualified esteem. The session of Congress now beginning is Hart's last. His recent retirement announcement has prompted a number of Michigan politicians to seek to replace him. They can stop now. The seat will be replaced, but not the man.

In his 18 years in the Senate, Philip Hart has practiced as pure a style of politics as that body has ever seen, elevating not only the level of thought but also the vocation itself. In a profession often trivialized by fitful hacks who think political impact is made by the raised voice or eyebrow, Hart has remained loyal to the Greek meaning, politikos: of the citizens. What concerns the citizen? What possibilities can he be drawn to, or to what form of humanized service can the politician, the server, give himself?

Before a politician can adopt this cast of mind, he has to think first of keeping his job. From the record, it could seem that Hart has represented not Michigan at all, but a territorial outback whose citizens sent him to Washington with a moral compass, not a political one: point the needles not merely to our wishes back home, they instructed, but also to honesty and fairness. We will be served that way. Thus, with the auto industry as Michigan's largest employer, Hart has persisted in attacking the monopoly practices of the Big Three. He began or supported every major safety or environmental regulation involving Detroit. The state has the nation's second largest hunting force, but no one in the Senate has called for stronger gun controls. He supported busing in Michigan (because he believed in the rightness of it in the South) when other Democrats ran for pillows to make the issue more comfortable for fence-sitting.

Electoral risks put senators on slide rules, moving them along exponentials that make the conscience a variable. The issues, like logarithms, are said to be complex. Perhaps. But Hart has remained the still point in the middle of complexity. Situation ethics make as little sense as situation politics. He was the only senator to speak out in 1972 against Sen. James Eastland's becoming president of the Senate. The courage of Hart's stances has been perceived by the voters. He has never had a close re-election race; in 1970, he received as many votes as Gerald Ford in Ford's home district.

How is it possible for a man to be in the Senate 18 years, a defender of periphery causes, and yet be held in deep affection by most other members? It is assuredly something more than Hart's soft voice or the merry Irish twinkle in his eye that does it. One explanation is that he has a style of personal humility that keeps his convictions from being crusted with either blowhard or diehard righteousness. He is known, much to staff impatience, for spending as much time examining an opposing position as in presenting his own.

"You never know your own motive most of the time," he said recently, "but most people are always assuming they know the motives of everyone else. But it's hard. It's hard for a politician looking at another politician. It's even more difficult for the public looking at the votes and the positions taken by a politician to determine what motivated that man. I am sure that there are people in Michigan, for example, who believe that the reason I have a voting record that conforms generally with the labor movement is because labor gave me money. And certainly in the liberal group, there's much too much of the assumption that the reason some conservative around here is conservative is because some company or corporate officials fund him. We liberals don't credit conservatives with what we credit ourselves. I say I vote in a way that finds approval with labor because it happens that I believe that this is the best for the people. Our goals are common, but we arrive at them independently. The liberal is apt not to give the conservative credit for the same thing. A conservative may conclude quite independently of constituent pressure that the program of, say, the National Manufacturers Association makes good sense."

If Hart can look at liberals dispassionately, he also sees his own role in the Senate with a measure of restraint. "There's a terrible tendency here to think that everything we do and say, or omit to do, is of world consequence. But you know full well that you can go across the street and the bus driver couldn't care less." If caring is present, it must come from within the man. "I remember the expression that the politician is the lay-priest of society. The corporal works of mercy are part of the business of how the government runs. A solid case can be made that whatever the venality that attaches to the profession, politics is still a high vocation . . . I have regarded it as an opportunity to make a more humane life for everybody."

Hart's humanism was shaped by what he calls a typical education within the church school system: the Sisters of Mercy for eight years, the Christian Brothers for four, the Jesuits (at Georgetown) for four. At a moment when politicians and their families are being examined, Hart says of his children: "I won't try and guess what my own children may have felt about my being in politics or about me as a father, but I think my strong love and respect for them has been reciprocated."

Little of Hart's Senate work has made him a national figure. He caught the glare during the ITT scandal when he was in the Senate contingent that went to Dita Beard's bedside, and he was on the committee that Richard Kleindienst deceived. Instead, he has been committed to the hidden and unshowy work of the hearing room. He came early and has stayed late on such issues as pesticide poisoning, lead gas fumes among inner city children, amnesty, no-fault insurance, decriminalization of marijuana, freedom of information, divestiture of the oil and auto companies. He will be gone before these matters are resolved in a way that citizens deserve, and others will likely be on hand to take winner's credit. But those who have watched closely will know who began the bold struggles.

Hart has no bitterness that his issues have attracted little press attention. It is hard to expect reporters to sit through unglamorous economic or anti-trust hearings he says, "when at the same time in the next room you have some hoodlum invoking the fifth amendment." For the occasional reporter who does cover the unnoticed hearing, Hart has special feelings. He speaks of one Washington journalist: "he has excitement in his stories simply because he is able to describe the way certain private interests have been able to twist debate or cause decisions to be made that disserve the general interest. But more often than not, this man is reporting the important issue though it is relatively heavy and unexciting."

In recent months, Sen. Hart has been hospitalized for cancer. On the subject of death and dying, he is as gently candid as on anything else: "When the doctor walks in and says it's cancer, and they chase around for weeks trying to find the original source and still can't, you'd have to be a very insensitive fellow not to be shaken up. Sure you think about it. (Death) becomes not something vague that everyone knows is going to happen. It's something that not only is on schedule... but is in motion. And you do review the bidding and test the faith. I think now I'm prepared."

For the rest of this session, news reports will tell of other members of Congress retiring. Careers will be reviewed and testimonies given. It is likely to be different for Philip Hart. The public won't fully know how valuable and towering he has been in the Senate until next year, when he is not there.

THE FAIRNESS DOCTRINE

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. KOCH. Mr. Speaker, as you know, the radio and television stations in this country are subject to regulation by the Federal Communications Commission pursuant to the Federal Communications Act. One of the requirements of that act, as interpreted by the Commission, is that the operator of a radio or television station devote a reasonable percentage of the station's air time to the coverage of public issues and that the coverage be "fair" in that contrasting views shall be aired. This is the well-known "fairness doctrine."

I support the fairness doctrine, because I believe that these electronic purveyors of information and entertainment must be regulated as long as they each enjoy their exclusive licenses to a sector of the radio and TV bands. But I wish to share with my colleagues an interesting proposal made by an able lawyer, former legislator, and a good friend, Jerome L. Wilson, Esq., who recently published an article on the Fairness Doctrine in the American Bar Association Journal. I am inserting the article in the RECORD, and I commend it to your attention:

THE FAIRNESS DOCTRINE: BIG BROTHER IN THE NEWSROOM

(By Jerome L. Wilson)

It's open season on the fairness doctrine. In fact, in some circles if you don't take a ritualistic pot shot at it once in a while, someone might think—God forbid—that you're soft on the First Amendment. Why the fuss over what is a fragile and some would say feeble attempt by the Federal Communications Commission to set up some kind of outer liimts as to what goes out over the public airways? And why do politicians ranging from Sen. William Proxmire to Sen. Roman Hruska, from left to right, so to speak, come down so hard on what is at first blush a modest federal guideline?

One answer to this conundrum may be that the arguments against the fairness doctrine have a beguiling simplicity. They read like a textbook syllogism: (1) A fairness doctrine for newspapers would not be countenanced because of the "free press" provisions of the First Amendment. (2) Television and radio have been held to have First Amendment "free press" protections. (3) Therefore, to permit a fairness doctrine for radio and television is to countenance a constitutionally impermissible double standard.

The defenders of the doctrine, on the other hand, have a tougher road. Theirs is to defend a jerry-built structure of longish F.C.C. pronouncements, a backhanded recognition by the Congress that the doctrine does indeed exist, and F.C.C. case law is at best unsettling. The whole teeters rather precariously on a disputable premise, namely, that there is a scarcity of broadcast outlets in the country today. All this is in the name of the elusive concept that broadcasters can be made to treat public issues fairly—to a standard set by a federal commission.

But before entering the fray to defend, or perhaps to offend, the fairness doctrine, we should describe what it is. In a way the doctrine is a two-pronged fork used to poke at broadcasters. One prong requires that the operator of a radio or television station devote a reasonable percentage of the station's air time to the coverage of public issues. The second prong requires that this coverage be "fair," in that contrasting points of view should be aired. This is really the "fairness" aspect of the doctrine.

Many times this second prong is confused with the catchier concept of "equal time," even by broadcasters themselves. But unlike the fairness doctrine, the equal time provision of Section 315 of the Communications Act (47 U.S.C. § 315(a)) applies only to programs featuring candidates for public office, and regular news shows are exempt from equal time provisions. The fairness doctrine, on the other hand, applies to all of a station's public affairs programing, including news broadcasts.

The equal time rule, however, is by no means inconsequential. It applies to any station-sponsored, political debate, and it can represent stop watch journalism at its worst. For under equal time all candidates for a particular office, no matter how minor the office or the candidate, must be given equal air time, right down to the second, if any one of the other candidates is given time. As a consequence, many stations and the networks avoid these debates altogether. Since "equal time" has come to mean "no time," Section 315 is hardly more than a bad joke that Congress has played on broadcasters and the public. Furthermore, it remains to be seen whether the recently approved F.C.C. exemptions to the equal time rule—for political debates not sponsored by broadcasters and for candidates' press conferences—restrain the rule's current inhibitory effect.

COVER THE NEWS, BROADCASTER

The fairness doctrine, on the other hand, is no joke. In fact, even its critics should be willing to acknowledge that it is an earnest attempt by our representative government to trammel what is an awesome power in private hands. Who is to gainsay, for example, that without the fairness doctrine the commercial networks would not abandon their costly news divisions and replace Cronkite, Chancellor, and Reasoner with round-the-clock "I Love Lucy," Cher, and other popular entertainment?

Some have charged that the doctrine's first requirement—the affirmative obligation to give reasonable coverage to public issues—somehow inhibits broadcast journalism. But, in point of fact, broadcast journalism may owe its very existence to this aspect—which says in effect: Cover the news, broadcaster, or lose your license.

Actually, it's the second requirement of the doctrine—the one about requiring airing contrasting viewpoints—that causes most of the trouble. For here the F.C.C. gets into *how* broadcast journalists are to cover the news, not *whether*.

THE F.C.C. REGULATES THE NEWS

The F.C.C. maintains in its latest fairness doctrine pronouncement, 48 F.C.C. 2d 1, 7 (1974), that this second aspect of the fairness doctrine should not inhibit broadcast journalism any more than the first. But this assurance has not been followed in practice. Marching under the banner of balancing viewpoints, the commission has made one foray after another into the precincts of broadcast journalism. Most frequently these incursions have been over the terrain of the prime-time network news specials. On occasion fairness attacks have come in other areas; a few years ago a right-wing radio station, for example, was pitched off the air because of unfairness. But this is not the typical case.

What is typical is the F.C.C.'s sitting in judgment as to whether the C.B.S. news documentary, "Hunger in America," was slanted to exaggerate the hunger problem, or whether another news documentary by C.B.S., "The Selling of the Pentagon," was deliberately distorted to be unfair. More recently, the F.C.C. considered and then found wanting the N.B.C. news documentary, "Pensions: The Broken Promise," for not giving adequate time to the more cheerful aspects of the nation's pension picture.

These F.C.C. examinations, and in the N.B.C. "Pensions" case condemnations, were all made by an agency that purports to believe that individual broadcasters should exercise wide journalistic discretion. But journalistic discretion in many instances is clearly out the window when it comes to fairness compliance. In fact, in its own regulations the F.C.C. promulgates a very nondiscretionary checklist for broadcasters. Among the questions: Is the subject of the news documentary sufficiently important, and controversial, to require fairness?

Are constrasting viewpoints presented? Was a good faith effort made to find them if they were not presented? Are more than two contrasting viewpoints appropriate? Are genuine partisans used? And, finally, is the amount of air time granted to each side reasonable?

EQUAL TIME BY THE BACKDOOR

This last question, the F.C.C. protests, does not mean strict equal time. The commission admits, however, that frequently in judging "fairness" complaints, it gets down to "weighing the time allocated to each side." The danger here is obvious—the fairness doctrine is becoming an equal time requirement by the backdoor. More ominously, "fairness" brand of "equal time" applies to newscasts and news documentaries—categories specifically exempt from the "equal time" law. No wonder some broadcasters get "fairness" and "equal time" confused. When you get down to the level of the newsroom, they frequently end up meaning the same thing.

In addition to its guidelines, the F.C.C. in its case holdings and in dicta sets out elaborate directives for broadcast journalists. They include how film interviews should be edited, how many times news sources should be checked, rules for investigative reporters, and prohibitions against staging news events. The result is that scarcely a broadcast news decision is made without a backward glance to the F.C.C. and its fairness bulldog. To cover a fire, a broadcaster does not have to afford air time to pyromaniacs, but let there be an investigative news report of a societal wrong—typical of the best of American journalism—and woe be to the broadcaster who doesn't put on a spokesman able to discredit the entire effort and say that everything is just rosy.

A CONSTITUTIONAL CHALLENGE BECOMES MOOT

This whole situation dampens journalistic enterprise, turns the F.C.C. into a big brother editor, and exposes the entire fairness scheme to constitutional attack. As a matter of fact, recently the Supreme Court in *Miami Herald Publishing Company* v. *Tornillo*, 418 U.S. 241 (1974), held unconstitutional what amounted to a fairness doctrine for newspapers, throwing out a Florida right-to-equal-space law for persons attacked by a newspaper. The statute was found to violate the First Amendment's guarantee of a free press.

When the logic of *Tornillo* is coupled with the editorial freedom of broadcast journalists, specifically recognized by the Supreme Court in *Columbia Broadcasting System* v. *Democratic National Committee*, 412 U.S. 94 (1973), there is clearly the makings of a constitutional case. Although the roar of Red Lion may protect the doctrine itself from a challenge (*Red Lion Broadcasting Company* v. *F.C.C.*, 395 U.S. 367 (1969)), the F.C.C.'s expansive interpretations of the doctrine's contrasting viewpoints requirements could well be vulnerable. And the F.C.C. may know it.

Recently the United States Court of Appeals for the District of Columbia Circuit agreed to another hearing of its reversal of the F.C.C.'s finding against N.B.C. in the "Pensions" case. But the F.C.C. begged off. It lamely told the court that N.B.C.'s fairness violations were now moot because Congress had since passed pension reform legislation. Sensing weakness, N.B.C.'s lawyers contested the mootness suggestion, but the court, mercifully for the F.C.C., vacated both the commission's original order and its own reversal, thus wiping the slate clean.

THE FUTURE OF THE FAIRNESS DOCTRINE

What then should be the future of the fairness doctrine? Should it be discarded entirely, leaving broadcasters with no more restrictions than those on the publishers of newspapers or magazines, or should a government regulatory body continue to be given the task of deciding what is journalistically "fair" over the public airways?

Notwithstanding F.C.C. Chairman Richard E. Wiley's recent suggestion that the doctrine experimentally might be taken off the backs of big city radio stations (a proposal that may never see the light of day), the commission appears determined to stay in the fairness business.

For all the talk in *Red Lion* about the scarcity of broadcast outlets, what it really gets down to is whether you trust the networks to use their enormous power wisely. If you feel, as Sen. John Pastore does, that without the fairness doctrine the national airways would become the private propaganda preserves of the networks, then obviously you want regulation. On the other hand, if you feel the broadcast journalists have come of age and their place is secure, then your choice could well be abolition.

But there is also an appealing middle ground. This is to preserve the requirement that broadcasters have an affirmative duty to provide news coverage of public issues but to eliminate the doctrine's second requirement as to how that is done. In short, throw out the contrasting viewpoints formulation but keep the rest. This would protect broadcast news operations from commercial extinction, and at the same time it would pull back a federal regulatory agency from an area in which constitutionally it is probably in way over its head.

Of course, there are those who would be distrustful of even this proposal. But perhaps they should heed the language of Chief Justice Burger in the *C.B.S.* case. Referring to both newspaper and broadcast news editors, the chief justice said:

"Calculated risks of abuse are taken in order to preserve higher values. The presence of these risks is nothing new; the authors of the Bill of Rights accepted the reality that these risks were evils for which there was no acceptable remedy other than a spirit of moderation and a sense of responsibility—and civility—on the part of those who exercise the guaranteed freedoms of expression."

Such is the dare of the First Amendment. Rightly or wrongly it is left to private journalists to determine what is the news. At the very least the fairness doctrine should be made to conform with this traditional concept of "free press."

FRANCO, CHOU AND THE MEDIA DOUBLE STANDARD

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. CRANE. Mr. Speaker, it is unfortunate, but all too true, that many in the media apply radically different standards to different countries and different leaders.

Thus, a country such as South Africa or Rhodesia will be criticized as "racist" because of their policies toward citizens of different colors while other countries such as Kenya or Uganda or Tanzania will pursue policies which are equally based upon an individual's color but will avoid any negative categorization at all.

Similarly, the Franco regime in Spain would be criticized because it was not democratically elected, while the Tito regime in Yugoslavia, which also had never been democratically elected, will be hailed as a "liberal" Communist government.

Two recent deaths provide an interesting illustration of the media's double standards. The men who died, Francisco Franco and Chou En-lai, were treated in a radically different way by most of the media. Although neither could be considered a democrat in our terms, and while both had records of brutality with regard to all those who challenged their leadership, the media saw fit to hail one as a virtual hero while viewing the other as a virtual devil.

Newsweek, for example, referred to Chou as "An intellectual who was also a man of action, Chou possessed grace, charm, tact and grit." Franco, according to Newsweek, headed a regime marked by "relentless cruelty" and was "a throwback to the age of Hitler and Mussolini."

Columnist Pat Buchanan assesses the double standard this way:

> Interesting, is it not? Good riddance to the authoritarian, Catholic, anti-Communist, pro-American ruler of Spain for 40 years; but our "dignitaries and diplomats will miss" Chou En-lai. Why? Chou's regime was directly responsible for the killing and maiming of tens of thousands of American soldiers in South Korea while Franco provided sanctuary for downed American pilots in World War II, and bases for the anti-Communist alliances of the post-war era.

Chou En-lai, Mr. Buchanan points out, "Was an enemy of human freedom, a politician who created the only great bureaucracy in the world which officially reveres Stalin as patron saint, and a diplomat who placed his talents at the service of the bloodiest tyranny in the 20th century."

I wish to share with my colleagues the thoughtful article, "Media Eulogized Chou After Vilifying Franco," by Patrick Buchanan, as it appeared in the January 31, 1976 issue of Human Events, and insert it into the Record at this time:

Media Eulogized Chou After Vilifying Franco

(By Patrick J. Buchanan)

"An intellectual who was also a man of action, Chou possessed grace, charm, tact and grit. Once dashingly handsome with smoldering black eyes, slim expressive hands and aristocratic mien, he remained physically impressive into his later years and radiated an unmistakable attraction. . . . A virtuoso diplomat, China's pre-eminent negotiator and most adroit politician.

"The world's diplomats and dignitaries will miss Chou's unique blend of humor, astringency and sophistication. His countrymen, too, will obviously miss him."

Thus spoke *Newsweek* in an idolatrous eulogy to the departed premier of Communist China. And it is instructive to contrast *Newsweek's* canonization of this ablest servant of Maoism with the magazine's valedictory to Gen. Franco, two months ago.

Marked by "relentless cruelty," wrote *Newsweek*, Franco's "regime is a throwback to the age of Hitler and Mussolini and, as such, a painful embarrassment to the rest of Europe.

Upon the Generalissimo's death: "Liberals throughout Western Europe breathed a sign of relief that the world's most durable fascist dictator has been removed from their midst."

Interesting, is it not? Good riddance to the authoritarian, Catholic, anti-Communist, pro-American ruler of Spain for 40 years; but our "dignitaries and diplomats will miss" Chou En-lai.

Why? Chou's regime was directly responsible for the killing and maiming of tens of thousands of American soldiers in South Korea while Franco provided sanctuary for downed American pilots in World War II, and bases for the anti-Communist alliances of the post-war era.

Pressed repeatedly by the Nazis to join in crushing Britain in her darkest hour, Franco refused.

"About one thing, Caudillo, there must be clarity," the Fuehrer wrote, Feb. 6, 1941.

"The battle which Germany and Italy are fighting will determine the destiny of Spain as well. Only in the case of our victory will your present regime continue to exist."

Franco ignored the advice and survived as ruler of Spain for 30 years after Hitler died in his bunker. ("The contemptible ingrate! The coward!" Ribbentrop raged.)

Where Franco was an authoritarian ruler, he was no monster in the mold of Hitler, Stalin or the aging despot, Mao Tse-tung, whom Chou En-lai served so faithfully and diligently for the past quarter-century.

In the last weeks of his life, however, when Franco commuted the death sentence of six convicted terrorists, and sanctioned the execution of five others who had shot down Spanish police in cold blood, all Europe was ablaze with cries of Franco assassin!

Yet, within Soviet Russia, they routinely execute for "economic crimes," without Western protest. And, not infrequently, the authorities in Hong Kong fish from adjacent waters the bullet-riddled bodies of refugees who have sought unsuccessfully to escape from the brave new China of Chou En-lai.

At the Geneva Conference of 1954, John Foster Dulles, the American secretary of state, remembering the war dead in Korea, refused to shake the extended hand of Chou En-lai. At Chou's death, Dulles' successor at the Department of State was quoted by Newsweek as pronouncing Chou "the greatest statesman of our time." Which says something about "our time."

Which of the two men did better by his own people?

At Franco's death there still existed in Spain economic and personal freedoms snuffed out in the Peoples Republic of China at its birth.

Between 1960 and 1975, the per capita income of Spain rose from $300 to $2,000, leaving Spain only five years behind France. Today, a quarter-century after the Communist revolution, per capita income in China is one-third that of Taiwan; and the gross national product remains a fraction of Japan's, though Japan suffered equally in the war and has only a small percentage of China's population and resources.

Some Americans behaved as though, with Chou's death, this country had lost a good friend. But, if the interests of Peking had dictated turning back toward the Soviet Union, Mr. Chou would have double-crossed the United States with the same alacrity and skill with which he pursued detente.

So, farewell, Chou En-lai—a talented man, indeed, but a Communist revolutionary who was an enemy of human freedom, a politician who created the only great bureaucracy in the world which officially reveres Stalin as patron saint, and a diplomat who placed his talents at the service of the bloodiest tyranny in the 20th Century.

PROJECTED COST OF NATURAL GAS DEREGULATION

HON. JACK HIGHTOWER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. HIGHTOWER. Mr. Speaker, a Library of Congress report on the projected cost of natural gas deregulation received wide circulation among Members of Congress and the media. Many arguments I have heard recently against deregulation have cited information from the report.

Unfortunately the Library of Congress' analysis was unencumbered by facts.

Mr. G. E. Stahl, a constituent who has been involved in the oil and gas industry for 25 years, wrote a letter to the author of the report and provided a copy for me. Mr. Stahl carefully details the report's inaccuracies and misleading assumptions. I would urge that my colleagues read his letter and study it before they cast their votes on this important piece of legislation:

Stahl Petroleum Company,
Amarillo, Tex., January 8, 1976.

Mr. Lawrence Kumins,
Library of Congress,
Washington, D.C.

Dear Sir: We read with a great deal of interest the attached article in our local paper, (copy of which is reproduced and attached) with respect to the study put out under your authorship.

It is obvious from reading the attached that either the newspaper article incorrectly reported what your report purported to say or obviously you are not possessed of the facts with respect to the natural gas industry that would let you draw conclusions such as contained in the attached article.

So that you will understand, we are independent producers of oil and gas, but produce very little gas. The economic consequences of continued regulation or deregulation are of very little import of us individually. However, it is always extremely depressing, and to a degree very unsettling, when we get irresponsible information (such as contained in the attached) put out by someone who is supposed to be impartial and knowledgeable, such as the Library of Congress.

If we understand the attached summary, the figures break down as follows:

Price increases from previously regulated gas, $6.3 billion.

Interstate sales outside Federal Regulations, $1.3 billion.

Outer Continental Shelf, $1.9 billion.

New On Shore Production, $8.8 billion.

Gas Released from Contracts, $1.9 billion.

We, of course, are baffled by item 1 above (Price increases from previously regulated gas). Since natural gas is normally bought and sold by long term contracts we are assuming that you are assuming that deregulation would throw out all old contracts. While this would be enjoyable for producers with substantial amounts of gas committed under old contracts, none of the proposed legislation that we have come across went as far as to say that old contracts were going to be completely abrogated under deregulation.

Since very little interstate gas moves outside Federal regulations, I, of course, have no idea what this concept is all about and am assuming that you probably don't either.

However, the basic point that I do wish to make in this letter is with respect to your estimate that there will be 3 trillion cubic feet of additional natural gas made available yearly and that the above "costs" of this would be for gas available from the Outer Continental Shelf and Now On Shore Gas. (Since the other categories do not by virtue of the mechanics of reservoir engineering permit larger volumes of gas to be made available than is currently being made available the 3 trillion cubic feet would have to come from Outer Continental Shelf and New On Shore discoveries). If the Outer Continental Shelf and the New On Shore discoveries (to which you attribute 10.7 billion dollars of the increase) produced the 3 trillion cubic feet, this would be an average of $3.55 per MCF as the sale price for this 3 trillion cubic feet. Since this is somewhere between 3 and 4 times the current price being received and paid in the interstate market where prices are free from artificial controls we feel your number is highly suspect. If the intrastate market can buy gas in the .90¢ to $1.50 range at the present time we have a little trouble understanding how by deregulation of the intrastate market, the free market price is suddenly going to jump to $3.56 per MCF.

It is a shame that people who are supposedly in a position to render a service to the American public, such as employees of the Library of Congress are supposed to, come up with such distorted and obviously inaccurate projections.

Unfortunately people who are not in the industry (such as Representative Maguire from New Jersey who released the study) have nobody to turn to except people such as yourself to get realistic answers.

When they get answers such as set forth in the attached newspaper article supposedly as truisms it is no wonder they act in the fashion that they do. Unfortunately the conclusions presented in the newspaper article are not true nor are they sustainable by any "numbers" based upon the realities of the natural gas industry.

Personally, I have spent 25 years in the oil and gas industry. I spent a good portion of the earlier years in management positions for both the long line pipeline companies regulated by the Federal Power Commission and subsequently by intrastate gas companies. Subsequent to that as an independent producer. As a qualified expert in the field of natural gas pricing, it is appalling that information such as yours is allowed to reach the public under the banner of the Library of Congress.

If the attached newspaper article misquoted you I would be most happy to receive a reply from you as to where the attached is in error or where I have erred in analysing the attached.

I believe illustrative of the approach you have taken (which is to get the numbers as high as possible irrespective of the facts) is the question of "Contract Leakage" of $2.1 billion being withheld from contract customers in anticipation of higher prices.

Since there is no factual evidences of this and since the oil and gas industry has, in my mind at least, rather thoroughly proved that there is no large scale amounts of natural gas being held off the market I would like what factual information you have, if any, to support this.

Again let me reiterate for you to sponsor this under the impartiality that the Library of Congress research reports should engender is doing everyone, including yourself, a severe disservice since the facts obviously are faulty and consequently any premises reached predicated upon those facts equally have to be faulty.

Very truly yours,

G. E. Stahl.

Report: "Energy Shock" Could Cost $20 Billion

Washington.—Removal of price controls on natural gas could create an "energy shock" that would increase consumer gas bills by $20.2 billion to $22.3 billion a year, a Library of Congress research report says.

"The cost of deregulation . . . is clearly unacceptable," said Rep. Andrew Maguire, D-N.J., who released the study. "This is just another scheme to bring greater profits to a monopolistic industry that has been holding back supplies waiting for the price to skyrocket."

The Senate has approved a bill that would make provisions for some winter sales of gas outside federal controls, plus a long-range plan for removing price controls altogether.

The report, requested by Maguire, estimated 3 trillion cubic feet of additional natural gas would be made available yearly through deregulation, but at the added cost of between $20.2 billion and $22.3 billion.

The Library of Congress report said the cost of deregulation could add nearly a full percentage point to inflation, "creating some form of energy shock" to the economy.

"Employment would be several hundred thousand jobs lower than it would have been without this economic shock," said the report by analyst Lawrence Kumins.

The study projected the following costs for the various types of gas affected by the Senate-passed bill:

About $6.3 billion from price increases for previously regulated gas; $1.3 billion from interstate sales outside federal regulation; $1.9 billion from Outer Continental Shelf gas; $8.8 billion from new onshore production stimulated by deregulation; $1.9 billion from gas rising to new prices as it is released from contracts, and possibly $2.1 billion from "contract leakage"—gas allegedly being withheld from contract customers in anticipation of higher prices.

If the last figure is included, the total would be $22.3 billion; without it the total would add up to $20.2 billion.

The question of "leakage" has led to heated debate among congressmen and industry officials. Some congressmen, such as Rep. John E. Moss, D-Calif., say producers have engaged in "speculative withholding" of available gas. Others such as Rep. Jim Collins, R–Tex., say producers are delivering gas as fast as possible.

FIRING LINES—III

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. HARRINGTON. Mr. Speaker, as I have previously noted in the Record, I plan to offer an amendment to the military aid bill now before the International Relations Committee which would outlaw the "covert action" functions of the Central Intelligence Agency and restrict future Agency operations to the gathering and analysis of intelligence. For now, I would like to continue to bring background material on this important issue to the attention of my colleagues.

Last week, I began the insertion of a thoughtful article by Garry Wills that appeared in the January 22 issue of the New York Review of Books. In the third and final part, which follows below, Mr. Wills discusses various options for reforming the CIA. While I do not agree with all of his conclusions, I think his observations merit our close attention.

The CIA From Beginning to End

What to do about the CIA? That depends on the way you pose the problem. If the trouble is merely this or that abuse revealed to investigators, then one can try to eliminate that abuse by legislation—e.g., no more assassination plots or shellfish poisons. Senator Mark Hatfield has singled out one such abuse, the funding of CIA actions through religious fronts, and introduced legislation to keep church and state separate in the CIA (S. 2784). If the problem is simply our lack of knowledge about what is going on, and if we believe that contemporary awareness by competent people would prevent the abuses, we might try to invent a better machinery of oversight.

If the Agency is a "rogue elephant," we can try to bring it under congressional control, or try to make the president control it. If it has some sound points (e.g., sheer gathering of information) and some unsound (e.g., covert activities), we might try to separate sound from unsound. The things badly handled can be abolished, or given over to people who might manage them better. Or one can try a mix of all such tinkerings and tactics of control, such as Leslie Gelb has proposed (in the Sunday *New York Times* for December 21). If, however, one thinks that the whole ethos of the organization is at odds with our principles of government, then the solution is both very simple and very difficult—intellectually simple and politically hard.

I start with the admission that intelligence operations, and extensive ones, are absolutely necessary to our government. I grant that it is hard to separate intelligence gathering from covert activities—e.g., trespass of some kind must be committed to use some kinds of electronic monitors. The problem is that we have been conditioned to think that the need for intelligence is equivalent to a need for the CIA. And that is simply not true. The CIA disposes of only a fraction of the American money and manpower devoted to intelligence.

The best estimates indicate that military intelligence alone, in its three branches, has seven times the personnel of the CIA and a proportionately larger budget. The DIA is about the same size as the CIA, and the NSA is larger. The FBI devotes a great deal of its efforts to counterintelligence embassy surveillance and the tracing of foreign influence in this country. The State Department has only a small intelligence division, but all its bureau reports are intelligence sources. So are the findings of various other agencies—e.g., the important material on the Arab boycott recently collected by the Commerce Department. Government-sponsored research at universities can yield intelligence data (e.g., on Russian laser capacities). Indeed, we have so many channels of intelligence that winnowing and analysis become difficult because of the sheer quantity of material.

One of the reasons the Central Intelligence Agency was set up, as its very name implies, was to coordinate these various intelligence activities and to prevent duplication of effort. It has largely failed in that task because of its own secrecy—it often cannot prevent others from working in an area without revealing too much of what it is doing there. Besides, its budgetary secrets have to be preserved. The Agency's insistence on "compartmentation" and "need-to-know" makes it hide much of its activity from its own employees. There is nothing more absurd than the use of a deliberately compartmentizing agency as a coordinator. The results of this effort were seen when the military felt it had to spy on Henry Kissinger, chief of the CIA through the Forty Committee, to know what was really going on. Kissinger, for his part, kept NSC activities a secret from the William Rogers State Department. And the CIA, so far from coordinating intelligence activity, indulged in action that called for deceiving other parts of our own intelligence community.

The lone-wolf spirit of the CIA makes it a bad partner for its sister agencies. It was meant to be the "Green Berets" of intelligence, to think the unthinkable, to do what no one else can do. It has a tropism toward mixing with the bad guys—even trying to bring Howard Hughes, Las Vegas, and the Mafia in on our side of the anticommunist crusade. (Geoffrey Household's Thirties novel in praise of gentlemanly assassination, Rogue Male, which became the Walter Pidgeon movie about assassinating Hitler, is used by Buckley to inspire his novel's hero.) That is why I do not agree with those who dismiss the Church committee's revelations of exotic poisons and dart guns as irrelevant to the "real" threat of the CIA. Few CIA agents, if any, may use such guns. Fidel, for that matter, still has his beard. Our sand-in-the-sugar tricks on Cuban ships did not accomplish much. But it is a part of the CIA's legend and pride that this is what the Agency can do if it must. The possibility of assassination must always be considered. It is the venturesome tasks that give the corps its spirit. It is an action group, trained to think of itself as outside the restraints of normal military or intelligence operations. Victor Marchetti argues in convincing detail that two-thirds of the Agency's manpower and money is spent on covert activities—since one must count in that figure the efforts spent on training, logistics, and research aimed entirely at "special operations." Take that away from it, and it would lose its distinctive character—and we cannot suppose that it means to lose that without a struggle. Given its secret nature, it will win that struggle.

The Agency's mystique arises precisely from its license to kill. It is important to remember that William Colby, the man who ran the most ruthless and bloody operation in CIA history—the Phoenix program of torture and assassination (Colby himself admits that at least 20,500 men were killed)—was advanced to the director's office afterward. In Buckley's novel, the hero only gives his heart fully to the Agency when his mentor, a veteran of MI–6, talks calmly of life-or-death risks: "Blackford rose, tipped his hand in mock salute, which, before his fingers reached his eyebrow in the old-time fly-boy casualness, had suddenly transformed into a salute suggesting something between respect and reverence. Rufus had been his appointed superior. He had become his leader." The MI–6 tradition is passed on. The CIA was entirely formed out of the experiences of MI–6 and OSS, the unfettered teams of gentlemen encouraged to indulge in dreams of thuggery.

The problem is not one of control. The Agency has been most dangerous when it was controlled. It is the president's secret militia. That has meant, in recent years, that it was Henry Kissinger's private hit squad, since he is the presidential Forty Committee that directs CIA operations. Even as the Agency complained of being "hamstrung" by recent investigations, it went obediently into the turmoil of Portugal and Angola on Henry's orders. It is only at this point that we reach the most important aspect of the CIA. The Agency is not a problem in itself. It is just part of the larger problem of the modern presidency, of the dramatic accretion and distortion of presidential powers in the last thirty years or so.

What we are talking about is the action arm of the Imperial President. The CIA polices the colonies for our Emperor. When William Colby says we need the CIA to have something between total inaction and sending in the marines, he means that the president should be allowed to make foreign policy outside constitutional restraints, by presenting Congress and the electorate with faits accomplis. We do not have to debate our attitude toward a democratically elected Marxist leader in Chile if the president can send his squad of goons to prevent such a man from getting elected. The Senate need not exercise its treaty-making power to woo or reject Fidel Castro if the president can get Castro bumped off. Cuban refugees in America do not need to agitate for political response to their plight if the president is already arranging an invasion of their country without his own countrymen's knowledge.

It is silly to talk about making the president control the CIA. It is his own means of escaping control. It is his first recourse in heading off problems that would embarrass him if he had to cope with them in an open fashion. It is his means of getting intelligence and making policy in total secrecy, with autonomy. The nation cannot be for or against policies it knows nothing about. In other words, in a form of government where legitimacy arises only from accountability, the CIA was formed expressly to escape accountability. This is apparent in the blatant unconstitutionality of its secret funding process. Article I, Section 9, Clause 7 of the Constitution says: "No money shall be drawn from the Treasury but in consequence of appropriations made by laws; and a regular statement and account of the receipts and expenditures of all public money shall be published from time to time."

The mere existence of the CIA tempts a president to evade the Constitution—especially if he has a taste for intrigue (like Johnson or Nixon or Kissinger) or an image of himself as the dashing James Bond type (like John Kennedy and Robert Kennedy). The person who did more to shape the CIA than any other man was Allen Dulles, who did it by virtue of the close ties he had with the president through his brother, the secretary of state. In the War Powers Act, the president is now ordered not to engage in clandestine warfare. Then why, if he is not supposed to do it at all, leave him the means for doing it? Already President Ford has used the CIA to support clandestine warfare in Angola. Given the CIA for his private use, most presidents will succumb to the hope that it can solve their problems quickly if deviously.

The cold-war liberals believed that the CIA must be maintained to avoid leaving intelligence to the Pentagon, which slants its intelligence toward war and the need for massive military establishments. Yet we still have the massive establishments, and reliance on them has caused less trouble, in recent years, than Kennedy's trust in "leaner" hit-and-run tactics. It is argued that CIA intelligence estimates, contained in the Pentagon Papers, were consistently better than the military's own. Yet Sam Adams has revealed (in Harper's, May 1975), that the CIA tilted its own estimates toward the army's when the president showed he would prefer that. Besides, the mere existence of the CIA tempted Kennedy and Johnson to think in terms of counterinsurgency and Edward Lansdale techniques—which is what got us into Vietnam in the first place.

The real point is that cold-war liberals liked the CIA in the Fifties and early Sixties because they liked the Imperial Presidency then. They wanted the president to escape the constraints of a fuddy-duddy Congress, just as they wanted the CIA to slip past a muscle-bound Pentagon. They thought it was desirable for the executive branch to cut corners. These liberals believed in their own version of a higher code, of an "enlightened" internationalism that had to evade, by benign deception, popular tendencies toward isolationism on the one hand and a crude anticommunism on the other. In the process, what was evaded was often the Constitution. Even when the CIA exceeds its presidential mandate (e.g., by saving toxins the president ordered destroyed) it does so on the principles instilled in it by a presidency that thinks of itself as free of control. Miles Copeland even tries to give the CIA credit for bringing down the Nixon regime, a ridiculous claim. But if the CIA ever did bring down an American president, this would be because American presidents had taught it to bring down regimes all over the world for good liberal cause.

Some liberals indulge an unjustified fear that America's military will supply us, someday, with a dictator. Our military is not aristocratic in tradition. The inability of the services to maintain even the minimal professional exclusiveness is witnessed by the fact that the academies have had to accept women.

The fault of the American military is not autocratic haughtiness but timorous evasion, the shifting of responsibility up or down the command chain. This means, fortunately, that the military cannot defy Congress or the public the way the CIA does. Its supporters write no novels glorifying the man who will not submit to authority. There was a My Lai coverup, and no officers higher than a lieutenant were convicted once the scandal came out; but at least there were courts-martial and the Peers Report as a result of My Lai. When have we had anything like that accountability for the slaughters of the Phoenix program, or for any CIA wrongdoing? An American citizen is sent to his death by the CIA's drug experiments upon his mind, yet those who perpetrated this are not called before any court because they belong to the CIA. In at least nine cases that we know of the CIA has blocked United States courts from trying its agents on criminal charges by refusing to release classified evidence. More inclusively, the Justice Department has allowed the CIA itself to investigate charges brought against its employees, abdicating prosecutorial responsibility.

It is true that we need civilian control of the military, and that intelligence should be coordinated at the political level. But the CIA has failed in its task, and on purpose. It was part of the executive operation that opposed not only the military bureaucracy but the State Department (with which it warred while getting "cover" from its diplomatic corps). The rogue presidency wanted to make all policy out of the White House—which led to Kennedy's and Johnson's treatment of Dean Rusk and Kissinger's humiliation of William Rogers. The State Department was too cautious for the president's international guerrillas—which suggests a solution to our problem. The central intelligence operation should be located in the State Department—and the CIA must be abolished to make that possible.

There is no guarantee, of course, that a department of dirty tricks will not grow at State or in some other agency. We have already discovered the illegality of NSA phone and cable taps, of military intelligence units spying on potential rioters. But some of this may have arisen precisely from making the CIA our "prestige" intelligence agency, toward whose freedoms the others aspired. And at any rate, it would be harder for other agencies to equal the license enjoyed by the CIA, which was entirely shaped to evade the rules from the outset. The War Powers Act has outlawed clandestine presidential war. Abolishing the CIA with its secret budget and semi-guerrilla training would do more to discourage irresponsible "tricks" than any paper prohibition of specific actions by name.

After all, what are we ending if we end the CIA? Even its adherents doubt it will ever regain its full stature or immunity. The afflatus of such a group cannot be maintained at full strength when the circumstances of its exercise have changed so drastically. The CIA is bound to be wounded, not just because of isolated revelations (these did no lasting harm at the time of the Bay of Pigs), or congressional investigations (which have been rather deferential); but because the imperial Presidency, of which the CIA is so large a part and expression, has been wounded. Buckley's own hero laments, "There's no feeling anymore for the kind of thing we're doing, and there's no way, overnight, to stimulate that kind of feeling."

Rule out total recovery, then, and what do you have? An agency that will try to reassert its ethos in a situation no longer receptive to it. Better kill it off now, before its crippled energies are used in even more distorted ways than its full ones were. Fumbling around for "controls" merely proves that we do not have the clarity or resolve to deal with an agency that was born, on principle, out of control.

SAGINAW STUDENT CON-CON UNDERWAY

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. TRAXLER. Mr. Speaker, the Saginaw Student Constitutional Convention has begun. These 148 high school students who have been working since the early part of the school year are meeting in order to present their version of the U.S. Constitution as their tribute to the Bicentennial. Today and the rest of this week, I will present you with the news accounts of the operations of this convention, and finally the new Constitution itself.

In three articles from the Saginaw News written by John Puravs, we can obtain an understanding of the most significant method of celebrating the heritage of American Government. The first article indicates that last Tuesday in Saginaw, the students participating in the convention got a real taste of governmental operations. The procedural haggling and need to swiftly consider the reports of committees all were quickly understood by those in attendance.

The second article pays tribute to Mr. Bob Fitzgerald, a government teacher at Douglas MacArthur High School, for his role in keeping the activities of the convention moving. Many of us strongly dislike the mundane procedural matters that we must all do, but we all recognize that without the completion of proper procedure and preparation we would not be able to operate in the way that is necessary. Forms, calculators, security, order—all of those that are things that are necessary to successfully operate an event of this kind. Mr. Fitzgerald is to be recognized and thanked for his important assistance in helping the Con-Con run.

The final article gives us a look at some of the substantive decisions of the student constitutional convention. We are all acutely aware of the schedule of primaries that must be followed by the many Presidential candidates this year. We can recognize the time, effort, expense, and exhaustion that must be paid in an attempt to earn the Presidential nomination. The students do not like this system, so they have voted to eliminate State primaries and create one national primary. They are also in favor of direct nomination of the Vice President by the voters. As the article points out, voters might then have two very different candidates running on the same ticket.

The students also have developed a policy of "guaranteed participation" by mandating the voting of any registered voter. It is distressing that as many Americans ignore elections as those who vote, if not more in some cases. The students want all to participate, and they are prepared to go to great lengths to do it.

Mr. Speaker, these future leaders of America have their ideas as to how to handle crucial governmental functions. These ideas must be reckoned with, because these ideas today may in fact be policy tomorrow. The articles follow:

STUDENT CON-CON HEATS UP; MORE FIREWORKS EXPECTED

(By John A. Puravs)

Parliamentary skirmishes, a flareup over procedure, and some intriguing changes in presidential election rules Tuesday marked the Student Bicentennial Constitutional Convention as an event where boredom will be a stranger.

But the best is yet to come, agreed leaders of 148 delegates from Saginaw County's 19 high schools taking part at the Saginaw Civic Center.

With completion of debate on executive and legislative branch proposals scheduled today, students and adult advisers alike predicted Thursday's Bill of Rights and ratification agenda could set off sparks.

"The controversial issues are yet to come," said Robert A. Fitzgerald of Douglas MacArthur High School, faculty chairman for the convention.

"I hate to say it," added Frederick Wheeler Jr. of Saginaw High School, convention president, "but I think it's going to end up more controversial than it started."

"It's going to be something to see," agreed Michael Smith of St. Charles High, chairman of the judicial committee.

It was during debate on the report of Smith's panel that a dispute over speaking rights resulted in a one-man walkout by Aaron Moore of Arthur Hill.

The episode culminated a period of procedural haggling that delayed completion of Tuesday's agenda.

Moore, one of several Arthur Hill delegates unhappy about allegedly being overlooked when trying to speak on proposals, challenged Wheeler's action in ending debate on qualifications for Supreme Court justices.

Wheeler, supported by Parliamentarian Fred I. Chase, told Moore he was out of order. Moore refused to relinquish the microphone. When Wheeler stuck to his ruling, young Moore stalked off the floor.

Although the incident caused some delegates to clutch their heads in dismay, it also led the way to swifter progress for the rest of the session.

After faculty advisers huddled to discuss action, Moore, Wheeler and Vice-President Thomas Ulmer of Bridgeport reconciled their own differences.

"It's just like real government," remarked one observer as cries of "point of order," "division of the house," and "call the question" rang across the Wendler Arena floor.

When Moore returned, he conceded Wheeler's stand had been legal, but protested, "We're trying to write a Constitution here."

Wheeler later said, "I tried with all my power to see everyone had their say-so on each proposal. But I'm as human as everyone else, and I make mistakes."

However, Wheeler, elected to the presidency by the delegates last October, appeared to make few of them as he guided contending delegate forces past possible roadblocks and toward speedy consideration of the agenda.

"I want to say one thing," Wheeler noted after the session adjourned on schedule at 3:30. "I've had a real fine parliamentarian; Mr. Chase helped me out all the time."

One teacher observed Wheeler was following his intention to defer to Chase rather than act as the authority during procedural difficulties.

For many years, Chase, considered Michigan's most expert parliamentarian,, served as secretary of the Michigan State Senate.

He also was parliamentarian for Michigan's own Con-Con in 1961.

The convention opened 25 minutes late with 141 of the 148 delegates present and continued to run behind schedule through the day.

But action on reports from the Judicial and Executive Committees raced ahead once procedural quibbles were largely abandoned, with the help of entreaties from students such as Terry Ellison of Carrollton High.

"I was afraid we would take all day just to do our report," said Mike Smith. "I was surprised I didn't have that much problem today."

After delegates returned from a bountiful buffet lunch in Unity Hall, they took just 25 minutes to approve the rest of the Judiciary report.

Debate again began slowly on the Executive Committee's draft of constitutional revisions. But that was due to proposals for substantial changes in electoral procedures.

Today's agenda called for completing the Executive report, debate on Legislative Committee proposals, and at least a start on the report from the major Bill of Rights Committee, headed by Aaron Moore.

With both students and faculty predicting sharp disputes on some sections of the Bill of Rights report—especially a clause establishing capital punishment—the convention will be hard pressed to finish on time.

"It's going to be a highly debatable issue," Wheeler said of the death-penalty matter.

He said the convention should complete committee reports within the allotted three days. But that still leaves ratification, when previous actions can be reconsidered and more amendments offered.

"I don't know if we'll finish that," Wheeler said.

Vice-President Ulmer said the convention may have to cut short the ratification process Thursday to finish in time for a 6:30 p.m. banquet.

However, faculty chairman Fitzgerald noted the agenda was designed to leave a "cushion" of time Thursday because organizers foresaw early delays due to procedural problems.

I think it went tremendously well," Fitzgerald said of Tuesday's assembly.

He had special praise for Judicial and Executive Committee members.

"They did a great job," enthused Fitzgerald. "They were well prepared to answer all the questions."

And Fred Chase, a veteran of such things, joined Fitzgerald in commending the delegates' attention to the task at hand.

"They're taking it seriously," said Chase. "There's been no Mickey-Mousing around," declared Fitzgerald.

BOB FITZGERALD: THE "TRAFFIC COP" OF CON-CON

(By John A. Puravs)

Like a traffic cop at the corner of Washington and Genesee during rush hour, Bob Fitzgerald stood in front of the Wendler Arena platform warding off problems from all sides.

At 9:30 a.m., Tuesday, a delegate clutched the rough draft of a proposal dealing with "taxation without representation."

"You need a lawyer," Fitzgerald advised her, and summoned help from one of the volunteer attorneys supplied by the Saginaw County Bar Association.

For Fitzgerald, the scene was typical of his recent months as faculty chairman of the Student Bicentennial Constitutional Convention: Find out what the delegates need, and recruit the volunteers who can supply it, In came a plea for more tables. "We are absolutely out of tables," replied Fitzgerald, who teaches government at Douglas MacArthur High in his spare time. "But you can use these things. They're called risers."

Convention Vice-President Thomas Ulmer asked for tally sheets to record delegate votes.

"Did that last night," chuckled Fitzgerald. "You're a great guy, Tom. You and I are the only ones who thought of that. The sheets are on their way."

Not everything was quite up to date. "Will the Bill of Rights Committee please wait in Section 17 at this time," came a plaintive voice over the PA system. "There are a few things to clear up."

Fitzgerald took over the mike. "Mr. Fred Wheeler," he said, looking for the convention president. "The press cards for high school journalists are ready."

One teacher grumbled about the $1.20 it would cost him to park. "I thought we wouldn't have to pay," he said.

A colleague retorted he'd worry about the $1.20 after he found his delegates. "I want to get the four kids here first," he muttered. "I'm ready to wring some necks."

The convention was about ready to begin. But first, how about a calculator so the secretaries, Jackie Robinson of Saginaw High High and Barb Klump of Chesaning, could keep score?

Fitzgerald dug one up, thereby missing the most spectacular parliamentary argument of the day.

He wouldn't miss it today. Wheeler and Ulmer later told each other they'd bring their own pocket calculators.

By 10:30, when Wheeler banged the gavel to open the three-day convention, the surroundings were more of the kind to be expected at a great political assembly.

Music poured forth from the Chesaning Union High band.

Student spectators filled many seats above the arena. In evidence were delegations from Bridgeport, Buena Vista, Carrollton, Chesaning, Merrill, St. Stephen's, SS. Peter & Paul's.

Dignitaries were introduced: Burrows (Buzz) Morley, chairman of the Saginaw County Bicentennial Commission, co-sponsors of the convention with The Saginaw News; Benjamin L. Schrader, chairman of the county Board of Commissioners.

Red, white and blue decorations lined the arena walls, prepared by students from Bridgeport, Birch Run, Chesaning, Frankenmuth, Swan Valley, Michigan Luthern Seminary, St. Mary's, St. Stephen's, Carrollton, Douglas MacArthur, and others.

"Liberty rings free," proclaimed one proud banner. "Live free or die," recommended another, more soberly. "Give me liberty or give me death," yet another echoed Patrick Henry.

And one declared, simply, "Happy Birthday, America, 1776–1976."

This particular birthday party might have flopped without the aid of a host of volunteers, unintroduced but indispensable.

The 3M Corp. supplied typewriters, diligently operated by typing students, and a set of duplicating machines.

"This is the real nerve center," said Eisenhower adviser Thelvius (Bo) Winieckie. "Without these, the whole thing might stop."

The delegates seemed to consume paper as fast as constitutional ideas. By mid-afternoon, 7,900 pieces of duplicating paper had been consumed.

"They thought it would be enough to last the three days," marveled teacher Duane Wartenberg of Swan Valley.

At the lawyers' table, Gilbert A. Deibel and Mrs. Patricia Learman cleared up such fuzzy legal points as the precise definition of a misdeameanor, as in "high crimes and misdemeanors."

Fred I. Chase, sharing the platform with convention officers, cleared up everything else.

At the doors, hosts and hostesses from each of the 19 high schools in the county checked credentials, guarded the floor and issued advice.

Security of a more sober kind was supplied by two officers from the Saginaw Police Department. They climbed the catwalk high above the arena to protect delegate valuables during lunch.

Today and Thursday, the students and the volunteers will come back for more.

Happy birthday, America.

STUDENTS WIPE OUT PRIMARIES

(By John A. Puravs)

Forget it, New Hampshire. Your moment of glory is over.

Same to you, Florida, California, Massachusetts—and Michigan.

If Saginaw County's students had their way, all those presidential pretenders slogging through New Hampshire's snowbanks and slush could save the effort.

The Student Constitutional Convention adopted Tuesday a provision wiping out all state presidential primaries in favor of one national primary, set in the balmier weather of early August.

All presidential contenders from each party would be pitted against each other—if they managed to produce petitions, by April 13, signed by one per cent of all registered voters.

Incidentally, anyone in the presidential sweepstakes merely for the sake of a possible vice-presidential selection need not apply.

The national primary also would choose, on the same ballot but from separate lists, each party's vice-presidential nominee.

Rockefeller could run for president, but Barry Goldwater might be his running mate. George McGovern could try again, but George Wallace might be on the Democratic ticket with him.

And those voters abhorring either choice would no longer have the option to sit it out, either.

A cunningly worded clause says all registered voters must participate in the primary and general presidential elections.

Unregistered voters would be exempt, apparently. But the sly side of this provision would catch anyone who has voted in recent years, since such persons automatically remain on registration rolls whether they like it or not.

Anyone voting in a future election similarly would be constitutionally trapped into helping run the country, until virtually every citizen of age would have to vote for president.

That's the way it was meant, said James Rocchio of St. Stephen's High, an architect of the measure along with Executive Committee Chairman Tommy L. Ford of Buena Vista High.

Rocchio noted less than 50 per cent—sometimes much less—of the people choose the nation's chief executive every four years.

The spate of state primaries, too, has been under criticism recently for dissipating candidate resources, dulling some major issues and escalating some minor ones.

The students' Constitution, if it survives ratification voting Thursday, would have both presidential and vice-presidential hopefuls submit their petitions to Congress in April.

The national primary would be held Aug. 7 unless the date falls on a holiday or Sunday. The general election would be Nov. 7 with the same exceptions.

The new election provisions were the major revisions Tuesday as the 148 delegates to the Student Con-Con finished debate on the report by the Judicial Committee and moved through a third of the Executive Committee's proposals.

The election rules also prompted the most substantial debate Tuesday.

Faculty adviser Nate Ellis of SS. Peter & Paul's noted most of the delegates, as seniors, will be eligible to vote in their first presidential election this November.

However, the revisions almost didn't survive the debate.

A first vote rejected the proposals by a 64–67 count. But some students who apparently believed the section would force ballot participation by all persons switched when they found only registered voters would be subject to the rule.

A new vote adopted the proposals by a comfortable margin.

The angle of virtually forced registration, though, may have slipped by many delegates, suggested one teacher.

And a clause saying elections would be decided by majority vote seems to dump the Electoral College but may fail to account for the effect of third-party candidacies.

Several past presidents, including John F. Kennedy and Richard Nixon, were elected by pluralities, not majorities, due to the minor-party vote element.

In an equally lively debate, the delegates turned down a single six-year term for presidents in favor of the present system of no more than two four-year terms.

Supporters of the six-year idea argued it would relieve a president of the political pressures of seeking re-election.

But they lost to contentions that a maximum double term would keep a president answerable to the people.

The delegates also refused to remove the two-term restriction. One student noted the services of a "great" president such as Franklin D. Roosevelt would be lost. But others noted Roosevelt acquired too much power in his four terms and other leaders could succumb to dictatorial tendencies.

Rejected, too, was a proposal to give the presidential vote to residents of U.S. territories.

Generating much less controversy was the report of the Judicial Committee.

The assembly turned down its major revision: To set up qualifications for Supreme Court justices.

Such standards are not now mentioned in the Constitution. The report would have insisted justices be at least 35, U.S. Citizens and U.S. residents for 14 years.

A substitute set of qualifications may be proposed later, since the Arthur Hill delegation attempted—too late, according to the chair—to make an amendment.

Other Judicial sections followed the present Constitution.

CHICAGO TRIBUNE EDITORIAL SUPPORTS HOUSE ACTION TO DELETE CLASSIFIED MATERIAL IN HOUSE SELECT COMMITTEE REPORT

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. ANDERSON of Illinois. Mr. Speaker, the Chicago Tribune included a most perceptive and hard-hitting editorial in Monday's issue confirming the wisdom of the House action taken last Thursday to preclude the publication of the report of the House Select Committee on Intelligence unless the classified information which it contains is first deleted—or unless other steps are taken in accordance with the committee's agreement with the President and the intelligence agencies.

Mr. Speaker, the editorial speaks for itself and I am pleased to attach it as follows:

THE HOUSE KEEPS MR. PIKE'S WORD

Rep. Otis Pike's colleagues in the House of Representatives have given him a well deserved lesson in honor. By a thumping majority, they followed the advice of the Rules Committee and prohibited Mr. Pike's Intelligence Committee from publishing a report on its investigations into "illegal and improper" actions by the intelligence agencies until the report had been approved by the White House.

Last September, after White House complaints that Mr. Pike's committee was leaking secrets like Niagara Falls, Mr. Pike reached an agreement with the White House under which the committee would be allowed to have its secret material, provided that the White House be given a day's notice before any of it was released to the public. This would give the White House a chance to express its views.

Now that the committee is closing shop, it voted 9 to 4 to publish its report without reference to the White House.

Questioned about this, Mr. Pike said that the material was simply "too atrocious" to "sweep under the rug"; that to carry out his promise would amount to "censorship by the CIA"; that this would be "a complete travesty of the whole doctrine of separation of powers"; and that most of the material in the report had already been leaked to the press anyway.

If we may borrow Mr. Pike's words, his logic is atrocious. It is not at all clear, in the first place, that the September compromise called for censorship; it merely gave the White House time to object. And now that he has acknowledged all the leaking, why didn't he do anything to stop it—especially since it is fairly well agreed that most of it came from the offices of his own committee?

As for separation of powers, it is designed precisely to prevent the unilateral sort of action that Mr. Pike advocated. In effect, he is arguing that since the committee or its agents have already leaked so much of the material, it may as well be permitted to break its promise and publish the material officially. Some separation.

Up to a point, Mr. Pike's committee did a job that needed to be done. It let the intelligence agencies know that they do not operate in a total vacuum, free from any rules or control at all. Because of the committee's work, future administrations will no doubt watch the agencies more closely than they have in the past.

But since last fall, it has begun to look as if Mr. Pike was using secret government documents to build a launching pad for his own political propulsion in directions unspecified.

We're not going to try to judge how much damage has been done by the leaks [the New York Times discreetly acknowledges that a copy of the whole report—tho still officially unpublished—has been "made available" to it]. What we are saying is simply, first, that a Congress that makes promises and breaks them will lose the respect of the rest of government and the public; and, second, that separation of powers doesn't mean—and never was intended to mean—the unilateral right of Congress to grab executive branch secrets and spread them about the country, by leakage or otherwise. Mr. Pike and those who supported him have some dented halos to repair.

THE CHILD AND FAMILY SERVICES ACT: SOME EXPLANATORY MATERIALS

HON. MAX S. BAUCUS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. BAUCUS. Mr. Speaker, I would like to comment today on the Child and Family Services Act, a pending legislative proposal which is of great concern to many of my constituents.

Over the course of the past 2 months, I have received many letters expressing opposition to this bill. Significantly, I have not received any letters supporting it.

Yesterday, however, I received a different kind of message from Ruth Lange, one of my constituents. Her letter reads as follows:

JANUARY 21, 1976.

Hon. MAX BAUCUS,
226 Cannon House Office Building,
Washington, D.C.

DEAR MAX: I've been hearing lots of rumors about a bill that is known as the "Child and Family Services Act." What is really the story of that bill?

Does this allow the State to take over the rearing of our children? Will it prevent parents from insisting that their children attend church or Sunday school? Is it going to put children in communes?

Many people here in Missoula are very concerned, and probably also confused about this bill. I have not read the bill, and I would appreciate receiving a copy of the bill along with your explanation of it.

Sincerely,

RUTH LANGE,
Missoula, Mont.

Normally, I would handle this letter by writing a short response. However, it seems inappropriate at this point not to say more about this piece of legislation—not because I support or oppose it, but because there seems to be so much misinformation about it.

Many people who have written opposing the bill have enclosed leaflets describing it as taking children away from the family without the permission of the parents. Are such allegations true? To answer that question, I would like to present a few items that may shed some light on the bill.

The first is the statement of purpose of the legislation. I am quoting from section 2(b) of the House version, H.R. 2966:

> To provide a variety of quality child and family services in order to assist parents who request such services, with priority to those pre-school children and families with the greatest need, in a manner designed to strengthen family life and to insure decisionmaking at the community level, with direct participation of the parents of the children served and other individuals and organizations in the community interested in child and family service (making the best possible use of public and private resources), through a partnership of parents, State and local government, and the Federal Government, building upon the experience and success of Headstart and other existing programs.

The second item is a quotation from a statement given on the floor of the House by the majority leader who spoke in support of the bill on December 1. Congressman O'NEILL said the following things about the operation of the legislation:

> First, participation in any program authorized by the bill would be completely voluntary. Second, children would not be tested unless the parent or guardian were informed and given the opportunity to except the child from testing. Third, the bill contains specific language providing protections against interference with the moral or legal rights of the parents or guardians with respect to the moral, mental, emotional or physical development of their children.

The third item I would like to enclose is a memorandum drafted by Congressman BRADEMAS, the principal sponsor of the legislation, which seeks to refute the attacks made on it by anonymous flyers such as the one mentioned in the earlier part of my statement:

ATTACK

"There is before Congress legislation known as the Child & Family Services Act of 1975 (Senate: S262 & House: 2966). If passed it would take the responsibility of the parents to raise their children and give it to the Government."

FACT

This bill would in no way take the responsibility for childraising away from parents. All programs authorized in the bill are (HR 2966, Sec. 2(a)(2)) "provided on a voluntary basis only to children whose parents or guardians request such services." In addition, any practice which would "infringe or usurp the moral and legal responsibilities of parents or guardians" is specifically prohibited (Sec. 504(a)).

ATTACK

"Child Advocacy Clause. In the Congressional Record we read: 'If, in the judgment of those who are in charge of such a program (the State by way of the Secretary of Health, Education and Welfare), parents are not doing a good job, the advocate (a "specialist" appointed by the government) would enter the home and direct the education, even within the home. And, if the parent would object, the authority in the home would, DeFacto, be transferred to these advocated (sic).'"

FACT

This quotation does not appear in the Congressional Record although it appears to be a combination of a number of related statements that appear throughout the Congressional Record of December 2, 1971. However, it is categorically false to contend that: (a) such language appears in HR 2966; (b) such beliefs are held or advocated by any of the sponsors of HR 2966; or (c) that any "child advocacy clause" of any kind appears in the bill. (See "Special Note on the Congressional Record" below.)

ATTACK

"Charter of Children's Rights of the National Council of Civil Liberties is becoming a part of this Child Development Act."

(The flyers go on to list "several items in this charter," alleging that they can "be found on page 44138 of the Congressional Record.)

FACT

No such language or "charter" has ever been proposed, included or even considered for the Child and Family Services Act or any related piece of legislation. This "charter" initially surfaced during Senate debate on December 2, 1971 on the Conference Report on the Office of Economic Opportunity Act. Senator Carl T. Curtis (R-Nebraska) said, "In England, child development advocates have gone so far as to draft a charter of 'children's rights.'" Curtis continued by reading from something he called the "Charter of Children's Rights" of "the British

Advisory Center of Education and the National Council for Civil Liberties." Thus these so-called "rights" were never advocated by sponsors of this legislation and, in fact, the "Council" cited is not even an American organization. (See "Special Note on the Congressional Record" below.)

ATTACK

"Can the Government take away your children? Comprehensive child development, the Soviet-style system of communal child rearing which almost became law in this country in 1971 is once again being pushed through Congress. The current bills H.R. 2966 (House of Representatives), S. 626 (Senate), are virtually identical to the original act passed in 1971, but fortunately vetoed by the then president, Nixon. Now it is known as the Child and Family Services Act of 1975 and any changes are merely cosmetic.

"In vetoing the original bill which would have removed children from their parent's instruction shortly after birth, Mr. Nixon said that it would weaken the American family by committing 'vast moral authority of the national government to the side of communal approaches to child rearing over against the family oriented approach.'

"We are in serious danger of 'Sovietizing' the education of our children if we let the Child and Family Services Act of 1975 pass. Those who support this Act in the Congress are convinced that it will sail through the House.' "

FACT

These charges, made by President Nixon in vetoing the Comprehensive Child Development Act of 1971, are absurd and irresponsible. The sponsors of the bill have carefully drafted it to protect the rights of parents and their children:

First, participation in the program is completely voluntary. Children will not participate without the specific request of a parent or legal guardian.

Second, children will not be tested unless the parent or guardian is informed and given the opportunity to except the child from testing.

Third, the bill contains specific language providing protection against any involvement of the moral or legal right of parents or guardians with respect to the moral, mental, emotional, or physical development of their children. (See attachment A.)

Unlike the public school program, the child and family services programs are totally voluntary.

ATTACK

"According to the Congressional Record, the intent of the bill is for the government to be responsible . . . for the nutritional interests of your child, for all psychological interests of your child."

FACT

The intent of the bill is (Sec. 2(b)) "to provide a variety of quality child and family services in order to assist parents who request such services, with priority to those preschool children and families with the greatest need, in a manner designed to strengthen family life and to insure decision-making at the community level, with direct participation of the parents of the children served and other individuals and organizations in the community interested in child and family service (making the best possible use of public and private resources), through a partnership of parents, State and local government, building upon the experience and success of Headstart and other existing programs." (See "Special Note on the Congressional Record" below.)

ATTACK

"The following excerpts are taken from the Congressional Record: 'What is at issue is whether the parent shall continue to have the right to form the character of the children or whether the state, with all its power and magnitude, shall be given the decisive tools and technique for forming the young lives of the children of this country.

'As a matter of the child's right, the government shall exert control over the family because we have recognized that the child is not the care of the parents but the care of the state (sic). We recognize further that not parental, but communal forms of upbringing have an unquestionable superiority over all other forms. Furthermore, there is serious question that maybe we cannot trust the family to prepare young children in this country for this new kind of world which is emerging.'

"This all smells of Communism. This is what in fact has been and is being done in Soviet Russia. This is what can become the law of our land, if the Child & Family Service Act of 1975 is passed by the Congress. We elected this Congress, but do we know what they are attempting to do to our freedoms and our rights?"

FACT

These citations do not appear in the Congressional Record. In fact, they are diametrically opposed to the purpose and intent of the bill.

First, the programs are completely voluntary.

Second, the precisely stated purpose of the legislation is to "strengthen family life," not weaken it.

Third, the program is to be operated locally, not by the national government.

Fourth, specific prohibitions against any practice infringing on the rights and responsibilities of parents are contained in the bill (Sec. 504 (a)). (See "Special Note on the Congressional Record" below.)

SPECIAL NOTE ON THE CONGRESSIONAL RECORD

Throughout this leaflet, the "Congressional Record" is cited. The Congressional Record has the ring of an official pronouncement to it. But anyone who has ever even glanced at the Record knows that it contains not only the debates in the House of Representatives and Senate but also speeches and material simply "inserted" into the Record. Any Member of Congress has the right to insert material in the Record and therefore the assertion that a statement is "according to the Congressional Record" is meaningless since the Record itself makes no statement of policy. Policy statements are made by the Members of Congress quoted in the Record.

This flyer provides a good example of the abuse of the citation of the Congressional Record. Senator Curtis of Nebraska included as part of his remarks on a bill considered by Congress in 1971 some material which he attributed to an organization in a foreign country. By misleading citation, the flyer implies that this material appeared in the Congressional Record this year and that it represents the contents of the bill. The bill's chief sponsor in the House had never before seen this material.

The last item I would like to enclose is probably the most valid one of all—a complete summary of the House bill, as prepared by the Library of Congress:

H.R. 2966. Mr. Brademas, et al.; 2/6/75. Education and Labor.

Child and Family Service Act—Title I: Child and Family Service Programs—Provides that the Secretary shall take all necessary action to coordinate child and family service programs under his jurisdiction and that, to this end, he shall establish and maintain within the Office of the Secretary of the Department of Health, Education, and Welfare an Office of Child and Family Services administered by a Director appointed by the President with the advise and consent of the Senate.

Provides that such office shall assume the responsibility of the Office of Child Development and shall be the principal agency of the Department for the administration of this Act.

Establishes a Child and Family Services Coordinating Council, consisting of the Director of the Office of Child and Family Services (who shall serve as chairperson), and representatives from the Federal agencies administering the Social Security Act and the Elementary and Secondary Education Act of 1965 and from the appropriate Federal agencies.

Requires the Department of Labor, and other appropriate agencies, to meet on a regular basis, as they may deem necessary, in order to assure coordination of child and family service activities under their respective jurisdictions so as to assure maximum use of available resources through the prevention of duplication of activities; and to structure the activities related to the purposes of this Act.

States that funds available for this title may be used (in accordance with approved applications and plans) for planning and developing child and family service programs; establishing, maintaining, and operating child and family service programs, which may include:

(1) part-day or full-day child care programs, which provide educational, health, nutritional, and social services directed toward enabling participating children to attain their maximum potential;

(2) other health, social, recreational, and educational programs designed to meet the special needs of children and families including before- and after-school and summer programs;

(3) school services, and education, and consultation for parents, other family members functioning in the capacity of parents, youth, and prospective and expectant parents who request assistance in meeting the needs of their children;

(4) social services to help families determine the appropriateness of child and family services and the possibility of alternative plans;

(5) prenatal, post partus and other medical care, including services to expectant mothers who cannot afford such services, designed to help reduce handicapping conditions among the newborn;

(6) programs designed to meet the special needs of ethnic groups and to meet the needs of all children to understand the history and cultural backgrounds of ethnic groups and the role of members of such groups in the history and cultural development of the Nation and the region in which they reside;

(7) food and nutritional services;

(8) diagnosis, identification, and treatment, and special activities designed to ameliorate physiological, mental, psychological, and emotional barriers to full participation in child and family service programs;

(9) programs designed to extend child and family service gains (particularly parent participation) into the kindergarten and early primary grades, in cooperation with local educational agencies;

(10) other such services and activities as the Secretary deems appropriate to furtherance of the purposes of this Act;

(11) rental, lease or lease-purchase, mortgage amortization payments, renovation, acquisition and maintenance of necessary equipment and supplies, and to the extent authorized by this Act, construction or acquisition of facilities, including mobile facilities;

(12) preservice and inservice education and training for professional and paraprofessional personnel, including parents and volunteers, especially education and training for career development and advancement;

(13) staff and other administrative ex-

penses of child and family service councils and of project policy committees established and operated in accordance with the provisions of this Act; and

(14) dissemination of information in the functional language of those to be served to assure that parents are well informed of child and family service programs available to them and may participate in such programs.

Provides that a State, locality, or combination of localities may be designated by the Secretary as a prime sponsor for the purpose of entering into arrangements to carry out programs under this title.

Enumerates the requirements which must be met by States and localities submitting prime sponsorship applications.

States that each prime sponsor shall establish and maintain a Child and Family Service Council of specified composition.

States that such Council shall be responsible for approving child and family service plans, basic goal, policies, procedures, overall budget policies and project funding, and the selection or establishment and annual renewal of an administering agency or agencies and will be responsible for annual and ongoing evaluation of child and family service programs according to criteria established by the Secretary.

States that financial assistance under this title may be provided by the Secretary for fiscal year 1976 and any subsequent fiscal year to a prime sponsor only pursuant to a child and family service plan which is submitted by such prime sponsor and approved by the Secretary in accordance with the provisions of this title. Specifies the elements to be contained in such plans, and the procedure including opportunity for airing of views with respect to such plan, for approval or disapproval of the plan.

States that funds may be provided by the prime sponsor for carrying out any program under such prime sponsor's comprehensive child and family service plan only to a qualified public or private agency or organization, including but not limited to an educational agency or institution, a community action agency, single-purpose Headstart agency, community development corporation, parent cooperative, organization of migrant agricultural workers, organization of Indians, organization interested in child care, employer or business organization, labor union, or employee or labor management organization, or by any other public or private agency whose project application is approved by the Child and Family Service Council of the prime sponsorship.

Provides for special grants to States for necessary expenses incident to the operation of programs authorized by this Act in such States, and, in addition to the conditions which must be set for such grants, requires that grants for construction or acquisition of facilities may be made only if such construction or acquisition is essential to the provision of adequate child care services.

Title II: Standards and Evaluations—Provides that, within six months after the enactment of this Act, the Secretary shall promulgate a common set of program standards which shall be applicable to all programs providing child care services under this or any other Federal Act, to be known as the Federal Standards for Child Care. Provides that the Secretary shall, within sixty days of the enactment of this Act, appoint a Special Committee on Federal Standards for Child Care to participate in the development of Federal Standards for child care and modifications thereof.

Provides for the development of a minimum code for child and family service facilities to be addressed to the health, safety, and physical comfort of the children participating in such programs.

Title III: Facilities and Research for Child and Family Services Programs—States that it is the purpose of this title to assist and encourage the provision of urgently needed facilities for child care and comprehensive child services programs.

States that the Secretary of Health, Education, and Welfare is authorized to insure any mortgage (including advances on such mortgage during construction) in accordance with the provisions of this title upon such terms and conditions as he may prescribe and make commitments for insurance of such mortgage prior to the date of its execution or disbursement thereon. Provides that the mortgage shall be executed by a mortgagor approved by the Secretary, and that such mortgages shall involve in principal obligation of up to $250,000 and not to exceed 90 percent of the estimated replacement costs of properties or projects when the proposed improvements are completed. Creates a Child and Family Services Facility Insurance Fund which shall be used by the Secretary as a revolving fund for carrying out all the insurance provisions of this title, including mortgage insurance. Authorizes the Secretary to make grants, contracts, or other arrangements to carry out a program of research and demonstration projects, which shall include but not be limited to:

(1) research to develop techniques to measure and evaluate child and family services, and to develop standards to evaluate professional and paraprofessional child and family service personnel;

(2) research to test preschool programs emphsizing reading and reading readiness;

(3) preventive medicine, techniques, and technology to improve the early diagnosis and treatment of diseases and learning disabilities of pre-school children;

(4) research to test alternative methods of providing child and family services;

(5) evaluation of research findings and the development of these findings and the effective application thereof;

(6) dissemination and application of research and development efforts and demonstration projects to early childhood education programs;

(7) production of informational systems and other resources necessary to support the activities authorized by this Act;

(8) developing methods of determining the needs of individual children in particular areas such as education, nutrition, and medical services, so as to permit the modification of programs to fit the needs of individual children; and

(9) a study of the need on a nationwide basis for child and family services programs and of the resources, including personnel, which are available to meet this need.

Title IV: Training of Personnel for Child and Family Services—Authorizes the Secretary of Health, Education, and Welfare to make grants to or enter into contracts with institutions of higher education, State and local agencies, State and local educational agencies, private organizations and agencies engaged in teacher training, teacher training institutions, national child care organizations, and producers of television programing, for the purpose of establishing, developing, or upgrading early childhood personnel training progress to respond to the demonstrated need for child services personnel in the 1970's; and by stimulating the development of sufficient training and educational programs in every State and region of the United States to assure an adequate supply of personnel to meet staffing requirements.

Authorizes appropriations for fiscal years 1976, 1977 and 1978 to carry out this title.

Title V: General Provisions—Defines the terms used in this Act.

Provides for nutrition services to be provided to child and family service programs under the National School Lunch Act of 1946 and the Child Nutrition Act of 1966.

These four items should provide the public with an adequate base of information upon which to form their opinions about the bill.

As I said in my opening remarks, I am neither supporting nor opposing the bill. I have been studying it for some weeks now and I will continue to do so.

I am concerned about the budgetary impact of the bill. Its supporters would like to see billions spent on child and family services. I think such spending exceeds the Federal budget.

Committee hearings will continue to be held on the legislation, and it is expected to be reported out to the House floor by early summer.

I hope this summary of the legislation and its status is helpful to my colleagues and my constituents.

CONGRESSIONAL CONFERENCE ON AGING IN 1976

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. DOWNEY of New York. Mr. Speaker, I will soon reintroduce with cosponsors a joint resolution to create a temporary Joint Committee on the Aging for the purpose of conducting a Congressional Conference on the Aging in this Bicentennial Year. I would like my colleagues to have a chance to read the text of the bill, so I include it here for the RECORD.

H.J. RES. 748

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

ESTABLISHMENT OF JOINT COMMITTEE

SECTION 1. There is established a Joint Committee on Aging (hereinafter in this joint resolution referred to as the "joint committee").

MEMBERSHIP

SEC. 2. (a) The joint committee shall be composed of ______ members as follows:

(1) three members of the Committee on Education and Labor of the House appointed by the Speaker of the House;

(2) ten members of the Select Committee on Aging of the House appointed by the Speaker of the House;

(3) three members of the Committee on Labor and Public Welfare of the Senate appointed by the President pro tempore of the Senate; and

(4) ten members of the Special Committee on Aging of the Senate appointed by the President pro tempore of the Senate.

(b) Any vacancy in the membership of the joint committee shall not affect the power of the remaining members to execute the functions of the joint committee. Any such vacancy shall be filled in the same manner as the original appointment.

(c) The joint committee shall select a chairman and a vice chairman from among its members.

(d) The members of the joint committee shall serve without pay in addition to that received for their services as Members of the House of Representatives or the Senate. Such members shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in performance of the functions of the joint committee, other than expenses in connection with meetings of the joint committee in the District of Columbia when the Congress is in session.

FUNCTIONS OF JOINT COMMITTEE

Sec. 3. (a) The joint committee shall plan and conduct a congressional conference on aging (hereinafter in this joint resolution referred to as the "conference").

(b) The conference shall seek to establish facts and develop recommendations for the purpose of developing a national policy toward the improvement of the conditions of older persons in the United States.

(c) The conference shall bring together representatives of (1) the Federal Government; (2) State and local governments; (3) professional and lay persons working in the field of aging; and (4) the general public, including older persons.

STAFF OF JOINT COMMITTEE

Sec. 4. (a) The joint committee may—

(1) appoint, without regard to political affiliation and solely on the basis of fitness to perform their duties, such professional, technical, clerical, and other personnel as the joint committee considers appropriate; and

(2) fix their pay at respective per annum gross rates not in excess of the highest rate of basic pay, as in effect from time to time, of level V of the Executive Schedule in section 5316 of title 5, United States Code.

(b) In carrying out its functions under this joint resolution, the joint committee shall utilize the services, information, facilities, and personnel of the Select Committee on Aging of the House and the Special Committee on Aging of the Senate.

REPORT OF JOINT COMMITTEE

Sec. 5. (a) The joint committee shall report its findings and recommendations, based upon the recommendations of the conference, to the House of Representatives and the Senate no later than January 31, 1977.

(b) Nothing in this joint resolution may be construed to authorize the joint committee to report to either House any proposed bill, resolution, or measure, or to have referred to the joint committee any proposed bill, resolution, or measure.

(c) The joint committee shall cease to exist upon transmitting its report under subsection (a).

RULES AND PROCEDURES

Sec. 6. The joint committee may make such rules respecting its organization and procedures as it considers necessary, except that no recommendation may be reported from the joint committee unless a majority of the joint committee agree with such recommendation.

EXPENSES OF JOINT COMMITTEE

Sec. 7. The expenses of the joint committee shall be paid from the contingent fund of the House of Representatives, upon vouchers signed by the chairman of the joint committee.

ART BY THE HANDICAPPED OF WESTCHESTER

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. OTTINGER. Mr. Speaker, I would like to share with my colleagues an article which appeared in the Port Chester Daily Item on January 14, 1976. It concerns an extraordinary art exhibit by the handicapped of Westchester County, N.Y. It is a fine demonstration of what can be done to emphasize people's abilities rather than the disabilities.

Over 60 works of art and crafts are included in the sixth annual Exhibition of Art by the Handicapped of Westchester. The exhibit is at the Scarsdale National Bank, 51 Wheeler Ave., Pleasantville, and will remain on view during regular banking hours until Feb. 5.

Exhibitors include artists from the Westchester Lighthouse, Westchester Association for Retarded Children in White Plains and Yonkers, United Cerebral Palsy of Westchester, Muscular Dystrophy Association, Opengate in Somers, Sarah Neuman Nursing Home in Mamaroneck, Extended Care Pavilion of New Rochelle Hospital Medical Center and the White Plains Nursing Home and Extended Care facility.

The purpose of this exhibition is to encourage and recognize creative activity on the part of the handicapped, and to educate the public as to the high level of creative accomplishment attained by the handicapped. The show is sponsored by Carroll-Condit Galleries in White Plains, where it was first hung and judged, and by the Mamaroneck Artists Guild, managers of the countywide tour of the show.

Cash prizes were donated by PepsiCo, Technicon, and the Westchester Rockland Newspapers.

Winners of the first prize awards include:

Frank Nicolet, a blind artist from the Westchester Lighthouse, for his oil painting, "Peaceful Night."

Steve Silverman of Opengate for his drawing, "Bicycle."

Norma Victorius from Sarah Neuman for her hand designed needlework "Patchwork."

Leah Cohen of Sarah Neuman for her hand designed toy bed.

Catherine Bruno, a blind artist at the Extended Care Pavilion, for a ceramic vase.

Gladys Vasquez of Muscular Dystrophy for her oil painting, "Abstract No. 7."

Charles Toscano of the Extended Care Pavilion for his miniature playground done in ceramics.

Ben Cooper and Nellie Coleman of the Extended Care Pavilion for a "Square Dance Mural" on wheelchair square dancing done in applique.

Children of Jimmy Vejar Day Camp of United Cerebral Palsy of Westchester for two constructions "New York's Finest," and "American Farmland."

WARC in White Plains participants, ages 29 through 39, for bottles decorated with masking tape and shoe polish.

Judges included Ted Drazuk, art collector, manager of Income Tax Compliance for IBM, first vice president of Westchester Easter Seal Society and wheelchair bound from polio; Carol Beighley, painter and graphic artist, former supervisor of art therapy at New York Hospital, Westchester Division, White Plains; and Florence Reiff, artist, founding president of the Docent Council of Neuberger Museum in Purchase.

THE MODERN LITTLE RED HEN

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. ROUSSELOT. Mr. Speaker, certainly we all remember the story of the "Little Red Hen" from our childhood. We recall how the energetic little hen went about her work, gathering the grain, planting the wheat, baking the bread, and wisely performing the duties with industry and prudence. We can also remember that the enterprising red hen received no help from her lazy and uninspired friends, the cow, the duck, the pig, and the goose. When asked to help with the preparation of her bread, they were always quick to produce some likely excuse such as "I'm tired", or "I have better things to do", or "I'll help some other time." Though they were unwilling to help the little red hen in the necessary preparations of the bread, when it was finished and ready to eat, they were more than anxious to help the practical and understanding little red hen consume her prize.

But alas and alack, what was her reward? I invite my colleagues to read a modern version of the "Little Red Hen" which appeared in the December 2, 1975 edition of the Wall Street Journal. A version created by the Pennwalt Corp., the story has important application to the economy and certain trends that we can see in our country today:

The Modern Little Red Hen

Once upon a time, there was a little red hen who scratched about the barnyard until she uncovered some grains of wheat. She called her neighbors and said, "If we plant this wheat, we shall have bread to eat. Who will help me plant it?"

"Not I," said the cow.

"Not I," said the duck.

"Not I," said the pig.

"Not I," said the goose.

"Then I will," said the little red hen. And she did. The wheat grew tall and ripened into golden grain. "Who will help me reap my wheat?" asked the little red hen.

"Not I," said the duck.

"Out of my classification," said the pig.

"I'd lose my seniority," said the cow.

"I'd lose my unemployment compensation," said the goose.

"Then I will," said the little red hen, and she did.

At last it came time to bake the bread. "Who will help me bake the bread?" asked the little red hen.

"That would be overtime for me," said the cow.

"I'd lose my welfare benefits," said the duck.

"I'm a dropout and never learned how," said the pig.

"If I'm to be the helper, that's discrimination," said the goose.

"Then I will," said the little red hen.

She baked five loaves and held them up for her neighbors to see.

They all wanted some, in fact, demanded a share. But the little red hen said, "No, I can eat the five loaves myself."

"Excess profits!" cried the cow.

"Capitalist leech!" screamed the duck.

"I demand equal rights!" yelled the goose.

And the pig just grunted. And they painted "unfair" picket signs and marched around and round the little red hen, shouting obscenities.

When the government agent came, he said to the little red hen, "You must not be greedy."

"But I earned the bread," said the little red hen.

"Exactly," said the agent. "That is the wonderful free enterprise system. Anyone in the barnyard can earn as much as he wants. But under our modern government regulations, the productive workers must divide their product with the idle."

And they lived happily ever after, including the little red hen, who smiled and clucked, "I am grateful. I am grateful."

But her neighbors wondered why she never again baked any more bread.

At the conclusion of the required business of the 1975 Pennwalt Annual Meeting, Chairman and President William P. Drake, commenting on the state of the company in today's economy, read this, his own adaptation of a modern version of the well-known fable of The Little Red Hen.

We make things people need—including profits. That's why we've been in business for 125 years, and have paid dividends for 113 years consecutively.

Pennwalt Corporation, Three Parkway, Philadelphia, Pa. 19102, Chemicals, Health Products, Specialized Equipment.

THE NEW SCAREMONGERS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. McDONALD of Georgia. Mr. Speaker, for the past 20 years the liberal-left has branded every attempt to keep track of subversives as the work of right wing "scaremongers" and "McCarthyites," who see a Communist behind every bush. These tactics continue even today, when the subversives have come out from behind their bushes to engage in such practices as the killing of innocent people in public bombings.

At the same time, the leftists are carrying on a real scaremongering campaign of their own. Under the guise of "ecology" and "protecting" the environment, it consists of attempting to scarce people out of their wits by presenting bits of carefully selected "evidence" in conjunction with some pseudoscientific hypotheses which purport to show that industrialization is the cause of every disease known to man, from cancer to schizophrenia. Ignored is the fact that it is science and technology that have wiped out plagues and diseases that used to remove man from his "natural" environment.

This campaign is aimed at just about every manifestation of scientific and technological progress which benefits human life. One current example is the attack on the Concorde. Supersonic flights in the stratosphere, it is claimed, will dilute the ozone layer which protects us from the Sun's ultraviolet rays, and we will all perish from an epidemic of skin cancer.

The fact, as Senator Barry Goldwater has pointed out, that the million or so military supersonic flights over the United States have caused no measurable ozone depletion, is ignored.

We are bombarded daily with innumerable other examples by our news media, which seems to have joined the scaremongering campaign with a vengeance. Perhaps the worst offenders are the television networks, particularly CBS, which specialize in news reports by scientific illiterates calculated to show that the market is saturated with products which are causing cancer and other dread diseases. In the January 10, 1976, issue of TV Guide, Edith Efron analyzes these news reports, demonstrating their bias and unscientific methodology. Whatever the goals of these new reports, enlightening the public is not one of them.

The article follows:

BIASED "SCIENCE" REPORTING SCARES TV VIEWERS

(By Edith Efron)

Something stupid and dangerous is going on at the networks, CBS news seems to be specializing in it, and although an immense amount of worried discussion is taking place over it in the scientific world, nobody is standing up and giving the public a forthright warning against it. Nobody ever does—not when the news bulls are running at the electronic Pamplona. At such times, even the hardiest, it seems, scatter and run for their lives.

The issue is both simple and complex, and even to understand this much is valuable, since it supplies one with some degree of sane perspective on the problem. The simple part of the issue is this: scientifically untrained reporters are scaring the population to death with the idea that incalculable numbers of products are on the market which are inducing cancer and other dread diseases. The complex part of the issue is this: there is no substance on earth which, when ingested in varying amounts by human beings, will not cause problems for some of them, ranging from temporary discomfort to death.

Until quite recently, this was understood by the literate population at large. Anyone who has ever read the instructions accompanying even the most innocuous drugs, knows that virtually all have warned that the product should not be taken under x, y and z circumstances. As for prescription drugs, the warnings about dangerous side effects for some percentage of takers have always been complex and intimidating, and characteristically, doctors have been cautious about prescribing them and have warned patients about the risks involved. Nonetheless, in certain situations, only such dangerous drugs can save lives, and the risks must be taken. To an awesome degree, the sophisticated practice of medicine is a complex calculation of probabilities and risks.

The calculated-risk is applicable to substances other than medicines. About 20 years ago, a magazine carried an article which I remember vividly. In fact, I thought it so clever, I clipped it, and used it for several years as required reading in a journalism course I gave, to illustrate originality in the use of research. The reporter involved was struck one day, by the realization that almost everything on earth was dangerous to somebody. So he reviewed all the medical literature he could get his hands on, and came up with the most incredible list of dangerous products anyone had ever seen. It turned out that practically everything touched, breathed, tasted or swallowed caused disease and death in somebody, somewhere. The reporter's straight-faced moral was this: If you want to stay alive, don't touch, breathe, taste, or swallow *anything*. The magazine's editors at the time, thought it was hilarious, readers thought it was hilarious, and it was hilarious. Twenty years ago, semi-literate hysterics had not acquired a dominant voice in the culture, and did not see an apocalyptic threat to existence under every bush. What's more, all sane human beings knew that the very act of daily living involved risk.

Today, a small handful of newspaper people whose professional training customarily renders them incapable of judging the validity of biological research—are rushing in where angels fear to tread, and dragging the whole uneducated population with them. These "investigative" geniuses have simply rediscovered what that reporter discovered 20 years ago. Better yet they have caught on that this makes a fascinating new way in which to demonstrate their increasingly revolting righteousness. "What?" they shout (in an acute spasm of what Irving Kristol has called "moral elephantiasis") "a product exists that risks the well-being of some percentage of the population? Ban it! Kill it! Off with its head! How dare the Government allow U.S. industry to subject any portion of the population to any risks at all?"

And so we see Dan Rather rushing around frantically digging up examples of people who may—or may not—have been made severely ill or killed by some product or other interviewing sobbing wives, reporting on certain experiments, largely failing to report on the harsh critiques of those experiments, and leaving the overriding impression that American industry is engaged in a wholesale slaughter of the innocents. That was the technique used in a documentary shamelessly entitled "The American Way of Cancer." And that is what went on in a *Face the Nation* program on Dec. 28, when the entire news panel ganged up on Federal Drug Administration head Alexander Schmidt, aggressively fought his assessments of certain bodies of scientific research; challenged the conclusions of large groups of scientists; demanded to know why certain medicines which posed definite risks for some percentage of their takers were not banned; and repeatedly insisted on the idea that individuals should be required to sign consent papers before accepting treatment utilizing such drugs. (And never mind what such incredible bureaucratic impositions would do to the practice of medicine.) These reporters were not simply seeking news. They were assuming the intellectual prerogatives of scientists, and displayed an intellectual arrogance that is never found in real scientists. Their ignorant hubris and hostility was outrageous.

Now, I *don't* mean by all this that serious risks and dangers don't exist. They do. And I *don't* mean continuous scientific assessment of the effects of dangerous drugs is not necessary. It is. And I *don't* mean that the public should not receive valid medical information. It should. All I mean is that the networks should stop this scandalous process of allowing the scientifically untrained to air ill-informed, unbalanced, and terrifying opinion to a scientifically untrained public. At an absolute minimum, interviewing should be conducted by scientifically qualified people. No documentaries on medical controversies should ever be aired that do not include representatives of all the schools of thought involved. And no reporter who cannot write a decent essay, acceptable to the National Science Foundation, on the principles of scientific epistemology, on valid hypothesis formation and on what constitutes adequate scientific evidence for a hypothesis within the full context of available knowledge, should be allowed near such an assignment. If he can't do that, he can no more assess competing scientific studies than a pig can fly, and he should be sent back to his usual beat collecting handouts and scavenging for gossip and leaks about political personalities. That's all he's been trained for, and that he is good at doing.

ONE MAN'S OPINION

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. CARTER. Mr. Speaker, President Theodore Roosevelt once was quoted as saying:

> In popular government results worth having can be achieved only by men who combine worthy ideals with practical good sense.

As I am sure others here in Washington have observed, many of the actions originating in this capital fail to meet that test. That our citizens outside Washington are not unaware of this fault was made clear most forcefully in an article in my hometown newspaper by Mr. Byrd W. Cook. I would like to share with my colleagues Mr. Cook's "One Man's Opinion" that appeared in the Tompkinsville News on December 11 so that they also might have the benefit of his views about commonsense in government and respect for the law:

ONE MAN'S OPINION

(By Byrd W. Cook)

An ambulance in New York on a mercy run in a heart attack case, was given a parking ticket and informed by the law that it didn't give a damn if it was an ambulance, and the next time it would be $50.00 for the ticket. How long will we let fools make laws and morons enforce them.

What is the purpose of such laws? The high-sounding phrase, "Department of Public Safety," is prostituted continuously to simply bring revenue, as are any number of our so-called laws that only enforcers respect. One feels they have no concern at all for people but are out for all the revenue they can take in and really are working for insurance interests.

People respect the law and try to obey it and most laws are good. But some of the disrespect it has earned is due to the fringe of hard noses that are ready to prey on thet public who support it. The people are bigger than the enforcers and believe malicious wrong-doers should be prosecuted regardless of which side of the law they are on. Bad laws are being proposed all the time. They are aired in the headlines to get them put in use, and then we must listen to the hypocrits say "yes, we must respect the law even if it is a bad law." Once they are on the books, the parasites move in to reap the harvest and take advantage of the loop holes.

Common sense in government would accomplish a lot more and maybe the taxpayer could afford it. The boob tube has itself up to dictate policy in our country. It wants to pick presidents—it wants to legislate gun laws. Now, it is moving in to the Citizens Band radio area. Yes, it is going to set us straight on the air waves. It thinks we are a bunch of ratchet jaws. Don't we just love those people that consider us ignorant, uninformed, and talk silly talk. I wonder if it watches its own silly talk. Some of its commercials can drive a person up the wall. It has been said it does not intend to inform us at its own expense, so its mouths paid for opinions that serve only the purpose of those who pay for them.

We are getting an overdose of attempted legislation by headlines. We are on the threshold of back door dictatorship. This is being brought about through education of young people to crime, we are deluged by every form of crime on T.V.; we have nothing but giveaway programs and incessant crime by the worst kind of perverts.

Truly we are being brainwashed into the police state and it may be total within a generation. Why must we carry this tragedy to its obvious conclusion?

SENATE—*Wednesday, February 4, 1976*

The Senate met at 9 a.m. and was called to order by Hon. JOHN O. PASTORE, a Senator from the State of Rhode Island.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Hear the words of Proverbs:

Trust in the Lord with all thine heart; and lean not unto thine own understanding. In all thy ways acknowledge Him, and He shall direct thy paths.—Proverbs 3: 4, 5.

O God by whose providence we are here and made stewards of the people's trust, come upon us as a living presence that our work may also be our worship. We offer to Thee all we have of body and mind, of emotion and will.

"We give Thee but Thine own,
  What-e'er the gift may be:
All that we have is Thine alone,
  A trust, O Lord, from Thee.

"And we believe Thy word,
  Though dim our faith may be:
What-e'er for Thine we do, O Lord,
  We do it unto Thee."
    —*Bishop W. Walsham How*, 1864.

So wilt Thou guide us through our days and reward our labor with hearts at peace with Thee. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The **PRESIDING OFFICER**. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The second assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., February 4, 1976.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. JOHN O. PASTORE, a Senator from the State of Rhode Island, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. PASTORE thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. **MANSFIELD**. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Tuesday, February 3, 1976, be dispensed with.

The **ACTING PRESIDENT** pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. **MANSFIELD**. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The **ACTING PRESIDENT** pro tempore. Without objection, it is so ordered.

ORDER VITIATING ORDER FOR RECOGNITION OF SENATOR TOWER

Mr. **MANSFIELD**. Mr. President, I ask unanimous consent that the special order for the recognition of the distinguished Senator from Texas (Mr. TOWER) be vitiated.

The **ACTING PRESIDENT** pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. **MANSFIELD**. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the Executive Calendar beginning with new reports.

There being no objection, the Senate proceeded to the consideration of executive business.

The **ACTING PRESIDENT** pro tempore. The nominations will be stated.

DEPARTMENT OF STATE

The second assistant legislative clerk read the nominations of Anthony C. E. Quainton, of Washington, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Central African Republic; Willard A. DePree, of Michigan, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the People's Republic of Mozambique; Albert B. Fay, of Texas, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Trinidad and Tobago; and, James W. Hargrove, of Texas, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Australia, and to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Nauru.

Mr. **MANSFIELD**. Mr. President, I ask unanimous consent that the nominations be considered and confirmed, en bloc.

The **ACTING PRESIDENT** pro tempore. Without objection, the nominations are considered and confirmed, en bloc.

Mr. **MANSFIELD**. Mr. President, I ask unanimous consent that the President be notified of the confirmation of the nominations.

The **ACTING PRESIDENT** pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. **MANSFIELD**. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The **ACTING PRESIDENT** pro tempore. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. **MANSFIELD**. Mr. President, I ask unanimous consent that there be a brief morning hour for the conduct of morning business with a time limitation of 3 minutes attached thereto.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. PASTORE) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT OF THE CORPORATION FOR PUBLIC BROADCASTING—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. PASTORE) laid before the Senate the following message from the President of the United States which, with the accompanying report, was referred to the Committee on Commerce:

To the Congress of the United States:

I am transmitting today to the Congress the annual report of the Corporation for Public Broadcasting, describing its activities for the year ending June 30, 1975.

GERALD R. FORD.

THE WHITE HOUSE, *February 4, 1976.*

MESSAGES FROM THE HOUSE

At 12:25 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has agreed to the amendment of the Senate to the bill (H.R. 5608) to extend until the close of 1983 the period in which appropriations are authorized to be appropriated for the acquisition of wetlands, to increase the maximum amount of such authorization, and for other purposes, with amendments in which it requests the concurrence of the Senate.

The message also announced that the House has passed the following bills in which it requests the concurrence of the Senate:

H.R. 2278. An act for the relief of Mrs. Mary Saxton (Mary Nuku);

H.R. 2565. An act for the relief of Luisa Marillac Hughes, Marco Antonio Hughes, Maria del Cisne Hughes, Maria Augusta Hughes, Miguel Vicente Hughes, Veronica del Rocio Hughes, and Ivan Hughes;

H.R. 5227. An act for the relief of Frank M. Russell;

H.R. 5500. An act for the relief of Rafael Strochlitz Wurzel;

H.R. 6093. An act for the relief of Maria D'Arpino; and

H.R. 10076. An act for the relief of Mrs. Kazuko Scillion.

At 3:35 p.m., a message from the House of Representatives delivered by Mr. Hackney announced that the Speaker has appointed as members of the Board of Visitors on the part of the House to the U.S. Air Force Academy Mr. FLYNT, Mr. EVANS of Colorado, Mr. ROBINSON, and Mr. TREEN.

The message also anounced that the Speaker has appointed as members of the Board of Visitors on the part of the House to the U.S. Military Academy Mr. MURPHY of New York, Mr. LONG of Maryland, Mr. CEDERBERG, and Mr. GILMAN.

The message further announced that the Speaker has appointed as members of the Board of Visitors on the part of the House to the U.S. Coast Guard Academy Mr. DODD and Mr. SARASIN.

The message also announced that the Speaker has appointed as members of the Board of Visitors on the part of the House to the U.S. Merchant Marine Academy Mr. WOLFF and Mr. WYDLER.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro temport (Mr. PASTORE) laid before the Senate the following letters, which were referred as indicated:

REPORT OF THE NATIONAL CENTER FOR PRODUCTIVITY AND QUALITY OF WORKING LIFE

A letter from the Acting Executive Director of the National Center for Productivity and Quality of Working Life transmitting, pursuant to law, the report on the activities and plans of the National Center as of December 31, 1975 (with an accompanying report); to the Committee on Banking, Housing and Urban Affairs.

PETITIONS

The ACTING PRESIDENT pro tempore (Mr. PASTORE) laid before the Senate the following petitions and memorials, which were referred as indicated:

House Memorial No. 1328, adopted by the Legislature of the State of Florida; referred jointly, by unanimous consent, to the Committees on Public Works, Interior and Insular Affairs, Commerce, Banking, Housing and Urban Affairs, Agriculture and Forestry, and the Joint Committee on Atomic Energy:

SECRETARY OF STATE,
Tallahassee, Fla., January 22, 1976.

Hon. FRANCIS R. VALEO,
Secretary of the U.S. Senate, The Capitol, Washington, D.C.

DEAR MR. VALEO: This office has been directed to send copies of House Memorial No. 1328, adopted by the Regular Session of the Florida Legislature of 1975, to all Members of Congress of the United States.

Under separate cover, we are therefore forwarding to you one hundred copies of this Memorial, and I shall deem it a great favor if you will provide each Senator with one.

A supply is also being sent to the Honorable W. Pat Jennings, Clerk of the House of Representatives, for distribution to the House Members.

Thank you and kindest regards.

Sincerely,

BRUCE A. SMATHERS.

Hon. BRUCE A. SMATHERS,
Secretary of State,
Tallahassee, Fla.

DEAR MR. SECRETARY: Receipt is acknowledged of your letter dated January 22, 1976, stating that your office has been directed to send copies of House Memorial No. 1328, adopted by the Regular Session of the Florida Legislature of 1975, to all Members of Congress of the United States.

We are unable to distribute a copy to each Senator. However, in acocrdance with Senate rules and procedures, it can and will be presented to the United States Senate as a whole and appropriately referred.

Sincerely,

FRANCIS R. VALEO,
Secretary of the Senate.

"HOUSE MEMORIAL NO. 1328

"A memorial to the Congress of the United States, urging Congress to review and support the program known as 'The Total Concept', a comprehensive plan combining solutions to critical environmental, energy, resource recovery, and economic problems, to be implemented in Florida as a "pilot" state and then in the nation as a whole,

"Whereas, we have a worldwide shortage of quality drinking water, and at the same time have a massive problem of disposing of billions of gallons of liquid wastes, and

"Whereas, local sewage treatment plants are costly and have a devaluating effect on surrounding real estate, and we need better treatment of liquid wastes to avoid further pollution of our lands, lakes, rivers, streams and aquifers, and

"Whereas, our society is creating monumental tonnage of solid wastes which pollutes land, air and water while concurrently we are running out of at least 62 known elements and prices are skyrocketing for other elements of increasing scarcity, and

"Whereas, we are concerned about high and rising costs of mined resources, but demand that mining interests cover excavations when they are through with them, at additional costs, and

"Whereas, we are having to subsidize financially troubled railroads with tax money, but we cannot do without them, and

"Whereas, we would like clean, safe nuclear generated electricity but cannot accept thermally polluting our natural water bodies, and

"Whereas, due to increasing needs, too much water is being withdrawn from underground water supplies causing sink holes to develop in the earth's crust, and in certain areas of Florida, salt water intrudes into these evacuated areas, and the Everglades begin to dry up for lack of replenishment water to maintain level and flow, and

"Whereas, the United States could not feed even its own population were it not for manufactured fertilizers, and

"Whereas, 'The Total Concept' plan proves that our most pressing problems are not separate and unrelated, but can be technically, economically and socially combined into a single, workable solution, and

"Whereas, 'The Total Concept' plan, 5 years into development, rejects the band-aiding approach to individual problems, and provides a total, workable solution to all: Now therefore, be it resolved by the Legislature of the State of Florida:

"That the Congress of the United States is urged to review and support the program known as 'The Total Concept' as the means whereby the solutions to our major problems can be combined into a single comprehensive plan by balancing the excesses of each with the deficiencies of the next, for Florida as a pilot state and the nation as a whole.

"Be it further resolved that Congress is urged to take whatever steps it deems proper to aid in developing and implementing the plan.

"Be it further resolved that the Florida congressional delegation is urged to develop and support positive economic programs to further this comprehensive program.

"Be it further resolved that the members of Florida's congressional delegation are urged to act promptly to carry out the desires of this 1975 Legislature.

"Be it further resolved that copies of this memorial be dispatched to the President of the United States, to the President and each member of the United States Senate, to the Speaker and each member of the United States House of Representatives, to the chairman of the Federal Energy Administration, Environmental Protection Agency, Energy Resource Development Administration, Atomic Energy Commission, Secretary of the Interior, Office of Management and Budget and to the Federal Power Commission."

Mr. MANSFIELD. Mr. President, I ask unanimous consent that House Memorial No. 1328, adopted by the Florida Legislature, be referred jointly to the Committees on Public Works; Interior and Insular Affairs; Commerce; Banking, Housing and Urban Affairs; Agriculture and Forestry, and the Joint Committee on Atomic Energy.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. SPARKMAN, from the Committee on Foreign Relations, without amendment:

H.R. 6949. An act to make the film "Wilma Rudolph Olympic Champion", which was produced by the U.S. Information Agency, available for certain limited use within the United States in conjunction with promotion of the 1976 Olympic Games (Rept. No. 94–627).

By Mr. STEVENSON, from the Committee on Commerce:

S. 2931. An original bill to provide for daylight saving time on an eight-month and one-week basis, beginning with the first Sunday in March and ending with the second Sunday in November, for a two-year period beginning with the first Sunday in March of 1976 and to require the Federal Communications Commission to permit certain daytime broadcast stations to operate before local sunrise (Rept. No. 94–628).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

Webster B. Todd, Jr., of New Jersey, to be a member of the National Transportation Safety Board.

Webster B. Todd, Jr., of New Jersey, to be Chairman of the National Transportation Safety Board.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred to the Committee on the Judiciary:

H.R. 2278. An act for the relief of Mrs. Mary Saxton (Mary Nuku);

H.R. 2565. An act for the relief of Luisa Marillac Hughes, Marco Antonio Hughes, Maria del Cisne Hughes, Maria Augusta Hughes, Miguel Vicente Hughes, Veronica del Rocio Hughes, and Ivan Hughes;

H.R. 5227. An act for the relief of Frank M. Russell;

H.R. 5500. An act for the relief of Rafael Strochlitz Wurzel;

H.R. 6093. An act for the relief of Maria D'Arpino; and

H.R. 10076. An act for the relief of Mrs. Kazuko Scillion.

REFERRAL OF A BILL—H.R. 7108

Mr. MANSFIELD. Mr. President, I ask unanimous consent that H.R. 7108, Calendar No. 591, the Environmental Research, Development, and Demonstration Authorization Act, be referred to the Committee on Labor and Public Welfare for not to exceed 60 days.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. RANDOLPH:

S. 2926. A bill to provide for sound forest management practices in the national forests of the United States consistent with the principles of multiple-use and sustained yield. Referred jointly, by unanimous consent, to the Committee on Agriculture and Forestry and the Committee on Interior and Insular Affairs.

By Mr. BENTSEN:

S. 2927. A bill to protect the confidentiality of the identities of certain employees of the Central Intelligence Agency. Referred to the Committee on Armed Services.

By Mr. MONTOYA:

S. 2928. A bill to provide for the construction of a Veterans' Administration hospital in the city of Albuquerque, New Mexico. Referred to the Committee on Veterans' Affairs.

By Mr. HARTKE (for himself and Mr. PEARSON) (by request):

S. 2929. A bill to amend the Interstate Commerce Act, as amended, to increase efficiency and competition and to reduce costs in the motor carrier industry by allowing easier entry and greater price flexibility and by removing excessive and wasteful regulation, and for other purposes. Referred to the Committee on Commerce.

By Mr. BUMPERS (for himself, Mr. NELSON, Mr. GARY HART, and Mr. BUCKLEY):

S. 2930. A bill to preserve the public health, safety, and welfare by prohibiting the landing within the United States of civil supersonic aircraft that do not meet appropriate noise standards, and for other purposes. Referred to the Committee on Commerce.

By Mr. STEVENSON, from the Committee on Commerce:

S. 2931. An original bill to provide for daylight saving time on an eight-month and one-week basis, beginning with the first Sunday in March and ending with the second Sunday in November, for a two-year period beginning with the first Sunday in March of 1976 and to require the Federal Communications Commission to permit certain daytime broadcast stations to operate before local sunrise. Placed on the Calendar.

By Mr. HUMPHREY:

S.J. Res. 164. A joint resolution authorizing the President to proclaim October 24 of each year "National Dignity of Mankind Day." Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. RANDOLPH:

S. 2926. A bill to provide for sound forest management practices in the national forests of the United States consistent with the principles of multiple-use and sustained yield. Referred jointly, by unanimous consent, to the Committee on Agriculture and Forestry and the Committee on Interior and Insular Affairs.

NATIONAL FOREST TIMBER MANAGEMENT REFORM ACT OF 1976

Mr. RANDOLPH. Mr. President, the management of our national forests has become the center of controversy in my native West Virginia and throughout the Nation. Few issues can be of greater importance to the many persons involved in the utilization and preservation of our national forests. West Virginia is the site of the Monongahela National Forest, one of the Nation's finest. The management of that forest is extremely important to the future of West Virginia. It is vital to West Virginia's economic well-being and to the quality of life of our citizens. Most of the other States with national forests are in the same position. Furthermore, people from the few States without a national forest benefit from those forests in other States and look to them for recreational opportunities.

On November 6, 1973, the U.S. District Court for the Northern District of West Virginia handed down its opinion in the case styled West Virginia Division of the Izaak Walton League of America, et al., against Earl Butz, et al. That decision involved the management of the timber resources of the Monongahela National Forest and found the Forest Service to be in violation of the Organic Act of 1897.

On August 21, 1975, the U.S. Court of Appeals for the Fourth Circuit affirmed the district court decision which has extended the ruling to all the national forests in Virginia, North and South Carolina, which forests are within the jurisdiction of the Fourth Circuit Court of Appeals. The Forest Service Chief has not applied the decision to any other national forest and has made no move to apply the decision outside the fourth circuit. Furthermore, the Solicitor General of the United States has decided not to file a petition with the Supreme Court in an effort to have the decision overturned. Thus, at this stage it can be said with certainty that the Monongahela decision is not now applied throughout the Nation. On December 23, a Federal district court in Alaska overturned a sale on the Tongass National Forest for violation of a provision of the Organic Act of 1897.

Nevertheless, it is fair to say that the decision is the highest authority on the points ruled on and that it has focused the Nation's attention on the national forests. Legislation is needed to clarify the law and to place the timber management of the national forests on a new basis.

I am today introducing a bill to reform timber management practices on national forests. The purpose of my measure is to end the many disputes and controversies surrounding national forests and to provide sound management. I have dealt with several issues. First, the bill modifies the Organic Act of 1897 as interpreted by the U.S. Court of Appeals for the Fourth Circuit on August 21 of last year. This modification will keep the best of the basic requirements the court dealt with and yet permit certain desirable silvicultural practices that might be hampered by the decision.

The bill covers the problems of clearcutting and even-aged management, with the protection of forest soils and natural ecosystems, and the protection of fish and wildlife habitats. It also deals with sustained yield timber production, timber harvest planning as it relates to multiple use, forest-type conversion, long-term contracts, limitations on the harvest of immature timber, the classification of lands for timber production, and the full utilization of products from the national forests. The bill also corrects the financial problems of counties that have been tied to timber production from the national forests for a substantial portion of their revenues. Finally, the legislation provides for a new accounting system for timber sales.

Mr. President, at this point, I ask unanimous consent that the text of the bill together with a section-by-section analysis of the bill be printed in the RECORD.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 2926

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Forest Timber Management Reform Act of 1976".

FINDINGS AND PURPOSES

SEC. 2. (a) The Congress finds and declares:

(1) Whereas, the National Forest Organic Act of 1897 may not permit the Secretary of Agriculture to utilize on the National Forests certain management practices—such as sale of timber for thinning—which are silviculturally and environmentally sound;

(2) Whereas, the Secretary of Agriculture has utilized on the National Forests of the United States management practices—such as excessive clearcutting—which are unduly harmful to the environment and to uses of the National Forest other than timber production;

(3) Whereas the purpose of this Act is to assure that the Secretary hereafter manages the National Forest by employing practices which are silviculturally sound, which preserve and maintain environmental quality, and which fulfill the purposes for which the National Forests were established, including the purposes of the Organic Act of 1897 and of the Multiple Use-Sustained Yield Act of 1960; and

(4) Whereas in order to maintain a national supply of high quality saw timber on a sustained-yield basis from the National Forests, and to insure that the national forests are managed on a multiple-use basis, the Congress must specify certain timber management standards and procedures for the national forests.

(b) It is therefore the purpose of this Act to require specific timber management standards and procedures for the National Forests in order to ensure that those forests are managed henceforth in perpetuity on a multiple-use, sustained-yield basis.

(c) Nothing contained in this Act shall be construed as amending the Wilderness Act, Wild Rivers and Scenic Rivers Act, or the Endangered Species Act of 1973.

DEFINITIONS

SEC. 3. As used in this Act—

(1) The term "national forest" means all lands which are part of the national forest system and all other lands subject to laws relating to the national forests of the United States or to rules and regulations issued under such laws.

(2) The term "Secretary" means the Secretary of Agriculture.

(3) The term "mature" means that stage of a tree's life cycle when its bark, crown, size and other visible indicators of age and vigor indicate the tree has reached the stage in its life and development during the preceding ten years at which its average annual growth rate in volume has peaked and begun to decline.

(4) The term "large tree" means a tree whose diameter and height are equal to or larger than the average mature dominant and co-dominant trees of the species growing in natural stands on sites of a given production capability or quality.

(5) The term "uneven-aged forest management" means a system of forest management under which individual trees or small groups of trees not to exceed one-half acre are selected and removed from a forest in order to maintain or create uneven-aged stands of trees.

(6) "Selection cutting" means a method of selecting and removing trees to implement uneven-aged forest management. This includes group selection wherein small groups of mature trees, not over one-half acre in extent, having similar dominance are selected and removed.

(7) The term "even-aged forest management" means a system of forest management under which trees are selected and removed from a forest in order to maintain or create even-aged stands of trees.

(8) The term "clear cut" means the removal of all or substantially all trees from a specific area of the forest at the same time.

(9) The term "even-aged cut" means all variations of cuts designed to regenerate an even-aged stand. Such cuts include, among others, those types of cuts commonly referred to as shelterwood cuts, seed tree and clearcuts.

(10) The term "improvement cutting" means the cutting of trees of undesirable form or condition for the purpose of improving the residual stand of trees.

(11) The term "thinning" means a cutting of trees made in immature stands to reduce the density and accelerate the growth of the remaining trees.

(12) The term "inter-disciplinary review" means a review by a multi-disciplinary team.

(13) The term "multi-disciplinary team" means a group of individuals consisting of specialists in the fields of silviculture, wildlife biology, fish biology, soils, hydrology, recreation, and such other specialists in other disciplines as the Secretary may prescribe.

(14) The term "eastern mixed hardwood forests" means deciduous hardwood forests east of the 100th meridian except those forests consisting principally of one or more of the following kinds of trees: aspen, paperbirch, or cottonwood.

STANDARDS FOR NATIONAL FOREST TIMBER PRODUCTION

SEC. 4. (a) The Secretary shall promulgate and publish in the Federal Register, within three years after the date of enactment of this Act, standards for determining those areas of the national forests from which timber may be sold. No timber may be sold from any national forest after the publication of such standards except in accordance with such standards.

(b) The standards promulgated by the Secretary under subsection (a) shall include such criteria as may be necessary to ensure that timber sales from national forest lands are made only from—

(1) lands which are stable and do not exceed the maximum degree of slope appropriate for each soil type on which roads may be constructed or timber cut;

(2) lands on which the timber does not consist solely of patches and stringers;

(3) lands which, within five years after being timbered, will regenerate the growth of trees naturally or will do so with a modest reforestation investment;

(4) lands which are capable of regenerating a commercial stand of timber;

(5) lands sufficiently distant from stream banks, shore lines, and wetlands to avoid disturbance of streams, other bodies of water, and wetlands;

(6) lands on which timber cutting will not substantially impair important non-timber resources; and

(c) The standards promulgated by the Secretary under subsection (a) shall include minimum reforestation requirements for national forest lands that are hot, dry, wet, frost prone, at high elevations, or characterized by thin soils, or that for other reasons have a law probability of regeneration.

SUSTAINED YIELD LIMIT ON TIMBER SALES

SEC. 5. (a) The Secretary shall limit the sale and harvest of timber from each ranger district to a quantity equal to or less than a quantity which can be removed from such district annually in perpetuity on an even flow, sustained-yield basis and shall limit the sale and harvest of timber from any such district in a manner that will, under long-term management, prevent the quantity and quality of the timber on such district from declining. The foregoing shall not prevent the Secretary from exceeding the quantity sales limitation from time to time in the case of any ranger district so long as the average sales of timber from such district over any ten-year period do not exceed such quantity limitation. In those cases where ranger districts exceed five hundred thousand acres, the Secretary shall designate sustained-yield units of not more than five hundred thousand acres within such ranger district for the purpose of this provision.

(b) Nothing in subsection (a) of this section shall prohibit the Secretary from salvaging timber stands which are substantially damaged by fire, blown down, or other catastrophe.

UTILIZATION STANDARDS

SEC. 6. The Secretary shall promulgate and publish in the Federal Register, within two years, after the date of enactment of this Act, utilization standards for all species of trees sold from the national forests. All purchasers of timber from the national forests shall be required to remove the timber purchased in accordance with such standards. Nonutilized parts of trees left on the cutting site shall be as evenly distributed as feasible or otherwise disposed of or distributed as required by such standards.

LIMITATIONS ON EVEN-AGED MANAGEMENT AND CLEAR-CUTS

SEC. 7. (a) In the administration of the national forests the Secretary shall give full consideration to all systems of silviculture, including uneven-aged as well as even-aged management, and shall insure that no single system dominates in the national forests, except that uneven-aged forest management primarily implemented by selection cutting shall be used in the eastern mixed hardwood forests.

(b) (1) Before permitting any timber to be cut from a national forest, the Secretary shall have made an interdisciplinary review of the potential environmental, biological, esthetic, engineering, and economic impact of the proposed cut. After such review, the Secretary shall make a finding as to whether the proposed cut is consistent with the multiple use of the resources of the acreage on which the proposed cut is to be made and on the surrounding area. In making such finding, the Secretary shall, among other pertinent matters, consider—

(A) The effect of the proposed cut on the non-timber resources of the acreage on which the proposed cut is to be made and on the surrounding area, and the effect of the proposed cut on the value of such non-timber resources;

(B) The specific effects of the proposed cut and logging roads on the soils of the area in which such cut is to be made; and

(C) Whether the acreage on which the proposed cut is to be made will naturally regenerate within five years after the proposed cut, and, if not, what technical measures, if any, will be taken to achieve reforestation and the cost of applying such measures.

(2) Each finding shall include a brief statement explaining its basis and shall be available to the public for a 60 day period prior to each sale.

(3) The provisions of this subsection 7(b) shall not apply to sales of timber of less than $5,000.

(4) The Inter-disciplinary review and findings required by this subsection 7(b) may encompass more than one timber sale, at the discretion of the Secretary.

SEC. 7. (c)(1) The Secretary shall promulgate and publish in the Federal Register, within two years after the date of enactment of this Act, standards for clear-cuts and even-aged cuts. The Secretary shall not permit any clear-cut or even-aged cut thereafter except in accordance with such promulgated standards.

(2) Standards promulgated by the Secretary under paragraph (1) shall include such criteria as may be necessary to ensure that:

(A) The size and shape of openings are determined by the biological requirements of forest regeneration, wildlife, habitat needs, aesthetics, slope, soil composition, rainfall and such other factors as the Secretary shall deem relevant.

(B) The area cut shall generally not exceed 25 acres in size and, whenever feasible, no cut shall be closer than 1,000 feet of another clear-cut or even-aged cut made within the preceding 10 years. For purposes of this criterion, the Secretary may permit appropriate exceptions for the purpose of permitting the salvage of timber damaged by fire, disease, pest infestations, blow-downs or other catastrophe and to ensure that timber is not left in inoperable small patches;

(C) Such cuts are used in the Eastern Mixed Hardwood Forests only for the special purposes of the improvement of wildlife habitats or the salvage of timber damaged by fire, disease, pest infestation, blow-downs or other catastrophe; and that

(D) Such cuts are carried out in a manner consistent with the protection of soil, watershed, fish, wildlife, recreation and esthetic resources and the regeneration of the timber resource.

LIMITATIONS ON CUTTING IMMATURE TIMBER

SEC. 8. (a) Except as otherwise provided in this section, the Secretary shall not cut or permit to be cut any trees in any national forest that are not dead, mature, or large.

(b) The Secretary may cut or permit to be cut trees in any national forest that are not dead, mature, or large, if such trees are cut for the purpose of thinning, improvement cutting, removing diseased or damaged trees, pest control, forest research and experimentation, removing trees to be used as Christmas trees, cull elimination, habitat improvement, or salvage: *Provided*, That the practices permitted by this subsection shall only be used to supplement the normal timber harvest of dead, mature or large trees and may not be used as the dominant methods of harvesting the timber of any national forest: *And further provided*, That such practices shall not supplant the policy of uneven-aged management in Eastern Mixed Hardwood Forests.

(c) The Secretary may also cut or permit to be cut trees that are not dead, mature or large if such trees are cut for the purpose of achieving an even distribution of age classes in southern pine forests.

(d) Clear cuts and even-aged cuts authorized to be made in national forests pursuant to section 7 of this Act may include the cutting of trees that are not dead, mature or large but only if the stand of trees to be cut consists predominantly of dead, mature and large trees.

(e) The Secretary shall promulgate rules and regulations for the cutting of timber under this section which shall be subject to public review. Such rules and regulations shall include provisions to assure that a stock of healthy, well-formed, large trees is maintained, well-distributed throughout the national forests as seed sources and for additional value growth.

MARKING, DESIGNATING, AND SUPERVISION OF THE CUTTING OF TIMBER

SEC. 9. (a) No tree shall be cut or removed from any national forest after the date hereafter unless such tree has been properly marked and designated prior to sale except as provided herein.

(b) The Secretary shall designate all planned timber sales on maps which shall be available to the public prior to the sale of any timber from any national forest. Except as provided in subsections (c) and (d), hereof, the Secretary shall also mark prior to sale each tree that is to be sold and cut in such a manner that it can be identified after having been cut. All marking and designation shall be by persons designated by the Secretary and employed by the United States Forest Service.

(c) Any timber sale contract awarded by the Secretary prior to the date of this Act involving less than 100 million board feet of timber in which the timber has been sold without marking of individual trees is hereby validated.

(d) The Secretary shall within six months of the date of this Act publish in the Federal Register standards for the marking and designating prior to the sale of the various types of clear cuts and even-aged cuts which will thereafter be permitted in the national forests. Such standards shall provide for:

(1) the identification of boundaries of the timber cut;

(2) the marking of individual trees the purchaser is required to leave standing; and

(3) at the option of the Forest Service the identification of timber which the purchaser is required to pay for. Following promulgation of said standards, all timber removed from the national forest by clear cut or even-aged cut shall conform thereto.

(e) No timber shall be cut or removed from any national forest pursuant to any timber sale except under the frequent, on the ground, supervision of an employee of the Department of Agriculture. All scaling or other measurements not done by an employee of the Department of Agriculture shall be subject to a statistically reliable check of volume by the Forest Service, and at a sampling rate not less than currently applied.

(f) A tally of the timber cut and the timber to be left standing shall be made at the time of sale preparation. In the Eastern Mixed Hardwood Forests, the marker will tally to be left those large trees having a rate of volume growth anticipated to continue undiminished to the next cutting cycle.

LIMITATIONS ON TYPE CONVERSION

SEC. 10. (a) The Secretary shall manage the national forests located east of the 100th meridian in such a manner as to generally preserve the existing mixed hardwood forests therein.

The conversion of any eastern mixed hardwood forest to a coniferous forest type shall only be permitted on acreage which the Secretary finds, after making an affirmative finding has little substantial wildlife, recreational, watershed, aesthetic, and economic values.

(b)(1) Prior to permitting the conversion of any natural plant community of trees within any national forest to a different plant community, the Secretary shall make a finding whether such proposed conversion is consistent with the multiple use of the resources of the acreage on which the conversion is to be carried out and the area surrounding such acreage. In making such finding, the Secretary shall, among other pertinent matters, consider—

(A) the effect of the proposed conversion on all the resources of the acreage on which the proposed conversion is to be carried out and on the area surrounding such acreage, including the effect on the value of such resources;

(B) the specific effects of the proposed conversion on the soils of the area in which such conversion is to be made;

(C) the adverse effect that any chemicals to be used in achieving the proposed conversion will have on the public health and on fish and wildlife resources, and the extent to which such chemicals can be applied on the acreage to be converted without inadvertent contact with privately owned property whose owners may not consent to such contact; and

(2) The finding of the Secretary required under paragraph (1) shall include a brief statement explaining its basis and shall be available to the public for 60 days prior to any action being taken to implement said conversion.

(c) No conversion of national forest acreage shall be permitted if the Secretary determines that the conversion may result in significant adverse impact on the various resources of the acreage on which the conversion is to be made or on the area surrounding such acreage or to the soils of such acreage or area.

PROHIBITION ON LONG TERM TIMBER CONTRACTS

SEC. 11. No contract may be entered into after the date of enactment of this Act which provides for the cutting of timber in any national forest over a period of more than 36 months.

PRESERVATION OF NATURAL FOREST ECOSYSTEMS

SEC. 12. (a) The Secretary shall conduct timber management in the national forests in such a way as to preserve the natural diversity of forest types and species.

(b) The Secretary shall preserve and maintain in their natural condition examples of the various forest types found naturally in each national forest. Such examples of the various forest types so preserved and maintained shall be identified on maps published by the United States Forest Service, Department of Agriculture, which maps shall be available to the public.

(c) The Secretary shall at all times leave an ample distribution of den trees, nest trees, mast trees, and snags throughout the national forest regardless of the maturity or physical condition of such trees.

(d) The Secretary shall take affirmative action to preserve habitats and populations of the native species of plants and animals found in the national forests, and shall devote special attention to the preservation of the habitats and populations of native plants and animals whose habitats and populations are diminishing.

(e) The pesticide chemical known as DDT and other chlorinated hydrocarbons shall not be used by the Secretary in the national forests for pest control purposes.

PROTECTION OF NATIONAL FOREST SOIL RESOURCES

SEC. 13. (a) The Secretary shall administer operations in the national forests in a manner that protects the integrity and productivity of the soil of such forests; shall initiate and carry out such measures as may be necessary to prevent accelerated soil erosion, sedimentation, mass wasting, nutrient-degradation, and site degradation of the national forests; and shall prohibit timber cutting and road building in any area of a national forest if such cutting or road building would result in significant soil erosion, mass wasting, sedimentation, nutrient-degradation, or site degradation.

(b) The Secretary shall prepare or obtain soil maps which indicate the degree of hazard to the soils in various areas of the national forests from timber cutting, road building, and related operations. Such maps shall be prepared by qualified soil experts and shall be published in a form which will permit such maps to be overlayed with maps showing current logging roads and areas of tree cuts in such areas.

FISH AND WILDLIFE RESOURCES

SEC. 14. (a) The Forest Service shall conduct its operations in such a way so as to protect the fish producing streams of the National Forests from sedimentation, degradation of water quality and alteration of their banks and stream channels, thermal degradation and from other man-made disturbances adversely affecting populations of native fish. Strips of timber designed so as to prevent stream disturbance shall be left along such streams and their tributaries at all times. The National Forests shall be managed to preserve or enhance the natural populations of fish and wildlife species, whether or not rare and endangered. The Secretary shall provide for the review on the ground in advance of all timber sales by competent fish and wildlife biologists in the employ of the Secretary.

(b) Prior to taking any actions in a National Forest significantly affecting fish and wildlife populations or habitat, including the award of any timber sale or road construction contract, the Secretary shall ask the fish and game department for the state in which such action is to take place and, where appropriate, the U.S. Fish and Wildlife Service, whether said action may result in the loss of fish or wildlife habitat. In the event that either of the agencies consulted shall report to the Secretary that any action may result in the loss of fish or wildlife habitat for a species, the Secretary shall determine what mitigation or enhancement measures may be available. If significant loss of habitat cannot be avoided through mitigation or enhancement, said action shall not take place.

(c) Nothing in this section shall be construed to limit or prevent any fish or wildlife habitat improvement program or action within a National Forest.

MULTIPLE USE-SUSTAINED YIELD MANAGEMENT PLANS

SEC. 15. (a) The Secretary shall adopt Multiple Use-Sustained Yield Management Plans for each National Forest, which plans shall be kept current and made available to the public. Each plan shall include components for timber, fish and wildlife, water, and grazing resources and shall also include a thorough, integrated treatment of the biological, soil, asthetic and wilderness aspects of all resources. Timber management aspects of the plans shall be integrated with the overall objectives of the plan, which plan shall set forth the amount of timber to be cut in each National Forest. The timber management aspect of each plan shall set forth in detail sufficient information so that it may be reviewed with understanding by any professional forester. Each plan shall clearly set forth the mathematics and assumptions upon which the timber harvests are based and shall clearly reference all inventory and other data upon which they are based. Such information shall be made available to members of the public upon request.

(b) Each Multiple Use-Sustained Yield Plan shall be prepared by a multi-disciplinary team. Each team shall prepare its plan based on actual knowledge of the forest and upon inventories of all the resources of the forest, which inventories shall be of equivalent dignity and detail for all resources.

(c) Each Multiple Use-Sustained Yield Plan shall set forth in descriptive material and maps the locations of the proposed and possible actions, including road locations and to the extent possible timber sale cut blocks, necessary to fulfill the plan.

(d) Each plan shall include plan, resource and hazard maps which can be compared. Maps and documents for actions implementing any plan shall be prepared to conform with the Multiple Use-Sustained Yield Plan and its maps and to facilitate easy comparison therewith.

(e) Each Multiple Use-Sustained Yield Plan shall provide for the maintenance of sustained yield for all resources for each ranger district (except when the ranger district exceeds 500,000 acres in which instance the Secretary shall establish areas of not more than 500,000 acres).

(f) Each Multiple Use-Sustained Yield Plan shall set forth its five year periodic harvest figures in board feet and cubic feet. These figures shall reflect deductions necessary to integrate timber management with non-timber resource uses.

(g) Neither the Secretary nor any other officer of the United States shall set or cause to be set the amount of timber to be harvested from any National Forest except as arrived at through the process of preparing a Multiple Use-Sustained Yield Plan. No quotas, target figures or numbers of a similar nature shall be communicated by the Secretary or any other officer of the United States to those designated to prepare a plan which would cause or encourage them to derive a harvest figure related thereto.

(h) Multiple Use-Sustained Yield Plans shall be prepared for the National Forests at the rate of 36 a year, until they have been prepared for all national forests. In preparing such plans, the secretary may draw upon any existing plans, studies and materials relative to such plans.

(i) Each plan, upon preparation by the designated team, shall be available to the public for a period of six months before adoption. The Secretary shall hold public hearings on each plan. Hearings shall be held both in the immediate area of the forest and in centers of population. Such hearings shall be well publicized and provide the public an opportunity to review the plan in advance.

(j) The Multiple Use-Sustained Yield Plans shall be revised from time to time and shall be revised at least every 10 years. The Secretary shall follow the procedures set forth herein for any revision of any plan.

(k) The Secretary may, as part of any Multiple Use-Standard Yield Plan, defer management prescriptions for any wilderness, primitive, wilderness study or roadless areas until a later revision of such plan.

(l) The Secretary shall make all programs, plans and activities relating to a National Forest consistent with the Multiple Use-Sustained Yield Plan.

ACCOUNTING METHODS FOR FOREST SERVICE TIMBER SALES

SEC. 16. (a) The Secretary shall formulate and present to Congress wtihin one year of the passage of the Act a cost accounting system for furnishing itemized and cumulative direct and indirect costs for administering and managing the growth, sale and reforestation of timber on individual sales tracts.

(b) Within three years of the passage of the Act the Secretary is to have initiated this cost accounting system with regard to future sales and, to the extent feasible, timber sales in progress.

(c) Every year thereafter the Secretary shall report to Congress those sales which were made at less than the cumulative direct and indirect costs for administering and managing the growth, sale and reforestation of timber on individual sales tracts.

PAYMENTS TO STATE OR LOCAL GOVERNMENTS

SEC. 17. (a) A State or local government entitled to receive any payment during any fiscal year under one or more of the provisions of law specified in subsection (d) may elect, in such manner and at such time as the Secretary of Agriculture may by regulation provide, to receive an amount computed in accordance with subsection (c) in lieu of the sum of the amounts of the payments which such State or local government would receive under all of the provisions specified in subsection (d). Such election shall apply with repsect to amounts required to be paid during the fiscal year for which the election is made, and not more than one such election may be made during any annual period. No amount shall be paid for any fiscal year under any provisions specified in subsection (d) to any State or local government which has made an election for such fiscal year under this subsection.

(b) In a case of a State or local government making an election under subsection (a), the Secretary of Agriculture shall provide notice of such election to each department or agency of the United States which, but for such election, would be authorized to pay any amount to such State or local government under any provision specified in subsection (d).

(c) The amount referred to in subsection (a) is an amount equal to 75 cents for each acre of land within the boundaries of the State or political subdivision with respect to which a payment is authorized (or would be authorized if revenue were produced from such land) to be made under any provision specified in subsection (d).

(d) The provisions of law referred to in the preceding subsections are as follows:

(1) the Act of May 23, 1908, entitled "An Act making appropriations for the Department of Agriculture for the fiscal year ending June thirtieth, nineteen hundred and nine" (35 Stat. 251; 16 U.S.C. 500),

(2) the Act of June 20, 1910, entitled "An Act to enable the people of New Mexico to form a constitution and state government and be admitted into the Union on an equal footing with the original States; and to enable the people of Arizona to form a constitution and state government and be admitted into the Union on an equal footing with the original States",

(3) section 33 of the Bankhead-Jones Farm Tenant Act (50 Stat. 522; 7 U.S.C. 1012),

(4) section 6 of the Mineral Leasing Act for Acquired Lands (61 Stat. 915; 30 U.S.C. 355).

ANALYSIS OF NATIONAL FOREST TIMBER MANAGEMENT REFORM ACT OF 1976

A. GENERAL ANALYSIS

The National Forest Timber Management Reform Act of 1976 ("TMRA") establishes standards and procedures under which the Secretary of Agriculture shall henceforth manage the timber resources of the National Forest. The Act addresses a number of subjects of differing categories. One category is that of the resource. Thus the TMRA sets standards and procedures for the protection of soils resources, aesthetic resources, fish and wildlife resources and the natural forest ecosystem. Another category of subjects are specific management practices. Thus the bill regulates clear cutting, even-aged management, the type conversions of the forests. The TMRA also sets more clearly the long-held standard of sustained yield management, regularizes multiple use-sustained yield planning and establishes a procedure for identifying accurately those lands in the National Forests capable of being managed for timber production. Last of all the TMRA deals with the terms under which immature timber may be cut and the question of marking, designating and the supervision of cutting timber.

The effects of this bill will be to put clear cutting and related practices under close scrutiny and to limit their use. The bill also puts limits on even-aged management, now almost universally used, and requires a greater use of uneven-aged management. The type of forest that will result will be a long rotation, high quality timber forest filled with large trees. The many uses of the forests will be there for some time to come and will be encouraged. Short-term pulp farms will not be encouraged, but would become the province of the private lands.

B. SECTION-BY-SECTION ANALYSIS

Section 1. Title

Section 1 sets forth the formal title of the Randolph bill as the "National Forest Timber Management Reform Act of 1976" (hereinafter abbreviated "TMRA"). The title describes the purpose of the bill, which is directed toward a broad reform of timber management practices in the National Forest. (See Section 2.)

Section 2. Findings and purposes

Section 2 sets forth the findings of Congress and the purposes of the TMRA as follows:

Paragraph 2(a) (1) finds that the National Forest Organic Act of 1897 may not permit the Secretary of Agriculture (hereinafter "the Secretary") to utilize certain management practices on the National Forests, such as the sale of timber for thinning, despite their silvicultural and environmental soundness. This finding is based on the holding of the U.S. Court of Appeals for the Fourth Circuit in the case of *West Virginia Division of the Izaak Walton League of America, et al. v. Butz*, No. 74–1387, (August 21, 1975). That case upheld, among other things, a restriction in the Organic Act which permits the Secretary to sell only dead, mature, or large growth trees from the National Forests. The case also held that timber could be sold only if each tree sold was individually marked prior to sale and that all material cut must be removed from the forest.

Paragraph 2(a) (2) sets forth a finding that the Secretary of Agriculture has utilized management practices which are unduly harmful to the environment and to the non-timber uses of the National Forest. An example is excessive clear cutting.

Paragraph 2(a) (3) sets forth as a purpose of the TMRA to require the use of sound silvicultural practices on the National Forests which fulfill the purposes of the Organic Act of 1897 and of the Mutiple Use-Sustained Yield Act of 1960.

Paragraph 2(a) (4) sets forth a finding that the Congress must specify certain timber management standards and procedures for the National Forest in order to maintain a national supply of high quality saw timber on an even flow, sustained yield basis from the National Forests.

Subsection 2(b) sets forth the purpose of TMRA to require specific timber management standards and procedures for the National Forests to ensure their continued management in perpetuity on a multiple use-sustained yield basis.

Section 3. Definitions

Section 3 sets forth ten definitions for key words or phrases used in the TMRA, as follows:

(1) "National forest" is defined as all lands which are part of the national forest system and all other lands subject to laws relating to the national forests of the United States or to rules and regulations issued under such laws.

(2) "Secretary" is defined to mean the Secretary of the Department of Agriculture. The U.S. Forest Service is part of the Department of Agriculture and the Secretary of Agriculture is the Cabinet officer responsible for the management of the National Forests.

(3) "Mature" is defined as the stage of a tree's life cycle when its bark, crown, size and other visible indicators of age and vigor evidence the tree has reached the stage in its life and development during the preceding ten years at which its average annual growth rate in board foot volume has peaked and begun to decline. The definition is a refined version of an interpretation by the U.S. Forest Service of the Court's definition of the term in *Izaak Walton League* v. *Butz*. The definition is important because a tree's arrival at maturity is the basic point at which it becomes available for sale from the National Forest under existing law and the TMRA. The definition places maturity at the point at which mean annual increment culminates. The Forest Service has tables for most species and sites found in the National Forest which are used to identify this point and which are presently used for planning rotations. Use of this point tends to maximize the timber productivity of the forest.

(4) "Large tree" is defined as a tree whose diameter and height are equal to or larger than the average mature dominant and co-dominant trees of the species growing in natural stands on sites of a given production capability or quality. This is designed to permit the harvesting of some large trees which are not yet physiologically mature.

(5) "Uneven-aged management" is defined to mean a system of selecting and removing individual or small groups of trees from the forest in order to maintain or create an uneven-aged stand of trees.

(6) "Selection cutting" is defined as a method of selecting and removing trees to implement uneven-aged forest management. This includes group selection wherein small groups of mature trees, not over one-half acre in extent, having similar dominance are selected and removed. The definition permits group selection timber harvest sufficient to regenerate intolerant species.

(7) "Even-aged management" is defined to mean a system of selecting and removing trees from the forest in order to maintain or create an even-aged stand of trees.

(8) "Clear cut" is defined to mean the removal of all or substantially all trees from a specific area of the forest at the same time.

(9) "Even-aged cut" is defined to mean all variations of cuts designed to produce even-aged stands. The term includes basically three types of cuts: (1) clear cuts (separately defined, see 5 *supra*): (2) cuts, such as those known as "shelter-wood cuts," where the trees are not all removed at once, but rather in two or more successive cuts: and (3) cuts, such as those known as "seed tree cuts," in which substantially all trees are removed with the exception of a few trees which are left for the purpose of reseeding the area cut or for other special purposes.

The term "even-aged cut" is not one of common usage among professional foresters. However, there does not appear to be a generally accepted alternative that encompasses the cuts involved. The term was, therefore, coined for purposes of the TMRA.

(10) "Improvement cutting" is defined to mean the removal of trees of undesirable form or condition for the purpose of improving the residual stand.

(11) "Thinning" is defined to mean a cutting in immature stands to reduce the density of the trees and to accelerate the growth of the remaining trees.

(12) "Interdisciplinary review" is defined as a review of a multi-disciplinary team. This is to assure that the various disciplines within forest management receive serious consideration.

(13) "Multi-disciplinary team" is defined as a group of individuals consisting of specialists in the field of silviculture, wildlife biology, fish biology, soils, hydrology, recreation and other specialists in other disciplines as the Secretary may prescribe. This is designed to assure that the various multiple uses are thoroughly considered prior to timber sales.

(14) "Eastern mixed hardwood forest" is defined as deciduous hardwood forests east of the 100th meridian except those forests consisting principally of one or more of the following kinds of trees: aspen, paper-birch, or cottonwood.

Section 4. Standards for national forest timber production

The Secretary is required to promulgate standards for determining areas within the national forest from which timber may be sold. No timber may be sold from any national forest after publication of these standards except in accordance with such standards.

Section 4(b) requires the Secretary to promulgate standards under which subsection (a) may be implemented. Timber sales may be made from national forest lands that are:

(1) Stable and do not exceed the maximum degree of slope appropriate for the soil type on which roads may be constructed or timber harvested

(2) Not composed of patches and stringers

(3) Capable of regeneration with five years either naturally or with modest reforestation

(4) Capable of regenerating a commercial stand of timber

(5) Sufficiently distant from stream banks, other bodies of water and wetland

(6) Will not substantially impair important non-timber resources

Section 4(c) requires that standards promulgated under subsection (a) shall include minimum reforestation requirements for national forest lands that are hot, dry, wet, frost prone, at high elevations, or characterized by thin soils, or that for other reasons have a low probability of regeneration.

Section 5. Sustained yield limit on timber sales

Section 5 establishes a standard to ensure that the National Forests are managed on a sustained yield basis. Basically timber sales and harvests from each ranger district are limited to that quantity or less of timber which can be removed annually in perpetuity on an even flow, sustained yield basis, in which the quantity may increase and quality may improve, but in which neither quantity nor quality may decline. In those instances where ranger districts exceed 500,000 acres, the Secretary is required to establish administrative units not to exceed that number of acres for purposes of carrying out sustained yield forestry under this section. The Secretary may from time to time exceed the even flow, sustained yield limit provided the average of sales over a ten-year period for a ranger district or designated area of 500,000 acres or less conforms to the limitation.

This section is required in essence to put substance into the sustained yield principle. It is also required to make clear that the term cannot be stretched to allow the liquidation of timber from a forest in a few decades to be followed by an era of drastically reduced sales. This definition also makes it clear that the National Forests are to be managed so as to always include large trees and high quality timber and that they are not to be converted to short rotation pulp farms.

It is necessary to have a specific unit for sustained yield accounting and multiple use management. Section 5 used the ranger districts, except when such a district exceeds 500,000 acres, because the ranger districts are the basic units by which the National Forests are presently administered. The 500,000 acre top limit for units for sustained yield accounting was set arbitrarily, but at an exceedingly high figure. (Former Chief

McCardle of the U.S. Forest Service, suggested the figure 200,000 acres in 1960 in a speech to the World Forestry Congress.) 500,000 acres gives the Secretary ample flexibility.

Nothing in Section 5 prevents the Secretary from keeping sustained yield accounts on the basis of other, additional units for his administrative convenience.

Section 6. Utilization

Section 6 requires the Secretary to promulgate and publish within one year utilization standards for all species of trees sold from the National Forests. All timber is to be removed from the forest thereafter in accordance with the promulgated standards. Non-utilization wood is to be left on the site as evenly distributed as feasible in accordance with the standards.

Section 7. Limitations on even-aged management and clear cuts

Section 7 sets forth standards and procedures for the use of even-aged management, clear cuts and similar practices.

Subsection 7(a) provides that the Secretary shall give equal consideration to all systems of silviculture, including uneven-aged management as well as even-aged management, and that he shall ensure that both systems receive substantial use and application and that neither shall dominate the National Forest. If properly applied, this section will correct the present bias toward even-aged forestry and will ensure that uneven-aged forestry will receive widespread use.

Subsection 7(a) also provides that uneven-aged forest management shall be used by the Secretary in managing the eastern mixed hardwood forests within the National Forests. These forests are located east of the 100th meridian. (Forests which are predominantly paper birch, aspen or cottonwood are excluded by definition from eastern mixed hardwoods.) These mixed hardwoods dominate the Appalachian region where non-timber uses of the National Forests are at a premium.

Subsection 7(b) establishes certain procedures which the Secretary is to follow before undertaking clear cuts or even-aged cuts. The primary mechanism is a multi-disciplinary review followed by findings and a published report. The multi-disciplinary review is to be of the potential environmental, aesthetic, engineering and economic impacts of the cuts. The findings to be made by the Secretary following the multi-disciplinary review are to include:

A. The effect of the cut on the non-timber resources of the area of the cut and its general vicinity and on the values of those non-timber resources. This finding is keyed to Section 2 of the Multiple Use-Sustained Yield Act (75 Stat. 215, 16 U.S.C. 528–531) which requires, in part, that:

"In the administration of the national forests due consideration shall be given to the relative values of the various resources in particular areas."

B. The effect of the cut on soils and on logging roads. The requirement for this finding is based on the premise that soil resources are the foundation of the forest and that their preservation should be the first consideration in all actions. This premise is well grounded in the Multiple Use-Sustained Yield Act, which requires that the forests be managed "without impairment of the productivity of the land." (See both Secs. 5 (a) and (b).)

C. Whether the forest will naturally regenerate within five years. If not, what technical measures, if any, will be taken to achieve reforestation and the cost of applying such measures. This finding is needed to ensure respect for the sustained yield principle and is designed to ensure that timber mining does not occur on the National Forests.

D. Standards are established for clear cuts and even-aged cuts, prohibiting their use where such cuts would injure the soil or watershed, where there would not be adequate reforestation within five years, where such cuts would conflict with substantial aesthetic values, or recreation resources, or where they would impair fish and wildlife habitat.

The findings are to be published with a short and plain report of the basis of the findings, together with references to all studies, reports, summaries, inventories and other analyses and documents relied upon in making the findings. They are to be published at least ninety days in advance of any decision to make or allow a clear cut or even-aged cut. Subsection 7(c) also eliminates the restrictions contained in Subsection 7(b) for sales amounting to less than $5,000.

Section 8. Limitation on cutting immature timber

Subsection 8(a) retains the basic prohibition of the Organic Act of 1897 of the cutting of timber that is not dead, large or mature. Subsections 8 (b) and (c), however, provide for necessary exceptions to the prohibition. Subsection 8(b) permits trees to be cut for the purposes of thinning, stand improvement, pest control, Christmas trees, cull elimination habitat improvement or salvage. It specifies that such harvest shall not supplant uneven-aged management in Eastern Mixed Hardwood Forests. Subsection 8(c) also permits the cutting of immature trees in the Southern pine forests in order to achieve an even distribution of age classes. This latter is necessary because of massive plantations that occurred in the thirties which have resulted in a poor distribution of age classes.

Subsection (d) permits the cutting of immature trees when the Secretary uses clear cuts and even-aged cuts as permitted by Section 7 of the Act. Such cuts, however, are restricted to predominantly mature stands.

Section 9. Marking, designating and supervision of the cutting of timber

Subsection 9(a) retains the prohibition of the Organic Act of 1897 against cutting or removing trees from the National Forest unless they have been both marked and designated for cutting prior to sale. Subsection 9(b) provides that designation shall be on maps available to the public prior to sale. It also provides, with certain exceptions, that each tree is to be marked prior to sale in such a fashion that it can be identified after having been cut. All marking is to be done by employees of the Forest Service.

Subsection 9(c) provides a temporary exception from the marking and designating requirements for certain existing contracts which were awarded as of the date the TMRA is enacted without proper marking and designation. Thus that provision validates contracts involving less than 100 million board feet of timber awarded prior to the date of the TMRA in which the timber was sold without the marking of individual trees.

There are a few contracts in excess of 100 million board feet that are not validated. However, they are so huge, involving sales of up to 8.75 *billion* board feet and covering up to a million acres of the National Forests, that to validate such contracts would have the effect of vitiating the intended effects of the TMRA in large areas of the National Forest.

Subsection 9(d) requires the Secretary to promulgate standards for marking within six months of the date of enactment of the TMRA for marking and designating prior to sale the timber of the various types of clear cuts and even-aged cuts which will thereafter be permitted in the National Forests. Such standards are to provide for the identification of cut boundaries, the marking of trees to be left standing, and the identification of the timber the purchaser is required to pay for.

Subsection 9(e) requires that timber be removed pursuant to the frequent supervision of Forest Service employees. Scaling or other volume measurements not done by Forest Service employees are required to be periodically subjected to statistically reliable checks of volume by the Forest Service to assure accuracy of scalers both within and without the Forest Service. Such samplings shall not be done at a rate less than presently applied.

Subsection 9(f) requires a volume tally of the timber to be cut and that which is to be left standing prior to sale. In Eastern Mixed Hardwood Forests the marker will tally to be left those large trees having a rate of volume growth anticipated to continue undiminished to the next cutting cycle.

The Secretary may, if he chooses, combine his findings in a composite report which relates to several acts.

Section 10. Limitations on type conversion

Section 10 sets forth standards and procedures for the conversion of the natural plant communities of the National Forests. Subsection (a) requires the Secretary to preserve the existing mixed hardwoods. Conversion of those forests to coniferous forests can only take place where there are no substantial natural conversion is taking place and which, in the judgment of the secretary, will provide exceptional wildlife, recreation, watershed or aesthetic values.

Subsection 10(b) requires the Secretary to make findings prior to converting any natural plant community to a different one which are to be published ninety days prior to any decision to make a conversion. Findings are to be made as to whether the proposed conversion is consistent with the multiple use of the resources of the area of the conversion and its general vicinity. In making such a finding, the Secretary is required, among other things, to determine:

(A) The effect of the conversion on all the resources of the area to be converted and its general vicinity and on the values of those resources.

(B) The effect of the conversion on soils;

(C) That the chemicals used in conversion will have no adverse effect on public health or fish and wildlife resources. The Secretary must also find that the chemicals used will not contact any private property except with the prior consent of the owner.

Subsection 6(c) prohibits any conversion if it will have significant adverse impact on the resources of the conversion area or its general vicinity or to the soils of the conversion area.

Subsection (b)(2) requires the Secretary, under paragraph (1) to include a brief statement explaining its basis and further stipulates that this statement shall be available to the public for 60 days prior to any action being taken to implement said conversion.

(c) No conversion may take place if the Secretary determines that such conversion may result in significant adverse impact on the various resources of the acreage on which the conversion is to be made or on the area surrounding such acreage or to the soil of the acreage or area.

Section 11. Long-term contracts

Section 11 prohibits any future timber sales from the National Forests which provides for timber operations of more than three years duration. Some contracts have been of 10 and even 50 years duration. Such contracts delegate too much control of the forest and so do not adequately provide for changing conditions.

Section 12. Preservation of natural forest ecosystems

Section 12 sets forth standards for the preservation of the natural forest to the greatest extent feasible consonant with timber cutting. To this end subsection 12(a) requires timber management to be done in such a way so as to preserve the natural diversity of forest types and species. Subsection (b) requires the preservation of natural areas identified on published maps, well distributed throughout the forest. Subsection (c) requires an ample supply of den trees, mast trees, nest trees and snags to be left throughout the forest. Subsection (d) requires the maintenance and enhancement of the habitats and populations of all natural plants and animals, with special efforts to be made to preserve those whose habitats and population are diminishing. Subsection (e) requires that DDT and other chlorinated hydrocarbons not be used by the Secretary in the National Forests for pest control purposes.

Section 13. Protection of national forest soil resources

Section 9 sets standards and procedures for the protection of the soils of the National Forest regardless of the method of cutting or other action involved. Subsection 9(a) specifically directs that the Secretary shall conduct all operations so as to protect the integrity and productivity of the soil. Specifically, erosion, mass wasting, nutrient degradation and growing site degradation is to be prevented. Subsection 13(b) requires the Secretary to prepare or obtain soils maps designating the degree of hazard to soils. The maps are to be prepared by qualified soils experts and are to be published in a form which allows them to be overlayed with maps of existing and proposed logging roads and cut blocks.

Section 14. Fish and wildlife resources

Subsection 14(a) requires the Forest Service to conduct its operations in such a way so as to protect the fish-producing streams of the National Forests from sedimentation, degradation of water quality and the alteration of their banks and stream channels or from other disturbances. Strips of timber designed to prevent stream disturbance are to be left along fish-producing streams. In addition, the forests are to be managed so as to preserve or enhance the natural populations of fish and wildlife species. This is to include all species, not simply those that are rare and endangered. To ensure that this provision is carried out, it is also provided that a review on the ground shall be made in advance of all timber sales by competent fish and wildlife biologists in the employ of the Secretary.

Subsection 14(b) is a coordinating provision. It requires coordination with the Fish and Game Department of the state in which a timber sale is to take place before an action is taken which will significantly affect fish or wildlife populations. Also, in appropriate cases, such as where migratory water fowl are involved, similar coordination should also include the U.S. Fish and Wildlife Service. If the Secretary receives a report as the result of coordination that a proposed action will result in the loss of habitat, then mitigation measures are to be taken. If significant loss cannot be avoided through mitigation, then the proposed action shall not take place.

Subsection 14(c) makes it clear that Section 11 shall not be construed to limit or prevent fish or wildlife habitat improvement programs or actions.

Section 15. Multiple use-sustained yield management plans

The Forest Service conducts a large amount of planning and prepares a large number of planning documents. Section 15 lays down ground rules for a part of this planning effort. As such, Section 15 is designed to regulate existing planning efforts rather than create a new level of effort.

In summary, Section 15(a) requires the Secretary to adopt a Multiple Use-Sustained Yield Plan for each National Forest. The plans are to be kept current and made available to the public.

The timber management plans for each National Forest are to be integrated into the Multiple Use-Sustained Yield plans. This is necessary because there has been a tendency to prepare and implement timber management plans without their integration into plans covering all the resources of the forest. The amount of timber to be cut each year is to be set out. Timber management aspects of the plan shall be set forth in sufficient detail so that it can be comprehended by professional foresters. The mathematics and assumptions of the timber harvest aspects of the plan are to be set forth with clarity. All inventory and other data relied on is to be referenced and is to be available to the public on request.

(b) Each plan is to be prepared by a multi-disciplinary team. The teams will base their plans on actual knowledge of all the resources of the forests and upon inventories of all those resources. Inventories for all the resources are required to be of comparable dignity. This will avoid an undesirable practice of planning from detailed information of one resource (usually timber), but only rudimentary information of other (usually non-timber) resources.

(c) The plans are to consist of more than vague definitions keyed to colored maps. Rather, they are to include the locations of proposed and possible actions, such as roads, which are required to implement the plan. In addition, they are to include maps of hazards and resources which can be compared to the plan map. Maps and documents prepared for individual actions, such as timber sales, would conform to the plan and its maps and would be prepared to compare with it.

(e) Each plan would provide for sustained yield on a ranger district basis (not to exceed 500,000 acres), ensuring that the plans will carry out the provisions of Section 5 of the TMRA. Periodic harvest figures will be set forth in board feet and cubic feet and would reflect deductions necessary to integrate timber harvests with non-timber resources.

(e) (f) (g) The Multiple Use-Sustained Yield Plans are to be the sole mechanism for determining the amount of timber to be harvested on any National Forest. No quotas, target figures or numbers of a similar nature may be imposed from above or communicated to any employee of the Forest Service which would cause any employee to derive a harvest figure related to such a figure. Harvest figures will thus grow organizably from the local planning effort rather than by artificial imposition from above.

(h) (i) The Secretary shall prepare the plans at the rate of 36 a year until all the forests are covered. It will thus take approximately five years to complete the plans for the entire system. Each plan will be available to the public for six months prior to adoption. Each plan is also subject to hearings both in the immediate area of its forest and in appropriate centers of population.

(j) (k) The plans are to be revised every 10 years following the same procedures as for their adoption. The Secretary may defer management prescriptions for any wilderness, primitive, wilderness study or roadless area until the plans are revised. All actions subsequent to the plan shall be consistent with the plans.

Section 16. Accounting methods for forest service timber sales

Present Forest Service practice of making sales below cost is keeping timber prices so low that private landowners either do not have the proper incentive to sell their timber or to make the necessary investments for sound, future sales. Until the incentives between public and private (not industry) lands begin to be equalized there shall be pressure for over-harvest in National Forest land and under utilization of private forestry reserves.

Section 17. Payments to State or local governments

Currently there exists a high discrepancy among funds state and local governments receive for national forest land within their borders as opposed to other states and local governments. These governments now receive 25 percent of the receipts from the sale of timber from within their borders.

This section would permit these governments to elect to receive 75 cents per acre, in lieu of taxes, or to continue receipt of funds under existing law.

Mr. RANDOLPH. Mr. President, the national forests are a part of this Nation's finest assets. They consist of over 180 million acres. They are concentrated in the Western States, but we have national forest systems in 43 of our States and one in Puerto Rico. Most of the States without national forests are the smaller States of the Northeast.

The national forests hold crucial resources for the economic well-being of our people and for the quality of their life. They include only 18 percent of the Nation's commercial forest lands, but they hold 50 percent of the standing softwood saw timber. They are generally located in the mountains at the headwaters of important streams. The conservation of our water resources is intimately bound to these forests. In an age of hunger and want, it is worthwhile to understand that the national forests contain 100 million acres used for grazing lands. Recently, some persons have questioned the practice of raising cattle on grain. If their doubts be valid, then the extended grazing lands will be even more important in the future than in the past.

We must remember that the national forests provide much of our best remaining wildlife habitats. The forests are the home of the bear and the deer, of the elk and the moose, of the trout and the salmon, of the big-horned sheep and the mountain lion. We recall, on the advent of the Nation's 200th birthday, that the survival of the Nation's very symbol, the bald eagle, depends on the national forest. Our great bird's most important remaining nesting area is within the national forest.

The hunter, the angler, the birdwatcher or a photographer of birds and animals or a timber producer, the national forest is crucial to your avocation. And, even if you are not an active pursuer of wildlife, and only a casual observer, or an "armchair" observer, this resource is of importance to you. People are thrilled by the sight of a deer, whether the first or the hundredth time. I always stop to look, and those who do not have a chance to look—want, I believe, to know that fish and wildlife have their rightful place.

I love the forest with its beauty and recreational potential. The poet, Robinson Jeffers, said that beauty is the mark of a thing's excellence. I agree with Jeffers and believe our national forests are of great beauty and excellence. We see it in the towering trees, the rugged mountains, the fertile fields, and the lush meadows. It is in the rocks and rills and

in the little ponds and small marshy areas, the tumbling streams and awesome waterfalls—everywhere is wonderment.

These national forests provide our people with varied recreation of the highest quality. The forests provide exciting and unique experiences; they provide clean air and exercise; they provide trophies and accomplishments; they provide respect and solitude; they provide our people with an opportunity for husbandry; and, perhaps most importantly, they provide awareness, knowledge and understanding. The American experience with the forest is historical, symbolic and spiritual. Our whole being as a nation derives from the intimate labor to create our civilization from the forest. We have succeeded in that task. Forests now remaining must be conserved for future generations. We need to return to such roots by experiencing again the founding generation's intimacy with the forest. We must preserve these roots or risk the fate of all the rootless—to dry up and be blown away.

Mr. President, I have explained the importance of our national forests. What is generally forgotten these days, however, is how and why we came to have national forests. In truth this Nation is exceedingly fortunate to have these areas. Farsighted Americans wrought well.

The national forests, the laws that govern them and the Forest Service itself, were born of a crisis at the end of the last century. That crisis was one of wholesale cutting and destruction of our forests by a profligate and wasteful timber industry. In October of 1893, some 80 years ago, the noted forester, Bernard Edward Fernow, reported at a special meeting of the American Forestry Association that of the 1,350,000,000 acres of forest that had originally covered the United States, only 36 percent remained.

Of the vast acreage cut, however, only 250 million acres were cleared for agriculture; 600 million acres had become waste and brushland, mostly because of destructive forestry practices. In the Department of Agriculture's 1899 Report on Forestry Investigations, the northern half of Wisconsin was formerly an uninterrupted forest, with stands of pine timber of 130 billion board feet. By 1899 only 17 billion remained. There were over 8 million acres of cutover and burned lands in the areas, much of which had been rendered useless for years to come.

The report on forestry investigations described lumbering as "the business of chopping down and turning into cash virgin forest growth." It stated—

> In the lumber industry of today, the forest is treated like a quarry or mine from which pay ore is removed, then to be abandoned.

Gifford Pinchot, the first Chief Forester of the United States, spoke in 1907 of lands which lumberers had "skinned," and "stripped of timber" leaving them "ruined."

The movement for national forests and a forest service were started by people like Carl Schurz, Secretary of the Interior who, in the Department's annual report of 1880, complained that:

> It is in the nature of things that where timber is taken from the public lands without restraint the process is attended with the most reckless waste.

In the same year, 1880, the Department of Agriculture observed in its report on forestry:

> Ideas of the conservancy of forests, or the wants of the future, are entirely overlooked in the anxiety to satisfy the current wants of the present time.

Some of this condition is known to you. There was an upsurge of conservation sentiment at the close of the 19th century. At that time the growing concern was for preservation of soil, timber, wildlife, and watersheds. These concerns sparked the establishment of the forest reserves and the Forest Service.

The question I ask today and which is in the minds of many Americans is where, now, is the spirit of Pinchot, Fernow, and Schurz? We had unrestrained clearcutting; now we have programed clearcutting on such a scale that it appears as though we have come full circle. It would seem that our Forest Service has become insensitive over the years to its original mission. Its mission by congressional action much be redefined.

There are abuses in the national forests. I have been on the ground, as it were, and I have seen photographs

It is a fact there has been an excessive and often unwise use of clearcutting;

That cutting has been pushed to the limits and that some of the national forests have been overcut;

That timber practices have caused serious damage to soils, fish, and wildlife habitat, and to the natural ecosystem of our national forests;

That forests have in effect concessioned out huge blocks of the forest to a single company;

That the Service has ignored the Organic Act of 1897 which requires timber to be marked before sold and which prohibits the sale of any but dead, mature, or large trees.

That timber has been cut from lands that will not regenerate;

That our virgin forests are being liquidated in an accelerated fashion and at rates faster than they can be replaced;

Mr. President, these abuses are the concern of citizens, and also of many able officers of the Forest Service, itself. I have two reports from the Forest Service. The first deals with an examination of six forests. It is entitled: "Stratification of Forest Land for Timber Management Planning on Western National Forests," and is by J H. Wickstrom and S. Blair Hutchinson of the U.S. Forest Service. (F.S. Res. Paper, Int-108, 1974.)

The second report, Forest Service Resolution, Bulletin Int-10, 1974, is titled "The Rocky Mountain Timber Situation, 1970," and is authored by Alan W. Green and Theodore S. Setzer of the Forest Service. The authors are alarmed by what is happening to the forests of the Rocky Mountains. There forests are being cut that are not regenerating. They say there are 2.7 million acres of such land as of 1970, and that of the 247,000 acres cut each year in the national forests of the Rockies, only 82,000 acres regenerate. These writers refer to this as a "galloping desolation."

Mr. President, the problems of the national forest has caused widespread concern. The West Virginia Legislature has passed a resolution calling for the control of clearcutting. Dean Arnold Bolle, of the Montana Forestry School, published a report on the Bitterroot National Forest. The Senate Committee on Interior and Insular Affairs held extensive hearings on clearcutting.

Numerous suits have been filed by citizens upset with the various practices of the Forest Service. West Virginians, backed by others from throughout the country, filed suit in U.S. District Court in West Virginia before Judge Robert E. Maxwell. The judge ruled in their favor on August 21, 1975. Subsequently the Fourth Circuit Court of Appeals upheld Judge Maxwell in his decision. In a thoughtful opinion, Circuit Judge John Field concluded that—

> The appropriate forum to resolve this complex and controversial issue is not the courts but Congress.

I agree with Judge Field. Thoughtful colleagues will also agree. It is for this basic reason that I today introduce a bill to reform timber management on the national forests.

I recognize, however, that there will be those who disagree, I believe, however, we must set standards and procedures that will ensure the preservation and productivity of our forests. We should not leave to the discretion of the Secretary of Agriculture, this responsibility. Bureaucrats and technocrats already rule and regulate too much. Our citizens are angry. It is our duty to set the standards, outline the procedures, to put curbs on his discretion, to make goals clear and to make prohibitions certain. We must address the problems, set the policy, build the framework. The Secretary's task then will be to execute our instructions.

I am hopeful that a permanent solution to this critical problem can be forthcoming during this session. I realize that several smaller lumber companies are faced with severe timber shortages, since harvesting on national forest land in the States of North Carolina, South Carolina, Virginia, and West Virginia have been substantially curtailed.

The introduction of this bill does not preclude my sponsoring an interim measure. Such legislation is receiving my active study, that possible action could come in the near future.

This legislation, however, represents months of continued work, meetings and conferences among members of the team that drafted the bill, sessions between my staff and Forest Service officials, industry representatives and others.

We are indebted to Dr. Arnold Bolle of the University of Montana School of Forestry; Dr. Leon S. Minckler of the State University of New York's College of Environmental Science and Forestry; Ralph O. Smoot, retired district ranger and profession management Forest Service employee, Camden On Gauley, W. Va.; Jim Moorman, an attorney with the Sierra Club Legal Defense Fund; Bruce Terris, a Washington attorney who represented the plaintiffs in the original Monongahela court action; Maitland Sharpe, an official with the Izaak Walton League of America and to former Deputy Forest Service Chief Edward C. Crafts, for whose valuable assistance we are grateful.

Some professional foresters will criticize the bill. Perhaps too many professional foresters have been complacent and, sadly, even negative about public concerns. When they come forward I shall ask them for their positive contributions.

Mr. President, we need to join together in making our forests true areas of multiple-use forestry. We must realize that the national forests are for all citizens. Private interests can be served but in a manner to insure the survival—yes the strengthening—of our precious timber resource.

Mr. RANDOLPH subsequently said: Mr. President, I have at the desk a bill which has to do with a sound forest management practice in the national forests of the United States consistent with the principles of multiuse and sustained yield.

I ask unanimous consent that this bill be referred jointly to the Committee on Agriculture and Forestry and the Committee on Interior and Insular Affairs. This request has been agreed to by the leadership of both committees and the leadership of the majority and minority parties in this Chamber.

The PRESIDING OFFICER. Is there objection?

Mr. TALMADGE. Mr. President, reserving the right to object, will the Senator yield?

Mr. RANDOLPH. I yield.

Mr. TALMADGE. Mr. President, the Senator from Georgia is chairman of the Committee on Agriculture and Forestry and is in complete accord with the request made by the distinguished Senator from West Virginia.

The Committee on Interior and Insular Affairs has jurisdiction of all forest land in the public domain. The Committee on Agriculture and Forestry has jurisdiction of the national forests in all acquired land. So there is divided jurisdiction between those committees.

I concur entirely with the request of the distinguished Senator from West Virginia.

Mr. RANDOLPH. Mr. President, I appreciate the comment of the able Senator from Georgia, the chairman of the Committee on Agriculture and Forestry.

I believe that we will serve the best interests of the consideration of this measure by the two committees which, as the Senator has indicated, have jurisdiction in certain parts of the bill which will be before the Senate.

Mr. FANNIN. Mr. President, will the Senator yield?

Mr. RANDOLPH. I yield.

Mr. FANNIN. The Senator from Arizona was not in the Chamber when the Senator from West Virginia made his request. Since the Committee on Interior and Insular Affairs has been mentioned, it aroused my attention. I would like to have an explanation of what is involved in this request.

Mr. RANDOLPH. It is just a referral to the two committees having jurisdiction of the subject matter of the measure.

Mr. FANNIN. I thank the Senator.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia? The Chair hears none, and it is so ordered.

By Mr. BENTSEN:

S. 2927. A bill to protect the confidentiality of the identities of certain employees of the Central Intelligence Agency. Referred to the Committee on Armed Services.

THE SERIOUS PROBLEM OF THE UNAUTHORIZED DISCLOSURE OF THE NAMES AND ADDRESSES OF CIA AGENTS

Mr. BENTSEN. Mr. President, the disclosure by former employees of the Central Intelligence Agency of the names of CIA agents is a deplorable act which jeopardizes the safety of these agents and their families. In December Richard Welch, the CIA station chief in Athens, Greece, was tragically assassinated outside of his home. Mr. Welch had previously been identified as a CIA agent in the Athens Daily News. He had also been identified along with many other CIA agents in a Washington-based publication entitled Counterspy which is critical of U.S. Intelligence activities. Employees of the CIA living abroad whose names have been disclosed now live under the constant threat that some terrorist could strike haphazardly at their families. Such disclosures are completely indefensible.

Mr. President, in an effort to halt future abuses of this nature, I am today introducing legislation specifically prohibiting the unauthorized disclosure by Government employees of the identities of CIA agents. My bill would impose stiff criminal penalties on any past or present CIA employee who discloses without authorization the names, addresses, post office boxes or telephone numbers of secret agents of the CIA.

Hopefully, stiff criminal penalties will deter CIA employees from releasing the list of agents to unauthorized persons in the future. Presently, one of the conditions for employment in the CIA is for the employee to sign a "secrecy agreement." The requirement of a reasonable secrecy agreement appears to be sound policy since the CIA deals with sensitive information which may have a significant bearing on the Nation's security. Once an individual voluntarily agrees to work for the CIA that person should be expected to keep extremely sensitive information such as the names of agents confidential.

There is considerable precedent for my proposal. Employees of the Internal Revenue Service are presently subject to criminal penalties for the disclosure of confidential tax information. Government employees dealing with atomic energy matters likewise are subject to penalties for the disclosure of restricted data. Similar laws apply to employees of the Agriculture Department, Commerce Department, Civil Service Commission, Department of Health, Education, and Welfare, and many other Federal agencies.

Mr. President, my bill is carefully drafted to permit present or former CIA employees to disclose the identities of agents to appropriate congressional committees or pursuant to a court order in a criminal investigation or proceeding. My bill could in no way be used to cover up any illegal activity engaged in by the CIA. In addition, my proposal avoids the question of the responsibility of any news organization which received this kind of information and publicly distributed the names. Criminal liability for a news organization in this instance would raise serious issues concerning freedom of the press under the first amendment.

Mr. President, my proposal is necessary to help prevent present or former Government employees from recklessly jeopardizing the safety of CIA agents. I urge swift congressional action.

By Mr. MONTOYA:

S. 2928. A bill to provide for the construction of a Veterans' Administration hospital in the city of Albuquerque, N. Mex. Referred to the Committee on Veterans' Affairs.

ALBUQUERQUE VETERANS' HOSPITAL

Mr. MONTOYA. Mr. President, ever since I entered the Senate, I have been calling for and working toward construction of a new Veterans' Administration Hospital in Albuquerque, N. Mex. Today, I am pleased to introduce a bill which would accomplish this purpose.

The present hospital, located in Albuquerque, is the only Veterans' Administration hospital in the State. It was designed as a chronic, extended care facility and was opened in 1932 as a long term, tuberculosis hospital. It was never designed to provide total medical care for hospitalized veterans, and yet this is the purpose for which it is now used.

In the 44 years since this hospital was built, many significant advancements have taken place in the fields of medical technology, architecture, and building. Yet, the veterans of New Mexico and west Texas are still relegated to an antiquated facility, designed for an entirely different purpose than that for which it is used today. Our veterans are entitled to and deserving of the best medical care. We have promised that. We try to pretend that we are making good on that promise, but we are fooling no one—at least we are not fooling veterans. They know the bitter truth.

In an effort to provide better care, mutually beneficial partnerships have developed between the Veterans' Administration Hospital and the University of New Mexico Medical School and the Albuquerque Cancer Center. This cancer center, working in conjunction with the Los Alamos Meson Physics Facility, is exploring revolutionary methods for the treatment and cure of cancer. These partnerships are beneficial, not only to New Mexico veterans, but to national veterans as well. However, they can only go so far in counteracting the disadvantage of working in an out-of-date facility with inadequate medical tools and funding

According to a 1973 task force study, almost $15 million would be needed to modernize the Albuquerque Veterans' Hospital. Although funding has been discussed since 1966, spending for new construction in Albuquerque by the Veteran's Administration in calendar years 1975 and 1976 is projected at $3.8 million. This includes funds for a new out-patient clinic. A bandaid is being put on a fracture.

There are so many critical problems demanding immediate attention in this building that in my opinion even an expenditure of the full suggested $15 million, now certainly higher due to inflation and increased costs, would not be adequate to up grade services to the level of modern medical practice. The VA should be thinking about the future needs of this hospital. Instead, they are playing catch-up. They have already acknowledged the need for a replacement facility. The only logical alternative is the construction of new buildings and facilities.

At my invitation, representatives of the Veterans' Administration and staff members from the Senate Veterans' Affairs Committee joined me in an on site inspection in April 1975. Out of this visit came recommendations which resulted in several significant, although temporary, improvements. While it is always good to be able to rectify individual problems, the basic issue of the need for a new hospital structure remains.

On Wednesday, February 11, 1976, Dr. John D. Chase, Chief Medical Director of the Veterans' Administration is scheduled to visit the VA hospital in Albuquerque. He will tour the hospital and grounds accompanied by Dean Leonard Napolitano, University of New Mexico Medical School, Mr. Joseph Birmingham, hospital director, VA officials, other members of the New Mexico congressional delegation, and me. I am very happy that Dr. Chase was able to accept my invitation and will be able to see, first hand, the critical need in Albuquerque.

In light of Dr. Chase's visit and the long term serious need for a replacement center, I have introduced this bill to provide authorization for a new hospital. I urge that this matter be given serious consideration at the earliest possible opportunity and hope that the dream of a new Veterans' Administration Hospital in Albuquerque, N. Mex., will become reality soon. Further neglect will mean continuation of the shameful conditions of the past few years—or worse.

Mr. President, if a soldier fails to care for his rifle, we reprimand him severely. We know that our safety, as well as his, depends on equipment which is ready to do the job. Now that soldiers and sailors have done their share, and kept their part of the bargain, can we really expect them to go on accepting our excuses for rundown and inadequate medical facilities? It is time for us to keep our side of the bargain with the veterans of New Mexico and Texas.

By Mr. HARTKE (for himself and Mr. Pearson) (by request):

S. 2929. A bill to amend the Interstate Commerce Act, as amended, to increase efficiency and competition and to reduce costs in the motor carrier industry by allowing easier entry and greater price flexibility and by removing excessive and wasteful regulation, and for other purposes. Referred to the Committee on Commerce.

Mr. HARTKE. Mr. President, I introduce, by request, for appropriate reference, on behalf of myself and Senator Pearson, a bill to amend the Interstate Commerce Act, as amended, to increase efficiency and competition and to reduce costs in the motor carrier industry by allowing easier entry and greater price flexibility and by removing excessive and wasteful regulation, and for other purposes, and I ask unanimous consent that the section-by-section analysis be printed in the Record together with the text of the bill.

There being no objection, the bill and analysis were ordered to be printed in the Record, as follows:

S. 2929

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Motor Carrier Reform Act".

FINDINGS AND PURPOSE

Section 1. (a) Findings.—The Congress finds and declares that—

(1) An efficient and safe motor carrier system is essential to the commerce and defense of this country.

(2) The present regulation of motor carriers frustrates innovation, impedes competition, and impairs the efficiency and health of the motor carrier industry, especially the common carrier system upon which the small and rural shipper is uniquely dependent.

(3) A clear need exists to reform the present regulatory system.

(b) Purposes.—It is therefore declared to be the purpose of Congress in this Act to provide for—

(1) An efficient, economical, and low-cost private sector motor carrier industry including a revitalized common carrier system to serve better the needs of the Nation's shippers both small and large, rural and urban, consumers, and the traveling public.

(2) Increased reliance upon competitive forces in the development and maintenance of the motor carrier industry.

(3) A regulatory system that will serve not just the needs of the motor carrier industry but of the Nation as a whole.

(4) A more flexible pricing system.

(5) Entry into the industry that is significantly easier than at present and without the expenses and delays associated with the present procedures.

(6) Removal of arbitrary restrictions upon private and contract carriers.

(7) Reduction in fuel use.

(8) More even-handed and effective safety regulation.

(9) Create a climate in which well-managed carriers can earn a fair return.

RATE BUREAUS

Sec. 2. (a) Unless otherwise specifically indicated, whenever in this Act an amendment is expressed in terms of an amendment to a section, the reference shall be considered to be made to a section of the Interstate Commerce Act.

(b) Section 5(a) is amended (1) by adding the following paragraph:

"(11)(A) The Commission may not approve under this section any agreement among carriers subject to Part II that (i) permits participation in discussions, agreements or voting on rates, fares, classifications, divisions, allowances or charges relating to a single-line movement, (ii) permits any carrier not holding itself out to participate in a particular joint line or interline movement to participate in discussions, agreements, or voting on rates, fares, classifications, divisions, allowances, or charges relating to that movement; or (iii) provides for or establishes procedures for joint consideration or other action protesting or otherwise seeking the suspension of any rate, fare, or charge.

"(B) After three years from the date of enactment of this paragraph, the Commission may not approve under this section any agreement among carriers subject to Part II that permits participation in discussions, agreements, or voting on any rate, fare, classification, allowance, or charge of any kind, including those of general applicability, except those relating to joint or interline movements as permitted in paragraph A above.

(2) striking "(4), (5), or (6)" in paragraph (9) and inserting in lieu thereof "(4), (5), (6), or (11)"; and

(3) adding a new paragraph (12) to read as follows:

"(12)(a) A conference, bureau, committee, or other organization of carriers subject to Part II established or continued pursuant to any agreement approved under this section shall take final action upon any matter lawfully docketed with it within 120 days from the date of docketing.

"(b) Such conference, bureau, committee, or other organization shall maintain records of the individual votes of its members on each matter voted on. It shall maintain and furnish to the Commission such other accounts, files, memorada, records and reports, as the Commission may require. The records referred to in the first sentence of this paragraph shall be made available to the public through the Commission.

"(c) Any agreement in effect on the date of enactment of this paragraph which permits an action prohibited by section 5a(11)(A) of this Act, or any agreement in effect three years after the date of enactment of this paragraph which permits an action prohibited by section 5a(11)(B) is null and void to the extent it permits the prohibited action; and any prohibited action taken under that agreement is subject to the antitrust laws."

AIRCRAFT EXEMPTION

Sec. 3. (a) Section 203(b)(7a) is amended by deleting the words, "the transportation of persons or property by motor vehicle when incidental to transportation by aircraft" and inserting the following in substitution: "the transportation by motor vehicle in a radius of 100 miles or less of an airport of persons or property from or to a carrier subject to regulation under the Federal Aviation Act of 1958 as part of a continuous movement under a through-ticket or through-air bill of lading, covering in addition to the line-haul movement by air, the collection, delivery, or transfer service performed by a motor carrier."

(b) Section 403(a) of the Federal Aviation Act of 1958 is amended by inserting the following words immediately prior to the period in the first sentence: "provided such service is performed within a radius of 100 miles or less of the airport".

PRIVATE AND CONTRACT CARRIERS

Sec. 4. (a) Section 203(a)(1) is amended by adding the following sentence: "For the purpose of sections 203(a)(17) and 203(c), a group of corporations consisting of a parent corporation and all subsidiary corporations in which the parent controls, directly or through another subsidiary, more than 50 percent of the voting stock shall be considered a single person."

(b) Section 203(a)(14) is amended by inserting after "except" the following: "transportation referred to in clause (b) of paragraph (17) or".

(b) Section 203(a) is amended by striking paragraph (15) and inserting the following in substitution:

"The term 'contract carrier by motor vehicle' means any person who engages in transportation by motor vehicle of passengers or property in interstate or foreign commerce, for compensation other than transportation referred to in paragraph (14) of this subsection and the exception therein under continuing contracts with one or more persons either (a) for the furnishing of transportation services through the assignment of motor vehicles for a continuing period of time to the exclusive use of each person served or (b) for the furnishing of transportation services designed to meet the distinct need of each individual customer. In its administration of this section, the Commission may not require that a person establish compliance with both clauses (a) and (b) of this paragraph. Nothing in this Act shall be construed to require any contract carrier to limit its operations to carriage for a particular industry or within a particular geographic area, to require a contract carrier to enter into contracts only with the owner of the goods to be shipped, or to require divisions, subsidiaries or the like, of a single corporate or business entity to be considered as separate persons rather than treating the entity as one person.

(c) Section 209 is amended by striking all of subsection (b) up to the first proviso and inserting the following in substitution:

"(b) Applications for such permits shall be made to the Commission in writing, be verified under oath, and shall be in such form and contain such information and be accompanied by proof of service upon such interested parties as the Commission may, by regulation, require. Subject to section 210, a permit shall be issued to any qualified applicant therefor authorizing in whole or in part the operations covered by the application, if it appears from the applications or from any hearing held thereon, that the applicant is fit, willing, and able properly to perform the service for which he applied, that he conforms to the definition of a contract carrier by motor vehicle according to section 203(a)(15), and that he will conform to the provisions of this chapter and the lawful requirements, rules and regulations of the Commission thereunder. Otherwise such application shall be denied. In considering the issuance of a permit the Commission may not consider the effect which granting the permit will have upon the protesting carriers or the number of persons served or to be served by the applicant, except insofar as the number of persons served or to be served may be relevant in determining whether the proposed service meets distinct needs of persons pursuant to section 203(a)(15)(b), provided that for this purpose any group or association of shippers exempt from Part IV pursuant to clause 1 of section 402(c) shall be considered a single person. The Commission shall specify in the permit the business of the contract carrier covered thereby and the scope thereof, and it shall attach to it at the time of issuance, and from time to time thereafter, such reasonable terms, conditions, and limitations, consistent with the character of the holder as a contract carrier, including terms, conditions and limitations respecting the person or persons for which the contract carrier may perform transportation service, as may be necessary to assure that the business is that of a contract carrier and within the scope of the permit, and to carry out with respect to the operation of such carrier the requirements established by the Commission under section 204(a) (2) and (6)".

COMMERCIAL ZONES

SEC. 5. Section 203 is amended by adding a new subsection (d) as follows:

"(d) The Commission in consultation with the Secretary shall take all necessary steps to reform its regulations relating to commercial zones, as referred to in section 203 (b)(8), to ensure that the boundaries of such zones are consistent with present economic realities, add to the efficiency of transport, and reduce unnecessary transport, accident exposure, fuel consumption, air pollution, noise, and transport costs. In reforming such regulations, the Commission shall use the Standard Metropolitan Statistical Areas or analogous geographic boundaries where appropriate. The Commission shall also develop new procedures for expediting the time required for the Commission's consideration of changes to commercial zone boundaries. In carrying out these responsibilities the Commission and the Secretary may require any person engaged in the transportation of property by motor vehicle in interstate or foreign commerce to furnish such data, information, and reports as the Commission or the Secretary deem appropriate for the purposes of this reform. Such reform shall be completed, and a written report of the reform shall be made to the Congress within two years of the enactment of this subsection."

NEW PLANT

SEC. 6. (a) Section 203(c) is amended by removing the last period and adding the following after the last reference to the word "person": "or unless such transportation is to or from a new plant. For the purposes of this section a plant shall be considered 'new' for a period of five years from the date the plant was established provided the plant did not replace an existing plant at that point."

(b) Section 203 is amended by adding a new subsection (d) to read as follows:

"(d) If any person was in operation over any route or within any territory, in the transportation of property for compensation by motor vehicle in interstate or foreign commerce and was serving a new plant, as provided in section 203(c), for a period of at least two years, and has so operated since that time (or if engaged in furnishing seasonal service only, was serving the new plant during the appropriate seasons in a two-year period, and has so operated since that time), the Commission shall without further proceedings issue such person a certificate or permit to serve that plant as the type of operation may warrant."

PRIVATE CARRIER—LEASES TO COMMON CARRIERS

SEC. 7. Section 204(f)(1) is amended by deleting the following: "and is used regularly in the transportation of property of a character embraced within section 203(b) (6) or perishable products manufactured from perishable property of a character embraced within section 203(b)(6)."

ENTRY

SEC. 8. (a) Section 207 is amended by:

(1) adding the following sentence to subsection (a): "In its determination of whether the proposed service is or will be required by the present or future public convenience and necessity, the Commission shall accord substantial weight in favor of the application where it finds that such service would be reasonably likely to: (i) lower the applicant's operating costs; or (ii) improve the applicant's equipment utilization or fuel efficiency; or (iii) improve the applicant's service, by, among other things, producing shorter transit time or avoiding interchanges; or (iv) meet user or consumer preference for service, rates, or combinations thereof not available from other carriers; or (v) generally improve the competitive climate in the area for which the additional service is proposed."

(2) relettering subsection (b) as subsection (j); and

(3) adding the following subsections:

"(b) Notwithstanding subsection (a) of this section, unless a qualified protestant proves to the Commission that the proposed service would be in violation of the second sentence of section 216(d), the Commission shall issue an applicant a certificate for the service the applicant proposes if the Commission finds that (i) the applicant is fit, willing, and able to perform the service proposed and to conform to the provisions of this part and the regulations issued thereunder, and (ii) the proposed service is reasonably likely to provide sufficient revenues to the applicant to cover the applicant's actual costs of providing the specific transportation. The provisions of this subsection do not apply to a private carrier applying for a certificate to operate as a common carrier by motor vehicle if by approval of such application the carrier would become both a private and common carrier by motor vehicle.

"(c) For the purposes of this section actual costs shall be deemed to include only those costs of the applicant which are directly associated with the particular service.

"(d) In its determination pursuant to subsection (b) the Commission may not: (i) consider the possible effect on the applicant's projected revenues or traffic of anticipated price or service responses of competitors to the applicant's proposed service; or (ii) require or rely upon any system-wide or industry-wide cost, utilization, or revenue information as any part of its determination of actual costs or revenue, but the Commission shall consider the foregoing information if and only to the extent the applicant expressly raises any such issues. In no event in its consideration of applications made under subsection (b) may the Commission consider the adequacy of existing service or the effects of the proposed service on competitors.

"(e) The Commission may require as a condition of granting the certificate that the rate for the service approved pursuant to subsection (b) be put into effect for a period of up to one year, except in response to a rate decrease initiated by a competitor after application is made pursuant to subsection (b), the carrier may lower the rate to meet the competitive rate but only to the level of that competitive rate.

"(f) Within 180 days of the enactment of this subsection, the Secretary, after consultation with the Commission, shall by rulemaking promulgate methods of calculating actual costs (including the measurement of a reasonable return on investment where appropriate) and reasonably anticipated revenues of applicants consistent with subsection (c). The methods as finally adopted by the Secretary shall be published in the Federal Register and shall be binding upon the Commission in its determination pursuant to this section. The methods may thereafter be revised at the discretion of the Secretary by rulemaking. Methods promulgated by the Secretary pursuant to this subsection, shall be subject to review: *Provided*, the scope of the review shall be limited to those matters referred to in 5 U.S.C. 706(2)(A)–(D), petitions for review must be filed within 60 days of the final promulgation of the standard, and petitions for review may only be filed in the United States Court of Appeals for the District of Columbia. Such proceedings shall be the exclusive and sole remedy for review, and such proceedings shall be given priority over other pending matters and expedited to the maximum extent permitted by the

Court's docket. The review of the methods of calculation promulgated by the Secretary or the failure of the Secretary to promulgate such shall not stay the effectiveness of any part of this section.

"(g) If an applicant is issued a certificate pursuant to subsection (b) or (h), the applicant's rate authorized pursuant to subsections (b) or (h) may not be suspended or set aside as being unlawful for a period of two years from the effective date of the rate.

"(h) With respect to any application filed under subsection (b) within eighteen months of the enactment of this subsection, the consideration of any such application shall be completed and a decision rendered within one year of the filing of the application. With respect to any application filed thereafter, the consideration of such application must be completed and a decision rendered within 90 days of the filing of such application. If the decision is not rendered within the applicable time period, the application shall be deemed granted and the Commission shall issue the certificate without further consideration as requested.

"(i) If protest is made against an application made pursuant to this section, and if the certificate or permit is granted notwithstanding that protest or any subsequent appeals by any protestant, the protestant shall pay to the applicant the reasonable costs of defending against such protest and subsequent appeals if the Commission determines the protest was frivolous and unreasonable."

(b) Immediately upon enactment of this section, the Secretary of Transportation, in cooperation with the Commission and the Attorney General, shall commence a study of the amendments in this act to determine their effectiveness in meeting the purposes of this act, and in particular, of providing greater price flexibility, easier entry, broadening the range of service and price options, and, in general, in improving the quality of motor carrier transportation. In this study, the Secretary shall propose any legislative changes needed to further liberalize entry and pricing flexibility so as to obtain the full benefits of a competitive trucking industry. This study shall be completed and submitted to the Congress, together with findings and legislative recommendations, by the end of the third year following enactment of this section.

DUAL OPERATIONS

Sec. 9. Section 210 is amended by adding the following proviso at the end of that section: ": *Provided*, this section shall not apply where the carrier establishes that its charges to the shipper or shippers in question are equal to or in excess of its variable cost of providing the specific transportation service covered by the permit."

SUSPENSION OF COMMON CARRIER MOTOR RATES

Sec. 10. Section 216(g) is amended to read as follows:

"(g)(1) For the purpose of this subsection and subsection (k), the term rate means a rate, fare, charge, or classification, or any regulation or practice affecting the foregoing. Whenever a schedule is filed with the Commission stating a new individual or joint rate for the transportation of passengers or property by a common carrier by motor vehicle, or by any such carrier in conjunction with a common carrier by railroad or by express or by water or interstate or foreign commerce, the Commission may order a hearing concerning the lawfulness of the rate. The hearing may be ordered only upon complaint and, if the Commission so orders, without answer or other formal pleading by the interested carrier or carriers, but with reasonable notice. Whenever a hearing is ordered by the Commission pursuant to this paragraph, the final decision shall be made by the Commission not later than 7 months after the rate has become effective without suspension, or, if suspension is ordered, not later than 7 months after the date the rate was originally scheduled to become effective, unless prior to the expiration of such period the Commission reports in writing to the Congress that it is unable to render a decision within that period, with a full explanation of the reason for the delay. If such a report is made to the Congress, the final decision shall be made not later than 10 months after the rate has become effective without suspension, or, if suspension has been ordered, not later than 10 months after the time the rate was originally scheduled effective. If the Commission's final decision is not made within the applicable time periods prescribed herein, the rate shall go into effect immediately or if it is in effect remain in effect: *Provided*, such a rate may be set aside thereafter by the Commission if upon complaint of an interested party the Commission finds the rate to be unlawful. In a proceeding pursuant to the proviso in the preceding sentence, the burden of proof shall be on the complainant.

"(2) Pending a hearing instituted upon complaint, the schedule may be suspended for seven months beyond the time when it would otherwise go into effect, or for ten months if the Commission reports to Congress pursuant to paragraph (1), except under the following conditions: (A) in the case of a rate increase, a rate may not be suspended on the ground that it exceeds a just and reasonable level if the rate is within a limit specified in paragraph (3) except that such a rate change may be suspended under subsection (c) and the second sentence of subsection (d) of this section pending the determination of its lawfulness; (B) in the case of a rate decrease, a rate may not be suspended on the ground that it is below a just and reasonable level if the rate is within a limit specified in paragraph (3) except that such a rate change may be suspended under subsection (c) and the second sentence of subsection (d) of this section pending the determination of its lawfulness. In addition, the Commission may not suspend a rate under any section of this part unless a complaint is filed and the complainant establishes and the Commission finds that, without suspension the proposed rate change will cause immediate, and irreparable injury to the complainant, that the complainant is likely to prevail on the merits, and that suspension is in the public interest. Nothing contained in this paragraph shall be deemed to establish a presumption that any rate increase or decrease in excess of the limits set forth in paragraph (3) is unlawful or should be suspended.

"(3) The limitations upon the Commission's power to suspend rate changes set forth in paragraph (2) (A) and (B) apply only to rate changes which are not of general applicability and only when:

"(A) the rate increase or decrease is filed within one year of the date of enactment of this subparagraph; the carrier notifies the Commission that it wishes to have the rate considered pursuant to this subparagraph; the increase or decrease is not more than 7% of the rate in effect on the date of enactment of this subparagraph; and, the aggregate of all increases or decreases in the rate sought pursuant to this subparagraph do not exceed 7% of the rate in effect on the date of enactment; or

"(B) the rate increase or decrease is filed within the period commencing one year after the date of enactment of this subparagraph and ending two years after the date of enactment; the carrier notifies the Commission that it wishes to have the rate considered pursuant to this subparagraph; the increase or decrease is not more than 12% of the rate in effect on the last day of the first year following the date of enactment of this subparagraph; and, the aggregate of all increases or decreases in the rate sought pursuant to this subparagraph do not exceed 12% of the rate in effect on the last day of the first year following the date of enactment; or

"(C) the rate increase or decrease is filed within the period commencing two years after the date of enactment of this subparagraph and ending three years after the date of enactment; the carrier notifies the Commission that it wishes to have the rate considered pursuant to this subparagraph; the increase or decrease is not more than 15 percent of the rate in effect on the last day of the second year following the date of enactment of this subparagraph; and, the aggregate of all increases or decreases in the rate under this subparagraph do not exceed 15 percent of the rate in effect on the last day of the second year following the date of enactment; or

"(D) the rate increase is filed after three years have elapsed from the date of enactment of this subparagraph; the carrier notifies the Commission that it wishes to have the rate considered pursuant to this subparagraph; and the increase is not more than 15 percent of the rate in effect on the date of annual anniversary of the enactment of this subparagraph which immediately precedes the filing and the aggregate of all increases sought pursuant to this subparagraph since the date of that anniversary do not exceed 15 percent; or

"(E) the rate decrease is filed after three years have elapsed from the date of enactment of this subparagraph, regardless of the percentage change.

"(4)(A) If a hearing of a proposed increased rate is initiated and the schedule is not suspended pending hearing, the Commission shall require the carrier to keep an account of all amounts received because of the increase from the date the rate became effective until an order issues or, until seven months elapse, or if the hearings are extended pursuant to paragraph (1) until ten months elapse, whichever is sooner. The account shall specify by whom and in whose behalf the amounts are paid. Except with respect to common carriers by motor vehicle of passengers, in its final order the Commission shall require the carrier to refund, with interest, at a rate determined by the Commission, but in no event less than the average market yield on the day of the filing of outstanding marketable securities of the United States with remaining periods of maturity of three months, to the persons in whose behalf the amounts were paid, that portion of the increased rate found to be not justified. With respect to common carriers by motor vehicle of passengers, the Commission shall require the carrier to reduce its future fares by such an amount as would return to the traveling public that portion of the increased rate found to be not justified with interest calculated as in the preceding sentence. Such reduction in fare shall be done in an equitable manner.

"(B) With respect to any proposed decreased rate of a common carrier by motor vehicle of property which is suspended, if the decrease or any part of it is ultimately found to be lawful, the carrier may refund any part of the portion of the proposed decreased rate found justified provided he makes such a refund available on an equal basis to all shippers who participated in that rate. Except as otherwise specifically provided at any hearing under this subsection the burden of proof is on the carrier to show that the proposed changed rate is compensatory, just and reasonable, and the Commission shall give to the hearing and decision of the question preference over all other questions pending before it and decide the same as speedily as possible."

COMMON CARRIER COMPENSATORY RATES

Sec. 11. Section 216 is amended by adding a new subsection (k) as follows:

"(k) A rate that is compensatory may not be found to be unjust or unreasonable on the basis that it is too low. A common carrier's rate is deemed to be compensatory when it equals or exceeds the carrier's variable cost of providing the specific transportation to which it applies. In any proceeding instituted upon complaint to determine the lawfulness of a rate, the Commission may not approve a common carrier's rate decrease which decreases the rate below the carrier's variable cost of providing the specific transportation to which the rate applies, and the Commission may not disallow a common carrier's rate increase which increases the rate to a level equal to or below the common carrier's variable cost."

CONTRACT CARRIER COMPENSATORY RATES

Sec. 12. (a). Section 218 is amended by adding the following new subsection:

"(d) A rate that is compensatory may not be found unreasonable on the basis that it is too low. A contract carrier's rate is deemed to be compensatory when it equals or exceeds the carrier's variable cost of providing the specific transportation to which it applies. In any proceeding instituted upon complaint to determine the reasonableness of a rate, the Commission may not approve a contract carrier's rate which decreases the rate below the carrier's variable cost of providing the specific transportation to which the rate applies."

COMMODITY AND ROUTE RESTRICTIONS

Sec. 13. (a) Congress hereby finds that the Commission in its administration of Part II of the Interstate Commerce Act has imposed restrictions in certificates it has granted that artificially and arbitrarily restrict the types of commodities that carriers may transport and also that require carriers to follow unnecessarily circuitous routes. These restrictions have resulted in an inefficient use of the Nation's motor transportation resources and in a waste of fuel.

(b) To provide a more efficient motor transportation system, the Commission shall take all necessary steps to broaden significantly the categories of commodities that may be carried by individual common carriers by motor vehicles of freight and to remove all restrictions requiring wasteful circuitous routes of such carriers. Within one year from the date of enactment of this section, the Commission shall report in writing to the Congress the steps it has taken pursuant to this section. Included in the actions that the Commission shall take are the following:

(i) where any carrier subject to Part II has been providing a significant amount of transportation between any two points via a required gateway or indirect route for six months or more, the Commission shall, upon application of the carrier, revise the carrier's authority to allow the carrier to provide transportation betweeen the two points directly, or without need to proceed through the gateway.

(ii) The Commission shall by regulation issued within 90 days of enactment of this section authorize all carriers subject to Part II, whether irregular or regular to deviate from their authorized routes to provide more direct service if the total distance traveled from initial point of origin to final point of destination is not less than 75 percent of the distance over the carrier's authorized service. Thereafter, the Commission shall study increasing the allowed deviation and reducing the minimum travel requirement below 75 percent, and shall issue regulations accordingly.

DISCRIMINATION

Sec. 14. Section 216(d) is amended by adding the following sentences: "No carrier subject to Parts 1, 2, 3, and 4, of the Act may assert the second sentence of this subsection as the basis for the protest of any rate of any motor carrier. No shipper may assert the second sentence of this subsection of the Act as the basis of the protest of any rate of any motor carrier unless the rate being protested applies directly to a commodity being transported for the protesting shipper by the motor carrier whose rates are being protested."

BACK HAULS

Sec. 15. Section 203(b) is amended by striking the last period, and adding the following paragraph: "; or (11) transportation by motor vehicle in interstate or foreign commerce for compensation by any person owning or leasing three or fewer trucks, if such transportation is (A) subsequent to a movement of property whose transportation is exempt pursuant to paragraph 6 of this subsection, (B) in a single movement or in one or more of a series of movements in the general direction of the general area in which such motor vehicle is based or in the general direction of the general area of the origin from which the preceding exempt movement was made, and (C) at a rate, fare, or charge at least equal to the lowest rate, fare, or charge for that same transportation filed and put into effect by any certificated common carrier, except that the revenue in any year derived from such transportation for that year may not exceed 100 percent of such person's revenue derived from the transportation of property exempt under paragraph (b) of this subsection for that same year. For the purposes of this paragraph, a person shall be deemed to own or lease any trucks or to receive revenue of any person controlling, controlled by, or under common control, or related to such person, as those terms of control and relationship are defined by the Commission."

STATE FILING REQUIREMENTS

Sec. 16. Congress hereby declares and finds that the individual State regulations and requirements imposed upon interstate motor carriers regarding licensing, registration and filings are in many instances confusing, lacking in uniformity, unnecessarily duplicative and burdensome and that it is in the national interest to minimize the burdens of such regulations while at the same time preserving the legitimate interests of the States in such regulation. Therefore, the Congress directs the Secretary of Transportation, in consultation with the States and the various State agencies which administer such requirements and regulations and with the motor carrier industry, including both the regulated and unregulated segments, to develop legislative or other recommendations to provide a more efficient and equitable system of State regulations for interstate motor carriers. Such recommendations shall be made to the Congress no later than eighteen months after the enactment of this section.

MOTOR CARRIER SAFETY

Sec. 17. (a) Section 204(a)(3) is amended by removing the words "of property" wherever they may be found and by striking the words "and (g)" and inserting "(g), and (h)" in substitution;

(b) Section 212(a) is amended by inserting in the first sentence immediately after the word "provided" the following: "or as provided pursuant to section 222";

(c) Section 222(a) is amended by inserting "(1)" after "(a)" and by adding a new paragraph as follows:

"(2) Any person who knowingly commits an act in violation of any requirement, rule, regulation, or order promulgated by the Secretary of Transportation under section 204 of this part relating to qualifications and maximum hours of service of employees and safety of operation and equipment shall be fined not more than $1,000 for the first offense and not more than $2,000 for any subsequent offense."

(d) Section 222(h) is amended (i) by inserting in the first sentence after "thereof," the following: "who fails to follow any requirement, rule, or regulation of the Secretary promulgated pursuant to section 204 of this part," and (ii) by striking "$500" and "$250" and inserting "$1,000" and "$500" in substitution;

(e) Section 222 is further amended by adding a new subsection to read as follows:

"(i) In administering the functions, powers, and duties transferred by section 6(e) of the Department of Transportation Act, the Secretary may, after notice and hearing pursuant to 5 U.S.C. § 554, remove or suspend the certificate of a common carrier, remove or suspend the permit of a contract carrier, or order a private carrier to cease or suspend operations as a private carrier, if he determines that such carrier has failed to comply with regulations issued by the Secretary pursuant to this part, 18 U.S.C. 831 *et seq.*, or The Hazardous Materials Transportation Act and that such carrier's continued operation as a motor carrier poses an unreasonable hazard to the public safety. In addition, the Secretary may, after notice and informal hearing, prohibit a motor carrier from operating pursuant to the exemption in 203(b)11 if such carrier has failed to comply with regulations issued by the Secretary pursuant to this part, 18 U.S.C. 831 *et seq.*, or The Hazardous Materials Transportation Act and if such carrier's operations pose an unreasonable hazard to the public safety."

MERGERS

Sec. 18. (a) Effective one year from the date of enactment of this Act, section 5(13) is amended by deleting the words, "and a motor carrier subject to part II."

(b) Effective one year from the date of enactment of this Act, section II of the Act of October 15, 1914, as amended, known as the Clayton Act (15 U.S.C. 21) is amended by inserting after the words "as amended" and before the first semicolon in the first sentence the following:

"*Provided, however,* That the Interstate Commerce Commission shall not have jurisdiction to enforce the compliance of motor carriers subject to part II of the Interstate Commerce Act, as amended, with sections 18 and 19 of this title".

(c) Effective one year from the date of enactment of this Act, section 7 of the Act of October 15, 1914, as amended, known as the Clayton Act (15 U.S.C. 18) is amended: (1) by deleting the words "the laws to regulate commerce" from the second line of the fourth full paragraph, and substituting therefor the words "part I of the Interstate Commerce Act, as amended"; and (2) by adding the word "such" after the word "other" and before the words "common carrier" in the fifth line from the bottom of the fourth full paragraph.

(d) Effective one year from the date of enactment of this Act, part II of the Interstate Act is amended by adding the following as section 229:

"Sec. 229. No acquisition by a motor carrier of the whole or any part of the stock, share capital, or assets of another motor carrier, or by a corporation not a motor carrier of the whole or any part of the stock, share capital, or assets of two or more motor carriers, shall be a violation of section 7 of the Act of October 15, 1914, as amended, known as the Clayton Act (15 U.S.C. 18) if the anticompetitive effects proscribed by said section 7 of the Clayton Act are outweighed in the public interest by the probable effect of the acquisition in meeting the transportation convenience and needs of the community or communities to be served, and unless such transportation convenience and needs may not be satisfied by any less anticompetitive alternative. The party challenging such an acquisition as a violation of said section 7 of the Clayton Act shall bear the burden of proving the anticompetitive effects of the acquisition, and the party defending the acquisition shall bear the burden of proving that it is necessary to meet the transportation convenience and needs of the community or communities to be served and that such convenience and needs may not be satisfied by any less anticompetitive alternative. For purposes of this section "motor carrier" means the same as "motor carrier" under section 203(16) of this Act."

SECTION-BY-SECTION ANALYSIS

SEC. 2. RATE BUREAUS

This section would amend section 5(a) of the Interstate Commerce Act to limit the activities of the rate bureaus. It would prohibit discussions, agreements or voting on single-line movements and would also prohibit any carrier not physically participating in a joint line or interline movement from participating in discussions, agreements, or votes on those movements. Three years after enactment of this Act, discussions, voting, and agreements on general rate increases would also be prohibited. This amendment would also prohibit bureau protest of rates and require rate bureaus to take final action within 120 days on any matter docketed for consideration, and require records of the individual votes of the bureau members, with such records open to Commission inspection and to public inspection through the Commission.

The rate bureaus exert a significant anticompetitive influence in the motor carrier industry, although they do provide certain necessary functions. This amendment, similar to the amendment proposed in the Railroad Revitalization Act, would restrict the anticompetitive activities of the rate bureaus while enabling them to continue their beneficial activities such as considering joint line rates and tariff publishing.

SEC. 3. AIRCRAFT EXEMPTION

Section 203(b)(7a) of the Interstate Commerce Act exempts from economic regulations transportation of persons or property by motor vehicle "when incidental to transportation by aircraft." The legislative history of this section provides virtually no assistance in interpreting it, but the Commission by rulemaking has determined that to be within the exemption, the transportation must be (1) within the "terminal area" of the air carrier, and that terminal area is described in a tariff filed with the CAB; (2) part of a continuous movement received from or delivered to an air carrier; and (3) on a through air bill of lading. (See 49 CFR 210.40). The CAB at first accepted a radius of 25 miles as a rule of thumb in determining what is a terminal area, and this holding has been codified. (See 14 CFR 222). Although the Commission retains the authority to modify the 25-mile rule, it has been hesitant to do so. The 25-mile restriction has little relationship to economic reality and it has been subject of complaint by air cargo shippers. The amendment would extend the radius to 100 miles, while retaining the other tests for exemption.

SEC. 4. PRIVATE AND CONTRACT CARRIERS

This section eases the restrictions now imposed upon private and contract carriers.

Private carriers

The IC Act now allows a non-transportation concern to transport its goods within the scope of its own nontransportation business without obtaining a certificate of public convenience and necessity from the Commission. Essentially, this is the concept of a "private carrier" as defined in section 203(17). Private carriers may not, however, transport goods of others "for compensation" because they would then fall under the definition of a common carrier, or contract carrier (Section 203(15)) and they would have to obtain a certificate or permit from the Commission.

Furthermore, the Commission has held in a decision affirmed by the Supreme Court, *Schenley Distilleries Motor Division, Inc., Contract Carrier Application*, 44 M.C.C. 1717 (1944), aff'd. 326 U.S. 432 (1946), that a private carrier may not carry the goods of corporate affiliates or subsidiaries.

This amendment will eliminate this artificial restriction and the discrimination it causes, and allow affiliates to move the goods of other affiliates without losing their private carrier status.

Contract carriers

Section 203(a)(15) of the Interstate Commerce Act defines contract carriers by motor vehicle as one which operates "under continuing contracts with one person or a limited number of persons either (a) for the furnishing of transportation services through the assignment of motor vehicles for a continuing period of time to the primary use of each person served or (b) for the furnishing of transportation services designed to meet the distinct need of each individual customer". This section is in turn affected by section 209(b) which requires the Commission to issue a certificate to a contract carrier if that carrier is "fit, willing, and able" and if the proposed operation is "consistent with the public interest and the national transportation policy". That section then goes on to describe five factors to be considered with respect to each application.

Historically, the Commission has favored common carriers over contract carriers. The Commission has done this by restrictively interpreting the public interest test of section 209(b) to favor existing carriers and by arbitrarily imposing a rule of seven: even though an applicant satisfies one of the tests of section 203 and can meet the other tests of section 209, the applicant will be denied a permit if the applicant already serves seven shippers under contract. (*Umthun Trucking Co. Ext.-Phosphatic Feed Supplements*, 91 M.C.C. 691).

The effect of the Commission's interpretation has been to impede the growth of contract carriers and to deny the specialized services and expertise of the contract carriers to the shipping community and to the public at large. This amendment will prohibit the Commission from limiting the number of shippers when a carrier dedicates equipment for each shipper served, although where equipment is not dedicated it would allow the Commission to consider the number of shippers where relevant to show whether the carrier is meeting shippers' distinct needs. It will also prohibit the Commission from limiting contract carriers to a particular industry or territory. This amendment would also remove the reference to "the public interest and national transportation policy" in section 209, and require the Commission to issue a permit where the carrier fits under one of the definitions of section 203 and complies with the other requirements of section 209. Thus, the Commission is no longer authorized to consider the effect upon other carriers when deciding contract carrier applications. In addition, this amendment also makes clear that the Commission may not require a contract carrier to prove both "gates" of Section 203(9)(15): That the service is both dedicated and distinct. Under this amendment either gateway would be sufficient.

SEC. 5. COMMERCIAL ZONES

Section 203(b)(8) of the Interstate Commerce Act exempts from economic regulations transportation within "commercial zones". The purpose is to exempt local traffic within the commercial areas of a city or locality. The term "commercial zone" is not defined in the Act, but is left to the Commission to determine. The Commission has formulated general rules for defining commercial zones and also made specific determinations in certain cases. Unfortunately, these rules are no longer consistent with the expansion of modern communities and economic reality. In addition, applications to change these rules take a great deal of time and are often unsuccessful. These outmoded definitions create a great deal of unnecessary and costly transportation.

Consider for example, a shipment from New York City to an outlying suburb of Washington, D.C. In many cases, under the existing rules, it will not be possible to deliver the item directly to the suburban location, because the carrier only has authority to transport to Washington, D.C. and its commercial zone. This means the item must first be shipped to Washington, unloaded, and loaded onto another carrier who has the appropriate point-to-point authority. This section of the bill requires the Commission, in consultation with the Secretary to reform its regulations dealing with commercial zones and its procedures for changing the boundaries of such zones within 2 years of the enactment of this section.

SEC. 6. NEW PLANT

New plants have particular difficulty in anticipating transportation requirements, and therefore, need more flexibility in choosing carriers than existing plants. In addition, carriers are not anxious to undergo a long and costly certification process where the transportation needs are not well-defined.

This section would amend section 203(c) and exempt from economic regulations for a period of two years transportation to new plants, as long as that plant did not replace an existing plant. The second part of this amendment would then allow carriers to have "grandfather" rights to continue serving the plant after the initial two-year period if certain conditions are met. This exemption would simplify the administration of the Interstate Commerce Act and reduce the costs of obtaining certificates.

SEC. 7. PRIVATE CARRIER-LEASES TO COMMON CARRIERS

Section 204(e) of the Interstate Commerce Act provides the Commission with authority to regulate the leasing of vehicles to carriers. The leasing regulations prescribed by the Commission in general provide that the leasing parties must enter into a written contract; that the equipment must be in the exclusive possession and control of lessee; that the compensation must be specified in the contract; and if the arrangement includes the driver, that the contract must be for a minimum of 30 days. The reason for these regulations was to prevent certain abuses of the motor carrier safety regulations and also to prevent carriers who could lease vehicles from obtaining an unfair advantage over carriers who could not lease.

In 1956, the Congress passed an amendment to the Act which withdrew from the Commission the power to regulate the duration of leases with respect to most vehicles used for the hauling of agricultural products. Our proposed amendment would expand that exemption to apply to all vehicle leasing whether by a common or private carrier. This would mean an expansion of capacity available to common carriers without the need to buy expensive equipment. For the private carriers, it would create an opportunity to obtain backhauls which they don't have today. This amendment would not withdraw the Commission's authority to require written leases and other matters. It would also not affect the present requirement that the leased motor vehicles to be used by the motor carrier in a single movement or as one or more of a series of movements, loaded or empty, in the general direction of the general area in which such motor vehicle is based.

The Commission itself has recognized the problems associated with the trip leasing and recently in Ex Parte M.C. 43 (Sub. No. 3), *Lease to Regulated Motor Carriers of Vehicles with Drivers by Private Carriers*, proposed a rulemaking to relax the 30-day rule. This rulemaking, however, has not been completed, and even if the rulemaking is completed as proposed, the Commission in its notice indicated that the relaxation would only be "temporary" and apply only to equipment in existence prior to March 7, 1970, or replacements thereof.

SEC. 8. ENTRY

For most goods and services the buyer has a wide variety of choices ranging from high quality and high cost items to low quality and low cost items. He is able to select that combination of cost and quality which best suits his purposes and wants. For trucking services, however, the range of choices is limited.

Early decisions of the Commission recognized an obligation to protect existing carriers. In these cases, the Commission declared that new certificates should not be issued if the existing carriers could handle the traffic. Many of these decisions held that the existing service had to be inadequate to justify the entry of a new carrier. While later decisions have modified this position, adequacy of the present service is still of critical importance to the Commission. The amendment proposed in this section would open up the range of options available to the purchaser of trucking services and encourage innovation. This amendment would substantially change the requirements for entry by broadening the focus of the present entry test and by providing a new alternative test for entry.

Subsection (a) of this amendment requires the Commission to weigh in favor of an application if the new service would result in lower costs, greater efficiency (including fuel), better service, satisfy the shipper's preference for a different combination of services and rates, or would generally improve competition. This new provision would apply to any entry petition except one from a private carrier. The Commission has taken a dim view of allowing private carriers to become for-hire carriers. The amendment specifically provides that private carriers, who intend to remain private carriers, may not use the new standards and procedures to become common carriers.

The second part of the proposed amendment is a technical amendment.

In the proposed subsection (b), the Commission would be required to issue a certificate if the applicant demonstrates that it is "fit, willing, and able" and if the revenue derived from the proposed service will cover the "actual costs" of the service unless a protestant proved that the proposed rate was discretionary. The Commission would be specifically prohibited from considering the adequacy of existing service or the effects of the proposed entry upon competitors. In other words, the Commission would have to issue an applicant a certificate if (1) the applicant were "fit, willing, and able"; (2) the rate was compensatory; and (3) the rate was not discriminatory.

The proposed subsection (c) would allow the Commission to require the proposed rate to be put into effect for up to one year as a condition for granting the certificate.

The proposed subsection (d) would define "actual costs" to include only those costs which are directly associated with the particular service.

In order to expedite such proceedings and to ensure that the Commission does not consider adequacy of service in an indirect manner, the Commission in the proposed subsection (e) could not require industry or system-wide data. Industry-wide data could be introduced at the option of the applicant, however. As a further safeguard, proposed subsection (f) would authorize the Secretary to enact cost and revenue standards, which the Commission must follow.

Subsection (g) provides that the rate authorized for a certificate may not be suspended or set aside for a period of two years. This amendment is intended to consolidate the various rate and entry questions in one hearing and relieve an applicant of the burden of defending a series of charges.

Subsection (h) would also expedite the consideration of entry hearings by requiring decisions to be rendered within one year of application for those applications filed within the first year of enactment. The one-year period for decision is still excessively long, but it recognizes that the Commission has a certain backload. After the first year, the decision period is limited to 90 days which is an adequate period in consideration of the prohibitions or the scope of the Commission's hearing.

The proposed subsection (i) would require the payment of an applicant's defense costs by protestants if the protest against entry fails. This provision is intended to discourage frivolous protests.

The foregoing amendments will substantially reform the present entry procedure, and allow entry as well as potential entry to play a much greater role as the natural regulator of market efficiency. The last part of the amendment requires the Secretary to study the effects of these amendments and the other amendments in the Act to determine whether they have satisfied the purposes of the Act, and to recommend any changes he thinks necessary to ease entry further, to produce more price flexibility, and in general, to meet the purpose of the Act by the third year following enactment.

SEC. 9 CONTRACT CARRIERS: DUAL OPERATIONS

Section 210 of the Interstate Commerce Act prohibits a single or related entity from holding both common and contract authority over the same route or within the same territory unless the Commission has affirmatively found that such authorities can be held consistent with the public interest and the National Transportation Policy. The purpose of this provision is to preclude a carrier which serves a shipper both as a contract and common carrier from in effect giving a rebate on the common carriage rates by charging artificially low contract rates. The Commission has consistently taken the position that to permit dual operations it must find that there is not even the remotest possibility of a rebate. This policy of not granting authority where there is just a theoretical possibility of rebate constitutes another unreasonable bar to entry and competition and is unnecessarily restrictive in light of the Commission's power to review carriers' operations and to revoke authorities under section 212.

The amendment proposed in this section would limit the application of section 210 and provide that the restriction regarding dual operations would not apply if the contract carrier established that its contract rates were compensatory. This requirement for a compensatory rate is consistent with other sections of this bill, and would also protect against the possibility of a carrier charging an unreasonably low contract rate as a form of rebate.

SEC. 10. SUSPENSION OF COMMON CARRIER MOTOR RATES

At present, the Commission has the authority to determine if a rate filed by a motor carrier is lawful, and while it is making that determination, it may suspend that new rate for up to seven months. However, since there is no limit upon the time for hearing, the ultimate decision may not be made until long after the expiration of the suspension period. The present procedure is often lengthy and the cost, uncertainty and delay associated with it limit the ability of a carrier to respond to the changing conditions of the market place. The present procedure also causes the hearing to focus upon "maybe's" and hypothetical arguments. A carrier proposes a rate; it is commonly suspended; and the hearing revolves around extensive testimony of what "might happen" if the rate would go into effect.

This amendment would expedite the hearing process by (i) providing that in all but exceptional cases rate hearings must be completed within 7 months and (ii) restricting the right of the Commission to suspend a rate increase or decrease if the increase or decrease is within certain percentages of prior rates. If the Commission failed to reach a decision within the required time, the rate would go into effect, subject to later complaint. The no-suspend zone would initially be phased in over a three-year period (7 percent, year 1; 12 percent, year 2; 15 percent, year 3). After this three-year period, there would be a permanent prohibition against suspending any rate decreases and carriers could raise rates annually 15 percent without suspension.

Within these limits, the only exception to the prohibition against suspension would be a charge of discrimination. In all cases where suspension is sought the protestant would be required to satisfy the standard used by Courts in applications for temporary restraining orders: the protestant would be required to establish immediate and irreparable injury, likelihood of success, and satisfaction of the public interest. To protect against unjust enrichment in cases where a rate increase is not suspended but is later found to be unreasonable, the amendment would require reimbursement of the difference between the initial rate and the rate ultimately allowed, with interest, to the concerned shippers. For carriers of passengers, since it would be very difficult to make such a refund to individual travelers, the bill provides that the carrier reduce its future fares in an appropriate amount. With respect to rate decreases that were suspended and later found justified, the amendment would allow payment of the difference to the shippers.

The no-suspend zone would not apply to any general rate increase of any type.

SEC. 11. COMMON CARRIER COMPENSATORY RATES

At present, the Act allows a rate to be found to be too low even though it covers the variable costs of the applicant. The present law discourages price decreases, interferes with efficient resource allocation, and is anticompetitive.

This section would amend the Interstate Commerce Act to provide that a carrier's rate which is above the carrier's variable cost for the specific transportation in question may not be found to be unjust or unreasonably low.

At the same time, in its study of the surface transportation industry, the Department has found that certain carriers—contrary to economic sense—have sought to decrease rates below variable costs. This section would also prohibit the Commission upon complaint from allowing rate decreases which are not compensatory. To provide for past rates which are not compensatory, this section would also prohibit the Commission from disallowing any rate increase which raises the level of a rate to a compensatory level.

SEC. 12. CONTRACT CARRIER COMPENSATORY RATES

Under the Interstate Commerce Act, the Commission only has authority over minimum rates for contract carriers. This amendment—similar to the amendment in section 10—provides that the Commission may not

find unreasonable a contract carrier rate which is compensatory.

SEC. 13. COMMODITY AND ROUTE RESTRICTIONS

The Commission in its administration of part II has imposed many arbitrary and unnecessary commodity and route restrictions in its certificates. This section would require the Commission in general to take all necessary steps to remove these wasteful and inefficient restrictions and to report to Congress within one year of enactment the specific steps it has taken pursuant to this directive.

In addition to this general change, this amendment would also reduce circuity of route in two specific ways. First, if a carrier was required to operate through a particular gateway city to serve any two points for six months or more and was providing a significant amount of service between these two points, the Commission shall, upon application of the carrier, remove the gateway requirement. Second, the Commission must broaden the present deviation rules to 25 percent.

This provision does not apply to bus routes.

SEC. 14. DISCRIMINATION

This amendment clarifies present law regarding the standing to raise the question of discrimination between various shippers. This amendment prohibits carriers from raising the issue of discrimination against another carrier. Since the possible discrimination is against a shipper, it should be raised by the shipper. In addition, this amendment would restrict the standing of shippers to allege discrimination to those shippers directly affected by the rate change. In other words, a shipper may not protest a rate change as the basis of discrimination unless the protesting shipper is also being served by the motor carrier in question and that motor carrier is transportaing for the protesting shipper the commodity which is the subject of the rate change. This would insure that a shipper could not forestall rate changes afforded competitors by carriers more efficent than the carrier used by the shipper. Both of these changes should serve to expedite the rate hearing process.

SEC. 15. BACK HAULS

Present regulation has restricted the ability of the motor carrier industry to use its resources efficiently. Many trucks move only partially loaded or entirely empty, and valuable fuel is wasted. This problem is particularly acute with respect to "exempt agricultural" trucking. Section 203(b)(6) of the IC Act exempts from regulation movement of certain agricultural goods. Thus, truckers may move agricultural items out of rural areas without certificates of public convenience and necessity. These same truckers, however, may not move regulated commodities on their return trip because they are not certificated.

This amendment is designed to reduce the problem of empty back hauls. It would allow "agricultural exempts" to carry regulated commodities, but only subsequent to a movement of agricultural items. It would apply only to small businesses of 3 or less trucks, and to avoid unfair competition with the regulated industry, all back haul movements of regulated commodities would have to move at a rate at least equal to the lowest rate filed by a regulated carrier for that same transportation. In addition, to ensure that this amendment applies only to true agricultural exempts, the revenue derived from hauling regulated commodities for any year could not exceed the revenue from agricultural items for that same year.

SEC. 16. STATE FILING REQUIREMENTS

In addition to the federal economic regulations imposed upon the motor carrier industry, the States also impose many requirements for registration and filings upon interstate trucking. While it is recognized that the States have a legitimate interest in such activities, it must also be recognized that many of the State requirements are unnecessarily duplicative and lacking in uniformity. Because of this, many times, the carriers' cost for filing far outweigh the fee paid to an individual State. This section would direct the Secretary to work with the industry and the States to develop legislative or other recommendations for providing a more efficient and equitable system of State regulation.

SEC. 17. MOTOR CARRIER SAFETY

Originally, Part II of the Interstate Commerce Act gave the Commission the authority to regulate certain motor carriers with respect to safety. Section 6(e) of the Department of Transportation Act removed that authority from the Commission and placed it with the Secretary. This section amends Part II to strengthen the authority to govern the safety of motor carriers.

Even-handed enforcement is a basic starting point for any safety program, but such even-handed treatment must be based upon a consistent and logical statutory framework. The Secretary's present authority for motor carrier safety has many statutory gaps. The Secretary has broad authority to issue regulations for all carriers, but he may impose criminal penalties for some carriers and some violations, and civil penalties for others. Moreover, one of the prime deterrents to violating a safety regulation is the possible removal of a carrier's operating authority. But while the Secretary has the authority to regulate motor carrier safety, the Commission has the sole authority to revoke a carrier's permit because of safety violations. Unfortunately, because of a lack of interest or expertise, the Commission has not utilized this deterrent to its full potential. This amendment would broaden the authority of the Secretary and essentially fill in these gaps.

Subsections (a) and (d) of this amendment would extend the authority of the Secretary to impose civil penalties to all persons subject to regulation and for all violations. At present, this authority exists only with respect to common and contract carriers and only for record-keeping and filing offenses. Private carriers and general safety violations are covered by way of criminal sanctions, but such sanctions have been found to be inflexible and inappropriate in many cases and very difficult to process to adjudication. These subsections would also increase the maximum civil penalty to $1,000 for a single violation, or $500 a day for a continuing violation.

Subsection (c) of the Section would increase the minimal fine for violating the Motor Carrier Safety Regulations (49 C.F.R. Parts 390–396) to a range of $250 to $1,000 for first offenses and $500 to $2,000 for subsequent offenses. The present minimal penalties are insufficient to serve as an adequate deterrent for violations of these Motor Carrier Safety Regulations. In addition, the existing criminal penalty provisions require the Government to show knowledge and willfulness on the part of defendants. Some courts have interpreted the willfulness provision under the present statute so narrowly that ignorance of the law or the regulations constitutes a defense to prosecution for violating them. This is clearly an inappropriate requirement where the unsafe practice, rather than the intent to commit it, is what is proscribed for the public's protection. This amendment removes the word "willfully," but retains the word "knowingly" and thus the requirement to prove intent.

Subsection (e) of this amendment would authorize the Secretary to suspend or revoke the certificates or permits of common or contract carriers, respectively, if he determined after a formal administrative hearing subject to the Administrative Procedures Act that the carrier had violated Motor Carrier or Hazardous Materials safety regulations promulgated by the Secretary and that an operation of the carrier constituted an unreasonable risk to the public safety.

Private carriers do not operate via any certificate or permit, but this subsection would also authorize the Secretary to prohibit a private carrier from future operations as private carrier, under the same standards and procedures as applies to common and contract carriers. This subsection also allows the Secretary after an informal hearing to prohibit carriers from operating pursuant to the special backhaul exemption provided in this bill if he determines their operation is unsafe and that they have violated safety regulations issued by the Secretary.

SEC. 18. MOTOR CARRIER MERGERS

(a) Presently, the ICC has jurisdiction under Section 5(2) and 5(13) of the Interstate Commerce Act to approve mergers involving motor carriers and to immunize such acquisitions from the anti-trust laws. This subsection is designed to eliminate the ICC's power to approve and thereby to immunize such acquisitions from the antitrust law. The result of this amendment is to vest exclusive jurisdiction in the Federation courts to test the legality of such transactions.

(b) The ICC presently has jurisdiction to enforce Sections 7 and 8 of the Clayton Act in respect of acquisitions and interlocking directorates involving motor carriers. This subsection would revoke the ICC's authority to enforce these sections of the Clayton Act in connection with motor carriers.

(c) It has been argued in ICC enforcement proceedings under Section 7 of the Clayton Act that because of language regarding common carrier acquisitions of branch lines in that section, trucking mergers ought to be given more liberal treatment under Section 7 than mergers between other kinds of firms. This subsection would make explicit the fact that such language is to be applied only to railroads and would thereby remove any basic litigation on this point.

(d) This subsection provides that acquisitions involving motor carriers are subject to a test of legality under Section 7 of the Clayton Act which is slightly different than that applied to non-transportation firms. Such acquisitions otherwise violative of the Clayton Act could be defended as clearly necessary to meet the transportation convenience and needs of the community or communities to be served. To satisfy this standard, the acquisition must be proved to be the least anticompetitive alternative for the achievement of transportation convenience and needs. Moreover, it would be the burden of the party defending the legality of the acquisition to establish that it was the least anticompetitive alternative for the accomplishment of the necessary transportation convenience and needs.

By Mr. BUMPERS (for himself, Mr. Nelson, Mr. Gary Hart, and Mr. Buckley):

S. 2930. A bill to preserve the public health, safety, and welfare by prohibiting the landing within the United States of civil supersonic aircraft that do not meet appropriate noise standards, and for other purposes. Referred to the Committee on Commerce.

Mr. BUMPERS. Mr. President, the Secretary of Transportation has today ruled in favor of admitting supersonic aircraft to this country. He has decided to permit British Airways and Air France two flights a day at John F. Kennedy Airport in New York and one flight a day at Dulles International Airport. These flights are to be permitted for a period of 16 months.

Thus, although rumors preceding the Secretary's announcement of his decision indicated that some kind of compromise, perhaps on the order of a trial period of 6 to 9 months, might be in the offing, the Secretary has in fact decided the issues essentially in favor of Concorde. I am deeply disturbed over the implications that this ruling has for the quality of life in this country and am therefore introducing legislation to overrule the Secretary of Transportation.

Mr. President, the public controversy surrounding the granting of landing rights to the Anglo-French Concorde was fully aired in the hearings on January 5, 1976, before Secretary Coleman. Despite considerable evidence presented at that time that the Concorde would produce excessive noise, create unique problems in traffic control, adversely affect the environment, and create other problems, Secretary Coleman has decided to permit the Concorde to land in the United States. To rectify that decision, I am today introducing on behalf of myself, Mr. Nelson, Mr. Gary Hart, and Mr. Buckley for appropriate reference a bill which would withhold Federal funds from any airport which permits the Concorde or any SST to land until the problems created by this technology can be overcome.

I want to share with the Senate the reasons for my conclusion that it is necessary for the Congress to override the ruling of the Secretary of Transportation. Letting the Concorde land is contrary not only to the will of the Congress as expressed on previous occasions, but also is counter to the best advice of airport operators, traffic controllers, pilots, and several Government regulatory agencies.

The group most affected by the granting of landing and takeoff rights to the Concorde are of course those people who live in the neighborhood of the airports involved. That the Concorde is noisier than existing jet aircraft is not disputed. In the environmental impact statement prepared by the Federal Aviation Administration—FAA—it is stated:

> Outdoors the noise levels produced by the Concorde . . . will be perceived at least twice as loud (as a 707 or a DC–8). The Concorde will be perceived to be roughly four times as loud as (a 747 or a DC–10).

A report by the Greater London Council claims even higher noise factors for Concorde, of three and six times the noise for older and newer subsonic jets. Indoors, noise and vibration will be considerably enhanced over that of the already too noisy 707's and DCV–8's because Concorde produces approximately five times the vibration of the noisiest subsonic jets in service today.

The makers of the Concorde claim that it is not possible to retrofit the aircraft to make it quieter. The problem will thus become more severe over the 20- or 25-year lifetime of the airplane, as the noise limitations on new aircraft become more stringent, and the requirements for retrofitting older noisier aircraft are implemented. While it is the several hundred thousand people who live in the vicinity of the airports who suffer the consequences of takeoff and landing noises, it is the airports themselves, not the Concorde manufacturers nor the airlines who fly them, who bear the brunt of their complaints.

It is, therefore, not surprising that as long ago as 1962 the Airport Operators Council International—AOCI—which is the association of governmental bodies that operate the major airports in the United States and abroad, issued the following resolution:

> To urge all governments that will be associated with the development of supersonic civil aircraft to insure that before such aircraft are put into commercial service . . . they will . . . not create a noise exceeding the level then accepted for the operation of subsonic jet aircraft.

In April 1975, the AOCI, whose member airports annually emplane more than 90 percent of the domestic and essentially all of the U.S. international scheduled airline passenger and cargo traffic, explicitly stated their emphatic opposition to escalation of noise levels by permitting the introduction into regular service of any aircraft, including SST's, which do not meet the Federal noise standards of Federal Aviation Regulation 36.

In 1971, during the debate over Federal funding of the U.S. SST, the Congress accepted this position and included provisions that the U.S. supersonic transport must meet these noise level restrictions. Again, in October of 1972 during debate on the Noise Control Act, an amendment introduced by Senator Cranston prohibiting aircraft which are noisier than subsonic jets was overwhelmingly approved in the Senate by a vote of 62 to 17.

In the same resolution in which the AOCI addressed the question of noise, it also addressed the problem of safety and traffic control. It concluded simply that governments should insure that SST's "will be capable of operating at the level of safety at least equal to that achieved by commercial aircraft in use at that time, and will, when operating in the same environment as subsonic aircraft, fit the existing pattern of aircraft moving in the air and on the ground at that time, particularly regarding air traffic control services." As we all know, the problems of traffic control within the crowded eastern air corridor are already severe, a fact further documented only last week in a report prepared by a group of retired pilots for FAA.

The FAA's eastern office has pointed out several special procedures which will be required to handle the Concorde during landing and takeoff. Let me provide you with two quotations from its draft environmental statement.

> It has not yet been established to the FAA's satisfaction that the Concorde can hold within present protected holding air space areas above 14,000 feet.
>
> The Concorde is exceptionally fuel-critical. Special procedures must be set up if delays of 30 minutes or more are expected at a destination airport. These procedures would have to include relaying anticipated delay information to the operator prior to scheduled departure.

In September the Professional Air Traffic Controllers Organization—PATCO—made its views on the Concorde known.

> The FAA has attempted to delude the public in a recent statement that no unique air traffic procedures are needed for the SST. Nothing could be farther from the truth. We have here a plane which can fly at 1,200 miles per hour, that has special landing and climbing profiles, including a special profile to go supersonic, and which has a critically low fuel reserve.

In a news release dated September 23, 1975, PATCO also observed that—

> The problems of coordinating such a plane (the Concorde) in the same sky as planes going 150 miles per hour are immense.

The organization states further that "the possibility of delays to other flights can be anticipated," and that "The Concorde demands a disproportionate amount of attention" from air traffic controllers because "perceptual judgments vis-a-vis the radar scope will be increasingly different and difficult."

The concern over the critical fuel reserve problem of the Concorde and the effect which it might have on Concorde landing priorities has recently been played down in a letter to Members of Congress from the French Embassy. A 1974 report from British Airways to the British Secretary of State for Trade, the Right Honorable Peter Schorr, M.P., states, however, that—

> For payload and economic assessments, minimum safety fuel reserves have been employed, although regularity/punctuality of operation, especially to New York and Washington, may be adversely affected by such an approach in practice.

The significance of this problem was dramatized in the first British Airways flight of the Concorde. According to the February 2, 1976, issue of Time:

> The Concorde carries 100 passengers from London to Bahrain but only 71 the other way; takeoff tempertures, head winds and weather delays in Europe require more fuel.

That we can expect additional air traffic problems or requested exceptions from accepted air traffic rules is borne out by several recent examples. To meet the permissible noise levels at Kennedy Airport, a sharp 26-degree turn beginning at an altitude of 100 feet above the ground was proposed. This maneuver has been highly criticized by individual pilots, and the International Federation of Airline Pilots Association has stated it to be the "consensus within IFALPA at this time" that "no turns below a height of 600 feet above airport elevation (should) be specified for noise statement purposes alone." Incidentally even this maneuver would have permitted the Concorde to comply with noise standards on only one runway.

A second example is provided by an exchange reported in Aviation Week and Space Technology of December 8, 1975. The FAA will not permit the Concorde to penetrate two military flight zones which parallel the coast north of New York since "use of the areas by a mixture of military and commercial aircraft, FAA said, is dangerous because of collision potential." A British official said last week that unless the Concorde is permitted to penetrate the air defense zones, the available payload would be curtailed seriously.

Additional exceptions to environmental and safety requirements could be cited, but I believe that I have made my point. Special consideration and exemptions from envoronmental, traffic control, and safety regulations have been requested for the Concorde. As additional landing rights are sought, we can expect to receive more such requests.

Another problem with the Concorde which I wish to bring to your attention is its extremely high fuel consumption. The Concorde consumes approximately three times as much fuel per passenger mile as does a 747 or other large subsonic jet. For the United States to endorse such wasteful consumption of fuel at a time when we are attempting to convince everyone in this country of the importance of efficient energy use is a great inconsistency. The Federal Energy Administration has stated:

> Such action is incompatible with a United States energy conservation policy aimed at reducing non-essential and inefficient fuel use.

Even more troubling perhaps is that encouraging the Concorde runs directly counter to recommendations made by the Senate's Aeronautical and Space Sciences Committee that NASA and the domestic aircraft industry begin work on a next generation of highly fuel-efficient aircraft.

Finally, there are the issues raised in the $20 million climatic impact assessment program study carried out by the Department of Transportation. These include the problem of stratospheric ozone depletion as well as other forms of stratospheric pollution and increased emissions in the neighborhood of airports during landing and takeoff. According to EPA, on a per-passenger basis the Concorde produces 12 times the carbon monoxide, 17 times the unburned hydrocarbons, and 5 times the nitrogen oxides produced by large subsonic jets. And these ozone depleting elements are deposited directly into the stratosphere at 70,000 feet. The position of EPA is unequivocal:

> The applications for Concorde SST flights to John F. Kennedy International Airport and Dulles International Airport should be denied.

I realize that many critics of my remarks will say that the permitting of a few flights a day into airports in the United States will be inconsequential in terms of noise, air pollution, and stratospheric problems. Except for the problems faced by those living near the airports at which the Concorde would land, I would tend to agree that the global environmental impact of these few flights will be small.

On the other hand, we are not talking merely about the small number of flights proposed by Secretary Coleman. According to a submission made to the Environmental Protection Agency and the FAA in 1974, the manufacturers of the Concorde state that by 1978 they expect 17 departures a day at JFK Airport plus 6 a day at Anchorage, 4 at Miami, 3 at Los Angeles, 2 at Boston, and 1 or 2 at Washington.

There is the further problem that the Soviet Union with its TU-144 may request landing rights at U.S. airports, and it is also considered likely that Iran and other nations will purchase a number of Concordes for their airplanes. The FAA clearly feels that large-scale introduction of the Concorde is unacceptable, since the draft environmental impact statement of March 1975, states:

> The British and French were advised . . . that if the only immediate action pending was an application for amendment of the operations specifications which would permit an unlimited number of Concorde flights to the U.S., the available environmental data would not support such a decision.

Under international agreements the United States is bound to a nondiscrimination policy, and it is difficult to see how we could only partially close the door or ration SST landing rights in the United States without creating severe international problems.

In summary, then, my position on the SST is the following: I have no objection to supersonic transports in general, provided that they are capable of meeting the same conditions of noise, safety, traffic control, environment, and fuel economy that must be met by subsonic jets. To grant landing rights to the Concorde would be a step backward in that it would provide U.S. Government endorsement of a technology which is incompatible with U.S. noise, air-quality, and fuel-consumption standards and goals.

In addition, there are significant air-traffic problems which the Concorde appears to be incapable of overcoming. It is true that by not permitting the Concorde to land we may be creating a few short-term problems in our relationship with our English and French allies; however, we would be creating many more serious long-term international problems by granting landing rights. As the record shows, it is not as though the makers of the Concorde were ignorant of the conditions which were likely to be placed upon them. It makes little sense to me for the United States to have abandoned its supersonic transport development program because such an aircraft could not meet the conditions which we set for it, and then to permit the Concorde to violate those conditions.

Engineers may be capable of producing supersonic transports that will not produce such deleterious effects. I am confident that as soon as they do so, opposition to the granting of landing rights to supersonic transports will vanish.

By Mr. HUMPHREY:

S.J. Res. 164. A joint resolution authorizing the President to proclaim October 24 of each year "National Dignity of Mankind Day." Referred to the Committee on the Judiciary.

NATIONAL DIGNITY OF MANKIND DAY

Mr. HUMPHREY. Mr. President, I am introducing a joint resolution which, I believe, reflects an appropriate recognition of the significance of the 200th anniversary of our Nation, in the designation of a "National Dignity of Mankind Day."

One of my constituents, Mr. Art Breecher, of Savage, Minn., has for some time made a singular effort to achieve public recognition of the fundamental principles stated in this resolution. In 1974, the Governor of Minnesota proclaimed October 24 as Dignity of Mankind Day in our State. I believe it is entirely fitting that a national day now be designated.

Mr. President, the text of the resolution speaks for itself and I ask unanimous consent that it be printed in the Record.

There being no objection, the joint resolution was ordered to be printed in the Record, as follows:

S.J. Res. 164

Whereas the United States of America is a nation conceived by our forefathers in liberty and justice, with special emphasis on the dignity and worth of each individual;

Whereas the strength of our Nation reflects the contributions of citizens of all national origins to achieving progress in all fields of knowledge and endeavor for the betterment of mankind;

Whereas on the occasion of celebrating the 200th anniversary of the founding of our Nation, it is approprirate to recognize the spirit of human dignity which has been the foundatiton of our development through the centuries;

Whereas the citizens of our Nation remain committed to the inalienable rights of all people to life, liberty, and the pursuit of happiness and to sharing the benefits of our progress in promoting the general welfare of all mankind;

Whereas we now rededicate ourselves to the principles that all men are created equal and that dignity manifests itself in every act of human kindness, and invite other peoples to join in a common effort to preserve this legacy of human dignity for future generations: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is authorized and requested to issue a proclamation designating October 24 as "National Dignity of Mankind Day," and calling upon the people of the United States to observe such day with appropriate ceremonies and activities.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 755

At the request of Mr. BURDICK, the Senator from Florida (Mr. CHILES) was added as a cosponsor of S. 755, a bill to establish an arbitration board to settle disputes between supervisory organizations and the U.S. Postal Service.

S. 2845

At the request of Mr. MCINTYRE, the Senator from Alabama (Mr. SPARKMAN), the Senator from Vermont (Mr. STAFFORD), the Senator from Vermont (Mr. LEAHY), and the Senator from Georgia (Mr. NUNN) were added as cosponsors of S. 2845, a bill to reorganize the activities of the Federal Government to provide small business concerns and individual inventors with increased opportunities to participate in the activities carried out by the Energy Research and Development Administration and for other purposes.

S. 2911

At the request of Mr. SCHWEIKER, the Senator from Kansas (Mr. PEARSON) was added as a cosponsor of S. 2911, a bill to amend the Federal Election Campaign Act to provide that members of the Federal Election Commission shall be appointed by the President, by and with the advice and consent of the Senate, and for other purposes.

SENATE RESOLUTION 104

At the request of Mr. HATHAWAY, the Senator from Arkansas (Mr. BUMPERS) was added as a cosponsor of Senate Resolution 104, relating to the Select Committee on Small Business.

SENATE RESOLUTION 319

At the request of Mr. CURTIS, the Senator from Illinois (Mr. STEVENSON) was added as a cosponsor of Senate Resolution 319, relating to the occupation of certain Baltic nations by the Soviet Union.

SENATE RESOLUTION 366

At the request of Mr. HUMPHREY, the Senator from Oklahoma (Mr. BARTLETT) was added as a cosponsor of Senate Resolution 366, a resolution disapproving the proposed deferral of budget authority for Indian health facilities.

SENATE RESOLUTION 379—SUBMISSION OF A RESOLUTION DISAPPROVING DEFERRAL OF CERTAIN BUDGET AUTHORITY RELATING TO THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

(Referred jointly, pursuant to the order of January 30, 1975, to the Committees on Appropriations, Budget, and Labor and Public Welfare.)

Mr. MAGNUSON (for himself and Mr. BROOKE) submitted the following resolution:

S. RES. 379

Resolved, That the Senate disapproves the proposed deferral of budget authority for the—

D76-58A, National Cancer Institute.

D76-59A, National Heart and Lung Institute.

D76-60A, National Institute of Dental Research.

D76-88, National Institute of Arthritis, Metabolism, and Digestive Diseases.

D76-61A, National Institute of Neurological and Communicative Disorders and Stroke.

D76-62A, National Institute of General Medical Sciences.

D76-63A, National Institute of Child Health and Human Development.

D76-89, Division of Research Resources.

D76-45B, Social and Rehabilitation Service Public Assistance.

and partially disapproves the deferral request for—

D76-57A, Health Services Administration-Health Services.

D76-40C, Alcohol, Drug Abuse, and Mental Health Administration-Alcohol, drug abuse, and mental health.

relating to the Department of Health, Education, and Welfare, which deferrals are set forth in the special message transmitted by the President to the Congress on January 6, 1976, under section 1013 of the Impoundment Control Act of 1974.

Mr. MAGNUSON. Mr. President, today, Senator BROOKE and I are submitting a resolution which recommends that we disapprove, either fully or partially, the President's January 6 message requesting more health deferrals.

What we have proposed is the acceptance for 4 deferrals out of a total of 13, amounting to $3,152,000.

We are proposing the rejection of nine deferrals amounting to approximately $81 million.

The committee and Congress accepted these deferral requests for the first 7 months of fiscal 1976—but we cannot and should not wait any longer to get these funds spent.

Nearly all of the deferrals we are rejecting are for health grants and contracts programs in just about every State. These funds can be put to good use. We are now at a point when, for the first time in our history, heart attacks and strokes are declining, and cancer can finally be detected and treated early. If the funds are not released immediately, much of this research will not be used.

In summary, the rejection of these deferrals simply takes the health programs back to the current continuing-resolution level. This is necessary in order to keep these programs operating at the current rate until the President sends up his next package of rescissions on the fiscal year 1976 Labor-HEW bill recently enacted.

SENATE RESOLUTION 380—SUBMISSION OF A RESOLUTION ESTABLISHING PROCEDURES FOR THE RELEASE OF MATERIAL FROM THE SELECT COMMITTEE ON INTELLIGENCE ACTIVITIES

(Referred to the Committee on Rules and Administration.)

Mr. TOWER submitted the following resolution:

S. RES. 380

Resolved, That the Select Committee to Study Governmental Operations with Respect to Intelligence Activities shall not release a final report containing any information classified by the Executive, which the President, after 10 days to consider such final report, certifies should not be publicly released, unless the Senate, meeting in Executive Session, shall, after adequate time to consider the President's objections, if any, decide by a majority vote to release the report publicly.

Mr. TOWER. Mr. President, as vice chairman of the Select Committee on Intelligence I have become increasingly concerned with the growing tendency of legislative committees to arrogate to themselves the asserted or de facto power to declassify secrets affecting the national security.

I am concerned that fundamental principles underlying the balance of power between the legislative and executive branches are threatened. A coequal branch of government does not behave responsibly when solemn promises to respect security classifications are given mere lip service and honored only in the breach. Deliberate leaks to the national news media and parliamentary maneuvers designed to avoid hard decisions by the legislative branch have led many in this Nation to question the competence of the Congress as a partner in national security matters.

Though moving subsequent to media "leak" of the report of its intelligence committee, the House has acted as a body to halt the dangerous practice of committee declassification. We must do no less.

I send to the desk a resolution which provides a mechanism for the Senate to act responsibly, but yet still preserve its constitutional prerogatives in deciding what matters deserve the attention of a policy debate before the American public.

The chairman has assured me that he will make every effort to solicit administration agreement on inclusion of any classified information in the final report. My experience with the chairman and my colleagues on the Select Committee on Intelligence from both sides of the aisle, gives me every reason to anticipate that the committee will act responsibly in making its report. However, the fact remains that, as with the assassination report, it is reasonable to assume that the select committee's final report may contain some information with respect to which the Executive will urge continued classification. This resolution would not vest the President with veto power over release of the committee's work. It would give the President 10 days to consider the final report of the committee and certify his objections, if any, to the Senate. The full Senate would then be required to affirmatively vote on the question of public release with the clear advantage of particularized knowledge of any executive branch objections or reservations.

My objection to the public release of the committee's assassination report was not based solely upon the fact that it included classified information. Rather, it took strong exception to the Senate acquiescing in the asserted right of a committee to publicly release such information. I believe rule XXXVI of the Senate rules requires leave of the Senate before disclosing matters confidential or secret under the rules. The Chair did not rule on the matter.

This resolution will give guidance to the committee and assure full Senate consideration in the event that the select committee includes information which the executive believes should be kept secret.

To do less would make every one of the more than 300 committees and subcommittees of the Congress the de facto equal of the executive—a radical and unworkable departure from our constitutional framework. Further, there is no reason to believe either that in granting to the President this opportunity to consider the final report, he will abuse it or seek to cover up alleged misdeeds in the executive branch. President Ford promised in September of last year that neither he nor the people working for him would use classification to prevent exposure of alleged criminal activities by the intelligence community or to protect errors or mistakes made in the last 28 years by the CIA.

The President has cooperated fully and has kept his word. I think that to be responsible we can do nothing less.

In a perfect world all of us would agree that these classified matters should be disclosed to the public. As the President has previously stated, if we could but draw a circle around the 214 million Americans, we could tell them all of the sources, techniques and procedures of intelligence. But unfortunately this is neither practical nor possible in this less than perfect world.

SENATE CONCURRENT RESOLUTION 91—SUBMISSION OF A CONCURRENT RESOLUTION PROVIDING FOR A PRESENTATION OF "AMERICA, O AMERICA, THE BEAUTIFUL" TO A JOINT MEETING OF THE CONGRESS

(Referred to the Committee on Rules and Administration.)

Mr. **HUGH SCOTT** submitted the following concurrent resolution:

S. CON. RES. 91

Whereas the United States of America is preparing to celebrate its Bicentennial anniversary in 1976; and

Whereas this great Nation was founded on the principle of serving God and country; and

Whereas recent domestic and world events have led to a decline in the outward expression of the sentiments of patriotism and love of country on the part of many Americans; and

Whereas these sentiments are superbly embodied in the multimedia presentation entitled "America, O America, the Beautiful", by Chaplain Robert E. Wall, a production emphasizing how patriotism has played a vital part in the formation of our country from a small band of colonies to the greatest nation that the world has ever known; and

Whereas our entire Nation would benefit from this presentation: Now, therefore be it

Resolved by the Senate (the House of Representatives concurring), That the President pro tempore of the Senate and the Speaker of the House of Representatives shall extend such invitations and make such arrangements as may be necessary or appropriate to provide for the presentation of the multimedia production "America, O America, the Beautiful", by Chaplain Robert E. Wall, to a joint meeting of the House of Representatives and the Senate during the second session of the Ninety-fourth Congress in celebration of the Bicentennial year.

AMENDMENTS SUBMITTED FOR PRINTING

INTERNATIONAL SECURITY ASSISTANCE AND ARMS EXPORT CONTROL ACT OF 1975—S. 2662

AMENDMENT NO. 1378

(Ordered to be printed and to lie on the table.)

Mr. **ABOUREZK** submitted an amendment intended to be proposed by him to the bill (S. 2662) to amend the Foreign Assistance Act of 1961 and the Foreign Military Sales Act, and for other purposes.

AMENDMENTS NOS. 1379, 1380, AND 1381

(Ordered to be printed and to lie on the table.)

Mr. **EAGLETON** submitted three amendments intended to be proposed by him to the bill (S. 2662), supra.

AMENDMENT NO. 1382

(Ordered to be printed and to lie on the table.)

Mr. **CRANSTON** submitted an amendment intended to be proposed by him to the bill (S. 2662), supra.

NOTICE OF HEARINGS—ADVERTISING OF ALCOHOLIC BEVERAGES

Mr. **HATHAWAY**. Mr. President, I wish to announce the commencement of hearings before the Subcommittee on Alcoholism and Narcotics, of the Committee on Labor and Public Welfare, into the subject of media images of alcohol. In the course of these hearings, the subcommittee intends to explore the ways in which our print and broadcast media encourage the abuse of alcohol, through advertising, and through the express and implied value-laden messages about alcohol in the content of programs.

I want to emphasize that our purpose in convening these hearings is not to alter in any way the operation of the first amendment to the U.S. Constitution. We will not be proposing censorship of freedom of speech. Rather, we will be seeking to determine in what ways current media images about alcohol are or may be affecting the very real health problem of alcohol abuse in America, and whether the industry and the media are giving adequate consideration to such real or potential effects, or otherwise present knowledge or values about them.

For example, is the way we advertise alcoholic beverages in any way linked to the recently indicated rise in teenage alcohol abuse?

The prevention of alcohol abuse is one of the primary goals of the Federal effort against this health problem, which actually disables over 9 million Americans and casts a shadow across the lives of many millions more. Since we have now arrived in the era in which the medium is indeed the message—and the behavioral massage—it is high time we examined the effects of that medium on our lives and our health.

In the first day of these hearings, scheduled, for February 17, at 9:30 a.m., in room 4232 in the Dirksen Senate Office Building, we intend to concentrate primarily on media advertising of alcohol. Anyone desiring to submit testimony should contact the offices of the subcommittee, room A-605 Senate Annex, 119 D Street NE., Washington, D.C. 20510. Phone 202-224-8386. Witnesses are required to submit no fewer than 50 copies of their testimony at least 21 days in advance of the hearings.

NOTICE OF HEARINGS

Mr. **INOUYE**. Mr. President, the committee on Commerce will resume its hearings on "The American Role in East-West Trade: Prospects, Problems and Issues—1976–1980" on Wednesday, February 4 at 2 p.m. in room 5110 Dirksen Senate Office Building.

The committee will receive the testimony of Comptroller General Elmer Staats and the senior specialist of the Library of Congress, Dr. John Hardt. Mr. Staats will be releasing copies of the new GAO study on "The Government's Role in East-West Trade—Problems and Issues".

For further information, please contact Eric Lee at 224-6742 or Frances Brown at 224-4958.

NOTICE OF COMMISSION MEETING

Mr. **ABOUREZK**. Mr. President, I wish to announce to the Senate that the American Indian Policy Review Commission, a joint congressional commission, will hold an informational seminar on Indian Education, at 10 a.m., Friday, February 6, 1976, in room B-308, Rayburn House Office Building.

NOTICE OF HEARING ON IMPACT OF FEDERAL REGULATIONS

Mr. **NUNN**. Mr. President, on behalf of the Government Operations Subcommittee on Oversight Procedures, which I chair, I wish to announce that the subcommittee will conduct a public hearing on February 12, 1976, in Atlanta, Ga., on the impact of Federal regulations and administrative actions on private individuals, businesses, and organizations, and on State government. The hearing will begin at 9:30 a.m. in room 556 of the Federal Building at 275 Peachtree Street NE., Atlanta, Ga.

The subcommittee is attempting to ascertain the impact of specific regulations as part of its effort to develop methods by which Congress can effectively oversee the operations of the executive branch and the independent Federal regulatory agencies.

Persons who wish to testify at this hearing should contact the subcommittee's office in room 502 of the Carroll Arms Building, Washington, D.C. 20510.

HEARINGS OF CANCELLATION OF HEARINGS ON JUDICIAL TENURE ACT

Mr. **BURDICK**. Mr. President, as chairman of the Subcommittee on Improvements in Judicial Machinery, I wish to announce that the hearing on S. 1110, the Judicial Tenure Act, scheduled to be held on February 19, 1976, in room 457, Russell Senate Office Building, has been canceled because of a conflict with a meeting of the full Committee on the Judiciary.

ADDITIONAL STATEMENTS

EROSION OF COURTROOM DECORUM AND PROFESSIONAL STANDARDS

Mr. **BUCKLEY**. Mr. President, on December 1, 1975, I reintroduced legislation authorizing district courts to discipline lawyers appearing before them, so as to maintain the minimum degree of decorum required for the conduct of a trial. My bill would, in effect, codify rules once in effect in the second circuit, but which were abandoned upon a determination that the court was without authority to implement them. My interest in this legislation resulted from the notorious reluctance by bar associations during the late 1960's to discipline lawyers who engaged in tactics of disruption and harassment during the course of trials of individuals charged with arson, riot, and worse during the height of the antiwar movement. I had had the particularly frustrating experience of trying to urge the Association of the Bar of the City of New York to consider the disbarment of William Kunstler for a whole series of widely reported abuses, including what could be described as statements designed to encourage students to engage in acts of violence on their own campuses. My request was met with a stony silence, and no action, as far as I am aware, was ever taken by the Bar Association's Grievance Committee.

Mr. Kunstler has now escalated his activities to a point of outrage that has moved the New York Times to wonder out loud as to his fitness to continue as a member of the legal profession. I would like to quote, in its entirety, an editorial that appeared in last Sunday's New York Times on the subject, under the title, "Condoning Murder":

> William Kunstler, lawyer and a defender of radical extremists, told a political science seminar in Dallas last week that he was "not entirely upset" by the assassinations of President Kennedy and his brother Senator Robert Kennedy. In an indecent acceptance of political murder, Mr. Kunstler condoned the killing of "two of the most dangerous men in the country."
>
> The First Amendment does protect every private citizen's expression of even such outrageous sentiments. Yet, the question arises for consideration by Mr. Kunstler's peers within the legal profession whether a lawyer, an officer of the Court, who virtually endorses political murder is not guilty of breach of professional propriety.

Mr. Kunstler was even more explicit than the editorial suggests. He stated, at one point:

> I don't disagree with murder sometimes, especially political assassinations.

It seems to me, Mr. President, that Mr. Kunstler has thrown down the ultimate gauntlet. I have written once again to the Grievance Committee of the Association of the Bar of the City of New York suggesting that they pick it up. I ask unanimous consent that a copy of my letter be printed in the RECORD at the conclusion of these remarks.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

(See exhibit 1.)

Mr. **BUCKLEY**. What this whole episode emphasizes, Mr. President, is that we cannot rely on bar associations to be sufficiently vigilant in policing their own memberships. This protectionism is endemic in all professional associations, and I think we might as well admit the fact.

It is for this reason that I hope the Senate Judiciary Committee will take up my bill at an early date. It is not vindictive in nature or intent. Whereas the need for such legislation was first suggested by the inaction of the grievance committee to which I had first complained about Mr. Kunstler's activities, that need was subsequently endorsed in statements made by Chief Justice Warren Burger, who has expressed the greatest concern over what an erosion of courtroom decorum and professional standards of conduct is doing to the trial process. He made the specific point that if bar associations could not be counted upon to police their own members, then district courts ought to be given that authority.

For convenient reference of interested Members of the Senate, I ask unanimous consent that there be printed, at this point in the RECORD, a copy of S. 2723, the bill I reintroduced last December.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2723

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 85 of title 28, United States Code, is amended by adding at the end thereof the following new subsection:

§ 1364. Censure, suspension, and disbarment of attorneys

"(a) Any United States district court shall have jurisdiction to make an order in a disciplinary proceeding disbarring, suspending, or censuring, or taking such other action as justice may require, with respect to any attorney who is a member of the bar of such court and has:

"(1) been convicted of a crime involving moral turpitude in any State, territory, Commonwealth, possession, or the District of Columbia; or

"(2) is guilty of conduct unbecoming a member of the bar of such court.

Without limiting the generality of the foregoing, conduct unbecoming a member of the bar of a United States district court shall be deemed to include fraud, deceit, malpractice, conduct prejudicial to the administration of justice, incitement to arson, riot, espionage, or sabotage or violation of the Code of Professional Responsibilities of the American Bar Association or the bar association of the State in which such United States district court has jurisdiction.

"(b) Whenever it shall come to the attention of the district court by any means that a member of its bar may have been convicted as defined in subdivision (1) or may have been guilty of unbecoming conduct within subdivision (2) of paragraph (a), the court shall refer the matter to the United States attorney for such district. If the United States attorney believes that the attorney has either been convicted as defined in subdivision (1) or has been guilty of unbecoming conduct as defined by subdivision (2) of paragraph (a), he shall proceed against such attorney by a petition setting forth the charges against him. The district court shall make an order requiring the attorney to show cause within thirty days after service thereof on him personally or by mail of the petition and order as to why he should not be disciplined. Upon the filing of such a petition the district court may, for good cause, temporarily suspend the attorney pending the determination of the proceeding. Upon the answer to the petition, the district court may set the matter for prompt hearing before one or more of its judges, or may appoint a master to herein report his findings and recommendation. After such a hearing or report, or if no timely answer is made by the attorney, the district court shall take such action as justice may require.

"(c) In any case in which an attorney is ordered suspended or disbarred under this section, the district court issuing such order shall notify the Director of the Administrative Office of the United States Courts, who shall notify each of the other United States courts, of the action taken. Any attorney with respect to whom an order for suspension or disbarment is issued in accordance with this section shall be prohibited from practice before any United States court during the period that such suspension or disbarment is in effect.

"(d) Whenever it appears that an attorney at law admitted to practice in the court of any State, territory, Commonwealth, possession, or the District of Columbia is convicted of any crime, or is disbarred or suspended, in a United States district court, the clerk of such court shall transmit to the court of the State, territory, Commonwealth, or possession where the attorney was admitted to practice a certified copy of the judgment of conviction or order of disbarment or suspension and a statement of his last known office and residence addresses.

"(e) The authority contained in this section shall be in addition to any other authority of any United States court, or judge or justice thereof, relating to the censure, suspension, disbarment, or other discipline of any attorney authorized to practice before such court, or judge or justices thereof.

"(f) Proceedings under this section shall be deemed to be proceedings in which the United States has an interest within the meaning of section 547 of chapter 35 of this title. Any indigent attorney against whom a petition has been made hereunder shall be entitled to proceed in forma pauperis in accordance with the provisions of section 753 of chapter 79 and section 1915 of chapter 123 of this title.".

SEC. 2. The analysis of chapter 85 of title 28, United States Code, is amended by adding at the end thereof the following:

"1364. Censure, suspension, and disbarment of attorneys.".

EXHIBIT 1

U.S. SENATE,
Washington, D.C., February 3, 1976.

The GRIEVANCE COMMITTEE,
Association of the Bar of the City of New York, New York, N.Y.

GENTLEMEN: Once again, I must repeat a request I first made in October, 1970; namely, that you institute immediate disbarment proceedings against William Kunstler. I cited, in support of my original request, Mr. Kunstler's notorious resort to disruptive courtroom tactics during a series of trials, and inflamatory statements on various campuses that could only be described as incitement to riot. For reasons I have never been able to fathom, the Grievance Committee of the Association of the Bar of the City of New York decided against disciplinary action at that time, despite Mr. Kunstler's well-publicized breaches of the most fundamental canons of professional conduct.

Mr. Kunstler has now made statements so repugnant to the concept of law, so outrageous, that there can no longer be any excuse but to declare him unfit to practice law in the State of New York or in any state, for that matter.

I speak, of course, of Mr. Kunstler's despicable statements before a so-called political seminar in Dallas last month in which he condoned the assassinations of John and Robert Kennedy. And, in effect, encouraged further resorts to murder in the following words: "I don't disagree with murder sometimes, especially political assassination."

These are not words that can be tolerated or dismissed as the excesses of an overzealous advocate, or as the emotional outpourings of someone caught up in a higher cause. What we have in this instance is the cold-blooded assertion, by a member of the New York Bar, that a resort to assassination is an acceptable form of political action in this country.

If, under these circumstances, Mr. Kunstler is not stripped of the right to practice law in New York State, if the Bar Association cannot muster the courage to discipline one of its members under such egregious circumstances, then the legal profession will have earned the disgust and disdain of the public.

Sincerely,

——— ———.

DANIEL PATRICK MOYNIHAN

Mr. MONTOYA. Mr. President, I am deeply disturbed by the news that our able envoy to the United Nations, Daniel Patrick Moynihan, has resigned. It would be unfair to Ambassador Moynihan and to this country for him to leave that position without acknowledging the important work he has performed in that body.

Although he has only served in the U.N. for an all-too-brief period of 7 months, Daniel Patrick Moynihan has acted with refreshing vigor, devotion, and responsibility to this country, her allies, and her ideals. As the U.S. Representative to the United Nations, Daniel Moynihan has made it clear that he cannot and will not be squelched on the issues that are tantamount to the well-being of this Nation in the prevailing confrontations.

Nor did he hesitate to let his personal style of diplomacy be an asset to the policies he advocated there. Ambassador Moynihan did not seek confrontation in the U.N. Naturally, it came as he spoke unfatiguingly of the malpractices of international diplomacy which he saw daily. Confrontation within the U.N. during the last 7 months has been healthy. For once, most Americans have been convinced that the United States was not merely reacting in response to erroneous international whims; she has been acting with Ambassador Moynihan at the helm.

Time after time, Daniel Moynihan has represented this country and her democratic allies not as a reflexive action, but as the result of the long-range vision of responsibility he feels for them. Above all, his actions in the United Nations have reflected a commitment to morality and decency in international politics. His guiding philosophy—that the United Nations is experiencing a serious conflict between the world's minority of parliamentary democracies and a majority of the General Assembly members—has been reflected in his eloquent speeches.

In the brief time he has served, Ambassador Moynihan has gone a long way in eradicating the hypocrisy that all too often is present in the U.N. He has been especially concerned with the ever-increasing and often unduly vociferous third world extremists in the U.N. His policies and actions have been consistent; he has seen spades and called them spades. I am grateful that he has.

Daniel Patrick Moynihan succeeded in his role. He was responsible for preventing the adoption of the U.N. resolution recognizing the "liberation movement" in Puerto Rico. He has made it clear to the Cubans and some Arab and African radicals that they can no longer abuse the United States and her allies while still seeking détente with her and military and economic assistance from her. He exploded the myth of the General Assembly resolution equating Zionism with racism. He worked diligently to prevent passage of U.N. resolutions denouncing the regimes of South Africa and Chile for imprisoning hundreds of people on the grounds of their beliefs, because resolutions denouncing these same actions were not extended to cover the Soviet Union and other leftist regimes. Most recently, Ambassador Moynihan was successful in forcing the African nations to pull back a resolution condemning South Africa alone for its intervention in Angola without condemning the Soviet Union and Cuba as well.

This country has experienced a rare and refreshing taste of diplomacy in the U.N. Daniel P. Moynihan has been the new flavor. He has represented this country and her allies well. He has perceived the battle in the United Nations as being very real and has fought hard, offensively as well as defensively, to insure our well-being in that body. I commend his actions.

THE CRIMINAL JUSTICE REFORM ACT

Mr. HUGH SCOTT. Mr. President, I doubt whether any recent piece of legislation has generated more misinformation on the substantive legal issues involved than the pending Criminal Justice Reform Act, S. 1.

The Criminal Justice Reform Act represents 10 years work by the finest legal minds available and comprises the most significant codification effort ever attempted. Yet all parties admit that serious problems remain.

I am not satisfied with certain critical features of this bill.

The legislative process has been hampered by widely circulated and sometimes inaccurate and misleading articles which have damaged the public image of the good provisions in this comprehensive bill. One popular misconception is that under this legislation the shooting of night prowlers in the process of burglarizing homes would constitute a Federal offense. Such inaccurate stories have soured many peoples' taste for the bill, and this distaste has lingered even after the issue has been clarified.

Another tempting tendency has been to synthesize this incredibly complex bill into descriptive adjectives such as "unamendable" or "repressive," yet who can question the repressive condition that results from the confusion of our Federal criminal codes as they exist today? The bill is, of course, amendable, and should be, in the course of its consideration.

I am sure that I speak for my colleagues when I say that no member of the Judiciary Committee is insensitive to the need for the most vigorous protection of our civil liberties. I have already publicly announced my intention to amend any portion of this legislation that impinges upon our first amendment guarantees to free speech. I further intend to introduce in the next 2 weeks other major amendments that will insure equitable and sensible enunciation and application of our Federal criminal laws. Given the wide range of interest within the Judiciary Committee, I know of no Member who is now satisfied with the bill as it is written.

Mr. President, in this period of intense debate, I urge my distinguished colleagues to devote their most deliberate attention to perfecting the provisions of the Criminal Justice Reform Act to guarantee every right of a free people and to accord it the prompt and dispassionate attention that it deserves.

PHILIP HART: THE GENTLE WAY AS THE EFFECTIVE WAY

Mr. HOLLINGS. Mr. President, it is all too seldom that the public gets any good news to accompany the daily digest of ill happenings which fill the pages of our newspapers. Acts of generosity and compassion, decisions of conscience, and the discourse of reason take back seat in most media coverage to acts of cupidity, to decisions motivated by self-interest, and to debate by public demonstration and political polling.

So it is refreshing on all counts to read a column accentuating the positive, and doing so with complete accuracy. I refer to the masterly piece on "PHILIP HART: The Gentle Way as the Effective Way" by Colman McCarthy.

To those of us who serve alongside PHIL HART in the Senate, Mr. McCarthy's observations confirm what we already know. And the voters back in Michigan know it, too. But depth of principle and dedication such as we find in this man's service deserve the widest possible recognition, for they not only testify to one man's merit, but they provide a model for all people's endeavors. Here is public service in the public interest. And the reason why Senator HART's service is so effective is that it is based on the strong belief that public service is a profession of trust and honor and pride. The fruits of his belief are obvious in the extent of his great accomplishments.

Colman McCarthy says it clearly and eloquently. Here is a column that merits the widest possible attention, and for this reason I ask unanimous consent that Mr. McCarthy's article, appearing in the February 2, 1976, edition of the Washington Post, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PHILIP HART: THE GENTLE WAY AS THE EFFECTIVE WAY

(By Colman McCarthy)

A few years ago, a Washington journalist wrote a book in which he called Sen. Philip Hart "a man widely regarded as the gentlest and kindest in the Senate." The galleys of the book were sent to then-Sen. Paul Douglas of Illinois, who had been asked to review the book for The Washington Post. He read the reference to Hart but was troubled. It took Douglas several phone calls to track down the author, who was at his vacation retreat. Talking with him, Douglas explained that he knew it was unusual for a reviewer to call an author before the book came out, but he had a suggestion for a galley change. Must it say that Senator Hart is "widely regarded" as the Senate's gentlest and kindest man? Couldn't the book just state "he is," and avoid the cop-out qualifier?

This story is not one of the vintage political tales that float to the top of the air currents in Congress, so many of the stories flavored to put down another member or raise up the teller. But the solicitude of Sen.

Douglas—authentic feeling, not the hollow "my distinguished colleague" kind—suggests that nothing less was due Philip Hart than unqualified esteem. The session of Congress now beginning is Hart's last. His recent retirement announcement has prompted a number of Michigan politicians to seek to replace him. They can stop now. The seat will be replaced, but not the man.

In his 18 years in the Senate, Philip Hart has practiced as pure a style of politics as that body has ever seen, elevating not only the level of thought but also the vocation itself. In a profession often trivialized by fitful hacks who think political impact is made by the raised voice or eyebrow. Hart has remained loyal to the Greek meaning, politikos: of the citizens. What concerns the citizen? What possibilities can be drawn to, or to what form of humanized service can the politician, the server, give himself?

Before a politician can adopt this cast of mind, he has to think first of keeping his job. From the record, it could seem that Hart has represented not Michigan at all, but a territorial outback whose citizens sent him to Washington with a moral compass, not a political one: point the needles not merely to our wishes back home, they instructed, but also to honesty and fairness. We will be served that way. Thus, with the auto industry as Michigan's largest employer, Hart has persisted in attacking the monopoly practices of the Big Three. He began or supported every major safety or environmental regulation involving Detroit. The state has the nation's second largest hunting force, but no one in the Senate has called for stronger gun controls. He supported busing in Michigan (because he believed in the rightness of it in the South) when other Democrats ran for pillows to make the issue more comfortable for fence-sitting.

Electoral risks put senators on slide rules, moving them along exponentials that make the conscience a variable. The issues, like logarithms, are said to be complex. Perhaps. But Hart has remained the still point in the middle of complexity. Situation ethics make as little sense as situation politics. He was the only senator to speak out in 1972 against Sen. James Eastland's becoming president of the Senate. The courage of Hart's stances has been perceived by the voters. He has never had a close re-election race; in 1970, he received as many votes as Gerald Ford in Ford's home district.

How is it possible for a man to be in the Senate 18 years, a defender of periphery causes, and yet be held in deep affection by most other members? It is assuredly something more than Hart's soft voice or the merry Irish twinkle in his eye that does it. One explanation is that he has a style of personal humility that keeps his convictions from being crusted with either blowhard or diehard righteousness. He is known, much to staff impatience, for spending as much time examining an opposing position as in presenting his own.

"You never know your own motive most of the time," he said recently, "but most people are always assuming they know the motives of everyone else. But it's hard. It's hard for a politician looking at another politician. It's even more difficult for the public looking at the votes and the positions taken by a politician to determine what motivated that man. I am sure that there are people in Michigan, for example, who believe that the reason I have a voting record that conforms generally with the labor movement is because labor gave me money. And certainly in the liberal group, there's much too much of the assumption that the reason some conservative around here is conservative is because some company or corporate officials fund him. We liberals don't credit conservatives with what we credit ourselves. I say I vote in a way that finds approval with labor because it happens that I believe that this is the best for the people. Our goals are common, but we arrive at them independently. The liberal is apt not to give the conservative credit for the same thing. A conservative may conclude quite independently of constituent pressure that the program of, say, the National Manufacturers Association makes good sense.

If Hart can look at liberals dispassionately, he also sees his own role in the Senate with a measure of restraint. "There's a terrible tendency here to think that everything we do and say, or omit to do, is of world consequence. But you know full well that you can go across the street and the bus driver couldn't care less." If caring is present, it must come from within the man. "I remember the expression that the politician is the lay-priest of society. The corporal works of mercy are part of the business of how the government runs. A solid case can be made that whatever the venality that attaches to the profession, politics is still a high vocation . . . I have regarded it as an opportunity to make a more humane life for everybodv."

Hart's humanism was shaped by what he calls a typical education within the church school system: the Sisters of Mercy for eight years, the Christian Brother for four, the Jesuits (at Georgetown) for four. At a moment when politicians and their families are being examined, Hart says of his children: "I won't try and guess what my own children may have felt about my being in politics or about me as a father, but I think my strong love for them has been reciprocated."

Little of Hart's Senate work has made him a national figure. He caught the glare during the ITT scandal when he was in the Senate contingent that went to Dita Beard's bedside, and he was on the committee that Richard Kleindienst deceived. Instead, he has been committed to the hidden and unshowy work of the hearing room. He came early and has stayed late on such issues as pesticide poisoning, lead gas fumes among inner city children, amnesty, no-fault insurance, decriminalization of marijuana, freedom of information, divestiture of the oil and auto companies. He will be gone before these matters are resolved in a way that citizens deserve, and others will likely be on hand to take winner's credit. But those who have watched closely will know who began the bold struggles.

Hart has no bitterness that his issues have attracted little press attention. It is hard to expect reporters to sit through unglamorous economic or antitrust hearings he says, "when at the same time in the next room you have some hoodlum invoking the fifth amendment." For the occasional reporter who does cover the unnoticed hearing, Hart has special feelings. He speaks of one Washington journalist: "he has excitement in his stories simply because he is able to describe the way certain private interests have been able to twist debate or cause decisions to be made that disserve the general interest. But more often than not, this man is reporting the important issue though it is relatively heavy and unexciting."

In recent months, Sen. Hart has been hospitalized for cancer. On the subject of death and dying, he is as gently candid as on anything else: "When the doctor walks in and says it's cancer, and they chase around for weeks trying to find the original source and still can't, you'd have to be a very insensitive fellow not to be shaken up. Sure you think about it. (Death) becomes not something vague that everyone knows is going to happen. It's something that not only is on schedule . . . but is in motion. And you do review the bidding and test the faith. I think now I'm prepared."

For the rest of this session, news reports will tell of other members of Congress retiring. Careers will be reviewed and testimonies given. It is likely to be different for Philip Hart. The public won't fully know how valuable and towering he has been in the Senate until next year, when he is not there.

PRAISE FOR THE UNITED STATES INTERNATIONAL TRADE COMMISSION SHRIMP HEARING

Mr. TALMADGE. Mr. President, the United States International Trade Commission has conducted a shrimp hearing in Savannah, Ga. I have earlier commended the USITC for its progressive and innovative approach exemplified by taking many of its investigative hearings out of Washington and to the people. The significance of the Savannah hearing is enhanced by the fact that the Commission was able to obtain about 2½ days worth of testimony in 1 day with more than 30 witnesses. This accomplishment was possible because the Commission met until 12:14 this morning. By taking this unusual step of meeting until every witness had been heard, the Commission was able to accommodate in 1 day's time all witnesses, many of whom had indicated that they wanted to testify, but could not come back for a second or third day.

At 12:14 a.m. when the three Commissioners, Daniel Minchew, Joseph O. Parker, and Italo H. Ablondi, conducting this hearing concluded the Savannah, Ga., proceedings, they set a new record for a USITC hearing under the provisions of the new Trade Act. In addition to the convenience to the public, this approach has the benefit of portraying a very important Government agency and its staff in a most favorable light. It is not often that I have seen a commission or committee meet nonstop until midnight, without even taking time for supper, in order to accommodate the general public.

This is the type Government service that portrays a Washington agency at its best and is an example of hard work and sincere feeling for service to the public which others should imitate.

Furthermore, I believe that by compressing a 3-day hearing into 1 day, money has been saved not only for the Federal Government, but also for the more than 30 witnesses who participated.

Because of the unusually fine example of the Government being responsive to the public I want to express personal commendation to Commissioners Daniel Minchew, Joseph O. Parker, Italo H. Ablondi, and their staff, Ms. Katherine Meleky, Ms. Mary Drury, Mr. Thomas G. Lopp, Mr. Frederick H. Sontag, and Mr. Josiah O. Hatch.

GETTING OUT OF THE DES MESS

Mr. HATFIELD. Mr. President, the latest issue of Science magazine contains an article discussing new methods of increasing the weight gain of cattle with less feed and without the use of DES. I believe most of us are interested in this problem, since it involves protecting the American public from the injurious effects of chemical additives, helping the rancher produce beef at the lowest cost to him and the lowest price for the consumer, and decreasing the demand meat production puts on world grain supplies. I believe the article will be of interest to my colleagues, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

The Fatted Calf: More Weight Gain with Less Feed

Beef may well be the favorite food of Americans. But the rising cost of grain, used in fattening half to two-thirds of all beef consumed in this country, has made it financially difficult for many Americans to consume as much beef as they would desire. Cattlemen have attempted to keep the price of beef down by adopting technological innovations, such as implants of the hormone mimic diethylstilbestrol (DES), to improve the efficiency with which cattle convert their feed to added poundage. But DES is generally considered to be a carcinogen, and recent evidence indicates that traces of DES remain as metabolites in the livers of cattle that have been given this drug. The use of DES for fattening cattle has already been banned in many foreign countries, including Canada, Japan, the United Kingdom, Australia, and West Germany, and it seems only a matter of time until its use is also banned in the United States.

To replace DES, cattlemen are seeking other methods to improve the efficiency with which cattle gain weight. Three U.S. companies have recently begun promoting products that they claim will provide the desired effect. Each of the products is quite different: One is a feed additive that improves the efficiency of fermentation in the rumen, one is a feed additive consisting of microencapsulated lipids, and one is a plastic vaginal insert. Each works by what appears to be a rather unusual mechanism, but that they do work has been documented by a number of independent investigators. The three methods together promise to keep the cost of beef from rising dramatically in the near future. They also provide interesting illustrations of the types of technological innovation that may be necessary to allow the world to feed its growing population.

The primary use of the new products will be for fattening cattle in feedlots, enclosures where the cattle do little more than eat and gain weight. In a typical example, a 320-kilogram steer (a castrated male) or heifer (a young female that has never calved) might be kept in a feedlot for about 150 days, during which time its weight would increase to about 480 kilograms. Without stimulants, this weight gain would require about 1500 kilograms of grain (about 9.5 kilograms of grain per kilogram of weight gain) at a cost of about $165, figuring grain at $110 per metric ton. Implants of DES improve the efficiency of feed conversion about 10 percent on the average; a 160-kilogram grain would thus require only about 1350 kilograms of grain. The net result is that about 30 cents worth of DES (two implants) lowers the feed cost of the feedlot operator by about $16.50.

Other hormones, such as estradiol, testosterone, and melengestrol acetate, are also used to improve weight gain. Most of these are hormones that occur naturally in cattle, so there is less concern about their possible side effects. In a few foreign countries, however, these hormones are forbidden because the beef cattle are also a source of milk. The hormones are generally less effective than DES, and there are also other problems. Some hormones, for example, may occassionally cause darkening of the meat; others can only be used at least 60 days before the time of slaughter. Feedlot operators are thus searching for effective products that are more acceptable and present fewer potential problems.

Perhaps the most effective of the new products is Rumensin, developed by Elanco Products Company, a division of Eli Lilly and Company of Indianapolis. Rumensin is the trade name for monensin, a fermentation product from *Streptomyces cinnamonensis*. It is thus formally classed as an antibiotic, but it actually has only a very limited antibiotic activity. It works by altering the metabolic products of microbes in the rumens of cattle.

MICROBES PREDIGEST FEED

These microbes convert the ruminant's feed—whether grass, hay, silage, or grain—into a form that is more efficiently digested. Plant fibers and starches are first broken down into sugars. These sugars are then converted into certain volatile fatty acids—acetic, butyric, and propionic—which are the ruminant's principal source of energy. In a typical feedlot situation, according to Roger Muller of Elanco, rumen microbes convert sugars to about 60 percent acetic acid, 10 percent butyric acid, and 30 percent propionic acid.

But the production of acetic and butyric acids wastes food energy. Conversion of a six-carbon sugar to acetic acid (a two-carbon acid), for example, yields two moles of acid per mole of sugar and a total of two moles of carbon dioxide and methane, which are waste products. Similarly, one mole of sugar yields one mole of butyric acid (a four-carbon acid) and two moles of waste products. But one mole of sugar yields two moles of propionic acid (a three-carbon acid) and no waste products. Lilly scientists thus screened large numbers of chemicals, looking for those that would alter the proportions of volatile fatty acids. With monensin, their final choice, the proportion of acetic and butyric acids declines to 60 percent, while the proportion of propionic acid rises to 40 percent. Consequently, the animal wastes less of the energy in the feed it consumes.

Feedlot cattle will normally eat only enough to satisfy their energy needs, Muller says, so monensin does not increase their average daily weight gain. But since they get more energy per unit of feed, it does decrease their consumption by a little more than 10 percent, or by about 1 kilogram of feed for every kilogram of weight gained. Thus, about $2.22 worth of monensin would reduce the cost of feed for a 160-kilogram gain by about $17.50, a saving of 10 cents per kilogram. The effects of monensin and hormones or hormones mimics, furthermore, are additive. Under optimum conditions, according to university scientists who have conducted trials, a combination of monensin and DES can reduce total feed requirement by as much as 25 percent.

Lilly scientists have tested monensin in more than 5,000 head of cattle to establish its efficacy and safety. They are not certain of the exact mechanism by which monensin increases the proportion of propionic acid. But withdrawal of monensin restores the normal balance of fatty acids in a few days, an indication that the antibiotic does not permanently alter the proportions of microbial species. The product leaves no residues or metabolites in the meat obtained from animals that have consumed it. Monensin and its metabolites degrade rapidly when they are released to the soil in manure, and they do not affect the growth of crops fertilized with the manure. And finally, the additive does not affect the quality of beef carcasses, their composition, or the ease with which they can be cut. The Food and Drug Administration (FDA) gave approval for use of Rumensin at the end of 1975, and it is now on the market.

The second product is a feed additive consisting of microencapsulated animal fats. The product was developed by Alta Lipids Inc. of Boise, Idaho, using technology introduced by the Commonwealth Scientific and Industrial Research Organization (CSIRO) in Canberra, Australia. Alta Lipids hopes to obtain FDA approval for their product this year.

The animal fats are glycerol esters of long-chain fatty acids. Like the shorter volatile fatty acids, these are high-energy compounds that can be used directly in the cattle's metabolism. But the rumen, according to Kenneth Lyon of Alta Lipids, can tolerate no more than about 6 percent total fat in the diet without a depression in feed intake and weight gain. By encapsulating the lipids in a protein, the CSIRO scientists have made it possible for the encapsulated products to reach the gastrointestinal tract without disturbing the rumen.

The encapsulating protein is derived from oil seeds. It is solubilized with a dilute solution of sodium hydroxide, then combined with an inexpensive animal fat, such as beef tallow, to produce a creamy emulsion. The emulsion is treated with formalin (a solution of formaldehyde) to produce a gel of protein-coated fat droplets that are 1 to 5 micrometers in diameter. The gel is dried to yield a coarse, free-flowing metal that can be combined with other feed. This meal is about 40 percent lipid and sells for about $375 per metric ton.

The encapsulating protein is inert in the rumen, allowing the additive to pass into the animal's digestive tract. There, various enzymes and acids break down the protein coat, allowing the fats to be absorbed and used by the ruminant. Radioactive tracer studies, Lyon says, indicate that all the formaldehyde is excreted.

The efficacy of the additive depends on the feeding situation, according to Lyon. If the cattle are fed a high-quality, low-roughage feed such as corn, the additive has little effect on the average daily weight gain or efficiency of feed conversion. It does, however, improve the fat-to-lean ratio, so that a significantly greater proportion of the carcass can be graded "choice." This, in itself, can be financially profitable, since choice grades carry a premium of as much as 26 cents per kilogram compared to meat graded "good."

The microencapsulated lipids improve weight gain and conversion efficiency mainly when the total caloric intake of the animal is limited by the volume of its four stomachs. This can be the case when high-roughage feeds such as silage and hay are used, or when the animal is allowed to graze on the range. In these cases, the additive can produce as much as a 15 percent increase in efficiency of feed conversion and average daily weight gain.

Perhaps the most important use of the lipid additive, however, might be in the feed of dairy cattle. A typical dairy cow, Lyon says, may consume about 22 kilograms of food per day to produce an equal weight of milk. Controlled trials in England and Canada, he says, indicate that replacing as much as 3.25 kilograms of the cow's daily feed with the lipid additive increases milk production by an average of about 11 percent. Furthermore, all the milk produced then contains about 17.5 percent more butterfat.

CSIRO has developed a similar product, not yet cleared for marketing in the United States, that incorporates polyunsaturated fats from safflower, sunflower, or soybean oil instead of beef tallow. When this product is fed to cattle at about 30 percent of the diet, the proportion of unsaturated fats in the beef increases from the normal 4 percent to as much as 25 percent. (In cattle, most polyunsaturated fats in the diet are hydrogenated by microbes in the rumen.) Beef containing more polyunsaturated fats might be desirable for heart patients and others who must restrict their intake of saturated fats. The price of such meat—about 80 percent higher than regular beef in Australia, where it is now marketed—might limit its use, but Lyon thinks the price differential will be smaller in this country. When the polyunsaturated additive is fed to dairy cattle, the proportion of unsaturated fats in the milk can be increased from the normal 3 percent to as high as 30 percent. Alta hopes to be able to market the polyunsaturated additive in the United States within a year.

The most intriguing of the new products is the intravaginal heifer device developed by Agrophysics Inc. of San Francisco. It is a pencil-thin rod (Fig. 1), about 9 centimeters long, composed of biologically inert nylon; from one end of the rod protrude 12 knobbed nylon branches about 6 centimeters long. The entire device is inserted in the vagina of a heifer, where the knobs contact the vaginal wall to anchor it in place. Insertion of the device, according to Wade Dickinson of Agrophysics, increases both the average daily weight gain and the feed conversion efficiency. Preliminary evidence also suggests that it prevents the heifer from conceiving.

The device was discovered accidentally. Dickinson and his brother Wayne were attempting to develop a mechanical device to indicate when cows are in estrus as an aid to mating and artificial insemination. The estrus indicator is not yet a commercial product, but the brothers observed that emplacement of the indicator in the vagina stimulated the expression of estrus. They therefore undertook studies of the device with the cooperation of George Crenshaw, a consulting veterinarian in Davis, California, and George Stabenfeld of the University of California at Davis.

It was soon discovered that similar devices have a similar stimulatory effect in pigs and a contraceptive effect in dogs. Agrophysics has, in fact, been marketing a canine contraceptive device—called Option One—for almost a year. More important, Dickinson says, they observed the effect of the device on the weight gain of heifers, which generally are not as efficient as steers in converting feed into meat.

In a series of controlled feedlot trials supervised by Crenshaw, Agrophysics has found that the device produces a 4 to 5 per cent increase in the average daily weight gain and a 4 to 6 percent increase in the efficiency of feed conversion. Even larger effects were observed in cattle that grazed on rangeland. The effect of the device is most pronounced with older and larger (more sexually mature) heifers, resulting in larger increases in weight gain near the end of the feeding cycle.

With the use of the device in a feedlot situation, Dickinson says, the net decrease in production cost varies from about $8.50 to $13, depending upon the type of feed used. The device costs about $1.50 to $1.75 and can be inserted by unskilled personnel in about 40 seconds—generally at the same time the animals are given their inoculations. The device remains in place until the animal is slaughtered unless the animal is to be used for breeding, in which case the device can be readily removed. It can also be used after conception. The effects of the device are additive to those of hormones and DES, Dickinson says, but it has not been tested in conjunction with Rumensin.

How the device works is a mystery comparable to that associated with the fattening effects of hormones and the contraceptive effects of intrauterine devices. The heifer device does not occlude the vagina to prevent sperm from passing through and it does not prevent mating. Neither does it interfere with the heifer's estrus cycle. Dickinson speculates that the device might act as a neural stimulator through some pathway connecting the hypothalamus and the vagina. In this fashion, it could affect the production of various hormones involved in the growth and reproductive processes.

The use of such products is obviously profitable for cattlemen and feedlot operators but the argument can be made that it is also profitable for the country as a whole. If Americans must continue to eat beef, the products will not only lower the cost of beef to the consumer, but will also help to conserve food resources. If the efficiency of feed conversion of all feedlot cattle in the United States could be improved by only 10 percent, according to Thomas H. Lake of Lilly, more than 4 million metric tons of grain would be available in 1976 for other uses. Conceivably, some of this grain could be used to feed people who can't afford to purchase beef.

—THOMAS H. MAUGH II.

THE DISCIPLINE REVIVAL

Mr. HOLLINGS. Mr. President, in the February 2 Washington Post, columnist William Raspberry writes of the efforts Jesse Jackson is undertaking, in Washington and elsewhere, to reinstill in our Nation's classrooms an atmosphere in which real learning can again take place. Everyone knows that discipline has all but disappeared from many of our inner-city schools. I speak now not just of discipline of rule and regulation to enforce order, but more importantly of the moral discipline which which encourages a positive attitude toward the experience of learning. Indeed, the kind of moral discipline which traditionally underlay the teaching of our values and beliefs has diminished not only in the schools of the ghetto, but in classrooms throughout the Nation, south as well as north, rural as well as urban. All too often, our students have no idea of the compass points without which there is no education, academic or moral. And, equally too often, our educational system has failed in its responsibilities to help provide those compass points, just as we as parents have failed to do our part.

Jesse Jackson has been going back to the fundamentals in trying to restore the stability and vigor of the classroom. He realizes that a sense of self and a sense of community are essential. It was this sense of pride in self and community which took America to greatness, and it is this same pride which can keep America strong for the long and challenging road ahead.

William Raspberry is another scout on the frontier of social thought. He has demonstrated time and again an uncanny ability to see when once-touted solutions are no longer viable, and he has done the hard work of exploring and articulating novel and sensible solutions to the problems we face.

Mr. President, I ask unanimous consent that Mr. Raspberry's column, "The Discipline Revival," which appeared in the February 2, 1976, Washington Post, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE DISCIPLINE REVIVAL

(By William Raspberry)

Early reaction to what the Rev. Jesse L. Jackson has been saying about the need for discipline—including self-discipline—in the city's public schools makes clear that the Chicago-based director of Operation PUSH has his home with a lot of parents and teachers.

His notion that we had better spend less time convincing black children that they are societiy's victims and more time stressing the need for them to assume personal responsibility for their lives appears to be an idea whose time has come.

The problem, as he understands exceedingly well, is how to crystalize the early reaction into permanent change, how to make certain that the seeds he has been planting will take root and grow.

In that regard, he has meetings scheduled this week with the six area superintendents of the local schools and with teachers, particularly through their churches, to try to build the "institutional support" that is necessary if his ideas are to survive his presence here.

Friday night, after the last of his week-long revival-meeting sessions at the 19th Street Baptist Church, he met with the several dozen teachers, school administrators and ministers in the congregation to enlist them in the educational division of the PUSH (People United to Save Humanity) chapter he is establishing here.

"We're trying to pull together a minimum of 200 ministers to mobilize the parents and teachers in their neighborhoods," he told them, stressing the importance of church-relatedness to his approach.

For he believes that the key reason teachers cannot command respect and discipline in the classrooms is that they have lost their moral authority.

By that he does not mean so much that teachers are sinners in the revivalistic sense but that they have assumed responsibility only for the children's academic development. On the other hand, many people "who are parents biologically do not know how to be parents of children in school in terms of motivating them to learn," he said. His notion is to pull the two groups together, through the churches, to reinforce each other.

I am convinced that Mr. Jackson is on to something of profound importance. If he were a sociologist rather than the self-styled "Country Preacher," he might describe the underlying problem as anomie—the condition of normlessness in which people don't know how to behave because the norms which generally guide their behavior have been eroded.

For all of our talk of not caring what people think about us, the truth is that we really don't know who we are except as people define us. To an incredible degree, we are actors, playing the roles we think are ours as faithfully as we know how.

Too many of our children are receiving confusing and conflicting signals as to who they are—helpless and hopeless victims of racism, proud (or rebellious) young black men and women, child-like innocents of whom nothing is expected, potentially significant contributors to the general society, bums, bullies and failures.

If it is true that our perceptions of who we are—based on what we perceive others think we are—constitute the single most important influence on our behavior, small wonder so many children are having such a difficult time getting themselves sorted out.

Mr. Jackson makes frequent reference to his childhood in North Carolina, where, as early as first grade, his unwed mother, his teacher and the school principal "trapped me in a triangle of love from which I could not escape."

That sense of entrapment in love may have been a good deal easier to achieve in tiny Greenville, N.C. (pop. about 12,000 when Mr. Jackson was born there in 1941) than in the teeming cities where uprootedness and unconnectedness combine to produce the very anomie Mr. Jackson is trying to attack.

To a significant degree, what he is proposing is the establishment of small towns in the city, a series of caring communities in which every adult is parent to every child.

Jesse Jackson is, in short, proposing a miracle. And yet, with a little luck and a lot of focused commitment, it could take hold. Not that thugs would suddenly become young gentlemen and hall-rovers instant scholars.

But it just may be possible to reestablish in the classrooms a situation where serious scholarship, mutual respect and discipline are the norm, and where peer pressure serves to reinforce that norm.

It certainly is worth trying.

MAYOR PRO TEMPORE OF BURLINGTON, N.C., ASSESSES FISCAL PLIGHT OF UNITED STATES—AND ITS CAUSES

Mr. HELMS. Mr. President, this morning I received a letter from a distinguished community leader in Burlington, N.C., Mr. Joe Barbour, Jr., who happens to be mayor pro tempore of that fine city in my State.

The letter is so eloquent that it needs no additional comment. It speaks for itself—and it speaks to America in terms of the economic plight of our Nation.

I want my colleagues to have the benefit of Mr. Barbour's observations, and I ask unanimous consent that his letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CITY OF BURLINGTON, N.C.,
February 1, 1976.

Senator JESSE HELMS,
Washington, D.C.

DEAR SIR: Last week I received a thank-you note for doing somebody a favor by reversing a decision that was made earlier by a city employee. This was the first (and maybe only) thank-you note I have had in 2 years of city council work, and it occurred to me that a lot of us in North Carolina owe you thank-you notes and don't get around to writing them. The only people we hear from locally are the ones who didn't get a particular piece of property rezoned, and they always remind us that "there will be another election."

I appreciate all of your efforts in trying to reverse some of the trends in big government, and in trying to overcome the Big Brother Knows Best philosophy.

Something that I personally object to is the Robin Hood philosophy of taking tax money from people who work for a living, and giving it to those who will not work. It's really hard to blame them for not working as long as Robin Hood will give them food stamps, unemployment compensation checks, welfare, and free medical care. I know there are a lot of people who deserve these things, but I see too many others who are taking a free ride. Anybody in the retail drug business can tell you stories about abuses of the Medicaid program that would curl your hair.

Sometime back the city of Burlington applied for, and received, a 4 million dollar grant for "neighborhood redevelopment". This was 4 million dollars that the government does not have, cannot afford to give away, and that we could get along without. Of course as long as it is available and is going to be given away to somebody, we had our hand out like everybody else. This money was taken from people who have taxes taken out of their paychecks, but cannot be spent in their neighborhoods, as it can only be spent in run-down areas. We will be able to do some good with the money, but if it were to be distributed equally to everybody in Burlington every man, woman, and child would get about $100 each to do with as he saw fit. Either that or the national debt could be reduced. Any individual who operated a business the way the federal government operates the biggest business in the world would soon be in debtor's prison.

Our city is also in the process of building a new reservoir, again with largely federal money. In order to get the federal grant we are having to pay somebody thousands of dollars to do an "archeological survey" to be sure that we don't flood any old Indian burial grounds, etc. Heaven help us if they do find some old arrow heads. Then we really will be in a mess.

Well, this started out to be a thank-you note and ended up being a sermon. More and more people in North Carolina seem to be coming around to your way of thinking, although they might not get around to telling you so.

Keep up the good work.

Best Wishes,

JOE BARBOUR, JR.,
Mayor pro tempore.

ADDRESS BEFORE THE PEARL HARBOR BRANCH OF THE NATIONAL ASSOCIATION OF SUPERINTENDENTS

Mr. INOUYE. Mr. President, I wish to share with my colleagues a recent speech by Clifford T. F. Chun, at his installation as president of the Pearl Harbor Branch of the National Association of Superintendents. I bring it to your attention as a fine example of grassroots efforts to redefine and rediscover the "Spirit of 76".

We, in Hawaii, take pride in being American. Visitors, on occasion, note with regret the day they must "return to the United States." Each passing year sees us more firmly ensconced as one of the 50 States of the Union. We now even find our weather included on national weather reports emanating from our Nation's Capital on occasion. Although the constancy of our balmy climate makes daily repetition unnecessary it serves as a refreshing counterpoint to the reports of winter's ravages elsewhere.

We are also very much a part of the Bicentennial in spirit even though this year marks only our 17th birthday as a State. We look forward to even closer association in the future despite the seriousness of some of our national problems from which, on occasion, we would enjoy relief.

Mr. President, I ask unanimous consent that Mr. Clifford Chun's inaugural address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS

Honored Guests, fellow superintendents, ladies and gentlemen:

The great honor of being president of the National Association of Superintendents fills me with deep humility and sincere appreciation. In this Bi-centennial Year, this honor has special significance to me because it embodies the very essence of our great Democracy and the "Spirit of '76".

I would like to make the "Spirit of 76" the theme of my thoughts to you tonight. I can think of nothing more appropriate than to reflect with all of you the progress and the great strides which our glorious Nation has made from 1776 to 1976. Our Nation was founded on the concept that every man should be treated with dignity and respect and that all men regardless of race, religion, color or creed should be given equal opportunity in their pursuit of life, liberty and happiness. This respect for the dignity and rights of the individual is in direct contradiction to the totalitarian form of government which preaches that the state is supreme and all individuals are subordinate to its objectives.

Today, after 200 years of sailing through the vast and oftentimes stormy oceans of time, our democracy survives and the basic concept upon which our Nation was founded continues to flourish. While other democratic, quasi-democratic or constitutional forms of government have been threatened and gravely weakened by communism and other dictatorial forms of government, I am of the strong opinion that we are closer to attainment of our democratic ideals than at any other point of time in our glorious history.

Today, there is no slavery, there is no landed aristocracy, there is no legalized discrimination, there is no deplorable poverty, there is no unchecked lawlessness, There is no constraint of an individual's rights and there is no control of his thought process. As a matter of fact, if one should list all of the positive elements which man desires in his pursuit of life, liberty and happiness, America would be so far ahead of other nations that we would not even see the second place nation. About the only fault which America and Americans can be criticized for is that—although we are the most well-off people in the world today—we do not appreciate the blessings which our creator has generously showered upon us.

Thus in this Bicentennial Year—I feel that we should take time to meditate and reflect on how fortunate we are to be Americans. We should get down on our knees and pray and give thanks to our creator just as the Pilgrims did when they found themselves safe in a land of freedom and opportunities. This Bicentennial Year should be a year of Thanksgiving for the guidance which the good Lord has given us in safeguarding and strengthening our Democratic form of Government; this Bicentennial Year should be a year in which we implore our creator to help us continue to be free men until His coming at the millennium.

And so I stand before you and I give thanks for the privilege and honor of being an American. I give thanks that I have opportunities and that my children will fall heir to these opportunities. I give thanks that I am a free man in body and in spirit. I give thanks that although I am an American of Chinese ancestry and a junior member of our association, I have been selected as your president. Indeed I pray that the "Spirit of 76" will continue to throb with vitality in the hearts and minds of Americans now and in the future. I also pray that we Americans will continue to reach for the stars and explore the unlimited universe of man's full potential. Today, America proudly stands as the bulwark of democracy and the bastion of man's freedom and dignity. If America falls in the coming years, the world will retrogress to totalitarianism and a communistic aristocracy and mankind will once again travel the path of the dreaded dark ages. I hope and pray this disaster will not happen.

And now I turn to other thoughts. I would like to take this opportunity to extend my appreciation to Mr. Al Yatchmenoff, machinery group superintendent, Captain Ray

Hughes, production officer, and last but not least, Captain Henry Hoffmann, shipyard commander, for their leadership and direction. These men have provided the type of leadership which reflects the "Spirit of 76" and the precepts of our equal employment opportunity program. To me, they exemplify the type of leadership which is critically needed throughout our Nation, especially at our seat of Government.

When I am confronted by the statement that America is on the downhill because we have no leaders like those of the past, I reject such a proposition. The Democratic form of government is structured so as to recognize and bring out the most talented leadership such as the men I have named. It is my strong conviction that throughout our society the good ship "America" is manned by dedicated and capable leaders who will eventually set it on a safe course again. If there is any strength which I believe sustains a democracy—it is that a democracy continuously brings out the best in people and produces many leaders to ensure the continuity of a free nation. On the other hand, a totalitarian nation produces a few tyrants who take with them their form of government as soon as they depart from this earthly vale.

In conclusion, I must say a few words about my office. The other day, I stepped on a weighing machine which gives a person's weight as well as an assessment of his abilities and attributes. My wife reached for the card as soon as I mounted the scale and read: "You are an outstanding, intelligent leader with a magnetic personality and a strong character. You are also highly personable, witty and extremely attractive to the opposite sex." My wife paused for a long while, then said sarcastically: "Dear, it *also* has your weight wrong." Inspite of my loving wife's blunt opinion, I intend to exert every effort during the forthcoming year to ensure that our superintendent's organization continues its dynamic role in improving the shipyard and in supporting our Pacific fleet. I solicit your support, advice and continuing assistance and by the end of my term, I hope we will prove my wife wrong—at least about the first part of my fortune:

Mahalo Nui Loa again for the high honor you have accorded me and for your kind and considerate attention.

CONCURRENT RESOLUTION BY SOUTH CAROLINA GENERAL ASSEMBLY ON TIMBER SALES

Mr. HOLLINGS. Mr. President, on January 15, 1976, the General Assembly of the State of South Carolina adopted a concurrent resolution which encourages Congress to enact appropriate legislation to correct the inequity resulting from the implementation of a ruling of the Fourth Circuit Court of Appeals requiring the National Forest Service to restrict the sale of timber in South Carolina, North Carolina, Virginia, and West Virginia.

The General Assembly of South Carolina points out that there is no such restriction ordered on timber sales in the remaining 46 States. Furthermore, sales of timber from the national forests have been adding about $1 million to the economy of those 14 counties in the State which embrace portions of the forests. Thus, they urge the Congress to take appropriate action to remedy this inequity.

Mr. President, I should emphasize that I made the same request in my floor statement on December 12, 1975. The renewable resource program to be submitted by the administration as required under the Forest and Rangeland Renewable Planning Act of 1974 will afford the first real opportunity the people have had to help set national renewable resource goals for forest and rangelands. With the submission of this program which is expected at any time, I join the South Carolina General Assembly in their request.

Mr. President, on behalf of the South Carolina General Assembly, it is a pleasure for my distinguished colleague from South Carolina, Senator THURMOND, and me to endorse this request. Furthermore, on behalf of myself and the senior Senator from South Carolina (Mr. THURMOND), I ask unanimous consent that the concurrent resolution adopted by the General Assembly of the State of South Carolina be printed in the RECORD.

There being no objection, the concurrent resolution was ordered to be printed in the RECORD, as follows:

[General Assembly of South Carolina]

A CONCURRENT RESOLUTION

Memoralizing Congress to enact such legislation as may be required to correct the inequity resulting from the implementation of a ruling of the Fourth Circuit Court of Appeals requiring the National Forest Service to restrict the sale of timber in South and North Carolina, Virginia, and West Virginia

Whereas, in response to an action arising in the state of West Virginia protesting clearcutting and other wholesale timber deals the Fourth Circuit Court of Appeals ruled that the National Forest Service could sell only those trees which were dead, mature or of large growth; and

Whereas, the National Forest Service implemented and expanded the order of the court to restrict sales of timber from national forests in South and North Carolina and Virginia as well as West Virginia; and

Whereas, in the remaining forty-six states no restriction has been ordered and timber sales are maintained with the attendant benefits of employment and unabated revenue; and

Whereas, in South Carolina sales of timber from national forests have been adding about one million dollars to the economy of those fourteen counties in the State which embrace portions of the forests; and

Whereas, the discriminatory implementation of the court's order to South Carolina has deprived those counties embracing national forests of revenue derived from harvesting timber in lieu of taxes, placed the small operator at a competitive disadvantage thereby permitting big business to dominate the field and freeze out other participants, and precipitated an unnecessary increase in unemployment; and

Whereas, the court recognized the import of its ruling and incorporated a suggestion that a remedy might be found in congressional action. Now, therefore,

Be it resolved by the Senate, the House of Representatives concurring:

That the Congress of the United States be memorialized to enact without delay such legislation as will correct the inequity resulting from the implementation of the decision of the Fourth Circuit Court of Appeals by the National Forest Service order that restricted sales of timber from national forests in North and South Carolina, Virginia and West Virginia.

Be it further resolved that copies of this resolution be forwarded to the President of the United States, to the President of the Senate, the Speaker of the United States House of Representatives, each United States Senator from South Carolina and each member of the House of Representatives of Congress from South Carolina.

FEBRUARY 4—KOSCIUSZKO'S BIRTHDAY

Mr. BUCKLEY. Mr. President, today I would like to pay tribute to a man who served two nations in the pursuit of liberty. Thaddeus Kosciuszko, who was tireless in his attempts to establish and preserve freedom for all, fought in both the American Revolution and in the war for the independence of Poland.

Today, on the 230th anniversary of his birth, the Thaddeus Kosciuszko National Memorial is being dedicated in Philadelphia. It is appropriate that this memorial be dedicated in the year of the Bicentennial anniversary of the American Revolution to a man who was such an integral part of that struggle. It is also appropriate that Philadelphia be chosen as the site of the memorial for it was Thaddeus Kosciuszko, as a member of the Pennsylvania Committee of Defense in Philadelphia, who was responsible for the defense of the city and the Continental Congress which was meeting there.

Born in Poland in 1746, Kosciuszko excelled in engineering and military tactics during his studies in Warsaw and Paris. He came to America in 1776 and immediately joined the fight for the independence of the colonies.

Kosciuszko is best remembered for his role in the defeat of General Burgoyne and his construction of fortifications at West Point. For these and other accomplishments, Congress bestowed upon Kosciuszko the rank of brigadier general in the Continental Army and U.S. citizenship.

Kosciuszko returned to his homeland and began a military career in the Polish Army. With the invasion of Poland by Russian forces in 1792, Kosciuszko was called upon to lead the defense of Poland. He was able to unite all levels of Polish society in this struggle for independence. In his famous oath in the square of Cracow, he vowed to fight for the liberty, integrity, and independence of Poland in the face of all oppression. Yet despite the impressive victory he directed at the battle of Dubienka, the superior Russian and Prussian forces destroyed the freedom of Poland.

While the fight for Polish independence was lost the struggle continued and Kosciuszko remained a symbol of that struggle.

All Americans, and especially Americans of Polish descent, can be proud of this great man who understood that the cause of freedom does not stop at national boundaries. It was for this reason that the Revolutionary Government in Paris awarded Kosciuszko honorary French citizenship in 1794.

Americans must remember and the Kosciuszko National Memorial will serve to remind us that our freedom was won because of the help of men such as Kosciuszko who left their homeland to help Americans in their war of independence.

It is especially appropriate that we honor this man today, when many in the world lack the basic freedom in which he believed. The memorial and this day should serve to remind us of our obligation to help those who are still striving to achieve freedom and independence.

CHILD AND FAMILY SERVICES

Mr. **MONDALE**. Mr. President, on February 7, I reintroduced the Child and Family Services Act, which would make available—on a totally voluntary basis—health, education, and child care services for many American families and children.

As I am sure many of my colleagues are aware, this bill is now the subject of totally fraudulent propaganda campaign in Minnesota and other States—a campaign being waged primarily through unsigned literature.

This literature includes claims that the bill somehow would undermine religious instruction and somehow take authority for child-rearing from families and turn it over to the State. There is not a shred of truth in these claims. The charge that the bill includes provisions of a so-called Charter of Children's Rights is also without foundation. In fact, the "charter" was drafted in Great Britain.

The widespread circulation of this fraudulent literature has stimulated the response of many responsible individuals and organizations concerned about its misleading effects.

This bill is supported by a wide range of civic and religious organizations, including the U.S. Catholic Conference, the United Methodist Church, the Baptist Joint Committee on Public Affairs, the UAW, and AFL–CIO, the PTA, the League of Women Voters, and the American Home Economic Association. The Archbishop of St. Paul and Minneapolis, Reverend Roach, has stated on behalf of all Minnesota Catholic Bishops that the "bill would fill an urgent need."

Sixteen Protestant, Catholic, and Jewish organizations who examined the bill and concluded that "these charges are totally inaccurate" and that the bill would "strengthen and support families."

The Minneapolis Tribune recently published an excellent editorial rebutting these allegations. For the benefit of my colleagues, who are being called upon by by their constituents to clarify this matter, I ask unanimous consent that the editorial be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Friday, January 23, 1976.

Child-Care Opposition Mounts—And Sinks

Attacks on Sen. Walter Mondale's child-care bill are being circulated more widely than ever, cropping up with increasing frequency in Minnesota. And they're generating more letters to members of Congress and to newspapers; Mondale's office, in fact, has received a record volume of mail on the bill. But as the attacks mount, they also sink—to new lows of irresponsibility and falsehood. They are, Mondale complains, "based on distortion, falsehood and fear." And they're anonymous, making it impossible for the bill's supporters to confront and refute their opponents.

The object of the attacks is a bill called the Child and Family Services Act of 1975, sponsored by Mondale in the Senate and by Rep. John Brademas, D-Ind., in the House. Its intent is "to provide a variety of quality child and family services in order to assist parents who request such services. . . ." It would provide funds for local communities and parent organizations to set up such services as prenatal care, medical treatment to detect and remedy handicaps, nutrition assistance and day-care programs for children of working mothers.

The attacks seem to have originated in Texas and Oklahoma and moved northward and eastward. A Houston Chronicle reporter, trying to trace their origin, was unsuccessful. All he could find was a retired director of a Kansas Bible camp who said he reprinted and circulated about 1,000 copies of one version—but quit when he found that the information in it was misleading. The versions now appearing in Minnesota are nearly identical—and equally anonymous. A letter from a LeRoy, Minn., man to the Austin Herald is typical: Using the language of the unsigned fliers, it contends that the bill would "take the responsibility of the parents to raise their children and give it to the government," going on to cite four examples of how it would do so. A similar argument was made in a letter from a Marietta, Minn., woman that became the basis for an editorial in a Madison, Minn., weekly shopper. That version, however, actually attributes to Mondale one of the false statements of what the bill would do.

In fact, the bill would carefully protect the rights of parents. Participation in any program would be completely voluntary; children could not be included without the specific request of their parents or guardians. And the bill would prohibit anything that would "infringe upon or usurp the moral and legal rights and responsibilities of parents or guardians.

What, then, of the four examples of usurpation of parents' rights cited by the LeRoy letter-writer? And what of the anonymous fliers' contention that what they contain is true because it appeared in the Congressional Record? The examples, it appears, are taken from something called the Charter of Children's Rights of the National Council of Civil Liberties. But no such charter is included in the bill. It first surfaced in 1971, during Senate debate on another bill that contained child-care provisions. Sen. Carl Curtis of Nebraska, who opposed that bill, said that in England "child-development advocates have gone so far as to draft a charter of children's rights," which he then read—and which has been picked up by opponents of the Mondale bill. But the so-called charter, if it ever existed, had nothing to do with the 1971 bill, much less the current Mondale proposal. Still, irrelevant though it was, the Curtis speech was indeed reported in the Congressional Record, giving the authors of the anonymous fliers a false claim to authenticity.

The allegations contained in the anonymous attacks "are false and misleading" and "contain a wealth of inflamatory information and untruth," according to the Baptist Standard. Archbishop John Roach of the Archdiocese of St. Paul and Minneapolis, writing for the board of directors of the Minnesota Catholic Conference, said that the attacks "are dishonest, and we, as bishops of Minnesota, deplore them." The bill, the archbishop said, "would fill an urgent need and, at least as we read it, is very careful in providing proper protection for the rights of parents." A writer for the Texas Catholic Conference, citing a statement issued 14 national church groups, declared that the bill "would establish a series of programs for children with special needs, but does not weaken the traditional role of the family." And the writer called charges to the contrary "ridiculous."

Ridiculous or not, those charges are being given wide currency. We hope that Minnesotans will look beyond the anonymous attacks, however, and will base their judgment of the bill on what it actually contains. On that basis, the bill stands up well—and it deserves support.

THE GENOCIDE CONVENTION

Mr. **PROXMIRE**. Mr. President, a number of human rights conventions have been ratified by the Senate some very recently. Yet action on the Genocide Convention is at standstill.

The United States remains the only major world power to abstain from ratification. China, West Germany, France, the Soviet Union, and Great Britain have all endorsed this international treaty. How long are we going to refuse to take action?

Much of the original opposition to the Genocide Convention in this country has abated during the last 25 years. Every administration, prominent members of the bar, scholars, and many of our citizens have urged U.S. ratification. We have given in long enough to fears that some action by U.S. citzens might give rise to a change of genocide and embarrass the country. Informed refutation of these and other charges have been made repeatedly, and there now exists a general consensus that ratification would be in our best interest.

Mr. President, America is conspicuous. We are conspicuous for being a leader in the cause of human rights. But we are also conspicuous for our absence among those countries who have ratified the United Nations Genocide Convention. We should make amends for this hypocrisy without further delay. The world's great powers and nearly 80 other countries have all ratified the convention. It is time we added our name to that list.

PRESIDENT FORD URGED TO SIGN PUBLIC WORKS BILL

Mr. **RANDOLPH**. Mr. President, last week the Congress completed action on a measure intended to alleviate the impact of recession and to stimulate recovery from the continuing economic sluggishness.

That bill was the result of nearly a year's work by both Houses of the Congress. It is a comprehensive proposal to attack recession on several fronts. It adopts a proven approach to create employment through sound public works programs, an approach which has been effective. The bill also establishes a new mechanism to assist communities with Federal funds in time of need on a countercyclical basis.

Mr. President, Members in both bodies gave careful consideration to the development of the provisions of this legislation. We believe it to be an urgently needed tool to place our country back on the road to economic good health. I regret that the President either does not agree with our approach, or does not see the urgency for action, to ease the hardship and dislocation caused by the continuing recession. It is his intention to veto this measure.

I hope the President will not take such an action, and I have communicated with him by telegram to stress the importance of his approving the Local Public Works and Capital Investment Act—H.R. 5247—to help us place our country back to work again.

Mr. President, I ask unanimous consent that my telegram to President Ford and well-reasoned editorials on this subject from the Washington Post and the New York Times be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
January 30, 1976.

THE PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: Final congressional approval was given Thursday to the local Public Works and Capital Investment Act (H.R. 5247). This measure was developed over the past year to provide a positive response to the economic recession which continues as we enter this bicentennial year.

The activities authorized by this act are varied. Each resulted from careful consideration of both the causes and effects of recession and each is intended to alleviate a specific recession-caused problem. This measure authorizes the expenditure of a substantial amount of money. But these outlays would contribute greatly to the stimulation of the economy, including the creation of 300,000 to 400,000 jobs at a time when more than eight million Americans remain unemployed. The general economic improvement that would be fostered by the programs authorized in this act also would result in a reduction of the Federal budget deficit by increasing government revenues and reducing the demand for public services to the unemployed.

Mr. President, this is one of those occasions when the expenditure of money would produce benefits far beyond the sums involved. I strongly urge you to give your approval to the act to help restore strength to the economy and confidence in our fellow citizens.

With official esteem and personal best wishes, I am

JENNINGS RANDOLPH,
Chairman, Senate Committee on Public Works.

[From the Washington Post, Feb. 4, 1976]

MR. FORD AND THE JOBS BILL

President Ford risks turning his economic posture into a caricature. Congress passed its $6.1 billion jobs bill last week, and the White House fiercely threatens to veto it. After a time the succession of vetoes ceases to be government and begins to be transparent theater. But the spirit of American government does not favor morality plays and doctrinal rigidity; it is a bit suspicious of anyone who tries to score 100 per cent on the ideological tests. After a point the series of vetoes ceases to be interesting and becomes merely an index of frustration and deadlock.

It is true that the congressional solution runs heavily to large public works projects, and it is also true that large public works projects are neither a very efficient nor a very rapid remedy to widespread unemployment. But this bill is better than nothing. The President offers the alternative of sitting tight and waiting for things to get better around the end of the decade. Given this rather unattractive choice, it is clearly better to have this bill, for all its faults, than to have no bill at all.

With the unemployment rate projected by the administration itself to remain over 6 per cent through 1978, the danger of feeding inflation is remote. But the larger point is that the deepening stalemate between the White House and Congress is increasingly producing precisely this kind of bad choice. One definition of a politician is a negotiator capable of drawing support for useful compromises from people of many diverse opinions. By that measure, the President scores poorly. His tendency is increasingly to polarize every issue, giving himself in the end no option other than his adversaries' bill or another veto.

The bill now before Mr. Ford contains one good and useful new idea. It would extend aid to state and local governments on a formula that rises and falls with the unemployment rate. It recognizes that the state and local revenue bases are highly sensitive to prosperity or the lack of it, and declines in sales tax receipts threaten the layoff of policemen and teachers. But a community's need for policemen does not drop when the sales tax collections fall off. This counter-cyclical assistance helps to preserve essential local services in an unexpectedly severe recession, and to stave off the aggravation of unemployment by cutting the payrolls of hard-pressed cities.

As for the public works money, Congress has made some effort to focus it on projects that can be started quickly, and in areas where the unemployment is highest. Any attempt to pump up employment with direct federal appropriations is a difficult and rather dubious proposition at best. For all of the emphasis on speed it seems clear that most of this public works money would actually be spent only in the next fiscal year, which means after Oct. 1. The mechanization of construction work has lowered the amount of manpower required on many kinds of projects. But unemployment is especially severe now in the construction trades and, while there are drawbacks in this strategy, it will on balance help the country through a phase of the economic cycle that is, in all conscience, a difficult and painful one. The present recovery is not strong, and its future development is anything but assured.

In reality, the possibilities for economic growth over the next year or two seem to lie in a very narrow range. Listening to the President and his congressional opposition, it would be easy to conclude that the choice is between a dramatic drop in unemployment or a dramatic drop in inflation. Actually, no dramatic drop in either appears to be at all likely. If you leave the rhetoric and turn to the actual economic calculations, you will discover that through the next couple years the various possible policies are not going to make any very sharp change in a pattern of slow reduction of unemployment. The Congressional Budget Office has worked out five-year projections based on various economic assumptions. The CBO's figures do not represent a partisan Democratic position, but they certainly count as a judgment from good economists who are, at the least, not beholden to the administration.

The CBO says that even if this country can sustain an annual growth rate of 6 per cent in the gross national product—a rate higher than the highest sustained rate since World War II—the unemployment rate by 1978 will still be up around 5.4 per cent and the inflation rate for consumers will be around 7 per cent. The administration assumes that its policies will produce an unemployment rate of 6.4 per cent in 1978, and a consumer inflation rate of 5.9 per cent. The debate, in statistical terms, is over targets that over a period of two years vary by only about one percentage point. It is a very narrow range of possibilities.

Another part of the debate is, of course, whether the administration's relatively restrictive position will produce even as many jobs as its forecasts. While the administration is under political attack for its very cautious forecast of unemployment, among economists there is some doubt whether it is capable of achieving even that much reduction. The sudden slackening of the recovery in late 1975 strengthened those doubts. While the jobs bill may not be the ideal remedy to unemployment, it needs to be passed—if necessary, over Mr. Ford's veto.

[From the New York Times, Feb. 1, 1976]

CONGRESS ACTS ON JOBS

Behind the bombast of President Ford's renewed rejection yesterday of emergency jobs for the jobless is the reality that his own program promises them nothing more than year-after-year unemployment. The emptiness of the Administration program was precisely what impelled Congress by an overwhelming majority last week to disregard President Ford's veto threat and vote a public works bill aimed at generating at least 600,000 jobs and providing extra cash for states and cities caught in a fiscal squeeze resulting from the economic slump.

Some such action was made inescapable by the President's own admission that, if his economic plans were followed, unemployment would hang on at 7 percent or higher for the next two years and stay above 6 percent for a couple of years after that. Nearly half the Republicans joined the Democrats in deciding that they preferred not to face the electorate on a protracted-joblessness platform of that kind.

The long, dim unemployment forecast of the President and his economic advisers helps to negate the White House argument that the bill should be rejected because public works projects take a long time to get started. Idle time is the one thing the Administration seems ready to give the jobless plenty of.

Nevertheless, with so much unemployment and slack in the economy, the sensible course is to make the stimulus of this bill take effect as soon as possible. Providing help quickly can be done by accelerating distribution of the $1.5 billion in countercyclical revenue sharing to state and local governments. This could help not only to create but to save many jobs in hard-pressed cities and states, of which New York City and State are only the most conspicuous examples.

It would have been wiser if more of this emergency program had taken the form of revenue sharing, since there is likely to be unnecessary waste tucked into the long list of new public works projects, including sewers, water-pollution plants, offices, libraries, playgrounds, roads and other construction authorized by the bill. The extra $1.4 billion added to the bill for wastewater-treatment plants and other projects in rural areas appears to have been aimed more at broadening rural support for the bill than in meeting immediate needs.

Though this public-works bill has faults, Congress made the right decision in giving priority to the problems of joblessness and the fiscal plight of the cities and states. Mr. Ford's utterly relaxed program for dealing with the personal and social hardship caused by a mismanaged economy is no conscionable alternative.

THE MULTIMILLION-DOLLAR BRAINWASH

Mr. McINTYRE. Mr. President, in one congressional hearing after another we have seen how the major oil companies use their monopoly power to gouge the public of billions of dollars. We have seen how they are able to use the power of vertical integration to squeeze out the small independent businessmen who have brought lower prices to the public and new ideas to the marketplace.

The independent refiners that supply heating oil and gasoline to many independent marketers have also been squeezed to the brink of extinction by the majors' ability to fix artificially high prices and share supplies of crude oil with only those companies that are members of "the club."

This club has a powerful arm in Washington. I once called it "the Secret Government of Oil," and I think that name is even more appropriate today. This Secret Government of Oil has been able to obtain huge tax loopholes that cost the Treasury billions of dollars in lost revenue, with little or no benefit to the public. I refer to the oil depletion allowance, the foreign tax credit and its liberal interpretation for Big Oil, and "expensive intangibles" which include—in sharp contrast to expensive strictures on other businesses—the privilege of immediately deducting from their tax liability certain oil drilling costs.

Moreover, Mr. President, the insidious power and influence of Big Oil is such that even legislation not tailored to its specific needs can be altered to its specific advantage. The Domestic International Sales Corp., for example, was pushed through Congress as an aid to small businesses with sales overseas. But it has benefited the multinational oil companies far more than any other kind of business.

The most recent demonstration of this insidious and persuasive power occurred just last year, Mr. President. I ask unanimous consent to have printed at this point in the RECORD two paragraphs from page 5 of the December 13 issue of the New Republic, to show that this Secret Government of Oil is still active—and still effective.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

HO HUM TAX REFORM

Like mushrooms that sprout in the dark, loopholes inevitably appear in tax laws, and no one can explain how they got there. Rep. Charles Vanik (D-Ohio), a member of the House Ways and Means Committee and a veteran of many tax battles, found a new mushroom this year. It was of a familiar strain. Though no one paid much attention when it was being added to the code, it will remain in effect indefinitely and permit certain oil companies, among other corporations, to avoid paying millions of dollars in taxes that they would otherwise have to turn over to the US Treasury. Rep. Vanik estimates that it could benefit ARAMCO (the consortium of Exxon, Mobil, Texaco and Socal that runs Saudi Arabia's oil fields) as much as $35 million. The provision applies to certain kinds of income earned abroad, making it possible for the members of ARAMCO to count their income from Saudi Arabia as "dividends" and thus take advantage of a foreign tax credit. It's just the kind of tax break that legislation passed this spring was supposed to eliminate.

Vanik said last week that the special provision took shape in a closed conference of Senate and House members when they were putting the last touches on a tax cut and reform bill before the Easter recess. Vanik was present when it happened. Though it was a confession of Vanik's own inattention, he admitted that he couldn't remember how it slipped in. "Where did this 'new' language come from?" he asked last week. "I have written to the members of the conference committee asking if they could recall this special new section. . . Members of my staff have interviewed the offices of the House and Senate legislative counsels. They do not know where the language came from, and they do not recall any discussion of the provision in conference." Vanik concluded that the loophole, "fitting deftly into a difficult section of the tax code, did not come from the Easter Bunny." He would like to eliminate it. This fall Vanik tried to convince the Ways and Means Committee, which has been working for months on a comprehensive tax reform bill, to side with him and close the loophole. He lost by a vote of 17 to 19, and now, because House politics and scheduling problems have got in the way, Congress won't consider Vanik's request at all. Meanwhile, he's trying to ensure that the conference negotiations on the new tax bill—should there be any—will be open to the public.

Mr. McINTYRE. Now, this, of course, is only the latest in a long series of special favors gained by Big Oil. In 1959, the oil companies foisted upon the Government and the public a monstrosity of public policy called oil import quotas. A special task force set up by President Nixon—certainly no enemy to oil companies—found that this aberration was costing the American taxpayer $8 billion a year. These costs fell very heavily on my native New England, where we have no oil refineries or oil production.

Indeed, Mr. President, quotas are among the very reasons that we don't have any refineries. In 1968 and 1969, the Secret Government of Oil flexed its muscles when New Englanders sought to have their first oil refinery, at Machiasport, Maine. This refinery would have provided jobs for New Englanders, strengthened the national security, and helped independent oil distributors and dealers in their struggle with Big Oil.

As a first-term Senator in 1969, I naively thought that the compelling and obvious benefits of the Machiasport project would have won it quick approval of a license to import—then low-priced—oil.

How wrong I was.

The Secret Government of Oil killed the Machiasport refinery by blocking its access to crude oil at competitive prices. New England has remained without a refinery, constantly being drained of jobs and income by a parasitic monopoly.

These import quotas have had other, more far-reaching effects on our national security than on New England alone. The quota system is a direct cause of today's high cartel prices.

Investigation by Senator CHURCH's Subcommittee on Multinational Corporations showed that the Organization of Petroleum Exporting Countries—OPEC—was formed in 1960 as a direct reaction to the import quotas and the price-rigging of the international oil companies. Using the quotas to ban cheaper foreign oil, the oil companies were able to set artificially high prices for their domestic oil from 1959 until 1972. But by cutting off the United States from then-cheap foreign oil, the quotas drove foreign oil prices further down. The exporting countries lost sales and income, and in anger they formed their own cartel in 1960. They gradually took over complete control of pricing. The oil companies went along with this takeover—grudgingly at first—and then found ways to administer it and join in the take.

The stated purpose of import quotas was to decrease our dependence on foreign oil. I submit that the quotas had exactly the opposite effect. Through the 1960's, the quotas were the tool of the major companies' "drain America first" policy. They depleted domestic wells, and left us much more vulnerable to an embargo by 1973.

The oil companies' cartel has existed for decades, but the Secret Government of Oil has used its power in Washington to head off one antitrust prosecution after another. In the late 1930's, the Justice Department began an investigation and charged 22 major oil companies with violating the Sherman Antitrust Act and other Federal laws. The Justice complaint sought to have the 22 companies broken up. So many other violations were found that the Justice Department sought restraining orders against these companies for 15 different categories of violations.

Were the oil companies convicted? Found innocent?

Neither—the case never got to court. Before the Justice Department could file it, the complaint was "reviewed" by a petroleum subcommittee of the Council for National Defense. It just happened that nine of the 11 members of the petroleum subcommittee—an official Government advisory committee—worked for 2 of the defendant companies, Shell and Sohio. Most of the charges were suppressed.

In the late 1940's, the Justice Department began another investigation of the international oil giants. In 1949, the Federal Trade Commission joined the investigation, and 3 years later issued a report, "The International Petroleum Cartel," describing how the multinational companies held back production and fixed the price of crude oil. A grand jury was convened by the Justice Department—but it was not allowed to see the FTC cartel report—on the trumped-up excuse that "national security" forbade it.

The grand jury plunged ahead, but the oil companies, with help from the State Department, succeeded in having the criminal charges dropped. The case was demoted to a civil suit, and dragged on for 10 years before the Government gave up.

Several times since then, the Secret Government of Oil has enlisted the aid of the State Department to head off Justice Department investigations and charges of carrying on an illegal monopoly. But many people have had their eyes opened by the oil crisis. It imperiled the very existence of independent refiners, distributors and dealers. During the crisis, oil companies and OPEC escalated prices to unheard-of levels. Some oil companies went so far as to defend the Arab position on the embargo. It became obvious to the public and to Congress whose side the multinational oil companies were on.

Senator CHURCH's hearings gave us new insight into the relationship between the international companies and OPEC. Through special deals and tax concessions, Big Oil's interests now lie with OPEC, not with the United States.

I have introduced legislation to break these big companies' control over marketing. Senator PHILIP HART and other esteemed colleagues have introduced legislation intended to divorce the major oil companies from their marriage with OPEC and to break their stranglehold over crude oil, petroleum transportation, and refining, and over alternative forms of energy. I fully support these proposals. And I believe that the American public firmly supports them, too.

The Secret Government of Oil knows that this new public awareness is a threat to Big Oil's power, and is trying to destroy this awareness with a public relations brainwashing.

The American Petroleum Institute, only one of Big Oil's many Washington lobbies, has created a $4 million treasury for this brainwashing campaign. API will use this treasury against legislation to break up Big Oil's cozy arrangement to share the spoils of high oil prices with the OPEC cartel. This antifree enterprise treasury includes $1 million for "studies" alone—reports that will undoubtedly gloss over the benefits that Big Oil derives from OPEC's price fixing and paint a rosy picture of supposed benefits to the American consumer from the international oil companies.

And API's public relations job is only the tip of the iceberg. Individual major oil companies have stepped up their self-promotion and are trying to buy the loyalty of the American people by spending $100 million for subtle image-mongering. They are flooding every advertising medium with image ads. They hope that the public will forget who profited from OPEC's price increases during the Arab oil embargo—and who administered the embargo for the Arabs, making sure that Americans felt the shortage.

The president of API, Frank Ikard, was quoted in a news story saying his lobby hopes to "increase our credibility" with Congress. This multimillion-dollar brainwashing campaign is tax-deductible. Since the American people are helping to finance this expense, I hope we will get our money's worth—but I doubt it.

Mr. President, if candor is good for the political soul, as Adlai Stevenson once observed, then surely it is good for the corporate image. If the Secret Government of Oil really wants to improve its credibility with Congres and the American people, it should begin by making a full accounting of these expenditures—at the same time it explains the following:

Why have several major oil companies asked the Federal Energy Administration to put high tariffs on foreign oil products but encourage imports of foreign crude oil—an action that would squeeze out independents while increasing the Nation's dependence on Arab oil?

What does Big Oil really plan to do with Alaskan oil surpluses when the pipeline is finished—bring the oil east for the benefit of American consumers, export it to Japan at high profit or leave it in the ground to force prices yet higher?

Why will not major oil companies sell gasoline and heating oil on an open market to any distributor or retailer without forcing a high-overhead, long-term contract on the marketer, who then must pass these excessive costs on to the public in order to survive?

Why is it that when major oil companies had the depletion allowance, they built 200,000 service stations and lured American citizens to operate these stations on the pretext that they would be independent business men and women?

And why are several oil companies now turning thousands of these service station dealers out into the street, closing some stations and operating others under company control?

SENATOR BIDEN ON REGULATORY REFORM

Mr. PROXMIRE. Mr. President, we have all become increasingly aware of the need for congressional oversight of our regulatory agencies as well as the need to streamline agency procedures and practices to eliminate costly red tape.

Our distinguished colleague from Delaware (Mr. BIDEN) has written an article on the subject in a recent issue of the New York Law Journal. I think we would do well to heed Senator BIDEN's point that Congress and the executive branch must "commit themselves to the concept that their oversight of the Federal independent regulatory agencies will be a continued process."

Mr. President, I ask unanimous consent that the text of Senator BIDEN's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Law Journal, Jan. 29, 1976]

A PROPOSAL TO ABOLISH REGULATORY BODIES WHICH PROVIDE LITTLE BENEFIT

(By Joseph R. Biden, Jr.)

The issue of regulatory reform has become one of the major topics of debate within the academic, legal and governmental communities. Commentators from all sides of the philosophical spectrum agree that we need to do something to control our burgeoning regulatory bureaucracy.

The major charges leveled against excessive government regulation are well known: regulatory agencies stifle competitition; they delay the process because of excessive red tape; the regulators often end up protecting the industry which they are supposed to regulate.

But, the issue is much more complex than that. No one would oppose increased competition, decreased red tape and impartial regulation. Before discussing the regulatory reform proposal which I have made, therefore, I think it would be useful to consider the major criticism of our regulatory agencies in more detail.

AGENCIES STIFLE COMPETITION

It is undoubtedly true that government regulation at times stifles competition. The licensing process, whether it be for airwaves, or truck or airline routes is, by its very nature, a limit on competition. We could, as some advocate, deregulate these industries.

On the surface, the deregulation argument makes sense. Increased competition will supposedly bring lower prices. The problem is that many of those who support deregulation miss a very important point. While it is true that the licensing procedure results in less competition, the licensing procedure can also insure that services be provided where otherwise they might not be.

For example, without regulation, trucking companies or bus lines would undoubtedly compete heavily for business in the much-traveled Washington-New York-Boston metropolitan corridor. When the potential for high profit is available, competition will exist.

But what about trucking service or bus routes in areas where the potential for profit is not so great, or perhaps is nonexistent?

Regulation, therefore, involves a trade-off. In this hypothetical case, the carriers involved can be required to maintain service on unprofitable routes because they are protected from heavy competition on those routes where they can earn a healthy profit. In such a case, complete deregulation would mean the end of marginal service for areas which, nevertheless, depend upon it.

Of course, not all cases are so clear-cut. Often, there must be compromises. In some case, it might well be preferable to allow total deregulation of essential services where the potential profit margin is sufficient to encourage substantial competition, with the government agreeing to subsidize those services in areas where the potential for profit is not there. But even here, such a case would involve government regulation; it would simply be a different kind.

The second major charge leveled at regulatory agencies is that in their promulgation of forms and drawnout procedures, they have made the process expensive and time-consuming.

Again, there is much truth to this charge. However, there is also another side. At least some of the red tape is caused by the procedural safeguards we have placed in the regulatory process. Various requirements for hearings and other forms of public input act to guarantee the consuming public and the businessman at least a minimal amount of due process. In attempting to cut down the bureaucracy, we must be wary that we do not also eliminate certain due process protection.

INDUSTRY'S GUARDIAN

The third charge made against the regulatory process is that regulatory agencies often end up protecting the industry being regulated rather than the public interest.

One reason this allegedly happens is that those who regulate often come from the industry under regulation. For instance, an FCC Commissioner may have been a broadcasting executive before taking his post, or a member of the Interstate Commerce Commission may have been an attorney for a major bus company before joining the ICC. Similarly, it is charged that Commissioners don't act in the public interest because they desire to go back into the industry once their service as a Commissioner is over.

Clearly, there is much truth to these charges. However, there is an argument to be made for drawing personnel from regulatory agencies with expertise in their fields. Once again, the issue involves a trade-off of competing interests: the need for regulators who are dedicated to serving the public interest, coupled with the need for personnel qualified in the field in which they serve.

I have raised the question of these competing interests to draw attention to the fact that I think regulatory reform needs to be carefully debated before it is carried out.

Questions such as those I raise are difficult, especially in the abstract.

But they are questions that must be faced.

BIDEN'S BILL

That brings me to the subject of the legislation I have introduced, S. 2677, known as the "Regulatory Agency Responsibility Act."

Basically, this bill is designed to force the issue of regulatory reform. It sets out to require both Congress and the President to face the question which regulatory reform raises, within a framework that would allow us to devise new regulatory formulas, if they are needed, for the years to come.

Moreover, the bill is designed to force both Congress and the Executive Branch to commit themselves to the concept that their oversight of the Federal independent regulatory agencies will be a continuous process.

A similar bill has been introduced in the House of Representatives by Rep. Abner Mikva of Illinois. The thrust of our bills is quite simple.

ABOLISH AGENCIES

The major independent Federal regulatory agencies would be abolished at the start of the next fiscal year, Oct. 1, 1976, unless both the President and Congress take affirmative action to prevent them from being abolished. (Obviously, as we near the date of Oct. 1, without enacting the legislation, the date may have to be pushed back to provide Congress and the President an opportunity to study the agencies.)

The agencies which would be governed by the bill are the major independent economic regulatory agencies, namely the Civil Aeronautics Board, the Federal Communications Commission, the Federal Maritime Commission, the Federal Trade Commission, the Interstate Commerce Commission, the Securities and Exchange Commission, the Consumer Product Safety Commission, and the Nuclear Regulatory Commission.

The legislation does not deal with the quasi-independent agencies which are located solely within the Executive Branch, but only with those which are specifically subject to both Executive and Congressional control. This is not to suggest, of course, that executive agencies should be free from oversight.

It is not the function of the bill, at least at this time, to make a value judgment as to whether a specific agency should be abolished. Rather, the threat of abolition is used to force Congress and the President to look at each agency to determine its efficacy and to enact necessary legislation which will both eliminate costly regulation that provides little or no benefit and reduce excessive bureaucracy. Naturally, both the President and Congress could decide, after studying these agencies, that one or more of them should simply be abolished.

REVIEW AGAIN IN 1983

Furthermore, the proposed legislation does not merely provide a one-shot look at regulatory reform. Agencies which are not abolished on Oct. 1, 1976 (or whatever starting date is ultimately chosen) must face review again seven years later. They would again be subject to abolition unless Congress and the President took affirmative action to keep them going. The cycle would then be repeated every seven years.

This bill is currently pending before the Senate Committee on Government Operations, which is conducting a year-long study of regulatory reform. It seems to me that any proposal eventually adopted by Congress must contain a "triggering" mechanism similar to the one incorporated in this bill.

Although one would like to assume that Congress and the President would exercise this oversight responsibility without the need of the threat of abolition, past performance indicates otherwise. Too often, other matters seem more important and more pressing. Thus, the only way we are going to be able to restore accountability and credibility to our regulatory system is by regaining control of it and its bureaucracy. My regulatory reform legislation (as well as another bill I've introduced to provide that every Federal spending program on the books be reviewed from scratch at least every four years) seems to me a step toward restoring that accountability. Only through an approach such as this can we insure that regulatory reform becomes a continuous process, rather than a political fad.

MISINFORMATION ON THE CHILD AND FAMILY SERVICES ACT

Mr. HANSEN. Mr. President, during the past weeks my office and those of my colleagues have received several inquiries about the Child and Family Services Act, S. 626. I oppose the bill, and I intend to vote against it if it reaches the Senate floor.

But some of the material being used in a current nationwide attack on this legislation is based on utterly false assumptions. I believe the bill is wrong, but I am sorry to see it attacked on false and fictitious grounds. It is for that reason that I think other Members of the Senate—and those who are opposed to the bill—might be interested in reading an informative article in the Washington Star that sets many of these misconceptions straight.

I ask unanimous consent that the text of this article to be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Star, Feb. 3, 1976]

FOES OF FAMILY SERVICES BILL SOUND A LOUD FALSE ALARM

(By Martha Angle)

From all over the country, the mail is flooding Capitol Hill—angry, frightened, sometimes hysterical letters from parents convinced that Congress is about to strip them of control over their own children.

"Are you people out of your minds? If you want children, have your own—but keep your hands off mine!" one mother from Salem, Ore., told Sen. Walter F. Mondale, D-Minn.

"How completely outrageous that a country founded on freedom should presume that they have the right to take the freedom of training children from the parents," wrote an Edinboro, Pa., couple.

"Why would Congress pass such an absurd bill? Aren't most of the congressmen family men?" asked a Lincoln, Ark., couple.

What these and most of the letters now swamping House and Senate offices have in common is a total misconception of the legislation they are protesting.

The bill which has generated all the uproar is the proposed Child and Family Services Act, sponsored by Mondale and Rep. John Brademas, D-Ind. It is a revised version of legislation approved by Congress in 1971 but vetoed by then-President Richard M. Nixon.

Except for the fact that it does, indeed, deal with social services for children and their families, the measure bears no resemblance whatever to the catalog of horrors which produced the flood mail now inundating Capitol Hill

Furthermore, the legislation is going nowhere in the current Congress, so the opponents are beating a horse already dead on its feet.

Although 12 days of joint House-Senate hearings were held on the bill last year, Mondale and Brademas both concede that tight budgetary constraints virtually preclude adoption of an expensive new social program at this time.

What has apparently touched off the deluge of protest mail is the widespread distribution, in chain-letter fashion, of anonymous mimeographed scare literature purporting to describe the contents of the Mondale-Brademas bill.

Both the literature, and the resulting mail, began surfacing last fall, and the campaign has accelerated in recent weeks. Mondale's office alone is receiving about 1,600 letters a week on the Child and Family Services Act, nearly all of it furiously criticizing nonexistent provisions of the bill.

Brademas said no one in Congress has been able to pinpoint responsibility for the inflammatory literature most parents seem to be relying on as they write to protest the bill. "We think some of it is originating in McLean, Va., and in Washington, but we can't identify the sponsors as yet," he said.

The principal document angry constituents seem to be accepting as gospel is a two-page, unsigned mimeographed flyer entitled, "Raising Children—Government's or Parents' Right?"

The anonymous circular, which urges readers to write to President Ford and their congressmen, asserts the Mondale-Brademas bill "would take the responsibility of the parents to raise their children and give it to the government."

Quoting from the Congressional Record, without identifying the source of the material cited or the date it appeared, the flyer claims the "Charter of Children's Rights of the National Council on Civil Liberties" has been made "a part of" the pending legislation.

It then proceeds to quote excerpts from this charter and to embellish the citations with explanatory comments.

"All children have the right to protection from, and compensation for, the consequences of any inadequacies in their homes and backgrounds," the flyer quotes the charter as saying.

"In other words," the literature explains, "never punish your child because he may come back on you with a civil suit."

Another charter excerpt reads: "Children have the right to protection from any excessive claims made on them by their parents or authority."

The circular interprets this "right" to mean that "if the mother or father asked the child to take the garbage out and the child doesn't want to, the parents have no right to insist on it."

"Children have the right to freedom from religious or political indoctrination," the next alleged charter excerpt states.

"That means," the flyer helpfully explains, "that you have no right to insist on taking them to church, if they do not wish to go. This also means they have the freedom to insist that they be taught nothing, nor any ideas, about God."

The only difficulty with all this is that it is a pure fabrication, at least as far as the actual legislation now before Congress is concerned.

"It's a complete fraud," Mondale said. "None of it is in our bill, but people think it's fact. There's so much cynicism and frustration about government, they're ready to believe anything."

After extensive research, backers of the Child and Family Services Act have traced the Congressional Record quotations cited in the anonymous literature back to the 1971 Senate debate on the predecessor legislation which Nixon vetoed.

The quotations, they have discovered, were drawn from extraneous material inserted into the Record by Sen. Carl Curtis, R-Neb., none of which had anything to do with the bill then under consideration—let alone the existing proposal.

The "Charter of Children's Rights," which the scare pamphlet contends has been incorporated into the Mondale-Brademas bill, was actually the product of a British organization and has never received any consideration in this country.

Brademas said it was bad enough to have "outright falsifications" spread around the country by unidentified "right wing radical extremists," but added that the misrepresentations have been multiplied by irresponsible newspapers and broadcast outlets in many states.

"On the major television station in my own town (South Bend, Ind.), I heard a very sarcastic attack on the bill which was obviously based on this scare literature," he said.

"When I called the news director to complain, he admitted he hadn't read the bill or bothered to call me for an explanation of its contents. They ultimately broadcast a retraction."

The problem, Brademas said, is that "once you tell the big lie, it's very difficult to correct. I don't mind criticism of the bill, and I don't mind opposition—there's plenty of room for disagreement.

"What I do object to is this deliberate falsification of the contents of the legislation," Brademas said.

There is plenty of legitimate opposition to the bill, which would provide up to $1.8 billion over the next few years for day care maternal and child health programs, food and nutritional services and aid for handicapped children.

The Ford administration, like the Nixon White House before it, opposes the legislation for both fiscal and philosophical reasons.

"We do not believe that the American people have reached a consensus that the federal government should provide the kind of mass developmental day care for preschool children envisioned in this bill," said former HEW Secretary Casper W. Weinberg in testimony last summer.

Nonetheless, approximately 100 major educational, religious, charitable and civic groups across the nation have endorsed the measure.

These include such diverse organizations as the National Education Association, the Salvation Army, the Southern Baptist Convention, the National PTA, the AFL-CIO, American Academy of Pediatrics, B'nai B'rith, Boys Club of America and the National Association for Retarded Children.

Partly in response to criticism of the 1971 bill, the sponsors have stressed parental participation and supervision in most of the programs outlined in the current legislation.

The measure repeatedly emphasizes that all services provided are available on a purely voluntary basis, and that the underlying objective of the bill is to "strengthen family life," rather than destroy it, as critics fear.

"I've got a lot of respect for the good judgment and honesty of the American people," Mondale said. "This smear campaign may very well backfire on those who are conducting it.

"It may take time, but the need for child and family services legislation has been well documented. Sooner or later, we'll succeed in passing it," he said.

THE DEFENSE BUDGET

Mr. HOLLINGS. Mr. President, the New York Times today reported the existence of a White House staff memorandum indicating that the fiscal 1977 defense budget contains at least $3 billion as a cushion against congressional reductions. I have a copy of the memorandum in question and I ask for unanimous consent that the New York Times article and the memorandum be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HOLLINGS. As my colleagues are aware, last November President Ford decided to allow $110 billion in total obligational authority for the Department of Defense and military assistance in 1977. This represented a $12 billion increase over 1976. The document referred to by the New York Times is an Office of Management and Budget memorandum explaining the details of the $12 billion increase.

In reaching his decision on the $110 billion budget figure, the President reviewed requests from the Department of Defense totalling $116.8 billion. A memorandum listing his decisions was presented to Secretary of Defense Rumsfeld on November 24. I ask unanimous consent that this memorandum also be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. HOLLINGS. Subsequently, President Ford decided to rescind some of the cuts detailed in the November memorandum and to take other actions which added a net $2.7 billion to his defense budget request. Thus the request we now must consider totals $112.7 billion in total obligational authority—an increase of more than $14 billion over last year. I ask unanimous consent that tables showing the $112.7 billion, and the corresponding budget for 1976, be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 3.)

Mr. HOLLINGS. Mr. President, I am told that OMB Director Lynn and Defense Secretary Rumsfeld emphatically deny that the defense budget has been padded to offset expected congressional cuts. But the implications of the President's defense budget changes are clear from these documents. Let me quote from the OMB memo, which says that the $110.0 billion budget includes $4.4 billion to cover inflation, $2.9 billion in "real growth" in purchases, over and above inflation, and $3.0 billion in "cut insurance." On page 2 of the memorandum, we read the following explanation, and I quote, "Cut insurance of $3.0 billion is provided as a cushion for congressional action."

Last year and again this year, the President requested an annual increase of 4 percent in real defense purchases—or 2 percent overall. That is, he wants an increase, over and above inflation, that would allow defense purchases to grow at 4 percent a year over the next 5 years. Last year the Congress exceeded this target by a large margin. We provided 10 percent real growth in investment operations and maintenance purchases, after cutting the budget request by more than $7 billion. This year the President is seeking real growth in purchases of about $8.5 billion, or about 16.3 percent—considerably above the 4 percent long-term growth rate which he has repeatedly requested.

The only logical conclusion is that the President expects Congress to cut at least $6 billion, and has added about that much cushion to his budget. If we make cuts, in an effort to eliminate waste and keep overall Federal spending within prudent levels, then I suppose the administration will attack us for "deep, savage, and arbitrary" cuts. The President, in short, seems to be playing a cynical and dangerous game with the defense budget.

I am not prepared to say how large the defense budget for 1977 should be without a careful review of the Nation's defense needs, in the light of overall budgetary restraints. As we are all aware, there has been a steady growth in certain Soviet military forces which can only give rise to concern about the future balance of power in the world. It is not yet clear to me what we as a nation must do to maintain a balance, or how rapidly we must move. As Chairman of the Defense Task Force of the Senate Budget Committee, I intend to pursue these questions carefully in the coming weeks. I am sure that my colleagues on the Armed Services and Appropriations Committees will be doing the same thing, in great depth and with their well known attention to detail. And I shall listen attentively to their advice on our defense needs.

But there is one thing of which I am quite certain. The defense budget we have been presented this year has the usual quota of lame duck projects and fat. Let me give one example. Comparing the 1962–65 period with the most recent 4 years, 1973–76, the budget for training, medical, and other personnel support activities increased from an annual average of $6.7 billion to an annual average of $19.1 billion, while the number of defense employees decreased from 3.8 million to 3.1 million, counting active duty military and civilians. Factoring out inflation, the cost of these personnel support activities has increased, from the 1962–65 average of $4,482 per man, to $7,547 per man in the 1977 budget—an increase of 68 percent.

If we were to limit training, medical, and other support activities to the average cost per man in the 1962–65 period, measured in today's prices, we could save over $9 billion—without cutting combat forces or modernization.

Some of the added $9 billion in personnel support costs may be justified by today's Volunteer Army. But I have serious doubts that all of it is essential to our defense. I intend to find out why this enormous increase has taken place, and what can be done to bring these support costs back into line.

EXHIBIT 1

[From the New York Times, Feb. 4, 1976]

PENTAGON BUDGET REPORTED PADDED

(By Leslie H. Gelb)

WASHINGTON, February 3.—The Pentagon's budget request for the fiscal year 1977 has been padded by $3 billion as a cushion against expected Congressional cuts, according to a memorandum prepared in the President's Office of Management and Budget.

The $3 billion figure, labeled in the memorandum as "cut insurance," was contained in the budget office's recommendation to Mr. Ford to set military spending authority at $110 billion—a figure that President Ford increased by $2.7 billion.

A copy of the memorandum has been obtained by The New York Times.

BUDGET FIGHT RECALLED

Spokesmen for the Pentagon and the Office of Management and Budget denied any padding in the budget request. Donald G. Ogilvie, head of the National Security Division of the budget office, said that he could not recall this memorandum, but added that no such memorandum had been given to the President.

"I have heard the concept of cut insurance discussed in connection with the defense budget, but there is no such concept included in the President's budget," he said.

President Ford decided to ask Congress for $112.7 billion for the Pentagon in the fiscal year beginning in October after a long struggle between his budget office and the Pentagon, a struggle in which he dismissed Defense Secretary James R. Schlesinger. Mr. Schlesinger had publicly described arms cuts as "deep, savage and arbitrary."

While the proposed Pentagon budget is widely supported in the Administration, some Administration officials have expressed displeasure over the President's decision to ask for $2.7 billion more than recommended by the Office of Management and Budget. To these few officials the Pentagon's request is now padded by a total of $5.7 billion.

However, the Defense Department's spokesman, William I. Greener, Jr., said in a telephone interview, "Defense secretary Rumsfeld is perfectly prepared to defend the budget in its entirety."

Speaking for Budget Director James T. Lynn, Mr. Ogilvie said, "I can assure you that the President reviewed each major defense program at length and has recommended only what he believes is needed for national security."

The memorandum, written last October in the budget office, says that "cut insurance of $3 billion is provided as a cushion for Congressional action."

Anticipating Congressional reductions—and sometimes increases—is standard executive branch technique in preparing the Federal budget. A variety of officials, however, found it difficult to recall its ever being written down in an official paper.

In 1974, Representative George H. Mahon, the chairman of the House Appropriations Committee, told Mr. Schlesinger in open hearings that he had it "on good authority," that the President had increased the over-all Federal budget by $5 billion. In response, Mr. Schlesinger, in effect, acknowledged that as part of this $5 billion, the Pentagon's budget had been increased by more than $1 billion as a stimulus to a lagging domestic economy.

This year's defense budget could rise by an additional $2.8 billion that the Pentagon did not include in its request. These funds—including commissary and base closings—were left the assumption that Congress would be willing to agree to the omissions. This is generally regarded as highly unlikely, because these funds are important to a number of local economies.

The memorandum prepared in the budget office is entitled "Explanation of Annual Increases in the Defense Budget Levels 1976–78." It shows a budget office recommendation of $122.6 billion in spending authority for the fiscal year 1978, including an additional $3 billion in "cut insurance."

EXHIBIT 1

EXPLANATION OF ANNUAL INCREASES IN THE DEFENSE BUDGET LEVELS (1976–78)

[Showing the changes in the Defense budget in TOA and outlays between 1976 and 1977, and 1977 and 1978; in billions of dollars]

	1976	Increase	1977	Increase	1978
TOA					
Military and civilian pay	38.2	2.6	40.8	5.1	45.9
Retired pay	7.3	1.0	8.3	1.2	9.5
Naval petroleum reserves	.1	.4	.5	1.3	1.8
Other purchases	51.4	4.4	55.8	3.1	58.9
Real growth		2.9	2.9	3.0	5.9
Cut insurance		3.0	3.0		3.0
Efficiencies		−2.0	−2.0	−1.0	−3.0
Military assistance	1.0	−.3	.7	−.1	.6
Total	98.0	12.0	110.0	12.6	122.6
OUTLAYS					
Prior year programs	48.8	4.0	52.8	7.1	59.9
Budget year program	41.2	5.0	46.2	5.3	51.5
Total	90.0	9.0	99.0	12.4	111.4

EXPLANATION OF INCREASES

Total obligational authority

Military and civilian pay increases $2.6 billion in 1977 and $5.1 billion in 1978. The 1976 to 1977 increase is reduced $2.6 billion due to the 5% pay cap, otherwise the 1977 and 1978 increases would be comparable.

Retired pay increases $1.0 billion in 1977 and $1.2 billion in 1978. The 1978 increase is $.2 billion greater than the 1977 increase due to higher population and a $.1 billion higher increase for cost of living adjustments in 1978 than in 1977.

Naval petroleum reserves increases $.4 billion in 1977 and $1.3 billion in 1978 in order to fund the purchase of strategic petroleum reserves. This legislative proposal has not yet been enacted; thus, the estimates are likely to be changed by Congressional action.

Other purchases increase $4.4 billion in 1977 and $3.1 billion in 1978 to provide fully for anticipated purchase inflation of 8.5% for the 15 months between 1976 and 1977 and 5.3% between 1977 and 1978. These estimates assume that purchase prices (excluding compensation) will increase at a rate half way between the rates forecast for the GNP deflator in the OMB current services high and low paths.

Real growth on purchases, excluding Naval petroleum reserves, is $2.9 billion in 1977 and $3.0 billion in 1978. This amounts to 5.2% in 1977 and 5.1% in 1978. Including Naval petroleum reserves, real growth for purchases amounts to $3.3 billion or 5.9% in 1977 and $4.3 billion or 7.1% in 1978.

Cut insurance of $3 billion is provided as a cushion for Congressional action.

Efficiencies of $2 billion grow to $3 billion by 1978. These savings result from adjustments which do not reduce real Defense output.

Outlays

While Total Obligational Authority (TOA) for DOD military functions increases $12.0 in 1977 and $12.6 in 1978, outlays increase $9 billion in 1977 and $12.4 billion in 1978. This lag in outlays is due primarily to the rate at which TOA is expended for Defense programs. In a normal fiscal year TOA for military programs would be expended:

42% in the budget year;
36% in the second year;
12% in the third year;
6% in the fourth year; and
4% in the fifth or later years.

Thus, 58% of outlays are generated by prior year TOA. Outlays from prior years are less in the 1976 and 1977 estimate than in the 1978 estimate because prior year TOA was significantly less in 1973–1976 than in 1975–1977:

[In billions of dollars]

	TOA	Annual Increase
1973	80.2	----
1974	85.0	4.8
1975	88.0	3.0
1976	98.0	10.0
1977	110.0	12.0
1978	122.6	12.6

EXHIBIT 2

MEMORANDUM FOR SECRETARY OF DEFENSE

Subject: Results of President's Review of FY 1977 DoD Budget-Information Memorandum.

For several hours on Friday afternoon and again on Saturday morning, the President reviewed in detail OMB's recommendations with respect to the FY 1977 DoD Budget. Attached is a summary of the President's decisions as conveyed to us by Don Ogilvie and Dave Sitrin. It is our understanding that Jim Lynn will be contacting you directly with the results of the meetings.

While the total of the reduction for FY 1977 is $6.8 billion dollars, many of the adjustments have been or will be accommodated in our own budget scrub. It appears, therefore, that the net effect of the Presidential decisions would be to reduce the DoD budget to the neighborhood of $110 billion. While the President did not address a specific budget amount for DoD, the OMB staff feels that he is continuing to think of a number of approximately that size.

We are reviewing the details of the President's decisions but several preliminary comments seem to be in order:

1. The President has directed that $846 million be added to the Navy budget to fully fund the FY 1975 and prior shipbuilding deficiencies. This reverses a previous decision by the Deputy Secretary of Defense and puts into the budget an amount which will probably be deleted by the Congress since the funds are not required for obligation in FY 1977. We would rather have seen this amount considered as an add-on to the overall DoD budget total.

2. The President has applied a 5% pay cap to wage board employees and retirees as well as to the classified civilian and military personnel. In the case of the former two, it is unlikely that Congress will pass the necessary legislation which means that we will absorb a further program reduction to finance pay increases as was the case in FY 1976.

3. The President has directed DoD to finance a $437 million military construction project for an aeropropulsion system test facility. This is an item which the DepSecDef had already decided to defer in view of budget constraints. The President's decision coupled with his other decisions involving military construction and family housing makes the reductions in this portion of the budget particularly deep. We would be required to make further reductions of over $1 billion which would result in a program approximately 25% below the FY 1976 level.

4. A number of the President's decisions require specific legislation which also makes DoD vulnerable to further program cuts should the legislation not be enacted by the Congress.

Pending further guidance, including whether any of the decisions will be appealed, we will be preparing the necessary budget documents to implement the President's decisions.

TERENCE E. MCCLARY,
Assistant Secretary of Defense.

Enclosure.

SUMMARY OF TENTATIVE REDUCTIONS BY PRESIDENT

[In millions of dollars]

	Fiscal year—	
	1977	1978
STRENGTH REDUCTIONS		
Hold military and civilian pay increases to 5 percent and retired pay to 60 percent of CPI. Legislation required for wage board and retired personnel caps	−2,651	−385
Reduce military strength levels of 37,000 from the number requested in support and noncombat categories, including 10,000 by revision of PCS practices	−180	−250
Reduce civilian employment levels by 48,000 (5 percent) in total (40,000 full-time permanent) from the requested level	−450	−900
RESERVE COMPONENT REDUCTIONS		
Reduce reserve forces manpower paid drill strength by 40,000 from the requested level to program	−46	−46
Reduce reserve component manning to 90 percent of requirements	−17	−17
Reduce guard and reserve pay practices and related programs by eliminating dual compensation for Federal employees who are reservists; eliminating administrative duty pay; and eliminating the practice of paying certain reservists 2 days of pay for 1 8-hr extra drill period. Legislation required to eliminate dual compensation and change to 1 day's pay per drill day	−69	−69
Reduce reserve components drill pay strength for headquarters spaces	−15	−15
MILITARY COMPENSATION AND BENEFITS		
Do not authorize union enlisted travel entitlements (household goods or travel of dependents)	−136	−181
Suspend enlistment bonuses, due to success of the all volunteer force	−61	−61
Reduce pay and allowances of cadets and midshipmen to expenses plus $125 per mo, legislation required	−5	−5
Phase out commissary subsidy over a 3-yr period. Legislation required to permit surcharge to cover payroll costs	−103	−205
Restudy nonappropriated fund activities		
Fair market rental. Convert on-base military housing to a fair market rental system by 1984 by allocating a greater portion of figure pay raises to quarters allowances. Legislation required to allocate higher percentage of pay raises into quarters allowances vice base pay	−52	−119
Require accounting for but do not terminate personal money allowances		
OPERATIONS		
Reduce personnel turbulence and PCS moves by gradually implementing changes to make Hawaii a domestic rather than an overseas tour; home-basing; and planning to meet prescribed average overseas tour lengths	−219	−241
Reduce real property maintenance by holding back-logs to existing levels; and contracting out	−222	−252
Reduce energy consumption consistent with military requirements but not by any fixed amount		
Limit civil defense functions to those closely related to nuclear disaster preparedness	−83	−88
Reduce administrative travel of a level of 5 percent below actual 1975	−94	−74
Examine MAC charter concept for economics consistent with CRAF support and without undue impact on charter airlines		
Rule stabilization	−500	
CONSTRUCTION/HOUSING		
Delete or defer military lower priority construction projects	−804	−411
Construct an aeropropulsion systems test facility (ASTF) to improve design and test capability of new aircraft engines	+437	−437
Reduce leased and new construction family housing units where local community off-base housing can fill needs; limit improvements to essential minimums; and provide only essential operating and maintenance costs	−320	−155
INVESTMENT		
Cancel procurement of nonnuclear Lance; and defer long-lead funding of the XM-1	−115	−110
Fund a conventionally powered destroyer as 1st Aegis ship and plan for a nuclear-powered cruiser to follow		
Defer advance funding for new nuclear powered aircraft carrier until design characteristics are better defined	−200	−100
Defer 1 oiler and 1 destroyer tender in 1977; defer 1 oiler in 1978	−363	−142
Reestablish full funding of the 1975 and prior year shipbuilding programs	+846	−356
Cancel Condor missile. Notify House/Senate conferees of decision	−49	−65
Hold A-10 production to current rate of 5 per month in 1977 pending correction of structural defect	−393	−399
Discontinue inefficient Navy aircraft production lines (A-4M, A-6E, E-2C, and C-130)	−402	−417
Initiate procurement of advanced tanker/cargo aircraft in 1978		+300
Defer decision to continue Minuteman III production pending Presidential decision in light of SALT	−322	−340
Reduce AWACS procurement from 6 to 3 per year, fiscal 1977–78	−188	−188
Total	−6,776	−5,738

EXHIBIT 3

DEPARTMENT OF DEFENSE BUDGET

FINAICIAL SUMMARY BY APPROPRIATION CATEGORY

[In billions of dollars]

Appropriation title	Current dollars, total obligational authority, fiscal year			
	1974	1975	1976	1977
Military personnel	24.1	24.9	25.6	26.5
Retired pay	5.1	6.2	7.3	8.4
Operation and maintenance	23.9	26.6	28.9	32.4
Procurement	17.5	17.4	21.4	29.3
R.D.T. & E	8.2	8.6	9.5	11.0
Military contruction	1.8	1.8	2.4	2.3
Family housing	1.1	1.2	1.3	1.2
Civil defense	.1	.1	.1	.1
Revolving and management funds			.1	.4
Military assistance	3.3	1.6	1.5	1.2
Total	85.1	87.9	98.3	112.7

DEPARTMENT OF DEFENSE BUDGET, FINANCIAL SUMMARY BY APPROPRIATION CATEGORY—CONSTANT PRICES

[In billions of dollars

Appropriation title	Constant fiscal year 1977 dollars, total obligational authority, fiscal year			
	1974	1975	1976	1977
Military personnel	29.1	27.9	27.3	26.5
Retired pay	7.1	7.6	8.0	8.4
Operation and maintenance	31.3	30.2	31.1	32.4
Procurement	21.4	19.8	22.9	29.3
R. D. T. & E	10.2	9.9	10.2	11.0
Military construction	2.3	2.1	2.6	2.3
Family housing	1.5	1.4	1.4	1.2
Civil defense	.1	.1	.1	.1
Revolving and management funds			.1	.4
Military assistance	4.4	1.8	1.6	1.2
Total	107.3	100.7	105.3	112.7

THE GOLDEN COVERUP

Mr. GOLDWATER. Mr. President, as I promised, I will from time to time make additions to what I refer to as the Golden Coverup. I do this because the Congress voted not to allow the public to easily see how counterpart funds were spent, even though the funds were in one way or the other the property of the taxpayers. Due to a vote of the Congress these reports of counterpart funds are no longer required to be made part of the CONGRESSIONAL RECORD. I obtained the records for 1974. It may not be complete, but it is rather surprising, so I would like to make it part of the RECORD in order that my colleagues might see it but, more important, the newspapers around the country might find some use for it. For example, Senate committee staffs for 1974 found 108 of its members visiting a total of 364 countries and, of course, there are many duplications of this, and this resulted in $277,196.69 being passed out as counterpart funds for the personal, private use of these staff members. That comes out to about $2,566 a person, and I think we all have to admit that that is a little bit heavy for this run-of-the-mill, day-to-day travel around the world. As time goes on more of this information will be made available. I ask unanimous consent that the breakdown of the Senate Committee staffs counterpart funds be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COUNTERPART FUNDS, SENATE COMMITTEE STAFFS FOR 1974

Committee	Number of staff	Countries	Cost
Aeronautical and Space Sciences	3	5	$3,500.27
Agriculture and Forestry	2	6	20,180.50
Appropriations	11	67	23,714.91
Armed Services	5	28	15,921.25
Atomic Energy	3	12	8,883.10
Banking, Housing and Urban Affairs	9	30	18,553.83
Foreign Relations	16	44	50,992.30
Government Operations	13	17	8,484.70
	1	1	825.00
Interior and Insular Affairs	10	46	47,179.34
Joint Economic	4	11	6,686.40
Judiciary	27	67	50,939.54
Labor and Public Welfare	2	7	2,546.98
Veterans Affairs	2	23	18,789.00
Total	108	364	277,196.69

Note: Average equals $2,566.

YEAR-END ASSESSMENT BY ASSOCIATION OF THE U.S. ARMY

Mr. GOLDWATER. Mr. President, the Association of the U.S. Army presents each year an extremely well-thought-out, well-argued position paper on the security of our Nation. The year-end assessment for 1975 has just been released and I ask unanimous consent that it be printed in the RECORD, and I hope every Member of the Congress will read it, for the association's position comes from men whose lifetime experience has been in the general field of foreign policy and our relationship to the world.

There being no objection, the assessment was ordered to be printed in the RECORD, as follows:

THE SECURITY OF THE NATION, 1975—A YEAR-END ASSESSMENT

INTRODUCTION

This is the time of year when national budget requests must be hammered out for submission to Congress. It is a time for weighing carefully the changes affecting the delicate balances in our economic, political and military affairs that have occurred in the past year. Only by so doing can we even hope to plan with prudence any effective management of our affairs in the months ahead.

1976 will be a particularly trying year in this regard, for it marks again our quadrennial stalemate in progress while we work our way through the conflicting rhetoric of a presidential election. One is bound to be sympathetic in this bicentennial year with the fears and confusions which must have surrounded the first assessment of this kind which was undertaken by our colonial forefathers.

The United States, and indeed the world, continues to be beset with economic problems of the gravest nature. These could be the subject of a separate examination. Our primary concern here will be with the current state of world political and military affairs, our foreign policy, and the strength and credibility of our defense posture on which any successful foreign policy must rest.

The world has not become a safer place in which to live during 1975. The rising tide of violence in Africa—civil and guerrilla war—most particularly of late in Angola—has given rise to further proxy confrontations between the great powers—a dangerous and delicate circumstance.

The addition of India to the list of nations with a nuclear capability has been marked by a rapid movement to an anti-American dictatorship under Mrs. Ghandi—a circumstance of grave portent.

The Mideast continues as a smoldering powder keg with growing splits among the Arabs states—increasing terrorist activity on the part of the Palestine Liberation Organization and a growing fear on the part of Israel that it is losing important backing and ground by its participation in the Sinai agreements.

There has been a deterioration in the popular conception of detente—at the same time the trends which will create a disparity in military capabilities between the Soviet Union and the United States continues to grow.

The difficulties stemming from opposing parties and philosophies in the White House and The Congress have been underscored by the more frequent incursions into foreign policy by The Congress. This, coupled with the overblown Congressional furor which seriously impaired our intelligence capabilities, contributed in no small way to the confusion and has reduced the ability of the government to conduct and maintain a viable, understandable and credible U.S. foreign policy posture in a tumultuous world.

The instability of other governments themselves have added greatly to our problems. In the last 12 months, there have been 29 changes of government leadership in 23 countries.

So, wherever one chooses to stick a pin in the globe, the odds are great that it will touch a potential trouble spot that impacts in some way on the safety and well-being of our country. What we must assess then in some detail, is not only the growing inventory of active problems but also our capability for dealing with them.

EUROPE

Europe continues to be the focus of our longest and strongest alliance as well as the sentimental attachment of most Americans. Moreover, it is fundamental to the security of the United States. Neither the NATO Alliance nor general economic welfare of the entire area gained any strength during the past twelve months. Rather, the opposite is true.

Detente with the Soviets—by either their definition—or the more wishful definition popular in certain segments of our society—has deteriorated.

A SALT II treaty—the ethereal promise of the Vladivostock Accord has not been realized. In recent weeks, the Soviets have been voicing in the public press their opposition to our SALT proposals—a tactic which indicates that a solution to differences may not be very near.

Speaking to AUSA's George Catlett Marshall Dinner, Ambassador Stanley R. Resor reported on the two-year effort to make some meaningful progress with the Warsaw Pact Forces in the Mutual and Balanced Force reduction between NATO and the Warsaw Pact. His prognosis was not optimistic about what he views as "an important test of Eastern intentions." We support his view that "unless military forces confronting each other in Central Europe can be reduced, the reality and permanence of detente will continue to be subject to question." So far our suggestions for reductions have been met with a substantial increase in manpower and a vigorous program of modernization of the Soviet forces deployed in Eastern and Central Europe.

The Conference on Security and Cooperation in Europe which was held in Helsinki was concluded in mid-year with a great show of amity. The modest goals of this agreement included the encouragement of greater East-West contact, advance notice of troop manuevers wtihin 180 miles of borders and a recognition of the post World War II borders of the countries in Eastern Europe. The outcome of this effort could scarcely be termed a rolling back of the tide of Communism. Rather, at best, it is merely a modest expansion of the flow of ideas between East and West.

NATO itself has been weakened by economic and political problems—most notably by the Cyprus Crisis and the over reaction of our Congress to this problem. Political upheaval in Portugal and Italy further weaken the Southern flank of NATO. While Spain is not a member of NATO—the death of Franco with the accompanying major adjustments in the political structure of that country will contribute to more uncertainty about peace and equilibrium in Europe.

In the long run, the most serious difficulty may well be the reluctance—unwillingness or inability of the governments of Western Europe to make any real progress toward the development of a European Community which can work together in partnership.

TABLE 1.—MANPOWER AND EQUIPMENT[1]

	Ground	Air	Tanks	Aircraft
NATO:				
United States	198	41	2,100	280
Britain	55	9	650	130
Canada	3	2	30	50
Belgium	63	20	375	140
Netherlands	78	21	525	160
West Germany	345	117	2,650	550
Total	742	210	6,330	1,310
France	58		325	
Subtotal	800	210	6,655	1,310
Warsaw Pact:				
Soviet Union	460	45	8,000	1,200
Czechoslovakia	155	45	2,600	450
East Germany	100	28	1,650	325
Poland	210	60	3,200	825
Total	925	178	15,450	2,800

[1] Reprinted from Air Force Magazine with permission, tables 1 through 4.

All the evidence points to the continuing need for the United States to maintain our forward troop deployments in Europe for the forseeable future. Our allies provide 90% of NATO's ground forces, 85% of its ships and 75% of the aircraft. So we are not carrying an unfair share of the burden. But U.S. Forces remain the keystone of NATO defense and our contribution is essential to maintain any semblance of credible deterrence.

Happily, the pronounced turnaround in our trade surplus picture makes the support of this overseas deployment economically more palatable. In 1974 we had a trade deficit of $5.9 billion. For 1975, we should show a record $11.6 billion surplus.

There is little in the way of encouragement in the past year in those countries which comprise the Northern and Central area of our NATO Alliance. Great Britain continues to be plagued with dispiriting economic problems exacerbated by a 26% inflation rate. Turmoil continues in Northern Ireland, a fishing rights confrontation is ongoing with Iceland, and there is increasing unrest on the home front. There are great pressures to reduce defense spending still further—as there are in Holland.

TABLE 2

Ground forces available in peacetime (division equivalents)	Northern and Central Europe			Southern Europe		
	NATO	Warsaw Pact	Of which U.S.S.R.	NATO	Warsaw Pact	Of which U.S.S.R
Armored	12	31	19	6	7	3
Infantry, mechanized and airborne	15	37	21	33	24	5

France may have improved its economic status somewhat in the past twelve months but remains a non-contributor to our NATO Alliance. The threat of the second largest Communist Party in Western Europe helps keep the Government of Giscard D'Estaing from instituting any dramatic change more favorable to the United States. Although recent efforts at greater cooperation are improving.

TABLE 3

	Northern and Central Europe			Southern Europe		
	NATO	Warsaw Pact	Of which U.S.S.R.	NATO	Warsaw Pact	Of which U.S.S.R.
Main battle tanks in operational service in peacetime	7,000	20,000	12,400	3,000	6,500	1,700

West Germany continues as our strongest Ally both economically and in terms of its military contribution to the Alliance.

It is when one takes a look at the Southern tier of NATO and in fact the whole Mediterranean littoral that the problems brought on by political deterioration during the past twelve months is most apparent.

The Iberian peninsula is undergoing its greatest changes since the Spanish Revolutionary War brought Franco into power. Now he is dead—and a new young king must grapple with the pressures built up by the decades of oppression practiced by Franco's dictatorship. While not a member of NATO, Spain has an important role affecting U.S. policy both in terms of our bases there as well as the neutral posture which Spain has maintained.

Portugal, as a NATO member, has been a special problem. The inability of the Nation to settle its internal dispute has brought it to the brink of civil war and has paralized effective government. At the moment, the country is ruled by a Military Council headed by Francisco de Casta Gomes. The Soviets have been actively wooing the Portuguese leadership and an estimated 10% of the voters belong to the Communist Party. Certainly Portugal's ability as a member of NATO capable of carrying its responsibilities is seriously undermined by these past 21 months of total political disarray.

As this review was being prepared, the government of Aldo Moro resigned in Italy adding further concern to an already deteriorating situation. In the most recent election, the Italian Communist Party (second in size only to the Communist Party of the Soviet Union) carried more than 33% of the national vote. With the Socialists, they control the governments of almost all of the major cities—the industrial strength—of Northern and Central Italy. High inflation and unemployment increase the chances of a Communist Government taking over Italy. As for its ability to carry out its treaty responsibilities NATO has given the Italian Army a "4" rating describing it as "an inadequately equipped and trained force with low morale." It would be surprising under present circumstances if the radical reforms that are required to bring this force up to standard could be adopted.

TABLE 4

	Northern and Central Europe			Southern Europe		
Tactical aircraft in operational service	NATO	Warsaw Pact	(Of which U.S.S.R.)	NATO	Warsaw Pact	(Of which U.S.S.R.)
Light bombers	165	250	200	8	30	30
Fighter/ground attack	1,250	1,500	1,100	450	225	50
Interceptors	350	2,100	1,100	225	600	200
Reconnaissance	275	500	350	125	50	40

The southeastern portion of NATO presents the twin problems of Greece and Turkey—and their mutual bone of contention—Cyprus.

Greece has in fact withdrawn as an active military participant in NATO and has seriously curtailed our bases and activities there. This in turn has caused our Senate to vote to bar further military aid to Greece until NATO obligations are fulfilled.

The most serious blow to NATO's southern flank has been the disruption of our friendly relations and close cooperation with the Turks—perhaps the best organized and staunchest fighters in the whole of that area. Because of the fighting on Cyprus—in which American arms were alleged to have been used by the Turks, the Congress made a rash incursion directly into foreign policy by placing an embargo on the sale or delivery of arms already purchased by Turkey. This ill-timed, and thoughtless effort not only effectively reduced any flexibility we may have had in contributing to a peaceful solution to the Cyprus crisis but more importantly ruptured our relations with Turkey as well. Turkey closed U.S. facilities throughout the country and threatened to withdraw from NATO. Some of our most effective and important intelligence monitoring activities came from our bases in Turkey. Subsequently, the Congress did an about-face and partially withdrew the Arms Embargo which has lessened the strain. But it is unlikely that we will soon, if ever, enjoy the same cooperation from the Turks as had been the case before the embargo.

Cyprus remains a serious problem for all of NATO but for the moment at least an uneasy calm remains. It seems most probable that the ultimate solution must involve a divided island with the Turkish Cypriots holding a larger share of the real estate than heretofore.

The Adriatic borders one more potential powder keg in Yugoslavia. President Tito, now 83, has been able to maintain over the years, a brand of Communism almost totally independent of Moscow. There is fear that once Tito passes from the scene, the attractiveness of Adriatic-Mediterranean bases for the Soviet Navy will stimulate prompt Soviet action to bring Yugoslavia under its complete domination. What the reverberations from such an action might be, give thoughtful men pause.

There can be no argument that during 1975 the whole southern flank of NATO was seriously weakened while at the same time the number of potential trouble spots in the area increased appreciatively.

Looking to the Soviet Union itself, there is continuing concern about the health of Leonid Brezhnev—the Russian leader—and what policy changes might occur if he were to turn the reins of government over to another. There appears to be abundant reason (the Sino-Soviet split, Russia's need for Western technologies and foodstuffs for example) to make peaceful coexistence (Russian for detente) attractive to Soviet leadership for some time to come. The dangers of greater tensions building up between the Soviets was the West—particularly the U.S.—lie in the proxy confrontations of the Mid-East, Africa and the like.

It seems clear that the Soviets are in no immediate hurry to reach an acceptable SALT II accord nor as was noted earlier, have they found an agreeable basis with the West for reducing troops and arms in Europe. A SALT Agreement acceptable to the U.S. seems to have less than a 50–50 chance of accomplishment in 1976.

Soviet probing for expanding spheres of influence is Asia, Africa and Latin America will undoubtedly continue at an increasing pace. There is no evidence that the Senate Amendment to the Trade Act has had a favorable effect on increasing humanitarian considerations in the Soviet Union. This Amendment tied our trade with Russia to an increase in the number of Jews who would be allowed to leave the Soviet Union. This effort at internal meddling has, in fact, reduced the flow.

Moscow seems determined that detente—while producing a useful atmosphere in which to pursue its aims will not be permitted to either interfere with Soviet internal affairs or with its determined effort to advance the cause of communism on all fronts.

MIDEAST

Trying to summarize the current status of events in the Middle East is like trying to board a fast-moving train.

A year ago, we viewed the then on-going oil embargo being employed by the Organization of Petroleum Exporting Countries as the most immediate threat to world peace. The subsequent abatement of that problem staved off the consequence of serious economic disequilibrium in the industrial world and averted a broad crisis. The question of how far the Free World was willing to be pushed did not have to be met in 1975.

Primarily as a result of heroic shuttle diplomacy, the United States Secretary of State was able to facilitate an Egyptian-Israeli agreement in September of 1975 while negotiations for a more permanent peace in the Middle East have not gone forward, many believe that the Sinai Agreement has a significance that goes beyond the reduction of hostilities between Egypt and Israel. As a result of the negotiations—and a subsequent trip to the United States by President Sadat of Egypt—our government has taken the opportunity to broaden our influence in Mid-Eastern affairs by identifying us also with Egypt's legitimate national and social aspirations instead of our former narrower connection only with Israel and her hopes.

Sadat emerged from the Egypt-Israeli Agreement as a statesman of greater stature than he had previously been regarded. By agreeing to disengagement, he continues to suffer political attack from the Palestine Liberation Organization and the particular fury of President Hafiz al-Asad of Syria. Sadat has also reduced Egyptian reliance on the Soviets whose advisors have largely been expelled from the country—and the flow of Soviet arms to Egypt drastically reduced. The Soviets quite accurately assessed the Sinai Agreement as a serious defeat for their Mid-

East aspirations. But the gains so far are fragile and could all be lost unless the Geneva Conference aimed at concluding a long-term peace settlement can be gotten underway.

Embedded like a cancer in this whole picture are the goals of the Palestine Liberation Organization which has not been averse to terrorist activities to spotlight these goals. The PLO has gained a measure of legitimacy in the past twelve months to include a seat at the United Nations debate on the Mid East—a situation which Israel found unabiding and refused to participate. The strong prospect remains nonetheless that there will be some kind of accommodation to the PLO claims for both status as a nation and some land to call its own. A Palestinian homeland on Arab land now held by Israel would need to be accompanied by a change in PLO policy which would recognize and agree to Israel's right to exist as a nation. Israel must be encouraged further to turn the other cheek to the childish provocations of Syria and forego a surprise first strike attack.

We, in the United States, must be flexible enough to modify our views on the PLO and other Mid-Eastern nations, as we have done with Egypt, when they display the maturity to negotiate as adult nations.

Finally, some solution will have to be found to defuse the devastating civil war in Lebanon which is turning modern Beirut into a ghost town. This senseless religious crusade between the Christians and Moslems is as fruitless and emotional as the events in Northern Ireland.

The Mid-East continues to represent one of the principal focal points for proxy confrontations between the United States and the Soviet Union. It also is a great potential showcase for statesmanship. But for the moment, in assessing prospects for world peace, it remains a tinderbox.

AFRICA

The whole continent of Africa is in turmoil, suffering deep economic, social and political problems. Just south of the countries that border on the Mediterranean are the countries of the sub-Sahara that continue in the grasp of a terrible famine.

However, the principal focus of unrest is centered on the Civil War in Angola. Upon receiving independence from Portugal, three competing factions sought to take over the government and now provide the basis for the fighting. Russia and Cuba support one faction, the MPLA, with heavy arms support—and in the case of Cuba—manpower as well. A force of Cubans estimated to be as many as 7,000 has been fighting on the ground in Angola. The opposing groups, FNLA and UNITA, have received at least some support from the United States, South Africa, Zaire, and Red China. The U.S. Congress has blocked further U.S. military aid to the anti-Russian forces, although President Ford has indicated that he will make a determined effort to get this action reversed.

The Organization of African Unity failed in its efforts to come up with a solution to the Angolan problem. In a recent three day meeting, African leaders could not agree whether to support the Soviet-backed MPLA or a government which included all factions. Not only is this failure certain to heat up the fighting, it is a serious blow to the fledgling OAU—failing one of its first major tests. It is expected by most that the Soviet-backed MPLA will ultimately prevail.

The emergence of the many African nations as independent nations after generations as colonies of overseas powers, was bound to be fraught with serious growing pains. These are aggravated by the severe economic problems all of these countries face. But the most serious threat to stability is the continual outside interference from foreign nations who, for a variety of reasons, seek special influence on the African continent. The result is an extremely volatile situation which cannot be ignored. It is difficult to visualize a realistic scenario which would envision an early peace and stability throughout the whole continent.

ASIA

President Ford has made it clear that despite our graceless abandonment of the effort in Vietnam, the United States will continue to be a Pacific power. It is essential that we widen and strengthen our relationships in this important region of the world where we have already fought three wars in the last 30 years in an effort to secure peace.

The President has enunciated a new Pacific doctrine for the United States that seeks to buttress our non-Communist allies and at the same time increase our cooperation and communication with the leadership of Red China as well. The principal premises of U.S. policy toward Asia were announced by the President on December 7 in Honolulu. The salient points:

1. No isolation for America. American strength is basic to any stable balance of power in the Pacific;
2. Partnership with Japan is a pillar of our strategy;
3. A major premise of our Pacific doctrine is the normalization of relations with mainland China;
4. The U.S. will have a continuing stake in the stability and security of Southeast Asia;
5. Peace in Asia depends on a settlement of political conflicts in Korea and Indo-China;
6. Peace also requires a structure of economic cooperation with Asia.

In connection with this last point, it is interesting to note that our recent trade with Asia increased by about thirty percent a year and reached the order of $46 billion last year.

This Pacific doctrine has had a favorable reception and it is still the considered view of most students of the area, that most Asian nations, to include China, want the U.S. to remain in the Pacific as a stabilizing force.

The U.S. projects a diminishing military profile in the Far East. With the withdrawal of all of our bombers we now have only 6,000 personnel in Thailand as opposed to some 35,000 a year ago. We have no other troops in Southeast Asia. In the Western Pacific, including Japan, Okinawa, the Phillippines and South Korea we have 105,000 personnel. Additionally, manning the naval forces at sea in that area, we have another 24,000. In the absence of conflict, these forces may well be strong enough to support our country's Pacific doctrine.

Japan continues as our most important partner in the Far East. It occupies a unique status. In addition to being our largest foreign trading partner, it also is the largest for Russia and China.

So it has a clout with the three major powers that belies its size. 1975 was a far less austere one for the Japanese than was the outlook at the beginning of the year when there was concern that an oil embargo might either seriously slow the Japanese economy or send inflation out of sight.

Japan represents a commitment that we could not disown but also represents one of the greatest successes in American postwar foreign policy. Her growing trade with China similarly offers the best hope of bringing China more quickly into an active role in the international community.

Across the Sea of Japan, the Korean Peninsula remained quiescent during 1975. Except for some major tunneling efforts under the Demilitarized Zone by the North, there were no serious confrontations. Meanwhile, the South continues to grow in both economic strength and military preparedness. The U.S. Congress has indicated that the time has come for the U.S. military to begin to look at ways we can reduce further our forces in Korea which now include only a corps headquarters, one division with supporting troops and aviation.

The Communist leadership in Hanoi continued consolidating its hold on all of Vietnam and will remain preoccupied for a time yet in getting the country reorganized and in some sort of shape to become more self-supporting.

With Prince Sihanouk exiting from the leadership of Cambodia, and the monarchy dismissed in Laos, the whole area has been engulfed in the tide of Communist domination.

At the request of the Thai Government, our presence in that country has been drastically reduced and the phase-out will continue.

Events in India in the past years give cause for concern. Not only has India become one unwelcome member of the Nuclear fraternity but India's Prime Minister Indira Ghandi has moved toward a firm dictatorship in the government of her country. She has indicated that she will do what she wants to do whether the people support her or not. She is grooming her son as the heir apparent. Her recognition of U.S. disenchantment with the trend of events is made clear in the strident anti-Americanism of her public pronouncements.

There had been concern about growing aloofness toward the U.S. by the Philippine Government of President Marcos. However, the public utterances by both sides during and since President Ford's recent visit there would seem to belie that. It seems probable that we will continue to utilize our bases at Clark Field and Subic Bay.

From the standpoint of our policies in the Far East, the recent change of government in Australia—with the strong backing of the electorate—is encouraging indeed. Under Whitlaw Gough, the Labor Government had given Australia's government policies a radical shift to the left and some of his public statements were interpreted to indicate that the government would exercise a highly selective approach to what alliance commitments it might support.

The advent of the conservative government of Malcom Fraser returns the Australian government to the more predictable level with whom communications and cooperation is enhanced.

Speaking of commitments, it should be noted that 1975 saw the beginning of the end for the Southeast Asia Treaty Organization as a viable group. Within two years, the Organization will be dissolved and we will again be relying on more direct arrangements.

LATIN AMERICA

1975 has been a year of unease in much of Latin America. A government was overthrown in Peru and an attempted coup was unsuccessful in Ecuador. Argentina continues in a period of social and economic upheaval which seems almost certain to topple the regime of Isabel Peron. A recent revolt by Air Force units was successfully thwarted, but the 300% inflation rate and the pay increase being granted may soon bring the country to economic ruin—if not civil war.

The Organization of American States voted in July to relax the trade embargo on Cuba and permit each of the OAS members to determine its own status with respect to Cuba. All have moved to some lesser restrictions on trade. All of this was done before the activities of the Cuban expeditionary force—estimated at 7,000—in Angola were revealed.

The stickiest wicket in Latin America for the United States revolves around our relations with Panama and the efforts to develop a revised Panama Canal treaty. Most Americans are not aware of the issues involved in the negotiations.

The United States and Panama have agreed in principle that the treaty of 1903 should be replaced by a new, fixed-term treaty which will accommodate Panama's concerns about soverignity and at the same time, adequately protect the interests of the United States in a safe, efficient, and neutral canal open to the ships of all nations. In the context of the Joint Statement of Principles, the two negotiating parties are working to resolve the following issues:

1. Duration. How long will the new treaty remain in force? (The old one has been in force for 72 years).

2. Operation and Defense. What rights and arrangements are necessary for the United States to continue to operate, maintain and defend the Canal effectively?

3. Lands and Waters. What geographic areas will the United States require to accomplish its purpose?

4. Jurisdiction. How soon and under what arrangements will the U.S. jurisdiction terminate? What functions will continue to be performed by the United States after its jurisdiction has terminated?

5. Expansion of Capacity. How will the new treaty provide for possible enlargement of the Canal?

6. Participation. How will Panama participate in the administration and defense of the Canal?

7. Compensation. What will be the economic form and level of benefits to Panama under the new treaty? (Currently more than 30% of Panama's foreign exchange earnings and 13% of its GNP are credited to the Canal).

Since June 1974, both governments have been proceeding deliberately toward resolution of the major issues. Tentative agreement in principle has been reached on the issues of Panamanian participation in the operation and defense of the Canal; and in general terms, we agree on the rights the United States will need to operate and defend the Canal. Nevertheless, the difficult issues of treaty duration, expansion rights, economic benefits to Panama, and definition of lands and waters required for Canal operation and defense remain unresolved. For these reasons it is not possible to predict when a draft treaty will be completed.

These issues have raised high emotion on both sides which will render meaningful progress more difficult. We will discuss these special issues, both pro and con, in great detail in a separate paper, but for the purpose of this year-end assessment several points need to be made. Many of our Latin American neighbors identify closely with the Panamanian aspirations on this issue. President Torrejos has been busy throughout Latin America soliciting support for his views.

The potential for real trouble, including a confrontation, by arms between the U.S.-Panama and perhaps others—is very much a possibility. It would be greatly advantageous to both sides if the level of emotion could be reduced to a serious negotiating level. Virtue resides entirely on neither side.

CONCLUSION

The seriousness of this assessment takes on an added worry when we find people of the stature of Paul H. Nitze raising serious doubts about the Soviets or the U.S. having sufficient power to destroy each other. Mr. Nitze, a former Deputy Secretary of Defense, is now with the Johns Hopkins School of International Studies and is a former member of the United States Strategic Arms Limitation Delegation. In an article appearing in the January 1976 issue of *Foreign Affairs*, Mr. Nitze made the following assertion:

"In sum, the ability of U.S. Nuclear power to destroy without question the bulk of Soviet Industry and a large proportion of the Soviet population is by no means as clear as it once was, even if one assumes most of U.S. striking power to be available and directed to this end."

If the views of this knowledgeable participants are to be taken seriously then we do indeed have another new dimension to our assessment.

There are other areas of difficulty and tension in the world that we have not touched on in this paper. The intent has not been to seek out the most dismal forecast that could be assembled legitimately.

Survival in the world we see today does not belong to either the faint of heart or those whose rose-colored glasses screen out the facts of life.

You cannot escape the obvious conclusion that a strong and stable United States is the essential anchor against further deterioration in the international arena. Equally as obvious should be the fact that this strength is essential to protect our interests, not someone else's.

If we were to analyze with complete objectivity the downward trend in our defense posture in the last few years, we could not ignore the impact of either the emotions stemming from the Vietnam conflict nor our preoccupation with the economic difficulties which have engulfed us. As this assessment makes abundantly clear, it is high time to reexamine our defense needs in terms of the threat and the capabilities of those who oppose our way of life. We must abandon now the losing strategy of great expectations for a change in international demeanor which our good sense rejects.

ADELA INVESTMENT CO.

Mr. JAVITS. Mr. President, I was delighted to read an article on the front page of the Journal of Commerce for February 3 on the ADELA Investment Co. ADELA deserves this sort of recognition for its major achievement of promoting investment in Latin America.

Last month I visited five countries in Latin America, including Peru, where ADELA's headquarters are located. Because I played the major role in the establishment of ADELA almost 12 years ago, I have followed its activities closely since then and felt particular pride in seeing ADELA's operations and meeting its staff in Lima. All over Latin America I heard nothing but positive statements about ADELA, I think there are several important reasons for this.

First, ADELA, long before it was popular, showed the wisdom of taking minority equity positions. Thus, it has avoided the political visibility of major multinational corporations—a source of many of their problems in Latin America. Second, ADELA turns over its portfolio as its investments prosper. Thus in the last 11 years ADELA has sold 45 companies at a profit. Third, it has become in essence an indigenous Latin American company and, therefore, is no longer considered a foreign body in the various countries. Fourth, ADELA avoids investments in politically sensitive industries, such as mining or public utilities, where the risks of confrontation with governments are much higher than in other areas.

In the almost 12 years of its existence, ADELA has invested in over 150 companies throughout Latin America, and has disbursed over $4.5 billion, a remarkable sum for its capital base. ADELA is now an established model for a constructive vehicle to promote foreign investment in the developing countries. As a Senator who has long been interested in the problems of the developing countries, I regard ADELA as a proven tool to aid economic growth in the developing parts of the world, and to show how the world's private enterprise can promote the public interests in this regard, and I am pleased to see the increasing recognition given to its success.

Mr. President, I ask unanimous consent that the article from the Journal of Commerce be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Journal of Commerce, Feb. 3, 1976]

ADELA STILL FOSTERING VIABLE LATIN COMPANIES

(By Alena Wels)

Through the vagaries and vicissitudes of Latin American politics and economics, an investment company—sponsored by some of the world's major multinational corporations—continues to foster and promote a growing number of viable private enterprises.

The ADELA Investment Co., which will be 12-years-old in September, avoids sensitive industries, public services or the exploitation of nonrenewable resources. It has launched 160 companies in agribusiness, financial services and a wide range of manufacturing, always with a view to turning a profit and making an economic impact on the region.

HAS STAFF OF ONLY 70

With a staff of only 70 people, ADELA has disbursed $1.5 billion in Latin America through equity participation and medium term debt. The multiplier effect of these investments, Eugene R. Gonzalez, ADELA's new president said in a recent interview, is five to one. The company also provides a bridge in attracting technical and marketing skills to Latin enterprises as well as providing outlets for Latin exports.

A great deal has changed since ADELA was launched Mr. Gonzalez observed, and it hasn't always been bad. Family-owned enterprises have given way to corporations run by professional managers, trained at the best U. S. and European business schools. Markets have expanded dramatically, allowing for increased export opportunities. And American corporations have shown a greater willingness to enter into joint ventures, even with local firms having majority interest.

ADELA has worked well in Latin America, Mr. Gonzales insisted, because it chose to take a minority position, even before it became a requirement in so many Latin countries. The company's presence, moreover, is transitory and it hasn't any political mission to fulfill.

FORTY-FIVE FIRMS SOLD AT PROFIT

Typically, ADELA will be involved with a company for about seven years, two to three years to build the company, two years to get it into the black and two years to find a buyer for its share. In the past 11 years, ADELA has sold 45 companies at a profit.

Six years ago, ADELA launched a market study to see what kind of traffic would develop from the trans-peninsula highway from San Diego through Baja California in Mexico.

As a result, ADELA was able to identify various tourism poles. It launched a joint venture with Mexican partners to develop one resort destination, sparking interest in other destinations in the same region. A 250-room hotel the first major one in the region, will be opened in La Paz in March.

Another venture, a $10 million equity investment in an industrial part of Northern

Mexico contributed to exports from Mexico with value-added of as much as $100 million.

Last week, at the regular executive committee meeting of the board of directors, ADELA aproved $8.9 million in investments in Brazil, Colombia and Mexico. These involve participations in basic chemicals and acids production, pharmaceutical gelatin capsules, bicycle and bicycle parts, electrical condensers, aluminum silicate mining and two tourist resorts.

ADELA also announced that it planned to borrow $120 million this year, a major part of which had already been negotiated. There was, for example, the first public placement of a $25 million seven-year floating rate note and a five-year $30 million private placement. The latter was managed by the Royal Bank of Canada, Canadian Imperial Bank, Bank of Nova Scotia, Toronto Dominion Bank, Algemene Bank Nederland and Krediet Bank of Luxembourg.

The large Canadian participation could be attributed in part to W. Earle McLaughlin, chairman and president of the Royal Bank of Canada, who is currently chairman of ADELA. He follows in the footsteps of Marcus Wallenberg, chairman of Skandinaviska Enskilda Banken, Mogens Pagh, chairman and managing director of the East Asiatic Co., Howard C. Petersen, chairman of the board of the Fidelity Bank, and Frederik J. Philips, chairman of the supervisory board of N. V. Philips.

Mr. Gonzalez pointed out that ADELA is constantly looking for new sources of funds. It hopes to go back to the public market as well as to the Inter-American Development Bank for long-term money. The company is also looking at opportunities for petrodollar financing.

To date, ADELA has borrowed $1.5 billion, primarily through syndicated loans in the Eurodollar market.

Although it hasn't any intention of increasing the pace of its investments—15 to 20 ventures per year—ADELA is expanding its activities to its clients, Mr. Gonzalez said. This, he added, will involve the addition of one to two new staff members.

Currently, ADELA is most active in Brazil, Venezuela and Mexico, Mr. Gonzalez said. But, he conceded, changes in Latin America are often abrupt, opening up new opportunities as others are closed.

THE OIL INDUSTRY IN NEW HAMPSHIRE

Mr. ABOUREZK. Mr. President, as part of a continuing series of hearings on vertical divestiture, our colleague, Mr. Durkin, appeared before the Senate Subcommittee on Antitrust and Monopoly yesterday to testify to the anticompetitive behavior of the oil industry in his State. He was accompanied by an individual who had been put out of business by the oil company that had been his supplier for many years. I know that similar problems exist in most States including South Dakota. Dealers who lease their stations from the major oil companies find themselves unable to compete because they are locked into contracts which require them to buy gas from their suppliers for as much or more than their retail competitors sell it for. These dealers have become the victims of their supposed business partners, the giant oil companies. It is vitally important that people understand the role that integrated oil companies play in destroying the small independent gasoline station operation. Mr. President, I think that Mr. Durkin's statement will help explain this process, and I ask unanimous consent that Mr. Durkin's statement and that of his constituent, John Warren, be printed in the Record.

There being no objection, the statements were ordered to be printed in the Record, as follows:

REMARKS BY SENATOR JOHN A. DURKIN

I am honored to appear today, Mr. Chairman, at one of the last hearings before this subcommittee on the issue of vertical divestiture of the multinational oil companies.

There have been more than 40,000 pages of relevant testimony taken on the subject from 305 proponents and opponents of vertical divestiture, including experts on finance, oil company operations, macro-economics, international relations and the stock market. Hearings alone have consumed months; staff time can be measured by years; costs probably range in the hundreds of thousands.

I can offer little more in the way of expert testimony on why the oil companies are too large, why they have abused their political and economic power, or how their breakup would affect the nation's capital or stock markets. I can offer few additional suggestions on the techniques by which the majors might be vertically divested.

But I appear here today with Mr. Warren because we can offer that crucial missing ingredient in this legislative effort—political and moral support.

The debate on divestiture is no longer a technical debate on the whys and hows. It is a political debate, pitting those who would cling to their precious laissez-faire against those who feel that it is past the time when the federal government should assume its rightful, dominant role in setting the nation's energy, economic and foreign policies. The issue is whether the federal government will have the guts to tell the oil companies what every citizen of New Hampshire knows every time his heating bill is delivered: that the oil companies are too big to be controlled by anyone, and they ought to be cut down to size.

"I am concerned that there has been in our country a riot of individualistic materialism, under which complete freedom for the individual turns out in practice to mean perfect freedom for the strong to wrong the weak. In no other country in the world have such enormous fortunes been gained. In no other country in the world is such power held by the men who gained these fortunes, and by the giant corporations which they control. The power of the mighty industrial overlords of the country has increased with giant strides, while the methods of controlling them, or checking abuses by them on the part of the people, throughout the government, remain archaic and therefore practically impotent."

The more things change, the more they remain the same as they were when Theodore Roosevelt wrote those words in his autobiography. In 1908, Roosevelt appointed a special attorney to break up the Standard Oil Trust through court action. The Supreme Court finally agreed, noting in 1910 that the "genius for commercial development and organization" in the oil industry seemed inevitably to manifest itself by acts "which necessarily involved the intent to drive out others in the field."

The permanence of the 1910 solution to the oil trust problem is evident today. Standard became Esso became Exxon, the nation's leading oil company giant. Anti-trust litigation has never been a match for the power and agility of the majors.

With me today, Mr. Chairman, is John J. Warren, Jr. of Manchester. For 17 years, he operated a two-pump service station on Elm Street in Manchester under a lease-proprietorship agreement with the Citgo Oil Corp. His annual volume increased steadily each year during that period, his rent remained relatively stable, his relations with the company were cordial and friendly. When Mr. Warren left the business in 1973, he was doing about $400,000 a year in gasoline sales and automotive service. He took home about $200 a week, and worked an average of 90 hours for it.

In February, 1973, Mr. Warren learned from city building records printed in the newspaper that the station he had operated for 17 years was soon to be torn down, and replaced with a new three-pump station. It was the first he learned of a decision which was to throw his life and finances into disarray. He telephoned the Citgo Boston office, and was told by the low man there that he would, indeed, be put out of business, and that Citgo would operate its own grocery store/self-service station on the same site.

On March 15, the Citgo field representative asked Mr. Warren to sign a release from his one-year contract, back-dated to February 28. He signed the release for fear of losing a $2,500 dealer deposit the company held. And he signed the release despite contractual obligations which should at least have protected him for 90 days after notification by the company that the contract would be terminated.

Mr. Warren's financial loss was about $8,000 from this abrupt and heartless change in company policy. With two children and a wife at home, he found that after 17 years of steady work that few employers would not hire him because of his age. When he finally found a job, the starting pay was $127 a week. In winter, his take home pay was cut in half—half for himself and his family, and half for the heat and electric bills. In a few short weeks, Mr. Warren went from a proud, self-reliant businessman to an unemployed father who could have qualified for food stamps.

The story does not end there.

During the next year, gasoline in New Hampshire was informally rationed by station dealers to patrons waiting in lines two and three blocks long. Another Citgo dealer in Manchester complained to the Federal Energy Administration that his supply of fuel was being cut back while the new company-owned store on Mr. Warren's old site was plentifully supplied. Mr. Warren cooperated with the FEA in supplying figures on his sales during the 1972 test period. The evidence seemed clear that Citgo was violating the law, he was told. But to date, no prosecution has resulted. It may be no coincidence that the Boston office of the FEA is headed by a former oil company executive who served his former bosses well in several countries around the world. It also may be no coincidence that Mr. Warren was told by a Citgo representative that the dealer who brought the complaint will be out of business by the end of the decade.

Then, in April of 1973, Mr. Warren was asked to appear at a committee hearing in the State House, where lawmakers were considering state legislation to protect the independent service station proprietors. He found that the panel consisted of five members who had, or were presently, either substantial stockholders in major oil companies, or employees. No legislation was passed that year by the General Court. Five of nine dealers who testified with Mr. Warren are now out of business.

You might be interested, Mr. Chairman, to know that since Mr. Warren was jilted into unemployment by the computer in Tulsa, the number of Citgo stations in Manchester has dropped from six to two. The old Warren station, with three pumps is doing twice the business at three times the profit for Citgo.

You might also note, Mr. Chairman, that when Mr. Warren started pumping gasoline in Manchester, he was charging about 22 cents per gallon. Citgo, on the same site, is now charging 53.9 cents per gallon for regular, which is five cents beneath the price of the other dealers in town, including other Citgo dealers. Because of the competitive price, Mr. Warren still buys his gasoline at the site he worked so hard for 17 years.

Citgo's story is somewhat different than that of Mr. Warren's.

The 65 year old Cities Service Company is a minor league hitter in the oil company league. The total assets of the company total less than $3 billion, equalling barely 2% of the assets of the 20 largest major oil companies.

In the 1960's, the Justice Department filed a federal anti-trust suit against Citgo as a result of its acquisition of the Jenney Company's gasoline retail outlets in New Hampshire and Massachusetts. After years of litigation, Citgo was divested of its holdings in Jenney properties by consent agreement based on alleged restraint of trade violations.

Fourteen years later at the height of the oil crisis in 1974, the Attorney General of Maryland brought a similar suit against Citgo for violation of the state's anti-trust statutes based on the testimony of a Citgo retail jobber. Citgo dealer Bud Mech had his gasoline supply cut off and his franchise revoked by Cities Service. The stated reason was that Mech bought his tires and batteries from an outlet other than that chosen by Citgo officials. Mech was sacked for his attempts to inject some competition into his business and to sell his goods to the public for less.

At about the same time, a dealer in Tysons Corner, Virginia, had to go to court to prevent the take-over of his operation by Citgo, following a decision by the Federal Energy Office that his pre-paid gasoline contracts were illegal. Only one week earlier, the same dealer was advised by the Energy Czar William Simon that pre-paid gasoline was allowable under the federal rationing system. Based on Simon's advice, J. R. Harrington collected advance payments of $538 minimum from 45 regular customers, claiming the money was necessary for him to pay a $35,888.00 debt to his Citgo suppliers caused by the spectacular quadrupling of oil prices during the fuel shortage. When the federal bureaucracy reversed itself and declared such contracts illegal, Citgo closed his station and relieved Harrington of the lease, incidentally, leaving $18,888 of gasoline still owed to 44 customers.

As recently as six months ago Citgo was cited by the House Investigations Subcommittee for shutting in some of its most productive wells for nearly 4 months during 1974, causing a shortage of nearly 13 billion cubic feet of desperately needed natural gas during the critical November-to-January heating season. The off-shore wells, idled in September for routine maintenance, were closed until the following January on the pretext that rapair equipment was not available to Citgo. Congressional testimony by rig workover companies in the Gulf Coast area completely refuted this contention and the Committee reported that Citgo's intentions were apparently to withhold gas from the inter-state market until the pressure for decontrol of natural gas prices became too much for the Congress to bear.

Mr. Chairman, here we have in microcosm all the reasons why the enactment of divestiture legislation is so important. The Citgo story has all the elements.

You have a multinational oil conglomerate, using the energy crisis to buy up its independent competition and forcing its own jobbers out of the marketplace. It also used the crisis to control prices for non-fuel goods at Citgo stations through restrictive contracts with station proprietors.

You have a federal bureaucracy designed to give the appearance of fighting for the consumer and the little guy while, in fact, only going through the motions of enforcing federal anti-trust and pricing laws.

On the receiving end, you have the long-suffering public, plunged into the worst recession in the nation's post-war history in large part by the self-interested policies of the oil industry.

Citgo is primarily an oil and gas extraction company. It has reached forward from its production interests, however, to establish refineries capable of making its raw product into marketable commodity. It achieved further integration through the establishment of 6,800 retail outlets through the eastern half of the nation. To link these assets together, Citgo also acquired ownership of 8,800 miles of crude oil pipelines. It also invested in natural gas transmission facilities and natural gas liquification plants, a diversification which only two of the other twenty major oil firms have achieved.

Citgo has built a self-contained system in which it controls its share of the nation's oil resources from gusher to gas tank. In this process it wears a succession of hats: producer, refiner, shipper and marketer. The traditional competitive distinction between "buyer" and "seller" is lost in this chain of transfers within giant corporations on the way to the marketplace; and the oil octopus winks at itself as it passes its product from subsidiary to subsidiary down the line to the consumer.

In addition, Mr. Chairman, Citgo has reached out to control competition from other energy resources and other nations. When Peabody Coal Company, the nation's largest, went up for sale because of a divestiture suit, Citgo was one of the first bidders. Citgo has also gradually amassed 10,000 acres of oil shale leases in Colorado. When Canada announced the development of its tar sands resources, Citgo immediately signed up for a quarter interest in the 125,000 barrel per day project.

The Company has also expanded its production and exploration operations to sites in the North Sea, Iran, Indonesia, Argentina, New Guinea, Viet Nam, Burma, the Philippines, Bahrain, Angola and Malta. To insure its control over these far-flung resources requires tankerships; Citgo maintains a wholly-owned shipping subsidiary, known as Tankships, Inc.

In addition, Cities Service Company, which forced John Warren out of his 17-year proprietorship, is also involved in mining copper, making garbage bags, processing uranium, manufacturing carbon black printing ink and other inorganic chemicals in Brazil, the Netherlands, Sumatra, Italy and Malaysia.

The advantages enjoyed by oil companies such as these—competition driven out, alternate fuels firmly locked up, and the price of their product easily administered—leads to what the noted jurist Learned Hand described as "the quiet life." No competition, pass through all costs, cut your losses—this creed has led to a no-risk marketplace which has spawned a faceless, unaccountable oligopoly that literally holds the economic fate of the nation in its hand. It also breeds a special kind of arrogance, similar to that expressed by American Telephone and Telegraph Corporation to FCC Commissioner Dean Birch, who advised him that they were "too big to regulate."

Mr. Chairman, in comparison with the truly large petroleum corporations, Cities Service is little more than a wild-cat operation, ranking only 61st on the 1974 Fortune 500 list. It is but a small part of the huge, non-competitive energy market. Vertically integrated and horizontally aggressive, these oil conglomerates have not only gained complete and unfettered control of the process which brings oil from the ground to our cars but recent news stories about mergers and acquisitions show that the oil companies would also finance the car, write the insurance, and manufacture the seat covers to boot.

Three fundamental questions come to mind, Mr. Chairman. Who makes domestic energy policy and American foreign policy? Unfortunately the answer is "no one." Congress tries, through its powers to pass legislation and ratify treaties. But Congress was unaware until years later that the oil companies oversaw the coup d'etat against the government of Iran in 1953. And they were unaware in 1969 that the oil companies orchestrated the rejection of a refinery proposed for Machiasport, Maine, which would have meant cheap oil for a northeast region now paying the highest heating bills in the country.

I cannot forget, Mr. Chairman, that it was the quiet but effective cooperation of the major oil companies which insured the success of the Arab oil embargo two years ago. I cannot forget that Exxon, the nation's largest oil company, refused to honor its commitment to supply fuel to our Sixth Fleet. I cannot forget that at the same time Gulf was saying it needed bigger profits to spur oil development, its officers were arranging for the purchase of a circus, and funneling thousands of dollars into the pockets of elected representatives.

This leads to the obvious second question—Who runs the oil companies? The equally apparent answer is once again, "no one." The very size of the oil octopus militates against the ability of any one man or one board of directors or regulatory agency to be aware of slush fund payments to politicians and pipeline pressure in Bahrain and tanker routes around the Cape of Good Hope. The oil companies themselves cannot even decide whose side they are on: OPEC's, America's, each others. Perhaps it is every conglomerate for itself. There is no competitive structure to the industry. Cooperation among rivals has led to the blurring of traditional marketplace relationships of classical capitalism. As a result, the oil industry has lapsed into sluggish, profligate behavior.

This raises the third and final question facing the Subcommittee and the nation in our bicentennial year. "Who needs this situation anyway?" Once again, I submit the answer is a resounding "no one." Certainly the energy consumer doesn't need to fork over $14 for a barrel of crude oil used in this country for a quarter of the price just because that it is what the OPEC sheiks are asking for theirs. Certainly the stockholders of the oil conglomerates could use an increase in the value of their shares which could be brought about by a reorganized aggressive industrial structure. And certainly the industry could use a break from the oppressive and inept price controls of a federal bureaucracy and a respite from the constant threat of nationalization.

In 1871, reformer and railroad president Charles Francis Adams reported glumly that the large corporations of America "have declared war, negotiated peace, reduced courts, legislatures and sovereign states to unequalled obedience to their will." A century later, little has changed. Our economy continues to be dominated by combines. Twelve of our 25 largest corporations are oil firms.

Oil companies in 1974 spent $300 million to put a fine gloss on the fleecing they were giving the American consumer and to bemoan the fact that their profits were insufficient to generate enough capital to extract and deliver their precious commodity to an energy-starved nation. As if this was not contradiction enough, the financially hard-pressed oil industry was somehow able to muster enough money to play Medici with grants of some $60 million to the performing arts and to play Machievelli with contributions in the untold millions of dollars to politicians, all over the world.

Mr. Chairman, the time has come for this subcommittee to raise high the roof beams—

to bring out a vertical divestiture bill to the full Judiciary Committee this month, and force a bill to the floor before spring. The bill should authorize a special court to hear law suits which result from the legislation, with speedy appeal to the Supreme Court. And the bill should allocate funds for a special legal team to represent the interests of the government in court.

We must act before this petroleum octopus violates and subverts any more of what is good, decent and fair in our political system, and before the price of fuel and gasoline eats away any more of the family budget. Millions of small, self-reliant, hard-working businessmen stand in jeopardy by our inaction.

We should act before the Senator from Michigan, Mr. Hart, retires from the Senate after more than a decade as the lone voice against the oil companies in the U.S. Senate. Perhaps no member of our chamber has been right so early, so often about so many crucial issues of American public policy. No greater tribute to his perseverance, foresight and creative thinking could be paid than passing this bill and overriding the inevitable veto by the end of this session.

And finally, Mr. Chairman, we should act for John Warren of Manchester, New Hampshire.

Mr. Warren is here as a reluctant witness. This weekend, he and his wife decided that it would be best for him not to make the trip, because, as he told my staff, there was nothing he or I, or even the United States Senate could do to stop the big oil companies from doing what they damned well pleased.

"Why should the United States Senate vote to break up the oil companies when probably two-thirds of the senators receive campaign contributions from the same companies," he asked me when I called to change his mind.

Mr. Warren is no economic radical bent on destroying the free enterprise system. But he speaks for millions of hardworking, moderate Americans in his belief that the oil companies have become so big that they no longer respond to traditional American values. And, more important perhaps, he has developed a nagging, persistent doubt about the ability of government at any level to confront even the most pressing and obvious national problems.

In this debate, we are not asking the technical questions of defining or solving problems. We are asking the more fundamental question—can we depart of eight years of more-of-the-same Republican policies and devise an innovative and decisive defense against the oilogiopoly.

Hopefully we can.

There is hope because Mr. Warren decided to join me here today in support of vertical divestiture.

There is hope because of Senators like Mr. Hart, who has never doubted the ability of the federal government to rise above the petty and self-interested when finally pressed to the wall.

And there is hope because the voters of New Hampshire sent me to Washington with marching orders to clean house at the federal palace which appeared to them to be owned and occupied by the oil industry.

What we need, Mr. Chairman, is legislation, swift and firm, to right our social and economic injustices. No one piece of legislation would accomplish more to that end, and restore confidence and faith in our government, than passage of legislation to break up the large oil companies.

TESTIMONY OF JOHN J. WARREN, JR., OF MANCHESTER, N.H.

Mr. Chairman, my name is John Warren and I live in Manchester, New Hampshire. For 17 years I operated a company station owned by Cities Service Oil Company at 276 Elm Street, Manchester, N.H. Over that period of time the annual volume increased on an average of 7,000 gal. In March of 1973 the Company closed the station, with no notice to me, either oral or written. In the summer of 1973 the building was demolished and in October 1973, they opened a so-called "Quik-Mart", a self-service station, also selling miscellaneous groceries, with one attendant on duty.

The first page of the station lease with Cities clearly states "90 day written notice is required by either party of intention to terminate this agreement . . ." (Photocopy of Lease)

In my case, I was particularly vulnerable because for 5 years I had been advised that the Company planned to remodel and enlarge this station to a 3 bay station. This proposed enlargement was not just idle rumor between their salesmen and myself—I have copy of their blueprint dated 6-6-69 showing proposed 3 bay station at that address. (Photocopy of blueprint) Also, miscellaneous correspondence between Boston office and myself regarding remodeling.

The first knowledge of their decision came to my attention by two building permits issued by the city of Manchester, as follows:

February 12, 1973—Cities Service Oil Co., Tulsa, Okla., Demolish station, 276 Elm Street: $3,000.

February 12, 1973—Same, Rebuild station: $38,000.

I recognized immediately that $38,000 hardly builds a home today, much less a 3 bay station, but I still had received no word from the Company.

On March 13, 1973, I tried to call our area representative and the Boston office. As soon as they heard my name, I was shuffled from one department to another until finally the "low-man" in the office did in fact confirm that I was out of business and they planned to build a "grocery store with gasoline pumps".

On March 15, the area field man met with me, produced a prepared lease, (dated 2-28-73) which I signed that day. We mutually agreed that when a man is only a 9 digit numeral on a huge computer in Tulsa, that no consideration is shown for nearly 20 years of labor.

I signed the release immediately knowing that the Company which holds a $2,500.00 dealer deposit, could and would retain my money as long as they wanted or at least until they had received the required release from me. As it was, the dealer deposit was not returned until 5-29-73 after lengthy phone calls and badgering. Question: Why can a Company hold dealer deposits over the years without some kind of accounting and/or paying interest?

Obviously, I sustained great financial loss as a result of this action. (Attached lists equipment) On equipment alone, I took a ⅔ loss because of necessity of getting out on short notice.

Personally, I had some difficulty in finding employment mainly, because of my age. I sent out over 12 resumes to local businesses, all former customers, and even though I had a good work history, (Firestone Tire & Rubber, 8 years and Citgo for 17 years) the employment picture was definitely down at that time. Ironically, I am now employed at 321 Elm Street which is across the street from my previous business.

In April of 1974 I was contacted by the Federal Energy Office requesting my assistance in supplying figures on volume and gallonage for the years 1972-1973. I cooperated with them in supplying those facts. As you know, the stations were supposed to be receiving allocation of product based on 80% of previous years business. There were several individually operated stations in the area who could not get deliveries of fuel, while the Company operated station received frequent deliveries and did not have to close because he was out of product.

Subsequently, I was advised that it is the intent of the majors to close down every station nation-wide so that in 10 years, they will only own self-service areas, to reap the most profit for least expenditures. Maybe by then the consuming public will have disposable vehicles that do not require service.

It was with more than passing interest that I also learned of the voluntary resignations of several of this company's executives, with long years of service, who object to the current trend the industry is taking.

In April of 1973 I was asked to appear at a hearing in Concord on proposed legislation to prevent major oil companies from taking advantage of their dealers and/or discriminating business procedures. We were supposed to appear before an "impartial panel" of 7 and when introduced, it was disclosed that 5 panel members had been or were presently members of the Board of several major oil companies. One of the issues discussed was the long-standing practice of the majors selling their products to dozens of so-called cut-rate outfits to compete with their product at company owned stations, at a margin of 7¢ to 9¢ less than their compulsory purchase price to the dealer. We had our day in court, presented some facts, and . . . the proposal was defeated.

Today I came here at the request of Senator John Durkin to tell my story. After my experience, I have landed on my feet and am well-adjusted today. I might add that over the past several months, many of my former customers have asked when I'll go back into business again. Obviously, I must have done something right over the years and showed better consumer relations to my customers than was afforded me from my company. In my opinion, it's a question of priorities, with greed the motivating factor. However, it is encouraging to me that in only 2 years I have been contacted by two different agencies of the federal government in an effort to right some wrongs and once again assures the system is working. Thank you for your attention.

EQUAL CREDIT OPPORTUNITY ACT

Mr. **BUMPERS**. Mr. President, on Monday the Senate approved by voice vote H.R. 6516, a bill to amend the Consumer Credit Protection Act to make it unlawful to discriminate against an applicant for credit on the basis of race, color, religion, national origin, or age. The bill is commonly known as the Equal Credit Opportunity Act Amendments of 1976.

No one would deny that discrimination in the granting of credit should be scrupulously avoided, especially by financial institutions chartered or insured by the United States. As a matter of fact, it is entirely possible that existing law, including particularly the Civil Rights Act of 1866, as recently interpreted by the Supreme Court, already prohibits such discriminatory conduct. Despite the salutary general purpose of H.R. 6516, however, I join my colleague, Mr. EAGLETON, in voicing my reservations about this legislation.

The bill provides, for example, that a lender may not deny credit because the applicant is on public assistance. On the other hand, the bill goes on to say that the fact of a person's being on public assistance may be used as one of the relevant circumstances in determining credit worthiness.

Mr. President, I yield to no one in my determination to see that able-bodied persons who are unable to find jobs, as well as the aged and disabled, are properly and humanely supported. It does seem to me, however, that the income of a man or woman on public assistance would certainly be, and should be, a factor in determining whether a loan should be made, and the chances of repayment. This kind of legislation, I fear, will only add to the already considerable burden of regulation now imposed upon lenders.

The point should be made that compliance with statutes and regulations costs money. Financial institutions are certainly not objects of charity, and no doubt they can afford to comply with the law. I, nevertheless, question the philosophy of continually and indiscriminately multiplying regulation. Ultimately the cost of this regulation must be borne by the consumers of the goods or services involved, in this case credit.

Mr. President, I had expected a rollcall vote to be held on H.R. 6516, and in connection with such a vote I had planned to voice my misgivings and reservations about the bill. Since the bill has now passed the Senate on voice vote and gone to conference, I can only request the Senate conferees to take these views into account when they meet with our House colleagues to resolve differences between the action of the two Houses. I am hopeful that it will be possible for a bill to be agreed upon by the conference that at one and the same time effectively states and enforces the general principle against discrimination and also permits financial institutions to operate on a businesslike basis without unreasonable governmental interference.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

REGULATION OF MINING ACTIVITIES WITHIN THE NATIONAL PARK SYSTEM

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of the unfinished business, S. 2371, which the clerk will state.

The assistant legislative clerk read as follows:

> A bill (S. 2371) to provide for the regulation of mining activity within, and to repeal the application of mining laws to, areas of the National Park System, and for other purposes.

The Senate resumed the consideration of the bill.

The ACTING PRESIDENT pro tempore. The time until 10 a.m. will be equally divided and controlled by the Senator from Alaska (Mr. STEVENS) and the Senator from Montana (Mr. METCALF), with a vote to occur on the Stevens amendment at 10 a.m.

The Chair now recognizes Mr. METCALF.

Mr. METCALF. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time be taken equally out of both sides.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered, and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ALLEN). Without objection, it is so ordered.

Mr. STEVENS. Mr. President, yesterday I placed in the RECORD a memorandum that points out the extent of the work that has been done so far with regard to the Fairweather Range prospect that is located within the current boundaries of the Glacier Bay National Monument.

We have again been studying the bill that is before us, and I would like to ask the manager of the bill if he would assist me in making the record—I do not know what the answer will be really—in terms of what the committee's intent is.

But, as I understand this bill, the basic act of 1936 is repealed. That act authorizes the filing of mining claims within the boundary of Glacier Bay National Monument, including the addition that was made in 1939.

The major discovery that has been made in that area is the nickel and copper deposit that I discussed yesterday and, as I pointed out, only a small part of what is called the south end of the stock has been delineated, and that deposit has been estimated now to contain about 1 billion pounds of nickel and 600 million pounds of copper.

If this bill passes and the authorization to conduct mining activities which would lead to the right to patent a claim is repealed, what happens with regard to those claims which have been filed, which have not been carried to the point where there is a vested right as has been known by the mining law in the past?

I ask the question because I am sure the Senator from Montana realizes we faced this problem with regard to the Alaska Native land claims, and we provided a period within which a valid existing claim could lead to valid existing rights. But right now, as I understand it, there is some question as to the validity of the claims. This is caused primarily by the inaccessibility of the claims themselves, which would have been perfected in the normal course by the actual extraction and development of the underground mine and, as the mine went under the ice cap, there would have been proof of the validity of the claim to the subsurface rights for mining purposes.

How do we protect—I have no interest in them, as I am sure the Senator knows, but how do those who have filed the claims protect themselves if the basic act under which they would claim rights is repealed, even though we say that their claims have validity since their further claim of right must be based upon the existence of the law? Am I wrong about that?

Mr. METCALF. Well, if the Senator will yield to me, or I will use my own time, I call the attention of the Senator from Alaska to page 3 of the bill, section 3, which provides in line 20, subsection (e) that:

> The act of June 22, 1936, relating to Glacier Bay National Monument, is hereby repealed;

But introductory to that section, under the introductory clause to section 3 it states:

> Subject to valid existing rights, the following acts are amended or repealed * * *

So every one of those repealers or amendments is subject to valid existing rights.

We are not changing any of the rights that are existing at the present time on Glacier Bay or Mount McKinley or any of the other areas, I will say to the Senator from Alaska.

An unpatented mining claim—I think we are in agreement—has a potential right to patent and to explore and develop, and we are not trying to shut that off. That is what the moratorium is about, may I say to the Senator.

Mr. STEVENS. That is what I am trying to understand because it was necessary to have the act of 1936 in order to have access to utilize the basic mining law.

Now, this bill would repeal that 1936 act, and it states:

> in order to close those areas to entry or location under the Mining Law of 1872.

What I want to try to develop is what happens to those people who, prior to the date of this act, have made lawful entry under the Mining Act of 1872, but have not gone far enough to have what is known, as I am sure the Senator from Montana realizes is a very technical legal term, a valid existing right under the Mining Law of 1872. The valid existing right that someone who just filed a claim has includes the right to continue to explore and to use so much of the surface as may be required to prove whether or not there is a commercial deposit that is subject to development under the mining laws which would lead to patent. That is one.

Mr. METCALF. Or lead to continued commercial development.

Mr. STEVENS. Right.

They also have the valid right to continue to pursue that claim, to do the annual assessment work, and other things that are necessary to perfect the claim. But the valid existing right concept, as far as the right to go to patent, is dependent upon the establishment of the deposit in commercial quantities that would be economic for exploitation.

Now, what worries me about the phrase "valid existing rights" is if it is narrowly interpreted it would mean only that portion of this claim that has already been drilled, that has 1 billion pounds of nickel, and if it is interpreted the way this Senator would interpret it, it would mean any legitimate activity within the confines of a claim that was filed prior to the date of this act so long as it was consistent with the Mining Law of 1872, and was not pursuing any entry or location made after the date of the repealer of the 1936 act.

Does the Senator from Montana agree with that?

Mr. METCALF. I concur with that. I think that, as used in this bill—and we are trying to make some legislative history—the phrase means all of the rights that have accrued under the Mining Law of 1872. The Senator is talking about technical rights and technical problems. But all those technical rights are saved and preserved by that phrase "valid existing rights."

Mr. STEVENS. That is very important. As I understand this bill, the bill does not put Glacier Bay under this moratorium.

Mr. METCALF. That is correct.

Mr. STEVENS. As far as the use of the surface is concerned, that is. I appreciate the intent there. But it is unclear as to what happens to the rights to use the subsurface under the law of 1872 in areas where there has not been any activity to date as far as the surface is concerned. Or am I mistaken about that?

Mr. METCALF. I would like to say to the Senator that a person who has not proven his rights under the Mining Law of 1872, has neglected to do anything about the claim, or has not complied with the technical procedures to keep the right alive, has lost it. But if he has any right at the present time under the Mining Law of 1872, that right continues to be preserved for him and to him as far as underground mining and development of his claim, and maybe go to patent, if he wants to, for whatever it is worth for mining in that national monument. He does not lose any rights by the repeal of the law of 1936.

Mr. STEVENS. The 1936 law really was enacted to give access under the 1872 law. What happens if we repeal the right of access——

Mr. METCALF. The statute specifically repeals the act of June 22, 1936. We say that by repealing that act we preserve valid existing rights. If those rights are valid today under the Mining Law of 1872, then they are preserved, even though the 1936 act is repealed.

Mr. STEVENS. We are not repealing the 1872 law. We are repealing the 1936 law. But the 1936 law was designed to give access for the utilization of the 1872 law. What I want to make certain is that a person who legitimately exercised the 1936 act for access prior to the date of this repealer still has whatever rights would accrue to him under the 1872 law by virtue of his entry prior to the date this bill is enacted.

Mr. METCALF. The rights under the 1872 law are preserved. I am sure it is the intent of ever member of the committee and the intent of the Senator from Montana to preserve and continue those rights. That is why that amendment was inserted into the bill, subject to valid existing rights.

Mr. STEVENS. As I say, it was not until this morning that I realized that we may have the same problems that we faced in the Land Claims Act as to what are valid existing rights. I wanted to make certain that as far as this bill is concerned it is the intent that valid existing rights include all of the rights that any person would have under the 1872 law that accrued prior to the date of this repealer.

Mr. METCALF. The quick answer is yes.

May I call the Senator's attenton to page 12 of the committee report, the section-by-section analysis of the bill? It says:

> Section 3—

And that is the section which we have been discussing.

> The phrase "valid existing rights" applies to valid, unpatented mining claims.

Mr. STEVENS. I understand. The next phrase says—

> Patents could be issued for these claims despite the repeal of the special law.

I want the Senator to know that I concur with that report and what is says. The problem that entered my mind is the area it has not addressed. That is the right to pursue those claims to the point where a right is established for a patent, which is essential in this area where the total deposit has not been delineated by drilling, even though the claims were validly filed, the entries were validly made, and a portion of the stock was approved of prior to the date of this repealer. If this is narrowly interpreted—and I appreciate what the Senator from Montana says—I am trying to anticipate what might happen and to see to it that the record is clear as to what the intent of the committee and the Congress is with regard to pursuing the rights that exist as to mining claimants from the date of the initiation of their claim.

I understand there is no one going in there today in this portion of the year filing claims. I am talking about claims that have been filed that are already in existence, obviously. The problem is whether or not those claimants must, as of the date of the act, have gone to the point where they could claim a patent. The Senator does not mean that, does he?

Mr. METCALF. If today they have gone to the point where they can claim a patent, there is no problem.

Mr. STEVENS. There is no problem there. But many of the claimants have not gone to the point where they can claim a patent?

Mr. METCALF. That is right.

Mr. STEVENS. But they do have valid rights under the 1872 law.

Mr. METCALF. And there is a whole body of law, as the Senator knows, under the Mining Law of 1872 about unpatented mining claims and the rights that exist under them. It is the intention of the committee, and I tried to make it explicit as far as the Senator from Montana is concerned, that we do not touch that body of the Mining Law of 1872 and take away any of these rights in unpatented mining claims.

Mr. HANSEN. If the Senator will yield on that point in order to help bring about a better understanding on the part of the Senator from Wyoming, I have read some parts of the full hearings. I refer Senators to the memorandum beginning on page 371 of those hearings, which was submitted by Johns-Manville Corp. They talk about this issue with some specificity.

Beginning on page 374, about halfway down, the memorandum provided by Johns-Manville reads:

> The courts have repeatedly held that a valid unpatented mining claim is an interest in real property in the full sense of the term.

Then they proceed to cite a number of court cases that substantiate their conviction that that is a fact.

On page 375, picking up again, beginning on the top of the page, it states:

> Included within the other rights associated with an unpatented mining claim is the right to the issuance of a patent from the United States. The issuance of a patent to a valid mining claim is not discretionary with the Government. In *United States* v. *Etcheverry, supra,* the Court stated:
>
> "When a mining location is perfected and there has been compliance with the statute, the owner has an absolute right to purchase the fee title to the land at any time thereafter." 230 F.2d at 197.

I would raise the question: Would it be the understanding of the Senator from Montana, the manager of the bill, that if that statement is not challenged, as I hope it will not be, I would assume—and I ask am I correct in this assumption—that a claimant could either insist that his valid rights be carried through to title so that he could purchase a fee title to the land at any time thereunder, or, if he were not permitted to do that, he would be entitled to damages for a taking having occurred—in that an interest he had would be compensable and the Government of the United States would either have to grant him a title on the one hand or pay him damages for the rights that were taken from him?

Would the Senator from Montana be kind enough to respond to a layman on that point?

Mr. METCALF. I think the answer is yes. Every right that is described there in the long line of cases that have been decided under the provisions of the mining law of 1872 as to patented or unpatented mining claims and the rights when you locate a claim and before you go to patent, every right is preserved by that phrase "subject to valid existing rights."

Mr. HANSEN. Mr. President, I ask unanimous consent that the memorandum to which I have referred, beginning on page 371 of the hearings and concluding on page 377, be printed in the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM OF JOHNS-MANVILLE CORPORATION, REGARDING S. 2371, A BILL TO PROHIBIT MINING ON LANDS WITHIN THE NATIONAL PARK SYSTEM

Johns-Manville Products Corporation, a wholly-owned subsidiary of Johns-Manville Corporation, owns and operates mining claims and mill site claims in the Warm Springs Canyon area in Death Valley National Monument. Johns-Manville annually produces approximately 55-60,000 tons of talc ore from these properties. The Company is, therefore, vitally concerned about the impact of S.2371, which would impose a 3-year moratorium on any surface disturbance on existing mining claims within the Monument and would repeal the applicability of the mining laws to lands within the Monument.

The purpose of this Memorandum is to state Johns-Manville's strong opposition to S. 2371 on the grounds that the bill raises serious constitutional questions and because it would accelerate the alarming rate at which the United States is making lands unavailable for resource production. This latter aspect of the bill was covered at some length by several of the speakers who presented statements to the Senate Subcommittee on Minerals, Materials and Fuels in the hearings held on October 7. There is little to add to that testimony except to say that closing down Johns-Manville's mining operations would result in a loss of 50 to 60 jobs at its Warm Springs talic mine and at its mills at Los Angeles and Dunn, California. Also, California users of talc would probably be required to ship their talc from more distant sources, thus paying correspondingly higher prices.

The primary issue to which this Memorandum is directed is the constitutionality of S. 2371. Specifically, Johns-Manville believes that the 3-year moratorium imposed by Section 3 of S. 2371 is unconstitutional because it constitutes a taking of private property for public use without just compensation, thus violating the Fifth and Fourteenth Amendments to the United States Constitution. Similar concerns as to the bill's constitutionality were expressed in statements before the Subcommittee on October 7 by Representative Seiberling of Ohio; Nathaniel P. Reed, Assistant Secretary of the Interior for Fish and Wildlife and Parks; and Mr. Jerry L. Haggard, a Phoenix, Arizona attorney, who testified on behalf of the American Mining Congress. The following is discussion of the legal precedents establishing that S. 2371 would be unconstitutional if enacted. That discussion is followed by recommendations for amendments that would remove the defect of unconstitutionality.

CONSTITUTIONALITY

The Fifth and Fourteenth Amendments to the United States Constitution prohibit takings of private property for public use without just compensation. The 3-year moratorium imposed by Section 3 of S. 2371 constitutes such a taking of private property, particularly as applied to valid unpatented mining claims, which constitute the entirety of Johns-Manville's property holdings in Death Valley.

The right to mine, develop and use so much of the surface of a mining claim as is reasonably necessary for mining purposes is a property right of a mining claim owner. This property right is established by 30 U.S.C. § 26, which provides in pertinent part:

"The locators of all mining locations . . . shall have the exclusive right of possession and enjoyment of all of the surface included within the lines of their locations, and of all veins, lodes, and ledges throughout their entire depth, the top or apex of which lies inside of such surface lines . . ."

The phrase "enjoyment of all of the surface . . . and of all veins, lodes and ledges" in this statute has been construed by the United States Supreme Court to include the right to mine and remove the minerals within the mining claim. In *Union Oil Co. v. Smith*, 249 U.S. 337, 348–49, 39 S.Ct. 308, 311 (1919), the Supreme Court stated:

"If he (a qualified locator) locates, marks and records his claim in accordance with (30 U.S.C. § 28) and the pertinent local laws and regulations, he has, by the terms of (30 U.S.C. § 26), an exclusive right of possession to the extent of his claim as located, *with the right to extract the minerals even to exhaustion*. . . ." (emphasis added)

The courts have repeatedly held that a valid unpatented mining claim is an interest in real property in the full sense of the term. *See, e.g., Best v. Humboldt Placer Mining Co.*, 371 U.S. 334, 83 S.Ct. 379 (1963); *Wilbur v. United States*, 280 U.S. 306, 50 S.Ct. 103 (1930); *United States v. Etcheverry*, 230 F. 2d 193 (10th Cir. 1956); and *United States v. Deasy*, 24 F. 2d 108 (D. Idaho 1928). The courts have also recognized that a mining claim cannot be taken from the owner thereof except on the payment of just compensation. *North American Transp. & Trading Co. v. United States*, 253 U.S. 330, 40 S.Ct. 518 (1920).

Included within the other rights associated with an unpatented mining claim is the right to the issuance of a patent from the United States. The issuance of a patent to a valid mining claim is not discretionary with the Government. In *United States v. Etcheverry, supra*, the Court stated:

"When a mining location is perfected and there has been compliance with the statute, the owner has an absolute right to purchase the fee title to the land at any time thereafter." 230 F.2d at 197.

A mining claim is, therefore, a unique type of property, which vests in its owner certain rights that cannot be abrogated without just compensation therefor. A leading treatise on mining law notes that:

"(S)ince the estate granted to the mining locator is vested, even the United States Government as legal title holder could not deprive the mining locator of his rights without just compensation. Hence, the Government may not destroy the rights of a mining locator by withdrawal or placement of the lands in question into a Government reservation." 2 *American Law of Mining*, § 6.6, p. 11 (1967)

The United States Supreme Court has recognized that, under certain circumstances, governmental action in the form of regulation can be so onerous as to constitute a taking which constitutionally requires compensation. *Goldblatt* v. *Town of Hempstead*, 369 U.S. 590, 594, 82 S.Ct. 987, 990 (1962). The Supreme Court has also recognized that, in the case of mineral properties, a "taking" may occur when governmental restrictions are equivalent in their effect to a physical taking or where the diminution of the value of the property is very great. *Pennsylvania Coal Co.* v. *Mahon*, 260 U.S. 393, 43 S.Ct. 528 (1922).

Therefore, the moratorium provisions contained in Section 3 of S. 2371, even if they are labeled "regulation", would constitute such a taking, particularly when viewed in light of the special nature of the property rights vested in the owner of a mining claim under the mining laws.

RECOMMENDED AMENDMENTS

If S. 2371 is to be enacted, Johns-Manville respectfully suggests that the bill should be amended in the respects described below in order to make it constitutional and to strike a more reasonable balance between scenic and resource values.

S. 2371 should be amended to except from its provisions all valid existing rights and claims. Prior statutes which have withdrawn land from application of the mining laws have invariably excepted from the withdrawal valid existing rights. *See, e.g.*, Yellowstone National Park Act, 16 U.S.C. § 21 d; Taylor Grazing Act, 43 U.S.C. § 315; and Mineral Leasing Act of 1920, 30 U.S.C. § 193.

The only constitutional alternative to excepting valid existing rights and claims under S. 2371 would to be have the United States purchase and pay just compensation for those rights and claims. This is the approach taken by H.R. 9953, which was introduced on October 1, 1975 by Representative Morris Udall of Arizona. Subsection (b)(1) of H.R. 9953 provides in part:

"Any party or parties possessing any rights or interests . . . which (A) were acquired prior to the date of enactment of this Act and (B) are terminated by this Act, shall be entitled to receive compensation for such rights and interests. . . . "

Johns-Manville respectfully suggests that, absent a clause such as that quoted above, S. 2371 would be unconstitutional if enacted into law.

Mr. STEVENS. Mr. President, I appreciate the contribution of the Senator from Wyoming, but I do want it understood that it is not solely a question of preserving rights under claims ready to go to patent that we are talking about. We are talking about pursuing the 1872 law to the point where a patent could be claimed.

Mr. HANSEN. If a patent could be claimed, and there is full compliance with the 1872 law up to that point, I would presume a person in that situation should have the right to carry forward, in full compliance with the 1872 mining law, and in due time ask for a fee title, based upon his willingness to purchase, or, if that should be denied him, compensation for the right that he has foregone.

Mr. STEVENS. Yes. I am not addressing the question of compensation during a moratorium. I am sure the Senators understand that.

Mr. METCALF. I think he has a right to bring that question up, however.

Mr. STEVENS. Yes. But the right to pursue a claim to the point where a patent could be requested is a valid, existing right.

Mr. METCALF. Any right a man has today under the mining law of 1872 is preserved by this language, "valid existing right."

Mr. STEVENS. And the exclusion of Glacier Bay from the moratorium, I take it, is in recognition of the activity that is involved there, on the area we are talking about.

Mr. METCALF. Yes. The moratorium deals largely with surface activity, as the Senator has said, and the surface of Glacier Bay is covered by a sheet of ice.

Mr. STEVENS. Yes, I appreciate that. With some exceptions, though. They still have to have some access to that subsurface right. That is why we are trying to make it plain that even if this measure passes, the people who have the right to pursue their mining claim must have some access to it. It is a very limited area that has been used so far. I would not want this to be interpreted that because we are talking about surface rights in the moratorium, we are left out of that area. There is still the right to pursue the 1872 mining laws, including the right to such area of the surface as is reasonably necessary to have access to the subsurface in Glacier Bay. That is the way the bill has been interpreted up to now.

Mr. METCALF. I said yes, and I say yes again.

Mr. STEVENS. I thank the Senator. I extend to the Senator from Montana and the Senator from Arizona our thanks for permitting us the opportunity to distribute the letter which we did distribute. I assume the Senator from Montana and all other Senators have received it. We tried our best to get it to them today, and on their desks also.

I ask unanimous consent that our joint letter, which has been delivered to all Senators, be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMMITTEE ON APPROPRIATIONS,
Washington, D.C., February 4, 1976.

DEAR COLLEAGUE: Today at 10:00 a.m. the Stevens/Gravel amendment to S. 2371 will come before the Senate. This amendment would delete the western area of Glacier Bay National Monument from the prohibition against mining and further exploration set forth in S. 2371.

Glacier Bay National Monument was established by executive order in 1925. By approval of the Act of June 22, 1936, as it relates to Glacier Bay National Monument, Congress permitted mining within the monument. The highly mineralized area, basically that encompassed by the Stevens/Gravel amendment was added by executive order in 1939 after mineral entry was permitted. This new addition included an area which was not considered scenic enough to be a part of the original monument when it was created. It bordered the monument on the west and extended to the Gulf of Alaska and made the management scheme for this geographic area easier to administer. Although this area does contain glaciers and valuable wildlife it was not of the same kind of scenic beauty or terrain as the original monument. It is not the area visited by tourists today. The area the Stevens/Gravel amendment would exclude from the provisions of S. 2371 is in fact separated from the original monument established in 1925 by the Fairweather Mountain Range, which is over 12,000 feet high.

The Stevens/Gravel amendment would not allow mining in Glacier Bay proper where the majestic glacier formations are visited by an increasing number of Americans each year. It would only affect the western area, added by executive order after mining was allowed, which comprises only one-fifth of the monument. As 80 million acres of our State are already committed to one Federal land classification or another and Congress will soon be acting on proposed withdrawals which could affect another 83 million acres of Alaska, we urge that Congress seriously consider all the facts before taking hasty action which would be detrimental to America in the long run.

No one has disputed the fact that the area set out in the proposed amendment contains the largest domestic reserve of nickel. Just the deposit that we know about is estimated to contain one billion pounds of nickel and 600 million pounds of copper, both of a very high quality. This enormous deposit is only the tip of the iceberg. Assistant Secretary Nat Reed when testifying on S. 2371 for the Department of Interior urged that Glacier Bay not be included within the prohibitions set forth in the bill. He stated:

"The reason for this exception is that Glacier Bay is thought to contain large deposits of nickel and copper, critical minerals which are in short supply. Until a mineral survey of this national monument has been conducted, we recommend that no final decision on its withdrawal be made. The Bureau of Mines and the U.S. Geological Survey have undertaken this survey, and their report is due in 1978."

Nickel is a strategic metal essential to the $25 billion iron and steel industry as well as the aerospace industry. The only current domestic nickel mine is at Riddle, Oregon, where the reserves total 200,000 tons. The United States currently imports over 70% of the nickel used domestically and the amount of imports is steadily increasing.

By adopting the Stevens/Gravel amendment this valuable deposit will not be forever closed to future generations of Americans. We also feel the area can be developed consistent with sound environmental principles. To our knowledge, Congress has never acted to take an area out of a National Park or Monument. We urge your favorable consideration of this amendment and again reiterate that the area involved was not an original portion of the monument or one visited today by tourists.

With best wishes,
Cordially,

MIKE GRAVEL,
U.S. Senator.
TED STEVENS,
U.S. Senator.

Mr. METCALF. Mr. President, I have a similar letter, and make the same request as to it.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMMITTEE ON INTERIOR AND
INSULAR AFFAIRS,
Washington, D.C., February 3, 1976.

DEAR COLLEAGUE: I urge you to vote against the amendment to S. 2371 offered by Senator Stevens (Amendment No. 1359). The amendment would exclude over 500,000 acres within Glacier Bay National Monument from the protections which S. 2371 would provide.

The Committee was aware of the existence of the large nickel deposit under Brady Glacier when it considered S. 2371. (See pages 5, 6, and 10 of the Committee report.) The Committee concluded that (1) mineral development under the Mining Law of 1872 is not an appropriate use of lands in the national park system and (2) that mineral deposits outside the national park system should be developed before those inside the system.

The Committee believes that the American people who own these minerals, should decide whether and when they should be mined. The Stevens amendment allows an individual mining company to make that decision.

Very truly yours,

LEE METCALF,
Chairman, Subcommittee on Minerals, Materials, and Fuels.

Mr. METCALF. I am glad to yield the remainder of my time, if I have any, to the Senator from Alaska (Mr. GRAVEL).

Mr. GRAVEL. I thank the Senator from Montana. I shall be glad to share whatever time is available.

Mr. President, I notice in the letter that the Senator from Montana sent out in response to our letter that he said he felt other deposits of minerals should be exploited before we invade the parks.

That certainly would appear logical on the face of it, and I would subscribe to it, if we could be that orderly in our free enterprise system. We should do certain things in a certain order, but, as the Senator knows, that is not the type of order we enjoy within our system, and systems that try to enjoy that kind of order cannot even do as well. That is why I feel our free enterprise system does more to contribute to the quality of life than planned economic systems.

Of course, there was the ability to produce minerals in this area prior to its being brought into park status. But I think we have set a bad precedent if, in an area like this, where we know, and the Park Service admits, there are substantial mineral deposits, we sequester those mineral deposits from the use of the American people and of the world. We would get ourselves into the sort of situation we have with petroleum reserve No. 4. We have been into an energy crisis almost 4 years; we know there are millions of barrels of oil and millions of mcf of gas, but because it is tied up in a bureaucratic melee, we cannot get it out of the hands of the bureaucrats into the hands of the common citizen, who needs the energy for consumption. We are going to get exactly the same thing here. We are going to isolate excess lands which have minerals, and I think that that is not an intelligent decision to be made by the body politic.

Mr. President, I think the Senator from Montana knows that I am deeply concerned about the environment, and well aware of the fact that we cannot have inordinate growth, and we must have an organic type of growth take place. But I do not think we serve intelligent decisionmaking, per se, when we support all these types of decisions where we know something exists, and we want to preclude it from the marketplace.

My colleague stated earlier that the reason that this proposal has support is because of several environmental groups that support it. Let me just say that I have just come from the markup session of the Clean Air Act, and if there is anything I have come to understand in the last few weeks, it is that reasonable men may put certain items into legislation to bring about a proper type of growth, but there is a body, there is a constituency in this country, that will use these reasonable tools to thwart any development at all.

So I submit that there certainly is in my mind, and to my knowledge, a body of thought that does not want to touch any nickel or any copper and that maintains we do not need anything more to happen in this world.

With that kind of an attitude and approach, we will see develop a confrontation which should not take place, and which I hope will not take place. I know that is not the view of the Senator from Montana, not at all. I think he, as I, is a reasonable person who wants to see reasonable and proper organic development. But I submit that the judicial system is replete with cases in the last 3, 4, or 5 years, of people who are not for reasonable development, and that they will use any device they can to thwart all development, and when they do that, I think they make a mistake; they wreck their own cause.

What they will do is they will place in confrontation again the industrial elements of society with our new environmental awareness. We should be smarter than that. This is a case in point where the environmentalists do not wish to permit any mining at all in any portion of this area, and they do their cause an injustice because parts of this monument are not really necessary for the proper management, use, and enjoyment of the monument.

The PRESIDING OFFICER. I am reluctant to interrupt the distinguished

Senator from Alaska, but the hour of 10 a.m. has arrived. Under the previous order, there will be a vote on agreeing to the amendment of the Senator from Alaska (Mr. STEVENS).

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to proceed for 30 seconds.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT UNTIL 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 9 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATORS FANNIN, BUCKLEY, BEALL, ALLEN, AND MANSFIELD TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, after the two leaders have been recognized tomorrow, the following Senators be recognized, each for not to exceed 15 minutes and in the order stated: Senators FANNIN, BUCKLEY, BEALL, ALLEN, and MANSFIELD.

The PRESIDING OFFICER. Without objection, it is so ordered.

REGULATION OF THE MINING ACTIVITIES WITHIN THE NATIONAL PARK SYSTEM

The Senate continued with the consideration of the bill (S. 2371) to provide for the regulation of mining activity within, and to repeal the application of mining laws to, areas of the national park system.

The PRESIDING OFFICER. The question recurs on the amendment of the Senator from Alaska. The yeas and nays have been ordered. The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Mississippi (Mr. EASTLAND), the Senator from Michigan (Mr. PHILIP A. HART), the Senator from Washington (Mr. JACKSON) the Senator from South Dakota (Mr. McGOVERN), the Senator from Mississippi (Mr. STENNIS), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that the Senator from Wyoming (Mr. McGEE) and the Senator from Colorado (Mr. GARY HART) are absent on official business.

I also announce that the Senator from Missouri (Mr. SYMINGTON) is absent because of illness.

I further announce that, if present and voting, the Senator from Washington (Mr. JACKSON) and the Senator from Wyoming (Mr. McGEE) would each vote "nay."

Mr. GRIFFIN. I announce that the Senator from New Jersey (Mr. CASE) and the Senator from Maryland (Mr. MATHIAS) are necessarily absent.

I also announce that the Senator from Oklahoma (Mr. BARTLETT) is absent on official business.

I further announce that the Senator from Nebraska (Mr. HRUSKA) is absent attending the funeral of a friend.

The result was announced—yeas 33, nays 53, as follows:

[Rollcall Vote No. 24 Leg.]

YEAS—33

Baker
Beall
Bellmon
Brock
Cannon
Curtis
Dole
Fannin
Fong
Garn
Goldwater
Gravel
Griffin
Hansen
Helms
Hollings
Inouye
Laxalt
Long
McClellan
McClure
Morgan
Moss
Pearson
Randolph
Scott, Hugh
Scott, William L.
Stevens
Taft
Talmadge
Thurmond
Tower
Young

NAYS—53

Abourezk
Allen
Bentsen
Biden
Brooke
Buckley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Chiles
Church
Clark
Cranston
Culver
Domenici
Durkin
Eagleton
Ford
Glenn
Hartke
Haskell
Hatfield
Hathaway
Huddleston
Humphrey
Javits
Johnston
Kennedy
Leahy
Magnuson
Mansfield
McIntyre
Metcalf
Mondale
Montoya
Muskie
Nelson
Nunn
Packwood
Pastore
Pell
Percy
Proxmire
Ribicoff
Roth
Schweiker
Sparkman
Stafford
Stevenson
Stone
Weicker
Williams

NOT VOTING—14

Bartlett
Bayh
Case
Eastland
Hart, Gary
Hart, Philip A.
Hruska
Jackson
Mathias
McGee
McGovern
Stennis
Symington
Tunney

So Mr. STEVENS' amendment was rejected.

Mr. METCALF. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. METCALF. Mr. President, I yield to the Senator from Arizona for an amendment.

Mr. FANNIN. Mr. President, for Senator HANSEN, Senator BARTLETT, and myself, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. FORD). The amendment will be stated.

The legislative clerk read as follows:

> On page 7, add the following new section 10:
>
> "The holder of any patented or unpatented mining claim subject to this Act who believes he has suffered a loss by operation of this Act, or by orders or regulations issued pursuant thereto, may bring an action in a United States district court to recover just compensation, which shall be awarded if the court finds that such loss constitutes a taking of property compensable under the Constitution. The court shall expedite its consideration of any claim brought pursuant to this section."

Mr. FANNIN. Mr. President, the amendment is a very simple one.

The PRESIDING OFFICER. The time for debate on any amendment in the first degree, except two amendments on which there shall be 40 minutes each, shall be limited to 30 minutes, with 15 minutes on any amendment to an amendment, debatable motion, or appeal.

Is this one of the amendments for which there are 40 minutes allotted?

Mr. FANNIN. Mr. President, this will take just a couple of minutes.

The PRESIDING OFFICER. This is not one of the special amendments?

Mr. FANNIN. This is not one of the special amendments. Very little time will be taken, Mr. President.

The Senator from Arizona has discussed this amendment with the floor manager, the Senator from Montana (Mr. METCALF).

The amendment is intended to cure a major defect in the bill; namely, the imposition of a 4-year moratorium on further mining activities creates a serious constitutional and ethical question of "taking" of private property without just compensation.

Under this bill, mineral producers may continue their operations only in areas of their claim in which significant surface disturbance has already occurred. Stated conversely, mineral producers are forbidden to mine the full extent of their claim for a period of 4 years, even though previous Congresses have invited these producers to commit substantial investments in an effort to find and develop the mineral resources contained in those areas.

The proposed amendment does not declare the moratorium to constitute a legislative taking. Rather, it recognizes the unsettled state of the law with respect to the "taking" issue, and accordingly provides for an expedited resolution of this issue in Federal district court on an individual basis. In view of the serious constitutional and ethical question in issue, this amendment seems to be a highly moderate and reasonable addition to the bill.

I urge my colleagues to support the amendment for the reasons stated above. I feel this is a necessary clarification and it establishes exactly what the Senator from Montana says is the present law. It does have a provision for the expediting of the process that is involved. I hope that the distinguished Senator from Montana will accept it on that basis.

Mr. METCALF. If the Senator will yield, Mr. President, we have touched on this matter in the report. Yesterday, we had a rather extensive discussion as to the distinction between taking and regulation. In the report, we have called attention to the fact that the fifth amendment of the Constitution does provide that private property cannot be taken without just compensation.

There is some question as to when a certain regulation is a regulation or when it is a taking. That would have to be decided by the appropriate court. I think the Senator from Arizona has helped us in the bill by calling attention to the fact that there may be this distinction, but urging that the courts expedite any decision on this matter so that we can compensate the people who are entitled to compensation and we can go forward with the bill after the court proceedings.

Mr. FANNIN. I thank the distinguished Senator from Montana. He has stated exactly what is the desire of the Senator from Arizona and the Senators from Wyoming and Oklahoma. I appreciate that he does accept the amendment.

I ask for its immediate consideration.

Mr. METCALF. I yield back the remainder of my time.

Mr. FANNIN. I yield back my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Arizona.

The amendment was agreed to.

Mr. METCALF. May we have third reading?

Mr. HANSEN. Mr. President, if I may say a word before we go to third reading. I shall vote against the bill, despite the fact that I share strongly the conviction held by the distinguished floor manager of the bill (Mr. METCALF) that we should not have mining in national parks. I think the two are incompatible.

However, the fact is that in times past, the Congress of the United States has established national parks and national monuments and provision has been made and assurances have been given that mining would be permitted, recognizing that there were mineralized areas that were important to the country.

I hope, as I said earlier, that when new monuments or parks are established, that we can understand better than we have in the past, perhaps, where the mineralized areas are and how important they are to our Nation's future, and delete those areas where important minerals occur that could have a significant bearing upon the future viability of our country, industrially or defensively.

Having said that, let me say that where there are minerals in national parks that are held as valid claims, that are not important to the Nation's future, I should think then the appropriate way is for those rights to be purchased, and I am certain the distinguished Senator from Montana agrees with me.

I simply wanted to make this observation in order that there may be no misunderstanding about why I am voting on the bill consistent with the feeling I have.

I thank my colleague.

Mr. PASTORE subsequently said: Mr. President, I was unable to be on the floor of the Senate during the discussion of the nomination of Willie J. Usery, Jr., of Georgia, to become Secretary of Labor. I was in an executive committee meeting of the Committee on Commerce. For that reason, I could not be here. I could not allow the occasion to pass without my saying a word in support of this nomination.

I think this is an admirable nomination, and I congratulate the President for naming Mr. Usery to become the Secretary of Labor. I speak from experience. We had a very, very bad situation up at the Electric Boat, where there was a prolonged strike. I never met a man who dealt with other people who was more patient, more enduring, more compassionate, more understanding than Mr. Usery. If he carries those characteristics and those attributes to his new responsibility, I know that he not only can be proud of his own service, but he will win the respect of his colleagues and the Senate. I support the nomination.

ADDITIONAL STATEMENTS SUBMITTED ON S. 2371

Mr. PACKWOOD. Mr. President, I am extremely pleased today that the Senate is voting on final passage of this bill which I joined in sponsoring last year to arrest the mining in our valuable national park lands. In a time when the quest for resources has taken us to the far ends of the globe, I think we have to recognize that certain areas within this country should remain untouched. Whether they be wilderness, wild and scenic rivers, or our beautiful national parks, we need to insure that the values which make those lands great are protected. The scenic beauty of our untrampled forests, rugged mountains, and winding streams within the National Park System should all receive the assurance and protection which this bill will provide.

A number of years ago there were attempts made to mine pumice in the Rock Mesa area of the Three Sisters Wilderness in my home State of Oregon. Obviously, mining pumice in a wilderness area would leave Rock Mesa in a ravaged state which few would enjoy in the years to come. I fought against the mining that was about to take place in Rock Mesa, and I am pleased to say that today the U.S. Forest Service and the mining company which holds claims in Rock Mesa are studying the validity and value of those claims. Once the value, if any, of those claims is determined, I am hopeful that Congress will take prompt action in purchasing them so that Rock Mesa will remain untrampled, undisturbed, and a continuing testament to the solitude we all wish to preserve in certain lands throughout this Nation.

Of the national parks which are covered under this bill, the only national park in my home State for which mining is presently allowed is Crater Lake. Under the mining law of 1872 it is possible to establish a valid or patented mining claim in pursuing mineral development within this magnificent park. I for one, and I am sure most Oregonians, do not wish to see mining and mineral extraction in the Crater Lake National Park. Although there are currently no existing mining claims, or mineral development, I do think it is important that we preclude that possibility. Under this bill, the mining law of 1872 would no longer apply to Crater Lake so that mining claims could not be pursued in this park.

Again, let me offer my firm support for this bill as an original sponsor last year. I hope that the House will act promptly on this Senate bill, and that we will find our national parks well protected by the enactment of this legislation in 1976.

Mr. HATFIELD. Mr. President, as a cosponsor of this legislation, I urge its approval without any weakening amendments. I commend my distinguished colleague, Mr. METCALF, for providing the leadership on this issue, and I hope the measure will be approved by the House and become law.

As my colleagues on the committee are well aware, the issue of mining in parks is closely related to a special concern of mine: mining in wilderness areas. In Oregon, where one of the parks protected by this legislation is located, our State also faces possible mining in a wilderness area.

I refer to the Three Sisters Wilderness area, where mining threatens the pristine beauty of the Rock Mesa area. Pumice mining claims could be exploited to ruin this beautiful area forever.

With the issue of mining on both national parks and wilderness areas, the issue is one of trust. When a park or wilderness area is created, Congress has the public's trust to protect the area from desecration. I could offer a whole list of activities that are prohibited in such areas. Why, then, should mining be allowed? Obviously, it should not be permitted. People do not entrust to Congress the protection of an area, only to see a full-fledged mining operation begin in the protected park. At a time when people's faith in governmental institutions has eroded, allowing such practices within parks and wilderness areas makes a mockery of the protection we talk about when parks are created and wilderness areas established.

How can Congress talk about candor and honesty when we allow such a loophole to exist in the law? It is a loophole large enough to allow an entire mining operation to desecrate an area that deserves protection.

I have seen pictures of mining for pumice in the mountains of California. It looks like a 1984 moonscape, utterly devastated. The thought that such mining could occur in the Three Sisters Wilderness, one of the most beautiful areas of our State, is impossible to contemplate. The thought that mining could occur around the jewel of Crater Lake should shock everyone who cares about the protection of this country's natural beauty.

If some mineral is of such extreme strategic importance to the Nation that it must be mined, let each such instance be reviewed by Congress and approved. Such times possibly could arise. Public hearings are the best forum to assess whether such mining should be allowed to occur. Offering carte blanche mining to carve up national parks, however, where no such claims of strategic value are at issue, should be prohibited.

I urge my colleagues to approve this legislation, and I hope that the next step after approval of this bill is for our committee to consider a ban on mining in wilderness areas.

MINING IN DEATH VALLEY

Mr. CRANSTON. Mr. President, the bill before us, S. 2371, is an extremely important piece of leigslation for the protection of Death Valley National Monument.

The people of California are justifiably proud of the haunting beauty and rich history of this unique and scenic area. But Death Valley does not belong exclusively to the people of one State, or even to a single nation. A substantial number of the 700,000 people who visit the national monument each year are travelers from foreign lands. They consider Death Valley one of the outstanding wonders of the American West, along with Grand Canyon, Yosemite, and Yellowstone National Parks.

Today this unique resource is severely threatened by massive open pit and surface mining for borates and industrial talcs. In 1933 Congress allowed mining to continue in the national monument because of the area's historic association with prospecting and pick-and-shovel mining.

The legal loophole left open for the prospector and his burro has become an open invitation to bulldozers, hydraulic trucks and all the heavy equipment of the modern strip miner. The Tenneco Corp's Boraxo Pit, located about 8 miles southeast of Zabriskie Point scenic area, gives some perspective to the scale of open-pit mining in Death Valley.

Last October, when a member of my staff visited the monument, the pit was 3,000 feet long and 1,000 feet wide at the widest point. It had been dug to a depth of 240 feet, with another 180 feet down planned before the depth makes mining unfeasible later this year. Waste dumps from the Boraxo Pit are 150 feet high and clearly visible from the heavily traveled road to Dante's View overlook. For each 10,000 tons of borons mined an acre of surface is completely destroyed.

The talc mining is equally destructive. Nearly six acres of surface are obliterated for each 10,000 tons of talc mined. The stark whiteness of the talc waste dumps and stockpiles makes them stand out vividly against the darker rock background.

Since S. 2371 was introduced in September, mining activity in Death Valley National Monument has been accelerated, according to the National Park Service. Though the mining companies deny stepped-up surface destruction in anticipation of a 4-year moratorium, the Park Service's citizen advisory committee believes otherwise. In a recent resolution, it describes intensive new activity that threatens to devastate the scenic values of the Warm Spring, Galena Canyon, and Ibex Hills sections of the monument. According to the advisory committee, one talc mine, high on the south side of Galena Canyon, is now visible for 35 miles.

To accelerate surface scarring in anticipation of a congressionally imposed mining ban is pointless. The law we will pass today forbids mining from any land not already disturbed prior to September 1975. This is one more good reason for swift passage of the similar bill pending in the other body.

Without a strict statement by Congress of the public's rights in this area, the pristine beauty that was created over millions of years could be lost in a single lifetime. Some mining companies have said they intend to increase their Death Valley operations as much as 50 percent in the next 5 years. Huge open pits and roads from these operations will leave scars in the national monument that will mar the desert for centuries.

Last September this issue came to a head when it was learned that Tenneco had staked mine claims in scenic Gower Gulch and within view of Zabriskie Point, two areas most sought out by visitors. Though the claim stakes were later removed in response to public outcry, they have been restaked by persons under the name of the Grand Surprise Claim Group. And Grand Surprise is now asking for vehicle access into Gower Gulch to develop those claims.

Only repeal of the 1933 law permitting mining in the monument and a moratorium on existing mining operations can protect Death Valley from further irreparable damage.

There are adequate supplies of both borons and talc outside of Death Valley to meet present and anticipated national needs. In 1974, only about 3 percent of our domestic production of boron minerals and less than 1 percent of our talc production came from Death Valley. Although 80 percent of our colemanite was mined there, colemanite is largely interchangeable with other borates which are available in quantity. According to the Bureau of Mines, the U.S. boron industry has reserves for at least 84 years.

The 4-year moratorium does not terminate existing valid mineral rights. It merely defers their exercise while Congress decides whether or not to acquire the mineral rights in the public interest. I think this is a prudent course of action.

Congress must make it clear now and for the future that the Federal Government does have the right—and indeed the duty—to protect Death Valley and other units of the national park system from mining or any other activity that diminishes the quality of the environment within them.

Mr. DOLE. Mr. President, I have taken a careful look at the measure pending before the Senate today, and have reviewed the majority and minority views expressed by members of the Senate Interior Committee at the time that the bill was reported. On balance, it seems to me that S. 2371 has a much more detrimental potential for our Nation in the years to come than it does beneficial qualities.

It is very important that our national scenic treasures are preserved as near as possible in their natural State, and I certainly do not advocate eliminating the current prohibitions against mining in national parks and monuments. However, previous Congresses have cited six specific areas which contain valuable mineral deposits and have granted a very limited exception to the restriction against mining in national monument areas. In particular, these include Glacier Bay National Monument, Death Valley National Moument, Crater Lake and Mount McKinley National Parks, Coronado National Memorial, and Oregon Pipe Cactus Monument. Of approximately 120 national parks and national monuments, only these six have been deemed so valuable, under previous legislation, that restricted mineral exploration and extraction have been permitted. As several members of the Senate Interior Committee noted in their minority statement, it appears doubtful that Congress now has either the legal or ethical right to deprive mineral producers in these areas of their property without just compensation.

But the overriding consideration in this issue, it seems to me, is the extreme value of minerals contained in these specific areas to future national development and even national defense. Evidence indicates that these six areas contain at least 14 valuable minerals that the Bureau of Mines forecasts will be in short supply within the next 25 years. Glacier Bay National Monument, for example, contains approximately 1 billion pounds of nickel—the largest known deposit in the United States. It contains 600 million pounds of copper as well. Death Valley contains the only known significant domestic reserves of the high grade borate, colemanite. Nickel is a strategic metal essential to the $25 billion iron and steel industry as well as to the aerospace industry. It is currently in such short supply within the United States that our Government imports over 70 percent of the nickel used domestically, and this amount is steadily increasing. Yet, S. 2371 will effectively withdraw another 7 million acres of potentially mineral-rich land from our ever-diminishing supply of mineral resources.

Probably the most concerning aspect of our domestic mineral shortage is the knowledge that our Nation's growing dependence on mineral imports from foreign countries puts us in a position of vulnerability, not unlike that we have experienced in the area of petroleum needs. The U.S. Geological Survey has forecast that within the next 25 years, the United States will be 100 percent dependent on imports for 12 essential mineral commodities, more than 75 percent dependent for 15 such minerals, and more than 50 percent dependent for 26 commodities. There can be no question that our Nation's reliance and dependence on the whims of foreign governments will be increased by every acre of mineral-rich land that we now close to exploration and development.

The measure we confront today does not in any way propose to open our national parks and monuments to mining activities. I certainly would not support any such sweeping initiative which would have such a tragic effect upon our valuable scenic preserves and monuments. I do believe it is of primary importance that these national treasures be preserved for our generation and for future generations.

But Congress should carefully weigh the extremely important and detrimental repercussions which can result if these limited mineral developments, which are currently permitted by law, should be terminated at this time.

Mr. President, I am hopeful that the Members of this body will agree this morning to permit these limited mining activities to continue in these six areas, so that our critical national mineral needs can be met.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill is open for further amendment.

If there are no further amendments to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be read the third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass?

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD of West Virginia. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Mississippi (Mr. EASTLAND), the Senator from Ohio (Mr. GLENN), the Senator from Michigan (Mr. PHILIP A. HART), the Senator from Washington (Mr. JACKSON), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Mississippi (Mr. STENNIS), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that the Senator from Wyoming (Mr. MCGEE) and the Senator from Colorado (Mr. GARY HART) are absent on official business.

I also announce that the Senator from Missouri (Mr. SYMINGTON) is absent because of illness.

I further announce that if present and voting, the Senator from Wyoming (Mr. MCGEE), and the Senator from Washington (Mr. JACKSON) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Maryland (Mr. MATHIAS) is necessarily absent.

I also announce that the Senator from Oklahoma (Mr. BARTLETT) is absent on official business.

I further announce that the Senator from Nebraska (Mr. HRUSKA) is absent attending the funeral of a friend.

The result was announced—yeas 70, nays 16, as follows:

[Rollcall Vote No. 25 Leg.]

YEAS—70

Abourezk
Allen
Baker
Beall
Bentsen
Biden
Brock
Brooke
Buckley
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Case
Chiles
Church
Clark
Cranston
Culver
Domenici
Durkin
Eagleton
Ford
Gravel
Griffin
Hartke
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Javits
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
McClellan
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Sparkman
Stafford
Stevenson
Stone
Taft
Talmadge
Tower
Weicker
Williams

NAYS—16

Bellmon
Cannon
Curtis
Dole
Fannin
Fong
Garn
Goldwater
Hansen
Helms
Laxalt
McClure
Scott,
  William L.
Stevens
Thurmond
Young

NOT VOTING—14

Bartlett
Bayh
Eastland
Glenn
Hart, Gary
Hart, Philip A.
Hruska
Jackson
Mathias
McGee
McGovern
Stennis
Symington
Tunney

So the bill (S. 2371), as amended, was passed, as follows:

S. 2371

An act to provide for the regulation of mining activity within, and to repeal the application of mining laws to, areas of the National Park System, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress finds and declares that—

(a) the level of technology of mineral exploration and development has changed radically in recent years and continued application of the mining laws of the United States to those areas of the National Park System to which it applies, conflicts with the purposes for which they were established; and

(b) all mining operations in areas of the National Park System should be conducted so as to prevent or minimize damage to the environment and other resource values, and, in certain areas of the National Park System, surface disturbance from mineral development should be temporarily halted while Congress determines whether or not to acquire any valid mineral rights which may exist in such areas.

SEC. 2. In order to preserve for the benefit of present and future generations the pristine beauty of areas of the National Park System, and to further the purposes of the Act of August 25, 1916, as amended (16 U.S.C. 1) and the individual organic Acts for the various areas of the National Park System, all activities resulting from the exercise of valid existing mineral rights on patented or unpatented mining claims within any area of the National Park System shall be subject to such regulations prescribed by the Secretary of the Interior as he deems necessary or desirable for the preservation and management of those areas.

SEC. 3. Subject to valid existing rights, the following Acts are amended or repealed as indicated in order to close these areas to entry and location under the Mining Law of 1872:

(a) the first proviso of section 3 of the Act of May 22, 1902 (32 Stat. 203; 16 U.S.C. 123), relating to Crater Lake National Park, is amended by deleting the words "and to the location of mining claims and the working of same";

(b) section 4 of the Act of February 26, 1917 (39 Stat. 938; 16 U.S.C. 350), relating to Mount McKinley National Park, is hereby repealed;

(c) section 2 of the Act of January 26, 1931 (46 Stat. 1043; 16 U.S.C. 350a), relating to Mount McKinley National Park, is hereby repealed;

(d) the Act of June 13, 1933 (48 Stat. 139; 16 U.S.C. 447), relating to Death Valley National Monument, is hereby repealed;

(e) the Act of June 22, 1936 (49 Stat. 1817), relating to Glacier Bay National Monument, is hereby repealed;

(f) section 3 of the Act of August 18, 1941 (55 Stat. 631; 16 U.S.C. 450y-2), relating to Coronado National Memorial, is amended by replacing the semicolon in subsection (a) with a period and deleting the prefix "(a)", the word "and" immediately preceding subsection (b), and subsection (b); and

(g) the Act of October 27, 1941 (55 Stat. 745; 16 U.S.C. 450z), relating to Organ Pipe Cactus National Monument, is hereby repealed.

SEC. 4. For a period of four years after the date of enactment of this Act, the surface of any land included within any patented or unpatented mining claim which is located within the boundaries of Death Valley National Monument, Mount McKinley National Park, and Organ Pipe Cactus National Monument shall not be disturbed for purposes of mineral exploration or development: *Provided, however,* That the provisions of this section shall not apply to surface disturbance caused by extraction of minerals from lands the surface of which had been significantly disturbed for the purpose of mineral extraction prior to September 18, 1975.

SEC. 5. The requirements for annual expenditures on mining claims imposed by Revised Statute 2324 (30 U.S.C. 28) shall not apply to any claim subject to section 4 of this Act during the time such claim is subject to such section.

SEC. 6. Within two years after the date of enactment of this Act, the Secretary of the Interior shall determine the validity of any unpatented mining claims within Death Valley and Organ Pipe Cactus National Monuments and Mount McKinley National Park and submit to the Congress recommendations as to whether any valid or patented claims should be acquired by the United States.

SEC. 7. Within four years after the date of enactment of this Act, the Secretary of the Interior shall determine the validity of any unpatented mining claims within Crater Lake National Park, Coronado National Memorial, and Glacier Bay National Monument, and submit to the Congress recommendations as to whether any valid or patented claims should be acquired by the United States.

SEC. 8. All mining claims under the Mining Law of 1872, as amended and supplemented (30 U.S.C. chapters 2, 12A, and 16 and sections 161 and 162) which lie within the boundaries of units of the National Park System shall be recorded with the Secretary of the Interior within one year after the effective date of this Act. Any mining claim not so recorded shall be conclusively presumed to be abandoned and shall be void. Such recordation will not render valid any claim which was not valid on the effective date of this Act, or which becomes invalid thereafter.

SEC. 9. (a) Whenever the Secretary of the Interior finds on his own motion or upon being notifed in writing by an appropriate scientific, historical, or archeological authority, that a district, site, building, structure, or object which has been found to be nationally significant in illustrating natural history or the history of the United States and which has been designated as a natural or historical landmark may be irreparably lost or destroyed in whole or in part by any surface mining activity, including exploration for or removal or production of minerals or materials, he shall notify the person conducting such activity and submit a report thereon, including the basis for his finding that such activity may cause irreparable loss or destruction of a national landmark, to the Advisory Council on Historic Preservation, with a request for advice of the Council as to alternative measures that may be taken by United States to mitigate or abate such activity.

(b) The Council shall within two years from the effective date of this section submit to the Congress a report on the actual or potential effects of surface mining activities on natural and historical landmarks and shall include with its report its recommendations for such legislation as may be necessary and appropriate to protect natural and historical landmarks from activities, including surface mining activities, which may have an adverse impact on such landmarks.

SEC. 10. If any provision of this Act or the applicability thereof to any person or circumstance is held invalid, the remainder of this Act and the application of such provision to other persons or circumstances shall not be affected thereby.

SEC. 11. The holder of any patented or unpatented mining claim subject to this Act who believes he has suffered a loss by operation of this Act, or by orders or regulations issued pursuant thereto, may bring an action in a United States district court to recover just compensation, which shall be awarded if the court finds that such loss constitutes a taking of property compensable under the Constitution. The court shall expedite its consideration of any claim brought pursuant to this section.

Mr. METCALF. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. HANSEN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. METCALF subsequently said: Mr. President, I ask unanimous consent that 200 copies of the bill, S. 2371, passed earlier today, be printed for the use of the Committee on Interior and Insular Affairs.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WILLIAM L. SCOTT. Mr. President, I was one of the 16 Senators who voted against the measure that the Senate just passed. I would like to explain briefly, during the interval between now and the taking up of the next matter, the reason for my vote.

Certainly I, as well as the rest of the Members of the Senate, am in favor of national parks. We do not want to see those parks desecrated. But I believe we keep chipping away at the American standard of living by actions that we take, and I believe we keep chipping away at the basis by which we can achieve energy sufficiency.

Moreover, when we attempt to inhibit the right of an individual to use his mine, the property rights that he has acquired in public lands, whether patented or unpatented mining claims, I believe that is something that, under the 15th amendment of our Constitution, constitutes property, and is something for which just compensation must be paid. So I doubt the constitutionality of that portion of this bill that would deprive a man of the use of his property.

Mr. President, this is a field that I worked in for many years with the Department of Justice. It is stated quite clearly in our Constitution—

> nor shall private property be taken for public use, without just compensation.

When you take the right of a person to use his property, you have taken his property. This is something Shakespeare spoke about, and I believe it is what we are doing here, depriving an individual of the use of his property.

But I think perhaps even more serious than that, there are a number of things, mining rights that are being taken under this bill, whereby the Nation will be deprived of material that is necessary for the welfare of the country. To me, it is a bad bill, and that is why I voted against it. I hope that the other body will not take any action on it, or if it does, I understand that the Secretary of the Interior recommended against the bill in its present form, and I hope the President will see fit to veto the measure.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FANNIN. Mr. President, I voted today against the enactment of Senate bill 2371, the so-called mining in the parks bill. I would like to clarify the reasons for my vote.

I will not belabor the point that I made repeatedly on the floor of the Senate and in the minority views to the committee report: As a general matter, I am firmly opposed to mining in national parks and monuments. The two uses are mutually inconsistent and incompatible. But Senate bill 2371, while it purports merely to close down six national parks and monuments to further mineral exploration and development, actually raises broader and more important questions. This bill forcefully drives home the point that great care must be taken when delineating the boundaries of national parks and monuments so as to exclude the more heavily mineralized portions. Glacier Bay National Monument, one of the areas to be closed by this bill, is an excellent case in point. The most important mineral deposits in that area are concentrated in a discrete section near the Gulf of Alaska. This section, which comprises approximately 20 percent of the total monument area, is located in a remote, desolate region which is virtually inaccessible to tourists. The area was added to the national monument in 1939 purely for administrative and managerial reasons, and it was added with the express congressional understanding that the mining activities therein would be permitted to continue.

It is clear now that that area should never have been made part of the monument in the first place. By no traditional standard of scenic and ecological value is that section properly a part of the larger Glacier Bay National Monument. Yet, despite previous congressional assurances to the contrary, and despite the fact that that area contains the largest known nickel deposit in the United States, the Senate has now closed the area to further mineral exploration and development.

These observations are equally applicable to many other areas within the national park and monument system. There is no reason why the boundaries may not be drawn, or redrawn, so as to exclude the most heavily mineralized areas while preserving intact the primary scenic and ecological values sought to be protected. In the case of Senate bill 2371, the boundaries of the parks and monuments involved were unfortunately drawn so as to include heavily mineralized areas, and in recognition of this fact, previous Congresses have invited and encouraged mineral exploration and development. It is obviously unfair to the mining entrepreneurs who have been invited into those areas to now halt their further activities, but more importantly, it is simply bad public policy to tie up large amounts of our mineral wealth at a time when national shortages are becoming more acute.

To withdraw parcels of public land from that available for mineral development to create a national park or monument is perfectly valid, provided the Congress is cognizant of the cumulative impact on our mineral reserves occasioned by such withdrawals. But this has not been the case. To the contrary, Congress persists in engaging in piecemeal, ad hoc withdrawals, as it has done in S. 2371, oblivious to the consequences.

Mr. President, I cannot stress strongly enough the crucial importance to this country of having readily available sufficient quantities of our precious metals and minerals to feed this country's industrial strength. The only alternative is increased reliance on imports from abroad, thereby subjecting ourselves to the ever-present danger of the creation of foreign cartels which can drive up prices or withhold supplies entirely at their whim. The OPEC nations have demonstrated conclusively to us the folly of such reliance. But Mr. President, I can assure you that the events of the past few years were merely a minor prelude of events to come if we continue to lock up this country's mineral resources.

EXECUTIVE SESSION

NOMINATION OF WILLIE J. USERY, JR., TO BE SECRETARY OF LABOR

The PRESIDING OFFICER. Under the previous order, the hour of 11 a.m. having arrived, the Senate will now go into executive session and proceed to the consideration of the nomination of Mr. Willie J. Usery, Jr., to be Secretary of Labor.

Time for debate on this nomination is limited to 1 hour with the vote thereon to occur no later than 12 noon.

The Senator from Nevada is recognized.

Mr. LAXALT. Mr. President, I thank the Senator from North Carolina for yielding to me.

I stand in opposition to the nomination of Mr. Usery to the position of Secretary of Labor. My opposition to his nomination is based entirely upon his labor policy positions, and I wish to make that abundantly clear here. Because my good friend, the distinguished junior Senator from Utah will be devoting considerable time to the nominee's shortcomings on the subject of collective bargaining rights for Federal employees, I intend to devote my attention to the adverse consequences of his positions on common situs picketing and right to work.

COMMON SITUS

Mr. Usery in his confirmation hearings was quite clear. He supports situs picketing. Leaving aside the seeming paradox of our confirming as Secretary of Labor an individual who stands opposite the President on one of the most controversial labor policy issues in recent memory, let me elaborate a little on the serious adverse consequences of Mr. Usery's position on this issue.

Mr. President, the construction industry has been hit especially hard by the current recession. According to the Department of Labor, employment in all construction has dropped from 4,058,000 in May 1974, to 3,465,000 in May 1975. Unemployment in the construction industry was 21.8 percent in June 1975, as opposed to 10.4 percent in June 1974. The value of all construction on a seasonally adjusted annual rate was $121.2 billion in June 1975, as compared to $134.8 billion in 1974.

Although the situation has improved somewhat since, the problem with Mr. Usery's support for common situs is that by worsening labor relations in the industry, it would have made a bad economic situation even worse. An increase both in the total number of strikes and in the extent of damage caused by each strike is to be fully anticipated as a result of this bill's conferral of secondary boycott power on the unions.

Of course, construction has long been characterized by a number of uncontrollable external variables which can throw even the best planned and executed job into considerable disarray. But the adoption of common situs would unnecessarily add serious new labor problems to this already risk-ladden enterprise. Unions, armed with new power to close down entire projects, could cause substantial cost increases and delays in production. Contractors, subcontractors, and union members who have good labor relations could be harmed in a common situs strike even if they were not involved in the immediate dispute.

As bad as common situs would have been in increasing the number of construction strikes, it is perhaps worse that it will also increase the cost of each individual strike. Entire projects, whether factories, mines, or energy facilities which previously could have continued to operate during strikes which involved fewer than a half-dozen workers, could now be shut down by the exercise of the secondary boycott power. Testimony taken by the House Education and Labor Committee last summer revealed three examples of kinds of strikes, now matters between a single contractor or subcontractor and his employees, which if common situs had been approved, could shut down entire sites:

First. To force a nonbuilding trades union employer off the job;

Second. To prohibit the use of prefabricated or other materials on the job site; and

Third. To force an employer to accept a union's interpretation of the contract where the contract does not have a no-strike clause.

Construction is clearly the largest industry in the Nation. At $135 billion-a-year total output, it accounts for about 10 percent of the GNP, according to the Department of Commerce, and employs about one out of seven employed Americans. Accordingly, in the aftermath of our worst recession since World War II, when the country needs immediate and massive new infusions of construction activity to lift us out of the recession, Mr. Usery's support of common situs is particularly untimely because it would have the opposite effect of spawning costly disputes and lengthy delays in the Nation's largest industry and thus delay general economic recovery.

Another problem with Mr. Usery's support of common situs is that it will cost jobs, many of them union. It is accepted as axiomatic by both proponents and opponents that common situs would virtually do away with the current prevalent phenomenon of mixed construction job sites. Rather than mixed, jobs would tend to be either all union or all nonunion. But an interesting ramification of this development would have been the loss of large numbers of union jobs currently held by union subcontractor employees working for nonunion generals.

The Associated Building Contractors—ABC—the merit shop contractors' association, has done a study of its membership in several key States which revealed that a surprising number of nonunion generals do in fact hire union subs. For example, in Connecticut, out of 12 nonunion general firms surveyed doing an aggregate dollar volume of subcontracting work of $14.5 million, $8.8 million went to union subs and $5.7 million to nonunion subs. Approximately, the same division applied to such States as Colorado, New York, Massachusetts, and Rhode Island. In other words, nonunion generals tend to split fairly evenly their subcontracting work between union and nonunion subs.

This is the point that we stressed so strongly during the course of the common situs debates in the Chamber.

Were common situs to be enacted, a nonunion general could not afford to subcontract to union subcontractors because they would not cross picket lines and to do work in the event of labor disputes between other union contractors and their employees.

Millions of dollars would thus be lost annually to union craftsmen in construction. Proponents of the bill such as Mr. Usery should consider the loss of these dollars and weigh that loss against the doubtful correction of alleged picketing inequities which union leaders claim exist between industrial and construction unions.

On the subject of common situs, American public opinion is also opposed to Mr. Usery. A January 1975, survey conducted by Opinion Research Corp., Princeton, N.J., shows that 68 percent of the American public believe that a union should be allowed to picket only the work of a contractor with whom it has a dispute, not the whole building site. Also significant among the survey results is that 65 percent of craftsmen and foremen, 57 percent of union members, and 62 percent of union families favor limited picketing. Similar, earlier studies show that the sentiments of both the general public and of union members have remained roughly in the same proportions since 1966.

From these findings, one can only conclude that Mr. Usery's support of common situs has been misguided. Mr. Usery and those who continue to strive for the enactment of this legislation are acting contrary to the interests and in opposition to the wishes of the majority of their union constituency and the entire American people.

From time to time there have been discussions about repealing 14(b). Although we are constantly assured that no attempts to repeal it will be made, after our experience on common situs I am not personally convinced that that is the case. I do not think that the unions in this country have ever been stronger than they are now in the halls of Congress, and 14(b) for many years has been a sorepoint for them.

So I shall discuss this issue for a moment in connection with Mr. Usery. In my opinion, he is not only on the wrong side of the common situs issue, he also advocates repeal of section 14(b) of the Taft-Hartley Act. In doing so, Mr. Usery places himself directly at odds with a position which I and many of my colleagues know to be an essential underpinning of good labor-management relations.

The heart of 14(b) is the question of whether Federal and State law should sanction union security clauses in union management agreements. More specifically, we are discussing the worker's freedom of choice with respect to joining a union. Union security clauses are provisions in a collective bargaining agreement which are designed to insure the continued life of the union by protecting it against employers, nonunion employees, or raids by competing unions. They require, to various degrees, employees to become union members.

At present, 19 States including my own State of Nevada, have passed legislation under section 14(b) outlawing union shops and other union security agreements. But what the authors of this legislation and 19 State legislatures believe to be essential State prerogative, Mr. Usery proposes to repeal.

The reasons for retaining section 14(b) are many, but at the heart of the matter is one very simple concept.

The right-to-work laws protect the worker from compulsory membership in unions as a condition of employment. Union membership should be a matter of individual choice and not a matter of a union's ability to close off job opportunities for nonunion individuals.

Compulsory union membership is nothing less than a form of coercion; that is, forcing an individual to act against his will, to do something he would not otherwise do. And, nothing is more repugnant to our American tradition. State right-to-work laws authorized by section 14(b) guard against this form of coercion. Mr. Usery proposes that they be repealed.

Some opponents of right-to-work laws contend that nonunion employees are free riders and should be compelled to pay for whatever benefits union pressure thrusts upon them regardless of their worth to the individual. This assumption of universal benefits is unfounded. The individual worker must retain sole authority to decide if the alleged benefits warrant union membership or if union activity has resulted in his personal detriment. The individual may be convinced that collective bargaining for large groups has a depressing effect upon the wage he might otherwise obtain in individual bargaining, that the rule of seniority which the union insists upon greatly exposes him to unemployment, that the allocation of up to 10 percent of his pay for benefits that he does not want or need amounts to confiscation of a part of his wage, or that the contributions made by unions for political or other purposes are against his interest.

In fact, right-to-work laws encourage greater union responsibility toward society at large and greater responsiveness to the members because union membership is voluntary. The "captive constituency" inherent in compulsory union membership does not require the same degree of attention to the needs of the members by the union leadership as is present when freedom of choice is preserved. In a merit shop situation when the union is not serving its membership adequately, the members will simply leave.

As was the case with common situs, the American people stand opposite to Mr. Usery in that they favor the continuation of right-to-work laws. An April 1974 national survey of the voting age public clearly indicated support for section 14(b) of the Taft-Hartley Act. Offered the choice of keeping or repealing section 14(b), 74 percent of the public said they favored retaining it, 11 percent favored repeal, and 15 percent had no opinion.

My own State of Nevada has been a leader in providing work opportunities for its people, largely as a result of its right-to-work laws, and the presence of such laws has not resulted in economic deprivation for the worker. To the contrary, a recent study using Department of Labor data found that Nevada was among the top five States in actual weekly earnings by production workers.

Let me close by saying that a fundamental premise of our labor laws has long been to protect the rights of workers to join unions or to refrain from doing so—not to guarantee the power of unions to coerce union membership. Section 14(b) of the National Labor Relations Act and statutory provisions of 19 States were enacted with this in mind. Accordingly, I find myself compelled to express my strong opposition to an individual who not only supports situs picketing but also seeks to undermine that principle.

Mr. Usery and those who support this nomination would repeal 14(b). That, combined with the position he has taken on common situs picketing, raises, in my judgment, as a member of the Committee on Labor and Public Welfare, serious questions, policy differences, in connection with his qualification to serve as Secretary of Labor.

Mr. GARN. Mr. President, I also oppose this nomination. I have no doubt about Mr. Usery's ability to do the job. I do have grave doubts about his objectivity. I believe that his positions, as shown by the Senator from Nevada, and other matters that we will talk about, show that he is totally biased toward labor, that there simply is no balance, and nothing in his record that indicates that he could be fair to both sides.

I am disappointed that the President has made this nomination. I fear that it was primarily a political appointment, on the basis of the trouble the President got into for vetoing the common situs bill, and this is a sop to labor, saying, "I am trying to be nice, you guys."

We might as well face the facts and be candid about it. We might as well have George Meany as Secretary of Labor, in my opinion. That is how bad I think this appointment is, so far as reasonable or fairness are concerned with respect to a Secretary of Labor. I do not want a pro-management Secretary of Labor. I want a man who would look at things objectively.

My first contact with Mr. Usery came last spring, when he gave a speech in my home city, Salt Lake City, where I was mayor, and where I felt I might have some ability, as mayor, to make decisions, together with my city council, as to what labor relations we ought to have with our employees. Mr. Usery made a speech at that time asking for uniform collective bargaining throughout this country.

It is not just JAKE GARN, former mayor of Salt Lake City, a Republican, who is opposed to this position. The National League of Cities, representing 15,000 cities in this country, and 80,000 units of local government, would like to determine their own future. I am not opposed to collective bargaining, if the Utah State Legislature wants to adopt it and the city council in Salt Lake City wants to adopt it; but I am vociferously opposed to uniform, national, compulsory collective bargaining imposed on 80,000 units of local government, taking away the ability of the legally elected officials to make decisions in their communities and taking away the accountability to their own constituents.

Mr. Usery said:

> The sequence of common sense—or pragmatism, if you like—indicates that in the not too distant future Congress will be convinced that State and local labor-management relations would be vastly improved by applying one set of rules for what is becoming one common game.

Certainly, they want one set of rules. George Meany and his boys, who in my opinion are not only ripping off the American public but also the rank and file members who pay dues, want it in one place. They want to come to Washington. They do not want to have to deal with 15,000 mayors. They do not want to have to deal with local problems and individualized solutions. They want unanimity so that it will be easier for them to get their way.

There is a great overbalance. In the year I have been in the Senate, I constantly have heard "antibusiness reform" as if business is responsible for every problem in this country; but rarely do I hear anything about the influence of organized labor on this Congress. In my opinion, George Meany and organized labor have more influence on Congress and the decisions that come out than any other special interest group, bar none.

As Senator LAXALT has said, we see another attempt for uniformity at the national level, for more control, for a minority group that does not represent a majority of the American people. Now we see it from our new Secretary of Labor, whose nomination I am sure is going to be confirmed. They want unanimity, for the mayors and councilmen and Governors to do the will of Congress, as pushed through by George Meany and the other labor leaders.

I cannot in any way support this nomination.

Mr. President, I ask unanimous consent to have the following material printed in the RECORD: a speech by Mr. Usery; a letter dated May 21 to President Gerald Ford by the junior Senator from Utah in opposition to this speech, before I ever knew he was going to be nominated for Secretary of Labor; a second letter, analyzing this speech in more detail, of May 28, 1975; a news release in response to this speech; and an editorial published in the Deseret News of January 15, 1976.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COLLECTIVE BARGAINING CHALLENGES IN THE FEDERAL SECTOR

ADDRESS BY W. J. USERY, JR.

Being asked to speak to a gathering of Federal employees—and especially those represented by the American Federation of Government Employees—brings particular pleasure to me.

As a Federal employee myself, I have the comfortable feeling that I'm one of the family.

When Bill Wade invited me to join you for the sixth annual Utah Federal employees banquet, it rang a bell with me. For you see, I came to the Federal Government as Assistant Secretary of Labor in February of 1969—the same year that you held the first of these magnificent banquets.

I had a chance to reflect on those six years of service last Sunday when the University of Louisville inflated my ego by awarding me an honorary doctorate in social sciences.

As I received that high honor, I thought about all of the opportunities that I have received during these half-dozen years of Federal service. Through our Federal Government, I have been able to fulfill some lifelong ambitions to promote our system of free collective bargaining. . . . To contribute to the development of labor-management peace.

And I am both proud and humble to say "thank you" to a system and a Government that has made it possible for a boy from the small town of Milledgeville, Georgia, to chase, and catch, his fondest dreams.

I know there are many people in this audience who share my feeling toward our Federal Government—and who do their very best to serve their Nation as government employees.

Hundreds of times during the past six years I have taken a few minutes before beginning the formal part of a speech to tell the audience how fortunate they are to have a dedicated army of two-and-a-half million Federal employees serving their interests.

I say such things because I believe them. And I believe them because they are a true reflection of my own personal experience in working side-by-side with you.

The response of the audiences has been gratifying to a degree that has sometimes surprised even me. That response has shown me that the American people know that you are faithfully performing the services they expect of you.

I don't mean to imply that we have reached a state of perfection—we haven't; or that we can't do more—we can.

Now I'll admit that there are some who contend that their government does too much—a condition that has led to the expected outpouring of stories.

I heard one recently from a businessman—or maybe I should say businessperson—who was fussing about his obligations to the IRS, the EEOC, the FEO, the EPA, DOT and the SBA.

The story he told takes place in biblical times:

Moses is leading his people out of Egypt with the pharaoh and his army in hot pursuit. Suddenly, Moses finds himself cut off by the Red Sea.

He raises his eyes to Heaven. "Oh Lord," he says, "help Thy people pass this great barrier."

A voice answers from the heavens. But it isn't the thundering voice of authority Moses knows so well. In a rather mild way, the voice said:

"Er, ah, Moses, I've got good news and bad news. The good news is that as far as the sea is concerned, it's no problem. I can part those waters as clean as a whistle with a flick of my finger."

"The bad news is that, ah, I need a permit from the Environmental Protection Agency."

There are others who claim that government doesn't always practice what it preaches. We all know of examples of this. One that comes to my mind involves an agency of the government which found fit recently to de-sex some 3,500 job titles.

You probably read about it. From now on, a seamstress will be known as a custom sewer. . . . A brewmaster is now a brewing director. . . . A governess has officially become a child mentor. . . . And an animal husbandman is now an animal scientist.

Do you know the title of the agency that took this action to remove sexual connotations from job descriptions?

That's right: The Manpower Administration.

Yes, it's true that we haven't reached the blessed state of perfection.

One area where a great deal of improvement can be made involves our world—the world of collective bargaining.

We have been slow to bring the collective bargaining processes, which have proven to be so flexible and rewarding to labor and management in the private sector, to our sphere of operations.

The plight of the Federal employee for many years was pointed to by the trade union movement as an example of just how tough things could be.

When the American Federation of Labor began to assign organizers to help white collar Federal employees form unions in 1917, Samuel Gompers was moved to write in the American Federationist—and these are his words:

"It is claimed that Government employees have foregone the right to strike. The Government has restricted their political rights—political activity is not tolerated in the service. Many employees are women and therefore have not even the right to cast a ballot."

Mr. Gompers drew a lesson for private-sector workers from their less-fortunate brothers and sisters who were employed by the Government.

"It is well for all the workers to seriously consider the plunge into Government ownership; whether after all it would not involve the plight of jumping from the frying pan into the fire," he warned.

While Mr. Gompers tended to blame Government department heads for stymieing the desire for full collective bargaining among Federal employees, the truth is that no one in particular was responsible.

The uncertainty about the proper boundaries for Federal unionism is reflected in the union movement itself. Your own AFGE constitution, for example, contained a popularly supported no-strike clause until just three years ago.

I can understand the long-term reluctance of the members of your organization and other unions representing Federal employees to repeal the no-strike clause.

—Federal workers for nearly a century have had rather substantial success in lobbying for decent wages, adequate fringe benefits and good conditions of work.

—The law said that anyone engaging in a strike against the Federal Government could wind up in jail.

—In truth, strikes are no more popular with workers than they are with management.

Why, then, have we seen an abrupt change in posture? Why are so many people, like myself, calling for the implementation of legislated collective bargaining rights for federal employees?

There are a number of reasons. But two are outstanding.

First is the growing belief in our Nation's official commitment to collective bargaining as the preferred method for resolving disputes between labor and management.

Second is the growing awareness that the present system is cumbersome, uneven and totally frustrating for unions and their members.

Let's take first things first. From the day 38 years ago when the Supreme Court laid its hand of approval on the National Labor Relations Act until today, collective bargaining has been the legally sanctioned catalyst for the development of labor-management peace.

This was reiterated in the Taft-Hartley Act nearly three decades ago. Let me read you the exact words:

". . . It is the policy of the United States that sound and stable industrial peace and the advancement of the general welfare, health, and safety of the Nation and of the best interest of employers and employees can most satisfactorily be secured by the settlement of issues between employers and employees through the processes of conference and collective bargaining between employers and the representatives of their employees."

Certain groups of employees were excluded from the act—including those who toiled in the public sector, on the farms and in most of our health-care facilities.

A multitude of reasons was given for those exclusions. But to my mind, the overriding reason was that these groups of workers simply didn't have the political clout required to be included in the club.

After all, there were fewer than five million public employees at the Federal, State and local levels at that time, and only a relative handful were paying dues to any union.

Farm workers and those in our hospitals and nursing homes were, for the most part, quietly trying to simply survive at the bottom end of our economic pyramid.

Let's look at what has happened since. Today more than 15 million Americans—nearly one of every five workers—receive their paychecks from governmental agencies, and the number of public employees paying union dues exceeds the entire public payroll of 30 years ago. By any standard—manpower, money or talent—that represents a great deal of clout.

We're all familiar with what has been happening down on the farm. Agricultural workers have effectively used economic weapons—strikes and boycotts—in a long, brutal and costly crusade to gain the same rights as other workers in the private sector.

In the private-sector health-care industry—which has a payroll exceeding 2 million employees in 23,000 separate facilities—workers in growing numbers organized unions that were committed to achieving the better life through collective bargaining.

Now let's look at the results.

In the private health-care industry, they are clear-cut.

Congress last year adopted a law that placed health-care operators and their employees under the jurisdiction of the National Labor Relations Act. Literally hundreds of organizing campaigns have been launched by a dozen or so unions.

And during the first nine months under the law, more than 11 hundred contracts have been negotiated with only 31 strikes, nearly all of which were of short duration.

Agricultural workers are making a strong bid for membership in the collective bargaining club. Governor Brown of California has submitted a proposal to the State's legislature that would cover farm workers in that State with legal rights and obligations similar to those of the National Labor Relations Act.

While this effort to bring a structure of reason to an area of chaos is commendable, I am convinced that the final answer here, too, lies in following our national policy—in bringing agricultural employees and employers under the tent of the National Labor Relations Act.

Among public employees, the picture is just mind boggling.

States have reacted to the militant expressions of unionism by enacting a crazy-quilt of laws that, when placed end-to-end, reach nowhere.

This is not to imply that State leaders have failed to do their duty as they have seen it. They have.

But the results: Well, let me describe them with a story told to me by a friend of mine in Georgia.

It seems his preacher was pressed for a dollar and decided to sell his mule. The preacher explained to my friend that the mule had been taught to go when the rider said "Praise the Lord," and to stop when the rider said "Amen."

My friend mounted the mule and said "Praise the Lord!" Sure enough, the critter raced away.

In trying to stop the mule, my friend got excited and started shouting "whoa, whoa." The mule raced on.

Finally, the rider remembered and said the magic word, "Amen!" Sure enough, the mule pulled up abruptly—right at the edge of a certain-death cliff.

My friend looked down, sighed, wiped his brow, looked to the heavens and said:

"Praise the Lord!"

Well, not infrequently State laws—sincerely meant to create a smooth course of labor-management relations—have instead brought everyone involved to, and sometimes beyond, the edge of a brink.

The solution in this case, too, rests in extending our national commitment to collective bargaining.

There are more than 78,000 recognized jurisdictions of government in the 50 States. The employees in nearly 20,000 of them are organized.

Most of the employee organizations are national in scope. A sizeable share of the funds and, increasingly, the jobs involved are made available through Federal programs.

The sequence of common sense—or pragmatism, if you like—indicates that in the not too distant future Congress will be convinced that State and local labor-management relations would be vastly improved by applying one set of rules for what is becoming one common game.

The Federal sector—your ballpark—presents a slightly different puzzle.

As I said earlier, our employer is a good employer. Congress has reacted to the lobbying efforts of Federal unions.

The executive orders have established a mechanism under which management and labor have been able to build at least a tenuous relationship that has helped to resolve internal conflicts.

And yet everyone in this room knows that an executive order, in the minds of many, is a weak substitute for law. An executive order—whether from the hand of a Republican or a Democrat—bears the inescapable mark of management.

From President Kennedy's pioneering effort—executive order 10988 which sanctioned collective bargaining—through President Ford's sincere effort to make the system work better, our leaders have displayed a recognition of the problems encountered by unions and agency officials.

And still the truth remains that there is precious little collective bargaining in the federal sector.

And so long as unions are restricted from bargaining on all of the vital economic issues—wages, pensions, medical care, vacations, holidays, insurance . . . and many aspects of a multitude of noneconomic issues—seniority, job transfers, discipline, promotion, union security . . . there can be no fulfillment of our national policy in the government's own house.

The end product, all too frequently, is a contract that simply restates what management says management will do—and providing only the protection to grieve should management violate its own rules.

I believe that this condition, in itself, can be and should be relieved through the adoption of federal legislation bringing true collective bargaining to your members.

The history of the development of collective bargaining legislation leads me to conclude that delay carries with it some inherent dangers.

Let's look to the record.

The National Labor Relations Act itself came in response to severe economic turmoil and human suffering.

Now I certainly am opposed to any illegal strike by federal employees—and I am convinced that everyone in this room is in agreement with me.

But I do feel that we would do well to heed the lessons of history.

I feel that it is incumbent on each of us to do everything within our power to make the system that exists—even with its shortcomings—work to the highest possible degree.

And that brings me to the final point I want to discuss—the expanding relationship between the AFGE and the Federal Mediation and Conciliation Service.

Soon after I became director of the FMCS, I noticed the long delays—sometimes three years and more—between the certification of a union of federal employees and the consummation of an agreement.

To me, this was a red flag. I know that such delays could only result in bitter frustration by employees who had placed their faith—and their dues dollars—in a union in the hopes of alleviating some serious problems.

There were many reasons for the delays. Inexperience in the fine art of negotiations by both labor and management representatives was one. Deep-seated dependence on lobbying by the unions was another. A combination of resentment and reluctance by government managers was a third.

It was obvious to me that someone had to become an aggressor.

Now being an aggressor is a strange role for a mediator to play—except when the goal is the development of a reasonable, responsible climate between labor and management.

So I assembled several members of my team, and we started on a campaign of pushing both unions and managements toward fulfilling their obligation of negotiating contracts.

With the cooperation of the parties, we have had some success that can be reflected in these numbers:

In 1972, before we assigned mediators to watch every Federal case, agreements covering 46,000 employees were concluded. That number was doubled in 1973, and last year it jumped to nearly 150,000.

Through the first 10 months of FY 1975, our mediators closed 398 cases—nearly double the number of cases closed during a comparable period in the previous year.

During the past 10 months, we had conducted 456 joint meetings—where mediators were at the bargaining table with the parties. That is far above the 279 joint meeting cases we recorded during the same period in the previous year.

Of all of the cases our mediators are involved in, 77 percent are resulting in agreements

To be sure, this is progress. But we are still a substantial distance from the goal line.

A recent check showed us that there are nearly 300 Federal-sector cases that have been dragging on for months.

It won't surprise you to know that a good portion of them involve the largest union of Federal employees—and you know who that is.

I must say, though, that you're obviously doing an outstanding job here in Utah. That list included only one of your units—the 10 people at Agriculture's Western Aerial Lab here.

Others range in size up to the 12,340 people represented by AFGE at an Air Force installation at Warner-Robins, Georgia.

The total cooperation we have received from AFGE officials—from Clyde Webber and Nick Nolan and John Mulholland right on up to the local level—makes me confident that we can bring in contracts in every AFGE local.

The commitment to cooperation that I have received from your union has been comforting.

It has been comforting because it has made me aware that when the day of Federal legislation does come, the AFGE will be ready. You will have the dedicated, talented people who will be needed to make it work—to the benefit of Federal employees, of management and of our ultimate boss—the citizens of this great Nation.

WASHINGTON, D.C.,
May 21, 1975.

Hon. GERALD R. FORD,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I have just read recent newspaper accounts of a speech delivered by one of your aides, Mr. W. J. Usery, to a banquet of the American Federation of Government Employees, in Salt Lake City, Utah. I would like to express, in the strongest possible terms, my disappointment with the timing, location and content of the speech.

As mayor of the largest city in Utah, I consistently opposed collective bargaining for government employees.

As First Vice President of the National League of Cities, I often testified in support of that body's position which opposed collective bargaining for public employees. The League reflects the combined experience of local officials with unions and, as you know, a wide range of political ideology is represented by its membership. However, the position of the League on this issue is clear and the declaration of opposition to any such federal legislation has been unanimously supported by the Board of Directors of the National League of Cities.

On March 6, 1975, a colloquy which I organized was conducted on the floor of the Senate for the purpose of discussing this critical issue. I felt, and apparently correctly, that the colloquy should be held to head off a push for legislative proposals that would federally impose collective bargaining on all levels of government and on all public employees of this country.

I felt at the time, however, that I would have the backing of the Administration in opposing continued efforts to infringe on the individual rights of the citizens of this country and to further erode effective management of federal, state and local governments. Our colloquy remarks are available in the public record and have been widely distributed and commented upon by the media.

Now, in my home town, an assistant to the President and the Director of the Federal Mediation and Conciliation Service apparently signalled a change in the position of the Administration.

Any change in Administration policy at this time would be untimely in light of the recent case of National League of Cities, et al., v. John T. Dunlop, a case presently pending before the Supreme Court and challenging the 1975 Fair Labor Standards Act Amendments as a gross violation of constitutional federalism. The forthcoming decision by the Court may indeed put to rest many of the unsettled questions as to the limitations of the Commerce Clause.

I will not, in this letter, point to the public sentiment on this issue nor will I reiterate the very good arguments that have been and can be made in opposition to the position taken by Mr. Usery. I am confident that a Republican President understands those arguments well, and is perfectly familiar with them. However, I will follow up on this letter with a more detailed analysis of Mr. Usery's speech and the arguments he used at such time as they are available to me.

Until that time, I respectfully request that you reassert your personal and institutional opposition to action which can so seriously infringe on the functioning of government at all levels.

Sincerely,

JAKE GARN.

WASHINGTON, D.C.,
May 28, 1975.

Hon. GERALD R. FORD,
The White House
Washington, D.C.

DEAR MR. PRESIDENT: I am in receipt of a speech made by Mr. W. J. Usery, Special Assistant to the President and Director of the Federal Mediation and Conciliation Service, the subject of my previous correspondence. This speech was delivered to the American Federation of Government Employees in my home town of Salt Lake City, Utah.

Mr. Usery in his speech expressed support for federal legislation which would mandate collective bargaining at all levels of government. This speech has been signaled by the media as an apparent departure from past Administration opposition to legislation which would statutorily compel all levels of government to bargain with labor unions purporting to represent their employees.

This action, if it in fact represents an alteration of former Administration position, constitutes a fundamental departure from longstanding federal policy. Therefore, I again write to express my disappointment, concern, and firm opposition to the positions expressed in this speech and any corresponding change in Administration policy.

I wish to make clear my contention that these legislative proposals are seriously defective and severely damaging to the public interest and ability of government to function.

I do not intend to recite a list of obvious arguments against enacting the legislation which Mr. Usery promotes. However, several assertions made in this speech require a response.

Mr. Usery makes reference to the National Labor Relations Act and its exclusion of "certain groups of employees . . .—including those who toiled in the public sector, on the farms, and in most of our health-care facilities." He acknowledges that many reasons were given for these exclusions but rejects outright their validity and claims the "overriding reason was that these groups simply didn't have the political clout required to be included in the club." Carrying Mr. Usery's line of reasoning to its logical conclusion leads us to a dangerous assumption which I find very disturbing coming from a representative of the President of the United States—that being that one of the most significant pieces of legislation to come from the Congress of the United States was the product of political clout brought to bear by big organized interest groups.

Congress, according to Mr. Usery, only looks out for big groups who have the capacity to exert political pressure and it ignores the rights of the non-organized and apparently even the individual citizen. I find this argument irresponsible and totally lacking basis in fact. If this is the way legislation is made then the citizens of this country might just as well pack their bags and head for the hills.

In fact, the real reason for the exclusion of certain groups from the NLRA was not due to groups of "political clouters," but because of a number of very real and valid reasons which Mr. Usery completely dismisses out of hand. Moreover, employees of the public sector, farms and health-care facilities were not exempted from coverage by the NLRA for an identical reason, as was inferred by Mr. Usery, but for reasons peculiar to the obvious and distinct differences between these groups. It is therefore illogical to link the rationale behind the NLRA's exclusion of health services to the rationale behind the exclusion of government employees and in the same breath conclude that because health services have now been granted collective bargaining rights that all government employees should have been given the same concession.

The fact of the matter is that government employees were not extended coverage under the NLRA because of the fundamental distinctions between the public sector and the private sector. There are few expert authorities on this subject who would fail to admit that there are similarities between collective bargaining in the public sector and collective bargaining in the private sector; but there are fewer who would be reluctant to acknowledge the important and obvious differences. No amount of rhetoric will change the basis for these inherent distinctions. I am far from alone in my contention that these differences are sufficient to prohibit an across-the-board application of the private sector industrial model to the operation of government.

A fundamental problem lies in the fact that private sector industrial models are being applied to the public sector where they are not appropriate. By definition collective bargaining suggests a parity of powers which is essential to the bargaining process. In the public sector this parity is non-existent. Management in the private sector is granted a greater degree of economic leverage than its counterpart in the public sector. Because of market restraints, it is possible for an employee of private industry to negotiate himself out of a job. However, as you are well aware, government supplies essential services for the public and it is not possible for government to go out of business because it cannot meet the wage demands of its employees. Government cannot be equated with business any more than taxpayers can be equated with shareholders. Governments are sovereign entities vested with the responsibility to protect the rights of its citizens and to provide them essential services.

Obviously then the most salient question presented concerns the extent that governmental sovereignty would be compromised by compulsory collective bargaining. As the former Mayor of Salt Lake City, I can testify what compulsory unionism and binding arbitration mean to a state official charged with the responsibility of governing. That official is responsible for spending that revenue. However, a third party arbiter who has not been elected by the people or by their representatives could come and decide on a wage rate that the official does not have the tax money to cover. The taxes must then be raised to balance the budget. What we then in fact have is indirectly someone who is never accountable to the voters setting a tax levy and in essence superseding the elected public official's authority to do so.

Whether we talk of state governments or whether we talk of federal government, what we need to ask and have answered is whether the government, by its nature and monopoly, and the protector of all citizens, not just government employees, has the authority legally and morally, to transfer functions vital to the very operation of the government to a private individual or an independent organization.

A recent decision by the U.S. District Court for the Middle District of North Carolina which declared contracts between governments and unions void, framed the question well in stating:

". . . to the extent that public employees gain power through recognition and collective bargaining, other interest groups with the right to a voice in running the government may be left out of vital political decisions. Thus, the granting of collective bargaining rights to public employees involves important matters fundamental to our democratic form of government. The setting of goals and making of policy decisions are rights inuring to each citizen. All citizens have the right to associate in groups to advocate their special interests to the government. It is something entirely different to grant any one interest group special status and access to the decision-making process."

Mr. Usery spoke mainly on the subject of legislating compulsory collective bargaining for the federal level of government. However, his reference to what he describes as a ". . . crazy-quilt of (State) laws that when placed end to end reach nowhere. . . ." and while ". . . sincerely meant to create a smooth course of labor management relations have instead brought everyone involved to, and sometimes beyond the edge of a brink," leaves me only to conclude that he is also calling for national compulsory collective bargaining laws for State and Municipal governments. I cannot think of anything more personally disturbing to me than to learn that the Administration is directly or tacitly encouraging the enactment of legislation that, in my opinion, would bring us dangerously close to the destruction of the most brilliant system of government ever devised on the face of the earth—a system founded on separate State and national government.

It is a destructive philosophy that is based on the assumption that elected local officials do not act in the best interest of their constituency and even in the interest of those constituents who work for them. It is also illogical to assume that Members of Congress are more capable of producing a sound personnel management program which meets the varied needs of each community and each unit of government than their local counterparts.

There is no principle of government about which I feel more strongly and I will oppose as vigorously as I am able any further step taken by the Administration or by this Congress to preempt the capability of local government to govern.

Mr. President, I must again repeat what I have stated in previous correspondence: that Mr. Usery's representation or even the suggestion of representation of the Administration's position on this critical issue will only serve to give encouragement to backers of this legislation and will perhaps cause State officials to act prematurely knowing "that their turn is soon coming."

I urge you once more as quickly as possible to assert your personal and institutional opposition to these statements which can only further pervert the concept of a federal system and attack the very fiber of our form of government.

Sincerely,

JAKE GARN.

PROTEST USERY'S SPEECH

WASHINGTON, D.C.—U.S. Sen. Jake Garn (R.-Ut.) is using a letter to President Ford to make known his "extreme dissatisfaction" with a speech delivered in Salt Lake City by the Director of the Federal Mediation and Conciliation Service, W. J. Usery. Sen. Garn said Usery addressed a banquet of the American Federation of Government Employees, and called for federally imposed public sector collective bargaining.

"I would like to express, in the strongest possible terms, my disappointment with the timing, location and content of the speech," Sen. Garn told the President. "As mayor of the largest city in Utah, I consistently opposed federally imposed collective bargaining for government employees. As first Vice President of the National League of Cities, I often testified in support of that body's position, which opposed federally imposed collective bargaining for public employees."

Sen. Garn pointed to the Senate colloquy on collective bargaining which he organized in March.

"I felt, and apparently correctly, that the colloquy should be held to head off a push for legislative proposals that would federally impose collective bargaining on all levels of government and all public employees of this country. I felt at the time, however, that I would have the backing of the Administration.

"Now, in my home town, an assistant to the President and the Director of the Federal Mediation and Conciliation Service apparently signalled a change in the Administration position.

"I respectfully request that you reassert your personal and institutional opposition to action which can so seriously infringe on the functioning of government at all levels."

[From the Deseret News, Jan. 15, 1976]

HOW TO REPLACE DUNLOP

There can be no quarreling with John Dunlop's decision Wednesday to resign as U.S. Secretary of Labor effective February 1.

But the reasons he gave for that decision are certainly less than sensible and persuasive.

As Dunlop sees it, President Ford's recent veto of the common site picketing bill that the labor secretary had been pushing is bound to destroy "communications, confidence, and trust" between labor and management.

Nonsense. Relations between labor and management depend more on those two parties themselves than on anything Washington does or doesn't do.

Moreover, Dunlop ignores the fact that the opposition which prompted President Ford to veto the bill concentrated almost entirely on just one provision. This mis-

> guided provision would have allowed building trades pickets to shut down an entire construction site in a dispute with a single subcontractor.
>
> Another provision would have established a labor-management committee to oversee contract bargaining in the construction industry. It seems never to have occurred to Dunlop to delete the first provision and try to salvage the second.
>
> But that's water over the dam. The main question now is who should be named the new secretary of labor. While no successor to Dunlop has been announced, speculation is centering on chief federal mediator W. J. Usery.
>
> If Usery gets the nomination, the White House had better brace itself for plenty of opposition. The influential National Right to Work Committee deems Usery "totally unacceptable."
>
> The case against him seems compelling. Utah and 18 other states have Right to Work laws. Polls show that 70 percent of all Americans, including about half of all union members, oppose compulsory unionism. Yet Usery once declared that Right to Work supporters were "bigots." He has never retracted that remark.
>
> The public interest cannot be served by a Secretary of Labor who thinks workers should be forced to join unions against their will. He should represent all working men and women, not just the minority belonging to organized labor.

Mr. GARN. Mr. President, I invite attention to one paragraph in the editorial to which I referred:

> The case against him seems compelling. Utah and 18 other states have Right to Work laws. Polls show that 70 percent of all Americans, including about half of all union members, oppose compulsory unionism. Yet Usery once declared that Right to Work supporters were "bigots." He has never retracted that remark.

I think that State legislatures should have the right to decide whether they want compulsory unionism. But, again, there is this idea of centralism—do it all in Washington, so we can compel these poor, dumb mayors and Governors to do our will, and we will not have to bargain with them at all.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. GARN. I yield.

Mr. HELMS. Mr. President, I commend the Senator for the remarks he has made.

Mr. Usery came to see me, also, and I was quite impressed with him. I have absolutely no personal criticism of the gentleman as a person.

We discussed common situs picketing. We discussed right to work, 14(b), and other matters. I was led to believe—perhaps I did not question him fully—that he would do nothing to promote or to advocate repeal of 14(b) or to reverse the veto by the President, who has nominated him, with respect to common situs picketing.

The point that the Senator from Utah has made, and made very well, is that the Secretary of Labor should not be the secretary of labor unions; because, after all—if my statistics are correct—only 25.1 percent of the workers of America are organized, meaning that a little less than 75 percent do not belong to unions.

I am persuaded by Mr. Usery's testimony that he may indeed intend to be an advocate of the repeal of 14(b), that he may intend to be an advocate of common situs picketing legislation if what he considers an appropriate opportunity arises. For that reason, even though I like the gentleman personally, his confirmation involves a risk that I am unwilling to take. Therefore, I join the Senator from Nevada (Mr. LAXALT) and others in registering opposition to this nomination.

Mr. President, I will have further comments in this connection when I obtain the floor in just a moment in my own right.

At this time, I reserve the remainder of my time for opposition.

Mr. WILLIAM L. SCOTT. Mr. President, I agree generally with everything that has been said by the distinguished Senators from Nevada, Utah, and North Carolina. Yet I am going to vote for confirmation of the President's nominee for Secretary of Labor. I wish to explain why.

To me, the President has the right to choose his own Cabinet. It may be and, in many instances in the past, it has been that I have disagreed with the President's choice. It may be that Mr. Usery would not be my choice. Certainly, I am opposed to the common situs picketing bill. I spoke on the floor of the Senate in opposition to it on several occasions.

I favor the States right-to-work laws and would oppose, as strongly as I could, the repeal of section 14(b). But, Mr. President, we know that this position is vacant because the former Secretary resigned when he could not agree with the President on the common situs picketing measure, and the President saw fit to overrule his recommendations and to veto the bill.

The President is the Chief Executive of the country. The President is responsible for the acts of his Cabinet. If we are going to hold the President responsible, I believe that he should have freedom in the selection of his Cabinet. I do hold the President responsible for the acts of his Cabinet. He has a number of members of the Cabinet that would not be my choice. But I have not, since coming to the Senate, voted against any of the President's nominees for Cabinet positions.

The distinguished Senator from North Carolina says he has no criticism of the nominee as a person. If I did have some reservations about the man's integrity, then I probably should vote against his confirmation. But as far as his philosophy is concerned, even though it is different from mine, even though he does have a number of views that conflict with my own, he is subject to the President, and I believe that if the President indicates to him his disapproval of common situs picketing, I believe he will have to go along with the President's point of view.

I think that particular item is emphasized by the fact that Mr. Dunlop resigned, because he could not support the President. I cannot conceive of this man taking a job and then attempting to do the very thing that brought about the resignation of his immediate predecessor as Secretary of Labor. Mr. President, holding no brief for the concept that organized labor should operate the Department of Labor, I still am going to vote for his confirmation.

Mr. HELMS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HELMS. Is the Senator from North Carolina correct in his understanding that there is no division of time during this hour?

The PRESIDING OFFICER. The Senator is correct. There is a limitation and the vote is scheduled to occur at 12 noon, but the time is not divided.

Mr. HELMS. I thank the Chair. My point in making the inquiry was to emphasize to the proponents of the nomination that I do not wish to monopolize the time, but that I should like to yield the floor with the understanding that I may have 5 or 6 minutes later on, if that is agreeable to the distinguished Senator from Rhode Island.

Mr. PELL. Obviously, I cannot control what is specified, but to the best of my power, that is agreeable with me.

Mr. HELMS. I thank the able Senator.

Mr. PELL. Mr. President, on January 22, 1976, the President sent to the Senate the nomination of Willie J. Usery, Jr., of Georgia, to be the Secretary of Labor, to replace John T. Dunlop, who resigned. The Committee on Labor and Public Welfare conducted hearings on the nomination on January 28, 1976, a few days ago. The committee, by a vote of 15 to 1, on that same day, January 28, 1976, reported the nomination to the Senate, with the recommendation that the nomination be confirmed.

Mr. Usery has had a distinguished career both in the labor movement and in Government service. He is Special Assistant to the President for Labor-Management concerns, and is, of course, well known to many of us, and favorably known, as the Director of the Federal Mediation and Conciliation Service. Throughout his Government service he has been known for his efforts at fostering labor peace and for the promotion of the resolution of labor disputes through the medium of collective negotiation as it has developed as the preferred method in our democracy. Mr. Usery's biographical sketch is brief, but impressive. I ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the biographical sketch was ordered to be printed in the RECORD, as follows:

BIOGRAPHICAL SKETCH OF W. J. USERY, JR.

(Director, Federal Mediation and Conciliation Service)

> W. J. (Bill) Usery, Jr., was nominated by President Nixon as Director of the Federal Mediation and Conciliation Service on February 15, 1973. On March 14, 1973, the Senate unanimously confirmed the nomination and Mr. Usery took office March 29, 1973.
>
> President Ford appointed Mr. Usery on April 17, 1975, as his Special Assistant for Labor-Management Negotiations. As Special Assistant, he coordinates the Government's mediation and other labor-management relations activities involving the public and private sectors of the economy, including airlines and railroads, and Federal, State and local governments.
>
> As Director of the Federal Mediation and Conciliation Service, he is in charge of the

agency's activities in providing mediation assistance to labor and management in the resolution of disputes.

He directs activities authorized under title II of the Labor-Management Relations Act of 1947, which gives to FMCS the responsibility of preventing and minimizing interruptions of the free flow of commerce growing out of labor-management disputes and of assisting the parties in the settlement of disputes through the use of mediation and conciliation. The FMCS is also responsible for carrying out portions of Executive Order 11491, as amended, relating to the resolution of collective bargaining disputes in the Federal Service.

Mr. Usery served as Assistant Secretary of Labor for Labor-Management Relations from February 1969 until he became Director of the FMCS in 1973 and he has served as a member of the National Commission for Industrial Peace and as a member of the Collective Bargaining Committee in Construction. He is chairman of the Working Party on Industrial Relations under the Organization for Economic Cooperation and Development (OECD).

From 1956 to 1969, Mr. Usery was Grand Lodge Representative of the International Association of Machinists and Aerospace Workers (IAM), AFL–CIO, and participated in most of the national labor-management negotiations in the aerospace industry, frequently serving as chairman of the union's negotiating committee.

From 1961 to 1967, he was the industrial union representative on the President's Missile Sites Labor Committee at the Kennedy Space Center and at the Marshall Space Flight Center in Huntsville, Alabama.

Born in Hardwick, Georgia, on December 21, 1923, Mr. Usery attended Georgia Military College from 1938 to 1941, and Mercer University in 1948–49. He received the Distinguished Alumni Award from Georgia Military College in 1971 for his work in labor-management relations. He served in the U.S. Navy from 1943 to 1946 and he received the degree of Doctor of Social Science (Honoris Causa) from the University of Louisville in May 1975.

Mr. PELL. Indeed, Bill Usery is a nominee for Secretary of Labor who enjoys the confidence of organized labor and business and the Republican administration.

I ask unanimous consent that the statements of AFL–CIO President George Meany and United Mine Workers' president Arnold Miller be printed in the RECORD.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT BY GEORGE MEANY

AFL–CIO President George Meany today made the following comment on the nomination of W. J. Usery, Jr., to be Secretary of Labor:

We congratulate Mr. Usery on his nomination as Secretary of Labor. His years of able and constructive work as director of the Federal Mediation and Conciliation Service, as well as his prior service in the Department of Labor and in the labor movement, clearly qualify him for this post.

Although he will assume his new office under difficult circumstances, following the events which compelled the resignation of one of the most distinguished Secretaries of Labor ever to hold that office, John Dunlop, the AFL–CIO wishes him well in his efforts to carry out the duty of the Secretary to promote the welfare of American workers.

UNITED MINE WORKERS OF AMERICA,
Washington, D.C., January 26, 1976.
Senator HARRISON E. WILLIAMS,
Chairman, Senate Labor and Public Welfare Committee, U.S. Capitol Building, Washington, D.C.

DEAR SENATOR WILLIAMS: We, at the United Mine Workers of America, were pleased to hear of the nomination of William J. Usery, Jr. for the position of Secretary of Labor.

We have had the benefit of working with Mr. Usery, and feel that there is no one more dedicated to the proposition of fair and equitable settlement of disputes between management and labor. Under his direction, the Federal Mediation and Conciliation Service has extended to our Union invaluable support and assistance.

We support this nomination, and are hopeful this Committee will move swiftly in confirming it.

With best personal wishes, I remain
Sincerely yours,
ARNOLD MILLER.

Mr. PELL. There is little in Mr. Usery's background which would lead one to believe that he does not possess the necessary skill, tact and ability to serve admirably as the Secretary of Labor. I for one, based on his distinguished background, wholeheartedly endorse his nomination to the Senate.

The question concerning this nominee apparently springs from Mr. Usery's views on section 14(b) of the Taft-Hartley Act; a hoary issue which has once again been raised in an untimely fashion before the Senate. Apparently, the so-called right-to-work forces were dissatisfied with Mr. Usery's answers to certain questions raised at his confirmation hearing concerning his position with respect to this issue.

At that hearing, Mr. Usery answered the questions of the committee in a direct and forthright manner, and, indeed, promised to maintain continued contact with the committee as he and the Department of Labor turn to study the serious problems of the unemployed and the standards of working and living confronting the people of our Nation.

It was in this same forthright manner that the nominee addressed certain inquiries concerning section 14(b) of the Taft-Hartley Act. While stating that he has not, while in a public position, advocated the repeal of section 14(b), and that he would not, from his public position, advocate it if such an action were to come before the Congress, he did say that his own sentiments are in favor of repeal of section 14(b). Mr. Usery said that this position stems from his concept that the labor laws of the land should provide equality of treatment for all employees covered by these laws, and that employees bargaining under the Federal labor laws should be able to bargain in all States for what they can bargain for in some States; that is, union security of one sort or another.

That a nominee for the office of Secretary of Labor, and particularly one with the character and honor of Mr. Usery, would hold that opinion should come as no surprise. The goal of the labor legislation of this country, the legislation which Mr. Usery, as Secretary of Labor, would be instrumental in supervising and enforcing, has been to provide uniformity of opportunity throughout the Nation to bargain for the conditions under which our citizens work. Section 14(b) of the Taft-Hartley Act, which permits States to preempt the Federal labor law and legislatively prohibit agency shop agreements, which only a minority of our States have done, is the only legislative exception to this program of uniformity. Mr. Usery's desire for uniformity, then, is consistent with the thrust of our national labor laws; and, of course, the Secretary of Labor's views should be consistent with the labor policy of the land as the Congress has framed it.

This man, this labor peacemaker, may thus have offended the so-called right-to-work forces; but the Senate should look askance at this attempt by these forces to inject an extraneous issue into these proceedings. As Mr. Usery pointed out, the question of repeal of section 14(b) is not now before the Senate. This chimera should not stand in the way of the Senate's confirmation of this distinguished nominee.

The question of section 14(b) is not before the Senate, and should play no part in the question of whether Mr. Usery should be confirmed as Secretary of Labor.

Actually, it is a question that will be decided by us in Congress and, as Mr. Usery has already stated, he is not advocating from his official position, if confirmed, a view one way or the other. Injecting this issue here is similar to the Right-to-Work Committee's last effort, its blitz of highly emotional and misleading newspaper advertisements which certainly must have been considered by the President in his veto of the common situs picketing bill. The Senate, however, should not be sidetracked by this emotional and hastily constructed obstacle, and should not let it interfere with the confirmation of this distinguished and highly qualified nominee to be the Secretary of Labor.

Mr. TAFT addressed the Chair.

Mr. WILLIAM L. SCOTT addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Ohio yield?

Mr. PELL. Is it for a question? If so, I am glad to yield.

Mr. WILLIAM L. SCOTT. Mr. President, I just wanted to take a very brief period of time.

I heard the distinguished Senator indicate that the nominee had the endorsement of the president of the AFL–CIO, and the president of the United Mine Workers.

I wonder if he had any endorsement from the business community?

Mr. PELL. No, we have no formal statements in that regard.

Mr. WILLIAM L. SCOTT. Does not the Department of Labor also have jurisdiction over OSHA?

Mr. PELL. That is correct.

Mr. WILLIAM L. SCOTT. Would it not be proper for the Secretary of Labor to operate in the public interest, and certainly not be a puppet or react in the manner that organized labor would want him to act? When it might be in conflict with the interests of American business, should not he be a man who would weigh both sides and act in the general public interest? He is a public official.

Mr. PELL. That is correct. This is the way he has conducted himself as chief of the Federal Mediation Service where he enjoyed the confidence of both sides. I remember the strike that occurred in the Electric Boat Co. in neighboring Connecticut, neighboring my own State, and he enjoyed the confidence of both sides in very complicated negotiations.

Mr. WILLIAM L. SCOTT. Mr. President, I merely wanted to ask the distinguished Senator these questions. As indicated previously, I recognize the President's right to choose his own cabinet, and I will vote for the nominee of the President. But I do feel that he should know that some of us who vote for the nominee expect him to be subject to the will of the President as a member of the President's Cabinet.

Mr. PELL. I yield to the Senator from Ohio.

Mr. TAFT. I thank the Senator.

Mr. President, I am very happy to support the nomination of W. J. Usery, Jr., who has been nominated by the President to be Secretary of Labor.

Bill Usery has had a long and distinguished career, both within and outside of Government. With regard to his public career, Mr. Usery was nominated by President Nixon as Director of the Federal Mediation and Conciliation Service on February 15, 1973. On March 14, 1973, the Senate unanimously confirmed the nomination and Mr. Usery took office March 29, 1973.

In his capacity as Director of the Federal Mediation Service, Mr. Usery had the responsibility of preventing and minimizing interruptions of the free flow of commerce growing out of labor-management disputes and of assisting the collective bargaining participants in the settlement of disputes through the use of mediation and conciliation.

His performance as the Director of the Federal Mediation Service can be characterized as outstanding. He earned the reputation of being a tireless and extraordinarily effective mediator of labor disputes which if allowed to have continued could have seriously worsened the economic picture. Parties engaged in collective bargaining using the mediation services have attributed to him one of the highest accolades possible: "That he has been one of the most successful mediators in this country's history. He has settled every dispute that he has ever been in, except football."

I might say with regard to his acceptance by business, while I have had no formal endorsement, and I think it would be surprising to find business organizations assuming to make a formal endorsement of a Secretary of Labor, I certainly have had no objections indicated to me by any business groups as to his nomination. In fact, I think they feel fortunate in having a man who has, I think, demonstrated himself to be so impartial in labor-management relations as Bill Usery has in the Federal Mediation and Conciliation Service.

Prior to being designated the Director of the Federal Mediation Service, Mr. Usery served as Assistant Secretary of Labor for Labor-Management Relations from February 1969 until he became Director of FMCS in 1973. He has served as a member of the National Commission for Industrial Peace and is a member of the Collective Bargaining Committee in construction. In his private sector career, Mr. Usery has been a grand lodge representative of the International Association of Machinists and Aerospace Workers—IAM, AFL–CIO, and has participated in many of the national labor-management negotiations in the aerospace industry.

I might say that he also, I understand, has had numerous job offers, many from the management side of defense, and has turned those down. He also declined a very high office in the AFL–CIO.

I believe that it is his experience as a private collective bargaining participant which has given him the understanding, compassion, and persistence to be the effective mediator that he is and that he has been.

It is my view that the Nation is fortunate to have the talents of Mr. Usery at a time when we are entering a critical period of labor-management negotiations. Contracts covering some 4.4 million union members expire this year in such economically critical industries as automobiles, rubber, trucking, electrical manufacturing, and construction. A number of people fear that negotiation of these new contracts in these key industries could lead to crippling strikes or inflationary wage settlements.

I am sure that Bill Usery will stay on top of these situations and use whatever lawful means necessary to avoid serious injury to our economic recovery.

I was most impressed by Bill Usery's testimony at his confirmation hearing before the Labor and Public Welfare Committee on which I serve. Mr. Usery was questioned for better than 2 hours and was candid, concise, and knew full well the seriousness of the challenges and responsibilities which face him.

I also had a private interview with him in which I discussed these matters, and was further confirmed in my impression from his testimony.

I was most impressed with one statement that he made which I believe summarizes Bill Usery's view of labor-management relations and his responsibility related thereto:

> I believe that it is essential to support and defend the collective bargaining process, recognizing the legal right of workers to withhold their labor, but at the same time working tirelessly to avoid conflict and to promote labor-management peace.

I commend Bill Usery's nomination to the Senate and urge that it be approved overwhelmingly because I feel he is a man who can provide great service to the country, to labor, and to management as well.

The PRESIDING OFFICER. Who yields time?

Mr. PELL. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, as I stated earlier, it is my intention to vote against the confirmation of the nomination of Mr. W. J. Usery as Secretary of Labor. As I indicated earlier, I have talked personally with Mr. Usery. He came to my office. He impressed me as a man of capability and judgment, and he has had considerable experience in the Department of Labor. The President no doubt had his own considerations in selecting a man of high caliber for this post.

Nevertheless, as a Senator, I take the responsibility of giving advice and consent to the President on nominations with the utmost gravity, as I am sure my colleagues in this body do also. Each of us must come to his own conclusion independently of each other, and independent of extraneous ocnsiderations of friendship toward the President or others. In the hearing on this nomination, and in public statements around the country, Mr. Usery has made it clear that he is the friend and, more importantly, the absolute advocate of organized labor. Let me quickly say that is a perfectly legitimate expression of free speech under the U.S. Constitution, and he is entitled to his opinion.

Yet I do not see how someone who takes a partisan viewpoint, or a stand which is the viewpoint of a powerful special interest group, can fulfill the duties of appointive public office impartially. My distinguished colleagues, Senator LAXALT and Senator GARN, have pointed out in their dear colleague letter, circulated to all Senators, that Mr. Usery, on the record, supported the common situs picketing bill, he favors the repeal of 14b—a position which contradicts the laws of North Carolina—and he favors the extension of collective bargaining rights to Federal employees.

In all of these cases, we see that the interests of organized labor are pitted against the interests of unorganized labor. In the matter of common situs picketing, the organized workers would be able to block the right to work of unorganized workers who are not even concerned with the union employer. Similarly, if 14b were repealed, a worker's right to work without joining a union would be abolished, and not only his personal freedom, but his very livelihood would be threatened. Finally, if collective bargaining is extended to Federal employees, all citizens, workers and nonworkers, would be at the mercy of organized labor.

Mr President, in the judgment of this Senator from North Carolina, we cannot allow the exploitation of nonorganized employees and citizens by a few special interest groups widely known to use force and threats of force against their fellow citizens. we know also that unions have a long tradition of using exclusionary practices to keep new workers out of skilled trades, in order to keep wages artificially high. The record of exploitation of unorganized workers by organized labor is too well known for further comment. If we look at all civilian employment, only 25.1 percent of the workers are organized. I do not believe that we should have a Secretary of Labor—affable as he is; competent as I believe him to be—who represents only one-quarter of the working people of our Nation. Therefore, I shall vote against Mr. Usery's confirmation.

Mr. **JAVITS** addressed the Chair.

The **PRESIDING OFFICER.** The Senator from New York.

Mr. **JAVITS.** Mr. President, we have 15 minutes remaining. If there are other Members who wish to be heard on this subject, I hope very much they will let me know.

Mr. **PELL.** There are no other Members that I know of. My thought was when the Senator has completed his remarks I will yield back the remainder of my time and call for the vote.

Mr. **JAVITS.** I understand.

Mr. **WILLIAM L. SCOTT.** Mr. President, since a time certain has been set for a vote, I believe it is more fair to our colleagues, who may be away at this noon hour, that we should not reconsider the time for the vote.

Mr. **PELL.** If the Senator will yield, a time certain has not been set. It is sometime before 12.

Mr. **WILLIAM L. SCOTT.** I appreciate the Senator correcting me.

Mr. **JAVITS.** Mr. President, we now have before us the President's nomination of W. J. Usery as Secretary of Labor. The resignation of John Dunlop was an untimely one; his broad knowledge of labor matters and his effective administration of the Department of Labor will be sorely missed. W. J. Usery, as his successor, is out of the same mold—hard working, dedicated and staunch in his belief in a free collective bargaining process. The President submitted the nomination on January 22; the Labor and Public Welfare Committee held hearings on January 28, and on the same day reported its recommendation that he be confirmed by a vote of 15 to 1. We heard at great length from Mr. Usery and, in addition, of course, the members of the Labor and Public Welfare Committee, and particularly myself as its ranking member, are very well acquainted with his record. We have known him for many years.

In my judgment the three things which commend his appointment to the country and to the Senate are as follows: First, 1976 is an important year for labor negotiations. Over 4½ million workers are covered by major collective bargaining agreements which are expiring or subject to reopening in 1976. In addition, there are tens of thousands of contracts which cover units of fewer than 1,000 employees as well as hundreds of first-time contracts, many of them in the health-care field and the public sector. A substantial number of these agreements were negotiated under the restraints of economic controls and many contained no cost-of-living clauses.

The workers covered by these agreements have, over the last 3 years, suffered sharp losses in real earning and purchasing power and their unions will aggressively attempt to "catch up" for those losses occasioned by inflation as well as to make substantial gains. Job security, income protection, and supplemental unemployment benefit plans, can be expected to receive heavy union emphasis. Management will emphasize regaining management rights through the loosening of work rules and manning procedures.

Focusing on some specific industries, the Council on Wage and Price Stability found in its recently released study:

About one-half of the more than 5,000 collective bargaining agreements in the construction industry will be renegotiated this year, with approximately 270 major agreements covering 746,000 workers.

In the auto industry, for the first time, all four major auto companies will be negotiating simultaneously with the United Auto Workers. In all, more than 800,000 employees will be affected by these negotiations.

Four hundred and fifty thousand Teamsters employed by some 2,000 trucking firms are covered by the National Master Freight Agreement which expires March 31. The national agreement also affects some 250,000 Teamsters whose local agreements are tied to the national pact, as well as another 250,000 nonunion drivers whose pay is strongly influenced by the Teamster contract.

New contracts will be negotiated between several unions and companies in the electrical equipment industry, including pattern-setting negotiations at General Electric and Westinghouse involving 100,000 workers.

The United Rubber Workers will negotiate contracts at the five major rubber companies in the spring. There have been strike problems in this industry in the past and this round may be difficult, with the union likely to demand a cost-of-living clause and large catch-up wage increases in the face of declining industry profits as a result of the recession.

With the indications of turbulent times in labor-management relations, I compliment the President for selection of W. J. Usery as the nominee for Secretary of Labor. His expertise in settling labor-management contract disputes, and the record that the Federal Mediation and Conciliation Service has compiled under his leadership is, by any measure, an outstanding one. He has built the Federal Mediation and Conciliation Service into an active, effective agency that is highly regarded by the labor-management community. Under his leadership the FMCS has handled record volumes of labor-management disputes.

Mr. Usery has settled a wide variety of labor disputes, including several threatened nationwide strikes in the railroad industry, a variety of work stoppages on airlines, including those involving United, Northwest, National and American air lines.

He settled the 1970 strike of postal workers and managed to avert another threatened postal strike only last year. He has settled serious strikes of schoolteachers in Philadelphia and Baltimore. He settled the Nation's first nurses strike in San Francisco.

It was he who settled the potentially disastrous strike of independent truck drivers nearly 2 years ago by mediating between the drivers and the half dozen Federal departments and agencies involved in the regulation of trucking and fuel supplies. A short time thereafter he similarly served as the catalyst to settle a burgeoning strike of gasoline service station operators during the height of the energy shortage. And his agency was active in carrying out an extra chore given it by the Congress: Mediating the 100-year land dispute between the Hopi and Navajo Indian Tribes.

In addition, Mr. Usery has served on a number of important Government committees and commissions dealing with labor-management problems. He served on missile site labor committees by appointment of Presidents Kennedy and Johnson. In the Nixon and Ford administrations he served on the National Commission on Industrial Peace, the Construction Industry Collective Bargaining Commission and several successor bodies, and on the National Commission on Productivity. He has been a Special Assistant and a chief labor adviser to both Presidents Nixon and Ford.

Mr. Usery's talents are not confined to settlement of labor disputes. He also has a well-known record as an able and innovative administrator. While Assistant Secretary of Labor, he handled the enforcement of the Landrum-Griffin Act, the Welfare and Pension Reporting and Disclosure Act, the Veterans' Reemployment Act, as well as unit determinations under the Executive orders concerned with Federal employment labor relations.

In the Mediation Service, Mr. Usery has effectively developed the field staff and its management to the point where the agency has reached its greatest era of service to labor and management. Great care has been taken in recruiting and training an expanded staff of mediators, including more women and minorities. The agency has actively promoted seminars, conferences, and other programs to advance productivity in industry to improve collective-bargaining methods and to improve the overall atmosphere of labor-management relations. Federal assistance in labor-management disputes is now welcomed by most employers and unions.

Under his leadership the Mediation Service has considerably expanded its program of technical assistance. These programs consist of a wide variety of methods of working with labor organizations and employers, separately and jointly, to improve their bargaining relationships. An outstanding example of such technical assistance is the series of training programs being put on for local officers of the United Mine Workers union throughout the coal fields. The purpose of this training is to improve the use of the grievance machinery and curtail resort to wildcat strikes. This is vitally important toward insuring uninterrupted coal production for our energy needs.

It is interesting to note—especially in view of the Labor Department's responsibilities in connection with the current problems dealing with the International Labor Organization—that Mr. Usery has familiarity with the internal labor problems of many foreign countries. He has gained this experience over the past several years as chairman of the Working Party on Labor Relations in the multinational Organization of Economic Cooperation and Development.

The second reason is that we are breaking in at the Department of Labor a new law, the Employment Security Act, the so-called pension reform law, which affects 35 million American workers and in the area of $150 billion in assets. The Department's role in the administration of that law is extremely vital to workers and is just in the process now of being developed, with the promulgation of interpretative regulations. The Department must be sensitive to the congressional mandate as well as the practicalities of the operation of the pension industry. Mr. Usery has assured me that he will work hard in this area to insure the efficient administration of ERISA.

Finally, we face a number of individual areas which present problems. One of them is the investigation of the Teamsters Central States Pension and Welfare Fund. The Department of Labor and the Department of Justice have joined together for this purpose in coordinating an investigation into the allegations of misuse of pension funds. The Labor Department's leadership role in this investigation is crucial to the national interest and must continue in the context of this year's national trucking industry collective bargaining negotiations.

The Teamsters is one union which has the capability for a truly national strike, because of the fact that so much of our freight is carried on trucks.

So, Mr. President, the Labor Department bears the responsibility of administering many laws which vitally affect every working individual in this country. We absolutely need the top man available in the country for this job, and Mr. Usery is such a man.

Our colleagues have found that there are certain legislative areas in which they disagree with what seems to be the personal opinion of Mr. Usery as disclosed by his speeches and testimony.

Well, in life, when you are in a high place, you have to expose your opinions; there is no way out of it. We need leaders who have opinions and we all realize that differences of opinion and philosophy have bred constructive action.

I might point out that depending upon the occasion, the President's views differ from those of some of our more conservative or liberal Members. A life without controversy is no life at all; and we should not expect or desire a Secretary of Labor who has no opinion on the proper course for the development of effective labor management relations in this country.

In fairness to Mr. Usery, I wish to add this: He made it clear that, as Secretary of Labor, it was his duty to follow the policy of the administration and the President. When questioned about matters to which reference has been made in this debate, including right-to-work laws, situs picketing and public sector collective bargaining, he made it very clear that he would follow the policy of the administration as long as he is Secretary of Labor, and that he would faithfully voice that policy before Congress. For example, when questioned by Senator Laxalt concerning common situs picketing legislation he stated:

> I do not visualize coming back before this committee or any committee with a common situs bill. Certainly not in this Congress. No one knows, however, what the future will be like.

He did that on each particular issue raised at the hearing, separating his own views, whatever they might be, from what he would do as a loyal official of an administration, the policies of which he is bound to follow or resign.

I ask unanimous consent that excerpts from the confirmation hearing record directed specifically to matters which have been debated today be printed in the Record.

There being no objection, the excerpts were ordered to be printed in the Record, as follows:

CONCERNING PUBLIC SECTOR COLLECTIVE BARGAINING, SENATOR RANDOLPH AND MR. USERY ENGAGED IN THE FOLLOWING EXCHANGE

Mr. Chairman, it has been my privilege for many, many years to know W. J. Usery—and we say Bill Usery, Jr.

In his service in the Federal Government he has been, without doubt, at least in modern times, the most persuasive individual who has brought his expertise, his knowledge, his understanding, his fairness, and even at times his compassion into those conferences between labor and management. His diligence in these matters, of course, is recognized and generally applauded by those who know the difficult problems with which he has been associated in our Federal Mediation and Conciliation Service.

I have wondered at the vigor with which he has approached these tasks because, very frankly, the conferences in which he has been the peacemaker, in a sense, which is a difficult role, the hours involved were one, two, three, four, five and six and continuing often, not only during the day, but far into the night and into the early morning.

This is just by way of indicating personal and official esteem which I have for Bill Usery.

I will, Mr. Chairman, with your consent, involve myself in other expressions of this formal statement which will come following your statement.

One question, Mr. Usery.

You will be, in a sense, looking beyond the problems that you have had between management and labor in the private sector. By the very duties that you will assume, you will be moving into that public sector possibly as well.

This question, which I ask you, I asked of Secretary Dunlop, and I have asked it of all of those who come and hold positions of this type or others in our Federal structure.

Do you believe that public employees have the right to strike?

NOMINEE

Mr. Usery. Senator, first may I say I very much appreciate your very generous and kind words to me.

In my opening speech, I speak briefly to public sector bargaining. Public sector bargaining has been the fastest growing area of collective bargaining in the country in the past two years. In fact, the unions have grown enormously in this area. I have stood very strongly for trying to find ways to promote collective bargaining in the public sector and to avoid the strike.

I have never advocated the strike in public service.

At the same time, Mr. Chairman, I feel it is essential that we find ways to redress grievances. I have participated in a number of public sector disputes. I think in a free society people should have the right to withhold their services. At the same time, the public's interest in the public sector is very serious for us and a matter of great concern to me as to how we work it out.

I have spent a lot of time thinking about this subject and I think it is a subject that deserves consideration very soon as to how we allow and how we promote free collective bargaining in our public sector. I include in this the Federal sector, Senator, because it has been so fast growing.

Certainly, as I said, in a free society you have to defend the right to strike, and at the same time you have to protect the public's interest.

We must find ways to resolve impasses in negotiations, hopefully without having to resort to strike. It is very hard to try to accomplish that.

Senator Randolph. You said hopefully without resorting to the strike.

That brings me back to the very point of the question.

Do you believe public employees have the right to strike?

Mr. Usery. I never advocated that right, Senator, since I have been in the public sector. I have never advocated that at all. I have tried to fully appreciate and understand not only public sector bargaining, but also essential services in the private sector, such as transportation, and our essential defense efforts. I have constantly said we should find ways to settle disputes in the public sector without having to resort to the strike.

Out of the 50 States, there are 38 States that have some legislation in this field. Twelve States have no legislation whatsoever. Seven States have granted some form of the right to strike.

I think again this is another reason why it is a serious subject that we must be very concerned about as we see the legislation grow in the various States.

We have recently, as you know, a very serious teachers' strike in Pittsburgh where that State has a limited right to strike. We have, and I have observed, Senator, where people have been arrested—I have tried to bargain with people who were in jail after an injunction. I think I fully appreciate and understand all the problems there.

We must find a way for people to have redress to their problems, and hopefully without having to resort to the strike.

Senator Randolph. You come back to that "hopefully" again, having to strike as a weapon. I have no desire to go further. I think this is a well-reasoned statement of the Secretary-to-be.

I believe in collective bargaining by public employees. I have advocated it over and over again, so I do not want to be misunderstood on that course. I want to proceed in every way.

I think Mr. Usery's challenge to us is to try to bring forth some modus operandi by which a public employee dispute, including Federal employees, can be handled without, as you say, "hopefully" a strike, such as we have had in Pittsburgh with almost nine weeks of no operation of the school system.

These are matters of concern.

I again commend you, Mr. Usery, for the well-reasoned approaches that you have constantly made during your career to the settlement of disputes. I have not pressed the point unduly here today, but I think it simply points out the need for us to arrive at some methodology by which these strikes within the public framework of employment and the Federal structure will not be able to erupt, we will say, into an actual strike itself.

Mr. Usery. Mr. Senator, I would add this. I certainly concur with you. I would like to make one other point. Even in places where the strike is illegal in the state, there have been strikes. And just to say that strikes are illegal and finding no other course for the resolution of impasses is not satisfactory. So that is why I say we must do everything we can to find ways of resolving impasses and coming to agreements without having to resort to the strike.

Senator Randolph. I completely agree with what you are saying.

Mr. Usery. Thank you.

AND, REGARDING THE REPEAL OF SECTION 14(B) OF THE NATIONAL LABOR RELATIONS ACT, THE "RIGHT TO WORK" PROVISION, SENATOR LAXALT AND MR. USERY HAD THE FOLLOWING EXCHANGE

Senator Laxalt. As I said yesterday, I come from a right to work state, and our people passed on it five times, and it is a rather emotional issue. You do not, for a moment, contend that the Federal Government should preempt or obviate 14(b) do you?

Mr. Usery. As I told you yesterday, Senator, I also come from a right to work state, and most of my early work was in a right to work state. I know the emotional problem of 14(b). We have adjusted to that. I have not in seven years gone around saying anything about 14(b) repeal or anything else in that area.

Senator Laxalt. Do I understand from that you would be opposed to any attempt to repeal 14(b)?

Mr. Usery. No, sir, I will not say that.

If you are asking me what my position would be on repeal of 14(b), I would have to say it would be to repeal it. But I do not foresee that coming. I am not advocating that. I never have as far as in the position I am in at the present time. And I think we have adequate laws today to try to adjust to that.

Let me give an illustration.

Almost 17 years of my life was in the labor movement in right to work states. In right to work states we also knew the Railway Labor Act, and as to the airlines and the railroads, they could have union shop in those states. It is an emotional issue, and it is one I do not think we have to be leading any fight for.

I think we have adjusted to it and we will continue to work with it, as I told you yesterday. I do not see myself coming here, asking the Committee to repeal 14(b).

AND REGARDING COMMON SITUS PICKETING SENATOR LAXALT AND MR. USERY HAD THIS COLLOQUY

Senator Laxalt. First of all, as I indicated, I enjoyed our discussion yesterday.

Mr. Usery. Thank you, sir.

Senator Laxalt. I would like to pursue some of the subjects we discussed yesterday so your views can be placed on the record.

We have had during the last few months in this Congress extended discussion concerning situs picketing. It was highly controversial here and, of course, finally resulted in the veto on the part of the President.

For the benefit of those who are vitally interested in the philosophy concerning situs picketing, may we have the benefit of your views?

Mr. Usery. Senator, as I stated to you yesterday, and may I also say I enjoyed very much our discussion yesterday, I supported common situs picketing. I supported both Title I and Title II, even though in my work as Director of the Service, I was more interested in Title II.

I regret that the American people, I think, generally did not fully appreciate or understand the substantive issue. It is a highly emotional issue, it has been around for 25 or 30 years. I was not deeply involved in its planning before, but when it came time, I did support it for a number of reasons.

I would think that matter is behind us now. It has been vetoed, and I look forward to trying to bring together the organizations and management in some other way to foster and promote collective bargaining in the construction industry. I do not see that matter, certainly from my point of view and from the view point of the Administration, coming back.

What the future might hold, I do not know. I think there is, as you and I discussed yesterday, a lot of emotions, a lot of misunderstanding. I thought there were a number of safeguards—enough safeguards in the Act that it could have been effective. But you are correct, there are a lot of people who feel that this is legislation that should not be enacted.

Senator Laxalt. How do you feel at the present time in view of the debates?

Mr. Usery. Pardon me?

Senator Laxalt. How do you feel personally in the event this issue should be revised here in Congress as to common situs in view of the great controversy generated in this Congress and throughout Congress resulting in a Presidential veto?

Mr. Usery. I could not visualize myself, in light of recent events taking a position in this area that would get us right back to where we are.

I would hope, as I said, to go on with the work that we have to do. As I have told many of my friends in the labor movement, you did not have it before, you do not have it now, so we must get on with the job we have to do to try to make the present system work.

I do not visualize coming back before this Committee or any other Committee within a common situs bill—certainly not in this Congress this year. No one knows what the future will be.

Senator Laxalt. Am I to understand then that if this type of legislation should be introduced independently of the Administration or of organized labor that you would, in your position as Secretary, not support this type of legislation?

Mr. Usery. I have stated that I supported it in the past but again, Senator, serving for the President in this high office, the President has vetoed this legislation. I do not see my coming before this Committee working for this legislation in light of the past events. I think the position has been made known, and I would not see myself in that posture at all.

Senator Laxalt. I wanted to tie that down for the record.

Beyond that, getting to the fundamentals of philosophy of the legislation, what is your philosophy concerning the imposition of secondary boycott in the construction industry?

Mr. Usery. I think, Senator, that we have a good set of basic law interpreted both by the National Labor Relations Board and by the Courts as it deals with secondary boycott. Certainly when you start talking about this particular area, you have to go more to instances that you might be talking about.

I have always felt that you have no real right to be seeking to get a secondary person involved for the primary objective you are trying to achieve, whatever it is.

If you are trying to achieve something, it is primary person you are trying to achieve it with, and you must be careful not to hurt secondary person.

Senator Laxalt. Would you agree the manner with which the Board has approached the problem philosophically that it resists the imposition of the secondary boycott?

Mr. Usery. Yes, sir.

Mr. JAVITS. Does the Senator from North Carolina wish me to yield? I am happy to yield to him at this point.

Mr. HELMS. Mr. President, I simply wished to ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

Mr. JAVITS. I suggest, then, that I finish, and then I will ask for a quorum call.

Mr. President, I believe Bill Usery is the right man at the right time for the right job. The right man at the right time for the right job; that is the essence for our having reported him out as favorably as we have.

It is a critical year. The country is fortunate to have so experienced and able a man as a nominee for Secretary of Labor. His reputation consistently has been that of a successful mediator. He enjoys the confidence of both management and labor. That does not mean that they always agree with him, but they find him to be a credible, honest, experienced, and able man, pushing for the same results they want, to wit, a conclusion. They may have differed as to what they wanted contained in their agreement, but he apparently was successful in bringing both sides to the bargaining table with the readiness and willingness to agree if agreement is at all possible.

This is a critical year in the area of labor negotiations. As I said before, he is the right man at the right time for the right job. I hope very much that the Senate will vote for his confirmation.

At this time, Mr. President, I ask unanimous consent that several editorials and articles concerning Mr. Usery's nomination be inserted in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

[From the New York Times, Jan. 23, 1976]

Ford's Labor Choice: Willie Julian Usery, Jr.

(By Lee Dembart)

In recent labor negotiations that were being mediated by W. J. Usery Jr., the union negotiators were advised before a session, "Watch out for Usery. He's going to keep you up all night. He's not going to let you go. He's going to make emotional appeals to your patriotic duty and to your interest in the community." A few hours later they returned from the bargaining. "He did exactly what you said, and we were on to him," they reported to their mentor. "But we settled anyway."

In three years as director of the Federal Mediation and Conciliation Service, Mr. Usery, 52 years old, has proved so successful in getting opposing sides together that he was nominated yesterday by President Ford to be the nation's 15th Secretary of Labor, just when the President needs someone who can bring him together with the now-hostile forces of organized labor.

"He has been the most successful mediator in the country's history," said Theodore W. Kheel, no ordinary mediator himself. "He has settled every dispute that he's ever been in, except football."

RELATIVE NEWCOMER

Mr. Usery (pronounced US-er-ey), whose initials stand for Willie Julian but whom everyone calls Bill, is a relative newcomer to mediation, having joined government service in 1969 after a career as negotiator for the International Association of Machinists.

Colleagues say being a partisan at the bargaining table helped make him a successful neutral. "His training as an adversary gave him the ability to understand the other party's position," says William W. Winpisinger, vice president of the machinists. "His ability to express very poignantly their points of view earned him their confidence. Once he had that, both sides would tell him how far they were prepared to go. Armed with that, a good mediator can work out an agreement."

"His long suit is his ability to get parties at war together," Mr. Winpisinger said. "If there is an agreement to be gotten, he gets it."

So impressed was organized labor with his skills that in 1973 the American Federation of Labor and Congress of Industrial Organizations offered him a new job that would have made him the No. 3 man in the federation and a frontrunner to succeed George Meany in the presidency. Mr. Usery turned the job down, but he has remained high on the federation's list of friends.

THEY ALL LOVE HIM

"In the labor-management field, they all love him," said Mr. Kheel.

Despite his labor background, Mr. Usery has been able to argue the public good to labor audiences. In a little-noticed address to the A.F.L.–C.I.O. convention in San Francisco last fall, Mr. Usery called for an end to wasteful work rules and declared:

"Sticking it to the boss—collecting for what we don't do—is in the same class today as clearcutting a national forest or dumping raw sewage into the Hudson. We used to think it didn't matter, but now we know better.'

Mr. Usery himself could never be accused of collecting for work he does not do. Associates describe him as a man with "a voracious appetite for work." His office contains a shower stall, a refrigerator with ice for martinis and a well-stocked humidor of cigars.

"He lives, he sleeps in the office," said a colleague. "Hours mean absolutely nothing to him."

Tall and blue-eyed, with white hair and full white sideburns, Mr. Usery sports a colorful if slightly rumpled wardrobe. He approaches mediation with a fervor and tirelessness that the negotiators themselves find catching.

POLITICALLY ASTUTE

Friends also say he is politically astute and would not have gotten into the bind over construction sitepicketing that forced his predecessor, John T. Dunlop, to resign. They say Mr. Usery would have sensed the political dangers of endorsing a bill that would have permitted one union to shut down a project which several unions were working and would have given the President better advice.

Mr. Usery was born in Hardwick, Ga., on Dec. 21, 1923, attended Georgia Military College and Mercer University and then served in the Navy as a steamfitter from 1943 to 1946. Afterward he worked for the Armstrong Cork Company as a welder and joined the machinists' union, in which he rose to grand lodge representative and chairman of the negotiating committee.

Though he is a Democrat and supported Hubert H. Humphrey for the Presidency in 1968, Mr. Usery was named by President Nixon to be Assistant Secretary of Labor in 1969.

AN EXTRA PORTFOLIO

Four years later Mr. Nixon named Mr. Usery director of the mediation service, and the following year gave him the additional portfolio of special assistant to the President for labor relations.

Mr. Usery is married and has one son, but he has not lived with his family for some time.

Yesterday there was general pleasure at his being named Secretary, the third Secretary of Labor in less than a year.

"I think the President comes out of this ahead," said one observer. "I don't know whether Usery is going to be a great administrator of the Department of Labor, but I can't think of a better man to represent the Administration to labor."

"His appointment could go a long way toward establishing industrial peace," said Mr. Winpisinger. "He can get communications established with a hostile President. He can return the department to being an advocate of the working man, just as the Department of Commerce is an advocate of the captains of industry."

[From the Wall Street Journal, Jan. 23, 1976]

FORD SELECTS USERY AS SECRETARY OF LABOR; SENATE CONFIRMATION EXPECTED TO BE EASY

WASHINGTON.—As expected, President Ford said he will nominate the government's chief labor mediator, W. J. Usery Jr., to succeed John Dunlop as Secretary of Labor.

Mr. Usery, a 52-year-old Georgian and a former official of the Machinists union, is expected to continue personally mediating major labor disputes, as he has done while heading the independent Federal Mediation and Conciliation Service and serving as a White House adviser and, before that, as an assistant secretary of labor.

Since 1973, the Labor Department has kept out of the direct mediation of disputes, deferring to the highly regarded Mr. Usery.

Indeed, a key reason for his nomination was the fear that otherwise he might leave the government, depriving the Ford administration of his service in a year that features both some important labor negotiations as well as a presidential election.

Mr. Dunlop resigned last week in the wake of President Ford's veto of a bill broadening construction unions' picketing rights and setting up new federal machinery to monitor construction barganing. Mr. Ford had promised Mr. Dunlop and key union leaders he would sign the bill; organized labor has branded the veto a doublecross and refused to continue working with the Ford White House because of it.

During the battle over the bill, Mr. Usery stood alone among White House advisers in backing Mr. Dunlop's position against intense pressure from business and political conservatives who demanded, and eventually won, the veto. In a White House statement yesterday, the Secretary-designate praised Mr. Dunlop as "a man of extreme talent" with whom he had worked "in complete harmony and close friendship."

That close relationship with Mr. Dunlop and Mr. Usery's own union background already have won him the enmity of some of the same conservative groups that opposed the construction bill. The National Right to Work Committee has declared him "totally unacceptable" for the post and plans to oppose the nomination, as it did that of Mr. Dunlop last year. However, Senate sources believe confirmation hearings, expected next week, will be short and relatively easy for Mr. Usery.

The AFL–CIO, which offered him a top job in 1973, regards Mr. Usery a friend of labor, and top labor officials probably will maintain a good personal relationship with him, despite their decision to stop cooperating with the department in formulating major policy. AFL–CIO President George Meany said the labor federation "wishes him well" in the post.

[From the Atlanta Constitution, Jan. 23, 1976]

W. J. USERY

"The proof is in the pudding," the old saying goes, or something like that. But first indications are that President Ford has made a superb choice in nominating W. J. Usery to be his new secretary of labor.

To begin with, Usery is a native Georgian, born in Hardwick, and that's a good recommendation by itself. But Usery also has some other very fine credentials to recommend him—especially at this time.

HOPE

When was it, 20 years or so ago when construction began on the interstate highways? And they were to be completed by 1972 or about? Well, we all (as well as those thousands of tourists who annually drive through Georgia) know that didn't happen, not in our state, for sure.

But have hope. The Georgia Department of Transportation recently announced bids on the last two sections of the state's original interstate mileage allocation, using funds from the "advance" interstate construction funds.

One of these projects was for 12.1 miles of grading and bridges on I–16 in Candler and Bulloch counties, and the other was for grading and bridges on I–75 in Cherokee, Bartow, and Cobb counties.

There are some interstate routes which were added to Georgia's system after the original allocation which are not completed either. But you know, "first things first, haste makes waste, all come to him who waits," etc.

A number of labor contract negotiations are scheduled this year in the auto, trucking, rubber, and other industries—and Usery has long experience in dealing with unions and management as a labor mediator. Some say he was no rival as a labor mediator.

Usery, who once was a welder and union member, was formerly an assistant secretary of labor and is currently director of the Federal Mediation Service and special assistant to the President for labor-management negotiations.

Because of his past successes, Usery—who made no secret of the fact that he someday wanted to be secretary of labor—is said to be respected by both labor and management officials. He's going to need in the coming year all the respect he can get, for sure.

Usery, if confirmed by the Senate, will succeed John Dunlop who resigned earlier this month because President Ford vetoed a bill expanding labor picketing rights which he previously told Dunlop he would sign. Dunlop's tenure as secretary of labor was a good one, for he is an erudite, hardworking, and practical man, and it's unfortunate he let "hurt feelings" prevent his further service.

Usery is expected to have a tougher mind and tougher skin than that—qualities, which along with his extensive experience as a labor mediator, should serve the nation well in the upcoming labor-management talks, in which Usery's "proof in the pudding" will be to avoid long and crippling strikes at a time when the national economy is beginning to recover from recession.

[From the San Diego Union, Jan. 15, 1976]

ONE LOSS, ONE WIN

President Ford's decision to veto the common site picketing bill has prompted John Dunlop to resign as Secretary of Labor. Having once assured labor leaders that the President would sign the controversial bill, Mr. Dunlop's position was awkward indeed. However, it is by no means certain, as Mr. Dunlop says, that the veto has irreparably damaged the possibilities for labor-management cooperation in 1976.

The President is believed to be considering the appointment of W. J. Usery, chief of the

> federal mediation service, as his new labor secretary. Mr. Usery has exhibited considerable talent in reconciling opposing points of view in stalemated labor negotiations. It would appear that heading the Department of Labor at this juncture would be an ideal assignment for a man of his experience. Mr. Ford may yet pull the fat out of the fire in what is otherwise a bad turn in his relations with organized labor.

Mr. CURTIS subsequently said:

Mr. President, I am voting for the confirmation of W. J. Usery as Secretary of Labor because I feel that a President should have broad latitude in selecting the members of his Cabinet as well as the members of his staff. This is necesary if a President is going to do a job and be responsible for the conduct of his office.

I disagree very emphatically with Mr. Usery on common situs picketing, the right-to-work provisions of the Taft-Hartley law which are described as section 14(b), and collective bargaining rights for Federal employees. It is my sincere hope that he will set aside these personal views in the discharge of his duties as Secretary of Labor because I do not believe that his views are in the best public interest.

SENATOR RANDOLPH SUPPORTS USERY NOMINATION

Mr. RANDOLPH. Mr. President, I strongly support the nomination of W. J. Usery, Jr. to be Secretary of Labor, and I urge his confirmation.

I have known Mr. Usery for many years. In the hearings on his nomination before the Labor and Public Welfare Committee I said:

> He (Mr. Usery) has been without doubt a most persuasive individual who has brought his expertise, his knowledge, his understanding, his fairness, and even at times his compassion into those conferences between labor and management. His diligence in these matters is recognized and generally applauded by those who know the difficult problems with which he has been associated in our Federal Mediation and Conciliation Service.

Mr. President, Bill Usery recognizes the excruciatingly crucial problems which will face him as Secretary of Labor, but he is well prepared to meet the challenge.

He is a man of demonstrated integrity and firm resolve. I believe he is an ideal choice for this important position, and I commend the President for his circumspect judgment in selecting Mr. Usery for this post.

During the nomination hearing, I asked him, as I had asked his eminent predecessor, John Dunlop, whether he believed public employees should have the right to strike. Mr. Usery said:

> I have never advocated the right to strike in public service.

He explained further:

> In a free society you have to defend the right to strike, and at the same time you have to protect the public's interest.

Mr. President, as my colleagues know, I am philosophically opposed to strikes by workers who hold employment in Government service. It is my strongly held view that police officers, firefighters, teachers, doctors and others on whose services all society relies so heavily, have a higher responsibility to the public. Their positions in relation to that society is qualitatively different from that of private employes.

Bill Usery knows this problem is a very complicated matter, and that some means must be found to settle the grievances of public employees in a satisfactory manner. I helped to draft and pass the National Labor Relations Act, and I am a firm believer in collective bargaining.

I endorse heartily his thoughtful and forthright position, and I wish this capable leader further success in his effort to come to grips with this and other important matters in his position as Secretary of Labor.

Mr. President, Bill Usery is a stalwart servant and a fine choice for a very tough job. I shall vote for his confirmation as I voted in the Labor and Public Welfare Committee, to report his nomination.

Mr. JAVITS. Mr. President, if no other Senator desires recognition, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The nomination will be stated.

The second assistant legislative clerk read the nomination of Willie J. Usery, Jr., of Georgia, to be Secretary of Labor.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Willie J. Usery, Jr., of Georgia, to be Secretary of Labor? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Mississippi (Mr. Eastland), the Senator from Michigan (Mr. Philip A. Hart), the Senator from Washington (Mr. Jackson), the Senator from Louisiana (Mr. Long), the Senator from South Dakota (Mr. McGovern), the Senator from Mississippi (Mr. Stennis), and the Senator from California (Mr. Tunney) are necessarily absent.

I further announce that the Senator from Wyoming (Mr. McGee) is absent on official business.

I also announce that the Senator from Missouri (Mr. Symington) is absent because of illness.

I further announce that, if present and voting, the Senator from Washington (Mr. Jackson), would vote "Yea."

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. Goldwater) and the Senator from Maryland (Mr. Mathias) are necessarily absent.

I also announce that the Senator from Oklahoma (Mr. Bartlett) is absent on official business.

I further announce that the Senator from Nebraska (Mr. Hruska) is absent attending the funeral of a friend.

The result was announced—yeas 79, nays 7, as follows:

[Rollcall Vote No. 26 Ex.]

YEAS—79

Abourezk
Allen
Baker
Beall
Bellmon
Bentsen
Biden
Brock
Brooke
Buckley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Curtis
Dole
Domenici
Durkin
Eagleton
Fong
Ford
Glenn
Gravel
Griffin
Hart, Gary
Hartke
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Javits
Johnston
Kennedy
Leahy
Magnuson
Mansfield
McClellan
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stevens
Stevenson
Stone
Taft
Talmadge
Thurmond
Weicker
Williams
Young

NAYS—7

Fannin
Garn
Hansen
Helms
Laxalt
McClure
Tower

NOT VOTING—14

Bartlett
Bayh
Eastland
Goldwater
Hart, Philip A.
Hruska
Jackson
Long
Mathias
McGee
McGovern
Stennis
Symington
Tunney

So the nomination was confirmed.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. JAVITS. Mr. President, I ask unanimous consent that the President be notified of the confirmation of the nomination.

The PRESIDING OFFICER (Mr. Nelson). Without objection, it is so ordered.

LEGISLATIVE SESSION

The PRESIDING OFFICER. The Senate will now return to legislative session.

The Senate resumed the consideration of legislative business.

ADJUSTMENTS IN THE SUPPORT PRICE FOR MILK—VETO

The PRESIDING OFFICER (Mr. Nelson). Under the previous order, the Chair lays before the Senate the President's veto message on Senate Joint Resolution 121, a joint resolution to provide for quarterly adjustments in the support price for milk, and for other purposes, which the clerk will state.

The legislative clerk proceeded to read the veto message.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that further reading of the veto message be dispensed with and that the message be printed in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

The veto message is as follows:

To the Senate of the United States:

I am withholding my approval from S.J. Res. 121, which would increase the Federal support price for milk and require mandatory quarterly adjustments, for the following reasons:

1. It would saddle taxpayers with additional spending at a time when we are trying to cut the cost of government and curb inflation.

2. It would stimulate excessive production of milk, discourage consumption, force the Federal Government to increase purchases of dairy products under the milk support program and build up huge and costly surpluses.

3. It would result in unnecessarily high consumer prices.

Under this bill, government outlays would be increased by $530 million, including $180 million during the 1976–77 marketing year and $350 million during the subsequent 1977–78 marketing year. In addition, consumers would be required to pay an estimated $1.38 billion more at retail for dairy products over the next two years.

If S.J. Res. 121 became law, the support level for milk would be set at 85 percent of parity, with adjustments at the beginning of each quarter, through March 31, 1978. This would result in substantial increases in the support level over the next two marketing years without taking into account either changing economic conditions or agricultural policies.

In disapproving similar legislation last January, I said: "To further reduce the demand for milk and dairy products by the increased prices provided in this legislation would be detrimental to the dairy industry. A dairy farmer cannot be well served by Government action that prices his product out of the market." This is still the case.

As far as this Administration is concerned, future changes in the price support level will be based, as in the past, on a thorough review of the entire dairy situation. Major economic factors, including the level of milk production, recent and expected farm prices for milk, the farm cost of producing milk, consumer prices and government price support purchases and budget outlays, will be considered. Elimination of this thorough review by mandating an inflexible support price would be inadvisable.

As you know, present legislation provides the Secretary of Agriculture with sufficient flexibility to increase the level of milk price supports between 75 and 90 percent of parity whenever the conditions indicate that an increase is necessary and advisable. The two increases announced by the Secretary of Agriculture last year—one in January and another in October—should make it clear that this Administration intends to provide the price assurance dairy farmers need.

In this regard, to ensure adequate milk price support levels, I have directed the Secretary of Agriculture to review support prices quarterly, starting April 1. If it appears necessary and advisable to make price support adjustments to ensure the supply of milk, the Secretary of Agriculture will do so.

In vetoing S.J. Res. 121, I urge the Congress to join me in this effort to hold down Federal spending, milk surpluses, and consumer prices.

GERALD R. FORD.

THE WHITE HOUSE, *January 30, 1976*.

The Senate proceeded to reconsider the joint resolution.

The PRESIDING OFFICER. The Senate will be in order. Those Members carrying on conversations will please retire to the cloakroom. Will those Members carrying on conversations in the aisles retire to the cloakroom?

Time for the debate on the veto message is equally divided and controlled by the Senator from Minnesota (Mr. HUMPHREY) and the minority leader or his designee, with the vote thereon to occur no later than 2 p.m.

The Senator from Minnesota is recognized.

Mr. HUMPHREY. Mr. President, it appears that we have 1 hour and 40 minutes for debate. Is that correct?

The PRESIDING OFFICER. The agreed time to vote is not later than 2 o'clock. There remain an hour and 40 minutes between now and then.

Mr. HUMPHREY. I thank the Chair.

Mr. President, the President of the United States has seen fit to veto Senate Joint Resolution 121. I wish to make a few comments about that veto, why I believe it is undesirable and why I believe it should be overridden.

I recognize, Mr. President, that every time we deal with a farm measure in the Senate, the immediate cry goes up of how much it is going to cost.

The PRESIDING OFFICER. Will the Senator withhold momentarily? The Chair misstated the unanimous-consent agreement.

The unanimous-consent agreement is that the time for debate will not exceed 1 hour.

Mr. HUMPHREY. And that we should vote not later than 2 o'clock.

The PRESIDING OFFICER. The Parliamentarian advises me that with the 1-hour limitation, the vote will occur not later than 1:20.

Mr. HUMPHREY. I thank the Chair. So there are 30 minutes to a side, as I understand it.

The PRESIDING OFFICER. That is correct.

Mr. GRIFFIN. Will the Senator from Minnesota yield?

Mr. HUMPHREY. Yes, I yield.

Mr. GRIFFIN. I think there has been a good deal of dispute as to this arrangement. Some Senators are having lunch, some of them downtown, and in other places in the Capitol, with the assumption that there will not be a vote. I wonder if we could agree to have a vote at a time certain. Would that be something the Senator from Minnesota could agree to?

Mr. HUMPHREY. It is perfectly agreeable to me.

Mr. GRIFFIN. What about 2 o'clock?

Mr. HUMPHREY. That is as late as I would want it, because of other commitments some of us have in committee hearings and other meetings. I would hope it would be before 2 o'clock. What about 1:45?

Mr. GRIFFIN. That is all right.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that a vote be taken on the Presidential veto message at 1:45.

The PRESIDING OFFICER (Mr. DOLE). Without objection, it is so ordered.

Mr. HUMPHREY. I ask unanimous consent that the time between now and 1:45 be equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NELSON. Will the Senator yield for a unanimous-consent request?

Mr. HUMPHREY. I yield.

Mr. NELSON. I ask unanimous consent that Warren Sawall be accorded privileges of the floor during the courses of this debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Will the Senator from Minnesota yield for a unanimous-consent request?

Mr. HUMPHREY. I yield.

Mr. DOLE. Mr. President, I ask unanimous consent that during the consideration of the Presidential veto, Ray Hager be accorded the privilege of the floor.

The PRESIDING OFFICER (Mr. NELSON). Without objection, it is so ordered.

Mr. BELLMON. Will the Senator yield for a unanimous-consent request?

Mr. HUMPHREY. I yield.

Mr. BELLMON. I ask unanimous consent that Mr. Doug Jackson and Mr. Bob Wood of my staff be accorded privileges of the floor during debate on this bill.

The PRESIDING OFFICER (Mr. NELSON). Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, I shall restate my earlier observation; namely, that every time we get a message or a program before Congress that relates to assistance to our agricultural community, immediately, the administration puts up the cry that it will cost too much. I wish to note that it is American agriculture today which is bailing out the American economy. We can stand here and vote hundreds of millions of dollars to take care of cost overruns in the Department of Defense; the minute that a measure comes down here that relates to the economic well being of the producers of food and fiber, then there seems to be a concerted effort on the part of the administration to say that we must not adopt this because it will cost too much to the taxpayer or to the consumer. It was within this philosophy that, last Friday, President Ford vetoed Senate Joint Resolution 121.

This is legislation that was designed to establish milk support prices at 85 percent of parity and provide for quarterly adjustments in maintaining that 85 percent of parity. Let me stop for a moment and point out that 85 percent of parity is exactly 15 percent less than what a farmer ought to get. "Parity" is a word that describes the relationship between the price that a farmer has to pay for what he purchases or needs or uses, as compared to the price that the farmer gets for what he sells his commodity for in the marketplace. When it is 85 percent of parity, that is like saying to a worker, "You are going to get 85 percent of the minimum wage;" or to a man in a union contract, "You are going to get 85 percent of what your contract calls for."

It is like saying to the automobile dealer, "You will get 85 percent of what your list price is." Or it is like saying to a doctor who charges a fee for his surgery or his medical attention, "Doctor, we will give you 85 percent of what your charge is."

If anybody in the Senate or the President of the United States were to get up and say, "You are going to get, Mr.

Worker, 85 percent of what your union contract is, or for you unorganized workers, you are going to get 85 percent of what the minimum wage is," we would say that that was the most cruel, inconsiderate proposition that had ever been forwarded by a responsible public servant.

If the Members of the Senate were to say that the banks were to get 85 percent of the prevailing interest rates, and force it down their throats, we would say, "Why, you are interfering with the market. You are doing a terrible thing."

But when it comes to our farm people, all we are asking for is that they have an opportunity to get a reasonably fair price; a price, however, that is not totally fair because if it were fair we would have 100 percent of parity.

Mr. President, I see that I must ask unanimous consent—and I do this out of order—for certain members of the staff of the Committee on Agriculture and Forestry to be allowed the privilege of the floor during this debate: Michael R. McLeod, Henry J. Casso, Carl P. Rose, Dale L. Stansbury, William A. Taggart, and Roy Frederick.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, for the third time in 13 months the President has vetoed vital legislation for our farmers and particularly, for the dairy industry and for our consumers.

I remember when the President vetoed our emergency farm bill last year, and we received the cost estimates about the bill from the Secretary of Agriculture. There was not one scintilla of truth to them. Every single projection they made in that veto message proved to be totally wrong. And they come back here again with the same kind of poppycock. I challenge anybody to bring those figures out that Mr. Butz presented last year when we passed our emergency farm bill, as to its cost, and prove that Mr. Butz was right.

He was dead wrong. Now they come up with the same kind of figures again to frighten consumers, to frighten the Members of Congress. I believe that when a man lies to you once, lies to you twice, you ought not to listen the third time.

I say "lie," because there was never any evidence in the first place that those figures would be right.

Let me give you an example: Last year we had in our farm bill target prices. We were trying to raise the target for wheat to around $3 a bushel.

The Department said, "If you do that it will cost the Government and the taxpayers over a billion dollars."

Now, a target price is a floor. The only way on God's green earth that the Government could have lost any money or paid out any would have been if the price of wheat dropped below $3 a bushel.

While the Secretary of Agriculture was telling us how much it was going to cost us to raise that target price, he was trumpeting throughout the land in all of his speeches that the price of wheat would be above $3 a bushel.

He tried to have it both ways. Over here in the Senate he was playing with Halloween hobgoblins, scaring the Senators, scaring the House Members, frightening the taxpayers that we were following a horrendous course.

Then he was going out around the chambers of commerce and the Rotary Clubs and the Farm Bureau, saying, "I am here to tell you that our farm program is so good, Mr. Farmer, and Mr. Businessman, that the wheat prices are going to be far above $3."

Well, they were above $3. As long as the Russians are buying wheat they will be above $3, because that helps to keep the market price up.

But Mr. Butz wanted to have it both ways, with the Rotary Club "Everything is beautiful and all is well." For Congress, "Be careful, you are going to bankrupt us—oh the terrible costs of this farm program."

Well, they are doing it again. Now they are going to fool a lot of Members around here because there is no one here who is going to listen to this argument. I have done it before, and I know what the consequences are because the only time the American people listen to a farm argument is when they are hurt.

[Applause from the gallery.]

And they will get hurt, and they will be injured. If the American farmer were not doing his job today, this country would be on its knees.

[Applause from the gallery.]

The PRESIDING OFFICER. The guests in the galleries will not interrupt the discussion or they will be removed from the galleries.

Mr. HUMPHREY. May I say the galleries have a better appreciation of the facts than the Department of Agriculture does, for which I am most grateful.

The PRESIDING OFFICER. The Sergeant at Arms will remove from the galleries those who are applauding.

The Senator may proceed.

Mr. HUMPHREY. Mr. President, this time, as in two previous cases, this veto by the President was handed to us on the basis that it would increase Government costs; it would be a further burden on our taxpayers; it would stimulate excessive production; it would result in higher consumer prices; and, in the long run, it would hurt dairy farmers.

My, the tears roll down my cheek about the concern they have for these dairy farmers, 5,200 of them in my State have been liquidated the last 2 years. The Department of Agriculture sits over here and worships at the shrine of the free market. Well now, I appreciate President Ford's and Secretary Butz' concern for the taxpayers, the consumers, and the farmers.

However, I wish they would just get their facts straight. I am convinced that if the President knew the facts he would never have vetoed this. The poor fellow gets bad advice. The President is a decent man, but he has got people giving him bad material using poor arithmetic.

Now, as one of the sponsors of each of these farm bills, and being acquainted with agriculture and food prices, I saw the developing problems of rising production costs with constant or even declining product prices that were driving our producers to the brink. Without assistance it was clear that producers would go out of business, production would decline, and consumers would ultimately be left with less product and higher prices.

Now, that is exactly what the Senator from Minnesota predicted a year ago. I said if you leave these dairy farmers in the predicament they are in, if you do not do something to help them, the following things are going to happen to them: Farmers are going to go out of business; second, production is going to drop; and third, consumer prices are going to go up. All of it happened.

The consumer is the same fellow as the taxpayer. You do not have a special group of people that you call taxpayers, keep them in one room, with consumers in another room. The consumers and the taxpayers are one and the same thing. So even if a bill does cost a little something, if it keeps consumer prices at reasonable levels, it is a good proposition for the average citizen.

But apparently our people in the Department of Agriculture and in the Office of Management and Budget do not understand that.

Over the past year some of the President's dire predictions of the last two vetoes came through. Farmers were hurt and thousands were forced to give up dairying as a way of life. Second, consumers had to pay unnecessarily high prices. However, both of these developments came about because of the President's veto.

The cost-price squeeze and the economic uncertainty that those vetoes perpetuated resulted in tight supplies and higher prices. But, all too often, the farmers did not get those higher prices. That is nothing new. When we sold all that wheat to Russia, which gave the Russians the greatest deal they have ever had in their lives, ask the Senators around here from the wheat-producing States whether their producers got advantage of it. Not a bit. The only people who got any advantage of it were the Russians and the grain companies.

The Russians got a good deal, and the grain companies got a profit. The farmer did not get any help out of it at all. Consumer prices went right up through the roof, and we had a big lot of propaganda coming around telling how great the deal was for everybody.

I see my friend, the Senator from Kansas, here, and I just want to remind him once again that every time the Government of the United States takes a look at agriculture it gives it a knockout blow; embargoes so that the wheat farmer did not get a good price and embargoes so that soybean producers were taken to the cleaners.

Only recently, I have been screaming at the Department of Agriculture to prevent the incredible shipment of palm oil into this country that has destroyed the prices of soybeans and soybean oil.

We do not raise palm trees in Minnesota or Wisconsin. I was not elected to the United States Senate to take care of the Fiji Islands. I was elected here to watch over the needs of my people, the people that I am privileged to represent.

Let me briefly describe what has transpired in the dairy industry in the past year. The retail price of butter has advanced well over 20 percent. The price of cheese retail jumped 13 percent. Ice cream prices have increased over 10 percent. All of these increases are greater than the increases in the Consumer Price Index or food index, and these increases do not even include the last 3 months because we do not yet have the official prices. However, I am personally aware of the price jumps in cheese, ice cream, and milk. An even better example of the relationship between the consumer prices and farm prices occurred in 1974.

In 1974 the average price of milk farmers received fell 14 percent from the first quarter until midsummer. While this is a decline at the farm level of over 10 cents a gallon, retail prices kept going up.

I want all these people to listen, and I want them to know that while the price of milk to the farmer was going down 10 percent, the prices in the supermarkets were going up. In fact, retail prices averaged about 2 cents a gallon higher in midsummer than in early spring. The price the farmers received rose about 3 cents a gallon in the past 3 months but the price in the supermarkets jumped 25 cents.

So Mr. Farmer who does all the work, cleans the barn, milks the cows, brings the milk to market, makes the investment—and dairy farming is high cost production with rigorous standards of sanitation that Government imposes—received 3 cents a gallon more in the last 3 months and in the supermarket you folks in the gallery paid 25 cents a gallon more.

But, Mr. Butz and Mr. Ford do not worry about that. They just do not want that farmer to get 3 cents.

It would be just terrible on the taxpayers if the Government did a little something to help that dairy farmer.

Well, one of these days we are going to have to decide whether we are going to drink 7-Up or Coca-Cola because there will not be any milk. There are proposals in this Government, as the Presiding Officer knows today, the distinguished Senator from Wisconsin, in the Flanigan report to get rid of the dairy industry of America and import our dairy products.

The Senator from Minnesota exposed that report. That report was prepared by this Government. It is still their gospel. They are going to get rid of our dairy industry, but they are going to do it over my dead body.

I represent a State that is proud of its dairy industry. I live in a county that is one of the largest dairy producing counties in America. My people out there work hard. They are taxpayers. They are investors. They are entitled to a fair return. They have to buy expensive equipment. There are no 40-hour-a-week cows. There are no cows that get 2 weeks' vacation. There are not any that get holidays off. The cows have to be milked every day. The farmer who runs that dairy farm has to be there every day. If he is not there, he has to have somebody else there.

Behind this guise of the free market, I charge that the administration is ignoring the plight of our producers. Behind the guise of fiscal responsibility? Fiscal responsibility for whom? Fiscal responsibility for the Department of Agriculture. What about the people? This administration would ignore the need of our consumers for adequate supplies and stable prices.

We are not going to get milk out of these veto messages. It comes out of cows. And butter, cheese, and all these dairy products, start with the cows and the farmer. We are losing our dairy industry. Farmers are going out of business. When they have gone out of business, the prices of these dairy products in the supermarket will go higher and higher and there will be fewer and fewer farmers. The best way for the consumer to have a good, fair price is for a lot of dairy producers to be able to stay in business.

I am tired of the rhetoric of the administration in trying to constantly remind us that all they are doing is protecting the taxpayer, when the taxpayer is the very same person who pays those high prices: 25 cents a gallon more for milk, when the farmer got only 3 cents of it.

We know what inflation has done to our economy. On the farm it has been even worse than in many other places. Fertilizer, fuel, feeds, equipment, taxes, interest rates—every item that the farmer faces has increased in cost in the last few years. In some cases these increases to our farmers have been as high as 200 to 300 percent. In 1974 the Committee on Agriculture and Forestry received estimates on the cost of production of many agricultural products, including milk. At that time the cost of producing milk in the Minnesota-Wisconsin area was around $8.50 a hundredweight. I believe the Presiding Officer will say, when he has the chance, that the University of Wisconsin produced evidence that it cost more than that to produce 100 pounds of milk.

While the costs are zooming, the dairy farmer has witnessed the erosion of his investments. In January 1974 an average dairy cow in Minnesota was worth $545. The total value of my State's milk cow inventory was nearly a half billion dollars. Two years later, the average dairy cow in Minnesota was worth only $445. The value of the State's dairy herd had been eroded by about $100 million, down to $396 million.

Now, Mr. Secretary of Agriculture, and Mr. President Ford, that came out of the people's backs. The $100 million came out of farmers who had worked their hearts out. That $100 million loss came out of taxpayers, Mr. President, the same ones you are talking about in this message.

Faced with this situation, the dairy farmers had little alternative. They have been forced to cut back. For some, this has taken the form of culling herds more closely. For others it has meant reduction in the rates of feeding. For all too many the choice has been to leave the business entirely, to sell out and sell the cows, and many times to sell them to the slaughterhouse.

All of this points in one direction, just one direction: less milk. With a rising population and with less milk, the consumer pays more. When this happens, the problem ceases to be one bearing on the dairy farmer alone. It becomes a problem for the consumer as prices move up sharply. It becomes a problem for policymakers looking at the means of controlling the toll of inflation.

In 1949 the Congress passed legislation establishing the dairy price support program. The basic goals of that program were to assure the production of an adequate supply of milk at stable prices and to prevent prices to farmers from dropping to disastrous levels.

In 1973 that legislation was carefully reviewed and an additional goal was assigned to the program, to assure the maintenance of adequate productive capacity within the dairy industry to meet future anticipated needs.

That is a part of the law, to assure an adequate supply of dairy cattle to maintain supplies of milk products.

Thus we have at hand the tools to meet the problem. Unfortunately, there are those who do not agree that there is a problem or, rather, refuse to recognize the problem. If we are to solve this dilemma, some signal must be given to the dairy farmer that he is going to have a chance to receive a reasonable degree of assurance that his markets will not be violated by unneeded and ill-timed imports, and that he is going to be able to obtain a return that will cover his cost of production.

I say to my friend from Kansas, his people suffered from an embargo. I say to my friend from Oklahoma, his wheat farmers suffered from an embargo. I have heard both of these Senators point out the unbelievable cost that those embargoes on the sale of wheat to the Soviet Union cost their farmers.

Mr. President, my farmers have suffered from the imports. Powdered milk was imported until it broke the market price, and now my farmers suffer from high costs.

My farmers suffer from being liquidated because of those high costs. Now, we have high milk prices because of the shortage of milk production and because of the shortage of dairy herds. At the present time, butter is way up and cheese prices are way up, but there are fewer farmers, and I am telling the consumers that if this administration continues its policies, there will be fewer and fewer dairy farmers, and the prices will go sky high.

The resolution that the Congress passed would not fully accomplish the goal we ought to have of a fair return to our farmers, but it would go a long way toward providing the needed assurances.

It also is responsive to changing economic conditions although the President, in his veto message, asserted that it was not. It provides cost of production adjustment either upward or downward—something totally ignored in the President's message.

The cost estimates the Department of Agriculture has generated are again extremely large. However, they have been wrong in each of their previous estimates. Why should we believe them now? And, when we look to their cost estimates on H.R. 4296, which was the agriculture bill, there is no reason to give credence to these numbers.

The greatest asset this country has is its ability to produce abundant supplies of the food needed for our people. We are witnessing an erosion of that ability in the dairy industry today—the second largest segment of American agriculture.

I charge again that this administration is determined to eliminate the dairy industry. We have had to drag them by the neck to get any kind of protection and any kind of help. They did not want to give us quarterly adjustments on 85 percent of parity. They did not want 80 percent of parity. They did not want anything. They support the Flanagan report, which says to eliminate the dairy industry.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. HUMPHREY. Yes.

Mr. DOLE. I assure the Senator from Minnesota that I share his concern for the dairy farmers. As evidence of that, I have been negotiating with Secretary Butz, trying to salvage something.

There is no doubt in my mind that the veto will be sustained. Thus we have two roads to travel: We can go down the road of losing everything, or we can try to negotiate with Secretary Butz and the administration.

I have been assured by Secretary Butz that it is his firm intention to adjust dairy products to 80 percent of parity on April 1.

Mr. HUMPHREY. That is something.

Mr. DOLE. That is something. When we passed the bill by the Senate, we did not have anything about parity; we had quarterly adjustments. We knew the bill would be vetoed if we put in 85 percent of parity.

I might also say, as a member of the Budget Committee, that the Congressional Budget Office, which is a nonpartisan office, indicates that the cost will be even greater than Secretary Butz indicated; that it will be $539 million instead of $530 million over the next 2 years.

Mr. HUMPHREY. I thoroughly disagree with that. I do not believe there is a scintilla of evidence to support it. I sharply disagree with the Budget Committee's estimates. The dairy people have figures that make those figures look ridiculous.

Mr. DOLE. I thought the Senator would appreciate some ray of hope on April 1.

Mr. HUMPHREY. That is some ray of hope, but we have had to beat him over the head to get that. Eighty percent of parity is not much help. In my State, that is slow death. It is like you getting $2.50 a bushel for wheat.

Mr. DOLE. You will probably survive, with George Meany's help.

Mr. HUMPHREY. George Meany is not involved in this one.

If they want to put my dairy farmers down to 80 percent of parity, why do they not go over the rest of the picture, and get it all down? And they will.

I believe farmers, whether they produce wheat, corn, cotton, soybeans, or whatever they produce, are entitled to a return on their investment. The health of the American people is at stake. Our world trade is at stake. Everything.

I want to know what we are going to do with all the dairy farmers we force out of business. Where are they going to go? When the dairy farmers have to sell their cows, will that reduce beef prices? Not a bit. We are still importing most of our hamburger.

Yet for some peculiar reason, whenever it looks as if we might do something to help the dairy producer, we have all the arguments about what it will cost.

Whatever the cost, it will come from the same people. If it costs more for budgetary outlays, where does the money come from? It comes from the people. If we no longer have the dairy cattle, and the prices go up, where does that come from? From the people. If we seek 85 percent of parity, and they say it costs more, where does the money go? It goes to the farmer. If we do not have 85 percent of parity, and it costs less, who loses the money? The farmer.

We are not sending this off in foreign aid, you know. This is all right here, right here in the United States, for our own people.

The other point I would make is that without some degree of assurance of a fair price—and it is not much of a price—any stability of prices in the consumer market is hopeless.

Our dairy farmers are among the hardest working, most dedicated people this Nation has. They work 15 hours a day, 7 days a week, 52 weeks a year. But, they are watching their investment disappear. They are watching their costs outpace their returns.

They cannot continue. Already too many have left. If we do not act, more will depart.

Last year we used over 3 million more pounds than we produced. We need to provide greater assurance to our producers to obtain the needed production. In the absence of this legislation, consumer prices will undoubtedly rise.

And we need to achieve greater stability in our dairy production—evening out the peaks and valleys. But this administration seems determined to pursue its "boom and bust" policies regardless of how it affects consumers or how many producers it eliminates.

Consumers should not be misled by the notion that they will benefit from low dairy prices which drive farmers out of production.

I can only ask, "Is a veto the proper reward for these dedicated Americans?"

This approach—which this administration recommends—leads to sharp price rises after a scarcity develops. And we have seen this ratchet effect in consumer prices before. When prices to farmers drop and drop sharply, there is little if any benefit to consumers.

Mr. President, three times, Congress has expressed its desire and intent. Three times, the President has chosen to ignore the interests of producers and consumers. I implore my fellow Members of the Senate to resoundingly override the veto. I ask that we send a clear message to both the President and the American people. That message is that this Congress is concerned with the people, and any other orientation of Government is irresponsible and indefensible.

Mr. President, I reserve the remainder of my time.

Mr. DOLE. Mr. President, I appreciate very much the remarks of the Senator from Minnesota. As he knows, we find ourselves working together most of the time in the interests of agriculture.

As I have indicated just a few moments ago, the Senator from Kansas felt there were two choices: One, to walk on the floor and deliver a speech suggesting we should override the veto, or the other road would be to negotiate with the Secretary of Agriculture, Secretary Butz, who in turn would talk to the President by telephone to see if we could make certain that the dairy farmer was offered some more protection in the event the veto would be sustained.

It is my impression, after a whip check on this side and information from the other House and emanating from the Budget Committee, that the veto will be sustained. So, based on that evidence, I talked with Secretary Butz early this morning and again about an hour ago, and Secretary Butz has dictated a statement which says:

> This confirms our telephone conversation that it my firm intention to adjust the level of dairy price supports to 80% of parity on April 1, 1976. The exact level of adjustment will depend upon the parity figure on April 1. It is my intention thereafter to examine the level of price support quarterly, and to make such adjustment quarterly as may be needed to assure an adequate supply of dairy products as defined in the law.

When the Senate passed this measure, it had nothing in it but quarterly adjustments. Most of us on the Committee on Agriculture and Forestry were realistic. We were told rather bluntly that anything that would raise price supports to 85 percent would be vetoed. That has been true of past administrations as well as this administration. I have supported, as far as I know, every effort to increase price supports. But that is not the choice now.

Our choice now is between nothing and some assurance on April 1. It is my view that we have that assurance, assurance from the Secretary of Agriculture based on a conversation with the President of the United States less than an hour ago.

On the basis of that assurance, I will vote to sustain the President's veto of Senate Joint Resolution 121 and ask my colleagues to join with me in this act of budgetary restraint. It is extremely difficult, as Senators know, to choose between increased support for producers of a vital commodity and maintaining our commitment to the self-imposed spending limits of the second concurrent resolution. It is certainly politically very tempting to opt for the increased support and rationalize a readjustment of those spending limits.

But if we start doing that this early, we will make a mockery of the limits. It is easy for someone from a rural State such as Kansas to vote to override everything dealing with agriculture, and to sustain everything dealing with urban areas. But as a member of the Budget Committee and the Committee on Agriculture and Forestry, I know it is a very difficult thing to do if we intend to make the budget process work.

The budget situation and the implications of the legislation before us are straightforward. The agriculture category of the budget is currently $300 million over the $2.6 billion target set in the second concurrent resolution.

It should perhaps be noted that this target was, in fact, raised from the first concurrent resolution target of $1.8 billion. The reason for both the target adjustment and the current overage has been revised estimates of the outlays for agricultural price support payments.

Senate Joint Resolution 121 in its present form, would provide for milk price supports at 85 percent of parity, rather than the current 80 percent.

I might say now that the prices are well above 85 percent of parity in both manufacturing and fluid milk areas.

It would also mandate quarterly adjustments of the support price. This act would result in increased support payments of $73 million in fiscal year 1976 alone according not to Secretary Butz, or not to anyone in the administration, but according to the Congressional Budget Office estimates and they, I think, have some expertise in this area.

We would be yet further over the budget target for agriculture. While it is true that the targets for individual categories of the budget are not binding, this would represent some reordering of the priorities in that budget resolution and may eventually cause the total ceiling or $374.8 billion to be exceeded.

For the period fiscal year 1976, transition quarter, fiscal year 1977, and fiscal year 1978, the total added cost to the Government is estimated to be $539 million, again, not by Secretary Butz, or not by anyone in the administration, but by the Congressional Budget Office.

In fiscal year 1977, the budget which we are now in the process of considering, the added cost is estimated to be $294 million by CBO.

In light of the budget ceiling we have chosen for fiscal year 1976 and the as yet undecided budget for fiscal year 1977, and with this assurance from Secretary Butz, I think the proper course of action is to support the President in rejecting the mandatory increase to 85 percent in support price levels at this time. It would be appropriate to reconsider the merits of this measure in the context of formulating the fiscal year 1977 budget.

The President's veto message has been previously printed in the Record. I note that he has ordered implementation of the quarterly review feature of Senate Joint Resolution 121. It is not an adjustment, but it is a review. That, coupled with Secretary Butz' letter, would assure us that if quarterly adjustments are needed it will be done.

The increased price support will presumably keep a floor under prices to protect producers, but will not necessitate payments if prices maintain present levels.

So the total Government expenditure of over $0.5 billion for 3 years would keep perhaps only a few dairy producers in business. But the main concern is to maintain healthy cash prices.

As the Senator from Minnesota has pointed out, there has been a great change in dairy production all across this country.

In 1970 there were 200,000 dairy cows in Kansas. By 1975 the number had dwindled to 143,000. During the same time, the number of dairymen in the State declined from 5,200 4,500, and those are approximate numbers.

There are about 80,000 total farms in the State at the present time, and nationally the picture is much the same.

There has been, as the Senator from Minnesota has pointed out, a decline in dairy farmers and dairy herds, but I point out that the average price on January 15, was $10 per hundredweight, which is about 84 percent of parity.

Mr. HUMPHREY. That is 94 percent of parity.

Mr. DOLE. The average U.S. price is $10 and $9.

Mr. HUMPHREY. Mr. President, if the Senator will yield, that is 94-percent parity.

Mr. DOLE. This is fluid milk to which I am making reference. The Senator is correct on the other, between 92 and 94 of parity for manufacturing milk.

As I indicated at the outset, it is a difficult choice, but it seems to me that dairy farmers as well as other farmers—as are all Americans—are taxpayers and consumers, are concerned about the Federal budget. They are concerned about the $70-some billion deficit we have had. They do not want more.

Congress in its wisdom set up the budget process. It is painful, particularly if one is a member of that committee and a member of an authorizing committee. But it seems to me, with the assurance gained from Secretary Butz just a few moments ago, that they have acted in the interest of agriculture and the dairy industry.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. DOLE. Mr. President, I yield 5 minutes to the Senator from Oklahoma.

Mr. BELLMON. Mr. President, this is an extremely difficult issue as far as the Senator from Oklahoma is concerned. Our State is not as important a dairy State as the State of Minnesota or even the State of Kansas, but we do have a very significant dairy industry in Oklahoma, and those dairy farmers have been undergoing almost unbelievable hardships for the last 2 years because of high costs of production.

It is only within the last 2 or 3 months that they have begun to show a small profit from their operation. As we come into the spring months, when production of dairy products always go up, the dairy farmers are facing another sharp reduction in price that will very likely put them back into the red again. So this is a problem that deserves the careful consideration of every Member of the Senate, and it is a situation that none of us really like.

The problem has another side to it, however, and that is that we do have a new budget process, one that we have to protect and preserve if it is going to work, and even though it is somewhat painful, as the Senator from Kansas has mentioned, I believe that this bill needs to be looked at not only from our standpoint but also from the standpoint of the budget and the standpoint of the impact that this bill will have on the Nation's economy.

Another aspect of the legislation has to do with the fact that even though the dairy industry has been suffering serious economic pain in recent years, the production of milk in this country is still outrunning our demand for milk and the production of milk is still going up year by year.

So what we are in danger of doing here is generating unneeded production which will simply go into Government warehouses and do the same thing for the dairy industry that the wheat surplus did for the wheat industry back in the decades of the 1950's and 1960's when we had very large Government supplies that were used to drive down prices and that served as a depressant on the market.

I believe the dairy industry would be hurt in the long run if we passed the bill setting support prices so high that the Commodity Credit Corporation built up a large surplus of dried milk or other dairy products which would then hang over the market for years to come.

Mr. President, it is for those reasons that I am going to vote to sustain the veto on Senate Joint Resolution 121. In the second concurrent resolution on the budget for the present fiscal year, Congress agreed to spend $2.6 billion in the agricultural category. At the present time, we are already some $300 million over that ceiling.

The passage of this measure, Senate Joint Resolution 121, would result in outlays further exceeding the ceiling to which Congress has agreed. We can get all kinds of figures just to show how much this measure is over the ceiling, but the one thing we do know is that it does exceed the ceiling and, therefore, it is a budget busting measure.

If the new congressional budget process is going to work, it is essential that every Member of the Senate try as hard as possible to maintain our spending at levels below the ceiling to which we have agreed in this second concurrent resolution.

The Committee on the Budget is now considering the budget for fiscal year 1977. This measure, according to the best estimates I can obtain, would add about $295 million in spending to fiscal year 1977. It, therefore, seems appropriate that the spending requirements of this measure be considered along with the spending requirements of other bills at the time the Committee on the Budget is recommending our ceilings for the entire budget for the next fiscal year.

If we proceed piecemeal, passing this

joint resolution now without considering its relation to other priorities, the whole budget process is going to fail.

In addition, as a member of the Committee on Agriculture and Forestry, I oppose the measure, as I said earlier, because it would seem to establish prices high enough to bring on unneeded production, to build up surpluses that later would hurt the dairy industry; therefore, it causes an artificial condition to arise in the industry that is not healthy.

The Committee on Agriculture and Forestry passed a bill that would have maintained support prices of 80 percent of parity, with quarterly adjustments, to which Secretary Butz agreed, and I believe that this will make it possible for this industry to survive and have healthy economic conditions without going through a period of surplus production that would weaken the industry in later years.

The PRESIDING OFFICER. (Mr. STEVENSON). The Senator's 5 minutes have expired.

Mr. BELLMON. Mr. President, will the Senator from Kansas yield me an additional 2 minutes?

Mr. DOLE. I yield an additional 5 minutes.

Mr. BELLMON. I thank the Senator.

The per capita consumption of milk equivalent has declined from 561.4 pounds in 1970 to 546.5 pounds in 1975. This is a reduction of little less than 20 pounds per capita per year. It is not in the best interest of dairy producers to artificially stimulate production when the per capita consumption of milk is on a decreasing trend. This over-production will only be a costly burden to the taxpayers. In addition, a support price of 85 percent of parity would prevent an economic signal to be sent to dairy producers that production should be cut back which is the basis of the law of supply and demand.

Mr. President, I have great sympathy for the dairy farmers who have been through the difficult times of 1974 and 1975. These times have been difficult largely because of high cost grain. Those grain prices now have moderated. We have the largest feedgrain crop in history. The prices are down, so that dairy production costs also are down. I believe that we do not need to pass a bill now to remedy conditions that are rapidly improving so far as the dairy farmer is concerned and that if we pass this bill, we are going to be hurting them in the long run. It is true that some dairy farmers have liquidated their herds; yet total production of milk nationally has increased over the past 2 years. This is happening in spite of the fact that the number of dairy cows did go down from 11,221,000 head in 1974 to 11,149,000 in 1975. This was one of the smallest annual decreases in dairy cattle numbers in the last 20 years.

No one can argue the fact that the dairy farmers have been through rough years. However, because of the commitment all of us have made to the budget process and because I believe that dairy farmers, in the long run, are going to be hurt by this legislation and not helped, I am going to vote to sustain the President's veto of Senate Joint Resolution 121.

I yield back the remainder of my time.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. DOLE. I yield 5 minutes to the Senator from Maine.

Mr. MUSKIE. Mr. President, this will be the first rollcall vote in the Senate on this legislation.

The Senate version of the legislation passed September 29, 1975, as a calendar item, on a voice vote. The conference report passed by a voice vote on December 18, 1975.

The purpose of the legislation is to increase the level of Federal payments to milk producers by changing the frequency of adjustments in the support price for milk and the support price itself. The President has vetoed the legislation as being too costly. The question before the Senate is whether to sustain or override the veto.

I have supported the Senate version of this legislation which provides for quarterly adjustments in the support price for milk. I have supported that provision because I believe that our dairy farmers need all the help that the Federal Government can afford to give them. We must assure a level of farm income which is adequate to maintain our dairy farmers and our milk production capacity. The more than 1,200 dairy farmers in my own State know of my concern that the level of price supports not fall below a reasonable level.

Unfortunately, the measure before the Senate, which the President has vetoed, is not the measure we passed in September. It is, instead, the significantly more expensive House version of the legislation which the conferees agreed to and sent to the President after a voice vote in the Senate on December 18, 1975. The Congressional Budget Office cost estimate of the difference between the two bills shows that the bill before us will be twice as expensive as the legislation the Senate passed. In this fiscal year alone and the transition quarter, which runs from July to October, the legislation before us will cost $72 million more than the bill we passed in September. It will cost over $200 million more during the next 2½ years. I ask unanimous consent that a table containing the Congressional Budget Office estimates be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MUSKIE. Mr. President, there is no room in the congressional budget for the House version of this legislation which is before us. In adopting the second concurrent resolution on the budget on December 12, 1975, Congress provided what we then estimated to be an appropriate allocation of Federal spending to the agriculture function. It did not include any provision for this House version of this legislation. Furthermore, shortly after the adoption of the congressional budget resolution, the Agriculture Department revised upward by $283 million its estimate of the uncontrollable spending for farm price supports already provided in existing law. This reestimate caused the agriculture budget total in the second resolution to be exceeded by more than 11 percent. The joint resolution the President has vetoed would add another $43 million more than the Senate bill to this coverage in this fiscal year alone, and another $72 million by the beginning of the next fiscal year.

It is on this basis that I will vote today to sustain the President's veto. I must recommend that Senators vote likewise.

The congressional budget ceilings which are now binding on all spending legislation for the remainder of this fiscal year provide for a carefully planned program of congressional spending adequate to meet the known demands for additional appropriations and essential spending for the remainder of the year. There is no room within those ceilings for new programs like the House increase in the parity price support level contained in this bill. If the House version becomes law, some other planned-for program will have to be excluded from appropriation this year. It is as simple and painful as that. It is on this basis that I am forced, as chairman of the Budget Committee and as a Senator who believes we must adhere to the budget we have adopted, to vote to sustain the President's veto. I do not find this pleasant to do. I would much prefer to be able to say "Yes" to my 1,200 dairy farmers, if they all should agree on the House version of the bill. But if I were to blink when an interest in my own State suggested that that would be politically wise, then I think we would begin blinking at the concurrent resolution ceilings, to the destruction of the process.

I recognize that farmers need all the help that they can get. I wish there were some way to accommodate all those needs within the constraints we must face if we are to hold the deficit to the $74 billion contemplated in the budget.

In my judgment, there is an alternative approach. I think we should go back to the original Senate bill which provides for quarterly adjustments of milk price supports. The reading that I get from Maine dairy producers is that they are most concerned about quarterly adjustments of price support levels and that imports of dairy products be stringently controlled.

I shall, therefore, vote to sustain the veto of this measure, and shall support what I deem to be a reasonable compromise—the passage of the original Senate version of Senate Joint Resolution 121 which provided for quarterly adjustments of milk price supports.

Mr. President, may I add to my above statement a confirmation of what the distinguished Senator from Kansas said about decisions that Secretary Butz has promised to make if the veto is sustained.

I talked to Secretary Butz this morning, at his invitation, and he confirmed that as of April 1, he will order the parity price for milk to be raised to 80 percent.

He promised me, in addition, that there would be quarterly review of price supports for dairy products, in accordance with the Senate version of the measure.

I was delighted to get from him this call, which was unsolicited on my part, and delighted to have him demonstrate the flexibility to move in the direction in which he has indicated he will move.

EXHIBIT 1

CBO ESTIMATES OF ALTERNATIVE MILK PRICE SUPPORT PROGRAMS

	Fiscal year 1976	Transition quarter	Fiscal year 1977	Fiscal year 1978	Total
Existing program	108.8	75.2	323.0	119.6	891
Increase in Senate bill	30.3	21.0	149.2	64.0	264
Extra increase in House bill	43.0	29.3	145.1	57.4	274

Mr. HUMPHREY. I yield myself 10 minutes.

Mr. President, I have just heard about the flexibility of the Secretary of Agriculture. He had flexibility because we used a crowbar on him. He did not come around and give us quarterly adjustments at 80 percent. I introduced that legislation, and in the testimony, he was not sure that he could support it. He is for 80 percent of parity now, with quarterly adjustments, because he knows that we can carry such legislation; that is why. There is no great compassion here for the dairy farmer.

Second, I remind the Senate that last year, when we had the emergency farm bill before the Senate, the Secretary came here and said, "It is going to cost you over a billion dollars." Again, he was dead wrong.

Mr. President, those cost estimates scared everybody around here, particularly people who do not know anything about agriculture.

Now they come up again with these figures. Let me say what those figures show.

First of all, they show no purchases by the Government for domestic food programs. The dairy price support permits the Government to buy cheese and powdered milk and other dairy products at low prices for our feeding programs. Now, we are going to buy for those feeding programs. The Senate is not going to turn down the feeding programs. I do not think very many people here are going to turn down the school lunch program or the commodity programs. If they are, I want them to stand up and tell the folks that they do not believe we ought to feed kids. That all has to come out of this money.

Here is what we have. The USDA estimates that for April 1976 to March 1977, which is a so-called production or marketing year, the cost will be $180 million, under this resolution. It estimates that from April 1977 to March 1978, it will cost $350 million. That is a total of $530 million; that is their estimate.

The truth is that if we take a look at that estimate, using their own figures, the amount for U.S. Government domestic purchase for our feeding programs, we come closer to our estimate of $72 million for the 2 years.

Furthermore, the Department of Agriculture envisioned the worst possible set of circumstances. Let me give an example. On production and on consumption—that is the way they base their cost estimates—at 85 percent of parity, the USDA estimates that in 1976, production will be 117,500,000,000 pounds; for 1977, 119,100,000,000 pounds.

What do the dairy producers themselves, the National Milk Producers Federation, estimate? They know more about dairy cows than some of the people in the Department of Agriculture, who have been misleading the Senate and the Congress for years. And they have been misleading us on their facts. The National Milk Producers Federation estimates production of 116 billion pounds for 1976 and 117 billion pounds for 1977. In other words, a difference of over 3 billion pounds. If we add in those 3 billion pounds, of course, they can make it look like it is going to cost more.

The Department of Agriculture underestimates consumption also. In 1976, they estimate consumption at 111 billion pounds. The National Milk Producers Federation estimates it at 115 billion pounds, about the same as 1975.

In 1977, the Department of Agriculture estimates consumption at 111 billion pounds, while the National Milk Producers Federation expects consumption of 115 billion pounds. If we take lower consumption and higher production figures, we get the worst possible scenario. That is what the Department of Agriculture has given to us.

My point is that if they had been right at other times, I would buy their figures. But they have been wrong, and the Senate knows they have been wrong. We know the estimates have been wrong. And when we have been fooled once, twice, and three times, why do we not listen?

Sure, the Department of Agriculture could come up here with figures like this, just exactly as the Office of Management and Budget came up a year ago and told us we were going to get $8 billion worth of revenue out of offshore oil. Have we got a billion dollars?

Their estimates are cockeyed, and I can say that the National Milk Producers Federation has given Congress more reasonable figures than the Department of Agriculture.

I remember only a little over a year ago, when they told us what it would cost to have a farm bill. That is why this Senator is not going to listen to their arguments.

I know that Mr. Butz has suddenly got religion. Oh, he is for quarterly adjustments now. But when we tried to get quarterly adjustments before, he fought it. He just fought it and fought it. It was the consummate sin.

We need to remember, my fellow Senators, that the Secretary of Agriculture had to have a court suit, that was filed in my State, to bring him to even 80 percent of parity once a year. What a reluctant dragon that fellow is.

Now, he is going to be very nice to the dairy farmers. He has a couple of Senators convinced now that we are going to get 80 percent of parity and have a quarterly adjustment. I think we will, because we backed him to the wall. But we had to take him to court and get a court order to get him to come to 80 percent of parity, when the law was set at 80 percent of parity. We also had to get a court order to get him to release funds for the women's, children's, and infants' program—the WIC program. He fought that for a year and refused to spend the money.

I do not trust him. I say the Department figures being presented here are not factual. They are not fair. They are not right. My evidence is based upon the practice of the past. We have had a lot of slippery practices around here. We got an embargo put on our wheat, in spite of the Export Control Act.

Mr. DOLE. That was a Meany embargo.

Mr. HUMPHREY. Never mind about Meany, he is not in the Government. He did not get elected. The President of the United States, Secretary Butz, and Secretary Kissinger, worked a fast end run, trimming the figures again, because the law said you could not put an embargo unless there was a certification of shortage. There was no shortage when we had 2.1 billion bushels of wheat.

Now they come up here with these phony figures again. Well, they are going to fool some of the people some of the time, but they are not going to fool HUBERT HUMPHREY all the time. I have not been fooled by them yet. I know what they are talking about when they talk about these farm matters.

What else do they say? They say if we have 85 percent of parity, it is going to raise the cost. We have 94 percent of parity right now. What they are really telling us is that they expect the price to go way down. I want to remind the Senators that if the price goes down, the supermarket price will not go down very much. The only fellow who gets hurt is the producer. The present market price is 94 percent of parity, and there is no cost to the taxpayer in terms of the Department of Agriculture budget. But the taxpayer and the consumer are one and the same. When those butter prices go up through lack of supply, that means that the consumer and the taxpayer are paying more.

I should hope that this 85 percent of parity might give an assurance of supply. But I want to say, we can pass 85 percent of parity here in January and we are going to have a tough time getting a cow between now and May that can produce milk. It just does not happen.

Even Secretary Butz cannot make a cow produce that quickly. He has cows and hogs mixed up. You can get pigs fattened up in 6 months, but not a dairy cow.

I do not know; what kind of Agriculture Department do we have? What makes anybody think that we are going to increase production on the same number of cattle between now and May or June? We just cannot get little calves and make them into cows overnight. Only God can do that, and he has not seen fit to try it yet. The Department cannot.

I want to say one other thing. There was mention here today that outlays in the budget are $300 million over receipts.

Why? Not because of farm supports, but because of disasters that the law requires that we pay for, and because of food stamps that are in the Department of Agriculture, which do not relate to the farmers. We have not had any price supports on wheat or corn or soybeans or grain sorghum or flax or oats.

What is all this nonsense about the farmer getting a big deal? I think we should have amended the railroad bill around here a while ago. How much was that? We were giving the railroads a subsidy for $1 billion or more to take us over a rocky road that will not even get you where you want to go.

COMPARISON OF COST ESTIMATES FOR SENATE JOINT RESOLUTION 121

In the President's veto message, a cost impact estimate was made of $530 million for marketing years 1975–77 and 1977–78. These years would run from April 1976 to March 31, 1977 and April 1, 1977 until March 31, 1978.

They also charge that it would result in an additional cost to consumers of $1.38 billion.

There is good reason to doubt the accuracy of these estimates. In the case of H.R. 4296, we received three official estimates from the Department of Agriculture. None of these proved to be accurate.

However, under independent analyses and subsequent questioning, each of the subsequent estimates resulted in a lower projected cost figure than the previous estimate—both on cost to the Government and on consumer price impacts.

With the multiplicity of numbers and time periods being batted around, I think it is imperative to get a few basic points clear in our minds.

First, the established support price would be beneath current market levels and therefore would not result in higher costs to consumers.

Second, there is little evidence to support the idea that reasonable farm prices would prevent downward price adjustments because virtually no retail price adjustments have been evident in spite of sharp price declines at the farm levels for milk as well as most other farm products.

Third, we need to consider the impact in relation to the current level of our program and the benefits of that program beyond price support. Principally, the fact is that these stocks of dairy products that the Government acquires are used in our food distribution programs both at home and abroad.

The result of purchasing at peak supply periods under this legislation assures the Government of low cost acquisition of these food stocks for the distribution programs.

In addition, these food stocks represent an important reserve that can be called upon in the event of national emergency, or if some natural disaster should disrupt production in a major agricultural dairy producing area.

The $1.38 billion consumer price impact that has been much bandied around is a rather mysterious number.

How could it cost them more when the support price is below the market price?

An interesting aspect of the consumer price response is the fact that we have seen increases of two to four times what the administration is predicting for manufactured dairy products in the year in which we have endured their veto policies.

Finally, I am increasingly concerned about the potential problem of overzealous attention to the dollars and cents but general lack of attention to the more sensible concept of what programs will do to benefit the people of this land.

I'm especially bothered by the Congressional Budget Office's estimates of costs. They did not make an independent assessment of the costs, instead they accepted at face value only the Department of Agriculture's and the administration's estimate and then shuffled the amounts to fit into the fiscal year framework. I don't think this offers much of a contribution.

However, the dairy industry did make an independent assessment, and I think a fair assessment.

They established a potential outlay of $290.9 million in marketing years 76–77 and a $307.2 million outlay in the 77–78 marketing year. The significant difference is that this assessment considers the use of these products in our food distribution programs and considers what the current program would cost.

In taking out these factors, the actual increase in Government outlays would be in the neighborhood of $27.9 million in 1976–77 and $44.2 million in the 1977–78 marketing year.

Regardless of what set of assumptions are taken in regard to costs, the benefits would far outweigh these costs.

The benefits are these:

Expanded production that would provide consumers with the continuous and adequate supplies of milk products that they need and want.

Income stability for our producers and therefore a slowing in the liquidation of herds and of herdsmen.

And, finally, we would be able to achieve a rebuilding of our stocks that have been depleted by the misguided programs of the administration.

That policy of refusing farmers reasonable income security and exacerbating the problem by encouraging and permitting untimely and market-disrupting imports of dairy products is a policy that has seriously injured our consumers, especially the poor.

I will save my extra minute.

Mr. BELLMON. Mr. President, will the Senator yield me 2 minutes?

Mr. DOLE. Yes.

Mr. BELLMON. Mr. President, as I said earlier I believe it is an extremely dangerous thing for any producer when the Government begins to hold substantial stocks in any commodity. I know how bad it hurt the grain business and the wheat business when the Secretary of Agriculture had at his disposal hundreds of millions of bushels of grain which were used to hold down the market.

I know how rapidly the stocks of dried milk which the Government has owned went up. In 1973 the Government was almost out of the dried milk business, their total stock was 78,000 pounds. In 1974 they went up to 150 million pounds, and in 1975 they reached a level of 421 million pounds. Under this parity, if it were to go up to 85 percent, it is very likely that figure would go even higher.

So I would contend again that in the interests of the dairy industry in this country we should not allow these stocks to continue to rise. This is the reason why I believe the veto should be sustained.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mr. DOLE. Mr. President, I have always listened with interest to the Senator from Minnesota. I do not disagree with everything he said although maybe a certain percentage of it and not based on parity. But I would remind the Senator from Minnesota that on September 29, 1975—and I think it was a bill we sponsored together—we came to the Senate floor and passed by a voice vote the bill that would provide just for quarterly adjustments, that is all.

Mr. HUMPHREY. That is correct.

Mr. DOLE. Nothing more.

We discussed in the committee, and then later we were both conferees and discussed in the conference, that if it went to 85 percent of parity, we were just asking for a veto. I guess, looking back, we probably surveyed it accurately.

But now we come to the Senate consideration of the veto with this new assurance from the administration. I would guess some farmers would be a little skeptical about any assurance from any administration, and based on the track record of President Ford on embargoes. But I believe that Secretary Butz, after a conversation with the President, was in a position to say, as he did say, that it would be raised to 80 percent on April 1, and that he, in effect, endorsed the quarterly adjustment concept, although he did not say so totally.

The point the Senator from Kansas wishes to make is we are ending up with more now than we had last September. It has been a victory for the Senate largely because of Senator HUMPHREY's efforts and, I hope, some effort on this side.

As the Senator from Kansas tried to indicate earlier, it is not who supports the farmer the most on this floor, because there are many factors to be considered. I assume if we do not look at the budget, it is easy to stand up and vote to override everything. If we come from farm States, it is easy to override everything that deals with farmers. But farmers have children, and they are concerned about deficit spending, they are concerned about the $70 billion deficit we had last year, and how much we are going to have this year. They are concerned about the budget process, and they look to us for leadership. They do not want to go out of business, but they are also concerned about the next generation.

Now, the compromise, if that is what it may be called, offered by Secretary Butz may have been made on his death bed, I do not know. I do not necessarily believe we had the votes to start with, but it is not going to be free. It could cost somewhere between $30 million and $40 million by the indicated quarterly adjustments and 80 percent parity on April 1.

So the Senator from Kansas believes that, based on this assurance, we have had a victory so far as the dairy industry is concerned. Instead of talking symbols we are talking about real progress for the dairy industry.

It seems to this Senator, as he has indicated before, we have two clearcut choices when we walk into the Senate Chamber to consider this veto: One is to make a long speech and downgrade the Secretary and the price and uphold the farmers; and the other is to try to get something for our farmers or you might not get anything, and I believe the latter has been accomplished.

Now, there have been mistakes made by this administration, I assume by any administration. I think dairy herds and farmers have been going down in the numbers as long as I have been in Congress. We had annual adjustments up until a few years ago. When Secretary Freeman was Secretary, we did not have adjustments twice a year. We had them every April. Now we are up to quarterly adjustments under this administration which, I hope, is an improvement.

With reference to not trusting figures by the Department of Agriculture, that may or may not be true. I assume they make certain projections. Some may be true, some may be inaccurate. But the Congressional Budget Office created by Congress to ride herd on these agencies, whether they are Democratic or Republican makes no difference, and the Budget Office estimates it is $539 million over the next 2 years.

Mr. HUMPHREY. Mr. President, will the Senator yield? The House says $65 million. I will ask that this letter be printed in the Record.

Mr. DOLE. Put it right in.

Mr. HUMPHREY. It says the Congressional Budget Office in the House of Representatives——

Mr. DOLE. We have the same Budget Office.

Mr. HUMPHREY. The House Budget Committee indicated that the net cost would be $65 million.

Mr. DOLE. Net cost for what?

Mr. HUMPHREY. $65 million.

Mr. DOLE. It is my understanding those figures were updated last night after they had more information.

Mr. HUMPHREY. It that right? Who got hold of them last night?

Mr. DOLE. Not the Senator from Kansas.

Mr. HUMPHREY. This is a February 4 letter. That is about as good as you can get.

Mr. DOLE. That was early on, but they work late over there.

Mr. HUMPHREY. I ask unanimous consent, if the Senator will permit me, to have this letter printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Congress of the United States,
Washington, D.C., February 4, 1976.

Dear Colleague: We urge you to vote to override the veto on S.J. Res. 121, the Dairy Bill. Other letters have related the needs of the dairy industry brought out by nationwide hearings. This letter addresses only the consumer interests with respect to the USDA facts in the veto message.

Widely varying facts are flying around. Who do you believe?

The best way to determine which facts to believe is to examine the reliability of past projections and past programs. The following questions and answers will answer this question for you.

What has happened to retail prices under present USDA policy from January 1973 to December 1975?

Butter is up 37%. Cheese is up 50%. Milk is up 32%. Last spring we were told (by two contradicting sets of figures) that *unless* we followed USDA policy, large increases would occur in retail prices. Congress followed the USDA and rejected the 85% of parity support price. The USDA policy has again resulted in disaster. Butter is up 30%. Cheese is up 15%. Milk is up 4%. The cost to consumers has been 1.1 billion in 1975, over 3 billion since 1973, with an additional 16.8 million per week now.

Don't these price increases mean the farmer is living it up?

No. The average farm income has risen only slightly, less than the increase in the cost of production, forcing thousands of farmers out of business. This created the present shortages. Also, cows produce much less milk in the fall and winter. These seasonal shortage periods force prices up. When milk is more plentiful in the spring, farm prices fall—but *not* retail prices. (See attached chart) Therein lies the dilemma—under USDA policy both the consumer and the farmer are being hurt.

What would have occurred had 85% of parity been in effect?

Farm prices would not have fallen as low and more farms would have stayed in production. Sufficient supplies of butter and cheese would have been on hand this fall because of support purchases. Thus, no shortages would have occurred, resulting in much lower prices. Staff figures show at least a ½ billion dollar consumer savings for 1975, and 8.4 million dollar savings per week now. In the future; milk supplies would even out giving more stable, lower, prices.

Will going to 85% raise consumer prices now?

Definitely not. Since prices are at a seasonal high, the present price to farmers is well above the support price. History has shown that retail prices do not fall along with farm prices in the spring. Thus, if the support price takes effect it will not hurt the consumer.

Won't 85% cost the taxpayers a bundle and result in large stores of milk products?

No. Since most support purchases will be sold during the fall seasonal short period the *House Budget Committee* testified the net 1976–77 cost at only 65 million dollars. At present there is no cheese or butter on hand, causing the high prices. Non-fat dry milk stores are down from the beginning of the year. Saving the consumers over ½ billion for 65 million would not have been a bad bargain. Lets not miss the bargain now.

If you want more detailed information, call Bob at 225–4115 or Jim at 225–2171.

The record of the USDA is so bad that the consumer can't lose if Congress has a temporary chance to stabilize milk prices.

An urban Congressman from Brooklyn and a rural Congressman from Vermont urge you to vote to override.

Sincerely,

Frederick W. Richmond.
James M. Jeffords.

Mr. DOLE. I might add the Senator from Minnesota is talking about just this fiscal year. I am talking about this fiscal year, 1977 and 1978.

Mr. HUMPHREY. I am talking about the fiscal year 1976–77.

Mr. DOLE. That is not much different then. We have the $73 million for that, and your figure is what, $65 million?

Mr. HUMPHREY. Sixty-five million dollars.

Mr. DOLE. If we look down the road for 2 years we are talking about a $.5 billion.

Mr. HUMPHREY. If you look down an extra year you are talking possibly about another $44 million. I doubt that outlays will be even that much.

Mr. DOLE. In which year?

Mr. HUMPHREY. 1977–78.

Mr. DOLE. Our figures are not in accord with those figures. But there is only one Congressional Budget Office. The House does not have one——

Mr. HUMPHREY. This is the House Congressional Budget Committee.

Mr. DOLE. I see.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. DOLE. I will yield to the Senator from Maine.

Mr. MUSKIE. The figure we have from the Congressional Budget Office, and it is only one, it serves both the House and Senate Budget Committees, the figures we had indicate that the fiscal year 1976 cost was $43 million; the transition quarter costs were $29 million. The $65 million the Senator from Minnesota is talking about and the figures we put in are consistent.

Mr. HUMPHREY. They are additional cost.

Mr. MUSKIE. The $539 million the Senator from Kansas was talking about was for the period of fiscal 1976, the transition quarter, fiscal 1977, and fiscal 1978. So the $65 million the Senator from Minnesota is talking about is pretty close to the number we have from the Congressional Budget Office for the period that is covered. That figure has now been updated by the Congressional Budget to $73 million.

The extra increase in the House bill for fiscal year 1976 is $43 million. For the transition quarter $29.3 million, so those two figures together are $72.3 million.

I think the $65 million figure originated in December when the cost was first considered, and the $73 million figure is a little later.

Mr. HUMPHREY. I think that is true. I think the difference is the date of computation.

Mr. MUSKIE. Yes, I think so.

Mr. DOLE. I thank both Senators. It is important that we have the figures.

Mr. HUMPHREY. Mr. President, will the Senator yield? I think we are getting closer on the figures 1976–77.

Mr. DOLE. Right.

Mr. HUMPHREY. Between $65 million and $70 million. The milk producers estimate $72 million as a possible cost for both years.

Mr. DOLE. Yes.

Mr. HUMPHREY. Net increase in cost.

Mr. DOLE. Right.

Mr. HUMPHREY. Might I say that that is a pretty cheap price when you stop to think that there is no butter in reserve, no cheese in reserve, no powdered milk in reserve, which means the consumer prices are way up there, and I do not see how in the name of commonsense you cannot figure that is a good deal.

Mr. DOLE. I did not say it was not. But we have a compromise that will cost about $40 million. I do not want the Senator to put anything into the RECORD about what a great job the Senator from Kansas has done. Maybe he can tell me privately after debate.

There has been some progress based on negotiating with the Secretary and the administration. This 80 percent commitment will mean a minimum increase in the price support of 29 cents per hundredweight on April 1. That is progress. That is more than we asked for last September. That is more than we thought we could have last September.

Mr. LEAHY. Will the Senator yield?

Mr. DOLE. I want to say a word with reference to Secretary Butz. Secretaries of Agriculture are good men when prices are high but not so good when prices are low. I think Secretary Butz is a man of his word. He promised last year to review at 6-month intervals. He did review the dairy situation on October 1 and did increase support to 80 percent of parity, an increase at that time from $7.24 to $7.71.

Mr. HUMPHREY. Will the Senator yield again thtre? I want to say to the Senator he has been very helpful on these matters, and today I am praying for him.

Will the Senator recall that the reason that the 6-month interval was entered into was simply because when the President vetoed our emergency farm bill he came again with a few little biscuits, not a balanced diet but a little something. That is when that came out. Secretary Butz right afterwards said, "We will review it on a 6-months basis" after a Federal court in the State of Minnesota held him in violation of the Federal law.

Mr. DOLE. That is true. In all the time I have been in the Congress, though it is not as long as the Senator from Minnesota, there has always been this pressure on the executive by the Congress. Sometimes they respond and sometimes they do not. Sometimes they give us a full plate and sometimes it is less than a full plate.

Mr. LEAHY. Will the Senator yield?

Mr. DOLE. I want to repeat and reemphasize to those who may be in doubt, and there is no doubt in the mind of the Senator from Kansas, that we face a certain upholding of the veto. On that basis, it seems the better part of valor is to find a middle ground that would be available if the veto were sustained.

Mr. LEAHY. Will the Senator yield?

Mr. DOLE. I yield briefly to the Senator from Vermont.

Mr. LEAHY. I will be brief. I am the only Senator who serves on both the Agriculture and Forestry Committee and the Armed Services Committee.

On the guns and butter question, the administration seems to place a tremendous emphasis on guns and precious little on butter. I was a cosponsor of Senate Joint Resolution 121. I favored it in the form in which it passed the Senate and the form in which it was sent to the President.

The farm policy of this administration over the past 3 years has forced thousands of dairy farmers out of business throughout the United States. I think the primary cause has been uncertainty in the marketplace due to the dramatic changes, back and forth, of milk prices.

I see the purpose of Senate Joint Resolution 121 as being twofold. First, it would prevent the dramatic increases that occurred in consumer prices. The other thing is it would avoid the violent swings in milk prices that dairy farmers have experienced over the last 3 years.

Unfortunately, they produce butter, not munitions, on those dairy farms in Vermont, Minnesota, and Wisconsin. Therefore, Senate Joint Resolution 121 is necessary. I appreciate all that the Senator from Kansas has done in committee, but on this issue I disagree with him.

Mr. MONDALE. Will the Senator yield?

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HUMPHREY. Mr. President, I ask unanimous consent, in light of the fact that some of our colleagues have not arrived, that we might have another 10 minutes. Is that agreeable with the Senator from Kansas?

Mr. DOLE. If we could have another 15 minutes, that would make the vote at 2 o'clock. Does the Senator want to make it 1:55?

Mr. HUMPHREY. Make it 1:55, and it will be 10 minutes. I ask unanimous consent that it be equally divided.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. HUMPHREY. I yield 3 minutes to the Senator from Wisconsin.

Mr. NELSON. Mr. President, I was presiding at the time the Senator from Minnesota was presenting his main case. I wish to endorse everything he said in behalf of the override of this veto.

I would like to point out something that most people, a vast majority of the people in this country, do not realize. That is that if the farmer is getting 80 percent of parity, he is averaging out less than the minimum wage. He works 7 days a week, 365 days a year and is getting paid less than the minimum wage for that effort.

If any group of workers in any factory in this country went on strike because they wanted to shorten their hours and get paid a decent wage, and they were working 7 days a week at the minimum wage when they went on strike, every minister, every priest, every rabbi, every political leader, every editorial writer would be up saying, "For heaven's sake, quit exploiting those poor workers who are working 7 days a week at the minimum wage."

Why should the farmers work 7 days a week at the minimum wage and go bankrupt in the process because they have a substantial investment in that operation?

We can go into the office of any building on this Hill and check the price of bottled water. We pay 25 cents a quart for water. It is 5 gallons, $5, 25 cents a quart.

Do you know what our farmers are averaging on the blend price in Minnesota and Wisconsin? Seventeen and 18 cents a quart.

So we happily appropriate the money around here to pay 25 cents a quart for water but we will not pay the farmers that much for their milk. I think it is disgraceful.

In my State since 1952 we have gone from 132,000 dairy farmers down to 50,000. Those dairy farmers did not leave the farm because they wanted to go; they left the farm because they were going broke on the farm.

The people of this country are not entitled to have the farmer continue to subsidize the consumer. That is what the dairy farmer is doing—subsidizing the consumer.

He is the only one I know of who is working in this country subsidizing the consumer. We ought to call a halt to it and, as Senator Humphrey said, give him at least 85 percent of what everybody agrees is 15 percent below a reasonable return on his work and his investment.

In good conscience, we can do nothing else.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HUMPHREY. I yield 2 minutes to my senior colleague (Mr. MONDALE).

Mr. MONDALE. Mr. President, I join enthusiastically in support of the comments of my distinguished colleague from Minnesota (Mr. HUMPHREY), our friend from Vermont (Mr. LEAHY) and with the Senator from Wisconsin (Mr. NELSON).

The key argument which has always been made by the Department of Agriculture against decent price support is if we raise price supports to the level where a farmer can get a fair rate of return, the consumer will forever be visited with ever rising costs.

Let us take a look at what has actually happened as a result of this lower price policy insisted upon by veto by this administration.

In Minnesota in 1960, we had 1,270,000 dairy cows. In 1965, we had 1,189,000 dairy cows. In 1970, we had only 947,000 cows. In 1974, we had 886,000 dairy cows.

The point is that the dairy farmers of my State who have chosen dairy farming as their way of life have found they simply cannot stay in business and survive at the prices that they are now guaranteed.

So what has happened to prices? Has this low price policy to the dairy farmers resulted in a saving to the consumer? Exactly the reverse, because as dairy production has dropped, supply in relation to demand has worsened, and the price of processed dairy products has soared.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. DOLE. I yield the Senator 1 additional minute.

Mr. MONDALE. From October 1974 to October 1975, butter increased by 20 percent, which is roughly three times the average increase in the Consumer Price Index. That did not go to the farmer; it went to the middleman, because of the shortage of supply. Cheese rose 13 percent, ice cream 10 percent.

Finally, I wish to say this to my colleagues in the Senate: The Senators in Minnesota and Wisconsin and the other dairy States have walked the plank time and time again for national minimum wage laws. When New York City was in trouble, the Senators from the Midwest helped save that city from disaster. I think there is no delegation that has tried harder than the delegation from the Midwest to be national Senators, meeting the needs of all our States.

Now it happens that the agricultural sector of our economy is subject to the direst kind of economic consequences, that everyone will pay for. I want Senators to try to realize the tremendous stake all of us have in decent minimum price supports.

Mr. DOLE. Mr. President, I shall take just 1 minute, and then yield back the remainder of my time.

Again I emphasize, for those who may not have been in the Chamber earlier, that there has been some progress made. There has been a commitment by Secretary Butz to adjust the level of dairy price supports to 80 percent of parity on April 1, 1976. He has also promised that the exact level of adjustment will depend upon the parity figure on April 1. It is my intention thereafter to examine the level of price support quarterly, and to make such adjustment quarterly as may be needed to assure an adequate supply of dairy products as defined in the law.

This will mean a minimum increase in price supports of 29 cents on April 1. I remind Senators that last September we passed a bill in this Chamber by voice vote that did nothing more than provide quarterly adjustments. We have more now, by way of the Butz compromise, than we had last September.

The Senator from Kansas understands the positions of all the Senators who have spoken, but it is one thing to make a speech and another to make a contribution. It seems to me that we have made that, through negotiating with the Secretary of Agriculture, who in turn negotiated with the President of the United States, this morning. In these terms, it seems to me that we would do more for the dairy industry by sustaining the President's veto with that assurance than by overriding the President's veto.

It is just that simple. That is just where it is. Based on that, I shall vote to sustain the President's veto.

Mr. GOLDWATER. Mr. President, will the Senator yield for a question?

Mr. DOLE. I yield.

Mr. GOLDWATER. I listened with great interest to the statistics presented by the Senator from Minnesota (Mr. MONDALE). I believe they are very shaky, to say the least.

I wonder, for example, if increased use of margarine has anything to do with the decreased price of dairy products.

Mr. DOLE. I am not certain of that, but there has been a decreasing number of dairy farmers since World War II.

Much of it is due to the nature of the dairy business, with twice-a-day milkings every day of the year. It is not entirely because farmers have gone broke. It is very hard work. Some of the farmers stood it as long as they could, not because they could not make a profit, but because the farmers found other things they could do that would pay as well. As the Senator from Minnesota has said, cows do not take a holiday.

I cannot answer precisely the Senator's question, but I can say we are looking at a cost as nearly $.5 billion over the next 2 years, and that is something to be considered.

Mr. President, I yield back the remainder of my time.

Mr. TALMADGE. Mr. President, a strong and viable dairy industry is extremely important to farmers, to consumers and to the Nation.

In this day and age a viable small family-type dairy farm requires large investments of at least $250,000 in land, equipment, livestock, and operating capital. Inasmuch as investments at this level require long-term debts, the profit expectations of farmers over that long run must be favorable to attract the needed capital.

From all indications these expectations under the existing situation appear not to be real enough to maintain the farm structure necessary to provide this country with its milk needs over the long run.

The number of dairy farms in the United States now total about 380,000, down about 40 percent from just 5 years ago and continually decreasing.

The number of milk cows on farms has decreased by about one million and now totals only about 11 million. Numbers of milk cows are also continually decreasing.

Dairy farmers lead a difficult life.

Milking must be done 7 days a week, 365 days a year. Arising about four in the morning and working until about 6 or 8 in the evening takes its toll.

Under the current policy dairy farmers are finding it more and more difficult to remain in the business.

They need, and the Nation needs, a price and income policy designed to reward them at minimal levels for the tremendous job they are doing in providing the consumers of this Nation with its milk, butter and cheese needs.

That is what we hope to accomplish by providing price supports for the next 2 years at 85 percent of parity. And in order to keep support price current with increases in costs of production we also provide for quarterly adjustments. These changes in current law are minimal, but absolutely essential, in order to restore the confidence of dairy farmers in the future of milk production, avoid further deterioration in milk production, and provide an abundance of milk and dairy products for the consumers of this Nation.

For our Nation's long-term interest, imports are not the answer. The immediate adverse impact on dairy prices would be chaotic. But more importantly, such a policy would quickly place this country in a position of dependence on foreign suppliers. Our oil crisis has clearly demonstrated the shortfalls and fallacy of this arrangment.

Now as to the question of cost. The President of the United States in his veto message said that Government costs would be increased by $180 million during the 1976–77 marketing year, and $350 million during the subsequent 1977–78 marketing year. These estimates are based on assumptions developed by the U.S. Department of Agriculture and are purely guesswork.

They assume that the production milk will increase over this years production by over 2 billion pounds next year and by over 4 billion pounds in 1977–78.

They assume that production of milk consumption will decrease below present rates by almost 2 billion pounds next year and about 3 billion pounds the following year.

Using these assumptions there is no way that the results would show anything but substantial cost increases.

Now, let us use different assumptions. Let us assume that production will increase by 1 billion pounds per year for each of the 2 years of the bill. And, it seems to me that this is a more reasonable assumption because of the 2 or 3 years necessary to bring a calf into production.

Let us further assume that consumption will not decrease on a total basis but will decrease on a per capita basis.

Using these assumptions we get a net program cost increase of about $28 million next year and about $44 million in the following year. This is substantially below the President's estimates.

Once again the administration is trying to kill a bill to help farmers by making inflated cost estimates. The Department of Agriculture projected outrageously inaccurate cost estimates in its successful attempt to kill the Emergency Farm Price Support Act of 1975.

I hope the Congress will not again be taken in by these tactics.

Milk is a basic food that is essential to life. The average American family may be able to do without a lot of things, but it cannot do without a steady supply of milk.

Senate Joint Resolution 121 would restore stability to the dairy industry and assure consumers a steady supply of this essential food. With this guarantee to the milk farmer of the Nation we can be assured of an abundant supply of milk tomorrow, next year, and for years thereafter.

Mr. President, I hope the Senate votes to override this veto.

Mr. HUDDLESTON. Mr. President, I rise in support of overriding President Ford's veto of Senate Joint Resolution 121.

Senate Joint Resolution 121 provides that effective from the date of enactment and ending on March 31, 1978, the support price of milk shall be adjusted by the Secretary of Agriculture at the beginning of each quarter to reflect any estimated change during the immediately preceding quarter in the index of prices paid by farmers for production items, interest, taxes, and wage rates.

Mr. President, under existing law, price supports for manufacturing milk are set at the beginning of the marketing year at a level of not less than 75 percent of the parity price or more than 90 percent of the parity price. At present, the support level is 80 percent of parity. Senate Joint Resolution 121 provides that the level of price support established April 1 would be 85 percent of parity. This support level would then be adjusted quarterly to reflect the estimated change in the index of prices paid by farmers.

In vetoing Senate Joint Resolution 121 President Ford stated that 85 percent of parity and mandatory quarterly adjustments would substantially increase government outlays during the 1967–77 and 1977–78 marketing years. He further indicated that enactment of Senate Joint Resolution 121 into law would stimulate excessive milk production and result in unnecessarily high consumer prices.

Mr. President, I submit that the fastest way to higher consumer milk prices is via low, unresponsive support prices. In recent years the number of dairymen in this country has diminished by one half. Senate Joint Resolution 121 assures dairy farmers that the milk support price would reflect costs on a more realistic basis. This would serve to stabilize milk production and thus help avoid milk shortages which result in sharp increases in consumer milk prices.

An assumption has been made by the USDA that Senate Joint Resolution 121 will increase Government outlays by stimulating excessive milk production. I feel this is incorrect. The price of manufacturing milk is at present over 90 percent of the parity price. But no excessive production response has been noted. There is no rush on the part of citizens of this Nation to milk cows. And there appears to be no rush on the part of those already in the dairy business to substantially expand production.

Dairy farmers are continuing to abandon the milk production business. There is a steady decline in the number of dairy cattle on farms, and milk production per cow has tapered off and has been running below last year. Thus, if milk supplies are to be assured for the future, enactment of Senate Joint Resolution 121 into law is necessary to restore confidence of dairy farmers in the future of the dairy business.

Mr. President, I urge the Senate to override President Ford's veto of Senate Joint Resolution 121.

Mr. BUCKLEY. Mr. President, I am voting to sustain the President's veto because of the assurance that he and Secretary Butz have given today that he will first adjust the level of dairy price supports to 80 percent of parity on April 1, 1976; and second, examine the level of price support quarterly thereafter so as to assure an adequate supply of dairy products.

This, basically, is what the vetoed bill sought to achieve, while permitting the administration a degree of flexibility that I believe to be prudent. If the administration fails to carry forward in what I believe to be the spirit of the President's undertaking, then I will support new legislation to mandate appropriate levels of price supports for dairy products.

Mr. NELSON. Mr. President, the issue raised in the decision facing the Senate on the override of the President's veto of Senate Joint Resolution 121 is very simple:

An override of the veto will be a victory for the consumers of America because it will guarantee them a sufficient supply of milk and dairy products at a reasonable price.

Failure to override the veto will be a defeat for the consumer because it will presage another bust period for the Nation's dairy farmers sometime in the near future, and that will mean that more of them will quit dairying forever.

If we continue to drive our family dairy farmer out of business, it is not without logic to point out that the day will come when the supermarket shelves will either be empty of milk, cheese, and butter, or the price for those products that are there will pose an unbelievable burden for the consumer.

Let there be no mistake as to what the continuing boom and bust cycle has meant. The Wisconsin Department of Agriculture reported that its regular 6-month test completed December 31, 1975, indicated a loss of 785 dairy herds in Wisconsin in the last 4 months of 1975, with a total loss during the year of 1,978 herds.

The total number of Wisconsin dairy herds at year's end was down to 50,396. During the last 20 years, Wisconsin has lost 60 percent of its dairy herds and the number of dairy cows in the State dropped from 2,293,000 in 1956 to 1,807,000 in 1975.

Only the managerial genius of the dairy farmer in increasing per cow milk production astronomically has forestalled real shortages of dairy products up to this point; and the days when this can be counted upon as a further solution are numbered.

The administration argument against this resolution is specious on two counts:

First of all, on the claim that the increase of the support level to a minimum of 85 percent would cost the Treasury large amounts of money at this moment. Actually, the free market price of milk is now well above this proposed minimum. In December, Wisconsin farmers received $9.08 per hundredweight for 3.5 percent butterfat, manufacturing milk, and that represents 92 percent of parity. Thus, no payments are necessary at this time.

Second, the administration errs in its contention that this resolution would increase the price the consumer is paying for milk and dairy products. The Congress should remember that in a similar situation within recent months, the administration argued similarly that such action would increase the cost of cheese by 10 cents a pound and butter by 20 cents a pound.

The Congress bought that argument and backed away from giving the dairy farmers a decent minimum price guarantee. The result is that cheese went up 20 cents a pound and butter 40 cents to the consumer, twice the administration's forecast.

But today's prices are nothing as to what the consumer will pay one day if we continue to drive our dairy farmers out of business or if we ever fall into the traps of relying upon foreign sources for these necessities.

It takes a long time to develop a dairy herd, and those that are disbanded will not be put back together easily. If we are to have a viable national dairy industry, if we are to provide our customers with a reliable supply of milk and dairy products at reasonable prices, the provisions of Senate Joint Resolution 121 are a bare necessity.

Mr. JAVITS. Mr. President, today the Senate faces the question of whether to sustain or to override the President's veto of Senate Joint Resolution 121, a bill to require the Secretary of Agriculture to establish the support level for milk at 85 percent of parity.

As the senior Senator from a State with a large number of dairy farmers, as well as many millions of milk customers, I have spent much time examining this matter and weighing carefully the possible effects on my State of an 85-percent support level. I have concluded as a result of these considerations that Senate Joint Resolution 121 is not in the best long-term interests of New York State dairy farmers or of New York State consumers. Moreover, it would not alleviate the main short-term problem facing many New York State dairy farmers—the loss in 1975 of about $50 million in milk sales and $8 million in dairy farmer income that has resulted from shipments of milk into New York State from other Federal Milk Order No. 4 areas.

It should be emphasized that the Secretary of Agriculture now has the authority to raise the support level for milk to 85 percent or even 90 percent of parity, whenever he determines that such a level is consistent with all economic factors, such as consumer prices, costs of production, consumer demand, and Government price support purchases. The Department of Agriculture is charged with the enormous responsibility of balancing the needs of American dairy farmers and the needs of American milk consumers, so that all share equally in the fruits of farm production. The Secretary has determined that economic conditions do not, at this time, justify a congressional mandate of the 85 percent support level for milk.

If the support level for milk is raised at this particular time, following so shortly after the increase to 80 percent of parity this past October, I believe New York State consumers of milk will react violently. The immediate effect of the 85 percent support level would be an increase in wholesale and retail milk prices and, unhappily probably a decrease in the demand for fluid milk. Simultaneously, higher support prices would encourage greater milk production, thus opening a gap between the quantity of milk supplied at the support level and the quantity of milk demanded. Surplus milk would then either be purchased by the Federal government at considerable taxpayer cost—the Secretary estimates $530 million in the next 2 marketing years—or be used for manufacturing. In the latter case, dairy product prices could fall precipitously, as production of manufactured dairy products increased.

With regard specifically to the inroads of class I milk from Order No. 4 producers, it appears that New York producers could regain their markets and sales levels by bearing the costs of farm to plant hauling and reload station costs. If New York State dairy farmers believe that price equilibrium with Order No. 4 milk for Class I use would help regain their markets, I would work with them in their efforts to amend the Federal milk order. I understand that hearings on these amendments are to be held in New York City on February 17 and in Syracuse on February 23. I intend to follow these closely and to do my utmost to assure that dairy farmers preserve and maintain their competitive position.

I might add by way of conclusion that the original Senate version of this bill stipulated only that the Secretary of Agriculture was to adjust the support level for milk on a quarterly basis rather than on the annual basis that now prevails. Quarterly adjustment would enable milk producers to keep pace with increases in the prices they pay. I understand that slippage between prices received by dairy farmers and prices paid by them sometimes causes the parity percent to fall too low. This is why I supported the original Senate version of this bill. The House version, however, added the provision to mandate the 85 percent support level. It is that particular provision that is defective.

The President's veto of Senate Joint Resolution 121 seeks to prevent unnecessarily high consumer prices, huge milk surpluses, and additional taxpayer costs.

Mr. THURMOND. Mr. President, President Ford has vetoed Senate Joint Resolution 121, which provides for supporting milk prices at a minimum of 85 percent of parity, with adjustments to be made quarterly in line with changing production costs. After thorough consideration of all aspects of this question, I have deemed it in the best interest of the dairy industry, consumers of dairy products, and the taxpayers to vote to sustain the President's veto.

I want to emphasize, Mr. President, that I am very sympathetic to the problems of dairy farmers, and I firmly believe they deserve a fair return for their efforts. However, the present facts are that milk prices are well above the support level in this bill, and, furthermore, milk production has been increasing. Dairy farmers do not need an additional stimulus to spur production, in the face of a constant or slightly declining demand for fluid milk and most dairy products.

Thus, while Senate Joint Resolution 121 purports to guarantee stability, it very easily could create extreme instability by stimulating the overproduction of milk. Should surpluses occur, dairy prices would fall, and USDA would be required to greatly increase its purchases of dairy products at considerable cost to the taxpayers. In fact, the estimated cost to the United States Treasury of this legislation over the next several years is expected to approach half a billion dollars. The Congressional Budget Office has also pointed out that the cost of this legislation exceeds the spending ceiling which Congress has imposed upon itself. This ceiling, of course, is in excess of the President's budget.

Nevertheless, Mr. President, I feel both the Congress and the administration should treat the problems of the dairy farmer with the utmost seriousness. Toward that end, Secretary of Agriculture Butz has today given his personal assurance, and that of the President, that milk prices will be supported at a minimum of 80 percent of parity. Furthermore, Secretary Butz has agreed to examine the level of price support quarterly, and to make the necessary adjustments to assure an adequate supply of dairy products.

I am pleased that President Ford and Secretary of Agriculture Butz have made this commitment. We have achieved a good compromise on this issue—one that will provide price protection to the dairy farmer and reasonable dairy product prices to the consumer, without greatly increasing the cost of dairy support programs to the taxpayer. Having achieved this commitment from the President, and in light of the likely undesirable situation that would occur if this legislation were allowed to become law, I urge the Senate to sustain the President's veto.

The PRESIDING OFFICER. The question is, Shall the joint resolution (S.J. Res. 121) pass, the objections of the President of the United States to the contrary notwithstanding? On this question, the yeas and nays are mandatory under the Constitution, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Mississippi (Mr. Eastland), the Senator from Michigan (Mr. Philip A. Hart), the Senator from Washington (Mr. Jackson), the Senator from South Dakota (Mr. McGovern), the Senator from Mississippi (Mr. Stennis), and the Senator from California (Mr. Tunney) are necessarily absent.

I further announce that the Senator from Wyoming (Mr. McGee) is absent on official business.

I also announce that the Senator from Missouri (Mr. Symington), is absent because of illness.

On this vote, the Senator from Washington (Mr. Jackson) and the Senator from South Dakota (Mr. McGovern) are paired with the Senator from Nebraska (Mr. Hruska). If present and voting, the Senators from Washington and South Dakota would vote "yea" and the Senator from Nebraska would vote "nay."

I further announce that, if present and voting, the Senator from Missouri (Mr. Symington) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Maryland (Mr. Mathias) is necessarily absent.

I also announce that the Senator from Oklahoma (Mr. Bartlett) is absent on official business.

I further announce that the Senator from Nebraska (Mr. Hruska) is absent attending the funeral of a friend.

The yeas and nays resulted—yeas 37, nays 51, as follows:

[Rollcall Vote No. 27 Leg.]

YEAS—37

Abourezk
Bentsen
Bumpers
Burdick
Byrd, Robert C.
Church
Clark
Cranston
Culver
Eagleton
Ford
Glenn
Gravel
Hart, Gary
Hartke
Haskell
Hathaway
Huddleston
Humphrey
Inouye
Kennedy
Leahy
Magnuson
Mansfield
McIntyre
Metcalf
Mondale
Montoya
Morgan
Nelson
Proxmire
Randolph
Schweiker
Stafford
Stone
Talmadge
Young

NAYS—51

Allen
Baker
Beall
Bellmon
Biden
Brock
Brooke
Buckley
Byrd, Harry F., Jr.
Cannon
Case
Chiles
Curtis
Dole
Domenici
Durkin
Fannin
Fong
Garn
Goldwater
Griffin
Hansen
Hatfield
Helms
Hollings
Javits
Johnston
Laxalt
Long
McClellan
McClure
Moss
Muskie
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Ribicoff
Roth
Scott, Hugh
Scott, William L.
Sparkman
Stevens
Stevenson
Taft
Thurmond
Tower
Weicker
Williams

NOT VOTING—12

Bartlett
Bayh
Eastland
Hart, Philip A.
Hruska
Jackson
Mathias
McGee
McGovern
Stennis
Symington
Tunney

The PRESIDING OFFICER (Mr. Helms). On this vote the yeas are 37, and the nays 51. Two-thirds of the Senators present and voting, not having voted in the affirmative, the joint resolution on reconsideration, failed of passage.

WETLANDS LOAN EXTENSION ACT

Mr. MANSFIELD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 5608.

The PRESIDING OFFICER (Mr. Helms) laid before the Senate the amendments of the House of Representatives to the amendment of the Senate to the bill (H.R. 5608) to extend until the close of 1983 the period in which appropriations are authorized to be appropriated for the acquisition of wetlands, to increase the maximum amount of such authorization, and for other purposes, as follows:

Page 1, line 18, of the Senate engrossed amendment, strike out "1963" and insert: "1962".

Page 1, line 19, of the Senate engrossed amendment, strike out "000,000," and all that follows thereafter" and insert: "000,000." ".

Page 2, line 2, of the Senate engrossed amendment, strike out "715k-53)" and insert: "715k-5)".

Page 2, line 7, of the Senate engrossed amendment, strike out "1983" " and insert: "1983," ".

Page 2, line 8, of the Senate engrossed amendment, strike out " "year;" and insert: "year:".

Page 3, line 7, of the Senate engrossed amendment, strike out "fund," and insert: "fund".

Page 4, line 3, of the Senate engrossed amendment, strike out "subsection" and insert: "section".

Page 4, line 15, of the Senate engrossed amendment, strike out "to" and insert: "the".

Mr. MANSFIELD. Mr. President, I move that the Senate concur in the amendments of the House to the amendment of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSIDERATION OF CERTAIN ITEMS ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendars Nos. 592, 593, and 594.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXEMPTION FROM LOTTERY PROHIBITION GRANTED TO NEWSPAPERS AND TO RADIO AND TELEVISION

The bill (H.R. 1607) to amend title 18 and title 39 of the United States Code to make parallel the exemption from lottery prohibitions granted to newspapers and to radio and television, was considered, ordered to a third reading, read the third time, and passed.

COST-OF-LIVING ADJUSTMENTS IN RETIREMENT PAY OF CERTAIN FEDERAL JUDGES

The Senate proceeded to consider the bill (S. 14) to provide cost-of-living adjustments in retirement pay of certain Federal judges, which had been reported from the Committee on the Judiciary with an amendment to strike all after the enacting clause and insert the following:

That section 373 of title 28, United States Code, is amended by adding at the end thereof the following new paragraph:

"Any judge who has retired by resigning under the provisions of this section, or who is otherwise entitled to payments under this section, shall be entitled after the effective date of this Act to a cost-of-living adjustment in the amount payable to him computed as specified in section 8340(b) of title 5, United States Code: *Provided, however,* That in no case shall the salary or amount payable to such judge as increased under this paragraph exceed 95 per centum of the salary of a United States district court judge in regular active service.".

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

INDIAN CRIMES ACT OF 1975

The Senate proceeded to consider the bill (S. 2129) to provide for the definition and punishment of certain crimes in accordance with the Federal laws in force within the special maritime and territorial jurisdiction of the United States when said crimes are committed by an Indian in order to insure equal treatment for Indian and non-Indian offenders, which had been reported from the Committee on the Judiciary with amendments as follows:

On page 1, line 5, strike "That section" and insert "Sec. 2.";

On page 2, line 2, after "manslaughter," insert "kidnaping,";

On page 2, line 5, strike "kill," and insert "commit murder,";

On page 3, line 1, strike "2." and insert "3.";

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Indian Crimes Act of 1975".

Sec. 2. Section 1153, title 18, United States Code, is amended to read as follows:

"§ 1153. Offenses committed within Indian country

"Any Indian who commits against the person or property of another Indian or other person any of the following offenses, namely, murder, manslaughter, kidnaping, rape, carnal knowledge of any female, not his wife, who has not attained the age of sixteen years, assault with intent to commit rape, incest, assault with intent to commit murder, assault with a dangerous weapon, assault resulting in serious bodily injury, arson, burglary, robbery, and larceny within the Indian country, shall be subject to the same laws and penalties as all other persons committing any of the above offenses, within the exclusive jurisdiction of the United States.

"As used in this section, the offenses of burglary and incest shall be defined and punished in accordance with the laws of the State in which such offense was committed as are in force at the time of such offense.

"In addition to the offenses of burglary and incest, any other of the above offenses which are not defined and punished by Federal law in force within the exclusive jurisdiction of the United States shall be defined and punished in accordance with the laws of the State in which such offense was committed as are in force at the time of such offense.".

Sec. 3. Section 113 of title 18, United States Code, is amended by adding at the end thereof the following new subsection:

"(f) Assault resulting in serious bodily injury, by fine of not more than $10,000 or imprisonment for not more than ten years, or both.".

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

NATIONAL WILDLIFE REFUGE SYSTEM ADMINISTRATION ACT AMENDMENTS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 569, H.R. 5512, that it be laid before the Senate and made the pending business.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 5512) to amend the National Wildlife Refuge System Administration Act of 1966, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Commerce with an amendment on page 2, line 9, strike out:

Service, except that any such area which was administered jointly on January 1, 1975, by the Secretary through the United States Fish and Wildlife Service and any other Federal or State governmental agency may continue to be so jointly administered.

And insert in lieu thereof:

Service. With respect to refuge lands in the State of Alaska, those programs relating to the management of resources for which any other agency of the Federal Government exercises administrative responsibility through cooperative agreement shall remain in effect, subject to the direct supervision of the United States Fish and Wildlife Service, as long as such agency agrees to exercise such responsibility.

ADJOURNMENT OF THE SENATE UNTIL FEBRUARY 16, 1976—SENATE CONCURRENT RESOLUTION 92

Mr. MANSFIELD. Mr. President, I send to the desk a concurrent resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The concurrent resolution will be stated.

The legislative clerk read as follows:

Resolved by the Senate (the House of Representatives concurring), That when the Senate adjourns on Friday, February 6, 1976, it stand adjourned until 12 o'clock noon on Monday, February 16, 1976, or until 12 o'clock noon on the second day after its Members are notified to reassemble in accordance with section 2 of this resolution, whichever event first occurs.

Sec. 2. The President pro tempore of the Senate shall notify the Members of the Senate to reassemble whenever in his opinion the public interest shall warrant it or whenever the majority leader or minority leader of the Senate files a written request with the Secretary of the Senate that the Senate reassemble for the consideration of legislation.

Sec. 3. During the adjournment of the Senate as provided in section 1, the Secretary of the Senate be, and he hereby is, authorized to receive messages, including veto messages, from the President of the United States.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution was agreed to.

NATIONAL WILDLIFE REFUGE SYSTEM ADMINISTRATION ACT AMENDMENTS

The Senate continued with the consideration of the bill (H.R. 5512) to amend the National Wildlife Refuge System Administration Act of 1966, and for other purposes.

Mr. MOSS. Mr. President, I ask unanimous consent that Kathi Korpon and Mike Brownlee of the staff of the Committee on Commerce be granted privileges of the floor during consideration of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOSS. Mr. President, the bill before us, H.R. 5512, has to do with protecting the integrity of the National Wildlife Refuge System. It has been reported by the Committee on Commerce. I ask unanimous consent that the amendments of the Senate Committee on Commerce be considered as original text for the purpose of further amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOSS. Mr. President, the purpose of this bill is to insure the integrity of the National Wildlife Refuge System by preventing the arbitrary transfer and disposal of refuges and by providing that the refuge system will be administered by the Secretary of the Interior through the U.S. Fish and Wildlife Service.

This was the intent of the Congress in enacting legislation such as the Fish and Wildlife Act of 1956 and the National Wildlife Refuge System Administration Act of 1966. In recent months, however, it has been brought to the attention of the Senate Commerce Committee that the Department of the Interior may be attempting to undermine this congressional intent by transferring units of the National Wildlife Refuge System to the States and to other Federal agencies.

Perhaps the most notable example of such plans was the decision made by former Interior Secretary Rogers Morton in February of last year to transfer exclusive jurisdiction over three Western game ranges—the Kofa Game Range in Arizona, the Charles Sheldon Antelope Range in Nevada and Oregon, and the Charles M. Russell Game Range in Montana—to the Bureau of Land Management. These three areas were created during the 1930's by President Roosevelt for the protection of numerous species of wildlife, including the big horn sheep, the mule deer, the golden eagle, and the bald eagle. At this time the Fish and Wildlife Service was charged with protecting and managing the wildlife values of the areas, and BLM was charged with administering mining and grazing.

Over the years, the differing missions of these agencies have created serious conflicts resulting in the inadequate management of these ranges, often to the detriment of the wildlife the areas were set up to conserve. It has been recognized for some time that these problems would not be solved by transferring jurisdiction over the areas to one agency. Most believed that this agency should be the Fish and Wildlife Service, which has been designated by Congress as the guardian of our Nation's fish and wildlife resources at the Federal level, and which in that capacity administers all other areas of the National Wildlife Refuge System. Former Secretary Morton, however, to the surprise and consternation of the conservation community and others, reversed what seemed to be a commonsense solution to the dual jurisdictional problem and transferred exclusive jurisdiction over these areas to BLM.

While BLM does an excellent job on activities within its realm of expertise, such as on mineral and strict grazing matters, management of the Nation's fish and wildlife resources and habitat is clearly not its forte. A report prepared by the agency shows that in 1974 55 percent of the big game habitat and 56 percent of small game habitat managed by BLM was in unsatisfactory condition. BLM figures on overall range condition show that 85 percent of its lands are in unsatisfactory condition. On the Kofa and Sheldon game ranges, about half of the BLM-managed grazing land is in either fair or poor condition. While I laud the Bureau for giving such an honest evaluation of its performance in this area, I must also cite these reports as further evidence of the inadvisability of turning these game ranges over to BLM.

Even if BLM's wildlife habitat management record were outstanding, there are other reasons why it is clearly not appropriate for the agency to administer national wildlife refuges. Congress has clearly assigned this responsibility to the Fish and Wildlife Service. To give BLM the same responsibility and to have that agency set up the parallel system of refuge regulations and make parallel administrative appointments to carry out those regulations is sheer duplication, a waste of the taxpayers money, and just plain bureaucratic nonsense.

While BLM officials in Washington have promised, and I am sure quite sincerely, that they would administer these areas primarily for wildlife, there is absolutely no way to insure that this priority can be factored into the day-to-day management decisions made by those who live and work on, and are directly responsible for managing these areas. U.S. District Court Judge William B. Bryant, in issuing a preliminary injunction barring this transfer noted:

> While there is no evidence suggesting that the operation of the ranges is not made in good faith, the adoption of identical policies and regulations by high officials of the Department of the Interior cannot assure that administration will actually be the same in the field. . . . (T)he past philosophy of the agency will almost surely affect the myriad of discretionary decisions which are made in the field.

For all of these reasons I urge passage of H.R. 5512, which will insure that not only these three game ranges, but all areas of the National Wildlife Refuge System will be administered in the manner intended by Congress.

To review briefly the bill's provisions, H.R. 5512 would clarify that all areas of the National Wildlife Refuge System are to be administered by the Secretary through the U.S. Fish and Wildlife Service. Transfer or disposal of most areas within the system would require an act of Congress. In the case of refuge lands acquired with duck stamp money pursuant to the approval of the Migratory Bird Conservation Commission, transfer or disposal would likewise require the approval of the Commission. Exceptions to these restrictions would be made for the exchange of lands pursuant to existing provisions of the National Wildlife Refuge System Administration Act, or for the disposal of lands brought into the system by cooperative agreement.

I should like to make clear, Mr. President, that this bill would not prevent the Department from transferring lands in the refuge system to the States or other Federal agencies, provided that Congress is first able to review the merits of the proposed transfer and, if meritorious, concur in it through enactment of legislation. For instance, it has come to the Commerce Committee's attention that the Department is presently negotiating with the Commonwealth of Puerto Rico, pursuant to a 1973 joint land use plan, to transfer certain areas of the refuge system, including the island of Culebrita, to Puerto Rico. The Department and the Commonwealth have cooperated quite closely in this effort and the Governor has already taken significant measures to insure the protection of wildlife in these areas. H.R. 5512 would in no way prejudice the committee's consideration of the merits of this or any other transfer. Rather, it would insure that the Department, before completing this transfer, submits a legislative proposal to the committee and that the committee is given the opportunity to review the proposal in public hearings.

Other provisions of H.R. 5512 would require the Secretary to collect upon the disposal or transfer of purchased lands the acquisition costs of such lands, or their fair market value, whichever is greater. Present law only requires the collection of acquisition costs. Proceeds from such disposals or transfers would be deposited into the Migratory Bird Conservation Fund, which is used for refuge acquisition purposes.

With two exceptions the Senate Commerce Committee approved H.R. 5512 in the same form as was approved by the House of Representatives by a vote of 341 to 10. The first change involves a provision of the House bill which would have permitted the three game ranges to continue to be jointly managed by BLM and the Fish and Wildlife Service. Based on its hearing record on a similar Senate bill, S. 1293, the Commerce Committee determined that dual administration has been an extremely difficult and unsatisfactory arrangement, and one which both BLM and the Service agree should be terminated. For this reason the committee concluded that there was no jusitfication for authorizing the continuation of this unworkable management practice.

The committee also added a provision to the House-passed bill which would insure that with respect to refuge lands in Alaska where other Government agencies presently administer a portion of the refuge program pursuant to a cooperative agreement, these programs shall remain in effect under the direct supervision of the Fish and Wildlife Service. I heartily endorse the use of such cooperative agreements not only in the State of Alaska, but in all States, where the expertise of other Federal agencies or of the States can be employed in the administration of portions of the refuge program, like timber harvesting, mineral development, and the like. In all such agreements, however, the Service must have the ultimate authority to insure that all such activities are compatible with other refuge purposes.

Mr. President, H.R. 5512 is a vitally important bill which will help to insure the viability of what may be our Government's most important and comprehensive fish and wildlife conservation effort—the National Wildlife Refuge System. I urge my colleagues to vote favorably on this legislation.

Mr. President, in this time when we

are so concerned with our environment, with the presentation of wildlife and the values wildlife gives to our society, I think it would be folly to downgrade the National Wildlife Refuge System by giving or sharing jurisdiction over it to another agency whose main purpose is not the preservation, propagation and protection of fish and wildlife. Dual management of refuges has proved to be unworkable, or at least very clumsy, and not designed to preserve those values for which refuges were created. Therefore, I think this bill, which charges Fish and Wildlife with the overall management and preservation of fish and wildlife, is the proper way to go. If it should be that timber can be harvested or mining can be accomplished on refuges the authority exists in the Fish and Wildlife Service to cooperate with any other agency that has those activities under its supervision and, with the consent of the service, may permit those matters to go on within the refuge.

I am glad to yield to the Senator from Montana.

Mr. METCALF addressed the Chair.

Mr. MOSS. Will the Senator withhold for just a moment?

Mr. METCALF. I am delighted to withhold at any time.

Mr. MOSS. I have a letter, Mr. President, addressed to me from the chairman of the Interior and Insular Affairs Committee, the Honorable HENRY M. JACKSON, Senator from the State of Washington, concerning the likely transfer of the island of Culebrita to Puerto Rico that I mentioned in my opening remarks.

I ask unanimous consent that it be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

> WASHINGTON, D.C.,
> *February 4, 1976.*
>
> Hon. FRANK E. MOSS,
> *U.S. Senate,*
> *Washington, D.C.*
>
> DEAR SENATOR MOSS: On June 17, 1971 the Interior Committee passed a resolution directing the Secretary of the Interior to develop in consultation with the Governor of Puerto Rico a plan for the best use of land on the island of Culebra, Puerto Rico and its adjacent keys. I have personally had a keen interest in this area for some time and have worked to end Navy training at this inhabited island. Following extensive discussions between representatives of the Secretary and the Governor, both of these officials jointly transmitted to the Committee the report containing their joint recommendations. This report was a model of cooperative environmental planning by the Federal government and the government of Puerto Rico. It also contained reciprocal, solemn undertakings by, respectively, the U.S. government and the government of Puerto Rico.
>
> For its part, Puerto Rico has complied wholly with both the spirit and the letter of its commitments under this joint report. Due to the dedicated leadership of Governor Raphael Hernandez Colon, the government of Puerto Rico enacted special legislation creating a Culebra Conservation Authority with paramount power to enforce strict environmental guidelines agreed upon in the joint report regarding the use of private as well as public lands on Culebra and its keys. The Government has appointed a representative of the U.S. Department of the Interior designated by the Secretary to serve on the Culebra Conservation Authority.
>
> For its part, the Interior Department committed itself in this 1973 joint report to transfer to Puerto Rico the Culebra key known as Culebrita. Although Culebrita currently is included with the National Wildlife Refuge System, this key was identified in the joint report as having, in itself, no particular wildlife values and was deemed to be primarily of recreational value.
>
> The transfer of Culebrita to Puerto Rico should have been completed by now. Unfortunately the Interior Department has not moved as expeditiously as Puerto Rico in carrying out its undertaking contained in the joint report. In enacting H.R. 5512 we should be mindful of the long standing and indeed long overdue commitment of the U.S. to transfer Culebrita to Puerto Rico. Puerto Rico has acted in good faith relying on this commitment and the action we take today should not be misinterpreted as in any way relieving the Department of the Interior of its obligation to move promptly on this matter. In light of the long standing nature of this commitment on the part of the Secretary of the Interior and especially in light of the extraordinary measures taken by the Governor of Puerto Rico to protect fully the wildlife values of Culebra and its keys, I hope the Commerce Committee will give sympathetic consideration to effecting this transfer by special legislation in the immediate future should special legislation be necessary to consummate the transfer.
>
> Sincerely yours,
> HENRY M. JACKSON,
> *Chairman.*

Mr. METCALF. Mr. President, I want to compliment the Senator from Utah and the Commerce Committee for bringing this bill up. Heretofore, the BLM and Fish and Wildlife Service have amicably administered these areas, and then all of a sudden we had this Executive order that the BLM was going to take over some of these areas, including the Charles M. Russell Game Range in Montana.

As the Senator from Utah knows, for many years I have served as one of the representatives from the Senate on the Migratory Bird Conservation Commission. That is the Commission that uses the duck stamp money, and we purchase land for waterfowl refuges largely, but game ranges, and so forth, to take care of especially the migratory bird population all over America.

So I compliment him on the proposition that that fund, which is paid by the duck hunters of America, is going to be compensated in the event there is going to be a transfer from the wildlife ranges.

Now, the Senator from Utah has pointed out that the Kofa, Sheldon, and Russell Game Ranges, which are presently administered jointly by the U.S. Fish and Wildlife Service and the Bureau of Land Management, will, perhaps, be administered solely by the Fish and Wildlife Service, if the Secretary so declares.

The Secretary cannot change to administration, as I understand it, by the Bureau of Land Management alone.

Now, the Charles M. Russell Game Range is a very large area which ranchers in Montana use for the grazing of cattle. They have used that range under the provisions of the Taylor Grazing Act for many, many years. H.R. 5512 would require that this area in Montana and these areas in the other two ranges be administered by the Fish and Wildlife Service.

My constituents in Montana, ranchers who have grazing permits, and others, fear that the result would be an instantaneous termination of their existing conducted in these areas. Some of them fear that the result would be an instantaneous termination of their existing grazing privileges.

Therefore, I would like to ask the Senator from Utah to explain the understanding of the Committee on Commerce with respect to what the grazing policy on the game ranges will be under the sole administration of the Fish and Wildlife Service.

Mr. MOSS. I am happy to respond to the Senator from Montana.

On behalf of the Committee on Commerce I would like to assure the Senator from Montana that sole administration of the Kofa, Russell, and Sheldon Game Ranges by the Fish and Wildlife Service will not result in the instanteous termination of existig grazing privileges on these areas. Rather, it is the committee's understanding that the Service will continue to honor valid existing grazing permits that were issued by BLM under the Taylor Grazing Act. When these permits expire, the Service will then reexamine them to determine if continued grazing is compatible with wildlife needs. Grazing will be permitted to the extent compatible and will be administered by the Service pursuant to the National Wildlife Refuge System Administration Act. I might note that the Service is currently administering over 1 million acres of refuge lands in 31 States for grazing purposes.

The Executive order which created the game ranges specified that grazing would be permitted only when compatible with wildlife needs. Thus, the compatibility standard that BLM has used over the years to determine when and where grazing is permitted will continue to be employed by the Service.

As further assurance, let me read from a Fish and Wildlife Service memorandum to BLM on this question:

> (T)he (Service) does not intend to close the Game Ranges to grazing but intends to manage livestock grazing to insure preservation of wildlife values, the primary purpose of the refuges. It is the (Service's) intention to honor the remaining tenure of any license that the Bureau of Land Management may have in effect as of the date of withdrawal and further to confirm for the record that new permits will be negotiated with the grazing permittees who were on the Game Ranges at the time of the withdrawals, if they so desire, subject to the (Fish and Wildlife Service's) management, and limited to the extent of avoiding conflicts with wildlife and its management.

I hope the Senator will agree that this clarifies the Service's intention to permit continuation of grazing on the game ranges where it does not interfere with the wildlife for which the areas were created.

I should point out that each of these areas was created for the purpose of preserving the wildlife that is there. Consequently, anything that would destroy that wildlife or decimate it to a large extent certainly could not be tolerated. But, by the same token, we know that there can be grazing by cattle on wide areas that are also game areas as well. For instance, cattle and mule deer do not in all instances use the same forage. They often do not eat the same browse, and so on, with other species of game that are intended to be preserved.

What the bill does, simply, is to say to the Fish and Wildlife Service, "You administer this for the preservation of the wildlife and to the extent that it is compatible therewith, continue to issue grazing permits or whatever reasonable use there is of public lands."

Mr. METCALF. I am delighted that the Senator from Utah mentioned the fact that the Fish and Wildlife Service is administering areas where grazing is permitted all over the United States, as far as waterfowl and wildlife refuges are concerned. We use the duck stamp money and buy this land, which is grazing land, and in many areas they administer it under the terms of the Taylor Grazing Act. I know that the Senator from Utah, who has been in this area, knows that my constituents are understandably concerned about the administration of their grazing and the impact on their livelihood. The Fish and Wildlife Service has been administering this land, is that correct?

Mr. MOSS. That is correct.

Mr. METCALF. They have a legitimate concern.

The Senator has made a statement which I think will alleviate some of the doubts and some of the concerns which the people have.

The commercial users of the game range must remember, as the Senator from Utah has pointed out, these areas are an integral part of the National Wildlife Refuge System and must be managed in accordance with that. On the other hand, I hope that the U.S. Fish and Wildlife Service will continue, as they have in the past, to recognize the need for members of the hard-pressed ranching community to have a measure of continuity, a continuity which implies an understanding of their problems and thorough dissemination of all new policies, with hearings and the right to be heard prior to any new decision affecting the range.

Mr. MOSS. I am very glad to give that assurance on the part of the committee. That is our intent and that is the legislative intent, so far as this bill is concerned, that the Fish and Wildlife Service will continue to manage these ranges to be utilized to whatever extent possible for other uses besides preservation of the fish and wildlife, so long as it does not impinge upon it and make it impossible to preserve those values.

The fact that it is going on now would indicate that this can be done, of course.

We know that the grazing of cattle on our ranges is a great industry in the West. It is important not only for our local economy but for the whole national economy. Certainly, there should be no fear on the part of those engaged in that industry that they are suddenly going to be closed out or foreclosed.

In fact, there will be no immediate effect. But as their permits come up, they will be reviewed. If after permits have been reviewed permitees feel that the permits are for any reason limited in number or length of time, they should be entitled to have a proper review of their complaint. I would think this could go on very well. The only trouble we have gotten into is having two agencies trying to issue regulations and to be administratively in charge of the same area. Maybe it is like having two housewives in the same kitchen. They just do not get along very well because they do not always do things exactly alike.

For purposes of good administration, it is best to have refuge administration under one agency, with a cooperative arrangement with whomever else that agency may wish to utilize. For instance, in issuing the permits they could ask the assistance of BLM, or in mining claims they could ask the assistance of the Bureau of Mines. This can be done on a cooperative arrangement. All of these agencies come under the same Secretary, of course, right at the top, but each agency has a different purpose. That is the point I am trying to make.

I might say a further word on the single agency administration of the game range and how it might affect mining activities in these areas. It may not be the Senator's immediate concern but it is one that might come up.

Mr. METCALF. It certainly is one of my concerns as chairman of the Mining Subcommittee of the Committee on Interior and Insular Affairs.

Mr. MOSS. It is indeed a great concern.

Some concern has been expressed that if these ranges are turned over to the Fish and Wildlife Service, they will be permanently closed to mining and mineral leasing before the U.S. Geological Survey and the Bureau of Mines have had an opportunity to evaluate the mineral potential of the areas. This is clearly not the case. Portions of the Kofa, Sheldon, and Russell Ranges have been proposed for wilderness status, and thus have already been closed, at least temporarily, to mining activities, subject to valid existing rights.

Thus, under single or dual adminstration, these areas will remain closed until Congress has acted upon the wilderness proposals. In submitting these proposals to Congress, however, the President specifically requested that they not be acted upon until mineral surveys of the ranges have been completed. Both the Bureau of Mines and the Geological Survey have begun field work on the Sheldon and Russell Ranges, and the Bureau of Mines has started its study on Kofa. Thus, Congress will have full knowledge of the mineral potentials of these areas before it acts on wilderness proposals.

The remaining areas of the Kofa and Russell Ranges which have not been temporarily withdrawn pursuant to wilderness proposals have been withdrawn subject to valid existing rights to protect wildlife values, Kofa by the Fish and Wildlife Service and Russell by BLM. Thus, again under either single or dual administration the effect will be the same. These areas will remain closed to mining unless the Secretary takes further action to reopen them. Whether the areas are reopened will depend for the most part on the results of the mineral surveys. If these surveys indicate that the areas contain no significant mineral deposits, they will most likely remain closed to mining activity, as there will be no reason to reopen them. If, however, the surveys indicate that significant deposits exist, the Secretary is authorized to reopen these areas and administer mining via the Fish and Wildlife Service when compatible with wildlife needs, under provisions of the National Wildlife Refuge System Administration Act.

Regarding mineral leasing, nearly all units of the refuge system are presently open to utilization of leaseable minerals such as gas and oil. Under single Service administration the ranges would likewise remain open to mineral leasing, if compatible, unless designated by Congress as a wilderness area.

Even if the Service has sole jurisdiction over the ranges, it is authorized to, and most likely will, use the technical expertise of BLM in administering mining and mineral leasing on Kofa and the other ranges. Such expertise is presently used on other refuge areas.

Thus, single administration by the Fish and Wildlife Service does not mean that BLM would have no presence on these areas. It simply means that this presence would be under the supervision of the Service, which has been charged by Congress with administering and protecting the national wildlife refuge system.

I wanted to get that into the RECORD so it would be clear as to how this administration would be handled.

Mr. METCALF. I thank the Senator from Utah very much. With this explanation: that my constituents who have grazing leases under the Taylor Grazing Act, or have mining explorations under existing mining laws, did not have any of their rights jeopardized by the enactment of this legislation, and that we will have a continuation of the kind of administration we have had to date. If the Fish and Wildlife Service, at some future time, finds changes necessary for the purpose of protection of waterfowl or wildlife on a given game or waterfowl refuge, then the people of the area will have adequate notice, sufficient hearings, and an opportunity to change their ranching policies.

Mr. MOSS. They should have all the advantages of the regular administrative procedure, of notice, hearings, and an opportunity to present their point of view, their testimony, or whatever they want to do before any change is made affecting the grazing permits or the mining claims that thew have filed or applied for, leases, or whatever else. So I think they should not be concerned that this is going to make any abrupt change of any sort. Really, it is going to go along, except we are going to tidy up the administration in the single paramount use of the area.

Mr. METCALF. I compliment the Senator for bringing out this bill, which will stabilize the administration of these areas, and I hope will lead to stabilization of the administration of the various waterfowl and wildlife refuges all over America.

Mr. STEVENS. Mr. President, I am supporting this measure, but I think it would be wise to state why.

In my days in the Department of Interior, we had an Undersecretary who would judiciously determine the conflicts between two areas such as this. As a matter of fact, it was in our period at the Department of the Interior that the Assistant Secretary for Fish and Wildlife position was created, it having previously been the Bureau of Sports Fishing and Wildlife. Wildlife at that time was elevated to the same level as that of the Assistant Secretary for Public Land Management, for example, and Mines and Minerals.

In those days, a bill like this would not have been necessary.

I think it is a sign of the times that it is necessary now, because it really says that the authority to determine conflicts with regard to the use of lands that have been segregated for use of the Fish and Wildlife Service and the Department of the Interior will stop at the Assistant Secretary for Fish and Wildlife and Parks desk, and that those people who are administering other functions, such as mines, the U.S. Geological Survey, or the Bureau of Land Management functions, will abide by his decision.

I have no argument with that, as long as everyone understands what we are doing, because of the 30 million acres of land that are currently in wildlife refuges and ranges in the United States, 20 million plus are in Alaska; and of the 40 million acres that are to be added, all 40 million acres are in Alaska. So by the time we end the period of 1978, or soon thereafter—and that is the deadline created by the Alaskan Native Land Claims Settlement Act, seven-eighths of all the wildlife refuges in the United States will be in Alaska.

I am supporting this measure because I am willing to have that management determination be certain, and have people understand whom they are dealing with and where the instructions will come from, because, as I say, seven-eighths of his decisions obviously will be affecting my State. I prefer certainty to the appeal system, where you go before the Assistant Secretary to work out differences between bureaus in the same department.

Having said that, while I do not disagree with what the Senator from Utah said to the Senator from Montana as to what is happening now, I think everyone ought to understand that the future is uncertain as far as other uses are concerned, unless and until we set up a system for cooperative management, and I would hope the day will come when those agreements will in fact be put before the respective committees of the House of Representatives and the Senate; because when the Fish and Wildlife Service is administering 20 million acres of land in Alaska primarily for fish and wildlife purposes, and I am entirely in accord with those purposes, I think one of the great fears we have is that as it manages those lands, it will develop an in-house expertise which is equivalent to the USGS, or it will develop an expertise which is equivalent to the expertise of the management functions of the Taylor Grazing Act, or the BLM Act, or it will try to develop its own bureau of mines.

It is all the same department. We have in this bill, and I thank the Senator from Utah that we have it, reaffirmation of the management agreements, so we know what the areas are, and the people out in the field can administer them and know what they can and cannot do.

I think that is the way we should do, and I urge my friend from Arizona to consider such an approach with regard to the problems I know he is going to mention.

While the lands are to be managed primarily and in the first instance for the primary purpose of fish and wildlife or other compatible purposes, they ought to proceed under the expertise and guidance of those people best trained in that function, be it mining, Taylor Grazing Act functions, or the activities of exploration of the U.S. Geological Survey. I think that the other agencies of the Department of the Interior deserve the credit for the expertise they have, and that we should insist that those functions not be carried on by Fish and Wildlife biologists or Fish and Wildlife management specialists, but in fact by those people who have the expertise in the area, subject to the original decision as to what lands are absolutely necessary for fish and wildlife and what lands, on the other hand, could have compatible uses and the definition of what those compatible uses are.

There are two things I would like to state, and I hope my friend will agree with me. We have by this bill now said that if the Secretary of the Interior or the President adds later to the National Wildlife Refuge System, those lands cannot be taken out of that system by Executive order; they can only be taken out by an act of Congress.

I welcome that decision, as a matter of fact. I think it is a good decision. But I want to make certain that we understand we are not changing the procedures for putting lands into the System.

For instance, we have pending, as I have mentioned, some requests for permanent designation of 83 million-plus acres in the State of Alaska, about 40 million acres of which would be involved in this kind of a system. Those are requests presented to Congress for permanent designation; and it is my understanding that this bill does not mean that those decisions can be made by the Secretary, and that there is no intention by this bill to modify other congressional actions such as the Alaskan Native Land Claims Settlement Act.

Second, we have in the West a whole series of acts of Congress in the past that deal with State land grants. In my State they are land selections, but the principle is the same.

In many of the Western States those grants and selections have not yet been forfeited, and it is my understanding that there is no intention, by this act, to in any way modify any of the prior acts of Congress that were passed following or coincidental with statehood, which give many Western States rights, in the future, to take portions of the Federal lands within their borders, unless there is an exchange approved by Congress, in which case, of course, the State would have an opportunity to be heard. But there is no additional discretion given the Secretary of the Interior here with regard to additions to the National Wildlife Refuge System that would be incompatible with the rights granted to Western States by Congress in the past.

I believe my friend would agree with me in those two interpretations.

Mr. MOSS. Yes, I do. I agree with the Senator from Alaska in his assertions about preserving the rights of the States in land grants that were made at statehood and if, indeed, any changes are made, they would come under the in-lieu selection policy of trading lands taken for Federal purpose for other lands that are suitable to the State.

But that is a regular established procedure, and that would not be disturbed in any way.

Mr. STEVENS. I thank the Senator. He also concurs that there is no intent here to modify an act such as the Alaskan Native Land Claim Settlement Act and the lands granted to Native people.

Mr. MOSS. Certainly.

Mr. STEVENS. I point out, for instance, that in that act there is authority for the Secretary of the Interior to change lands in order to satisfy some of the Native selection requirements. If it is necessary to add other sections of Federal land to wildlife refuges, he has that authority.

We have no intent to modify the settlement that was made in that massive act by this bill. That is my understanding.

Mr. MOSS. The Senator is correct. There is no intention to modify the Alaskan Claims Act in any way by the terms of this bill.

Mr. STEVENS. I thank the Senator from Utah.

Mr. President, as I said, one of the greatest things we can do is to bring about a certainty in terms of the administration of a program as vast as the wildlife refuge system is becoming, and it is necessary. As the Senator from Utah says, he is not sure that two cooks in the same kitchen are compatible. So far as I am concerned, it is compatible as long as one knows who is boss.

Mr. MOSS. Yes, if there is a head cook and some assistant cooks, that is all right.

Mr. STEVENS. That is what this bill does. It says the head cook for the fish and wildlife refuge is, in fact, the head of the Fish and Wildlife Service, who incidentally is still subject to the administrative direction of the Secretary of the Interior and the President himself.

But with regard to those decisions that are made in the day-to-day operation, certainly it is to everyone's advantage to know where that buck stops, and it stops on the Fish and Wildlife Assistant Secretary's desk after the passage of this bill, and on that basis I think it makes for good government, and it should give notice to those people in the Department of the Interior who might think otherwise, that it is also the intention of Congress that there be no development of competitive management systems because of this delegation of what amounts to final authority in management, because after having said that that is where the authority rests I hope everyone realizes we have also said, if we intend to have compatible uses within the Federal Fish and Wildlife Refuge System, then we must utilize the talents and the expertise of those other personnel from other bureaus of the Department of the Interior or from the whole Government, itself, as far as that is concerned, and not build up, in effect, a total governmental system within one entity of the Department of the Interior.

On that basis, as I said, I am pleased to support the bill, and I think it is a step in the right direction.

Mr. MOSS. I thank the Senator from Alaska. His explanation has clarified again the thrust of this bill, and he is correct. There is no intent to build up parallel expertise. The Fish and Wildlife people have their expertise in management, propagation, and protection of fish and wildlife. When there are other uses to be made of the land, they turn to the appropriate agency with the expertise to do that. But they have really the final determination that the paramount use is for fish and wildlife.

Mr. STEVENS. I agree.

Mr. MOSS. I yield the floor to the Senator from Arizona.

Mr. FANNIN. Mr. President, we are very much in agreement. Certainly, I am in accord with what has been said by the Senator from Utah, the Senator from Alaska, and the affirmation expressed by the Senator from Montana.

We wish to have the best management that is possible from the agencies involved.

For that reason, I offer an amendment on behalf of myself and Senator Goldwater. I send the amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. FANNIN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 2, line 8, after the word "Secretary" insert a period and delete the following words on lines 8 through 13: "through the United States Fish and Wildlife Service.".

Mr. FANNIN. Mr. President, the amendment we are offering to H.R. 5512 would simply make clear the Secretary of Interior's authority to manage the public lands under whatever arrangement the Department considers most appropriate.

There has been a great deal of discussion in the last few minutes as to the need for using the expertise in the Department. There is not anyone in the Department that should be more aware of the expertise available than the Secretary of the Interior. I feel that it certainly is advisable for us to abide by the opportunities we have in that regard.

The three game ranges, which are the primary subject of this legislation we are discussing, would be managed to protect, above all, the wildlife values. This is paramount. Regardless of which agencies of the Department were designated to regulate these ranges, the original intent of their establishment would be protected. Our amendment would allow, however, for multiple uses of these areas where there would be no conflict with the management of the wildlife goals.

I bring that out because, again, the wildlife goals do take first priority.

The reason we oppose exclusive management by the Fish and Wildlife Service is that this arrangement fails to take into account the differing nature of these ranges and the history of their utilization by the public. Should this bill be enacted in its present form, it is almost certain that mining, livestock grazing, energy resource development and logging would be permanently terminated on over 2 million acres of public land—whether there was conflict with wildlife management or not.

The Fish and Wildlife Service is a single use agency, and seems barely able to achieve the goals of that mission, without being given the further burden of regulating multiple uses within its system. Bureaus which are equipped for multiple management, such as the Bureau of Land Management, should be given certain responsibilities, where the Secretary determines that additional uses will not conflict with the protection of the wildlife values.

All we propose is to allow for that flexibility. As noted in the report by the Committee on this legislation, ranges under BLM management and refuges under Fish and Wildlife management have been found to be in poor condition. In addition, rehabilitation of these lands does not seem likely under present conditions and funding levels. We have sorely needed, and may soon have an organic act for the BLM—which should greatly assist this agency in carrying out its role. The Committee on Commerce is now studying what reorganization and management changes would improve the operation of the Fish and Wildlife Service.

Accordingly, in this period of reassessment, why lock up 2 million acres in one management structure? Instead, we should allow management flexibility within the Department of Interior to reflect the existing differences in these ranges and our changing public needs. The Department did testify in opposition to this legislation. Due to the court injunction of January 26 which permanently enjoined the Secretary from making certain land transfers, due to incomplete environmental analysis, it is especially important that we clearly define his authority for management flexibility.

At this time, I will not elaborate on this Nation's mineral and materials shortage and the need to keep our public lands open to exploration. Nor will I plead the case of livestock grazers and predict the impact this trend toward single-use management might have on the already escalating cost of feeding American families. But I do suggest that these issues be taken into account by my colleagues as they determine today the future use of these millions of acres of public land.

Mr. President, I feel it is vital that we, as I stated in the beginning, have the very best management possible on these lands, and I know that this is certainly the goal of the manager of the bill, the distinguished Senator from Utah. He has stated so, and I feel with his explanation has come information from the committee report that I think is also very essential as to exactly what is happening.

I wish to have the manager of the bill accept this amendment, if he sees fit. I do think it is very essential to the bill, and it would be very helpful.

Mr. MOSS. Mr. President, I appreciate the presentation of the Senator from Arizona. I am interested in his amendment, which he has thoughtfully presented for this body. I know of his devotion to this area of public lands management, be it game ranges or other uses of public lands.

However, I must respectfully oppose the amendment offered by the Senators from Arizona. This amendment would remove from the bill one of its most important provisions, a provision which would clarify congressional intent that the Fish and Wildlife Service administers all areas of the National Wildlife Refuge System. This has been the policy of Congress for the last 20 years, a policy that was initiated with the enactment of the 1956 Fish and Wildlife Act. In that act, Congress stated:

> The Bureau of Sport Fisheries and Wildlife—

It is now the Fish and Wildlife Service—

> shall be responsible for those matters . . . relating primarily to migratory birds, game management, wildlife refuges, sport fisheries, and sea mammals . . .

H.R. 5512 does not change the policy established by Congress 20 years ago. It simply clarifies that policy to insure that its intent is followed by the Department of the Interior.

I also note that the U.S. district court for the District of Columbia recently issued a permanent injunction against the Department's transfer of Kofa, Russell, and Sheldon ranges to BLM. The injunction was based on a finding that the department had no authority to make such a transfer. In his opinion, Judge William B. Bryant noted:

> It is quite clear, therefore, that Congress did in fact specifically intend that the Secretary should manage and administer wildlife refuges through the Fish and Wildlife Service.

Finally, I note that the National Park System Act also specified that the Park System shall be administered by the Park Service. Thus, there is precedent for the provision of H.R. 5512 which specifically designates the Service as the administrator of the refuge system.

The Senator from Arizona has intimated that management of these areas would now be single-purpose, ignoring all other use of the refuges, other than wildlife, and this is not so, as I tried to explain earlier. Refuges are managed on a multiple-use principle. Other uses can take place to the extent that they are compatible with refuge objectives.

Currently, more than a million acres of refuge lands are used for grazing. Some of our refuges, such as the Sabine National Wildlife Refuge in Louisiana, for example, are major producers of oil. Farming and timber harvesting take place on many refuges, because these areas serve the needs of wildlife at the same time a valuable resource is utilized.

So it is not accurate to state that nonwildlife users will be ignored. On the contrary, in many instances they are encouraged.

Again, I come back to what I tried to phrase earlier, that the purpose of this act is to insure that the manager of the wildlife refuge system shall be the Fish and Wildlife Service. That is the primary purpose. But other uses occur—indeed, should occur—so long as they do not impair the main purpose for which the area was created.

Therefore, I hope that the Senator from Arizona will not press his amendment, because I think it would put us back where we were when this matter finally came to Congress, when an attempt was made to transfer management of the refuges to BLM, rather than having it jointly with Fish and Wildlife. This brought the whole matter to a head, and the Commerce Committee found that joint management was not good and that Fish and Wildlife should be the manager of these refuges.

Mr. FANNIN. Mr. President, the expertise is divided. There is certainly great expertise in the Fish and Wildlife Service. At the same time, they do not have the experience in other areas that BLM has.

John Kyl, Assistant Secretary for Congressional and Legislative Affairs of the Department of the Interior, testified as follows, on page 13 of the hearing record:

> It is important to note, I think, Mr. Chairman, that the Bureau of Land Management administers 451 million acres of which 374 million acres are big game habitat, 391 million acres are small game habitat, and 34 million acres are waterfowl habitat. Wetland habitats administered by BLM include 5 million surface acres of lakes, 7,664 reservoirs, and 258 thousand miles of streams.

So we understand, Mr. President, that these lands and water habitats support vast numbers and varieties of wildlife, including nongame species.

He goes on to bring out the different game that are protected under BLM management.

However, the important factor to remember and to take into consideration is that under the amendment that Senator GOLDWATER and I have offered, the Secretary is given the opportunity to determine which agency can best administer and offer people who have the greatest expertise.

I ask the distinguished Senator from Utah, the manager of the bill, why close these areas before the mineral surveys are completed? I wonder why this action is being taken before the surveys are completed.

Mr. MOSS. The surveys will continue and will be reported. In the event it is found that there is mineralization, provision then can be made that claims can be filed or leases granted—whatever is needed to develop the resource, provided it is consistent with the basic purpose, which is to preserve the fish and wildlife.

As I pointed out in my earlier statement, we have one refuge with a vast oil production on it, and it is going ahead. But that production is compatible so that has worked out all right. We have other areas where there is grazing, extensive grazing, on the fish and wildlife area. So there are other uses that are compatible with the fish and wildlife resource.

What we are trying to do is to have the management centralized in one division of the Department which has primary responsibility for fish and wildlife.

As Judge Bryant held in the case to which I referred,

> Congress specifically intended that the Secretary should administer the Wildlife Refuge System through the Fish and Wildlife Service.

That is his finding in the case that was brought before him.

Mr. FANNIN. Does the Senator feel that valid existing rights will be honored?

Mr. MOSS. Yes. I assured the Senator from Montana on that. Valid existing rights are not impaired by this in any way.

Mr. FANNIN. The feeling that the Senator from Arizona has is that there is expertise under BLM in the field of managing the lands and probably 75 percent of the area of responsibility is covered. So far as the Fish and Wildlife Service is concerned, it is probably 25 percent, because it is put in that category. At the same time, I think that BLM certainly has responsibility, and it is in the statutes, that the first responsibility on these ranges is wildlife.

So I think we are closing off a large percentage of the expertise to be involved in the decisionmaking. I understand that the other agencies could be involved down the line, but it is the decisionmaking part that concerns me. Would the Senator like to comment on that?

Mr. MOSS. Yes. Let me say that I have great admiration for the operations of the BLM. They do a fine job of managing public lands. In general, I should say that they are very good land managers. But the BLM is a sort of generalized land manager, having to do with grazing, mining, and whatever other use is made of the public lands. What Congress has done here is set aside certain areas and say these are for fish and wildlife; these are a refuge—they even use the term "refuge"—for fish and wildlife; therefore, they ought to be managed primarily for that purpose, to make sure that the fish and wildlife have a refuge.

We go on to say that there can be other uses of refuges, as long as these are compatible with the main purpose, wildlife, and that the service is to decide when these other uses are compatible. These other activities may be administered by the Bureau of Mines, the Geological Survey, or the BLM, in a manner compatible with wildlife.

Mr. FANNIN. To be specific, I refer to the Kofa Game Range, which, of course, has a history of copper, gold, and silver mining. We hope for mineral entry to be continued in the future, because we do not know what is going to happen as to availability of some of the minerals. We know that low-grade copper, just a few years ago, was not being mined. It has been quite some years ago. Then we came into new methods and a new procedure, and now we can mine low-grade copper. Of course, we do not know what we are going to do with the gold, silver, and other metals.

Does the Senator feel that there will be the same opportunity for reentry there, or entry, under Fish and Wildlife as there would be under BLM?

Mr. MOSS. Yes; I do think that is so. I think the bill specifically contemplates that areas that are mineralized, and therefore susceptible to mineral entry, will be available and that they will be producing mines still within the boundaries drawn by Congress of a wildlife system. The only point where I can see that this could become incompatible is where it is spread so widely or brings in such an amount of traffic or air pollution or other harmful effects that it began to impinge upon the population of game and fish. Then it would have to be reexamined. Of course, Congress would then make the final decision as to whether that would be severed out of the Fish and Wildlife area, if there ever was a holding that it is incompatible.

Mr. FANNIN. A short time ago, in April of 1974—over a year ago—we had hearings in Yuma, Ariz., with regard to what should be done, whether the jurisdiction should be under Fish and Wildlife Service or under the BLM. There were rockhound clubs, earth science organizations, ranchers, small miners, Yuma County Farm Bureau, and economic geologists for CONOCO, the Yuma Women's Reel and Rifle Club, and other people who were in attendance. They certainly supported the area being under BLM. Many said they had never seen a Fish and Wildlife game manager on the Kofa Range. The people said they would be in a much better position, and were satisfied to have the area under BLM.

This is typical of what would happen if we had hearings in many other areas of the country. I wonder if the Senator has had that same experience.

Mr. MOSS. Kofa is a rather remote area. In making inquiry on this committee, we had a document from the Department of the Interior saying that the BLM has not been active on the Kofa Range, and the fact that the Fish and Wildlife Service were not seen there, either, would indicate that there has not been very careful supervision and attendance in the area.

Kofa, as I recall, is primarily a refuge for bighorn sheep. They are very remote. They stay back in the rocks and are, in fact, very hard to see, for that reason. That is one reason that I would think mining may not be inhibited in the area, if what we are trying to preserve there are the bighorns.

Mr. FANNIN. These people—referring to the ones who attended the hearings—did feel that the BLM was doing a good service in this area. I asked what they think would be the attitude of Fish and Wildlife concerning the multiple uses which they support in the area. They, of course, represent rockhound clubs, ranchers, small miners, Yuma County Farm Bureau—people of that nature—who would wonder about what recreational facilities would be altered under the Fish and Wildlife Services, what changes would come about.

Mr. MOSS. Whenever it is compatible, these other functions will be permitted. As I say, I do not say this to downgrade BLM in any way. I simply say that these are areas which are now designated as game refuges, and therefore, should be managed as refuges by the Fish and Wildlife Service, primarily for that purpose.

The communication I referred to earlier from the Office of the Secretary is dated January 23, 1974. It is a memorandum from the Assistant Secretary to the Secretary. His observation, on page 10 of that document, is:

> BLM has not been actively involved in the administration of the two Arizona Game Ranges since their inception. BSF&W however, has maintained a fairly vigorous management program since the end of WWII.

That is the reference I had in mind when I indicated that BLM had not been active down there.

Mr. FANNIN. I say to the Senator that I agree that there has been a lack of complete cooperation, and we wish we had that. In fact, in the committee report, it says:

> While it seems appropriate that the Service should be clearly designated as the agency responsible for administering of the National Wildlife Refuge System, the Service's recent record with respect to the administration of the system has not been outstanding.

I think we could criticize them both. I understand that the Senator from Utah said he does not want to criticize. But I think from the standpoint of what has happened, as far as people have testified, there has been some criticism.

I wish to pose a question to the distinguished manager of the bill. To what extent does he feel there will be changes made if Fish and Wildlife does take over the management of the area? I am referring now to Kofa, particularly.

Mr. MOSS. As I tried to indicate before, I agree that the degree of management in the performance of Fish and Wildlife has not been outstanding. In fact, the Commerce Committee has already started some oversight hearings to determine how Fish and Wildlife can be more effective. One of our problems, as so often is the case, is limited funding and a squeeze on personnel.

But, to the extent the Fish and Wildlife service possesses the personnel necessary and the expertise that they have, they will manage the refuge area primarily to be a refuge. They will determine the needs of the fish and game that are there, what degree of habitat they must have for propagation, what special protection they must be given if, for example, they are remote, such as the Big Horn sheep, and must have a buffer zone or a deserted area, things of that sort, which are peculiarly within the expertise of those people.

If we come to the point where we say we do not need a wildlife refuge, then that should be our job here in Congress to shear off part of it and say just have that in the public domain but not as a refuge.

But as long as it remains a refuge, I think we have to leave it with the Fish and Wildlife to be the primary administrator.

Mr. FANNIN. I would just like to pose one question: We had hearings in order to make some determinations and to get the feeling of the people. What will I say to these people if they now ask me, "Will we be treated as fairly by Fish and Wildlife Service as we have been treated under the BLM as far as our grazing rights are concerned?"

Mr. MOSS. I will answer as I have tried to answer the Senator from Montana by assuring that all existing, valid existing, rights are preserved.

All of the grazing permits that exist will continue for the life of the permit, and should there be any problem about changing in any way the extent of those permits, they should be subject to a hearing, an open hearing, and a decision made in the regular administrative way.

But, presumably, there will be no change at all on that unless there is some infringement that we do not even know about on the fish and game.

Mr. FANNIN. One of the questions, I will say to the distinguished Senator, refers to the fact that we have ranchers who have had an understanding with BLM about improving grazing by rotating and doing services that would help in that area.

Does the Senator feel that Fish and Wildlife would honor those agreements and understandings? They may not be definite commitments, but they are understandings that the ranchers have with the BLM personnel.

Mr. MOSS. Well, here again, you see, the first decision to be made by Fish and Wildlife is are we damaging the wildlife in there which is on Kofa or on fish if it is in the other ranges, are we damaging that in any way; is it being impaired? If it is not then they will go ahead with the extension of the permits and permit grazing or whatever the other use is.

The only time it will come to anything different from that is if Fish and Wildlife makes the decision, yes, the wildlife is being impaired. In the event it does and something has to be done about the permits, then there has to be a public hearing and this has to be openly aired.

Mr. FANNIN. I thank the Senator. I will say to the manager of the bill that is one of the concerns I have. Certainly when you have cattle grazing in certain lands where people have a strong feeling about game, they may object because they will say it is adversely affecting them. But I think there has to be a measurement of how much effect there is or how serious is the disturbance being created.

Is there a way in which you could evaluate it? I think BLM has used a measure of evaluation maybe different from what Fish and Wildlife would utilize. I hope the Fish and Wildlife Service would honor the understandings that have been given some of the ranchers by the BLM. I certainly know that the permits are specific in what can be done. At the same time they can, of course, be canceled, that is, not be subject to renewal. We also realize there is equity and fairness involved, and that is one of the concerns I had. Although the BLM has the obligation to give first consideration to wildlife, I think they do it, perhaps, on a basis of equity that may not be observed by the Fish and Wildlife Service because of the overall feeling of many of the game people that nothing must interfere with the game.

I think the Senator realizes that anything that is done is going to interfere to a certain extent.

Mr. MOSS. Well, I agree that it has to be fairly administered, and I think we have to presume that.

But should you have what one service says to be done is unfairly restrictive, and the other service, say the BLM, said it should not be changed that way, that is something that has to finally go up to the Secretary. Both of these departments come under the Secretary.

Mr. FANNIN. I understand.

Mr. MOSS. But on the day-to-day decisions and on the management, the management has to be done by the refuge manager, Fish and Wildlife, and only in case you get a severe conflict do you have to settle it then at the Secretary's level.

Mr. FANNIN. I do not want to prolong the discussion. I certainly very much appreciate the colloquy we have had, I will say to the distinguished Senator from Utah.

I do feel it is very important that we establish that there is going to be cooperation, there is going to be consideration given on the same basis, perhaps, as was given fairly and equitably under the BLM.

I do not want to press the amendment at this time, but I do feel we should have an understanding that the best expertise—I mean the expertise in the department—will be utilized. I just cannot visualize that this will be possible under the arrangement that is now in the bill, as it would be if we gave the flexibility to the Secretary to make a determination as to which bureau or which service could best operate the particular area under consideration.

I just cannot understand why the manager of the bill does not agree with that assumption.

Mr. MOSS. Well, I think the assumption is that there will be this cooperative exchange or cooperative effort made by the departments.

What we are trying to do is tidy it up so as to say who is the paramount manager and who comes in and furnishes the expertise on other compatible uses there.

I can assure the Senator that so far as our committee is concerned, we will continually keep surveillance by way of oversight hearings with the Fish and Wildlife Service as we did in our recent hearings, so that the uses are made compatible, and that nobody is foreclosed on any arbitrary basis at all.

If we can do that I should think the Senator could be reassured that his constituents who have grazing permits or mineral privileges of any sort are protected now in whatever their privileges are and that they will be protected in the future as long as these privileges are valid.

Mr. FANNIN. Does the Senator feel that with the conditions as they exist under hearings held in the field that a determination could be made that Kofa could be deleted from this bill?

Mr. MOSS. Well, we discussed that, and we felt it should not be deleted.

If there are further hearings to be held on Kofa we certainly would be glad to participate in them and examine this fully at any time. But our present position is that Kofa should remain as a refuge.

Mr. FANNIN. Would it be fair to ask that Kofa be deleted until the hearings to which the Senator refers could be held?

Mr. MOSS. I would not be authorized to do that because the committee has not agreed to that. I could not at this point agree to it.

I think I can agree in behalf of the committee, however, that we will certainly look further at Kofa if the Senator would like to do that.

Mr. FANNIN. I thank the Senator. I really appreciate the opportunity to discuss the matter with the distinguished manager of the bill. With the assurances he has given, I do not push the amendment, and I ask unanimous consent that the amendment be withdrawn.

Mr. MOSS. I thank the Senator from Arizona for the colloquy and the fact that we have cleared up a good many things.

Mr. FANNIN. I thank the manager of the bill.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. TAFT. Mr. President, I want to raise some points with the manager of the bill and raise the points for the benefit of Congress and with the committee involved.

I have listened with interest to the debate involving the question of the cattle and grazing.

My concern is not with cattle and grazing but rather with jobs and people. The problem I have here is where, in the transfer of additional responsibilities to the Fish and Wildlife Service in connection with the National Wildlife Refuge System, we are going to have sufficient funds so they can carry out the job that I think they ought to be doing today.

Specifically, I want to refer to a matter relating to the Cedar Point National Wildlife Refuge to the east of the city of Toledo on the shore of Lake Erie.

Along with Congressman Lud Ashley of Ohio, who represents the city of Toledo, I went out and examined this refuge just the other day, particularly examined a long series of dikes which protect the refuge and other lands also. The dikes are in the refuge area, itself, which keeps flooding from Lake Erie. This situation has been called to the attention of the Department of the Interior and the Fish and Wildlife Service, which I understand has jurisdiction currently over the refuge, for a number of years and yet nothing has transpired. The situation has now reached the point where the breakdown of the dikes is so serious that some of the refuge has actually been lost into Lake Erie. I guess that is good for the fish, but I do not think it was the original intent in setting up the refuge when private lands and State lands went for this purpose.

The problem we seem to have is in dealing with the Department of the Interior. I might say Representative Ashley and I are both in the process of negotiations with the Department by which we hope to get some relief. I am optimistic that perhaps we will get them turned around to seeing at least what the need is. We may have to go into a supplemental appropriation or something of that kind in this regard.

The current situation is that the principal pumping plant for the water system for the city of Toledo and a neighboring city are behind these dikes and are now being very seriously threatened by the expansion of the lake into the area that the dikes have now laid bare in their deterioration.

I am very concerned that the Fish and Wildlife System may take the attitude, as they have in the past with regard to this, that restoring these dikes does not contribute directly to the Fish and Wildlife goal. They seem to think this is their principal and only mission, in complete disregard of their duty to maintain their property. It is their property as nobody else can go on it. It must be maintained in a manner so that the property of others—specifically the cities involved, and also quite a few hundred acres of farmland in the area as well—is not to be threatened and perhaps even destroyed.

We have gone into this with people in the area involved. We have had the Corps of Engineers make an estimate of the amount involved to restore the dikes, which is something in the neighborhood of $1,600,000. The Department of the Interior thus far does not seem to feel they have any funds with which to handle this matter.

This reminded me of the story of the man who came into town and did not have a hotel room. He came to the best hotel in town and asked if they had a room for him.

They said, "No. We are terribly sorry. We are all booked up."

He said, "If the President of the United States came here tonight and wanted a hotel room, would you find a hotel room for him?"

The manager said, "Yes."

He said, "That is the room I want."

I told the Department of the Interior, "If you had a dam out there with a crack in it and you had to do something about it, I imagine you would find some money to fix that crack pretty fast."

They said, "Yes, we would."

I said, "That is the money I want for these dikes."

We have possibly in the neighborhood of 300,000 or 400,000 jobs involved. The entire area could be shut down for a period of 2 or 3 weeks if the pumping plant goes under water, not to mention the other damage that is involved here.

If we turn over additional responsibilities to the Fish and Wildlife Service, I want some assurance that, in taking up new responsibilities, they will not neglect even more what I think is a responsibility to maintain their property in a way that will not interfere with and threaten damage to the property of others.

I wonder if the distinguished chairman could give me some kind of indication on that.

Mr. MOSS. First of all, I commend the Senator from Ohio for putting this matter in the Record as part of this discourse because it will focus attention on it. It is a situation of which I was not cognizant at this time I must agree with the Senator in principle that there is no excuse for any department refusing to maintain its facilities in the maximum useful position that they should have. If they are neglecting their diking or whatever, it should be brought to their attention and they should be encouraged to exercise full authority to remedy it.

I also recall that we had some oversight hearings on the Fish and Wildlife Service last year, in the fall, and they do have some budgetary problems. At that time they were pointing out that their budgetary problems were such that they did not have the personnel they needed. We endeavored to see if we could, in some way or another, get that situation remedied

This is a poor time, of course, to talk about any more personnel or any higher budget. As the Senator well knows, all the push is in other directions.

However, I would be very pleased to look into this situation directly from the standpoint of the committee, to call in the Fish and Wildlife Service and have them tell us what their side is. If they are jeopardizing other property by not maintaining their own, we certainly must have something done in order to give that kind of protection on Lake Erie's shores.

Mr. TAFT. I think the distinguished Senator for his comment.

I notice in the committee report that it was stated:

> The condition of many refuges is one of general deterioration. Employee morale is at an all-time low. At a time when the public is becoming increasingly aware of the importance of the Nation's fish and wildlife resources, refuges are being closed to public use. On those refuges still open to the public, facilities are often inadequate and unclean. As there is currently an $83 million facility rehabilitation backlog, there appears to be little hope that restoration of these buildings will be forthcoming.

Is rehabilitation of buildings going to take precedence over other general care of property to prevent damage to property of others? If that is the case, are we battling with that deficit shown on page 5 of the committee report?

Mr. MOSS. The Senator in reading from the report restates some of the findings we made. That is true. We found out that there was a serious problem there of underfunding that caused them to neglect some of the management that they should be offering.

No, the rehabilitation of buildings should not take any precedence over keeping the dike in repair. Both should be done. We are trying to help them remedy this budgetary shortfall which let the service deteriorate to some degree.

Mr. TAFT. I will be glad to cooperate with the chairman to try to bring about that end in any way we can. As I say, we may well have to go to the supplemental route if we cannot find discretionary funds. But it would seem to me the authority must exist already, and I wonder if the chairman would confirm that, to make repairs of that kind. I would think that there ought to be general discretion upon the Secretary or somebody which could be used for that particular kind of purpose.

Mr. MOSS. I would agree this is an oligation that needs to be filled. I am not sure whether discretionary funds are available. If they are not available, I would be glad to support a supplemental appropriation to get over this problem that we have with Fish and Wildlife at this point.

I am glad to have this brought to our attention, because I think it is serious enough that we need to move right away.

Mr. TAFT. I appreciate the remarks of the distinguished chairman, and thank him very much.

Mr. PACKWOOD. Mr. President, I am extremely pleased that today the Senate will pass the National Wildlife Refuge System Act, H.R. 5512. The bill before us is one which Senator METCALF and I introduced last year in the Senate, S. 1293, and have worked aggressively to see enacted.

With passage of this bill today, the Congress has virtually completed its work to insure that the land within the National Wildlife Refuge System is managed for the protection and enhancement of the wildlife habitats by the Fish and Wildlife Service. It is worth noting that the House of Representatives passed H.R. 5512 last November by a record vote of 341 to 10. It is this type of unsurpassed support which affirms the need to carry forth this legislation into law this year. This bill will insure that neither administrative action, nor Executive order, could revoke, modify or transfer management of these vital refuges to agencies other than the Fish and Wildlife Service. Moreover, by placing the Fish and Wildlife Service in the Service in the position of sole managers of the Wildlife Refuge System, duplication in the administration of these lands will be prevented. If certain refuges were parceled out to other agencies than the Fish and Wildlife Service, then those agencies would have to manage their part of these lands separately, and seek a separate budget allocation for that purpose.

Since I have joined in introducing this legislation last March 22, 1975, the Congress has come a long way in realizing the importance of protecting the wildlife in the National Wildlife Refuge System. The Fish and Wildlife Service is ably prepared to protect the wildlife and natural values of these refuges. Now that the Senate is taking its half of the congressional step toward making this bill a matter of law, I want to reaffirm my support and offer my thanks to all those who have worked over the last year to see this bill enacted.

Mr. MOSS. Mr. President, I do not know of any other amendments. Therefore, I suggest a third reading.

The **PRESIDING OFFICER.** The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

Mr. MOSS. Mr. President, I think a voice vote will be satisfactory on this measure.

The **PRESIDING OFFICER.** The question is, Shall the bill pass?

The bill (H.R. 5512) was passed.

ORDER FOR RECOGNITION OF SENATORS KENNEDY AND CHURCH TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized under the standing order tomorrow, the Senator from Massachusetts (Mr. KENNEDY) and the Senator from Idaho (Mr. CHURCH) be recognized, each for not to exceed 15 minutes.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR EAGLETON TOMORROW

Mr. ROBERT C. BYRD. I ask unanimous consent that after the order for recognition of Mr. MANSFIELD tomorrow, which has already been entered, the Senator from Missouri (Mr. EAGLETON) be recognized for not to exceed 15 minutes.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

NATIONAL POLICY, ORGANIZATION, AND PRIORITIES FOR SCIENCE, ENGINEERING, AND TECHNOLOGY ACT OF 1976

Mr. ROBERT C. BYRD. Mr. President, the following request has been cleared on both sides of the aisle.

I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar Order No. 596, S. 32.

The **PRESIDING OFFICER.** The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 32) to establish a framework for the formulation of national policy and priorities for science and technology, and for other purposes.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Labor and Public Welfare, the Committee on Commerce, and the Committee on Aeronautical and Space Sciences, with an amendment to strike out all after the enactment clause and insert the following:

That this Act may be cited as the "National Policy, Organization, and Priorities for Science, Engineering, and Technology Act of 1976".

TITLE I—NATIONAL SCIENCE, ENGINEERING, AND TECHNOLOGY POLICY AND PRIORITIES

FINDINGS

SEC. 101. The Congress, recognizing the profound impact of science, engineering, and technology on society, and the interrelations of scientific, engineering, technological, economic, social, political, international, and institutional factors, hereby finds that—

(1) Federal funding for science, engineering, and technology represents an investment in the future which is indispensable to sustained national progress and human betterment;

(2) the manpower pool of scientists, engineers, and technicians constitutes an invaluable national resource which should be utilized to the fullest extent possible;

(3) the scientific, engineering, and technological capabilities within the United States, when properly fostered, applied, and directed, can effectively assist in improving the quality of life, in anticipating and resolving many critical and emerging international, national, and local problems, in strengthening America's international economic competitive position, and in furthering the Nation's foreign policy objectives;

(4) strong participation by State and local governments is essential to the successful solution of many civilian problems, and in developing programs for the application of science, engineering, and technology to civilian needs and to setting priorities for civilian research and development activities;

(5) the widespread influence of technology in society requires sound planning and management to meet human needs;

(6) the maintenance and strengthening of diversified scientific, engineering, and technological capabilities in government, industry, and the universities, and the encouragement of independent initiatives based on such capabilities, are essential to the most effective use of science, engineering, and technology in resolving critical and emerging national problems;

(7) a systematic approach is needed to identify and anticipate critical and emerging national problems and to analyze, plan, and coordinate Federal science, engineering, and technology programs, policies, and activities intended to contribute to the resolution of such problems, including long-range, inclusive planning as well as intermediate and short-range program development; and

(8) the effectiveness of scientific, engineering, and technological contributions to the achievement of national goals depends on the maintenance of a strong base of knowledge in science, engineering, and advanced technology together with a resource of highly qualified scientists and engineers.

DECLARATION OF POLICIES AND PRIORITIES

SEC. 102. The Congress declares that it is the continuing policy and responsibility of the Federal Government to take appropriate measures to achieve the following goals:

(1) There must be a continuing national investment in science, engineering, and technology adequate to the needs of the Nation.

(2) The level of this investment must be commensurate with national needs and opportunities and the prevalent economic situation.

(3) The Federal Government must promote the effective and efficient utilization in the national interest of the Nation's human resources in science, engineering, and technology.

(4) The Nation's capabilities for technology assessment and for technological planning and policy formulation must be strengthened at both Federal and State levels.

(5) The Federal investment in science, engineering, and technology must be used to help meet the priority needs of the Nation, including but not limited to—

(A) maintaining the Nation's strength in basic and applied research and education in science and engineering;

(B) assuring widespread dissemination of scientific, engineering, and technical knowledge;

(C) utilizing science, engineering, and technology in support of the Nation's domestic and foreign policy goals;

(D) promoting the conservation and efficient utilization of the Nation's natural and human resources;

(E) providing for the protection of the oceans and the coastal zones, and the efficient utilization of their resources;

(F) strengthening the economy and promoting full employment through useful technological innovations;

(G) assuring an adequate supply of food, materials, and energy for the Nation's needs;

(H) strengthening the national security;

(I) improving the quality of health care available to all United States citizens;

(J) improving the Nation's transportation and communication services;

(K) increasing the quality of educational opportunities available to all United States citizens;

(L) assuring the provision of effective public services throughout urban, suburban, and rural areas in fields such as public safety, firefighting, and sanitation;

(M) developing high-quality, low-cost housing systems;

(N) eliminating air and water pollution and unnecessary, unhealthful, or ineffective drugs and food additives; and

(O) enhancing the quality of the environment.

DECLARATION OF PURPOSE

SEC. 103. It is declared to be the purpose of this Act to promote the effective application of science, engineering, and technology to the furtherance of national goals by—

(1) establishing, in the Executive Office of the President, an Office of Science, Engineering, and Technology Policy to provide a continuing source of science, engineering, and technology policy analysis and judgment to the President;

(2) establishing a State and Regional Science, Engineering, and Technology Program to foster the application of science, engineering, and technology to State and regional needs;

(3) establishing an Interagency Federal Coordinating Group on Science, Engineering, and Technology to coordinate agency research and development efforts; and

(4) having the President submit an annual Science, Engineering, and Technology Report to the Congress.

TITLE II—OFFICE OF SCIENCE, ENGINEERING, AND TECHNOLOGY POLICY

ESTABLISHMENT

SEC. 201. There is established in the Executive Office of the President an Office of Science, Engineering, and Technology Policy (hereinafter referred to as the "Office").

DIRECTOR

SEC. 202. (a) The Office shall be administered by a Director who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall be compensated at the rate provided for level II of the Executive Schedule in section 5313 of title 5, United States Code.

(b) The President shall choose a Director from among individuals who (1) by reason of their training, experience, and attainments, are exceptionally qualified to analyze and interpret the implications of scientific, engineering, and technological development and to appraise and recommend programs, policies, and activities of the Federal Government in the light of the policies and priorities set forth in section 102 of this Act; and (2) are sensitive to the economic, social, esthetic, and cultural needs and interests of the Nation.

ASSOCIATE DIRECTORS

SEC. 203. (a) The President is authorized to appoint not to exceed four Associate Directors, by and with the advice and consent of the Senate, and who shall be compensated at a rate not to exceed level III of the Executive Schedule in section 5314 of title 5, United States Code.

(b) Any Associate Director appointed by the President shall be chosen from among individuals who (1) by reason of their training, experience, and attainments, are exceptionally qualified to analyze and interpret the implications of scientific, engineering, and technological development and to appraise and recommend programs, policies, and activities of the Federal Government in the light of the policies and priorities set forth in section 102 of this Act; and (2) are sensitive to the economic, social, esthetic, and cultural needs and interests of the Nation.

(c) Any Associate Director appointed by the President shall perform such functions as the Director may from time to time prescribe.

FEDERAL INVESTMENT AND PRIORITIES

SEC. 204. (a) (1) Within its first year of operation, the Office shall, to the extent practicable, within the limitations of available knowledge and resources, prepare a five-year forecast of estimated levels of Federal investment in science, engineering, and technology in accordance with established national policies and priorities, including those policies and priorities declared in section 102 of this Act.

(2) The forecast shall include estimates, for each year included in the forecast, of the allocation of Federal funds among major expenditure areas in science, engineering, and technology.

(b) The Office shall annually revise the five-year forecast developed under subsection (a) of this section so that it takes appropriate account of changing national needs and circumstances, and extend the forecast so that it always extends five years into the future.

(c) The Office shall annually appraise progress in science, engineering, and technology in relation to the needs of the Nation and the five-year forecasts developed under subsections (a) and (b) of this section and shall estimate a range of options for various levels of Federal investment in science, engineering, and technology for the fiscal year immediately following the fiscal year in which such estimates are made, including among the options that level of Federal investment which would assure optimum utilization of the Nation's science, engineering, and technology resources.

(d) The Office shall annually assess alternative uses of Federal funds for science, engineering, and technology in relation to scientific, engineering, and technical opportunities and national needs and the five-year forecasts developed under subsections (a) and (b) of this section, and on the basis thereof shall prepare a range of priority options for allocating Federal funds among major expenditure areas in science, engineering, and technology, which pertain to the fiscal year immediately following the fiscal year in which such priorities are prepared.

(e) The Director shall furnish the options prepared under subsections (c) and (d) of this section, together with necessary supporting analyses and data, to the Office of Management and Budget for use in developing budget recommendations to the President.

POLICY PLANNING, ANALYSIS, AND ADVICE

SEC. 205. The Office shall serve as a source of scientific, engineering, and technological analysis and judgment for the President with respect to major policies, plans, and programs of the Federal Government. In carrying out this function, the Director shall—

(1) seek to define coherent approaches for applying science, engineering, and technology to critical and emerging national and interational problems and for promoting coordination of the scientific, engineering, and technological responsibilities and programs of the Federal departments and agencies in the resolution of such problems;

(2) assist and advise the President in the preparation of the Science, Engineering, and Technology Report, in accordance with section 208 of this Act;

(3) gather timely and authoritative information concerning significant developments and trends in science, engineering, technology, and in national priorities, both current and prospective, to analyze and interpret such information for the purpose of determining whether such developments and trends are likely to affect achievement of the priority needs set forth in section 102 (5) of this Act;

(4) encourage the development and maintenance of an adequate data base for human resources in science, engineering, and technology, including the development of appropriate models to forecast future manpower requirements, and assess the impact of major governmental and public programs on human resources and their utilization;

(5) initiate studies and analyses, including systems analyses and technology assessments, of alternatives available for the resolution of critical and emerging national and international problems amenable to the contributions of science, engineering, and technology and, insofar as possible, determine and compare probable costs, benefits, and impacts of such alternatives;

(6) advise the President on the extent to which the various scientific and technical programs, policies, and activities of the Federal Government are likely to affect the achievement of the priority needs of the Nation as set forth in section 102(5) of this Act;

(7) provide the President with periodic reviews of Federal statutes and administrative regulations of the various departments and agencies which affect research and development activities, both internally and in relation to the private sector, or which may interfere with desirable technological innovation, together with recommendations for the elimination, reform, or updating, as appropriate, of such statutes and regulations;

(8) develop, review, revise, and recommend criteria for determining scientific, engineering, and technological activities warranting Federal support, and recommend Federal policies designed to advance (A) the development and maintenance of broadly based scientific, engineering, and technological capabilities, including human resources, at all levels of government, academia, and industry, and (B) the effective application of such capabilities to national needs;

(9) assess and advise on policies for international cooperation in science, engineering, and technology which will advance the national and international objectives of the United States;

(10) identify and assess emerging and future areas in which science, engineering, and technology can be used effectively in addressing national and international problems;

(11) report at least once each year to the President on the overall activities and accomplishments of the Office, pursuant to section 208 of this Act; and

(12) perform such other duties and functions and make and furnish such studies and reports thereon, and recommendations with respect to matters of policy and legislation as the President may request.

ADDITIONAL FUNCTIONS OF THE DIRECTOR

SEC. 206. (a) The Director shall, in addition to the other duties and functions set forth in this title—

(1) serve as Chairman of the Federal Coordinating Group of Science, Engineering, and Technology established under title IV;

(2) serve as a member of the Domestic Council; and

(3) serve as a member of the Intergovernmental Science, Engineering, and Technology Advisory Panel established under title V of this Act.

(b) For the purpose of assuring the optimum contribution of science, engineering, and technology to the national security, the Director, at the request of the National Security Council, shall advise the National Security Council in such matters concerning science, engineering, and technology as relate to national security.

(c) The Director, in order to fulfill his functions under this title, is authorized to—

(1) appoint, assign the duties, and fix the compensation of personnel without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates, at rates not in excess of the rate prescribed for GS-18 of the General Schedule under section 5332 of such title; and

(2) enter into contracts and other arrangements for studies, analyses, and other services with public agencies and with private persons, organizations, or institutions, and make such payments as he deems necessary to carry out the provisions of this Act without legal consideration, without performance bonds, and without regard to section 3709 of the Revised Statutes (41 U.S.C. 5).

COORDINATION WITH OTHER ORGANIZATIONS

SEC. 207. (a) In exercising his functions under this title, the Director shall—

(1) work in close consultation and cooperation with the Domestic Council, the National Security Council, the Council on Environmental Quality, the Council of Economic Advisers, the Office of Management and Budget, and the Federal departments and agencies;

(2) utilize the services of consultants, establish such advisory panels, and, to the extent practicable, consult with State and local governmental agencies, with appropriate professional groups, and with such representatives of industry, the universities, agriculture, labor, consumers, conservation organizations, and such other public interest groups, organizations, and individuals as he deems advisable;

(3) hold such hearings in various parts of the Nation as he deems necessary, to determine the views of the agencies, groups, and organizations referred to in paragraph (2) of this subsection and of the general public, concerning national needs and trends in science, engineering, and technology; and

(4) utilize with their consent to the fullest extent possible the services, personnel, equipment, facilities, and information (including statistical information) of public and private agencies and organizations, and individuals, in order to avoid duplication of effort and expense, and may transfer funds made available pursuant to this act to other Federal agencies as reimbursement for the utilization of such personnel, services, facilities, equipment, and information.

(b) Each department, agency, and instrumentality of the Executive Branch of the Government, including any independent agency, is authorized to furnish the Director such information as the Director deems necessary to carry out his functions under this title.

(c) Upon request, the Administrator of the National Aeronautics and Space Administration is authorized to assist the Director with respect to carrying out his activities conducted under paragraph (5) of section 205 of this Act.

SCIENCE, ENGINEERING, AND TECHNOLOGY REPORT

SEC. 208. (a) The President shall transmit annually to the Congress, beginning February 15, 1977, a Science, Engineering, and Technology Report (hereinafter referred to as the "Report") which shall be prepared by the Office, with appropriate assistance from the departments and agencies and such consultants and contractors as the Director deems necessary. The report shall include the estimates on Federal investment level and proposed priorities in science, engineering, and technology, prepared by the Director pursuant to section 204 of this Act, and to the extent practicable, within the limitations of available knowledge and resources, include such issues as—

(1) a review of developments of national significance in science, engineering, and technology;

(2) the significant effects of current and projected trends in science, engineering, and technology on the social, economic, and other requirements of the Nation;

(3) a review and appraisal of selected science-, engineering-, and technology-related programs, policies, and activities of the Federal Government;

(4) an inventory and forecast of critical and emerging national problems the resolution of which might be substantially assisted by the application of science, engineering, and technology;

(5) the identification and assessment of scientific, engineering, and technological measures that can contribute to the resolution of such problems, in light of the related social, economic, political, and institutional considerations;

(6) the existing and projected scientific, engineering, and technological resources, including specialized manpower, that could contribute to the resolution of such problems; and

(7) recommendations for legislation on science-, engineering-, and technology-related programs and policies that will contribute to the resolution of such problems.

(b) In preparing the Report under subsection (a) of this section, the Office shall make maximum use of relevant data available from the National Science Foundation and other government departments and agencies.

(c) The Director shall insure that the Report, in the form approved by the President, is printed and made available as a public document.

TITLE III—PRESIDENT'S ADVISORY COMMITTEE ON SCIENCE, ENGINEERING, AND TECHNOLOGY

ESTABLISHMENT

SEC. 301. The President is authorized to establish within the Executive Office of the President a President's Advisory Committee on Science, Engineering, and Technology (hereinafter referred to as the "Committee").

MEMBERSHIP

SEC. 302. (a) The Committee shall consist of—

(1) the Director of the Office of Science, Engineering, and Technology Policy established under title II of this Act; and

(2) not less than eight nor more than fourteen other members appointed by the President.

(b) Members of the Committee appointed by the President pursuant to subsection (a) (1) of this section shall—

(1) be exceptionally qualified and distinguished in science, engineering, technology, information dissemination, education, management, labor, or public affairs;

(2) be highly capable of critically assessing the policies, priorities, programs, and activities of the Nation, with respect to the findings, policies, and purposes set forth in title I; and

(3) shall collectively constitute a balanced composition with respect to (A) fields of science and engineering, (B) academic, industrial, and government experience, and (C) business, labor, consumer, and public interest points of view.

(c) The President shall appoint one member of the Committee to serve as Chairman and another member to serve as Vice Chairman for such periods as the President may determine.

(d) Each member of the Committee who is not an officer of the Federal Government shall, while serving on business of the Committee, be entitled to receive compensation at a rate not to exceed the daily rate prescribed for GS-18 of the General Schedule under section 5332 of title 5, United States Code, including traveltime, and while so serving away from his home or regular place of business he may be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as the expenses authorized by section 5703(b) of title 5, United States Code, for persons in Government service employed intermittently.

FEDERAL SCIENCE, ENGINEERING, AND TECHNOLOGY SURVEY

SEC. 303. (a) The Committee shall survey, examine, and analyze the overall context of the Federal science, engineering, and technology effort including missions, goals, personnel, funding, organization, facilities, and activities in general, taking adequate account of the interests of individuals and groups that may be affected by Federal scientific, engineering, and technical programs, including, as appropriate, consultation with such individuals and groups. In carrying out its functions under this section, the Committee shall consider needs for—

(1) the establishment of such new departments, agencies, offices, or other organizations as may serve to strengthen the Nation's scientific, engineering, and technical capabilities and increase the effectiveness of their application to the solution of national problems;

(2) improvements in existing systems for handling scientific, engineering, and technical information on a Government-wide basis, including consideration of the appropriate role to be played by the private sector in the dissemination of such information;

(3) improved technology assessment in the executive branch of the Federal Government;

(4) improved methods for effecting technology innnovation, transfer, and use;

(5) stimulating more effective Federal-State and Federal-industry liaison and cooperation in science, engineering, and technology;

(6) reduction and simplification of Fed-

eral regulations and administrative practices and procedures which may have the effect of retarding technological innovation or opportunities for its utilization;

(7) a broader base for support of basic research;

(8) ways of strengthening the Nation's academic institutions' capabilities for research and education in science, engineering, and technology;

(9) ways and means of effectively integrating scientific, engineering, and technological factors into our national and international policies;

(10) technology designed to meet community and individual needs;

(11) maintenance of adequate scientific, engineering, and technological manpower with regard to both quality and quantity;

(12) improved systems for planning and analysis of the Federal science, engineering, and technology programs; and

(13) long-range study, analysis, and planning in regard to the application of science, engineering, and technology to major national problems or concerns.

(b)(1) Within one year of the appointment of a majority of its members, the Committee shall submit a report to the President of its activities, findings, conclusions, and recommendations including such supporting data and material as may be necessary.

(2) After appropriate review of the report submitted under paragraph (1) of this subsection, the President shall transmit the report to the Congress, together with any recommendations he may wish to make concerning its findings.

CONTINUATION OF COMMITTEE

SEC. 304. (a) Ninety days after transmission of the report prepared under section 303, the Committee shall cease to exist, unless the President, before the expiration of the ninety-day period, makes a determination that it is advantageous for the Committee to continue in being.

(b) If the President determines that it is advantageous for the Committee to continue in being, (1) the Committee shall continue in being and shall exercise such functions as are prescribed by the President; and (2) the members of the Committee shall serve at the pleasure of the President.

STAFF AND CONSULTANT SUPPORT

SEC. 305. (a) In the performance of its functions under sections 303 and 304, the Committee is authorized—

(1) to select, appoint, employ, and fix the compensation of such specialists and other experts as may be necessary for the carrying out of its functions under this Act, in accordance with section 3109 of title 5, United States Code (but without regard to the last sentence thereof);

(2) to appoint, assign the duties, and fix the compensation of personnel without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates, at rates not in excess of the rate prescribed for GS-18 of the General Schedule under section 5332 of such title; and

(3) to provide for the participation of such civilian and military personnel as may be detailed to the Committee pursuant to subsection (b) of this section for carrying out the functions of the Committee.

(b) Upon request of the Committee, the head of any Federal department, agency, or instrumentality is authorized (1) to furnish to the Committee such information as may be necessary for carrying out its functions and as may be available to or procurable by such department, agency, or instrumentality, and (2) to detail to temporary duty with the Committee on a reimbursable basis such personnel within its administrative jurisdiction as it may need or believe to be useful for carrying out its functions. Each such detail shall be without loss of seniority, pay, or other employee status, to civlian employees so detailed, and without loss of status, rank, office, or grade, or of any emolument, perquisite, right, privilege or benefit incident thereto to military personnel so detailed. Each such detail shall be made pursuant to an agreement between the Chairman and the head of the relevant department, agency, or instrumentality, and shall be in accordance with the provisons of subchapter III of chapter 33, title 5, United States Code.

TITLE IV—FEDERAL COORDINATING GROUP FOR SCIENCE, ENGINEERING, AND TECHNOLOGY

ESTABLISHMENT AND FUNCTIONS

SEC. 401. (a) There is established the Federal Coordinating Group for Science, Engineering, and Technology (hereinafter referred to as the "Group").

(b) The Group shall be composed of the Director of the Office of Science, Engineering, and Technology Policy and one representative of each of the following Federal agencies: Department of Agriculture, Department of Commerce, Department of Defense, Department of Health, Education, and Welfare, Department of Housing and Urban Development, Department of the Interior, Department of State, Department of Transportation, Veterans' Administration, Nuclear Regulatory Commission, National Aeronautics and Space Administration, National Oceanic and Atmospheric Administration, National Science Foundation, Environmental Protection Agency, and Energy Research and Development Administration. Each such representative shall be an official of policy rank designated by the head of the Federal agency concerned.

(c) The Director of the Office of Science, Engineering, and Technology Policy shall serve as Chairman of the Group. The Chairman may make provision for another member of the Group to act temporarily in the Chairman's absence as Chairman of the Group.

(d) The Chairman may (1) request the head of any Federal agency not named in subsection (b) of this section to designate a representative to participate in meetings or parts of meetings of the Group concerned with matters of substantial interest to such agency, and (2) invite other persons to attend meetings of the Group.

(e) The Group shall consider problems and developments in the fields of science, engineering, and technology and related activities affecting more than one Federal agency, and shall recommend policies and other measures designed to—

(1) provide more effective planning and administration of Federal scientific, engineering, and technological programs,

(2) identify research needs including areas of research requiring additional emphasis,

(3) achieve more effective utilization of the scientific, engineering, and technological resources and facilities of Federal agencies, including the elimination of unnecessary duplication, and

(4) further international cooperation in science, engineering, and technology.

(f) The Group shall perform such other related advisory duties as shall be assigned by the President or by the Chairman.

(g) For the purpose of carrying out the provisions of this section, each Federal agency represented in the Group shall furnish necessary assistance to the Group. Such assistance may include—

(1) detailing employees to the Group to perform such functions, consistent with the purposes of this section, as the Chairman may assign to them, and

(2) undertaking, upon request of the Chairman, such special studies for the Group as come within the functions herein assigned to the Group.

(h) For the purpose of conducting studies and making reports as directed by the Chairman, standing subcommittees and panels of the Group may be established.

ABOLITION OF FEDERAL COUNCIL FOR SCIENCE AND TECHNOLOGY

SEC. 402. The Federal Council for Science and Technology, established pursuant to Executive Order 10807, issued March 13, 1959, as amended by Executive Order 11381, issued November 8, 1967, is hereby abolished.

TITLE V—STATE AND REGIONAL SCIENCE AND TECHNOLOGY PROGRAM

ESTABLISHMENT OF INTERGOVERNMENTAL SCIENCE, ENGINEERING, AND TECHNOLOGY ADVISORY PANEL

SEC. 501. (a) There is established within the Office an Intergovernmental Science, Engineering, and Technology Advisory Panel (hereinafter referred to as the "Panel").

(b) The Panel shall be composed of members as follows:

(1) One member from each State, to be appointed by the Governor of that State.

(2) The Director of the National Science Foundation or his representative.

(3) The Director or his representative.

In making appointments under this subsection, the Governor of each State shall appoint individuals who are familiar with State and local needs, who would be effective in serving as a liaison between the State and the Federal Government, and, to the extent practicable, are familiar with science, engineering, and technology issues.

(c) Each appointed member of the Panel shall, while serving on business of the Panel, be entitled to receive compensation at a rate not to exceed the daily rate prescribed for GS-18 of the General Schedule under section 5332 of title V, United States Code, including traveltime, and while so serving away from his home or regular place of business, he may be allowed travel expenses, including per diem in lieu of subsistence in the same manner as the expenses authorized by section 5703(b) of title V, United States Code, for persons in Government service employed intermittently.

(d) The Director, or his representative, shall serve as Chairman of the Panel.

(e) The Panel shall perform such functions as the Chairman may prescribe, and shall meet at the call of the Chairman.

FUNCTIONS OF THE PANEL

SEC. 502. (a) The Panel shall advise and assist the Director in—

(1) identifying and defining civilian problems at the State, regional, and local levels to whose solution or amelioration the application of science, engineering, and technology may contribute;

(2) establishing priorities for addressing the problems identified in paragraph (1); and

(3) identifying and fostering ways to facilitate the transfer and utilization of results of Federal research and development activities so as to maximize their application to civilian needs.

GRANTS FOR STATE SCIENCE, ENGINEERING, AND TECHNOLOGY ADVISORY PROGRAMS

SEC. 503 (a) From funds authorized under section 602 of this title, the Director of the National Science Foundation, after consultation with the Panel, is authorized to make grants of not to exceed $200,000 to any State to pay a part of the costs of establishing or strengthening offices of State science, engineering, and technology within the executive and legislative branches of the State government.

(b) The purpose of any such office shall be to promote the wise application of science, engineering, and technology to meeting the needs of the State and its political subdivisions, by providing assistance and advice to the Governor or the legislature of such State, as appropriate.

(c) No grant authorized under this section for the establishment or strengthening of an office of State science, engineering, and technology may exceed $100,000.

(d) No grant may be authorized under this section unless an application is submitted at such time, in such manner, and containing or accompanied by such information as the Director of the National Science Foundation shall require. Each such application shall contain provisions to assure that—

(1) the office for which assistance is sought under the application will (A) be headed by an official who, by reason of education and experience, is qualified to advise the Governor or legislature of a State, as appropriate, on the application of science, engineering, and technology to meeting the needs of the State and its political subdivisions, and (B) have sufficient authority, consistent with State law, to carry out any functions assigned to that office pursuant to this title; and

(2) it is the applicant's stated intention that the State will assume the costs of any office established or strengthened pursuant to this title not later than two years after the year in which the grant is made.

(e) The Director of the National Science Foundation shall approve any application which meets requirements of subsection (d) of this section, and shall not disapprove any application without affording an opportunity for a hearing.

(f) (1) The Director of the National Science Foundation shall pay to each State having an application approved under subsection (e) of this section the Federal share of the cost of that application.

(2) For each fiscal year the Federal share shall be 80 per centum.

(3) Any application submitted pursuant to this section shall not be funded unless such application is submitted to the Director of the National Science Foundation prior to thirty-six months after the date of enactment of this Act.

TITLE VI—GENERAL PROVISIONS

DEFINITIONS

Sec. 601. As used in this Act:

(1) The term "Office" means the Office of Science, Engineering, and Technology Policy.

(2) The term "Director" means the Director of the Office of Science, Engineering, and Technology Policy.

(3) The term "Committee" means the President's advisory Committee on Science, Engineering, and Technology.

(4) The term "Group" means the Federal Coordinating Group for Science, Engineering, and Technology.

(5) The term "Panel" means the Intergovernmental Science, Engineering, and Technology Advisory Panel.

(6) The term "Foundation" means the National Science Foundation.

(7) The term "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands.

AUTHORIZATION OF APPROPRIATIONS

Sec. 602. (a) There are authorized to be appropriated $4,000,000 for the fiscal year 1976, of which $1,000,000 shall be available to carry out the provisions of title II, $1,000,000 shall be available to carry out the provisions of title III, and $2,000,000 shall be available to carry out the provisions of title V; $1,500,000 for the period beginning July 1, 1976, and ending September 30, 1976, of which $250,000 shall be available to carry out the provisions of title II, $250,000 shall be available to carry out the provisions of title III, and $1,000,000 shall be available to carry out the provisions of title V; and $12,000,000 for the fiscal year 1977, of which $3,000,000 shall be available to carry out the provisions of title II, $1,000,000 shall be available to carry out the provisions of title III, and $8,000,000 shall be available to carry out the provisions of title V.

(b) Funds appropriated pursuant to subsection (a) of this section shall remain available for obligation, for expenditure, or for obligation and expenditure, for such period or periods as may be specified in Acts making such appropriations.

REPEALER

Sec. 603. Sections 1, 2, 3, and 4 of Reorganization Plan Numbered 2 of 1962 (76 Stat. 1253) and section 2 of Reorganization Plan Numbered 1 of 1973 (87 Stat. 1089) are repealed.

Mr. KENNEDY. Mr. President, I rise in support of S. 32, the National Policy Organization, and Priorities for Science, Engineering and Technology Act of 1976.

This bill would provide the President with scientific expertise in dealing with the complex problems of modern society. Under the bill, the Science Adviser to the President would be an active member of the President's top team of advisers. He would be a member of the Domestic Council, a statutory Adviser to the National Security Council, and an active participant in the development of the Administration budget with respect to R. & D.

He would develop 5-year forecasts of the Nation's R. & D. programs. Each year he would assess current developments in science and technology, relate them to national needs and his 5-year forecasts, and prepare a set of budget and priority options with respect to research and development for OMB to use in the development of the overall budget.

In addition, of course, the Science Adviser would continually be on call to provide the President with expert advice on science and technology policy matters.

As approved by the three committees, the bill establishes a White House Office of Science, Engineering, and Technology Policy, with a Director and up to four Associate Directors appointed by the President with the advice and consent of the Senate. The Director will be at the same salary level as the OMB Director, $44,600.

The bill also establishes a President's Advisory Committee on Science, Engineering, and Technology to do a comprehensvie survey of Federal organization for science and technology. In addition, the bill creates a grant program to provide seed money of up to $200,000 for each of the 50 States, so that they can establish science and technology advisory offices at the State level.

I am pleased that the bill as approved stipulates that the Director of the Science Advisory Office also serve as a member of the Domestic Council and as a statutory advisor to the National Security Council; and that the bill requires the Director to work closely with OMB in the development of the Federal budget for research and development.

These provisions will assure that the Science Director will be a full-fledged member of the President's top team of advisors, in domestic, international, and national security affairs.

The State and regional science and technology program will help the States in utilizing the full potential of science and technology to meet their own problems in economic development, energy, pollution control, transportation, and other areas involving science and technology.

The policy section of the bill sets a framework for the formulation of national policy and priorities in science and technology, stating that: "First, there must be a continuing investment in science and technology directed toward the priority needs of the Nation; second, the technical manpower pool is an invaluable national resource that should be fully utilized; and third, capabilities for technology assessment, planning, and policy formulation must be strengthened at both Federal and State levels." The bill authorizes $4,000,000 for the balance of the current fiscal year; $1,500,000 for the 3-month period from July 1 through September 30, 1976; and $12,000,000 for fiscal year 1977.

Mr. President, this bill is a revision of earlier bills of mine which passed the Senate in two previous Congresses. Since I re-introduced this bill in January 1975 it has been considered extensively by the Labor, Commerce, and Space Committees. Yesterday I filed the joint report on behalf of the three committees, which provides the detailed explanation of the bill.

I ask unanimous consent that excerpts from the committee report be printed in the Record.

I also have an exchange of correspondence between myself and the Vice President, and between myself and Senator Church, which is highly relevant to this consideration, and I ask unanimous consent that these letters be printed in the Record at this point.

Mr. President, this bill would provide the nation with a means to establish sound national policies and priorities for science and technology. I urge all Senators to support this measure.

There being no objection, the material was ordered to be printed in the Record, as follows:

[Excerpts from committees' joint report on S. 32]

Summary of Bill

General

This Act establishes a framework for the formulation of national policy and priorities for science and technology, including the establishment of an Office of Science, Engineering, and Technology Policy in the Executive Office of the President.

TITLE I

Declaration of policy

Title I establishes as national policy that: (a) there must be a continuing investment in science and technology directed toward the priority needs of the nation; (b) the technical manpower pool is an invaluable national resource that should be fully utilized; and (c) capabilities for technology assessment, planning, and policy formulation must be strengthened at both Federal and State levels. Title I also sets forth fifteen priority areas for allocation of the Federal investment in science and technology.

TITLE II

Office of Science, Engineering, and Technology Policy

Title II establishes an Office of Science, Engineering, and Technology Policy in the Executive Office of the President, administered by a Director (at Level II of the Executive Schedule), appointed by and with the advice and consent of the Senate. The President is authorized to appoint up to four Associate Directors (at Level III of the Executive Schedule), also with Senate confirmation.

The Office shall: prepare and annually update a five-year forecast of Federal investment in science and technology, including estimates of the allocation of Federal funds among major expenditure areas; annually estimate a range of options for various levels of Federal investment in science and technology, including a range of priority options for allocating Federal funds among major expenditure areas; and furnish the options to the Office of Management and Budget for use in developing budget recommendations to the President.

The Office shall provide the President with a continuing source of policy planning, analysis, and advice with respect to major policies, plans, and programs of science and technology of the Federal government.

The Director of the Office shall chair the Federal Coordinating Group for Science, Engineering, and Technology (established under Title IV) and the Intergovernmental Science, Engineering, and Technology Advisory Panel (established under Title V); shall serve as a member of the Domestic Council; and as an adviser to the National Security Council. The Director shall coordinate the work of the Office with the Domestic Council, NSC, CEQ, CEA, OMB, and the departments and agencies.

The Office shall prepare an annual Report on Science, Engineering, and Technology which the President shall transmit to the Congress.

TITLE III

President's Advisory Committee on Science, Engineering, and Technology

Under Title III, the President shall appoint an Advisory Committee of between 9 and 15 members, including the Director of the Office. The Committee shall conduct a comprehensive survey of Federal science and technology, and submit a report thereon to the President within one year. After receipt of the report, the Committee shall expire unless the President deems it advantageous to continue the Committee as an ongoing Advisory Committee.

TITLE IV

Federal coordination group for science, engineering, and technology

Title IV redesignates the Federal Council for Science and Technology as the Federal Coordinating Committee for Science, Engineering, and Technology, and gives it the statutory authority to coordinate Federal plans and programs in science and technology. The Director of the Office is designated as Chairman of this Group.

TITLE V

State and region science, engineering, and technology program

Title V establishes an Intergovernmental Science, Engineering, and Technology Advisory Panel to advise the Director in establishing priorities for addressing civilian problems at State, regional and local levels which science and technology can help resolve. This title also establishes a State Science, Engineering, and Technology Program within the National Science Foundation to make grants of up to $200,000 to any State to enable it to establish or strengthen Offices of Science, Engineering, and Technology within the executive or legislative branches of State governments, provided that the State provides matching funding on an 80% Federal, 20% State basis.

TITLE VI

Authorization of appropriations

Title VI authorizes $4,000,000 for fiscal year 1976; $1,500,000 for the period from July 1 through September 30, 1976; and $12,000,000 for fiscal year 1977.

SECTION-BY-SECTION ANALYSIS

TITLE I—NATIONAL SCIENCE, ENGINEERING, AND TECHNOLOGY POLICY AND PRIORITIES

Findings

Section 101. This section states the findings of Congress that: Federal funding for science and technology is an investment in the nation's future; the technical manpower pool is an invaluable national resource which should be fully utilized; strong participation by State and local governments is essential; diversified technical capabilities in government, industry, and the universities are essential; and a systematic approach is needed, including long-range planning, as well as intermediate and short-range program development.

Declaration of policies and priorities

Section 102. This section declares it to be national policy that: there be a continuing investment in science and technology adequate to national needs; that the Federal Government must promote the utilization in the national interest of the Nation's human resources in science, engineering, and technology; capabilities for technology assessment, planning, and policy formulation must be strengthened at both Federal and State levels; the Federal investment in science and technology must be addressed to the priority needs of the Nation, including (a) national strength in research and education, (b) dissemination of technical knowledge, (c) utilizing science and technology in support of national goals, (d) promoting conservation and efficient utilization of natural and human resources, (e) protecting the oceans and coastal zones, (f) strengthening the economy and promoting full employment, (g) assuring adequate supplies of food, materials, and energy, (h) strengthening national security, (i) improving the quality of health care, (j) improving transportation and communication services, (k) increasing educational opportunities, (l) assuring effective public services, (m) developing high-quality, low-cost housing, (n) eliminating air and water pollution and unhealthful drugs and food additives, and (o) enhancing environmental quality.

Declaration of purpose

Section 103. This section declares the purpose of this Act to: (1) establish an Office of Science, Engineering, and Technology Policy in the Executive Office of the President; (2) establish a State and Regional Science, Engineering, and Technology Program; (3) establish an Interagency Federal Coordinating Group on Science, Engineering, and Technology; and (4) require the President to submit an annual Science, Engineering, and Technology Report to Congress.

TITLE II—OFFICE OF SCIENCE, ENGINEERING, AND TECHNOLOGY POLICY

Establishment

Section 201. This section establishes an Office of Science, Engineering, and Technology Policy in the Executive Office of the President.

Director

Section 202. This section states that the Office shall be administered by a Director, appointed by President with the advice and consent of the Senate and compensated at the rate provided for level II of the Executive Schedule.

Associate directors

Section 203. This section authorizes the President to appoint with the advice and consent of the Senate, up to four Associate Directors, compensated at a rate not to exceed level III of the Executive Schedule.

Federal investment and priorities

Section 204. This section states that the Office shall: prepare and annually update a five-year forecast of Federal investment in science, and technology, including estimates of the allocation of Federal funds among major expenditure areas; annually estimate a range of options for various levels of Federal investment in science and technology, including a range of priority options for allocating Federal funds among major expenditure areas; and furnish the options to the Office of Management and Budget for use in developing budget recommendations to the President.

Policy planning, analysis, and advice

Section 205. This section states that the Office shall serve as a source of scientific, engineering, and technological analysis and judgment for the President with respect to major policies, plans, and programs of the Federal Government.

Additional functions of the director

Section 206. This section states that the Director shall serve as Chairman of the Federal Coordinating Group for Science, Engineering, and Technology, as a member of the Domestic Council, as a member of the Intergovernmental Science, Engineering, and Technology Advisory Panel, and as a Statutory Adviser to the National Security Council in such matters concerning science, engineering, and technology as relate to national security; and that the Director is authorized to appoint and compensate personnel and enter into contracts and other arrangements for studies, analyses, and other services.

Coordination with other organizations

Section 207. This section states that the Director shall coordinate with the Domestic Council, the National Security Council, the Council on Environmental Quality, the Council of Economic Advisers, the Office of Management and Budget, and the Federal departments and agencies; utilize consultants and advisory panels and consult with individuals and groups throughout the society as he deems advisable; hold hearings; utilize with their consent the services of public and private agencies, organizations, and individuals, and transfer funds to other Federal agencies; that each agency of the executive branch is authorized to furnish the Director information necessary to carry out his functions; and that the Administrator of the National Aeronautics and Space Administration is authorized to assist the Director with respect to system analyses of alternative applications of science and technology.

Science, engineering, and technology report

Section 208. This section states that the President shall transmit an annual Science, Engineering, and Technology Report to the Congress, individuals and groups throughout the society as he deems advisable; which shall be prepared by the Office, with appropriate assistance from other agencies, consultants, and contractors. The report shall include the Office's discussion of options on Federal investments and priorities in science and technology, and shall deal, to the extent practicable and within the limitations of available knowledge and resources, with a range of national policy issues involving science and technology.

TITLE III—PRESIDENT'S ADVISORY COMMITTEE ON SCIENCE, ENGINEERING, AND TECHNOLOGY

Establishment

Section 301. This section authorizes the President to establish a President's Advisory

Committee on Science, Engineering, and Technology.

Membership

Section 302. This section states that the Committee shall consist of the Director and between eight and fourteen other members appointed by the President; that the President shall appoint a Chairman and Vice Chairman; and that the members are entitled to be reimbursed for their official expenses and to receive compensation for their services at a rate not to exceed the daily rate prescribed for GS–18 of the General Schedule.

Federal science, engineering, and technology survey

Section 303. This section states that the Committee shall survey, examine, and analyze the overall context of the Federal science, engineering, and technology effort including missions, goals, personnel, funding, organization, facilities, and activities in general; that the Committee shall submit a report of its findings, conclusions, and recommendations to the President within one year of the appointment of a majority of its members; and that, after appropriate review, the President shall transmit the report to Congress, together with any recommendations he may wish to make concerning its findings.

Continuation of Committee

Section 304. This section states that the Committee will cease to exist ninety days after transmission of the report, unless the President makes a determination that it is advantageous for the Committee to continue in being, in which case the Committee shall exercise such functions as are prescribed by the President, with its members serving at the pleasure of the President.

Staff and consultant support

Section 305. This section provides for appropriate staff and consultant support to the Committee.

TITLE IV—FEDERAL COORDINATING GROUP FOR SCIENCE, ENGINEERING, AND TECHNOLOGY

Establishment and functions

Section 401. This section establishes the Federal Coordinating Group for Science, Engineering, and Technology, to be chaired by the Director, and to exercise the same functions as those heretofore exercised by the Federal Council for Science and Technology. These functions are purely advisory in nature and involve no exercise of authority over the participating agencies, whose participation is governed by their applicable statutes.

Abolition of Federal Council for Science and Technology

Section 402. This section abolishes the Federal Council for Science and Technology, which had been established by Executive Order in 1959.

TITLE V—STATE AND REGIONAL SCIENCE AND TECHNOLOGY PROGRAM

Establishment of Intergovernmental Science, Engineering, and Technology Advisory Panel

Section 501. This section establishes within the Office an Intergovernmental Science, Engineering, and Technology Advisory Panel, composed of the Director or his representative, the Director of the National Science Foundation or his representative, and one member from each State, to be appointed by the Governor of that State; provides for reimbursement for official expenses incurred by Panel members and for their compensation at a rate not to exceed the daily rate for GS–18 of the General Schedule; states that the Director or his representative shall serve as Chairman of the Panel; and states that the Panel shall meet at the call of the Chairman.

Functions of the panel

Section 502. This section states that the Panel shall advise and assist the Director in identifying and defining civilian problems at the State, regional, and local levels susceptible to scientific and technical solution or amelioration; in establishing priorities for addressing such problems; and in fostering the utilization of the results of Federal research and development activities so as to maximize their application to civilian needs.

Grants for State science, engineering, and technology advisory programs

Section 503. This section states: that the National Science Foundation is authorized to make grants to any State to pay a part of the costs of establishing or strengthening offices of State science, engineering, and technology within the executive and legislative branches of the State government; that the purpose of any such office shall be to promote the wise application of science and technology to the needs of the State; that no grant to a State's legislature or executive branch may exceed $100,000; that the total amount granted to any State may not exceed $200,000; that the Federal share of the cost of the office shall be 80% of the total annual cost; that the State will assume the cost of any such office not later than two years after award of the grant; that the Director of the National Science Foundation shall approve any grant application which meets the requirements of this Act and such regulations as he may establish.

TITLE VI—GENERAL PROVISIONS

Definitions

Section 601. This section defines terms used in this Act.

Authorization of appropriations

Section 602. This section authorizes appropriations to carry out the provisions of this Act of $4,000,000 for fiscal year 1976; $1,500,000 for the period from July 1, 1976 through September 30, 1976; and $12,000,000 for fiscal year 1977.

Repealer

Section 603. This section repeals sections 1, 2, 3, and 4 of Reorganization Plan Numbered 2 of 1962 and section 2 of Reorganization Plan Numbered 1 of 1973.

Legislative history

The Committee on Labor and Public Welfare began serious consideration of national policies and priorities for science and technology in the course of committee examination of the problems of postwar economic conversion in the Ninety-first Congress. On December 1 and 2, 1969, the Committee held hearings on Postwar Economic Conversion. The Committee heard testimony from Professor Warren L. Smith, Department of Economics, University of Michigan and former member of the Council of Economic Advisers; Dr. Seymour Melman, economist and professor of industrial engineering at Columbia University; the late Walter P. Reuther, President of the United Auto Workers; Dr. Wilfred Lewis, Jr. of the National Planning Association; the Honorable Archibald S. Alexander, former Assistant Director for Economics of the U.S. Arms Control and Disarmament Agency; and Nathaniel Goldfinger, Director of Research, AFL–CIO.

Additional hearings on Postwar Economic Conversion were held before the Committee in Lexington, Massachusetts on March 23, 1970, and in Framingham, Massachusetts on April 3, 1970. At those hearings the Committee heard testimony from General James Gavin, Chairman of the Board, Arthur D. Little, Inc.; Dr. George Gols of Arthur D. Little; Carroll Sheehan, Commissioner of the Massachusetts Department of Commerce and Development; Bernard O'Keefe, President of E.G. & G. Corporation; D. Justin McCarthy, President of Framingham State College; Joseph Hyman, President of Hycor Corporation; Dr. Arthur S. Obermayer, President of Moleculon Corporation; Dr. Duncan MacDonald, business consultant; and William Alexander, President of the Research, Development, and Technical Employees Association, MIT Laboratories.

The testimony and statements for the record submitted at these hearings provided the Commitee with a comprehensive background on the problems of economic conversion and a realization that national legislation was required to enable the country to build a strong base of civilian science and technology.

As Chairman of the Special Subcommittee on the National Science Foundation, Senator Edward M. Kennedy began developing legislation aimed at meeting needs in this area. On August 14, 1970, he introduced S. 4241, the Conversion Research and Education Act. Although it was not possible to hold hearings on the bill before the end of the Ninety-first Congress, the bill was subjected to close scrutiny by leading authorities in this field throughout the Nation.

After careful consideration of their comments and suggestions, the bill was revised and re-introduced by Senator Kennedy in the Ninety-second Congress on January 25, 1971, as S. 32, the Conversion, Research, Education, and Assistance Act. The bill was referred to the Committee on Labor and Public Welfare and assigned to the Subcommittee on the National Science Foundation

The bill was circulated among leading authorities throughout the Nation who were expert in various of its aspects, and their comments and suggestions were carefully studied by the Subcommittee. At the same time a companion bill to S. 32 had been introduced in the House of Representatives as H.R. 34, by Congressmen John W. Davis and Robert N. Giaimo and one hundred and eleven cosponsors in January 1971. H.R. 34 was virtually identical to S. 32. Consequently the eight days of comprehensive hearings which the House Committee on Science and Astronautics held on H.R. 34 on June 22, 23, 24, July 13, 14, 15, and August 5 and 6, 1971 proved extremely helpful in the National Science Foundation Subcommittee's consideration of S. 32.

Based on the extensive comments and suggestions which were received over these months, from various experts and organizations throughout the country and through the House hearings, Senator Kennedy filed Amendment 469 to S. 32 on October 13, 1971. This amendment was designed to take account of many of the suggestions which the Subcommittee had received.

On October 26 and 27, 1971, the Subcommittee on the National Science Foundation held hearings on S. 32, including consideration of Amendment 469. (The hearings also considered S. 1261, the Economic Conversion Loan Authorization Act, which is still under study by the Subcommittee on the National Science Foundation.) Testimony was heard from the Administration spokesman, Dr. William D. McElroy, Director of the National Science Foundation; Paul Robbins, Executive Director of the National Society of Professional Engineers; Jack Golodner, Executive Secretary of the Council of AFL–CIO Unions for Scientific, Professional, and Cultural Employees; Sanford V. Lenz, Chairman, Professional, Technical, and Salaried Conference Board, IUE, AFL–CIO; Mrs. Betty Vetter, Executive Director, Scientific Manpower Commission; Professor Paul H. Thompson, Graduate School of Business Administration, Harvard University; and four unemployed engineers—Robert Fraser from Lincoln, Massachusetts, S. Robert Salow from Newton, Massachusetts, Charles Laible from Cherry Hill, New Jersey, and Nathan N. Budish from Seattle, Washington.

In addition to the testimony received at the hearings, the hearings record also included statements on the legislation from the Comptroller General and the Administration and from twenty-seven organizations and individuals with special competence in this area. Since the hearings record was published, scores of other statements had been received from interested organizations and individuals with respect to S. 32.

Based on all of the information and the views which were received, the bill was further revised and considered by the Special Subcommittee on the National Science Foundation in an Executive Meeting on April 5, 1972. At that meeting, upon the suggestion of Senator Dominick, the Subcommittee agreed to submit the bill (in its revised form) to the Executive Agencies and the General Accounting Office for further comment. Letters were received from sixteen agencies and the GAO, and the specific comments were taken into careful account by the Subcommittee.

Based on those comments, the bill was further revised and considered again by the Subcommittee in Executive Meeting on May 30, 1972. At that meeting, the Subcommittee, without opposition, favorably reported the bill to the full Committee with an amendment in the nature of a substitute and with a title amendment.

The bill was considered by the full Committee on Labor and Public Welfare in Executive Meetings on June 21 and June 28, 1972. At the June 28 meeting, the Committee on Labor and Public Welfare ordered the bill, with a modified amendment in the nature of a substitute and with a title amendment, reported favorably to the Senate. On the roll call vote to report, all seventeen members of the Committee were recorded as voting to report the bill favorably.

On August 17, 1972, the bill was considered by the Senate, and passed by a vote of 70 to 8. It was then sent to the House of Representatives where it was referred to the Committee on Science and Astronautics. No action was taken by the House prior to the adjournment of the 92d Congress.

On January 4, 1973, Senator Kennedy reintroduced S. 32. On May 2, 1973, Senator Dominick introduced S. 1686, the Civilian Science and Technology Policy Act of 1973. Both bills were referred to the Senate Committee on Labor and Public Welfare.

S. 2495 was introduced on September 27, 1973 by Senator Magnuson, Senator Moss, and Senator Tunney. The bill was referred jointly to the Committee on Commerce and the Committee on Aeronautical and Space Sciences. On September 28, 1973 unanimous consent was given that when the two Committees report the bill, it would be rereferred to the Committee on Labor and Public Welfare.

On January 18, 1974 a working draft of a revised version of S. 2495 was prepared by the Commerce and Aeronautical and Space Sciences Committees and distributed for comments.

Joint hearings on S. 2495 and the working draft were held by the Commerce and Aeronautical and Space Sciences Committees on March 11 and March 21, 1974.

Subsequent to those hearings, the bill underwent further revisions, and Amendment No. 1537 to S. 2495 was introduced by Senators Magnuson, Moss, and Tunney on June 27, 1974. The Commerce and Aeronautical and Space Sciences Committee held a joint hearing on Amendment No. 1537 to S. 2495 on July 11, 1974. Witnesses at the July 11 hearing included four former Presidential Science Advisers: Dr. Edward E. David, Jr., Dr. Lee A. DuBridge, Dr. Donald F. Horning, and Dr. George B. Kistiakowsky.

The Commerce Committee met in Executive Session on July 31, 1974 and ordered S. 2495 reported, with an amendment in the nature of a substitute. Identical action was taken by the Aeronautical and Space Sciences Committee at its Executive Session held September 18, 1974. On September 18, 1974, S. 2495 was referred to the Committee on Labor and Public Welfare for further consideration.

On October 8, 1974 the Special Subcommittee on the National Science Foundation held a hearing on S. 32, S. 1686 and S. 2495. Testimony was heard from the Administration spokesman, Dr. Guyford H. Stever, Director of the National Science Foundation and Science Adviser; Dr. Edward Wenk, Jr., Chairman of the Committee on Public Engineering Policy of the National Academy of Engineering; and Dr. Thomas G. Fox, Chairman of the Governor's Science Advisory Committee, State of Pennsylvania.

Based on the testimony which was presented at the hearing, the three bills were further revised and considered by the Subcommittee in an Executive Meeting on October 8, 1974. At that meeting, the Subcommittee unanimously favorably reported S. 32, to the full Committee with an amendment in the nature of a substitute and with a title amendment. All seven members of the Subcommittee were recorded as voting to report the bill to the full Committee.

The bill was considered by the full Committee on Labor and Public Welfare on October 8, 1974. The Committee ordered the bill, with an amendment in the nature of a substitute and with a title amendment, reported favorably to the Senate. All sixteen members of the Committee were recorded as voting to report the bill favorably.

The Senate passed the bill by unanimous voice vote on October 11, 1974. It was then sent to the House of Representatives where it was referred to the Committee on Science and Astronautics. No action was taken by the House prior to the adjournment of the 93rd Congress.

On January 15, 1975, Senator Kennedy reintroduced S. 32 (in a form identical to the bill that had passed the Senate in October, 1974) with the cosponsorship of Senators Moss and Tunney and 29 other Senators. This bill was referred jointly to the Committees on Labor and Public Welfare, Commerce, and Aeronautical and Space Sciences.

A significant break occurred on May 22, 1975, when President Gerald R. Ford met with Vice President Nelson A. Rockefeller, Senators Moss, Goldwater, Beall, and Laxalt, and Congressmen Teague, Mosher, Thornton, Conlan, and Symington, to announce his approval of a proposal prepared by the Vice President to re-establish the Science and Technology Office in the White House, and to do so by legislation. The President decided in favor of a single director with a small staff, rather than a council. This proposal was introduced in the Senate on June 20, 1975, as S. 1987 by Senator Moss (for himself and Senator Goldwater) (by request) and was also referred jointly to the Committees on Aeronautical and Space Sciences, Commerce, and Labor and Public Welfare. The provisions of S. 1987 were subsequently amended and incorporated in Titles II and VI of S. 32.

In the meantime, on June 6, 1975, Senator Kennedy presided at an historic White House Science Advisory Conference. At this Conference in the Dirksen Senate Office Building, the Vice President met with Senator Kennedy, as host, and Senators Moss, Tunney, Javits, Goldwater, Schweiker, Mathias, Beall, Stafford, Domenici, Laxalt, and Garn. This was the first time in modern American history that a Vice President of the United States sat down with members of the United States Senate, in full public view, to participate in a free, informed, bipartisan discussion of national policy needs. The Conference was not a hearing and did not consider specific legislative proposals, but provided an opportunity for the Vice President and the Senators to discuss the national issues involved in the re-establishment of a White House Science Advisory Office. The Conference proved extremely useful in the subsequent development of the Senate legislation.

On October 28, November 4, and November 12, 1975, joint hearings on S. 32 were held before the Special Subcommittee on the National Science Foundation of the Committee on Labor and Public Welfare; the Special Subcommittee on Science, Technology, and Commerce of the Committee on Commerce; and the Committee on Aeronautical and Space Sciences. Senator Kennedy chaired the hearing on October 28th; Senator Tunney, the hearing on November 4th; and Senator Moss, the hearing on November 12th. During the period after the President's announcement of May 22, 1976, the House Committee on Science and Technology held extensive hearings on several science and technology policy bills, culminating in the passage of H.R. 10230 by the House on November 6, 1975. This bill was also referred jointly to the Committee on Aeronautical and Space Sciences, Commerce, and Labor and Public Welfare. Provisions of H.R. 10230 were particularly examined in the aforementioned hearing chaired by Senator Moss on November 12, 1975.

Testimony was provided by Dr. Philip Handler, President of the National Academy of Sciences; Dr. Emanuel R. Piore, Retired Vice President and Chief Scientist, IBM Corporation; Dr. Eugene B. Skolnikoff, Director of the Center for International Studies and Professor of Political Science at Massachusetts Institute of Technology; Dr. James R. Killian, Jr., author of the National Academy of Sciences "Report on Science and Technology in Presidential Policymaking"; Dr. Roger Revelle, Chairman of the Board, American Association for the Advancement of Science; Dr. Richard Scribner, Head of the Office of Special Programs of the American Association for the Advancement of Science; Dr. Thomas G. Fox, Science Adviser to the Governor of Pennsylvania; Dr. H. Guyford Stever, Director of the National Science Foundation and Science Adviser to the President; and Mr. Arthur P. Stern, President of the Institute of Electrical and Electronic Engineers.

Following the Conference with the Vice President and the hearings before the Senate Committees, the staffs of the three Committees made proposed revisions to S. 32. In developing these revisions, extensive discussions were held with representatives of the scientific and technical community and with responsible staff members of the Executive Office of the President, the National Science Foundation, and the House Committee on Science and Technology. A final version was prepared on January 19, 1976, for the consideration of the Committees.

On January 21, 1976, the Committee on Aeronautical and Space Sciences met in executive session and, without objection, ordered S. 32, with an amendment in the nature of a substitute, favorably reported to the Senate.

On January 27, 1976, the Special Subcommittee of the National Science Foundation met in executive session and voted unanimously that S. 32, with an amendment in the nature of a substitute be reported to the full Committee on Labor and Public Welfare. On January 28, 1976, the Committee on Labor and Public Welfare met in executive session and unanimously voted favorably to report S. 32, with an amendment in the nature of a substitute, to the Senate. On January 29, 1976, the Committee on Commerce met in executive session and without objection, voted favorably to report S. 32, with an amendment in the nature of a substitute, to the Senate. The amendment in the nature of a substitute to S. 32 adopted by the Committee on Labor and Public Welfare, which in turn was identical to the one adopted by the Committee on Aeronautical and Space Sciences.

Explanation of Need

Science and technology have become central to Western civilization. Throughout history, science and technology have had occasional, but significant impacts on military capabilities and economic development. However, only recently have we seen the importance of science and technology in dealing with civilian needs. Our military security depends on scientific research and development. Our economic development and productivity, along with our international competitive position, depend on increasing technical innovation to provide new products and services which meet changing needs. And the quality of life in our society—the adequacy of health care, the preservation of the environment, the adequacy of educational programs, the provision of food, housing, transportation and communication services, and the very sources of energy which make other services possible—all are interwoven with, and depend in part on, the efficacy of scientific and technical progress.

Since World War II the principal focus of the Nation's scientific programs has been on defense, and since Sputnik, on space. In these activities, the Federal Government has been the major supporter of research and development. The achievements of the Nation's scientists and engineers in these areas have been sweeping in scope, and staggering in their impact. The development of an overwhelming arsenal of nuclear weapons, ballistic missiles, travel to the Moon and probes to other planets are now commonplace facts to our children.

The application of science and technology to national security needs and space objectives have had some important spin-off effect on the civilian area of our economy and society. Computers, the vast expansion in electronics, and passenger jet aircraft are all derived from military and civilian space R. & D. programs. But many areas of the civilian sector have not yet been significantly affected by scientific research. Textile, shoe, and furniture manufacturing are three examples of civilian industries which are still dependent on traditional methods and which have not reaped the benefits which scientific advance can provide.

And in the public service sector of the economy, the extent to which modern technology has been applied is even less. Trash in our city streets is still collected in the same inefficient manner, and still disposed of in vast rubbish heaps that mar our countryside and pollute our air. Transportation in our metropolitan areas becomes more snarled and inconvenient all the time. And adequate health care for all our citizens continues to become more costly, even when it is available.

In the civilian sector of our economy and in public services, the vast promise of science and technology has not been realized. A principal reason for this is that the Nation has lacked sound national policies and priorities for science and technology.

This has been especially true since 1973 when Reorganization Plan Number 1 abolished the White House Office of Science and Technology. Since that time the President has been without the top-level scientific assistance he needs to deal with the complex technical issues of our time.

Science for most of our citizens is a mysterious code that can only be deciphered by specialists. The policy issues faced by the President involve too many complex technological components for him not to have immediate access to the very best scientific advice our Nation has to offer.

No single scientist can provide such advice. But a first-rate science policy office with a capable staff can rapidly tap the top-flight technical talent throughout our society to provide the President with the best advice possible. This office can also provide a mechanism to anticipate future problems and needs, help coordinate the various Federal research and development activities, and interact with the States concerning their needs related to science and technology.

A White House Science Adviser, (a) with effective relationships with the President, within the Executive Office, and with the various agencies, (b) with access to the technical community, and (c) with adequate resources to do the job, will assure that the President and the Nation will be in a much better position to deal with complex issues involving science and technology.

Conference With the Vice President

The Conference with the Vice President on June 6, 1975, provided valuable perspective in the development of the legislation. The following excerpt from that conference provides useful background in understanding the provisions of the bill as reported by the three Committees (pages 30–31, "Proceedings of the White House Science Advisory Conference, 1975, Special Subcommittee on the National Science Foundation of the Committee on Labor and Public Welfare, July 1975):

"Senator KENNEDY. If I can carry on a little bit further based on what Senator Javits was talking about. Mr. Vice President, do you expect in this annual report that one of the responsibilities of the advisory group would be to indicate what should be the national investment in the areas of science and research, whether we ought to establish some goals in those areas, and perhaps how we ought to be allocating the resources within these goals so that we will be looking ahead to the allocations of resources in the area of science and technology over the period of, say 5 years?

"Is this something you think should be included or would be useful in providing both the country and the Congress, with some guideposts as we consider this whole area?

"Vice President ROCKEFELLER. I would have to say, Senator, I think that is the key to it. I think it is the heart, what you have gone right to. It is the conceptual approach to the role of science and technology in our whole society of life, its future, and our role in the world.

"I think that is the heart of it. I think it has got to go further, in a sense. It has to go back—in the report, he has to go back and look at what the high schools are doing, the number of students coming into the field, what colleges are doing, and what has been done by government and by the private sector in these fields, so that, to me, I share completely that thought that this would be basic.

"And this report prepared by Dr. Hans Mark is very much in that direction.

"These things just do not happen. We have to plan and, as you say, we have to plan ahead of time, if you are going to get there. And we are beginning to fall behind in this whole field.

"Senator JAVITS. That is most alarming.

"Senator KENNEDY. One of the things that always strikes us in the National Science Foundation Subcommittee is the fact that, as you well know, military R. & D. is not considered within the scope of the Director of the National Science Foundation, who has been serving as the President's science adviser. And I think your comments have been very reassuring in indicating that that military research and development will certainly be within the scope of the science adviser as you see that function.

"One of the things which many of us have been interested in is the very large amount of research that is being done for defense and space-related programs.

"I do think we have seen, in terms of our competitive position in the world, that many of our friends, allies, and competitors in the free world, are devoting a good deal more resources to civilian science and technology, than we are.

"Vice President ROCKEFELLER. That is right.

"Senator KENNEDY. And we, as a country and as a society, ought to recognize that—which I am not sure that we do at the present time—and begin to move the country more in those directions.

"Vice President ROCKEFELLER. May I just say on that, that again I agree."

Witnesses Testimony

All of the witnesses who appeared in the hearings strongly supported the re-establishment in the White House of a Science and Technology Advisory Office. The following excerpts from the testimony help clarify the need for, and intent of, various provisions in the bill as reported:

Dr. Philip Handler (President of the National Academy of Sciences):

"A congressional statement of policy (for science and technology) could provide a perspective and sense of purpose and direction to development of Federal programs and detailed policies. It would guide the many individual decisions that, collectively, determine how wisely and well we are able to realize the potential of science and technology in serving the public good."

Dr. Emanuel R. Piore (Retired Vice President and Chief Scientist, IBM Corporation):

"Another function that should be stressed in a very important manner, is that the group or Science Adviser must take an active role in assuring the country the health of scientific and technical institutions, the Government labs, the universities, the nonprofit labs, the scientific and technologic health of our industry. This is not stressed. And I will return to the health of our laboratories in a moment.

"Second, I think it is important that the legislation state whether they have a Council or single person, that "he" will be a member of the National Security Council, "he" will be a member of the Domestic Council, and not say "he" will coordinate or develop appropriate working relations. It is very important that a technical person sit when policy is debated, understand whether the policy needs technological backing, whether it is possible to get the technological answer in time to serve the national purpose. There are occasions where action is required based on inadequate knowledge.

"Developing appropriate working relationships will not service the purpose. The Security Council may assign the wrong problem or irrelevant problem to the policy, and the same is true of the Domestic Council.

"The Office of Science Adviser to the President was most effective when there was a complete open door to Killian, Kistiakowsky, Wiesner to the Security Council. We would never have been able to come up with the policy with regard to arms limitation without that open door. And, thus, I would hope that the language would be changed where it would be mandatory for the President to put these people on the Councils and not just hope that the adviser will have an open door.

"It becomes a little more difficult to define the relation between the Science and Technology Council and the Bureau of Management and Budget. It is the Presidential budget and it is not the budget of the Council. And here the annual report can play a very important role. The drafts of the annual report will be seen by the Bureau of the Budget. Debate can take place. Disagreements resolved. This also will provide the best possible coupling with the other agencies. If they know annually that their R. & D. budget will be discussed by the Council or the Adviser and coupled directly to the Bureau of the Budget, there will be no problem of having coordination. I had partial coordinating responsibility for research in the Navy when I was younger. Once the budget is at stake, coordination becomes almost automatic.

"This is also related to the annual report which should deal with the current situation. I have observed very important and well presented documents on the future of various areas of science and technology in our society. Congress files them. To date I have not observed any hearings in Congress on these reports.

"Congress ought to be aware when they vote the authorization and the appropriation what are the critical problems in science and technology covered in the executive department submissions. The other type of report is in its own right very important, necessary in that it is vital to understand what the future holds for us.

"Therefore, I see the Council having two very fundamental functions. One is to look to the future. The other is to get word to Congress what budgetary items mean, as far as its impact on our daily life. Congress and its staff are well rounded, and thoroughly understanding of all the social issues and implications of various monetary and legislative action. We are trying to get a similar sensitivity in science and technology. That is why I would look to the annual report to address itself to Congress via the President, really pointing out what that budget means to the health of science, to the health of technology, to our foreign policy, and all these other items that science and technology is involved in."

Dr. Eugene B. Skolnikoff (Director of the Center for International Studies and professor of Political Science at Massachusetts Institute of Technology):

"Given the fact that this legislation is designed to provide for the long term, I wonder if there should not be a reference to the possibility of creating once again a standing advisory committee for science and technology. This may be more important for an office headed by a single director than for a council of advisers.

" . . . There are several parts to this international role. One is the integral relation of science and technology to many issues of foreign policy, or to domestic policy with international implications—it is a cliche to assert that it is increasingly difficult to separate foreign from domestic affairs; but it is also true—a good share of the advisory relationship with the President should and hopefully will be concerned with international issues in which science and technology play an important, sometimes crucial, role.

"A second aspect of the international role is policy for international cooperation in science and technology, which is in fact referred to in the House bill. It is an important issue area, but one that to my mind is simply not as significant as are the broader international policy questions.

"Third is an aspect often neglected that I believe should be an important concern of a White House science officer. I refer to the fact that a substantial share of Federal R. & D. expenditures are motivated in large measure by international considerations (defense, space, some of atomic energy and others). And a good share of the remainder will affect our international relations and foreign policy (e.g., energy, agriculture, geophysics) when the R. & D. comes to fruition. And, hardest of all to define, many R. & D. projects are not being done at all that could affect the world and our policies favorably."

Dr. James R. Killian, Jr. (author of the National Academy of Sciences "Report on Science and Technology in Presidential Policymaking"):

"I have suggested the importance of the advisory mechanism's being closely related to other agencies in the Executive Office of the President. It would be my judgment that the head of this advisory mechanism should be a member of the Domestic Council and he should be, if not a member of the National Security Council, closely related to its work.

"I found in a number of experiences when I was Science Adviser to the President, being present at a meeting of the National Security Council enabled me at that time to point out to the President certain policy questions that were under consideration where there was a component involving science and technology that would not be normally recognized. I found that to be, and I think the President found that to be an important way in which the Science Adviser could operate.

"The advisory mechanism, working with the National Security Council and the Department of State, should also be able to contribute to those areas of foreign policy strongly affected by scientific and technological considerations. And finally, the advisory mechanism should cooperate closely with the Office of Management and Budget on significant budget and management issues involving science and technology.

". . . I do also feel that there should be an annual report of a very special kind prepared by the mechanism created in the White House. I know that it is difficult to contemplate any kind of comprehensive report on the state of science in the country. That is not what I am talking about. And that is not what the NAS Committee recommended.

"Rather, it was urging that there be an opportunity for this Science Adviser in the White House annually to submit to the President or to the Congress a statement of what he thinks are some of the acute and current problems that they should be aware of and to give attention to. And what are some of the budgetary problems that we face and problems of technology assessment.

". . . I think, for example, of the importance of a reordering of priorities which will enable our Government to generate and encourage new technologies which can contribute to the strength of our economy. Prof. Robert Gilpin of Princeton, an economist, in his report for the use of the Joint Economic Committee of the Congress, has presented an eloquent argument for rejuvenating our technological vitality through changes in the Nation's priorities in research and development funding. He has argued persuasively that priorities have been 'too much set by the cold war and a drive for national prestige.'

"I share that kind of comment; and I think we have a pressing opportunity to deal with this aspect of the Government's policies as related to science and technology.

"Next, the whole domain of national security, and I include in national security arms limitation, can benefit from objective scientific advice formulated at the level of the Presidency and outside of the Department of Defense and the Department of State.

"I am deeply disturbed by the amount of complacency in our country today in regard to the hazards involved in the arms race and in the proliferation of nuclear weapons. Scientists and engineers have an essential role to play in the formulation of policies with respect to the control of nuclear weapons. I find deeply disturbing recent suggestions that we might find it desirable to use nuclear tactical weapons and that a nuclear exchange could in any way be handled in an acceptable way.

". . . More stress, particularly in dealing with a relationship with the National Security Council, would be useful because I think if I were to have a general criticism of the House bill, it would be that it is somewhat bland with respect to the relationship of the proposed science adviser and his associates with the Domestic Council and with the National Security Council.

"And I think it is particularly important that the bill make clear that Congress expects a working relationship between those agencies as well as the OMB, or else this advisory mechanism can become isolated and is futile.

"So that is a very important point.

"We have had periods recently where I think this relationship with the National Security Council has become inoperative and ineffective in terms of the science advisory arrangement that then existed."

Dr. Roger Revelle (Chairman of the Board, American Association for the Advancement of Science):

"In the 'Statement of Findings and Declaration of Policy,' of S. 32, Federal funding for science and technology is referred to as an investment in the future which must be a 'continuing investment' because it is 'indispensable to sustained national progress.'

"The same idea is expressed differently in that 'the manpower pool of scientists and engineers constitutes an invaluable national resource which should be utilized to the maximum extent possible at all times."

"This view of Federal funding for science and technology as an investment instead of simply a component of current operating expenditures recognizes both the necessity of maintaining as much stability as possible in our national research effort and the hard truth that the benefits of research, though very great, will almost never be short-term ones.

"I do not want to imply that the budget for research and development should be sacred and unchanged from year to year.

"Much short-term development work can be postponed or put on the shelf when warranted by economic conditions. But long-term research and education which produce the intellectual capital for the future are investments that should be protected and sustained.

". . . The difficulty could be resolved if the Council of Advisers for the Office of Science and Technology had responsibility for recommending a long-term—say 5 years—investment program for science and technology, subject to the year-to-year fluctuations imposed by economic exigencies as reflected in the budget prepared by the Office of Management and Budget.

"The preparation of an investment program for science and technology would give genuine substance to the planning function envisioned in both H.R. 10230 and S. 32.

". . . A statement in the bill passed by Congress emphasizing that the scope of the Science Adviser's responsibilities should include the scientific and technological aspects of policies for national security and international relations and oversight of programs supporting these policies could be useful."

Dr. Thomas G. Fox (Science Adviser to the Governor of Pennsylvania):

"I think the key factor is that these bills provide at the Federal level the kind of input from State and local government we need. I refer to provisions like the one in S. 32 to provide an Intergovernmental Policy Council and to provide to the States some financial support from the Federal level to implement this program. If such provisions would be instituted, we indeed could move ahead very far and rapidly in establishing intergovernmental partnerships in managing the use of technology that are absolutely required.

". . . There are many States that are deeply into this with 10 years of positive experience. And there are a number of States that have studied what to do. For example, here is an excellent study by Puerto Rico on what they need to do, one by the State of California and one by Hawaii. I would say there are at least 20 or 30 States that have had good experience or have comprehensive and sophisticated studies of this question. I think we should move ahead and not wait."

Mr. Arthur P. Stern (President of the Institute of Electrical and Electronic Engineers):

". . . while it would be wrong to force on the President anything that he does not readily accept, it seems to me difficult to imagine that a science and technology policy adviser could be effective unless he sits on the Domestic Council and on the National Security Council, and unless he has a great say in international matters, because all these areas are permeated today by science and technology considerations—or they should be, if they are not—and science and technology are either there in the foreground, or certainly should be there in the background, of almost any important policy decision.

". . . Next, in comparing S. 32 with H.R. 10230, we found numerous differences. One of them was particularly striking.

"S. 32 mentions that "the pool of scientists and engineers is an invaluable national resource." It goes on at another point to state that "scientists and engineers must have continuing opportunities for socially useful employment in positions commensurate with their professional and technical capabilities."

"H.R. 10230 does not do any of this. Not only it doesn't do that, but a reference which was in the original text of H.R. 8058 and which was directed toward insuring the "full utilization of the technical manpower" of this country was stricken from the final text.

"We feel that it is inconceivable to make a major step toward recognizing science and technology and its central role in this country without looking out for the practitioners of science and technology. It is vital for this country, so that we maintain the leadership of which I talked before, that we attract the brightest, that we teach them well, that we give them appropriate rewards, and that we insure that they age in dignity.

"It is also important, in order to be able to do a good job in this area, that we establish an adequate data base to know where we stand and where we go with our scientific and engineering manpower.

". . . If the Science Adviser has no substantial influence on the budget process, then he becomes the decoration that I referred to before.

"The general intent of the Federal Government in science and technology is well and nice, but what really matters is what is getting done, and that which is being done is expressed in one way only—besides speeches—and that is money that is being spent.

"So I think the answer to that question must be strongly affirmative. The Science Adviser must have a role in budget preparation or else he will not be effective."

The Vice President,
Washington, December 3, 1975.
Hon. Edward M. Kennedy,
U.S. Senate,
Washington, D.C.

Dear Ted: It appears that we are drawing close to achieving our mutual objective of reestablishing an Office of Science and Technology Policy in the White House. I know you share my enthusiasm. I expect this office to be an important new source of advice for the President on the complex scientific and technological factors that arise in connection with a multitude of public issues.

This must be particularly gratifying to you in view of your many years of struggle in the Congress to establish a legislative framework for national science and technology policy and priorities, and also in view of the Senate's having passed your science and technology policy bill in two previous Congresses.

As you know, the House has recently passed H.R. 10230, which has many of the same objectives as your bill. We are now in a position to see these objectives implemented. The recent hearings which you, Senator Moss, and Senator Tunney chaired have provided even further momentum toward enactment of appropriate legislation.

Our discussions last spring, culminating in a conference with interested Senators in June, played an important part in achieving this result. I want to express again my personal appreciation to you for the initiative, candor, and cooperation you have exercised in dealing with this issue.

I know you will agree with me as to the urgency of completing Congressional action on this bill so that the new advisory machinery can be promptly installed in the White House. In order to expedite this matter, I respectfully recommend to you and your Senate colleagues that you consider accepting the House bill intact, without further alterations in the Senate. As you know, the President has indicated his willingness to accept the bill prepared by the House Committee on Science and Technology.

Of course, I realize from our discussions that you and your Senate colleagues may differ with respect to the details of a number of provisions in the House bill. However, in the future, there will undoubtedly be further opportunity to amend this legislation if our initial experience indicates that changes are desirable. Indeed it is my understanding that the House bill provides for establishing a committee to survey science and technology policy, programs, and organizations and to make recommendations for improvements within two years.

In any event, I hope you will agree with me that the overriding need at this time is to establish an Office of Science and Technology Policy in the Executive Office of the President as expeditiously as possible. In view of the already attenuated history of this legislation, efforts to amend the House bill in the Senate and the resultant need for a conference with the House could only lead to additional months of delay. Accordingly, I urge you to move for prompt Senate approval of the House bill.

Once again I want to express my personal thanks to you for your leadership in helping to achieve this goal of national significance. It has been my great honor and privilege to work closely with you on this issue.

Sincerely,

Nelson.

U.S. Senate,
Washington, D.C., December 8, 1975.
Hon. Nelson A. Rockefeller,
The Vice President, Washington, D.C.

Dear Mr. Vice President: Thank you for your letter regarding the re-establishment of an Office of Science and Technology Policy in the White House. I appreciate your generous comments about my role in this endeavor, in which I have greatly enjoyed working together with you. I believe our shared views on the importance of this activity to the nation have helped in building support for this legislation within the Congress and the Administration.

As you know, Senators Moss and Tunney have also played major leadership roles in the development of the Senate legislation. Accordingly, I have discussed your letter with them, and we have given a great deal of serious consideration to your recommendation that the Senate accept the House bill intact without further Senate amendments. In addition, we have discussed this matter with various leaders of the scientific and technical community.

Following these discussions, Senators Moss, Tunney, and I have concluded that there are a number of areas in which the House bill should be strengthened, and that it is in the national interest that we attempt to improve the legislation in the Senate. I would, of course, be happy to discuss the key provisions of the legislation with you, or to have our staffs go over the specific legislative proposals in detail.

And I can assure you that Senators Moss, Tunney, and I shall make every effort to move as expeditiously as possible toward prompt enactment of this legislation, so that the nation will soon be in a strong position to set its policies and priorities for science and technology.

It has been a great pleasure to work with you on this matter over the past year, and I look forward to our continued cooperation on this important issue.

With best wishes,

Sincerely,

Edward M. Kennedy.

U.S. Senate,
Washington, D.C., December 16, 1975.
Hon. Frank Church,
Chairman, Select Committee on Intelligence,
U.S. Senate, Washington, D.C.

Dear Mr. Chairman: I am writing to request your opinion on a legislative matter to which your experience as Chairman of the Select Committee is highly relevant. This concerns S. 32, the National Policy and Priorities for Science and Technology Act.

Among other things, this bill re-establishes the position of a Science and Technology Adviser to the President. We have received recommendations from distinguished leaders of the scientific community that the bill stipulate that the Science Adviser to the President also serve as an adviser to the National Security Council on matters dealing with science and technology. It is their belief that the Science and Technology Adviser to the President could make a significant contribution to those deliberations of the National Security Council to which science and technology are relevant.

Subsection 207(b) of the bill has been drafted to reflect those recommendations. In drafting the subsection, we followed the relevant language of the comparable provision in the C.I.A. statute (50 U.S.C. 403 d(1)), which makes the Director of C.I.A. an adviser to the N.S.C. Attached is a copy of page 42 of the December 15, 1975 print of the bill, which contains that subsection. Attached also is a copy of the entire print of the bill for your reference.

I would greatly appreciate your views as to the desirability of having the Science and Technology Adviser to the President also serve as an adviser to the N.S.C., and any specific comments you might wish to make with regard to the particular subsection we have drafted.

Thank you very much for your attention to this matter.

Sincerely,

Edward M. Kennedy.

Committee on Foreign Relations,
Washington, D.C., December 18, 1975.
Hon. Edward M. Kennedy,
U.S. Senate,
Washington, D.C.

Dear Ted: This is in response to your inquiry of December 16 regarding the desirability of the Science and Technology Adviser to the President also serving as an adviser to the National Security Council (N.S.C.).

I think this is an extremely constructive suggestion and one which I personally endorse strongly, based on my experience as Chairman of the Select Committee on Intelligence. The National Security Council considers matters of the utmost national significance, frequently including issues to which scientific and technological factors are highly relevant. I believe the Science and Technology Adviser to the President could make a significant contribution to such deliberations and welcome the initiative you have taken in this regard. I have examined subsection 207(b) of your December 15, 1975 print of S. 32, which I understand is patterned after the C.I.A. statute, and consider it a suitable expression of the advisory function which the Science and Technology Adviser to the President should discharge with respect to the National Security Council.

Accordingly, I strongly support the inclusion of this provision in S. 32, and its approval by the Senate.

Sincerely,

Frank Church.

Mr. MOSS. Mr. President, the problem of establishing better mechanisms for the consideration of science and technology policy has been a continuing interest of the Senate for several years. Specifically, the matter became one of serious concern in early 1973 when President Nixon abolished the position of President's Science Adviser and, along with it, the Office of Science and Technology and the entire President's Science Advisory Committee. There were many people who were dismayed by this action, since it wiped out a science advisory mechanism that had been evolving since World War II. This action took us back to "square one", as they say, and left the White House bereft of any science advice whatsoever.

True, some of the functions were transfered to the National Science Foundation, and the Director of NSF sort of became the Science Adviser in absentia, but as I have said several times, the President needs his principal advisers "down the hall, not down the mall."

Among those who became worried about this matter was the prestigious National Academy of Sciences. Soon after President Nixon's actions, the Academy appointed a blue ribbon ad hoc Committee on Science and Technology chaired by President Eisenhower's first science adviser, Dr. James R. Killian. That committee studied the matter for a year and, to no one's surprise, recommended that a science and technology office be reestablished in the White House. However, they did prepare a thoughtful report which fully explored the issues and fully explained the reasons for their recommendations.

The history of what has happened since then has been told many times, but a significant development occurred when President Ford announced on May 22, 1975, his approval of a proposal prepared by Vice President Rockefeller to reestablish the Office of Science and Technology in the Executive Office of the President and to do so by legislation. The President decided in favor of a single director with a small staff, rather than a council, but the restoration of a scientific presence in the White House was virtually assured by this decision.

Mr. President, we have finally emerged with a pretty good bill but it has taken an inordinate amount of effort and more than 8 months to accomplish what should have been done in a few weeks. I am proud of the bill that has emerged, but I am not proud of the way in which it was accomplished. I sincerely hope that we can evolve better procedures for handling these matters in the future.

Now, let me say a word or two about what I think will be the future impact of this bill. First of all, I think that every scientist and engineer in this country, and every professional organization and technologically oriented business will heave an audible sigh of relief to see the reestablishment of this important science presence in the White House. Of course, the President must still appoint his adviser, and that person must have the real trust of the President in order to be maximally effective in the job, but at least he or she will be in the White House.

Second, mechanisms will be reestablished whereby scientists and engineers, professional societies and corporations can make orderly inputs into the decisionmaking process on matters of science and technology policy.

Mr. President, the passage of this bill by the Senate is an important step forward for science and technology and the future security and economic well-being of this country.

Mr. GOLDWATER. Mr. President, I support S. 32, because it is the only attainable bill given joint referral to three committees.

My only concern has been to provide the President with the kind of scientific advice he desires. I believe it is a mistake to try to dictate to any President how he should organize the White House staff. I believe the President should be permitted a high degree of flexibility, short of extravagance.

I have two objections to S. 32 that I shall not press:

First, section 204 requires 5-year forecasts of science and technology funding. I believe this is impractical in the real world, because a shift in priorities may be needed. Also, there is the problem of new starts.

Second, title V anticipates the work of the President's Advisory Committee created under title III. If title V should be brought into being, I believe the Advisory Committee should develop the proposal.

The Senators and staffs of the three committees exercising jurisdiction over S. 32 deserve a lot of credit for trying to reach a compromise, especially because there have been strong views on sections of this bill.

Mr. President, I would like to propound a question to the distinguished chairman of the Aeronautical and Space Sciences Committee concerning section 208 of the bill under consideration. It is my understanding that annual reports on science and technology have been tried in the past and have not been very successful. The subject is way too broad to be dealt with in one report.

I am also concerned that an annual report from the President's Science Adviser might use up too much staff time and detract from the real job of giving the President the advice he deems necessary.

My question to the chairman is in two parts: Would he agree that section 208 does not call for an all-inclusive annual report? Would he be willing to see the report limited to selected aspects of scientific and technical activities which would be of real interest to the President and the Congress?

Mr. MOSS. Mr. President, may I say to my good friend from Arizona that the answer to both questions is yes. While I believe the Congress should be kept informed annually of the important activities of OSETP, I certainly would not want to put an unrealistic or burdensome requirement on what should be a small staff. I would hope that the President and the Director of the new office would be selective in their annual reports and not burden the taxpayers with paying for the publishing of a document that resembles the Encyclopedia Britannica.

Mr. LAXALT. Mr. President, S. 32, the National Policy, Organization and Priorities for Science, Engineering, and Technology Act of 1976, is the product of long and arduous negotiations and compromises. The bill was referred jointly to three committees and as a result, a balancing act of conflicting interests was inevitable. In deference to those compromises, I support passage of S. 32. I do feel compelled, however, to voice my concern for what I consider to be some of the remaining deficiencies of the bill. It is my expectation that these problems will be resolved in conference.

Title V, the State and regional science and technology program, is, in my view, of somewhat questionable value. Considerable evidence indicates that science advisory mechanisms which are general in nature and which are not closely linked into the policy process in State government are generally not very effective. A soon-to-be completed study of the science and technology mechanism experiences in the 50 States, being undertaken under the auspieces of the Council of State Governments, supports this conclusion.

At the very least, we should await the findings of the President's Advisory Committee on Science, Engineering and Technology. One of the purposes of this committee, created by title III of this bill, is to consider the need for stimulating more effective Federal-State liaison and cooperation in science, engineering and technology. I am concerned that section 501 which creates a 59-member intergovernmental science and technology advisory group does not adequately address those considerations.

Section 503 which creates a new categorical grant program to put new science advisory posts in each State, also tends to ignore much of the experience we have acquired in previous science advice experiences. The intergovernmental program of the National Science Foundation—NSF—has arranged for science advisers to Governors, but the results have not been uniformly successful. The current thrust of the NSF program which focuses on selected problems of national importance, is in my view, the most cost effective means for yielding timely and practical solutions for State science problems. We might also note that revenue sharing provides additional discretionary funds, if States wish to have science advisers.

Finally, we must bear in mind that the mechanisms which we have created will be effective only if they match the organizational and personal needs of the President. I caution against imposing undue restrictions and burdens on his activity.

I have every hope that the conference committee will address these issues, but at the same time, I reserve the right to oppose an unsatisfactory report.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Labor and Public Welfare, the Committee on Commerce, and the Committee on Aeronautical and Space Sciences be discharged from further consideration of H.R. 10230, and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered. The bill was stated by title.

The assistant legislative clerk read as follows:

> A bill (H.R. 10230) to establish a science and technology policy for the United States, to provide for scientific and technological advice and assistance to the President, to provide a comprehensive survey of ways and means for improving the Federal effort in scientific research and information handling, and in the use thereof, to amend the National Science Foundation Act of 1950, and for other purposes.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the bill.

Mr. ROBERT C. BYRD. Mr. President, I move to strike all after the enacting clause of H.R. 10230, and to substitute the text of S. 32, as amended.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from West Virginia.

The motion was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H.R. 10230) was passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to indefinitely postpone S. 32.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will please call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTERNATIONAL SECURITY ASSISTANCE AND ARMS EXPORT CONTROL ACT OF 1976

Mr. MANSFIELD. Mr. President, I ask unanimous consent, in accordance with what I previously said to the Senate, that the Senate now turn to the consideration of Calendar No. 579, S. 2662, so that it may become the pending business.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

> A bill (S. 2662) to amend the Foreign Assistance Act of 1961 and the Foreign Military Sales Act, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

Mr. HELMS. Mr. President, reserving the right to object, with all respect to the able majority leader, the haste in which this measure is being taken up gives me some concern. First of all, it is a rather massive document, I would say to the distinguished majority leader. It is 118 pages long. The report on the bill is 140 pages long. Neither these documents was available in print until yesterday. Now it is common knowledge that S. 2662 is no routine measure authorizing international security assistance. On page 4 of the report it says bluntly:

> This bill, when enacted, will constitute the most significant piece of legislation in the field of military assistance policy since the enactment of the Mutual Security Act more than a quarter of a century ago.

In other words, it is nothing less than a revolutionary piece of legislation, coming at a time of upheaval and uncertainty in the field of international relations. The distinguished members of the Foreign Relations Committee have given a great deal of time and thought in preparing this legislation. It is legislation that deserves careful appraisal and reasoned examination of its constituent parts.

I hope that the distinguished majority leader will give us an idea of what the plans may be in connection with consideration of this bill.

Mr. MANSFIELD. May I say to the distinguished Senator from North Carolina that I have been approached by a number of Senators who indicated they did not wish a time limitation and by a few others who indicated they were considering the possibility of having the bill referred to the Committee on Armed Services because of certain sections which they think is within the purview of that committee's responsibility. I anticipate, if we are fortunate enough to have it laid down this afternoon, that we would at best only get started. There would be no votes. I am informed there are a number of amendments at the desk. One Member, I think, has seven amendments. So, it looks to me as if it will take some time.

Mr. HELMS. In other words, the able Senator is saying this probably will be carried over until the Senate returns after next week's recess; is that correct?

Mr. MANSFIELD. It is quite possible, unless the Senate in its wisdom decides otherwise and seeks to dispose of it before we go into a week's recess, to commemorate the memory of Abraham Lincoln. Of course, the Senator knows I cannot say what the Senator will do.

Mr. HELMS. I understand, and I appreciate the Senator's problem in trying to keep legislation moving. However, undue haste in this particular instance could be exceedingly detrimental in a great many ways.

Mr. TOWER. Mr. President, if the Senator will yield, I concur with what the Senator from North Carolina has said. This is a bill of very far-reaching import. In my view, the provisions of this bill, if adopted, will make the French the greatest munitions merchants in the world, maybe the leading munitions producer of all the world because this will so severely restrict American sales of American munitions abroad and so severely limit it that we will be out of the international arms business.

There are a lot of people who moralize about our selling arms abroad, but I think that there are two facts that remain clear.

I know we cannot morally justify it on the grounds that if we do not sell it to them the French will, or the British will, or someone else will. That is no moral justification, true. The fact of the matter is, if we sell arms, we have some control over their use, we have control over the spare parts and the maintenance, and we maintain some degree of American influence.

So I think that we need to consider this very carefully, and I for one urge that this bill be referred to the Committee on Armed Services. For one thing, there are serious implications in terms of arms costs for the United States. Everyone knows that, if we can sell American aircraft abroad, it reduces per unit cost of that aircraft in terms of our own defense procurement and, in some instances, helps sustain a production base that our own purchases alone will not sustain.

This is a bill of very serious implications, and I hope the Senate will act carefully on it. I hope that it can be referred to the Committee on Armed Services, but I for one am prepared to debate it extensively until such time as every Senator has had an opportunity to familiarize himself with it and what the implications are. So, I hope that we will not try to hurry consideration of this measure.

Mr. HELMS. Mr. President, I suggest the absence of a quorum while we discuss this matter further. Perhaps we can reach an understanding.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, in connection with S. 2662, I have taken no position on it. I do not know whether I will favor it or oppose it.

The **PRESIDING OFFICER.** If the Senator will suspend, there is pending a unanimous-consent request.

Mr. **HELMS.** I am getting to that, I say to the distinguished Presiding Officer.

Mr. **MANSFIELD.** The Senator's reservation still holds.

Mr. **HELMS.** That is correct. I thank the distinguished majority leader.

I do not know whether S. 2662 is good on the whole, and perhaps objectionable in part, or perhaps susceptible of improvement through amendments. And I do not think that any other Senators, except those who prepared it, are ready with their opinions.

However, just in glancing through it, I notice that, aside from the wholesale revision of our international security assistance programs, it touches upon some of the most controversial policy decisions that this body will have to make in this year. It touches upon U.S. participation in international narcotics enforcement. It prohibits almost any kind of assistance to Chile, the only nation so singled out. It expresses the sense of Congress with regard to the limitation of military deployments in the Indian Ocean. It expresses the sense of Congress with regard to the strife in Lebanon. It has a major revision with regard to strengthening human rights. It has a controversial antidiscrimination provision and a so-called legislative veto provision which may be of doubtful constitutionality, whatever the merits of the veto proposal in substance. All of these issues could involve prolonged debate, and I think that most Senators would be appreciative of sufficient time to examine the legislation and prepare for such a debate.

Mr. President, I understand that the distinguished majority leader has given assurance, as far as he can give it, that there will not be immediate action on this bill and that the wish of the many of us who do not want a unanimous-consent agreement on a time limitation will be respected. I say that, of course, for the record, in the full knowledge that the leadership, as always, will protect our rights.

Mr. **MANSFIELD.** I say to the distinguished Senator that what he said is correct. I do not anticipate any votes tonight. I, of course, cannot control any one Senator's actions, but in looking at the hour and at the magnitude of this bill, I say probably the best we could do is get started on it tonight.

I ask the distinguished manager of the bill.

Mr. **HUMPHREY.** That is right.

Mr. **MANSFIELD.** Probably some of these amendments and motions will be made tomorrow.

Mr. **HELMS.** Very well. I have no objection.

Mr. President, in that light I have no objection.

Mr. **McCLURE.** Mr. President, does the unanimous-consent request include also coming in at 9 a.m. tomorrow?

Mr. **MANSFIELD.** Yes. We have seven special orders.

Mr. **McCLURE.** I understand that.

Mr. President, I only state to the majority leader that I recognize the difficulties of scheduling, but we are trying very hard to complete the Clean Air Act Amendments in the markup session that started last June, and we are meeting at 8 a.m. every morning in the Committee on Public Works trying to do that. At this period of the session we ordinarily try to concentrate on committee work, because it must precede the action that will later be taken in the Chamber. These morning sessions, that we have been having, make it very difficult to be attentive to committee work that is also necessary for us.

Mr. **MANSFIELD.** The Senator is aware of the fact that, except under unusual circumstances, on the basis of unanimous-consent requests we have tried to avoid or, at least, prolong as much as possible, votes in the morning so that the committees could meet, and the joint leadership has consistently gotten unanimous consent that all committees be authorized to meet while the Senate is in session.

Mr. **McCLURE.** Again reserving the right to object, and I shall not object, but the work that is done in the Chamber ordinarily—I recognize tomorrow is a case where there are special orders—ought to involve a broad spectrum of the membership.

Mr. **MANSFIELD.** I agree.

Mr. **McCLURE.** Even though they may have the opportunity for the committees to meet, they have to make a choice, whether to attend to committee work or to attend to the work in the Chamber, and that is a very difficult choice at times.

Mr. **MANSFIELD.** Yes, but may I say again that it is the intention of the leadership to postpone the votes as long as possible to take care of the extraneous factors involved, morning business, and the like.

Mr. **GRIFFIN.** Mr. President, if the majority leader will yield to me, I do not wish my silence to indicate that I thoroughly agree with the procedure of coming in at 9 a.m. every morning.

I have been one of those who, from time to time, have registered concern and objection and passed along to the leadership the fact that many Members—at least on our side, and I do not know about the other side—are continually running into the problem of how they can fulfill their committee responsibilities and be on the floor of the Senate at the same time.

This morning, for example, the Committee on Rules and Administration was trying to meet on the matter of the budgets of the other committees. We would get just a little way along into a hearing and have to come to the floor for a rollcall vote. We had two or three votes this morning. We are going to proceed on a bill now that everybody almost concedes is not going to be disposed of before the recess. It is going to go over until we return.

I just want to indicate to the majority leader, with all due respect, that I sympathize with and share the concern of the Senator from Idaho. He spoke to me about it earlier, and I thought it might be worthwhile for him to say it in his own right.

If we are coming in every morning at 9 o'clock, we might as well forget about the committees affected doing their work.

Mr. **MANSFIELD.** Any Senator can object to a unanimous-consent request, but unfortunately——

Mr. **GRIFFIN.** They are very reluctant to do that.

Mr. **MANSFIELD.** I understand, because we have discussed this matter privately from time to time.

However, I point out that we do face a 5-day recess next week, commemorating the birth of Abraham Lincoln; that we face political conventions this year which will call for absences from this Chamber. We are bound by a legislative and appropriations schedule inherent in the mandate given to the Budget Committee.

I hope that the flexibility given the joint leadership would continue for as long as possible. There may come a time when objection will have to be made, but I hope not this early in the session.

Mr. **McCLURE.** Mr. President, if the Senator will yield, I think the majority leader knows the respect I have for him. I understand the difficulty he has in scheduling. One of the very real problems we have is the schedule mandated by the Budget Reform Act.

Mr. **MANSFIELD.** That is right. The Senator is a member of that committee, of course.

Mr. **McCLURE.** By March 15, each of the authorizing committees is supposed to have its recommendations made to the Budget Committee of the spending levels that they suggest for their area of jurisdiction. When we are at meetings in the morning, the authorizing committees cannot be conducting their oversight functions and hearings that are necessary to develop the recommendation which must be made by March 15.

Mr. **MANSFIELD.** The Senator is aware that we come in early to take care of special orders and the like; and if there are none, unless there is some extraordinary reason to which the Senate usualy agrees unanimously, we come in somewhat later.

Mr. **McCLURE.** I understand that when special orders are involved, that is an exceptional circumstance that does not involve the entire Senate; but when we have substantive legislation, it should involve the entire Senate.

Mr. **MANSFIELD.** When we have that, it conflicts with the committees, too.

Mr. **McCLURE.** I thank the Senator.

The **PRESIDING OFFICER.** Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Foreign Relations with an amendment to strike all after the enacting clause and insert the following:

That this Act may be cited as the "International Security Assistance and Arms Export Control Act of 1976".

TITLE I—MILITARY ASSISTANCE

AUTHORIZATION

SEC. 101. Section 504(a) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(a)(1) There is authorized to be appropriated to the President to carry out the purposes of this chapter $180,900,000 for the fiscal year 1976. Not more than the following amounts of funds available for carrying out this chapter may be allocated and made available to each of the following countries for such fiscal year:

"Country	*Amount*
Greece	$25,000,000
Indonesia	13,000,000
Jordan	50,000,000
Korea	54,000,000
Philippines	17,000,000
Thailand	15,000,000
Turkey	25,000,000
Ethiopia	5,000,000

The amount specified in this paragraph for military assistance to any such country for the fiscal year 1976 may be increased by not more than 10 per centum of such amount if the President deems such increase necessary for the purposes of this chapter.

"(2) Not to exceed $5,200,000 of the funds made available for fiscal year 1976 to carry out the purposes of this chapter may be used to provide assistance to countries and international organizations which are not designated in paragraph (1).

"(3) Funds made available for assistance under this chapter may not be used to furnish assistance to more than twenty countries (including those countries designated in paragraph (1)) in fiscal year 1976.

"(4) The authority of section 610(a) and of section 614(a) may not be used to increase any amount specified in paragraph (1) or (2). The limitation contained in paragraphs (1), (2), and (3) shall not apply to emergency assistance furnished under section 506(a).

"(5) There is authorized to be appropriated to the President for administrative and other related expenses incurred in carrying out the purposes of this chapter $32,000,000 for the fiscal year 1976.

"(6) None of the funds appropriated under this subsection shall be used to furnish sophisticated weapons systems, such as missile systems or jet aircraft for military purposes, to any less developed country not specified in paragraph (1), unless the President determines that the furnishing of such weapons systems is important to the national security of the United States and reports within thirty days each such determination to the Congress.

"(7) Amounts appropriated under this subsection are authorized to remain available until expended.

"(8) With respect to future requests for foreign military assistance and security supporting assistance authorizations, the President shall take into account, in determining the level of security assistance requests for individual countries, the positions taken by such countries in international organizations which affect important United States interests.

"(9) Assistance for Turkey under this chapter shall be subject to the requirements of section 620(x) of this Act."

SPECIAL AUTHORITY

SEC. 102. Section 506(a) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(a)(1) If the President first determines and reports to Congress in accordance with section 652 of this Act—

"(A) that an unforeseen emergency exists which requires immediate military assistance to a foreign country or international organization;

"(B) that a failure to respond immediately to that emergency will result in serious harm to vital United States security interests; and

"(C) that the emergency requirement cannot be met under authority of the Arms Export Control Act or any other law except this section;

he may order defense articles from the stocks of the Department of Defense and defense services for the purposes of this part, subject to reimbursement from subsequent appropriations made specifically therefor under subsection (b).

"(2) The total value of defense articles and defense services ordered under this subsection in any fiscal year may not exceed $75,000,000. The authority contained in this subsection shall be effective in any fiscal year only to the extent provided in an appropriation Act.

"(3) The President shall keep the Congress fully and currently informed of all defense articles and defense services ordered under this subsection.".

INELIGIBILITY

SEC. 103. Section 505(d) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(d)(1) Assistance and deliveries of assistance under this chapter to any country shall be terminated, as hereinafter provided, if such country uses defense articles or defense services furnished under this Act, the Mutual Security Act of 1954, as amended, or any predecessor Foreign Assistance Act, in substantial violation (either in terms of quantities, or in terms of the gravity of the consequences regardless of quantities involved) of the provision of any agreements entered into pursuant to any of such Acts, (A) by using such articles or services for a purpose not authorized under section 502, or (B) by transferring any such articles to, or permitting any use of any such articles by, anyone not an officer, employee, or agent of the recipient country without the consent of the President, or (C) by failing to maintain the security of such articles or such services.

"(2) Assistance and deliveries of assistance shall be terminated pursuant to paragraph (1) of this subsection if the President so determines and so states in writing to the Congress, or if the Congress so finds by concurrent resolution.

"(3) Such assistance to a country shall remain terminated in accordance with paragraph (1) of this subsection until such time as—

"(A) the President determines that such violation has ceased; and

"(B) the country concerned has given assurances satisfactory to the President that such violation will not recur.

"(4) The authority contained in section 614(a) of this Act may not be used to waive the provisions of this section with respect to further assistance under this chapter.".

PROHIBITION AGAINST DISCRIMINATION

SEC. 104. Immediately after subsection (f) of section 505 of the Foreign Assistance Act of 1961 add the following new subsection:

"(g)(1) It is the policy of the United States that no assistance under this chapter should be furnished to any foreign country, the laws, regulations, official policies, or governmental practices of which prevent any United States national from participating in the furnishing of defense articles or defense services under this chapter on the basis of race, religion, national origin, or sex.

"(2)(A) No agency performing functions under this chapter shall, in employing or assigning personnel to participte in the performance of any such function whether in the United States or abroad, take into account the exclusionary policies or practices of any foreign government where such policies or practices are based upon race, religion, national origin, or sex.

"(B) Each contract entered into by any agency referred to in subparagraph (A) for the performance of any function under this chapter shall contain a provision to the effect that no person, partnership, corporation, or other entity performing functions pursuant to such contract, shall, in employing or assigning personnel to participate in the performance of any such function whether in the United States or abroad, take into account the exclusionary policies or practices of any foreign government where such policies or practices are based upon race, religion, national origin, or sex.

"(3) The President shall promptly transmit reports to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate concerning any transaction in which any United States person (as defined in section 7701(a)(30) of the Internal Revenue Code of 1954) is prevented by a foreign government on the basis of race, religion, national origin, or sex, from participating in the furnishing of assistance under this chapter, or education and training under chapter 5, to any foreign country. Such report shall include (A) a description of the facts and circumstances of any such discrimination, (B) the response thereto on the part of the United States or any agency or employee thereof, and (C) the result of such response, if any.

"(4) If the discrimination by a foreign government reported pursuant to paragraph (3) of this subsection continues so that such person would be prevented from participating in the furnishing of such military assistance transaction, or military education or training transaction, under the provisions of this Act on account of race, religion, national origin, or sex of such person (including, in the case of a partnership, corporation, association, or other entity, any officer, employee, agent, director, or owner thereof), then the President shall immediately terminate such assistance or training transaction.".

STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES

SEC. 105. Section 514 of the Foreign Assistance Act of 1961 is amended to read as follows:

"SEC. 514. STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES.—(a) No defense article in the inventory of the Department of Defense which is set aside, reserved, or in any way earmarked or intended for future use by any foreign country may be made available to or for use by any foreign country unless such transfer is authorized under this Act or the Arms Export Control Act, or any subsequent corresponding legislation, and the value of such transfer is charged against funds authorized under such legislation or against the limitations specified in such legislation, as appropriate, for the fiscal period in which such defense article is transferred. For purposes of this subsection, 'value' means the acquisition cost plus crating, packing, handling and transportation costs incurred in carrying out this section.

"(b) The value of defense articles to be set aside, earmarked, reserved, or intended for use as war reserve stocks for allied or other foreign countries (other than for purposes of the North Atlantic Treaty Organization) in stockpiles located in foreign countries may not exceed in any fiscal year an amount greater than is specified in security assistance authorizing legislation for that fiscal year.

"(c) Except for stockpiles located in countries which are members of the North Atlantic Treaty Organization, no stockpile may be located outside the boundaries of a United States military base or a military base used primarily by the United States.

"(d) No defense article transferred from any stockpile which is made available to or for use by any foreign country may be considered an excess defense article for the purpose of determining the value thereof.".

MILITARY ASSISTANCE ADVISORY GROUPS AND MISSIONS

SEC. 106. Section 515 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsections:

"(b) (1) After September 30, 1977, no military assistance advisory group, military mission, or other organization of United States military personnel performing similar military advisory functions under this Act may operate in any foreign country unless specifically authorized by the Congress.

"(2) The President may assign to those countries in which military missions are terminated after the date of enactment of this subsection not more than three members of the Armed Forces of the United States to the Chief of each United States Diplomatic Mission to perform such functions as such Chief of Mission determines necessary with respect to international military training provided under chapter 5 of this part, to sales of defense articles and services under the Foreign Military Sales Act or to such other international security assistance programs as the President may designate.

"(c) After June 30, 1976—

"(1) the number of military missions, groups, and similar organizations may not exceed 34; and

"(2) the number of officers and employees of the United States (including military personnel) assigned to duty with, detailed to, or employed by such missions, groups, and organizations may not exceed 1,400.".

AUTHORITY TO FURNISH GRANT MILITARY ASSISTANCE

SEC. 107. Chapter 2 of part II of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 516. TERMINATION OF AUTHORITY.—(a) Except to the extent that the Congress may, subsequent to the enactment of this section, authorize the furnishing of military assistance in accordance with this chapter to specified countries in specified amounts, the authorities contained in this chapter (other than the authorities contained in sections 500 and 515) may no longer be exercised after September 30, 1977, except that such authorities shall remain available until September 30, 1980, to the extent necessary to carry out obligations incurred under this chapter prior to September 30, 1977.

"(b) Funds available to carry out this chapter shall be available notwithstanding the limitations contained in paragraphs (2) and (3) of section 504(a) of this Act—

"(1) for the winding up of military assistance programs under this chapter, including payment of the costs of packing, crating, handling, and transporting defense articles furnished under this chapter and of related administrative costs; and

"(2) for costs incurred under section 503 (c) with respect to defense articles on loan to countries no longer eligible under section 504(a) for military assistance.".

INTERNATIONAL MILITARY EDUCATION AND TRAINING

SEC. 108. (a) Part II of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new chapter:

"CHAPTER 5—INTERNATIONAL MILITARY EDUCATION AND TRAINING

"SEC. 541. GENERAL AUTHORITY.—(a) The President is authorized to furnish on such terms and conditions consistent with this Act as the President may determine, military education and training to military and related civilian personnel of any friendly foreign country or international organization. Such training and education may be provided through—

"(1) attendance at military educational and training facilities in the United States (other than Service academies) and abroad; and

"(2) attendance in special courses of instruction at schools and institutions of learning or research in the United States and abroad; and

"(3) observation and orientation visits to military facilities and related activities in the United States and abroad.

"(b) After June 30, 1976, no such training may be conducted outside the United States unless the President has reported and justified such training to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate.

"SEC. 542. AUTHORIZATION.—There are authorized to be appropriated to the President to carry out the purposes of this chapter $25,000,000 for the fiscal year 1976.

"SEC. 543. PURPOSES.—(a) Education and training activities conducted under this chapter shall be designed—

"(1) to encourage effective and mutually beneficial relationships and increased understanding between the United States and foreign countries, in furtherance of the goals of international peace and security; and

"(2) to improve the ability of participating foreign countries to utilize their resources, including defense articles and defense services obtained by them from the United States, with maximum effectiveness, thereby contributing to greater self-reliance by such countries.

"(b) No training may be provided under this chapter which is directly associated with the operation of major weapons systems of United States origin which, at the time such training would be provided, the country involved neither owns, nor is programed to receive under chapter 2, nor has ordered under section 21 or section 22 of the Arms Export Control Act.".

(b) The Foreign Assistance Act of 1961 is amended as follows:

(1) Section 622, relating to coordination with foreign policy, is amended as follows:

(A) In subsection (b) immediately after the phrase "(including civic action)" insert the words "and military education and training".

(B) Subsection (c) is amended to read as follows:

"(c) Under the direction of the President, the Secretary of State shall be responsible for the continuous supervision and general direction of economic assistance, military assistance, and military education and training programs, including but not limited to determining whether there shall be a military assistance (including civic action) or a military education and training program for a country and the value thereof, to the end that such programs are effectively integrated both at home and abroad and the foreign policy of the United States is best served thereby.".

(2) Section 623, relating to the Secretary of Defense, is amended as follows:

(A) In subsection (a)(4), immediately after the word "military", insert the words "and related civilian".

(B) In subsection (a)(6), immediately after the word "assistance", insert a comma and the words "education and training".

(3) Section 632, relating to allocation and reimbursement among agencies, is amended as follows:

(A) Insert in subsections (a) and (e) immediately after the word "articles", wherever it appears, a comma and the words "military education and training".

(B) Strike out, in subsection (b), the words "and defense articles" and insert in lieu thereof a comma and the words "defense articles, or military education and training".

(4) Section 636, relating to provision on uses of funds, is amended as follows:

(A) In subsection (g)(1), immediately after the word "articles", insert a comma and the words "military education and training.".

(B) In subsection (g)(2) and in subsection (g)(3), strike out the word "personnel" and insert in lieu thereof the words "and related civilian personnel".

(5) Section 644, relating to definitions, is amended as follows:

(A) Subsection (f) is amended to read as follows:

"(f) 'Defense service' includes any service, test, inspection, repair, publication, or technical or other assistance or defense information used for the purposes of furnishing military assistance, but shall not include military educational and training activities under chapter 5 of part II.".

(B) There is added at the end thereof the following new subsection:

"(n) 'Military education and training' includes formal or informal instruction of foreign students in the United States or overseas by officers or employees of the United States, contract technicians, contractors (including instruction at civilian institutions), or by correspondence courses, technical, educational, or information publications and media of all kinds, training aids, and orientation.".

(c) Except as may be expressly provided to the contrary in this Act, all determinations, authorizations, regulations, orders, contracts, agreements, and other actions issued, undertaken, or entered into under authority of any provision of law amended or repealed by this section shall continue in full force and effect until modified, revoked, or superseded by appropriate authority.

(d) Funds made available pursuant to other provisions of law for foreign military educational and training activities shall remain available for obligation and expenditure for their original purposes in accordance with the provisions of law originally applicable to those purposes or in accordance with the provisions of law currently applicable to those purposes.

SPECIAL AUTHORITIES

SEC. 109. Section 614 of the Foreign Assistance Act of 1961 is amended as follows:

(1) Subsection (a) thereof,

(A) strike out the designation "(a)"; and

(B) strike out the word "subsection" and insert in lieu thereof the word "section".

(2) Subsections (b) and (c) thereof are repealed.

ANNUAL FOREIGN SALES REPORT

SEC. 110. Section 657 of the Foreign Assistance Act of 1961 is amended as follows:

(1) The section caption is amended by inserting after "FOREIGN ASSISTANCE" the words "AND MILITARY EXPORTS".

(2) Paragraph (1) of subsection (a) thereof is amended to read as follows:

"(1) the aggregate dollar value of all foreign assistance, foreign military sales, sales credits, and guaranties provided or made by the United States Government by any means to all foreign countries and international organizations, and the aggregate dollar value of such assistance, sales, sales credits, and guaranties by category provided or made by the United States Government to or for each such country or organization during that fiscal year;".

(3) Paragraph (3) of subsection (a) is amended—

(A) by striking out "under any export license,"; and

(B) by striking out the semicolon at the end thereof and inserting in lieu thereof a comma and the following: "and specifying whether such export was sold under chapter 2 of the Arms Export Control Act or was a commercial export for which a license was granted pursuant to chapter 3 thereof.".

(4) Subsection (b) is amended by striking out the last two sentences thereof.

(5) Subsection (c) is amended by striking out in each place where they appear the words "or supplemental report".

HUMAN RIGHTS

Sec. 111. (a) Section 502B of the Foreign Assistance Act of 1961 is amended to read as follows:

"Sec. 502B. Human Rights.—(a)(1) It is the policy of the United States that, except under circumstances specified in this section, no security assistance may be provided to any country the government of which engages in a consistent pattern of gross violations of internationally recognized human rights.

"(2) It is further the policy of the United States, in accordance with its international obligations as set forth in the Charter of the United Nations and in keeping with the constitutional heritage and traditions of the United States, to promote and encourage increased respect for human rights and fundamental freedoms for all without distinction as to race, sex, language or religion. To this end, a principal goal of the foreign policy of the United States is to promote the increased observance of internationally recognized human rights by all countries.

"(3) In furtherance of the foregoing policy the President is directed to formulate and conduct international security assistance programs of the United States in a manner which will promote and advance human rights and avoid identification of the United States, through such programs, with governments which deny to their people internationally recognized human rights and fundamental freedoms, particularly the rights to life, liberty and the security of person (through such gross violations as torture or cruel, inhuman, or degrading treatment or punishment, or prolonged detention without charges) in violation of international law or in the contravention of the policy of the United States.

"(b) The Director of the Office of Human Rights, Department of State, shall transmit to the Congress, as part of the presentation materials for security assistance for each fiscal year beginning with the fiscal year 1977, a full and complete report with respect to practices regarding the observance of and respect for such human rights in each country proposed to be a recipient of security assistance. In the preparation of such report the Director shall take into account—

"(1) the relevant findings of appropriate international organizations, including nongovernmental organizations (such as the International Committee of the Red Cross) having consultative status with the United Nations; and organizations acting under the authority of the United Nations, the Organization of American States, the Council of Europe, or other appropriate regional organizations of states; and

"(2) the extent of cooperation by such government in permitting an unimpeded investigation by any such organization of alleged violations of internationally recognized human rights.

"(c)(1) Upon the request of the Senate or the House of Representatives by resolution of either such House, or of the Committee on Foreign Relations of the Senate or the Committee on International Relations of the House of Representatives, the Director of the Office of Human Rights shall, within thirty days after receipt of such request, transmit to both such committees a statement setting forth—

"(A) a detailed description of practices by the recipient government of the type described in subsection (b) of this section;

"(B) the steps the United States has taken to—

"(i) discourage any practices which are inimical to internationally recognized human rights; and

"(ii) publicly or privately call attention to, and disassociate any assistance provided under this Act from, such practices;

"(C) whether, in the opinion of the Secretary of State, notwithstanding any such practices, exceptional circumstances require that such assistance should be continued, and, if so, a description of such circumstances and the extent to which assistance should be continued; and

"(D) such other information as such committee or such House may request.

"(2)(A) A resolution of request under paragraph (1) of this subsection shall be considered in accordance with the provisions of section 301(b) of the International Security Assistance and Arms Export Control Act of 1975.

"(B) The term 'certification', as used in section 301(b) of such Act, means, for the purposes of this subsection, a resolution of request of either House under paragraph (1) of this subsection.

"(C) The term 'resolution', as used in section 301(b) of such Act, means, for the purposes of paragraphs (1) and (2) of this subsection, only a simple resolution of either House, the matter after the resolving clause of which is as follows: 'That the (Senate/House of Representatives) requests a statement pursuant to section 502B(c)(1) of the Foreign Assistance Act of 1961 with respect to   , the appropriate term being selected from the parentheses, and the blank space therein being filled with the name of the foreign country with respect to which such request is made.

"(3) In the event a statement with respect to a country is requested pursuant to subsection (c)(1) of this section but is not transmitted in accordance therewith, not later than thirty days after receipt of a request for such statement no security assistance shall be delivered to such country except as may be specifically authorized by law for such country unless and until such statement is transmitted.

"(4)(A) In the event a statement with respect to a country is transmitted under subsection (c) of this section, the Congress may, within the first period of thirty days of continuous session after such report is transmitted, adopt a concurrent resolution terminating or restricting the provision of security assistance to such country. In the event such concurrent resolution is adopted, such assistance shall be so terminated or so restricted, as the case may be.

"(B) Such resolution shall be considered in accordance with the provisions of section 301(b) of the International Security Assistance and Arms Export Control Act of 1975.

"(C) The term 'certification', as used in section 301(b) of such Act, means for purposes of this paragraph, a statement transmitted under subsection (c) of this section.

"(D) The term 'resolution', as used in section 301(b) of such Act, means, for the purposes of this paragraph, only a concurrent resolution, the matter after the resolving clause of which is as follows: That the Congress, in consideration of the statement transmitted on   , 19   , pursuant to section 502B(c)(1) of the Foreign Assistance Act of 1961 with respect to   , directs that the provision of security assistance to such country be   '; the first blank therein being filled with the date of the transmittal of such certification, the second blank therein being filled with the name of the country to which such certification pertains, and the third blank therein being filled with either the word 'terminated' or the words 'restricted as follows:' followed by the terms of such restriction.

"(d) For the purposes of this section, 'security assistance' means—

"(1) assistance under chapter 2 (military assistance) or chapter 4 (security supporting assistance) or chapter 5 (military education and training) of this part or part VI (Middle East Peace) of this Act;

"(2) sales of defense articles or services, extensions of credits (including participations in credits), and guarantees of loans under the Arms Export Control Act;

"(3) any license in effect with respect to the export of defense articles or defense services (including technical data relating thereto) to or for the armed forces, police, intelligence, or other internal security forces of a foreign country under section 38 of the Arms Export Control Act.".

(b) Section 624 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

"(f)(1) There is established in the Department of State an Office of Human Rights, to be headed by a Director who shall be appointed by the President by and with the advice and consent of the Senate.

"(2) The Director shall maintain continuous observation and review of all foreign assistance programs, including security assistance programs, for the purpose of—

"(A) gathering detailed information regarding the observance of and respect for internationally recognized human rights in each country receiving security assistance as defined in section 502B of this Act, and preparing, for transmission to the Congress, the reports and statements required by section 502B;

"(B) determining whether such assistance is being furnished in compliance with the provisions of section 116 and 502B of this Act; and

"(C) making recommendations to the President, the Secretary of State, and the Administrator for the correction of any deficiencies in such compliance.

"(3) Any report or statement required by this section prior to the establishment of the Office of Human Rights shall be submitted by the Secretary of State.".

ASSISTANCE TO TURKEY

Sec. 112. Section 620(v)(1) of the Foreign Assistance Act of 1961 is amended—

(1) by striking out "Provided," and all that follows through the end of that sentence and inserting in lieu thereof the following: "*Provided*, That during fiscal year 1976 and the transition quarter, the President may suspend the provisions of this subsection and of section 3(c) of the Foreign Military Sales Act with respect to cash sales under such Act of such defense articles and services as the President determines are necessary to enable Turkey to fulfill her defense responsibilities as a member of the North Atlantic Treaty Organization. Each determination under this subsection shall be reported to the Congress prior to the sale with respect to which it is made and shall be accompanied by a full and complete statement of the reasons supporting the President's determination and a statement containing the information specified in clauses (A) through (D) of section 2(c)(4) of the Act of October 6, 1975 (Public Law 94–104)."; and

(2) in the last sentence thereof, immediately after the word "forces" insert "or its civilian population".

LIMITATION ON CERTAIN ASSISTANCE TO AND ACTIVITIES IN ANGOLA

Sec. 113. Chapter 3 of part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"Sec. 665. Limitation on Certain Assistance to and Activities in Angola.—(a) It is the sense of Congress that—

"(1) the people of Angola should be allowed to determine their own political future without military interference from any foreign country;

"(2) the Congress supports efforts by the

Organization of African Unity to achieve a settlement of the conflict in Angola and calls upon all countries to terminate any military assistance such countries may be giving to any group, organization, movement, or individual in Angola;

"(3) a disengagement by such countries would be a welcome reaffirmation of the spirit of detente, both throughout the world and in Africa; and

"(4) the President should do his utmost to seek an agreement among the various parties involved in hostilities or in the support of such hostilities in Angola to terminate such hostilities or such support.

"(b)(1) Notwithstanding any other provision of law, except as provided by paragraph (2)(B) of this subsection, no payment of money may be made, no security assistance may be furnished or delivered, and no assistance may be furnished or delivered for military or paramilitary operations, or to provide, in connection with such operations, police training, assistance, or advice, directly or indirectly, in, to, for, or on behalf of, Angola, any individual, group, organization, or movement in Angola, or any other country for the purpose of furnishing or delivering such assistance, unless such assistance is specifically authorized under this Act.

"(2)(A) The President shall, in the event he believes the furnishing of such security assistance is necessary, transmit to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate a full and complete report describing—

"(i) the extent to which the foreign policy interests of the United States require such assistance; and

"(ii) the amounts and types of assistance which have been furnished and which are proposed to be furnished.

Such report shall be furnished to the Congress in unclassified form.

"(B)(i) Security assistance, the furnishing of which would otherwise be prohibited under paragraph (1) of this subsection, may be furnished in accordance with this Act after the end of the first period of thirty days in which Congress is in session following the transmission of any such report under subparagraph (A) of this paragraph, unless before the end of such thirty-day period either House of the Congress has agreed to a resolution disapproving the furnishing of such assistance.

"(ii) Such resolution shall be considered in accordance with the provisions of section 301(b) of the International Security Assistance and Arms Export Control Act of 1975.

"(iii) For the purposes of such section, the term 'certification', as used in section 301(b) of such Act, shall be deemed to mean a report transmitted under subparagraph (A) of this paragraph.

"(iv) The term 'resolution', as used in section 301(b) of such Act, means, for purposes of this paragraph, only a simple resolution of either House, the matter after the resolving clause of which is as follows: 'That the (Senate/House of Representatives) does not approve of the report regarding security assistance with respect to Angola, transmitted to the Congress by the President on , 19 .'; the appropriate term being selected from the parentheses, and the blank space therein being filled with the date of the transmittal of the request.

"(c) Not later than thirty days after the date of enactment of this section, the President shall transmit on the same day to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate a full and complete report describing—

"(1) the military activities of foreign countries in Angola and any military assistance or support provided by such countries; and

"(2) steps he has taken to carry out paragraph (4) of subsection (a) of this section.

"(d) For the purposes of this section, 'security assistance' means—

"(1) assistance under chapter 2 (military assistance), chapter 5 (international military education and training), or chapter 4 (security supporting assistance) of part II of this Act;

"(2) sales of defense articles or services, extensions of credits (including participations in credits), and guarantees of loans under the Foreign Military Sales Act; and

"(3) deliveries pursuant to any license in effect with respect to the export of defense articles or defense services (including technical data relating thereto) under section 38 of the Arms Export Control Act.

"(e) The authority contained in section 614(a) of this Act may not be used to waive the provisions of this section.".

TITLE II—ARMS EXPORT CONTROLS

CHANGE IN TITLE AND RESTRICTIONS ON COMMERCIAL SALES

SEC. 201. (a) The first section of the Foreign Military Sales Act is amended by striking out "The Foreign Military Sales Act" and inserting in lieu thereof "The Arms Export Control Act".

(b) Section 1 of the Foreign Military Sales Act is amended by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: "except with respect to sales to foreign countries of major defense equipment, as defined in section 21(e)(3) of this Act. No license shall be issued under this Act for the export to a foreign country under a commercial sale of such major defense equipment valued at $25,000,000 or more.".

STATEMENT OF POLICY

SEC. 202. Section 1 of the Foreign Military Sales Act is amended by adding at the end thereof the following new paragraphs:

"It shall be the policy of the United States to exert leadership in the world community to bring about arrangements for reducing the international trade in implements of war and to lessen the danger of outbreak of regional conflict and the burdens of armaments, United States programs for or procedures governing the export, sale, and grant of arms and munitions to foreign countries and international organizations shall be administered in a manner which will carry out this policy.

"It is the sense of the Congress that the President should seek to initiate multilateral discussions for the purpose of reaching agreements among the principal arms suppliers and arms purchasers and other countries with respect to the control of the international trade in armaments. It is further the sense of Congress that the President should work actively with all nations to check and control the international sale and distribution of conventional weapons of death and destruction and to encourage regional arms control arrangements. In furtherance of this policy, the President should undertake a concerted effort to convene an international conference of major arms-supplying and arms-purchasing nations which shall consider measures to limit conventional arms transfers in the interest of international peace and stability. The President shall report to the Congress not later than June 30, 1976, and as may be appropriate thereafter, on the steps taken to carry out the provisions of this paragraph.".

TRANSFER OF DEFENSE SERVICES

SEC. 203. (a) Section 3(a)(2) of the Foreign Military Sales Act is amended, effective July 1, 1976, by inserting immediately after the word "article" each place it appears the words "or related training or other defense service".

(b) Section 505(a) of the Foreign Assistance Act of 1961 is amended, effective July 1, 1976, by inserting immediately after the word "articles" each place it appears the words "or related training or other defense service".

APPROVAL FOR TRANSFER OF DEFENSE ARTICLES AND SERVICES

SEC. 204. (a) Section 3 of the Foreign Military Sales Act is amended by adding at the end thereof the following new subsections:

"(e) The President may not give his consent under paragraph (2) of subsection (a) or under the third sentence of such subsection to a transfer of defense articles having a value of $25,000,000 or more or any major defense equipment as defined in section 21(e) of this Act, or training related to such articles or equipment sold or licensed for export under this Act, and may not give his consent to such a transfer under section 505(a)(1) or 505(a)(4) of the Foreign Assistance Act of 1961 unless—

"(1) the President submits to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate, on the same day, a written certification with respect to such proposed transfer containing—

"(A) the name of the country or international organization proposing to make such transfer,

"(B) a description of the article, equipment, or training proposed to be transferred, including the original acquisition cost of such defense article,

"(C) the name of the proposed recipient thereof,

"(D) the reasons for such proposed transfer, and

"(E) the date on which such transfer is proposed to be made; and

"(2) either—

"(A) the Congress does not adopt a concurrent resolution disapproving the certification within the first period of thirty calendar days after the date on which such certification is submitted; or

"(B) the President states in his certification that an emergency exists which requires such transfer in the national security interests of the United States.

Any certification submitted to Congress pursuant to this subsection shall be unclassified except that information regarding the dollar value and number of defense articles or defense services proposed to be transferred may be classified if public disclosure thereof would be clearly detrimental to the security of the United States.

"(f) If the President receives any information that a transfer of any defense article or defense service has been made without his consent as required under this section or under section 505 of the Foreign Assistance Act of 1961, he shall report such information immediately to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate.

"(g)(1) Such resolution shall be considered in accordance with the provisions of section 301(b) of the International Security Assistance and Arms Export Control Act of 1975.

"(2) The term 'resolution', as used in section 301(b) of such Act, means, for the purposes of this subsection, only a concurrent resolution, the matter after the resolving clause of which is as follows: 'That the Congress does not approve the certification of intent to consent to transfer with respect to , transmitted to the Congress by the President on , 19 .'; the first blank therein being filled with the name of the foreign country to which such certification pertains, and the second blank therein being filled with the date of the transmittal of such certification; but does not include a resolution specifying a certification with respect to more than one country.".

(b)(1) The second sentence of subsection (a) of section 3 of the Foreign Military

Sales Act is amended by striking out ", and prior" and all that follows thereafter through "transferred" the second time it appears.

(2) The first sentence of section 505(e) of the Foreign Assistance Act of 1961 is amended by striking out ", and prior" and all that follows thereafter through "transferred" the second time it appears.

PROHIBITIONS AGAINST DISCRIMINATION

Sec. 205. Chapter 1 of the Foreign Military Sales Act is amended by adding at the end thereof the following new section:

"Sec. 5. Prohibition Against Discrimination.—(a) It is the policy of the United States that no sales should be made, credits (including participations in credits) or guarantees extended to any foreign country, the laws, regulations, official policies, or governmental practices of which prevent any United States national from participating in the furnishing of defense articles or defense services under this Act on the basis of race, religion, national origin, or sex.

"(b)(1) No agency performing functions under this Act shall, in employing or assigning personnel to participate in the performance of any such function whether in the United States or abroad, take into account the exclusionary policies or practices of any foreign government where such policies or practices are based upon race, religion, national origin, or sex.

"(2) Each contract entered into by any such agency for the performance of any function under this Act shall contain a provision to the effect that no person, partnership, corporation, or other entity performing functions pursuant to such contract, shall, in employing or assigning personnel to participate in the performance of any such function whether in the United States or abroad, take into account the exclusionary policies or practices of any foreign government where such policies or practices are based upon race, religion, national origin, or sex.

"(c) The President shall promptly transmit reports to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate concerning any instance in which any United States person (as defined in section 7701(a)(30) of the Internal Revenue Code of 1954) is prevented by a foreign government on the basis of race, religion, national origin, or sex, from participating in the performance of any sale or licensed transaction under this Act. Such report shall include (1) a description of the facts and circumstances of any such discrimination, (2) the response thereto on the part of the United States or any agency or employee thereof, and (3) the result of such response, if any.

"(d) If the discrimination by a foreign government reported pursuant to subsection (c) continues so that such person would be prevented from participating in the performance of any sale or licensed transaction under the provisions of this Act on account of race, religion, national origin, or sex of such person or, in the case of a partnership, corporation, or other entity, of any officer employee, agent, director, or owner of such partnership, corporation, or other entity, then the President shall immediately cancel such sale or suspend such license, as the case may be.".

INELIGIBILITY

Sec. 206. (a) Section 3(c) of the Foreign Military Sales Act is amended to read as follows:

"(c)(1) No credits (including participations in credits) may be issued nor guarantees extended for any foreign country under this Act, as hereinafter provided, if such country uses defense articles or defense services furnished under this Act, the Mutual Security Act of 1954, as amended, or any predecessor Act, in substantial violation (either in terms of quantities, or in terms of the gravity of the consequences regardless of quantities involved) of the provision of any agreements entered into pursuant to any of such Acts (A) by using such articles or services for a purpose not authorized under section 4, or (B) by transferring any such articles to, or permitting any use of any such articles by, anyone not an officer, employee, or agent of the recipient country without the consent of the President, or (C) by failing to maintain the security of such articles or such services.

"(2) No such credits or guarantees may be issued or extended, as provided by paragraph (1) of this subsection, if the President so determines and so states in writing to the Congress, or if the Congress so determines by concurrent resolution.

"(3) A country shall remain ineligible in accordance with paragraph (1) of this subsection until such time as—

"(A) the President determines that such violation has ceased; and

"(B) the country concerned has given assurances satisfactory to the President that such violation will not recur.

(b) Section 3(d) of the Foreign Military Sales Act is repealed.

USE OF CIVILIAN CONTRACT PERSONNEL

Sec. 207. Section 4 of the Foreign Military Sales Act is amended by adding at the end thereof the following: "The President shall, to the maximum extent possible and consistent with the purposes of this Act, use civilian contract personnel in any foreign country to perform defense services sold under this Act.".

SALES FROM STOCKS

Sec. 208. Section 21 of the Foreign Military Sales Act is amended to read as follows:

"Sec. 21. Sales From Stocks.—(a)(1) The President may sell defense articles and defense services specified in paragraph (2) of this subsection from the stocks of the Department of Defense to any eligible country or international organization if such country or international organization agrees to pay in United States dollars—

"(A) in the case of a defense article not intended to be replaced at the time such agreement is entered into, not less than the actual value thereof;

"(B) in the case of a defense article intended to be replaced at the time such agreement is entered into, the estimated cost of replacement of such article, including the contract or production costs less any depreciation in the value of such article; or

"(C) in the case of the sale of a defense service, the full cost to the United States Government of furnishing such service.

"(2) For the purposes of subsection (a)(1), defense services shall be limited to—

"(A) packing, crating, handling, and transportation services related to defense articles sold pursuant to this Act;

"(B) the repair and rehabilitation of defense articles of United States origin;

"(C) the sale of technical data;

"(D) the launching of satellites;

"(E) military education and retraining;

"(F) research and development;

"(G) architectural, engineering and construction supervision;

"(H) technical advice, evaluation and assistance; and

"(I) studies and surveys of purchaser requirements.

"(b) Except as provided by subsection (d) of this subsection, payment shall be made in advance or, if the President determines it to be in the national interest, upon delivery of the defense article or rendering of the defense service.

"(c) Personnel performing defense services sold under this Act may not perform any duties of a combatant nature, including any duties related to training, advising, or otherwise providing assistance regarding combat activities, outside the United States in connection with the performance of those defense services.

"(d) If the President determines it to be in the national interest pursuant to subsection (b) of this section, billings for sales made under letters of offer issued under this section after the enactment of this subsection may be dated and issued upon delivery of the defense article or rendering of the defense service and shall be due and payable upon receipt thereof by the purchasing country or international organization. Interest shall be charged on any net amount due and payable which is not paid within sixty days after the date of such billing. The rate of interest charged shall be a rate equivalent to the current average yield on short-term marketable securities of the United States as of the last day of the month preceding the billing and shall be computed from the date of billing. The President may extend such sixty-day period to one hundred and twenty days if he determines that emergency requirements of the purchaser for acquisition of such military items exceed the ready availability to the purchaser of funds sufficient to pay the United States in full for them within the said sixty-day period and submits that determination to the Congress together with a special emergency request for the authorization and appropriation of additional funds to finance such purchases under this Act.

"(e)(1) After September 30, 1976, letters of offer for the sale of defense articles or for the sale of defense services that are issued pursuant to this section or pursuant to section 22 of this Act shall include appropriate charges for—

"(A) administrative services, calculated on an average percentage basis to recover the full estimated costs of administration of sales made under this Act to all purchasers of such articles and services;

"(B) any use of plant and production equipment in connection with such defense articles; and

"(C) a proportionate amount of any nonrecurring costs of research, development, and production of major defense equipment, as defined in paragraph (3) of this subsection.

"(2) The President may reduce or waive the charge or charges which would otherwise be considered appropriate under subparagraphs (1)(B) and (i)(C) for particular sales that would, if made, significantly advance United States Government interests in North Atlantic Treaty Organization standardization, or foreign procurement in the United States under coproduction arrangements.

"(3) For the purposes of this Act, major defense equipment means a defense equipment or weapons system having a total research and development investment for hardware of $50,000,000 or more, or a total estimated production cost, both recurring and nonrecurring, of $200,000,000 or more.

"(f) Any contracts entered into between the United States and a foreign country under the authority of this section or section 22 of this Act shall be prepared in a manner which will permit them to be made available for public inspection, to the fullest extent possible consistent with the national security of the United States.

"(g) In carrying out section 814 of Public Law 94-106, relating to North Atlantic Treaty Organization standardization programs, the President may enter into North Atlantic Treaty Organization standardization agreements for the cooperative furnishing of training on a bilateral or multilateral basis, if the financial principles of such agreements are based on reciprocity. Such agreements shall include reimbursement for all direct costs but may exclude reimbursement for indirect costs, administrative surcharges, and costs of billeting of trainees (except to the extent that members of the United States Armed Forces occupying comparable accommodations are charged for such accommodations by the United States). Each such agreement shall be transmitted promptly to the Speaker of the House of Representatives and the Committees on Appropriations, Armed Services, and Foreign Relations of the Senate.".

SALES FROM STOCKS AFFECTING UNITED STATES COMBAT READINESS

Sec. 209. Section 21 of the Foreign Military Sales Act, as amended by section 208 of this Act, is further amended by adding at the end thereof the following new subsection:

"(h)(1) Sales of defense articles and defense services which could have significant adverse effect on the combat readiness of the Armed Forces of the United States shall be kept to an absolute minimum. The President shall transmit to the Speaker of the House of Representatives and the Committees on Armed Services and Foreign Relations of the Senate on the same day a written statement giving a complete explanation with respect to any proposal to sell, under this section, any defense articles or defense services if such sale could have a significant adverse effect on the combat readiness of the Armed Forces of the United States. Each such statement shall be unclassified except to the extent that public disclosure of any item of information contained therein would be clearly detrimental to the security of the United States. Any necessarily classified information shall be confined to a supplemental report. Each such statement shall include an explanation relating to only one such proposal to sell and shall set forth—

"(A) the country or international organization to which the sale is proposed to be made;

"(B) the amount of the proposed sale;

"(C) a description of the defense article or service proposed to be provided;

"(D) a full description of the impact which the proposed sale will have on the Armed Forces of the United States;

"(E) a justification for such proposed sale, including a certification that such sale is important to the security of the United States.

"(2)(A) No delivery may be made under any proposed agreement or contract to sell which is required to be reported under paragraph (1) of this subsection unless the certification required to be transmitted by clause (E) of paragraph (1) of this subsection is in effect.

"(B) Such certification shall take effect on the date the certification has been so transmitted and shall remain in effect for not to exceed one year unless, before the end of the first period of thirty calendar days of continuous session of Congress after the date on which the certification is transmitted, Congress adopts a concurrent resolution suspending the certification.

"(C) Such resolution shall be considered in accordance with the provisions of section 301(b) of the International Security Assistance and Arms Export Control Act of 1975.

"(D) The term 'resolution', as used in section 301(b) of such Act, means, for the purposes of this section, only a concurrent resolution, the matter after the resolving clause of which is as follows: 'That the Congress suspends the certification transmitted pursuant to section 21(h)(1)(E) of the Arms Export Control Act with respect to , to the Congress by the President on , 19 .'; the first blank therein being filled with the name of the foreign country to which such certification pertains, and the second blank therein being filled with the date of the transmittal of such certification; but does not include a resolution specifying a certification with respect to more than one country or international organization.".

PROCUREMENT FOR CASH SALES

Sec. 210. (a) Section 22(a) of the Foreign Military Sales Act is amended by adding at the end thereof the following:

"Interest shall be charged on any net amount by which any such country or international organization is in arrears under all of its outstanding unliquidated dependable undertakings, considered collectively. The rate of interest charged shall be a rate not less than the current average yield on short-term marketable securities of the United States as of the last day of the month preceding the net arrearage and shall be computed from the date of net arrearage.".

(b) The first sentence of section 22(b) of the Foreign Military Sales Act is amended to read as follows:

"(b) The President may, if he determines it to be in the national interest, issue letters of offer under this section which provide for billing upon delivery of the defense article or rendering of the defense service and for payment within one hundred and twenty days after the date of billing. This authority may be exercised, however, only if the President also determines that the emergency requirements of the purchaser for acquisition of such defense articles and services exceed the ready availability to the purchaser of funds sufficient to make payments on a dependable undertaking basis and submits both determinations to the Congress together with a special emergency request for authorization and appropriation of additional funds to finance such purchases under this Act.".

AUTHORIZATION

Sec. 211. (a) Section 31(a) of the Foreign Military Sales Act is amended by striking out "not to exceed $405,000,000 for the fiscal year 1975" and inserting in lieu thereof: "not to exceed $1,014,500,000 for the fiscal year 1976".

(b) Section 31(b), relating to aggregate ceiling, is amended to read as follows:

"(b) The aggregate total of credits, or participations in credits, extended pursuant to this Act and of the principal amount of loans guaranteed pursuant to section 24(a) shall not exceed $2,324,700,000 for the fiscal year 1976, of which not less than $1,500,000,000 shall be available only for Israel.".

(c)(1) Section 31 of the Foreign Military Sales Act is further amended by adding at the end thereof the following new subsections:

"(c) Funds made available for the fiscal year 1976 under subsection (a) of this section shall be obligated to finance the procurement of defense articles and defense services by Israel on a long-term repayment basis either by the extension of credits, without regard to the limitations contained in section 23, or by the issuance of guarantees under section 24. Repayment shall be in not less than twenty years, following a grace period of ten years on repayment of principal. Israel shall be released from one-half of its contractual liability to repay the United States Government with respect to defense articles and defense services so financed.

"(d) The aggregate acquisition cost to the United States of excess defense articles ordered by the President in any fiscal year after fiscal year 1976 for delivery to foreign countries or international organizations under the authority of chapter 2 of part II of the Foreign Assistance Act of 1961 or pursuant to sales under this Act may not exceed $100,000,000.".

(2) Subsections (a), (b), (c), and (e) of section 8 of the Act entitled "An Act to amend the Foreign Military Sales Act, and for other purposes", approved January 12, 1971 (Public Law 91–672; 82 Stat. 2053), are repealed effective July 1, 1976. All funds in the suspense account referred to in subsection (a) of such section on July 1, 1976, shall be transferred to the general fund of the Treasury.

ANNUAL ESTIMATE AND JUSTIFICATION FOR SALES PROGRAM

Sec. 212. (a) Immediately after section 24 of the Foreign Military Sales Act, add the following new section:

"Sec. 25. Annual Estimate and Justification for Sales Program.—(a) The President shall transmit to the Congress, as a part of the presentation materials for foreign assistance programs proposed for the fiscal year 1977, and for each year thereafter, a report which sets forth—

"(1) an estimate of the amount of sales expected to be made to each country under sections 21 and 22 of this Act, including a detailed explanation of the foreign policy and United States national security considerations involved in expected sales to each country;

"(2) an estimate of the amount of credits and guaranties expected to be extended to each country under sections 23 and 24 of this Act;

"(3) a list of all findings which are in effect on the date of such transmission made by the President pursuant to section 3(a)(1) of this Act, together with a full and complete justification for each such findings, explaining how sales to each country with respect to which such finding has been made will strengthen the security of the United States and promote world peace; and

"(4) an arms control impact statement for each purchasing country by the Director of the Arms Control and Disarmament Agency, including (A) an analysis of the relationship between expected sales to each country and arms control efforts relating to that country; and (B) the impact of such expected sales on the stability of the region that includes the purchasing country.".

(b) Section 634(d) of the Foreign Assistance Act of 1961 is amended by striking out "and military sales under this or any other Act".

REPORTS ON COMMERCIAL AND GOVERNMENTAL MILITARY EXPORTS

Sec. 213. Section 36 of the Foreign Military Sales Act is amended to read as follows:

"Sec. 36. Reports on Commercial and Governmental Military Exports.—(a) The President shall transmit to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate not more than thirty days after the end of each quarter an unclassified report (except that any material which was transmitted in classified form under subsection (b)(1) of this section may be contained in a classified addendum to such report) containing—

"(1) a listing of all letters of offer to sell any defense articles or defense services under this Act, if such offer have not been accepted or canceled;

"(2) a cumulative listing of all such letters of offer to sell that have been accepted during the fiscal year in which such report is submitted;

"(3) the cumulative dollar amounts, by foreign country and international organization, of sales credit agreements under section 23 and guaranty agreements under section 24 made before the submission of such quartely report and during the fiscal year in which such report is submitted;

"(4) a cumulative statement with respect to all licenses issued during the fiscal year for the commercial export of defense articles and defense services in excess of $100,000, which statement shall set forth—

"(A) the items to be exported under the license;

"(B) the quantity of each such item to be furnished; and

"(C) the name and address of the ultimate user of each such item;

"(5) projections of the dollar amounts, by foreign country and international organization, cash sales expected to be made under sections 21 and 22, credits to be extended under section 23, and guaranty agreements to be made under section 24 in the quarter of the fiscal year immediately following the quarter for which such report is submitted;

"(6) a projection with respect to all cash sales expected to be made and credits expected to be extended to each country and organization for the remainder of the fiscal year in which such report is transmitted;

"(7) an estimate of the number of officers and employees of the Government and United States civilian contract personnel present in each such country at the end of that quarter for assignments in implementation of sales and commercial exports under this Act; and

"(8) an analysis and description of the services being performed by officers and employees of the United States under section 21(a)(1) of this Act, including the number of personnel so employed."

For each letter of offer to sell under paragraphs (1) and (2), the report shall specify (i) the foreign country or international organization to which the defense article or service is offered, (ii) the dollar amount of the offer to sell and the number of defense articles to be sold under paragraph (1) or of the completed sale under paragraph (2), (iii) a description of the defense article or service offered, and (iv) the United States Armed Force or other agency of the United States which is making the offer to sell.

"(b)(1) In the case of any letter of offer to sell any defense articles or services under this Act for $25,000,000 or more, or any major defense equipment as defined in section 21 (e)(3) of this Act, before such letter of offer is issued by the President, the Secretary of State shall submit to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate a numbered certification with respect to such offer to sell containing the information specified in clause (i) through (iv) in subsection (a) together with (A) a brief description of the capabilities of any defense article, (B) an estimate of the number of officers and employees of the United States and civilian contract personnel expected to be needed in such country to carry out such contract, (C) the name of each contractor expected to provide the defense article or defense service to be sold (if known on the date of transmittal of such report), and (D) an analysis of the arms control impact pertinent to such offer to sell. Such certification shall be unclassified, except that the information specified in clause (ii) of subsection (a) may be classified if the public disclosure thereof would be clearly detrimental to the security of the United States. The letter of offer shall not be issued if the Congress, not later than thirty calendar days after receiving and such certification, adopts a concurrent resolution stating that it objects to such certification, unless the Secretary of State in his certification states that an emergency exists which requires such sale in the national security interests of the United States.

"(2) Such resolution shall be considered in accordance with the provisions of section 301(b) of the International Security Assistance and Arms Export Control Act of 1975.

"(3) The term 'resolution', as used in section 301(b) of such Act, means, for the purposes of this subsection, only a concurrent resolution, the matter after the resolving clause of which is as follows: 'That the Congress object to the proposed sale to , transmitted to the Congress by the Secretary of State on , 19 .'; the first blank space therein being filled with the number of the statement; and the second blank therein being filled with the date of the transmittal of such certification, but does not include a resolution specifying a certification with respect to more than one proposed sale.

"(c)(1)(A) In the case of an application by a person (other than with regard to a sale under section 21 or section 22 of this Act) for a license for the export of any major defense equipment, as defined in section 21(e)(3) of this Act, or of defense articles or defense services, including technical data relating thereto, valued in excess of $25,000,000, before issuing such license the Secretary of State shall submit to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate an unclassified numbered certification with respect to such application specifying (A) the foreign country or international organization to which such export will be made, (B) the dollar amount of the items to be exported, (C) a description of the items to be exported, including a description of their capabilities, (D) an estimate of the total number of United States personnel expected to be needed in the foreign country concerned in connection with the articles or services to be exported, and (E) an analysis of the arms control impact pertinent to such application. The license shall not be issued if the Congress, within thirty calendar days after receiving any such certification, adopts a concurrent resolution stating that it objects to such certification, unless the Secretary of State in his certification states that an emergency exists which requires the issuance of such license in the national security interests of the United States.

"(2) Such resolution shall be considered in accordance with the provisions of section 301(b) of the International Security Assistance and Arms Export Control Act of 1975.

"(3) The term 'resolution', as used in section 301(b) of such Act, means, for the purposes of this subsection, only a concurrent resolution, the matter after the resolving clause of which is as follows: 'That the Congress objects to the certification . transmitted to the Congress by the Secretary of State on , 19 .'; the first blank space therein being filled with the number of the statement, and the second blank therein being filled with the date of the transmittal of such certification; but does not include a resolution specifying a certification with respect to more than one license or proposal under subsection (c)(1)(B) of this section.

"(d) In the case of an approval under section 38 of this Act of a United States commercial technical assistance or manufacturing licensing agreement for or in a country not a member of the North Atlantic Treaty Organization which involves the manufacture abroad of any significant defense article on the United States Munitions List, before such approval is given, the Secretary of State shall submit a certification with respect to such proposed commercial agreement in a manner similar to the certification under paragraph (1) of subsection (c) containing comparable information.

"(e) The Secretary of State shall transmit promptly to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate—

"(1) in the case of any letter of offer to sell any defense articles or defense services under this Act to any country to which no such articles or services were sold during the previous calendar year, a statement with respect to the initial offer to sell containing the information required for certification under subsection (b)(1) of this section; or

"(2) in the case of an application for a license for the export of defense articles or defense services, including technical data relating thereto, to or for the armed forces of a country to which no such items were exported or licensed for export during the previous calendar year, a statement with respect to the initial license containing the information specified in subparagraph (A) through (D) of subsection (b)(1) of this section."

CONTRIBUTIONS, PAYMENTS, AND GIFTS

SEC. 214. (a) The section caption of section 36 of the Foreign Military Sales Act is amended by striking out the period and inserting in lieu thereof a semicolon and "PAYMENT OF FEES AND CONTRIBUTIONS".

(b) Such section, as amended by section 213 of this Act, is further amended by adding at the end thereof the following new subsection:

"(f)(1)(A) Any person who is required to be registered under section 38 of this Act or who is a contractor under section 22 of this Act shall report to the Secretary of State—

"(i) any offer or agreement of such person to make any contribution for political purposes, pay any fee in excess of $100,000, or give anything of greater than minimal value in connection with a sale of defense articles or defense services to or for the armed forces of a foreign country in order to solicit, promote, or otherwise to secure the conclusion of such sale, not less than thirty days after such offer or agreement has been made; and

"(ii) such contribution, payment, or gift not less than thirty days after it has been made;

together with the information specified in subparagraphs (A) through (D) of paragraph (2) of this subsection. This requirement shall apply if the sale involves any transaction made or to be made under section 22 or licensed or to be licensed under section 38. All such information shall be made available to the public by the Secretary of State. The Secretary of State shall promulgate such rules and regulations as he may deem necessary to carry out the provisions of subparagraphs (A) and (D) of this paragraph.

"(B) No such contribution, payment, or gift may be included, in whole or in part, in the amount paid under any procurement contract entered into under section 22 of this Act, unless the amount thereof is reasonable, allocable to such contract, and made to a person who has not solicited, promoted, or otherwise secured such sale, or has not held himself out as being able to do so, through improper influence. For the purposes of this subsection, 'improper influence' means influence, direct or indirect, which induces or tends to induce consideration or action by any employee or officer, of a purchasing foreign government or international organization with respect to such purchase on any basis other than such consideration of merit as are involved in comparable United States procurements.

"(C) No such contribution, payment, or gift may be made by or through any person unless such person is organized or doing business either in the United States or in the country to or for which the defense articles or defense services are sold or to be sold.

"(D) No such contribution, payment or gift or any combination thereof in total amount exceeding $200,000 may be made in connection with any sale described in subparagraph (A) of paragraph (1) of this subsection through any agent or other person who has not first agreed to maintain for not less than five years and to make available upon request to the person making such contributions, payments or gifts adequate books and records to show the ultimate recipient of each such contribution, payment, or gift, or material amount thereof, whether furnished to such ultimate recipient directly or through another agent, subagent or other intermediary. Such books and records shall be maintained by the person making the contribution, payment or gift and made available by him to any agency of the United States Government authorized by law to have access to the books and records of such person relating to the sale in connection with which the contribution, payment or gift was made, upon the request of such agency. Access by an agency of the United States Government to books and records under this subparagraph shall be on the same terms and conditions which govern the access by such agency to the books and records of the person making the contribution, payment or gift in question.

"(2) The President shall include in each quarterly report required to be transmitted by subsection (a) of this section a description of each contribution or payment reported to the Secretary of State the previous quarter under paragraph (1) of this subsection, including—

"(A) the name of the person who made such contribution, payment, or gift;

"(B) the name of the person to whom such contribution, payment, or gift was made;

"(C) the date and amount of such contribution, payment, or gift; and

"(D) the reason such contribution, payment, or gift was made.

"(3) The provisions of this subsection shall take effect sixty days after the date of enactment of this subsection.".

REPORT OF SALES OF EXCESS DEFENSE ARTICLES

SEC. 215. Not later than February 28, 1977, the President shall transmit to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate a full and complete report regarding all sales made under the Arms Export Control Act during the period July 1, 1976, through December 31, 1976, of excess defense articles to foreign governments and international organizations (except such articles sold solely for scrap). Such report shall set forth—

(1) the number of such sales;

(2) the total acquisition costs of the articles sold;

(3) the total gross price paid for such articles exclusive of administrative surcharges and costs of repairing, rehabilitating, or modifying such articles;

(4) the data set forth under clauses (1), (2), and (3) totaled separately for those sales made at less than 33⅓ per centum of the acquisition costs thereof; and

(5) the estimated total proceeds of sale of articles included under clause (4) if such articles had been sold instead through United States Government surplus property disposal operations and the percentage thereof that would have been paid out of such proceeds to meet direct expenses incurred in connection with such dispositions pursuant to law.

CONTROL OF LICENSES WITH RESPECT TO ARMS EXPORTS AND IMPORTS

SEC. 216. (a) Section 45(a) of the Foreign Military Sales Act is amended by inserting immediately after "amended" the following: "and section 414 of the Mutual Security Act of 1954 (Public Law 83-665; 68 Stat. 832)."

(b) Chapter 3 of the Foreign Military Sales Act is amended by adding at the end thereof the following new section:

"SEC. 38. CONTROL OF ARMS EXPORTS AND IMPORTS.—(a)(1) In furtherance of world peace and the security and foreign policy of the United States, the President is authorized to control the import and, through the Secretary of State, the export of defense articles and defense services, including technical data relating thereto, and to provide foreign policy guidance to persons of the United States involved in the export and import of such articles and services. The President is authorized to designate those items which shall be considered as defense articles and defense services, including technical data relating thereto, for the purposes of this section and to promulgate regulations for the import and export of such articles and services. All such exports to or for the armed forces of a foreign country shall be subject to the provisions of sections 3 and 4 of this Act after June 30, 1976.

"(2) Decisions on issuing licenses for the export of articles on the United States munitions list shall be made in coordination with the Director of the United States Arms Control and Disarmament Agency and shall take into account the Director's opinion as to whether the export of an article will contribute to an arms race, or increase the possibility of outbreak or escalation of conflict, or prejudice the development of bilateral or multilateral arms control arrangements.

"(b)(1) As prescribed in regulations issued under this section, every person (other than an officer or employee of the United States Government acting in an official capacity) who engages in the business of manufacturing, exporting, or importing any defense articles or defense services, including technical data relating thereto, designated by the President under subsection (a) shall register with the Department of State (or with the President in the case of importing) and shall pay a fee for each application for (A) a license to export such defense articles or services, including technical data relating thereto, or (B) approval of a technical assistance or manufacturing license agreement. Such fees shall be set at a rate sufficient to pay for all administrative costs for the control of nongovernmental exports of defense articles and services. Such regulations shall prohibit the return to the United States for sale in the United States (other than for the Armed Forces of the United States and its allies or for any State or local law enforcement agency) of any military firearms or ammunition of United States manufacture furnished to foreign governments by the United States under this Act or any other foreign assistance or sales program of the United States, whether or not enhanced in value or improved in condition in a foreign country. This prohibtion shall not extend to similar firearms that have been so substantially transformed as to become, in effect, articles of foreign manufacture.

"(2) Except as otherwise specifically provided in regulation issued under subsection (a)(1), no defense articles or defense services, including technical data relating thereto, may be exported or imported without a license for such export or import, issued in accordance with this Act and regulations issued under this Act, except that no license shall be required for exports or imports made by or for an agency of the United States Government (1) for official use by a department or agency of the United States Government or (2) for carrying out any foreign assistance or sales program authorized by law and subject to the control of the Secretary of State by other means.

"(c) Any person who willfully violates any provision of this section or section 36(f), or any rule or regulation issued under either section, or who willfully, in a registration or license application or required report, makes any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading, shall upon conviction be fined not more than $100,000 or imprisoned not more than two years, or both.

"(d) This section applies to and within the Canal Zone.

"(e) In carrying out functions under this section with respect to the export of defense articles and defense services (including technical data relating thereto), the President is authorized to exercise the same powers concerning violations and enforcement which are conferred upon departments, agencies and officials by sections 6 (c), (d), (e), and (f) and 7 (a) and (c) of the Export Administration Act of 1969, as amended, subject to the same terms and conditions as are applicable to such powers under said Act. Nothing in this subsection shall be construed as authorizing the withholding of information from the Congress.".

(c) Subsection 2(b) of the Foreign Military Sales Act is amended as follows:

(1) after the word "sales" each time it appears insert "and exports"; and

(2) after "thereof," insert "and whether there shall be delivery or other performance under such sale or export,".

(d) Effective July 1, 1976, the Foreign Military Sales Act is amended as follows:

(1)(A) Section 3(a) of such Act is amended by inserting immediately before the word "unless—" a comma and the following: "and no export license issued under section 38 of this Act to or for the armed forces of such country or international organization shall be effective,".

(B) The first sentence of subsection (b) of such section is amended by inserting after the words "to any country" a comma and the following: "and no license issued under section 38 of this Act for export to any country shall be effective.".

(2) The first sentence of section 4 of such Act is amended by inserting immediately after "to friendly countries" a comma and the following: "and licenses shall be issued under section 38 of this Act for export to or for the armed forces of such countries,".

(e) All determinations, authorizations, regulations, orders, contracts, agreements, and other actions issued, undertaken, or entered into under authority of any provision of law amended or repealed by this section shall continue in full force and effect until modified, revoked, or superseded by appropriate authority.

CANCELLATION AND SUSPENSION OF LICENSES AND CONTRACTS

SEC. 217. Section 42 of the Foreign Military Sales Act is amended by adding at the end thereof the following new subsection:

"(e)(1) Each contract for sale entered into under sections 21 and 22 of this Act shall provide that such contract may be canceled in whole or in part, or its execution suspended, by the United States at any time under unusual or compelling circumstances if the national interest so requires.

"(2)(A) Each export license issued under section 38 of this Act shall provide that such license may be revoked, suspended or amended by the Department of State without prior notice whenever the Department deems such action to be advisable.

"(B) Nothing in this paragraph or paragraph (3) may be construed as limiting the regulatory authority of the President under this Act.

"(3) Each such contract and export license shall further provide that, in the event of the cancellation, revocation, or suspension thereof, as the case may be, any deliveries not yet made thereunder on the date of such cancellation, revocation, or suspension may be suspended or terminated.

"(4) There are authorized to be appropriated from time to time such sums as may be necessary (A) to refund moneys received from purchasers under contracts of sale entered into under sections 21 and 22 of this Act that are canceled or suspended under this subsection to the extent such moneys have previously been disbursed to private contractors and United States Government agencies for work in progress, and (B) to pay such damages and costs that accrue from the corresponding cancellation or suspension of the existing procurement contracts or United States Government agency work orders involved.".

ADMINISTRATIVE EXPENSES

SEC. 218. (a) Section 4c of the Foreign Military Sales Act is amended by designating the present section as subsection (a) and by adding at the end thereof the following new subsection:

"(b) Administrative expenses incurred by any department or agency of the United States Government (including any mission or group) in carrying out functions under this Act which are primarily for the benefit of any foreign country or licensee shall be fully reimbursed from amounts received for sales under sections 21 and 22 and from fees for applications for licenses and approvals under section 38 of this Act.".

TITLE III—GENERAL

EXPEDITED PROCEDURE WITH RESPECT TO RESOLUTIONS OF APPROVAL OR DISAPPROVAL OF CERTAIN CERTIFICATIONS

SEC. 301. (a) (1) The provisions of subsection (b) of this section shall apply with respect to the consideration of any resolution required by law to be considered in accordance with such provisions.

(2) Any such law shall—

(A) state whether the term "resolution", as used in subsection (b) of this section, means, for the purposes of such law—

(i) a resolution of either House of Congress, in which case the provisions of paragraph (10) of subsection (b) of this section shall not apply; or

(ii) a concurrent resolution;

(B) set forth the text of the matter after the resolving clause of such resolution; and

(C) specify the certification to which such resolution shall apply, which shall be included in such text.

(b) (1) For purposes of this subsection—

(A) the continuity of a session is broken only by an adjournment of the Congress sine die; and

(B) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the period indicated.

(2) Paragraphs (3) through (10) of this subsection are enacted by Congress—

(A) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions described by this section; and they supersede other rules only to the extent that they are inconsistent therewith; and

(B) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

(3) If the committee, to which has been referred a resolution relating to a certification has not reported the resolution at the end of ten calendar days after its introduction, it is in order to move either to discharge the committee from further consideration of the resolution or to discharge the committee from further consideration of any other resolution with respect to the certification which has been referred to the committee.

(4) A motion to discharge may be made only by an individual favoring the resolution, is highly privileged (except that it may not be made after the committee has reported a resolution with respect to the certification), and debate thereon is limited to not more than one hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(5) If the motion to discharge is agreed to, or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same certification.

(6) When the committee has reported, or has been discharged from further consideration of, a resolution with respect to a certification it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(7) Debate on the resolution is limited to not more than two hours, to be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is not debatable. An amendment to, or motion to, recommit the resolution is not in order, and it is not in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

(8) Motions to postpone, made with respect to the discharge from committee, or the consideration of, a resolution with respect to a certification, and motions to proceed to the consideration of other business, are decided without debate.

(9) Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution with respect to a certification are decided without debate.

(10) If, prior to the passage by one House of a concurrent resolution of that House, that House receives from the other House a concurrent resolution of such other House, then—

(A) the procedure with respect to the concurrent resolution of the first House shall be the same as if no concurrent resolution from the other House had been received; but

(B) on any vote on final passage of the concurrent resolution of the first House the concurrent resolution from the other House shall be automatically substituted.

CONTINGENCY FUND

SEC. 302. Chapter 5 of part I of the Foreign Assistance Act of 1961 is amended—

(1) in the chapter heading, by striking out "DISASTER RELIEF" and inserting in lieu thereof "CONTINGENCY FUND"; and

(2) In section 451(a)—

(A) by striking out "1975" and inserting in lieu thereof "1976";

(B) by striking out "or by section 639"; and

(C) by adding at the end thereof the following new sentence: "Amounts appropriated under this section are authorized to remain available until expended.".

INTERNATIONAL NARCOTICS CONTROL

SEC. 303. (a) Section 482 of the Foreign Assistance Act of 1961 is amended by inserting "and $30,000,000 for the fiscal year 1976." immediately after "1975".

(b) Section 481 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

"(c) (1) Notwithstanding any other provision of law, no officer or employee of the United States may engage in any police action in any foreign country with respect to narcotics control efforts.

"(2) The President shall carry out a study with respect to methods through which United States narcotics control programs in foreign countries might be placed under the auspices of international or regional organizations. The results of such study shall be transmitted to the Speaker of the House of Representatives and the President of the Senate not later than January 1, 1977.".

INDOCHINA ASSISTANCE

SEC. 304. (a) Part V of the Foreign Assistance Act of 1961 and sections 34, 35, 36, 37, 38, 39, and 40 of the Foreign Assistance Act of 1974 are repealed. All determinations, authorizations, regulations, orders, contracts, agreements, and other actions issued, undertaken, or entered into under authority of any provision of law repealed by this section shall continue in full force and effect until modified, revoked, or superseded by appropriate authority.

(b) The President is authorized to adopt as a contract of the United States Government, and assume any liabilities arising thereunder (in whole or in part), any contract which had been funded or approved for funding by the Agency for International Development prior to June 30, 1975, for financing with funds made available under the Foreign Assistance Act of 1961 or the Foreign Assistance Act of 1974, or any equitable claim based upon a letter of intent issued prior to April 30, 1975, in which the Agency had expressed its intention to finance a transaction subject to the availability of funds, between the former Governments of Vietnam or Cambodia (including any of their agencies) or the Government of Laos (or any of its agencies) and any person and to apply with respect to any such contract the authorities of the Foreign Assistance Act of 1961.

(c) Funds made available for the purposes of part V of the Foreign Assistance Act of 1961 and of section 36 of the Foreign Assistance Act of 1974 (including amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955 (31 U.S.C. 200), as having been obligated against appropriations heretofore made) are authorized to remain available until expended to meet necessary expenses arising from the actions authorized by subsection (b) of this section and from the termination of assistance programs authorized by such part and such section 36, which expenses may include but need not be limited to the settlement of claims and associated personnel costs.

INTERIM QUARTER AUTHORIZATIONS

SEC. 305. (a) Any authorization of appropriations in this Act or in any amendment to any other law made by this Act, for the fiscal year 1976, shall be deemed to include an additional authorization of appropriations for the period beginning July 1, 1976, and ending September 30, 1976, in amounts which equal one-fourth of any amount authorized for the fiscal year 1976 and in accordance with the authorities applicable to operations and activities authorized under this Act or such other law, unless appropriations for the same purpose are specifically authorized in a law hereinafter enacted.

(b) The aggregate total of credits, including participations in credits, extended pursuant to the Arms Export Control Act and of the principal amount of loans guaranteed pursuant to section 24(a) during such period may not exceed an amount equal to one-fourth of the amount authorized to be extended and guaranteed for the fiscal year 1975.

SECURITY SUPPORTING ASSISTANCE

SEC. 306. (a) Section 532 of the Foreign Assistance Act of 1961 is amended by striking out "for the fiscal year 1975 not to exceed $660,000,000" and inserting in lieu thereof "for the fiscal year 1976 $1,705,000,000, of which $725,000,000 shall be available only for Israel".

(b) Not more than the following amounts of funds to be made available under section 532 of the Foreign Assistance Act of 1961 may be made available to each of the following countries or for the following purposes in fiscal year 1976:

"*Country*	*Amount*
Egypt	$700,000,000
Israel	725,000,000
Jordan	67,000,000
Syria	50,000,000
Bahrain	600,000
Malta	9,500,000
Greece	65,000,000
Portugal	50,000,000
United Nations Force in Cyprus	9,600,000
Zaire	15,000,000
Operating Expenses	22,600,000

MIDDLE EAST SPECIAL REQUIREMENT FUND

Sec. 307. Section 903 of the Foreign Assistance Act of 1961 is amended as follows:

(1) In subsection (a), strike out "for the fiscal year 1975 not to exceed $100,000,000" and insert in lieu thereof "for the fiscal year 1976 not to exceed $50,000,000".

(2) Strike out subsection (c) and insert in lieu thereof:

"(c) Funds appropriated under subsection (a) shall be available to assist the Governments of Egypt and Israel in carrying out activities under the Agreement of October 10, 1975, and to pay the costs of implementing the United States Proposal for the Early Warning System in Sinai. Such funds may be obligated without regard to the provisions of subsection (b) of this section, to the extent that the proposed obligation has been justified to the Congress prior to the enactment of this subsection.".

STRIFE IN LEBANON

Sec. 308. It is the sense of the Congress that the situation in Lebanon poses a serious danger to peace in the Middle East. The Congress deplores the armed civil strife there which threatens to destroy the political and economic fabric of Lebanon, a nation traditionally friendly to the United States with such tragic impact on all its people. The Congress views with grave concern outside efforts to exploit the current strife for the purpose of transforming Lebanon into a radical state in confrontation with Israel. The Congress requests the President to use his good offices to bring about an end to the strife in Lebanon and to preserve the traditional friendly attitude of Lebanon toward the United States.

ARMS CONTROL AND DISARMAMENT AGENCY

Sec. 309. Section 26 of the Arms Control and Disarmament Act (22 U.S.C. 2562) is amended by adding at the end thereof the following: "The General Advisory Committee shall also from time to time report to the Congress on its activities and on issues which the Committee believes should be brought to the attention of Congress and the public.".

PROHIBITION AGAINST MILITARY AND OTHER ASSISTANCE AND SALES TO CHILE

Sec. 310. (a) No military or security supporting assistance may be furnished under the Foreign Assistance Act of 1961, no credits (including participations in credits) may be extended, and no loan may be guaranteed, under the Arms Export Control Act with respect to Chile.

(b) No deliveries of any such assistance may be made to Chile on and after the date of enactment of this section.

CONTROL OF MILITARY FORCES IN THE INDIAN OCEAN

Sec. 311. (a) It is the sense of Congress that the President should undertake to enter into negotiations with the Soviet Union intended to achieve an agreement limiting the deployment of naval, air, and land forces of the Soviet Union and the United States in the Indian Ocean and littoral countries. Such negotiations should be convened as soon as possible and should consider, among other things, limitations with respect to—

(1) the establishment or use of facilities for naval, air, or land forces in the Indian Ocean and littoral countries;

(2) the number of naval vessels which may be deployed in the Indian Ocean, or the number of "shipdays" allowed therein; and

(3) the type and number of military forces and facilities allowed therein.

(b) Not later than July 1, 1976, the President, shall transmit a report to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate with respect to steps he has taken to carry out the provisions of this section.

PAYMENT OF CONSULTANTS

Sec. 312. Section 626(a) of the Foreign Assistance Act of 1961, relating to the employment of consultants and experts, is amended by striking out "of $100 per diem" and inserting in lieu thereof the following: "of the highest rate that may be paid to an employee under the General Schedule established by section 5332 of title 5, United States Code".

C. & O. CANAL HISTORICAL PARK

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business be laid aside temporarily—this has been cleared on both sides—and that the Senate proceed to the consideration of Calendar No. 524, S. 2742.

The PRESIDING OFFICER (Mr. McClure). The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 2742) to dedicate the Chesapeake and Ohio Canal National Historical Park to Justice William O. Douglas in grateful recognition of his contributions to the people of the United States.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Chesapeake and Ohio Canal National Historical Park, as described in the Chesapeake and Ohio Canal Development Act (16, U.S.C. 410y—410y-6), is hereby dedicated to Justice William O. Douglas in grateful recognition of his long and outstanding service to the people of the United States as a teacher, writer, jurist, and naturalist. The Secretary of the Interior shall have the words "Dedicated to Justice William O. Douglas" prominently displayed on all existing and future signs bearing the name "Chesapeake and Ohio Canal National Historical Park" or any abbreviation thereof, and shall take such other appropriate actions as may be necessary to call to the attention of the public the fact that such park has been so dedicated.

Sec. 2. There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

INTERNATIONAL SECURITY ASSISTANCE AND ARMS EXPORT CONTROL ACT OF 1976

The Senate continued with the consideration of the bill (S. 2662) to amend the Foreign Assistance Act of 1961 and the Foreign Military Sales Act, and for other purposes.

Mr. MANSFIELD. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is S. 2662.

Mr. MANSFIELD. I thank the Chair.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the following members of the staff of the Committee on Foreign Relations and the staff of the Office of Legislative Counsel have the privilege of the floor during the consideration of S. 2662, including votes thereon: Daniel Spiegel, Norville Jones, Richard Moose, Robert Mantel, Rudolph Rousseau, Michael J. Glennon, and Steve Bryent.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CASE. Mr. President, I ask unanimous consent that Mr. Mike Kraft, of my staff, have the privilege of the floor during the consideration of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the committee amendments in the nature of a substitute be agreed to and that the text of the bill as thus amended be considered as original text for the purpose of further amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HUMPHREY. Mr. President, I send to the desk a series of technical amendments, for the purpose of correcting the text of the bill, and ask unanimous consent for their immediate consideration en bloc.

The PRESIDING OFFICER. Without objection, the amendments are considered and agreed to en bloc.

The amendments are as follows:

On page 48, line 18, immediately after "amended" insert "by designating the present section as '(a)' and".

On page 49, line 8, strike out "Foreign Military Sales Act" and insert in lieu thereof "Arms Export Control Act".

On page 54, line 5, strike out the first period.

On page 61, line 15, immediately after "means" insert a comma.

On page 62, at the end of line 14 add "and".

On page 63, line 13, strike out "section" and insert in lieu thereof "sections".

On page 63, line 17, immediately after the period add quotation marks.

On page 63, line 18, strike out the quotation marks and "(3)" and insert in lieu thereof "(c)".

On page 63, line 18, strike out "this section" and insert in lieu thereof "section 502B of the Foreign Assistance Act of 1961 (as amended by section 111 of this Act)".

On page 63, line 20, strike out the quotation marks and the final period.

On page 64, lien 4, strike out "Foreign Military Sales Act" and insert in lieu thereof "Arms Export Control Act".

On page 70, line 5, strike out "convent" and insert in lieu thereof "convene".

On page 74, line 1; page 76, line 1; page 76, line 15; and page 86, line 19, strike out "guarantees" and insert in lieu thereof "guaranties".

On page 76, line 4, strike out "the Mutual Security Act of 1954, as amended,".

On page 77, at the end of line 2, add quotation marks and a period.

On page 89, line 16, immediately after "such" insert "letters of".

On page 100, line 19, immediately before the quotation marks following "amended" insert a comma.

On page 107, line 2, strike out "Section 4c" and insert in lieu thereof "Section 43".

On page 112, line 6, strike out "$30,000,000" and insert in lieu thereof "$37,500,000".

On page 114, lines 25, strike out "1975", and insert in lieu thereof "1976".

On page 116, at the end of of line 1, insert a comma.

Mr. HUMPHREY. Mr. President, the committee amendments, in the nature of a substitute, were first agreed to, and now the technical amendments en bloc have been agreed to.

The PRESIDING OFFICER. That is correct.

Mr. HUMPHREY. That is for the purpose of making the text of the bill the original text for the purpose of further amendment.

The PRESIDING OFFICER. Does the Senator request that the technical amendments be considered as original text?

Mr. HUMPHREY. Yes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. I thank the Chair for that helpful addition.

Mr. President, this bill is the most significant revision of the legislative authorities for foreign military assistance and sales since the enactment of the Mutual Security Act more than a quarter of a century ago. It is a bipartisan bill—a congressional initiative to revise the statutory authorities for all military exports—grants and sales—Government and commercial.

This bill deals solely with security assistance and related programs, such as international narcotics control. For the first time since the beginning of the post-World War II foreign aid program, the Congress is enacting separate legislation for development, humanitarian and food assistance, and security assistance. The International Development and Food Assistance Act became law on December 20, 1975.

This bill is fiscally sound. It authorizes appropriations of $3,049,900,000 for fiscal year 1976, and one-fourth of the 1976 level in the transition quarter for each account. Fiscal year 1976 authorizations are as follows: $212.9 million for grant military assistance; $25 million for military education and training; $1.01 billion for foreign military sales credits to finance a total direct and guaranteed sales program of $2.3 billion; $1.7 billion for security supporting assistance; $50 million for the Middle East special requirements fund, relating to the Sinai agreement and its fulfillment; $5 million for contingencies; and $37.5 million for international narcotics control.

The authorizations recommended for fiscal year 1976 represent a $400.4 million reduction from the administration requests; thus, this bill is within the ceilings established in the second concurrent budget resolution, as adopted by Congress. I think it is very important to note this.

The executive branch and the Congress have long been aware of the dangers inherent in the proliferation of nuclear arms and have devoted considerable time and effort to develop policies and controls to identify and minimize potential risks. By contrast, U.S. government-to-government sales of conventional arms have grown from $1.7 billion in fiscal year 1971 to $9.5 billion in the last fiscal year without any coherent articulation of policy from either branch, let alone any meaningful consultation between the executive branch and Congress.

I digress at this point, Mr. President, to note that the prime purpose of this bill is to place our arms sales within a coherent foreign policy. Today, arms sales are a business, not necessarily related to a well-thought-out policy. This bill does not prohibit arms sales. This bill merely makes it possible for the Congress to deal with the sale of arms within the foreign and national security policies of the United States.

Second, in the past, there has been little coordination between the executive and the legislative branches of Government on the matter of arms sales. For example, we would authorize certain overall amounts of credit and the executive branch could extend those credits as it wished. The legislation before us requires that Congress be consulted. Congress will have review powers and there will be a determined effort by the Executive and Congress to relate arms sales to our overall foreign policy interests.

I must say that, from what I have heard on the outside, there is very little understanding of the purpose of this bill. I reiterate that what we are trying to do here is bring some order out of what has grown to be a very disorderly operation. The implications of large-scale United States and third-country arms sales on the international system and regional security relationships, in the committee's view, received inadequate attention.

This bill does not assume that arms sales are inherently evil; it does not assume that the dramatic increase in arms sales in recent years results from the machinations of greedy munitions makers; nor does it prohibit or limit arms sales or establish any worldwide, regional, or country ceilings. If my colleagues understand that, I think they will have a better understanding of what we are trying to do here.

Rather, the bill is predicated on the fact that arms are, and should be, an important instrument of U.S. foreign and national security policies. The relationship between arms sales and foreign and national security policy—whether or not current policies are sound, and whether arms sales have become a disproportionately large tool in pursuit of those policies—must be examined.

Enactment of S. 2662 will give Congress the statutory tools to address these important questions and exercise greater control if it so chooses.

The bill is coming before the Senate 7 months into the fiscal year because the President did not transmit his specific security assistance requests, including requests for the Middle East, until October 30, 1975. At that time he transmitted draft legislation which was incorporated into this bill, as it was being prepared on the initiative of the Subcommittee on Foreign Assistance. I subsequently introduced the bill before us today, S. 2662, on November 13. Its cosponsors are Senators CASE, CHURCH, CULVER, KENNEDY, LEAHY, BUMPERS, and NELSON. The subcommittee held 2 days of public hearings last June, before initial drafting of this bill, and 4 additional days of hearings in November and December after it was introduced.

We heard from many witnesses—witnesses from the administration and private witnesses. Secretary Kissinger testified before the subcommittee on November 19; at that time he endorsed the major purpose of the bill—that is, to bring about centralized and more effective control within the executive branch over, and a stronger voice for Congress in, U.S. arms exports, both government-to-government and commercial. The Secretary and I agreed that our respective staffs—that is, the staff of the Foreign Relations Subcommittee and the staff of the Department of State—should work toward a bill that would be acceptable to both the executive branch and the Congress.

Might I say, Mr. President, and I am sure my colleagues on the subcommittee and the committee will bear me out, that we have worked cooperatively with the administration day after day, week after week, going over every provision of this bill, making whatever adjustments seemed necessary, so that it is a workable bill. I do think that, in my experience as a Senator—and this is my 22d year here—I do not recall at any time, in any committee, that we have had such a close working relationship between the two branches of Government on a piece of legislation. Both the State and Defense Departments have been involved. As I have said, many discussions have been held at the staff level.

Senator CASE and I met once again a few weeks ago with Secretary Kissinger to review the progress and narrow the areas of disagreement. The bill before you today reflects these discussions; compromises were made on both sides, and we believe that the dialog improved the final product.

May I say that Members of the Senate had amendments. Those amendments were considered. They were brought up in our subcommittee. We listened to the author of the amendment and consulted with him every step of the way. Likewise, during the discussions on any feature of the bill, sitting right in the committee with us were representatives of the administration. They were brought into the discussions of the subcommittee, and were given every opportunity to participate in the development of the final product.

Also, Mr. President, members of the Armed Services Committee have also been involved. I suggested to the distinguished chairman of the Committee on Armed Services (Mr. STENNIS) that he ask and appoint members of the Committee on Armed Services to sit with us. That was done. Members of the Committee on Armed Services were present at the hearings. They cross-examined witnesses, and were given every opportunity to participate in the deliberations on this bill.

The text of this bill has been available and discussed with the executive branch for over 2 months. It is clear that we are not taking hasty action. I realize that there are those who are disturbed about this bill. I have been reading the most incredible propaganda about this legislation.

In fact, today one of the industrialists in my home State called my office and talked about this bill in a manner which indicated that he had only read industry bulletins which had been circulated. I can assure the Senate that after he listened to my statements as to what was actually in the bill, the gentleman no longer had objections. He had been led to believe that we were going to dismantle the American arms industry, that we were going to throw people out in the street, that we were going to close down factories. More incredible propaganda has been given to the American people, or to some representatives of the American people in connection with this bill, than I have ever witnessed as a Member of this body.

I have to say, most respectfully, to my friends who are in the munitions business and who are in the business of manufacturing aircraft, guns, rockets, or other defense articles, that they are not doing their industry any good by misrepresenting this legislation. They surely are not doing themselves any good with this Senator, and I have voted for every military assistance bill that has been in Congress since 1949, except for the 4 years that I was Vice President. Then I was part of the administration and transmitted bills to the Congress. When I see large industrial firms distorting the intent, purpose, and facts of this legislation, I tell them to call a halt to it now, before it is too late.

The American people are not too happy about certain things that are going on in this country. The Subcommittee on Multinational Corporations has identified practices on the part of some in the American munitions industry that are unsavory and, may I say, indefensible. We are not trying to injure that industry. We need our manufacturers of defense equipment. We need corporations that are able to develop and produce the weapons that are vital to our national security. But we do not need misrepresentation and unsavory practices. It is one thing to be exposed before the Multinational Subcommittee as having made payments to agents abroad; it is another thing to distort and misrepresent legislation in this body.

The bill before the Senate today reflects the discussions that have taken place between Congress and the executive. Compromises were made on both sides, and we believe that these discussions improved the final product.

The bill was reported favorably by the Committee on Foreign Relations by a vote of 13 to 1. May I add there was no effort to rush it out of the Committee on Foreign Relations. We have had more testimony and discussion on this bill than is the case with most other pieces of legislation.

The bill is designed to achieve five basic objectives.

Mr. CASE. Mr. President, will the Senator yield at that point?

Mr. HUMPHREY. Yes.

Mr. CASE. I think, in addition to the splendid exposition the Senator has made about the kind of attention the committee has given to this bill, under the stirring leadership of the Senator from Minnesota, I want to add only this: That by far the greater part of our sessions and discussions, including markup sessions, were in open session——

Mr. HUMPHREY. Yes.

Mr. CASE. Which was another factor which, I think, made it, or should have made it possible for the public and, the various departments of Government, to know exactly what was going on. Many of them had their representatives there at the time.

Mr. HUMPHREY. I thank my friend and colleague from New Jersey who, along with the Senator from New York, Senator JAVITS, and others, spent hours with the representatives of the executive branch. I believe that we have their general support. We have had excellent cooperation from the Secretary of State and State Department staff. We wanted to produce a product that would basically satisfy the needs of the executive branch as well as those of the Congress.

(Mr. MCCLURE assumed the chair at this point.)

I am sure that some of my colleagues here feel that we should have enacted more controls than we did. We feel, however, that what we have done is right in light of the conditions that prevail today in the world and in our own country.

Mr. President, this bill is designed to achieve, as I said, five basic objectives with regard to U.S. military assistance programs:

Shift the focus of U.S. arms sales policy from that of selling arms to controlling arms sales and exports. By that I mean seeing to it that our arms sales are limited to and consistent with our foreign policy requirements;

To provide the Congress with additional information about, and expanded and strengthened control over, arms transfers;

To provide the public with more information about Government arms sales actions;

To reduce significantly the number of military grant assistance programs and U.S. military missions abroad over the next year and a half and to require a specific authorization for any grant programs or missions after that, and

To reduce the cost of military assistance grants.

Once again, this bill does not necessarily do away with all military assistance grants. It simply says that the existing military assistance program is to be phased out in the next year and a half. Beginning with fiscal year 1978, the administration must request military assistance grants, if they believe such grants to be necessary, on a country-by-country basis. Why not? Should the American people not know exactly how much military assistance we are giving to a particular country? We pay for it. We expect the American people to know how much money goes to the dairy farmers that we discussed here a while ago. My gracious, we have a big to-do about that.

All we are simply saying here is if there is to be military assistance in the form of a grant, which is a gift, the administration makes its presentation and justification on a country-by-country basis.

The bill separates military training from the grant program since it is being phased out. We are not opposed to military training; I personally think there is a need for Government to offer training.

A major feature of the bill is to bring American arms exports issues out into the open. This bill requires that all government-to-government contracts be available for public inspection and that data in quarterly and other reports be unclassified to the maximum extent possible, consistent with U.S. security and the protection of the competitive position of U.S. industry.

Here again we are not unmindful of the competitive needs of American industry. We do not want to see the American manufacturer discriminated against, and will see to it that he is not. But we do think the American people are entitled to know to whom we are selling these vast amounts of arms and under what conditions.

Nothing is so essential to rebuilding confidence in governmental processes as public debate. To be accepted by the American people, arms export programs must stand up under the light of public scrutiny. The committee is aware of the concerns expressed by some business interests concerning the disclosure aspects of the bill and the feature to require sale through Government channels of all major weapon systems or equipment valued at $25,000,000 or more. The committee has taken those concerns into account in the shaping of this legislation and does not believe that this bill will impair the U.S. competitive position in foreign arms sales.

I have to say that this matter was given very careful consideration in committee. All we are simply saying is that when you sell a major piece of armament over $25 million to a particular country, we ought to know what we are doing. It is not as if we are selling a washing machine or a dryer. It is not as if you were selling a fleet of taxicabs. We are selling instruments that can kill. We are selling instruments of war, and sometimes it might be a good idea for the American people to know, and the Congress to know, who is buying them and under what terms.

Control by both Congress and the executive branch over the sale of major weapons systems will be strengthened by requiring that all significant sales of major equipment be made only on a government-to-government basis.

That means that the Government acts as the middleman, so to speak. The sales, obviously, are paid by the recipient country, to the manufacturer through the Government. The contract, however, is between the foreign country and the Defense Department on the one hand,

and between the Department of Defense and the manufacturer on the other. The most significant control aspects of the bill are those which provide Congress with the information needed for improved oversight of arms export policies and programs, and permit Congress to reject or veto various arms transfer proposals by concurrent resolution.

Mr. President, in this bill we lay out those places where Congress can intercede and, might I say, that the Department of Defense in many of these instances is wholly on the side of the committee. For example, on the drawdown of American supplies that we need for our own combat-readiness, we feel that since the Congress of the United States appropriates the money, it has the responsibility to see to it that the Armed Services of the United States are adequately prepared with the necessary weaponry, and ought to have something to say about protecting the availability of that weaponry. I do not expect we are going to act in a foolish or precarious manner. I think we are going to be very careful, but we ought to at least have that safeguard.

The bill revises and expands existing law which requires prior notification to Congress of government-to-government sales over $25,000,000, to require, in addition, the submission to Congress of:

All proposals to sell or export any major defense equipment, regardless of value;

All proposed licenses for the commercial export of military materials valued at more than $25,000,000; and

Proposed licensing arrangements for production abroad of significant military materials in non-NATO countries.

Congress would have 30 calendar days within which it could reject by concurrent resolution any of the proposed sales required to be submitted under the new provisions.

If the munitions companies are concerned about this bill, it must be that they are concerned that we in the Congress are not responsible; that somehow or another someone over in the executive branch is more concerned about the security of this country than we are.

I do not think so. I believe the Members of Congress who are responsible to an electorate will be very much concerned about the security of the United States, and I believe that we will be concerned about the flow of weapons from the United States to other countries. I believe that we will be concerned about taking care of our commitments to our allies.

Any Government sale that would have a significant adverse effect on U.S. Armed Forces must be reported to Congress, and Congress could halt delivery by passage of a concurrent resolution. Surely, that is within the national interest. Congress, by concurrent resolution, may terminate military grants and prohibit credits and guarantees to any country which violates agreements concerning the use of U.S. equipment and material.

The President must submit to Congress an annual estimate of government-to-government arms sales and the justification for the estimate on a country-by-country basis.

I am sure the executive branch has that material available because they have to prepare their presentations to the Congress asking for authorizations. Obviously, if they are going to ask for a specific amount in authorizations, they must have the rationale for it.

What we are asking is that that rationale, in more explicit terms, be made available to the Congress.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MANSFIELD. Could the Senator tell us the amount of arms sales by this country to other countries during the calendar years 1974–75?

Mr. HUMPHREY. I believe about $10,100,000,000, including commercial sales.

Mr. MANSFIELD. In 1975?

Mr. HUMPHREY. That is correct; $10,100,000,000 in fiscal year 1975.

Mr. MANSFIELD. And in 1974?

Mr. HUMPHREY. In 1974 it was $11,300,000,000.

Mr. MANSFIELD. What is the projection for this calendar year?

Mr. HUMPHREY. These figures include commercial sales. The total amount of commercial sales in 1974 along with Government sales was approximately $11,300,000,000.

Mr. MANSFIELD. That was the 1974 figure?

Mr. HUMPHREY. Yes.

Mr. MANSFIELD. What is the projection, if the Senator knows, for this year?

Mr. HUMPHREY. The projection for 1976, the one that we are working on here, was almost $12 billion.

Mr. MANSFIELD. So the curve is up?

Mr. HUMPHREY. It is definitely up.

Mr. MANSFIELD. How much does the sale of arms contribute to our favorable balance of payments, along with agricultural products?

Mr. HUMPHREY. It is much less. Agricultural products, fortunately, are around $20 billion.

Mr. MANSFIELD. Are these arms sold at cut rates, are they given away, or are they sold at anywhere near their real value when manufactured?

Mr. HUMPHREY. Some are sold at their real value. Obviously, those are commercial sales and government-to-government sales. But there is military assistance. There have been sales from excess. There have been surplus weapons that have literally been given away. The figures we have here——

Mr. MANSFIELD. Are they the actual value?

Mr. HUMPHREY. No. These are foreign military sales orders which would be actual commercial value not including the excess material that would be given away or the grant assistance.

Staff has just reminded me that in this bill we have tightened up on the pricing mechanism in our proposed legislation so there cannot be what one might call subsidy in arms sales.

Mr. MANSFIELD. Where does the factor of commissions come into these sales?

Mr. HUMPHREY. They come into the commercial sales abroad and also in the government-to-government sales.

Mr. MANSFIELD. Does the Senator have any idea as to how much that amount might be, an estimate?

Mr. HUMPHREY. I do not, but the Senator from Idaho, who has been so active in this matter, who is the sponsor of a significant feature in this bill, does have that information. As the Senator may recall, it runs into many millions and millions of dollars.

Mr. MANSFIELD. Yes. I have been reading that in the press reports.

Mr. HUMPHREY. We really have no way of knowing the total amount. What we are trying to do in this bill is to put an end to excessive and illegal commissions and to require reporting. We do not put an end to the agent fee, but we require reporting so that we have an idea, particularly where the Government of the United States is involved, as to what agent fees have been paid.

Mr. MANSFIELD. It has had to be dug out up to this time.

Mr. HUMPHREY. It has been a digging-out process by the Subcommittee on Multinational Corporations. Senator CHURCH serves on our committee and we have been able to bring that information into this legislation.

Mr. MANSFIELD. So the purpose is to lay it out on the table?

Mr. HUMPHREY. That is correct.

Mr. MANSFIELD. What is the reaction of the armaments industry to this legislation, if any?

Mr. HUMPHREY. They called it witless and the author of it witless. They have put out bulletins that are, to my way of thinking, rather shocking. I have some of those bulletins. I will ask the staff if they can pull out one or two.

Mr. MANSFIELD. Maybe they should be printed in the RECORD.

Mr. HUMPHREY. There is a propaganda barrage. I read one the other day in the Senate and made note of the fact that it was a very sarcastic and I considered totally unfounded charge against the committee and the legislation. Most of the people who are making these charges have not read this bill.

Mr. MANSFIELD. Have they made any money from armament sales?

Mr. HUMPHREY. I would say they have had a rather profitable enterprise. I want to say furthermore, as I said in the beginning, this bill does not prohibit armament sales; it does not try to put American industry into a noncompetitive position. What it tries to do is to bring some order out of what today has become a marketing practice. If we are going to sell arms abroad, we must sell them within the framework of our foreign policy, and we have not necessarily been doing that. We have been selling them as if we were selling hardware or appliances rather than weapons.

Mr. MANSFIELD. Do we go shopping to sell our arms?

Mr. HUMPHREY. Yes, we do have salesmen. When I say "we," the American munitions industry have salesmen who work the terrain.

Mr. MANSFIELD. How much are they paid?

Mr. HUMPHREY. We do not know, but we intend to try to find out.

Mr. MANSFIELD. How many of them are there?

Mr. HUMPHREY. Again, we have no way of knowing that.

Mr. MANSFIELD. What companies are affected?

Mr. HUMPHREY. There are many companies that are well known that are involved in the sale of American military goods. These are, most of them, very respected companies. We are not trying to do injury to them in this legislation.

Mr. MANSFIELD. But they make payments to agents; do they not?

Mr. HUMPHREY. They have, because that has been the practice in the past.

Mr. MANSFIELD. And that is part of the public record?

Mr. HUMPHREY. That is part of the public record.

Mr. MANSFIELD. And some of them get huge sums?

Mr. HUMPHREY. Incredible sums.

Mr. MANSFIELD. For no work, as they are just conduits through which the sales are made?

Mr. HUMPHREY. There has been exposé of what the Senator refers to as conduits, contacts, connections which have been used.

Mr. MANSFIELD. Are those mostly through the Defense Department or through commercial establishments?

Mr. HUMPHREY. Both. I do not mean to say that the Defense Department has been responsible in any way for the agent fees, but most of the sales of American military products are handled through the Defense Department on what we call a government-to-government basis.

Mr. MANSFIELD. Do we have an office in the Pentagon which applies itself solely to the selling of American armaments?

Mr. HUMPHREY. We have.

Mr. MANSFIELD. Is it under the control of the uniformed services or a civilian?

Mr. HUMPHREY. General Fish is the man who is directly in charge, and he is a uniformed officer. There is an assistant secretary, a civilian, who has overall policy responsibility.

Mr. MANSFIELD. What is his name?

Mr. HUMPHREY. That is Mr. Robert Ellsworth. Mr. Ellsworth is an Assistant Secretary.

Let me say again that we have had good cooperation from General Fish in preparing this legislation. I can say that no one in the Defense Department is too happy with all the material we have required in terms of information.

Mr. MANSFIELD. But the Defense Department——

Mr. HUMPHREY. But General Fish has stated to us that the legislation that has been prepared and is now before the Senate is not harmful to American industry, and can be very beneficial to the Government of the United States.

Mr. MANSFIELD. General Fish just carries out orders?

Mr. HUMPHREY. General Fish carries out orders. He has also been, however, one of those with whom we have consulted. During the time of the hearings, he gave testimony, and we had some discussion at that time. I suggested to Dr. Kissinger in the presence of General Fish that we get together with the staffs of the military and the State Department, to see if we could not work out an agreeable piece of legislation.

Mr. MANSFIELD. I understand that there are munitions fellows stationed across the river in Arlington, civilians who are engaged in this particular industry. Is that correct?

Mr. HUMPHREY. I think there is no doubt about that, and that is most likely in the areas of both commercial sales and Government contracts.

Mr. MANSFIELD. Where do they get their armaments?

Mr. HUMPHREY. From American industry.

Mr. MANSFIELD. They are not surplus?

Mr. HUMPHREY. No, our Government makes available at times surplus. But these agents are not always engaged in surplus disposal.

Mr. MANSFIELD. This is an interesting bill. I hope we will go into it further as we go along.

Mr. HUMPHREY. We will go into it further.

Let me quote from one of the bulletins that came from a company that was trying to spread a little propaganda about our bill. Here is what it says. I quote from a publication of the Aerospace Industries Association.

It reads as follows:

> The bill would impose such witless procedures and limitations as to dissuade substantial numbers of foreign friends and allies from undertaking acquisitions from the United States.

This is just one of many.

Mr. MANSFIELD. Will the Senator yield further?

Mr. HUMPHREY. Yes.

Mr. MANSFIELD. What is the name of that organization?

Mr. HUMPHREY. That is the Aerospace Industries Association.

Mr. MANSFIELD. What companies belong to the Aerospace Industries Association?

Mr. HUMPHREY. Large aviation companies.

Mr. MANSFIELD. Could the Senator name them?

Mr. HUMPHREY. The big producers in aircraft. I imagine it includes Northrup, General Dynamics, Lockheed, et cetera. United Aircraft.

Mr. MANSFIELD. They are all recipients of Government contracts?

Mr. HUMPHREY. They are, indeed.

Mr. MANSFIELD. Of some magnitude?

Mr. HUMPHREY. Of substantial magnitude.

Mr. MANSFIELD. What is their objection?

Mr. HUMPHREY. Their objection is that we are going to let Congress know what is going on in the arms sales business. That is all. Their objection is that we have the right, by concurrent resolution, to veto the transfer of some arms.

Mr. MANSFIELD. Are they organizing a lobby, to the Senator's knowledge, to defeat the pending bill?

Mr. HUMPHREY. They are indeed; and it is headed by none other than the gentleman who ran against me for the U.S. Senate in 1970.

Mr. MANSFIELD. I see. How long has the——

Mr. HUMPHREY. A very able man, I must say. They picked a good one.

Mr. MANSFIELD. Who is he?

Mr. HUMPHREY. Mr. Clark MacGregor.

Mr. MANSFIELD. A very able man.

Mr. HUMPHREY. Yes.

Mr. MANSFIELD. How long has this campaign been going on?

Mr. HUMPHREY. About the last 3 weeks, beginning when they thought that there was some chance that this bill would reach the floor, and it stepped up its tempo. The last 10 days.

Mr. MANSFIELD. I thank the Senator.

Mr. HUMPHREY. Mr. President, I was citing for the record those matters over which Congress, by concurrent resolution, could exercise some control.

I pointed out that Congress by concurrent resolution, among other things, can reject executive branch proposals to permit the transfer of military equipment of U.S. origin from the original recipients to third countries. For example, the United States could sell its equipment, let us say, to a country in the Middle East, Iran, Saudi Arabia, or any of a number of other countries, and such equipment is not supposed to be transferred. But it has been, including training in the use of such weaponry. We want to see that that does not happen without approval and congressional review, because we could inadvertently refuel a conflagration in the Middle East just through arms sales. You have to keep a tight rein on this business.

Congress also, under the proposed legislation, may restrict or terminate, by concurrent resolution, security assistance to any country which engages in gross violations of internationally recognized human rights.

Congress has expressed itself in terms of the effect on human rights, for example, of American sales of equipment to governments which engage in gross violations of human rights in a consistent pattern. We have done with this legislation what we did in the economic assistance legislation. I see our colleague from South Dakota (Mr. ABOUREZK) here, who has been vitally concerned about this matter, as was the Senator from California (Mr. CRANSTON), the Senator from Massachusetts (Mr. KENNEDY), and other Senators. What we have tried to do its incorporate in this legislation the experession of the will of the Senate as it has been adopted in other legislative proposals.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. HUMPHREY. Yes. I might say the distinguished Senator from New York was one of the main movers in our committee on this important section of the bill, on the matter of human rights.

Mr. JAVITS. Mr. President, in this particular human rights provision, the important thing is, is it not, that it does not have automaticity, but that we have a staged proceeding in which we can seek information, get information, deal with that information in a public sense, and then apply a kind of stepped-up procedure leading to an ultimate remedy?

Mr. HUMPHREY. The Senator is correct and the remedy is arrived at after what we call due process. But the remedy is available.

Mr. JAVITS. Exactly, and the sanction is always there if we wish to use it.

Mr. HUMPHREY. The Senator is exactly right.

Mr. JAVITS. But that itself is not automatic.

Mr. HUMPHREY. No, indeed not. It requires a process unto itself.

Mr. JAVITS. Therefore, we have tried in the human rights proceedings to allow judgment and whatever are the total considerations involved in a given case to manifest itself, but we have reserved the final authority where our national interest or our national feeling or morality is truly offended to cut it off.

Mr. HUMPHREY. The Senator is correct. Congress makes that cutoff.

Mr. JAVITS. We worked on it very hard.

Mr. HUMPHREY. We established in the State Department an Office of Human Rights that has to give us this information on a continuing basis so that we are not simply waiting for a newspaper report or waiting to hear from someone having come back from a visit overseas. But any Member of the Senate, any member of the committee, or any of the committees of Congress have the right to request information that we feel should be forthcoming that indicates any violation of human rights.

Mr. JAVITS. May I only add, before the Senator is through, to assure our colleagues that this is one we really labored over, both in procedure and in substance, and I am deeply convinced that it is as excellent a piece of a legislative action as we could draft under the circumstances, combining at one and the same time an effective remedy, a judicious approach to that remedy, and a judicious way to apply the remedy.

I thank our colleague.

Mr. HUMPHREY. I thank the Senator.

Again, I wish to say what I said earlier. The Senator from New York worked very hard on this matter, and we spent I do not know how many days trying to work out the procedure that we thought would be effective.

I yield to the Senator from South Dakota.

Mr. ABOUREZK. I thank the Senator.

I ask unanimous consent that two members of my staff, Alan Shvotkin and Tom Daschle, have floor privileges during the debate and voting on this bill.

The PRESIDING OFFICER (Mr. Leahy). Without objection, it is so ordered.

Mr. ABOUREZK. I also compliment the members of the committee, especially Senator Humphrey, for his work on the human rights section of this bill as well as—

Mr. HUMPHREY. I thank the Senator.

I thank him for his initiative in these efforts over the past several years. He has been one of the moving forces in the development of this legislation.

Mr. CASE. Mr. President, will the Senator yield for underscoring comments only on the very important statement that he has made.

Mr. HUMPHREY. Yes.

Mr. CASE. We are broadening the authority of Congress in a number of respects, including the very important one of consent to transfer of arms already sold, something that had not existed before.

Mr. HUMPHREY. That is correct.

Mr. CASE. This is not action taken on a theoretical basis. It is not action taken in a vacuum. Great stocks of armaments have been stored in certain countries which have no use for them. Libya is an example.

Mr. HUMPHREY. The Senator is exactly right. To the contrary, not only no use but in a very dangerous place.

Mr. CASE. They are available for transfer, either directly if the executive branch under present law only approves or by resale back to the manufacturer who may in a private sale sell these without control by Congress. This is the kind of thing which presents a very real possibility and not simply a theoretical or hypothetical possibility, that the members of this committee have been concerned about. I wish to underscore the fact that for the first time we are dealing with that sort of problem in this legislation.

Mr. HUMPHREY. Mr. President, the point that the Senator from New Jersey makes is that every single feature in this bill that represents a fundamental change with the past is based upon experiences that have taken place or developments that have occurred and have been revealed by Congress in investigation or in testimony, or incidents that we believe are contrary to the national interest. I refer, for example, to the drawdown of American military supplies that would impede our combat effectiveness. This has been taken account of in this legislation.

I looked at the Presiding Officer of the Senate, and he was one of those who was concerned about it as we traveled abroad and visited with our NATO representatives. The Senator may recall that Senator Culver of Iowa and the distinguished Senator from Vermont (Mr. Leahy), and others, took this up with our NATO allies. We were not only concerned about standardization of weaponry, for example, but we were concerned, also, with the drawdown of supplies that might weaken our NATO alliance. We want to keep those alliances strong. So what has the committee done? The committee took a look at experiences and practices that have been in place, that have taken place, and has said that we must call a halt to this, so we are providing a mechanism in this bill.

I think what the Senator from New Jersey said so well is that what we have done in this legislation is not a theoretical exercise in some Utopian philosophy of how we would like to see the arms sales conducted. But what we have done is to take a look at past patterns, the problems that have occurred, and out of that experience we tried to build a better piece of legislation.

I think that our colleagues, if they will read it and examine it, will find that we have done a fairly good job. I cannot say how good, because we will have to wait and see what experience we have under the legislation. But this I know: first, the Congress will have a great deal more control over what is happening; second, I know that the Executive will consult with Congress a great deal more; and third, our arms sales policy will be within the framework of sound national security and foreign policy and not in the framework of a Sears, Roebuck catalog of arms that are available for anyone who wishes to buy them. That, regrettably, has been all too often what has been going on for many years, not just recently. This is not to take any partisan or potshots at any Secretary of Defense or any one President or any one Secretary of State. We are not talking about that. We are talking about legislation that has not been revised since the 1950's, and it is time that we revised it.

So, Congress, we say, may restrict or terminate by concurrent resolution certain number of actions proposed by the Executive after proper notification, and it may terminate or restrict security assistance to any country which engages in gross violations of internationally recognized human rights. I think Congress may wish to do that.

This bill also sets a goal of drastically reducing both the number of countries which receive military grant assistance and the number of U.S. military missions abroad, and that is long overdue.

Once we get these military missions abroad, they desire to stay. We think the time is at hand to start to phase them down; if there is a need for a military mission in a certain country, let the Executive come before the appropriate committee of Congress, present its recommendation, and obtain its authorization. I am sure that if there is a need they will receive what they have requested.

Passage of S. 2662 will not mean that all grants and missions will be ended by October 1, 1977. But it will require that after the end of the next fiscal year all grant military aid, by country, and all U.S. military missions abroad must have been authorized specifically by Congress. We have been trying to do this in legislation for some time. The Senate has passed this sort of provision, I think a couple of times, at least two times, and it has been lost in conference.

As a start in implementing that policy, this bill contains line item allocations for grant military aid and supporting assistance, and it requires a significant reduction in the number and size of U.S. missions abroad.

Two important provisions of the bill deal with the provision of security assistance to countries that engage in a consistent pattern of gross violations of internationally recognized human rights or that discriminate against U.S. citizens involved in furnishing security assistance.

Here again we were very careful on the matter of designing legislation relating to the termination of security assistance to any country that discriminates against U.S. citizens involved in furnishing of security assistance. We are not looking at the general laws of the country. We take a look at the specific instance with a specific contract. If there is a specific instance in a specific contract for a particular country in which discrimination has occurred, then it must be reported to the Congress. If diplomatic initiatives are unable to resolve the issue, and discrimination continues, then that contract must be terminated.

Why not? We do this to our own people. If a State or a school district violates the law of the land as it relates to civil rights, we cut off the assistance. If a State refuses to abide by title 6 of the Civil Rights Act, we cut off the assistance.

In this instance, we are even less firm. We simply say that in a particular contract by a particular company in a particular country, if there is solid evidence that can be verified that discrimination has taken place against an American national, and diplomacy is not effective, then it will be cut off. I think that is very fair, and, my goodness, we have walked the extra mile.

Mr. CASE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from New Jersey, who is the main author of this provision.

Mr. CASE. I thank my colleague.

Mr. President, I have been most happy at the committee's responsiveness in this area. I think that the product is a good product. In substance, I am sure it will work well.

I rise particularly at this time to deal briefly with an objection which has been raised, rather obliquely stated, by the executive branch and others of a similar mind, giving Congress, by concurrent resolution, action which the executive branch would like to take.

The suggestion is that this perhaps is unconstitutional, that this sort of thing can only be done by a law, which, of course, requires not only a majority in both Houses but also the signature of the President, subject to being overridden by a two-thirds vote in each House in case he vetoes it.

Mr. President, I say very emphatically that this objection comes a little late. This device—I use that word in a good sense only—this procedure, if you will, has been thoroughly grounded in American constitutional action for many, many years. Perhaps one of the early exercises of this kind of procedure was in the Reciprocal Trade Agreements Act, in which trade agreements negotiated and signed by the executive branch could be upset by concurrent action of the two Houses, without Executive approval.

We have another example in the legislative reorganization or governmental reorganization acts, in which reorganization plans set up by the President can be vetoed by Congress without interposition vetoed by the President.

To say that it is unconstitutional for us to take such action by concurrent resolution will result—if that claim should be sustained—in the further refusal by Congress to delegate its authority to the President to make suggestions of this very useful sort.

I say that it comes too late and indeed in bad grace for the executive branch—because the President, himself, has not raised this point—and particularly the State Department to claim that this kind of action, of congressional veto of delegated authority, authority delegated by Congress to the President, would be unconstitutional. We cannot accept that, and I am sure that the courts would not uphold that claim.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. JAVITS. Mr. President, it is my judgment that because these are delegated powers which Congress does not have to delegate, Congress can reserve the right to withdraw that authority, just as it can repeal a bill. Because it is extending power by this very bill, it seems to me this is a very appropriate technique by which that power can be withdrawn by the same authority. It is power delegated to the President, who is the one who would have to sign a bill. Therefore, it makes sense, under the Constitution, to reserve the right to revoke that authority by the granting party, which in this case is Congress.

I think that legal proposition is very important in terms of the Constitution. If we were giving the power to someone other than the executive department—to wit, the President, who is the necessary link to the signing of a bill—then if there were any such authority that we could give it to, I could see the administration's constitutional argument.

When the power goes to those who would frustrate it by simply refusing to sign a bill, placing a greater burden on Congress than would otherwise be the case, it seems to me constitutionally logical that we should be able to provide for our own revocation of the power to that very party—to wit, the President, who alone can make a law, by his signature, based on a majority vote in both Houses.

Mr. CASE. The Senator has stated the matter in a very vivid and compelling fashion. If he were reporting this case, I would want him to write the head note.

Mr. JAVITS. I thank my colleague.

My colleagues already have spoken of a very practical ground. Congress would be loathe to delegate power, and that may encumber the Government in its operations. Many of the things we are doing could not be done if we did not have the security of feeling that that power could be exercised in given cases.

So, on practical grounds and on constitutional grounds, we are on sound ground. As it is probably the kind of case in which the only party would be the President, it is important to make this legislative record as to our view of the constitutional aspect.

Further, it should be made clear—I hope Senator Humphrey will make it clear, as will Senator Case—that we labored long and hard to make this concurrent resolution authority as limited as we humanly could. There are many other cases to which it could have been applied, but we strove to confine the number of cases to the absolute minimum necessary to give the most efficient operation to this particular statute. Without these authorities in respect of concurrent resolutions, I think the legislative intent should be clearly stated, that we would not have delegated the power. I think it is critical that that be made clear.

Mr. HUMPHREY. Mr. President, I think the Senator from New York has made it clear. He speaks for the committee.

In my presentation here today, in my opening remarks on the bill, I listed those areas where the concurrent resolution is used. The Senator from New York is absolutely right when he says that we tried very hard to exercise all possible restraint on the use of the concurrent resolution and only in those areas of the proposed legislation that we thought were of critical importance.

As to the constitutionality of the action of the committee in this matter, I ask unanimous consent to have printed in the Record the portion of the committee report on page 10 that begins with the subheading "Committee Comments Regarding the Constitutionality of 'Legislative Veto' Provisions Contained in S. 2662," through the first two paragraphs of page 16.

There being no objection, the material was ordered to be printed in the Record, as follows:

COMMITTEE COMMENTS REGARDING THE CONSTITUTIONALITY OF "LEGISLATIVE VETO" PROVISIONS CONTAINED IN S. 2662

Because certain questions have been raised recently regarding the constitutionality of the so-called "legislative veto", and because the Supreme Court has not directly addressed this question,[1] the Committee considers it appropriate to set forth its views regarding the constitutionality of the legislative veto provisions contained in S. 2662.

First, the Committee notes that use of the legislative veto is not prohibited by any express provision of the Constitution. Specifically, the Committee finds that the enactment of these provisions would not violate article I, section 7, clause 3 of the Constitution, the "presentation clause". That clause provides as follows:

"Every Order, Resolution, or Vote to which the Concurrence of the Senate and House of Representatives may be necessary (except on a question of Adjournment) shall be presented to the President of the United States; and before the Same shall take Effect, shall be approved by him, or being disapproved by him, shall be repassed by two thirds of the Senate and House of Representatives, according to the Rules and Limitations prescribed in the Case of a Bill."

The original constitutional materials all suggest that that clause derived from the Framers' concern that, by calling a bill an "order", a "vote", or a "resolution" (rather than a bill), Congress might cause a law to take effect without any opportunity on the part of the President to exercise his veto power. The principle established, in other words, was that a simple or concurrent resolution may not, of its own force, have the effect of law. This principle is not violated by any of the legislative vetoes contained in S. 2662. The President will, if that bill passes each House, have an opportunity to veto it; if the bill is enacted, any resolution subsequently adopted pursuant to that statute will derive force not from itself, but from the enabling Act in which it is incorporated. Were the Congress to attempt, without first enacting S. 2662, to exercise by resolution any of the legislative vetoes contained in S. 2662, then the Committee believes that the presentation clause would require that such resolution be presented to the President for his signature. It was that situation, judging from notes taken of the debates at the constitutional convention, that the presentation clause was intended to prevent. The Committee is not aware of anything in the primary constitutional materials, however, that would suggest any intent on the part of the Framers to preclude the incorporation of a provision for a legislative veto in an existing statute. Indeed, there is no indication in those materials that the Framers had even contemplated the "incorporated" legislative veto. This is further suggested by the language of the presentation clause itself which, read literally, would preclude only concurrent resolution vetoes and not simple resolution vetoes. Surely such anomalous wording would not have been used had the Framers intended to prohibit the legislative veto as it has since developed.

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[1] In *Buckley* v. *Valeo* (Nos. 75-436 and 75-437, Jan. 30, 1976), the Court had "no occasion to address" the validity of a legislative veto applicable to rules and regulations of the Federal Election Commission. The Court stated:

"Because of our holding that the manner of appointment of the members of the Commission precludes them from exercising the rule-making powers in question, we have no occasion to address this separate challenge of appellants."

Id. at 134, n. 176.

The development of the legislative veto apparently began with the Legislative Appropriations Act of 1932, 47 Stat. 382, which granted President Hoover the authority to consolidate, redistribute, and transfer various executive branch agencies and functions by executive order, provided neither House of Congress disapproved within 60 days. The Reorganization Act of 1939, 53 Stat. 562, included a concurrent resolution veto to limit similar authority, as did the Reorganization Act of 1945, 59 Stat. 613. In the Reorganization Act of 1949, 63 Stat. 203, the one-House veto was again employed.

The Committee believes that each of these statutes was clearly constitutional, representing an instance in which the Congress merely accomplished by one means what it had the unquestioned power to accomplish by another. Clearly, the Congress possesses the constitutional authority to reorganize the executive branch through the traditional legislative process. Thus, each of the reorganization plans submitted to the Congress could constitutionally have been enacted by the Congress in the first instance with no formal suggestions from the executive branch. Instead, the Congress elected to avail itself of the expertise, experience, and insight of the executive branch by delegating to the executive branch the right to propose specific action, without relinquishing its own power to determine what has the force of law.

The Committee does not view the separation of powers doctrine as precluding this kind of inter-branch cooperation. That doctrine, as Justice Frankfurter has noted, has not been treated by the Supreme Court as a "sterile dogma" establishing a "rigid conception of separation of powers":

"On the whole, 'separation of powers' has been treated by the Supreme Court not as a technical legal doctrine. Again barring some recent decisions, the Court has refused to draw abstract analytical lines of separation and has recognized necessary areas of interaction among the departments of government. Functions have been allowed to courts as to which Congress itself might have legislated; matters have been withdrawn from courts and vested in the executive; laws have been sustained which are contingent upon executive judgment on highly complicated facts. . . . Enforcement of a rigid conception of separation of powers would make modern government impossible. The control of navigation, the regulation of railroad rates, the administration of the Pure Food and Drug Act, the allocation of wave lengths, are all achieved by refusing to treat the doctrine of separation of powers as a sterile dogma." Frankfurter, *The Public and Its Government* 78 (1930).

Although the Supreme Court, as noted, above, has never directly addressed the question of the constitutionality of the legislative veto, it has upheld a broad legislative power on the part of the Congress. Specifically, the Court has upheld the constitutionality of statutes which condition the authority granted therein upon the occurrence or nonoccurrence of a specified contingent event. In *J. W. Hampton & Co.* v. *U.S.*, 276 U.S. 394 (1927), that event was a finding by the President that the raising of tariff rates was necessary to equalize foreign and domestic production costs. In *Hirabayashi* v. *U.S.*, 320 U.S., 81 (1943), that event was a finding by a military commander that danger existed and that a curfew order was the appropriate means of minimizing that danger. In *U.S.* v. *Rock Royal Cooperative, Inc.*, 307 U.S. 533 (1939), that event was a referendum of approval of milk product handlers prior to the entry of certain orders by the Secretary of Agriculture under the Agricultural Marketing Act of 1937. In *H. P. Hood & Sons, Inc.* v. *U.S.*, 307 U.S. 588 (1939), that event was a referendum of milk product producers prior to the entry of such orders. In *Currin* v. *Wallace*, 306 U.S. 1 (1939), that event was a referendum of approval of tobacco growers prior to the designation of certain markets by the Secretary of Agriculture ("Congress has merely placed a restriction upon its regulation by withholding its operation as to a given market unless two-thirds of the growers voting favor it.' ". *Id.* at 15).

The Committee believes that the subsequent vote provided for by the legislative vetoes contained in S. 2662 may properly be viewed as the same sort of contingent event provided for by the statutes upheld by the Court in the above-cited cases.

This was the position taken by the House Select Committee on Government Organization in reporting the Reorganization Act of 1939. The Committee stated:

"The failure of Congress to pass . . . a concurrent resolution is the contingency upon which the reorganizations take effect. . . . That the taking effect of action legislative in character may be made dependent upon conditions or contingencies is well recognized. The latest pronouncment of the Supreme Court on the subject is in [*Currin* v. *Wallace*, 306 U.S. 1 (1939)]. That case upheld the validity of a referendum of farmers which determined whether the Secretary of Agriculture could exercise the authority given him by the statute to designate a market as one at which tobacco was required to be inspected and certified by Department representatives prior to its sale. It seems difficult to believe that the effectiveness of action legislative in character may be conditioned upon a vote of farmers but may not be conditioned on a vote of the two legislative bodies of the Congress." (H.R. Rep. No. 120, 76th Cong., 1st Sess. 6 (1939).)

A similar position was taken by the late Edwin S. Corwin. "[I]f the Secretary of Agriculture may be delegated powers the exercise of which is subject to a referendum vote of producers from time to time," Corwin asked, "then why may not the two Houses of Congress be similarly authorized to hold a referendum now and then as to the desirability of the President's continuing to exercise legislatively delegated powers?" The line between delegation of powers and abdication of powers is to be maintained, he urged, "[o]nly . . . by rendering the delegated powers recoverable without the consent of the delegate; and for this purpose the concurrent resolution seems to be an available mechanism, and the only one. To argue otherwise is to affront common sense." Corwin, *The President: Office and Powers, 1787–1957* (4th rev. ed. 1957).

If the legislative vetoes contained in the Reorganization Acts were constitutional (and the Committee believes that they were), then similar provisions in other statutes are likely to be valid. It is evident that the legislative veto provisions contained in S. 2662 are, in all material respects, comparable to the provisions contained in the Reorganization Acts. Each allows the President to propose, in a legislative context, specific action. Each permits such action to be carried out unless disapproved by the Congress. Each allows such disapproval only within a limited time period. Most importantly, each involves the delegation of a power which the Congress could constitutionally withhold altogether from the executive branch. Clearly, the Congress could refuse to authorize security assistance to a country which violates internationally recognized human rights (sec. 111). Clearly, the Congress could refuse to authorize funds for such assistance (including covert activities with respect to Angola (sec. 112)). Clearly, the Congress could prohibit the transfer to a third country of defense articles and services which it authorizes to be sold to a foreign country (sec. 204). Clearly, the Congress could prohibit the sale of defense articles or services if such sales adversely affect the United States' combat readiness (sec. 109). Clearly, the Congress could prohibit altogether certain government-to-government sales or the granting of certain commercial licenses (sec. 213). Instead of withholding those powers altogether, the Congress, by enacting S. 2662, will merely have withheld a part of those powers by subjecting their use to the condition that Congress does not disapprove. It will have given the executive branch an opportunity to formally propose specific action which could not have been taken had no portion of those powers been delegated. The attachment of such a condition, the Committee believes, is necessary in S. 2662 for the same reasons it was necessary in the Reorganization Acts: to make use of executive branch expertise and provide some flexibility while at the same time avoiding an undue delegation of legislative discretion to the executive branch.

Thus viewed, the legislative veto upholds rather than undermines the separation of powers principle. The purpose of that doctrine, the Committee believes, was well set forth by Justice Brandeis:

"The doctrine of separation of powers was intended by the Convention of 1787, not to promote efficiency but to preclude the exercise of arbitrary power. The purpose was, not to avoid friction, but, by means of the inevitable friction incident to the distribution of the governmental powers among three departments, to save the people from autocracy." *Meyers* v. *U.S.*, 272 U.S. 52, 293 (1926) (Brandeis J., dissenting).

Far from requiring that the President be delegated "arbitrary powers", which he would be if the above-described powers were granted unconditionally, the Committee views the separation of powers doctrine as militating against such an abdication of legislative responsibility. Use of the legislative votes provided for in S. 2662 will allow the Congress, by delegating some but not all of these powers, to continue to perform its constitutionally mandated role.

The Committee does not believe, it should be noted, that the Constitution places nc limits upon use of the legislative veto. The legislative veto could not be used to invade areas of plenary presidential prerogative, such as the pardon power (article II, section 2, clause 1) or the recognition power (article II, section 3). It could not be employed to oversee the finest details of the day-to-day administration of the Federal government. Nor, obviously, could it be used to nullify the veto clause by statutorily granting the President enormously broad powers subject to the condition that Congress may disapprove their exericse by concurrent resolution. But the potentiality that a power may be abused is no argument against this existence. As Justice Story stated in *Martin* v. *Hunter's Lessee,* 14 U.S. (1 Wheat.) 304, 344 (1816): "It is always a doubtful course, to argue against the use of existence of a power, from a possibility of its abuse."

The Committee believes that each of the legislative vetoes contained in S. 2662 is well within the limits implied by the Constitution. Each is narrowly circumscribed in its effect. None relates to the exercise of a plenary executive power. None involves the Congress in a day-to-day administration of the laws. The Committee notes, in this connection, that under the legislative veto provided for in the "Nelson Amendment" (section 36(b) of the Foreign Military Sales Act), the prototype for most of the legislative vetoes in S. 2662, not one resolution of disapproval has been adopted.

Finally, at least 46 provisions of existing law contain various forms of the legislative veto (see appendix). Dozens more, no longer in effect, have been employed during the past 45 years. Although the Committee does not believe that a constitutionally questionable practice, by mere repetition, becomes more constitutional, the Committee notes that the executive branch has on numerous occasions advanced such an argument with respect to its own practices.[3] If custom has tended to validate otherwise questionable practices engaged in by the executive branch, custom would seem just as surely to have validated the congressional practice embodied in the legislative veto.

The "legislative veto" provisions of S. 2662 to which the Executive Branch objects on Constitutional grounds are as follows:

"Legislative Veto"

Provisions of S. 2662

1. Proposals to approve the transfer to third countries of major military equipment valued at $25,000,000 or more, or related training, may be rejected by Congress by a concurrent resolution (section 204).

2. Congress may suspend deliveries to foreign countries of items sold from Department of Defense stocks when those sales would have a significant adverse effect on the combat readiness of the U.S. armed forces (section 209).

3. Congress can reject, by concurrent resolution, proposals to sell, on a government-to-government basis, military articles or services valued at $25,000,000 or more and any items of major defense equipment regardless of value (section 213).

4. Congress can reject, by concurrent resolution, proposed licenses for the commercial export of major defense equipment, regardless of value, those for military articles or services valued in excess of $25,000,000, and certain proposed commercial manufacturing license agreements for overseas production (section 212).

5. Security assistance to any country which is engaged in gross violations of human rights may be terminated or restricted by Congress by passage of a concurrent resolution (section 111).

6. Either House of Congress may reject a proposal by the President to provide security assistance to Angola (section 112).

Mr. HUMPHREY. I also ask unanimous consent that the appendix of provisions in the report on page 123, running through page 140, be printed at this point in the RECORD. Those provisions relate to the index of legislative veto provisions, citing all instances in which established law provides for congressional restraint or congressional veto over Executive actions when such is prescribed in law.

There being no objection, the appendix was ordered to be printed in the RECORD, as follows:

APPENDIX

THE LIBRARY OF CONGRESS,
CONGRESSIONAL RESEARCH SERVICE,
Washington, D.C., January 13, 1975.

To: Senate Foreign Relations Committee—
Attention: Norvill Jones
From: American Law Division
Subject: Digest of Legislative Veto Provisions

This is in response to your request for a digest of legislative veto provisions. The list of legislative veto provisions compiled by the Senate Legislative Counsel enclosed with your letter has been generally followed. However, several minor additions and deletions as well as explanatory notes have been added where appropriate.

JOHN T. MELSHEIMER,
Legislative Attorney.

THE LIBRARY OF CONGRESS,
CONGRESSIONAL RESEARCH SERVICE,
Washington, D.C.

INDEX OF LEGISLATIVE VETO PROVISIONS

I. CONCURRENT RESOLUTIONS

1. War Powers Resolution, 87 Stat. 555; Public Law 93–148.

2. District of Columbia Self Government and Government Reorganization Act, 87 Stat. 774; Public Law 93–198.

3. Amendments to Atomic Energy Act of 1954, 88 Stat. 1460; Public Law 93–485.

4. Trade Act of 1974, 88 Stat. 1978; Public Law 93–618.

(a) Import Relief (Title II of Public Law 93–618).

(b) Import Restrictions (Title III of Public Law 93–618).

(c) Freedom of Emigration (Title IV of Public Law 93–618).

(d) Nondiscriminatory Treatment of Foreign Products and Commercial Agreement (Section 407 of Public Law 93–618).

5. Department of Defense Appropriation Act of 1975, 88 Stat. 399; Public Law 93–365.

6. Amendment to Section 54 of Atomic Energy Act of 1954, 88 Stat. 475; Pubilc Law 93–377.

7. Motor Vehicle and Schoolbus Safety Amendments of 1974, 88 Stat. 1470; Public Law 93–492.

8. Amendments to Foreign Assistance Act of 1961, 88 Stat. 1795; Public Law 93–559.

9. Amendments to Foreign Military Sales Act, 88 Stat. 1813; Public Law 93–559.

10. Amendments to the Atomic Energy Act of 1954.

(a) Amendments to the Atomic Energy Act of 1954, 72 Stat. 277; Public Law 85–479.

(b) Amendments to the Atomic Energy Act of 1954, 72 Stat. 632; Public Law 85–681.

11. Lend-Lease Act, 55 Stat. 31; Public Law 77–11.

12. First War Powers Act of 1941, 64 Stat. 1245; Public Law 81–920.

13. Emergency Price Control Act of 1942, 56 Stat. 23; Public Law 77–421.

14. Stabilization Act of 1942, 56 Stat. 765; Public Law 77–729.

15. War Labor Disputes Act, 57 Stat. 163, Public Law 78–89.

16. An Act of October 6, 1976 to authorize appropriations for the Board for International Broadcasting for Fiscal year 1976, and to promote improved relations between the United States, Greece, and Turkey and to otherwise strengthen the North Atlantic Alliance, 89 Stat. 508; Public Law 94–104.

17. Export-Import Bank Amendments of 1974, 88 Stat. 2333; Public Law 93–646.

18. Reorganization Act of 1945, 59 Stat. 613; Public Law 79–263.

19. Amendments to Defense Production Act of 1950, 84 Stat. 796; Public Law 91–379.

20. Education Amendments of 1974, 88 Stat. 484, Public Law 93–380.

(a) Section 509 of Public Law 93–380.

(b) Section 842 of Public Law 93–380 concerning State equalization plans.

II. RESOLUTIONS BY EITHER HOUSE

1. Congressional Budget and Impoundment Control Act of 1974,

2. Trade Act of 1974, 88 Stat. 1978; Public Law 93–618.

(a) Amendment to the Tariff Act of 1930

(b) Nondiscriminatory Treatment of Foreign Products and Commercial Agreements

3. Military Construction Authorization Act of 1975, 88 Stat. 1745; Public Law 93–552.

4. Federal Pay Comparability Act of 1970, 84 Stat. 1946; Public Law 91–656.

5. Federal Salary Act of 1967, 81 Stat. 624; Public Law 90–206.

6. Federal Rules of Evidence, 88 Stat. 1948; Public Law 93–595.

7. Employee Retirement Income Security Act of 1974, 88 Stat. 829; Public Law 93–46.

8. Presidential Recordings and Materials Preservation Act, 88 Stat. 1695; Public Law 93–526.

9. Arms Control and Disarmament Act, 75 Stat. 631; Public Law 87–297.

10. Indian Claims Judgments Fund, 1973, 87 Stat. 466; Public Law 93–134.

11. Department of Defense Appropriations Authorization Act of 1975, 87 Stat. 605; Public Law 93–155.

12. Emergency Petroleum Allocation Act of 1973, 87 Stat. 627; Public Law 93–159.

13. Regional Rail Reorganization Act of 1973, 87 Stat. 985; Public Law 93–236.

14. Pennsylvania Avenue Development Corporation Act of 1972, 86 Stat. 1260; Public Law 92–578.

15. Federal Campaign Act Amendments of 1974, 88 Stat. 1263; Public Law 93–443.

(a) Amendment to Title III of Federal Election Campaign Act of 1971

(b) Presidential Primary Matching Payment Account Act.

16. Amtrak Improvement Act of 1975, Public Law 94–25.

17. An act codifying Title 5 of the United States Code, 80 Stat. 484; Public Law 89–554.

18. Rubber Producing Facilities Disposal Act of 1953, 67 Stat. 408; Public Law 83–205.

19. Education Amendments of 1974, 88 Stat. 484, Public Law 93–380.

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[3] *E.g.,* Testifying before this Committee in 1971, Secretary of State William P. Rogers cited exercises of Presidential warmaking power "to illustrate how the constitutional system adapts itself to historical circumstances." "War Powers Legislation", hearings before the Committee on Foreign Relations, U.S. Senate, 92d Congress, 1st Session, May 14, 1971 at 491.

Referring to the executive branch practice of using executive agreements, State Department Legal Adviser Monroe Leigh gave such a custom "significant legal weight":

"Practice over the years is certainly indicative of a very general acceptance of the right of the President to negotiate and conclude such agreements. Practice does not normally define a rule of law with any precision, but in the absence of other more authoritative norms, practice does assume significant legal weight."

Leigh. "Authority of the President to enter into executive agreements pursuant to his independent constitutional powers," memorandum submitted to Subcommittee on Separation of Powers, Committee on the Judiciary, U.S. Senate, October 31, 1975.

III. RESOLUTIONS WHICH REQUIRE COMMITTEE ACTION ONLY

1. Education Amendments of 1974, 88 Stat. 484; Public Law 93-380.

(a) Special Projects Act

(b) Section 509 of Public Law 93-380

2. Amendments to Watershed Protection and Flood Prevention Act, 70 Stat. 1088; Public Law 84-1018.

3. Public Buildings Act of 1959, 73 Stat. 479; Public Law 86-249.

4. Flood Control Act of 1965, 79 Stat. 1073, Public Law 89-298.

5. Small Reclamation Projects Act of 1956, 70 Stat. 1044; Public Law 84-984.

6. Amendments to Small Reclamation Projects Act of 1956, 71 Stat. 48; Public Law 85-47.

7. Amendments to National Traffic and Motor Vehicle Safety Act of 1966, 84 Stat. 262, Public Law 91-265.

DIGEST OF LEGISLATIVE VETO PROVISIONS

I. CONCURRENT RESOLUTIONS

1. War Powers Resolution, 87 Stat. 555; Public Law 93-148

The use of U.S. armed forces in various situations by the President would have to be terminated within sixty calendar days after the President's report of such use of armed forces unless Congress declared war, enacted specific authorization for such use of the armed forces, extended the sixty day period by law, or could not meet physically because of an armed attack against the U.S. The sixty day period could also be extended for an additional thirty days if the President certified to the Congress in writing that unavoidable military necessity respecting the safety of the armed forces made their use necessary to bring about a prompt removal.

The act also set strict procedural directives and time restrictions on introducing, considering, reporting and passing on any joint or concurrent resolutions and bills relating to the use of armed forces.

2. District of Columbia Self-Government and Government Reorganization Act, 87 Stat. 777; Public Law 93-198.

No act passed by the city council of the District of Columbia and approved by Mayor (or passed over his veto), except for (1) Budget acts submitted to the President and Congress for approval, (2) those given immediate effect (for ninety days only) because of emergency circumstances, or (3) those which propose amendments to the City Charter (Title IV of the act) could take effect until the Senate and the House each had been in session for thirty days after the proposed act had been transmitted to the President of the Senate and the Speaker of the House, and then only if during those thirty session days a concurrent resolution disapproving the action had not been adopted by both Houses.

3. Amendments to Atomic Energy Act of 1954 (an Act of October 26, 1974 to amend the Atomic Energy Act of 1954, as amended, to enable Congress to concur in and or disapprove international agreements for cooperation in regard to certain nuclear technology), 88 Stat. 1460; Public Law 93-485.

The Atomic Energy Act of 1954 was amended to provide that certain categories of foreign nuclear agreements must be submitted to Congress and referred to the Joint Committee on Atomic Energy, which was directed within thirty days to report its views and an accompanying concurrent resolution either favoring or opposing any proposed agreement. Unless within sixty days after receiving the agreement Congress passed a concurrent resolution stating that it does not favor an agreement, the agreement would become effective at that time. To ensure timely action, the act provides that any concurrent resolution reported by the Joint Committee would become the pending business of the House in question within twenty-five days after it was reported and that the resolution should be voted upon within five calendar days thereafter unless each House determined otherwise.

4. Trade Act of 1974, 88 Stat. 1978; Public Law 93-618

(a) Import Relief, 88 Stat. 2015; Title II of Public Law 93-618

The President is authorized by Title II of the act, after an investigation by and on the recommendation of the International Trade Commission, to provide import relief through such actions as proclaiming increased duties, tariff quotas, and import restrictions, or by negotiating marketing agreements. On the day the President proclaims such import relief or his intent to negotiate marketing agreements, or on the day he announces his determination not to provide such relief, he is directed to transmit that information to Congress along with a statement about his reasons, if any, for taking action different than that which had been recommended by the Commission. If the action reported by the President differs from the recommendations of the Commission, or if the President determines not to provide import relief, the recommendations made by the Commission would become effective upon the adoption, within the following 90-day period and by an affirmative vote of a majority of the members of each House present and voting, of a concurrent resolution disapproving the action by the President or his determination not to provide import relief. If such a concurrent resolution is adopted by Congress, the President is directed to proclaim within 30 days the action recommended by the Commission.

(b) Import Restrictions, 88 Stat. 2043; Title III of Public Law 93-618

If the President determines that the commerce of the United States was being burdened or restricted by unjustifiable or unreasonable tariff and other trade restrictions, by discriminatory policies, or by export subsidies, he is authorized by Title III of the Act to suspend or withdraw trade agreement benefits with that country or to impose restrictions on the import of its products, but any such action of the President, together with his reasons therefor, must be reported promptly to the Senate and the House of Representatives. Within ninety days thereafter the President's action could be disapproved by the adoption of a concurrent resolution by an affirmative vote of a majority of those present and voting in each House.

(c) Freedom of Emigration, 88 Stat. 2056; Title IV of Public Law 93-618

Title IV of the act requires that in order for any non-market country to be eligible for "most-favored-nation" treatment for credits and credit guarantees, or for commercial agreements, the President must submit to Congress a report indicating that the country was not denying citizens the right to emigrate and was not imposing more than a nominal tax, levy, fee, fine or charge on the act of emigration. The President was authorized to waive this ineligibility for certain reasons for as long as eighteen months, but any recommendation by him for an extension of the waiver for an additional twelve months would have to be submitted to Congress by the President, along with his reasons therefor, no later than thirty days before the end of the eighteen month period.

Title IV of the Act also provides for direct Congressional checks on these proposed waiver extensions through concurrent or simple resolutions passed by both Houses, either House, or both Houses, according to a complex set of possible contingencies.

(d) Nondiscriminatory Treatment of Foreign Products and Commercial Agreements, 88 Stat. 2063; Section 407 of Public Law 93-618

In order for a nation to be eligible for nondiscriminatory trade benefits ("most favored nation" treatment), the President is required to transmit to each House a document setting forth his reasons for the proclamation of nondiscriminatory treatment for that nation. This proclamation shall become effective only if both the House and Senate affirmatively adopt by a majority of those present and voting a concurrent resolution of approval.

In order to implement congressional reviewing of Presidential actions taken under the several sections of the Trade Act of 1974, the act provides (Sections 151 to 154) a detailed set of procedures to expedite the consideration of the various types of resolutions provided by the act.

5. Department of Defense Appropriation Act of 1975, 88 Stat. 399; Public Law 93-365.

The sale, lease, grant, loan, barter, transfer or disposal of any naval vessel over 2,000 tons or less than 20 years of age to another nation was prohibited unless its disposition had been approved by law; other naval vessels (those less than 2,000 tons or more than 20 years of age) could not be disposed of to another country until thirty days of continuous session of Congress after the Secretary of the Navy had notified in writing the Committees on Armed Services of the Senate and the House of Representatives about the proposed disposition.

If the President should disagree with a recommendation made by the Secretary of Defense that an application for export to a "controlled country" of certain goods, technology or industrial techniques should be disapproved because it might significantly increase the military capability of such country, the President was directed by section 709 of this act to submit to Congress both a statement indicating his disagreement and the recommendation of the Secretary. The export application could be approved after sixty days of continuous Congressional session unless Congress adopted a concurrent resolution disapproving the application within that sixty day period.

6. Amendment to Section 54 of the Atomic Energy Act of 1954, 88 Stat. 475; Public Law 93-377.

The Atomic Energy Act of 1954 was amended to provide that amounts and periods proposed by the Atomic Energy Commission for the distribution of certain special nuclear materials to the International Atomic Energy Agency or to any group of nations should be submitted to Congress and referred to the Joint Committee on Atomic Energy for a period of sixty days before they were established by the Commission. The Joint Committee was directed to report to Congress within the first thirty days thereafter its views and recommendations respecting the proposed amounts and periods and also to report a concurrent resolution stating that Congress either favored or did not favor the proposal. If Congress should pass a concurrent resolution during the sixty day period stating that it did not favor the proposed action, the proposal would not become effective.

7. Motor Vehicle and Schoolbus Safety Amendments of 1974, 88 Stat. 1470; Public Law 93-492.

The National Traffic and Motor Vehicle Safety Act of 1966 was amended by section 109 to provide that motor vehicle safety standards which the Secretary elected to promulgate in accordance with various limits in the act would become effective sixty calendar days of continuous Congressional session after the standard had been transmitted to Congress unless both the Senate and the House of Representatives adopted a concurrent resolution of disapproval during that period.

8. Amendments to Foreign Assistance Act of 1961, 88 Stat. 1795; Public Law 93-559.

In order for the President to expend funds for the assistance of certain Middle East countries, the amendments to the Act required him to report to the Speaker of the House and the House and Senate committees on Foreign Relations and Appropriations the name of the country, the amount of funds to be made available, and the purpose of the assistance. The funds could be expended by the President thirty calendar days after he submitted his report unless the House and Senate adopted a concurrent resolution stating it did not favor the report.

9. Amendments to Foreign Military Sales Act, 88 Stat. 1813; Public Law 93–559.

The amendments to the Act provided that in the case of any letter of offer to sell any defense articles or services in excess of $25,000,000, the President was required to notify the Congress concerning the terms of the offer. The letter of offer shall be effective twenty days after the Congress receives notification unless the Congress by concurrent resolution disapproves the proposed sale or unless the President in his statement certifies in his statement that a national security emergency exists which requires the sale.

10. (a) Amendments to the Atomic Energy Act of 1954, 72 Stat. 277; Public Law 85–479.

The Atomic Energy Act of 1954 was amended to provide that certain agreements for cooperation with foreign nations to improve their atomic weapons capability must be submitted to Congress and referred to the Joint Committee on Atomic Energy for a period of sixty days while Congress is in session and that such agreements would not become effective if Congress during that sixty-day period passed a concurrent resolution stating that it did not favor the proposed agreement. For the 85th Congress only, however, the length of this period was reduced to thirty days.

(b) Amendments to the Atomic Energy Act of 1954, 72 Stat. 632; Public Law 85–681.

The Atomic Energy Act of 1954, as amended earlier in 1958 (see (a)), was amended to authorize the Joint Committee on Atomic Energy to waive by written resolution the conditions of all or part of the thirty day waiting period required for agreements for cooperation submitted to the 85th Congress.

11. Lend-Lease Act (an Act of March 11, 1941, to promote the defense of United States), 55 Stat. 31; Public Law 72–11.

Authorized the President to manufacture, sell, and transfer defense materials to foreign governments as the President deems necessary for the purposes of national defense. The authority granted to the President by the Act shall terminate on June 30, 1943 unless the Congress by concurrent resolution adopted at any time before June 30, 1943 declares that powers granted to the President under the Act are no longer necessary for national defense.

12. First War Powers Act of 1941 (Federal Civil Defense Act of 1950), 64 Stat. 1245; Public Law 81–920.

Provided that an interstate civil defense compact negotiated by two or more States to implement the purposes of the Act would be considered to have been approved unless within sixty days after it had been transmitted to the Congress, both Houses had passed a concurrent resolution of disapproval. However, an additional provision in the Act authorized Congress to withdraw its consent to such a compact at any time.

13. Emergency Price Control Act of 1942, 56 Stat. 23; Public Law 77–421.

Provided that the act which granted broad price control authority to the Executive shall terminate on June 30, 1943, or upon the date of a Presidential proclamation or the adoption of a concurrent resolution by both Houses stating that the authority granted by the act was not necessary for national defense, whichever date occurs earliest.

14. Stabilization Act of 1942 (an Act of October 2, 1942, to amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes), 56 Stat. 765; Public Law 77–729.

Provided that the act which granted the President the authority to stabilize prices shall terminate on June 30, 1944 or on such earlier date as the Congress by concurrent resolution, or the President by proclamation, may prescribe.

15. War Labor Disputes Act, 57 Stat. 163; Public Law 78–89

Provided that the act which granted the President the authority to operate industrial facilities necessary for the national defense effort in the event of labor disputes that would impede the successful prosecution of the war shall terminate six months following the end of hostilities, as proclaimed by the President or upon the date prior to the date of such proclamation that the Congress adopts a concurrent resolution stating that the provisions of the act shall cease to be effective.

16. An Act of October 6, 1975 to authorize appropriations for the Board for International Broadcasting for Fiscal Year 1976, and to promote improved relations between the United States, Greece, and Turkey, to assist in the solution of the refugee problem on Cyprus, and to otherwise strengthen the North Atlantic Alliance, 89 Stat. 508; Public Law 94–104.

Provided that in the case of any letter of offer to sell any defense article or service pursuant to the provisions of the Foreign Military Sales Act for $25,000,000 or more, the President is required to report to the Speaker of the House and the Chairman of the Senate Foreign Relations Committee a statement concerning the details of the proposed sale. The letter of offer shall not be issued if the Congress, within twenty calendar days after receiving any such statement, adopts a concurrent resolution stating in effect that it objects to such proposed sale.

17. Export-Import Bank Amendments of 1974, 88 Stat. 2333; Public Law 93–646

No loan, financial guarantee, or combination thereof exceeding $60 million, and no loan, financial guarantee or combination thereof exceeding $25 million involving research, exploration or production of fossil fuel energy resources in the Union of Soviet Socialist Republics, could be finally approved by the Board of Directors of the Export-Import Bank until at least 25 days of continuous Congressional session after a detailed statement describing and explaining the transaction in detail had been submitted to Congress.

No loans, financial guarantees, or combinations thereof in an aggregate amount exceeding $300 million could be made in connection with exports to the USSR unless the President determined that a higher limit would be in the national interest and Congress adopted a concurrent resolution (no time limit established in the law) approving such determination after the President had submitted it along with his reasons and the amount that would be available for export for research, exploration and production of fossil fuel energy resources in the USSR.

18. Reorganization Act of 1945, 59 Stat. 613; Public Law 79–263

Authorized the President to prepare and submit to Congress until April 1, 1948, plans for the transfer, consolidation, coordination, and abolition of executive agencies and functions. The proposed reorganization plan would take effect at the end of the first period of sixty calendar days of continuous session of Congress unless both Houses passed a concurrent resolution stating that Congress did not favor the plan.

19. Amendments to Defense Production Act of 1950, 84 Stat. 796; Public Law 91–379

Amends Defense Production Act of 1950 to establish a Post-Accounting Standards Board which is authorized to set cost accounting standards applicable to Federal contracts. Cost accounting standards, proposed by the Board shall become effective sixty calendar days following the date the proposed standards are submitted to the Congress unless the Congress during that period adopts a concurrent resolution stating that the Congress does not favor the proposed standards.

20. Education Amendments of 1974, 88 Stat. 484. Public Law 93–380(a) Amendment to Section 431 of the General Education Provisions Act (20 U.S.C. 1232). Section 509 of Public Law 93–380.

Section 509 of Public Law 93–380 directed the Commissioner of Education to permit any interested party to comment on and take exception to any standard, rule, regulation or general requirement during the thirty day period prior to the time when it would become effective, as well as to reconsider the proposed standard, rule, regulation or requirement in the light of any such comment. However, if the Commissioner determined that the thirty day restriction would cause "undue delay" and "extreme hardship," he could notify the Committee on Labor and Public Welfare of the Senate and the Committee on Education and Labor of the House and could waive the thirty day requirement unless either committee within ten days disagreed with his determination.

Section 509 also directed that, concurrently with publication in the Federal Register of any standard, rule, regulation or general requirement, a copy should be sent also to the President of the Senate and the Speaker of the House of Representatives. The standard, rule, regulation or general requirement would become effective not less than forty-five days after it had been presented unless Congress adopted a concurrent resolution stating that it would be "inconsistent with the Act from which it derives its authority" and disapproving it.

The law provided unique and complex rules for measuring the length of the forty-five day period in cases of adjournment. The forty-five day period was directed to run without interruption while Congress was in session and also during adjournments of thirty calendar days or less, except that if the period of adjournment was thirty days or less the forty-five day period should not be deemed to have elapsed after thirty days, the forty-five day period should be deemed to have elapsed after thirty calendar days unless during those thirty days either the Education and Labor Committee of the House or the Labor and Public Welfare committee of the Senate (or both) had directed its Chairman to send a formal statement objecting to the proposed standard, rule, regulation or requirement. If the Chairman should send such a statement, the effective date of the proposed standard, rule, regulation or requirement would be suspended until not less than twenty days after the end of the adjournment, during which time Congress could enact a concurrent resolution of disapproval.

The same section of the act also set forth unusual requirements for the timely formulation and promulgation of rules, regulations and guidelines. The Commissioner of Education was directed to submit to the two appropriate Committees not more than sixty days after the enactment of any law affecting administration of applicable programs a schedule according to which he planned to promulgate implementing rules, regulations and guidelines and to promulgate them within one hundred and eighty days thereafter. If the Commissioner determined that he could not comply with this schedule, he must notify the appropriate committees and submit a new schedule which would become effective if both committees gave their approval.

(b) Education Amendments of 1974; 88

Stat. 484; Public Law 93–380 concerning assistance to State for State Equalization Plans. (Note: Section 842 of Public Law 93–380 contains a complicated legislative veto provision which provides Congressional review of proposed agency action utilizing both concurrent and simple resolutions of disapproval. For purposes of simplicity, this entire provision will be classified as a concurrent resolution provision.)

Section 842 of Public Law 93–380 directs the Commissioner of Education to prepare and publish guidelines for States to use in developing a plan for a program of financial assistance to local educational agencies which could assist them in providing free public education consistent with the Fourteenth Amendment and which would help achieve equality of educational opportunity. The guidelines were to be published and submitted (not later than April 1, 1975) to the President of the Senate and the Speaker of the House of Representatives. During the next sixty days interested parties were to have opportunity to present views and make recommendations to the Commissioner, and not later than July 1, 1975, the guidelines were to be republished, together with any amendments and a summary of the reviews and recommendations, and were to be again submitted to Congress. If either the Senate or the House should adopt a resolution disapproving the guidelines before December 1, 1975, the Commissioner was directed to publish new guidelines by December 15, 1975 which *"take into consideration* such views and policies as may be made in connection with such resolution" and which would become effective thirty days after publication. If both the Senate and the House should adopt a concurrent resolution disapproving the guidelines, the new guidelines to be published by the Commissioner must be *"consistent with* such policies as may be established by such concurrent resolution." If the Senate and House should each adopt separate resolutions of disapproval making *"policy statements which differ substantially,"* such differences could be resolved by the adoption of a concurrent resolution.

II. RESOLUTION BY EITHER HOUSE

1. Congressional Budget and Impoundment Control Act of 1974, 88 Stat. 297; Public Law 93–344.

Determinations by the President to rescind, reserve for obligation, or defer all or part of any budget authority were directed by Title X to be transmitted by special message to both Houses of Congress specifying the amounts, reasons, effects and facts of such actions. Unless Congress within a period of forty-five calendar days of continuous session completed action on a rescission bill rescinding all or part of the amount proposed to be rescinded or reserved, the full amount of the budget authority would be available. If either the House or Senate passed an impoundment resolution disapproving a proposed deferral (or a withholding of the obligation or the expenditure) of budget authority, the full amount of the budget authority would be made available. The forty-five day time limit, however, did not apply to impoundment resolutions passed by either House. To ensure timely action by Congress when considering proposed rescissions, reservations and deferrals of budget authority, the act decreed special Senate and House rules governing various procedural matters such as motions to discharge, to consider, to postpone, etc, and limiting time for debate on bills, resolutions, amendments and conference reports related thereto.

2. (a) Trade Act of 1974 (Amendment to the Tariff Act of 1930), 88 Stat. 1978; Public Law 93–618.

Amends the Tariff Act of 1930 to provide that tariff determinations made by the Secretary of the Treasury under the Act be submitted to each House. Such tariff determinations made by the Secretary are effective until such time as either House adopts by an affirmative vote of those present and voting a resolution disapproving such tariff determinations.

(b) Nondiscriminatory Treatment of Foreign Products and Commercial Agreements, Trade Act of 1974, 88 Stat. 1978; Public Law 93–618.

In respect to nondiscriminatory trade benefits granted by the President to nonmarket economy countries provided under sections 402(b) and 409(b) of the act, such agreements must be transmitted to each House by the President by December 31st of each calendar year. Such agreements shall become effective at the end of ninety days following the day on which the report of the agreement is transmitted to the House and Senate, unless either House adopts by an affirmative vote of those present and voting in that House a resolution disapproving the proposed agreement.

3. Military Construction Authorization Act of 1975, 88 Stat. 1745; Public Law 93–552.

Provided that any obligation of funds authorized for the Diego Garcia military construction project would be prohibited until sixty days after the President had certified to the Congress in writing that the project was essential to the national security interest of the United States. During the sixty day period either House could prevent the obligation of such funds by the adoption of a resolution of disapproval. Procedures insuring expedited treatment of such resolutions were adopted for the Senate.

4. Federal Pay Comparability Act of 1970, 84 Stat. 1946; Public Law 91–656.

An alternative Federal Employee pay plan, transmitted by the President to Congress if he considered the pay adjustment recommendations made by the Federal Employees Pay Council to be inappropriate because of a national emergency or economic conditions, would become effective under the act at the first applicable pay period unless either House of Congress adopted a resolution disapproving the alternative plan within thirty calendar days of continuous session after its submission.

5. Federal Salary Act of 1967, 81 Stat. 624; Public Law 90–206.

Authorizes the President to make recommendations of salary increases for Federal employees which shall become effective at the beginning of the first pay period, thirty days after the recommendations have been transmitted to the Congress by the President's budget unless either House of Congress specifically disapproves all or part of such recommendations.

6. Federal Rules of Evidence, 88 Stat. 1948; Public Law 93–595; 28 U.S.C. 2076.

Authorizes the Supreme Court of the United States to prescribe amendments to the Federal Rules of Evidence. Such amendments shall take effect on a date 180 days after the proposed amendments have been transmitted to the Congress by the Chief Justice at or after the beginning of a regular session of Congress but not later than the first day of May unless either House of Congress during that period disapproves of the proposed amendments by resolution.

7. Employee Retirement Income Security Act of 1974, 88 Stat. 829; Public Law 93–46.

The Secretary of Labor was directed by section 3032 of the Act to submit to the Senate and the House of Representatives, no later than three years after enactment of this law, regulations (developed after completing a two-year study) to protect the pension and retirement rights and benefits of professional, scientific, and technical personnel employed under Federal contracts or grants. The regulations would become effective 120 days after being submitted unless either the Senate or the House adopted, by an affirmative vote of those present and voting, a resolution of disapproval. The law also provided strict time limits on committee reports, discharge motions, length of debate, motions to postpone, and appeals as well as other regulations designed to assure prompt consideration of any disapproval resolution. The 120 days period was not to include days when either House was adjourned for more than three days or any Saturday or Sunday when Congress was not in session.

8. Presidential Recordings and Materials Preservation Act, 88 Stat. 1695; Public Law 93–526.

The Administrator of the General Services Administration was directed to take possession and control of all original tape recordings recorded in Presidential offices and all papers, documents, memoranda, transcripts and other historical Presidential materials from former President Nixon's administration and to submit to Congress within ninety days proposed regulations providing public access to the tape recordings and other materials. The proposed regulations would become effective at the end of ninety "legislative" days after the submission of the Administrator's report unless either House of Congress adopted a resoluton of disapproval during that period. If a proposed regulation were disapproved by either House, the Administrator could not issue any regulation or make any change in such regulation. A motion to discharge from further consideration a committee to which a disapproval resolution had been referred would be in order sixty days after the regulations had been submitted to Congress. The term "legislative days" was defined to exclude any calendar day on which both Houses of Congress were not in session.

9. Arms Control and Disarmament Act, 75 Stat. 631; Public Law 87–297

The President was authorized by executive order to transfer to the Director of the newly created U.S. Arms Control and Disarmament Agency any activities or facilities of any Government agency relating primarily to arms control and disarmament, but no such transfer could be made until a complete report had been transmitted to the Congress and sixty calendar days of regular session had expired without either the Senate or the House of Representatives adopting a resolution stating that it did not favor such transfer.

10. Indian Claims Judgments Funds, 1973, 87 Stat. 466; Public Law 93–134

Any request by the Secretary of the Interior, or by an affected Indian tribe, to extend (up to 90 days) the 180 day period, during which the Secretary was authorized by this act to prepare and submit a plan to Congress for the use and distribution of funds appropriated to satisfy judgments by the Indian Claims Commission or the Court of Claims, would have to be submitted to and was made subject to the approval of the Committees of Interior and Insular Affairs of both the Senate and the House of Representatives. The plan for the use and distribution of such funds would become effective sixty days (excluding days not in session during adjournments of over three days) after the plan was submitted to Congress unless either House adopted a resolution disapproving the plan during that sixty day period.

11. Department of Defense Appropriations Authorization Act of 1974, 87 Stat. 605; Public Law 93–155

Three previous acts of Congress (1) an Act Authorizing Contracts to Facilitate National Defense, 72 Stat. 972, approved Aug. 23, 1968; (2) the Defense Production Act of 1950, 50 App. U.S.C. 2092; (3) and the Military Selective Service Act, 50 U.S.C. App. 468), as well as various provisions in Title X of the United States Code, were amended by section 807 of this act to provide in each separate case that no obligation, payment or loan in excess of $25,000,000 could be made on future defense contracts until sixty days of continuous

Congressional session after the Armed Services Committees of the Senate and the House of Representatives had been notified in writing about such proposed obligation, payment or loan and neither the Senate nor the House had adopted a resolution of disapproval during that sixty day period. The amendments however, did not apply to the carrying out of any contract, loan, guarantee, commitment or obligation entered into prior to the enactment of this provision.

12. Department of Defense Appropriations Authorization Act of 1974, 87 Stat. 605; Public Law 93–159

Presidential exemptions from mandatory allocations and specified prices of crude oil, residual fuel oil, and refined petroleum products which he was authorized by this act to grant for 90 days if he determined that the products were not in short supply and that such action would not have an adverse impact on the supply of other petroleum products would not become effective until the Senate and the House of Representatives had been in session for at least five days after the President had submitted any such exemption and finding to Congress, and only if neither the Senate nor the House adopted a resolution during that period disapproving the exemption.

The Conference report on the Petroleum Pricing Review Act of 1975 (H.R. 4035), approved by the Senate on July 16 and by the House on July 17, would have extended from five to twenty days the period of time in the 1973 act for either House to disapprove a Presidential allocation or pricing proposal. It also would have adopted (by reference) provisions to expedite rules of procedure for the consideration of disapproval resolution. However, the 1975 bill was vetoed by the President and did not become law.

13. Regional Rail Reorganization Act of 1973, 87 Stat. 985; Public Law 93–236

A final system plan adopted by the United States Railway Association was directed by Sec. 208 of the act to be delivered to both Houses of Congress, to the House Committee on Interstate and Foreign Commerce, and to the Senate Committee on Commerce, and was deemed to be approved at the end of sixty calendar days of continuous session of Congress unless during that period either House passed a resolution stating that it did not favor the plan. Any subsequent revised final system plan also must be submitted to Congress for a similar sixty day review.

14. Pennsylvania Avenue Development Corporation Act of 1972, 86 Stat. 1260; Public Law 92–578

If the Secretary of the Interior or the Commissioner of the District of Columbia has not approved of or has recommended modifications in a development plan prepared and submitted to them by the District of Columbia Pennsylvania Avenue Development Corporation after consultation with them, the Corporation was directed by the act to prepare a development plan and to transmit it to the President of the Senate and the Speaker of the House, along with a specification of the areas of difference, the modifications suggested by the Secretary or the Commissioner, and the views of the Corporation. The plan sent to Congress could be executed and implemented by the Corporation sixty legislative days after it was submitted by the Corporation unless during that period either the Senate or the House of Representatives passed a resolution in opposition to the development plan. The same procedure was also made applicable to any substantial alterations, revisions or amendment of the plan proposed by the Corporation.

15. (a) Federal Campaign Act Amendments of 1974, 88 Stat. 1263; Public Law 93–443

Amends Title III of Federal Election Campaign Act of 1971 to require that the Federal Election Commission transmit proposed rules and regulations which it is authorized to prescribe under the act to the appropriate House. The proposed rules shall become effective thirty legislative days after receipt unless the appropriate House to which the proposal has been referred disapproves. In the case of proposed rules dealing with candidates for the office of President of the United States, either House shall have the power to disapprove the proposed rules during the thirty day period.

(b) Presidential Primary Matching Payment Account Act, 88 Stat. 1263, Public Law 93–443

Amends Subtitle H, chapter 96 of Internal Revenue Code of 1954 (26 U.S.C. § 9001 et seq.) to require that the Federal Election Commission report to both Houses concerning eligibility of Presidential candidates for matching payments authorized by the Federal Election Campaign Act of 1971. The Federal Election Commission is authorized to prescribe rules and regulations to carry out the purposes of the act but before such rules and regulations become effective, the Commission is required to transmit a statement in respect to such proposed rules or regulation to both Houses of Congress. Such rules or regulations shall become effective thirty legislative days after receipt of the statement unless either House disapproves the proposed rules or regulations during that period.

Another similar provision in the act (Sec. 409) amends section 9009 of Title 26 of the United States Code to authorize the Federal Election Commission to prescribe rules with respect to Presidential campaign financing. Such proposed rules shall become effective thirty legislative days after receipt of the proposed rules by each House of Congress unless either House disapproves the proposed rules during that period.

16. Amtrak Improvement Act of 1975, Act of May 26, 1975; Public Law 94–25

Amends Rail Passenger Service Act (45 U.S.C. 564) to require that criteria and procedures for the discontinuance and additions to current rail service be formulated by the National Railroad Passenger Corporation and submitted to the Congress. Such criteria and procedures submitted as a final proposal shall take effect at the end of the first period of 60 calendar days of continuous session of the Congress after the date of its submission, unless either House adopts a resolution during such period disapproving such final proposal.

17. An Act codifying Title 5 of the United States Code, 80 Stat. 484, Public Law 89–554.

Codifies provisions in Title 5 of United States Code relating to preparation of Executive reorganization plans by the Executive. Authorizes the President to prepare an Executive reorganization plan which must be submitted to both Houses of Congress. Such a plan shall become effective at the end of the first period of 60 calendar days of continuous session of Congress after the date on which the plan is transmitted unless either House of Congress during such period passes a resolution disapproving the proposed plan. These codification provisions apply only to those reorganization plans submitted to Congress before December 31, 1968.

18. Rubber Producing Facilities Disposal Act of 1953, 67 Stat. 408; Public Law 83–205.

United States owned rubber-producing facilities were authorized to be disposed of by sale and lease through negotiations conducted by a special Commission established for that purpose. In addition to consulting and advising with the Attorney General on the disposal program, the Commission was directed to prepare and submit a report to Congress no later than January 31, 1955, detailing its activities and proposed program for disposing the plants. At the end of sixty days of continuous session of Congress after the report was submitted, the Commissioner was directed to carry out the contracts and proposals outlined in its report to the extent that those contracts and proposals were not disapproved during that period by a resolution passed by either House.

19. Education Amendments of 1974, 88 Stat. 484; Public Law 93–380 concerning assistance to States for State equalization plans. (Section 842 of P.L. 93–380 contains a complicated legislative veto provision which provides Congressional review of proposed agency action utilizing both concurrent and simple resolutions of disapproval. See No. 20(b) of the Concurrent Resolutions section of this report for digest.)

III. RESOLUTIONS WHICH REQUIRE COMMITTEE ACTION ONLY

1. Education Amendments of 1974, 88 Stat. 484; Public Law 93–380 (a) Special Projects Act, 88 Stat. 484; Public Law 93–380.

Section 402 of the act authorized the Commissioner of Education to make contracts beginning July 1, 1975, totaling $200 million a year for each of three years for certain "special projects" to experiment with new educational and administrative methods, techniques, and practices, to meet special or unique educational needs or problems, and to place special emphasis on national educational priorities. To implement this program the Commissioner was directed to submit (not later than February 1 of each year) to the Committee on Labor and Public Welfare of the Senate and to the Committee on Education and Labor of the House of Representatives a plan for the expenditure of these funds during the following fiscal year. Unless either one of the two committees adopted a resolution disapproving the plan during the next sixty days, the plan would stand approved. If either committee adopted such a resolution of disapproval the Commissioner was directed to submit a new plan not later than fifteen days later for further consideration by the committees.

(b) Section 509 of Public Law 93–380 which amends Section 431(b) of the General Education Provisions Act (20 U.S.C. 1232 (b)).

(See No. 20(a) in Concurrent Resolutions section regarding Amendments to Section 431 of General Education Provisions Act (20 U.S.C. 1232) for digest of these overlapping legislative veto provisions).

2. Amendment to Watershed Protection and Flood Prevention Act, 70 Stat. 1088; Public Law 84–1018.

Amends the Watershed Protection and Flood Prevention Act of 1954 (Public Law 84–566) to require that plans for small watershed works of improvement involving no single structure of greater than 4,000 acre-feet capacity must be submitted to the House and Senate Committees on Agriculture for their approval in order that appropriations for these projects could be made. Plans for watershed projects involving structures between 4,000 and 5,000 acre-feet capacity required approval from the House and Senate Public Works Committee in order that subsequent appropriations for these projects could be made. (Note: this type of provision although often characterized as a legislative veto provision, is actually a condition upon an appropriation bill rather than a true legislative veto).

3. Public Buildings Act of 1959, 73 Stat. 479; Public Law 89–249 (Note: This provision is a combination of a condition upon an appropriation and a legislative veto provision).

Section 7 of this act provided that no appropriations could be made for the construction or acquisition of any public building in excess of $100,000, or for the alteration of any public building in excess of $200,000, unless resolutions of approval were adopted by the Committees on Public Works of both the Senate and the House of Representatives. If no appropriations were made within one year after the date a project had been approved by the two Committees, then the Committee on Public Works of either the

Senate or the House could by resolution rescind its approval of the project. Whenever thirty or more projects in excess of $100,000 each for which no appropriations were made had been approved for more than one year, the act provided that the Committees should approve no more projects until the Committees had rescinded approval of one or more projects.

4. Flood Control Act of 1965, 79 Stat. 1073, Public Law 89-298 (Note: This provision is more accurately characterized as a condition upon an appropriation rather than a legislation veto provision).

The Secretary of the Army was authorized to construct, operate and maintain any water resource development project for which the first construction cost was less than $10,000,000, but no appropriation for that purpose could be made unless the project was first approved by resolutions adopted by the Committees on Public Works for both the Senate and the House of Representatives.

5. Small Reclamation Projects Act of 1956, 70 Stat. 1044; Public Law 84-984

The Secretary of the Interior was authorized to negotiate contracts with States or local subdivisions for construction grants and loans for small reclamation and irrigation projects, but no such contract could be executed prior to 60 calendar days from the date on which a project proposal had been submitted to both Houses for consideration by the appropriate committees. Either of the appropriate committees of the two Houses could disapprove the project by adopting a committee resolution within the sixty day period, but if both committees approve a project before that time expired, the Secretary could override the objection and approve it.

6. Amendments to Small Reclamation Projects Act of 1956, 71 Stat. 48; Public Law 85-47 (Note: The amendments to the Small Reclamation Projects Act of 1956 transformed the original committee veto provision into a condition upon an appropriation provision. See No. 5 above)

The Small Reclamation Projects Act of 1956 which had required the Secretary of the Interior to submit proposed contracts for reclamation projects to the appropriate committees of Congress for approval (see No. 5 above) was amended to provide that no appropriation could be made for financial participation in any such project if either the Senate or House Committees on Interior and Insular Affairs disapproved the project by committee resolution within the sixty calendar day period after its submission by the Secretary.

7. An Act of October 22, 1970 to amend the National Traffic and Motor Vehicle Safety Act of 1966 to authorize appropriations to fiscal years 1970, 1971, 1972, and for other purposes, 88 Stat. 262, Public Law 91-265 (Note: This provision is more accurately described as a condition upon an appropriation rather than a committee veto provision)

Authorizes the Secretary of Transportation to plan, design, and construct traffic safety testing facilities except that no appropriation shall be made for such facilities involving an expenditure in excess of $700,000 unless the plans for each facilities have been approved in substantially the same form by the Committees on Interstate and Foreign Commerce and on Public Works of the House and by the Committees on Commerce and Public Works of the Senate.

JOHN T. MELSHEIMER,
Legislative Attorney,
American Law Division.

January 13, 1976.

Mr. HUMPHREY. Mr. President, as I indicated, the bill strengthens and improves the human rights procedures of existing law which did not provide Congress with an effective procedure for the review of human rights questions related to security assistance or a means of taking action commensurate with its own findings. It establishes an Office of Human Rights in the Department of State to be headed by a Director to be appointed by the President with the advice and consent of the Senate. The Director is to be the principal factfinder for both the executive and legislative branches with regard to violations of human rights by security assistance recipients. The Director will prepare annual reports to the Congress on the observance of and respect for human rights in each country proposed to be a recipient of security assistance. Moreover, the Director will, upon request from the Congress in accordance with the provisions of this new section, transmit to the Committee on Foreign Relations and the International Relations Committee in the House of Representatives a statement outlining the situation regarding human rights in any particular country, what the United States has done to discourage such practices, and whether, in the opinion of the Secretary of State such assistance should be continued because of exceptional circumstances. Congress may terminate or restrict such security assistance by concurrent resolution.

I underscore that we did provide for exceptional circumstances, where the security assistance may be absolutely vital to the well-being of the people in such country.

The relationship of practices in certain countries affecting the status of human rights and U.S. security interests are often difficult to reconcile. However, repeated and gross violations of human rights by any state may prejudice decisions affecting our own security interests in a manner which we will be unable to accept. The pursuit of such policies by recipient governments may risk the investments of materials and training we have committed to those states. It is in this light that the committee has taken the strong but considered action it has in addressing the problem of gross violations of human rights in relation to our security assistance programs.

The antidiscrimination provision of the bill parallels a similar section that became law as part of the International Development and Food Assistance Act. It applies to all military grants and sales. The committee has received reports that in some instances American citizens have been excluded from participating in U.S. programs because of their race, religion, national origin or sex. It is the belief of the Foreign Relations Committee that such discrimination is inconsistent with our own Constitution and our historical traditions.

In addition to stating that it is U.S. policy that no assistance be furnished to any country that practices such discrimination, the bill requires that the President promptly report to the Congress any act of discrimination and provide follow-up reports on the results of executive branch efforts to resolve the problem. If the discrimination previously reported continues and no satisfactory solution is attained, the President must then terminate the assistance transaction, cancel the sale or suspend the export license in the furnishing of which the discrimination occurred.

The bill also requires reports to the Secretary of State and public disclosure of all agreements to pay agents' fees, and data concerning fees actually paid in connection with military sales abroad.

We are indebted to the Subcommittee on Multinational Corporations, chaired by Mr. CHURCH, for the information which was brought to us that compelled the adoption of this particular division. The Church subcommittee uncovered numerous instances such direct and indirect payments often through "shell" corporations frequently established in countries with laws prohibiting disclosure of such information.

I might add that as I was discussing this today, the distinguished Senator from Idaho stopped and said that they have a whole new revelation of this sort of thing that was going on with regard to sales in Japan in great magnitude. So we have good reason to want to do what we are doing in this bill.

Again, it is not as if some Senator said, "You know, I suspect that something is going on; therefore, I should like to see legislation designed to, somehow or other, erase my suspicions." What we have is legislation that is based upon evidence, and evidence that is very disturbing and, indeed, adversely reflects upon this country.

The public disclosure requirement is not intended to require the publication of business information the disclosure of which could result in interference with contractual relations of U.S. firms. Such information can be safeguarded against premature disclosure that could be harmful to U.S. business, subject to the quarterly reporting requirements.

Finally, I want to note the country allocations of grant military assistance and security supporting assistance.

The bill authorizes the appropriation for grant military assistance of $180.9 million for country programs and $32 million for administrative expenses. An additional $28.3 million is expected to be available from recoupment, reimbursements and reappropriations. Major country allocations under military assistance, are:

[In millions of dollars]

Greece	$25
Indonesia	13
Jordan	50
Korea	54
Philippines	17
Thailand	15
Turkey	25
Ethiopia	5

Not to exceed $5.2 million of the funds made available may be used to furnish assistance to twelve additional countries, none of which received any substantial amount.

With regard to Turkey, the committee adopted, in slightly modified form, an amendment offered by Senator EAGLETON. Last fall the Congress enacted a law that would have allowed Turkey to receive, in the absence of further contravening legislation, foreign military sales credits and guarantees upon enactment of fiscal year 1976 authorizing legislation. Grant military assistance was to be prohibited until Turkey removed U.S.-supplied equipment from Cyprus and there was substantial progress toward a settlement on Cyprus.

This bill would continue the prohibition on credits as well as grants until these two conditions are met.

The committee could not, in good conscience, authorize military credits and guarantees in the absence of any movement by Turkey on the Cyprus issue.

This bill authorizes, on a contingent basis, $25 million in grant military assistance to Turkey in the hope that sufficient progress regarding the Cyprus question will be made before the end of this fiscal year thereby permitting both this grant aid, and the administration's proposed $130 million in credits to go forward.

The committee intends to monitor closely the extent and nature of sales to Turkey which it would not expect to exceed $125 million. Should large, unanticipated sales be proposed, the Congress could prevent such sales by invoking general procedures provided for elsewhere in this bill.

The bill also authorizes the appropriation of $1,705,000,000 for supporting assistance allocated as follows:

[In thousands]

Egypt	$700,000
Israel	725,000
Jordan	67,000
Syria	50,000
Bahrain	600
Malta	9,500
Greece	65,000
Portugal	50,000
United Nations Forces in Cyprus	9,600
Zaire	15,000
Operating expenses	22,600

In conclusion, I want to reiterate my earlier statement that this bill will bring about much better management of this program, and will bring about centralized and more effective control within the executive branch over, and a stronger voice for Congress in, U.S. arms exports policy and programs. It will provide Congress with the statutory tools to do the job.

Mr. President, I ask unanimous consent that a letter that the chairman of the Committee on Foreign Relations (Mr. SPARKMAN) received under date of January 29, 1976, from Secretary of State Henry Kissinger, be printed at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SECRETARY OF STATE,
Washington, D.C., January 29, 1976.

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate.

DEAR MR. CHAIRMAN: At Tuesday's meeting of the Foreign Relations Committee you requested a statement of the Administration's position on S. 2662, the proposed International Security Assistance and Arms Export Control Act of 1975. At that time, I was unable to give you a definite answer because I had not yet had an opportunity to discuss this legislation with the President in light of the changes that had been made in the bill while I was in Moscow.

The Executive Branch deeply appreciates the consideration that has been shown by the Committee for many of our serious objections to the legislation originally proposed. The cooperative spirit that has characterized our discussions with the members and staff of the Committee has enabled considerable progress to be made toward the development of legislation that we believe can be accepted both by Congress and by the Executive Branch.

We continue to have strong reservations about some of the provisions of S. 2662. For example, the provisions dealing with discrimination create substantial risk of a confrontation that would be harmful to our efforts to alleviate discrimination and to advance other important national interests. Other provisions would subject United States businesses to procedures which would unnecessarily impair their ability to compete with foreign firms in international markets. As you are aware, the provisions in the bill regarding legislative veto of Executive actions by concurrent resolution give rise to very serious constitutional questions. Nevertheless, early enactment of acceptable security assistance legislation is of great importance to the foreign policy of the United States, particularly, to our efforts in the Middle East. Accordingly, we will not delay Senate action by requesting further consideration of our remaining objections in the floor debate.

We are hopeful that the House of Representatives will also complete action on its bill soon and that the differences between the House and Senate bills can be quickly resolved in an acceptable way that will strengthen and not impair the conduct of our foreign affairs.

Best regards,

HENRY A. KISSINGER.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that certain data relating to foreign military sales and commercial sales and government-to-government sales, under the Foreign Military Sales Act, be printed at this point in my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FOREIGN MILITARY SALES AND COMMERCIAL SALES

[In thousands]

Country	Foreign military sales orders (Cash and credit)				Commercial sales (Deliveries)			
	Actual fiscal year 1974	Actual fiscal year 1975	Proposed fiscal year 1976	Proposed fiscal year 197T	Actual fiscal year 1974	Actual fiscal year 1975	Proposed fiscal year 1976	Proposed fiscal year 197T
East Asia and Pacific:								
Australia	$33,419	$158,564	$50,000	$12,000	$5,641	$5,500	$5,500	$1,000
Burma	119	30	700	200	29	30	30	
China (Taiwan) [1]	95,573	123,145	100,000	25,000	8,068	10,000	12,000	3,000
Indonesia [1]	148	48,514	40,000	10,000	859	1,500	3,000	1,000
Japan	57,931	29,647	50,000	12,500	58,644	60,000	80,000	20,000
Korea [1]	113,121	218,806	80,000	20,000	1,090	500	2,000	600
Malaysia [1]	1,428	4,218	25,000	6,300	10,583	5,000	8,000	2,000
New Zealand	5,049	4,156	2,600	500	571	250	250	50
Philippines [1]	5,593	31,356	25,000	11,700	1,966	500	2,000	500
Singapore	12,658	1,480	11,200	2,675	723	6,000	6,000	1,500
Thailand [1]	20,513	11,422	25,000	3,750	4,315	3,000	4,000	1,000
Vietnam	4							
Regional total	345,556	631,338	409,500	104,625	92,507	92,280	122,780	30,650
Near East and South Asia:								
Bahrain		18			58			
India	2,623	7,939	2,000	500	659	250	250	50
Iran	3,917,121	2,567,903	2,500,000	625,000	35,322	100,000	200,000	50,000
Israel [1]	2,437,310	868,650	1,000,000	300,000	50,118	150,000	150,000	50,000
Jordan [1]	61,550	29,583	389,300	96,700	92	600	800	100
Kuwait	30,400	370,496	150,000	31,000	106	1,000	3,500	800
Lebanon [1]	9,777	295	10,000	2,500	575	4,400	6,000	1,500
Libya	12				1,048	4,200	4,500	1,100
Morocco [1]	8,584	294,876	40,000		38	1,000	1,000	250
Nepal	2							
Oman		1,613			40	25		
Pakistan	12,674	37,408	20,000	5,000	1,622	700	750	200
Saudi Arabia	2,539,408	1,373,862	4,000,000	237,500	18,031	10,000	40,000	
Tunisia [1]	737	450	15,000	1,200		500	1,000	250
Yemen	2,634	372	25,000	1,500		(2)		
Regional total	9,022,832	5,553,465	8,151,300	1,300,900	107,709	272,675	1,708,200	104,250
Europe:								
Austria	4,040	6,967	6,000	2,000	428	400	500	100
Belgium	10,712	737,937	14,000	4,500	12,150	6,000	7,000	200
Denmark	22,196	367,742	10,000	2,500	4,462	3,000	3,500	900

	Foreign military sales orders (Cash and credit)				Commercial sales (Deliveries)			
Country	Actual fiscal year 1974	Actual fiscal year 1975	Proposed fiscal year 1976	Proposed fiscal year 197T	Actual fiscal year 1974	Actual fiscal year 1975	Proposed fiscal year 1976	Proposed fiscal year 197T
Finland	$12	$1	$100		$471	$400	$500	$100
France	22,601	4,565	5,300	$1,400	19,351	10,000	12,000	4,000
Germany	225,151	291,698	250,000	62,500	61,327	35,000	36,000	9,000
Greece [1]	449,995	198,575	100,000	25,000	1,686	2,000	3,000	700
Iceland			300		17			
Ireland	16	21	100		222			
Italy	48,643	46,219	15,600	1,400	26,701	25,000	24,000	6,000
Luxembourg	21	25	600		1,081			
Netherlands	18,207	686,387	45,000	10,000	4,117	5,000	6,000	1,500
Norway	51,451	458,931	14,000	4,500	3,065	3,000	4,000	1,000
Portugal	2,183	2,456	500		2,079	800	900	2,400
Spain [1]	150,265	52,581	125,000	25,000	24,454	6,000	8,000	2,000
Sweden	6,974	691	1,000		9,489	9,000	10,000	2,500
Switzerland	9,366	49,212	40,000	10,000	5,134	5,000	6,000	1,500
Turkey [1]	17,788	68,964	100,000	25,000	3,302	2,000	2,000	500
United Kingdom	48,867	30,497	75,000	25,000	17,719	15,000	15,000	4,000
Yugoslavia	6	257	5,000	1,300	324	1,000	4,000	1,000
Regional total	1,088,494	3,003,726	807,500	200,100	197,579	128,600	142,400	37,400
Africa:								
Ethiopia [1]	7,447	28,018	50,000	5,000	46	500	500	150
Gabon		218			2			
Ghana	187	16	200	50	1			
Kenya [1]			8,000	2,000	1,986	1,700	2,000	500
Liberia [1]	397	449	900	250	1	400	400	100
Mali		148			1			
Niger	8		5					
Nigeria	4,350	4,470	10,000	3,000	2,155	1,000	50,000	1,200
Uganda					275	1,200	1,200	300
Zaire [1]	1,510	1,337	12,000	3,000	205	1,500	2,000	500
Regional total	13,899	34,656	81,105	13,300	4,672	6,300	56,100	2,750
Latin America:								
Argentina [1]	8,618	14,100	40,000	10,000	1,251	12,000	12,000	3,000
Bolivia [1]	137	920	3,000	1,000	158	100	100	
Brazil [1]	69,059	27,025	45,000	11,000	4,002	1,000	1,000	
Chile [1]	75,104	29,038	30,000	7,500	1,819	1,000	1,000	
Colombia [1]	1,090	965	10,000	2,500	764	500	500	
Costa Rica		259	300	100	46			
Dominican Republic [1]	31	3	1,000	250	88			
Ecuador [1]		14,822	15,000	4,000	48	1,000	1,000	
El Salvador [1]	407	319	2,500	700	170	200	200	
Guatemala [1]	1,115	468	1,500	500	209	100	100	
Haiti [1]	291	84	300	50	217	100	100	
Honduras [1]	708	282	3,000	1,000	281			
Jamaica	42	71	100	30	32	30	30	30
Mexico [1]	411	153	2,000	500	1,167	200	200	
Nicaragua [1]	385	571	2,500	500	187	200	200	
Panama	1,878	258	600	150	1,773	2,000	2,000	500
Paraguay [1]	12	37	500	100	193	100	100	
Peru [1]	46,989	23,599	27,500	7,000	357	500	500	
Uruguay [1]	1,206	8,208	3,000	1,000	210			
Venezuela [1]	4,884	33,540	35,000	8,000	4,492	3,000	3,000	800
Regional total	212,367	154,722	222,800	55,880	17,464	22,030	22,030	4,330
Canada	107,621	102,126	100,000	25,000	78,738	80,000	75,000	20,000
International organizations	18,159	30,695			1,210			
Worldwide total	10,808,926	9,510,727	9,772,205	1,699,805	499,879	601,885	781,110	199,380

[1] Credit available for FMS and/or commercial sales in fiscal year 1974 and fiscal year 1975 and proposed for fiscal year 1976 and fiscal year 197T.

[2] Less than $500.

MILITARY SALES AND GRANTS—FISCAL YEARS 1970-75

[In thousands]

	Fiscal years—				
	1970	1971	1972	1973	1974
MILITARY SALES					
1. FMS orders (government-to-government)	$921,576	$1,664,239	$3,271,719	$3,865,703	$8,262,579
2. FMS credits [1]	(70,000)	(743,412)	(550,000)	(550,001)	(1,395,940)
3. Commercial sales deliveries	437,620	396,840	423,579	362,025	502,165
Total FMS sales and commercial deliveries	1,359,169	2,041,079	3,695,298	4,227,728	8,764,744

	Fiscal years—				
	1970	1971	1972	1973	1974
MILITARY GRANTS					
4. Military assistance grants (MAP)	$382,237	$761,966	$549,130	$593,427	$788,614
5. Excess defense articles [2]	534,831	476,920	484,325	419,707	95,766
6. Military assistance through DOD funding (Indochina)	1,879,796	2,230,155	2,846,671	3,809,683	1,113,428
Total military grants	2,796,864	3,559,041	3,880,126	4,822,817	1,897,808
Total military sales and grants	4,156,060	4,361,234	7,575,424	9,050,545	10,662,552

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[1] Included in the totals for FMS orders and commercial deliveries.

[2] Acquisition cost.

TABLE I.—GOVERNMENT-TO-GOVERNMENT SALES UNDER THE FOREIGN MILITARY SALES ACT

FOREIGN MILITARY SALES ORDERS

[In thousands]

	Fiscal year—											
	1950-64	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1950-74
Worldwide	$5,162,667	$1,251,952	$1,547,741	$999,729	$804,809	$1,557,597	$921,576	$1,644,239	$3,271,719	$3,865,703	$8,262,579	$29,290,311
Argentina	49,049	1,270	7,233	6,511	14,860	3,975	10,947	14,148	16,556	16,328	8,928	149,805
Australia	272,087	324,963	47,073	118,568	32,769	33,738	61,553	59,890	117,802	27,353	35,074	1,130,870
Austria	35,742	6,219	2,167	2,181	6,041	1,118	1,326	3,791	2,405	2,654	3,056	66,698
Belgium	78,746	6,515	6,310	15,412	2,203	9,754	4,404	2,999	4,728	6,214	9,896	147,181
Bolivia	741	28	132	5	17	3		44	5	42	155	1,172
Brazil	19,277	23,625	223	26,452	4,265	11,413	2,538	21,269	34,089	17,276	58,739	219,166
Burma	1,505	53	91	113	100	46	7	84	273	246	111	2,631
Canada	651,836	42,402	71,192	21,713	18,280	15,875	53,358	28,836	37,521	91,254	93,920	1,126,186
Chile	15,992	2,181	1,058	2,560	4,117	1,699	7,699	2,968	6,185	15,012	68,194	127,665
China (Taiwan)	2,116	1,095	4,996	14,347	46,510	36,917	32,649	64,736	78,430	202,166	88,264	572,226
Colombia	10,181	150	496	98	56	141	158	2,168	5,466	1,293	1,085	21,293
Costa Rica	902		(1)						34			935
Cuba	4,510											4,510
Denmark	31,075	8,206	7,338	9,098	9,126	10,378	6,933	15,996	14,512	11,714	20,863	145,240
Dominican Republic	1,494	115	266	1	(1)			31	16	78	32	2,034
Ecuador	2,653		119	114	1,410	14	20	315	4			4,650
Egypt	356	2	(1)									358
El Salvador	877	18	35	15	514	6		11	(1)	70	399	1,945
Ethiopia	663	(1)	30	12	4	7	6		10		469	1,201
Finland		(1)	1	1	1	(1)		1	63		12	79
France	281,191	11,192	8,912	6,448	7,281	6,264	3,429	5,994	7,552	8,693	21,092	368,048
Germany	2,263,781	309,498	166,872	190,167	149,533	592,368	242,404	179,409	942,076	218,770	218,612	5,473,492
Ghana		1	(1)			2	61	(1)			187	251
Greece	1,279	709	471	7,958	15,334	11,210	29,187	24,758	181,926	57,087	434,926	764,845
Guatemala	980	444	546	101	317	153	464	8,126	2,344	3,709	989	18,174
Haiti	224										288	512
Honduras	1,010	13	4	6	59				27	5,468	702	7,288
Iceland	14							(1)	436	47		498
India	52,278	1,874	389	1,988	1,574	163	2,094	856	1,515	(1)	215	62,947
Indochina	8,542											8,542
Indonesia	622		1	1	24		(1)	18	(1)	148	148	963
Iran	1,285	68,857	124,158	147,953	69,365	235,879	113,284	396,613	528,022	2,108,787	3,794,369	7,588,574
Iraq	1,919	10,783	87	361		(1)						13,152
Ireland	(1)				(1)	1	(1)	11	248	197	17	475
Israel	7,121	59,998	72,134	9,294	75,196	312,944	44,790	379,961	399,712	197,114	[2]2,117,623	3,675,887
Italy	193,483	41,554	37,668	20,721	101,364	37,547	37,249	24,926	81,064	91,421	45,051	712,048
Jamaica	(1)	1	1	3	3	(1)	8	9	3	7	43	77
Japan	119,164	16,744	16,734	10,146	20,276	51,899	21,533	11,286	47,057	52,055	57,725	424,617
Jordan	2,236	39,653	1,627	28,282	33,214	13,419	29,367	26,419	19,547	9,213	50,916	253,894
Kenya						(1)						(1)
Korea	286			9	1,504	3,368		480	9,081	1,297	81,424	97,449
Kuwait		(1)							(1)	53	18,154	18,207
Lebanon	331	1	67	2,235	48	55	1,575	187	299	5,137	9,700	19,635
Liberia	1,146	77								1,368	648	3,240
Libya	687	52	541	15,524	2,389	1,674	5,447	632	2,873	174	19	30,012
Luxembourg	816	466	457	88	1	113	101	93	24	627	21	2,806
Malaysia	30	17	563	509	1,608	1,323	1,837	272	40,124	1,432	1,248	48,963
Mali						84	5		48			137
Mexico	9,893	573	101	802	96	399	12	437	175	894	411	13,792
Morocco	60		6,040	697	9,671	7,931	2,437	2,310	7,833	2,651	8,302	47,932
Nepal								11		80	1	9
Netherlands	45,498	15,681	24,193	25,057	6,426	4,864	7,068	7,837	29,380	35,460	17,600	219,606
New Zealand	15,457	22,213	5,214	9,454	11,991	30,066	5,442	7,594	4,159	3,105	4,852	119,548
Nicaragua	2,016	26	5	87	103	2	93	674	92	134	133	3,365
Niger											8	8
Nigeria	335		5	10		2			2,409	687	4,476	7,924
Norway	12,699	21,252	12,913	38,355	56,873	24,117	9,746	25,827	21,959	14,285	50,311	288,339
Pakistan	33,331	1,319	1,147	5,571	14,968	22,462	4,592	22,532	449	22,079	7,895	136,345
Panama	13					3	14	9	6	1,618	1,887	3,550
Paraguay	342	34			1		(1)			27	12	417
Peru	21,374	3,715	2,664	3,338	1,221	981	2,195	1,526	900	24,590	43,620	106,123
Philippines	4,249	260	137	439	237	454	843	1,107	468	708	5,047	13,947
Portugal	5,223	425	115	497	774	500	1,067	1,156	3,234	564	2,513	16,068
Saudi Arabia	87,026	8,443	8,652	48,482	4,645	4,220	14,854	95,815	342,295	83,984	587,698	1,286,113
Senegal									6			6
Singapore				1	841	196	2,476	1,988	5,908	7,601	12,078	31,089
South Africa	3,082	(1)	56	1	1	4	1	1	2	1		3,149
Spain	5,003	28,813	22,636	122,942	8,707	14,072	25,940	110,687	24,819	57,020	147,796	568,435
Sri Lanka	3	(1)	(1)			1			(1)			4
Sweden	27,585	880	449	723	8,010	108	265	883	1,548	1,879	6,988	49,319
Switzerland	46,980	492	1,344	602	24,950	19,576	4,435	515	11,808	3,259	8,394	128,355
Syria				1								1
Thailand	1,219	12	1	10	10	3,829	21,150	48	16,978	1,920	19,931	65,108
Trinidad/Tobago							85					85
Tunisia	2,874	11								2,169	737	5,791
Turkey	422	129	804	922	139	2,096	2,524	1,154	5,452	212,435	17,143	243,219
United Kingdom	492,575	154,707	849,573	48,755	16,260	17,512	63,205	46,825	125,778	110,997	45,079	1,971,267
Uruguay	2,305		56	300	30	26	241	1,982	1,684	1,612	1,156	9,390
Venezuela	70,641	10,529	11,687	9,769	1,138	1,173	777	1,677	42,761	24,662	4,377	179,192
Vietnam	5					2			2	1,155	4	1,167
Yemen											2,634	2,634
Yugoslavia	10,547	2	185	323	214	212	41	12	106	717	4	12,363
Zaire			1,142	166	226	(1)	54	16,928	286	715	1,339	20,859
International organizations	143,679	3,660	18,630	23,426	17,915	9,235	37,045	17,365	39,150	94,191	16,839	421,136

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[1] Less than $500.

[2] Includes $1,500,000,000 for which payment was waived pursuant to the fiscal year 1974 Emergency Security Assistance legislation.

Note: Totals may not add due to rounding.

TABLE II.—SALES TO FOREIGN GOVERNMENTS THROUGH COMMERCIAL CHANNELS

COMMERCIAL SALES DELIVERIES

[In thousands]

	Fiscal year—											
	1960–63	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1960–73
Worldwide	$746, 417	$208, 641	$155, 758	$196, 421	$237, 950	$257, 122	$250, 819	$437, 620	$396, 840	$423, 579	$362, 025	$3, 673, 192
Algeria	124	223							23			370
Argentina	2, 779	593	279	747	829	3, 327	5, 647	7, 092	2, 861	13, 575	11, 569	49, 293
Australia [1]	823	324	99	3, 713	8, 299	632	1, 353	1, 938	1, 597	14, 453	5, 916	39, 147
Austria	3, 403	692	90		210	149	221	373	5, 257	2, 088	218	12, 701
Belgium	66, 759	12, 845	6, 814	1, 485	8, 066	3, 638	5, 541	9, 975	11, 231	8, 429	4, 598	133, 381
Bolivia				291	74	69	77	135	349	97	88	1, 180
Brazil	2, 632	995	465	1, 459	5, 425	4. 539	6, 630	6, 113	5, 810	579	724	35, 371
Burma	668	141	279	862	435	77	261	266	349	119	108	3, 565
Cameroon									172	14	3	189
Canada	40, 710	11, 316	44, 524	10, 219	18, 561	11, 608	20, 271	54, 987	11, 370	76, 403	82, 076	382, 045
Chile	900	1, 014	910	120	406	377	229	2, 373	3, 851	359	548	11, 087
China (Taiwan)	802	175	635	674	668	1, 228	1, 889	2, 837	7, 757	5, 392	6, 001	28, 058
Colombia	1, 431	488	80	301	1, 817	1, 294	2, 095	7, 682	765	221	580	16, 754
Costa Rica									210	41	54	305
Cuba	239											239
Denmark [1]	6, 311	3, 698	1, 164	111	1, 577	951	1, 147	3, 066	3, 494	3, 679	3, 354	28, 552
Dominican Republic	65	250		53					26	33	10	437
Ecuador	114	23		271	133	291	265	1, 372	700	86	26	3, 281
Egypt	444	288		203	451	25	463	64	106	(2)		2, 044
El Salvador		26			37	555	952	482	99	125	218	2, 494
Ethiopia			23		39	38	21			103	107	331
Finland	126	111	112	133	92	20	336	195	149	287	468	2, 029
France [1]	61, 168	22, 032	24, 192	23, 281	30, 648	18, 133	17, 180	16, 950	10, 971	14, 348	7, 297	246, 200
Germany	287, 626	40, 126	15, 846	5, 338	16, 651	10, 091	12, 716	22, 450	30, 883	24, 916	35, 562	502, 205
Ghana						50	79		28	(2)	12	169
Greece	673	1, 530	105	293	3, 004	1, 798	1, 062	3, 425	3, 395	1, 340	1, 335	17, 960
Guatemala	327		59	76	109	354	179	145	86	506	142	1, 983
Guyana	(2)				193	135			65	4	13	410
Haiti									80	75	69	224
Honduras	151			34			45		56	88	15	389
India	4, 422	530	359	1, 774	2, 626	912	1, 382	557	1, 491	2, 050	22	15, 925
Indonesia	6, 495	920	5, 014	116	23	2, 730	760	233	412	51	68	16, 822
Iran	342	384	57	5, 122	2, 022	5, 147	10, 084	9, 811	27, 059	36, 965	19, 421	116, 424
Iraq	607	2, 410	99	633	843	271	192	529	217			5, 801
Ireland							266		105	192	21	584
Israel	3, 032	2, 628	1, 971	1, 317	4, 578	10, 467	11, 708	37, 195	26, 526	63, 068	21, 555	184, 046
Italy	45, 314	17, 230	10, 128	8, 525	10, 988	36, 074	35, 307	52, 459	35, 404	24, 362	22, 663	298, 454
Jamaica	39						393		160	115	48	755
Japan	88, 167	31, 953	8, 508	18, 320	25, 442	30, 250	39, 552	62, 481	71, 543	20, 823	39, 725	436, 764
Jordan			295	125	457	216	189	1, 120	1, 612	57	17	4, 088
Khmer Republic	62					74	265	49		2	2	454
Kenya				90	92		38	25	2, 294	22	86	2, 647
Korea	713		36		1, 617	586	1, 907	1, 083	2, 037	685	187	8, 851
Kuwait	314				43			228	223	(2)	5	813
Laos					225	98	85			1	1	410
Lebanon				684	132		788	279	22	3	3, 044	4, 952
Liberia				52				356	269	55	251	983
Libya	427	294		56	3, 941	2, 644	167	20, 101	3, 770	487	48	31, 935
Malaysa	1, 062	2, 692	280	301	801	10, 804	546	1, 589	2, 039	2, 393	2, 461	24, 977
Mexico	248		138	38	527	501	1, 603	776	634	491	241	5, 197
Morocco	431			37		54	64	370	625	34	251	1, 866
Netherlands [1]	42, 221	19, 185	7, 090	46, 461	8, 014	3, 268	2, 257	7, 778	4, 454	4, 711	5, 681	151, 120
New Zealand	(2)	67	288	299	64	91	114	405		593	592	2, 513
Nicaragua		33	24	152	164	169	126	248	349	122	212	1, 599
Nigeria	215				33	122	1, 249	2, 324	1, 591	303	693	6, 530
Norway	936	804	4, 860	920	1, 052	459	1, 881	21, 064	9, 099	2, 593	1, 633	45, 301
Oman					43			78	381	174	65	741
Pakistan	1, 160	1, 632	1, 876	2, 512	760	1, 470	1, 319	1, 776	4, 254	1, 402	1, 162	19, 323
Panama	108				150	20		196	267	318	1, 664	2, 732
Paraguay				20	23		58		45	105	96	347
Peru	2, 416	190	79	3, 507	1, 098	663	582	1, 598	6, 146	604	234	17, 117
Philippines	609	64		50	90	149	349	53	513	273	187	2, 337
Portugal [1]	946	2, 123		433	459	741	907	606	574	842	788	8, 419
Saudi Arabia	902	173	856	14, 902	33, 580	35, 481	6, 253	12, 723	8, 200	6, 410	5, 649	125, 129
Senegal	123									(2)	1	124
Singapore	168			23	1, 146	945	1, 711	4, 169	13, 633	4, 392	4, 033	30, 220
South Africa	23, 892	1, 671	1, 927	1, 233	1, 853	3, 596	4, 449	2, 844	2, 976	3, 356	3	47, 800
Spain [1]	1, 619	1, 618	89	600	7, 407	4, 614	13, 768	13, 590	12, 405	7, 904	3, 851	67, 465
Sri Lanka			24		109	22	229	83		11	(2)	478
Sudan	(2)		391		1, 596			117			(2)	2, 104
Sweden	13, 092	11, 134	9, 845	6, 315	9, 556	3, 863	5, 919	9, 516	9, 374	6, 931	9, 037	94, 582
Switzerland	2, 511	5, 653	2, 418	17, 836	2, 729	16, 646	6, 255	6, 475	6, 748	6, 656	1, 511	75, 438
Syria				46	32	142	715	851	34		25	1, 845
Tanzania					112	49	657	153	39	218	31	1, 259
Thailand	1, 062	1, 682	90	739	1, 262	6, 188	4, 149	3, 298	3, 422	2, 922	1, 319	26, 133
Togo	326											326
Tunisia					60	81	53					194
Turkey	4, 219	3, 535	519	112	689	318	159	3, 416	3, 755	1, 793	1, 063	19, 578
Uganda							402	138	719	29	6	1, 294
United Kingdom [1]	10, 880	613	2, 347	10, 266	10, 486	15, 015	11, 210	10, 019	11, 261	34, 948	40, 412	157, 457
Uruguay	(2)						403	27	634	105	7	1, 176
Venezuela	6, 374	1, 852	436	951	498	714	894	1, 550	16, 927	4, 123	3, 120	37, 439
Vietnam	1, 726	585	40	1, 259	2, 509	1, 623	299	785	574	30	3	9, 433
Yugoslavia	1, 162	96		134	187	254	352	81	164	685	347	3, 462
Zaire				467	84	172	90	310	87	2, 149	13	3, 372
Zambia				321				90		12	2	425
International organizations										9, 523	7, 051	16, 574
Other countries					24	40	55	98	33	116	306	672

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[1] Includes exports to overseas territories.

[2] Less than $500.

Notes: 1. Totals may not add due to rounding. 2. The data shown for fiscal year 1960 through fiscal year 1971 are taken from shipper's export declarations covering all items exported which were not purchased from U.S. military departments under FMS, are valued at $20,000 or more and destined for foreign country and international organization military establishments. Fiscal year 1972 and fiscal year 1973 data represent the value of exports to foreign countries and international organizations against licenses issued by the Office of Munitions Control, Department of State.

TABLE III.—MILITARY GRANTS UNDER THE FOREIGN ASSISTANCE ACT

MILITARY ASSISTANCE PROGRAM

[In thousands]

	Fiscal year—											
	1950-64	1965	1966	1967	1968	1969	1970	1971	1972	1973	[1] 1974	[1] 1950-74
Worldwide	$30, 528, 327	$951, 465	$972, 710	$876, 050	$596, 982	$454, 154	$382, 237	$761, 966	$549, 130	$593, 427	$788, 614	$37, 455, 062
Afghanistan	2, 988	67	117	162	192	270	194	158	240	217	159	4, 764
Argentina	11, 625	11, 339	11, 541	6, 155	1, 638	667	615	399	723	564	511	45, 777
Austria	97, 415	48	22	16	10		4		11	23	25	97, 574
Belgium	1, 237, 242	360										1, 237, 602
Bolivia	10, 341	1, 907	2, 561	3, 425	2, 148	1, 759	1, 192	1, 814	3, 450	3, 940	2, 734	35, 271
Brazil	174, 995	11, 091	17, 310	12, 175	2, 554	754	777	757	691	718	771	222, 593
Burma	60, 167	6, 310	3, 430	3, 578	2, 654	83	105	41				76, 368
Cameroon	249											249
Chile	68, 085	8, 770	8, 806	4, 143	1, 801	734	852	698	870	939	912	96, 610
China (Taiwan)	2, 207, 041	58, 444	85, 918	86, 871	61, 236	33, 844	19, 484	20, 882	10, 924	29, 913	28, 698	2, 643, 255
Colombia	52, 903	7, 960	11, 446	9, 090	4, 480	3, 509	2, 681	846	597	528	558	94, 598
Costa Rica	1, 362	223	222	20								1, 827
Cuba	10, 575											10, 575
Dahomey	62											62
Denmark	610, 308	2, 223	5, 044	50								617, 625
Dominican Republic	11, 335	1, 672	2, 851	2, 676	2, 475	2, 541	1, 902	928	954	653	765	28, 752
Ecuador	28, 009	3, 315	2, 494	2, 860	1, 588	2, 082	1, 588	301				42, 327
El Salvador	3, 447	531	753	330	375	382	591	336	262	445	564	8, 016
Ethiopia	77, 467	8, 701	14, 244	16, 028	11, 352	11, 601	10, 578	11, 709	10, 648	8, 452	11, 305	192, 085
Finland	3	5	10	3	23	10	3	15	11	20	15	118
France	4, 153, 052											4, 153, 052
Germany	900, 806											900, 806
Ghana	29				46	34	46	40	40	55	43	333
Greece	1, 267, 152	55, 547	75, 813	67, 564	37, 710	39, 386	19, 428	19, 925	10, 059	1, 045		1, 593, 629
Guatemala	8, 230	1, 273	1, 280	2, 072	1, 034	1, 845	1, 177	1, 863	1, 602	804	690	21, 870
Guinea		754	131									885
Haiti	3, 180											3, 180
Honduras	3, 358	868	971	809	782	737	442	559	527	557	561	10, 171
India	76, 936	10, 169	7, 024		63	71	79	145	28	8	204	94, 727
Indochina	709, 575											709, 575
Indonesia	63, 059	125		2, 508	4, 594	4, 926	5, 396	16, 162	17, 417	17, 073	12, 110	143, 370
Iran	653, 939	33, 540	62, 400	34, 688	22, 052	22, 206	2, 613	2, 102	912			834, 452
Iraq	46, 239	167	191	97								46, 694
Italy	2, 289, 385	840										2, 290, 225
Ivory Coast	60											60
Jamaica	558		540									1, 098
Japan	834, 592	18, 167	1, 671	433								854, 863
Jordan	31, 919	3, 690	4, 274	12, 503	383	186	195	28, 658	40, 288	32, 717	35, 852	190, 665
Khmer Republic	86, 821						8, 201	174, 651	175, 371	133, 995	373, 963	953, 002
Korea	2, 041, 403	111, 681	162, 028	169, 509	253, 887	137, 832	136, 637	293, 808	155, 379	132, 407	77, 510	3, 672, 081
Laos	187, 506	39, 872	51, 492	51, 820								330, 690
Lebanon	8, 840	80	73	48	95	77	76	4, 467	203	173	133	14, 265
Liberia	2, 992	1, 086	621	774	666	547	500	566	385	220	99	8, 456
Libya	7, 955	2, 011	2, 170	1, 813	1, 002	350	137					15, 438
Luxembourg	8, 235											8, 235
Malaysia		81	188	171	184	166	170	220	138	181	173	1, 672
Mali	1, 583	444	648	71			45	2	44	4		2, 841
Mexico	1, 013	185	250	83	108	87	89	80	109	18	31	2, 053
Morocco	20, 526	4, 863	4, 054	3, 210	1, 655	1, 992	793	765	847	124	628	39, 457
Nepal	387	231	340	854	12	12	5	12	24	38	25	1, 940
Netherlands	1, 216, 047	936										1, 216, 983
Nicaragua	6, 336	1, 092	1, 310	1, 115	1, 139	830	915	817	764	885	871	16, 074
Niger	57											57
Nigeria	314	270	327	203	17	27	49	201	101			1, 509
Norway	807, 136	34, 310	33, 791	18, 854								893, 821
Pakistan	658, 246	11, 852	1, 551		109	103	188	161	95	283	226	672, 814
Panama	1, 370	245	553	478	222	289	823	958	514	482	411	6, 345
Paraguay	3, 158	963	1, 465	960	1, 046	1, 166	703	1, 175	767	272	830	12, 505
Peru	62, 931	8, 804	8, 591	4, 562	1, 406	544	554	505	905	720	864	90, 386
Philippines	305, 301	21, 923	22, 462	26, 226	20, 977	17, 423	15, 614	15, 492	14, 440	16, 102	13, 836	489, 796
Portugal	313, 457	1, 083	1, 602	968	540	910	988	984	1, 014	942	802	323, 290
Saudi Arabia	30, 400	1, 263	667	768	756	620	522	633	428	171	184	36, 412
Senegal	2, 246	180	346	6		6	17			20	7	2, 828
Spain	524, 363	7, 926	19, 282	18, 946	2, 821	2, 172	23, 123	23, 630	11, 027	9, 663	2, 376	645, 329
Sri Lanka					43	79	43	2, 929				3, 094
Sudan	117	312	134	131								694
Syria	15	19	18	5								57
Thailand	509, 871	25, 653	30, 247	21, 011						41, 546	29, 622	657, 950
Tunisia	15, 418	303	603	5, 064	2, 398	3, 296	2, 906	5, 083	1, 810	1, 801	1, 222	39, 904
Turkey	2, 301, 669	95, 741	113, 627	131, 444	93, 116	98, 837	89, 276	99, 208	61, 011	58, 488	63, 331	3, 205, 748
United Kingdom	1, 034, 478											1, 034, 478
Upper Volta	62	7	8									77
Uruguay	31, 536	2, 607	2, 072	1, 415	1, 312	1, 379	1, 396	999	770	814	761	45, 061
Venezuela	3, 501	1, 208	944	930	1, 012	816	757	892	726	865	921	12, 572
Vietnam	1, 137, 525	237, 861	98, 381									1, 473, 767
Yemen	1											1
Yugoslavia	693, 856											693, 856
Zaire	7, 078	5, 942	2, 870	3, 393	2, 060	2, 415	1, 693	371	332	283	373	26, 810
General, regional, and other costs	2, 786, 889	82, 325	88, 931	143, 232	51, 209	54, 552	26, 075	25, 019	21, 672	94, 259	122, 938	3, 497, 101

[1] All country data for the fiscal years prior to fiscal year 1973 include supply operations costs. For fiscal year 1973 and fiscal year 1974, these costs are included in general, regional, and other costs.

Note.—Totals may not add due to rounding.

Mr. CASE. Mr. President, I have already indicated the satisfaction I have had personally in my association with the subcommittee and, in particular, with the chairman in the development of this bill.

It is a good product. I want to extend my statement now to include very definitely all of our staff members who worked with such extraordinary zeal, ability, and sensitivity on the problems with which we were attempting to deal, and our views, aspirations, and our desires about the various provisions of the bill.

I want to join the chairman of our subcommittee in expressing the satisfaction we have had in our relations overall with the Department of State, with the Department of Defense and the Secretary of State, and our understanding, and the Secretary's letter which the Senator from Minnesota has just inserted in the RECORD will bear this out, that they downtown are largely satisfied with the products and the efforts we have made to resolve the problems, some of them very difficult problems, and the procedure under the bill.

I think we have a good bill. I do believe it will represent, if it is passed in its present form or substantially so, an important effort to increase the oversight of weapons sales, and to reduce the chances of conflict in the world. I hope very much the bill will be approved without substantial delay.

The military assistance bill approved by the Senate Foreign Relations Committee represents a major attempt to put some shackles on the genie of conventional arms.

The flow of sophisticated weapons into areas of possible conflict, without tighter provisions for scrutiny and oversight by Congress, has had the effect of piling up tinder for future conflagrations.

A series of major amendments approved by the Senate Foreign Relations Committee as part of the pending bill, S. 2662, are designed to allow Congress as well as the executive branch the opportunity to examine and possibly veto or alter proposed military assistance and commercial sales which could be unwise.

An illustration of the need for the amendments is indicated by the large number of major contracts—more than 3 dozen—which were handled by commercial sellers in 1975. There were at least 15 transactions worth more than $25 million each. Other transactions, while less costly, involved sophisticated weapons and electronics.

The sales ranged from a complete $266 million Hawk antiaircraft missile system to Saudi Arabia, to a $95 million sale of military trucks to Morocco, a $63 million dollar sale of helicopters to Israel, and a $27 million dollar purchase of F–5 jet fighter planes by Brazil.

To tighten congressional and executive branch supervision of such sales, the pending bill would require that sales of sophisticated equipment and transactions worth more than $25 million be handled by our Government's foreign military sales program experts.

The flow of military weapons overseas has become so great that we can no longer avoid closer examination. Altogether, since the end of World War II, the United States has shipped an estimated $110 billion worth of arms to nations around the world—136 countries in all. In fiscal 1976, government-to-government and commercial sales are expected to reach more that $11.8 billion. In fiscal 1975, the figures reached $10.1 billion.

These sales in themselves may not be destabilizing to regional balances of power. But they have become so large that improved scrutiny is necessary to make sure.

There is no easy way to put a lid on the overall shipments of arms. But we should make sure that the arms we do ship are handled wisely.

At the same time, we should engage in accelerated diplomatic efforts to persuade the other major arms exporting nations and the purchasing nations to try to curb the conventional arms race.

Weapons sales are too important to be left in the hands of salesmen.

The proposed additional controls contained in various amendments to the pending bill will not damage the American economy which is so large that military equipment last year was only 2.6 percent of our exports. Indeed, the arms supervision amendments may keep the economy from being hurt by the fallout of costly wars which could touch off another oil embargo or interfere with supplies of other raw materials and trade.

I and other members of the Senate Foreign Relations Subcommittee on Foreign Assistance which drafted the bill are aware of the concerns of industry and the administration. We took them into account.

The subcommittee and its staff went virtually the last mile to cooperate with the executive branch in reshaping some of the key amendments which the administration questioned and in some cases opposed. This version of the bill was hammered out after an unprecedented lengthy series of meetings with officials from the State Department, Defense Department and the Agency for International Development.

Thus I was more than a little perturbed to learn that despite our efforts to cooperate, administration officials have been saying an effort to water down the bill will be made in the House of Representatives and the Senate-House conference committee.

I hope the administration does not batter the spirit of cooperation so badly that the committee will find it hard to continue its cooperation in the future.

A good example of our efforts to cooperate with the administration is the antidiscrimination amendment I cosponsored with Senators Humphrey and Javits. The intent of the amendment is to discourage a nation receiving American arms or technical assistance and training from barring American citizens from jobs in the projects because of their race, religion, sex or national origin.

After considerable discussion of the original amendment we worked out language terminating a project only if the discrimination continues. Thus we give administration officials considerable scope to negotiate a solution and try the "quiet diplomacy" they seem to think will work.

At the same time, we must reiterate the basic principle behind the legislation; that the American Government cannot acquiesce in discrimination against its own citizens. We cannot sell out our own people because of the prejudices of kings and sheiks.

As the Senate Foreign Relations Committee report on S. 2662 stated:

> The Committee believes that our government has a special responsibility to its own citizens which cannot be circumvented. Other governments will have to understand this obligation and work with us to agree on practices and procedures which are consistent with the intent of this section.

There are other major provisions in the bill which deserve spotlighting and I would like to touch upon a few of them.

An important series of amendments expands upon the Nelson-Bingham law passed in 1974 giving Congress power to veto a major arms sale within 20 days after Congress is formally notified of the intended sale.

This year, Senator Nelson and I introduced amendments, now included in the Foreign Relations Committee bill, to scrutinize and veto the transfer of weapons from the original purchaser to a third nation. It is important that Congress share this review authority with the administration to discourage a back door attempt to circumvent a direct purchase which in itself is subject to congressional review. A recent example is the transfer from Belgium to Iran of 60,000 rounds of 105-mm artillery shells.

The proposed revisions to the Nelson-Bingham legislation will put other governments on notice that if they violate the transfer conditions in the sales contracts, they risk a congressional arms embargo, as well as whatever steps the executive branch might take.

A related amendment Senator Nelson and I introduced to restrict training is related to both the risk of potential illegal transfers and our own security.

Giving Congress a veto power over possible training uses by military men from other than the purchasing country would add to the inhibitions against improper utilization of the equipment. It might also reduce the likelihood of a third country effectively using the equipment in a war, following an illegal transfer, by making it more difficult for its pilots, for example, to gain experience with the plane in advance.

There also could be a threat to our military security if another country improperly obtains training or even close scrutiny of our main line weapons.

Another important amendment is intended to give Congress sufficient information to judge whether to cut off or reduce aid to nations suspected of gross violations of human rights.

The amendment sets up an Office of Human Rights in the State Department, headed by a Director, appointed by the President and subject to congressional confirmation, who will prepare reports on violations of human rights by any country receiving security assistance. These reports will provide a factual basis for deciding whether the violations, such as torture, are so widespread as to override other considerations in continuing aid to regimes which by their actions are already indicating a lack of popular support.

These above provisions allow aid to be cut off by congressional action, through passage of a concurrent veto requiring a majority vote in each House. Despite assertions by the executive branch that so-called legislative vetoes are unconstitutional, the bill in effect is a projection of the legislative branch's powers which allow Congress to kill completely an administration's proposals such as an authorization or appropriation bill.

The provisions of the bill at issue delegate power to the President, allowing a course of action, such as an arms sale, unless specifically disapproved by Congress within 30 calendar days. That 30-day provision, incidentally, is another modification instituted this year as a result of the one major attempt by Congress to utilize the Nelson amendment when Representative Bingham and I successfully worked to insure that the 14 Hawk missile batteries being sold to Jordan would be used for strictly defensive purposes. This first test case of the Nelson amendment showed the need to lengthen the original 20-day period of congressional action.

There are several other amendments stimulated by concern over specific areas of tension in the world.

The Case-Clark amendment contained in the bill prohibits the administration from using money from any Government fund to conduct covert operations in Angola without specific consent of Congress. At that same time, the amendment sets up procedures under which the President can provide aid openly if he wishes to have Congress publicly debate and vote upon specific proposals.

The Foreign Relations Committee last Thursday also approved my amendment to provide funds for the interim quarter as the Government switched to a system of beginning the fiscal year on October 1 instead of July 1. The amendment was approved by the Secretary of State and is similar to those added to other bills. It insures that the aid program we consider important in enabling Israel and Egypt, confident of their own security, to continue on the path toward peace, will not be subject to inefficient and costly interruptions.

Overall, the bill represents an important effort to increase oversight of weapons sales and reduce the chances of conflict in the world. The amendments and the dollar amounts have been carefully worked out in a finely balanced package as part of the shared responsibility of Congress and the Executive. It is important that the bill be approved without further delay.

Mr. HUMPHREY. Mr. President, I believe there is no other Senator who wants to be heard on this measure now and, if that is the case, I suggest the absence of a quorum just as a protection for other colleagues for a moment.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

(Mr. **ABOUREZK** assumed the chair at this point.)

Mr. CASE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CASE. Mr. President, I would just like to point out that in this bill we have taken care of the authorization for the fiscal year ending in June of this year, 1976, and also provided for the interim quarter, the period of transition between that time, the 1st of July, and the beginning of the next fiscal year under our new dispensation which will be October 1.

What we have done is to take, just in very simple terms, one-quarter of the amounts involved in the bill and included them as authorized for that interim period.

We did this with the feeling that there ought not to be any sudden shift, that the way things were running was understood, and that if there are to be changes in these programs they ought to be more carefully considered and at greater depth than we would have had a chance to do with them in the time we had at our disposal, because it has been essential that we take action quickly on this bill so that our budget processes may be carried forward under the new law.

I want to express my satisfaction with the fact that when the chairman of our committee raised this question with the people downtown he got explicit assurance that this was a satisfactory procedure, namely, of taking one-quarter of the amounts in the bill and authorizing them for the 3-month period between July 1 and October 1.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. CASE. I do.

Mr. HUMPHREY. I think it should be stated for the public record that, as chairman of the subcommittee, I called the Secretary of State, Mr. Kissinger, on this specific matter at the request of my colleagues. I specifically asked him about the interim quarter provision that we were contemplating. He said that he found it entirely satisfactory, of course, it should be done, and that I was authorized to tell the committee that he had no objection, and that he recognized it was necessary to be included.

I so reported that in the public record in the Senate Foreign Relations Committee.

I also discussed this matter with Mr. Sisco, the Assistant Secretary, because of the large amounts that related to the Middle East, and again the same reaction. So we have moved very carefully in this legislation, at every point consulting with those who have to administer it, and making sure whenever possible we were in agreement.

Mr. CASE. I thank my colleague, and I am very happy to yield to the Senator from New York.

Mr. JAVITS. Mr. President, I confirm, of course, as an active participant, what my colleagues have said.

More than that, the Senate should know that one of our reasons, too, was that this is not locked in forever, that it is an authorization. It is still subject to the appropriations process; it is subject to the continuing resolution process, it must stand really as it is, in all fairness, as pending action on the succeeding fiscal year's budget. It is transitory, a once-in-a-lifetime proposition. We are adjusting to a totally new system. It was the only way to go, in all fairness to all involved, and our committee felt exactly that way.

So I think the Senate can feel reassured that, as my colleagues say, although the amounts are large they were not casually dealt with, but it was a very considered judgment based upon the actual situation as we find it now.

Again I repeat it is a once-in-a-lifetime situation, and I am confident we will deal with it successfully.

(Mr. **LEAHY** assumed the chair at this point.)

Mr. ABOUREZK. Mr. President, will the Senator yield?

Mr. HUMPHREY. Yes.

Mr. ABOUREZK. In listening to the Senator discuss the additional appropriations for the interim quarter from July 1 to October 1, is that essentially it——

Mr. HUMPHREY. That is right.

Mr. ABOUREZK. And you did that because——

Mr. HUMPHREY. In all other legislation the Congress is doing the same thing.

Mr. ABOUREZK. Yes. But the fiscal year will change over between July 1 to October 1.

Mr. HUMPHREY. That is correct, June 30 to October 1.

Mr. ABOUREZK. But is not this legislation for the last fiscal year? Is this not intended for the last fiscal year, not the next fiscal year?

Mr. HUMPHREY. Yes, but the current fiscal year ends on June 30.

Mr. ABOUREZK. Yes.

Mr. HUMPHREY. And we have to have something for June 30 to October 1.

Mr. ABOUREZK. I mean, it is not——

Mr. HUMPHREY. It just takes that gap period into account.

Mr. ABOUREZK. I understand that. But is this legislation not more closely resembling a one-shot legislation? It is not an ongoing appropriation for every country. It is not like you are running the Department of HEW and you had to pay the salaries, and so on, for that interim 3-month period. This is a yearly one-shot arms aid deal, is it not?

Mr. HUMPHREY. Yes; that is correct. But you also have a gap in time in which you have nothing going on, and that, as the Senator from New York has stated so well, we made the authorization recognizing two things: First, that the Appropriations Committee will have to review it in terms of what the needs might be; and, second, if there is anything that needs to be done to modify that it will be done in the next fiscal year. We just did not want to leave the gap here.

Mr. ABOUREZK. I understand what the Senator is saying. I do not understand what the Senator is doing. I guess that is the difference, because it does not seem to me that you need to worry about a gap because, for example, Israel is going to get so much in arms anyhow.

Mr. HUMPHREY. Yes.

Mr. ABOUREZK. I have heard rumors, and I do not know whether they are true, that this is the way for the Foreign Relations Committee to give Israel the $500 million extra that Rabin wanted when he came here, and then it was done across the board in this manner.

Mr. HUMPHREY. That is not true. This is a matter which was argued out in committee and there was to be consultation with the administration. As a matter of fact, I raised somewhat the same question that the Senator raises. If the Senator will look at the record of the Foreign Relations Committee, he will see that I raised questions about the proper procedures for funding the interim quarter. We went back over the other legislation, including the economic assistance legislation, which likewise sometimes is one shot, and we took practically the same language that we had in the international economic and food assistance legislation and applied it to this legislation. As our legal counsel noted for us, it is consistent with all legislation that is applicable to all government programs. We did not do it just for the Middle East; we did it across the board for everything that is involved in the bill. I want the Senator to know that I did take it up on that basis.

Mr. ABOUREZK. I thank the Senator.

Mr. HUMPHREY. Mr. President, I know that the Presiding Officer hoped to make some comment this evening.

(Mr. ABOUREZK assumed the chair at this point.)

Mr. HUMPHREY. I see that the Presiding Officer has been replaced in the Chair. I would like to yield to the distinguished Senator from Vermont who participated with us in the development of this bill. I want to thank him for his attention and great assistance. He is also cosponsor of this legislation after having attended the committee and joining with us in the legislaiton.

Mr. LEAHY. I thank the distinguished Senator.

I want to state, Mr. President, that it was a significant honor as a member of a different committee, the Armed Services Committee, to be one of three members of that committee, along with Senator Culver and Senator Bartlett, to join, at least as observers and active observers because of the courtesy of both the chairman (Mr. Humphrey) and the ranking minority member (Mr. Case), in discussions of this piece of legislation. It is one that goes not only to significant questions of foreign policy but also, as the chairman has mentioned in the Chamber today, questions involving our military responsibilities and questions of our armed services in this country and throughout the world.

I believe this committee has done a great service in having these hearings and putting together this legislation. I commend both Senator Humphrey and Senator Case, as well as the members of their subcommittee.

I also concur heartily in what the Senator said earlier about the staff of the subcommittee. It is one of the finest that I have encountered in my short tenure here. They also deserve credit.

ORDER AUTHORIZING THE SENATE COMMERCE COMMITTEE TO FILE ITS REPORT BEFORE MIDNIGHT TONIGHT

Mr. STEVENSON. Mr. President, I thank the Senator from New Jersey.

I ask unanimous consent that the Senate Commerce Committee be granted permission to file before midnight tonight its report of an original bill (S. 2931) to provide for daylight saving time on an 8-month and 1-week basis, beginning with the first Sunday in March and ending with the second Sunday in November, for a 2-year period beginning with the first Sunday in March of 1976 and to require the Federal Communications Commission to permit certain daytime broadcast stations to operate before local sunrise.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE RESUMPTION OF THE UNFINISHED BUSINESS FOLLOWING SPECIAL ORDERS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of the orders for the recognition of Senators on tomorrow, the Senate resume the consideration of the then unfinished business, the now pending business, S. 2662.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 9 a.m. tomorrow.

After the two leaders or their designess have been recognized under the standing order, the following Senators will be recognized, each for not to exceed 15 minutes, and in the order stated: Mr. Kennedy, Mr. Church, Mr. Fannin, Mr. Buckley, Mr. Beall, Mr. McClellan, Mr. Mansfield, and Mr. Eagleton.

On the disposition of the aforementioned orders, the Senate will resume the consideration of S. 2662, to amend the Foreign Assistance Act of 1961 and the Foreign Military Sales Act. Rollcall votes may occur on amendments and motions in relation thereto.

Other measures on the calendar which will be coming up in the days ahead, not necessarily in the order listed, and surely not all will be acted on prior to the recess, are as follows:

S. 22, a bill for the general revision of the copyright law.

H.R. 8617, an act to restore to Federal civilian and Postal Service employees their right to participate voluntarily, as private citizens, in the political processes of the Nation.

H.R. 7688, an act providing for the continuance of civil government for the Trust Territories of the Pacific Islands.

S. 1640, a bill to provide for the establishment of the Santa Monica Mountains and Seashore Urban Recreation Area.

S. Res. 356, a resolution relating to the Oklahoma senatorial contested election.

The 30-day limitation on the Federal Election Commission, daylight saving time legislation, and other measures which may be cleared for action.

Conference reports, of course, being preferred matters, may be called up at any time.

The Senate will, when possible, act on a dual track system, if necessary, to transact the Senate's business.

ADJOURNMENT UNTIL 9 A.M.

Mr. HUMPHREY. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 9 a.m. tomorrow.

The motion was agreed to; and at 5:44 p.m. the Senate adjourned until tomorrow, Thursday, February 5, 1976, at 9 a.m.

NOMINATIONS

Executive nomination's received by the Senate, February 4, 1976:

Department of State

John Arthur Shaw, of Maryland, to be Inspector General, Foreign Assistance.

Interstate Commerce Commission

Warren B. Rudman, of New Hampshire, to be an Interstate Commerce Commissioner for a term of 7 years expiring December 31, 1982, vice Kenneth H. Tuggle, resigned.

U.S. Coast Guard

The following-named commanders of the Coast Guard Reserve to be permanent commissioned officers in the Coast Guard Reserve in the grade of captain:

Crook Stewart, Jr.
Theodore G. Brown
Lawrence D. Levine
Martin S. Baskin
Thomas A. Kelley, Jr.
Bert H. Ewers
Reynold J. Matthews
Norman Wapnick
Richard F. Nelson
Russell P. Sorenson
Joseph J. Garbarino
Harold D. Hand
Donald L. Frantz

The following officers of the U.S. Coast Guard for promotion to the grade of lieutenant (junior grade):

Daniel J. Elliott
Jeffrey M. Garrett
Leonard J. Kelly
Pecos B. Field
James M. Seagraves
David D. Caron
Brian V. Hunter
Guy E. Motzer
Ronald R. Weston
Robert C. Shearer
William A. Henrickson
Roman T. Lewandowski
Richard R. Beardsworth
Charles A. Amen
John C. Burson
Terence M. Hurley
Richard E. Lang
Philip M. Sanders
William J. Lee
Michael L. Hardie
Kenneth U. Dykstra
Fred F. Rogers
Allen B. Hughes
Philip G. Matyas
James L. House
Andrew J. Sincali
Kevin J. Eldridge
Thomas W. Sechler
Lawrence I. Kiern
Walter L. Johnson
John K. Nelson
John P. Aherne
Richard A. Koehler
Mark A. Fisher
Joseph F. Ahern
David M. Loerzel
James M. Dwyer
Robert M. Wicklund
Drew F. Vanriper
Christopher E. Dewhirst
Arthur S. Blaylock
Gary W. Palmer
John T. Murray
Douglas M. Brawn
Walter E. Hanson
Arthur E. Brooks
Charles L. Miller
William L. Clossey
Joseph C. Bridger
Gerald M. Davis
Michael L. Maxey
Robert J. Brulle
Russell A. Bishop
Scott A. Laidlaw
Glenn R. Holmdahl
Myles S. Boothe
William G. Braceland
William M. Bentley
Timothy C. Haugan
Michael M. Blume
Russell R. Burke
David G. Dickman
Thomas D. Johns
Vincent E. Matner
James E. Spence
Ronald R. Borison
Robert L. Porter
Robert J. Flynn
Mark E. Ashley
Steven G. Hilferty
Domenico A. Diiulio
Richard L. Ryan
Daniel G. Henderson
Jonathan M. Prince
Daniel F. Ryan
Marcus E. Jorgensen
Michael E. Saylor
Dale E. Hower
Gary Krizanovic
Stefen G. Venckus
Scott W. Allen
Timothy W. Hylton
David M. Giraitis
James M. Garrett
Bradford W. Black
Victor J. Zoschak
Jeffrey J. Hathaway
Joseph A. Conroy
Derek A. Capizzi
Joseph P. Brusseau
James C. Vansice
Bruce R. Russell
William L. Powers
Albert F. Suchy
Guy R. Colonna
Scott F. Kayser
Stephen K. Toney
Michael W. Collier
Ronald A. Nilsen
Dana A. Goward
Larry G. Young
John T. O'Connor
Robert L. Gazlay
Richard S. Hartman
David W. Gault
Gregory B. Kirkbridge
Kyle W. Blackman
David W. Courtois
John P. Miceli
William F. Duffy
Stephen E. Sharpe
Richard J. Formisano
Roger D. Kacmarski
Gregg A. Leibert
James D. Thomas
Thomas C. Mielke
Steven P. Suttle
Steven D. Jorgensen
Gary R. Kaminski
Thomas J. Falvey
Richard J. Fitzpatrick
Gerald M. Donohoe
John A. Weislo
Steven L. Nylund
Robert R. Porterfield
William M. Gaynor
Robert A. Roush
Eric D. Lamberson
Steven G. Hein
Thomas C. King
Christopher M. Schoenmaker
David W. MacKenzie
James B. Crawford
James A. Peltzer
Bradley J. Willis
Edmond R. Morris
Ronald W. Stover
Jerzy J. Kichner
Stephen J. Harvey
Terry L. Mohrmann
Donald R. O'Malley
Hugh A. McGraw
Glenn F. Epler
Carl E. McGill

Mark F. Grosze
Kenneth A. Ward
Jeffrey G. Lantz
Richard J. Taylor
Rex A. Auker
Robert N. Petersen
Steven M. Pendleton
Paul A. Dufresne
Gary E. Russell
Byron A. Maddox
Richard A. Huwel
David W. Reed
Robert F. Moore
Odell T. Powell
Thomas J. Mackell
John L. Locke
George H. Detweiler
Lloyd D. Barnes
John G. Arnold
George R. Long
Richard A. Roth
Walter E. Jaworski
Adan D. Guerrero
James W. Shafovaloff
Richard W. Langford
Allen L. Thompson
Walter L. Owens
Edward Miller
Frank C. Halstead
John J. McQueeney
Michael L. Arnold
Gregory S. Fitzpatrick
Patrick E. Ryan
James F. Reed
James Rutkovsky
Frederick G. Phelps
John P. McDermott
Randall W. Freitas
Thomas M. Curelli
Ralph L. Crawford
Raymond J. Brown
Steven M. Waldmann
Dan Deputy
Curtis J. Gruver
Edgar E. Scott
Francis J. Lynch
Ellis H. Davison II
Robert G. Stevens
Richard P. Glover
Dean W. Kutz
Stephen D. Hathaway
Timothy M. Hemenway
John M. Berglund
Francis G. Hanson
Barry R. Moore
Robert T. Powell
Lawrence P. Taylor
Gerald Bowe
Joseph W. Harnett
William M. Albert
Timothy F. Bowen
Gregg G. Baxter
Roger M. Dent
John S. Sedlak
Michael G. Ditto
Carl Schellenberg
Garry L. Francis
Horace D. O'Neal
Daniel J. O'Shea
Victor M. Jarnegan

IN THE NAVY

The following-named officers of the Naval Reserve for temporary promotion to the grade of rear admiral, subject to qualification therefor as provided by law:

LINE

Horton Smith
William J. Gilmore
Thomas A. Kamm

MEDICAL CORPS

Harold M. Voth
Dean B. Seiler

CIVIL ENGINEER CORPS

James E. Mantel

JUDGE ADVOCATE GENERAL'S CORPS

Penrose L. Albright

CONFIRMATIONS

Executive nominations confirmed by the Senate February 4, 1976:

DEPARTMENT OF STATE

Anthony C. E. Quainton, of Washington, a Foreign Service officer of class 2, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Central African Republic.

Willard A. De Pree, of Michigan, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the People's Republic of Mozambique.

Albert B. Fay, of Texas, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Trinidad and Tobago.

James W. Hargrove, of Texas, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Australia, and to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Nauru.

DEPARTMENT OF LABOR

Willie J. Usery, Jr., of Georgia, to be Secretary of Labor.

(The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before a duly constituted committee of the Senate.)

HOUSE OF REPRESENTATIVES—*Wednesday, February 4, 1976*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Be ye doers of the Word and not hearers only.—James 1: 22.

Father of Mercies, in whose presence our restless souls find peace and by whose spirit our weary minds are strengthened, keep us close to Thee as we live and labor through the hours of this day. Send Thy light into our minds and may Thy wisdom guide us in the actions we take.

In this dear land of our faith help us and our people to close ranks in a new unity of spirit and in a higher sense of purpose to keep democracy alive in our time and to make freedom a reality in our world.

We do not pray that other nations may like us but that they may realize that we are endeavoring to stand for what is right, and come what may, that is our conviction.

In the spirit of Him who is the Way, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Heiting, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 8529. An act to establish improved programs for the benefit of producers and consumers of rice.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 200) entitled "An act to provide for the conservation and management of the fisheries, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MAGNUSON, Mr. PASTORE, Mr. HOLLINGS, Mr. MUSKIE, Mr. MCINTYRE, Mr. KENNEDY, Mr. PELL, Mr. PEARSON, Mr. STEVENS, Mr. BEALL, Mr. WEICKER, and Mr. PACKWOOD to be the conferees on the part of the Senate.

The message also announced that the Vice President, pursuant to Public Law 79-565, appointed Mr. HATFIELD as a member, on the part of the Senate, of the U.S. National Commission for the United Nations Educational, Scientific, and Cultural Organization.

GAS DEREGULATION

(Mr. VANIK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VANIK. Mr. Speaker, today as this body commences debate on gas deregulation, I must assert that it appears like economic insanity and an abandonment of public interest to take this precipitous action.

The Krueger amendment does not deregulate natural gas, it simply transfers determination of natural gas prices from the Federal Government representing 215 million Americans to a handful of powerful oil and gas companies who have not established a substantial basis for either credibility, integrity, or dedication to the public interest.

It is impossible at this moment to determine if this year's predicted crisis was orchestrated to force congressional action. Hasty action in these circumstances is a dereliction of our responsibilities.

CALL OF THE HOUSE

Mr. HAYS of Ohio. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 33]

Adams
Ambro
Anderson, Ill.
Andrews, N.C.
Armstrong
Beard, R.I.
Boggs
Brown, Mich.
Buchanan
Chisholm
Conyers
Diggs
Edwards, Calif.
Esch
Giaimo
Gibbons
Hébert
Heckler, Mass.
Hinshaw
Horton
Jones, Okla.
Karth
McEwen
McKinney
Matsunaga
Metcalfe
Mezvinsky
Mills
Moorhead, Pa.
Murphy, Ill.
Rostenkowski
Sarbanes
Scheuer
Sebelius
Stanton, James V.
Steiger, Wis.
Symms
Teague
Udall
Ullman
Vigorito
Waxman
Wolff
Wright
Young, Ga.

The SPEAKER. On this rollcall 387 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

THE BUDGET CEILINGS FOR FISCAL YEAR 1976

(Mr. ADAMS asked and was given permission to address the House for 1 minute to revise and extend his remarks and include extraneous matter.)

Mr. ADAMS. Mr. Speaker, last Friday I sent to you the first of a series of Budget Committee reports comparing the current levels of revenue, outlays, and budget authority with the aggregate levels Congress adopted in House Concurrent Resolution 466, the second budget resolution for fiscal year 1976. Many Members have expressed an interest in these reports to me, so I would like to take a few minutes to discuss their origin, their nature, and their significance.

BINDING TOTALS FOR FISCAL YEAR 1976—ENFORCED BY POINT OF ORDER

When Congress adopted its second budget resolution for fiscal 1976 last December, it imposed upon itself binding ceilings on budget authority and outlays and a binding floor on revenues. Section 311 of the Congressional Budget Act provides that any Member may raise a point of order against bills, resolutions, and amendments—including conference reports—which would cause the ceilings or floor to be reached. I wish to emphasize that the ceilings apply only to the budget aggregates and not to the budget authority and outlays for the functional categories. This is the situation for the current year in which the budget process was only partially implemented and the functional numbers were used by the Congress as building blocks relative to the budget aggregates. Furthermore, the same rule will apply in future years when the functional category numbers will be set forth in the budget resolution itself.

BUDGET COMMITTEE REPORTS TO SPEAKER ON AMOUNTS REMAINING

The Budget Act also requires the Budget Committee to provide estimates of the levels of spending and revenues so as to enable the Chair to determine when a point of order for breaching the totals is valid. The Budget Committee will advise the Speaker, on a daily basis, if necessary, of any changes in the amounts remaining before the totals are breached, so that the current status of the ceilings and the floor can be known on the floor of the House at all times.

WEEKLY CEILING REPORTS IN THE CONGRESSIONAL RECORD

In addition, it is my intention to have a weekly status report published in the CONGRESSIONAL RECORD for the information of all Members and the public.

JANUARY 29—REPORT TO THE SPEAKER

Mr. Speaker, the report I sent to you last Friday indicates the amount now remaining as of January 29 for budget authority is $11.3 billion; for outlays $3.9 billion; and for revenues, $300 million. These figures were arrived at after consultation with the Congressional Budget Office and the Senate Budget Committee, and according to the procedures the House Budget Committee adopted on January 22, 1976, for carrying out its responsibility under the act. I will place the complete report in the RECORD at this point:

REPORT TO THE SPEAKER OF THE U.S. HOUSE OF REPRESENTATIVES FROM THE COMMITTEE ON THE BUDGET ON THE STATUS OF THE FISCAL YEAR 1976 CONGRESSIONAL BUDGET ADOPTED IN H. CON. RES. 466

REFLECTING COMPLETED ACTION AS OF JAN. 29, 1976

[In millions of dollars]

	Budget authority	Outlays	Revenues
Appropriate level	408, 000	374, 900	300, 800
Current level	396, 705	370, 957	301, 100
Amount remaining	11, 295	3, 943	−300

BUDGET AUTHORITY

Any measure including budget or entitlement authority exceeding $11,295 million for fiscal year 1976, if adopted and enacted, would cause the appropriate level of budget authority for that year as set forth in H. Con. Res. 466 to be exceeded.

OUTLAYS

Any measure including budget or entitlement authority that would result in outlays exceeding $3,943 million for fiscal year 1976 if adopted and enacted would cause the appropriate level of outlays for that year as set forth in H. Con. Res. 466 to be exceeded.

REVENUES

Any measure that would result in a revenue loss exceeding $300 million for fiscal year 1976 if adopted and enacted would cause revenues to be less than the appropriate level for that year as set forth in H. Con. Res. 466.

WHAT IS COVERED BY THE CURRENT LEVEL ESTIMATE?

The estimate for the current level includes four categories of congressional action. First, it covers all enacted budget authority and resulting outlays, whether that authority is a matter of permanent law—such as social security trust funds—or whether it came about from current action on fiscal year 1976 appropriations bills. Second, it covers enacted entitlement legislation that requires further appropriation legislation for fiscal 1976. We need, for instance, additional liquidating funding for mandatory entitlement programs such as school lunch and child nutrition, veterans disability benefits, veterans readjustment benefits, AFDC, medicaid, social services, last year's pay increase, and other programs. Third, it covers amounts provided under the continuing resolution for foreign assistance programs, the District of Columbia, and other programs. Fourth, and it covers amounts in conference reports ratified by both Houses but not yet signed into law, such as the defense appropriations bill for fiscal year 1976.

Bills carrying appropriations to liquidate mandatory requirements of entitlement legislation already covered in the current level estimate and bills providing appropriations for programs and activities carried under the continuing resolution will require special scorekeeping treatment. Amounts for these items—discussed under categories (2) and (3) above—are already included in the current level estimate, since they do represent spending commitments resulting from completed congressional action. Accordingly, for purposes of scorekeeping against the amount remaining under the ceiling, they should be deducted from bills carrying the liquidating appropriation.

WILL THE CEILINGS BE REACHED?

It is my view that there is a very real possibility that the ceilings may be reached later this year. Congress enacted an assistance bill for New York City that was not assumed under the budget totals. That bill amounted to $2.3 billion in budget authority with no expected outlays, on the assumption that the loan repayments would be made within this fiscal year. We have yet to pass appropriations for the District of Columbia and foreign assistance, and congressional appropriations amounts usually exceed the continuing resolution levels now covered in the current rate estimate.

Furthermore, the President has already transmitted fiscal year 1976 supplemental requests and amendments in his budget amounting to about $9.7 billion in budget authority. Much of that has already been assumed by Congress under the budget resolution totals. But be forewarned. The President usually transmits a series of additional supplemental requests during the period between the time he submits his budget and the time Congress acts on the usual spring supplemental.

I would like to mention one further major contingency that applies primarily to the outlays ceiling. The President has reestimated his entire fiscal year 1976 budget column, account by account. The Congressional Budget Office is now reviewing those reestimates. In a matter of a few weeks the Budget Committees of the House and the other body will determine which of those reestimates validly apply against the ceiling for fiscal 1976. While the President's total outlay estimate of $373.5 billion for fiscal year 1976 is very close to the budget resolution total of $374.9 billion, reestimates for certain individual accounts could, nevertheless, result in more pressure against the ceiling.

I cite, for example, receipts for leasing on the Outer Continental Shelf. Since these are business receipts of the Government they are regarded as offsets to actual outlays. You will recall the President last year estimated $8 billion in receipts for fiscal year 1976. The congressional budget assumed receipts of $4.5 billion. In his budget submission the President has revised his fiscal year 1976 estimate to $3 billion. If that estimate appears to be valid, then an additional $1.5 billion would apply against the outlay ceiling for fiscal year 1976. I shall attempt to keep the House informed on these matters in my weekly report on the ceilings.

Mr. Speaker, to give the Members a more complete picture of the situation, I will place in the Record at this point my letter to you transmitting the first report on the ceilings, a letter and materials I received from Dr. Alice Rivlin, Director of the Congressional Budget Office providing some detail on the status as of January 29, and the procedures adopted by the House Budget Committee on January 22 for determining the estimate for the current rate:

Committee on the Budget,
Washington, D.C., January 30, 1976.
Hon. Carl Albert,
Speaker,
U.S. House of Representatives,
Washington, D.C.

Dear Mr. Speaker: As you know, Sec. 311 of the Congressional Budget Act of 1974 establishes a point of order against certain measures that would have the effect, if enacted, of causing budget authority or outlays to exceed, or revenues to be less than, the appropriate levels set forth in the most recently agreed-to concurrent resolutions on the budget. The Act also requires the Budget Committee to provide estimates for the purposes of Sec. 311 of the spending to be made and the revenues to be received.

On January 22, the House Committee on the Budget adopted a set of procedures for establishing such estimates. I am attaching to this letter the first Committee report comparing the current estimates with the appropriate levels set forth in H. Con. Res. 466. It is the intention of the Committee that this notice will continue in effect until a change in the estimates requires transmittal of a revised notice. I am also attaching a copy of the enforcement procedure adopted by the Budget Committee.

If you have any questions, or if I can be of any further assistance in this matter, please do not hesitate to call me, or have your staff contact George Gross, the Executive Director of the Committee staff.

With warm regards,

Brock Adams,
Chairman.

Congressional Budget Office,
Washington, D.C., January 30, 1976.
Hon. Brock Adams,
Chairman, Committee on the Budget,
House of Representatives,
Washington, D.C.

Dear Mr. Chairman: Pursuant to section 308(b) and in aid of section 311(b) of the Congressional Budget Act, this letter provides an up-to-date tabulation of the current levels of new budget authority, we estimated outlays and estimated revenues in comparison with the appropriate levels for these items contained in the most recently agreed to current resolution on the 1976 budget. This tabulation is as of close of January 29, 1976. It is based on the status of the 1976 fiscal year budget as reported by the Congressional Budget Office in its most recent scorekeeping report and includes the recent veto override of the Labor-HEW appropriations bill (H.R. 8069) and the conference agreement on the Defense appropriation bill (H.R. 9861) which has been ratified by both Houses.

[In millions of dollars]

	Budget authority	Outlays	Revenues
1. Enacted	294,974	298,278	301,100
2. Entitlement authority requiring further appropriation action	7,079	6,346	
3. Continuing resolution authority	4,185	2,027	
4. Conference agreements ratified by both Houses	90,467	64,306	
Current level	396,705	370,957	301,100
Appropriate level	408,000	374,900	300,800
Amount remaining	11,295	3,943	300

The Congressional Budget Office, in cooperation with the staffs of the House and Senate Committees on the Budget, is currently undertaking a comprehensive reestimate of new budget authority, outlays and revenues for fiscal 1976 based on the President's 1977 budget submission. This regular comprehensive reestimate should be completed within the next several weeks and will be incorporated at that time in our budget scorekeeping reports.

Sincerely,

Alice M. Rivlin,
Director.

Enforcement Procedure for Fiscal Year 76 Budget Authority and Outlay Ceilings and Revenue Floor Established by House Concurrent Resolution 466 Adopted by the House Budget Committee on January 22, 1976

I. Major Provisions of Sec. 311 of the Congressional Budget Act:

1. It is not in order to consider:

	reducing	revenues
bills resolutions amendments conference reports	or	
	providing	additional new budget authority new entitlement authority

2. After approval of second required concurrent resolution or after enactment of reconciliation bill or approval of reconciliation resolution if required,

3. If adoption and enactment would cause appropriate aggregate levels of new budget authority or outlays to exceed or revenues to be less than the appropriate levels set forth in the most recently agreed to resolution.

4. Outlays to be made and revenues to be received during a fiscal year are determined on the basis of estimates by Budget Committees.

II. Estimating Assumptions—The House and Senate Budget Committees would base their advice to their respective parliamentarians on the following estimating assumptions.

1. Base. Enacted law including budget authority, entitlement authority for which appropriations have not yet been enacted, continuing resolution and conference agreements ratified by both Houses.

Comment. CBO will work with the Appropriations Committees and the agencies to develop estimates for the continuing resolution. Adjustments for *vetoed bills* will reflect a sustaining vote or a determination of the Budget Committees, after consulting with the Leadership, that a vote will not be scheduled.

2. Regular Reestimates. On November 10, in the month of January, on April 10, and July 15 the OMB will submit comprehensive reestimates of outlays and revenues, which will be reviewed by the CBO and by the Budget Committees.

Comment. The dates for these required reestimates are set forth in the law.

3. Ad Hoc Reestimates. Either Budget Committee may initiate a reestimate, but the ground rule will be to keep them infrequent. The Budget Committees will be reluctant to direct reestimates for individual programs with relatively small budget impact.

Comment. Requested outlay reestimates from the OMB and revenue reestimates from the Treasury will be reviewed by the CBO and the Budget Committees.

4. Proposed Rescissions. Count only when conference reports have been agreed to in both Houses.

5. Proposed Deferrals. Count after Budget Committees' review of transmittal. Adjust as necessary if an impoundment resolution is adopted.

III. Procedures:

1. Advice to the Parliamentarian. Budget Committee advice to the Parliamentarian on the status of the floor and ceilings will reflect action through the previous day, but such advice would not necessarily be delivered daily. A Budget Committee notice will continue in effect until a change in the estimates requires transmittal of a revised notice. If the legislative schedule for spending or revenue bills is unusually heavy the Budget Committee may, insofar as practicable, advise the Parliamentarian more frequently.

2. A Budget Committee notice to the Parliamentarian might read:

	Budget authority	Outlays	Revenues
Appropriate level	XXX	XXX	XXX
Current level	YYY	YYY	YYY
Amount remaining	ZZZ	ZZZ	ZZZ

A. "Any measure including budget or entitlement authority above $______ million for fiscal year 1976, if adopted and enacted, would cause the appropriate level of budget authority for that year as set forth in H. Con. Res. 466 to be exceeded."

B. "Any measure that would result in outlays exceeding $______ million for fiscal year 1976 would cause the appropriate level of outlays for that year as set forth in H. Con. Res. 466 to be exceeded."

C. "Any measure that would result in a revenue loss exceeding $3 million for fiscal year 1976 would cause revenues to be less than the appropriate level for that year as set forth in H. Con. Res. 466."

APPOINTMENT AS MEMBERS OF BOARD OF VISITORS TO U.S. COAST GUARD ACADEMY

The SPEAKER. Pursuant to the provisions of 14 United States Code 194(a), the Chair appoints as members of the Board of Visitors to the U.S. Coast Guard Academy the following members on the part of the House: The gentleman from Connecticut, Mr. Dodd, and the gentleman from Connecticut, Mr. Sarasin.

APPOINTMENT AS MEMBERS OF BOARD OF VISITORS TO U.S. MILITARY ACADEMY

The SPEAKER. Pursuant to the provisions of 10 United States Code 4355(a), the Chair appoints as members of the Board of Visitors to the U.S. Military Academy the following members on the part of the House: The gentleman from New York, Mr. Murphy, the gentleman from Maryland, Mr. Long, the gentleman from Michigan, Mr. Cederberg, and the gentleman from New York, Mr. Gilman.

APPOINTMENT OF MEMBERS OF BOARD OF VISITORS TO U.S. MERCHANT MARINE ACADEMY

The SPEAKER. Pursant to the provisions of the 46 United States Code 1126c, the Chair appoints as members of the Board of Visitors to the U.S. Merchant Marine Academy the following Members on the part of the House: The gentleman from New York, Mr. Wolff, and the gentleman from New York, Mr. Wydler.

APPOINTMENT AS MEMBERS OF THE BOARD OF VISITORS TO U.S. AIR FORCE ACADEMY

The SPEAKER. Pursuant to the provisions of 10 United States Code 9355(a), the Chair appoints as members of the Board of Visitors to the U.S. Air Force Academy the following Members on the part of the House: The gentleman from Georgia, Mr. Flynt, the gentleman from Colorado, Mr. Evans, the gentleman from Virginia, Mr. Robinson, and the gentleman from Louisiana, Mr. Treen.

OPENING OF 12TH OLYMPIC WINTER GAMES

(Mr. **KETCHUM** asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. **KETCHUM**. Mr. Speaker, today marks the opening at Innsbruck, Austria, of the 12th Olympic Winter Games. I know that my colleagues in the House and all of the people of the United States join me in wishing well the fine young U.S. competitors who will be participating in this greatest of all international sports spectaculars.

I certainly hope that all of us take the opportunity to view these events as they take place through the marvelous coverage we are getting on TV.

PERMISSION FOR COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO FILE REPORT ON H.R. 11645

Mr. **JONES** of Alabama. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and Transportation have until midnight tonight to file the report on H.R. 11645, a bill to amend the Act of October 10, 1965, to provide additional authorization for the Library of Congress James Madison Memorial Building.

The **SPEAKER**. Is there objection to the request of the gentleman from Alabama?

There was no objection.

STAFF MEMBERS SHOULD NOT BE EXCLUDED FROM THE GALLERY

(Mr. **ECKHARDT** asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. **ECKHARDT**. Mr. Speaker, the House has a most desirable rule that excludes from the floor persons or staff other than staff members of the committee. But many of us on the committee who have a bill on the floor do need staff in the gallery.

Yesterday my legislative assistant was attempting to enter the gallery. After all, there must be contact by a member of the committee engaged on the floor with one's office to obtain important factual material which may become pertinent to the debate. She was excluded from the gallery because there were too many other people who were being admitted. During this period of time persons with the oil and gas lobby were freely moving in and out on some sort of special passes to watch the great sphincter of Congress open to expel gas from control of the Federal Power Commission and eliminated were a number of persons who are very vitally needed by members of the committee.

Mr. Speaker, I would hope that this would be taken into consideration in the future in controlling the gallery.

ANNUAL REPORT OF CORPORATION FOR PUBLIC BROADCASTING—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The **SPEAKER** laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Interstate and Foreign Commerce:

To the Congress of the United States:

I am transmitting today to the Congress the annual report of the Corporation for Public Broadcasting, describing its activities for the year ending June 30, 1975.

Gerald R. Ford.

The White House, *February 4, 1976*.

NATURAL GAS EMERGENCY ACT OF 1975

Mr. **DINGELL**. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 9464) to assure the availability of adequate supplies of natural gas during the period ending June 30, 1976.

The **SPEAKER**. The question is on the motion offered by the gentleman from Michigan.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 9464, with Mr. Bolling in the chair.

The Clerk read the title of the bill.

The **CHAIRMAN**. Before the Committee rose on yesterday the Clerk had read the first section of the committee amendment in the nature of a substitute ending on page 19, line 24, and there was pending the amendment in the nature of a substitute offered by the gentleman from Texas (Mr. Krueger).

The Chair recognizes the gentleman from Texas (Mr. Krueger).

Mr. **KRUEGER**. Mr. Chairman, it is a great pleasure, of course, to be here and to be able to discuss this amendment after the strong support for the rule allowing this matter to be debated. The support for doing something about natural gas supplies I think is very, very substantial and is at least in part indicated by the very heavy support for bringing this matter to discussion.

One of the things that a number of people are inclined to talk about is what deregulation will cost. What they generally do not say is, What does it cost if we do not deregulate and get adequate supply?

I think one of the things important to keep in mind is that the amount received by the producer of gas is only about 20 percent or 20 cents, say, on the consumer's dollar. The remaining 80 cents goes for distribution and transportation.

Here, for example, is a chart for the city of New York. This is based on 1974 figures. 32.6 cents goes to the producer. 42.4 cents to the pipeline, $1.98 for the distribution system. Inside New York City the delivered price of gas is $2.73 which is paid by the New York consumer. Of that $2.73, 32 cents goes to the producer.

What we are talking about, is not deregulating the pipelines or the distribution systems, we are simply talking about deregulating the wellhead costs, allowing this 32.6 cents to rise so that adequate supplies can be found. There is nothing more important than keeping this very fundamental fact in mind, because there have been a lot of horror stories and scare tactics used about the whole question of deregulation.

Second, one of the frequently cited figures by people opposed to deregulation is the fact that it would cost some $22 billion if we were to deregulate. This is based on a Congressional Research Service study. The study was done by Mr. Kumins. I received a letter back from Mr. Kumins yesterday after I pointed out some errors in his assumptions. He agreed that the $22 billion was a "misinterpretation." Some Members of the House have helped further that misinterpretation, but Mr. Kumins now says it would cost $5 billion, by his own estimates, or less than one-fourth his earlier prediction. He had the wrong figures in mind. Among those wrong figures; for example, was the price of oil. He divided it by six, and said that would be the price of natural gas, because it takes six times as much gas Btu to produce one oil Btu; but what he did was to reckon all the costs at the wellhead. He forgot transportation and distribution in the cost.

It is very important that we keep in mind what the true matter is. We are taking about only deregulated wellhead prices and not about transportation and distribution costs. I think it is essential that we never lose sight of that fact.

Mr. **ECKHARDT**. Mr. Chairman, will the gentleman yield?

Mr. **KRUEGER**. I have only 5 minutes. I will yield for a very brief question only.

Mr. **ECKHARDT**. Mr. Chairman, the gentleman will recall the figure I used was $5 billion for the first year.

Mr. **KRUEGER**. I did not refer to the gentleman from Texas. I referred to others in this House who used other figures.

Mr. Chairman, now, the FEA talks about a figure of about $9 to $12 per family per year if we get deregulation. It is incumbent upon those that oppose this to realize that deregulation is the lowest cost the consumer can possibly have, because every other substitute fuel is more expensive; $4.75 is now the contract price for synthetic gas in Massachusetts. In Chicago there are contracts for above $4 for synthetic gas. Imported liquid natural gas coming from Algeria and Nigeria is priced at $3.50, rather than a much lower price for natural gas. The average price last year for new natural gas in the intrastate unregulated market, was $1.25 at the wellhead. The average price for all intrastate contracted gas is only 55 cents per Mcf.

The **CHAIRMAN**. The time of the gentleman from Texas has expired.

(On request of Mr. O'Hara and by

unanimous consent, Mr. KRUEGER was allowed to proceed for an additional 5 minutes.)

Mr. O'HARA. Mr. Chairman, will the gentleman yield to me?

Mr. KRUEGER. I yield to the gentleman from Michigan.

Mr. O'HARA. Mr. Chairman, with respect to the whole price question, we talk about making the price of natural gas competitive with that of oil and other fuels on a Btu equivalency basis. If we were to make the price competitive with oil, if natural gas prices were to rise to Btu equivalence with heating oil, at what level would the price of natural gas be?

Mr. KRUEGER. The answer to that question is that there can be no single figure, because it depends on distribution and transportation costs. Distribution and transportation costs are very different for natural gas than for oil. In the area used in that initial Congressional Research Service study, they took the landed price of OPEC oil as it applies to No. 2 refined fuel oil at $15.50 a barrel and divided by six and came out with $2.50. $2.50 would be an appropriate competitive figure as delivered, but not at the wellhead, because as we can see, there are pipeline and distribution costs to be added. The pipeline costs are fairly clear from area to area. The distribution costs will vary from area to area.

It would be demagogic of me to give a single price, and I do not wish to do that.

Mr. O'HARA. I think, as a matter of fact, that the Congressional Library study may have underestimated the price increase, because what we are talking about is the price of natural gas being competitive with that of oil on a Btu basis when it reaches the consumer.

So, the price of gas at the wellhead might rise above $2.50, as a matter of fact, as long as the blended price to the consumer did not get above a price that is competitive with oil. Is that not right?

Mr. KRUEGER. If I may, there are two errors there. One is that the price of oil as we have it in America is a price that blends domestic and foreign oil, and while it costs the Nation as a whole the OPEC price, it does not cost the individual consumer the OPEC price because he is paying a blend which is 60 percent domestic and 40 percent foreign at this time.

The second is, the Btu price of unregulated intrastate natural gas has never risen to that of a Btu equivalent price of oil.

Some people like to talk in terms of Btu equivalencies, and assume that they are the only factors to be considered with respect to the pricing of energy. That is fallacious because there are certain things for which natural gas can be used and for which oil cannot. Natural gas is a cleaner fuel, environmentally pure, and burns at a steady heat more appropriate for glass and porcelain. That is probably why the glass industry is strongly in support of this bill, as is the agricultural industry, because it can be used for crop drying and irrigation and a number of things that oil cannot be used for.

Mr. O'HARA. What we are really talking about is a blended price to the consumer that more or less represents a Btu equivalent to the consumer, without regard to other factors, and that would mean, because of the blend of old and new gas, an increase in the price of natural gas at the wellhead substantially more than a lot of the figures that have been used.

Mr. KRUEGER. If I may respond, and I am so happy to get 10 minutes instead of 5 minutes, that I would like to treasure this moment, but the fact of the matter is that most gas is under very long-term contract. It is under 20-year contracts, so at any particular time, on average, we have only about 7 percent of the contracts expiring each year. If we figure, first of all, that of the consumer's dollar 20 cents goes to the producer, and of those 20 cents only 7 percent on average is changing each year and is going to increase, we are really talking about a very small marginal increase.

It is for that reason the deregulation of wellhead prices of natural gas tends to add only slightly to cost, though it is an incentive for substantial further supplies. It will be felt at a very small rate by the consumer and will be lower than any substitute because any substitute is now more expensive.

The **CHAIRMAN.** The time of the gentleman from Texas has again expired.

(On request of Mr. BROWN of Ohio and by unanimous consent Mr. KRUEGER was allowed to proceed for 5 additional minutes.)

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield to me? I do not want to lose the attention of the gentleman from Michigan (Mr. O'HARA).

Mr. KRUEGER. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. The current average price of intrastate gas is about 78 cents. Now, the recent intrastate sales have been in the area of $1.25 and up to about $1.45 or $1.50. But, that is not the Btu equivalent price.

The point is that there is a fair market price in gas. It has been our experience that where we have a fair market with regard to natural gas that the gas does not go to the Btu equivalent price. It has not gone up to $2.25, which is the Btu equivalent price.

Mr. O'HARA. Mr. Chairman, will the gentleman yield for a very brief response?

Mr. KRUEGER. I yield to the gentleman from Michigan.

Mr. O'HARA. I know that that could be the case with intrastate gas. I think the intrastate market is a little different than the interstate market. In my state of Michigan that is true, but in my state we have only two companies who are really in a position to buy very much intrastate gas.

We have a lot of producers of gas within our State, small independent producers. There the market condition is such that it is pretty much a buyer's market.

On the other hand, that is not necessarily the situation where we have a large, new gas field brought in and we have a hungry pipeline company bidding for that gas, or several of them. I think that there the market conditions are different than they are for intrastate, and so I do not think the intrastate experience is necesarily instructive.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman in the well yield so that we can continue the discussion?

Mr. KRUEGER. I yield to the gentleman from Ohio (Mr. BROWN).

Mr. BROWN of Ohio. I thank the gentleman for yielding.

Mr. Chairman, I think it ought to be pointed out that 35 percent of all of the gas consumed in the country is gas consumed in the intrastate market.

If the result of this legislation is as we hope it will be and anticipate it will be, then by all rules of logic the legislation will enhance the amount of gas going into the interstate market. Pressures would make the market into a buyer's market, so that we will not go to the equivalency price of oil. In the intrastate market we now have a surplus of gas.

In other words, we even the market out. Gas almost assuredly is going to come in at a considerably lower price.

There are certain areas and uses where gas can be the only use that we have. If there is only a source or two for that kind of consumer to use, I suppose one would say in that limited area that the seller would have the upper hand. But I think generally throughout the country if the opportunity is given to apply the gas market to the Nation equally, then the pressures, generally speaking, are going to be to hold the price down below any equivalency price.

Mr. O'HARA. If the gentleman will yield further, I am not that hopeful. I hate to take up any more of the time of the gentleman from Texas (Mr. KRUEGER). Let me say that I am dubious.

Mr. KRUEGER. Mr. Chairman, I appreciate the questions of the gentleman, and perhaps I can respond in greater detail as we proceed.

I would like to point out on this chart what has happened, in terms of reserves and in terms of consumption in this country.

Mr. Chairman, one reason that we are here debating this question today is because last year the country used three times as much natural gas as it found. And that very fact puts upon us the requirement to be statesmanlike, not to take a chance to be simply comfortable before the next election, but to take a position that will be responsible for the next 4, 5, 10 years.

We have been using up our reserves so much faster than we have been finding and adding to them that it is incumbent, I think, on us to do something to see that we begin to address the problem.

Mr. Chairman, one question that is sometimes asked is: Do we have any more gas to be found, simply because it is a finite resource? People sometimes suppose, "Well, it is finite; therefore, there is no more to be had, even at a higher price." But clearly that is fallacious reasoning. The fact is that there are many oil and gas basins in the United States of America which have not been developed. These basins can be developed; but they cannot all be developed under a pricing system which is based entirely upon so-called historical costs, when these historical costs are themselves inaccurate because they are based on a price regulated market in which there was no free market situation.

Further, the greatest resources are still to be found offshore. Two-thirds of the world's surface is covered with water, and we have looked at very few of these underwater sources of future supply.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. KRUEGER. I yield to the gentleman from Illinois (Mr. YATES).

Mr. YATES. I thank the gentleman for yielding. Mr. Chairman, may I ask the gentleman the basis for those statistics? Did they come from the American Gas Institute?

The CHAIRMAN. The time of the gentleman has again expired.

(On request of Mr. YATES, and by unanimous consent, Mr. KRUEGER was allowed to proceed for 1 additional minute.)

Mr. KRUEGER. Mr. Chairman, these are the same statistics used by the Bureau of Natural Gas, a Federal agency.

Mr. YATES. If the gentleman will yield further, are not they furnished essentially by the American Gas Institute?

Mr. KRUEGER. If they are furnished through the AGA, they are the best statistics the Government can get.

The Members will find in my bill, if the Member should be interested in my bill, that I have a provision in the bill that would mandate the FEC to make a very thorough study of gas reserves.

If Members have doubts about existing reserves, then they should vote for my bill and that will give them great heart and encouragement.

Mr. YATES. Mr. Chairman, I will say to the gentleman that I would be very happy to vote for that portion of the bill.

Mr. KRUEGER. Sometimes we have to take the whole to get a part.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield,

Mr. KRUEGER. Mr. Chairman, I shall be happy to yield, but I fear I am about to run out of time.

The CHAIRMAN. The time of the gentleman from Texas (Mr. KRUEGER) has expired.

(On request of Mr. OTTINGER and by unanimous consent, Mr. KRUEGER was allowed to proceed for 3 additional minutes.)

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. KRUEGER. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, according to the same source of statistics that we have seen, there are pretty conservative estimates that have been passed around in various "Dear Colleague" letters on what the incremental cost of the new gas that might be produced under the gentleman's bill would amount to in cost to the consumer.

I wonder what the gentleman's estimates are on what new gas might come on line and what his estimate of that price would be and, therefore, what the cost per thousand Btu's of any such gas that might be added would in fact amount to.

Mr. KRUEGER. Mr. Chairman, I can give the gentleman my estimate, and I could give him eight different estimates should he like to have them. This is obviously relating to something on which I have no more authority than anyone else. However, my estimate would be in the neighborhood of 5 to 10 percent per year for several years, but that estimate, we should always keep in mind, must be weighed against the alternatives of short supply or substitute fuels.

That is the trouble with a question that asks only half of what it should. In talking about the alternatives, the other side is not talking about what will happen if we do not get additional supplies of gas or what happens if the economy starts to rebound and we are short of supplies of this precious fuel. That is the very severe problem that those who wish to do nothing must face.

Mr. OTTINGER. Mr. Chairman, the figures the gentleman gave are the figures for the overall increase of the mix in price. But what I want to know is what the incremental cost will be. I want to know how much new gas the gentleman estimates will be produced and what the cost of that gas will be so that we know, referring to the additional gas we produce, how much that new supply is going to cost.

Mr. KRUEGER. Mr. Chairman, if the gentleman is talking about next week, this is not going to make any difference next week. We must be willing to make the long-range decisions. We must be willing to look 5 or 10 years down the line, and then perhaps those reserves will be developed and we can have 4 to 8 trillion cubic feet of additional reserves that will be discovered, depending on what part the market plays in this respect. There is some gas that will be found at $1.25 that cannot be found at 70 cents.

Only 3 months ago the largest gas well ever found in the United States was brought in, and it had an available free flow potential of 4 billion cubic feet. If one takes into consideration the carbon dioxide, that still leaves 2 billion cubic feet per day; anyway it is a tremendous quantity, billions of cubic feet. With resourcefulness and new technology we can find still more in the future. That well was found, but that gas was not produced until the price rose above 52 cents.

We must always keep in mind that if we want to be honest with our consumers, we have got to figure what the cost of synthetic gas is and what the cost of nuclear energy is. Perhaps the gentleman from New York favors nuclear energy, but if he does not, he must recognize that 78 percent of our total energy is oil and gas, and we have got to have those supplies.

Mr. STAGGERS. Mr. Chairman, I rise in opposition to the amendment in the nature of a susbtitute.

Mr. Chairman, I would like to ask the gentleman from Texas (Mr. KRUEGER) a couple of questions, and also I would like to have his attention first. He does not have to stay in the well because I want to explain something first.

The gentleman from Texas mentioned the fact of competition between oil and other fuels. I do not think the House is going to be misled by that. If one does not like his own gasoline station, he can go to another gasoline station; if he does not like the oil he uses to heat his home, then there is another company and they can bid for it and he can get all he wants.

But this gas is piped in, and the Government of the United States gave the gas companies the right of eminent domain to pipe this gas into 40 million homes in America. They cannot very well order them to take this pipe out and get some other company's pipe in. They have us captive now, and then they say, "Turn us loose and let us do what we want to do now that you have given us all monopoly privileges and the protection of government."

I would like the gentleman from Texas (Mr. KRUEGER) to hear this: This Government set up the Federal Power Commission with the responsibility to protect the consumer and also to give fair play to the industry. They have established price controls which permit producers to earn an average return today of 15 percent to 18 percent.

If the gentleman wants to give them 25 percent, why does he not just say 25 percent, and let it go to the Federal Power Commission? I think, in order not to just turn them loose like a tiger on this Nation, we should let them go through a regulated agency that holds hearings to find out the true facts and that is trying to be fair.

If the gentleman from Texas (Mr. KRUEGER) wants to give them 25 percent, let us give them 25 percent. That ought to be an incentive. That would be under regulation then, but no, we want to just turn them loose.

Everybody is saying, "Let us treat them as we do oil and coal and others."

In my opinion, they are very unique, and the Government gave them the right of eminent domain to go in and put their pipelines where they desired. Now they do not want that. They say, "All right. Give us everything we want. Then let us go ahead."

When they got that right of eminent domain, the Federal Power Commission was set up to give them a fair return, but now they say, "Oh, no, the Federal Power Commission is not the one to determine that."

Now, however, these proponents come in here and say, "The heck with the Federal Power Commission. The heck with the laws that were set up. We want more than 18 percent."

Maybe they deserve it, but let the Federal Power Commission do it instead to determine that."

They have a captive marketplace in America, with 40 million homes.

Mr. Chairman, if we want fair play, let us just say to the gentleman from Texas (Mr. KRUEGER) and the rest of them who want to deregulate, "Let us go to the Federal Power Commission, the one that was set up, and say to them, 'Let us give a little bit more money here.' "

Mr. KRUEGER. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from Texas.

Mr. KRUEGER. The Federal Power Commission was indeed set up to regulate pipelines and distribution systems.

Mr. STAGGERS. And wellhead prices.

Mr. KRUEGER. It was only in 1954 that the Court, with Justice Douglas dissenting—it was only in 1954 that the producer came under that particular control.

The gentleman from West Virginia (Mr. STAGGERS) is talking about eminent domain. It is the producer that is given eminent domain. As I am certain the gentleman knows, less than 20 percent, as a matter of fact, less than 10 percent of the gas produced in America is produced by producers who are associated with pipelines. Better than 90 percent of the pipelines do not have associated companies producing gas.

Therefore, the argument that because the pipelines were given eminent domain this somehow has something to do with the producers, 91 percent of whom are not even owned by the pipelines, seems to me quite an irrelevant point.

Mr. STAGGERS. Mr. Chairman, I would like to dispute that very much.

Is the gentleman telling me that if the Government had not given these pipelines eminent domain, the gas wells would have amounted to anything?

When I was a kid, they flared off this gas because they were producing oil. It was useless, it was nothing.

Mr. KRUEGER. That is right.

Mr. STAGGERS. The gentleman from Texas (Mr. KRUEGER) is making a specious argument when he says that the right of eminent domain in going to the pipe lines could not mean a thing.

The **CHAIRMAN.** The time of the gentleman from West Virginia (Mr. STAGGERS) has expired.

(By unanimous consent, Mr. STAGGERS was allowed to proceed for 5 additional minutes.)

Mr. STAGGERS. Mr. Chairman, I would just like to say that the pipelines are very definitely connected to the producer himself. The producer would not amount to anything if it did not have the pipelines.

My associate here says that several of them own their own pipelines.

Mr. KRUEGER. Less than 7 percent, Mr. Chairman.

Mr. STAGGERS. That is all right. When they get to this point, when they get so powerful as to own their own wells, their own pipelines, their own distribution systems, and are tied in with the major oil producers of the Nation, what do we have then?

The gentleman has said time and again, I think that he wants to be fair. I say that if the gentleman wants to be fair with America, let us go through the regular procedure, let it be regulated by the Federal Power Commission, and let us say to them, "We do not believe 18 percent is enough."

Tell me any other industry in America that makes 18 percent.

Mr. KRUEGER. If the gentleman will yield further, I would be happy to: The computer industry, IBM, has a greater return and at least one other industry has an average of a 28-percent return.

Mr. STAGGERS. The gentleman has answered me now. If he wants to give them more, let us say to the Federal Power Commission, "Give them 25 percent."

Mr. KRUEGER. May I respond to the gentleman?

Mr. STAGGERS. Certainly.

Mr. KRUEGER. Mr. Chairman, the fact of the matter is that to get the average rate of response is simply inadequate when, historically, costs have always been under a regulated market.

It is the same thing as saying that a river is only an average of 4 feet deep and therefore that a 6-foot man cannot drown in that river.

The fact of the matter is, Mr. Chairman, that we cannot always operate to the average. There are many kinds of factors that will not be governed by an average price. Many people can go broke.

Mr. STAGGERS. Mr. Chairman, I have heard that argument over and over again for a thousand times from every gas producer in America. If every gas producer in America would come up here with the suggestion of what is a fair price for producing gas at a fair profit, then I will do everything in my power to pass a law so that the Federal Power Commission will take that into consideration and therefore give them that fair return.

They say, "We need to take into consideration all of the factors." I say that we can do that. We can make exceptions and do different things. But they have not done so. They have not come back to us with one single proposal in the 10 years since I have been the chairman.

We want to be fair with the gas industry and we want to be fair with the consumers, and the gentleman from Texas, I am sure, knows that. They do have to have a fair price. But when the Government gives them the right of eminent domain, which the gentleman from Texas said they did not have, but they do, because if they did not have it we would not have that production. They have the pipelines, and we gave them that right. Now they say, "You have to give us what we need now or we want out."

I say, Mr. Chairman, let us keep them under the Federal Power Commission. If we do not do that, then I say to them what happens about America?

We have to protect the people of this country. But if you say no, I am for the special interests and I am not for America, then that is wrong. I think what the gentleman is saying is let us just turn them loose.

Mr. KRUEGER. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. In a moment, because I would like to pursue this 1 more minute before I yield.

If we put them all under the Federal Power Commission, then they can have hearings. What is wrong with having hearings and letting them prove their case? And if they prove their case then they have always gotten their raises. What is the matter with that? Is there anything wrong with having people come in and hold hearings, hearings held before an agency set up by this Congress and the Government of the United States?

Mr. KRUEGER. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I am delighted to yield to the gentleman.

Mr. KRUEGER. And I am delighted to get a chance to respond because I am sure that the gentleman did not wish to impugn the motives of another Member and imply that I was representing somehow special interests.

Mr. STAGGERS. No, I did not say that.

Mr. KRUEGER. I just wanted to find out.

Mr. STAGGERS. No, I did not say that.

Mr KRUEGER. Because some of the consumer groups who are supporting this are, for instance, the American Feed Manufacturers Association.

Mr. STAGGERS. I beg your pardon?

Mr. KRUEGER. The American Feed Manufacturers Association.

Mr. STAGGERS. The American Feed Manufacturers Association?

Mr. KRUEGER. That is correct.

Also the Farm Bureau and 23 agricultural groups.

Mr. STAGGERS. What about the glass companies of America?

Mr. KRUEGER. The glass companies of America are also interested necessarily in this because they need gas.

Mr. STAGGERS. How is the gentleman going to assure them that they will get the gas that they need and that they will get a fair price for their products when the gas companies are going to be raising their prices? This will give the gas companies the opportunity to set their prices.

Mr. KRUEGER. If the gentleman will yield, we will do it in exactly the same way through giving the glass people a fair price, we will let the market do it. The other way is what we have been doing for some years and it has not worked.

Mr. STAGGERS. You are going to say to a lot of our people, and a lot of them are very good people in my district, that we are going to let the market take its place and we are going to forget about the elderly people who have just enough to barely live on, and when the price of gas goes up what are they going to do?

Mr. KRUEGER. That is a question for the Department of Health, Education, and Welfare.

Mr. STAGGERS. How in heck can they do anything about it if you turn the gas producers loose? It is going to cost the Government billions and billions of dollars to take care of these people.

Mr. KRUEGER. I do not believe that anyone says we do not need the energy.

Mr. STAGGERS. We want the energy, and the Federal Power Commission has given them 15 to 18 percent on their return and will give them more if they can show that they need it.

Mr. KRUEGER. On the average period.

Mr. STAGGERS. We are willing to give them more if they can show that they need it, and I would be one of the first to say, "Let us do it," but let us do it in the legal way.

Mr. MOSS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the gentleman from Texas in his presentation used some cards and drafts here to illustrate certain statistical information. He did it because it is necessary in discussing regulation or nonregulation of a commodity to have some understanding of what we are dealing with, and he used the American Gas Association figures. They are very interesting figures because they are also used by the Federal Power Commission. We will find that they permeate all regulatory bodies. They are the Bible. Nobody ever looked at them to find out how good they were until about 6 months ago when the Subcommittee on Oversight and Investigations of the Committee on Interstate and Foreign Commerce, of which I am privileged to be the chairman, undertook to examine comparatively the data from the American Gas Association and then, using its subpena power, the data from the reporting companies and the material from the USGS, and we found some very interesting facts. And these are facts. They are not conjured-up figures of AGA.

AGA has a series of subcommittees, and the subcommittees are chaired by individuals employed by the producing industry in the area of the fields for which they have primary reporting responsibility.

The chairmen of those subcommittees know the fields that they work in personally, the ones their company happens to own, and there we probably have fairly reliable information.

We may even have flow tests. Theoretically there are flow tests on all of them, but actually that is not the case. We have been told in sworn testimony before my subcommittee that sometimes it is merely a matter of picking up the telephone and calling X over with Y company to determine what happened in block Z. That goes in the report of the subcommittee and becomes that "fact" of an AGA proved reserve.

Along about Monday we are going to get a copy of a report approved by the subcommittee yesterday on Mobil Oil Co.'s Grand Isle Field No. 95. It is a field that is ready to go on line. An application has been filed with the Federal Power Commission, and an argument has developed between Mobil and the Federal Power Commission because Mobil wants an unusual sort of contract and certificate. But, nevertheless, that one field was not in AGA reserves. Yet it has over 400 billion cubic feet of proved gas reserves. There is one of the little instances of AGA figures and their validity.

Let us take another. The USGS surveyed 153 fields. These are reporting fields. The fields must report on a two-times-a-year basis at least so that the reporting is current geophysical data to the USGS, and it is computerized and goes in and gives them the figure, the volume figure, of reserves. We compared the USGS reserve figures against the AGA figures for the same 153 fields, and we found an 8.7 trillion cubic feet difference—8.7 trillion cubic feet.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. Moss was allowed to proceed for 3 additional minutes.)

Mr. MOSS. Last October it was reported that there would be approximately a 1.1 trillion cubic foot shortfall for the winter season of 1975–76.

That has since been revised to a third of a trillion, or 300 billion cubic feet shortfall for this winer season, but it is 8.7 trillion.

Now, according to the USGS, their Mr. Bryan testifying in January before the subcommittee, he stated that their figures, the USGS figures that showed the 8.7 trillion, or the 37 percent shortfall between USGS in estimates and those of AGA, were accurate within plus or minus 5 percent, using the best satistical method afforded them.

Mr. Chairman, this is not a partisan group. This is a group of highly professional individuals employed by our Government.

Now, the gentleman from Texas (Mr. KRUEGER) recognized the possibility of error on the gentleman's figures, because the gentleman said in his own amendment he provides for more reliable figures; but my point is that we as Members of Congress have the responsibility to have those more reliable figures now if we are, in effect, going to put a tax on every consumer of gas in this Nation and every industrial user of gas. If we are going to impact in a multibillion dollar range on the economy of this country, we ought to know at the very least what in the name of God we are doing. I submit there is not a man or a woman on this floor that knows. They are relying on hope. They are placing trust in a very unreliable data bank of the American Gas Association.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, my question is, how long would the gentleman wait to get incontrovertible figures so that we would know exactly what the situation is? Would the gentleman wait until we get 30,000 unemployed, 60,000 unemployed, 100,000?

Mr. MOSS. Mr. Chairman, I will yield no further until I answer the ridiculous question the gentleman just asked.

I would only wait long enough to test by comparison the figures of the AGA and the figures of the USGS, an independent comparison on a sufficient number of fields, not all fields.

The CHAIRMAN. The time of the gentleman from California has again expired.

(By unanimous consent, Mr. Moss was allowed to proceed for an additional 2 minutes.)

Mr. MOSS. Mr. Chairman, as I said, not all fields, but at least a valid statistical sampling, so we can judge more fully the degree of accuracy embodied in the figures which have become the Bible for regulation, the Bible for making every kind of preposterous, and that is what they are, forecasts. Frightening people, frightening people with the statement that we are going to have no gas.

Mr. CARTER. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I yield to the gentleman from Kentucky.

Mr. CARTER. Mr. Chairman, there are many of us here who really, as the gentleman in the well stated, do not know if we have a sufficiency of gas or not. Could the gentleman from California enlighten this gentleman on that?

Mr. MOSS. I do not know, either, I say to the gentleman from Kentucky. I know in my own home community we have five fields at my municipal airport that are capped. I do not know why they are not producing at the moment. They are under contract. I know that that is true around the Nation and I know that when I try to get the details on natural gas in public lands, that Ashland Oil went to a Federal court and I have had to, on behalf of the House, to go into Federal court. The subcommittee received a favorable decision yesterday, but it was stayed for 10 days in order to permit Ashland Oil to file an appeal. I know there is a great deal of resistance to making this data available on the grounds that it is proprietary to the individual company and not overly germane to the welfare of the American people. I disagree. I happen to think it is highly germane to the welfare of the public at this point.

Mr. CARTER. Mr. Chairman, if the distinguished gentleman will yield further, it is necessary that we have this information. Does the gentleman feel, like many others feel throughout our country, that there are many wells capped as are those near his airport?

Mr. MOSS. Yes, indeed I feel that.

The CHAIRMAN. The time of the gentleman from California has expired.

(On request of Mr. MOFFETT and by unanimous consent Mr. Moss was allowed to proceed for 3 additional minutes.

Mr. MOFFETT. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I yield to the gentleman from Connecticut.

Mr. MOFFETT. Mr. Chairman, with regard to the comment made by the gentleman from Ohio (Mr. BROWN) as to how long we are going to wait and how many more unemployed we are going to have, the gentleman from California has pointed out that, first of all, the figures with respect to unemployment are certainly open to question, as we see in the OTA and GAO reports. Secondly, the point we need to focus on—I wonder if the gentleman would agree—is that some people look at this crisis from one end of the pipeline, and take the unemployment and the panic that has been created as a given, and then enormous pressure is created to deregulate when, in fact, deregulation may not be warranted—and in the opinion of this Member is not warranted at all. Are we really fulfilling our responsibilities by simply saying, "Well, if we do not get deregulation there are going to be more unemployed," or should we go farther ot the source of the lack of supply as the gentleman has done?

Mr. MOSS. I think at the very least we ought to fashion a vehicle with the full understanding of the effect on the economy, that we could be creating here a Frankenstein that would create possibly more unemployment than it would prevent.

As the gentleman from Ohio knows, in the question he addressed to me, that gas can be purchased in the intrastate market under an arrangement being approved by the Federal Power Commission and move and are moving that intrastate gas to many of the local spot shortages. So, this idea, in the first place, we are not going to resolve this matter in time, even if we do it tomorrow, to do anything about any shortages that would arise this winter. This winter is pretty well frozen in a pattern, and it will survive or fall on the basis of existing laws and rules and regulations. We are talking about next year.

Mr. MOFFETT. I might also point out that the AFL–CIO and UAW and other labor organizations, and I might say not only their leadership in Washington but right down to members in the Northeast and the lower levels, are adamently opposed to deregulation.

Mr. MOSS. I would only say that this Member feels a responsibility to know at least what he is doing, and the way we are moving here, he does not know, nor do his colleagues, and that troubles him deeply.

Mr. EVANS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I yield to the gentleman from Colorado.

Mr. EVANS of Colorado. Mr. Chairman, I thank the gentleman for yielding to me. The gentleman has touched upon something of great concern to me. If I remember correctly, the other day he referred to something else that disturbed me.

The CHAIRMAN. The time of the gentleman from California has again expired.

(On request of Mr. EVANS of Colorado and by unanimous consent Mr. Moss was allowed to proceed for 3 additional minutes.)

Mr. EVANS of Colorado. If the gentleman will yield further, I believe it was the distinguished gentleman from California the other day who said, in relation to his subcommittee, that in response to questions from the committee to gas representatives as to whether or not they were willing to make a commitment to place increased revenues into exploration for new production, that the witnesses, whoever they were, refused to give that assurance. Is that correct?

Mr. MOSS. That is correct only to the extent that the recollection of the conversation reflects the statement of the gentleman from Massachusetts (Mr. MACDONALD) who was last year the chairman of the Energy, Communications and Power Subcommittee of the Committee on Interstate and Foreign Commerce. He related a conversation he had had while holding that chairmanship.

Mr. EVANS of Colorado. I thank the gentleman for correcting me in terms of who made these comments. My memory is refreshed now.

Let me ask the gentleman this: In his subcommittee's deliberations, has he raised this question and has he had a response, and does he have an opinion on what, if anything, Congress should do or should not do to get an assurance from these companies that if they get increased revenues it would, in fact, go into increased exploration and development?

Mr. MOSS. No; I have not.

Let me very briefly outline the responsibility of the Oversight Committee, as I see it.

One, it is to gather facts. And we have been very diligent in pursuing that objective. We have had seven auditors detailed from the General Accounting Office working on over one-half million subpenaed documents.

We have found we were plagued with problems of lack of compatibility between accounting systems. That is one of the reasons why, in the Energy Policy and Conservation Act late last year, I succeeded in getting in an amendment, assigning to the Security and Exchange Commission the responsibility for the development of generally acceptable accounting standards for this industry, so that we would be able to make the comparisons.

We are just now getting to the point where we can utilize this massive amount of material and make the meaningful comparison with the USGS data and with the filings made by the American Gas Association. We have all of this now together. And it was in the exercise of that comparison that we discovered 37.4 percent under-reporting in the 153 fields in the gulf.

If this were to be extended as a constant throughout the Nation—we do not know yet that it would be, but we think we ought to find out—then the figure would run over 102.7 trillion cubic feet.

The CHAIRMAN. The time of the gentleman from California (Mr. Moss) has expired.

(On request of Mr. BROWN of Ohio, and by unanimous consent, Mr. Moss was allowed to proceed for 2 additional minutes.)

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I yield to the gentleman from Ohio (Mr. BROWN).

Mr. BROWN of Ohio. Mr. Chairman, I wonder if the gentleman in the well will tell me something about the survey done by FEA, in response to the mandate in the Federal Energy Administration Act, Public Law 93–275, section 15(b), conducted in June 1975, where the FEA surveyed soe 20,824 gas producers about the extent of their reserves and got an answer that was within 3 percent of the answer of the reserves that the AGA got in a separate effort to get the same information.

I understand that the FEA survey of all of the producers of natural gas in the country resulted in establishing reserves 3 percent higher than the AGA study, and that the Federal Power Commission, in an independent study from FEA and from AGA, got a reserve estimate that was about 9 percent higher than the AGA study. The figure we are talking about in total is some 237 trillion cubic feet. This relates to a geologist's judgment of something in the ground that he cannot see.

Mr. MOSS. Let me say that clearly we are talking about a geologist's judgment.

Mr. BROWN of Ohio. Yes.

Mr. MOSS. And the judgment is as good as the geologist and the data upon which he makes the judgment.

But I find it interesting that FEA could do 20,000 wells in such a short period of time.

Mr. BROWN of Ohio. Producers.

Mr. MOSS. They rely primarily upon those producers' own figures as reported to AGA, and we get back again to this circle that starts here with the AGA and goes back to the AGA.

The CHAIRMAN. The time of the gentleman from Califoriia (Mr. Moss) has again expired.

(On request of Mr. BROWN of Ohio, and by unanimous consent, Mr. Moss was allowed to proceed for 2 additional minutes.)

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield to me so that I may ask another question?

Mr. MOSS. Could I finish explaining this?

Mr. BROWN of Ohio. Yes.

Mr. MOSS. The USGS does not go to AGA. The USGS reports the geophysical data on these producers' wells each 6 months. These are actual flow rates, and that goes into a computer. So it is always computerized. If the well is closed down and they want to modify, there has been a drop off, they can modify less than a 6-month period, so that the material fed into the computer is more accurate.

It is the USGS survey's comparative data with the American Gas Association that in my judgment is more reliable than that of the FEA, and that is where the 8.7 comes in.

Mr. BROWN of Ohio. Where does the USGS get its information?

Mr. MOSS. It gets it from the producing company.

Mr. BROWN of Ohio. And the producing company can send the same figures in to the FEA, the same figures they use, so the figures come basically from the same people?

Mr. MOSS. No. These must be wells where they are in fact in areas of production.

Mr. BROWN of Ohio. Even so, they are the same companies, are they not?

Mr. MOSS. That is not done that way through FEA.

Mr. BROWN of Ohio. Are they not the same producers?

Mr. MOSS. No, they are not necessarily the same producers.

Mr. BROWN of Ohio. But they are producers from the original source?

Mr. MOSS. Mr. Chairman, the question the gentleman from Ohio asked me was whether they are the same producers, and I answered that they are not necessarily the same.

Mr. BROWN of Ohio. Perhaps the gentleman should not have been so precise.

Mr. MOSS. I must be precise. I wish the House would be more precise, and if it were, we might be doing a better job than we are doing.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield further?

Mr. MOSS. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, my question is this: How would the gentleman gather the data? Would the gentleman hire geologists to go out then and do a study of all the gas wells in the country?

Mr. MOSS. No, I do not think we have to do that.

Mr. BROWN of Ohio. How would the gentleman do it?

Mr. MOSS. Mr. Chairman, we have found, interestingly enough, that when we looked at the ledgers of the individual producers, the reserve ledgers, the figures are a little different than the figures reported to AGA, so there is another area of disparity.

I have been on the committee for many years, and the gentleman knows that I am a fairly competent investigator.

Mr. BROWN of Ohio. I know that.

Mr. MOSS. I want to know all the facts. In this case, the facts or the absence of facts disturbs me.

The CHAIRMAN. The time of the gentleman from California (Mr. Moss) has expired.

(On request of Mr. Brown of Ohio and by unanimous consent, Mr. Moss was allowed to proceed for 1 additional minute.)

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield so that I may ask the gentleman another question?

Mr. MOSS. Indeed I will.

Mr. BROWN of Ohio. Mr. Chairman, is it possible that the producer may have an estimate of his reserves obtained from more than one geologist?

Mr. MOSS. It is possible. Well, of course, they would undoubtedly have more than one geologist. Most of them employ more, but perhaps some of them employ just one.

Mr. BROWN of Ohio. Would it be possible that two different geologists could peer down the same hole and assess a different amount of gas, or is this a pure enough science that one can look at a gas well and decide clearly how much is in it?

Mr. MOSS. It is perfectly possible that there could be a difference of opinion. It is not a precise science.

Mr. BROWN of Ohio. And is it also possible that because of the variations in flow rates that occur in wells from day to day, one might have a different assessment from day to day of his own well as to what would be in that well?

Mr. MOSS. Mr. Chairman, I would only say that after having served on the committee for more than 20 years and watching the yo-yoing of reserves, depending on the legislative objective of the producers, anything that the gentleman might conjure up is clearly possible.

Mr. BROWN of Ohio. Mr. Chairman, I thank the gentleman in the well for yielding. I think he has been very helpful.

The CHAIRMAN. The time of the gentleman from California (Mr. Moss) has expired.

(On request of Mr. McFall and by unanimous consent, Mr. Moss was allowed to proceed for 1 additional minute.)

Mr. McFALL. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I yield to the gentleman from California.

Mr. McFALL. Mr. Chairman, is it possible, referring to the discrepancy here between the USGS figures and the FEA figures, that the FEA figures were gathered from the producers and that would be their opinion of what they had and the USGS figures are based upon the geologists' interpretation of the raw figures on flow, and so forth? Could there not be a difference, depending on the opinion of these producers, and as to what their legislative and political objective is?

Mr. MOSS. Mr. Chairman, I think that is precisely the basis for much of the difference: The legislative objective of the producers.

The CHAIRMAN. The time of the gentleman from California (Mr. Moss) has again expired.

(On request of Mr. Moffett and by unanimous consent, Mr. Moss was allowed to proceed for 2 additional minutes.)

Mr. MOFFETT. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I yield to the gentleman from Connecticut.

Mr. MOFFETT. Mr. Chairman, the gentleman from Ohio (Mr. Brown) and some of the other proponents of deregulation continue to state the choice in the extreme. The gentleman from Ohio (Mr. Brown), if I am not mistaken, asked this: Does this mean that we need to send geologists out by the tens of thousands?

Is it not the point that there are all sorts of ways by which we can get information?

There are all sorts of ways by which we can regulate reasonably. We really have not tried regulation yet. Without sending a geologist to every small producer, we could, for example, regulate with regard to size. We could, for example, take the largest firms and keep them under regulation. That would be, in a sense, regulating with regard to credibility, the largest having the least credibility and the smallest having more credibility.

The point is we really are proceeding on an extreme; is that not correct?

Mr. MOSS. That is correct. As a matter of fact, I have no difficulty at all in envisioning the ability to have more refined figures within the time limits permitted by the chairman of the Committee on Interstate and Foreign Commerce, the gentleman from West Virginia (Mr. Staggers), and the chairman of the Subcommittee on Energy, the gentleman from Michigan (Mr. Dingell).

They said 60 days. Working hard in 60 days, we can have more refined figures than are now available.

My complaint there is that we are trying to rush madly forward, while we are faced with the fact that our eyes are still closed and that the facts are not there. However diligently we search for them, they are not there.

Mr. Chairman, this House is being foolish and reckless with the welfare of the American people.

Mr. HARSHA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the natural gas deregulation legislation before this body today offers us essentially two choices: We can provide relief to American consumers who have been victimized by rising natural gas prices and shortages. Or, we can close our eyes to evidence of deception and misrepresentation by natural gas producers and reward them with a financial bonanza at the expense of those who can least afford it.

That we should be considering permanent deregulation, in view of the shocking revelations made during hearings being conducted by the Interstate and Foreign Commerce Subcommittees on Oversight and Investigations, and Energy and Power, is positively amazing.

The questions raised by these Commerce subcommittees simply cannot be ignored. They strike at the very heart of the industry's attempt to justify deregulation.

First of all, there is considerable reason to doubt the validity of natural gas reserve figures reported by the American Gas Association to the Federal Power Commission. AGA field-by-field estimates for offshore south Louisiana were 37 percent less than U.S. Geological Survey data for the same fields.

The USGS studies were compared with individual gas field estimates which had to be obtained under subpena from the AGA.

Earlier last year, a staff report from the Federal Trade Commission recommended to the Interstate and Foreign Commerce Committee that the AGA and 11 major oil companies be sued on charges of consistently underreporting the Nation's natural gas reserves. The committee subpena the records of seven uncooperative natural gas producers. Federal Trade Commission investigators learned from "proved reserve ledgers" that the AGA figures on reserves were 24 percent less than the companies' estimates of their proved reserves.

This had tremendous significance for American consumers, since the FPC regulates the price of natural gas and bases its decisions on rate increase requests partly on estimates of reserves.

There is more: More than half of the Federal leases in the Gulf of Mexico were found, during a random sample, to be producing on an average 21 percent lower than producers' own estimates of "reasonable" and "efficient" production.

Two producers were discovered to have failed to undertake work projects necessary to maintain deliverability from a large gas field in south Louisiana. Furthermore, it failed to establish production from untapped reservoirs.

In November of last year, the Commerce Subcommittee on Energy and Power uncovered evidence which showed that natural gas producers had for years been failing to deliver gas to their pipeline customers in accordance with their contracts.

The committee's hearings have disclosed further evidence that producers are withholding natural gas in anticipation of higher prices. An internal document from Getty Oil Co. projected a 281 percent rise in the price of natural gas should deregulation of old and new gas be approved.

The argument is made by proponents of deregulation that it is necessary to provide incentive for producers to explore and produce new gas. This argument is hardly impressive since producers now receive about 18 percent on equity.

Producers want Congress to allow the price of gas to escalate $2.25 per thousand cubic feet. Yet, the industry has been unable to justify to the FPC a price higher than 55 cents per thousand cubic feet, including allowables. The FPC considers all the costs associated with the exploration, development and production of natural gas.

Most important of all is the impact of proposed deregulation on consumers. The General Accounting Office calculates that the cumulative costs of deregulation by 1985 would be $75 billion, and the average residential gas consumer will pay $94 more a year for gas in 1980.

A Congressional Reference Service report estimates that deregulation would cause an inflationary impact of 1.2 to 1.4 percentage points in 1976. This would mean the loss of several hundred thousand jobs.

A deregulation bill is totally unjustified. Its impact on consumers and the economy would be unnecessarily severe.

Unfortunately Mr. Chairman, some time ago I made a firm commitment to be on official business that I cannot now cancel. I will therefore miss the vote on this issue. Had I been present I most certainly would have voted against deregulation.

Mr. COLLINS of Texas. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am on the Subcommittee on Oversight and Investigations with the distinguished gentleman from California (Mr. Moss) and I was keenly interested in his observations.

One thing that was particularly interesting to me was his raising the subject of California, particularly Sacramento, Calif.

I think that all reports that we could get on gas out in California would be of tremendous interest to this House and the general understanding that we have of gas shortages.

So far, we have spent all of our committee time on Texas and Louisiana. We have a chance, as the gentleman brought out here today, to get some really enlightening figures out of Sacramento, Calif. In Sacramento, it was brought out, they have capped gas wells that have gas reserves. When we have the facts on those wells that were capped, I imagine we are going to find one of two things will be determined. Either they have such low gas pressure that there is no opportunity to produce the wells, or there is no economical way in which to produce wells at 52 cents. Therefore, the next time we get into the subject of gas on the floor, I hope we have an opportunity to review what the situation is on gas, from Sacramento or anywhere else in California.

We have talked in this committee of ours so much about Louisiana, and I do not know much about Louisiana, but I think that leaves me in about the same situation as most other members on the committee.

They talked about a tremendous gas field that was discovered in Louisiana. This particular field represents less than one-half of 1 percent of the reserves of the State of Louisiana. This field represents less than one-half of 1 percent. It is not a big field.

Mr. Chairman, the other thing that we keep talking about is all that gas in Louisiana from this field and what we are going to do about it. There is not any pipeline connected to this field. It is a new field that has just been brought in.

One other thing that is very important is that we have been talking about figures on production. When they are actually producing gas, there are published figures. Every other figure we talk about is one of conjecture.

The AGA we keep talking about here. We keep saying that the AGA brought in figures. It is interesting to note who the AGA is. This is not a bunch of producers. This is not a bunch of major oil companies. The AGA is the group of people which distribute gas to America. It is made up of all of the distributors. They have no reason in the world to pad their figures. They have no reason in the world to overstate figures. They simply want to know what the gas reserves are. These are the gas distributors. They are the fairest group that could possibly report.

Mr. Chairman, one other thing they talk about is whether major companies release all of their data publicly.

If they release all of their data publicly they would probably be in court the next day and I will tell my colleagues the reason why. They would be sued for antitrust and they would be sued for collusion and they would be sued for conspiracy. The reason for that is because we have a tremendous business operation by the U.S. Government in leasing all of our offshore leases. All of this offshore land everywhere, is subject to big Federal leasing income. Just as an example, this particular Mobil lease the gentleman was talking about. Mobil paid $38 million for one tract in bidding. They cannot discuss their geology with everyone without being in collusion or without being in an antitrust position. So it is necessary for oil and gas companies to hold their information in confidence until it gets into production. At that time it becomes public knowledge.

There is a great deal of talk about the necessity for having the facts, and things like that, but I will tell the Members that a bird in the bush does not mean a thing. The only thing that counts is do we have the gas in the pipeline.

For years and years Members used to talk about Alaska and said we did not need Alaska oil or gas. Now we have found that we urgently need Alaska and we have been delayed 5 years on this Alaskan oil.

The same thing is true everywhere in our country. We need more gas and we do not need more of these "bird in the bush" figures. Data and all these other statistics furnish no energy. What we need is more gas in the gas pipeline, and we need gas today.

Mr. ASHBROOK. Mr. Chairman, I support the Krueger amendment which calls for a gradual deregulation of wellhead field prices of natural gas in order to increase long-term supplies to interstate pipelines. With six Western and Southwestern States providing 90 percent of the total domestic natural gas production to the rest of the Nation through interstate pipelines, the importance of the deregulation issue can hardly be overstated.

Ever since the U.S. Supreme Court decision in 1954 in the Phillips case, warnings of dire consequences have been issued by those in the industry and others who foresaw the eventual damaging effects accruing from the regulation of interstate natural gas supplies. Supreme Court Justice Tom Clark in 1963, our present Speaker of the House CARL ALBERT in 1964, Dr. Paul McCracken, former chairman of the Council of Economic Advisers—these and a host of others have predicted the present energy crisis in the natural gas field as a logical result of stifling Government control. I added my voice to these distinguished Americans calling for deregulation more than a decade ago.

Under the Krueger proposal the definition of new gas and the treament of onshore and offshore gas are two key provisions designed to encourage exploration of recoverable reserves on a competitive basis. New gas would include that which continues to be delivered in interstate markets after the expiration of a contract by its own terms. Regulations on onshore gas would be lifted immediately with price ceilings on new offshore gas phased out over the next 5 years. In addition, the bill provides for short-term emergency purchases of gas over a period of 180 days from intrastate sources. Other features found in the Krueger proposal include priorities to agricultural users and allocation procedures for propane; which is essential to agricultural and industrial users, as well as the provisions mentioned above.

Since mid-1975 a number of us here in the House, and especially those in the Appalachian States, have been exploring all possibilities for countering the energy crisis with the resources found in our own areas. For example, during the House floor debate on the ERDA authorization bill on June 19 of last year, I pointed out that the eastern part of the State of Ohio had extensive deposits of Devonian shale from which natural gas can be extracted. I was informed that the ERDA bill had allocated only $4 million for research and development assistance to further improve stimulation techniques in the shale area. The potential of the shale deposits can be appreciated when it is considered that gas from shale is estimated to be greater than the 1974 estimate of remaining proven gas reserves in the entire United States. The Devonian shale formations can be found not only in Ohio but in Michigan, Illinois, Indiana, Kentucky, Alabama, Tennessee, West Virginia, Pennsylvania, and New York.

In an effort to increase the ERDA $4 million sum for shale research and development a number of interested House Members contacted the Senate committee handling the ERDA bill, pointing out the potential of the shale deposits. Likeminded Members of the Senate were instrumental in increasing the ERDA figure to $8.5 million. This is still a modest figure when one considers that the Governors of the 13 Appalachian States, along with those of Michigan, Indiana, and Illinois, passed a resolution in June 1975:

> Urging the Energy Research and Development Administration to place at least $100 million on research for the production of natural gas from Devonian shale and for related purposes.

Governor Rhodes of Ohio, in a page-length ad in the Wall Street Journal, had called for the same amount for shale gas exploration and "the opening up of the interstate pipelines to move it, and the deregulation of interstate wellhead prices."

One argument against deregulation that is offered is that the prices of natural gas will skyrocket once the restrictions are lifted. Neither the Federal Energy Administration nor the Federal Power Commission agrees with this charge. The FEA claims that the increase in the average annual residential gas user's bill will be $10.21 in 1976. The FPC's estimate of the cost per household will result in an increase of $9 in constant dollars in 1980 as the result of deregulation effected at the present time.

The importance of deregulation is evident from the fact that the major gas producing States, Texas, Louisiana, Oklahoma, New Mexico, Kansas, and California, account for over 90 percent of the total domestic natural gas production. According to the General Accounting Office, an arm of the U.S. Congress, the 119 interstate pipelines supply two-thirds of the natural gas demanded, with 34 of the largest companies selling approximately 90 percent of all interstate natural gas. It is this enormous traffic in interstate pipelines supplying the other States which has been for years under Government regulation. One consequence of this regulation has been that new discoveries of natural gas reserves have been dedicated to markets within the State making the discovery thereby avoiding Government regulation. This adds, of course, to shortages in the gas-poor States. In Ohio, we produce less than 10 percent of the gas we must have to maintain our industrial base and private use.

Deregulation would also encourage increased drilling for new reserves as financial incentives would result with the lifting of the present price ceiling.

The House has a long-awaited opportunity to lift Government controls on natural gas thus correcting a situation which was given impetus by the 1954 Supreme Court decision. I support the Krueger amendment which, as the Pierson-Bentsen bill, passed the Senate by a comfortable margin. Hopefully, the House will do the same.

Mr. BAUMAN. Mr. Chairman, as we consider the issue of gas deregulation and its effects on the consumer, let us consider the American farmer. For it is the farmer, and all those who consume his products who will be directly victimized should we fail to pass the Krueger amendment. And that means all Americans.

Our farmers must have stable supplies of natural gas for irrigation, crop drying, and for the production of the fertilizer which makes farming possible. Fertilizer production alone, should we suffer another year of dwindling production, because gas companies do not have ready supplies for nitrogen fertilizer plants, could be the factor determining the fate of our domestic economy as well as the world food supply in 1977. At the very least, this would mean increased prices for consumers at a time when inflation already enjoys a headlock on our economy.

Last year, agricultural-chemical plants all over the country were on the verge of closing down, because of the supply shortage crisis, and some like the large complex in Tunis, N.C., which supplies much of Maryland had to petition the Federal Power Commission for emergency relief just to stay in business. What will happen next year, when everyone acknowledges that gas supplies will be even lower? What will happen should we fail to pass the Krueger amendment which essentially boils down to a compromise measure to increase gas supplies? These fertilizer plants will not be able to operate on congressional wind power, any more than on our sincerity. They need beefed-up supplies of natural gas, and the Krueger amendment is the only reasonable solution in sight.

Should we fail to act and the expected shortfall occurs in gas supplies, our farmers will face shortages in crop production which will cause higher costs for all consumers. Yet by supporting the Krueger measure, we can establish statutory priority for the essential agricultural uses in interstate commerce. We will also provide for assured supplies for residential users while at the same time giving priority to businesses which are agriculturally related. So, farms will not have to close down, and supermarkets will not have to price their customers out of existence.

As it is currently constituted, H.R. 9464 without the Krueger amendment is little more than a bandaid on the gaping wound of our natural gas supply problem. It deals only with the short-term emergency in an economically dangerous way while doing nothing, absolutely nothing to mitigate our long-term shortage.

For years, faulty Federal policies in the regulatory field have worked to the disadvantage of our national economy and the American people. Thousands could lose their jobs in Maryland if gas supplies are not increased, and the same is true elsewhere, since 76 percent of the gas used goes to public utilities and industrial uses.

It is not only the rural areas which will feel the hurt should we fail to act. Citizens everywhere are in for it. Citizens who comprise the 160 million Americans who depend to some degree on gas as an essential energy resource will find entirely newer and more personal definitions for the words inflation and inconvenience.

Mr. Chairman, if we have learned anything about the economic real world during the past decade, I hope it is the realization that the Federal Government is all too capable of making political decisions, but has failed miserably at economic decisions. Drilling, refining, and labor costs rise yet the Federal Government keeps prices artificially low and, therefore produces energy shortages, blackouts, and increased costs in alternative fuels all of which work to feed inflation. You could almost call it the politics of scarcity. Farmers everywhere have learned this, and I hope all Americans will not be forced to suffer a like fate.

Therefore, I join our colleagues who have spoken in favor of the Krueger substitute and urge its passage. Over 25 major agricultural groups, industrial users, and others have spoken out in its favor, and I hope we have the good wisdom to follow their lead.

Mr. Chairman, may I add one personal observation; the gentleman from Texas (Mr. KRUEGER) has shown uncommon clarity and precision in the arguments he has presented to the House. He obviously knows his subject and states his case well. I compliment him on his diligence and would wish that all Members might present their case in such an intelligent manner. I hope his substitute is adopted.

Mr. WRIGHT. Mr. Chairman, I rise in support of the Krueger amendment. It would, in a systematic way, free independent producers of natural gas from price controls at the wellhead. By every rational reckoning, the adoption of this amendment should encourage new exploration and additional discovery of new gas reserves.

The country is running out of natural gas. This is the long and short of it. It is not just a temporary emergency. The problems presently suffered on the east coast of our Nation merely foreshadow far greater problems in the future unless bold and resolute action is taken on several fronts.

According to the DeGolyer and MacNaughton publication of "Twentieth Century Petroleum Statistics," the number of new producing oil wells completed annually in this country has sharply declined from more than 30,000 completed in 1956 to only 9,500 completed in 1973.

The effective life of our known natural gas reserves has declined from 40.5 years in 1941 to only about 10 years at present.

Against the sharp decline in the effective life of our domestic reserves, we have seen a decline in exploration and drilling which makes it clear that, in the absence of some dramatic change, we cannot expect to replace those reserves with new discoveries.

We are using it faster than we are finding it, and therefore, we are running out.

To a chilling degree that should be a sober reminder to Members of Congress, the present shortage in natural gas can be attributable to the heavy hand of government.

Congress never enacted a statute which it intended to apply to the price control of natural gas at the wellhead. That application was insinuated into the law by a Supreme Court ruling in the Phillips case in 1954.

Congress in fact enacted legislation in 1955 and 1956 to free independent producers from this type of governmental price manipulation at the wellhead. That bill, as most of us will recall, was vetoed by President Eisenhower on a ground entirely extraneous to the merits of the bill.

The price of natural gas at the wellhead historically has been only a very small part of the price ultimately paid by the consumer. In 1956, at a time when natural gas was selling at the wellhead for only 11 cents per thousand cubic foot, the Brooklyn Union Gas Co. in New York was charging the residential consumers $2.78 per thousand cubic feet.

So if we had reduced the producers' price to zero, we would not have materially benefited the householders.

Today gas destined for interstate markets is pegged at 52 cents per thousand cubic feet. So price setting by government has not reduced prices. On the contrary, it has hastened a shortage. And a shortage in any commodity inevitably increases price.

It should be apparent that governmental bureaucracy has been unwittingly culpable in producing—at least in hastening—the present shortage.

The only way to abate the shortage in the near and immediate terms is to encourage more exploration and more discovery. The Krueger amendment would aim in that direction.

Moreover, natural gas by any reasonable measurement is bringing in the interstate markets only about one-third the price of oil when measured in equivalent British thermal units of content.

Some opponents of the Krueger amendment have falsely labeled it a benefit to Texas and the Southwest. This is an extravagant and unwarranted characterization.

From a purely parochial standpoint—if we think only of the short-range benefit to our own area—Texans might well oppose the Krueger amendment and seek to perpetuate the present situation. I say this because, under the present interstate controls which leave intrastate gas unregulated, Texas and other gas producing States have richly benefitted through the attraction of new industry.

We in Texas have been able to assure industrial users of an adequate supply, while other areas of the country have not been able to give such assurances. As a result, much new industry has come to our area and many new jobs have been created.

This, however, is a national problem. We all should rise above the immediate concerns of our particular geographic areas and face squarely the question of national shortage.

The Krueger amendment addresses that critical problem. In the interest of the Nation, I believe we all should support it.

Mr. ECKHARDT. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment in the nature of a substitute.

Mr. MOSS. Mr. Chairman, would the gentleman from Texas yield?

Mr. ECKHARDT. I yield to the gentleman from California.

Mr. MOSS. Mr. Chairman, I thank the gentleman for yielding, and I would ask the gentleman from Texas is it not a fact that this unimportant Mobil field with over 400 billion cubic feet of gas would represent an aggregate of more than the projected shortfall as those figures have been revised for the winter of 1975 and 1976?

Mr. ECKHARDT. The gentleman's comment is certainly correct.

Mr. MOSS. I thank the gentleman.

Mr. ECKHARDT. Mr. Chairman, I rise here as a person who is deeply concerned with this question because I come from an area that is probably the petrochemical capital in the United States and perhaps in the world, an area that uses much of the gas which is produced and which produces most of its energy from gas, and an area whose economy is based on gas. Yet I also come from an area like every other person here, who must be deeply concerned about the consumers in that area. I have many more consumers than I have producers of gas.

Besides that, Mr. Chairman, I feel that every person here has a deep responsibility to be concerned about the economy generally. Much more reason to be concerned about that than about any small relief or even large relief of interests in his area.

The problem is this: We always strike some kind of balance between encouragement of additional production of gas and other energy sources and an inordinately great inflation of the price of a product which goes into the price of most all other products.

We have largely the same question before us that we had with respect to the price of oil but the reason this is far more important is because we are talking about rejecting here, if we adopt the Krueger amendment, or commencing to reject, a process of price control which has existed over a period of many years, a permanent regulation, if you please, of natural gas, whereas, in the case of oil, all of us here recognized the temporary nature of what we were doing. We were attempting to put a lid on a rapidly growing price due to a special situation.

We are talking here about an increase of about $5 billion per year in cost to consumers, and I use the conservative figure that the gentleman from Texas (Mr. KRUEGER) alluded to in his statement here. We do not know whether it is 5 or 9.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Michigan.

Mr. DINGELL. I thank the gentleman for yielding.

I want to point out that the gentleman has used a most modest figure. The FEA has estimated an initial impact of $5 to $6 billion, increasing to $13 billion in 5 years. Other estimates run as high as $20 billion a year.

Mr. ECKHARDT. That is correct, and the reason why we have a wide range of figures is because information must be reluctantly wrenched from the very companies against whom the information may be used. That is our problem.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. I just want to ask a question about something I am not sure I understand. The gentleman from California said that the field that he was talking about had 400 billion cubic feet of natural gas, and that that was one-third of the amount.

Mr. ECKHARDT. If the gentleman will permit me to interrupt, I do not want to open this into a debate between the gentleman from Ohio and the gentleman from California.

Mr. BROWN of Ohio. It is not meant to be a debate. I am asking the gentleman in the well a question. My question is, How long does it take to produce a figure of 400 billion cubic feet? I was trying to relate the 400 billion cubic feet to the shortfall, and I was wondering if it all came out in 1 year.

Mr. ECKHARDT. The size of the field has nothing to do with the time it takes to develop.

Mr. BROWN of Ohio. How long will it take?

Mr. ECKHARDT. I do not know, and I think I would like to continue a little bit on my main thread of argument, and then I will be glad to yield to the gentleman.

Mr. BROWN of Ohio. I thank the gentleman.

Mr. ECKHARDT. The problem then is this question of balance. Should we precipitately go to a solution of the problem recommended by the gas industry to this Congress?

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. ECKHARDT was allowed to proceed for 5 additional minutes.)

Mr. ECKHARDT. Or should we much more deliberately try to balance the types of interests that I have here described? Let me give the Members a little measure of what $5 billion is. It is approximately the amount of the space program at its height. I think that program went to about $5½ billion at one time and has run around $3½ billion during most of its life.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Michigan.

Mr. DINGELL. I thank the gentleman for yielding.

I would like my colleagues to know that the lowest yearly impact of deregulation is estimated to be equal to one-half of the amount of the tax cut passed by Congress to restore prosperity, and it is more than one-half of the amount of tax cut that the President has indicated he wants Congress to approve to help keep the recovery moving. What this means to the average householder is that he is going to give up almost half of the amount of the tax cut to the big oil companies.

Mr. ECKHARDT. I certainly agree with the distinguished Chairman of the subcommittee.

It also measures in its extent the Manhattan Project which existed from 1940 until approximately 1946 and which, of course, developed atomic energy. It cost approximately during that period $2 billion. That is for the whole period of the project.

I must admit quickly that there are some expenditures military in nature that may be secret and are not included in that figure, but we can double it and we still have less cost for the development of atomic energy by the United States than what we would pay to the oil and gas industry to further advance their development.

Mr. BROWN of California. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from California.

Mr. BROWN of California. I thank the gentleman for yielding.

While the gentleman is comparing these figures with regard to the increased price to the consumer, would he be able to compare them with the increased price to the consumer that results from the increase in oil prices over the last 2 or 3 years, specifically the increased cost of gasoline to the consumer?

Mr. ECKHARDT. If we had not placed a limit on oil prices, the increased cost per year would have gone to approximately $51 billion. It would have been far greater.

Let me proceed a bit further, because my time is short, and then I will yield from time to time.

Mr. BROWN of California. I will be glad to request additional time for the gentleman. I think his remarks are important.

Mr. ECKHARDT. I yield to the gentleman from California.

Mr. BROWN of California. Would the gentleman further indicate in reporting the estimates of increased prices, is it not true that in addition to the difficulty of wrenching this information that I think he referred to from the oil companies, the other end of the spectrum is that the estimates are based upon a comparison between what the projected regulated price would be, as well as what the unregulated price would be?

Mr. ECKHARDT. That is correct, and that is precisely the point I intend to enter at this time.

Mr. BROWN of California. Mr. Chairman, will the gentleman yield further?

Mr. ECKHARDT. I cannot yield further until I further develop the point the gentleman has asked.

Now, it has been said that the increase in price by this is $5 billion per year. The GAO had estimated that the price over a 10-year period as a result of these increases will be approximately $75 billion. Now, that tallies with my first estimate of $5 billion for the first year, because naturally as more and more of the mix of gas becomes new gas, more and more is leased at higher prices. So the question arises, will $75 billion in the next 10 years produce more gas than would be produced say if we expended something like the same amount of money for projects like the Manhattan project?

So the question arises, is it necessary to increase the price of gas as much as the Krueger amendment increases it?

I want to rapidly say that I have not closed my mind to even an approach like the Krueger amendment approach to the ultimate solution to encouraging gas production, but I am not willing to be stampeded on this floor at this time to accept the most radical and the most expensive increase in price in order to bring more gas on the market.

Now, the price has gone up. The peak production of gas has been as late as 1972 and 1973 and, indeed, the peak period of known reserves was as late as 1969. Now, during that period of time from 1969 to 1975 interstate natural gas prices for new contracts rose by 158 percent.

The CHAIRMAN. The time of the gentleman from Texas has expired.

(At the request of Mr. OTTINGER and by unanimous consent, Mr. ECKHARDT was allowed to proceed for an additional 3 minutes.)

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. Let me just finish this sentence and I shall yield.

Mr. Chairman, from about 20 cents per thousand cubic feet to over 51 cents, but the price of intrastate gas increased during the same period by about 600 percent up to the present figure.

Mr. Chairman, I yield to the gentleman from New York (Mr. OTTINGER).

Mr. OTTINGER. Mr. Chairman, it is true then that the increased price of gas, interstate gas, has gone up far more rapidly than the rate of inflation?

Mr. ECKHARDT. Oh, yes.

Mr. OTTINGER. In the same time more than any projections of costs for getting that gas could possibly have risen.

Mr. ECKHARDT. But let me warn this House about one thing. Some of the colloquy between several persons on the floor have raised this point. They were saying that competition will protect and keep down the interstate price. They use a wrong analogy with respect to intrastate price. Most intrastate users are purchasing gas from a producer at a given price. If they are doing that, they would be utterly foolish if they could get the price they pay of $3 per thousand cubic feet for gas, because that would be higher than they would have to pay for the equivalent value of oil, somewhere around $1.35 to $1.50, so they are not going to pay that.

But let us talk about the pipeline. A pipeline may easily pay $3 per MCF for some of its gas mixed with cheaper gas and sell it to the consumer. The consumer then absorbs the price of the mix.

So, what we are talking about is a greatly, much enhanced increase in the price of interstate gas above that which has happened with respect to intrastate gas. Intrastate gas, new gas, is at an average of $1.35, which is just about the equivalent of the Btu value of the control we placed on oil. By removing the price from interstate gas, the sky is the ceiling and there is no competition that is going to control that.

Furthermore, it has been shown that gas pipelines are integrally related with offshore production of gas. Oil and gas is an industry that is heavily, vertically monopolized as well as horizontally monopolized with other energy sources.

What I would like to emphasize here is that two problems must always be kept in mind. That is, what can we do to cut out the smallest segment of increased price to encourage the greatest additional production and at the same time—at the same time, not disturb what seems like a recovering economy. The latter point is the more important.

AMENDMENT OFFERED BY MR. WYLIE TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. KRUEGER

Mr. WYLIE. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

> Amendment offered by Mr. WYLIE to the amendment in the nature of a substitute offered by Mr. KRUEGER: In section 204, paragraph (8) is amended to read as follows:
>
> "(8) 'New natural gas' means natural gas produced from a well the drilling of which commenced on or after January 1, 1976."

Mr. WYLIE. Mr. Chairman and members of the committee, yesterday I filed an amendment which I had printed in the RECORD which, simply stated, would define new natural gas as natural gas produced from a reservoir discovered on or after January 1, 1976. Overnight, I have had calls from geologists and lawyers who work in this area and have some expertise, and it seems that if my amendment were passed in its original form, that there would never be any new natural gas discovered in the State of Ohio.

This comes about by virtue of the fact that there are basically two geological formations from which most of the natural gas in Ohio is produced. One of these is known as the Clinton sands formation which blankets the whole eastern half of the State, so that a well producing gas drilled in Ashtabula would probably be in the same reservoir formation as another well drilled in the southeastern section of the State near Marietta, which is some 250 miles away.

Ohio gas is found in what are known as stratigraphic traps rather than a structural trap in which most of the gas in the United States is found. The structural trap has different beds or faults. In the stratigraphic trap, it is basically impossible to tell where one reservoir begins and where another one ends. Technically, the whole eastern half of the State, as I say, would probably be called one reservoir. Therefore, I have changed my amendment as follows:

> "New natural gas" means natural gas produced from a well the drilling of which commenced on or after January 1, 1976.

I am still of the opinion that the concept of the deregulation is a desirable goal, but what we really need to do is to increase exploration in undeveloped areas.

We need to discover new gas if we are to provide for immediate energy needs. Adoption of my definition would close the door to any possibility that gas taken from capped wells already discovered, or from already discovered reservoirs from which production has been withheld or limited heretofore strictly to intrastate commerce, would be classified as new natural gas and sold immediately at unregulated prices.

In other words, I think we need to be certain that, one, deregulation does not cause an immediate increase in price; two, that natural gas producers do not make a windfall profit as a result of what we do here; and, three, Congress must provide immediate incentive for new exploration, discoveries, and production of natural gas.

Mr. Chairman, my amendment is straightforward. It does not get into the question of whether the gas was committed to a contract, whether it was committed to a sale and delivery date, or such technicalities. Deregulation would only apply to gas produced from new wells commenced as of January 1, 1976. This seems to me to be a responsible position after I have studied it, and one which I hope will receive the support of this House.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from Texas (Mr. ECKHARDT).

Mr. ECKHARDT. Mr. Chairman, I would like to understand the purport of this amendment.

As I understand the Krueger amendment, new natural gas includes essentially three things: One is gas produced after a certain period of time that is typically new gas from new reservoirs; two, gas which comes out of new wells, even though they may be in the same property and presumably will possibly be from the same reservoir; and also gas which comes out from under contract under its own terms, under the contract's own terms.

How does the gentleman's amendment affect those three categories?

Mr. WYLIE. I thank the gentleman for the question. It gives me the opportunity to clarify my position.

Basically, what the gentleman said about the Krueger amendment is correct. It says:

> "New natural gas" means natural gas sold or delivered in interstate commerce . . .

The CHAIRMAN pro tempore. The time of the gentleman from Ohio has expired.

(On the request of Mr. ECKHARDT, and by unanimous consent, Mr. WYLIE was allowed to proceed for 2 additional minutes.)

Mr. WYLIE. Mr. Chairman, the Krueger amendment in this regard would say:

> "New natural gas" means natural gas sold or delivered in interstate commerce (A) which is dedicated to interstate commerce for the first time on or after January 1, 1975, . . .

Mr. ECKHARDT. If the gentleman will yield further, that would be clearly new gas.

Mr. WYLIE. That is right. And that section would be stricken by my amendment.

> . . . (B) which is continued in interstate commerce after the expiration of a contract by its own terms (and not through the exercise of any power to terminate or renegotiate contained therein) for the sale or delivery of such natural gas existing as of such date, or (C) which is produced from wells commenced on or after such date.

My amendment would strike out the first two parts, (A) and (B), and leave paragraph (C), except that I change the language. The amendment I have offered would strike out all of paragraph (A), and paragraph (B) would amend paragraph (C) to say new natural gas means natural gas produced from a well the drilling of which commenced on or after January 1, 1976, this year.

In other words, my amendment is designed to provide the incentive to produce new gas through new exploration. I think that is really the goal we all seek.

Mr. ECKHARDT. If the gentleman will yield further, I am simply trying to find out what it is. I am neither friendly nor opposed to it.

Mr. WYLIE. I understand.

Mr. ECKHARDT. Actually, if the gentleman includes new wells, practicably speaking the gentleman includes the first category, does he not? I would say the gentleman's amendment has the practical effect probably of striking the section with respect to gas coming out from under contract.

Mr. WYLIE. That is right. My amendment would strike paragraph (A).

The CHAIRMAN pro tempore. The time of the gentleman from Ohio has again expired.

(On request of Mr. ECKHARDT, and by unanimous consent, Mr. WYLIE was allowed to proceed for 2 additional minutes.)

Mr. WYLIE. In other words, my amendment would apply to a well in Texas producing gas which has only been committed to intrastate commerce.

Mr. ECKHARDT. Then the gentleman's amendment would not release from control gas which is now in intrastate commerce and which might move into interstate commerce?

Mr. WYLIE. That is right.

Mr. ECKHARDT. That would be an essential difference in striking item 1; is that correct?

Mr. WYLIE. The gentleman is correct.

Mr. ECKHARDT. Mr. Chairman, would the gentleman object to an amendment to his amendment that would limit such new wells to new wells in properties which do not consist of existing reservoirs? In other words, instead of providing for new wells which might tap the same reservoir or be in the same property which is now controlled, it would be limited to truly new discoveries.

Mr. WYLIE. Well, I am trying to make deregulation apply to new discoveries by saying, "new wells." I understand what the gentleman is saying, that if there is a reservoir in being, it is possible that another well could be sunk in that reservoir which would produce "new gas."

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, one of the problems which exists with regard to the language that the gentleman seeks to amend—and I commend the gentleman for his amendment—is that it does sanctify the practice of just drilling a new well into an established, identified and existing producing formation, with the result that it encourages people to drill new holes into old reservoirs to get a higher rate.

The question that the gentleman from Texas (Mr. ECKHARDT) is directing to my friend, the gentleman from Ohio (Mr. WYLIE) relates to curbing and controlling this particular practice which would be authorized by the Krueger amendment. In other words, this is to say that the deregulation of natural gas would occur as to new drilling into new formations and not new drilling into old formations.

Mr. WYLIE. Mr. Chairman, I understand what the gentleman is saying. I put that question to the geologist who called me last night, and he said he did not think this practice would be widespread, No. 1, because drilling a new well is expensive, and, No. 2, in most States this practice is regulated; in other words, the distance from which one well can be drilled in relation to another is regulated.

Yesterday, I was prepared to offer an amendment which would say that new natural gas is natural gas produced from a reservoir discovered on and after January 1, 1976, and I found that reservoir would apply to the whole eastern part of Ohio. So to provide the incentive to produce "new gas" in Ohio it has to be gas from a new well.

Mr. Chairman, I suggest to the gentleman that if he wants to offer an amendment, he may do so.

The CHAIRMAN pro tempore. (Mr. EVANS of Colorado). The time of the gentleman from Ohio (Mr. WYLIE) has expired.

(On request of Mr. OTTINGER and by unanimous consent, Mr. WYLIE was allowed to proceed for 2 additional minutes.)

Mr. OTTINGER. Mr. Chairman, will the gentleman yield, or does he wish to finish his explanation first?

Mr. WYLIE. Mr. Chairman, I have just one other point to make, and I wish I might have the attention of the gentleman from Michigan (Mr. DINGELL).

We have left the rulemaking power with the Federal Power Commission in the substitute bill. A regulation could be adopted which would take care of that circumstance, it seems to me. What my amendment is designed to do is to provide for the deregulation of truly new gas, what is truly newly discovered gas after January 1, 1976.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, I thank the gentleman for yielding.

I just wish to point out to the gentleman and to my friend, the gentleman from Texas (Mr. ECKHARDT), that the only way this can be amended, under the unfortunate procedure which the House adopted, is by unanimous consent to have such an amendment considered. We cannot have an amendment offered to the gentleman's amendment. This will prevail throughout the debate on this bill, and that is true because the amendment would be in the third degree. We are already considering the substitute offered by the gentleman from Texas (Mr. KRUEGER).

So that perfecting this amendment, unless there is a unanimous consent request agreed to, is not going to be possible, and I think the amendment does need perfection in this respect.

Mr. WYLIE. Mr. Chairman, does the gentleman from Texas (Mr. ECKHARDT) think that there would be widespread tapping of old reservoirs and the drilling of new wells within a few feet of an old well just to take advantage of this act?

Mr. ECKHARDT. Mr. Chairman, if the gentleman will yield, it would tend to open a loophole, and to be perfectly frank, there are some who say that the gentleman's approach is desirable because, as they say, that produces more gas even though it is from the same reservoir. That was the argument the gentleman from Wyoming (Mr RONCALIO) was making yesterday about the obdurate stone in one area. So, there is a policy difference involved, not just a technical one.

Mr. WYLIE. Yes. Mr. Chairman, what

I want to do is, as I say, to encourage the exploration for new gas. We know in Ohio that there is a considerable amount of gas in the so-called Clinton sands formation.

The problem is that up to now it has been too expensive to extract. It is possible to produce a considerable volume of new gas in Ohio. There is no doubt about that. I am searching for a way to alleviate any prospective shortage of gas in Ohio.

Mr. ECKHARDT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am in this position on this amendment: I think it illustrates the difficulty of our position in trying to amend a very difficult bill in the posture we stand in under the rule.

I really am precluded from offering an amendment to the amendment because it would be in the third degree. I do not believe that I can amend the amendment to the Krueger amendment as a substitute to the bill. This is an amendment to the Krueger amendment. I do not believe that I can amend that amendment at this time.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from New York.

Mr. OTTINGER. I wonder whether we might get advice from the chairman with respect to that.

Mr. ECKHARDT. I think there is another way to do it, and that is, even if this amendment were passed, to offer a substitute for a couple of sections that would embrace this amendment and thus alter it. However, I am not altogether sure of that, and I think it would be undesirable to pass this amendment at this time. I believe we ought to have a little time to look at it and try to come out with something more desirable, because there is another very difficult problem. It is a policy question again. That is, do we really want to preclude gas now in intrastate commerce from being shifted to interstate commerce for the first time and getting a higher interstate rate?

Therefore, we have two policy questions involved here: One, how tightly do we want to restrict that which we are encouraging as new production?

The gentleman from Wyoming (Mr. RONCALIO) and I disagree on that proposition, I would be quick to admit.

We also have the question of whether or not we want to put a penalty on moving intrastate gas to interstate because this amendment would preclude the continued high price on intrastate gas if it for the first time were dedicated to interstate commerce.

For that reason, Mr. Chairman, although I think the gentleman's purpose in striking out from the definition the removal of gas that goes out of contract is most laudable, I think his purpose in simply narrowing it to that which is really new gas is desirable.

However, Mr. Chairman, I think we ought to take a little time to look at this. That is one reason I thought the committee ought to consider this thing in more depth before we threw it to the floor.

For that reason, Mr. Chairman, I most reluctantly oppose the amendment, but not the spirit in which it is offered.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from New York.

PARLIAMENTARY INQUIRIES

Mr. OTTINGER. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. OTTINGER. Mr. Chairman, is it possible to offer an amendment to the amendment offered by the gentleman from Ohio (Mr. WYLIE), or, in the alternative, to offer an amendment striking certain provisions of that amendment?

The CHAIRMAN. The Chair will advise the gentleman that either of such amendments would be in the third degree, and therefore not in order.

Mr. OTTINGER. A further parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. OTTINGER. Would it be possible to go back to the original one with a perfecting amendment?

The CHAIRMAN. By the "original one" does the gentleman mean the Krueger amendment in the nature of a substitute?

Mr. OTTINGER. Yes, Mr. Chairman.

The CHAIRMAN. No. After the Wylie amendment is disposed of, another amendment would be in order

Mr. OTTINGER. I thank the Chair.

The CHAIRMAN. The time of the gentleman from Texas (Mr. ECKHARDT) has expired.

(By unanimous consent, Mr. ECKHARDT was allowed to proceed for 1 additional minute.)

Mr. ECKHARDT. Mr. Chairman, I may say this: If the Wylie amendment were withdrawn or defeated, I would offer an amendment reading exactly like the Wylie amendment but adding after the date January 1, 1976, the qualifying phrase, "into a reservoir discovered or extended on or after January 1, 1976."

Mr. WAGGONNER. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman and my colleagues of the House, of course the purpose of the Wylie amendment is well intended. It is intended that where exploration costs have increased dramatically that some adjustment be made, some incentive be provided to induce additional exploration. This is as well based upon the assumption that if a man has a producing gas well inasmuch as the economics might have been different when this well was drilled and production begun, that he is not entitled to anything in the way of an adjustment.

Let us think about the economics of such an assumption. This is the same thing as saying to a man in the real estate business that simply because that man built a hotel or built an apartment building years ago, and the economics were different, that that man cannot get today's going price for that apartment if he rents it or for a hotel room if he rents that. That is pure foolishness as far as economics is concerned and foolish for this reason, even more foolish in the instance of a natural resource than is the case with a piece of real estate. It is bad economics to allow, and worse economics to mandate, the sale of a depletable resource, in this instance natural gas, at less than its replacement cost. If one accepts this definition of what constitutes new gas then we are saying that because the economics were different at the point in time when that well was drilled, that we have got to live with it forever. We simply must provide for continued rollover and reinvestment of the income that we get from any producing gas well.

Here is what is going to happen if we adopt this amendment: The idea, of course, of decontrol, for those who do not have production of natural gas, is to put more natural gas into interstate commerce, and you are going to aggravate that problem if you adopt this amendment, and here is the reason you have got to do it. The Krueger language says:

> . . . "New natural gas" means natural gas sold or delivered in interstate commerce (A) which is dedicated to interstate commerce for the first time on or after January 1, 1975, . . .

Not a well put into production after January 1, 1976, or begun after January 1, 1976, but natural gas that is put into interstate commerce. That is the incentive to put old intrastate gas, at a going price, into interstate commerce. You are going to destroy that incentive. And, further, that "new gas" means natural gas sold or delivered in interstate commerce:

> . . . (B) which is continued in interstate commerce after the expiration of a contract by its own terms . . . for the sale or delivery of such natural gas existing as of such date. . . .

There again is the incentive. There is the incentive to keep this old gas in interstate commerce.

First, provides the incentive to put new gas into interstate commerce; second, provides the incentive to keep gas in interstate commerce. So as well intentioned as is the amendment offered by the gentleman from Ohio (Mr. WYLIE), it is self-defeating. But worse than that, it does not allow for what we are trying to do. It does not take cognizance of the fact that we are dealing with a depletable and an irreplaceable reserve. We do not generate the money to provide an incentive for new exploration. I think the amendment should be defeated. I think the language of the amendment offered by the gentleman from Texas (Mr. KRUEGER) is far better.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BRODHEAD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment. I felt compelled to take the floor to comment on some of the remarks of the previous speaker, the gentleman from Louisiana.

It seems to me that we have set off an artificial division here. We are saying on the one hand that producers need more revenue so that they can find new supplies of natural gas. I think that is a proposition that many of us would agree on. But the gentleman from Louisiana seems to equate the need for incentives to find new natural gas with deregulation, and it seems to me that this is where the advocates of deregulation make their error.

Mr. WAGGONNER. Mr. Chairman, will the gentleman yield?

Mr. BRODHEAD. I yield to the gentleman from Louisiana.

Mr. WAGGONNER. I thank the gentleman for yielding.

If the gentleman does not accept that premise, that deregulation to allow exploration to find a product which can be sold at a price which will produce a profit to generate dollars to do other exploration and increase supply, then he misses the whole point. I do equate. That is the purpose of deregulation, and until the gentleman accepts that premise, he does not understand the problem.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. BRODHEAD. I yield to the gentleman from Michigan.

Mr. DINGELL. I thank the gentleman for yielding.

I sat through practically all of the testimony in the committee. The gentleman from Louisiana ought to know that there was nobody who came before us, whether from the industry or from the FEA or the Federal Power Commission, who could tell us that new moneys generated by the absolutely outrageous prices generated by the legislation, would produce any new investment. There was no assurance that these receipts would not go into circuses, housing developments, or any other investments.

I think the gentleman ought to know this.

Mr. MAGUIRE. Mr. Chairman, will the gentleman yield?

Mr. BRODHEAD. I yield to the gentleman from New Jersey.

Mr. MAGUIRE. I thank the gentleman for yielding.

I do not know if the gentleman from Louisiana is aware—I am sure the gentleman from Michigan is—that the FEA in their own studies indicated that 80 cents per thousand cubic feet would bring as much gas as $2 per thousand cubic feet. The question is not do we need somewhat more generous prices; the question is not even should we eliminate disparity between interstate and intrastate prices. Most all of us agree we must do these things. The question is, What price is going to produce the result, and why grant a price that is 2½ times greater than is needed?

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. BRODHEAD. I yield to the gentleman from Texas.

Mr. ECKHARDT. I thank the gentleman for yielding.

I asked the gentleman to yield, because I do not want to leave the House with a false impression of what I said a moment ago. I understand that both the gentleman from Connecticut (Mr. MOFFETT), and the gentleman from New Jersey (Mr. MAGUIRE) have amendments that address this question and that there are several places in the bill that need amendment to accomplish the objective that I stated I would offer an amendment to do. Therefore, since we will have voted on this amendment under the assumption that another would come up, I do not want to leave a misapprehension. I shall not offer an amendment now, because I think the question is a bit too complex to treat it peremptorily.

Mr. BRODHEAD. I thank the gentleman.

As I was commenting on the remarks of the gentleman from Louisiana, I think it is unfortunate that the gentleman and many of the advocates of deregulation do not grant that it is possible to have incentives for greater production and at the same time continue regulation.

Taking just the point that the gentleman addressed himself to, the amendment offered by the gentleman from Ohio, I support the position of the gentleman from Texas on the amendment offered by the gentleman from Ohio (Mr. WYLIE).

I think it is a sound amendment and a sound idea. The reason for that is that we are talking about incentives. The whole point that the advocates of deregulation are making is that what is needed is incentives. It seems to me unless we have something like the amendment offered by the gentleman from Ohio, the incentives will be to devote more resources into fields that have already been discovered and fields that are already producing and that goes against the very purpose that we say we are trying to achieve. I think we all agree that the purpose we are trying to achieve is not to produce additional profits for the natural gas producers.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

(By unanimous consent, Mr. BRODHEAD was allowed to proceed for an additional 3 minutes.)

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. BRODHEAD. I yield to the gentleman from Ohio.

Mr WYLIE. Mr. Chairman, that is the purpose of my amendment, of course. As I understand it, the ultimate goal of deregulation is to make us energy self-sufficient. We want to become energy independent and that involves new discoveries. All the known reserves that we have will only carry us forward for about 8 years.

I think we need to provide the incentive for new exploration and discovery and production of new oil.

Mr. Chairman, I thank the gentleman for his encouragement.

Mr. BRODHEAD. Mr. Chairman, I thank the gentleman for his support.

Mr. Chairman, I think the difficulty with the position advocated by the gentleman from Louisiana (Mr. WAGGONNER) and the position advocated by my friend, the gentleman from Texas (Mr. KRUEGER) is that, as I see the problem, should their proposal be enacted into law, what will happen is that the economic incentives will be for producers to produce more gas from fields that are already discovered, produce at a faster rate because this would be much more profitable than finding new sources of gas. It seems to me that is entirely the wrong kind of incentive we want to bring about. That is why I hope this amendment will be perfected to improve this situation.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. BRODHEAD. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, I would simply observe that I am sure the gentleman from Ohio has the best intentions and the gentleman's amendment does help, but does not help enough. It does have the unfortunate defect of allowing drilling new wells into old fields at higher prices. Therefore, I necessarily, but reluctantly, have to oppose the amendment.

Mr. WAGGONNER. Mr. Chairman, will the gentleman yield?

Mr. BRODHEAD. I yield to the gentleman from Louisiana.

Mr. WAGGONNER. Mr. Chairman, for discussion's sake, the gentleman says that the gentleman feels this matter of providing an incentive to get added production from older fields or older wells is wrong. If this produces additional natural gas, then that in itself would be good.

I call attention to the fact that yesterday during general debate on this legislation criticism after criticism was offered because it was felt that in some instances additional production capacity was available in some wells over and beyond the level at which wells were producing; but the thing we have to realize is that geologists who understand these matters are seeing to it that these wells are producing at an optimum rate consistent with good conservation practices to get the most out of any well over the long haul. Reservoirs must be protected.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

(At the request of Mr. DINGELL and by unanimous consent, Mr. BRODHEAD was allowed to proceed for an additional 2 minutes.)

Mr. BRODHEAD. Mr. Chairman, it seems to me the difficulty is in the question of incentives and what are the incentives going to be? It seems to me the incentives are to more easily and perhaps dangerously exploit existing fields, existing producing fields, than to go and find new ones. It seems to me that if we are aiming at finding new sources of natural gas, it seems to me we ought to aim at exactly that. I do not think we need to increase profits of the natural gas companies.

It seems to me the point the gentleman from Louisiana made has to do with the profits made from existing production. However, all evidence that came into the subcommittee, of which I am a member, is that the profits are quite adequate. They are in the 15- to 18-percent range.

Therefore, I do not think there is any need to increase those prices and profits. These fields were discovered years ago and the costs are paid for the most part and they are producing at an enormous profit. That is not the problem. I think we all had agreed that the problem was that there are not other incentives to go out and find new sources. That is what I think we ought to be addressing ourselves to, not to the point of making existing wells more profitable. That is the direction in which we are going, and it seems to me that serves no useful purpose, and unnecessarily exacts a high cost from consumers without building up new gas.

Mr. MOFFETT. Mr. Chairman, will the gentleman yield?

Mr. BRODHEAD. I yield to the gentleman from Connecticut.

Mr. MOFFETT. It is also true, is it not, that we can envision a situation where we may get a little extra gas, but at such an enormously high cost that it might not be worthwhile? If I understand the gentleman from Louisiana correctly and I am sure that if I do not he will correct me. Gas being produced is not in and of itself necessarily good if it costs an enormously greater amount.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

(On request of Mr. WAGGONNER and by unanimous consent Mr. BRODHEAD was allowed to proceed for 2 additional minutes.)

Mr. BRODHEAD. Mr. Chairman, if I might briefly respond, I think that is precisely the point. The question is whether it is worth the price, the increased price consumers will have to pay, and could that gas be brought out at a more reasonable price. I submit that when we are talking about existing producing fields, it could be. If it is 52 cents now, if it has to go to 60 cents to produce any profit, that is one thing, but going beyond that and saying that it has to go to $1.50 or $2, that is excessive.

Mr. WAGGONNER. Mr. Chairman, will the gentleman yield?

Mr. BRODHEAD. I yield to the gentleman from Louisiana.

Mr. WAGGONNER. I thank the gentleman for again graciously yielding to me.

The gentleman has just put his finger on the situation without really, I think, understanding what he has done.

Mr. BRODHEAD. The gentleman should give me credit for knowing what I am doing.

Mr. WAGGONNER. The gentleman has said that we ought to be addressing ourselves to incentives to find new gas. New gas is additional gas. What the gentleman in effect has said is that we ought to deregulate prices to whatever extent we need to get that additional gas, and that is exactly what we are trying to do. The gentleman in effect has said that we need deregulation because we need more gas. The only thing we are doing is trying to move different ways to get there, so the only thing left for us, it seems to me, is to stay here like men and women and work responsibly to find that goal, and I think the gentleman will, in the end, vote for this proposal, having taken the position he has.

Mr. BRODHEAD. Well, I think there will be a lot of surprised people if I vote for the bill, but to comment on what the gentleman says, we are now at the point of precisely what the problem is. While we can agree that in certain limited instances price increases are needed, I do not equate that with deregulation. Under regulation the gas is now being produced at a very substantial profit. If there is a need to go out and find new sources, we can do that without deregulation.

Mr. KETCHUM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, Members, I certainly do not want to belabor and lengthen this debate, and I do not want to get into a great philosophical debate as to the whys and wherefores of deregulation and why we are attempting to deregulate. I know that my dear friend from Ohio (Mr. WYLIE) is sincere in his purpose in putting in this amendment, but what in effect he is doing is gutting the whole bill.

What he is, in effect, doing is saying, "We do not want to move any gas in interstate commerce." The gentleman from Texas (Mr. KRUEGER) has finely drawn the language in his substitute to take care of several situations. If the Wylie amendment were to pass, what earthly reason would there be for anyone presently selling gas intrastate to move it into the interstate lines at all?

Furthermore, at the expiration of an interstate dedication of the contract, it would be the only logical thing in the world for the interstate contractor to do at the expiration of a contract, to simply go intrastate and get a higher price for the gas.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. KETCHUM. I yield to the gentleman from Texas (Mr. ECKHARDT).

Mr. ECKHARDT. I thank the gentleman for yielding.

Mr. Chairman, I think the gentleman's point is well taken. I do not know what the House wants to do on it, but it is true that under the Wylie amendment if gas is selling at the average of $1.35 in intrastate commerce and it were moved into interstate commerce, under the present system it would go down to 52 cents. There would certainly not be a stronger disincentive to flow gas into interstate commerce.

Mr. KETCHUM. The gentleman is correct. And so without attempting to philosophize whether one is for or against deregulation, I happen to be for it because I think it serves a useful purpose to the people of the United States. But if the Members are totally opposed to deregulation, I would submit that perhaps they should support the amendment offered by the gentleman from Ohio (Mr. WYLIE).

I would sincerely hope that those Members who are for deregulation and are supporting what I believe to be the best offering before us, the Krueger substitute, that those Members will vote down the Wylie amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. WYLIE) to the amendment in the nature of a substitute offered by the gentleman from Texas (Mr. KRUEGER).

The amendment to the amendment in the nature of a substitute was rejected.

AMENDMENT OFFERED BY MR. ECKHARDT TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. KRUEGER

Mr. ECKHARDT. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. ECKHARDT to the amendment in the nature of a substitute offered by Mr. KRUEGER: Section 205(b) is amended to read as follows:

"(b) Section 4 of the Natural Gas Act (15 U.S.C. 717c(e)) is amended by adding at the end thereof the following:

"(f) Notwithstanding the provisions of subsection (e), the Commission shall have no power to deny, in whole or in part, any rate or charge made, demanded, or received by any natural-gas company for, in connection with, the purchase or sale of new natural gas, or that portion of the rates and charges of such company which relates to such purchase or sale, except (A) to the extent that such rates or charges, or such portion thereof, for new natural gas produced from offshore Federal lands exceed the national ceiling, established or modified by regulation of the Commission pursuant to section 24 of this Act, or (B) in any case where a natural-gas company purchases natural gas from an affiliate or produces natural gas from its own properties, to the extent that the Commission determines that the rates and charges therefor exceed the current rates and charges, or portion thereof, made, demanded, or received for comparable sales by any person who is not affiliated with any natural-gas company.".

Mr. ECKHARDT. Mr. Chairman, I permitted the reading of the amendment because, although it has been published in the RECORD, I wanted it quite clear what it does. I do not think it is other than perfecting, unless the gentleman from Texas (Mr. KRUEGER) did in fact intend—and I do not think he did intend—in his amendment to remove the FPC's authority to order a rate decrease for old natural gas. I do not believe he wanted to affect old natural gas.

Mr. KRUEGER. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Texas (Mr. KRUEGER).

Mr. KRUEGER. I thank the gentleman for yielding. Mr. Chairman, could the gentleman tell us where in the RECORD his amendment appears?

Mr. ECKHARDT. It appears on pages 39152–56, the RECORD of December 8, 1975.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Ohio (Mr. BROWN).

Mr. BROWN of Ohio. I thank the gentleman for yielding.

Mr. Chairman, I think the work of all of us might be expedited if we could all get copies of the amendments as they are presented. I do not know that we have one. We had to get one from the chairman's desk. We have it now. But it would be helpful, I think, if copies of the amendments could be given to us.

Mr. ECKHARDT. I have given the Clerk copies, and the gentleman has it.

Mr. BROWN of Ohio. If the gentleman will yield further, the confusion is that the gentleman in the well has so many amendments, and we do not know which one it is. That is the problem.

Mr. ECKHARDT. Mr. Chairman, this is the only opportunity I have had to offer an amendment so far, and I shall continue to make copies available.

Mr. BROWN of Ohio. Mr. Chairman, I thank the gentleman very much.

Mr. CHARLES WILSON of Texas. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Texas.

Mr. CHARLES WILSON of Texas. Mr. Chairman, may I ask the gentleman, how may I obtain a copy of the amendment?

Mr. ECKHARDT. The gentleman can read it in the Record or the gentleman may take this one that I have in my hands.

Mr. CHARLES WILSON of Texas. Mr. Chairman, I thank the gentleman.

Mr. ECKHARDT. Mr. Chairman, this amendment technically changes section 205(b) by making a long proviso to section 4(e) of the Natural Gas Act, a new subsection (f). The amendment also strikes paragraph 2. Paragraph 2 removes the FPC authority to order a rate decrease for old natural gas.

I do not suspect the gentleman intended that, and the reason I say I do not think the gentleman from Texas (Mr. Krueger) intended to take away that authority is because it really is a rather theoretical authority now. There is not much likelihood that the Federal Power Commission is going to lower the rate of old gas, so I really think that this amendment is almost 100 percent technical in nature. However, in that last matter it does make a change.

Mr. Chairman, I would invite response from any interested Member on either side of the aisle.

Mr. KRUEGER. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Texas.

Mr. KRUEGER. Mr. Chairman, after such a kind invitation I shall be happy to respond.

I am, of course, always appreciative of the gentleman's efforts to perfect my work and to make that which has some blemishes more beautiful.

But I wonder what the prime intent of this amendment is. I have not yet ascertained that. My understanding is that it is a means of preventing the FPC from lowering the price.

Mr. ECKHARDT. Mr. Chairman, it is most difficult to polish the fine gem which the gentleman from Texas has produced as a substitute, but the gentleman from Texas is only attempting to do that in his poor way, because it is entirely possible that that fine gem which has such a sharp cutting edge against the consumer may become law, in which event it should be well drawn.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, as I read the amendment, at page 32 the gentleman strikes language at line 10, beginning with (2), which is a prohibition against the Federal Power Commission ordering rate reductions in prices on old natural gas, and that is a power currently existing in the Federal Power Commission which would be removed by the Krueger substitute. Am I correct in my statement?

Mr. ECKHARDT. The gentleman is correct. And in that respect the amendment puts a new setting on the gem and does not merely polish it.

Mr. DINGELL. Mr. Chairman, I agree with the gentleman from Texas. What the gentleman from Texas is saying to us is that the language referred to at page 32, line 10, subparagraph (2) and the language following that is inconsistent with the language at page 28 and inconsistent with section 203, which would read as follows: contained in the natural gas amendments of 1975 shall modify or affect the authority of the Commission in effect prior to the date of enactment of such amendments to regulate the transportation in interstate commerce.

Am I correct in that?

Mr. ECKHARDT. The gentleman is correct. The Krueger amendment is at least ambiguous, but since this section seems to eliminate a specific authority, it might be construed to alter the general terms of the language.

The CHAIRMAN. The time of the gentlemen from Texas (Mr. Eckhardt) has expired.

(On request of Mr. Dingell and by unanimous consent, Mr. Eckhardt was allowed to proceed for 2 additional minutes.)

Mr. DINGELL. Mr. Chairman, will the gentleman yield further?

Mr. ECKHARDT. I yield to the gentleman from Michigan.

Mr. DINGELL. So, Mr. Chairman, what the gentleman is doing is not only seeing to it that existing law continues but that the obvious inconsistency in the Krueger amendment is eliminated, and that existing law is permitted to obtain as is set out in section 203 of the Krueger amendment?

Mr. ECKHARDT. The gentleman is correct.

Mr. DINGELL. Mr. Chairman, I thank the gentleman. I think the gentleman's amendment has a great deal of merit.

Mr. CHARLES WILSON of Texas. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Texas.

Mr. CHARLES WILSON of Texas. Mr. Chairman, would the gentleman from Texas assure us that this has nothing to do with any pricing of new gas?

Mr. ECKHARDT. Yes. I assure the gentleman from Texas (Mr. Wilson) that it has nothing to do with the pricing of new gas.

Mr. CHARLES WILSON of Texas. And it has nothing to do with expiring contracts, but it is the intent of the gentleman only to restore the authority to lower the price on old gas; that is the only intent of the substance of the amendment; is that correct?

Mr. ECKHARDT. Not to change the authority that exists under the present act.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, I am trying to figure out what the impact of the amendment of the gentleman from Texas (Mr. Eckhardt) is also.

I would like to ask the gentleman just a couple of questions; and if I could, in that process, have the attention of the gentleman from Texas (Mr. Krueger), I would appreciate it also.

If I understand the thrust of the language of the amendment offered by the gentleman from Texas (Mr. Krueger), it is to prohibit the Federal Power Commission, once having established a rate for the gas from a certain well, from being able to come back and adjust that gas rate lower than that at which it previously was established. If I understand the thrust of the amendment offered by the gentleman from Texas (Mr. Eckhardt), it is to permit the Federal Power Commission to do precisely that. Once the Federal Power Commission has established a rate, if it determines that it is appropriate, it can then reduce that rate on later information or based on later facts; is that correct?

Mr. ECKHARDT. It can, in the amendment, but not, perhaps, in the language that the gentleman from Texas (Mr. Krueger) favors.

The CHAIRMAN. The time of the gentleman from Texas (Mr. Eckhardt) has expired.

(On request of Mr. Brown of Ohio and by unanimous consent, Mr. Eckhardt was allowed to proceed for 2 additional minutes.)

Mr. ECKHARDT. It seems, Mr. Chairman, that both the gentleman from Ohio (Mr. Wylie) and the gentleman from Texas (Mr. Krueger) fear that this might be "mitching malecho." That means "mischief." However, I assure the Members that it is not so intended.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield to me again?

Mr. ECKHARDT. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Since I am not as literary as the gentlemen from Texas, either one of them, I would just like to stick to the language in the offered amendment.

What I understand this would do is that the amendment of the gentleman from Texas (Mr. Eckhardt) would give the Federal Power Commission, a continuing body, the opportunity to reappraise the price of gas coming from a well.

The thing that disturbs me is this.

Mr. ECKHARDT. Will the gentleman yield back to me?

Mr. BROWN of Ohio. May I continue?

Mr. ECKHARDT. Will the gentleman yield for one moment on that point?

Mr. BROWN of Ohio. Yes.

Mr. ECKHARDT. It would not give to the Federal Power Commission such authority. It simply would not take away from the Federal Power Commission the authority it now has.

Mr. BROWN of Ohio. It modifies the language of the Krueger amendment, in that way, if I may.

Mr. ECKHARDT. That is right.

Mr. BROWN of Ohio. What concerns me is that as Federal Power Commissions come and go and tend to change their membership, they may, in fact, change the rules by which they established cost bases. This, in fact, then would mean that a continuing contract, many of which run for 20 years or so, would have the price of the gas coming from that well never very definite, depending on what the Federal Power Commission was made up of or what rules they set; is that not correct? In other words, they would always be able to change those prices up or down; is that correct?

Mr. ECKHARDT. No, I do not think they could. I think they would be limited by the requirements of the act that they consider the various factors of cost involved.

I doubt that there would be many contracts that could be so affected. If there would be, they can be affected now.

I had not thought of the Krueger amendment as being intended to deal at all with the authority of the Federal Power Commission respecting old gas. If it does, then I am changing his amendment. If not, I am not changing his amendment.

The CHAIRMAN. The time of the gentleman from Texas (Mr. ECKHARDT) has again expired.

(On request of Mr. BROWN of Ohio and by unanimous consent, Mr. ECKHARDT was allowed to proceed for 1 additional minute.)

Mr. BROWN of Ohio. The point is this, if the Federal Power Commission once having established a price for a well may, because the Commission changes, or because it changes its rules, say, "We did not really mean it. We will lower the price on you." And the guy is still committed to the contract and to whatever the Federal Power Commission says is the new or the lowered price.

Mr. ECKHARDT. If I may answer the gentleman from Ohio, I will say this, that it is conceivable that I have opened an intent that I had not thought to exist. I had thought that the Krueger amendment intended in no way to alter the power of the Federal Power Commission to deal with the price of old gas. It may be that the Krueger amendment is double-edged and that that is a hidden facet of that amendment, and that it is in fact mitching molecho which means mischief. Perhaps it is true. If it is, let us change it.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. WAGGONNER, and by unanimous consent, Mr. ECKHARDT was allowed to proceed for 2 additional minutes.)

Mr. WAGGONNER. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Louisiana.

Mr. WAGGONNER. Mr. Chairman, I would like to allay the fears of the gentleman from Texas about the double-edged sword of the Krueger amendment. I do not think that the gentleman from Texas (Mr. KRUEGER), with his proposal, in any way intends to give the Federal Power Commission control over anything but new gas as far as deregulation is concerned.

Mr. ECKHARDT. The gentleman means to remove the authority.

Mr. WAGGONNER. To remove the authority of the Federal Power Commission over anything except new gas.

Mr. ECKHARDT. I agree with the gentleman from Louisiana. I do not think there is any hidden purpose. I simply wanted to make it clear.

Mr. WAGGONNER. Mr. Chairman, if the gentleman will yield still further, if I interpret the gentleman's amendment correctly, and I would like to give the gentleman from Texas my interpretation and have his assurances or denial of this interpretation: I interpret the gentleman's amendment to be one which would continue the authority of the Commission to lower, if they determine the necessity, the price of old gas. The gentleman from Texas is fearful that the Krueger amendment would remove this authority and the gentleman wants to continue the existing authority of the Commission in that respect. Am I correct?

Mr. ECKHARDT. The gentleman is, as usual, extremely correct on his facts, and I think the gentleman also in this instance is correct in his conclusion.

Mr. CHARLES WILSON of Texas. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Texas.

Mr. CHARLES WILSON of Texas. Mr. Chairman, I would like to point out to my colleagues that the gentleman from Texas and I have been polishing each other's gems now for about 16 years and if the gentleman says that this has no effect other than the power on old gas, I accept it.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. BROWN of Ohio, and by unanimous consent, Mr. ECKHARDT was allowed to proceed for 2 additional minutes.)

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, under section 5(a) of the Natural Gas Act, the Commission may prospectively reduce rates after notice and hearings, which rates it determines are unjust, unreasonable, unduly discriminatory, or preferential, and the Commission may set a rate which is just and reasonable. The Commission may, upon making the proper finding under section 5(a), order such a reduction in a rate although the rate had previously been determined to be just and reasonable.

As I understand the Krueger amendment, the Krueger amendment to section 4(e) and 5(a) would link in the rates of old natural gas already determined to be just and reasonable, but the Commission can disallow the prospective reduction of those particular rates in subsequent section 5(a) proceedings.

My question to the gentleman in the well is does the amendment of the gentleman in the well leave the situation precisely as it was or as it is under the present circumstances before the Krueger amendment? That is, that the Commission may prospectively reduce rates after there is a hearing, which rates it determines are unjust, or unreasonable, or unduly discriminatory or preferential, the Commission may set a rate which is just and reasonable.

Mr. ECKHARDT. I have tried to answer that question in general. The gentleman has put the question in his own words, and it would cause me to accept much of what he has said as being the case. I suppose that is true, but I hesitate to give a conclusive judgment at this point. The intent of the amendment, as I said before, is to prevent the Krueger amendment from in any way changing the Federal Power Commission's authority over the regulation of old gas. That is about all I can say about it.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. WAGGONNER, and by unanimous consent, Mr. ECKHARDT was allowed to proceed for 1 additional minute.)

Mr. WAGGONNER. Mr. Chairman,, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Louisiana.

Mr. WAGGONNER. I thank the gentleman for yielding.

I think the thing which is questioned here and is a matter of concern is the matter of the sanctity of a contract. It is not the gentleman's intention in any way to destroy or to provide an amendment which would destroy the sanctity of a contract; is it?

Mr. ECKHARDT. I believe in the sanctity of the fireside, of the home, and of the contract.

Mr. WAGGONNER. And the gentleman does not feel that this in any way destroys his belief?

Mr. ECKHARDT. I would not undermine any of these sanctities in any way.

Mr. WAGGONNER. And the amendment does not?

Mr. ECKHARDT. I certainly would not do it intentionally, and I do not think I have done it unintentionally.

Mr. KRUEGER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I am always somewhat dubious of ECKHARDT's bearing gifts, but I have studied this amendment with some care. The thing that concerns me about the amendment is that it deletes a provision for contract sanctity, and that I think is an important matter, because all of a sudden a contract becomes adjustable, it seems to me, and that is the provision which concerns me about it. I imagine that there are probably weightier differences between us than this one, and I do not wish to be a contentious individual.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. KRUEGER. I yield to the gentleman from Texas.

Mr. ECKHARDT. I thank the gentleman for yielding.

If I remove any provision that protects the sanctity of contracts, if I remove anything that is a specific protection in that area, I wish the gentleman would point it out to me. I do not believe I do, and I do not believe that that term is used any place in the act.

It has been used so frequently by the gas lobby that it is thought to be something like the Constitution. But I do not know where it is spelled out in such terms.

Mr. KRUEGER. Is it, nonetheless, the intent of the gentleman's bill, whether he uses the term "contract sanctity" or not, that the prices agreed upon between two parties for a particular product could be adjusted downward as well as upward not of their own decision, but rather under the decision of the Federal Power Commission at some other time?

Mr. DINGELL. Mr. Chairman, would the gentleman yield?

Mr. KRUEGER. I shall be happy to yield to the gentleman from Michigan.

Mr. DINGELL. I thank the gentleman for yielding.

As I understand the law—and perhaps the gentleman understands it differently—the Federal Power Commission already has authority over these contracts, and it is so provided particularly with respect to intrastate sales of gas that the contract itself is subject to Federal Power Commission approval and Federal Power Commission regulation. It is a long established practice that the FPC has the power, which it has occasionally exercised, to roll back prices on natural gas where the prices are excessive. Given that set of circumstances, I cannot see how the sanctity of the contract is in fact disturbed by the amendment offered by the gentleman from Texas (Mr. ECKHARDT), since all it does is preserve existing Federal practices of the FPC with regard to rollback of excessive prices of contracts.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. KRUEGER. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. I thank the gentleman for yielding.

I understand that to be the case, too, but under present circumstances the Commission may only roll back prices after notice of hearing, and a determination that the rates are unjust, unreasonable, unduly discriminatory, or preferential. The Commission must then set a rate which is just and reasonable. Upon making the proper finding, the Commission may order the reduction. My question to the gentleman from Texas (Mr. ECKHARDT) is whether the notice and hearing provisions that currently exist are still protected under his amendment, and whether or not the Commission must still make a proper finding under section 5(a) to order such reduction, and if the reduction must be just and reasonable.

Mr. Chairman, that is what we are trying to find out from the gentleman from Texas (Mr. ECKHARDT). If the gentleman from Texas can offer me that assurance, I will embrace the amendment with, well, care, but still embrace. If the gentleman cannot offer me those assurances, then I have the feeling that maybe we are tampering with the sanctity of a contract and, next to God and mother, I think contracts are reasonably important.

Mr. ECKHARDT. Mr. Chairman, the only thing is that I hesitate to answer in specific terms. The gentleman is right, but the Krueger amendment will make certain alterations with respect to the price of old gas when it changes the definition of old gas, of what would be now old gas to new. I do not think that that is significant with respect to this provision, but I hesitate specifically to answer what would happen in every instance and maybe in different and new instances, if the Krueger amendment passes relating to old gas; but with respect to that which existed prior to the time of the passage of the Krueger amendment, with respect to the processes that existed in the situations at that time controlled by the old law and these would not be altered except to the extent that the new law may alter them.

Frankly, I may be drawing too fine a line in making that qualification.

The CHAIRMAN. The time of the gentleman from Texas (Mr. KRUEGER) has again expired.

(By unanimous consent, Mr. KRUEGER was allowed to proceed for an additional 2 minutes.)

Mr. KRUEGER. Mr. Chairman, in a spirit of comity and good will and affection for my colleague, the gentleman from Texas (Mr. ECKHARDT) and the desire of the gentleman to perfect the work that we have undertaken and desiring to stay together on this matter, I offer no strong objection to this particular amendment, although I may not vote for it.

Mr. PICKLE. Mr. Chairman, will the gentleman yield?

Mr. KRUEGER. I yield to my colleague, the gentleman from Texas.

Mr. PICKLE. Mr. Chairman, I am concerned, and I do not wish to prolong this matter, but I am concerned that a company that makes a contract to sell gas at a certain amount and the city accepts it, the Federal Power Commission could come in later and say they must lower that price or contract. It seems to me that we are invading the sanctity of contracts. At least a company or a producer or a city ought to be given a certain period of time in which he is protected, once a contract is made and entered into in good faith and the price is set. If we still say to the FPC, "You can come in and change it whenever you wish, even though it is old gas," it does seem to me we are leaving one party at a liability and I do not think that is fair.

I know we have many amendments to be considered today, but there is something basically inherently wrong with this amendment. The gentleman from Texas (Mr. ECKHARDT) admits we have had the question of sanctity of contracts before our committee and never had any kind of consideration on it.

I do not think we can have decontrol on the one hand and give the FPC on the other hand the right to lower the price and still have a contract in good faith. All the parties should be given protection under due process. The gentleman from Texas (Mr. ECKHARDT) says he does not want to or intend to violate the sanctity of contracts, and I am glad to hear that, at least.

Mr. MOFFETT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have a couple of questions for the gentleman from Texas (Mr. ECKHARDT).

The gentleman from Ohio (Mr. BROWN) has raised the question and is legitimately concerned about changing the procedures. I do not think it does. It seems to keep the existing law intact, but maybe more importantly than that, and I would ask the gentleman from Texas, the author of the amendment, does not the Krueger amendment without the gentleman's amendment really abrogate the role of judicial review and is not that more serious than the question of administrative procedure?

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. MOFFETT. Certainly.

Mr. ECKHARDT. In the first place, I do not think this alters any existing procedure at all. The amendment as it is drafted, it seems to me, rests on or moves the Krueger amendment thrust in the direction of changing existing law with respect to old gas.

Now, as the gentleman from Texas (Mr. PICKLE) has said, there has been a long attempt to change that law which has usually paraded under the term of "sanctity of contract," but if there is really a sanctity of contract beyond legislative interference, it is constitutionally protected. The only thing I am doing is simply preserving the existing law respecting the FPC's authority to deal with the price of old gas. That is all. I am not changing the substantive law nor procedural law, as I understand it.

Mr. MOFFETT. And these contracts are currently contingent upon that FPC authority; is that correct?

Mr. ECKHARDT. That is the way I understand, because the passage of a law makes a contract conditional upon certain governmental controls, as exist in many other instances of statutory regulation of businesses.

Mr. MOFFETT. I thank the gentleman.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. MOFFETT. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, I might explain that what makes me nervous—I am not a lawyer but I have dealt with lawyers—and what concerns me is that it seems to me that the gentleman from Texas (Mr. KRUEGER) has written into his legislation, I assume in the basic legislation that came over from the Senate, where it was debated by lawyers and non-lawyers alike, a provision which says that once the FPC sets a price, that price is what the price is going to be. They are not going to lower it. That means a deal is a deal, but what happens under the provision offered by the gentleman from Texas (Mr. ECKHARDT) is that if we get a new FPC, or even an old FPC—that decides a law is not the law, a deal is not a deal anymore. They will lower the price on somebody.

If I were expected to sell in interstate sales on that kind of flimsy reed, since I do not trust the Government that much, I think I would prefer to sell in intrastate commerce where, if I make a deal, I know that I have a deal. If the gentleman can offer reassurance, I think I will vote for the amendment, but if he cannot do so, I will vote against it.

Mr. MOFFETT. I appreciate the gentleman's remarks. I say this: I think the gentleman is really directing his remarks to lawyers. I am not a lawyer either, but as to the language put into this, it is probably put in by oil company lawyers.

Mr. ECKHARDT. I had thought the gentleman from Texas had as good a reputation for candor as he does for legal finesse.

Mr. BROWN of Ohio. It is the finesse that worries me.

Mr. ECKHARDT. The gentleman from Ohio and the gentleman from Texas remind me of a story told by Mr. Johnson. He saw a man on the street and he said, "I hesitate to speak ill of any man, but that man is a lawyer."

I do not think that necessarily applies to all lawyers, and this Member has attempted to draw an amendment that addresses only the question of old gas and treats it precisely the same way it is now treated under the act.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. MOFFETT. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, we are here in the situation where the right hand giveth and the left hand taketh away. Section 203 has the following language:

> Nothing quoted in the Natural Gas Act of 1975 shall modify or affect authority prior to the enactment of such amendments to regulate transportation in interstate commerce or sale in interstate commerce of old natural gas.

But then later the bill very adroitly takes away what it had given earlier. It takes away from the Federal Power Commission and others the power to order decreases in rates or charges made which are excessive, so it took away the power to order refunds of excessive charges.

Mr. BROWN of Ohio. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

I have to concede that as long as we have got widows and orphans we are going to have lawyers, but I am concerned about the fact that the Federal Power Commission has a lot of lawyers in it too, and I am not sure they have done all that well with their responsibility in regulating this industry. We have people wanting out from under that regulation for some reason. They are moving their product to intrastate markets.

What we are saying is we are, in the instance of the language of the gentleman from Texas (Mr. KRUEGER) once the FPC has acted they cannot change their minds and readjust that price downward. In the language of the gentleman from Texas (Mr. ECKHARDT), and apparently in the present language of the Federal Power Commission law, we have said that when the Federal Power Commission wishes or when they decide that they are going to change their cost base, or the cost of anything else they may change, they can adjust that price either upward or downward.

It does not seem to me that the contract is very sanctified.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. I thank the gentleman for yielding. Mr. Chairman, I appreciate the point my colleague, the gentleman from Ohio, is making, and that is that our good colleague, the gentleman from Texas (Mr. ECKHARDT) wants to remove from the Krueger amendment the sanctity of contract concept. That is exactly what is being done.

Mr. BROWN of Ohio. It disturbs me. I think the Government, once it has acted, has the responsibility to stick with its act. One of the things we have discovered here in the Congress—not necessarily with regard to this legislation—is that we see instance after instance where the Government acts or does not act and somebody suffers from it, the little guy ordinarily. I know somebody will get up and say that gas companies are not little guys, and all that perhaps has some merit, but the fellow who goes out and finds the gas is a little guy. It seems to me that once the Government acts, it ought to stay with that position, at least with regard to a contract. When it decides it is going to change its mind willy-nilly, it seems to me that the average citizen does not have much recourse except to say, "OK, I believed you the first time, and I got taken. Now do you really mean it the second time?" And the Government, of course, will say, "Yes." Then, the FPC changes, or the FPC changes its rules, and the guy says, "Well, I guess you have changed it again. In any event, you are the boss."

Mr. Chairman, I find that a little uncomfortable, and I think that is what the citizens back home find uncomfortable about dealing with Uncle Sam, big Government, and the Congress. I do not feel that I want to support the kind of things that says the FPC can be wrong and adjust its position, but nobody else can play by those rules.

Mr. ROUSSELOT. Mr. Chairman, if the gentleman will yield further, what the gentleman is saying is that it gives the power to the FPC to change what they have previously ruled.

Mr. BROWN of Ohio. I think that is clearly what it does.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Michigan (Mr. DINGELL).

Mr. DINGELL. I thank the gentleman for yielding. Mr. Chairman, with all due respect to my good friend, the gentleman from Ohio (Mr. BROWN), I think he does not understand the amendment.

Mr. BROWN of Ohio. Maybe that is my problem.

Mr. DINGELL. The amendment really deals with the question of judicial review.

Mr. BROWN of Ohio. I did not see the words "judicial review" in the amendment, the same way the gentleman from Texas (Mr. ECKHARDT) said he did not see "sanctity" in the language. Because he did not see "sanctity" he was not sure. I am not sure because I do not see the words "judicial review."

Mr. DINGELL. If the gentleman will yield further, first of all, if the Federal Power Commission would act arbitrarily and capriciously to interfere with existing contracts, their actions would be dealt with by the courts.

Mr. BROWN of Ohio. If the individual taxpayer can pony up the money to take the case to court and hire a good lawyer, he can fight the FPC; but he has the whole Government against him.

Mr. DINGELL. If the gentleman will yield further, in the situation where the FPC acts to change existing regulation, a citizen or group of citizens can go in and challenge the action of the Federal Power Commission, in which event, if the Federal Power Commission was wrong, and if the contract price was excessive, the court might overturn that contract and might order refunds.

Under the language of the Krueger amendment, that power would be taken from both the court and the Federal Power Commission. But under the amendment offered by the gentleman from Texas, that language will be stricken, and existing authority would therefore be unchanged.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

(By unanimous consent, Mr. BROWN of Ohio was allowed to proceed for 1 additional minute.)

Mr. BROWN of Ohio. Only to say that the fact that it is existing law does not prove that it is right. That is the whole argument that we are in today.

We are trying to change existing law, as I understand it, by deregulation. The fact that the FPC now can change its mind and that somebody must go to court, if he can get standing in court, and say, "Hey, I was hurt by that Federal decision," if the decision did hurt him, is the part that worries me. I just do not like the idea of a regulatory agency being able to change its makeup or its rules in such a way that an individual citizen, rich or poor can be hurt by the change of mood and mind of a regulatory agency and then that he must come up with the money to go to court in order to protect himself against the Government. I find that very uncomfortable.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. ECKHARDT) to the amendment in the nature of a substitute offered by the gentleman from Texas (Mr. KRUEGER).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. ECKHARDT. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device; and there were—ayes 232, noes 184, not voting 16, as follows:

[Roll No. 34]

AYES—232

Abzug
Adams
Addabbo
Alexander
Allen
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Annunzio
Ashley
Aspin
AuCoin
Badillo
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boland
Bonker

Brademas
Breckinridge
Brinkley
Brodhead
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Carney
Carr
Carter
Chisholm
Clay
Cohen
Collins, Ill.
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniels, N.J.
Danielson
Davis
Delaney
Dellums
Dingell

Dodd
Downey, N.Y.
Drinan
Duncan, Oreg.
du Pont
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fary
Fenwick
Fish
Fisher
Fithian
Flood
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fraser
Gaydos
Gilman
Ginn

Gonzalez
Green
Gude
Hall
Hamilton
Hanley
Hannaford
Harkin
Harrington
Harris
Harsha
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Holtzman
Howard
Howe
Hughes
Hungate
Jacobs
Jeffords
Jenrette
Jones, Tenn.
Jordan
Karth
Kastenmeier
Keys
Koch
Krebs
LaFalce
Leggett
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
McCloskey
McCormack
McDade
McFall
McHugh
McKay
Macdonald
Madden
Maguire
Mann
Matsunaga
Mazzoli
Meeds
Melcher
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Moorhead, Pa.
Moss
Mottl
Neal
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Perkins
Peyser
Pike
Pressler
Preyer
Price
Randall
Rangel
Rees
Reuss
Richmond
Riegle
Rinaldo
Rodino
Roe
Rogers
Rose
Rosenthal
Roush
Roybal
Russo
Ryan
St Germain
Santini
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Simon
Sisk
Smith, Iowa
Snyder
Solarz
Spellman
Staggers
Stanton, James V.
Stephens
Stokes
Stratton
Studds
Sullivan
Symington
Taylor, N.C.
Thompson
Traxler
Tsongas
Ullman
Van Deerlin
Vanik
Vigorito
Walsh
Waxman
Weaver
Whalen
Wilson, C. H.
Wirth
Wolff
Yates
Yatron
Young, Ga.
Zablocki
Zeferetti

NOES—184

Abdnor
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Bell
Bennett
Boggs
Bolling
Bowen
Breaux
Brooks
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Butler
Byron
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Collins, Tex.
Conable
Conlan
Crane
Daniel, Dan
Daniel, R. W.
de la Garza
Dent
Derrick
Derwinski
Devine
Dickinson
Downing, Va.
Duncan, Tenn.
Edwards, Ala.
English
Erlenborn
Eshleman
Fascell
Findley
Flowers
Flynt
Forsythe
Frenzel
Frey
Fuqua
Giaimo
Gibbons
Goldwater
Goodling
Gradison
Grassley
Guyer
Hagedorn
Haley
Hammerschmidt
Hansen
Hébert
Hillis
Holland
Holt
Horton
Hubbard
Hutchinson
Hyde
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Krueger
Lagomarsino
Landrum
Latta
Lehman
Lent
Long, La.
Long, Md.
Lott
Lujan
McClory
McCollister
McDonald
McKinney
Madigan
Mahon
Martin
Mathis
Michel
Milford
Miller, Ohio
Mills
Mollohan
Montgomery
Moore
Moorhead, Calif.
Morgan
Mosher
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nichols
O'Brien
Passman
Patman, Tex.
Pepper
Pettis
Pickle
Poage
Pritchard
Quie
Quillen
Ruppe
Railsback
Regula
Rhodes
Risenhoover
Roberts
Robinson
Roncalio
Rooney
Rousselot
Runnels
Sarasin
Satterfield
Schulze
Shipley
Shriver
Shuster
Sikes
Skubitz
Slack
Smith, Nebr.
Spence
Stanton, J. William
Steed
Steelman
Steiger, Ariz.
Stuckey
Symms
Talcott
Taylor, Mo.
Teague
Thone
Thornton
Treen
Vander Jagt
Waggonner
Wampler
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, Tex.
Winn
Wright
Wydler
Wylie
Young, Alaska
Young, Fla.
Young, Tex.

NOT VOTING—16

Brown, Calif.
Brown, Mich.
Diggs
Esch
Hightower
Hinshaw
McEwen
Metcalfe
Murphy, Ill.
Rostenkowski
Schneebeli
Sebelius
Stark
Steiger, Wis.
Udall
Vander Veen

Messrs. PERKINS, CHARLES H. WILSON of California, and EMERY changed their votes from "no" to "aye."

Mr. CLANCY changed his vote from "aye" to "no."

So the amendment to the amendment in the nature of a substitute was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. OTTINGER TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. KRUEGER

Mr. OTTINGER. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. OTTINGER to the amendment in the nature of a substitute offered by Mr. KRUEGER: Section 102 of the Krueger amendment is amended by deleting all of subsection (a) and the following words in subsection (b)

"(b) The purpose of this title is to grant the Federal Power Commission authority to allow natural-gas companies" and to insert in lieu thereof the following:

"The purpose of this Act is to minimize the detrimental effects on employment, food production, and the public health, safety, and welfare caused by natural gas supply shortages, by authorizing the Federal Power Commission to allow natural-gas companies".

Mr. OTTINGER. Mr. Chairman, this is a relatively simple technical amendment. Section 102(a) of the Krueger amendment has a congressional finding: "that the Nation will suffer severe shortages of natural gas during the heating season from November 1975 through March 1976."

It says further: "such imminent shortages in our Nation's natural gas supply constitute an emergency."

Mr. Chairman, we have come to realize that this statement is untrue at the present time. The Subcommittee on Energy and Power has found that the Federal Power Commission and the Federal Energy Agency predictions of catastrophic shortages of natural gas this winter are incorrect. The reports of the General Accounting Office and the Office of Technology Assessment found that the FPC and FEA data and predictions were incorrect and "misleading."

The FEA press release of December 25, 1975, acknowledged that there will not be a severe gas shortage this winter. Congress should not enact a false finding that the Nation will suffer severe gas shortages this winter.

The language which I substituted goes back to the language that was originally reported by the House Committee on Commerce to section 2 of the bill (H.R. 9464). It does not affect the substance, but I think it is indicative of the very difficult problems we deal with in the natural gas area, where we are given false and misleading information by the industry, confirmed by the Federal agencies which dance to the tune of the industry, as a result seeking to cause the Congress of the United States in this case to take precipitous action by the passage of H.R. 9464 in contemplation of a national emergency that never materialized.

Mr. Chairman, I simply do not think we should carry the misleading finding in this legislation.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. OTTINGER. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, as I understand the substitute language of the gentleman from New York a vote for it would be a vote to say that there is no shortage of natural gas, nor is there likely to be?

Mr. OTTINGER. No, the gentleman is not correct.

Mr. BROWN of Ohio. The gentleman from New York just stated that.

Mr. OTTINGER. The language says there is no emergency shortage for this heating season, November 1975 through March 1976.

Mr. BROWN of Ohio. Now, the gentleman knows that will be true in March in Ohio? I just want assurance that there will be no shortages, that I will not have what I had last year in Ohio, which was the closing of schools, and people out of work. Can the gentleman assure me of that?

Mr. OTTINGER. I am very appreciative of the omnipotence the gentleman desires to ascribe to me, but I cannot make that assurance. The language that I substitute indicates that the purpose of this is to take care of any possible shortages.

It takes out the assertion that there is an emergency, because there is no such indication at the present time.

Mr. BROYHILL. Mr. Chairman, will the gentleman yield?

Mr. OTTINGER. I yield to the gentleman from North Carolina.

Mr. BROYHILL. Mr. Chairman, as for voting for the amendment, can the gentleman assure us that we will be able to regain the 40 percent curtailment of gas we have experienced in North Carolina this heating season?

Mr. OTTINGER. I wish I could give the gentleman such happy assurance. I do not know what the situation is. I do know that there are huge amounts of gas curtailed by the companies which supply that area. I think that is exceedingly unfortunate.

Mr. BROWN of Ohio. Mr. Chairman, if the gentleman will yield further, will he give up the gas in his district so that it will be sent to mine, so that we have no shortage?

Mr. OTTINGER. I do not know that the tieups would even permit that under the monopolistic arrangement which prevails in the gas supply industry.

Mr. BROWN of Ohio. I cannot support the gentleman's amendment on that basis, because we do have curtailments

Mr. OTTINGER. I have no doubt that there are individual curtailments, but there is no indication of a national emergency situation at the present time. I do not think the legislation ought to reflect that there is any such emergency. Therefore, I urge adoption of the amendment.

Mr. KRUEGER. Mr. Chairman, I move to strike the last word.

Just to speak briefly on this particular amendment, I wonder if the gentleman who offers it might be willing to have it incorporated in addition to the language that is now in section 102 so that those who have experienced shortages of natural gas, and many have, might, in a spirit of accommodation, accept the language of the gentleman.

Therefore, both could be accommodated and we would not tie up the committee with long wrangling over the intent of the bill.

Mr. OTTINGER. I certainly have no intent that there should be long wrangling. I consider this a technical amendment. It seems to me quite clear that there is, at the present time, no emergency from November 1975 to March 1976; that there are spot shortages that constitute an emergency, and that is what the language states. The bill does provide for language, however, if the gentleman's bill is passed, to take care of possible shortfalls.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. KRUEGER. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, I do not know what newspaper the gentleman from Ohio (Mr. BROWN) reads, but in mid-December I put an article in the CONGRESSIONAL RECORD from the Cleveland Plain Dealer which said that there is no gas shortage in Ohio, that it has evaporated. In recent weeks I have talked with officers of the East Ohio Gas Co., who have assured me that for the rest of this winter they do not anticipate any shortage of gas in Ohio. So there is no emergency requiring immediate action as far as the gas supply situation in Ohio is concerned.

Mr. KRUEGER. Mr. Chairman, I have asked the gentleman from New York whether he wished simply to leave in the language which is now in the bill and attach this addition, and if so, I would be happy to accept his amendment.

Mr. OTTINGER. No, I think that would be carried forward. I think that if the gas company did try to create a scare of shortage we would accept precipitous actions and regulation on that basis. The gentleman's amendment has this misleading language.

Mr. KRUEGER. The language in the bill is not misleading. There have been shortages.

I, therefore, will reluctantly oppose the amendment.

Mr. MADDEN. Mr. Chairman, I rise in favor of the amendment offered by the gentleman from New York.

This bill which is sponsored primarily by the major gas and oil conglomerates to remove the price controls over natural gas fuel is another effort on the part of these powerful oil lobbyists to take advantage of the millions of American consumers of natural gas during this period of inflation and high prices.

The oil lobby maintains that the United States natural gas reserves have been shrinking for some 8 years as they contend growing gas consumption exceeds the discovery of new reserves and that the price regulation should be removed by the Congress from the Federal power price regulation so as to offer incentives for new drilling. The Federal Government's Federal Trade Commission and also the Congressional Commerce Committee have been trying for some time to compel the oil companies to produce their records and also information about their reserves which they have kept separate from production. Seven of the major oil companies have gone into court to resist the FTC's efforts to secure more data on the extent of their gas production and reserves. An editorial in yesterday's Washington Star criticized the oil companies for not coming into court with clean hands and that the producers certainly make a poor showing on their side in favor of deregulation.

It is rather obvious that the oil and gas conglomerates with the apparent support of the administration are making such a fight in this election year of 1976 to come out from under the Federal Government control on the price of natural gas.

I am quoting from the January 4 edition of the Nation magazine the following paragraph from a news item contained therein:

> If deregulation occurs, experts say it will take an extra $7 billion to $11 billion out of consumers' pockets the first year. Within five years, the expected additional cost to consumers from deregulation could be as high as $30 billion a year.
>
> Indeed, deregulation will affect everyone, not just those who heat and cook with natural gas, for it is also used as fertilizer, for irrigation, and for crop drying; this will be written into all food costs. Most clothing today is woven of synthetic fibers, which are made from natural gas as are many plastics, paper products and detergents. Deregulation will pump inflation into all these products. President Ford and the Democratic Congress have been claiming great generosity for giving the public a $10 billion tax cut this year. If they now let natural gas prices rise as high as a noncompetitive market will bear, the blessings of tax cuts will be wiped out immediately.

It is a remarkable fact that in 1968, the first year of the Nixon administration, the oil companies started their drive for deregulation of prices by claiming that they were finding less natural gas than Americans were using. At that time they started the propaganda that if the Natural Gas Act was abandoned and gas prices were deregulated completely, the industry would be more inclined to discover more gas resources.

The Government in an effort to prove that this lack of production was a misrepresentation of our true oil reserves but there was no way for the Government to prove it because the oil industry refused to show anyone their production records. The Federal Trade Commission subpenaed natural gas supply data from 11 companies, Continental, Gulf, Union, Exxon, Mobil, Pennzoil, Shell, Standard of California, Standard of Indiana, Superior, and Texaco.

Most of these companies refused to produce the information and took their cases to court where legal complications postponed the disclosure problem for a number of years. The power of the oil monopolies was successful in concealing the facts pertaining to their production and continued its retail policy which was on a par with alleged price rigging.

A subcommittee of the Interstate and Foreign Commerce Committee brought forth evidence that some oil industry witnesses have been obstructing their attempts to bring forth the truth and had also committed perjury. The administration's Justice Department admitted the committee was probably right but still it took no action.

Mr. Chairman, if the oil conglomerates are successful in bringing about passage of this legislation and the President signs the same it is estimated by experts that it will take an extra $7 to $11 billion out of the consumers' pockets in the first years of its operation. Within the next 5 years it is expected that additional costs to consumers from deregulation could be as high as $30 billion a year. This additional and unnecessary cost and profiteering will affect everyone.

The so-called $10 billion tax cut which the President and Congress are trying to extend will be wiped out by this unnecessary and proposed increase in gas prices to the average American taxpayer.

The House Commerce Committee has been holding hearings on this gas control legislation. The pending Krueger amendment is the gas lobby bill and should be defeated.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from New York (Mr. OTTINGER) to the amendment in the nature of a substitute offered by the gentleman from Texas (Mr. KRUEGER).

The question was taken; and on a division (demanded by Mr. OTTINGER) there were—ayes 26; noes 74.

So the amendment in the nature of a substitute to the amendment in the nature of a substitute was rejected.

Mr. DINGELL. Mr. Chairman, I move to strike the requisite number of words, and I regretfully rise in opposition to the amendment in the nature of a substitute offered by the gentleman from Texas (Mr. KRUEGER).

Mr. Chairman, I think the House in its committee here is becoming aware of the internal defects and problems which exist with regard to the so-called Krueger substitute.

Mr. Chairman, we have just had a vote on an amendment offered by our colleague, the gentleman from Texas (Mr. ECKHARDT), to the Krueger amendment. And interestingly enough, it tends to point out that all is not as it appears to be, nor indeed is it as it appears to be represented; because while the proponents of this amendment would have the House believe that it deals solely with the question of deregulation of natural gas, it is becoming slowly apparent, I think, to my colleagues that not only does the amendment offered by the gentleman from Texas (Mr. Krueger) deal with the question of deregulation of new natural gas, but more importantly it deals also with other questions, such as taking from the courts the power to order refunds for over-charges and to strip the Federal Power Commission of the power to order refunds where charges and rates are excessive.

It is becoming plain now that it deals with the question of propane pricing, and that it would conflict with existing requirements included in the Emergency Petroleum Allocation Act, just extended in the Oil Policy Act enacted by the Congress during the past year. The Krueger amendment would also undo prohibitions, on excessive price increases being loaded upon propane, contained in the Federal Energy Administration Act. That it is now becoming clear to my colleagues. In addition to this, the Krueger amendment would also permit gas under old contracts to become deregulated and encourage in-field drilling in existing reservoirs, immediately adjacent, if need be, to existing wells, to get higher prices for natural gas.

Mr. Chairman, while it might be one thing to deregulate natural gas which would be produced from new reservoirs, one must ask whether it is indeed prudent or wise to arbitrarily deregulate natural gas produced since January 1, 1976, as would the gentleman from Texas (Mr. Krueger) through his amendment.

Mr. Chairman, there are other questions I think that need to be answered. For example, what are the differences between this and the Pearson-Bentsen bill? They are noteworthy and indeed they are many. For example, Pearson-Bentsen includes an incremental pricing provision under which industry bears the burden of higher prices for new gas released into the interstate commerce so as to soften the burden upon the homeowner and the small businessman. This seems to be an eminently reasonable, desirable and, I believe, essential provision of the Senate bill.

Mr. KRUEGER. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. Mr. Chairman, since I mentioned the gentleman's name, I am more than pleased to yield to him.

Mr. KRUEGER. Mr. Chairman, I should like to point out that the amendment in the nature of a substitute which I offered does not deregulate old gas.

Mr. DINGELL. On the contrary, it does.

Mr. KRUEGER. No, it does not.

Mr. Chairman, as to the point of incremental pricing, that, it seems to me, is something that walks in the guise of consumerism but may turn out to be a dragon beneath.

Mr. DINGELL. Mr. Chairman, I can only say, with all due respect, that apparently the gentleman from Texas (Mr. Krueger) has not read his own amendment. His amendment in the nature of a substitute does deregulate gas sold under existing contracts which terminate by their own terms and gas which has been drilled subsequent to January 1, 1976. I have no bones to pick with the gentleman; I am simply quoting from his amendment.

AMENDMENT OFFERED BY MR. ECKHARDT TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. KRUEGER

Mr. ECKHARDT. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. Eckhardt to the amendment in the nature of a substitute offered by Mr. Krueger: Section 206 is amended to read as follows:

Sec. 206. Section 5(a) of the Natural Gas Act (15 U.S.C. 717d(a) is amended by inserting "(1)" after "(a)" and by adding at the end thereof the following:

"(2) The Commission shall have no power to deny, in whole or in part, any rate or charge made, demanded or received by any natural-gas company for, or in connection with, the purchase or sale of new natural gas, or that portion of the rates and charges of such company which relates to such purchase or sale, except (A) to the extent that such rates or charges, or such portion thereof, for new natural gas produced from offshore Federal lands exceed the national ceiling, established or modified by the Commission pursuant to section 4 of this Act, or (B) in any case where a natural-gas company purchases natural gas from an affiliate or produces natural gas from its own properties, to the extent that the Commission determines that the rules and charges therefor exceed the current rates and charges, or portion thereof, made, demanded, or received for comparable sales by any person who is not affiliated with any natural-gas company."

Mr. ECKHARDT (during the reading). Mr. Chairman, I ask unanimous consent that the amendment to the amendment in the nature of a substitute be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ECKHARDT. Mr. Chairman, this is an amendment offered to section 206 and it is identical to the amendment just offered to section 205. It is merely conforming the language. We agreed to the previous one which deals with one section of the act, defining what is just and reasonable.

There is another section of the act which has to do with the question of cost, and it is only consistent to use the same provision in both cases.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. Eckhardt) to the amendment in the nature of a substitute offered by the gentleman from Texas (Mr. Krueger).

The amendment to the amendment in the nature of a substitute was agreed to.

Mr. BELL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Krueger amendment.

Mr. Chairman, the real question that faces us today is: Do we really want to direct our efforts toward energy self-sufficiency or do we not? If we do not want to, we should oppose the Krueger amendment and subject this Nation to further dependence on OPEC nations and clamp the lid on any additional exploration efforts by continuing the same stifling regulations that we have now, which have served to curtail this Nation's exploration of oil and gas.

On the other hand, if we support the Krueger amendment, we will finally—although somewhat belatedly—have taken a substantial step toward encouraging the exploration and development of much needed energy resources.

If the wellhead price of new natural gas is deregulated, will the consumer's energy bill increase? Perhaps, but the impact will be gradual.

If the wellhead price continues to be regulated, will the consumer's energy bill increase?

Yes, and by a greater amount, because existing gas facilities are operated at lower efficiencies by virtue of declining gas supplies from present sources, and the need to substitute more expensive energy sources.

Will deregulation provide more domestic gas for some areas that are in short supply? Yes, because it will stimulate exploration and, more important, permit our suppliers to compete with unregulated buyers to acquire new supplies.

Now I am not saying that deregulation alone will entirely solve the Nation's shortage. But it will be a major step. There is no one solution to our energy needs, it must be a series of many actions that will lead to the solution. But we have to start somewhere. We must change past policies that rendered us dependent on OPEC nations.

Mr. Chairman, I include in the Record at this point an editorial and a news column from the Los Angeles Times dated February 1, 1976, as follows:

[From the Los Angeles Times, Feb. 1, 1976]

CONSUMERS STAND TO BENEFIT FROM INCREASE IN GAS SUPPLY

(By Joseph R. Rensch)

Federal wellhead price regulation is directly responsible for the sharp decline in our gas supplies. Federal regulation has done two things to turn off the valve: It has reduced the producers' incentive to drill for gas, and it has diverted new gas supplies from California to the unregulated intrastate markets in Texas and other producing states.

Let's look first at the destruction of the incentive to search for gas. The cheaper, easier-to-find gas reserves have already been discovered. In recent years, therefore, it has been necessary to drill much deeper or underwater or in remote areas, and all of these are expensive. The producers have had an incentive to avoid federal regulation and have devoted more of their limited capital resources to the search for oil and other more attractive investments. As a result, we have been using much more gas than we are finding each year.

What if Congress does not act to deregulate? In this case, the consumer picks up a substantial and inequitable cost burden he must bear in idled gas transportation facilities and for much more expensive substitute energy forms.

A hypothetical illustration demonstrates the cost of idling facilities. Assume that a $1 million pipeline is built to transport one billion cubic feet annually, and that the annual cost of owning, operating and maintaining that pipeline is $200,000. In this illustration, the transportation cost would be 20 cents per 1,000 cubic feet. But then assume the gas supply declines to half the original volume; the fixed costs stay roughly the same and as a result the cost of transportation doubles—to 40 cents per 1,000 cubic feet. With this illustration in mind, consider the fact that gas facilities worth hundreds of millions of dollars are now partially idled as a result of federal price regulation.

But even this unfair cost burden is less punitive than the higher cost the consumer would have to pay for much more expensive substitute energy sources: oil, electricty, liquefied natural gas and synthetic fuels. These alternates must be used to some extent, but the more energy that can be supplied by domestic natural gas, the lower the overall energy cost for the consumer (and, incidentally, the less our dependence on foreign oil).

[From the Los Angeles Times, Feb. 1, 1976]

THE SOUTHLAND'S 'CLEAN' FUEL

(By Robert A. Rosenblatt)

WASHINGTON.—Southern California heats, cooks and works with natural gas.

The national debate over dwindling gas supplies—how the price will be set and how the product will be distributed—has special impact for the Southland.

More than 90% of the homes and apartments in the Pacific Lighting Corp. service area, from Fresno to the Mexican border, depend on natural gas for heating. Nearly three-quarters of the population prepares meals on gas ranges.

These residential consumers won't face any gas shortages until well into the 1980s, even in the unlikely event that Pacific Lighting can't get new supplies.

But many people could be hurt in other ways—in their wallets if prices rise, and in their lungs if air pollution worsens.

Steel plants, oil refineries, glass manufacturers and numerous other industrial plants traditionally have depended on natural gas to fuel production operations. Such plants are "interruptible" users whose gas supplies are cut off during cold winter days when residential demand surges.

The interruptions were not troublesome when gas was plentiful. But Pacific Lighting's pipeline suppliers in Texas and Louisiana are cutting back their shipments to California. Pacific Lighting, in turn, reduces deliveries to its interruptible customers.

As recently as 1973, the industrial plants relied on gas for nearly 88% of their total energy needs. This year, Pacific Lighting predicts that it will furnish only 55.3% of the demand. Industrial plants short on gas must switch to oil, a much more expensive fuel. The higher fuel bills result in more expensive products from these factories, sending another ripple of inflation through the California economy.

The threat of increased air pollution comes from the region's electric power plants, which are burning an increasing volume of fuel oil each year. Southern California Edison Co. and the Los Angeles Department of Water and Power are big gas consumers. Natural gas is a near perfect fuel for the boilers of electric generating plants: It's cheap and clean.

For more than two decades, the electric companies purchased huge volumes of natural gas to use as boiler fuel. In 1968, natural gas accounted for 86% of Edison's fuel needs and 74% of the DWP requirements. But since then, Pacific Lighting, squeezed by dwindling supplies, has sharply restricted its deliveries to the two large electric utilities. Last year natural gas supplied only 5% of Edison's fuel and 11% of the DWP volume. Deliveries will virtually disappear.

This means Edison and the DWP will burn residual fuel oil, which costs more and throws more pollutants into the air. The result will be higher electric bills and more dirt in the lungs of California residents.

As for residential conservation measures, most have been voluntary—with the gas company urging installation of automatic thermostats, water-conserving shower heads, and so forth. A Public Utilities Commission announcement that new swimming pool heaters would not be connected after April 1 drew so many complaints that the matter has been scheduled for a rehearing.

Natural gas is vital to the economy and ecology of Southern California, and consumption figures are truly staggering. The energy produced from natural gas in Southern California in 1974 was twice as great as the output of the Tennessee Valley Authority and two-and-a-half times the energy supplied by all U.S. nuclear power plants.

AMENDMENT OFFERED BY MR. BRODHEAD TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. KRUEGER

Mr. BRODHEAD. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

> Amendment offered by Mr. Brodhead to the amendment in the nature of a substitute offered by Mr. Krueger: Strike out section 105 and designate the succeeding sections of title I accordingly.

Mr. BROWN of Ohio. Mr. Chairman, I reserve a point of order on the amendment.

The CHAIRMAN. The gentleman from Ohio reserves a point of order on the amendment.

The gentleman from Michigan (Mr. Brodhead) is recognized in support of his amendment.

Mr. BRODHEAD. Mr. Chairman, this amendment is a very simple one. All it does is strike section 105 of the Krueger substitute.

Section 105 of the Krueger substitute gives the FEA power to order conversion of powerplants of major fuel-burning institutions from natural gas to coal or oil. Under the Krueger amendment, this power would last only until April 4, 1976.

This power is granted for such a short time as to be meaningless. FEA already has power to order conversions to coal. Oil is also in relatively short supply. Therefore, it seems pointless to order conversion to an equally scarce fuel.

Mr. Chairman, the section is unnecessary since it has already been dealt with in existing law. I urge adoption of my amendment.

POINT OF ORDER

The CHAIRMAN. Does the gentleman from Ohio (Mr. Brown) insist on his point of order?

Mr. BROWN of Ohio. I do, Mr. Chairman.

The CHAIRMAN. The gentleman from Ohio will state his point of order.

Mr. BROWN of Ohio. Mr. Chairman, my point of order against the amendment mentioned is that while it has a purpose with which I am not totally unsympathetic, it does not make the conforming amendments necessary to accomplish that purpose without leaving a lot of loose ends hanging in the legislation. For example, it strikes section 105, which is entitled, "Prohibition of the Use of Natural Gas as Boiler Fuel."

In section 102, the "purpose" section of the amendment, it says:

> . . . to grant the Federal Energy Administration authority to prohibit the use of natural gas as boiler fuel; . . .

That would be left in the legislation without any language under this section 105 which provides for that.

I think there are other references in the language that I have not had a chance to dig out.

I would suggest that if the gentleman from Michigan would like to withdraw his amendment, I think that we can provide the gentleman with an amendment that would have all the necessary conforming language.

The CHAIRMAN. The Chair will state that the gentleman from Ohio (Mr. Brown) is no longer speaking on his point of order. The Chair will state that the question the gentleman from Ohio raises is not a valid point of order, it is rather a question of draftsmanship and the Chair overrules the point of order.

If the gentleman from Ohio desires to be heard in opposition to the amendment offered by the gentleman from Michigan (Mr. Brodhead) then the Chair would be glad to recognize the gentleman for 5 minutes.

Mr. BROWN of Ohio. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would suggest to the gentleman from Michigan (Mr. Brodhead) that we have an amendment that is drafted in such a way that I think will take care of the technical problem on the other legislation before us.

Mr. BRODHEAD. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Michigan.

Mr. BRODHEAD. Mr. Chairman, from what I understand the gentleman from Ohio to be saying it is that there are a couple of loose ends that have to be cleaned up. I have the amendment in front of me that has been proposed by the gentleman from Ohio (Mr. Brown) which, as I look at it here, accomplishes the same purpose as my amendment. Is that correct?

Mr. BROWN of Ohio. I believe it does, except that it does take out of the legislation some other references to boiler fuel which I think properly should be taken out if section 105 is removed from the legislation.

Mr. BRODHEAD. Mr. Chairman, I would inquire would it be in order for me at this point to ask unanimous consent to substitute the language in the amendment proposed to be offered by the gentleman from Ohio (Mr. Brown) for the amendment I have just offered?

The CHAIRMAN. The gentleman from Michigan asks unanimous consent to modify the agreement. The Clerk will read the modification.

Mr. DINGELL. Mr. Chairman, reserving the right to object, could we hear what the amendment is that is proposed to be substituted?

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

> In Section 102(2) strike out "and for the prohibition of the use of natural gas as boiler fuel;".
>
> In Section 102(b) strike out "to grant the Federal Energy Administration authority to prohibit the use of natural gas as boiler fuel;".
>
> Strike out Section 105 and redesignate the following sections accordingly.

The CHAIRMAN. Is there objection to the modification requested by the gentleman from Michigan (Mr. Brodhead) to his original amendment?

Mr. DINGELL. Mr. Chairman, reserving the right to object, would the gentleman from Ohio (Mr. Brown) explain why his amendment is necessary and why we are not better served by just striking the whole business? Chances are we ought to, but I would like to hear from the gentleman from Ohio.

Mr. BROWN of Ohio. If the gentleman from Michigan would yield for that purpose.

Mr. DINGELL. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, I offer this amendment as a substitute for the Brodhead amendment because I think it is more technically correct than the amendment offered by the gentleman from Michigan (Mr. Brodhead). I have offered it in a spirit of helpfulness, because the original amendment proposed by the gentleman from Michigan (Mr. Brodhead) directed itself only to section 105 whereas this amendment addresses itself to section 105 and the other parts of the legislation in the amendment in the nature of a substitute offered by the gentleman from Texas (Mr. Krueger) which might refer to boiler fuel in title I. I think it is more appropriately drafted than the amendment of the gentleman from Michigan.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. DINGELL. Mr. Chairman, I do not object. I happen to think the amendment is meritorious and tends to point up the need to perfect this bill on the floor.

The CHAIRMAN. Is there objection to of the request of the gentleman from Michigan?

There was no objection.

Mr. KRUEGER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I think this is a good amendment. I support the amendment. I hope it will be passed. The boiler fuel provision as it applied for a period up until April 15 was put in when we still hoped to be able to bring a bill to the floor a good deal earlier and when there was a danger of such provisions not being in the law, because we did not at that time know whether other legislation might become law. But I think for the next 10 weeks this legislation has no real purpose and I, therefore, concur in the amendment and appreciate the suggestion of the gentleman from Michigan (Mr. Brodhead).

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. KRUEGER. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. I thank the gentleman for yielding.

I am very sorry to see any prohibitions against the use of natural gas as a boiler fuel removed from any bill.

Mr. KRUEGER. If I may, this is for only a 10-week period, and this particularly provision was there only for cases where particular curtailments took place in conversion. This will be required for the 10-week period. It simply is not a problem that is occurring at this time. For a 10-week period to expect that we could have significant conversions and significant savings of natural gas is, I think, not appropriate, but I think it should remain in the bill as a whole. It is a title to the bill, and I wish to support its remaining there.

Mrs. FENWICK. I thank the gentleman.

Mr. DINGELL. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I wish to commend the gentleman from Michigan and the gentleman from Ohio for this amendment. It is a good amendment. As the gentleman pointed out, the language referred to in the bill should be stricken as superfluous. As a matter of fact, the language in the bill, which would be stricken by the amendment offered by the gentleman from Michigan (Mr. Brodhead) actually cuts back—and I say this for the attention of the gentlewoman from New Jersey (Mrs. Fenwick) who just addressed the House—on the existing restrictions against the use of natural gas for boiler fuel under the Energy Supply and Environmental Coordination Act of 1974. So the amendment is desirable if we wish to deter the wasteful use of natural gas for boiler fuel. It is a good amendment. The House should adopt it. It generally, again, tends to point up the many deficiencies, ambiguities, and inconsistencies readily apparent upon a reading of the bill offered by my good friend, the gentleman from Texas (Mr. Krueger).

Mr. KRUEGER. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I now yield very happily to the gentleman from Texas.

Mr. KRUEGER. I thank the gentleman for yielding.

It also points out the difficulty we have had in getting this bill to the floor in time to deal with the Nation's emergencies, and if we had been able to get it to the floor earlier, it probably would not have been necessary to include this provision that would apply to an emergency. But now that we have it, let us not take up any more time of the House; let us get on with the vote.

The amendment has corrected the deficiencies of this amendment which are readily apparent.

Mr. FLOWERS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I think the amendment is very meritorious. I hesitate to engage in colloquy with my friend, the gentleman from Michigan, that if we did not take up matters from this committee simply because they had amendments offered to them, it seems to me we would never work our will on matters that came from this committee. Everything we have ever had has had from 50 to 75 to 100 amendments, and that fact has never deterred us before, so I do not see why it should be a problem here.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. FLOWERS. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. I thank the gentleman for yielding.

I just remind the rest of our colleagues that our committee worked on oil policy bill, the so-called OPEC bill, for something like 6 months before it came to the floor, and we were almost that long on the floor because we started, as I recall, before the August recess and finished it sometime in November. After the careful crafting of both sides of the aisle and a lot of effort, we did spend a lot of time amending it on the floor, so I think the gentleman's observations are quite accurate.

Mr. FLOWERS. It might be well to go ahead and pass the Krueger amendment, which I support, if for no other reason than to allow this great committee the next 2 months to work on something else rather than have to work on this natural gas deregulation bill.

The CHAIRMAN. The question is on the amendment as modified offered by the gentleman from Michigan (Mr. Brodhead) to amendment in the nature of a substitute offered by Mr. Krueger.

The amendment, as modified, to the amendment in the nature of a substitute was agreed to.

AMENDMENT OFFERED BY MR. ECKHARDT TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. KRUEGER

Mr. ECKHARDT. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. Eckhardt to the amendment in the nature of a substitute offered by Mr. Krueger: Amend section 208 by amending the first sentence of the new section 24(a) of the National Gas Act to read as follows:

"As soon as practicable after the effective date of the National Gas Act Amendments of 1975, and by rule pursuant to section 553 of title 5, United States Code, the Commission shall establish and may thereafter from time to time modify national ceilings for rates and charges for the sale or transfer by any person of new natural gas produced from offshore Federal lands on or after January 1, 1976, through December 31, 1980."

Mr. BROWN of Ohio. Mr. Chairman, I rise to reserve a point of order and I am glad to say at this moment that I think it can be explained very simply; but with reference to draftmanship, I am concerned about the legislation referred to in the eighth line of this amendment and that is the "the National Gas Act Amendments of 1975."

I am unfamiliar with anything known as the National Gas Act. I do not want to criticize the drafting, because I think there has been enough of that already, but did the gentleman by any chance mean the "Natural Gas Act"?

Mr. ECKHARDT. May I say this, the amendment used exactly the same language as the Krueger amendment does and I simply tracted it.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, I think that is a printing error, a printing error committed by the Government Printing Office. It is not a mistake of the gentleman from Texas.

Mr. BROWN of Ohio. Mr. Chairman, then I guess we ought to ask unanimous consent to delete the words "National Gas Act".

Mr. ECKHARDT. Yes. Mr. Chairman, I ask unanimous consent that it be "Natural" instead of "National."

Mr. BROWN of Ohio. Mr. Chairman, of course, I withdraw my point of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas to modify the amendment by substituting the word "Natural" instead of "National"?

There was no objection.

Mr. ECKHARDT. Mr. Chairman, this amendment, I think, in all material respects is identical with the language of the Krueger amendment, except that it uses the term "ceilings" instead of "ceiling."

Now, here is the problem. What the Krueger amendment does is remove from any limitation of control the price of most new gas, and it defines new gas; but with respect to gas produced offshore it provides that it be contained within national ceilings and then provides that in establishing such additional ceilings the Commission shall consider the following factors and only those factors; the prospective costs with respect to the exploration, development, production, gathering, and sale of natural gas; the rates and charges necessary to encourage the optimum levels of the exploration for natural gas and the promotion of sound conservation practices, and so forth, the rates and charges that will protect consumers of natural gas from price increases that would, in the absence of a national ceiling during periods of actual or anticipated shortages, exceed the rates and charges necessary to achieve the objectives of paragraphs 1 through 3 of this subsection.

Now, obviously, the prospective costs attributable to the exploration, development, production, gathering and sale of natural gas would be different in various reservoirs or in various areas. Therefore, if the factors here described should be applied, one may not set a single ceiling but must set different ceilings to comport with those varying factors that exist under varying circumstances described in the bill.

Therefore, to call for a single ceiling might actually constitute an unconstitutional discrimination against some producers under circumstances in which the national ceiling would not permit enough recovery, enough price for gas. I think it is absolutely essential, to effectuate the purposes of this section, to use the term "ceilings."

This is another one of those areas in which, though I disagree with the direction of the Krueger bill, I do think that if the Krueger bill should by some strange quirk of conscience on the part of the House become law, it should be written in a way that it will, in fact, work and constitute a constitutional limitation regarding price in the areas in which it purports to control price.

Now, I cannot, at the very grave risk of running another very difficult and close vote, at least at the beginning, and I would ask if there is any desire to retain the term "ceiling" instead of "ceilings." That essentially is what this provision does. I think I can assure all Members here that it does nothing else.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. If the gentleman can assure me—not if he thinks he can—but can he assure me, because that was the problem we had last time and there was some hesitation about the assurance of the gentleman from Texas, and I have such confidence in his word that if he will give it without reservation, then I think I can accept it.

Mr. ECKHARDT. I am so overwhelmed by the gentleman's trust in my word that I say I can—not only think I can assure the gentleman—but I shall assure the gentleman that this is the case.

Mr. BROWN of Ohio. I appreciate the gentleman's assurance.

Mr. KRUEGER. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Texas.

Mr. KRUEGER. My understanding is that the gentleman's amendment has corrected and would say, not "national" but "natural" gas act.

Mr. ECKHARDT. That is right.

Mr. KRUEGER. So that the gentleman received that correction and he would wish to correct the bill by changing the word "ceiling" to "ceilings."

Mr. ECKHARDT. Yes. There are some minor textual changes in the order of wording, but there is no substantial alteration with respect to meaning this rather than that.

Mr. KRUEGER. And the gentleman would change the bill, the factors which are considered and itemized below, such costs attributable to exploration, that all remains in the bill?

Mr. ECKHARDT. Yes.

Mr. KRUEGER. So what is it, then, that changes other than the word "ceiling" to "ceilings"?

The CHAIRMAN. The time of the gentleman from Texas has expired.

(On request of Mr. KRUEGER and by unanimous consent Mr. ECKHARDT was allowed to proceed for 3 additional minutes.)

Mr. ECKHARDT. Nothing material that I know of. I think any other changes are merely changes of style.

Mr. KRUEGER. Is there any particular reason that the gentleman changes the rule-making procedure under section 5? That remains in?

Mr. ECKHARDT. Yes, it remains in and is not changed.

Mr. KRUEGER. And it is simply, in the gentleman's judgment, a case of moving the word "ceiling" to "ceilings" in order that the possibility might be open, I suppose then, for more than one price ceiling, is that correct?

Mr. ECKHARDT. That is correct. I would like to ask the gentleman if he does not intend that this be the case. I mean, I would assume that there would be, not one national ceiling, but a ceiling with respect to certain gas offshore depending on factors with respect to that reservoir or that property. In a single price, that would restrict a new discovery in entirely different waters offshore.

Mr. KRUEGER. Of course, the possibility works just the other way as well. If there were a variety of ceilings, we would have a whole variety of different things.

I do not suppose, in anticipation, going back to the area of the one concept or the property-by-property concept of FTC jurisdiction even for this 5-year period, which has been tried and which has failed before.

Mr. ECKHARDT. Well, I do not see how one escapes the proposition of applying a national ceiling separately to properties which have entirely different characteristics under the standards the gentleman sets up, unless the gentleman feels that the maximum price should be set at a sufficiently high price to take care of all production anywhere and that this applies to the lowest and the highest priced production.

If the gentleman does not want to do that, then perhaps he wants a ceiling; but I think it should be clear.

Mr. KRUEGER. If the gentleman will yield further, that would be following the policy that we currently follow; is that correct?

Mr. ECKHARDT. Since "ceiling" is used in the Krueger amendment, the Federal Power Commission, as I understand the amendment and the law as so amended, would not be compelled to create a number of ceilings but would not be restricted within a single one.

Mr. KRUEGER. I thank the gentleman for his explanation.

Mr. FRASER. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Minnesota (Mr. FRASER).

Mr. FRASER. I thank the gentleman for yielding. Mr. Chairman, this is not directly on the point, but it is related to the subject matter of the gentleman's amendment.

As the Krueger amendment is now drawn, is there any requirement as to any use that must be made of the gas produced from federally-owned lands? Is this gas just generally available to be disposed of as the producer chooses?

The CHAIRMAN. The time of the gentleman from Texas has expired.

(On request of Mr. FRASER, and by unanimous consent, Mr. ECKHARDT was allowed to proceed for 2 additional minutes.)

Mr. FRASER. If the gentleman will yield further, let me rephrase the question.

If this gas is produced under ceilings for 5 years, one of the questions I am interested in is: Where does it go? Is it required that it go into interstate commerce?

Mr. ECKHARDT. Presently, offshore gas is generally required to go into interstate commerce, but there is one exception, the producer may use offshore gas to fuel its refineries. So not all offshore gas now goes into interstate commerce, but most of it does, because the Federal Power Commission controls it.

And, of course, since it goes into interstate commerce, though it be new gas, it is now under control with respect to both price and its dedication to interstate commerce.

If we remove controls from new gas—most offshore gas to come in would be new gas—and if we provided that the

Federal Power Commission should not have authority over that except under these rules, frankly, I am not altogether sure whether that gas could not be diverted to intrastate use.

But I would like to yield to the gentleman from Texas to give us an answer to that question. If I may restate it to the gentleman from Texas (Mr. KRUEGER), the question, as I understand it, is this: Presently, gas produced offshore, is mostly dedicated to interstate commerce; and, of course, if it is in interstate commerce, it is controlled both with respect to price and subject to control with respect to this dedication to interstate commerce and may be continued under such a dedication.

The CHAIRMAN. The time of the gentleman from Texas (Mr. ECKHARDT) has again expired.

(On request of Mr. BROWN of Ohio, and by unanimous consent, Mr. ECKHARDT was allowed to proceed for 2 additional minutes.)

Mr. ECKHARDT. Mr. Chairman, the question is: If the Krueger amendment passes, and there is created a somewhat intermediate control structure, where now the control of old gas is then on the basis of cost only, not the freeing of the gas to the price in the marketplace but rather the treatment the gentleman applies to it, does that treatment then permit that gas now dedicated to interstate commerce to be used in intrastate commerce?

Does it take away the authority of the Federal Power Commission to require that that gas go into interstate use only?

Do I state the question correctly?

Mr. KRUEGER. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Texas.

Mr. KRUEGER. Mr. Chairman, if I understand the gentleman's question correctly, I do not see that there is anything in the bill that specifically takes gas which is currently in interstate commerce out of interstate commerce.

Was that the gentleman's question?

Mr. ECKHARDT. No. Mr. Chairman, certainly the gentleman from Texas (Mr. KRUEGER) is correct in stating that it does not take gas from interstate commerce and put it into intrastate commerce, but the question, as I understand it, is this:

Does it permit producers of gas offshore who must now dedicate their gas to interstate commerce to rededicate it to intrastate commerce? That is the point.

Mr. KRUEGER. Of course, after deregulation there would be no difference. We would have a single market, so I do not see that it would be significant one way or the other.

Mr. ECKHARDT. Well, Mr. Chairman, there might be this difference: Gas going into interstate commerce must bear the transportation cost. Gas in intrastate might sell in some places for a rate which is equal to the cost plus transportation cost, and, therefore, more money would go to the producer.

Let us say, for instance, that gas were sold to Alcoa producing aluminum at the Port Comfort facility in Texas. If gas bears, say, a price of around $4 in interstate commerce and part of that goes to the pipeline, would the producer not get, say $3.50 and absorb some of the transportation cost, preferring to sell it to Alcoa and then divert it from interstate commerce to intrastate commerce?

The CHAIRMAN. The time of the gentleman from Texas (Mr. ECKHARDT) has again expired.

(On request of Mr. BROWN of Ohio and by unanimous consent, Mr. ECKHARDT was allowed to proceed for 1 additional minute.)

Mr. BROWN of Ohio. Mr. Chairman, I have asked for this additional time in the hope that I can this time get in on the colloquy. So will the gentleman from Texas (Mr. ECKHARDT) yield to me?

Mr. ECKHARDT. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, my question is very simple. It is a direct and straightforward one.

Does the gentleman anticipate that he will tie other amendments to this amendment if we accept it?

Mr. ECKHARDT. No.

Mr. BROWN of Ohio. Mr. Chairman, I thank the gentleman.

Mr. WAGGONNER. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I want to pursue the last question asked by the gentleman from Ohio (Mr. BROWN). If the gentleman from Texas (Mr. ECKHARDT) is not going to offer other conforming amendments having to do with ceilings rather than with the word, "ceiling," then it is of no value here, and if he intends to offer other amendments, then he has something else in mind which we simply cannot agree to.

We are not talking about anything except a single national ceiling. There is no purpose in a two-tiered or multiple ceiling system. There is no reason to provide here anything which will allow a decision to come forth later that will provide other than a single ceiling.

If we will take the Krueger bill, we find that section 205 constantly refers to a national ceiling. That is singular, not plural. It appears over and over again, and the word is singular, not plural.

There is absolutely no point in alluding to something that is not intended in the first place. We are talking about a national ceiling, and that is what we ought to stick with.

Mr. Chairman, we ought to vote this amendment down. It is intended to do nothing in the world but create confusion and also present loopholes at a later point in time.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. WAGGONNER. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, I do not want any misapprehension with respect to my answer to the question asked by the gentleman from Ohio (Mr. BROWN). I had understood the question to mean that perhaps I had some other superstructure built on the plural ceiling situation. There may be conforming amendments offered to use the term, "ceiling," I do not know about that. However, I have no intention of doing that.

Mr. WAGGONNER. Then the gentleman has stated his own case. There is no purpose for it here.

There is no need for it in the bill. All we want is a single national ceiling.

Mr. Chairman, we ought to vote this amendment down. We ought to get on with the issue of establishing a national ceiling, and that is the way I see it.

Mr. BRODHEAD. Mr. Chairman, I move to strike the requisite number of words.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. BRODHEAD. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, I merely want to state very briefly that there is a necessity for the opportunity for more than one ceiling, unless it is contemplated that a very large windfall be granted to certain offshore producers, or else unless it is contemplated that the act would put something like an average cost ceiling on gas offshore and thus deprive certain other producers of sufficient price in order to operate in such reservoirs.

I thank the gentleman for yielding.

Mr. KRUEGER. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, the concern I have about this amendment is that the FPC initially tried to set up a property-by-property basis for judging what the cost should be.

In 1961 they determined that they had enough cases on appeal to last them until the year 2043 with their current staff. At that point they changed and decided to go on an area-by-area basis.

Therefore, they then divided the world. As God created the seven seas to divide the world, they divided it into seven gas-producing areas. The FPC allowed seven different prices to be charged in seven different areas. It was found then that the world perhaps was not divided, by members of the FPC, into seven gas-producing areas, so they then went to a single-area concept. This concept has not worked out either. It is simply the slow attempt of the FPC ever to improve itself.

Mr. Chairman, what I have done in the bill is to set up a single national ceiling for an interim period.

After having already seen the difficulty of area rates which did not work and of property-by-property rates which did not work, it seems to me that the amendment of the gentleman from Texas (Mr. ECKHARDT) would again seek perhaps to reestablish what did not work.

It would make more sense to have a single, uniform rate for offshore gas during this period of time. Nonetheless, my bill provides for special relief from the established OCS rule upon a showing of higher cost because of greater drilling depth.

Therefore, there is no need for a possible area-by-area approach to the Outer Continental Shelf, which, must be what the amendment of the gentleman from Texas (Mr. ECKHARDT) envisioned.

Rather than get us back into that imbroglio again, Mr. Chairman, it seems to me that we would certainly be better off to simplify rather than to make ever more complex.

I, therefore, urge defeat of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. Eckhardt) to the amendment in the nature of a substitute offered by the gentleman from Texas (Mr. Krueger).

The question was taken; and on a division (demanded by Mr. Eckhardt), there were—ayes 29, noes 37.

RECORDED VOTE

Mr. ECKHARDT. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 182, noes 236, not voting 14, as follows:

[Roll No. 35]

AYES—182

Abzug
Adams
Addabbo
Allen
Ambro
Annunzio
Ashley
Aspin
Badillo
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Bergland
Bevill
Biester
Bingham
Blanchard
Blouin
Boland
Bolling
Bonker
Brademas
Breckinridge
Brodhead
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Carney
Carr
Chisholm
Clay
Cohen
Collins, Ill.
Conte
Conyers
Corman
Cornell
Cotter
D'Amours
Daniels, N.J.
Danielson
Delaney
Dellums
Dingell
Dodd
Downey, N.Y.
Drinan
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fary
Fenwick
Fisher
Fithian
Flood
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fraser
Gaydos
Gonzalez
Green
Gude
Hall
Hamilton
Hanley
Harkin
Harrington
Harris
Harsha
Hayes, Ind.
Hechler, W. Va.
Heckler, Mass.
Helstoski
Hicks
Holtzman
Howard
Hughes
Hungate
Jacobs
Jeffords
Jenrette
Jones, Tenn.
Kastenmeier
Keys
Koch
Krebs
LaFalce
Leggett
Lloyd, Calif.
Lloyd, Tenn.
McFall
McHugh
McKinney
Macdonald
Madden
Maguire
Matsunaga
Meeds
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Minish
Mink
Mitchell, Md.
Moakley
Moffett
Moorhead, Pa.
Moss
Mottl
Neal
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Peyser
Pike
Price
Rangel
Reuss
Richmond
Riegle
Rinaldo
Rodino
Roe
Rosenthal
Roush
Roybal
Russo
Ryan
St Germain
Sarbanes
Scheuer
Seiberling
Sharp
Smith, Iowa
Solarz
Spellman
Staggers
Stanton, James V.
Stark
Stokes
Stratton
Studds
Sullivan
Thompson
Traxler
Tsongas
Van Deerlin
Vander Veen
Vanik
Vigorito
Waxman
Weaver
Whalen
Wirth
Wolff
Yates
Young, Ga.
Zablocki
Zeferetti

NOES—236

Abdnor
Alexander
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
AuCoin
Bafalis
Bauman
Beard, Tenn.
Bell
Bennett
Biaggi
Boggs
Bowen
Breaux
Brinkley
Brooks
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Butler
Byron
Carter
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Collins, Tex.
Conable
Conlan
Coughlin
Crane
Daniel, Dan
Daniel, R. W.
Davis
de la Garza
Dent
Derrick
Derwinski
Devine
Dickinson
Downing, Va.
Duncan, Oreg.
Duncan, Tenn.
du Pont
Edwards, Ala.
English
Erlenborn
Esch
Eshleman
Fascell
Findley
Fish
Flowers
Flynt
Forsythe
Fountain
Frenzel
Frey
Fuqua
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Goodling
Gradison
Grassley
Guyer
Hagedorn
Haley
Hammerschmidt
Hannaford
Hansen
Hays, Ohio
Hébert
Hefner
Heinz
Henderson
Hightower
Hillis
Holland
Holt
Horton
Howe
Hubbard
Hutchinson
Hyde
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Jordan
Karth
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Krueger
Lagomarsino
Landrum
Latta
Lehman
Lent
Levitas
Litton
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McKay
Madigan
Mahon
Mann
Martin
Mathis
Mazzoli
Melcher
Michel
Milford
Miller, Ohio
Mills
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Morgan
Mosher
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nichols
O'Brien
Passman
Patman, Tex.
Pepper
Perkins
Pettis
Pickle
Poage
Pressler
Preyer
Pritchard
Quie
Quillen
Railsback
Randall
Rees
Regula
Rhodes
Risenhoover
Roberts
Robinson
Rogers
Roncalio
Rooney
Rose
Rousselot
Runnels
Ruppe
Santini
Sarasin
Satterfield
Schneebeli
Schroeder
Schulze
Shipley
Shriver
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Nebr.
Snyder
Spence
Stanton, J. William
Steed
Steelman
Steiger, Ariz.
Stephens
Stuckey
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thone
Thornton
Treen
Ullman
Vander Jagt
Waggonner
Walsh
Wampler
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wright
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Tex.

NOT VOTING—14

Anderson, Ill.
Brown, Calif.
Brown, Mich.
Diggs
Hawkins
Hinshaw
Jones, Ala.
McEwen
Metcalfe
Murphy, Ill.
Rostenkowski
Sebelius
Steiger, Wis.
Udall

So the amendment to amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

Mr. MAGUIRE. Mr. Chairman, I move to strike the requisite number of words.

PARLIAMENTARY INQUIRY

Mr. BROWN of Ohio. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. BROWN of Ohio. Mr. Chairman, my parliamentary inquiry is, how many amendments do we have at the desk? We have had amendments now to change the singular word to a plural word, and the description of that is not significant. Then we discovered it had some significance, and finally had a vote on it.

Then, we had two amendments separately introduced to different sections of the bill to do essentially the same thing. I thought maybe they might be introduced as a single amendment and maybe could have been aggregated and we could have saved some time.

I am just curious to know how many amendments are still before us to be considered on this piece of legislation.

The CHAIRMAN. The Chair has no ability to really answer the question. There are about eight amendments at the desk, and many more that have been printed in the Record. The Chair is not able to say how many other amendments there are in the Chamber. There are a great many amendments the Chair hears about.

Mr. BROWN of Ohio. Is there a time by which we are to rise this evening? Did I miss an announcement on that subject?

The CHAIRMAN. The Chair certainly made no announcement. That is in the jurisdiction of the committee and the leadership. The Chair has heard a variety of suggestions, but no one has said that we will go later than 7 o'clock.

Mr. BROWN of Ohio. That is a significant comment from the Chair, I think. I appreciate that degree of candor from the Chair.

Mr. MAGUIRE. Mr. Chairman, the gentleman from Texas (Mr. Krueger) is asking this body to deregulate the price of new natural gas. This proposal comes in the face of evidence which the Subcommittee on Oversight and Investigations of the Committee on Interstate and Foreign Commerce has been assembling for almost a year.

Those of us who serve on the subcommittee have found a systematic underestimation of reserves which may arrange to 37 percent. Of course, the estimation of reserves is directly related to the prices for gas that are set by the FPC. We have found, in examining the production in a number of key fields, a pattern of withholding which can only be described as intentional or, at the very least, as fortuitous for those who wish to raise the price of gas.

Mr. Chairman, my colleague, the gentleman from New Jersey (Mr. Hughes), who has intervened in proceedings relating to this issue and who has fought for wider knowledge of the facts, has shown that more than one-half of the producible wells in the Gulf of Mexico are not producing.

The Oil and Gas Journal itself last year indicated that only 48 of 1,068 tracts leased in the Gulf of Mexico since 1970 are producing gas.

We know that contracts are not being honored, contracts between producers and pipelines, contracts between pipelines and distributors. In hearings which I conducted on behalf of the Oversight Subcommittee in Newark a couple of months ago I discovered that one of the major pipelines. Transco rather than trying to insist on deliveries of gas from producers to it, so that it could provide its consumers with gas, was, on the other hand, joining with the producers before the FPC to argue that the contracts need not be honored.

Mr. Chairman and my colleagues, what we have is a campaign mounted by the oil and gas lobby in this country, augmented by the administration and by the Federal Power Commission itself, to deregulate the price of gas, in spite of the facts relating to costs of production, in spite of any projected presumptions about what it will actually cost to produce gas, in spite of the impact on consumers and the economy. The reason that this is such a serious matter is the concentration in the oil and gas industry. None of us like regulation. All of us would prefer to have a free market operate, but we do not have a free market.

Again, my colleague, the gentleman from New Jersey (Mr. HUGHES), and David Schwartz, a former FPC economist, have pointed to the facts of industry concentration. I do not have to review all of those facts. We are talking about concentrations of four to eight companies, ranging up to 70 to 80 to 90 percent control over new gas production. That is concentration. If you were in that position, and had the gas, would you not sit on it too if you thought you could triple or quadruple or multiply five times over the price of that gas by simply waiting on the U.S. Congress to rubberstamp your proposed deregulation policy?

Mr. Chairman, the proponents of unrestrained gas prices say that we do not have enough gas discovered, we do not have the reserves, we cannot produce enough for our needs, and so on.

But the fact is that we rely only on industry data for those figures, and all the independent data that we have developed this year in the subcommittees of this Congress which have dealt with this question show that the industry data is erroneous and that it prejudices the case. There would be no gas shortages nationally at all if gas which could be in production in even a few fields identified by the subcommittee were in production.

The CHAIRMAN. The time of the gentleman from New Jersey (Mr. MAGUIRE) has expired.

(By unanimous consent, Mr. MAGUIRE was allowed to proceed for 3 additional minutes.)

Mr. MAGUIRE. Mr. Chairman, we are then told by the proponents of deregulation that gas will cost more in the future and, therefore, we must deregulate now. But they do not give us any figures; they do not give us any projections; they do not give us any facts.

I think it is worth pointing out that while the FPC has favored deregulation, and presumably has exerted every effort that it could muster to raise the price on the basis of the most flexible projections of higher cost figures, yet the FPC has been unable to support a price higher than 55 cents per thousand cubic feet, which allows an 18 percent return on equity.

If they should raise that to 75 cents per thousand cubic feet, we are talking in terms of profits (revenues less costs) of 50 percent to 100 percent, and if they raise it to $2, we are then talking about a massive redistribution of wealth. I invite the Members to read about that in the Subcommittee on Oversight and Investigation's Report dated February 1976, on the nature and causes of the natural gas shortage.

We are told by the proponents that we should let the market adjust the price of fuel, but there is no market. We are told to get rid of deregulation because we ought to have a free economic system, but regulation is the only thing which keeps this concentrated industry from dictating prices and from decimating consumers and crippling the economy. Whether the impact is $5 billion or $20 billion a year, the impact is going to be enormous.

Mr. Chairman, I urge the Committee to think about three central principles as we consider policy options for natural gas.

First, let us produce more gas. We should, and we must. Let us even be on the generous side on pricing. That probably puts us somewhere between 55 cents and 75 or 80 cents, but it does not put us at $1.75 or $2 or $2.50, and no Member has made a case on the floor of this House or in any committee of this Congress that those latter prices are required. There has not been any such case made.

Second, let us eliminate the huge discrepancy between interstate and intrastate prices. I do not think there is any Member in this House who wants that discrepancy to remain, since it causes enormous economic dislocations and disadvantages sections of the country. Let us get rid of this discrepancy, but at a price level which makes some sense and which can be defended on its merits.

Of course, we should treat natural gas as the depletable and high-quality fuel that it is. Nobody argues about that. That's why we have conservation provisions about switching from gas to other fuels. But let us please be responsible within the context of a complex economy and not simply allow a special-interest lobby to write policy for us on the floor of this House.

AMENDMENT OFFERED BY MR. ECKHARDT TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. KRUEGER

Mr. ECKHARDT. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. ECKHARDT to the amendment in the nature of a substitute offered by Mr. KRUEGER: In section 203, strike out "(2) Subject only to the provisions of section 24 of this Act" and all that follows down through "new natural gas:" and insert in lieu thereof the following:

"(2) Subject to the provisions of sections 4(a), 4(e), 5, 24, 25, and 26 of this Act, after the effective date of the Natural Gas Amendments of 1975, the Commission may not regulate the sale of new natural gas to a natural-gas company for resale in interstate commerce.

Mr. ECKHARDT. Mr. Chairman, this is an important amendment.

Section 203 provides that the Commission may not regulate the sale of new natural gas to a natural gas company for resale in interstate commerce.

However, there are many sections of the bill other than section 24, to which this provision is made subject, that affect the regulation of the sale of new natural gas.

In the Krueger amendment section 26 provides for regulation of natural gas, prohibiting use of natural gas for boiler fuel use.

I do not believe that we want merely to prohibit the use of old gas for boiler fuel. As a matter of fact, I do not know how anyone would ever segregate old from new if old and new gas were mixed, and in most instances they are.

For instance, a producer, say, outside the Houston area such as, say Major Parten, has some old gas in that area that he puts in pipelines that go into Houston, and they also carry new gas from new fields that he has drilled and which go into the same pipeline.

Certainly if the Federal Power Commission should be able to prevent the use of old gas for boiler fuel, it should also be entitled to do the same thing for new. I think it would be utterly impractical to try to apply a different treatment to the two.

Section 25 gives certain agricultural priorities to gas. New and old gas are the same thing, actually, and again, it is not merely old gas that is to be used for various agricultural purposes.

Section 4(e) and section 5 deal with recovery payments. Again, the treatment of new and old gas should be the same

Section 4(a) deals with a reference to Outer Continental Shelf rates and charges in excess of the national rate.

Again, Mr. Chairman, I think that this is an area where the Federal Power Commission may, and should and is intended to properly regulate sale, but which is not provided for in the "made subject to" clause.

Mr. Chairman, I would hope that, on this amendment, my friend, the gentleman from Texas (Mr. KRUEGER), would agree that this is nothing but a curative amendment that puts this section in conformity with the other provisions of this act.

Mr. CHARLES WILSON of Texas. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Texas.

Mr. CHARLES WILSON of Texas. Mr. Chairman, the gentleman has explained his amendment. I do, however, have a question.

The only effect of this amendment would be to restrict the use of new gas for boiler fuel; is that correct?

Mr. ECKHARDT. No; the purpose of this amendment is to permit regulation respecting the various uses of both old and new gas that the gentleman from Texas (Mr. KRUEGER) provides for in sections 4(a), 4(e), 5, 25, and 26.

Mr. CHARLES WILSON of Texas. Does the gentleman from Texas (Mr. KRUEGER) only provide the restrictions on uses of old gas?

Mr. ECKHARDT. That is the way it would be read unless my amendment is added.

I think there is no reason why a restriction on use for boiler fuel should not apply to both old and new gas.

All this amendment would do is say that the limitation on the Federal Power Commission's power to regulate the sale is subject to those restrictions on use.

I think the difficulty here in this section that I am amending is that the gentleman from Texas (Mr. KRUEGER) used the language, "The Commission may not regulate for sale." What was probably intended was regulating the price of sale.

PREFERENTIAL MOTION OFFERED BY MR. HAYS OF OHIO

Mr. HAYS of Ohio. Mr. Chairman, I offer a preferential motion.

The **CHAIRMAN**. The Clerk will read the preferential motion.

The Clerk read as follows:

> Mr. HAYS of Ohio moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. HAYS of Ohio. Mr. Chairman, someone just said "vote," and that might not be the worst idea that ever happened if this preferential motion passed. But that is not the reason I offer the motion.

Mr. Chairman, I have been trying for 2 days to get a chance to offer an amendment and each time I get on my feet there is a little filibuster going on because they do not want me to offer my amendment today. They want to perfect it. They have had 48 hours of perfection——

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I will not yield.

Mr. ECKHARDT. The gentleman from Ohio says we are engaging in a filibuster and the gentleman will not yield?

Mr. HAYS of Ohio. I do not yield to the gentleman from Texas. Some of the gentleman's friends told me that there was a little filibuster going on.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. No; I will not yield.

I understand that you are going to keep this thing going on until you get an amendment perfected similar to mine which Mr. SMITH of Iowa is going to offer. I do not know who is going to offer it, but I have been told for 2 days that my amendment has had technical defects but nobody has told me what they were. I am not an expert on this.

All I want to do is offer a simple little amendment that will separate the men from the boys and which will exempt the minor league players from the major league players and give the little independent a chance to go ahead and produce his old gas. And when his contract expires, negotiate for a little better price than 16 cents or 23 cents that he is getting now.

I am told by these independent people, and there are a few of them in Ohio, very few, that if they cannot get some relief they are going to sell out to the majors and go out of business because they cannot generate any money to drill new wells with at the prices they are paid on their contracts.

So when their contract expires they would simply like to have the chance to renegotiate it. This does not affect the majors, not Exxon because they can come out on the market and borrow half a billion dollars any day in the week, but it is for the fellow who cannot possibly by his own generation of capital get any money to drill. And the price of drilling has gone up 300 percent in the last half a dozen years.

My amendment I think is tightly drawn. I may never get a chance to offer it, but I want to tell the Members about it, and so I am using this means.

It even says that you cannot transfer a contract from a minor to another major. It will only affect in any given year three-quarters of 1 percent of the old gas on terminal contracts. It also says in the amendment that you cannot negotiate and sell in intrastate commerce, you have got to renegotiate and sell in interstate commerce.

I do not know what the technical defects are but I am inclined to think that the biggest technical defect is that there are some people who do not want any bill at all and who think if this amendment is agreed to that the bill will become more palatable and it will probably pass the House. Maybe that is what is worrying them. I do not know.

All I know is I am not going to vote to deregulate the majors, but I think we are going to have to deregulate new gas and we ought to get on with it or some of these winters we are going to have a lot of irate customers out in front of this building here raising hell because they want in where it is warm because they are freezing. And the Members know that we are going to get heat for this building if we do not get it any place else whether in homes or elsewhere.

So I would just like a chance sometime today, tomorrow or next week or maybe next month, after all of the rest get through, a chance to offer this simple little amendment. It might even pass and it might even solve the problem.

Mr. FRASER. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield to the gentleman from Minnesota.

Mr. FRASER. Mr. Chairman, I just want to say to the gentleman from Ohio that I am in a similar situation. I have an amendment that is somewhat like the amendment of the gentleman from Ohio (Mr. HAYS) to exempt some of the smaller producers and I have not been able to get the amendment offered here.

I share the gentleman's problem. I hope at some point the House will get a chance to vote on some version of what the gentleman from Ohio and I are talking about.

Mr. HAYS of Ohio. Mr. Chairman, I appreciate the comments of the gentleman from Minnesota more than I can say because a lot of the times we are not together on issues and the gentleman knows that, but I am glad we are together on this issue. Again, I say that I appreciate the gentleman's comments.

Mr. DINGELL. Mr. Chairman, I rise in opposition to the preferential motion.

Mr. Chairman, I will not use the 5 minutes because I do not want to delay the proceedings.

I would like the attention of my good friend, the gentleman from Ohio (Mr. HAYS) who has offered the preferential motion, since he mentioned certain facts relative, I think, to the conduct of the committee in handling the bill. I want to say that I had offered his staff every possible assistance in terms of drafting the amendment to insure that he had the capability of offering an amendment with which he would be satisfied and which I, as a member of the committee, could indicate to the House was technically correct. I give my good friend, the gentleman from Ohio, that suggestion.

I happen to think the amendment is a meritorious amendment. I think it is an amendment that offers considerable opportunity for perfecting the bill. I certainly want the gentleman from Ohio to have a full opportunity to present his suggestions to the House. As the gentleman from Ohio will observe, this is only the second time today that I have requested time. I will be glad to yield to the gentleman if he has some kind of comment or suggestion.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. I am not accusing the gentleman of anything. He and I have been friends for years, but I was getting messages from the gentleman's staff that my amendment needs technical perfection, and I have been very busy. I have the Supreme Court which has practically caused the thing to fall in on my head, and all of the reporters are after me. I have asked over and over for them to send over what is technically wrong and I will consider trying to rewrite it. Even if it is technically wrong, if it passes, we can always technically correct it by further amendment or by a vote in conference.

Mr. DINGELL. If the gentleman will permit me, I am not sure this matter will get to conference, but I do want the gentleman to know that I am in entire sympathy with what he is trying to do. I think a large part of the problem results from the fact that we are overregulating some things; and if we are regulating something that we should not be regulating, we ought to change this. I think the gentleman ought to have an opportunity to do so.

Mr. HAYS of Ohio. If the gentleman will yield further, I had hoped to get it done today because I have plans tomorrow for a luncheon. But I will cancel those plans, and I will be here until we either get to it tomorrow, or hell freezes over, or however long it takes.

Mr. DINGELL. I would urge the gentleman to offer his amendment, and I think the members of the committee will not rise to get in the way of the gentleman's offering his amendment. Maybe another amendment along the same lines will be offered.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from California.

Mr. ROUSSELOT. I did not realize there was a problem of a filibuster.

Mr. DINGELL. I am not aware of any filibuster, and I decline to yield further.

Mr. Chairman, I yield back the remainder of my time.

The **CHAIRMAN**. The question is on the preferential motion offered by the gentleman from Ohio (Mr. HAYS).

The preferential motion was rejected.

Mr. KRUEGER. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the latest Eckhardt amendment.

Mr. Chairman, many wily packages come in munificent exteriors, and I think that is what this amendment is. Rather than being purely a technical amendment, it seems to me that what is likely is that this would be an amendment that would lead to some sort of indirect means of regulation through pipeline certification. I am not positive of that, but I am sufficiently suspicious of it that I think that it would be an act of haste and a mistake to proceed in that way.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. KRUEGER. I yield to the gentleman from Texas.

Mr. ECKHARDT. I thank the gentleman for yielding.

How conceivably could one section of the gentleman's bill be considered mischievous? All this amendment says is that other sections of the gentleman's bill apply and are not erased because of this provision that the Federal Power Commission shall not regulate new gas.

Mr. KRUEGER. We have a provision in the boiler fuel section whereby boiler fuel use of natural gas is allowed to continue for a 12-year period.

My impression, and I must say, I did not have a copy of the amendment of the gentleman at the desk and I told the gentleman that I would be most appreciative of receiving copies in advance and perhaps I would not object to them at all, because I would have time to study them overnight, being a slow student; but it is my impression that this pipeline certification could lead to problems.

Therefore, Mr. Chairman, I oppose the amendment.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. KRUEGER. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, it is always very difficult to get a clear picture of what the amendments of the gentleman from Texas (Mr. ECKHARDT) do, because the amendments are usually couched in such uncertain terms. In spite of the thrust of the amendment of the gentleman from Texas (Mr. KRUEGER), if I understand what the gentleman from Texas (Mr. ECKHARDT) is trying to do, the gentleman from Texas (Mr. ECKHARDT) is trying to put back into effect the impact of the Phillips decision. The Phillips decision allows the Federal Power Commission to get at the producers and control the price of the producer through the pipeline by saying that under section 4(a) of the Natural Gas Act the rates and charges shall still apply to the producer, not just to the pipeline; that section 4(e) on lawfulness of rates shall apply to the producers, not just the pipeline, and section 5 on the cost of distribution shall apply not just to the pipeline, but to the producer. In other words, Mr. ECKHARDT's amendment has the effect of wiping out the deregulation section of the amendment of the gentleman from Texas (Mr. KRUEGER), section 203.

Now I would like to ask the gentleman from Texas (Mr. ECKHARDT) if that is correct.

Mr. KRUEGER. Mr. Chairman, if the gentleman will yield back to me for 1 second, that was, in fact, my theory. I cannot imagine that the gentleman from Texas would have intended anything of such magnitude to come in under such soft words; but, nonetheless, that is the way it appears to me at this point.

I think it certainly is appropriate that the House know what it is that it is proceeding on. Perhaps the gentleman from Texas (Mr. ECKHARDT) would wish at this point to respond to the gentleman from Ohio and see whether or not that interpretation is correct.

Mr. ECKHARDT. Mr. Chairman, the only thing I attempt to do here is to provide that the provision in the section which I am handed, the Commission may not regulate such other deregulation authority that the gentleman from Texas has put in the other sections of the bill. For instance, they have to regulate gas. They do regulate the gas when they say it shall not be used for boiler fuel.

Does the gentleman from Texas mean by that that boiler fuel, which is new gas, may not be required to go into interstate commerce?

The CHAIRMAN. The time of the gentleman from Texas (Mr. KRUEGER) has again expired.

(At the request of Mr. BROWN of Ohio and by unanimous consent, Mr. KRUEGER was allowed to proceed for an additional 3 minutes.)

Mr. BROWN of Ohio. Mr. Chairman, I have asked that the gentleman from Texas (Mr. KRUEGER) have 3 additional minutes so we can continue this colloquy and try to get this clear from the gentleman from Texas (Mr. ECKHARDT).

Mr. Chairman, does the gentleman from Texas yield further?

Mr. KRUEGER. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, I want clarification from the gentleman from Texas (Mr. ECKHARDT) what the gentleman wants to do. I am not asking the gentleman from Texas to ask me how I interpret it. I have already told the gentleman how I interpret it and that is that the gentleman is trying to get control of natural gas charges, as the Phillips case did at the producer level, through the pipeline, through section 4(a) and section 4(e) and section 5. All I want from the gentleman is an answer. Is that what the gentleman is trying to do?

Mr. ECKHARDT. Mr. Chairman. no. What the gentleman from Texas is attempting to do is to change the language so that the Commission may not regulate and make it conditional upon the other conditions of the Krueger amendment, because the regulation is not only a regulation to price, but it is a regulation of use.

Mr. BROWN of Ohio. Mr. Chairman, now, section 4(a) and section 4(e) are not in the regular bill. They are in the Natural Gas Act, is that right?

Mr. ECKHARDT. Would the gentleman desire to strike those sections by an amendment?

Mr. BROWN of Ohio. Are 4(a) and 4(e) in the Natural Gas Act?

Mr. ECKHARDT. That is right.

Mr. BROWN of Ohio. And is it not the Phillips decision that required the regulation of the price of natural gas at the producer level? I think what the gentleman is trying to do is, through this mechanism, simply undo the basic thrust of the Krueger amendment.

Mr. KRUEGER. Mr. Chairman, if I may have my time back briefly, I agree. It seems to me that what we would be doing in this amendment is to give the FPC direct power and authority over producer wellhead rates. It is in fact, as the gentleman from Ohio indicates, akin to the Phillips decision. I know that the gentleman from Texas (Mr. ECKHARDT) would not have intended to have the House misled in this way, but in order to avoid being led down that particular primrose path, I think it clearly the appropriate thing that we defeat the amendment and continue the thrust of the bill.

Mr. DINGELL. Mr. Chairman, the Senate-passed bill offered by Senators PEARSON and BENTSEN (S. 2310) and a similar bill proposed by Congressman KRUEGER (H.R. 11265) to deregulate the wellhead price of new natural gas are intended to lead to gradual increases in gas prices to consumers. Those bills, and economic studies that have supported them, agree that an orderly price increase would help bring demand and supply into balance, and simultaneously reverse the supply imbalance between the unregulated intrastate market and the regulated interstate market. Studies on the effect of deregulation have assumed that new—deregulated—gas would sell for a wellhead price no higher than the equivalent price for oil: about $2.11 per thousand cubic feet. During 2 weeks of hearings before the Subcommittee on Energy and Power, many complex features of the natural gas market were explored, and one critical finding is that the short-term response to deregulation may see new gas wellhead prices rise far beyond the oil-equivalent price. Producers would also wield strong power to force pipelines to renegotiate existing contracts at higher prices. These factors could cause a sudden increase in customer charges and producer revenues of more than $13 billion. A large and sudden price response to deregulation would have dramatic economic implications, far larger than those anticipated under sudden decontrol of oil prices, and approaching the impact of the oil price increases of the post Arab oil embargo period.

As with most questions of large macroeconomic impact, the economic costs of new gas deregulation will be less acute if price increases are gradual rather than abrupt. While it is not certain that either S. 2310 or H.R. 11265 will cause a sudden jump in average wellhead prices, they contain no guarantees of an orderly transition to full deregulation. The incremental pricing provisions in S. 2310, which would load all new gas price increases onto industry and utility purchasers, represent one possible approach toward lessening the severity of short-term price response to deregulation. Additional measures, such as an interim ceiling price for new gas contracts, could act as a further shield against excessively high prices over the short term. Such a ceiling price should be high enough to forestall only inordinately intense bidding competition which may be sparked by new gas deregulation.

The committee print reviews two estimates of short- and long-term costs of new gas deregulation recently published by: First, the General Accounting Office in "Implications of Deregulating the Price of Natural Gas"; and second, the Federal Energy Administration in "Natural Gas Deregulation Analysis, Technical Report," presented in testimony before the House Subcommittee on Energy and Power on January 23, 1976. With the assistance of consultants at Chase Econometrics Associates, the dollar cost of deregulation from these two studies were simulated on a long-term computer model of the U.S. economy. The model shows how such economic variables as real GNP, consumer prices, and unemployment would be affected by deregulation.

Arguments will also be offered that these forecasted economic impacts of deregulation, while very large in their own right, may understate actual economic losses resulting from new gas deregulation. Underestimates are due to the possibility that average wellhead prices for gas could rise much more quickly than anticipated in either the GAO or FEA reports. The print concludes with potential legislative measures to avert a sudden increase in wellhead prices, beyond a price equivalence with oil.

DOLLAR COSTS OF DEREGULATION

In a deregulated market for natural gas, consumers—and the pipelines through which they obtain gas from suppliers—will wish to purchase gas so long as gas is cheaper than other energy substitutes. The energy content of a barrel of crude oil or a barrel of No. 2 distillate—home heating oil—is 5.6 times the energy content of 1,000 cubic feet of natural gas. A Btu equivalent price for oil and natural gas can therefore be computed by dividing the price of a barrel of oil by 5.6. FEA focuses its analysis on the relationship between No. 2 fuel oil and natural gas.

> No. 2 fuel oil price of $15.50/bbl (the average price to industrial and residential customers in 1974) is comparable to a retail natural gas price of $2.66/MCF. To get the wellhead price, transportation and distribution cost are subtracted. In 1974 the average transportation cost plus distribution markup was 55¢/MCF. This yields a deregulated wellhead price of ($2.66−.55¢) = $2.11/MCF. (FEA, p. 18)

The GAO, in a less carefully constructed comparison of oil and natural gas prices, concludes that—

> Under deregulation the city-gate price of both interstate and intrastate natural gas is expected to rise to an average of about $2.10 per MCF. This is essentially the BTU-equivalent of $12.00 per barrel imported or uncontrolled domestic crude at the refinery. The $2.10 per MCF city-gate price is composed of $.35 per MCF which is the average interstate pipeline transportation charge, and $1.75 per MCF, the average deregulated wellhead price.

The GAO report compares the cost of unrefined oil with the city-gate price of natural gas. A better procedure would be to compare refined oil prices paid by utilities with the city-gate price for natural gas, because utilities buy gas at close to the city-gate price. This possible error would place a downward bias on the equivalent price for gas as used in the GAO report and may result in slight underestimates of the cost of deregulation.

Assuming that volumes of unregulated gas rise within 1 year to a price equivalence with oil, the FEA calculates the first-year dollar cost of deregulation under the Pearson-Bentsen bill to be about $5.5 billion. This cost is derived by assuming that 5 TCF—about one-half—of intrastate gas will rise from the present intrastate new contract price of $1.25/MCF to $2.11—5 times $.86 equals $4.3 billion. Prices for nonjurisdictional sales and new interstate sales—totaling 1.6 TCF—increase to bring the total first-year increase in revenues to producers—and expenditures by natural gas consumers—to $5.5 billion.

The GAO report does not calculate first-year costs, but does provide net dollar-cost estimates of new gas deregulation for the years 1978, 1980, and 1985. GAO assumes that under continued regulation natural gas prices will rise by 5 cents per year in the interstate market and 15 cents per year—to the $1.75 MCF equivalence—in the intrastate market. Current interstate prices average $.35 per MCF while intrastate prices average $.50 per MCF.

Net costs of deregulation are then computed by subtracting city-gate revenues under continued regulation from city-gate revenues under deregulation. As the following chart and text from the GAO report indicate, account has also been taken of the fact that lower production under continued regulation will force some customers to alternate fuels:

TABLE 1.—*City-gate costs of energy regulation and deregulation to consumers of natural gas in 1975*

[Billions of dollars]

Year	*Regulation*	*Deregulation*	*Net cost*
1975	$17.8	----	----
1978	26.7	$35.0	$8.3
1980	31.9	44.9	13.0
1985	40.6	44.9	4.3

> The table indicates that in 1975 it is projected that 21.4 TCF of natural gas will be delivered to consumers at an average city-gate price of $.83 per MCF for a total cost of $17.8 billion. In 1980 it is projected that, under continued regulation, 18.1 TCF will be delivered to consumers at an average city-gate price of $1.37 per MCF for a total cost of $24.9 billion. Since 3.3 TCF of 1975 natural gas consumption must be replaced by other energy sources at an equivalent city-gate price of $2.10 per MCF, there is an added $7 billion cost to the consumers, giving a total cost to the consumers of $31.9 billion. This is an increase of $14.1 billion or 79 percent over their costs for the same amount of energy in 1975.
>
> Under deregulation natural gas consumption if 18.8 TCF in 1980 at an average city-gate price of $2.10 per MCF for a cost of $39.5 billion; the cost for the alternate energy sources to replace the 2.6 TCF shortfall relative to 1975 ($2.10 per MCF equivalent) is $5.4 billion. This gives a total cost of $44.9 billion. Thus under deregulation city-gate $13 billion over what the 1980 costs would increase $27.1 billion in 1980 over 1975, or 013 billion over what the 1980 costs would have been under continued regulation. Under deregulation city-gate costs in 1980 will be 152 percent greater than 1975 costs and 41 percent greater than 1980 costs with continued regulation. These same calculations for 1985 indicate that deregulated costs would continue at $44.9 billion (152 percent greater than 1975) and regulated costs would climb to $40.6 billion (128 percent greater than 1975); in 1985 deregulation costs would be 11 percent greater than regulation. (GAO, pp 44–45)

The $5.5 billion first-year cost of deregulation calculated by FEA appears to be consistent with the GAO longer-term cost stream.

The computed cost of deregulation over time is to some degree dependent on assumptions about supplies of gas under continued regulation and deregulation. FEA states that—

> To the extent that increased natural gas production replaces higher priced imported oil, the above (first year dollar cost) estimate is reduced. (FEA p. 19)

FEA, which utilizes a sophisticated model of regional natural gas supply and demand, argues that domestic production of gas in 1985 would be 4.8 TCF greater with the Pearson-Bentsen bill than with continued regulation. Under the Krueger bill, the difference in projected supplies is 4.1 TCF. The GAO report, which is not specific with respect to any new gas deregulation bill, assumes a 1.5 TCF supply differential in 1985.

FEA supply response estimates are based upon extrapolation of historical price-supply relationships to higher prices and into the future. GAO's estimates, on the other hand, are based largely on geological rather than economic considerations. According to GAO:

> Many studies have claimed that deregulation would reverse the trend of production decline. Such conclusions are based on the judgments on the price response to deregulation, the drilling rate response to higher wellhead prices, the amount of undiscovered resources, and the finding rates. These judgments are subject to great dispute. However, regardless of the differing judgments on these factors there is a reasonable consensus in both Government and industry regarding reserve additions required to achieve a particular level of production.
>
> * * * * *
>
> To maintain the current production rate of about 21 TCF requires an average annual reserve addition of about 23 TCF for the 11-year period 1975 to 1985, which is larger than what was observed over any prior 11-year period. On the basis of required reserve additions it would seem that maintaining existing levels of natural gas production would be very difficult, if not impossible.
>
> To achieve a reserve addition rate of 20 TCF per year (slightly larger than the average rate from 1955 to 1967) would necessitate the discovery of almost 15 TCF per year of new reservoirs for about 4 to 5 years, after which revisions and extensions to these new large finds could sustain the 20 TCF rate with a lower amount of new reservoir finds. Since new finds have averaged 4 TCF since 1969, such a possibility would imply the discovery of at least four or five large reservoirs or fields over the period with reserves on the order of 10 TCF apiece. The Gomez, West Texas, field is the only field 10 TCF or larger discovered over the same period. This would indicate there is very little likelihood of returning to a sustained 20 TCF reserve addition per year over the period 1975 to 1985.
>
> Undiscovered recoverable resources form the base for new finds of natural gas. Within

> the past year the U.S. Geological Survey has substantially reduced its estimates of this category for the lower 48. Formerly its estimates ranged from 715 to 1,415 TCF; today they range from 298 to 528 TCF. This reduction of undiscovered recoverable resources reduces the prospects for finding large amounts of additional new reserves in the lower 48.
>
> Industry believes that the best possibilities for larger finds in the lower 48 is the OCS. Areas currently under consideration are mostly covered by up to 200 meters of water. While this depth poses no serious technological difficulties for the extraction of natural gas, the recent failure to find exploitable reserves in the eastern Gulf of Mexico and off Newfoundland, coupled with the recent significant downward revisions of undiscovered resources on the OCS, have dampened the expectations of finding large amounts of gas on the OCS. (GAO, pp. 16–20).

MACROECONOMIC IMPACTS OF DEREGULATION

The above short- and long-term dollar costs of deregulation form the basis for simulating the effect of new gas deregulations on the overall economy. Chase Econometrics Associates was requested by the subcommittee staff to run their long-range—10-year—computer model of the U.S. economy with higher natural gas prices. The first year cost, derived by FEA, and longer-term GAO calculations were fed into the model. Resulting impacts, as forecasted by the model, are as follows—All changes are relative to continuation of present regulations, not relative to current economic conditions:

TABLE 2

[In percent]

	Real GNP (down)	Consumer Prices (up) percent	Unemployment rate (up)
1976	2.8	.8	.1
1977	8.4	1.1	.4
1978	8.9	1.2	.6
1979	7.7	1.4	.7
1980	10.7	1.5	.8
1981	12.7	1.6	1.0
1982	13.9	1.7	1.0
1983	14.6	1.8	1.1
1984	15.0	1.8	1.1

Projected dollar and macroeconomic costs of new gas deregulation would be somewhat lower under the Pearson-Bentsen proposal than under the Krueger bill. Greater costs attributable to the Krueger bill arise from:

First, a broader definition of new gas, which would include gas remaining after an existing contract expires. The Pearson-Bentsen bill keeps all old gas under price regulation.

The Krueger bill would deregulate any gas flowing from a well drilled after January 1, 1976. Pearson-Bentsen would not permit gas from reserves already discovered and dedicated to be sold at deregulated prices.

Second, equal passthrough of increased costs to all customers. The Pearson-Bentsen bill requires distributing companies to provide lower priced old gas to residential and small users on a priority basis, and thereby focuses higher costs of new gas onto lower priority industrial users. Congressman KRUEGER's bill would distribute higher cost gas evenly among all users. The potential result of this difference in the two bills is that pipelines under the Pearson-Bentsen plan would be more anxious to keep prices as low as possible on new gas, for fear that if too high a price is paid, industrial customers would switch from gas to other fuels.

It is not possible to quantify exactly how much higher or faster energy prices would rise under Congressman KRUEGER's proposed deregulation plan. Differences between Congressman KRUEGER's bill and the Senate-passed Pearson-Bentsen bill are considered by the FEA to lead to virtually the same wellhead price, but 0.7 TCF greater production rate in 1985 under the Senate bill. This higher production rate would lead to a net reduction of oil imports relative to the Krueger plan and a corresponding lower final cost to consumers.

The present average inter- and intrastate wellhead price for gas is about 44 cents per MCF. Under deregulation, this price will inevitably rise by at least a factor of four. Costs to natural gas consumers will double. During the 2 years following the oil embargo, wellhead oil prices also rose by a factor of four; the price at the gas pump doubled. According to the Brookings Institution:

> the quadrupling of oil prices was a major cause of the worst cost-push inflationary and recessionary period since the depression.

The impact of a four-fold increase in natural gas wellhead prices under deregulation may be nearly as painful as we saw for oil. Whereas oil represents 46 percent of U.S. energy consumption, natural gas is 31 percent. But, because industry—other than transportation—is proportionately more dependent upon natural gas than oil, gas price increases may have a larger direct effect on layoffs, corporate investment plans, and economic growth.

New gas deregulation will shift massive amounts of capital and economic power from other sectors of the economy into the natural gas producing sector. Present revenues to producers, at the current domestic production rate of 19.1 TCF, is $0.44/MCF times 19.1 TCF, or $8.4 billion. When all gas has reached FEA's $2.11 Btu equivalent price with oil, and assuming GAO's conservative 1985 domestic production rate of 17.3 TCF under deregulation, total revenues to natural gas producers would be $36.5 billion. This represents an eventual income transfer of $28 billion per year from consumers to gas producers. Contrast this with a 1-year $18 billion tax cut or last year's debate over sudden decontrol, which involved a potential $13 billion increase in producer revenues for old oil. Deregulation of natural gas has potentially twice the economic cost of sudden oil decontrol, and would effectively neutralize the present tax cut, if that cut were continued indefinitely.

The Brookings Institution, in a recent report on "Higher Oil Prices and the World Economy," raises further questions of economic policy in response to a large cost-push price increase for natural gas:

> In the short run, "cost push" factors can influence the rate of inflation and unemployment and thereby set in motion Government policies that may have lasting effects. When such external shocks as the rise in international oil prices or other cost push factors increase the rate of inflation, Government authorities are faced with a painful dilemma. If they do not accommodate cost push factors by letting aggregate nominal demand rise sufficiently, then real output will fall and unemployment will increase to the extent that other prices resist downward pressure. On the other hand, if these shocks are fully accommodated, forces may be set in motion which perpetuate and even increase the inflation rate. Should the rate of inflation accelerate, heavier costs in unemployment, lower output and forgone opportunities would eventually have to be incurred to bring it under control. For this reason it is important to examine the probable cost push pressures on prices over the near term. (page 31)

Relative to present expenditures for energy, an increase in total gas bills of $28 billion will cost each American an average of $127 per year. The average household would pay, either directly for heat or indirectly for higher cost goods and services, an extra $509 per year when gas prices reach an equivalence with oil. Inflation and unemployment are worsened as consumers will have less to spend on everything except natural gas. And further problems could plague our already troubled capital markets.

PROBLEMS IN A TRANSITION TOWARD FULL DEREGULATION

While the costs of deregulation, both in dollar and overall economic terms, are large, 2 weeks of hearings from January 20 to February 2 before the Subcommittee on Energy and Power raised serious questions about whether the transition period toward full deregulation—when all old contracts have expired—will be protracted and orderly, or sudden and disruptive.

The FEA, GAO, and other recent studies on the impacts of new gas deregulation assume that average wellhead prices will rise slowly because: First, new gas will sell at a price equivalence with oil; and second, new gas initially represents only a small proportion of flowing gas under long-term contract. The former assumption may have questionable basis in fact. These studies fail to recognize the possibility that contracts for new gas will initially be driven far above oil-equivalent prices. Pipelines, not final customers, buy from producers. Pipelines will bid against one another for new gas until prices rise enough to jeopardize demand from final customers. Pipeline companies will want to keep the average price of gas to customers below the price of oil substitutes in order to avoid reductions in final customer demand. But the price of new gas can, and in all likelihood will, go above the oil-equivalent price so long as old gas prices are below that equivalence. The higher that new gas prices are bid in the short run, the more quickly the average price of all gas approaches the longrun oil-equivalent price.

Example: A hypothetical pipeline now delivers 1 TCF of gas to its customers at the average interstate price of $0.35/MCF. In 1976, 10 percent of its contracts will expire, so 0.1 TCF of new gas contracts are sought. If the pipeline bid for, and obtained this amount of gas at a price of $5/MCF, the average price of gas in the pipeline would be: 90 percent at 0.35/MCF and 10 percent at $5/MCF equals $0.84/MCF.

This price is still well below the oil-equivalent price of $2.11 at which significant losses of customers would begin to jeopardize total pipeline deliveries—and revenues. In fact, the higher the price paid by a pipeline for its gas—all other things being equal—the higher are its permitted revenues. In the above example, pipelines paying $5 per MCF for new gas would drive the average price of all gas to a Btu equivalence with oil in less than 4 years. Again, such a sudden response to new gas deregulation is not inevitable—merely possible.

Little concern has been expressed over the very real possibility that the average wellhead price for gas could reach the $2/MCF level within 4 years or less. The structure of the natural gas industry would appear to facilitate a rapid price rise. Producers, certainly, will not discourage a bidding war among pipelines leading to higher prices. Pipelines are already being urged, particularly by their industrial customers, to pay any price required to insure future gas supplies. Distributors of gas have already demonstrated a willingness to pay $3.50 or more per MCF—the cost of synthetic gas now being produced. Last fall, New England Gas and Electric paid $5.60 per MCF to Algonquin for synthetic gas.

Producers anxious to get out of long-term contracts at low regulated prices will find many pipelines willing to renegotiate as an incentive to obtain needed new gas. Renegotiations of old contracts will also accelerate the rise in average gas prices.

Some experts argue that there is sufficient excess supply in the intrastate market to safeguard against any serious short-term prices above the $2.11 level. It is possible that as interstate prices are bid to this level, some intrastate customers will be willing to switch away from gas. But intrastate prices have already pushed through the $2 point in the past, and there is no proof that intrastate buyers would be unwilling to pay even higher prices in the future, given the premium nature of gas, its unique contribution to a variety of feedstock and processing applications, and the recent investments many companies have made in order to locate near a steady supply.

LEGISLATIVE OPTIONS

Absent revisions or appropriate court interpretations, both the Pearson-Bentsen and Krueger proposals would not foreclose new gas prices being bid up to inordinately high levels in the short term. Should this rapid escalation ensue, the consequences for both natural gas customers and the overall economy could be devastating.

Incremental pricing provisions in the Pearson-Bentsen bill, which require large industrial users to bear increases in new gas prices, provide a mechanism to restrain pipeline bidding. The threat of losing industrial customers will appear to pipelines at an earlier point in the deregulation process if the industrial submarket bears price increases first. In effect, incremental pricing provides a more economically efficient mechanism for coupling marginal cost—to the consumer—to marginal revenues to the producer.

Simply stated, the short-term problem associated with excessive new gas prices is the result of marginal revenues to producers being "blended" into the average cost to customers. The more accurately customers equate their marginal costs with marginal revenues to producers, the more efficient and orderly will be their conversion to substitute fuels. Even under the most effective incremental, or marginal, pricing scheme, a customer's short-term ability to convert to other fuels is limited. Hence the need for measures to insure that marginal revenues to producers rise slowly, perhaps over a 5-year period.

In addition to incremental provisions, other safeguards deserve careful consideration. A ceiling on new gas prices is one option. But a ceiling on new gas prices may be an insufficient measure to prevent rapid rises in average prices, because more attention might simply be placed on renegotiation of old supply contracts to higher prices. The result might be analogous to rent control, in which rents are low, but the supply shortage puts the owner in such a position that he can require the renter to pay, "under the table," a "key charge" of sizable magnitude before he signs his lease. If the FPC is given clear responsibility to prohibit suppliers from forcing pipelines to renegotiate old contracts, a ceiling on new gas prices might prove effective.

If a ceiling on the average, as opposed to the new price of gas, were imposed over the transition period, the results would be similar to the above case, but would leave the new gas price/old gas renegotiation decisions to each buyer and seller.

Ceilings on either new or average gas prices should be set to act as a shield, rather than a sword, against excessively high prices over the short term. A ceiling price, or price schedule, should be high enough to forestall only inordinately intense bidding or renegotiation pressures which may be sparked by new gas deregulation.

CONCLUSION

Major revision of the present natural gas regulatory system is now necessary. But the potential for sudden increases in natural gas prices under new gas deregulation proposals suggests the need for specific revisions to prohibit excessive new contract prices. Such provisions would insure a longer, more orderly transition toward deregulation. Economic impacts would be lessened as industrial and residential customers would have more time to plan their energy use patterns. A more gradual transfer of revenues to producers would probably have little negative effect on gas supplies, but would lessen considerably the economic dislocation associated with any sudden shift of income as may result from the Krueger, and to a lesser extent, the Pearson-Bentsen deregulation proposals.

Mrs. **SCHROEDER**. Mr. Chairman, I rise in support of the amendment in the form of a substitute offered by the gentleman from Texas (Mr. KRUEGER). I want to make two points.

First, the Krueger substitute has been criticized as being inartfully drawn as to the definition of "new" natural gas. The section containing this controversy is section 204. It reads as follows:

> Section 204.—This section sets forth the new definitions essential to application of the Natural Gas Act Amendments of 1975, the most important of which is that of "new natural gas." "New natural gas" is defined as:
>
> 1. Natural gas dedicated to interstate commerce for the first time on or after January 1, 1976. If an FPC certificate of public convience and necessity has been accepted by the seller prior to January 1, 1976, such gas shall be considered to have been dedicated to interstate commerce; conversely, if an FPC certificate of public convenience and necessity has not been accepted by the seller prior to January 1, 1976, such gas shall not be considered to have been dedicated to interstate commerce. Further, any natural gas sold by a producer in interstate commerce prior to the date of enactment hereof pursuant to limited certificates (five years or less) or temporary emergency contracts shall not be considered, for the purpose of this provision, as having been dedicated to interstate commerce.
>
> 2. Natural gas continued in interstate commerce after the expiration of a contract by its own terms (and not through the exercise of any power to terminate or renegotiate contained therein).
>
> 3. Natural gas produced from wells commenced on or after January 1, 1976.

The definition in this section is very important, as the purpose of the Krueger substitute is to promote new supplies of natural gas and not to pay higher prices for supplies already on line.

Three points in the definition in section 204 require explanation for the proper understanding of the House, although for all intents and purposes they are terms of art—repeatedly utilized by the Federal Power Commission—in setting interstate natural gas rates.

The points are: First, gas continuing to be sold in interstate commerce after the expiration of a contract; second, gas from new wells commenced after January 1, 1976; and third, what "dedicated" means. As to gas from expiring contracts, this is gas produced from fields which have been producing for a long period of time.

In this stage of the depletion cycle, it is frequently necessary to make additional expenditures of capital to continue the wells in production for a longer period. There are workover techniques which may be applied to these old wells, such as formation fracturing, to prolong the life of the field, if additional capital investments are made. In other cases, the installation of compression facilities which allow this gas to continue to be produced and inserted to a high pressure pipeline will frequently prolong the life of the field, and thus extend production. If the price received for this gas is held to the low levels allowed by the Federal Power Commission for "old" or "flowing" gas, the practical effect is that these wells will be abandoned, plugged, or continue production decline. The additional capital expendtures which could extend the life of the field will not be made because they are not economically feasible. Or, less likely, the FPC will recompute the field's rates up in hopes of encouraging a workover.

Even if this gas is deregulated, it is still the cheapest gas available in the country at the burner tip. While the producer's price will increase, there will be no additional cost in terms of pipeline or distribution company construction, which comprise over 80 percent of the total cost to the consumer. All of the investment has already been made in gathering and pipeline systems, and the lines are in place and operating. Any action which prolongs the producing life of the field which is already connected to such a system is much more economic from the standpoint of the overall price to the consumer, than higher prices for new gas fields, which will also require capital expenditures to construct pipeline and gathering systems—the 80 percent cost—to make them available.

Turning now to gas from new wells commenced after January 1, 1976, they must be classified as "new gas" to provide the stimulus for maximum development of the existing natural gas fields in this country. In 1974, half the natural gas being used in the United States came from only 2 percent of the gas fields in this country—very large basins that were found long ago. Deregulated prices would make feasible the drilling of infill wells—additional wells in already defined fields. Such wells offer a twofold benefit: First, they provide an immediate increase in deliverability and consequent increase in the supply of natural gas. Second, they offer the prospect of discovery of new reservoirs, by making it economic to drill to deeper depths in old fields.

A third term which requires definition is the word "dedicated". This word is more difficult and really impossible to define in a vacuum. But hardly a new term of art for natural gas regulation: Producers "dedicate" their natural gas reserves to interstate commerce before the Federal Power Commission all the time.

In this regard, the "dedication" is essentially decided on a case-by-case basis. The prime reason for this is that the Federal Power Commission takes so long to make up its mind on dedication, and producers even now can back out of a proposed interstate dedication before the FPC's final decision. As an FPC contract term—as Mr. Krueger uses it—it means what the FPC defines the term as—essentially, "Such an agreement that one can not change his or her mind without a law suit."

Mr. Chairman, the second point I wish to make in support of the Krueger amendment is why I support it when I am also tagged with the "consumer" and "liberal" labels. I obviously could jerk my knees on the basis of either label and oppose Mr. Krueger's proposal.

But the point remains that I also represent a State which produces a goodly amount of natural gas and oil. And I think everyone in my State—including its consumers and liberals—have been subsidizing the extravagant consumption of natural gas and oil by nonproducing States because of price regulation.

Many of these subsidies are hidden. For example, because the oil and gas industry does not have the prices available to justify exploration in possible, but expensive to explore, areas of Colorado, x number of drilling roughnecks, oil and gas lawyers, oil company stenographers, and the like, are not working. In addition, royalties are not being paid to the farmers who own lands which might produce productive reserves. Such items are hard to estimate, but they do exist and are a loss to Colorado's economy and gross income.

Other subsidies which the State pays are more obvious: With the passage of S. 622, the oil pricing bill, Colorado is now faced with an estimated $2 million in lost revenues for the next year which would have come from State oil severance taxes and State oil royalties. This $2 million will lower gasoline prices for drivers on the Eastern seaboard, but it is not going to mean that much to the State of Colorado's drivers when they face the cutbacks in social services which the $2 million shortfall might produce at a time the State is already groping for revenues. Neither will the $2 million in lost revenue help pay the unemployment benefits of the drilling crews we may find unemployed because $7.66 oil is not readily available for the finding in the State.

What passes for natural gas regulation in this country is in reality an imposed natural gas shortage which would make a Rube Goldberg contraption look like a model of logic and efficiency.

Because the Federal Power Commission has placed a below market level price on interstate natural gas, little new gas is being found from going to the interstate market. As a result of the shortage, natural gas users import liquified natural gas from Venezuela and Algeria at over $2.50 per thousand cubic feet, import OPEC oil as a natural gas substitute, freeze, shut down, or sit around dreaming up synthetic natural gas development schemes at double OPEC oil rates. The present situation creates inequities everywhere. It means, for example, that Colorado exports half its natural gas at interstate prices and then is required to make up the difference by importing—at OPEC prices—from Canadian supplies. It makes little sense to me to continue the status quo arrangement. I urge adoption of the Krueger substitute to the bill H.R. 9464.

Mr. DINGELL. Mr. Chairman, pursuant to permission granted I insert into the Record at this point an excellent editorial appearing in the New York Times of this date on H.R. 9464 and the Krueger amendment thereto:

Gas Deregulation

> Long before the energy crisis the debate over deregulation of natural gas prices raged stormily, stirring high emotions, demogogueries and mutual deceptions, and with literally billions of dollars at stake. Abruptly and with scarcely a pretense of proper parliamentary procedures, this two-decade debate all but expired yesterday—to the clear elation of the gas industry.
>
> The stage now seems set to accomplish deregulation in the House of Representatives today through crude maneuvers of the same type that marked rush passage of a companion measure in the Senate last October. Speaker Albert, whose Oklahoma district has certain affinities to the gas industry, arranged for rapid consideration of the House bill even before the responsible committee had finished its work on a comprehensive piece of legislation.
>
> The strongest argument for deregulation is that for many years the Federal Power Commission imposed artificially low price ceilings on the natural gas that flows through interstate pipelines. Few energy experts would dispute that natural gas is a premium fuel, not to be wasted on industrial or home uses for which oil or coal could do just as well. Yet the low regulated price deprived gas customers of incentive to convert and thus save the dwindling supplies of natural gas for its best and most beneficial petrochemical uses.
>
> But there are flaws in extension of this argument to prove that letting the price rise in response to supply-and-demand factors would straighten everything out. The reality is that there is no more of a "free market" in gas production and supply than there is in international oil. Though the gas producers and the pipeline companies do not form as tidy a cartel as the Organization of Petroleum Exporting Countries, they have the clear capacity to nudge their prices to whatever level they deem necessary for their own benefit. How much of the recent shortages have been real and how much contrived, in expectation of future higher prices, has been—and will be—hotly debated.
>
> Given the unfortunate desirability of higher gas prices, it was odd that rational alternatives to deregulation never made much headway. The F.P.C.'s regulated price hikes since 1968 were dismissed by the industry as too complicated to do any good. An ingenious formula for linking the prices of oil and natural gas under composite regulation was defeated in the Senate, though the principle could well be revived once the heat of the basic deregulation debate fades.
>
> If Congress scraps regulation, legislative and executive bodies will have to maintain the closest of scrutiny over the gas industry as controls phase out, to limit windfall profits and insure that the industry's new-found revenues are utilized for widest public benefit.

Mr. BUCHANAN. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Texas (Mr. Krueger). In my judgment, it offers the incentive needed to insure that our homes, schools, hospitals, and factories will be able to meet their energy requirements in the future.

We have not had gas shortages in recent years because of a relatively beneficent weatherman. But as those of my colleagues who watch the evening weather reports can attest, you just cannot count on the weatherman, and even one harsh winter could create a crisis.

During a recent meeting with the members of the Alabama congressional delegation, Peter Smith, executive vice president of Southern Natural Gas Co. in Birmingham, made a particularly good case for this amendment.

In calling for deregulation to provide the necessary incentives to further gas exploration, Mr. Smith said, and I quote:

> The fact that incentives do work is illustrated in the unregulated intrastate market where there is significant drilling activity occurring—

Because gas in the intrastate market is selling at wellhead prices of approximately $2 per thousand cubic feet as compared to the interstate market cost of approximately 52 cents per thousand cubic feet.

There is little question that the cost of deregulated gas will rise, but, as Mr. Smith so aptly noted, we must look at the alternatives. He said:

> Today the average cost per million Btu at the residence for competitive home heating in Alabama is: natural gas—$1.70; fuel oil—$2.84; electricity—$9.50. In 1985, assuming natural gas is deregulated in 1976, these costs are estimated to be: natural gas—$3.96; fuel oil—$5.30; and electricity—$21.74.

I will request permission to submit Mr. Smith's entire statement for the Record.

In addition to the issues raised in his statement, there is another provision of the committee bill which gives me substantial concern. In the committee version of H.R. 9464, we are seeking to remedy an energy shortage in the Northeast through the "distressed interstate pipelines" provisions. I am concerned, however, that the outcome of this legislation will not be a solution to the problem, but a shifting of the problem from one segment of the country to another.

There is little doubt, in my judgment, that the "distressed" companies will seek to contract for as much gas for as long a period as possible to avoid the possibility of future shortages in their areas. Thus, those nondistressed companies will be competing in an even more limited market.

As a recent GAO report on gas deregulation noted, natural gas is likely to decline in the future and, while deregulation could slow down that decline, those companies excluded from the contracting process for the next year and a half would be placed at a distinct disadvantage.

For these reasons, I urge the adoption of this amendment.

The material follows:

Deregulation of New Natural Gas

(Statement presented before the Alabama Congressional delegation on behalf of Associated Industries of Alabama by Peter G. Smith, Executive Vice President, Southern Natural Gas Co., Birmingham, Ala.)

AIA urges you to support the Krueger bill (H.R. 10480) for deregulation of new natural gas.

In 1972, and each year thereafter, AIA has appeared before members of the Alabama Congressional Delegation and called to your attention that our nation and our state are facing a natural gas shortage. The shortage has steadily grown worse.

This alarming trend continues in 1976. The predominant reason for this shortage was summed up by Senator John Tunney of California, in recent remarks printed in the Congressional Record. Senator Tunney said ". . . For years, the plodding bureaucracy of the Federal Power Commission has discouraged supply by artificially depressing the interstate price of natural gas." It is not often that this group can agree with Senator Tunney; however, on this issue, we are in accord.

Natural gas is a preferred energy source. It is generally, and properly, referred to as a "premium fuel" and the "cleanest form of energy". It is delivered through the most efficient and environmentally compatible energy transportation system available—an underground pipeline network which is a genuine national asset.

But gas production is declining—has done so far several years—and there is an increasingly serious supply-demand imbalance.

We firmly believe that it is unnecessary that this natural gas shortage continue or worsen. There are those who contend that our gas reserves cannot be expanded, regardless of economic incentives. We do not accept this premise.

Potentially, adequate new gas reserves are available. The most comprehensive estimate of future gas reserves is the study made in 1975 by the U.S. Geological Survey which places undiscovered and known gas reserves in the range of approximately 760–1,100 trillion cubic feet. At the 1974 production level, this is equivalent to 36–51 years supply.

But if these gas reserves are going to be developed, we will have to have a long-term substantially expanded exploratory effort. And that will only be forthcoming if there are realistic economic incentives. The fact that incentives do work is illustrated in the unregulated intrastate market where there is significant drilling activity occurring because gas in the intrastate market is selling at wellhead prices around $2 per Mcf (thousand cubic feet). Conversely, the FPC-allowed national area rate for gas committed to the regulated interstate market is only 52 cents per Mcf. The economically logical way to provide the necessary incentive to encourage new gas exploration is to remove Federal Power Commission regulation of new gas prices at the wellhead, i.e., deregulate new—I emphasize "NEW"—natural gas wellhead prices.

Deregulation is going to raise the cost of new gas—no doubt about it. You can see all kinds of figures—and the more poorly informed the source, the scarier they look. Gentlemen, informed sources estimate that deregulation would increase consumer gas bills by only about 6% a year over 1975 prices beginning with 1976 if deregulation is adopted in the near future. This 6% represents an approximate $10 increase to the residential gas consumers' annual bill of $170 (1974 national average). Another way to look at the impact of deregulation on the consumer is to consider the alternative. Today, the average cost per million Btu at the residence for competitive home heating in Alabama is natural gas—$1.70; fuel oil—$2.84; electricity—$9.50. In 1985, assuming natural gas is deregulated in 1976, these costs are estimated to be: natural gas—$3.96; fuel oil—$5.30; electricity—$21.74.

And when more gas becomes available because of deregulation, we will save the export of dollars and the adverse effects of resulting balance-of-payments deficits, by having the gas instead of having to import its energy equivalent in oil.

Some opponents of deregulation have suggested that the natural gas shortage was contrived for the purpose of persuading Congress to act favorably on deregulation. This notion that vast reserves have been "shut-in" or "hidden" from the marketplace in expectation of higher unregulated prices cannot survive the careful scrutiny of either economists or Federal regulatory agencies. The argument that there is a contrived shortage just simply is not true. If any of these instant experts, such as the Library of Congress or Jack Anderson, know about any gas that can be bought, believe me Southern Natural is ready to do business.

As you know, the House Rules Committee, in action shortly before Congress adjourned, reported out H.R. 9464 by Representative Dingell of Michigan with a rule that will permit floor consideration of H.R. 10480 by Representative Krueger of Texas as a substitute for H.R. 9464. We are firmly convinced that the Kreuger deregulation bill (H.R. 10480) is in the best interests of the gas consumers in Alabama.

A short-term bill, such as the Dingell bill (H.R. 9464), will not produce the required increased exploratory effort or alleviate the natural gas shortage situation.

We must take steps now to encourage a long-term substantially expanded exploratory effort for new natural gas reserves in the United States. The problem is not simply related to this winter or next winter; it is a long-term problem for the millions and millions of residential, commercial and industrial users of natural gas in the United States.[1] So far this winter we have escaped a serious natural gas shortage only because the weatherman has taken good care of us. But we cannot rely on the weatherman to continue to provide relatively moderate winter weather in future years, and we cannot wait until a severe winter causes thousands of people to be without heat and jobs; we must take steps now to provide for an adequate future natural gas supply for U.S. consumers.

Businessmen simply will not commit to spend the vast amounts of capital that will be required for an accelerated exploratory program if the price of newly discovered natural gas is held at ¼ of the price of oil and ½ the price of coal—and that is exactly the type of situation that exists today. [The price authorized by the Federal Power Commission for newly discovered natural gas (52¢ per thousand cubic feet) is equivalent, on a Btu basis, to only about $3 per barrel of oil or $10 per ton of coal.] This type of a result simply does not make sense, particularly if our country is serious in its efforts to reduce our reliance on imports and become more energy self-sufficient.

To get more gas you have to drill more wells, it's as simple as that.

I am sure each of you knows that the energy shortage is genuine and that something must be done to alleviate the problem. We sincerely believe that passage of the Krueger deregulation bill will be a major step in producing this result. Accordingly, your support for the Krueger substitute (H.R. 10480) will be in the best interests of the natural gas consumers in Alabama.

Mr. ARCHER. Mr. Chairman, our Nation can no longer afford an artificially low price for natural gas. Today, the choice is either supporting the profits of foreign cartels or paying the fair market price to U.S. businessmen in order to expand the ever-dwindling domestic supply of natural gas.

I would like to share with my colleagues the opinions of several newspaper editors from different parts of the Nation. They have reviewed the many aspects of the natural gas shortage, and they all agree that if the United States is to continue to have the energy necessary to keep its economy expanding, its people in jobs, and its homes heated—natural gas must be deregulated.

St. Louis Globe Democrat, August 30, 1975, "Natural Gas Shortage Is Real":

> A recent article in the widely-read national magazine, Reader's Digest, suggested that the nation's big energy companies have created a phony natural gas shortage as a means of forcing Congress to vote for deregulation of the price of natural gas.
>
> This is the kind of wishful thinking that some members of Congress have used for years to avoid facing the reality that the nation truly is in the grips of a critical shortage of natural gas.
>
> Members of Congress should stop shoving this serious energy problem under the rug and take steps to start increasing the nation's natural gas supply.

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[1] More homes are heated with natural gas—over 33,000,000—than any other fuel; and natural gas supplies over 50% of the energy used by U.S. industry.

> Regulation at the wellhead of the price of natural gas sold interstate has brought on the critical shortage. It has stifled interstate shipment of natural gas as suppliers put more emphasis on selling in intrastate markets where the free market governs the price.
>
> Natural gas has been regulated by the Federal Power Commission since 1954 with disastrous results. It is time to lift these controls that discourage production and interstate shipment of natural gas.

Denver Post, August 20, 1975, "No Easy Solution to Natural Gas Problem":

> Natural gas reserves have been falling increasingly short of demand for several years. The basic dilemma is that for 20 years the Federal Power Commission has kept gas prices artificially low and firms are reluctant to drill when there isn't any profit for them.
>
> Public Service, and other natural gas suppliers throughout the country, thus have faced the question of how to ration a growing shortage.
>
> One way is to interrupt supplies to industry at times of heavy wintertime peak usage—and this is being done. Another is to place a limit on the number of new taps (for new houses) to be issued.
>
> What would citizens of Denver say if PSCo. gave out so many gas taps next year that a severe cold spell resulted in a freeze-up of the whole community? The cost would be fantastic. No one, therefore, can quarrel with the utility firm's careful posture.
>
> But one can understand the home builders' deep concerns for long term planning, for protection of jobs and for keeping the community supplied with a steady supply of new housing.
>
> The National Association of Home Builders in Washington says it strongly supports the bill to Congress to deregulate gas. This is wise because it is apparent that deregulation is the only way the nation can provide the incentive to get more gas wells drilled and to assure a continued push for synthetic alternatives. The National Association also is pushing research into solar heating because such systems are an integral part of home construction.
>
> One can be sure that the pinch on natural gas supply will continue until prices are realistic enough to bring about either more production or viable alternatives. And the unrealistic low price can back up on the alternatives.
>
> If natural gas is kept at an unrealistic price, that keeps the researchers in solar power shooting at unrealistic (for them) economic targets. If U.S. natural gas were allowed to rise to world levels, solar projects would become economically competitive that much sooner.
>
> We understand the home builders' problems. If they can be given a more precise picture of the gas outlook we'd like to see it. But in light of the hangup in Washington on deregulation it may be several years before the change in policy will reflect a real increase in gas drilling and production from new sources.

Boston Herald American, September 2, 1975, "Decontrolling Natural Gas":

> The looming wintertime shortage of natural gas in the chillier states and in areas where it is a major source of energy for industries may be eased by the program advanced by President Ford. He proposes to end price controls so that interstate pipeline operators can pay higher prices to producers to bid the fuel away from the uncontrolled intra-state markets.
>
> Faced with the prospect of having many industries either close down or curtail their operations, thus adding to unemployment, governors of the affected states have almost unanimously endorsed the President's plan to de-control prices on natural gas, at least on a temporary basis. Previously, many of those governors had been strong advocates of control.
>
> Here again is a dramatic demonstration of the fact that price controls cannot and will not work. A return to the free competitive market may solve what was promising to be a severe crisis. Now if controls can be left off permanently, it will encourage the exploration of new wells, urgently needed to serve an expanding economy.

Mr. McCOLLISTER. Mr. Chairman, I wish to join many of my colleagues in urging support for the Krueger amendment to H.R. 9464.

We have been lucky this winter. Some areas of the country had several weeks of unseasonally warm weather that kept us from facing the reality of extreme natural gas shortages. But this luck simply cannot last. We cannot continue to consume more natural gas than is produced without eventually suffering from shortages. And we cannot expect to raise our production levels without providing more capital for exploration and drilling. The artificially low interstate prices for natural gas do not provide the incentives to risk the costs of exploration and drilling, and one day the States relying on interstate gas will not be able to buy it at any price.

We are not protecting any consumer by holding down natural gas prices. If we allow incremental pricing to keep the prices low for residential consumers, we will see commercial users turning to other fuel sources for an assured supply of fuel at the same high costs—leaving the burden of the higher priced gas on the residential consumers anyway. If the price is kept low for both residential and commercial consumers, then they will have no incentive to conserve this precious fuel and will inevitably be faced with severe shortages.

It is time to return to a free market. The proposed gradual deregulation of the wellhead price of natural gas will have a small impact on the consumer. We are only talking about 20 percent of the consumer's final cost when we speak of the wellhead price. And this small segment will not suddenly soar to higher amounts, but rise gradually over a period of several years. When free enterprise takes over, supply and demand will regulate the cost of this fuel far better than the government has.

We have heard here that some States are losing some of their industries to the natural gas producing States. These industries have recognized that soon they will not be able to obtain the necessary natural gas on the interstate market with the current regulations. We should be able to see that as well as they do.

Mr. LAGOMARSINO. Mr. Chairman, the issue of decontrolling natural gas prices is finally being heard in this body after lying virtually dormant in the House Energy and Power Subcommittee for 2 years. During that time, some of the opponents of decontrol on this subcommittee have claimed the reason for their inaction has been to protect consumers from being "ripped off" by the major oil and gas companies. Considering the low esteem much of the public has for most of the energy producers in this country this argument undoubtedly has much appeal. But emotionalism is not an adequate substitute for sound reasoning. I believe after we have had a chance to rationally examine the question—an opportunity which has been denied the full House until today—I am sure that most American consumers will conclude that decontrol is necessary to insure continued supplies of natural gas at prices comparable to current rates.

The Members of the House are being asked to vote yes or no on the Krueger amendment, which would decontrol prices on new onshore gas while continuing controls on offshore gas for another 5 years. Opponents of this measure have predicted that if it is enacted utility rates for residential users will increase by as much as 50 percent almost overnight. Nothing could be further from the truth. The wellhead price of natural gas, which is what we are decontrolling, constitutes only one-fifth to one-fourth of the cost paid by consumers. The remainder is comprised of transportation and distribution costs, which we fixed. Taking a hypothetical case, suppose a $1 million pipeline is built to transport 1 billion cubic feet of gas annually and suppose the annual cost of owning, operating, and maintaining that pipeline is $200,000.

Under these conditions, it would cost 20 cents to transport 1,000 cubic feet of gas if the pipeline is being fully used. But, if the gas supply declines to half the original volume the fixed costs of maintaining the pipeline still remain the same and as a result transportation costs per 1,000 cubic feet will be doubled. This is what is happening under the present pricing policies. Gas production is declining. Hundreds o fmillions of dollars' worth of gas facilities are now partially idled. Consumer costs will continue to rise unless these pipelines start being fully used. Decontrolling the price of gas will stimulate production which will start the flow of gas through these pipelines.

A second important point to remember is that as a practical matter the Krueger amendment only decontrols the price of new gas. The price of old gas will remain at its current level since it is being delivered under long-term, fixed-price contracts which will last for another 5 to 20 years. On the average, about 7 percent of these gas contracts will expire each year. This means new uncontrolled gas will be gradually blended in with old gas thereby lessening any immediate price increase to consumers.

On the average, residential users can expect their utility bills to rise by only 5 to 10 percent as a result of decontrol and this increase probably will not surface for 2 or 3 years. The Federal Energy Administration has estimated that the yearly increase for most households will be about $10 in 1976. By 1980, the Federal Power Commission predicts the cost per household will be no more than $9 in constant dollars. For Californians, the rate increase will be even less notable. Two-thirds of the natural gas northern California households use is already decontrolled, so the impact of decontrolling the remainder will be reduced by two-thirds.

Furthermore, under present California Public Utility Commission regulations, prices for industrial and commercial users would have to increase by 25 percent or more before rates for most residential units could be increased.

For Californians and other natural gas users across the country, the alternative more costly. For instance Canada, which supplies a large share of the natural gas used in California has said that beginning next year it will raise gas prices to a level comparable to what the Arabs are charging for oil. This would increase gas prices from the present rate of $1.60 per 1,000 Btu to $2.65 per 1,000 Btu's. Other gas supplies which used to flow continuously from such States as Texas to southern California are now being sold to buyers within that State.

By selling his gas on the unregulated intrastate market, a Texas producer receives two or three times as much as he would get from selling to southern Californians. As a result, industrial plants cannot get gas and are forced to switch to oil, a much more expensive fuel, to make up their energy needs. These costs in turn are passed to consumers. Besides costing more, fuel oil throws more pollutants into the air making it that much more difficult for southern Californians to breathe clean air. Natural gas is a much cleaner fuel than any of its substitutes. Liquid natural gas, proposed to be imported from Indonesia, will be much more expensive.

Clearly, a majority of the House must decide in favor of the Krueger amendment. For 23 years the price of natural gas has been held at an artificially low level. As a result, it is now economically unfeasible for producers to explore and develop new gas reserves. If production is allowed to continue to decline, the shortages will grow worse every year, industries will shut down in greater numbers, and more and more Americans will be out of work. For many industries and for many agricultural uses, there are no adequate substitutes. The opponents to the Krueger amendment are advocating false economy in their zeal to protect consumers from the small price increase which will result from this measure. The energy shortages resulting from continued Federal price regulation will have to be made up by importing much more expensive foreign oil from the Arabs, thereby increasing our dependence on them even more while seriously hampering our attempts to maintain our present balance-of-trade surplus. All of this can be avoided by allowing prices to rise enough to encourage increased domestic production. This action will guarantee sufficient supplies of natural gas in the future at a price Americans can afford. I believe this is a much better alternative than having no gas at all. I urge my colleagues to join me in voting for the Krueger amendment.

Mr. DINGELL. Mr. Chairman, pursuant to permission granted, I insert into the RECORD at this point a series of explanations of the amendment offered by my distinguished friend from Iowa (Mr. SMITH).

I heartily endorse the amendment and urge my colleagues to vote for it.

The material follows:

FACTSHEET: INDEPENDENT PRODUCER DEREGULATION PROPOSAL OF NEAL SMITH

An "independent producer" is defined as a person whose total marketed production of natural gas (including the total marketed production of any affiliate) does not exceed 100 million Mcf per year. The 100 million Mcf dividing line excludes the largest 20–25 natural gas producers, along with their producing affiliates and the affiliates of pipeline and distribution companies, from the category of independent producers.

Deregulation of independent producers under this definition would result in continued Federal regulation, based upon new regulatory standards, including prospective costs and incentives to encourage increased exploration and development, especially of high-cost areas and deeper reservoirs, of 70 to 75% of interstate natural gas production. Natural gas production of the approximately 3,500 to 7,000 independent producers who control approximately 25 to 30% of the natural gas supplied to the interstate market would be exempted from the Federal price regulation.

Although the "majors" control only 70% of production, concerns have arisen regarding the competitive impact of deregulation because the concentration of new natural gas reserve additions in the very largest firms, the top 8 producers, in specific areas have exceeded 95% of the reserve additions in the area. This indicates that the future trend of natural gas production is likely to be toward greater concentration and greater oligopoly power because the very greatest firms are controlling on an increasing basis the new reserves from which future production will come.

Testimony by independent producers has indicated that independent producer activities are significant with respect to exploration for new natural gas supplies onshore. However, the major natural gas producers dominate almost totally Outer Continental Shelf exploration and development. Unfortunately, U.S. Geological Survey projections of future discoverable domestic natural gas resources indicate that the great bulk of undiscovered natural gas resources are located on the Outer Continental Shelf.

The Federal Energy Administration in the Natural Gas Deregulation Analysis Technical Report (FEA 76–3), dated January 23, 1976, indicates that natural gas production from the Outer Continental Shelf during at least the next decade is not responsive to price increases because constraints on increased production not related to price limit the capability of Outer Continental Shelf production to respond to price increases. These non-price constraints include the rate of Federal leasing, environmental constraints on OCS development, etc. This factor, the long lead times involved in development of OCS lands as well as the unique character of OCS as a public resource for which the Federal government is trustee is implicitly recognized in the Krueger proposal as the basis for continued regulation of OCS production for the next 5 years.

The distinction made between onshore and offshore production by the Krueger proposal is, however, both unworkable and anti-competitive. The present division between interstate and intrastate markets has resulted in the division of new natural gas supplies to the unregulated intrastate market. Similarly, regulation of only the offshore would be likely to result in a diversion of exploration and development efforts and investment in natural gas production from the OCS to onshore prospects. Such a diversion would be counter-productive to encouraging exploration and development of those regions which hold the greatest prospects for substantial supplies of new natural gas. In addition, the onshore-offshore distinction would discourage the increased participation by independent producers in development of the OCS.

A distinction drawn upon the difference in size of producers, *i.e.*, continuing regulation for the majors and deregulating production by independent producers would have substantial pro-competitive impacts. The major oil companies are committed to a certain level of exploration and development which will continue under modified regulation. Indeed, to the extent that Federal regulation uses prospective costs and permits incentives to encourage expanded exploration and development the exploration and development efforts of the major natural gas producers on the OCS are likely to be increased. It should be remembered that the investment decisions of the major natural gas producers are to a large measure characterized by utility-type decision-making. Therefore, continued regulation of the major producers would not produce incentives to their abandoning the OCS in favor of an unregulated onshore.

Deregulation of independent producers would focus the incentive for expanded exploration for hard-to-find supplies of onshore natural gas on the class of producers who have traditionally played the more significant role in development of those onshore supplies.

Deregulation of independent producers might enable independents to increase in size and thereby increase their ability to compete with major producers. Deregulation of independent producers would provide independents with a new source of capital not otherwise available to them. In this respect, major producers enjoy access to capital from other sources unavailable to independent producers, and, therefore, the continued regulation of major producers is not a significant limitation on their ability to attract the capital necessary for natural gas exploration and development. Finally, deregulation of independent producers would encourage and expand participation in OCS development.

Deregulation of the independent producers would have significant administrative and regulatory benefits. By limiting regulation to the largest 20–25 producers the burden of the Federal Power Commission would be greatly reduced. The major producers have similar costs; incur similar risks; enjoy similar diversification, which tends to reduce their risks; possess similar corporate structure; and have like capital requirements. Therefore, continued regulation of only the 20–25 largest producers would reduce the number of regulated producers to a level which could be regulated on a more rational and responsive basis than is currently possible, while retaining price surveillance over the bulk of the natural gas supply.

PROPOSAL OF NEAL SMITH: INDEPENDENT PRODUCER DEREGULATION LEGAL CONSIDERATIONS

Any legislation which segregates similar persons into two classes is subject to charges of discrimination or unfair treatment, unless the classification is reasonable. *McLaughlin* v. *State of Florida* 379 U.S. 184, 191 (1964). However, there can be no doubt of Congressional authority to enact legislation necessary to regulate the interstate natural gas industry, pursuant to the commerce clause. *F.P.C.* v. *Natural Gas Pipeline Co.* 315 U.S. 575, 582 (1942). Furthermore, this authority to regulate interstate and foreign commerce is complete in itself and may be exercised to its utmost extent. There is no requirement that the classes created by Congress in exercise of its commerce clause powers must be uniform. *Currin* v. *Wallace* 306 U.S. 1, 13–14 (1939), *Sunshine Anthracite Coal Co.* v. *Adkins* 310 U.S. 381, 401 (1940). The courts give to Congress the widest possible discretion in choosing which aspects of a problem to regulate and which ones to exempt. On judicial review, Congressional classification is given the benefit of every conceivable circumstance which might suffice to characterize it as reasonable rather than arbitrary and invidious. *McLaughlin* v. *State of Florida, supra.*

The exemption of small producers is not vulnerable to the charge that it is "arbitrary", for there is substantial justification for such an exemption. Regulatory distinctions between large and small producers have been approved even without specific legislation. As the Court of Appeals said, while overturning Order No. 428, *Texaco* v. *F.P.C.* 474 F. 2d 416, 430–431 (D.C. Cir., 1972), reviewed and remanded No. 72–1490 (slip opinion issued June 10, 1974):

> "All this is not to say that a proper regulatory determination, within the letter and spirit of the Natural Gas Act, could not set a just and reasonable rate for small producers higher than that for large producers. Given the special problems and practices of small producers, such a result is certainly conceivable."

The justification for such a distinction having already been judicially noticed, the proposed legislative classification stands little chance of being deemed so arbitrary as to be violative of due process. See also *F.P.C.* v. *Hunt* 376 U.S. 515 (1964).

Further, one of the basic purposes of the proposed legislation is to induce more competition in the oil and gas industry. The Department of Justice and the courts have always looked upon fringe competitors as being of great importance in maintaining some competition in markets which are oligopolistic or otherwise heavily concentrated. The Supreme Court first recognized this fact in *U.S.* v. *Aluminum Co. of America* 377 U.S. 271 (1964). The Court felt that where an oligopoly develops:

> ". . . The greater is the likelihood that parallel policies of mutual advantage, not competition, will emerge. *That tendency may well be thwarted by the presence of small but significant competitors.*" (Emphasis supplied)

Thus, the Court has recognized the importance of small competitors, as a separate class, in the efforts to keep an industry competitive.

Thus, the courts have always strived to maintain the small, independent company, as a protected class, to be a competitive force in heavily concentrated industries. The role of this small competitor is highly important: to thwart tendencies toward mutual cooperation among the industry leaders.

Another line of cases deals with the horizontal mergers of firms with a relatively small market share in markets which are not highly concentrated, but which have a strong tendency toward concentration. These cases show the important role of the small company as a brake against concentration.

In conclusion, the Court has recognized two important roles for the small company:

(1) as a fringe competitor, thwarting the tendency toward cooperation among the industry leaders, and

(2) as a brake against concentration.

These are reasons for treating small companies as a separate, protected class in the efforts to preserve competitive markets that would justify the proposed legislation.

Proposal of Neal Smith: Independent Producer Deregulation Economic and Competitive Considerations

The gas producer market in the United States is dominated by a small number of very large companies. These control the bulk of the country's oil industry.

If "large producers" are defined as companies with annual production exceeding 100 million Mcf of gas, there were 24 companies of that size in 1972. These few companies accounted for 65.7 percent of total national production in that year, while the remaining gas producing companies, probably numbering over 5,000 companies, accounted for 34.3 percent. Continued regulation of the 24 "large producers," together with their affiliated companies and the producing divisions and subsidiaries of interstate pipelines, it is estimated would continue Federal regulation over 75.6% of total interstate natural gas production.

The market position of the very large oil and gas producing companies has become a matter of grave public concern during the recent period of supply shortages. All of them are involved in numerous joint drilling ventures, joint bidding consortia, lease farmouts, and other anti-competitive relationships which negate the incentives for price competition. As a result, they share a community of interest in avoiding inter-firm rivalry to bring their products to the market at the lowest possible price. This proposal meets this problem, insofar as the interstate market for natural gas is concerned, by keeping the very large companies under a modified form of regulation.

To the extent that there is a potential for workable competition among gas producers, it is limited to the small producer sector of the market. While there are some who believe that the best way to inject more competition into the industry is to use the anti-trust laws to break up the vertically integrated petroleum companies and prohibit joint ventures and similar anti-competitive arrangements, such a solution is, at best, a long-term remedy. A more promising approach for the immediate future is to take positive steps to strengthen the position of small producers so that they will be able to make inroads on the market share of the very large gas producers. This can be done by exempting small producers from price regulation.

In today's market, taking the small firms out from under price ceiling regulation will add substantially to their revenues, since the regulated prices of gas are below prevailing market prices. This will make more capital available to small producers and place them in a better position to expand their exploratory programs and acquire leases independently of large producers. They will also have the economic incentive of a higher price to accelerate their current drilling efforts and market the out put as early as possible. The prospect that next year's regulated prices will be higher than this year's will not influence their operations—indeed, the unregulated market price on sales by small producers may prove to be higher in the short run than over the long term because of the huge backlog of unsatisfied demand at present. Furthermore, with greatly improved profit opportunities for small producers, many new entrants will be attracted to the industry. This will place added competitive pressure on the large producers to increase their production in order to protect their share of the market.

Proposal of Neal Smith: Independent Producer Exemption Regulatory Simplification and Workability

Regulation limited to large producers would have substantial administrative, procedural, and economic advantages over the present system of regulation. It would no longer be necessary for the Commission to base its cost findings on outside data, mainly unaudited statistics from industry sources. Instead, the Commission would be able to use data compiled from regular reports filed by the large producers and subject to audit by the Commission's staff. Having access to company records on drilling and other operating and capital costs and on reserves, the Commission could do a more effective job of rate regulation based on prospective costs including reasonable profits. Similarly, it would be feasible for the Commission to monitor the performance of the regulated companies and use its regulatory authority to stimulate improved performance, through incentive pricing.

The Commission would have the option of group ratemaking, individual company rate regulation, or a combination of the two. Group ratemaking for large producers would not have the infirmities of a national rate for all producers, such as the national rate recently established in Opinion No. 699. A group rate applied to large producers, each having geographically diversified operations and huge financial resources, is more equitable than a national rate applied to thousands of dissimilar companies, mostly very small operators with limited ability to spread their risks or withstand losses. If a group rate was established for large producers, the individual companies would each have an incentive to improve their efficiency over group average and, thus, earn more than average profits.

Under individual company rate regulation, the Commission would be able to evaluate each company's costs and return requirements and set rates which avoid unjustified windfalls. Careful consideration could be given to any special circumstances or requirements of individual companies. With 20 to 25 producers to regulate, the Commission's case load would be more management than the present Commission involvement in cumbersome and costly national rate rulemakings plus a steady flow of optional certificate, limited term certificate, and special relief cases.

Mr. DON H. CLAUSEN. Mr. Chairman, this week we have the opportunity to make a choice for our constituents which has the potential for insuring them a more stable and secure energy supply and a more productive economy than they have experienced for years. The Members of this House also have the opportunity for making a short sighted, politically attractive choice, much like they did on the Energy Conservation and Oil Policy Act last summer.

Whatever the choice, we must recognize that it is simply unfair to the American people to continue to have pro and con discussions and more procrastinations, and it is imperative that we put aside the rhetoric and the petty partisanship and get down to the business of working out a realistic and reasonable approach to deregulation of natural gas.

Quite frankly, I believe we are at a crossroads—we have a decision to make which will affect generations to come and I want to go on record as strongly supporting a policy which will assure us a supply of energy in the future which is not vulnerable to an international embargo and which will prevent massive job layoffs because our industries have no fuel on which to run. The only realistic policy before this House is that of gradual decontrol.

If we continue to regulate the price of natural gas the cost to the consumer will still gradually increase year by year. And, simple economics tells us that to continue artifically low prices will also continue increased demands and decreased supplies. Our natural gas reserves are finite, and unless we can encourage, instead of continuing to discourage, the discovery of new sources, we will run out before it is really necessary.

Without a continuing supply of gas in the future the costs will be monumental. The residential consumer will be unable to obtain gas. Homes now heated by this cheap energy will experience cutoffs and rationing in the years to come. New homes will not even be able to obtain gas hookups and will have to depend on electricity, oil, and coal for heating. Dependence on oil will not only make us more and more vulnerable to international embargo, it will further deplete our balance of payments.

The industrial consumer already knows the cost—many have already experienced gas curtailments this past year, and have more to look forward to. Translate this and it means job layoffs, higher costs for conusmer goods, and market shortages of agricultural products. Continued regulation is simply an antijobs approach which will further depress our economy.

There is one major factor associated with deregulation—a short-term price increase for natural gas. But let us be honest in assessing this cost. It will represent a projected 6-percent increase in the average home utility bill next year and no more than 4.6 to 7.9 percent, thereafter. Deregulation of natural gas is uniquely spared from wild inflationary spirals by the simple fact that contracts for supply are usually long term—so that the prices which would be paid for new gas under deregulation will only amount to roughly 10 percent of the total gas supply each year through 1985. The cost increase of the new gas will be rolled in with the lower cost of the old gas, and will result in a gradual increase in cost to the consumer.

Deregulation will provide incentives for future gas discoveries and development and it will put more gas in the pipelines making it more efficient and less expensive for the transportation of natural gas. Eighty or more percent of the cost of natural gas to the consumer is the price of transportation and distribution. Right now the consumer is paying more for less service since pipelines are only half full and the cost per unit of gas delivered must be raised to cover the inefficient transportation costs. Furthermore, without an adequate supply of natural gas, distribution companies are being forced to substitute much more expensive alternate fuels such as foreign oil and synthetic gas. Who pays the bill? Your constituents.

Finally, let me say a word for California and the Second Congressional District, which are both heavily dependent on natural gas. Our residential communities survive on it, our rural communities depend on propane heat, which is a byproduct of natural gas, our agricultural community would be crippled without a secure source.

On the north coast of California natural gas is a major feedstock for the manufacture of ammonia, which is a key ingredient in fertilizers; it is used in drying crops; preventing freezing of our fruits in the cooler months; it leads to the containers in which our dairy products, our canned fruits, and our wines are packaged; and it produces the bonding agents used in the plywood industry in the north.

If natural gas is not a secure energy source for my district and all of California it will be disastrous for our regional economies, but it will also affect all American consumers who are dependent on our food to eat and our lumber to build their homes. In an extensive report recently prepared for the California State Assembly it was reported that the situation for California is less blurred than many areas. Deregulation will have clear benefits for California, and I submit that in the final analysis it will have clear benefits for all Americans.

AMENDMENT OFFERED BY MR. SMITH OF IOWA AS A SUBSTITUTE FOR THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. KRUEGER

Mr. SMITH of Iowa. Mr. Chairman, I offer an amendment as a substitute for the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Iowa as a substitute for the amendment in the nature of a substitute offered by Mr. KRUEGER:

Mr. SMITH of Iowa (during the reading). Mr. Chairman, inasmuch as there is no intent to vote on this amendment tonight, I ask unanimous consent that it be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

Mr. ROUSSELOT. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard. The Clerk will read.

The Clerk read the substitute amendment as follows:

In lieu of the matter proposed to be inserted by the amendment offered by Mr. KRUEGER, insert the following: That, this Act may be cited as the "Natural Gas Act Amendments of 1976".

SEC. 2. The Natural Gas Act is amended by (1) striking out section 24 thereof; and (2) amending section 1 thereof by redesignating subsections (a), (b), and (c) as subsections (b), (c), and (d), respectively, and inserting therein the following new subsection:

"(a) This Act may be cited as the 'Natural Gas Act'.".

SEC. 3. Section 1(c) of the Natural Gas Act, as redesignated by this Act, is amended (1) by striking out "The" after "(c)" and by inserting in lieu thereof the following: "Ercept as provided in section 24 of this Act (relating to sales of new gas by regulated producers) and section 25 of this Act (relating to prohibited boiler fuel use of natural gas)," and (2) by striking out the period at the end thereof and inserting in lieu thereof the following: "or to any independent producer sale.".

SEC. 4. (a) Section 2 of the Natural Gas Act is amended by redesignating paragraphs (7) through (9) as paragraphs (15) through (17), respectively, and by inserting the following new paragraphs:

"(7) 'Boiler fuel use of natural gas' means the use of natural gas as the source of fuel in a generating unit of more than 25 megawatts rated net generating capacity or in any generating unit which is part of an electric utilities system with a total net generating capacity of more than 150 megawatts.

"(8) 'Affiliate' means any person directly or indirectly controlling, controlled by, or under common control or ownership with any other person as determined by the Commission by rule. In promulgating the rules under this paragraph, the Commission shall consider the direct or indirect legal or beneficial interest in another person or any direct or indirect legal power or influence over another person, arising through direct or indirect, or interlocking directorates, or officers, contractual relations, agency agreements, or leasing arrangements, in determining whether an affiliate relationship shall be deemed to exist.

"(9) 'New natural gas' means natural gas which—

"(A) is dedicated to interstate commerce for the first time after January 1, 1976, (i) except that such term does not include natural gas sold or delivered from offshore Federal lands committed for a contract term of less than fifteen years or the life of the reservoir if less than fifteen years, and (ii) natural gas sold by a producer in interstate commerce prior to the effective date of this paragraph pursuant to a limited term certificate (5 years or less) or temporary emergency contract shall not be considered as having been dedicated to interstate commerce prior to such date;

"(B) which is produced from a reservoir discovered on or after January 1, 1976; or

"(C) which is produced from wells initiated and completed on or after January 1, 1976, in an extension of a reservoir discovered prior to such date.

"(10) 'Control' means the actual or legal power to dominate or determine, directly or indirectly, the policy, business practices, or decision-making process of a person.

"(11) 'Natural gas producer' means a person who is engaged in the production, gathering, or processing of natural gas from wells or reserves in the United States.

"(12) 'United States' means the States, the District of Columbia, Puerto Rico, the territories and possessions of the United States and any land or subsurface area within the Outer Continental Shelf as defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)).

"(13) 'Independent producer' means a natural gas producer whose aggregate marketed production of natural gas in the preceding calendar year, together with the marketed production during that year of any affiliate of such producer, does not exceed 100,000,000 Mcf., but such term does not include any natural gas producer whose annual gross revenue, together with the annual gross revenue of any affiliate of such person, from the operation of a pipeline for the transportation or sale for resale of natural gas in interstate commerce or the distribution of natural gas does not exceed 10 percent of the total annual gross revenues of the person or of the affiliate of such person.

"(14) 'Exempt independent producer sale' means a sale of new natural gas that is produced by an independent producer and a sale in which (A) no natural gas producer (other than an independent producer) has any interest in the proceeds or profits other than a royalty interest and (B) the aggregate of royalty interests of natural gas producers (other than independent producers) does not exceed 20 percent of such proceeds or such profits. The term 'exempt independent producer sale' does not include a sale of new natural gas that is produced from acreage in which the independent producer acquired an interest after January 1, 1976; if, prior to the acquisition by the independent producer, a discovery well had been drilled into the reservior from which the natural gas is produced at a distance from the well from which the natural gas is produced of two statute miles for areas on the outer continental shelf and one statute mile for other areas of the United States. The term 'exempt independent producer sale' does not include a sale of new natural gas by a producer who is not an independent producer pursuant to an executory contract if such producer was an independent producer and such sale was an exempt independent producer sale at the time such contract was executed.".

SEC. 5. Section 4 of the Natural Gas Act is amended by adding at the end thereof the following new subsection:

"(f) The Commission shall have no power to disallow, in whole or in part, in the rates and charges made, demanded, or received by any natural-gas company the amounts actually paid by it for new natural gas under an exempt independent producer sale."

SEC. 6. Section 5 of the Natural Gas Act is amended by adding at the end thereof the following new subsection:

"(c) The Commission shall have no power to disallow, in whole or in part, in the rates and charges made, demanded, or received by any natural gas company the amounts actually paid by it for new exempt independent producer sale."

SEC. 7. Section 10(a) of the Natural Gas Act is amended by adding at the end thereof the following: "The Commission may require any natural gas producer other than an independent producer to file annually a report of transfers of natural gas reserves to an independent producer. The Commission may by regulation require any independent producer to file annually (1) a report of any information that is relevant to a determination of whether such person is an independent producer; (2) a report of the volumes sold and such price received under exempt independent producer sales during the preceding calendar year; (3) such other information as the Commission may find necessary for the evaluation of the exclusion of exempt independent producer sales from this Act; and (4) such other information as the Commission determines to be relevant to the conduct of its responsibilities under this Act."

SEC. 8. The Natural Gas Act is amended by adding at the end thereof the following new sections:

"NEW NATURAL GAS SALES OF REGULATED PRODUCERS

"SEC. 24. (a)(1) Not later than the first day of the third full calendar month following the effective date of this section, the Commission shall, by rule, promulgated in accordance with section 553 of title 5, United States Code, establish a national ceiling price applicable to any sale of new natural gas in interstate and intrastate commerce by a producer who is not an independent producer. For the purposes of this section, a sale of new natural gas in intrastate commerce means any sale of natural gas pursuant to a contract entered into on or after the effective date of the rule required to be promulgated pursuant to this subsection.

"(2) In establishing such national ceiling price, the Commission shall take into account the following:

"(A) the recovery of costs, including prospective costs; and

"(B) a reasonable rate of return which will provide incentive adequate to attract capital investment and to provide incentive for further exploration for, development of, and production of, new natural gas.

"(3) The Commission may, by rule, establish a higher ceiling price in excess of the national ceiling price established under paragraph (1) if the Commission finds that such higher ceiling is necessary to provide special relief to meet extraordinary expenses for deep vertical drilling or other high-cost or high-risk production of natural gas and limits such higher ceiling price to only those persons incurring such additional costs or risks.

"(b) The Commission shall amend rules required to be promulgated under subsection (a) from time to time as may be necessary to take into account inflation or any change in circumstances related to the factors specified in subsection (a) to be given consideration in establishing such rate.

"(c) Any sale by a producer to a natural-gas company for purposes of resale in interstate commerce which is made in accordance with the ceiling price established pursuant to subsection (a) shall be deemed just and reasonable for the purposes of sections 4 and 5 of this Act.

"(d) It shall constitute a violation of this Act for any natural gas producer who is not an independent producer to sell or transfer natural gas in contravention of the requirements of the rules promulgated by the Commission pursuant to subsection (a). The Commission, in promulgating such rules or in making amendments thereto, shall have authority, in the case of transactions between a producer and an affiliate of such producer or among affiliates of such producer, to impute a transfer price to such producer or treat sales of an affiliate of a producer as a sale by such affiliate.

"NATURAL GAS CONSERVATION

"SEC. 25. (a) Except as provided in subsection (c) of this section, the Commission shall, by rule, prohibit boiler fuel use of natural gas not contracted for prior to January 1, 1976, unless, upon petition by the user of such gas, the Commission determines that—

"(1) alternative fuels, other than propane, are not available to such user; or

"(2) it is not feasible or practicable to utilize such alternative fuels at the time of such Commission determination.

"(b) Except as provided in subsection (c) of this section, the Commission shall, by rule, prohibit boiler fuel use of natural gas contracted for prior to January 1, 1976, at the expiration of such contract or 10 years after the effective date of the Natural Gas Act Amendments of 1976, whichever is earlier, unless, upon petition of the user of such gas, the Commission determines that (1) alternative fuels, other than propane, are not available to such user, or (2) it is not feasible or practicable to utilize such alternative fuels at the time of such Commission determination. The Commission shall modify or terminate certificates of public convenience and necessity relating to such contracts to the extent necessary to carry out the purpose of this subsection.

"(c)(1) The Commission may exempt from any rule under this section the burning of natural gas by powerplants for the purpose of operating pollution abatement systems.

"(2) The Commission shall not prohibit the boiler fuel use of natural gas for the necessary processes of ignition, startup, testing, and flame stabilization by a facility, or for the purpose of alleviating short-term air quality emergencies or any other danger to the public health or safety.

"(3) In implementing the provisions of this section, the Commission shall, to the extent necessary, apply the provisions of section 17 of this Act.

"(4) Nothing in this section shall impair any requirement in any State or Federal law pertaining to safety or environmental protection.

"NATURAL GAS FOR ESSENTIAL AGRICULTURAL PURPOSES

"SEC. 26. (a) Except to the extent that the Commission determines that natural gas supplies are required to maintain natural gas service to residential users, small commercial users, hospitals and other similar services vital to public health and safety, the Commission shall, in exercising its authority under this Act to require curtailment plans, shall not cause any interruption or curtailment of natural gas which it determines necessary to assure the ready availability of sufficient supplies of natural gas for use in any essential agricultural, food processing, or food packaging purpose, for which natural gas is essential, including irrigation pumping, crop drying, use as a raw material feed stock, or process fuel in the production of fertilizer and essential agricultural chemicals.

"(b) The Commission shall, in carrying out the provisions of subsection (a), review and make any modifications as it determines necessary in criteria under which curtailments of natural gas are approved.

"(c) The Secretary of Agriculture shall determine, by rule, the essential agricultural, food processing, or food packaging purposes for which natural gas is essential and shall certify such determination to the Commission. Such determination shall include the judgment of the Secretary of Agriculture with respect to the amount of natural gas which is necessary for such essential uses in order to meet the requirements for full food and fiber production.

Mr. BROWN of Ohio. Mr. Chairman, I reserve a point of order on the amendment of the gentleman from Iowa (Mr. SMITH).

The CHAIRMAN. The gentleman from Ohio (Mr. BROWN) reserves a point of order on the amendment.

Mr. DINGELL. Mr. Chairman, I make the point of order that the gentleman from Ohio (Mr. BROWN) is not entitled to do that at this time.

The CHAIRMAN. The gentleman may reserve the point of order.

Mr. BROWN of Ohio. Mr. Chairman, how does one know what the amendment is likely to be until one has heard the full amendment?

The CHAIRMAN. The gentleman may reserve a point of order and has reserved a point of order.

Mr. WAGGONNER. Mr. Chairman, I reserve a point of order.

The CHAIRMAN. The gentleman from Louisiana (Mr. WAGGONNER) reserves a point of order.

The Chair recognizes the gentleman from Iowa (Mr. SMITH) in support of his amendment.

Mr. SMITH of Iowa. Mr. Chairman, the subcommittee that I happen to have headed in the Committee on Small Business started hearings in 1970 on the whole energy problem. During the course of those hearings I have changed my mind quite a lot concerning energy matters. I have discovered that we must be concerned not only with gasoline or fuel oil, or wood, or coal. It is all energy we are dealing with, all energy substitutes.

I also am convinced that a good many things that the gentleman from Texas (Mr. KRUEGER) has been saying in behalf of his amendment in the nature of a substitute are true. For example, I agree that we do have a natural gas shortage; that production is declining; that curtailments are increasing; and that the way we are handling it is causing uneconomic shifts and dislocations in the economy. I think we need an incentive to discover new sources. However, I think we should recognize that prices set by big companies on energy, are not set in the way that supply and demand determines prices in many industries. The principal competition is oil where the price is set by OPEC and in many ways, gas companies are involved in monopoly or semimonopoly conditions.

While I agree with much of what the gentleman from Texas states as a basis for action, I believe there is a better way to solve the problem.

The gentleman from Texas, for example, leaves offshore gas regulated for a period of time and new onshore gas. This means it seems to me that the production resources will be put into the production of onshore wells. That would be a natural thing to do. That would, therefore, cause a shifting of resources away from the very area where there is the biggest opportunity probably to produce new gas and oil.

So, Mr. Chairman, I think the better way to do this is the way set out in this amendment, and that is to provide that those producing more than 100 billion cubic feet of gas per year would be covered and regulated, and those under that would be deregulated. That means 3,500 would be deregulated. The Federal Power Commission would be relieved of responsibility of trying to deal with all of them.

It means that those who take the biggest risks, have the least capital, and have more problems with capitalization, would have a better opportunity to plan and move ahead, get the capital that they need. We would then treat the very big companies more or less like public utilities.

However, while continuing those big companies under regulations, we would give them the financial incentive that they would be encouraged to continue to explore for new gas and we do that by setting up criteria under which their prices can be increased.

One of the criteria would be that they use reasonable rates of return.

At the present time the Federal Power Commission is using an 18-percent rate of return. That should be a pretty reasonable rate. I would presume they would probably continue to use it. Another thing, as in Krueger, the FPC would, in determining rates, use prospective costs; also, it would include consideration in rates of those special circumstances such as drilling deep and unusual risks.

This would permit the Federal Power Commission to concentrate on 25 or 30 of the largest, but it would give them the ability to secure rate increases, necessary to encourage them to produce. I think the formula in my amendment would be a more logical way to divide the regulated from the unregulated.

I urge the adoption of the amendment.

The CHAIRMAN. Does the gentleman from Ohio (Mr. BROWN) insist upon his point of order?

Mr. DINGELL. Mr. Chairman, I had a point of order pending against the point of order.

The CHAIRMAN. The Chair will state that the gentleman from Michigan can rise to speak to the point of order raised by the gentleman from Ohio.

Mr. DINGELL. Mr. Chairman, my point is that the gentleman from Iowa (Mr. SMITH) had commenced speaking prior to the point of order being raised.

The CHAIRMAN. The Chair will state that the Chair had already ruled on that. The Chair had not recognized the gentleman from Iowa so that that gentleman could not have commenced speaking.

The gentleman from Ohio will state his point of order.

POINT OF ORDER

Mr. BROWN of Ohio. Mr. Chairman, my point of order lodges against the amendment offered by the gentleman from Iowa (Mr. SMITH) on the basis that it is not germane to the basic legislation and it is not germane to the amendment offered by the gentleman from Texas (Mr. KRUEGER) in that while it may seek to accomplish the same end as the Krueger amendment here, even the same end as the basic piece of legislation, it does not contemplate a method of achieving that end that is closely allied to the method encompassed in the bill and in the Krueger amendment.

I cite Deschler's Procedure in the House of Representatives, page 374, paragraph 6, "Amendment Accomplishing Result of Bill by Different Method," paragraph 6.1 and then again in paragraph 6.17:

> To a proposition seeking to accomplish a result by one general method, an amendment which might indirectly achieve that result but by an unrelated method not contemplated in the original proposition is not germane.

In both of these instances the germaneness issue goes to the method by which deregulation is to be undertaken. In the Krueger amendment there is no regulation currently of intrastate natural gas, but there is in the amendment offered by the gentleman from Iowa (Mr. SMITH). In section 24 of that amendment, in the seventh line, there is specific reference to the regulation of intrastate natural gas, and there is a difference in procedure of the method by which deregulation is accomplished in that the amendment offered by the gentleman from Texas (Mr. KRUEGER) achieves deregulation by the source and the type of the gas, whereas the amendment offered by the gentleman from Iowa (Mr. SMITH) attempts to achieve deregulation based on the size of the producer of the gas and, therefore, undertakes an entirely different method.

Mr. Chairman, on the basis of the two citations I gave, paragraph 6.1, of which says:

> In order to be germane, an amendment must not only have the same end as the matter sought to be amended, but must contemplate a method of achieving that end that is closely allied to the method encompassed in the bill or other matter sought to be amended.

I do not think that the method undertaken by the gentleman from Iowa (Mr. SMITH) is either a method achieving that end closely allied to the method encompassed in the bill or in the amendment offered by the gentleman from Texas (Mr. KRUEGER).

The CHAIRMAN. Does the gentleman from Louisiana desire to be heard on the point of order?

Mr. WAGGONNER. Mr. Chairman, I do not desire to be heard on the point of order. I continue to reserve another point of order pending the outcome of this point of order.

Mr. DINGELL. Mr. Chairman, I would ask the Chair at this time to rule as to whether the point of order made by the gentleman from Louisiana was made in timely fashion.

The CHAIRMAN. The gentleman was entirely timely. The gentleman was recognized for a point of order. He has a right to make a point of order.

PARLIAMENTARY INQUIRY

Mr. WAGGONNER. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WAGGONNER. I have a parliamentary inquiry about the procedures to be followed. If the point of order is disposed of, the point of order made by the gentleman from Ohio (Mr. BROWN) is it the intention of the Chair to recognize the gentleman from Michigan (Mr. DINGELL), who is the floor manager of this legislation, for the purpose of having the committee rise?

The CHAIRMAN. The Chair will first dispose of all points of order, and then the Chair will deal with the situation in the committee as it comes up.

Mr. WAGGONNER. Then I will reserve my point of order, Mr. Chairman, until this point has been disposed of.

The CHAIRMAN. Does the gentleman from Michigan (Mr. DINGELL) desire to be heard on the point of order raised by the gentleman from Ohio?

Mr. BROWN of Ohio. Mr. Chairman, I have a modification or comment to make as I look at the amendment, if I may.

The CHAIRMAN. The Chair will hear the gentleman from Ohio further if the gentleman desires to be heard at this time.

Mr. BROWN of Ohio. Mr. Chairman, in the fear that I did not make myself clear about what is in the amendment of the gentleman from Iowa (Mr. SMITH), as I had a chance to read it, the Smith amendment deals with intrastate gas, regulating intrastate gas with regard to the large producers, which neither the Kruger amendment nor the basic legislation do.

Second, the Smith amendment seeks to deregulate on the basis of the size of the producer, as opposed to the definition of the source and the type of item to be deregulated. Therefore, it is not closely allied and attempts to address the issue, but in ways and by methods that are entirely different than exists either in the basic legislation or in the Krueger amendment.

That, Mr. Chairman, is my point.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan (Mr. DINGELL).

Mr. DINGELL. Mr. Chairman, the rule under which we proceed makes in order the Krueger substitute amendment. I would assume that it makes it in order as a bill open for amendment.

Mr. Chairman, I would point out that the question now is as to the scope of the Krueger substitute and I would point out that the Krueger substitute is an extremely broad piece of legislation.

I would further point out, Mr. Chairman, that it amends the Natural Gas Act in a great variety of places and ways.

I would further point out that both the Krueger substitute and the Smith substitute just offered both amend the Natural Gas Act. Both define the scope of the price regulatory provisions of the Natural Gas Act.

The Krueger amendment would continue price controls with respect to certain classifications of production and would exempt others.

The Smith amendment would do exactly the same thing. Although the classifications might differ, the Smith amendment also would exempt certain classifications and would continue regulations of others.

The Krueger amendment is cast as a very broad piece of legislation. At page 43 it goes as far as to deal with all fuel use of natural gas affecting interstate commerce. It goes still further and deals with the regulation of pipelines. It deals with natural gas, including synthetic or liquid natural gas. It deals with sellers. It deals with rate charges and so forth.

The Krueger amendment by its terms applies to intrastate natural gas in both titles I and II with regard to boiler fuel use.

The Krueger amendment then makes a direct amendment to section 1 of the Natural Gas Act which defines the scope, sweep and breadth of the Commisison's jurisdiction over the Natural Gas Act, including their application to interstate and to intrastate commerce.

The Krueger amendment further at page 43 relates to alternative fuels other than crude fuel oil products, propane, natural gas liquids. It deals with priorities of natural gas for agricultural purposes, far more broadly than the interstate sweep or other parts of the Natural Gas Act.

It also deals with gas that comes from the Federal lands which goes to both interstate and intrastate uses offshore. It furthermore establishes a national ceiling on natural gas, certainly something which very clearly affects both interstate gas and intrastate gas. It affords access to the courts for persons who consider themselves wronged. It goes to the authorities of the Federal Energy Agency. It goes into the regulation of propane gas and allocation of propane gas which flows both into interstate commerce and intrastate commerce, regardless of whether that propane was produced from wells which give the rest of their natural gas production to interstate or intrastate consumption.

In addition to that, it treats of fuel use in power plants in interstate and intrastate functions. It goes to the use of natural gas supply and sets up an allocation system of natural gas in which intrastate gas is a matter of consideration before the Commission.

Mr. WAGGONNER. Mr. Chairman, I desire to be heard on the point of order.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana.

Mr. WAGGONNER. Mr. Chairman, in spite of the eloquent and very lucid dissertation on the part of the gentleman from Michigan in opposition to the point of order, the Krueger substitute amendment is silent, totally silent, with regard to the matter of the regulation of intrastate gas. Therefore, I insist that the point of order is valid, specifically because the Smith substitute amendment provides for new natural gas regulation in the instance of intrastate gas.

The title of section 24 states, "New natural gas sales of regulated producers."

Section 24(a)(1): Not later than the first day of the third full calendar month following the effective date of this section, the Commission shall, by rule, promulgated in accordance with section 553 of title 5, United States Code, establish a national ceiling price applicable to any sale of new natural gas in interstate and intrastate commerce by a producer who is not an independent producer."

That goes well beyond the scope, speaks to a question that the Krueger substitute is silent on, and the point of order should prevail.

The CHAIRMAN. Does the gentleman from Iowa desire to be heard on the point of order?

Mr. SMITH of Iowa. Briefly, Mr. Chairman.

Mr. Chairman, in addition to all that the gentleman from Michigan (Mr. DINGELL) has said, and which I will not repeat, I want to point out that the purposes of the bill and the Krueger amendment both are, in the words of the preamble, to assure the availability of adequate supplies of natural gas.

All this amendment attempts to do is to deal with that stated objective in a different way, and I think it is a closely allied method that is being used.

It seems to me that the point of order should be overruled.

Mr. ECKHARDT. Mr. Chairman, I desire to speak briefly on the point of order.

The CHAIRMAN. The Chair will hear the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, very simply, both the Krueger amendment and the Smith substitute amendment define the scope of FPC price regulatory authority through amendment to section C of the Natural Gas Act. Both deal with deregulated gas and with regulated gas. The section of the Krueger amendment that deals with OCS gas creates regulation in that area.

Both purport to achieve a method by which encouragement of production would come by deregulation, and at the same time purport to keep certain restraints on price by maintaining some gas, some quantity of gas, under regulation, under restriction.

The two bills in fact come out with almost the same results, in that OCS gas is generally under regulation, under the Krueger amendment, and since it is largely produced by majors, it is also under regulation under the Smith amendment.

Mr. Chairman, the whole thrust of both bills is an attempt to alter and to define the scope of the FPC, both with respect to certain gas which is presently interstate and certain gas which is intrastate.

The agricultural priority provisions of section 25, oil and gas provisions under section 26 of the Krueger amendment, deal with both interstate and intrastate gas and indeed the original bill deals with both. But the important thing is that, since the Krueger amendment is made in order to a bill, an amendment to the Krueger amendment which is germane to the Krueger amendment is also germane at this time.

The CHAIRMAN (Mr. BOLLING). The Chair is ready to rule. The Chair has had some opportunity prior to the offering of this substitute to examine into the problem raised by the substitute and by the point of order made by the gentleman from Ohio (Mr. BROWN).

Essentially, in line with the line of reasoning stated by the gentlemen from Michigan and Texas, the Chair has a statement which he would like to read.

The gentleman from Ohio makes the point of order that the substitute offered by the gentleman from Iowa (Mr. SMITH) is not germane to the amendment in the nature of a substitute offered by the gentleman from Texas (Mr. KRUEGER). The Krueger amendment is comprehensive in scope. Title I of the amendment authorizes the Federal Power Commission to permit a temporary emergency purchase by interstate pipelines of natural gas to meet the needs of their high priority customers, free from the restrictions of the Natural Gas Act.

Title I also mandates in the perfected form, short-term allocation and price control of propane whether in interstate or in intrastate commerce. Title II of the Krueger amendment comprehensively amends the Natural Gas Act to deregulate interstate sales of new natural gas, to establish a statutory priority for essential agricultural and industrial uses in interstate commerce, to ban the use of new gas affecting commerce generally for boiler fuel use, to permit intrastate transportation of new natural gas through interstate facilities under certain conditions, and to provide for a study of the entire natural gas industry, both interstate and intrastate, by the Federal Power Commission.

The Smith substitute distinguishes in its regulatory approach between new and old types of gas and also regulates intrastate gas sales of large producers after a price ceiling has been established pursuant to the provisions of section 8 of the substitute.

The substitute also contains provisions relating to conservation of natural gas for boiler fuel use, priorities for agricultural and other public service purposes, and emergency allocations which are similar to those contained in the Krueger amendment.

Volume 8, Cannon's Precedents, section 2964 and volume 5, Hinds' Precedents, section 5841, appear to indicate that to a bill relating to interstate commerce an amendment relating to intrastate commerce is not germane. Those precedents deal however with a situation where a narrow bill or section of a bill directed towards interstate commerce is attempted to be amended by an equally narrow provision broadening that section to address intrastate commerce as well.

The decisions of the Chair on those instances were founded on the principle that an amendment relating to one designated class is not in order to a bill dealing with another designated and clearly defined class, and have little applicability to the situation now pending, where a comprehensive substitute is offered to a broad measure amending existing law.

The Chair has already noted that the amendment in the nature of a substitute offered by the gentleman from Texas (Mr. Krueger) does not only address itself to interstate commerce. The amendment affects natural gas in intrastate commerce in substantial ways both through free-standing provisions of law and through amendments to the existing Natural Gas Act. Furthermore section 203 of the Krueger amendment would amend section 717 of the Natural Gas Act, which section defines the coverage of the Natural Gas Act in relation to natural gas in intrastate commerce.

It is well established in the precedents that to a measure amending in many respects an existing law, an amendment is germane to further modify the law in another respect germane to the law. For example, to an amendment in the nature of a substitute comprehensively amending several sections of the Clean Air Act with respect to the impact of energy shortages, an amendment to another section of that act suspending the authority of the Environmental Protection Agency to control automobile emissions was held germane. Chapter 28, Deschler's Precedents, section 28.44.

It is the opinion of the Chair that the Krueger amendment substantially changes the powers of the Federal Power Commission under the Natural Gas Act, incorporates within the act various authorities dealing with natural gas in intrastate commerce, and so vitally affects the scope of the act as to allow a substitute to be offered which proposes alternative revisions of the policy directives and specific regulatory powers of the Federal Power Commission under the Natural Gas Act, in order to achieve adequate supplies of natural gas.

For the reasons stated, the Chair overrules the point of order.

Are there further points of order?

Mr. BROWN of Ohio. Mr. Chairman, I rise to inquire whether in the lengthy explanation—I did the best I could to follow it, but I must admit I became a little confused—the Chair addressed the question of method by which the purposes of the amendments were to be achieved.

Mr. DINGELL. Mr. Chairman, may I respectfully call for regular order?

It is my understanding the Chair has ruled on the point of order.

The CHAIRMAN. The Chair has ruled on the point of order.

PARLIAMENTARY INQUIRY

Mr. BROWN of Ohio. Mr. Chairman, then I have a parliamentary inquiry.

The CHAIRMAN. The gentleman from Ohio (Mr. Brown) is making a further comment on the matter, and the Chair is prepared to hear it as a parliamentary inquiry.

Mr. BROWN of Ohio. Mr. Chairman, the question is whether the Chair addressed the issue raised with reference to the method by which the purpose of the Smith amendment and the purpose of the Krueger amendment were to be achieved, and my expressed concern was that in the Krueger amendment the regulation was of the source and the type of natural gas and in the Smith amendment the method was to regulate the producer by size. I gather that that was addressed by the Chair, but I must admit that I missed the reference or the part wherein it was contained.

The CHAIRMAN. The Chair feels that the point was addressed twice, once in the general nature of the comment or the statement of the Chair, and, second, in the language: "The Smith substitute regulates intrastate gas sales of large producers after a price ceiling has been established pursuant to the provisions of section 8 of the substitute."

The fundamental point of the Chair's ruling, however, deals with the comprehensive nature of the Krueger amendment for which the Smith substitute was offered, and the ruling is based on the comprehensive nature more than on anything else, although the Chair did make some mention of the question of method.

Mr. BROWN of Ohio. I thank the Chair.

Mr. WAGGONNER. Mr. Chairman, with the understanding that the gentleman from Michigan (Mr. Dingell), the floor manager of the bill, will, after the disposition of my reservation of a point of order, move that the Committee do rise, I now withdraw my point of order.

Mr. DINGELL. Mr. Chairman, may I make one inquiry previous to that. Have we successfully disposed of the points of order?

The CHAIRMAN. The Chair has disposed of the points of order.

Mr. DINGELL. Then, Mr. Chairman, I move that the Commitee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. Bolling, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 9464) to assure the availability of adequate supplies of natural gas during the period ending June 30, 1976, had come to no resolution thereon.

GENERAL LEAVE

Mr. DINGELL. Mr. Speaker, I ask unanimous consent that all Members may have until 9 o'clock tonight to revise and extend their remarks and to include extraneous matter, on the bill (H.R. 9464) which we have had under consideration this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

PERSONAL EXPLANATION

Mr. HIGHTOWER. Mr. Speaker, at the time the bells sounded to alert Members for a record vote on the Eckhardt amendment, I was in private conference with a constituent relative to hearings in progress by the Conservation and Credit Subcommittee of the Agriculture Committee on Operations of the Farmers Home Administration. I was unable to hear the signal and missed the vote. Had I been present I would have voted against the amendment.

FURTHER LEGISLATIVE PROGRAM

(Mr. O'NEILL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. O'NEILL. Mr. Speaker, I rise to address the House to inform the Members as to the program for the remainder of the week.

Mr. Speaker, when the House adjourns tonight, it will adjourn to meet at 12 o'clock noon tomorrow.

It is the intention of the House to rise, if this bill is not completed by 5 o'clock tomorrow afternoon, and adjourn over until Monday next.

We will adjourn until Monday because of the fact that when we were announcing the program on last Thursday, we anticipated that there would be no session on Friday and that this bill would be out of the way. We failed to anticipate the number of amendments that were going to be filed. Consequently, because so many Members have made plans in their districts, there will be no Friday session.

Therefore, Mr. Speaker, we will adjourn to meet tomorrow at 12 noon. The committee will rise at 5 p.m., regardless of whether the bill is completed or not, and will adjourn over until Monday next.

Mr. BROWN of Ohio. Mr. Speaker, will the majority leader yield?

Mr. O'NEILL. I am delighted to yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Speaker, would the majority leader give me any guidance as to when we might anticipate taking up the bill again if the presumption that we might not finish by tomorrow afternoon at 5 o'clock, after only 5 hours of debate, proves to be correct, and I would concur that I think it will be correct, because I understand there are 60 amendments proposed thus far to the bill, and, of course, every night we go over provides opportunity for other amendments to be drafted?

Mr. O'NEILL. When the House adjourns to meet on Monday next, I expect this legislation will be on the floor at that time.

Mr. BROWN of Ohio. If the gentleman would yield further, is there any particular reason that we should not come in early since this is designated as an emergency bill?

Mr. O'NEILL. There was a conference between the majority leader and minority leader this morning, as the gentleman knows.

In view of the fact that we are working under the new budget and the budget regulations, all legislation is expected to be presented or brought up in the House by or before Monday, May 10, or May 11.

There were considerable complaints from the respective committee chairmen about the fact that we were coming in at 10 o'clock on Fridays when the committees should meet.

May I further state that when we come back after having adjourned next week, it will be the intent to work every Friday from then on.

Mr. BROWN of Ohio. Mr. Speaker, I assume from what the gentleman from Massachusetts said, that it would be the intention not to come in until noon at any time in the future until we get the budget presented.

Mr. O'NEILL. As the gentleman from Ohio I am sure knows, we have already arranged that at the conclusion of Wednesday we will take Thursday and Friday off, shortening the normal Lincoln's birthday recess time that the House has observed throughout the past years.

We would have to have a discussion with the minority leader and with the Speaker on meeting earlier.

Mr. BROWN of Ohio. My question did not go to Thursday and Friday, my question was as to whether or not we could come in earlier.

Mr. O'NEILL. As to whether or not we could meet earlier.

Let me state that we will not come in early on Monday and whether or not we could meet early on Tuesday and Wednesday would depend upon a discussion with the minority leader and with the Speaker.

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr O'NEILL. I am happy to yield to the distinguished minority leader

Mr. RHODES. Mr. Speaker, I would just ask for verification of the gentleman's agreement with the Speaker and the minority leader that we would not vote on this bill on Wednesday, if the bill goes that long, that being the day before the recess begins, and there is, of course, doubt as to whether or not the attendance in the House will be sufficient enough to constitute a real cross section of the membership.

Mr. O'NEILL. Let me say that I am unaware of the minority leader's conversations with the Speaker on that matter, but I am sure it can be ironed out

Mr. RHODES. I thank the gentleman.

Mr. BROWN of Ohio. Mr. Speaker, if the gentleman will yield further, my concern is that I would hope we would be able to finish this bill during the winter heating season while we still have the emergency.

Mr. O'NEILL. I am sure that the gentleman can, of course, in cooperation with the Members on our side of the aisle, get it completed.

Mr. BROWN of Ohio. Certainly.

CEREMONY HONORS BLACK FILMMAKERS

(Mr. DELLUMS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DELLUMS. Mr. Speaker, next week under the auspices of the Cultural and Ethnic Affairs Guild of the Oakland, Calif., Museum Association 14 black Americans will be inducted into the Black Filmmakers Hall of Fame during the Third Annual Oscar Micheaux Awards Ceremony at the Paramount Theater in Oakland.

The ceremony is sponsored by the Cultural and Ethnic Affairs Guild of the Oakland Museum Association and is named for Oscar Micheaux, the first successful independent black film producer-director. Micheaux worked from 1918–48.

Since 1974, the Filmmakers Hall of Fame Program has brought to Oakland black cinema persons who work before and behind the cameras. The Hall of Fame was born out of the guild's recognition of the need to pay homage to the many unheralded contributions of blacks in the film industry. The stature and significance of the awards program for black Americans was summed up last year by Sidney Poitier. Moved almost to the point of tears, as he received his award, Poitier told the Paramount audience, "I received an award once, the Academy Award." He continued holding aloft the Oscar Micheaux award, "this is my Academy Award!"

The 1976 inductees into the Black Filmmakers Hall of Fame are: Actor Harry Belafonte, Composer Eubie Blake, Actress Diahann Carroll, Actor Bernie Hamilton, Screenwriter John O. Killens, Entertainers The Nicholas Brothers, Actor Brock Peters, Producer-Director Melvin van Peebles and Actress Ethel Waters. Actress Lucia Lynn Moses a silent screen star who appeared in several Micheaux films and Actor Alfred "Slick" Chester, who also appeared in Micheaux films and was billed as the "Colored James Cagney" will also be inducted. Legendary Entertainer Josephine Baker and Actress Louise Beavers will be inducted posthumously.

Albert Johnson of Berkeley, an internationally acclaimed film scholar and lecturer is program director for Filmmakers 1976. Johnson, who was program director of the San Francisco Film Festival from 1965–72. Tribute will be paid to each inductee and Johnson has planned special tributes to Josephine Baker and Eubie Blake.

Mrs. Margot Smith Hicks of Kensington, Calif., is chairperson of the executive committee on Filmmakers '76. She and hundreds of volunteers and guild members are working night and day to make the program a success.

I am certain I speak for the entire Congress, when I offer my personal congratulations to the Cultural and Ethnic Affairs Guild for their creative and energetic efforts which in our Bicentennial Year so tremendously enrich the cultural heritage, and the appreciation of that heritage, of the entire Nation.

CRESTWOOD VILLAGE, N.J., CELEBRATES ITS 10TH ANNIVERSARY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey, Mr. HUGHES, is recognized for 5 minutes.

Mr. HUGHES. Mr. Speaker, I am proud to represent Crestwood Village, a planned community for senior citizens in Ocean County, N.J. Crestwood Village, which is celebrating its 10th anniversary, has demonstrated how a concerned citizenry can guide and control their future. I recently received a letter from their president, Mike Kokes, which outlined the progress the community has made. Last year I was privileged to visit the community as one of those invited to participate in celebrations marking the 10th anniversary of the founding of the community. So, I believe that I have begun to understand and appreciate what the 6,000 people of this community have created.

This model community has been created without subsidies or handouts of any kind; six clubhouses and 4,000 fine homes in an unspoiled, unpolluted, beautiful and orderly environment are the results. The skills and experience that were acquired in business, the professions and trades are now providing sound and prudent government for these cooperatively owned active adult communities. Crestwood Village represents participatory democracy in action, as matters of communal concern produce capacity audiences in the clubhouses.

The village negotiates annual contracts for a comprehensive variety of necessary property-maintenance and municipal-type services. The result of close fiscal control and responsive government has been only a very slight rise in the average home's monthly fee since 1972 despite the substantial inflation over these years.

Although conservative in fiscal matters, the village residents have steadily enhanced the environment and increased community facilities. Harry Wright Lake is a superb recreation area with immaculate beaches and picnic grounds. Hundreds use the communal farm to raise their own fruits and vegetables. There is a shopping center, a modern service station, three financial institutions—all of which hire many residents as employees. There is a professional building complete with law, accounting, and insurance offices. A complete medical center with modern clinical facilities is planned in addition to the doctors and dentists who already maintain daily office hours. On top of normal municipal services, the community also maintains courtesy buses to nearby towns such as Toms River and minibuses to provide door-to-door service within the community. As a result, many residents have sold their cars as they have found little need for them.

Perhaps the most significant achievements that have been made at Crestwood Village are not in material goods, but in intangibles—the pride of self-reliance, in continuing useful and productive lives, and in creating a warm, caring community spirit.

I am hopeful that much of what has been learned at Crestwood Village is transferable to other communities all across the country. To gather this information, the Federal, State, and Community Services Subcommittee on the Select Committee on Aging is going to hold hearings on February 12 in the village. In this manner, the success of the residents in dealing with transportation, housing, and other issues can be used to enhance the lives of older Americans everywhere.

THE GOLD RUSH OF 1976

The SPEAKER pro tempore. Under a previous order of the House, the gentle-

man from Texas (Mr. GONZALEZ) is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, in January, the Interim Committee of the International Monetary Fund met in Jamaica and reached agreement on changes in the international monetary system, after years of debate. The agreement calls for sweeping changes in the IMF Charter and was made possible by an agreement between France and the United States last November at Rambouillet. The Jamaica accord is a compromise between the French desire to return to a fixed-rate system with gold as a base and the United States desire to legalize the floating-rate system.

The proposed system for exchange rates may be a reasonable solution, but the big question mark is the agreement on gold. The U.S. Treasury Department for years has been committed to demonetarizing gold, while the French and some other Europeans have felt that it should continue to play a limited monetary role. The Jamaica accord on gold provides for neither and commits the Jamaica participants to violating the IMF Charter.

So, once again, we find that the pronouncements say, "gold is dead" but the agreement says, "long live gold." The end result of the agreement on gold may well place it right back near the center of the monetary system.

The specific aspects of the IMF gold agreement are: Abolish the official price of gold; expunge all references to gold in the IMF rules; sell one-sixth of the IMF gold stock with the profit going into a trust fund to aid poor nations, and return one-sixth of the IMF gold stock to the original depositors.

All of these changes will require amendment of the Fund's articles of agreement. Such amendments require congressional approval. However, the Interim Committee reached an understanding that will permit the sale of gold for the benefit of the poor nations to proceed prior to formal amendment. Who is going to buy this gold? Central banks will buy it in direct violation of the IMF Charter and, in spirit, in violation of the effort to demonetarize gold. And it appears that the central banks' banker, the Bank for International Settlements will act as buying agent.

This violation of the IMF Charter is a clear attempt to circumvent congressional authority. I must urge the IMF to abandon its gold plans until Congress and the national legislatures of the other member nations have the opportunity to study and debate the Jamaica agreement. How can any nation in the future trust the IMF if immediately upon agreeing to seek legislative approval for some actions it sets up a procedure to violate its charter?

The chicanery of finance ministers and the pliability of the IMF are setting up "The Great Gold Rush of 1976." The ink will barely be dry on the Jamaica documents when we see a scramble by the French and others to build their gold stocks from the IMF sales. It makes no practical difference that the official price of gold has been abolished; the gold bugs will have their gold. As a result of this "gold rush," gold will once again become important to many nations and soon again their will be the French-led push to put gold back into an official role.

It will be necessary for Congress to look into the Jamaica agreement in considerable detail before we approve the IMF Charter changes. We certainly do not intend to legalize a "gold rush" at the expense of the U.S. international posture. And we had better not be put in the position of debating the merits of the agreement after the illegal gold purchases and sales have already been made.

MOBIL OIL'S SNAKE OIL ADVERTISEMENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 10 minutes.

Mr. VANIK. Mr. Speaker, for some time, the Mobil Oil Corp. has been placing advertisements in the Nation's newspapers on public policy issues affecting the petroleum industry. These advertisements are lobbying efforts and have nothing to do with selling Mobil's products. I hope that these ads are closely examined to determine the validity of any plans to deduct the costs as "necessary and reasonable business expenses."

Many of these advertisements present an extremely one-sided and distorted viewpoint. I am particularly disturbed by a recent ad entitled, "5.6 Cents Is Not Enough." This message states:

> Mobil, for example, earned an estimated $613 million during the first nine months of 1975. But that profit didn't just jump into our pockets—it resulted from years of investment, years of building a business. Fact is, that $613 million is what we earned on average assets of $14.5 billion.
>
> So while our profits look like a lot of money, our profitability is only 5.6 cents on every dollar of assets, on an annualized basis.

It is important for the Congress and the American public to test the oil industry's advertized claims and allegations to determine the extent of their assets, how they developed, the relationship of reported profits to real profits, as well as the relationship of profits to investment.

Mobil's declaration of average assets of $14.5 billion must be tested. In 1972, the year before the Arab oil embargo, the total assets of the company—as per company statements, was $9.2 billion. In 1973, these assets were listed as $10.7 billion. By the end of 1974, with relatively little infusion of new capital, assets bounded to $14.07 billion. As the price of oil shot up, the value of assets in reserve—developed and undeveloped—continued to move upward.

If the profitability of the Mobil Oil Co. were measured on the basis of stockholder's equity, however, the return would be at a rate of much more than the 5.6 percent Mobil is talking about, or more than 9 cents per dollar on investment—a healthy, respectable profit rate.

As of December 31, 1974, the statistics show that the total investment of Mobil Oil is as follows:

Capital stock	$775,040,000
Capital surplus	670,397,000
Retained earnings	5,051,737,000
Total stockholder equity	6,497,174,000

The difference between equity investment and current asset value is represented by the increment in the value of reserves resulting from recent oil and gas price increases, plus the accumulation of depreciation and other credits developed through beneficial tax laws. Natural gas deregulation should further propel the asset value of Mobil.

How are we then to measure Mobil Oil Corp.'s profitability? Shall it be measured from market value of the company today—or what was invested in the business. It seems to me that profitability should be measured from the standpoint of capital invested.

SCOTT McALISTER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. COTTER) is recognized for 5 minutes.

Mr. COTTER. Mr. Speaker, Connecticut has lost a valuable citizen. My good friend, Scott McAlister died last week at the young age of 45. I knew Scott as a friend and competitor, but will remember him as a free spirit dedicated to the betterment of his city, State, and Nation.

Scott's most public role was president and member of the Hartford Board of Education. He will be long remembered for his dedication to what he always called his city's greatest resource—our children. But he did most more than serve on the board during his active public life. He was a trustee of the Hartford Public Library, president of the Hartford Stage Co.'s board of directors, and a member of the city charter revision committee. He actively supported every candidate he considered the best for his country, State, and city. Nearly every one of those candidates gained from Scott's special abilities.

It is the measure of the man and our deep loss that his work was not confined to his outstanding service in Hartford.

At the age of 31, Scott had already served as a speechwriter to a candidate for Governor of Connecticut. Throughout the 1960's he was active on the local and national level; serving as a regional coordinator in a major Presidential campaign in 1968. In business, Scott found the same level of success, rising to become executive vice president and assistant to the chairman of the Covenant Life Insurance Co. Before entering private business, he had been assistant dean for the University of Connecticut School of Business.

Scott McAlister's work on the Hartford Board of Education won him much praise and admiration. As president of the board, he never lost sight of his primary goal—service to Hartford's children. Though a Republican in Democratic Hartford, Scott McAlister's admirers numbered a great and enthusiastic majority.

At this point, I would like to include an article from the Hartford Courant of January 31, 1976 which further shows the high regard and special feelings felt for Scott McAlister.

Schools Mourning McAlister's Death

(By Jackie Ross)

The flag in front of the Board of Education's administration building flew at half-staff Friday as administrators and board members mourned the death of former board president Scott McAlister.

McAlister, who served on the board from 1971 to 1975 and was president for the last two years, died Friday of lung cancer.

Calling McAlister "a giant of a man" who loved the city, knew its potential and worked for the children of Hartford, Supt. Edythe J. Gaines said efforts to make the schools live up to his vision should be everyone's goal.

"The Hartford Public Schools have lost a vigorous leader with a sure and steady hand on the pilot's wheel and with a largeness of vision about what the schools can, should and would do to make the best of the American dream accessible even to the children and youth who are sometimes overlooked and forgotten," she said.

Board President Barbara Kenny said: "He wanted foremost to see that every child had a joyful growing experience in our schools. The Hartford Board of Education expresses its sadness at Scott's passing and pledges to continue those things for which he worked."

I would like to extend my deepest sympathies to Scott's wife, Alice and their two children. We will all miss him.

AUTHORIZING APPROPRIATIONS FOR THE PEACE CORPS FOR FISCAL YEARS 1977 AND 1978

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. Morgan) is recognized for 5 minutes.

Mr. MORGAN. Mr. Speaker, at the request of the executive branch, I am introducing today a bill to authorize appropriations for the Peace Corps for fiscal years 1977 and 1978.

As drafted by the executive branch, this bill would provide an authorization of $67,155,000 for the Peace Corps for fiscal year 1976 and "such sums as may be necessary" for fiscal year 1978. This authorization is designed to support a volunteer-year level of 5,708 and 3,370 trainees in fiscal year 1977. Volunteer-year projections beyond September 1, 1977 are currently unavailable.

The Committee on International Relations will hold hearings on the legislation and in due course will submit its recommendations for consideration by the full House. Until our committee reviews and acts upon this legislative request, therefore, I am not committing myself at this time to support any specific figure or provision contained in this bill.

The executive communication and the text of the bill I am introducing today are as follows:

ACTION,
Washington, D.C., January 30, 1976.

Hon. Carl Albert,
Speaker of the House of Representatives,
Washington, D.C.

Dear Mr. Speaker: Enclosed for your consideration is draft legislation which will enable the Peace Corps to continue its work on behalf of world peace and understanding in fiscal years 1977 and 1978.

The legislation will authorize the appropriation of not more than $67,155,000 for fiscal year 1977, and such sums as may be necessary for fiscal year 1978 to carry out the purposes of the Peace Corps Act.

It will also authorize the appropriation of such sums as may be necessary in fiscal years 1977 and 1978 for increases in salary, pay, retirement, or other employment benefits which may be authorized by law.

The Office of Management and Budget has advised that enactment of this legislation would be in accord with the program of the President.

Sincerely,

Michael P. Balzano.

H.R. 11711

A bill to amend further the Peace Corps Act

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 3(b) of the Peace Corps Act (22 U.S.C. § 2502(b)) is amended by striking out "and" after "$88,468,000," and by adding, after "$27,887,000," the phrase "for fiscal year 1977 not to exceed $67,155,000, and for fiscal year 1978 such sums as may be necessary."

Sec. 2. Section 3(c) of the Peace Corps Act (22 U.S.C. § 2502(c)) is amended to read as follows: "In addition to the amounts authorized for fiscal year 1976, for the period July 1, 1976, through September 30, 1976, fiscal year 1977 and fiscal year 1978, there are authorized to be appropriated for fiscal year 1976 not in excess of $1,000,000 and for fiscal year 1977 and fiscal year 1978 such sums as may be necessary for increases in salary, pay, retirement, or other employee benefits authorized by law."

WAGE AND PRICE CONTROLS—THE "UNMENTIONABLE" TOPIC

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. Leggett) is recognized for 5 minutes.

Mr. LEGGETT. Mr. Speaker, it is clear to me that we Democrats are face to face with a real imperative on the economy. As Bart Rowen put it in his column Sunday, we have to put our money where our mouth is on economic policy. And if we are going to do that, in my estimation, we must accept the necessity for some form of controls.

Do wage and price controls really represent the "unmentionable" economic topic, as he alleges? That certainly seems to be the case now for many Democrats as well as Republicans.

With inflation having dropped off from 1974's double digit levels to perhaps half that, the decline in talk of controls is understandable. Understandable—but nonetheless unfortunate. For I believe we will ignore this approach to meeting inflation only at our peril.

Back in December I made clear my reasons for this belief. In a nutshell, my view is that, if we are to have a real recovery from the recession, we must have controls to prevent the upsurge in prices which our antirecessionary efforts could otherwise induce.

Even if we were to accept President Ford's proposed $394 billion spending level for fiscal 1977, and that is obviously far from certain, the Federal deficit would still be quite substantial. If you net out the trust fund surpluses to be loaned to the general fund, and the excess oil revenue estimates, his proposed deficit in reality amounts to upwards of $60 billion.

Those of us on the Budget Committee will be studying the economy and budget carefully in the coming weeks, and I have as yet reached no firm conclusions on the question of what spending and deficit levels are appropriate for fiscal 1977. It is fairly clear, however, that the deficit is quite unlikely to fall below the President's proposed level, and may well substantially exceed it. And there is a real danger of a renewed upsurge of inflationary pressures.

Thus, I believe our refusal to focus on the need for a balanced wage-price control program is quite shortsighted. If we continue in this vein, we may go on through the decade of the 1970's denying ourselves a real recovery from the recession in order to avoid the ravages of double-digit inflation.

Let me reiterate some of what I said in December about what constitutes the core of our dilemma in simultaneously combating inflation and recession.

What is the basic problem? It is that the traditional free-market forces simply no longer effectively work, if they ever really did, in the sense of wage and price levels fluctuating in response to changes in aggregate demand. With demand falling and unused capability increasing, we would expect prices to fall, or at least stop rising, if manufacturers were, in fact, responding to changes in demand.

As we all know, this has not happened. We have reached the situation where talk of supply and demand is only the free enterpriser's rhetoric, except perhaps in agriculture. The reality is wage push and administered prices. Almost without exception, basic industries from automobiles to zinc have raised prices at a pace which would have seemed incredible 10 years ago, even during a period of expansion.

It is clear that we do not have a free-market economy, and that our concentrated major industries can and do use their massive power to maintain and even raise prices in the face of market downpressures arising from weak demand. According to a study by former OMB Director Charles Schultze, over the past 2 years the rise in wholesale prices has been about 2½ percent more than can be accounted for by increases in labor, fuel, and farm prices. So it is not simply a case of business responding to increased costs; on the contrary, there is a substantial element of active price administration.

Labor is guilty of similar sins. In the face of monumental unemployment, wage rates have moved steadily upward. If market mechanisms were working properly, wages would fall, or stop rising, as unemployment was going up.

The era of wages set by big labor and prices administered by giant corporations is nothing new. The ailment—"stagflation"—seems to become more virulent, however, as this pattern becomes even more dominant in our economy.

What can we do about it? The traditional remedy of cutting public spending, still touted by conservatives, is ultimately self defeating. In the big business/big labor economy, we cannot cut spending enough to control inflation without much increased unemployment, and ultimately reduced Government revenues and renewed inflation.

In my view, what we need to cut through this dilemma is a full-fledged Federal control of wages, prices, rents, and interest. It is not necessary to control every price and wage, but to be effective controls must be reasonably comprehensive. They also must be fair to both labor and management. This means controlling wages equally with prices, which was not done in phase II of the Nixon controls. It also means that profits should be reasonably controlled, or subjected to an excess profits tax.

Let me make clear that I am not advocating a freeze on prices and wages. A small amount of inflation is probably needed for purposes of growth, and largely unavoidable in any case.

Controls should be comprehensive. Perhaps more importantly, they must be long term, and fully accepted as such. We cannot break the inflationary psychology gripping the country if we impose a system which everyone regards as merely temporary. We must accept the need for controls for years to come. Once attitudes are changed and habits broken, then we can lift them.

Controls will clearly present problems, in both formulation and administration. But they will also have rewards. This approach will enable us to concentrate on economic expansion and recovery and to break the curse of stagflation which has gripped the country for 7 years.

In conclusion, I urge my colleagues to reflect on where we are likely to be going without controls. We need to bring this policy alternative out of the realm of the "unmentionables" and back into the forum of responsible discussion. As Hobart Rowen said, "Let's start talking about putting our money where our mouth is."

At this point I would like to include Mr. Rowen's column in the RECORD so my colleagues can reflect on his analysis of our dilemma:

[From the Washington Post, Feb. 1, 1976]

WAGE, PRICE CONTROLS "UNMENTIONABLE" TOPIC

(By Hobart Rowen)

Wage and price controls—that's the "unmentionable" economic topic around this town. To be sure, the subject is anathema to President Ford. Even Sen. Hubert H. Humphrey, who is willing to back a radical departure like national economic planning, wants it understood that he's not an advocate of controls.

But at least the Ford position is internally consistent, even if socially unacceptable. The President is willing to have a weak economy with high unemployment for some years ahead in order to curb inflation.

The Democrats reject this position as heartless, and insist—correctly, I think—that there is room for expansion in the economy. But the Democrats must face the reality that at some point expansion will add to inflationary pressures.

And they should be willing to say that controls are a better way to meet the inflation problem than high unemployment as recommended by President Ford. But they're not finding that easy to do.

Republicans have always shied away from wage and price controls as a matter of ideology—and when they managed the last program, initiated by Nixon, they did an inexcusably bad job of it.

Democrats like Humphrey have no theological hang-ups on controls. But the need to be kind to AFL–CIO President George Meany, whose detestation of controls rivals that of former Nixon economist Herbert Stein, is an inhibition in an election year.

Even New Dealer Leon Keyserling, whose call for full employment and production has been heard longer than anyone else's, argues that selective controls might be considered in the longer run for prices, but not for wages.

Yet, if the Democrats put their money where their mouths are, it is inevitable that consideration be given to some form of controls—not necessarily a freeze, not necessarily across the board. But something amounting to government intervention will have to be put in place.

Democrats on Capitol Hill are talking of adding anywhere from $15 to $30 billion of extra stimulus to President Ford's budget, through some combination of greater spending or lower taxes.

The five-year projections put out last week by the nonpartisan Congressional Budget Office, if read carefully, suggest that if the Democrats successfully add that much stimulus, they will also be boosting the inflation rate. To me, that argues that the Democrats must face the issue of controls squarely—or their pleas for expansion are deceiving.

The CBO report demonstrates that to get just the limited kind of economic recovery President Ford is talking about, the nation would need a budget in fiscal 1977 of at least $420 to $425 billion, with a deficit that could range from $37 billion to $65 billion, depending on actual economic activity.

But by the same token, more realistic spending figures for fiscal 1977 and beyond would add at least a full point to the 6 percent inflation rate projected by Mr. Ford for the next three years. And in contrast to the 4 percent inflation rate he predicted by 1980, the CBO scenario that cuts unemployment to 4.5 percent by that year also has an inflation rate of 6.6 percent in 1980 (and in 1981).

Are the Democrats ready to advocate an average annual increase of nearly 7.0 percent in the cost of living index for the next six years? I doubt it.

Therefore, it seems to me that any Democrat who urges a more rapid reduction in the unemployment rate must also advocate some form of wage and price restraint. To do less would be misleading. At least, in sponsoring a slow-growth program, Mr. Ford comes clean, conceding that he will be tolerant of high jobless rates.

I am not suggesting that the Democrats abandon their goal of lower unemployment. Both Humphrey and Rep. Richard Bolling (D-Mo.) the other day movingly made the case that human misery attendant on long-term unemployment ought to get priority attention.

But if the Democrats reject Mr. Ford's insistence that the United States needs a weak economy to whip inflation with the attendant loss of further hundreds of billions of national income and product, there is no alternative to controls—unless Democrats are willing to accept responsibility for a worsening of inflation.

THE CALL FOR BETTER BANK REGULATION GROWS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. PATMAN) is recognized for 30 minutes.

Mr. PATMAN. Mr. Speaker, for the first time since the Depression, the Nation's news media is taking a hard look at "problem banks" and the Federal bank regulatory structure. Publications which have ignored many hearings on Capitol Hill in the past are now sounding the alarm about poor regulation and I think this is highly beneficial.

This kind of public heat on the regulators should bring about some rapid change for the good. Business Week in its February 2 edition correctly attacks the bank regulators' handwringing claims that they are powerless to deal with many of the problems. Business Week points out:

> In fact, the banking authorities have extensive powers to tell the banks what they can and can't do. Any bank that wants to pick a fight with the examiners, the Comptroller's office, the Federal Reserve, and the Federal Deposit Insurance Corp. will find that there are a great many ways the regulators can apply pressure.

Mr. Speaker, the revelations in the Washington Post and the New York Times about problem banks and bank holding companies are going to bring an end to the outlandish secrecy which surrounds banking in this country. It is obvious that secrecy and the limited and incomplete disclosure which results from these policies are more detrimental to banking than open and regular revelations about where this industry and its individual components stand at any time.

The New York Times for January 27 carries a significant editorial on banking secrecy and I want to place this in the RECORD along with the Business Week editorial and a letter which I have written to the New York Times:

[From the New York Times, Jan. 27, 1976]

BANKING SECRECY

How much should the public know about the condition and management of banks? That question has been sharply raised by reports that many banks, including twelve of the nation's fifty largest bank holding companies, were put on a confidential "problem" list by the Federal Reserve Board a year ago and by the more recent disclosure that the Federal Deposit Insurance Corporation has 350 state and national banks on its own "problem" list.

Some bankers, as well as some banking regulators, contend that disclosure of reports on specific banks could inflict heavy damage on the nation's banking system, presumably because disclosure of adverse information might cause banks to fail by undermining public confidence in them. It seems to us, on the contrary, more likely that timely disclosure of such information as the relations of questionable loans to capital could serve to prevent "problem" banks from becoming yet bigger problems.

Bank in the Great Depression, when the securities laws were written to protect investors in corporate stock against inadequte or misleading inforation, banks were exempted from the Securities and Exchange Commission's registration and reporting requirements on the ground that public knowledge about the banks' condition might cause panicky runs.

But since the development of bank holding companies in the past decade, those banks that are part of such holding companies have become subject to S.E.C. disclosure rules. It seems clear that those rules ought to be as rigorously applied to bank holding companies as to non-financial corporations, and the rules extended by new legislation to all other banks. The need to prevent deception in the sales of securities is no less important in banking than in any other industry.

Stating that "depositors and investors are entitled to more information on matters such as bank capital, loan losses, foreign activities and holding-company operations," Chairman Reuss of the House Banking Committee sees the need for legislation to force greater disclosure, without imparing the legitimate confidentiality of banking operations.

Full disclosure for the banks does not imply revealing detailed information about every individual loan or personal information about bank officers and other employees. But all material information should be public—including data on bank loans to corporations, public authorities and foreign governments, classified by broad categories and degrees of risk, as well as ratios of questionable loans to the capital of individual banks, Disclosure of such information would be beneficial to banks, to business and to investors and depositors alike. By removing as much of the veil of secrecy from banking as is possible, we believe that public confidence in the system would be restored, thereby serving the nation as well as the banking industry itself.

[From Business Week magazine, Feb. 2, 1976]

KITE-FLYING REGULATORS

A reporter for the Washington Post got a peculiar answer when he asked C. Westbrook Murphy, chief counsel to the Comptroller of the Currency, why the regulators had not kept banks from getting overloaded with shaky loans.

"Outside of arm-twisting, there's almost nothing we can do," said Murphy. "General stupidity doesn't come under personal dishonesty. If they tell us to go fly a kite, about all we can do is go fly a kite."

This is not just an absurdity. It is a dangerous absurdity. Any banking regulator who thinks he has no power or duty to protect the public from bad banking, whether it involves dishonesty or not, should be removed from his job on the spot. Banks are fiduciary institutions, and they are regulated, among other reasons, because the credit structure of the nation is too important to risk continued damage from stupid management.

In fact, the banking authorities have extensive powers to tell the banks what they can and can't do. Any bank that wants to pick a fight with the examiners, the Comptroller's office, the Federal Reserve, and the Federal Deposit Insurance Corp., will find that there are a great many ways the regulators can apply pressure.

The basic trouble is that during the late 1960s and early 1970s the regulators let the banks do as they pleased. The Comptroller's office, always the least restrictive of the three agencies, set the pace for a "competition in laxity." No one blew the whistle as the quality of bank loans deteriorated.

Now that the damage is done, no amount of arm-twisting will make a bad loan good. But that does not mean that the regulators can sit on the sidelines. They must see that the banks start the slow process of upgrading loan portfolios and that they keep it up no matter what temptations the markets of the future may offer.

A little less kite-flying five years ago would have kept both bankers and regulators from looking quite so stupid today.

SUBCOMMITTEE ON DOMESTIC MONETARY POLICY COMMITTEE ON BANKING, CURRENCY AND HOUSING,
Washington, D.C., January 27, 1976.

THE EDITOR,
The New York Times,
New York, N.Y.

DEAR SIR: Your editorial, "Banking Secrecy" (NYTimes, January 27) is a welcome and significant addition to the growing call for more disclosure by banks and bank regulators. As an amendment to a 1974 banking law, we did succeed in requiring the banking agencies to revise their securities regulations to make them substantially similar to rules of the Securities and Exchange Commission. This includes registration statements, annual and other reports, solicitation of proxies, tender offers, insider reporting and disclosure forms. Regulations to implement this law were promulgated in final form only this past fall. We are hopeful that this conformance with S.E.C. requirements will give the investing public significant additional information on the banks.

However, much more is needed on disclosure as it relates to the financial community. Not only does the investor need better information but also the consumer, the Congress, and the bank regulatory agencies. Any new disclosure efforts should keep in mind the needs of all of these interests.

In addition to revealing meaningful data on their condition, the banks should be required to provide the consumer with competitive information on interest rates both on the loan and the savings side. At a minimum, the bank customer should have available, in meaningful form, data on interest rates being charged and paid by all financial institutions in his market area.

The Congress is desperately in need of information on the performance of bank regulatory agencies. It needs the kind of independent ongoing evaluations available through full audits by the General Accounting Office. Without these audits, the Congress will be legislating in the dark and it will continue to be surprised by revelations of "problems" in the banking industry.

Sincerely,

WRIGHT PATMAN,
Chairman.

CAMPAIGN CONTRIBUTIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. KRUEGER) is recognized for 5 minutes.

Mr. KRUEGER. Mr. Speaker, in late December, shortly before the House adjourned, and immediately upon the Rules Committee making in order my amendment in the nature of a substitute to H.R. 9464 to deregulate natural gas prices at the wellhead, I learned from a Member that some people were so opposed to deregulation that they would attempt to discredit me personally by seeking national press reports suggesting that I was offering this legislation in my personal interest: That my campaign debt was being paid for by oil and gas interests.

Since the freedom of speech clause of the Constitution exempts Members from liability for their words on the floor of the House, it is distressing to suppose that any Member might not speak openly in the well—where he would bear only moral, not legal responsibility for his words—what he would instead circulate privately in hope of widespread publication. I asked a friend of some experience in the House, one whose views on deregulation differed from mine, for his advice. He knew nothing of the matter, but, he continued, such slanders degrade only the perpetrators. He advised me not to worry about it. I did not.

On Monday, the day before the vote on the rule was to come to the floor, my office was contacted by the Washington Post, saying that it had been suggested that our contributions should be examined in the light of my role in natural gas legislation. We provided full information, insofar as it was available, and went beyond the requirements of the law. The Post decided there was no scandal.

At 10 p.m., last night, Tuesday, I was called by the Washington Star, saying that an anonymous tip had suggested that the Star investigate the sources of contributions. Again we provided full information and agreed to talk further if the reporter wished. And the Star decided there was no scandal.

Today, while the Krueger substitute was being debated, my office received inquiries from other papers. One reporter told my staff that a Member had approached the press with what he apparently had not the courage to allege himself. Another said that someone had delivered to the Press Gallery copies of partial information from one campaign finance report that had been filed with the Clerk's office. That information is public, of course, and I have no objection to anyone's examination of it. But partial information, mysteriously delivered to people who had not solicited it, suggests an ulterior motive that I am disappointed to find.

So that that person who has been speaking to the press about what he has been unwilling to ask me may have fuller information, I am submitting a complete analysis of all contributions, including those not required to be itemized by law.

ANALYSIS OF ALL CONTRIBUTIONS FROM NOVEMBER 5, 1973 to JANUARY 7, 1976

Total number of contributors, 2,252.
Total number of contributions, 3,186.
Total number of dollars, $335,685.79.
Total In-District dollars, $224,219.30.

DATA DESCRIBE ALL CONTRIBUTIONS (INCLUDING UNITEMIZED CONTRIBUTIONS, WHICH REPORTS AGGREGATE) FROM NOVEMBER 1973–JAN. 7, 1976. ALL CONTRIBUTIONS HAVE BEEN APPLIED TO 1974 DEBT

[ID=in district]

	Bexan County (amount contributed)		All other counties (amount contributed)		All out of district (amount contributed)	Total this group (amount contributed)	
	Percent of ID total dollars	Percent of all dollars	Percent of ID total all dollars	Percent of all dollars	Percent of all dollars	Percent of all dollars	Total number of contributors
Management and administration	$10,362		$10,371		$7,995	$28,728	182
Percent	5.00	3.00	5.00	3.00	2.00	9.56	
Construction—Developers, builders, contractors, real estate	$20,671		$6,848		$1,360	$28,879	121
Percent	9.00	6.00	3.00	2.00	1.00	8.60	
Military and military retired	$2,137		$278		$120	$2,535	44
Percent	1.00	1.00	0.00	0.00	0.00	0.76	
Education	$655		$1,340		$245	$2,240	67
Percent	0.30	0.20	0.60	0.40	0.07	0.67	
Workers—White collar and blue collar	$337		$1,438		0	$1,775	94
Percent	0.20	0.10	0.60	0.40	0.00	0.53	
Professional—MDs, accountants, architects, attorneys, engineers (except geology and petroleum), clergy, designers	$31,638		$9,890		$16,330	$57,858	427
Percent	14.00	9.40	4.40	2.90	4.86	17.23	
Small business	$13,115		$14,232		$3,492	$30,839	293
Percent	5.80	3.90	6.30	4.20	1.00	9.19	
Agriculture	$7,732		$19,625		$1,345	$28,702	148
Percent	3.40	2.30	8.80	5.80	0.40	8.60	
Banking and investments—(except oil and gas), finance and credit institutions	$24,315		$7,425		$10,825	$42,565	154
Percent	10.80	7.20	3.30	2.20	3.20	12.68	
Oil and gas—drilling, well servicing, producers, investments (the only contribution over $100 I received from "Big Oil" was $200 from an executive, 166 contributors are independents)	$6,825		$8,712		$35,610	$51,147	169
Percent	3.00	2.00	3.90	2.60	10.60	15.24	
Other—(retired=biggest category), students, unknown, "other" e.g., pilot	$17,955		$8,316		$5,842	$32,113	492
Percent	8.00	5.00	4.00	2.00	2.00	9.56	
P.A.Cs (AFL-CIO COPE, etc.)					$28,301	$28,301	61
Percent					8.43	84.3	

CONSUMER AFFAIRS REPORT CARD

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. **ANNUNZIO**. Mr. Speaker, consumer credit is more important that ever to the lives of Americans. Especially in these hard economic times, the right to get credit on a nondiscriminatory basis and maintain an accurate credit record is no longer the luxury it used to be—it is a necessity.

Several bills passed by the House in the first session of the 94th Congress and now pending before the Senate propose major changes in credit laws. As chairman of the Consumer Affairs Subcommittee of the Committee on Banking, Currency and Housing where the bills originated, I would like to both summarize them and recognize the other members of the subcommittee whose hard work and bipartisan cooperation were responsible for a remarkable year of accomplishment by the subcommittee in the field of consumer credit: Mrs. SULLIVAN, Mrs. SPELLMAN, Mr. BARRETT, Mr. GONZALEZ, Mr. FAUNTROY, Mr. NEAL, Mr. WYLIE, Mrs. FENWICK, and Mr. GRASSLEY.

The first bill reported by the subcommittee to this Congress is perhaps the most important. The Equal Credit Opportunity Act amendments prohibit a lender from discriminating against a borrower because of race, color, religion, national origin, or age, important additions to the original act which prohibits discrimination based on sex and marital status only. The hundreds of cases collected by the subcommittee which document discrimination against the aged alone were a very telling indication that more legislation was necessary. The 1975 amendments were introduced to make it absolutely clear that any discrimination in the extension of credit is illegal. The House agreed unanimously on June 3.

The Consumer Leasing Act would prevent the kind of abuses which occur when an individual is attracted by an unusually low monthly payment to rent a car or some other personal item and then finds at the end of the lease that he is responsible for a huge "balloon payment." This act amends the Truth in Lending Act and requires full disclosure in the contract of such important terms as lessee costs, aggregate costs, and liability at the end of the lease.

From 1963 to 1973 new car sales increased only 42 percent while leasing and fleet registration on new cars increased by 127 percent. Nearly 40 percent of all cars produced today are now leased and similar increases have been shown in such leasable items as television sets and household furniture. The Consumer Leasing Act is the first requirement that full disclosure be made of all aspects of a personal property lease.

A prohibition against the surcharging of credit card customers was the major thrust of a third piece of consumer credit legislation passed by the House last session. The Fair Credit Billing Act Amendments of 1975 seek to protect the millions of middle-income people in this country who depend on their credit cards to make necessary purchases when they do not have enough cash on hand. Of course, a merchant should also be able to offer any discount to cash customers that he feels is reasonable and that is also a stipulation of this bill. But he should not be able to surcharge customers solely because a credit card is used as the method of payment.

Another important provision of this short but significant legislation is that merchants or financial institutions who question their compliance with the Truth in Lending Act can request advisory opinions from the Federal Reserve Board. These advisories are often the only way a businessman can know for sure whether he is in compliance with the complicated disclosure aspects of the law and should therefore, lower the number of lawsuits brought about by unintentional violation.

A final bill originally sponsored by the Subcommittee on Consumer Affairs became public law on July 19 and grants employees of the House of Representatives and Senate the same payroll deduction privileges for savings accounts enjoyed by all other Federal Government employees. Payroll deductions for legislative employees provides that legislative employees have the option of designating a portion of their paychecks to be deducted and sent to an eligible financial institution for savings account deposit.

Other activities of the subcommittee this past session included a series of Consumer Information Hearings, an opportunity for the business community, Government agencies, and consumer interest groups to air grievances and set legislative goals. Not only did these sessions give the subcommittee members—many of whom were new—a chance to acquaint themselves with the field of consumer credit, they provided a needed vehicle through which the subcommittee would make its existence and purposes known beyond Capitol Hill. An exhaustive list of consumer groups and representatives was prepared reaching all of the way down to the township level and to date, thousands of copies of these hearings have been sent out. These organizations are receiving regular up-to-date reports of the subcommittee's activities—information which is valuable as major changes in the status of bills occur.

As with any subcommittee, work toward the final passage of a bill begins with the location of a need under its jurisdiction. This was accomplished by the Consumer Affairs Subcommittee this year through its investigations. Activities ranged from determining the overall credit worthiness of the country's elderly, to locating and reviewing the terms of a cross-section of personal property lease contracts, to answering and coding responses from victims of debt collector harassment.

Other more informal investigations conducted by the subcommittee during 1975 included the following:

Preparation of a summary of the varied methods used by banks to compute interest;

Determination of the number and usage patterns of credit cards in the United States;

Documentation of cases in which the inclusion in records of arrest or indictment have caused unfair denial of credit after the accused person was exonerated; and

Ongoing oversight of the regulations published by the Federal Reserve Board to implement the Fair Credit Billing Act and the Equal Credit Opportunity Act.

The subcommittee found a number of cases in which the regulations appear to be in conflict with the statute and asked for an explanation of these discrepancies.

In addition, each of the three major bills brought before the subcommittee for hearings was preceded by a review of existing State laws and documentation of the need for Federal legislation.

When its first term work began, the subcommittee staff also began a comprehensive investigation of the public laws under its jurisdiction. The result was to be an overall indication of how closely enacting regulations were staying to the original intent of the legislation, and further, how effectively these regulations were being enforced.

Consumer questions of all types were received and processed by the staff, however, the majority of mail involved response to a newspaper column asking that victims of unwarranted debt collector harassment relate their experiences to the subcommittee. Hundreds of letters from every State poured in.

Some of these persons were desperate and, though a decision had been made not to get involved in individual cases, many were sent personally designed replies. The less serious requests for help were answered with a list of referral agencies which could provide aid. From these cases, several persons, including former debt collectors, have been interviewed and have agreed to serve as witnesses when the hearings for the Debt Collection Practices Act begin in March.

In addition to the consumer information hearings held at the beginning of the year, the subcommittee also held hearings on three bills: The Equal Credit Opportunity Act Amendments of 1975, the Truth in Leasing Act, and the Fair Credit Billing Act Amendments of 1975. Twenty witnesses were heard altogether and each proceeding was transcribed and subsequently published.

An unusual hearing took place on April 9 when the subcommittee journeyed to a computerized supermarket in Maryland. The purpose of the trip was to bring to the public's attention the relative benefits and disadvantages of the Universal Product Code as it went into widespread use.

Finally, several times during the year, the misleading application of the term "in the consumer's interest" necessitated public acknowledgement by the subcommittee that, in its opinion, certain regulatory agency activities was definitely not in the consumer's best interest.

In such cases, the subcommittee did not hesitate to criticize. But by the same token, when these bodies produced regulations deserving of the label, the subcommittee backed them with equal enthusiasm—enthusiasm which no doubt was at least partially responsibile for a most unusual accomplishment: frequent endorsement of its work by both business and consumer groups.

REFLECTIONS OF ELDRIDGE CLEAVER

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, Eldridge Cleaver, a revolutionary lionized by radicals and third world activists who spent much of his time in Algeria and who returned to the United States for trial, has written a letter from jail which appeared in the SoHo Weekly News. The letter discusses the United Nations resolution labeling Zionism as racism. As he points out he is "certainly not a stranger to racism" and therefore his observations on this matter should be of special appeal. The letter follows:

Cleaver's Letter From Jail

(Eldridge Cleaver first appeared on the political-literary scene with his celebrated Letters from Jail published in Ramparts. Now, ten years later, he sends another broadside from a California prison. We shall see whether those who lionized the old Cleaver will similarly honor the following analysis which is based on his personal experiences in the Third World.)

Two aspects of the recent UN resolution labeling Zionism as racist both shocked and surprised me. Shocked because of all the people in the world, the Jews have not only suffered particularly from racist persecution, they have done more than any other people in history to expose and condemn racism. Generations of Jewish social scientists and scholars have labored long and hard in every field of knowledge, from anthropology to psychology, to lay bare and refute all claims of racial inferiority and superiority. To condemn the Jewish survival doctrine of Zionism as racism, is a travesty upon the truth.

Secondly, I am surprised that the Arabs would choose to establish a precedent condemning racism because it can so easily and righteously be turned against them. Having lived intimately for several years amongst the Arabs, I know them to be amongst the most racist people on earth. This is particularly true of their attitude towards black people. No one knows this better than black Africans living along the edges of the Sahara.

Once while traveling through Bamako, Mali, a cab driver flew into a rage when we asked him to take us to the Algerian Embassy. When he learned that we actually lived in Algeria, he concluded that we were crazy.

"Man," he said irritatedly, "Don't you know that the Arabs still have black slaves?"

He was right, although I didn't find it out until later. Many Arab families that can afford to, keep one or two black slaves to do their menial labor. Sometimes they own an entire family. I have seen such slaves with my own eyes. Once I pressed an Algerian official for an explanation of the status of these people, and he ended up describing a complicated form of indentured servitude. The conversation broke up when I told him that it was nothing but a hypocritical form of slavery.

I have the deepest sympathy for the Palestinian people in their search for justice, but I see no net gain for freedom and human dignity in the world if power blocs, because of their ability to underwrite sagging economies for a season, are able to ram through the UN resolutions repugnant to human reason and historical fact.

The combination of Communist dictatorships, theocratic Arab dictatorships, and economically dependent Black African dictatorships are basically united in their opposition to the democratic forces inside their own borders. This gives them a lot in common and lots of room and motivation to wheel and deal amongst themselves. But it is not a combination deserving of respect by people from countries enjoying democratic liberties and traditions of freedom. It is a combination that must be struggled against.

But it seems to me that the Western democracies, the United States above all, are so guilt-ridden because of their past history as colonizers that they now swallow, hook, line, and sinker, every half-baked argument emanating from the Wise Men of the General Assembly.

I believe that the time has come to reexamine the credentials of all the members of the General Assembly. Why should all those little so-called countries with minuscule populations have a vote equal in weight to that of the United States? When such votes are cast in the reckless manner of the anti-Zionist resolution, it is time to sit up and take notice.

The so-called hardline adopted at the UN by Ambassador Daniel Moynihan seems too soft to me, and the support which he is getting in certain political circles is softer still. But the stakes in the struggle in the international arena are high. The General Assembly is no longer filled with Mahatma Ghandis, pleading the case of the downtrodden colonized masses. (It is now a forum for crude hired killers like Idi Amin Dada, the hatchet man of Uganda.)

But it is not enough to criticize the negative aspects of the UN in print and fiery speeches, and then lose the crucial votes when the chips are down. Concrete steps must be taken to render the UN structurally incapable of cynical manipulation by hypocritical power blocs that devour freedom in the name of a just cause and undermine democratic principles with a reckless distortion of the right to vote.

It may seem paradoxical that I write these words from a prison cell in California. I am certainly not a stranger to racism; I have personally experienced it in the ghettos and prison yards of America. But I have also personally shared the experience of thousands of men and women now languishing in the prisons of Communist and Third World countries. The cause of democracy and freedom can best be served when men and women speak out against the forces that seek to nullify them, even if this means speaking out from a prison cell.

THE "PSIKHUSHKA"—MADHOUSE—OF THE SOVIET UNION

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, it was with great joy that we learned that Leonid Plyushch, the dissident Ukrainian mathematician, had been released on January 8 from detention in the Soviet Union. Yesterday, in Paris, he recounted the horrors of Soviet repression and terror.

In 1968 Plyushch was dismissed from his position at the Institute of Cybernetics of the Academy of Sciences of the Ukraine for having publicly protested the trial of two writers for "anti-Soviet" activities. Plyushch continued his outspoken dissent and was subsequently arrested by the KGB. There then followed the gruesome experience of detention in a psychiatric hospital for his political beliefs. He was "diagnosed" as having "sluggish schizophrenia from an early age." From 1973 to 1976 he was subjected to the humiliation and degradation of beatings, overcrowded quarters, harassment, and dulling drug treatments, which slowly wore down even Plyushch's sturdy resolve. Sixty political prisoners were thrown together with the criminally insane and the mentally deranged and some were broken by the experience.

What kind of government operates in the Soviet Union? If there is insanity it must run rampant in the Kremlin, when dissent is viewed as a sickness and political concern and participation is viewed as abnormal and as was said to him by his jailers "none of the people's business."

Leonid Plyushch has attacked the Soviet Union for what it really is: a prison and a fraud; and a horrendous menace to human freedom.

It is important to remember that Plyushch considers himself a Marxist. He is not using this opportunity to discredit the Soviet Union for political reasons. Rather, Plyushch values honesty above all other considerations. He is calling on the free people in the West to vociferously demand the release of those being detained in prison camps and psychiatric prisons for having engaged in dissent. The defense of human freedom should be much stronger than the call for détente or for political expediency.

I hope that every Member will read the statement of Leonid Plyushch, for it tells of one man's courage against a system of lies and repression. He now ranks with his confreres Solzhenitsyn and Sakharov. I am appending his statement for the information of my colleagues:

[From the New York Times, Feb. 4, 1976]

Excerpts From Statement by Dissident on His Detention in Soviet Mental Hospital

Paris, February 3.—Following are excerpts from a statement issued in Russian, French and English today by Leonid I. Plyushch, a dissident Ukrainian mathematician who was recently released after two years in a Soviet mental hospital.

On the 15th of January 1972 I was arrested and put in the investigation and isolation prison of the K.G.B. [Committee of State Security] in Kiev.

From the first day of the investigation I refused to make any statement whatsoever. I knew that anything I said about my friends, even if it was in their favor, would only be used as an accusation against them. Neither the K.G.B. nor the procurator's office are interested in the truth. I told the investigators that I considered the K.G.B. an anticonstitutional organization and that I did not wish to be a party to their crimes against the people.

As early as 1969, an acquaintance of mine, Bakhtiyarov, was told during an investigation that I was a schizophrenic and that I was in a mental hospital. For this reason I was convinced from the first day of my arrest that I would be put in the Dniepropetrovsk mental hospital, I understood that my tactics of silence during investigations increased the threat, but I did not want to go back on my principles.

SIX MONTHS IN PRISON

In May 1972 I was sent to the Serbsky Institute for a so-called in patient forensic psychiatric examination. For six months I was in Moscow's Lefortovo Prison. The decision to send me for forced treatment was taken on the ground of several conversations with psychiatrists, among whom were some leading Soviet psychiatrists—Academician Andrei V. Snezhnevsky, D. O. Lunts, Madzharov and the Morozovs. I went before two expert psychiatric commissions. As I subsequently found out the diagnosis was "sluggish schizophrenia from an early age."

From July 1973 to the 8th of January 1976 I was in the Dniepropetrovsk special mental hospital. I underwent a "treatment" of neuroleptics—haloperidol and triftazin—I followed two courses of insulin therapy.

Most of the inhabitants of the Dniepropetrovsk special mental hospital are mentally deranged—murderers, rapists, hooligans. There are about 60 political prisoners, in general mentally normal people.

MALE NURSES BEAT PATIENT

The horror of the "psikhushka" (the mad house) gripped me from the start. In the ward there were more patients than beds. I was put as the third person on two bunks that had been pushed together. On the beds patients were writhing from haloperidol. One man's tongue was lolling out, another was rolling his eyes, a third walked around unnaturally bent over. Some lay and groaned with the pain—they had been given injections of sulfur. As they explained to me, they were being punished for bad behavior.

Patients stood around the door and begged the male nurses to let them go to the toilet.

When I woke up next morning, I saw two male nurses beating a patient. In the afternoon I was summoned for interrogation by Dr. Kamenetskaya. A male nurse came in and said that a patient had attacked some nurses and had then tried to hang himself in the toilet. She ordered him to be tied up and burst into the ward and started shouting at him.

The patients told me that he had not attacked anyone but they had beaten him up because he had asked to go to the toilet. But no one could make up his mind to tell the doctor about this because they were afraid of being punished with sulfur. The patients began to make fun of the victim, but he told them: "They'll beat you up too, you know."

I arrived in prison with a group of thieves who were feigning illness in order to "have a rest" and a good feed-up. On the second day they all admitted that they were quite healthy—horrified by what they had seen.

A week later I was taken to another floor. Here the regulations were not so strict. Hardly anyone was writhing in pain from haloperidol. It was easy to get to the toilet. The patients wore dirty, ragged clothes but they were pajamas.

The patients immediately explained to political prisoners that they should not complain here. If you did you were given a reinforced treatment of neuroleptics, injections of sulfur. They prevented you going to the toilet.

You had to admit to the doctors that you were ill and renounce your views.

At the beginning I argued with them and then I came to the conclusion that they were right.

According to the rules, they take you to the toilets in groups six times a day and during three of the visits you are allowed to smoke. The patients try to smoke as much tobacco as they possibly can, hence people vomit.

I was prescribed haloperidol in small doses. I became drowsy and apathetic. It became difficult to read books. I started to spit out tablets secretly.

After three months they put me in the worst department, No. 9. Here the arbitrary rule of the male nurses is less evident but to make up for it the "treatment" is much more intense. You are under more strict supervision, the doctor's interrogation becomes more humiliating.

I was put in a so-called "supervised ward" where they put the violent serious cases. Some fight, others writhe in epileptic fits, a third cries, a fourth roars with laughter, a fifth sings thieves' songs, a sixth described his case and his sexual adventures in a loud voice, a seventh asks to go to the toilet—in short, bedlam.

MOST DANGEROUS PATIENT

I was considered the most dangerous patient in the hopsital. The male nurses and the nurses were forbidden to talk to me. The other political prisoners were warned that if they talked to me it would be the worse for them. When one male nurse started to take science fiction books from me he was told that he was associating with an "anti-Soviet person." For two days I sat next a political prisoner in the dining room. They moved us and put us at different tables.

Once I talked to a young murderer for a whole evening about science fiction. The next day he was put in another ward. What is more, the doctors reproached me for making friends with another murderer, which was completely untrue. At the same time they reproached me for not talking to any of the patients.

To keep me in complete isolation I was forbidden to go to the kitchen or into the yard in case I might accidentally meet other politicals.

At the interviews, the doctors asked me about my contacts outside. I told them that these questions were interrogator's questions and refused to answer them. The interviews themselves were very painful for me as they discussed my beliefs and made humiliating comments about them. They commented on my letters and the letters of my relatives.

When my wife complained about something in the behavior of my eldest son and praised the younger one, they told me that the eldest was on the right track whereas the the youngest was schizophrenic. They hinted that my wife was not normal either. And as for a close woman friend who wrote me affectionate letters, she used to be my lover and so they would not give me her letters.

ANTI-SOVIET ACTIVITIES

In general the doctors suggested I cease writing to all my friends as they were all anti-Soviet and my correspondence with them proved that on leaving the hospital I would continue my "anti-Soviet activities."

After the Pyotr Yakir-Viktor Krasin trial they suggested I write a confession. I asked them, "Surely you don't think that an adult can change his views so quickly? They must be lying."

The doctor agreed that they lied but continued to put pressure on me to recant.

But a confession was not enough. There had to be proof that it was genuine and there had to be proof why I considered I was mentally ill. I answered the last question carefully, saying that I was not a specialist D and that I could express an opinion about my own illness. Here it must be taken into account that I did not know their diagnosis and did not know what I should be disputing.

Dr. Lyubarskaya said to me: "You are just an ordinary person. Why did you go into politics?"

I explain that one of the ideas of the Communists was the involvement of all the working people in political activity. The Bolsheviks were ordinary people, too.

Answer: "But you're not a Bolshevik," and explanation: "Your abnormality is shown by the way you have always, from an early age, been concerned with things that were none of your business."

NO USE FOR PSYCHOTHERAPY

The following episode says a great deal about the professional standard of the doctors.

I asked the same doctor: "Why is psychotherapy not used in the hospital?"

Answer: "There is no use for psychotherapy in psychiatry."

To sum up:

What is the aim of a "treatment" and regulations like this?

I saw this in my own case. The first days should break a person morally straight away, break down his will to fight. Then begins the "treatment" with neuroleptics.

I was horrified to see how I deteriorated intellectually, morally and emotionally from day to day. My interest in political problems quickly disappeared then my interest in scientific problems, and then my interest in my wife and children. This was replaced by fear for my wife and children. My speech became jerky, abrupt. My memory deteriorated sharply.

At first I felt it keenly when I saw the patient's suffering or learned that some friends had turned traitor. Then I became indifferent to all that. The effect of the neuroleptics increased my isolation from the healthy politicals. I did not want to hear the cries, the fights, the laughter, the crying, the delirium.

For whole days on end I lay and tried to sleep. The neuroleptics helped me.

I did not have a thought in my head. The only thoughts that remained were—toilet, smoking and the "bribes" you had to give an extra visit to the toilet.

And one other thought: "I must remember everything I see here so I can describe it later."

Alas, I did not remember a hundredth part of what I saw.

In spite of my apathy I was afraid that my deterioration was irreversible. I looked at the really serious cases who, they told me, had been quite well a few years ago. You had been able to have some communication with them.

Several politicals broke down and gave in before my eyes.

Being a Communist, as far as my convictions are concerned, I would like to address myself to Communists in the West. When I was in the Dniepropetrovsk Special Mental Hospital I found out that among those fighting for my release there were French and Italian Communists. I did not think that this would help me personally. It was the fact that they were taking part that made me glad. For me it meant that these Communists were fighting for a humane Socialism.

Here in the West, I consider it a duty to my conscience to join in the fight for the release of political prisoners from the prisons, camps and psychiatric prisons of the U.S.S.R.

At the moment the fight is going on for the release of my friends Vladimir Bukovsky, Semyon Gluzman and Valentin Moroz.

I call on all honest people to join in this fight.

RENAMING U.N. PLAZA "ZION SQUARE"

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, tomorrow, a hearing will be held by the New York City Council Parks, Recreation and Cultural Affairs Committee on a proposed change of name resolution. I regret that I will not be able to be present to endorse the proposal which is to designate an area adjacent to the United Nations as Zion Square. I will, unfortunately, be here in Washington because the Congress is in session. However, the statement which I am appending below will be read for me at that hearing:

STATEMENT BY REPRESENTATIVE EDWARD I. KOCH

I support the proposal of Councilman Henry Stern to designate an area adjacent to the United Nations as Zion Square. And I want to commend Councilman Stern for the brilliance of his proposal.

Several factors support making this designation. Most fundamental is that out of Zionism came the law, and the United Nations with its vileness and pusillanimity has debased the law. Perhaps if every day the delegates of the United Nations cross "Zion Square" their collective consciences will be reminded of how low the United Nations has fallen in the esteem of decent, moral persons in the City of New York, the United States, and everywhere democracy rules.

A second reason to give this area this designation is to recall for future generations the spot where the hopes of mankind were dashed by a world body led and dominated by despotic states such as the Soviet Union, the Arab feudal governments, and those African countries ruled by juntas and one-man governments. Very much as Dachau was adjacent to the crematoria, monuments to show how mankind abused and tarnished humanity forever, let the United Nations have next to it Zion Square to recall the law and morality it failed to uphold.

Just yesterday I received a call from Mrs. John Loeb who is the City of New York's representative to the United Nations, appointed by the Mayor of New York. She urged me to oppose this proposal. She argued that four of the nations whose offices would be adjacent to Zion Square are friendly to the United States and would be distressed by the change. My own view is if they are indeed friendly to the United States, and more important if they are moral nations, they would if they could join in endorsing this proposal.

Mrs. Loeb's second reason for opposing the proposal was that it would require various organizations to change their stationery incurring a needless expense. I suggested to her that they only change their stationery when it needs replenishing and the postman will find them in the interim.

Finally, she said that forcing the member delegates to face the words "Zion Square" each day they came to the marble halls of the United Nations would only enrage them. If it enrages them, so be it. However, I would hope that rather than enrage them it will prick their consciences and cause them to reflect upon and ultimately repudiate their votes to equate Zionism with racism. Mrs. Loeb was not appointed by Secretary General Kurt Waldheim to represent the member nations of the United Nations, but she was appointed by the Mayor of the City of New York to represent the people of the City of New York. And the will of the people of the City of New York is reflected by the fact that the Members of the City Council of the City of New York unanimously support the resolution to designate the area as Zion Square.

I represent the 18th Congressional District in which the United Nations is physically situated. I endorse the bill and urge its adoption.

FOUR-YEAR TERM FOR MEMBERS OF THE HOUSE ADVOCATED

(Mr. ROUSH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ROUSH. Mr. Speaker, I rise today to introduce a bill that would amend our Constitution in a significant way.

When he sought to convince the American people to adopt the new Constitution, James Madison explained that it was "particularly essential" that the House of Representatives should have "an immediate dependence on, and an intimate sympathy with, the people." I believe those of us who sit in the House of Representatives would echo his statements these many years since.

Madison also proposed that the only way this could be achieved was through "frequent elections" which he thought were "unquestionably the only policy by which this dependence and sympathy can be effectually secured."

But he then went on to pose the question that perhaps has never been finally answered: How frequent should these elections be? Or, in other words, what should the term of office of a Member of the House of Representatives be to insure that that Representatives remain both dependent on and sympathetic to the electorate.

Madison wrote that any "precise calculation" of the proper or necessary degree of frequency of such elections was not clear.

Although under the Articles of Confederation government the Members of Congress had been elected annually, the framers of the Constitution decided on a 2-year term, after debating the value of 1-, 2-, and 3-year terms. During the Convention Madison himself supported the 3-year term, although when the decision went against him he willingly and enthusiastically justified the 2-year term as a reasonable and workable compromise by the Constitutional Convention. His reason for supporting a 3-year term was his conviction that "instability" was one of the great vices that had to be remedied in the new Government.

Madison further argued that a longer term was necessary for Members of the House "in a Government so extensive" if Members were to "form any knowledge of the various interests of the States to which they do not belong, and of which they can know but little from the situation and affairs in their own."

For the same reasons I would today in the 20th century advocate a 4-year term for Members of the House of Representatives.

I cannot think of a more fitting time to consider the proposal I am now introducing than in the beginning of this Bicentennial Year.

There is no doubt that the framers of the Constitution sought in establishing the House of Representatives to achieve enough stability in this body to enable it to adequately legislate, but also to deliberately rest that stability on the changing will of the people. Built into this great legislative body is the need for both stability and change. I think this a part of the genius of our system of government and I would not change that mix.

I do believe that those twin goals could be better achieved with a longer term of office. Standing for a seat in Congress was infinitely simpler and required much less time and effort in the 18th century than it does now. Today there are many more national and international issues to be debated and voted upon than there were when Thomas Jefferson and a couple of clerks ran the Department of State.

If we have in the 20th century overcome the long and arduous matter of travel from our congressional districts to the Capitol with jet age transportation, this in turn has meant that we are expected to be more places more often: in our congressional districts, here in the Nation's Capital, and wherever throughout the world our committee responsibilities carry us.

Running for office every 2 years, as the Constitution now requires us to do, necessitates that we take time from legislative business to plan a campaign, seek financing, and meet the many commitments a campaign requires.

A new Member of Congress has special problems in addition to these. It takes time to select and train a staff; to learn yourself what the procedures and practices are of this greatest legislative body in the world.

Once appointed to a committee it takes a member some years—depending on the member and the committee—to really master the subject matter of that assignment. Besides this we are all expected to know something about every subject that touches the multiple interests of the American people and that results in legislation. It takes experience and information, neither of which can be acquired quickly, to responsibly vote on the hundreds of bills that reach the floor in any session of Congress.

In 1976 the United States no longer enjoys the geographic isolation President Washington relied upon. We are no longer a small agricultural nation of less than 4 million, but a nation of over 200 million with a diversified and internationally related economy. I believe that the increased responsibilities of Members of the House of Representatives require that we extend the length of the term of office so that we will have the time to get to know our constituency which is both our congressional district and the Nation; and so that we can effectively legislate in their best interests.

After much careful reflection, I decided that this amendment would stagger the terms in a manner similar to the other body, a procedure that has worked effectively there. In other words, half of the House of Representatives will run every 2 years.

The mechanical difficulties of this provision are not of major importance and in principle are dealt with in the bill. This is preferable to having the Congress run with the President for several reasons.

First of all, I do not wish to abandon the capability the people now have of every 2 years alerting us in this body to their feelings on current matters by going to the polls. I do not think the whole House needs be so elected, but my bill provides that half of it will continue to be elected in that way.

Second, if a 4-year term House of Representatives were chosen every Presidential election year, I believe this would effectively reduce the power of the House, lessen the possibility of an oft-needed "loyal opposition" and make the Congress too dependent on the executive branch of Government.

There are compelling reasons for adopting this amendment. There are no arguments in opposition that I find similarly compelling.

TWO-PERCENT CLUB

(Mr. ROUSH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ROUSH. Mr. Speaker, earlier in this Congress, I introduced a bill to eliminate the involuntary use of Federal tax dollars to support State and local political parties. In my home State of Indiana and in other States, there is a system known as the "Two Percent Club" which expects and requires certain categories of State employees to "kickback" part of their pay to whichever political party is in power.

My proposal made it clear that an individual could not legally be deprived of nor excluded from any employment or benefits provided for or made possible by Congress if that deprivation or exclusion is based on a person's making or failing to make a contribution of a thing of value—including services—for the benefit of any candidate or political party.

Common Cause, in testimony before the House Judiciary Subcommittee on Criminal Justice, objected to such practices as the Two Percent Club which they considered "built upon this very concept of political loyalty rather than upon efforts to attract the most competent, most highly qualified people to public service." Common Cause could find "no place for consideration of an individual's political affiliation in determining his or her fitness to obtain or hold a Government job." In their testimony, the Justice Department approved H.R. 2920's expansion of the reach of the Federal Government because "the United States has an obligation to insure that none of its appropriations is used as a means of extorting political favors."

I agree and I believe that this system of forced "kickbacks" exists in many States and communities besides Indiana. I strongly support voluntary contributions to the political party of one's choice. I do not believe, however, that forcing a contribution to a political party by a threat of not being hired or by threat of being fired is consistent with good government. I think you would agree.

In introducing H.R. 2920, it was my intention to make this practice illegal by prohibiting such a requirement of political support of those working in State and local jobs which were made possible in whole or in part by Federal tax dollars. The pertinent sections of law did not reach that far, and thus prosecution under these sections by the Justice Department was virtually impossible The principal limitation in the present statute is that it applies only if Federal money for "work relief or relief purposes" is involved.

H.R. 2920 has been worked over and improved by the subcommittee. New language has been drafted for section 601 to more appropriately reach all kinds of State and local jobs in which Federal dollars are involved in whole or in part, not just work relief, as in current law. The new language specifies that it is the deprivation of employment on account of political contributions or the lack thereof, including services, by those applying for or already in jobs funded in whole or in part by Federal dollars that constitutes a criminal offense.

I believe this legislation will constitute an important reform in our political processes.

IMF MUST BE PRESERVED AS A FORCE FOR FINANCIAL RESPONSIBILITY IN THE WORLD

(Mr. ROUSSELOT asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ROUSSELOT. Mr. Speaker, last December 18, I introduced House Concurrent Resolution 522, which criticized a recent agreement negotiated by the Treasury Department among the member nations of the International Monetary Fund. Among other things, this agreement authorized the IMF to sell one-sixth of its gold, by the questionable use of the so-called scarce currency clause of the Articles of Agreement of the IMF, for the benefit of the Third World countries. I take exception to the Treasury's conduct in these negotiations and question the prudence of a number of the provisions that were agreed to. At the beginning of the proceedings, the Treasury rejected suggestions from several nations that any gold be released by the IMF should be restituted—returned—to the member nations who contributed to it.

As a matter of fact, Treasury opposed any restriction of IMF gold whatsoever, and finally conceded to the restitution of one-sixth of the IMF gold in return for support of the Third World aid project that was to be administered through a special quasi-independent IMF trust fund. In my opinion, the Treasury, in its effort to rush gold off the center stage of the international monetary market, has made several unnecessary concessions and compromised certain established and accepted procedures, without first seeking congressional sanction. The International Monetary Fund has changed in nature and intent by the agreement that has been pushed through the Treasury Department. By this agreement the IMF will, via a "back door" process, provide millions of dollars in balance-of-payment assistance in the form of "soft" loans to the underdeveloped countries. Such a departure from precedent should not be taken lightly and cannot be dismissed without notice.

When House Concurrent Resolution 522 was introduced last December, it was thought that the agreement establishing the trust fund concept was to be considered by Congress. This being the case, the Nation's elected representatives would have had the opportunity to rule on the propriety of the International Monetary Fund using its gold—nearly a fourth of which was provided by the United States—to aid the developing nations in meeting their balance-of-payments problems. An article that appeared in the Washington Post on January 10 entitled "Congress Not Needed for Gold Sale" made this quite clear. I would like this article to appear in the Record at this point:

Congress Not Needed for Gold Sale

(By Hobart Rowen)

Kingston, Jamaica, January 9.—U.S. Treasury Secretary William E. Simon told reporters here today that Congress does not have to approve the sale of 25 million ounces of gold by the International Monetary Fund, a part of the historic agreements reached here late yesterday setting up a new international monetary system.

The rest of the new monetary order, however, including legalization of floating exchange rates, the abolition of the official price of gold and a reduced percentage U.S. quota in the IMF will have to be ratified by Congress.

Simon said that hearings on the new monetary package will probably begin next month. Rep. Henry S. Reuss (D-Wisc.) and others have already indicated opposition to either the gold sale for the benefit of less developed countries or the "restitution" (restoring) of one-sixth of the amount of IMF's gold to original depositors.

Simon told a press conference that he takes the position that the gold belongs to the IMF, and that the institution can dispose of it as it chooses.

American officials here are pleased with the new monetary agreement, especially because it puts the stamp of approval on floating exchange rates through a new Article IV, the text of which was officially released today for the first time.

"When you think back to the old system," Simon said, "even though it served the world well, by 1971 we had a fixed over-valued dollar which worked against the best interests of the United States. And gold was at the center of the system. So I think we've made significant progress."

Although officials agreed that there are many international monetary problems still to be solved, Simon said he did not see "any major uncertainties ahead. What we now have to do is to make a new system work."

What concerns many Europeans, however, is that the world may get an exaggerated idea of the extent to which poor countries will be aided by agreements reached here this week by the IMF's Interim Committee.

IMF Managing Director H. J. Witteveen estimated at a late briefing Thursday night that the total aid package for the non-oil developing countries this year would come to about $3 billion.

Simon said that counting everything, a gross amount of $9 billion in aid over a period of years had been set in place. He admitted that the figure could be misleading, and should not be taken literally, because there is no way of knowing how much of varying schemes will actually be drawn on by the poor countries.

Witteveen stressed that the agreement gives the IMF "new power to invest its reserves and profits on the sale of gold." He also made the point that the IMF which had to stand by impotently while major nations flagrantly violated the current rules against floating exchange rates, will now acquire a new and powerful key role in surveillance of the float.

The key specific points of the agreement as shown in the communique are:

1. A trust fund established to distribute profits from the sale of 25 million ounces of gold. Profits will be distributed on concessionary terms to countries whose per capita income in 1973 was not over $350.

2. An equal amount of gold will be given back to all members in proportion to their quotas.

3. Future gold sales by the IMF, after an 85 per cent vote, can be used in part for the benefit of poorer countries.

4. Quotas will be increased by 32.5 per cent, boosting total IMF funds to about $48 billion. The developing countries' shares go up, the industrial countries' shares go down.

5. On a temporary basis, prior to the institution of the new quotas, borrowings can be increased from 100 percent of total quotas to 145 per cent, with the increase distributed over all four credit tranches (borrowings).

6. All countries within six months are to make their currencies useable for borrowings by other IMF members. This affects the OPEC countries, which had not allowed their currencies to be so used until now.

7. The amended articles of agreement to be proposed to the legislatures of 128 member countries incorporates without substantive change the French-American agreement reached at Rambouillet which in essence provides for a system of floating exchange rates and a consultation system leading to central bank intervention which is designed to eliminate wide fluctuations in exchange rates. This is the new article IV, which contains a polite vow to the principle of "stability" but makes clear that the U.S. or no other country must return to a system of fixed exchange rates.

While it is true that other provisions of the IMF agreement will have to come before the Congress for ratification, the trust fund will be established without congressional approval. It will be established through a process which perhaps can best be described as "laundering" the IMF gold. The IMF will declare certain currencies to be "scarce." It will then, under the authority of the scarce currencies clause of the Articles of Agreement sell gold to central banks throughout the world in exchange for these specified currencies. The original sale will be at the official price of gold, approximately $42 per ounce, which is the only price at which the IMF can legally sell gold without an amendment to the Articles of Agreement. An amendment to the Articles would have required congressional approval. Nations of the Third World will be allowed to retain their shares of the gold, or to resell it for their own benefit at market prices. The central banks of the developed nations, on the other hand, will be required to sell their shares of this gold, again at the official price, to the quasi-independent trust fund. This trust fund, in spite of the fact that it will be run by IMF officials will not be under IMF restrictions regarding disposition of IMF gold, and thus will be able to sell IMF gold on the open market, where the price is currently about $125 per ounce. The profits from this sale of approximately one-sixth of the IMF gold, will then be used to make loans to the Third World.

The formation of the trust fund by the IMF departs from established precedent in at least four areas:

First. Terms of loans: The trust fund will have the power to make "soft" loans with the profits from the sale of the IMF gold. Traditionally, IMF loans have been given only with definite restrictions in terms of length, interest, usage, et cetera. The trust fund loans will significantly depart from this precedent.

Second. Uniformity: The IMF has traditionally treated all of its member nations alike. No special treatment has been afforded any particular country or group of countries for any given reason. The very purpose of the trust fund is to afford preferential treatment to a "special interest group" of nations.

Third. Sale of the IMF gold at other than the official price: The Articles of Agreement of the IMF prohibit the sale of IMF gold at any price other than the official price of $42 per ounce—and yet the trust fund intends to do exactly that.

Fourth. Administration of the trust fund: The designed intent of the trust fund is to carry out the Third World aid purposes of the IMF without having to be bound by the IMF Articles of Agreement. For the IMF to carry out the purposes that the trust fund is designed to carry out, the Articles of Agreement would have to be amended, and this would require congressional approval. In my belief, Congress would not consent to the creation of such a fund. Treasury suspects this, and accordingly has created the trust fund in order to circumvent a confrontation on the Hill.

The purpose of the joint resolution that I am introducing in the House today is to express the sense of the Congress that it should be consulted on matters concerning the disposition of IMF gold—particularly when the gold is to be used for the benefit of Third World nations. It would instruct the Secretary of the Treasury to insure that the rules of the IMF provide for a vote of the members holding at least 85 percent of the quotas of the IMF before more gold can be sold. This, given the fact that the United States has a 20 percent quota in the IMF, would give the United States a virtual veto over any such agreement in the future. Additionally, the Secretary would be required to report annually to the Congress on operations of the trust fund, and would be required to insure that loans of the trust fund be used only for traditional IMF purposes and that usual restrictions be placed on those countries receiving trust fund loans.

In my estimation, these steps are necessary to prevent another "fait accompli" from being handed to the Congress, to insure that the IMF is preserved as a force for financial responsibility in the world, and to prevent IMF assets from being dispersed in a manner that may serve to accelerate world inflation.

A copy of House Joint Resolution 793 and material from the Washington Post of January 10, 1976, follows:

H.J. Res. 793

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, Regarding the conduct of recent negotiations concerning the

International Monetary Fund (IMF) and the position of the United States with respect to future sales of IMF gold and a proposed trust fund.

Whereas certain aspects of the International Monetary Fund (IMF) have been under review for the last two years by member nations of the IMF; and

Whereas at the outset of the review process the Department of the Treasury decided to use the review process to work for the removal of gold from the international monetary system by providing assistance to less developed nations through the use of IMF gold; and

Whereas the Treasury discouraged attempts by certain member nations of the IMF to prevent this change in the character of the IMF, which nations wished instead to have the IMF gold restituted to the nations which had deposited it; and

Whereas the Treasury has agreed to support the restitution of one-sixth of the IMF gold to the member nations in exchange for the support of certain nations for the sale of another one-sixth of the IMF gold stock, the proceeds from said sale to be used by a trust fund or other such fund or agency (Trust) to assist the less developed countries, with less stringent regulation by the IMF of the use to which such loans are put than has been true in the case of traditional IMF lending; and

Whereas fractions of the proceeds from said sale proportional to the quotas in the IMF of the less developed nations are to be turned over to said nations as outright grants unprecedented in IMF history; and

Whereas several amendments to the Articles of Agreement of the IMF are to be presented to the Congress for ratification; and

Whereas said amendments will require that future gold sales by the IMF shall require the votes of member nations of the IMF holding 85% of the quotas of the IMF; and

Whereas the quota of the United States is approximately 20% of the IMF; and

Whereas said amendments will not include any provision concerning said proposed change in the character of the IMF nor any provision concerning the Trust, which is to be established by action of the IMF Board of Directors by means of a questionable use of the so-called "Scarce Currency Clause," Article VII Section 2 of the Articles of Agreement of the IMF, so that this matter need not be voted upon by the Congress; and

Whereas loans and grants not directly related to the International monetary status of the member nations are not properly within the purview of the IMF, falling instead within the area of competence of the International Bank for Reconstruction and Development, the International Development Corporation, and various United Nations Agencies; and

Whereas the Congress has traditionally been consulted in matters of foreign aid, and able to vote on the size and form of such aid, taking into consideration the foreign policy interests of the United States and its relationships with the recipient nations, which process has been circumvented in this matter: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled:

That the Treasury did not adequately consult the Congress with regard to the basic decision to support a possibly radical change in the character of the IMF and to accede to the use of IMF gold for aid to the less developed nations rather than to restitute the said gold to the member nations; and

That the Treasury shall work to insure that any future disposition of IMF gold beyond the sale of one-third of the current stock proposed by the IMF at its recent meeting in Jamaica shall require the votes of nations holding 85% of the quotas of the IMF; and

That the Secretary of the Treasury in formulating U.S. policy with respect to future disposition of the IMF's gold, shall observe the Congressional intent that the basic monetary and financial character of the IMF be preserved; and, should a Trust Fund be established or enlarged with funds derived directly or indirectly from the release of IMF gold, the Secretary of the Treasury shall take best efforts to insure that loans by said Trust Fund will be extended for the traditional balance of payments adjustment purposes of the IMF, and pursuant to the traditional principles and policies of the IMF on the uses and repayments of such loans; and

That the Secretary of the Treasury shall report to the Joint Economic Committee of the Congress, and to the appropriate standing Committees of the House of Representatives and the Senate, as soon as possible on the final form of the charter of said Trust and annually thereafter, on the nature of the loans made by the Trust, which annual report shall include information on the uses to which the loans were put, the interest rates charged, and any financial, budgetary, or exchange rate requirements or other conditions placed on the borrower by the Trust in connection with such loans, and a comparison of such uses, requirements, and conditions with those associated with borrowing from the IMF under the several tranches of the quotas in the IMF; and

That the Secretary of the Treasury shall monitor carefully the activities of said Trust, and shall report immediately to the aforesaid Committees any observed irregularities or improprieties in the actions of the Trust and either its charter or the traditional practices of the IMF.

IMF AGREEMENT GUARANTEES FLOAT

(By Hobart Rowen)

KINGSTON, JAMAICA, January 9.—The new Article IV covering exchange rates not only legalizes "floating", but contains iron-clad provisions assuring that the United States need never go back to a par value (fixed system) if it doesn't want to.

Text of the new article was made available this morning by the United States. Together with other proposed amendments, it will be submitted to International Monetary Fund member governments for its approval.

The language also indicates that the IMF acquires considerable power and scope in exercising surveillance over the exchange rate policies of its members.

The basic theme of Article IV is that the IMF will collaborate with its members to promote "a stable system of exchange rates." with each member deciding how to fulfill that obligation. The United States has made clear that it will continue to choose floating rates, which basically fluctuate in the market place.

Treasury Undersecretary Edwin H. Yeo pointed out that the key to the new exchange rate system is that the "stability" agreed upon is to be fostered by creating stability in underlying economic conditions.

"It used to be assumed that an exchange rate system could impose or create stability," Yeo said. "The theory here works the other way. Lacking stability in underlying economic conditions, any system would break down."

If the IMF should ever decide to move back to a par value system, it would have to determine by an 85 per cent vote that international economic conditions would support such a system. The criteria listed for a determination that a return to stable rates is desirable are exceedingly stringent. But in any event, the 85 per cent vote needed means that the U.S. could, if it chose, veto any return to par values.

However, if a par value system were to be established (and keyed to a standard other than gold or currencies), any member at that point could opt out, simply by deciding that it does not want to establish a par value.

Further, if a member once having adopted a par value should decide that it is working unfavorably in its national interest and therefore wants to abandon it, the IMF could force the continuance of that member's par value only by an 85 per cent vote.

What Yeo referred to as "the drive system" or the heart of the new Article IV is a statement of general obligation of members which reads as follows:

"Recognizing that the essential purpose of the international monetary system is to provide a framework that facilitates the exchange of goods, services, and capital among countries, and that sustains sound economic growth, and that a principal objective is the continuing development of the orderly underlying conditions that are necessary for financial and economic stability, each member undertakes to collaborate with the fund and other members to assure orderly exchange arrangements and promote a stable system of exchange rates. In particular, each member shall:

"(i) endeavor to direct its economic and financial policies toward the objective of fostering orderly economic growth with reasonable price stability, with due regard to its circumstances;

"(ii) seek to promote stability by fostering orderly underlying economic and financial conditions and a monetary system that does not tend to produce erratic disruption;

"(iii) avoid manipulating exchange rates or the international monetary system in order to prevent effective balance of payments adjustment or to gain an unfair competitive advantage over other members; and

"(iv) follow exchange policies compatible with the undertaking under this section."

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. MCEWEN (at the request of Mr. RHODES), for today and the balance of the week, on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative programs and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. GRADISON) to revise and extend their remarks and include extraneous material:)

Mr. JEFFORDS, for 20 minutes, today.

Mr. PEYSER, for 60 minutes, on Monday, February 9, 1976.

Mr. FORSYTHE, for 5 minutes, today.

(The following Members (at the request of Mr. SIMON), to revise and extend their remarks, and to include extraneous matter:)

Mr. HUGHES, for 5 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Ms. ABZUG, for 30 minutes, today.
Mr. VANIK, for 10 minutes, today.
Mr. RODINO, for 5 minutes, today.
Mr. COTTER, for 5 minutes, today.
Mr. MORGAN, for 5 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. LEGGETT, for 5 minutes, today.
Mr. PATMAN, for 30 minutes, today.
Mr. KRUEGER, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Ashbrook and Mr. Bauman to revise and extend after the remarks of Mr. Collins of Texas in the Committee of the Whole today.

Mr. Wright to follow remarks of Mr. Collins of Texas.

(The following Members (at the request of Mr. Gradison) and to include extraneous matter:)

Mr. Del Clawson.
Mr. Goodling.
Mr. Fish.
Mr. Hillis.
Mr. Conlan.
Mr. Symms.
Mr. Peyser.
Mr. Lagomarsino.
Mr. Bell in two instances.
Mr. Gilman.
Mr. Rousselot in two instances.
Mr. Broomfield in two instances.
Mr. Young of Alaska.
Mr. Findley.
Mr. Archer.
Mr. Sarasin in five instances.
Mr. McClory.
Mr. Guyer.
Mr. Derwinski.
Mr. Hammerschmidt.
Mr. Frenzel.
Mr. Abdnor.
Mr. Rinaldo.

(The following Members (at the request of Mr. Simon) and to include extraneous matter:)

Mr. Gonzalez in three instances.
Mr. Anderson of California in three instances.
Ms. Abzug in two instances.
Mr. Richmond.
Mr. Matsunaga in three instances.
Mr. Evins of Tennessee in five instances.
Mr. Biaggi in 10 instances.
Mr. Reuss.
Mr. Edgar.
Mr. McDonald of Georgia in five instances.
Mr. Litton in three instances.
Mr. Dent.
Mr. Roush.
Mr. Sisk.
Mr. Green.
Mr. Hungate.
Mr. Cotter.
Mr. Gaydos.
Mr. Russo in three instances.
Mr. Traxler.
Mr. Meeds in two instances.
Mr. de la Garza in 10 instances.
Mr. Bonker in two instances.
Mr. Drinan.
Mr. Conyers.
Mr. Leggett.
Mr. Brinkley.
Mr. Vanik in two instances.
Mr. Rangel.
Mr. Rose.
Mr. Ottinger in four instances.
Mrs. Schroeder.
Mr. Stark.
Mr. Waxman.

ENROLLED BILL SIGNED

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 8529. An act to establish improved programs for the benefit of procedures and consumers of rice.

BILLS PRESENTED TO THE PRESIDENT

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee did on February 3, 1976, present to the President, for his approval, bills of the House of the following title:

H.R. 1399. An act for the relief of Maria Del Carmen Alvarado Martinez.

H.R. 1758. An act for the relief of Terrence Jarome Caguiat.

H.R. 4046. An act for the relief of Valerie Ann Phillips, nee Chambers.

H.R. 4113. An act for the relief of Mitsue Karimata Stone.

H.R. 4939. An act for the relief of Manuel Bonotan.

H.R. 5750. An act for the relief of Chu Wol Kim.

H.R. 8451. An act for the relief of Jung Shik Yang.

H.R. 8555. An act for the relief of Angel Pader Cabal.

H.R. 8907. An act for the relief of Yong Won Lee.

ADJOURNMENT

Mr. SIMON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 19 minutes p.m.), the House adjourned until Thursday, February 5, 1976, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MAHON: Committee on Appropriations. H.R. 11174. A bill to rescind certain budget authority recommended in the messages of the President of November 18, 1975 (H. Doc. 94-309) and November 29, 1975 (H. Doc. 94-311), transmitted pursuant to the Impoundment Control Act of 1974; with amendment (Rept. No. 94-806). Referred to the Committee of the Whole House on the State of the Union.

Mr. JONES of Alabama: Committee on Public Works and Transportation. H.R. 11645. A bill to amend the act of October 19, 1965, to provide additional authorization for the Library of Congress James Madison Memorial Building. (Rept. No. 94-807). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 1404. A bill to authorize the Secretary of the Interior to convey certain lands in Madera County, Calif., to Mrs. Lucille Jones, and for other purposes. (Rept. No. 94-805). Referred to the Committee of the Whole House.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2456. A letter from the Attorney General transmitting a report on the enforcement of the Truth-in-Lending Act during calendar year 1975, pursuant to section 114 of Public Law 90-321; to the Committee on Banking, Currency and Housing.

2457. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting notice of final regulations for library research and demonstration, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

2458. A letter from the Director, National Commission for Manpower Policy, transmitting copies of two special reports of the Commission entitled "Recent European Manpower Policy Initiatives," and "Proceedings of a Conference on the Role of the Business Sector in Manpower Policy"; to the Committee on Education and Labor.

2459. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report that no specialized or technical services were provided by NASA to State or local governments during calendar year 1975 under title III of the Intergovernmental Cooperation Act of 1968, pursuant to section 304 of the act (Public Law 90-577); to the Committee on Government Operations.

2460. A letter from the Vice Chairman, Federal Election Commission, transmitting an amendment to the proposed regulation pertaining to the allocation of candidate and committee expenditures, previously submitted pursuant to section 316(c) of the Federal Election Campaign Act of 1971, as amended (H. Doc. No. 94-360); to the Committee on House Administration and ordered to be printed.

2461. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a draft of proposed legislation to amend the Foreign Relations Authorization Act, fiscal year 1976 (Public Law 94-141; 89 Stat. 756) to authorize appropriations for the fiscal years 1977 and 1978 and for other purposes; to the Committee on International Relations.

2462. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by J. Owen Zurhellen, Jr., Ambassador-designate to Surinam, and his family, pursuant to section 6 of Public Law 93-126; to the Committee on International Relations.

2463. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the Federal Railroad Safety Act of 1970 to authorize additional appropriations; to the Committee on Interstate and Foreign Commerce.

2464. A letter from the Administrator, Federal Energy Administration, transmitting an amendment to the mandatory petroleum price regulations providing for banked costs, proportionate allocation of costs, and pass-through of cost decreases, pursuant to section 4(b)(2)(B) of the Emergency Petroleum Allocation Act of 1973, as amended (89 Stat. 947); to the Committee on Interstate and Foreign Commerce.

2465. A letter from the Administrator, Federal Energy Administration, transmitting a report on changes in market shares for petroleum products during the months of September and October 1975, pursuant to section 4(c)(2)(A) of the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

2466. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204 (d) of the Immigration and Nationality Act, as amended (8 U.S.C. 1154(d)); to the Committee on the Judiciary.

2467. A letter from the Administrator of General Services, transmitting a prospectus proposing the extension of the lease for space presently occupied at 800 North Quincy Street, Arlington, Va., pursuant to section 210(h)(1) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Public Works and Transportation.

Received From the Comptroller General

2468. A letter from the Comptroller General of the United States, transmitting a report on U.S. dependence on foreign suppliers for five nonfuel minerals; jointly, to the Committees on Government Operations, Ways and Means, International Relations, and Armed Services.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BRECKINRIDGE:

H.R. 11685. A bill to authorize the lease and transfer of burley tobacco farm marketing quotas to farms within contiguous counties in the same State; to the Committee on Agriculture.

By Ms. ABZUG (for herself and Ms. Heckler of Massachusetts):

H.R. 11686. A bill to establish the National Center for Women; to the Committee on Government Operations.

By Mr. BEARD of Rhode Island:

H.R. 11687. A bill to amend title 38 of the United States Code to make certain that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

By Mr. DUNCAN of Tennessee:

H.R. 11688. A bill to amend title XVIII of the Social Security Act to provide coverage for services which may be performed by a dentist on the same basis as presently allowed for physicians under the medicare program, and to authorize payment under such program for all inpatient hospital services furnished in connection with dental procedures requiring hospitalization; to the Committee on Ways and Means.

H.R. 11689. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for optometric and medical vision care; to the Committee on Ways and Means.

By Mr. FITHIAN (for himself, Mr. Aspin, and Mr. Gaydos):

H.R. 11690. A bill to amend the act establishing the Indiana Dunes National Lakeshore to provide for the expansion of the lakeshore, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HALL:

H.R. 11691. A bill to amend the National Foundation on the Arts and Humanities Act of 1965 to further cultural activities by making unused railroad passenger depots available to communities for such activities; to the Committee on Education and Labor.

By Mr. HARRIS:

H.R. 11692. A bill to prohibit commercial flights by supersonic aircraft into or over the United States until certain findings are made by the Administrator of the Environmental Protection Agency and by the Secretary of Transportation, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. HELSTOSKI (for himself, Mr. Rinaldo, Mr. Patten, and Mr. Maguire):

H.R. 11693. A bill to amend the Tariff Schedules of the United States by repealing item 807.00 of schedule 8, part 1, subpart B; to the Committee on Ways and Means.

By Mr. HICKS:

H.R. 11694. A bill to reduce for a 5-year period the duty on certain soccer uniforms; to the Committee on Ways and Means.

By Mr. McDADE:

H.R. 11695. A bill to provide for Congressional Bicentennial Scholarships; to the Committee on Education and Labor.

By Mr. MELCHER (for himself, Mr. Baucus, Mr. Bedell, Mr. Brown of California, Mr. Phillip Burton, Mr. Jeffords, and Mr. Weaver):

H.R. 11696. A bill to foster and continue the family farm in the United States by providing young farmers with the necessary assistance to purchase family farm units, and for other purposes; to the Committee on Agriculture.

By Mr. OBERSTAR:

H.R. 11697. A bill to permit either House of Congress to disapprove certain rules proposed by executive agencies; jointly, to the Committees on the Judicary, and Rules.

H.R. 11698. A bill to establish a method whereby the Congress (acting in accordance with specified procedures) may prevent the adoption by the executive branch of rules or regulations which are contrary to law or inconsistent with congressional intent or which go beyond the mandate of the legislation which they are designed to implement; jointly, to the Committees on the Judiciary, and Rules.

By Mr. PEPPER:

H.R. 11699. A bill to amend the Tariff Schedules of the United States to repeal the special tariff treatment accorded to articles assembled abroad with components produced in the United States; to the Committee on Ways and Means.

By Mr. RANGEL (for himself, Mr. Pike, and Mr. Conable):

H.R. 11700. A bill relating to the application of certain provisions of the Internal Revenue Code of 1954 to specified transactions by certain public employee retirement systems created by the State of New York or any of its political subdivisions; to the Committee on Ways and Means.

By Mr. STEELMAN (for himself, Mr. Fascell, and Mr. Udall):

H.R. 11701. A bill to provide that meetings of Government agencies shall be open to the public; to the Committee on Government Operations.

By Mr. STUDDS:

H.R. 11702. A bill to abolish the office of member of the Federal Election Commission, to establish the office of member of the Federal Election Commission appointed by the President by and with the advice and consent of the Senate, to provide public financing of primary elections and general elections to the Senate and House of Representatives, to amend title 39, United States Code, to increase to 60 days the period before an election during which a Member of the Congress may not make a mass mailing as franked mail if such Member is a candidate in such election, and for other purposes; to the Committee on House Administration.

By Mr. THONE (for himself, Mr. Sebelius, Mr. Collins of Texas, Mr. Derwinski, Mr. Downey of New York, Mr. Archer, Mrs. Smith of Nebraska, Mr. Gradison, Mr. Andrews of North Dakota, and Mr. Whitehurst):

H.R. 11703. A bill to establish a national policy for the prevention of unreasonable or excessive costs to consumers from Government programs and for priority consideration of proposals that can be expected to provide greater benefits in relation to costs to consumers, to require preparation of a consumer cost assessment for proposals for legislation or regulations which may have a significant impact on costs to consumers and for other purposes; to the Committee on Government Operations.

By Mr. WALSH:

H.R. 11704. A bill to amend section 37 of the Internal Revenue Code of 1954 to make the tax treatment of retirement income comparable to that of social security income; to the Committee on Ways and Means.

By Mr. BELL:

H.R. 11705. A bill to provide for a mandatory, periodic review of each Federal regulatory agency and for the termination of such agencies at specified times unless the Congress expressly disapproves their termination; jointly, to the Committee on Government Operations, and Rules.

By Mr. BONKER:

H.R. 11706. A bill to revise the boundary of the Olympic National Park in the State of Washington, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BROOMFIELD:

H.R. 11707. A bill to provide certain benefits to State meat and poultry inspectors who are transferred to the Federal service; to the Committee on Post Office and Civil Service.

By Mr. KASTENMEIER (for himself, Mr. Steelman, and Mr. Dellums):

H.R. 11708. A bill to require candidates for Federal office, Members of the Congress, and officers and employees of the United States to file statements with the Comptroller General with respect to their income and financial transactions; jointly to the Committees on the Judiciary, and Standards of Official Conduct.

By Mr. LITTON (for himself and Mr. Howard):

H.R. 11709. A bill to provide for protection of franchised dealers in petroleum products; to the Committee on Interstate and Foreign Commerce.

By Mr. MAZZOLI:

H.R. 11710. A bill to extend from February 1, 1976, to October 1, 1977, the period during which payment may be made for certain child day care services under titles IV and XX of the Social Security Act without regard to certain new staffing standards imposed by or under such title XX; to the Committee on Ways and Means.

By Mr. MORGAN (by request):

H.R. 11711. A bill to amend further the Peace Corps Act; to the Committee on International Relations.

By Mr. NEDZI:

H.R. 11712. A bill to name the building known as the Library of Congress Annex to be the Library of Congress Thomas Jefferson Building; to the Committee on House Administration.

By Mr. PERKINS:

H.R. 11713. A bill to reorganize the executive branch of the Federal Government to eliminate excessive, duplicative, inflationary, anticompetitive and unnecessary regulation; jointly, to the Committees on Government Operations, and Rules.

By Mr. RANGEL:

H.R. 11714. A bill to prohibit all assistance to any participant in the fighting in Angola; to the Committee on International Relations.

By Mr. REGULA:

H.R. 11715. A bill to amend the act of May 23, 1975, to authorize expenditure of funds appropriated thereunder for assistance to refugees from Laos, and for other purposes; to the Committee on Appropriations.

By Mr. ROSENTHAL (for himself and Mr. Adams):

H.R. 11716. A bill to amend the Fair Packaging and Labeling Act to require the disclosure by retail distributors of retail unit prices of consumer commodities, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mrs. SCHROEDER:

H.R. 11717. A bill to amend title 38 of the United States Code in order to extend from 10 years to 15 years the period in which veterans' educational assistance may be used; to the Committee on Veterans' Affairs.

By Mr. STAGGERS (for himself and Mr. Devine) (by request):

H.R. 11718. A bill to provide for the transfer to the Federal Power Commission of all functions and administrative authority now vested in the Securities and Exchange Commission under the Public Utility Holding Company Act of 1935; to the Committee on Interstate and Foreign Commerce.

H.R. 11719. A bill to amend section 305 of the Federal Power Act; to the Committee on Interstate and Foreign Commerce.

By Mr. SYMINGTON:

H.R. 11720. A bill to amend the Internal Revenue Code of 1954 to revise and improve certain provisions thereof relating to estate and gift taxes; to the Committee on Ways and Means.

By Mr. VANDER JAGT (for himself, Mr. Bafalis, Mr. Ketchum, Mr. Jones of Oklahoma, Mr. Treen, and Mr. Waggonner):

H.R. 11721. A bill to postpone for an additional period (until October 1, 1976) the effective date of certain staffing requirements applicable to child day care facilities under title XX of the Social Security Act; to the Committee on Ways and Means.

By Mr. ROUSH (for himself, Mr. Hungate, Mr. Mann, Ms. Holtzman, Mr. Flowers. Mr. Hyde, Mr. Hayes of Indiana, Mr. Hamilton, Mr. Jacobs, Mr. Evans of Indiana, Mr. Sharp, Mr. Fithian, Mr. Hechler of West Virginia, Mr. Young of Florida, Mr. Beard of Rhode Island, Mr. Bedell, Mr. Edgar, Mr. Studds, and Mr. Winn):

H.R. 11722. A bill to amend title 18 of the United States Code to prohibit deprivation of employment or other benefit for political contribution, and for other purposes; to the Committee on the Judiciary.

By Mr. ROUSH:

H.J. Res. 794. Joint resolution proposing an amendment to the Constitution of the United States providing that the term of office of Members of the U.S. House of Representatives shall be 4 years; to the Committee on the Judiciary.

By Mr. FLYNT:

H. Res. 1011. Resolution providing funds for the expenses of the Committee on Standards of Official Conduct; to the Committee on House Administration.

By Mr. MADDEN (for himself and Mr. Quillen):

H. Res. 1012. Resolution providing funds for the Committee on Rules; to the Committee on House Administration.

By Mr. PEPPER:

H. Res. 1013. Resolution to provide for an investigation by the Committee on Education and Labor relative to the impact of garment and textile imports on employment in the garment industry in the United States; to the Committee on Rules.

By Mr. PRICE:

H. Res. 1014. Resolution providing for funds for the expenses of investigations and studies to be conducted by the Committee on Armed Services; to the Committee on House Administration.

By Mr. REUSS:

H. Res. 1015. Resolution to provide funds for the expenses of investigations and studies to be conducted by the Committee on Banking, Currency and Housing; to the Committee on House Administration.

By Mrs. SULLIVAN:

H. Res. 1016. Resolution to provide for the expenses of investigations, and studies to be conducted by the Committee on Merchant Marine and Fisheries; to the Committee on House Administration.

By Mr. YOUNG of Alaska:

H. Res. 1017. Resolution disapproving the proposed deferral (No. D. 76-97) for Indian health facilities; to the Committee on Appropriations.

By Mr. HENDERSON (for himself and Mr. Derwinski):

H. Res. 1018. Resolution to provide for the expenses of investigations, and studies to be conducted by the Committee on Post Office and Civil Service; to the Committee on House Administration.

By Mr. HUGHES:

H. Res. 1019. Resolution concerning the safety and freedom of Valentyn Moroz, Ukrainian historian; to the Committee on International Relations.

MEMORIALS

Under clause 4 of rule XXII,

288. The SPEAKER presented a memorial of the Senate of the State of Indiana, relative to abortion; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. PHILLIP BURTON:

H.R. 11723. A bill for the relief of Min Kwong Chan; to the Committee on the Judiciary.

By Mr. JACOBS:

H.R. 11724. A bill for the relief of Mrs. Amelia Doria Nicholson; to the Committee on the Judiciary.

By Mr. LOTT:

H.R. 11725. A bill for the relief of Maria Magdalena Pena Rich; to the Committee on the Judiciary.

By Mr. MATSUNAGA:

H.R. 11726. A bill for the relief of Timothy Lao Olavere; to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 9464

By Mr. HUGHES:

(Amendment to the Krueger substitute.)

Section 208 of the Krueger substitute is amended by striking section 25 and inserting in lieu thereof the following:

"Sec. 25. Except to the extent that natural gas supplies are required to maintain natural gas service to residential users, small users, hospitals, and similar services vital to public health and safety, and notwithstanding any other provision of law or of any natural gas allocation or curtailment plan in effect under existing law, the Commission shall, by rule, exercise its authority to assure, to the maximum extent feasible, the availability in interstate commerce of sufficient quantities of natural gas—

"(1) to users using natural gas as a raw material and for purposes other than boiler fuel for which there is no available substitute regardless of whether such users purchase natural gas under firm interruptible contracts, and

"(2) for use for any essential agricultural, food processing, or food packaging purpose for which natural gas is essential, including but not limited to irrigation pumping, crop drying, use as a raw material feedstock or process fuel in the production of fertilizer and essential agricultural chemicals in existing plants (for present or expanded capacity) and in new plants. For purposes of this subsection, the Secretary of Agriculture shall determine by rule the agricultural, food processing, or food packaging purposes for which natural gas is essential. The Secretary of Agriculture shall also certify to the Commission the amount of natural gas which is necessary for such essential uses to meet the requirements for full food and fiber production."

(Amendment to the Krueger substitute.)

Section 208 of the Krueger substitute is amended by striking Section 25 and inserting in lieu thereof the following:

"Sec. 25. Except to the extent that natural gas supplies are required to maintain natural gas service to residential users, small users, hospitals, and similar services vital to public health and safety, and notwithstanding any other provision of law or of any natural gas allocation or curtailment plan in effect under existing law, the Commission shall, by rule, exercise its authority to assure, to the maximum extent feasible, the availability in interstate commerce of sufficient quantities of natural gas—

"(1) First, to agricultural or industrial users using natural gas as a raw material, and for agricultural or industrial purposes other than boiler fuel for which there is no available substitute regardless of whether such users purchase natural gas under firm or interruptible contracts, and

"(2) Second, for use for any essential agricultural, food processing, or food packaging purpose for which natural gas is essential, including but not limited to irrigation pumping, and crop drying, and to the extent not provided for under subsection (1) use as a raw material feedstock or process fuel in the production of fertilizer and essential agricultural chemicals in existing plants (for present or expanded capacity) and in new plants.

"For purposes of this section, the Secretary of Agriculture shall determine by rule the agricultural, food processing, or food packaging purposes for which natural gas is essential. The Secretary of Agriculture shall also certify to the Commission the amount of natural gas which is necessary for such essential uses to meet the requirements for full food and fiber production."

(Amendment to the Krueger substitute.)

Section 208 of the Krueger amendment in the nature of a substitute to H.R. 9464 is amended by striking subsection (c) of section 24, redesignating section 24(b) as 24(c), and inserting the following new subsection immediately after section 24(a):

"(b) Notwithstanding any other provision of law, the national ceiling provided for under subsection (a) shall not exceed the British thermal unit equivalent of—

"(1) the composite price per barrel of old and new domestic oil as provided under the Energy Conservation and Policy Act (P.L. 94-163), or

"(2) the average dollar valuation per barrel of crude oil used by the United States Geological Survey or its successor in computing the royalties due to the United States on account of crude oil produced from all Federal lands,

whichever is lesser. Such composite price or average dollar valuation shall be computed on the basis of the calendar month ending 30 days prior to any modification of the national ceiling, and shall be determined by dividing such composite price per barrel or such average dollar valuation per barrel of crude oil by 5.8."

(Amendment to the Krueger substitute.)

Section 208 of the Krueger substitute is amended by striking Section 25 and inserting in lieu thereof the following:

"Sec. 25. Except to the extent that natural gas supplies are required to maintain natural gas service to residential users, small users, hospitals, and similar services vital to public health and safety, and notwithstanding any other provision of law or of any natural gas allocation or curtailment plan in effect under existing law, the Commission shall, by rule, exercise its authority to assure, to the maximum extent feasible, the availability in interstate commerce of sufficient quantities of natural gas—

"(1) first, to agricultural and industrial users using natural gas as a raw material feedstock for which there is no available substitute, and for agricultural and industrial purposes other than boiler fuel for which there is no available substitute, regardless of whether such users purchase natural gas under firm or interruptible contracts, and

"(2) second, for use for any essential agricultural, food processing, or food packaging purpose not provided for under subsection (1) for which natural gas is essential, including but not limited to irrigation pumping, crop drying, and use as a raw material feedstock or process fuel in the production of fertilizer and essential agricultural chemicals in existing plants (for present or expanded capacity) and in new plants. For purposes of this subsection, the Secretary of Agriculture shall determine by rule the agricultural, food processing, or food packaging purposes for which natural gas is essential. The Secretary of Agriculture shall also certify to the Commission the amount of natural gas which is necessary for such essential uses to meet the requirements for full food and fiber production."

(Amendment to the Smith substitute.)

The Smith substitute is amended by striking Section 26 and inserting in lieu thereof the following:

"SEC. 26. Except to the extent that natural gas supplies are required to maintain natural gas service to residential users, small users, hospitals, and similar services vital to public health and safety, and notwithstanding any other provision of law or of any natural gas allocation or curtailment plan in effect under existing law, the Commission shall, by rule, exercise its authority to assure, to the maximum extent feasible, the availability in interstate commerce of sufficient quantities of natural gas—

"(1) first, to agricultural and industrial users using natural gas as a raw material feedstock for which there is no available substitute, and for agricultural and industrial purposes other than boiler fuel for which there is no available substitute, regardless of whether such users purchase natural gas under firm or interruptible contracts, and

"(2) second, for use for any essential agricultural, food processing, or food packaging purpose not provided for under subsection (1) for which natural gas is essential, including but not limited to irrigation pumping, crop drying, and use as a raw material feedstock or process fuel in the production of fertilizer and essential agricultural chemicals in existing plants (for present or expanded capacity) and in new plants. For purposes of this subsection, the Secretary of Agriculture shall determine by rule the agricultural, food processing, or food packaging purposes for which natural gas is essential. The Secretary of Agriculture shall also certify to the Commission the amount of natural gas which is necessary for such essential uses to meet the requirements for full food and fiber production."

(Amendment to the Smith substitute.)

The Smith substitute is amended by striking section 26 and inserting in lieu thereof the following:

"SEC. 26. Except to the extent that natural gas supplies are required to maintain natural gas service to residential users, small users, hospitals, and similar services vital to public health and safety, and notwithstanding any other provisions of law or of any natural gas allocation or curtailment plan in effect under existing law, the Commission shall, by rule, exercise its authority to assure, to the maximum extent feasible, the availability in interstate commerce of sufficient quantities of natural gas—

"(1) to users using natural gas as a raw material and for purposes other than boiler fuel for which there is no available substitute regardless of whether such users purchase natural gas under firm or interruptible contracts, and

"(2) for use for any essential agricultural, food processing, or food packaging purpose for which natural gas is essential, including but not limited to irrigation pumping, crop drying, use as a raw material feedstock or process fuel in the production of fertilizer and essential agricultural chemicals in existing plants (for present or expanded capacity) and in new plants. For purposes of this subsection, the Secretary of Agriculture shall determine by rule the agricultural, food processing, or food packaging purposes for which natural gas is essential. The Secretary of Agriculture shall also certify to the Commission the amount of natural gas which is necessary for such essential uses to meet the requirements for full food and fiber production."

By Mr. MAGUIRE:

(Amendment to the Krueger amendment)

In section 104, insert "the provisions of section 27" after "except for reporting requirements".

Immediately after section 26 of the Natural Gas Act (as added by section 208) insert the following:

"COMPLIANCE BY PRODUCERS WITH CONTRACTUAL AND CERTIFICATION OBLIGATIONS

"SEC. 27. (a) Not later than June 15, 1976, and every 12 months thereafter, the Commission shall report to the President and to the Congress with respect to:

"(1) compliance by producers of natural gas with terms of any contractual or certification obligation to deliver natural gas to interstate natural gas companies at prescribed or minimum rates; and

"(2) the extent to which natural gas companies have pursued administrative and judicial remedies to compel compliance by natural gas producers with the terms of any contractual or certification obligation of such producers to deliver quantities of natural gas to natural gas companies at prescribed or minimum rates.

"(b) Any interested person may bring an action against any producer of natural gas to compel compliance by such producer with the terms of any contractual obligation of such producer to deliver natural gas to natural gas companies at prescribed or minimum rates.

"(c) The district courts of the United States shall have jurisdiction with respect to any action brought under subsection (b). The court shall have the power to grant such equitable relief as is necessary to redress the effect of any failure by any producer of natural gas to comply with any contractual obligation to any natural gas company, including declaratory judgment, mandatory or prohibitive injunctive relief, and interim equitable relief, and the courts shall further have the power to award (1) compensatory damages to any person or class of persons, (2) costs of litigation including reasonable attorney and expert witness fees, and (3) whenever and to the extent deemed necessary or appropriate to deter future violations punitive damages."

By Mr. SNYDER:

Under clause 6 of rule XXIII, I submit the following amendment to the Krueger amendment.

In Section 208, following subsection (e) of the new Section 26 of the Natural Gas Act of 1938, as amended by the Krueger amendment, add new subsection (f) as follows:

"(f) The Commission shall not issue any order under this subsection which applies to any powerplant which was in existence on June 30, 1975, which during the 12-month period preceding such date did not burn petroleum products, and which the Commission determines will be operated on natural gas only for the purpose of providing electric power which would otherwise be provided by one or more of the base load powerplants of the same electric power system which cannot be operated because of an air pollution emergency or because of an unanticipated equipment outage or an act of God."

Reletter existing subsections (f) and (g) to (g) and (h) respectively.

Add a new section to the Smith substitute as follows:

"The Commission shall not issue any order under this subsection which applies to any powerplant which was in existence on June 30, 1975, which during the 12-month period preceding such date did not burn petroleum products, and which the Commission determines will be operated in natural gas only for the purpose of providing electric power which would otherwise be provided by one or more of the base load powerplants of the same electric power system which cannot be operated because of an air pollution emergency or because of an unanticipated equipment outage or an act of God."

Reletter existing sections appropriately.

By Mr. WAXMAN:

(Amendment to the Krueger amendment.)

Section 208, at subsection (e) of the new section 26 to the Natural Gas Act created by such section, strike the phrase "or for the purpose of alleviating short-term air quality emergencies or any other danger to the public health, safety, and welfare", and insert in lieu thereof the following: "or prohibit the burning of natural gas by any person who the Administrator of the Environmental Protection Agency certifies to the Commission needs natural gas to alleviate short-term air quality emergencies, or is necessary to prevent a significant risk to public health, or any other danger to the public health, safety, and welfare."

Section 208, at subsection (a) of the new section 26 of the Natural Gas Act created by such section, strike the phrase "in subsection (d)", and insert in lieu thereof the following: "in subsections (d) and (e)".

Section 208, at subsection (b) of the new section 26 to the Natural Gas Act created by such section, strike the phrase "in subsection (d)", and insert in lieu thereof the following: "in subsections (d) and (e)".

By Mr. GILMAN:

(Amendment to Mr. KRUEGER's amendment published in the CONGRESSIONAL RECORD of December 8, 1975 on pages 39152–39156.)

Immediately after section 26 of the Natural Gas Act (as added by section 208) insert the following:

"TREATMENT OF RATES AND CHARGES FOR NATURAL GAS SOLD TO SENIOR CITIZENS

"SEC. 27. (a) The Commission shall prohibit any natural gas company from selling or otherwise supplying natural gas to any local natural gas company which increases the rates for natural gas sold to senior citizens for their residences in excess of the rates or charges which applied to such class of persons during calendar year 1975.

"(b) A local natural gas company may increase rates or charges to senior citizens if the regulatory authority having jurisdiction over such local natural gas company determines, upon petition of the local natural gas company, that such additional increase is necessary to assure the local natural gas company will recover the additional costs for natural gas incurred by such company as a result of increases in the price such company pays for new natural gas and that the rates and and charges applicable to other classes of users of natural gas supplied by such company cannot reasonably be increased to cover the full amount of such additional costs for new natural gas incurred by such local natural gas company after the effective date of this section.

"(c) For purposes of this section:

"(1) The term 'local natural gas company' means any person (including any governmental entity) which purchases natural gas from a natural gas company for transportation, local distribution, and resale of natural gas users. Such term does not include a natural gas company.

"(2) The term 'senior citizen' means an individual who is 65 years of age or older or who is entitled to benefits based on the attainment of a specified age under title II of the Social Security Act.

"(3) The term 'regulatory authority' means a State regulatory authority or a Federal regulatory authority. The Commission shall be deemed to be the regulatory authority for purposes of subsection (b) if a State agency or a Federal agency which is a local natural gas company has ratemaking authority with respect to its own rates."

EXTENSIONS OF REMARKS

PHILIP CAPUTO NIGHT

HON. MARTIN A. RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. RUSSO. Mr. Speaker, this Friday, February 6, will be Philip Caputo Night at the Union League Club in Chicago. Mr. Caputo, an award-winning Chicago Tribune foreign correspondent, is being honored for fine news reporting in a combat situation.

I think special note should be taken of this man's exceptional courage and news background not only because he is deserving of such praise and recognition, but because his story should be told as a tribute to all those correspondents who face the enormous difficulties involved in covering a war.

Journalists on such a dangerous professional mission, as Mr. Caputo most recently was in Lebanon, could be pardoned for occasionally permitting a lapse in the flow of news while they "rest up." But this does not happen. The journalistic integrity of the men and women withstands the mortars and the harassment. They manage to convey accurate information and analysis to readers. We take for granted that, in the face of horrifying, inhumane, and mindless violence, the correspondent will remain strong, calm, and analytical. Sitting home comfortably reading our newspaper, we cannot relate to, nor understand, the frustration—hazardous conditions, censorship and poor communication lines. But, as Mr. Caputo's personal suffering reveals, it is a challenging, gruesome and dangerous undertaking.

On October 26, 1975, Mr. Caputo, the Tribune's Middle East correspondent, was shot in both feet by leftist gunmen. The incident occurred during fighting between Christian and Moslem forces. The gunmen deliberately opened fire on him as he walked along a Beirut street, after filing a news story. He was taken to a hospital in the war zone, itself under attack, and finally he had to be evacuated in the American Ambassador's limousine through a hail of bullets. He was flown to the United States with his wife Jill and their two sons, Jeffrey and Mark.

So mindless has become the violence of this war in Lebanon that Jonathan Randal, the Washington Post correspondent there, points out that it is judged by the relative handful of men and women reporters, who lasted most of the 9 months course of it, as "one of the most dangerous, least rewarding, and brutish of assignments in this century's growing list of miniconflicts." At least 5 journalists have been killed and nearly 2 dozen wounded.

Prior to the October attack on him, Mr. Caputo had been captured by Arab guerrillas and held 1 week in a prison camp. His account of that, "Prisoner of Fedayeen," won him the runner-up citation for the Overseas Press Club's George Polk Award, given for "the best reporting from abroad in any media, requiring exceptional courage and enterprise."

In 1973 he won the Tribune's highest editorial award, the Edward Scott Beck Award. He was cited for his reporting of the Yom Kippur war in the Middle East, his vivid accounts of the Palestinian guerrillas and on-the-scene reports from Italy, Greece, and Spain. He was the first reporter to reach the banks of the Suez after the Yom Kippur war began.

A 1964 graduate of Loyola University, Caputo became a general assignment reporter for the Tribune in 1969, after working on "The Trib," its suburban insert. In 1971 he was assigned to the Tribune's investigative task force and in 1973 this group won a Pulitzer Prize for reporting of a local fraud.

He served with the Marines in the Far East, 1964–67, and was among the first marines to go ashore in South Vietnam in 1965. It is the Marine Corps Combat Correspondents Association, Jim Hurlbut Midwest Chapter, that is sponsoring "Philip Caputo Night."

Mr. Caputo is home recuperating now, writing a book and planning to return to work in the spring. I know my colleagues join with me in commending him for his courage and fine reporting and in wishing him a speedy recovery.

H.R. 8069—LABOR-HEW APPROPRIATIONS FOR FISCAL YEAR 1976

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1976

Mr. PEPPER. Mr. Speaker, I was pleased that both the House and the Senate overrode the President's veto of the Labor-HEW appropriations bill which affects the lives, the health, and the happiness of millions of Americans. I strongly supported the override, and I want to call my colleagues' particular attention to the extraordinary importance of this bill to the continuing success of the nutrition program for the elderly that was established under title VII of the Older Americans Act.

During the past several years, the title VII program has grown in popularity. The elderly nutrition program, that I sponsored in the House, is designed to provide high quality nutrition services to our Nation's senior citizens. Program funds are used to bring aged people out of their social isolation into a group setting where hot, nutritious meals, recreational services, and counseling are available to them. As a result, the program caters to elderly people's most important social and health needs.

In addition to the services I have just mentioned, the elderly nutrition program provides meals-on-wheels to people who are ill or incapacitated. These people are the ones who are most in need of program assistance because they frequently have limited capacities to purchase and prepare foods necessary to sustain their health.

Since this program caters to the most important needs of the aged, it has become a very popular Federal effort. Consequently, many senior citizen centers, churches, and other sponsoring organizations have applied for title VII funds and vast numbers of elderly people have sought program assistance.

Unfortunately, many of the centers and people that have applied for aid have been turned down, or placed on waiting lists, due to a lack of funds. It is this problem that the Labor-HEW appropriations bill seeks to remedy.

Under the vetoed bill, we appropriate $125 million for the title VII program. We, also, adopt a provision that was initiated in the Senate: We require the Secretary of HEW to spend $187.5 million for the program during fiscal year 1976, ending June 30, 1976. By requiring that the "level of operations" for the title VII program be established at $187.5 million, we call upon the HEW Secretary to adjust the program's annualized rate of expenditure right away to an amount that will cause $187.5 million to be spent by local feeding programs during the July 1, 1975, to June 30, 1976, fiscal year. Moreover, the rate of expenditure should be readjusted again, if necessary, to make sure that the $187.5 million is spent, and funds should be repositioned from one State to another to make sure that this expenditure directive is fulfilled.

The expenditure of $187.5 million will be accomplished by using $62.5 million of the funds carried over from previous fiscal years. The $62.5 million in carry-over funds, plus the $125 million in the appropriations bill, will provide the Secretary of HEW with the necessary funds to comply with the $187.5 million spending mandate.

I hope that this fiscal improvement in the elderly feeding program will permit us to serve many of the applicants who have either been rejected or placed on waiting lists for title VII aid. I commend the members of the respective Appropriations Committees in the House and Senate for their work on this bill. They can take pride, as I do, in this very important improvement in our senior citizens' nutrition program.

SEE NO EVIL

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. HARRINGTON. Mr. Speaker, last week's vote to prevent release of the final report of the House Select Committee on Intelligence was an appalling comment on this Chamber's view of itself. Those Members who denied the Pike committee the right to publish the product of its investigation told the Nation, in effect, that they trust an unelected President and Secretary of State, unelected officials at the CIA and other agencies, and the editors of private newspapers and periodicals more than they trust themselves.

Incredibly, this demonstration of congressional fear of responsibility arrived on the heels of an overwhelming repudiation of the Ford administration's covert involvement in Angola. The incongruity of this combination of events was aptly described by New York Times columnist Anthony Lewis on January 29, and I am inserting his article in the RECORD at this point for the reflection of my colleagues.

IN PURSUIT OF FOLLY

(By Anthony Lewis)

WASHINGTON, January 28.—In recent weeks the Ford Administration has been arguing, in all possible forums, that a President must have broad discretion to use the Central Intelligence Agency for covert operations. It has argued with particular emphasis that the operations must be kept secret.

Thus officials have objected to the current legal requirement that Congressional committees be advised of covert actions. If Congress must be told, they urge, information should go only to a small number of members who will not pass it on. They have proposed tough new penalties for leaks.

If there were such a system of Presidential discretion with assured secrecy, how would it work? As it happens, we do not have to speculate. An example is at hand: The program pushed by Secretary of State Kissinger and approved by the President to have the C.I.A. funnel arms and money to one side in the Angolan conflict.

The House of Representatives has just joined the Senate in voting to ban covert aid to Angola. It did so despite a letter from Mr. Ford warning—in language reminiscent of Henny Penny—that a ban would throw doubt on American "resolve" everywhere. The House vote was overwhelming, 323 to 99. A majority of Republicans even voted for the ban.

That lopsided result makes manifest the weakness, indeed absurdity, of the case for covert American intervention in Angola. But if the Administration had its way about the rules, there would have been no such result. There would have been no vote, and no debate, because the adventure in Angola would have been a secret.

It is fun to denounce leaks, and often politically useful. President Nixon and his lawyers used to deplore leaks when they wanted to distract attention from what had been disclosed—his abuses. Similarly now the White House and the C.I.A.'s ex-director, Mr. Colby, found it easier to attack the leaking of the House Intelligence Committee report than to deal meaningfully with its findings.

Of course there can be irresponsible leaks, and unlawful ones. But in our system disclosure can also be the last resort against abuse of power. Secrecy insulates authority. Americans should never forget that officials who demand secrecy are also asking for a form of unaccountable power.

The Angolan operation shows the danger of secrecy. It was not a covert action of the traditional, limited kind; it was a large new departure in American foreign policy. Why, then, was it undertaken in secret? A former C.I.A. official, Harry Rositzke, answered that question recently in The Washington Post. He wrote:

"The President and the Secretary of State were concerned that the Congress would not agree with their Angolan policy and would not supply the required funds. Secret funds provided the easy way out. The use of covert action, not to achieve a foreign purpose in secret but to evade Congressional scrutiny, degrades the covert instrument into a domestic political tool."

That cautionary comment from an intelligence veteran leads to a puzzled question: Why should the present officials of the C.I.A. want it to be judged by such political enterprises as the Angolan caper? Why did Mr. Colby, as he left office, seek to tie the agency to the very forces in Government that have misused it and damaged its reputation?

The use of an intelligence agency as a secret arm of executive power, avoiding proper political control, must put the integrity and honor of the agency at risk. That is the lesson of the Bay of Pigs, Chile, Laos, the tragic arming and then abandoning of the Kurds.

The C.I.A. has itself sometimes opposed these misadventures, for example the Kurdish intervention. And intelligence specialists surely see the risk to their function if the agency gets involved in large-scale war operations. How can it be expected to provide dispassionate intelligence on a situation like that in Angola when it is committed to one side? (One's guess is that U.S. estimates of factional strength in Angola have in fact been way off.)

The intelligence community may be getting that message, Mr. Colby notwithstanding. The Association of Retired Intelligence Officers has just taken a poll of its members, and 56 percent of those responding thought that Congress should be told before covert operations were undertaken. Respect for our constitutional system of political accountability can only help the true intelligence function.

Congressional oversight is no amulet; it would not prevent every abuse. We also need a statute confining the C.I.A. to intelligence functions except possibly for limited covert action in situations posing grave risks to the national security. But Congress can show that it has learned from recent history if it now takes on the responsibility of meaningful intelligence oversight, without disabling itself by secrecy.

A DARING APPEAL FOR BASIC FREEDOMS BY PROMINENT POLISH INTELLECTUALS

HON. JAMES G. O'HARA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1976

Mr. O'HARA. Mr. Speaker, in the drab dictatorships of Eastern Europe, life goes on, discipline prevails, work norms are met, yet human dignity suffers, and all of it goes relatively unnoticed.

From time to time, however, some dramatic event focuses Western attention on the tragedy of people denied elementary liberties by Communist totalitarian regimes imposed upon an unwilling majority.

Witness the Poznan riots of 1955, the Hungarian uprising of 1956, and the Czechoslovakian Spring of 1968.

But there are other less dramatic, less sweeping, but nevertheless significant protests. These can be the protests of a single writer giving voice to the mute masses, or it can be a group of people who dare to raise fundamental questions.

Such an event recently occurred in Poland, and it should not go unnoticed by the Congress of the United States.

Last December 5, a group of 59 prominent Polish intellectuals published an appeal for constitutionally guaranteed civil liberties. The signers—who included poets, economists, academic figures, and cultural personalities—demanded freedom of conscience and religion; free trade unions; the right to strike; freedom of speech and information; and freedom to carry out scientific work.

This action took considerable courage under the circumstances. It would be a tragedy if the message were to be ignored by those who live in free and relaxed conditions in the West.

The surface conformism in Eastern Europe can be misleading. Obvious pressures, and subtle ones as well, force a dispiriting pattern of order. But a permanent grievance stirs beneath the surface.

Something very natural and very important is missing from Poland. As an Eastern European writer has said:

> The very fact that the state police are in a position at any time to intervene in a man's life, without his having any chance to resist, suffices to rob his life of some of its naturalness and authenticity, and to turn it into a kind of endless dissimulation.

Mr. Speaker, under leave to extend my remarks in the RECORD, then, the letter is set forth below:

THE LETTER OF 59 POLISH INTELLECTUALS TO MR. SPEAKER OF THE SEJM OF THE POLISH PEOPLE'S REPUBLIC

WARSAW, DECEMBER 5, 1975.

Most Honorable Mr. Speaker.

I am sending you Sir a copy of a letter dealing with the proposed changes in the Constitution of the Polish People's Republic. This letter was signed by 59 persons. I ascertain the authenticity of these signatures.

I was authorized to inform you, Mr. Speaker, that you will receive a separate letter on the same matter signed by about 300 scholars, university students and graduates.

Very truly yours,

Prof. Dr. Edward Lipinski.

P.S. I am sending copies of this letter to the Council of State of the Polish People's Republic, parliamentary clubs and the secretariat of the Primate of Poland.

"Guide lines for the VII Congress of PZPR[1]" contain the announcement of change in the Constitution. After the conference in Helsinki, in which the Polish Government with the governments of 34 other nations solemnly confirmed the Universal Declaration of Human Rights, we believe that the introduction of the basic freedoms should become a new stage in the history of the nation and in the lives of individuals. Acting out of social concern, we bèlieve that the Constitution and resulting legislative process should guarantee above all the following social freedoms:

Freedom of conscience and religious practice. These freedoms are not existent, since people admitting their religious beliefs or ideologies other than those officially declared are not allowed to fill a great many executive positions in agencies and public institutions, social organizations and in the field of national economy. Therefore, all citizens without distinction with regard to their religion, ideologies or party and political affiliations should be guaranteed the equal right to fill state positions. The only deciding factors should be individual abilities and personal honesty. It also should be made possible for groups of all denominations to freely practice their religions and to build houses of prayer.

Freedom of work. This freedom is not existent, since the state is the only employer and trade unions are subordinate to the Party authorities, which in effect are ruling the country. Under such conditions—as the events of 1956 and 1970 indicate—attempts to defend workers' interests threaten with bloodshed and may lead to serious disturbances. Therefore, all employees should be guaranteed the opportunity to freely choose their trade representations, which would be independent from the state or Party authorities. There also should be a guarantee of the right to strike.

Freedom of speech and information. When there is no freedom of speech—there is no free development of national culture. Since all publications are subject to state censorship before they appear, and the publishing houses and the mass media are controlled by the state—citizens can not knowingly assess decisions of the state authorities, and they in turn do not know what is the society's view of their policies. Especially dangerous consequences of the state publishing monopoly and of the activities of the preventive censorship are present in literature and fine arts, which do not perform their vital social functions. Therefore, trade unions, intellectual and religious organizations should be given the opportunity to establish their own publishing houses and publish periodicals, which are independent from the State. Therefore, preventive censorship should be abolished, and responsibility in cases of violations of the press law should be decided through the judicial process.

Freedom of science. There is no freedom of science, when criteria for choosing the members of the academic profession and the subjects of scholarly research are determined by the state authorities and are political in nature. Therefore, the autonomy of the institutions of higher education should be reestablished and the self-government of the academic community should be guaranteed.

The guarantee of these basic freedoms can not be reconciled with the official preparations to the recognition of the leading role of one of the parties in the system of state authority. This kind of constitutional declaration would give a political party the role of state authority, which is not responsible to the society and is not controlled by the society. Under such conditions, the Sejm[2] can not be considered the highest authority, the Government is not the highest executive body, and the courts are not independent.

All citizens should be guaranteed the right to nominate candidates and to vote for their representatives in the elections, which are governed by five adjectives.[3] The courts should be guaranteed independence from the executive body, and the Sejm should be made the truly highest legislative authority. We believe that non-recognition of human freedoms may lead to destruction of social resourcefulness, disintegration of social ties, gradual deprival of national consciousness and breaking of the continuity of national traditions. This constitutes a threat to national existance.

Stefan Amsterdamski.
Stanislaw Baranczak.
Ewa Bienkowska.
Jacek Bierezin.
Irena Byrska.
Tadeusz Byrski.
Bohdan Chwendenczuk ? /Chwedczuk/.
Ludwik Cohn.
Andrzej Drawicz.
Jerzy Ficowski.
Kornel Filipowicz.
Zbigniew Herbert.
Ryszard Herczynski.
Maryla Hopfinger.
Zdzislaw Jaroszewski.
Anna Kamienska.
Jakub Karpinski.
Wojciech Karpinski.
Jan Kielanowski.
Stefan Kisielewski.
Jacek Kleyff.
Leszek Kolakowski.
Julian Kornhauser.
Maria Kornilowicz.
Marcin Król.
Ryszard Krynicki.
Jacek Kuron.
Stanislaw Lesniewski.
Edward Lipinskt.
Jan Józef Lipski.
Zdzislaw Lapinski.
Rev. Stanislaw Malkowski.
Jerzy Markuszewski.
Adam Mauersberger.
Adam Michnik.
Halina Mikolajska.
Jan Nepomucen Miller.
Ludwik Muzyczka.
Zygmunt Mycielski.
Jerzy Narbutt.
Jan Olszewski.
Antoni Jajdak.
Krzystof Pomian.
Józef Rybicki.
Rev. Jacek Salij.
Wladyslaw Sila-Nowicki.
Stanislaw Skalski.
Antoni Slonimski.
Aniela Steinsbergowa.
Julian Stryjkowski.
Jan Józef Szczepanski.
Adam Szczypiorski.
Kazimierz Szelagowski.
Wieslawa Szymborska.
Jacek Trznadel.
Maria Wosiek.
Adam Zagajewski.
Waclaw Zawadzki.
Rev. Jan Zieja.

CONGRESS AND FOREIGN POLICY

HON. ROBERT P. GRIFFIN

OF MICHIGAN

IN THE SENATE OF THE UNITED STATES

Wednesday, February 4, 1976

Mr. GRIFFIN. Mr. President, the February issue of the Reader's Digest carries an interesting and provocative article by Prof. William E. Griffith, entitled "Congress Is Wrecking Our Foreign Policy."

It ought to be read by every Senator and Congressman. I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Congress Is Wrecking Our Foreign Policy

(By Wililiam E. Griffith)

For nearly 30 years, Turkey and the United States were close allies in the defense of Western Europe and the Middle East against the threat of an expansionist Soviet Union. As part of that alliance the Turks permitted us to operate more than 20 military installations in their country, including four absolutely vital electronic stations that monitored missile tests and military communications across the entire southern portion of the Soviet Union.

Today our alliance with Turkey is in tatters. The American bases have been closed down by the Turkish government. No one is listening in on what Russia's rocket forces and its army are doing. Our security, and that of all NATO countries, has been dangerously weakened.

If the Russians had set out to accomplish all this, they could not have hoped for more success. But the Russians had nothing to do with it. The damage was done by our own 94th Congress, which foolishly antagonized the Turks by imposing an embargo on American arms to that country following Turkey's 1974 invasion of Cyprus.

Legislative Loggerheads. The Turkish disaster points up a growing problem for the United States. Under the Constitution, foreign policy is primarily the responsibility of the President and the State Department. But in recent years Congress has increasingly been shouldering the President aside and trying to run foreign policy by itself. Congress has interfered not only in Turkey, but also in matters involving the Soviet Union, Venezuela, Ecuador, Panama, Jordan, Egypt and, above all, Israel. In many cases, Congress has acted only to please powerful ethnic lobbies, usually over the strong opposition of the President. The results, in nearly every case, have been self-defeating and contrary to our national interest.

History amply demonstrates the damage that a headstrong Congress can cause in foreign policy. It was just such a Congress that rejected President Woodrow Wilson's proposal that we join the League of Nations after World War I, thus setting the stage for the disastrous isolation that was to follow. In the 1930s, isolationist Congresses passed the so-called neutrality laws, as a result of which we turned our back on the democracies of Western Europe, which were threatened by the Nazis.

Today, it is the 94th Congress that is wreaking havoc with our foreign relations. As a result of Congressional obstruction, whatever the President says or does is taken much less seriously now by other governments than was the case in the past. Because they have seen that Congress can snatch the rug out from under him, foreign leaders increasingly doubt that the President can deliver what he promises. This has dangerously weakened our ability to influence world affairs.

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[1] PZPR—Polish United Workers Party, the official name of the Communist party in Poland.

[2] Sejm—the Polish Parliament.

[3] Universal, equal, direct, secret, proportional.

Congress, of course, does have a vital role in foreign policy. The Constitution gives the Senate the right to approve or reject treaties and ambassadorial appointments. It gives the House the power to originate all public-spending measures, including foreign aid and national defense. Even beyond these mandated powers, the legislative branch can and should play an important role in foreign policy—but in cooperation with the executive, not on its own.

In fact, Congress is institutionally incapable of running foreign policy by itself. More than 14 separate Congressional committees are involved in various aspects of foreign affairs. These committees have little or no coordination or sense of urgency, and are frequently at loggerheads over foreign policy. Indeed, the entire membership of both the Senate and House often battle with each other, as well as with the President, over foreign affairs.

Embargo Boomerang. This disorder on Capitol Hill has made it possible for ethnic groups to exert influence out of all proportion to their numbers. Not that there is anything un-American about such lobbying. In our pluralistic democracy, every group—Irish-American, Polish-American or, for that matter, the American Establishment—has the right to advocate its views. What I object to is that disorganization in Congress, combined with the general public's lack of interest in foreign policy, is allowing matters of great national importance to be decisively influenced by minority ethnic groups. The Cyprus issue is a case in point.

Cyprus, an independent island republic in the eastern Mediterranean, has long been a cause of friction between Greece and Turkey. Ethnic Greeks make up 78 percent of its population, Turks 18 percent. The two groups are bitter rivals. In 1974, the military junta then in power in Greece staged a coup on Cyprus as a first step toward annexing it to Greece.[1] In response, the Turks invaded the islands, avowedly to protect the Turkish minority.

At this point, Congress got into the act, over the strong opposition of the White House and the State Department, largely because of pro-Greek pressure from a lobby claiming to speak for three million Americans of Greek descent. Three Congressmen, John Brademas of Indiana, Benjamin Rosenthal of New York and Paul Sarbanes of Maryland, led the effort. They argued that an embargo on American-supplied arms to Turkey would force the Turks to make concessions in Cyprus and, in particular, to let some of the 180,000 Greek Cypriots displaced in the fighting return to their homes. Brademas, Rosenthal and Sarbanes based their action on an American law forbidding use of American-supplied weapons for non-defensive purposes. But France and Portugal and, for that matter, Greece itself, all have used such arms for non-defensive military operations in the past, and each time we did nothing about it. Turkey, moreover, did have some justification, under the international treaty that established Cyprus as an independent state, to intervene if the status quo were upset.

The embargo, in any case, only boomeranged. Congress did not get any concessions from the Turks about the Greek Cypriot refugees or anything else. Instead, stung by the feeling that we had sided unfairly with the Greeks, the Turks last July closed down all but one of the American bases in Turkey. Reversing itself, Congress voted in October to lift the embargo, at least partially. The damage, however, had been done. The bases remain closed, and Turkish rancor is such that our relations with that strategically important country will never be the same.

Breaking the Rules. Congress scored a similar zero in its handling of the Trade Act of 1974. The administration had proposed, as part of its policy of détente, that the Soviet Union be granted trade benefits of a sort that most other nations already enjoy, among them communist Poland and Yugoslavia. The measure, if passed, would have led to the Russian purchase of billions of dollars' worth of American equipment and technology, thus creating many new jobs.

But here, too, a powerful lobby, that of Jewish Americans, asserted itself. Over administration protests, Sen. Henry M. Jackson of Washington and Rep. Charles A. Vanik of Ohio got the law amended so that the Soviet Union would receive such benefits only if it permitted more Soviet Jews to emigrate to Israel and Western countries. Jackson predicted that this would lead to an annual emigration of 60,000 Jews and other Soviet citizens. In addition, at the last minute Congress imposed a $300-million limit, over a four-year term, on Export-Import Bank guarantees of credit to the Soviet Union.

The Soviets were so infuriated that they nullified the Soviet-American trade treaty of 1972. The result was that, far from relaxing restrictions on Jewish emigration, Moscow tightened them. Emigration, which had reached 35,000 during the peak year of 1973, fell to an estimated 13,000 last year. And the Russians turned to other Western countries and Japan for the lucrative trade that otherwise would have gone to us.

Our relations with Latin America have also suffered because of Congressional interference in foreign policy—most specifically its efforts to block negotiations with Panama over the future of the Panama Canal. Virtually all Latin Americans support Panamanian efforts to secure a new treaty under which control of the canal would gradually be turned over to Panama. The Ford administration accepts the idea that such a compromise is in the U.S. interest, and is seeking to work out a detailed agreement.

However, several lawmakers, including Sen. Strom Thurmond of South Carolina and Rep. Daniel J. Flood of Pennsylvania, have been trying to prevent the State Department from even conducting talks with Panama. The Senate, of course, has every right to refuse to ratify any new treaty the administration comes up with. But it is breaking the rules of the game for Congress to tie the President's hands in advance. Such efforts can only further worsen our relations throughout Latin America.

Of all the examples of unwise interference by Congress in foreign policy, the most dangerous is the unconditional support that Congress has habitually insisted we give to the policies of Israel. In doing so, it has disregarded not only the legitimate interests of the Arabs, but America's own interests as well.

Congress's bias toward Israel most recently evidenced itself last July, when King Hussein of Jordan sought to obtain, for $260 million, 14 batteries of U.S.-made Hawk anti-aircraft missiles. Hussein is one of our best friends in the Arab world, and the administration properly regards his continued friendship as vital for the success of American diplomacy in the Middle East and, in view of his moderation, vital for Israel's security as well. But Sen. Clifford P. Case of New Jersey and Rep. Jonathan B. Bingham of New York mustered enough opposition to the sale so that the administration had to postpone consideration of the proposal.

A compromise of sorts has since been worked out. Hussein will be allowed to buy the missiles, but with humiliating restrictions on their deployment and use imposed at the demand of pro-Israeli Congressional forces. Hussein is understandably bitter about the affair. And, like so many other leaders who want to be friends with us but find it difficult to do so, he has good reason to doubt the value of commitments made by the President in the face of a Congress that is determined to fashion Middle East policy on its own.

Unless Congress abandons its favoritism toward Israel, and supports the administration in an even-handed attempt to work out a permanent peace settlement in the Middle East, another war, and another disastrous oil boycott, seem virtually certain to follow. Of course, America should never permit Israel to be destroyed. We must make clear, by deeds as well as words, our commitment to her survival, and our moral and political outrage at such Arab maneuvers as the recent U.N. General Assembly vote that equated Zionism with racism. If we do not, the radical Arabs' dream of destroying Israel will surely revive.

A Single Voice. What can be done to repair the damage being done to our foreign policy by a head-strong Congress? The most important step would be to re-establish the bipartisan approach that was so successful under Presidents Roosevelt, Truman and Eisenhower. All three men worked closely with Congress in formulating and pursuing a bipartisan foreign policy that carried us safely through World War II and the postwar confrontation with the Soviet Union.

President Truman, for example, asked Senators Arthur Vandenberg, a Michigan Republican, and Tom Connally, a Texas Democrat, to serve as members of American delegations in negotiations with other governments; the two Senators, in turn, successfully lined up balky Congressmen to ensure that divisions on crucial issues stopped at our shores.

One excellent proposal, suggested recently by a national commission that included Vice President Rockefeller, is that a Joint Committee on National Security be formed, to include the leaders of Congress and the chairmen of key Congressional committees. The Joint Committee would meet regularly with the President to coordinate foreign policy. The President, in turn, would share with the committee far more information than the White House has shared with Capitol Hill in the recent past.

Bipartisanship would go a long way toward re-establishing the proper priorities in our foreign affairs. Instead of quixotic intrusions into Cyprus, we could get down to the urgent business of dealing with the energy crisis, the NATO alliance and a lasting peace settlement in the Middle East. Bipartisanship inevitably would lessen the influence of domestic pressure groups in our foreign policy. Instead of looking weak and foolish, we would recover our national prestige and influence by speaking once more in a single, national voice.

VETERANS' ADMINISTRATION PUZZLE

HON. MARTIN A. RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. RUSSO. Mr. Speaker, with the inclusion today of part 6, I have placed in the Record the entire Chicago Tribune series on the Veterans' Administration—January 21, 22, 26, 28, and 29. Once again, I wish to commend the Tribune reporters responsible for this informative series: Pamela Zekman, William Gaines, Jay Branegan, William Crawford, and James Coates. They interviewed hundreds of veterans and VA officials and employes and examined scores of documents and records for this report.

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[1] See "Cyprus: Tiny Island, Big Uproar," The Readers Digest, December '75.

Today's article, from the January 23 Tribune, discusses the various approaches to and the debate on how to solve the problems with the VA. I trust my colleagues will find it most interesting and I hope the entire series has proved useful in terms of our work here as the people's voice in the Government.

[From the Chicago Tribune, Jan. 23, 1976]

CRITICS, SUPPORTERS SPLIT ON SOLVING VA PUZZLE

Split up the Veterans Administration, say some of its critics.

Make it even stronger, argue the giant agency's most ardent supporters.

While listening to both sides, VA officials and Congress probably will take some middle ground in their efforts to solve the VA's many problems and stem the rising costs of its multi-billion-dollar programs.

Some critics say much of the waste, poor performance, and inefficiency documented in this week's Tribune Task Force series is inevitable in an agency as big and as politically influenced as the VA.

To overcome these deficiencies, the VA "should be split up along functional lines," argues former Office of Management and Budget official Michael March.

But Sen. Strom Thurmond [D., S.C.], with the support of the major veterans groups, insists that the veteran is best served by a single veterans agency. He aims to keep the VA that way, and has proposed making the VA a cabinet-level department.

Meanwhile, the VA's bureaucrats themselves acknowledge many of the problems pointed out by The Tribune, but say they're already working to remedy them.

"We are now well on the way in getting the problems of the deficiencies in our hospital buildings cleaned up," the VA's chief medical director, Dr. John Chase, said.

He said the agency has thorough plans for replacement of run-down hospitals and is getting good funding from Congress. "We are on target and will move ahead on schedule."

Replying to complaints about shortage of staff at VA hospitals, Chase said, "In the last two years we have added 15,000 persons to the system. We have recognized the problem."

President Ford's new budget, released Wednesday, calls for an additional 1,750 hospital employes. In addition, it notes that many VA patients with nonservice-connected ailments carry private health insurance, and proposes seeking reimbursement for VA care from these private insurers. This would bring in $130 million a year, the budget estimates.

A radically different approach to the problems of VA staffing, geographic remoteness of hospitals from many veterans, and quality of care has been suggested by a University of California economist: Do away completely with VA hospitals and give veterans hospitalization insurance instead.

"Veterans would then be free to use a hospital in their community rather than travel to the nearest VA facility, as they do now," says the economist. Prof. Cotton Lindsay, who recently completed a foundation financed study of the VA hospital system.

Lindsay's answer would solve another major problem of the VA hospitals—the average VA patient stays hospitalized twice as long as the non-VA patient.

"The major factor that determines this [long stays] is that the patient comes to the VA without a prior diagnosis" because VA doctors do not practice outside the system, Dr. Chase said. "The private patient normally is seen in the doctor's office first." Under Lindsay's plan, a VA patient would be treated like a private patient, only the VA would pay the bill.

"If the federal government were to initiate a program of medical care for veterans today, there can be no doubt that it would offer hospitalization insurance rather than attempt to provide hospital care itself," Lindsay said in an interview.

Although VA hospitals originally were designed to treat veterans with battle-related injuries, Lindsay said, "What you have there today are old men with liver, kidney, and heart disease." VA figures show only 11.5 per cent of its patients suffer from service-connected disabilities.

The VA hospital system also recorded mammoth construction cost overruns last year, for which VA Administrator Richard Roudebush was scored by Sen. William Proxmire [D., Wis.] at appropriations hearings.

"When Mr. Proxmire interrogated us before the committee last year," Roudebush said, "I placed one of my top men to audit production. That's Mr. Art Schultz, and he's working daily with our construction people and I think we have made great strides in eliminating overrun. Let's say reducing overruns."

Proxmire says there's another solution to the overruns problem: "I attribute the poor track record of the VA in cost overruns to pressure from adjoining medical schools to get new equipment. The VA should stick to the original plans and resist outside influence."

Also riddled with problems is the VA's benefits program, a major function of the agency with a $390 million annual budget used to distribute $11.4 billion to 7.5 million veterans and veterans' survivors in compensation, pensions, and educational assistance.

The education program of the GI Bill has been plagued with overpayments to veterans, Roudebush agrees. "There is no more irritating, agonizing problem I'm faced with than overpayments. These things are continual. They will exist as long as there is a Veterans Administration.

"We are making the most extensive efforts this agency has ever made in recovering overpayments. In fact, now the most critical letters I get are that we are trying to tighten the wrench a little too tight."

Several studies show that much of the money that goes for educational assistance is wasted on worthless courses. One study by the Educational Testing Service, of Princeton, N.J., found the VA's method of ensuring the quality of courses, particularly those in correspondence and trade schools, woefully inadequate.

It suggests beefing up the state agencies that are supposed to evaluate courses. Another group that studied the problem suggested cutting correspondence courses from the GI Bill altogether.

The President's budget doesn't go quite that far. It recommends only elimination of "new enrollments in marginally effective" correspondence schools.

A report on the VA by the 20th Century Fund, a research foundation, said the entire GI Bill should be re-evaluated with the advent of the all-volunteer Army.

"A presumption that military service involves significant burdens or sacrifices is no longer vaild," the report says. Any promise of postmilitary education assistance should be made by the military, and the costs borne by the Defense Department, the report recommends.

There is legislation before Congress to end the GI Bill for the all-volunteer Army and President Ford in his budget proposed cutting eligibility for the current bill from 10 to 8 years after discharge from the service.

Former budget planner March, now a professor of public affairs at the University of Colorado, said that in the VA pension program, there are wide areas of overlap with the Social Security and Supplemental Security Income programs. He and others say the duplication is wasteful.

Using figures supplied by the Department of Health, Education, and Welfare and the VA. The Tribune calculated that the administrative costs for each VA benefit check are nearly twice that for a Social Security check: $4.36 versus $2.50.

Arguing along similar lines, the American Veterans Committee, a 25,000-member group founded after World War II, opposes pensions "as being class legislation and unrelated to the real needs of individual veterans."

The group's former national chairman, Arthur S. Freeman, 61, a prominent Chicago tax attorney, said, "The VA should be concerned primarily with returning veterans, getting them back into society, and with those who suffer service-connected disabilities."

Otherwise, the group believes, "what's good for the country is good for the veteran," according to a Washington spokesman, and urges strengthening of social legislation for all citizens.

Indeed, proposals to make the VA a narrow, specific agency have been around since 1949, when the Hoover Commission on governmental reform urged that the VA be stripped of the hospitals, its construction program, insurance, and home loans. It said duplication of the work of other agencies was inefficient and wasteful.

Today, the veterans organizations are still opposed to any attempts to integrate veterans programs with other social programs—veterans should never have to take "welfare," they say.

They get strong support from the members and staff of the two veterans committees in Congress, most of whom are active members of the Veterans of Foreign Wars, the American Legion, Amvets, Disabled American Veterans, or other veterans group.

The political power of these organizations must be faced by anyone proposing radical solutions for problems in the VA or changes in veterans programs. Observed Roudebush, a former Indiana congressman: "I don't ever recall a veteran benefits bill having many votes cast against it."

THE 1975 FEDERAL ELECTION CAMPAIGN ACT

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. BIAGGI. Mr. Speaker, the Supreme Court's decision voiding certain sections of the 1975 Federal Election Campaign Act has opened the door once again for the very wealthy to "buy" their way into public office.

While upholding the limitations on individual and committee contributions to candidates, the Court said a candidate himself can pour as much money as he wants into his own campaign. To limit the candidate, as well, the Justices argued, would be a violation of that candidate's first amendment rights. Hogwash.

The first amendment was never designed to permit an individual with enormous amounts of money to virtually buy a political office. Yet that, in effect, is what the Supreme Court has said. If limitations are sound—and they are—

then they should apply to all contributors, including the candidate. This will in no way limit his right to free speech. A candidate can still express himself to his heart's content on all the issues at any forum. That is what the first amendment is designed to protect.

The lack of a spending limitation for candidate contributions was one of the principal abuses that prompted the 1974 reforms. Politics was becoming a rich man's game—employment for the wealthy citizen who had nothing else to do. A poor man could not challenge a multimillionaire without concentrating virtually all his efforts on fund raising to match his opponent's campaign chest. The poor man's freedom of speech rights in a sense were violated, because he was tied to massive fund raising efforts instead of being able to address himself to the issues.

The 1974 act put realistic limitations on all contributions and expenditures. It was hoped that this would restore some rationality to the conduct of campaigns. Within such a framework, the candidates could freely debate and discuss the issues and try to convince the electorate of their relative merits to serve in public office.

The Constitution constrains an individual from verbally and maliciously slandering another person, because the drafters recognized that such an unfettered right to speak would be detrimental to the other individual's rights and to society's right to peace and order.

The election law limits enacted in the last Congress struck a balance between the unfettered rights of the wealthy candidate to spend, spend, spend, and the fragile rights of the poor challenger to enter the political arena on an equal footing.

I hope that some way might be found to legislatively enact such limits again without running afoul of the Supreme Court. To fail to do so will help foster all the more the growing trend of big money, big business, and politics being the only bedfellows running this country.

DEREGULATION OF NATURAL GAS

HON. ALPHONZO BELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. BELL. Mr. Speaker, as this body continues its consideration of natural gas deregulation, I call to the attention of my colleagues an editorial on the subject which was published in yesterday's Los Angeles Times:

GAS: IN WHOSE INTEREST?

Opponents of legislation to phase out federal price controls on newly discovered natural gas supplies are making a last-ditch effort this week to sidetrack the decontrol legislation. For the sake of consumers and the country's economic health, we hope the effort fails.

Those who oppose the plan for partial deregulation of natural gas say they are acting in the consumer's interest. But we think the facts are otherwise.

Federal regulators have done a good job of holding down the price of gas moving in interstate commerce. Even with recently approved increases, the going price for new gas is 52 cents per thousand cubic feet—roughly a fourth of what it costs to import an equivalent amount of oil. Unfortunately, the artificially depressed prices have created a growing deterrent to gas production.

For several years natural gas consumption has been far outrunning production. And of the new supplies that are discovered, most are being sold in unregulated intrastate markets, where the price is three to four times as high.

Cheap gas won't do consumers much good if there isn't enough to go around. And there won't be enough if the law isn't changed. Already shortages have raised the specter of industrial interruptions in some states, with a consequent threat to stable employment. Unless higher pricing is permitted, the situation will grow steadily worse until even residential consumers are affected.

The Senate, after lengthy consideration, acted sensibly in October by passing a bill that would free newly discovered gas in onshore fields immediately. New gas from offshore fields would be controlled for five more years. And gas sold under existing contracts would not be decontrolled at all.

Although this would mean a sharp increase in the wellhead price of newly discovered gas supplies, the impact on the consumer would not be so sharp or so immediate. Since less than 10% of the natural gas covering interstate pipelines each year is newly discovered, and since "old" gas would still be regulated, the effect would be spread over 10 years or more. In any event, the price received by the producer accounts for less than 20% of the ultimate cost to the consumer. Interstate transportation and local distribution account for the rest.

The public interest clearly calls for early House approval of similar legislation, but the Commerce Committee has pursued dilatory tactics in order to delay action.

We urge California members of the House to back Speaker Carl Albert's move to bring decontrol legislation to a vote on the floor. Either that or return the measure to the committee with specific instructions for quick action.

JAMES D. McKEVITT, COUNSEL FOR FEDERATION OF INDEPENDENT BUSINESS, CALLS FOR EXPANDED SBA AUTHORITY TO ASSIST SMALL BUSINESS

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. EVINS of Tennessee. Mr. Speaker, Mr. James D. (Mike) McKevitt, Washington counsel of the National Federation of Independent Business and a former colleague, recently gave a detailed statement before the Subcommittee on SBA and SBIC legislation of the Small Business Committee recommending an expanded authority and mission for the Small Business Administration.

Because of the interest of my colleagues and the American people in small business, I place excerpts from Mr. McKevitt's statement in the RECORD herewith.

The excerpts follow:

STATEMENT OF JAMES D. "MIKE" MCKEVITT, WASHINGTON COUNSEL TO THE NATIONAL FEDERATION OF INDEPENDENT BUSINESS

This country was built on a foundation of small businessmen and yeoman farmers. Yet, their share of the economic wealth and activity within this country is dwindling. Indeed, SBA figures would suggest that their very number is eroding slowly. In 1967, small businesses constituted 97.3 percent of the business firms.

Again, it is in terms of economic well-being that the decline is most noticeable. These small businesses (96.7 percent) account for only 43 percent of the Gross National Product. In 1960 small and medium sized manufacturing businesses accounted for 50 percent of the assets and 41 percent of the industry profits. By 1972 these figures dropped to 33 percent of the assets and 28 percent of the profits.

In terms of capital acquisition, small firms are also finding themselves relatively less well off.

Further, the relative solvency of small, independently owned and operated business enterprises is becoming more and more shaky. From 1946 through 1971, the asset/liability ratio of small businesses declined from 1:18 to 0:63.

Business bankruptcies in the fiscal year ending June 30, 1975, jumped 45 percent to 30,130—almost twice the level in 1966–1970, indicating the intensity of the pressures of small business.

Despite intentions to the contrary, tax burdens seem to bear disproportionately on the small and medium sized firm. The largest corporations pay effective federal tax rates of only about 25% while their smaller counterparts pay effective rates above 50 percent . . . The small businessman is not lacking for friends. Historically, Congress has been sympathetic to his needs . . .

The effort to deal with the unique and special problems of small business culminated in the creation of the Small Business Administration over two decades ago. I would like to address the balance of my remarks on the Agency, the kind of job it has been doing, and how it might be improved.

SBA: AN OVERVIEW

The Small Business Administration was created in 1953 to "encourage and develop . . . the actual and potential capabilities of small business" and to "aid, counsel, assist and protect the interests of small business concerns." This was a significant event. It recognized the role small business played in the American economy and it gave many hard pressed small businessmen reason for renewed hope . . .

While the Federation feels that any proposal to do away with the SBA is negative in approach and unacceptable, we do recognize and firmly believe that there are areas where the Agency could be reformed and revitalized . . .

LOOKING TO THE FUTURE

The SBA has been as responsive to the needs of small business as it could be . . .

On behalf of NFIB, I would like to make a number of suggestions that we feel would help SBA meet its new challenges. . . . Small business needs an aggressive partner that can aggressively, zealously, and vigorously pursue its economic well being and interests within government. SBA can broaden and expend its scope and mode of operation to be that kind of partner even more than it has in the past.

While it is by no means perfect, the Department of Agriculture is a good example of the kind of partnership we envision. . . . SBA can and should play a similar role for the Nation's small businessmen.

We also envision the SBA becoming one of the focal points in future economic policy. . . . The basic character of small business supports this conclusion:

96.7% of all United States' firms are small businesses;

Small business provides 55% of all non-farm jobs;

Small business provides a livelihood for over 100 million Americans;

Small business is extremely sensitive to changes in the economy;

Small business is flexible and can react quickly to economic changes; and

Small business is labor intensive.

All of these facts seem to indicate that the small business community could prove to be a profitable area for experimentation with and development of an alternative economic policy. SBA would be the proper vehicle for implementing this policy. Its past record shows that it does have the capacity to do this job if it had adequate resources.

SBA loans to small business are an investment in the future of America and an efficient way for the government to spur economic activity. Since 1953 Small Business Administration loans have created or maintained over 2,350,000 jobs. In fiscal 1975 alone Agency activity created or maintained roughly 265,000 jobs at a cost of approximately $6,000 per job. Compare this to a cost of $14,000 to $18,000 per job contained in the Emergency Jobs Creation Act of 1975. Unlike the $14,000 to $18,000 price tag in the jobs legislation, SBA's $6,000 is not an expenditure, but a loan. *It is an investment in the American economy repayable with interest.* Since its creation the Agency's actual losses have only been 3.23 percent of all its loans and in fiscal 1975 the loss figure for its 7(a) regular business loan program was an unbelievably low 2.66 percent. These losses are more than compensated for by the increase in taxes and the reduction in unemployment compensation and other social welfare expenditures caused by SBA's lending activity.

These figures argue very persuasively for a substantial higher level of Small Business Administration lending activity. Tragically, the Agency reaches only 1.5 percent of the nation's small business community with its loan programs. . . . Here is a clear opportunity to use the Small Business Administration constructively as an instrument of an imaginative and forward looking small business economic policy. . . .

The first step must be increasing the status of SBA within the Federal Government.

If the SBA Administrator is to be the spokesman for small business, he must have greater access to the President. He must sit on the Domestic Council and similar policy planning bodies. NFIB would urge the Committee to give serious consideration to making SBA a full-fledged Department and elevating its head to Cabinet status. If this proves impractical, we would urge the Committee to take an active role in securing the appointment of the Administrator to all advisory and policy planning bodies in the Executive branch whose decisions have an impact on the small business community.

LENDING PROGRAMS

Business Loans: Stop any small businessman on the street and ask him what the Small Business Administration is all about and at least nine out of ten will tell you that it is a bank. . . . SBA does have very important banking-type functions. But SBA can and should be a great deal more than a bank to the small businessman. It must also be his partner and his advocate. . . .

Some critics would suggest that SBA's limited resources are disproportionately allocated. They would point out that of the $155 million in direct funds available for normal business purposes during fiscal year, 1976, $55 million was earmarked for Economic Opportunity loans (reserved solely for the socially and economically disadvantaged) and at least another $34 million was earmarked for minority businesses. This would seem to target over 57 percent ($89 million out of $155 million) of the available funds for a very minuscule portion of the nation's 9.7 million small businesses.

NFIB has always supported every effort to meet the needs of the disadvantaged and minorities in the small business community. Unfortunately, this effort has made it more difficult for the Agency to meet the legitimate needs of the rest of the small business community. Both needs must be met and one cannot be ignored at the cost of the other.

The typical small businessman who goes to SBA for financial assistance expects to get a direct loan from the government at a very low rate of interest. When he finds out that the Agency is out of money, which is very likely since each region has been allocated less than $1.7 million per quarter in fiscal year 1976, and that he can only get an SBA guaranteed loan from a bank at 10¾ percent, plus a compensating balance, he goes away mad and ridicules the Agency to all his friends and business associates.

By far the most important SBA loan from the small business point of view is a 7(a) regular business loan. It is this program that provides what we would all consider as the everyday kind of financing necessary to run any small business. In brief the 7(a) program consists of three types of loans.

Obviously, the 7(a) direct loan is and has been the one most in demand. It has also been at the center of a controversy between the small business community and Congress on the one hand and the Office of Management and Budget on the other.

Unfortunately, the Office of Management and Budget appears to maintain that the government does not belong in the direct loan business because it is both costly and in direct competition with the nation's banking industry. It has been able to back up this position by setting administrative ceilings within SBA's Business Loan and Investment Fund. This has had the effect of channeling most of the Agency's resources into its 7(a) guarantee program and curtailing the direct loan effort. The latter reached its low point in 1970 when only 42 loans for $1.9 million were approved.

Congressional reaction to this situation surfaced in 1974 when it directed SBA to make at least $400 million in 7(a) direct loans in fiscal year 1975. Again OMB intervened and no funds were requested to execute the Congressional directive. The same tactic was tried again in the 1976 budget, but the Chairman of this Subcommittee, who also serves as the Ranking Member on the Subcommittee that handles SBA's appropriations, discovered the omission and was able to include $100 million for the 7(a) direct program in the Agency's appropriation.

NFIB has been and remains a strong supporter of the 7(a) direct program.

The OMB has also argued that the guarantee approach is the one which allows the greatest degree of private sector participation and since it has stated that it believes that small business credit decisions "should be left in the private sector," this approach has been emphasized. The shift from direct loans to guaranteed loans has been dramatic. During the decade from 1964 through 1973 guaranteed loans grew from $20.7 million to nearly $1.9 billion dollars per year. During roughly the same period the direct program dropped from an all time high of $115.5 million to a low of $1.9 million.

The private sector argument has not proven to be completely accurate. The banking community is not always willing to participate in the guarantee program. SBA figures show that at the end of fiscal 1975 just 184 banks had 10 or more loans outstanding and that only 111 had more than 50 loans. These represent just a fraction of the nation's 14,000 banks.

This reluctance to participate on the part of the banking community is the strongest possible justification for an adequate direct loan program.

NFIB believes that the answer to this problem rests in determining the proper mix of SBA loan programs.

The Federation has several other suggestions for changes in the Small Business Administration's lending programs that it believes are worthy of your serious consideration:

Set up a separate and distinct entity, similar to a corporation or a bureau, under the direction of the Administrator to operate all of the Agency's lending programs.

Require quarterly reports from SBA to the House and Senate Small Business Committees and the Senate Banking Committee on the average turn-around time between loan applications and loan disbursements.

Non-Physical Disaster Loans: In concept, the Small Business Administration's Non-Physical Disaster Loan program is an excellent example of the kind of partnership that SBA should maintain with its small business constituency. More commonly known as compliance loans, they provide a small firm with the flexibility and funds necessary to keep abreast of changes in or requirements of certain Federal and state laws. Without this type of assistance many independent businesses would be unable to comply with the laws and would be forced to close. . .

While these programs have a great potential to assist hard pressed small firms that find themselves in a compliance crisis, it is clear that they could be utilized to a greater degree. The small business community has been upset for years about the strict requirements of OSHA and the anti-pollution laws, yet only 101 loans for $25.8 million were made under these programs. . .

Disaster Assistance Loans: Under Section 2(c) of the Small Business Act, SBA is given the responsibility of aiding and assisting "victims of floods and other catastrophes," and this . . . has moved the Agency further and further from its primary mission of helping small businessmen.

Since it was founded the Small Business Administration has made over 780,000 loans; 520,000 of these have been disaster loans. . . In fiscal 1973 the Agency made 215,001 disaster loans of which 192,700, just under 90 percent, went to homeowners to repair or replace their dwellings. In fiscal 1975 over 82 percent of the Agency's disaster assistance went for non-business purposes.

The demands that this program places on an already understaffed SBA are tremendous.

The homeowner section of the disaster assistance program does not belong in the Small Business Administration and NFIB urges the Committee to transfer it to HUD.

ADVOCACY

In 1974, the 93rd Congress formally recognized one of the Small Business Administration's most important functions when it established the Office of Chief Counsel for Advocacy.

NFIB believes that Advocacy will be the watchword of the future and we think it should be one of SBA's primary responsibilities.

To accomplish this we would recommend that the Agency's advocacy role be significantly upgraded by the creation of an Associate Administrator for Advocacy and that a Small Business Advocacy Office, responsible to him, be established in every Federal Department, Agency and Commission.

MANAGEMENT

Management assistance is another of the areas in which the Small Business Administration can increase valuable assistance to the beleaguered small businessman.

NFIB believes that the Small Business Administration should provide a wide variety of management services and information on many levels.

Another important goal of the Management Assistance program should be to bring its services and advice to the small business community.

PROCUREMENT

The procurement assistance that the Small Business Administration provides for the small business community is excellent. Between 100,000 and 150,000 small firms, employing more than a million Americans, benefit annually from this program. In fiscal 1975 these firms received $18.4 billion in Federal contracts as a result of SBA assistance.

It is a well conceived and well executed effort.

RESEARCH

Reliable, accurate research and analysis is the foundation on which all Small Business Administration programs should be built. SBA should be constantly aware of the status of small business in the economy and it should be able to advise Congress and the Executive Branch how this vital sector will react to different economic stimuli and to changes in programs.

NFIB believes that SBA's research and analysis capability should be upgraded to the same level of competency as the Bureau of Labor Statistics in the Department of Labor or the Economic Research Service of the Department of Agriculture.

STAFFING

SBA staff levels have not changed significantly since 1966. Yet, in just the last five years it has been given responsibility for nine new loan programs. At the end of fiscal 1975 the Agency has 4,127 permanent employees to administer at least 35 separate programs to a constituency of 9,420,000 firms, and if legislation already passed by both the House and Senate is enacted, SBA will receive two new major programs.

In relation to other agencies representing major sectors of American society SBA is grossly understaffed. The following chart comparing it with the Departments of Commerce and Agriculture will underline this graphically.

Agency, Constituency, Staffing, These are budget authorizations for 1977:

Agriculture, 3 million farmers, 80,400 employees.

Commerce, 320,000 firms (3.3%), 28,700 employees.

SBA, 9,420,000 firms (96.7%), 4,400 employees.

In a table recently published by The Washington Star-News showing the number of employees authorized by the 1977 budget for 24 Federal agencies and departments, SBA had the second lowest total. Only the Federal Energy Office, which is less than two years old, had fewer employees (1,800).

NFIB believes that the staffing of the Small Business Administration is inadequate and that it must be expanded to meet its present responsibilities.

In conclusion, Mr. Chairman, NFIB would like to stress that it believes that the true potential of the Small Business Administration to act as the partner and advocate of the small business community has hardly been tapped. SBA cannot do any more than it is now unless its very limited resources and authority are significantly expanded. This Committee has the opportunity to take the first positive steps in this direction. The Federation urges you to do so and pledges its support for your efforts.

NOMINATION OF OUTSTANDING YOUNG MEN AND WOMEN TO SERVICE ACADEMIES

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. BONKER. Mr. Speaker, traditionally Members of Congress have had the privilege of nominating outstanding young men—and now young women—to the Nation's three service academies. It is an important responsibility in that these select young people will become the future leaders of our Nation's Armed Forces. The task is also extremely difficult considering the exceptional quality of today's aspiring students.

To aid in this challenging job, I have appointed six community leaders, representing various parts of the sprawling Third Congressional District, to serve on a newly created academy review panel. They met in November, in what turned out to be a marathon session, to review the 38 candidates who had applied to the 3 service academies. Last week I formally nominated a principal candidate and several alternatives to each of the Academies—Military, Naval, Air Force. My choices paralleled the academy review panel's recommendations.

Two of the panel members, Mr. Ned Thomas, who is a newspaper publisher from Port Angeles, and Ms. Kay Green, business editor of the Longview Daily News, recently wrote thoughtful columns on their reflections of the panel's deliberations and the agonizing job of selecting from among so many outstanding candidates. Their sentiments, I am sure, are shared by everyone who has served on such a board, and at this time I would like to have the articles inserted in the RECORD:

[From the Port Angeles (Wash.) Daily News, Dec. 14, 1975]

THE YOUNGER GENERATION

(By Ned Thomas)

I've just had an experience which has renewed my faith in the younger generation.

Our congressman, Don Bonker, appointed six people from his district as a panel to screen applicants for appointment to the military academies. I'm the member from the North Olympic Peninsula.

We spent Tuesday in Olympia interviewing the candidates, and a sharper group of high school seniors I've never seen. All of them had grade point averages of 3.0 or better. A couple were 4.0 students, a few others 3.9. One was 3.9 plus and reported that the lone "B" grade he had was in physical education, yet he quarterbacked the football team.

Most of them also were athletes. All of them were into all kinds of extracurricular activities, including student government. One was his student council's representative to the school board. Another had rewritten the constitution for his student government. Quite a number were musicians. All were poised, well spoken and highly competitive.

Among them were youngsters from Port Angeles, Sequim, Port Townsend, Joyce and Forks. Five of the candidates were girls, now that the academies have been opened to women.

As this was the first time in this congressional district that such a review panel had been created, it was a new experience for us. Mike Murphy, who's in charge of Bonker's Olympia office, told us when we assembled in a room at the Governor's House that he had expected we would have 20 applicants to interview and that we would be able to complete the schedule by 5 o'clock.

But Bonker had announced the review panel two weeks before in a news letter, and the result was that the list had swollen to 38. He figured it would take us until 7:45, working right through the dinner hour, to finish up.

Robert Utter, a member of the State Supreme Court, acted as chairman of the panel. The other members, besides myself, were Bud Kuehner of Centralia, Lewis County treasurer; Kay Green, a staff writer for the Longview Daily News, and John Wilkinson of Cosmopolis, a vice president of Weyerhaeuser. The sixth member, President William Reike of Pacific Lutheran University, was in Alaska.

We spent 10 minutes with each applicant. It wasn't enough time, but it's all we had. We scored them on appearance and poise, motivation for a military career, interest in current events, and oral communication. Then we added our comments and our overall rating.

We took an hour off for lunch. I had an appointment in Seattle that night, so I had to peel off at 5:30, at which point the panel had interviewed 26. I found out later that the other four panelists finished interviewing the rest of them at 7:30, had dinner, then worked until 11:30 putting the applicants in order of preference.

The responses to our questions were interesting. What's the most serious national problem? The economy, the New York default, loss of confidence in political leaders. Internationally? The Middle East, Communist takeovers in other countries. Asked what reading he'd done on the side in the last year, one boy said it was "The Rise and Fall of the Third Reich," another said it was "Centennial."

A boy from Forks said he had to hurry home to play basketball against Port Townsend that night. A little later a chap from Port Townsend said he was playing that night against Forks.

The appointments at stake are to the Military Academy at West Point, Naval Academy at Annapolis and the Air Force Academy at Colorado Springs. The Coast Guard and Merchant Marine academies handle their own appointments.

It's estimated that it costs $100,000 to put a person through four years at the Army, Naval or Air Force academy. This is why we probed, to make sure that applicants were sincere about wanting to make a career of the military. The "retention rate" of the graduates is important to the taxpayers.

Bonker is entitled to pick one primary nominee and two alternates for each of the three academies. So the panel, after agonizing, came up with nine names. Bonker, of course, will make the final decision and his nominees will be announced in mid-January.

I wish every one of those 38 could be appointed. They were that great.

[From the Longview (Wash.) Daily News, Jan. 23, 1976]

BEST MILITARY ACADEMY NOMINEES HARD TO SELECT

(By Kay Green)

How do you skim the cream off what is already the cream?

This was my experience recently when I was on a panel of five persons which screened 38 applicants for appointment to the military academies.

Congressman Don Bonker appointed six persons, one of whom was out of town Dec.

9, to interview the applicants and to help him select his principal nominees and alternates for each of the three academies.

Candidates sought admission to the Military Academy at West Point, the Naval Academy at Annapolis and the Air Force Academy at Colorado Springs. Coast Guard and Merchant Marine academies handle their own appointments.

It was a long, but rewarding day. Mike Murphy, who manages Bonker's Olympia office, had scheduled applicants up to 7:45 p.m. with, only an hour out for lunch.

We talked with young persons from Sequim, Port Angeles, Chehalis, Centralia, Enumclaw, Olympia, Longview, Kelso, Kalama, Issaqah, Joyce and Forks. There were five women because academies have opened their doors to women.

We interviewed outstanding athletes, 4.0 students, student body officers, a cheerleader and musicians. All were involved in extracurricular activities. Three had to get home that evening to play basketball. Each was confident and most were at ease.

The quarterback on a football team had a 3.9 plus grade average and noted that his lone B was in physical education.

Several girls interviewed have brothers attending or who have attended academies. A number have fathers who had been in the military.

Only 10 minutes were scheduled per interview, not nearly enough time. Specific questions were asked to evaluate each on appearance and poise, motivation for a military career, interest in current events (national and world) and oral communication. Panel members tallied our comments and rated the applicants.

Then we tried to pick the "cream" of the crop. We shuffled and shuffled and shuffled papers, finding it difficult to place one above another or even eliminate one.

It was nearly midnight before we felt confident enough to call it a day, a long one. Bonker felt confident in our recommendations because he indicated this week he will follow our suggestions.

Bonker will pick one primary nominee and two alternates for each of the three academies.

It costs approximately $20,000-a-year to put one person through an academy. Bonker wanted his nominees to have the necessary motivation for a military career and to be worthy of an appointment, so chose a review panel to help him make these evaluations.

This is the first time a review panel has been used in this congressional district.

It gave panel members a little idea of just how many outstanding young people there are in this congressional district. It's unfortunate all can't receive appointments.

Robert Utter, a member of the State Supreme Court, was panel chairman. Other panelists, in addition to myself, were Bud Kuehner of Centralia, Lewis County treasurer; John Wilkinson of Cosmopolis, a vice president of Weyerhaeuser Co., and Ned Thomas, associate publisher of The Daily News in Port Angeles. The other appointed panel member who could not serve, William Reiken, president of Pacific Lutheran University, was in Alaska.

EUROPE NEEDS TO DO MORE

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. GAYDOS. Mr. Speaker, the remarks of Belgium's Defense Minister, Paul Vandem Boeynants, to a recent conference of business executives in Brussels deserve more attention here than they so far have received.

According to an Associated Press report, he said, Europe no longer can rely on the United States for its military protection and must do more on its own. He explained:

> People say that if something goes wrong, the Americans will protect us. But let us be cautious. Although it is clear that America's interests, not America's duty, prevent Europe from falling under Soviet domination, it is also clear that the Americans will leave us to our fate if they realize that the Europeans are not prepared to defend themselves or contribute to the necessary effort.

Vanden Boeynants, it seems to me, has gotten the message from the military-burdened American people—the grassroots, indeed, of the country—more clearly than has our own State Department with its insistence on maintaining huge U.S. forces on European soil and on paying the lion's share of the overall NATO costs.

The situation has been one of grave injustice to our people since postwar Europe first acquired the money and means necessary to provide for itself. It has been a major reason for our unbalanced budgets and skyrocketing debt and it also has been an incalculable waste to us of the energies of hundreds of thousands of our young men who have been compelled to while away their most productive years in European army camps.

I hope the Belgium Defense Minister's statement that we no longer can be depended upon and that Europeans had better begin looking after themselves penetrates the thinking of those free world leadership idealists who continue to shape our foreign commitments. It may be ironic that the need of change first found official expression in Europe rather than here. But I am glad of it.

EXAMPLES OF COMMUNITY-MINDEDNESS

HON. JACK BRINKLEY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. BRINKLEY. Mr. Speaker, occasionally we all see examples of community-mindedness which deserve special comment, particularly when they have to do with focusing attention on seasonal celebrations in which all the people can participate.

Such an example occurred in my hometown of Columbus, Ga., during the recent holiday season, thanks to the ingenuity of the world's largest cancer insurance company, American Family Life Assurance Co., of which Columbus is fortunate enough to be home base and whose handsome skyscraper building is an asset to the community.

At Christmastime, American Family arranged to have office lights on the Wynnton Road sides of its building turned on so that passersby could see a gigantic Christmas tree as they approached the structure at night. It was a striking reminder of the season of seasons, and thousands had access to this unusual sight.

Then as the New Year approached, the configuration of lighted windows was changed to show "75" in huge numerals. At the stroke of midnight, thanks again to the ingenuity of American Family employees, the lights were swiftly changed to show "76."

Knowing American Family founder and president, John Amos, as I do and appreciating his community spirit and service, I await eagerly the next holiday season and seeing what he and his associates have in store for the inspirational benefit and uplifting of passersby.

EXTEND TIME LIMIT ON USE OF VETERANS' EDUCATIONAL ASSISTANCE

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mrs. SCHROEDER. Mr. Speaker, I am today introducing legislation to extend from 10 to 15 years the period in which veterans' educational assistance may be used.

From 1965 to 1972, it was very difficult for veterans to take advantage of their educational benefits due to overcrowded colleges and the harassment they received on the compuses. Also, many veterans suffered from emotional problems which slowed down their educational progress. For many veterans, it took some time to get over the trauma of war and reorder their lives.

Another factor that must be considered is the present state of the economy. Employment opportunities are few in many parts of the country. The benefits of veterans' educational assistance here are threefold:

First, it gives veterans an income at a time when chances of employment are slim while enabling them to further their educations, which is far better than having them on the unemployment rolls. In the long run, the return in tax dollars from veterans who are gainfully employed is estimated to be four times greater than the money spent to help them get an education.

Second, when the economy does improve, the veterans' chances of landing jobs will be increased due to the educations they were able to receive.

Third, many veterans who have lost their jobs due to the state of the economy are being forced to find new jobs and develop new skills. These veterans are in need of their educational benefits now more than ever. The chance to go back to school and acquire a new skill is often their only alternative to signing up for unemployment.

The veterans deserve a fair shake. Let us give them one.

INTERGOVERNMENTAL RELATIONS AND HUMAN RESOURCES SUBCOMMITTEE

HON. JERRY LITTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. LITTON. Mr. Speaker, I know that the Intergovernmental Relations and Human Resources Subcommittee of the Government Operations Committee has before them a mountain of revenue sharing bills which they have ferreted through during the past months. I respect the monumental task of conscientiously scrutinizing all of the recommendations before them, and the subcommittee members are to be commended for the extensive hearings which have been held and the manner in which those hearings were conducted. I was personally pleased with the reception my testimony received and impressed with the quality of questions that were asked of me.

The time has come, however, for the legislative process to march on; communities throughout my entire State have corresponded with me to emphasize the urgency of enactment of the best possible revenue sharing bill at the earliest possible date. This is a necessity for our local governments, many of which must formulate their budgets in early 1976 for fiscal years beginning in July or October. It is impossible for them to compose a meaningful plan without knowing the extent of their financial resources. I find it bitterly ironic that such a hard push is on in Washington for long-range planning, yet we do not practice what we preach. Instead we leave our local governments in a helpless shroud of mystery.

The revenue sharing legislation I have offered, H.R. 10493, is offered not to merely add my personal proposal to a popular financial assistance concept, but to advance a workable solution to the current criticisms of Federal revenue sharing. The ideals embodied in the present State and Local Fiscal Assistance Act are generally regarded highly by local government officials, Federal lawmakers, and U.S. citizenry. It is now time to add the fine edges. The major provisions of the Local Revenue Assistance Act I have introduced do this while returning to the basic philosophies of Federal revenue sharing.

The legislation I have introduced will change the formula for Federal revenue sharing, shifting benefits from State governments who can raise their own revenues to cities, counties, municipalties, and other local units of government which are suffering from chronic problems in raising adequate revenue to support important local services. This bill shifts some of the tax burden away from inequitable local property taxes and regressive city sales taxes.

I have always felt the Federal Government exists to do for the States what they cannot do for themselves, the States exist to do for the cities what they cannot do for themselves, and the cities exist to do for individuals what they cannot do for themselves. States have adequate revenues and taxing authorities to provide the services required by the people of the State. The local units, however, find real difficulty these days in providing even minimum social services—road and street maintenance, fire and police protection, educational facilities, recreation and youth centers, ad infinition for their populations. If we do not address ourselves to the problems of cities and local governments raising revenues, we force them to become increasingly dependent on complicated Federal and State programs which bog down in a bureaucratic quagmire. They are often not responsive at the local levels to the people we represent and frequently involve considerable waste of the taxpayers' money.

Specifically, my bill changes the distribution ratio for revenue-sharing funds from the usual two-thirds fraction to local governmental units and one-third fraction to State governments for each State to a formula whereby all of the revenue-sharing money will be directed to these local units of government, while the State entitlements are eliminated entirely, local prerogative is held in the highest esteem.

Revenue-sharing moneys were intended to be targeted to those governmental units most in need of Federal assistance. State and local units have been included in the distribution in the 5-year period that will soon conclude. State governments are not in the fiscal crisis that some anticipated. Quoting from the "Comprehensive Study of State and Local Governmental Finances" by the Joint Economic Committee:

> Most states finish their fiscal years with surpluses remaining in their general fund accounts after all revenues have been collected and all expenditures have been made.

The States in the past few years have been able to hold the line on taxation, with many even cutting their taxes. In fact, the Governors of 30 States indicated that State tax reductions were made possible by general revenue-sharing funds. Governors of 10 States stated that general revenue-sharing funds forestalled new taxes. This information comes from the February 1975, Office of Revenue Sharing, Department of the Treasury "Reported Use 1973–74, A Tabulation and Analysis of Data from Actual Use Report 4." Many programs previously financed by the States have been turned over to general Federal revenue-sharing financing. This is counter to the Federal revenue-sharing concept of adding new programs and services to governmental units. In aggregate, the State governments had a combined surplus of $6.5 billion at the beginning of the 1975 fiscal year. This certainly does not reflect a financial crisis at the State level.

The heart of fiscal dilemmas in this country can be found in local units of government, especially dramatized by the large metropolitan centers. Here is where one encounters rampant property tax escalations, sales taxes to finance urgently needed transit systems, frantic municipal bond marketing, decreasing necessary social services, and other fiscal crises "New York City style."

The recent study by the Urban Affairs Subcommittee of the Joint Economic Committee displays the seriousness of the local governments' fiscal problems: "Unencumbered surpluses: Unencumbered surpluses are must less significant for local government budgets than for State governments. Local governments tend to operate as near to a balanced budget as possible with surpluses generally returned to citizens through tax reductions or service improvements.

Nevertheless, 122 of the 140 local governments surveyed entered the current fiscal year with a combined surplus of approximately $340 million, or slightly above 1 percent of their total budgets. This surplus is being totally depleted and is expected to be a deficit of approximately $10 million by July 1, 1975. Of these 122 governments, 82 are drawing down their surpluses in the course of the current fiscal year. Seventeen will experience little change in the size of their unencumbered surplus and 23 will add to their surpluses during the course of the year. The most significant deterioration in the size of the unencumbered surplus occurred in large jurisdictions with high unemployment—unemployment rates above the national average. Fifteen of the 21 high unemployment jurisdictions with populations in excess of 500,000 reported accurate data on the size of their unencumbered surplus. All 15 of these jurisdictions—combined budget of $17.8 billion—reduced their surpluses during the course of the fiscal year. They entered the fiscal year with a combined surplus of $89 million and project a combined deficit of $183 million by July 1, 1975.

By contrast, the 17—17 out of 22 reported accurate data—large jurisdictions—combined budgets of $4.9 billion—with unemployment rates below the national average entered the fiscal year with a combined surplus of $80 million and project a surplus of $53 million on July 1, 1975. Eleven of these jurisdictions are drawing down their surpluses during the course of the fiscal year, two expect no change, and four expect their surpluses to increase.

Expenditures: Expenditure reductions by the surveyed local governments followed almost exactly the same pattern as revenue adjustments. Fifty-six of the 140 surveyed governments reported that significant cuts had been made in current service levels. The total value of the expenditure cuts is $855 million, or approximately 2.7 percent of the combined budget of the 140 communities.

Eleven of the 21 large jurisdictions—500,000 plus population—with high unemployment have been forced to reduce service levels to keep their budgets in balance. The total value of these service cuts is $740 million, or approximately 3.6 percent of the combined budget for the 21 communities. Nine of the 22 low-unemployment large jurisdictions have reduced current service levels. The total value of these reductions is $45 million, or approximately 0.8 percent of the combined budget of the 22 jurisdictions. For large jurisdictions, the service cuts encuts enacted by low-unemployment jurisdictions are 4.5 times larger than the service cuts enacted by low-unemployment jurisdictions. Comparison is of the dollar size of the reductions, as a percentage of the respective budgets.

The beauty of the new distribution formula of my bill is that the treasuries of all local governmental units will be enhanced.

It is not a sweeping loss for the State governments at all. Obviously, if the local units of government receive more Federal revenue sharing money, then their needs for State assistance will be lessened. Thus, there will be an indirect savings for the State governments.

The other major aspect of my bill deals with the appropriation level, with the main purpose being to tie the total yearly appropriation into a formula that is responsive to the changes in the economic growth pattern of the country. My bill establishes a 6-percent net amount of the Federal individual income taxes as the yearly determination for total dollar appropriation for local revenue assistance from the Federal Government. The total Federal revenue sharing fund would then be in harmony with the fluctations of the economy. This is congruous with the original conception of revenue sharing, whereby Federal revenue sharing developed from the prospects of revenue excesses that result from a growing economy. As the excess levels oscillated, so would the revenue sharing funds. The fixed appropriation levels for the 5-year period covered under the present act have not reflected economic growth or recession. This is counter to Federal revenue sharing philosophy and economic reality. My bill addresses this failing.

My presentation here has been lengthy. Federal revenue sharing is not a concise topic. My attempt has been to conscientiously outline the principles of my bill, because I feel quite strongly about this legislation. I hope my colleagues will offer their support and cosponsorship to this unique approach to Federal revenue sharing to our most basic personal units of government.

In summary, I am including a State-by-State report which will graphically depict my argument.

STATE GOVERNMENT FISCAL STATUS

State	1973 general revenue excess (or—)	Percent increase in total general revenues (fiscal years 1968–73)	Cash and security holdings of State governments for other than insurance trust funds, bond funds, or offsets to long-term debt comparing fiscal year 1968 to fiscal year 1973		
			1968	1973	Percent change (1968–73)
Total	$5,039	91.30	$17,467	$32,802	87.8
Alabama	86	77.06	178	414	132.6
Alaska	−205	69.91	101	760	652.5
Arizona	28	87.90	168	323	92.3
Arkansas	106	76.10	115	299	160.0
California	1,190	68.31	1,468	2,680	82.6
Colorado	118	95.28	193	435	125.4
Connecticut	104	112.85	264	460	74.2
Delaware	−55	79.39	178	163	−8.4
Florida	229	144.90	426	1,058	148.4
Georgia	61	90.38	342	533	55.8
Hawaii	−137	88.30	135	231	71.1
Idaho	12	76.52	145	179	23.4
Illinois	170	117.35	553	903	63.3
Indiana	87	53.91	412	586	42.2
Iowa	54	59.88	305	416	36.4
Kansas	118	73.97	266	380	42.9
Kentucky	88	90.45	189	400	111.6
Louisiana	40	57.59	187	462	147.1
Maine	5	118.40	67	186	177.6
Maryland	−89	108.43	154	484	214.3
Massachusetts	−114	110.69	193	855	343.0
Michigan	362	94.20	567	1,196	110.9
Minnesota	62	87.48	897	953	6.2
Mississippi	77	101.50	105	238	126.7
Missouri	156	75.39	405	429	5.9
Montana	32	80.34	86	164	90.7
Nebraska	63	79.56	158	215	36.1
Nevada	17	97.14	45	64	42.2
New Hampshire	−9	108.38	22	47	113.6
New Jersey	92	115.12	672	1,227	82.6
New Mexico	67	63.55	417	678	62.6
New York	629	113.64	1,083	3,342	208.6
North Carolina	231	93.19	686	1,116	62.7
North Dakota	28	55.60	146	223	52.7
Ohio	62	86.40	611	1,270	107.9
Oklahoma	15	52.17	359	506	40.9
Oregon	44	86.39	231	371	60.6
Pennsylvania	27	113.36	582	1,356	133.0
Rhode Island	34	97.92	26	100	284.6
South Carolina	80	108.11	144	359	149.3
South Dakota	3	67.47	114	147	28.9
Tennessee	146	81.43	280	520	85.7
Texas	598	88.68	2,156	3,369	56.3
Utah	59	81.53	88	200	127.3
Vermont	−6	96.57	45	105	133.3
Virginia	73	96.84	333	627	88.3
Washington	5	67.81	539	581	7.8
West Virginia	23	83.33	106	332	213.2
Wisconsin	174	91.26	359	641	78.6
Wyoming	10	44.99	163	219	34.4

Note: This report is a summarization of an analysis prepared by Lillian Rymarowicz, analyst in Federal Budget of the Economics Division of the Library of Congress.

THE HAGERSTOWN EXCHANGE CLUB

HON. GOODLOE E. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. BYRON. Mr. Speaker, yesterday morning it was my pleasure to participate in the presentation of a Freedom Shrine given by the Hagerstown Exchange Club to Williamsport High School. The Hagerstown Exchange Club has been involved in many worthwhile projects, and this one certainly continues the tradition of helping make our young people aware of their Government and its important State documents.

I also want to congratulate the Hagerstown Exchange Club on their participation in the Washington County Bicentennial program. The Hagerstown Exchange Club is sponsoring and organizing a pageant at South Hagerstown High School to commemorate the 200th anniversary of our independence. The pageant is scheduled for July 2, 3, 4, 5, 9, and 10 at 8:30 p.m. There will be special events including Dedication Day, Homecoming Day, One Nation Under God Day, Sports and Recreation Day, Industry, Agriculture and Transportation Day, Youth Day, Older Americans Day, Old Fashioned Bargain Days, and finally Armed Forces Day.

It involves a great deal of work and personal sacrifice to arrange such an extensive program, and I commend the members of the Hagerstown Exchange Club for undertaking such a massive project. I feel sure that it will be very successful and provide inspiration to all those participating.

A SALUTE TO RETIRED JUDGE FLOSSIE LOBO

HON. B. F. SISK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. SISK. Mr. Speaker, I would like to call to the attention of my colleagues a success story of a distinguished woman who rose to the position of judge after serving as the first woman secretary of the Justice Courts of Merced County, Calif. Her story both predates and postdates the new struggle of women for equal rights, and her retirement puts a fitting postscript on her own part in obtaining recognition in that long process.

On January 10, 1976, Judge Flossie Lobo—after 38 years of service to the cause of justice—began a well-earned retirement. Before she became a judge, she served 13 years as the secretary to her predecessor, Judge McCray. She became the county's only woman judge on January 9, 1951, by being elected by the people of Merced County as the county's only woman judge—to the vacancy caused by Judge McCray's retirement. Thus, she served 25 years to the day on the Justice Court bench.

In 1960, she served as president of the State of California Judges, Marshals, and Constables Association, being the first and only woman to be so honored by her colleagues of the bench. Nor were her colleagues the only ones to appreciate her abilities. Her fellow members of the Soroptimist Club of Merced twice honored her with the presidency—in 1951 and again in 1964.

On February 15, 1976, residents of the county she has so well served over a 38-year period will honor Flossie Lobo at a testimonial dinner—not so much for being the first woman judge, but for the compassion and understanding which have made her their friend throughout a lifetime dedicated to service. I am sure I express the feelings of this body in wishing her many happy years of friendship and enjoyment in retirement.

HOUSE CIA REPORT

HON. MARTIN A. RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. RUSSO. Mr. Speaker, last week the House of Representatives by a vote of 246 to 124 adopted a resolution that effectively permits the President to delete material from a report of the House Select Committee on Intelligence that he determines is contrary to the national interest. Although I supported the amendment proposed by the Committee on Rules, I did so with considerable reluctance, because I felt the Members of the House were presented with a poor choice no matter which way they decided to vote.

From the numerous facts that have been leaked to the press and from discussions with my colleagues who are responsible for oversight of the Central Intelligence Agency it is clear that the CIA has engaged in activities that are reprehensible to a free society. The secret bombing of Cambodia and the plot to assassinate Cuban Dictator Fidel Castro, as my colleague from Colorado (Mr. JOHNSON) pointed out in debate, were certainly known to the Cambodians who were being bombed and by Castro whom they were attempting to kill. The only people who did not know about this activity were the American people and the Congress of the United States.

I am troubled by the Rules Committee amendment which in my view abdicates congressional oversight responsibility. My good friend from Illinois (Mr. MURPHY), highlighted this issue in the well of the House with these words:

> If we are not a coequal branch of this Government, if we are not equal to the President and the Supreme Court, then let the CIA write this report; and we ought to fold our tent and go home, or go swimming, or go golfing, because people are saying, "Where were you Congress?"
>
> . . . The Constitution directs the Members to oversee the purse of this country, the taxpayers' money. It is a responsibility we should not take lightly.

Mr. Speaker, nine of the members of the House Select Committee on Intelligence voted to release this report as written immediately without Presidential or CIA censorship. No one of us can dispute the integrity or the patriotism of those members. They have proceeded in a responsible manner in a very difficult situation.

The security of the United States and our citizens is the No. 1 priority we have as elected public officials. The Central Intelligence Agency has been involved in this significant and dangerous work for almost 30 years and all in all they have performed honorably and courageously. The current atmosphere of suspicion and accusation must subside if the Congress, the Executive, and the people are to adequately respect the important mission of the CIA. Newspaper leaks, publication of the names of CIA officers, and other irresponsible acts must cease if the CIA is to do its job. We must make sure we do not weaken the CIA, but strengthen it and correct any abuses contrary to democracy.

Yet, the Congress must have knowledge of what the CIA is doing and what overall policy directions the CIA is pursuing. Last week's vote continued the separation that has existed between the Congress and the President over this issue. That vote did not permit us to review the information that the President wants to suppress. The Members simply did not know whether this material would harm the national interest as the President suggested. The Members of the House were placed in an impossible position—Vote "yes" and abandon congressional responsibility, vote "no" and take the chance that information harmful to the national security interests of the United States would be released. I would have preferred an executive session of the House of Representatives so that Members could hear and judge for themselves the disputed material in the Pike committee report.

I supported the CIA and the President with my vote, because of my belief that any potential threat to the national security of our country should be avoided at all costs. The issues involved in last week's debate must not be forgotten. The liberties of the American people cannot be trampled by any arm of Government. In addition, the Congress as the elected Representatives of the people cannot turn their backs on their legitimate oversight responsibilities. To protect our freedom we must all be vigilant. To safeguard the security of the American people the proper role of intelligence activities must be clearly defined with vigilant and thoughtful congressional oversight of Executive action.

TENNESSEE BICENTENNIAL DAY OBSERVED IN WASHINGTON

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. EVINS of Tennessee. Mr. Speaker, Tuesday was Tennessee Bicentennial Day in the Nation's capital and the Volunteer State was honored by the designation of Tuesday as "Tennessee Day" by Mayor Walter Washington of Washington and by a number of other events.

The Mayor's proclamation was accepted by Gov. Ray Blanton of Tennessee in ceremonies Tuesday morning in the rotunda of the Russell Building. As dean of the Tennessee congressional delegation, it was my pleasure to introduce members of the Tennessee delegation in attendance—Senators HOWARD BAKER and BILL BROCK and Representative MARILYN LLOYD of Chattanooga, who made brief remarks concerning the noble history, heritage and traditions of Tennessee.

In my remarks, I pointed out that Tennessee has an illustrious history, having provided the Nation with three Presidents—Andrew Jackson, Andrew Johnson, and James K. Polk. President Polk was the only Speaker of the House to achieve the Nation's highest office.

Tennessee was settled in large part by veterans of the Revolutionary War who were given land grants as payment for their service in the Revolutionary War. As I also pointed out to Mayor Washington and others attending the ceremony in the rotunda, perhaps this ancestry of courage and valor explains why Tennessee became known as the Volunteer State with its men willing to volunteer to defend and protect the United States in wars fought for freedom, liberty and the cherished American way of life.

The master of ceremonies at the rotunda was Dr. A. K. Stanley, executive director, District of Columbia Bicentennial office.

Following the ceremony in the rotunda, there was a luncheon in the Rayburn Building where Mrs. Walter Washington, representing the Mayor, spoke eloquently of the illustrious history of Tennessee.

The Fisk Jubilee Singers entertained with beautiful renditions of such patriotic songs as "This Is My Country." The Country Cavaliers of Nashville, a musical group, also played patriotic songs.

Jonathan Ross, a fifth grade student at Kingsman Elementary School, recited a poem which he had written about Tennessee. Students at Kingsman Elementary School, Maury Elementary School and Miner Elementary School composed poems about Tennessee which were compiled and printed in a folder available to those attending the luncheon. These schools are located near Tennessee Avenue in Washington.

The poem by Jonathan Ross is as follows:

TENNESSEE

Have you heard of the State of Tennessee?
With its land and skies and sea
Beckoning us to come and share
All of the culture that is found there.
Its population is more than a few,
And there is so awfully much to do
To keep its name as the "Big Bend State"
Alive and true and up-to-date.
How wonderful it is for Volunteers
To fight for the land that is theirs.
No wonder it is known also as the "Volunteer State."
These are the things that has made her great.

Another excellent poem was recited by Howard Benson, 9 years of age, a fourth-grader at Miner Elementary School.

This poem is as follows:

TENNESSEE

There are many streets in our city
Some large, narrow and old,
Streets that are named after states,

Some after famous people
I'm told.
I wonder about Tennessee
On which street my school
Is not far.
It's known as the "Volunteer State"
Where thirty thousand men
Volunteered at once for war.
Tennessee, which in 1796
Became the sixteenth state,
Is a place I would
Like to visit during this
Bicentennial year.
Three citizens of Tennessee
Were once President of the United States
Jackson, Johnson and Polk.
If they were living today,
They would be very proud
Of their industrial cities and folks.
Cotton, tobacco and hay are
The crops the farmers dig.
Of course corn is the leading one
Because it provides cheap
Food for their pigs.
The Tennessee Valley Authority
Or—some call it TVA—
Has built many dams
And power plants
To supply electricity to
Tennessee citizens of today.
The mountains surrounding the city
Played an important part in Tennessee.
The battle "Above the Clouds"
Was fought
On Look Out Mountain in 1863.
In Tennessee where the custom
Of the old South provides
Hospitality
Is indeed today more than
A state of reality.

At the luncheon, Theodore Hagens, Jr., Washington businessman, was master of ceremonies.

Governor Blanton in his remarks at the luncheon said the next 100 years will be the most important in the history of Tennessee and the Nation—and predicted that both will overcome obstacles to growth and progress and will continue to grow and prosper and provide a better quality of life in the American tradition.

Congressman Robin Beard, president of the Tennessee State Society, also spoke, as did Congressman Harold Ford of Memphis and Congressman Walter Fauntroy of Washington.

Congressman Beard referred to wars, depressions and the Watergate scandal but concluded on the optimistic note that America would solve its problems and achieve greater dimensions of happiness and prosperity for its people in the next 100 years.

Following the luncheon in the Rayburn Building, the scene shifted to Tennessee Avenue where there were further ceremonies. Governor Blanton accompanied Tennesseeans to Tennessee Avenue and there, the Country Cavaliers and the Fisk Jubilee singers performed to the delight of the visiting Tennesseans, and citizens and residents of the area.

On the eve of Bicentennial Day, the Tennessee State Society hosted a Bicentennial Party in the Rayburn Building and a 1-hour concert was held on Monday afternoon honoring Tennessee at the Kennedy Center, featuring the works of six Tennessee composers.

The entire program was well-planned, coordinated, and presented, and on behalf of the Tennessee delegation and citizens of Tennessee, I want to commend and thank Governor Blanton, Mayor Washington, Mrs. Washington, the Mayor's Bicentennial staff, students of District of Columbia schools, and residents and citizens of Tennessee for joining in the tribute on Tennessee Day to Tennessee.

MILK BILL BUDGET BUSTER DEFEATED

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. FINDLEY. Mr. Speaker, with no thanks due to Ralph Nader, the Senate today struck a blow for the American consumer by sustaining President Ford's veto of the milk support bill. Taxpayers and consumers have saved nearly $2 billion as a result of the Senate vote. I was disturbed, however, to note that consumer advocate groups did absolutely nothing to defeat the bill.

Four years ago, consumer advocates were up in arms over a proposed increase in dairy price supports. Today they were strangely quiet. Where was Ralph Nader today?

A member of my staff called Ralph Nader's "Congress Watch," and was told that while they generally disapproved of specialized subsidies, "our traditional friends are on the other side." I had always thought the consumer advocates were trying to protect the consumer from being ripped off and would never abandon the consumer in order to curry friends on Capitol Hill.

If this keeps up, some of us in the House of Representatives will have to organize a Congress Watch of Ralph Nader.

Many thanks to Senators Muskie and Bellmon for their efforts to protect the new budget process. Our colleague, Brock Adams, chairman of the House Budget Committee on the December vote on the milk bill—also to protect the integrity of the budget process. My congratulations to him on efforts to make our budget process work.

Mr. Speaker, because of the Senate action, the House did not have to vote on sustaining the President's veto.

Senate Joint Resolution 121 would have raised the mandatory floor for dairy price supports from 75 to 85 percent of parity.

It was a budget-buster.

It would have broken the consumer's budget, increasing costs at the grocery store by $1.38 billion over the next 2 years.

At the same time it would have broken the Federal budget, increasing Government costs by $539 million.

The Congressional Budget Office estimated that Senate Joint Resolution 121 would have cost $73 million for the last quarter of fiscal 1976, $50 million for the transition quarter, $295 million for fiscal 1977 and $121 million for the first 6 months of fiscal 1978. That is over one-half billion dollars of the taxpayers' dollars mandated by this legislation. That would have been congressionally mandated food expense. The U.S. Department of Agriculture estimates that the bill would have cost $530 million in tax dollars over the next 2 years.

Let there be no mistake, either figure represents an increase in the cost of living for the consumer. Many of you have campaigned against rising food cost. The Senate did something about it.

The American Farm Bureau Federation opposed the legislation. Virginia Knauer, the consumer advisor to the President, opposed the legislation. And your consumers back home opposed adding another one-half billion to their taxes and $1.38 billion to their grocery cart prices.

Higher prices under the bill would have accelerated the long-term trend of decreasing per capita milk consumption. At a time when feed costs are being lowered through a more favorable corn crop and the beginning of lush spring pastures, interference in the marketplace with artificial prices will result in surplus production. But the savings from increased production would not have been passed to the consumers.

Instead, if this legislation had passed the Congress over the President's veto, the Congress would have mandated consumer cost increase of almost $1 billion a year for each of the next 2 years—$1.38 billion in grocery costs and $539 million, over one-half billion of added tax burden.

The question would have been for what? For the much-publicized $3 million political war chest that has been amassed by the dairy lobby? A tradeoff for the loan given by the Congress to New York City? For a bill whose hearing record did not contain estimates of the bill's cost? For the dairy farmer who partly because of lower feed costs has the highest gross profitability in nearly 4 years, according to the Wall Street Journal?

Mr. Speaker, each bill should stand or fall on its own merits, and a proposed $1.9 billion increase in costs to the American people should fall. Thanks to the Senate, it fell.

Many of you have expressed your desire for quarterly price adjustments to assure fair treatment for the dairy farmer. The President's veto message meets the need but without adding a mandated food price burden on the consumer. The administration already has authority to make quarterly adjustments to serve the needs of the consumers and the farmers. In his veto message the President "directed the Secretary of Agriculture to review milk prices quarterly starting April 1."

Some of you may feel that this legislation was needed to lessen the swing in the retail price. You may be concerned that the farm price decrease is not followed by a decrease in retail prices, but a farm price increase always seems to result in a retail price increase. I, too, am concerned that prices do not reflect market conditions. The solution is not to lock in even higher retail prices as this bill will do. The solution is to correct any existing monopolistic tendency.

Here is official data on the budget effect of Senate Joint Resolution 121 as supplied to me by the Congressional Budget Office.

SENATE JOINT RESOLUTION 121—QUARTERLY ADJUSTMENTS OF SUPPORT PRICES FOR MILK

Bill type: Spending.

Committee of jurisdiction: Agriculture: Mr. Foley (Wash.), Chairman, Mr. Wampler (Va.), Ranking Minority Member.

Scheduled: Veto override scheduled Wed., Feb. 4 or Thurs., Feb. 5.

I. *Executive Summary:* Raises the dairy product support level to 85% of parity from the present 80%.

Prices are adjusted quarterly to reflect production cost changes for the next two years.

Waiver of section 303(a) of the Budget Act was requested and accepted by the House because of the Parliamentarian's determination that this bill invokes new FY 1977 entitlement spending.

II. *Budget Summary* (dollars in millions):

Authorization amounts

President's Request: None.

2nd Budget Resolution: None.

House: Estimated, $73.

Conference: $73.

The Congressional Budget Office estimates the change in support level will increase outlays by $73 million in FY 1976 but the quarterly adjustment will not have outlay effect in FY 1976.

The out year costs, in addition to present policy, as estimated by CBO are as follows:

	Million
Fiscal year 1976	$73.3
TQ	50.3
Fiscal Year 1977	294.3
Fiscal year 1978	121.4

III. *Background:* Significant input cost increases at the farm level have raised pressures to readjust dairy price supports more frequently than each year.

The Secretary of Agriculture may adjust the support prices administratively with or without this legislation between 75 and 90% of milk price parity.

An administrative price increase on October 1, 1975 (half way through the dairy marketing year) raised FY 1976 outlays by $45 million over original FY 1976 projections. This increase was included in the Second Concurrent Budget Resolution. Increased outlays resulting from this bill are not included.

Dairy price supports dictate a price floor for farm milk. The government incurs outlays when it purchases enough dairy products to maintain farm prices at least as high as the floor price.

The administration opposes the 85% of parity support level, but the President's veto message ordered a quarterly review of milk prices if this bill fails.

The higher support level (85% of parity) was added to the legislation as a floor amendment in the House. In conference the Senate receded fully to the House position.

Mr. Speaker, here is the text of a letter from the American Farm Bureau Federation on the issue:

FEBRUARY 3, 1976.

Hon. PAUL FINDLEY,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. FINDLEY: The purpose of this letter is to urge you to vote to sustain the veto of S. J. Res. 121, a resolution to raise the minimum support level for milk to 85 percent of parity, effective through March, 1977.

The voting delegates to the American Farm Bureau Federation's 1976 Annual Meeting which was held in St. Louis, Missouri, in January adopted a policy statement on the dairy price support program as follows:

"We recommend that manufacturing milk be supported at not less than 80 percent of parity and that the level of support be updated quarterly."

The intent of the above policy is to indicate support for continuation of the present level of price support on manufacturing milk, with quarterly adjustments, without further restricting the discretionary authority conferred on the Secretary of Agriculture by the Agricultural Act of 1949, as amended. This Act, as amended, provides that the Secretary of Agriculture shall set the support level for milk at not more than 90 percent, nor less than 75 percent, of the parity price after considering certain factors.

An increase in the present support level is not needed "to assure an adequate supply" of milk and this is one of the factors which the Agricultural Act of 1949, as amended, requires the Secretary to consider in setting the support level.

U.S. milk output is on the upswing. The preliminary estimate for 1975 is 115,489 million pounds, slightly higher than the 1974 total. Cow numbers continue down, but December milk production was the largest since December, 1972. Milk output per cow in December was 26 pounds more than a year ago, 34 pounds above December, 1973. Further, the rate of decline in cow numbers has slowed considerably since 1972—cow numbers decreased 2.5 percent from the previous year in 1973; 1.7 percent in 1974; and .6 percent in 1975.

Under these circumstances there is a real danger that an increase in the minimum support level to 85 percent of parity would lead to an unneeded expansion in milk production, serious surplus problems, and increased government costs.

For these reasons, Farm Bureau urges that you vote to sustain the veto of S. J. Res. 121.

Sincerely,

JOHN C. DATT,
Director, Washington Office.

A FRIEND OF THE CONSUMER

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. RANGEL. Mr. Speaker, I would like to bring to the attention of my colleagues the great work that is being done for the people of New York by Mrs. Ellie Guggenheimer, New York's Commissioner of Consumer Affairs. She has been serving the people of New York in various capacities for most of her life.

In order to inform my colleagues of this woman's magnificent work, I would like to insert in the RECORD a tribute to her which appeared in the New York Daily News. I am certain that when you read this, you will agree that she is a truly wonderful woman, and her accomplishments make her an outstanding friend of consumers everywhere. The article follows:

THE CONSUMER'S EYE AND EAR

(By Sidney Fields)

Elinor Guggenheimer, our lively little Commissioner of Consumer Affairs, tells the story of the woman who phoned in a rage because she was being constantly dunned by a credit card company to pay a bill or face legal action.

"How do you pay a bill for zero dollars and zero cents?" Mrs. Guggenheimer asked. "That was settled with a phone call to the company."

She's 63, has two sons and three grandchildren, and insists on being called "Ellie." Her job is to enforce all the city's laws "relating to the sale and offering for sale of goods and services." Which means licensing 110 businesses, occupations and events; checking any device that weighs and measures (so you don't get half a gallon of gas when you pay for a full gallon); and answering about 100,000 consumer complaints a year.

"We retrieve about $2 million a year for consumers who have been cheated," Ellie said. "The cheats are the steady rip-off artists, like the photo salesman who has no intention of delivering the pictures, the home repair frauds; or the retailers or supermarkets who advertise a sale, then tell the early arrivals that the sale hasn't started yet or all the stuff on sale has already been sold. The hell they can say that. If they can't prove that the advertised articles have been sold, they're fined."

Recently she dispatched four inspectors to a supermarket to check a new kind of complaint. Two bought small orders, about $4 each, went through separate checkout lanes. The other two were right behind them with big orders, watching the cash register.

SUPERMARKED RIPOFF

"The checkouts didn't clear the cash register of the $4 paid by each of the first two inspectors, so it was added on to the bill of the second two," Ellie said. "That case is now with the district attorney."

Every week her consumer section goes to 138 different food stores to check price trends. She also radios consumer information several times a day over WCBS, WPAT, WKTU, WINS. When she was named Commissioner of Consumer Affairs, she was running two TV shows about New York and New Yorkers. Her husband, Randolph Guggenheimer, an attorney, tried to dissuade her from taking the job arguing, "I hardly get to see you now."

"He's still wondering where I've gone. But he can thank his mother for getting me going a long time ago."

Her mother-in-law was the enchanting and energetic Minnie Guggenheimer who subsidized and ran the free Lewisohn Stadium concerts. When Randolph told her that he was going to marry Ellie, Mrs. Guggenheimer, who thought women should do more than shop or visit beauty parlors, asked, "What does she do?"

Ellie was the only child of Nathan Coleman, a banker, who died when she was 12. She was married when she was a junior in Barnard, became a day care volunteer, later started the Day Care Council of N.Y., and then the Day Care Development Council of America. When her husband went to Europe with the Air Force in World War II she made training films for the Civil Service Commission. After the war she fought to keep the day care centers open for working mothers. At night she attended Columbia Teachers College, studied urban planning at Pratt, taught at the New School and at York College.

SPECIAL "SLUSH FUND"

Robert Wagner, then mayor, made her the first woman to serve on the City Planning Commission. After eight years his successor and Ellie's friend, John Lindsay, did not reappoint her. When Mayor Beame named her to run Consumer Affairs in Jan., 1974, she had a deep knowledge of how the city worked, went at her job in her atypical way: she was not motivated by self-interest. She refused a $2,400 cost of living raise, keeping her salary at $36,500. She puts all her lecture fees in a special "slush fund" to pay a well-deserved bonus to a staff member, or send another to an important consumer conference.

"When I talk to a group of bankers or CPAs, I see no reason why they shouldn't pay me $350," Ellie said. "I'd never take a fee from a consumer or community group. They're my job."

She has a staff of 380, including 93 paid by federal funds, 13 lawyers who could earn more elsewhere, and only one food expert. Her education division is run by Dr. Lily Bruck, a professional in consumer education. Dr. Bruck is paid $1 a year.

"That's more than our 125 volunteers get," said Ellie. "We have 125, men and women, many retired people, and all specialists in their field. They're all carefully screened before they're accepted. We don't cost the city a penny. We generate income."

Her expenditures last year were $3.8 million. The department collected $5.3 million in license fees and fines. For the coming fiscal year she expects to spend $3.5 million and take in $5.9 million.

"The question has been asked, 'Can the city afford a Department of Consumer Affairs?'" Ellie said. "The answer is, 'We cannot afford not to have one.'"

GUNS DO KILL PEOPLE

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. CONYERS. Mr. Speaker, soon the House will be asked to consider legislation which places stricter controls on the possessions and interstate sale of handguns. During the past 15 years while Congress has debated on ways to curb firearms traffic, gun crimes and violence have continued to increase at an alarming rate. The flood of firearms that has hit the streets is made possible by loopholes in existing legislation.

I believe the time has come to place the strictest kind of controls on handguns. The American people have consistently favored stiffer gun legislation. The preponderant weight of expert testimony on gun control legislation is on the side of banning handguns. And a few months ago five top law enforcement officials from Los Angeles County, Boston, Atlanta, Newark, and San Antonio urged the outlawing of handgun ownership in testimony before a Senate committee.

The following article by Alan L. Otten in the November 13, 1975, issue of the Wall Street Journal cogently summarizes the arguments and evidence of the five law enforcement officers in support of stricter gun control. Their counsel is worth having as we begin debate on firearms legislation:

GUNS DO KILL PEOPLE

(By Alan L. Otten)

WASHINGTON.—Congress usually likes to listen to experts.

Senate and House committees are always gathering advice from leading economists and businessmen on proper economic policy, from tax experts on changes in tax laws, from military men on new weapons systems or from scientists on medical or space problems. And, to a substantial degree, the lawmakers heed this advice.

In one area, though, Congress turns a deaf ear on the experts: on controlling handguns. FBI directors, Secret Service chiefs, big city police commissioners and others who are directly on the line in fighting murder, robberies and other crime and violence all urge tough handgun laws—and still nothing happens.

This train of thought was prompted by recent testimony to a Senate committee by five key law enforcement officials. The men involved—in charge of police in Los Angeles County, Boston, Atlanta, Newark and San Antonio—can hardly be called woolly-headed criminal coddlers, yet one after the other they plead with the Senators to enact the strictest sort of federal controls on handguns. Their testimony was completely convincing to any remotely open mind.

Over and over they stressed the growing number of violent crimes committed with a handgun—and how much deadlier guns are than any other possible weapon.

Handguns, asserted Boston Police Commissioner Robert diGrazia, are "the main source of violent crime. . . . The handgun is used for nothing except to kill people."

If the country doesn't soon adopt a tough gun control law, warned Los Angeles County Sheriff Peter Pitchess, more and more people will be buying guns in mistaken hope of self-defense, and soon "we are going to revert to the old law of the West where the fastest gun will prevail." For every robber stopped by an armed homeowner or storeowner, he said, "four homeowners or members of their family suffer death in a gun accident."

Atlanta's Commissioner of Public Safety A. Reginald Eaves said three-fourths of the 161 handgun homicides in his city last year were motivated by "anger and drunken argument, jealousy and revenge—three out of four deaths which I believe could have been prevented, were a handgun not available."

Hubert Williams, police director of Newark, pointed out that handguns are not only being used in more crimes, but escalate the damage caused in those crimes, and "an even more ominous trend . . . is the rapid increase in gun violence by juveniles." In 1974, he reported, one-fourth of Newark's 75 gun homicides were charged to youths between 12 and 18. Mr. Eaves similarly stressed that "teenagers really feel superior with the use of a handgun. Once taken out of their hands, you will cut down the number of teenagers involved in aggravated assaults and homicides."

Police Chief E. E. Peters reported that during the first eight months of 1975, San Antonio had 92 murders, including 60 committed with. handguns. Despite state and local laws against carrying firearms, the city has had 595 robberies and 419 assaults with guns.

One after another, the police officials rejected the argument that "guns don't kill people, people kill people." Responded Mr. Pitchess: "If we accept such ridiculous logic, then there is no reason to restrict people from owning machine guns, hand grenades and bombs. After all, we have nothing to fear from such weapons so long as the people who possessed them behave." In most cases, Mr. diGrazia said, "the unavailability of a handgun could mean the noncommission of a violent crime."

Unanimously, the five men found state and local laws incapable of doing the job, since "guns don't observe state boundaries" but flow easily from one place to another. Four of the five urged a federal law outlawing handgun ownership for all but police and military personnel, arguing that mere registration would be ineffective and a waste of time. Mr. Peters endorsed either registration or outlawing handguns.

Why, in the face of such overwhelming expert judgment, doesn't Congress act? The reason, everyone here pretty well agrees, is that the National Rifle Association and other opponents of gun control have managed to establish the notion that the office-holder who backs gun curbs faces certain defeat at the next election. They claimed the scalps of former Sen. Joseph Tydings, former Sen. Joseph Clark, and half a dozen others.

Yet if these groups aren't paper tigers, they may be at best cardboard tigers. Pollster Louis Harris told the same Senate committee that his most recent survey, admittedly taken just a few weeks after the two assassination attempts on President Ford, showed a whopping 77% to 19% majority for mandatory federal registration of handguns, up sharply from a 66% to 30% margin in 1971. Even handgun owners, he said, were 61% to 33% in favor.

Groups fighting gun control are politically effective, Mr. Harris suggested, only because candidates fail to mobilize the far more numerous pro-control voters. Any candidate making tough gun controls a major campaign issue will win, he predicted. In the same vein, the U.S. Conference of Mayors calls the political clout of gun control opponents a "myth," and says that "most of the alleged NRA victories over political foes can be attributed to factors other than the issue of gun control and NRA power."

The pattern of congressional interest in gun control has been a flurry of concern right after some dramatic event: the assassination of John Kennedy, the assassination of Martin Luther King and Robert Kennedy, the attempts on Mr. Ford. Then the events recede in time, and congressional concern ebbs.

This hasn't quite happened yet, but there are signs it may be about to happen. Gun control advocates in Congress are squabbling among themselves on the proper approach, and the closer election day comes, the slimmer the chances of action.

Perhaps, though, it really is time for Congress to listen to the gun control experts. Maybe the people are more in line with the experts than Congress thinks.

POSTAL SERVICE—AN EXPERIMENT GONE SOUR

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. ROUSSELOT. Mr. Speaker, I would like to bring to the attention of the House pertinent ovbservations concerning the success and failure in the operation of the quasi-private postal corporation enacted in 1970. These observations were made in a recent article by Mr. James J. Kilpatrick in the Washington Star, January 29, 1976:

POSTAL SERVICE—AN EXPERIMENT GONE SOUR

(By James J. Kilpatrick)

More than four years have gone by since the old U.S. Post Office Department became the new U.S. Postal Service. The idea at the time—and it seemed such a good idea at the time!—was to get the mail out of politics. A dismal conclusion has to be voiced: We had better get the mail back into politics again.

That conclusion comes hard. The concept of a kind of private postal service was first advanced seriously by an old-line liberal, Lawrence O'Brien, but conservatives embraced it with whoops and hollers. Down with politicians! Up with businessmen instead! Private enterprise would do the job.

It was a noble experiment; it was worth trying; but it hasn't worked, and the best thing to do with experiments that go sour is to drop them.

One of the troubles is that the Postal Service created by Congress in 1971 has been only "a kind of" private corporation. It has been only a quasi-private operation—the sort of hybrid that George Wallace refers to contemptuously as a "psooo-do." The corporation inherited so many political liabilities that it could not create offsetting assets.

Three premises supported the new Postal Service: (1) Postal volume would keep rising, (2) mechanization would answer problems, and (3) business management would be successful.

None of the premises has proved valid. Except for second class (publications), mail is declining in volume. Mechanization has increased, from 25 percent of volume in 1971 to 60 percent in 1975, but the expected economics have not materialized. Without getting into personalities, it has to be said that business management has not been remarkably brilliant. The new managers of the Postal Service got suckered into labor contracts of a lushness almost beyond belief. The Postal Service has 595,000 employees; the median salary for clerks and carriers is $14,200, and the starting salary is $11,444. The contract prohibits lay-offs and provides an annual cost-of-living increase.

The Postal Service lost roughly $13 million in fiscal 1973 and $438 million in 1974. The deficit in the 1975 fiscal year came to nearly $989 million. The current year's deficit, despite rate increases, will be over a billion. Next year's deficit, under the best circumstances, will be at least a billion again.

Brace yourself now, for this melancholy forecast: If present trends continue—that is, if mail volume keeps declining, if the number of delivery points keeps rising, if inflation continues, and if present postal rates are maintained—the deficit will climb to $8 billion by fiscal 1981. Eight billion dollars!

Various options are available. The Postal Service could apply to the Rate Commission for further dramatic increases in postage rates, but it is apparent that the law of diminishing returns already is taking its toll. Private citizens are writing fewer letters; business houses are turning to other means of communication and delivery. The predictable growth of electronic banking will accelerate the decline in first-class mail.

The Postal Service could reduce profitless services. Abandonment of Saturday deliveries would save an estimated $350 million. Closing 12,000 small post offices could save $100 million more. But the Postal Service was created to make mail-handling better, not worse.

The Libertarian solution is for the government to give up a postal service altogether, and to let genuinely private enterprise tackle the job. The idea has appeal, but it is wildly improbable that a predominantly Democratic Congress would go along. A more realistic answer lies in reassumption of postal services, deficits and all, by the federal government. The dream of a mail system that pays its own way might as well be abandoned in favor of a system routinely financed in part by postal revenues and in part from the general fund.

This is not a happy prospect. Certainly it is not a happy prospect for those of us who believe, as an article of faith, that the role of the national government is too large as it is. But the fiction of a break-even quasi-private postal service has gotten us nowhere. It is like Gunga Din's uniform, which was nothin' much before, an' rather less than 'arf o' that be'ind. The sooner we face a policy decision on postal service, the better it will be.

G.E. REACTOR ENGINEERS QUIT OVER SAFETY ISSUE

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. FISH. Mr. Speaker, proponents of nuclear power often claim that many of those who actively oppose construction of nuclear power plants lack the expertise and necessary scientific knowledge to really comprehend the nature of the nuclear power issue.

The recent resignations of three former managing engineers of General Electric's reactor division dispelled this myth once and for all. These three engineers have abandoned lucrative jobs, because of the profound threat to man, and now indicate they will work for the California movement to halt nuclear power. Each man cited his growing concern over the possibility that "human error" would result in a catastrophic nuclear accident.

Because of the significance of the decision of these three individuals to leave General Electric, I have included in the RECORD an article from the New York Times describing the motivation for their actions. The article follows:

THREE ENGINEERS QUIT G.E. REACTOR DIVISION AND VOLUNTEER IN ANTINUCLEAR MOVEMENT

(By David Burnham)

SAN FRANCISCO, Feb. 2.—Three managing engineers from the division of the General Electric Company that builds nuclear reactors quit their jobs today and volunteered to work for the California movement to halt nuclear power.

Attempts to obtain a comment today from G.E.'s nuclear energy division were unsuccessful.

The three engineers, who abandoned positions that paid between $30,000 and $40,000 a year, said in an interview that they had decided to resign because they believed that nuclear energy represented a profound threat to man.

The decision of the three to speak out against what they had worked to build during most of their professional careers was seen as giving an important impetus to a California initiative proposal on the ballot in the June primary that eventually could lead to an end to the operation of atomic reactors in California.

Organizations in at least a dozen other states, mostly in the West, hope to get a variety of their own antinuclear initiative proposals before the voters in the November elections.

UTILITIES CONCERNED

Although industry lawyers have contended that the provisions of the California initiative and those of the other states may be found unconstitutional, the utilities and such lobbying groups as the Atomic Industrial Forum are deeply concerned about the apparently growing public opposition to nuclear power.

The three engineers who threw their experience and knowledge behind the coalition of groups trying to halt nuclear power in California were until today middle level managers in a G.E. facility in San Jose 48 miles south of San Francisco. Married, each with three grade school-age children, they are Dale G. Bridenbaugh, 44 years old; Gregory C. Minor, 38, and Richard B. Hubbard, 38. Together, they had amassed 54 years with General Electric.

"My reason for leaving is a deep conviction that nuclear reactors and nuclear weapons now present a serious danger to the future of all life on this planet," Mr. Minor, manager for advanced controls and instrumentation, said in his letter of resignation.

"From what I've seen, the magnitude of the risks and the uncertainty of the human factor and the genetic unknowns have led me to believe there should be no nuclear power," said Mr. Bridenbaugh, manager for performance evaluation and improvement.

THREAT OF ACCIDENT

"I am now convinced that there is no way you can continue to build plants and operate them without having an accident," explained Mr. Hubbard, manager for quality assurance of G.E.'s nuclear energy control and instrumentations department.

The three men discussed their decision to leave the only employer any of them has ever known and go to work for the groups opposed to nuclear energy during a three-hour interview yesterday in a hotel suite.

Each cited different incidents or problems that had played a part in his growing doubts about nuclear power, among them the explosion of a nuclear bomb by India, the disputed health effects of radiation, the American decision to sell reactors to Israel and Egypt and the serious accidental fire almost one year ago in the world's largest reactor complex at Brown's Ferry, Ala.

"I remember in 1969 or 1970 making a trip to Japan," Mr. Bridenbaugh recalled. "Up to this time I had always felt I was a white hat guy doing things to protect the environment, to clean up power plants. I had never really been directly questioned about whether nuclear power was right or wrong."

Mr. Bridenbaugh explained how he had arrived at his hotel and how, in response to a question from the bellboy, he had proudly exclaimed that he was in Japan to work on a reactor G.E. was building there.

"The bellboy kind of shrank back and said, "I don't think that's a good thing.'" he said. "I have always remembered that; it was the first time I had ever been confronted with someone other than myself with doubts."

Mr. Minor recalled an occasion when he began working for G.E. at a Government facility in Hanford, Wash., when he looked down into a pool of water glowing with the intense blue radiation that plutonium gives off.

"I looked through that 10 or 15 feet of water, the life-saving shield between me and that fuel, and I knew that if any one of these elements were to come up and hit me in the eye, that I was dead, just like that. Of if the water was gone, I was dead, just like that," he said.

"And I got the feeling right there of the very precarious balance we have between radioactive materials in a safe state and radioactive materials in an unsafe state, and the dangers to life are that close."

HUMAN ERROR

Mr. Hubbard said his work in designing control rooms had led him to believe that "human error is a very credible event."

"The Brown's Ferry incident," he said, "showed human fallacy. I have been involved in making a lot of field fixes in reactors, and I have developed a strong feeling that we don't really know what is going on inside a reactor."

All three expressed disbelief that the United States would sell reactors to Israel and Egypt.

Mr. Bridenbaugh said: "As recently as last year I was giving a sales pitch, so to speak, a talk to delegates from Egypt, explaining to them how easy and safe and comfortable it is to operate a reactor, and about the same time Dick was talking to the Israelis. "I said to my boss, "How can we rationalize these sales." He said "Well, I have struggled with myself, and I guess that the way I rationalize it, is if we don't do it, the French will, so what the hell'."

The men said that after developing their private doubts over a period of years, beginning a few months ago they came together, partly with the help of a nonprofit educational organization called the Creative Initiative Foundation.

All three said they had discussed the decision, the loss of income and the expected scorn of their fellow engineers with their wives.

"She has given me 100 percent support and there are positive benefits in that, having gone through this thing together, we have become a lot closer," Mr. Bridenbaugh said. "I am sure there will be hostility in the industry, that some will see us as traitors. As far as the people I know at G.E., I don't really expect anything other than the cold shoulder."

He said that he was not so much concerned about individual decisions facing the manufacturers, utilities and the Nuclear Regulatory Commission, but with the steadily rising pressure to keep the reactors operating as the nation increases its reliance on them.

He declared that when he personally began considering the safety question in connection with more than 20 G.E. reactors in the United States, "when I defined my program objectives it was not really to assess the safety of the plants, it was to see what could be done to assure their continued operation."

According to a recent report to the Government, General Electric is the world's largest manufacturer of nuclear equipment, having supplied 27 of the 99 reactors reportedly operating as of late 1974. According to Allan Benasuli, an analyst with Drexel Burnham, G.E.'s nuclear sales are about $450 million a year, or 4 percent of all its sales.

FORD PROVES HE IS STILL FOE OF BIG GOVERNMENT

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. DERWINSKI. Mr. Speaker, the widely read columnist of the Chicago Tribune Bob Wiedrich wrote a very thoughtful analysis of President Ford's State of the Union message. In this column which appeared in the January 25 issue of the Tribune, Mr. Wiedrich noted that the President is maintaining, as he has throughout his career, a strong stand on behalf of American citizens against the size and cost of the Federal bureaucracy. This is an excellent article that should be read since it so accurately reports the President's views:

FORD PROVES HE'S STILL FOE OF BIG GOVERNMENT

(By Bob Wiedrich)

By standing fast in his State of the Union message against big government getting bigger, President Ford demonstrated he is not only an honest man but a consistent one.

His 25-year record in the Congress always displayed that conservative philosophy and he didn't say anything before a joint session of his former colleagues on Capitol Hill to dilute it at all.

Ford happens to be a man who believes that government should not intrude on Americans and that things are better left for solution by the private sector.

He's not a power grabber. He proved that, too. For though he is the leader of the most powerful government on earth, he made it clear that government should maintain a low profile in keeping with his conviction that Americans neither need nor deserve a Big Brother in Washington controlling the mainstream of their lives.

"We must introduce a new balance in the relationship between the individual and the government, a balance that favors greater individual freedom and self-reliance," the President declared.

A few paragraphs later he added: "And in all that we do, we must be more honest with the American people, promising them no more than we can deliver and delivering all that we promise.

"The genius of America has been its incredible ability to improve the lives of its citizens through a unique combination of governmental and free citizen activity."

To us, those words were a forthright declaration for a free and open society, stripped forever, it is hoped, of the kind of high level deceit and duplicity that has marked too many administrations.

It enunciated the same philosophy to which he had adhered through a quarter-century of public service, an approach he obviously has no intention of changing.

Some of his own staff thought Ford's address a trifle too cornball, too laced with appeals for a positive approach and a resurgence of pride in country. To some, the speech was more rhetorical than substantive.

But what else could Ford have said if he was to keep faith with his belief that state and local governments have the right to determine their own destinies without constant and overwhelming intrusion from Washington.

In the first place, it is difficult to frame huge federal programs when you are convinced it is better to have fewer federal programs.

In the past, activist Presidents like Franklin D. Roosevelt, John F. Kennedy, and Lyndon B. Johnson found their success measured by how many bold, innovative, and imaginative federal programs they proposed, many of the give-away variety. All of these, naturally, cost money.

And Ford obviously does not believe that many of them have been worth the cost of Washington's poking its nose, almost always with strings attached, into the affairs of individual Americans and local governmental entities. And that further, leaving more cash in the coffers of private enterprise is a better approach to solving the nation's problems.

Certainly there are cynics who will accuse the President of trying to scoot to the right of Ronald Reagan, the only fellow challenging him for the Republican nomination to date.

But we do not believe any of the things he said in his State of the Union message were at odds with the basic conservative philosophy he always has expounded.

Many Americans agree with Ford that there is too much government today. It seeks to offer too much to too many with the result that some citizens want their government to solve everything.

They fail to recognize that big government, in time, can sap the initiative and vitality of a people. And that its very size can make it so cumbersome it becomes unresponsive to the wishes of the citizens in whose name it acts.

Even the late John Kennedy, certainly one of our most socially conscious Presidents, was alert to that.

"And so, my fellow Americans," Kennedy said in his inaugural address of Jan. 20, 1961, "ask not what your country can do for you. Ask what you can do for your country."

Those were stirring words. They were vitally pertinent words. They remain so today. So are these uttered 15 years later by Gerald R. Ford:

"I see these United States of America moving forward as before toward a more perfect Union where the government serves and the people rule."

That is what our founding fathers had in mind. We should be thankful President Ford remains faithful to that today.

TESTIMONIAL DINNER HONORING GENERAL GRAF

HON. TENNYSON GUYER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. GUYER. Mr. Speaker, it was my pleasure on the evening of January 31 to attend a testimonial dinner honoring Brig. Gen. G. Fred Graf on the occasion of his retirement as postmaster in my home town of Findlay, Ohio.

Many dignitaries and associates from over Ohio came to express their esteem for the outstanding service Mr. Graf had rendered in a myriad number of community, civic, church, and organizational services.

For 25 years General Graf established an administration of the Findlay Post Office that was notable and exemplary in outstanding efficiency and service, at a time when general esteem of postal service was at a low ebb.

His military career was characterized by recognition of his leadership with high honors in the Ohio National Guard and battle valor in World War II.

Fred Graf has been a sterling example to young people, a living embodiment of care and concern for people of all ages, and a special champion in the field of retarded and special children.

A man like Fred Graf does not retire. His community would not let him. Already Findlay College has tendered him a position on its faculty as baseball coach. We are happy he will accept it.

I was privileged to pay a tribute to him at the banquet, and in my closing remarks, I dedicated this original poem to him. I would like to share it and these remarks with others through the CONGRESSIONAL RECORD:

"We know a great guy named Fred
About whom much can be said
He stands straight and tall
He's right on the ball
And seldom finds time to be fed

"He devotes all his time to the mail
He's always on time without fail
But there's always a rub
Like the Rotary Club
Or his church that's holding a sale

"He did much for the YMCA
And a hundred things we could say
But time just forbids
Except his love for the kids
Who he's helped in a wonderful way

"He's never a person to lag
And he's mighty proud of The Flag
In peace and in war
He came back for more
With never a whimper or nag

"There's dozens of things we could tell
How he served his community so well
On committees and boards
Never seeking rewards
And as esteemed as the Liberty Bell

"So now he's going to retire
That's what they told Tenny Guyer
I don't mean to deceive
But I still believe
He'll always be climbing up higher

"And now my little poem is read
I believe enough has been said
There's no need to boast
So let's give a Toast
And all our best wishes to Fred."

REPORT ON SECRETS KEPT SECRET

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. McCLORY. Mr. Speaker, the public and press reaction to the action taken by the House of Representatives last week to bar publication of the report of the House Select Committee on Intelligence until the classified information contained in the report is removed—has been uniformily favorable.

A timely and logical editorial appeared in the Christian Science Monitor issue of Monday, February 2, 1976. I am pleased to attach a copy of that editorial as follows:

REPORT ON SECRETS KEPT SECRET

America's saga of governmental secrecy last week took another turn that a spy novelist might have thought too incredible for fiction. After months of investigating secret intelligence activities, the House of Representatives decided to keep its own final report secret.

The decision may have seemed purely symbolic, since the report had been leaked by sources unknown. But it was in fact a valuable assertion by the House of a sense of responsibility that has sometimes seemed lacking in both the House and Senate investigations.

The vote served notice that the House did not intend to be a channel for the official publication of the kind of classified information said to be in the report. Nor did it intend to expect the final report from the agreement reached between the White House and the leaders of the intelligence committee—that in return for receiving classified material the committee would not disclose it without Mr. Ford's approval or a decision by the courts.

Some have argued that this approach threatens the equality of Congress among the three branches. By this reasoning, Congress would have as much right as the executive to maintain secrets or disclose them in what it regarded to be the national interest. And the legislation now being fashioned for control of the intelligence agencies will have to take account of some knotty questions as to the role of secrecy in strengthened congressional and administrative oversight. How can Congress ensure against unauthorized disclosure of the secrets it must have to exercise effective oversight? Under what circumstances can it authorize disclosure of such secrets?

The development of answers requires the kind of trust of Congress that the House sought to encourage by its vote to keep its report secret. It promises to withhold release unless the President approves a version that meets his specifications of secrecy.

It is to be hoped that this display of cooperation and responsibility will have a long-term benefit in helping Congress and the executive work together for the kind of strong intelligence capacity the United States needs—and whose "activities must be conducted in a constitutional and lawful manner and never be aimed at our own citizens"—as Mr. Ford said at the swearing-in of the new CIA chief, George Bush, on the weekend.

In the short term, the public is left with the press' selective version of a leaked report rather than the full version of an authorized one. Is it likely that Mr. Ford will now designate passages for removal that can be compared with the uncensored version? Will the whole report remain officially secret? Will the Senate commitee be able to publish its final report without White House censorship?

Perhaps not everyone will agree with Mr. Ford that "the abuses of the past have more than adequately been described." But the present situation suggests that the thrust should and will have to be to go on from them to preventing abuses of secrecy in the future.

CONSUMER BENEFITS FROM NATURAL GAS DECONTROL RECOGNIZED

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. SARASIN. Mr. Speaker, while there are those who have not yet recognized the need to decontrol the price of new natural gas as a benefit to the consumer, the wave of awareness continues to grow. The question is no longer whether we are going to have a small increase in the cost of natural gas in many parts of the country not blessed with their own underground sources, but whether we will be able to obtain sufficient domestic natural gas at all.

This in turn translates into much higher increases in consumer costs as these regions are forced to turn to expensive and scarce alternatives, such as liquefied natural gas imported at two to three times the price of unregulated domestic gas, and the loss of jobs and revenues as businesses are squeezed out by the lack of domestic natural gas.

Those in New England who choose to look objectively at the situation are now recognizing this. I would like to offer for my colleagues' consideration yet another compelling piece of evidence, a well thought out and factual editorial from the Hartford Courant, the oldest newspaper in continuous publication in America.

[From the Hartford Courant, Feb. 2, 1976]

DECONTROLLING GAS PRICES

The U.S. House of Representatives within the next few days is expected to vote on natural gas legislation that should be one of the great energy issues of the year.

The impact of the legislation on the price of gas will be significant, and the impact on the nation's economy will be enormous. The gas industry supplies basic energy for 50 per cent of all industrial needs, and 42 per cent of the combined residential and commercial energy markets. Fifty-six per cent of all dwellings in the country are heated with gas.

The issue that is the focus of the legislation is decontrol of natural gas—that is, a lifting of some federal price controls. The most promising bill for decontrol—a bill that should save consumers money over other proposals—is the Krueger-Broyhill bill to decontrol the price of new natural gas discoveries.

Decontrol at that end of the gas-producing and delivery system is essential because federal price controls have thus far acted to suppress the incentive to add reserves (new gas) to the interstate market.

The Krueger-Broyhill bill to go before the House is similar to a bill that has already passed the Senate. The Senate bill would decontrol the price of new onshore natural gas immediately and new offshore discoveries over the next five years.

Decontrol of new natural gas discoveries is expected to make enough natural gas available to end cutbacks in gas supplied by pipeline contractors. Those curtailments are expected to reduce the volume of gas delivered to Connecticut by 30 percent (7.5 billion cubic feet) by the winter of 1978–1979, unless there is the price incentive to drill for new gas, an incentive that would result from decontrols.

In this area, Connecticut Natural Gas (CNG) reports that it faces an extremely critical decision now, on whether to commit itself to large purchase of liquified natural gas imported from Algeria at high prices. The Company would have to buy large amounts of the Algerian gas if decontrols fail to get through Congress.

In addition to the imported gas, the company would be able to obtain 1.3 billion cubic feet of synthetic gas made from naphtha (SNG). Total cost of the imported gas and the SNG, enough to balance off the curtailments, would be $37.5 million a year.

However, if decontrol of new natural gas made enough natural gas available to end the pipeline curtailments, CNG figures it would cost much less than the imported and SNG combination. Even if the price of domestic natural gas doubled because of decontrols, reaching a $2 per 1,000 cubic feet price, the cost of making up the curtailment (7.5 billion cubic feet) would be $15 million a year, compared with the $37.5 million cost of the import-SNG combination.

The Senate bill for decontrols was pushed by Connecticut's Senator Weicker and has been supported by Senators in neighboring states from both parties.

There is no question that decontrol will mean a hike in gas prices of new domestic natural gas. But the alternatives mean far higher prices, if existing controls continue to kill the incentives for drilling, and imported and synthetic gas must be purchased to supply our energy needs.

The Krueger-Broyhill bill deserves the support of Connecticut's Congressmen. As a means to combine orderly decontrol with incentives for exploration and quick drilling to increase production, it is the only bill in sight.

RURAL DEVELOPMENT: BROKEN PROMISES, III

HON. CHARLES ROSE III

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. ROSE. Mr. Speaker, this is the third installment in the continuing sad story of the administration and its relationship with rural America. I had hopes that after our hearings last June and July before the Subcommittee on Family Farms and Rural Development about the implementation of the Rural Development Act of 1972 we would not have to make another entry about broken promises. But I am afraid we do.

The proposed budget for fiscal year 1977 has just been delivered. And as I thumbed through the section dealing with our country's agricultural programs, and noted those which specifically deal with rural America, my heart sank.

The Rural Development Act of 1972 has been gutted. Program after program in this act has been cut from the budget with the simple, clear, cold statement, "No program is planned for fiscal year 1977."

Mr. Speaker, we cannot allow it. I read recently that "if there are weak minds in high places, we have learned the price of their disfavor." There surely must be weak minds in the U.S. Department of Agriculture and at the Office of Management and Budget for we have surely met with an example of their disfavor. And so have the thousands of people who live and work in the rural areas of this great country.

What a horrifying Bicentennial message to send to them. All we can promise them are the benefits of the rural development programs through 1976. At the end of this nationally significant year, they will be on their own.

I ask you, Mr. Speaker, and my fellow colleagues here in this House, to look with me at the budget proposals for rural America.

BUDGET CUTS FOR RURAL PROGRAMS

Since the Farmers Home Administration and the Rural Development Service received jurisdiction over most of the programs designed in the RDA of 1972, we need only look at their fiscal year 1977 budget proposals to get the picture.

Item: The rural water and waste disposal grants program made loans to corporations, public and private agencies, and Indian tribes to develop water and sewer systems in rural areas.

Residential areas in much of rural America are expanding. A look at the recent burst in housing loan requests is proof of that. As more and more people move away from urban areas in search of a quieter, more simple life of the country, water and sewer systems will be crucial.

If corporations are to develop branch industries in rural areas, they must, of course, obtain water and sewer rights. Inadequate disposal systems in a community will discourage them from investing there.

However, Mr. Speaker, the administration says "No program is planned for fiscal year 1977."

Item: The rural development grants were used to assist rural communities in the development of their areas through acquisition of land or buildings, by the construction of streets and roads, and by the financing of water and sewer system development.

The administration claims that these moneys are available under the Rural Development Insurance Fund, but they must be made in connection with business and industrial loans.

Otherwise, "No program is planned for fiscal year 1977."

Item: The rural housing for domestic farm labor program assisted public or private nonprofit organizations in the building of low-rent housing for domestic farm laborers.

Facilities used by farm labor could be altered, converted, or improved with up to 90 percent of the cost of building or renovation.

However, "since the administration believes the Government's proper role can best be served by other programs, no program is planned for fiscal year 1977." Yet there is no detailed explanation about where those other programs are nor assurances such funds would be earmarked "rural."

Item: The mutual and self-help housing program provided assistance to homebuilders who were do-it-yourselfers and who could get friends to exchange labor on a mutual basis.

The administration asserts that the grants plus the subsidy cost of the associated loans have resulted in high unit costs to the Government without corresponding benefits to those aided. Yet it does not provide those crucial figures that have been now used to kill an incentive-producing program.

Since only 26 groups requested loans in 1975, Mr. Speaker, at the cost of $5,660, I wonder how publicized this program was. I would wager that if USDA was willing to do the publicizing and the subsequent paperwork to keep track of such self-help projects, the requests would grow and the cost/benefit ratio would change.

Nevertheless, due to administration malaise, "No program is planned for fiscal year 1977."

Item: The rural community fire protection grants program was designed to aid rural communities in the purchase of equipment, training of personnel, and cost of organizing rural volunteer fire departments.

When many rural communities are too far from city fire and hospital service, they must rely on their volunteer fire departments and rescue squads.

For some inhuman reason, even though this program is much sought for, the administration has determined "that program assistance is available for such purposes and no program is planned for fiscal year 1977."

BUDGET REDUCTIONS FOR RURAL PROGRAMS

Item: The rural housing insurance fund is the backbone of the rural housing industry. Already behind in needs of low-cost and rental housing, rural communities are trying desperately to catch up. Though this program is planned for fiscal year 1977, it has been drastically reduced.

In fact, 11,675 fewer units are provided for in fiscal year 1977. When the reality of increased rural population comes crashing down on the bureaucrats at USDA, they might wonder as I do where people are going to live.

Item: The agricultural credit insurance fund is also planned for fiscal year 1977, but greatly reduced.

For example, farm ownership loans are down by 3,500, less $100 million; soil and water loans to individuals are down 5,340, less $50 million. Farm operating loans are down 54,000. Emergency loans are down 6,900, less $300 million and emergency livestock loans are down 3,750, less $452 million.

The list, Mr. Speaker, could go on, but these are a few examples of the cuts proposed in this important fund.

Item: Title V of the RDA of 1972 will not be funded at all. It provided for research and education services and nonfarm rural development.

Since farming is becoming a tax loss business for many corporations whose executives do not live in rural America, it makes sense that nonfarm rural development would not be a top priority item with USDA.

In addition, since the USDA is convinced that small farms are inefficient in the production of food and fiber, costly to the Government which must subsidize them, and run by people they must think are ignorant and unnecessary, they see little need to offer ideas in advanced agricultural technology which might improve the situation.

They conclude that small farms are unprofitable, but refuse to give the small farmer the tools and knowledge to improve one's performance. There is a Catch-22 in that sort of thinking, I believe, and the rural American farmer is the one left holding an empty bag.

FIVE NEW EMPLOYEES?

Item: The Rural Development Service is increasing its staff by five individuals, and it is requesting $354,000 to be available for employment for fiscal year 1977.

My only question, Mr. Speaker, is if USDA is deleting most of the rural development programs from the fiscal year 1977 budget, why will the RDS need extra personnel to "provide leadership, coordination, and related services in carrying out the rural development activities of the USDA?" This is one item for which I would have been happy to see "No program is planned for fiscal year 1977."

Mr. Speaker, I am more than discouraged about this apparent disregard for rural America's needs. USDA's neglect of rural development is no secret. They prefer maximum agribusiness efficiency farming to small family farming. A recent study called "Alternative Futures for U.S. Agriculture," states this preference plainly. But I had hoped that during the June and July hearings before the Subcommittee on Family Farms and Rural Development on the implementation of RDA of 1972 we had sent the word clearly to USDA that rural American needs had to be addressed. We heard witness after witness catalog the traumas and hardships of rural Americans.

Rural America contains one-third of our population and almost one-half of our poor. Sixty percent of the Nation's substandard housing exists in rural areas and hundreds of communities are without basic community facilities. Poverty is twice as common in rural areas as in the cities, and the prevalence of substandard housing is five times as great. Elderly households are growing and with them comes hopelessness and despair. Loans are hard to get because rural banks have not taken advantage of RDA programs which require complex processing procedures.

The August General Accounting Office report entitled "Some Problems Impeding Economic Improvement of Small Farm Operations: What the Department of Agriculture Could Do," was critical of USDA inaction toward rural Americans. GAO concluded that—

> Failure to use available technology and efficient management practice effectively is a primary reason many small farmers have lower volumes of farm sales.

Yet this budget proposal for fiscal year 1977 has completely deleted title V of RDA, which would have provided this information.

FARM FIGURES MANIPULATED

Not only has the USDA deleted many necessary rural programs from this proposed budget, it has also deleted 570,000 farms or 21.4 percent of all the farms in the United States from census statistics by a simple redefinition of the term "farm."

In an April 1975 decision with the help of Census and OMB, the administration decided that farms which sell under $1,000 of agricultural products a year will no longer be counted in census data.

As a result of this change, the average net farm income for American agriculture will rise from $9,789 to $11,906, and USDA has already issued a press release heralding the change. In a speech before the farm bureaus a few weeks ago, the President noted that farming in America was getting to be more profitable and that the upward trend was sure to continue. There is no doubt it will if the administration continues to hammer nails in the coffin of rural America in exchange for greater productivity and more favorable statistics.

Furthermore, the rise in population for rural areas negates the very intent of these cuts. It is clear to me that rural America will need more Federal help, not less, if it is to accommodate the increasing numbers of people who are choosing to live there.

Finally, Mr. Speaker, I ask you to look at the budget figures. The single largest item in the proposed budget for fiscal year 1977 is for benefits—retirement, Social Security, welfare, et cetera.

And you and I know, rural Americans, the small farmers of America, make up the lowest number of recipients of these benefits. Most of them refuse to go on welfare. They would not think of using food stamps if you gave them away. They have never paid into any retirement program, and they live off the investments they made while they were working. They collect social security and they probably put money into that system more years than any of us will. And they are diligent and honest about paying their taxes. In effect, they support those of us who receive the benefit wedge of the budget pie.

And so I ask you to consider with care and attention the injustices done to these millions of Americans through the proposed budget cuts. The small farmers and residents of rural America do not deserve such blatant rejection. And I, for one, am determined that they will not get it. I am tired of broken promises to rural Americans. In the Congress we have stated clearly our commitment to rural development. Now I call on all of you to join me and see that the administration of this Nation pays attention to rural Americans. It is time to keep our word. It is time to keep our promises.

TUNNEY AMENDMENT

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. BONKER. Mr. Speaker, after all the effort and fanfare in passing the Tunney amendment, it seemed apparent that overwhelming majorities in both Chambers hoped they had settled the matter of our covert involvement in Angola. Technically, the amendment had only the effect of deleting $28 million earmarked for Angola that was incorporated in the fiscal year 1976 DOD appropriations. But Senator McCLELLAN promised in public floor debate that, in his capacity as chairman of the Appropriations Committee, he would not permit any reprograming of other DOD funds without first consulting the full Senate. Moreover, it was widely assumed that the administration would consider itself instructed by the lopsided vote not to continue or undertake any other covert aid.

Unfortunately, there are persistent press reports that FNLA and UNITA are still being supplied with substantial outside money, and, in particular, that they are being helped to recruit mercenaries. On Monday, Ron Nessen, speaking for the President, and John Trattner, speaking for the State Department, responded to these allegations in such a hedged manner as to seem evasive. In addition, DOD Secretary Rumsfeld on Sunday and Assistant Secretary Ellsworth yesterday made the intriguingly emphatic point that they could account only for Defense Department money. Possibly it is a common practice to answer questions narrowly, not for purposes of evasion, but simply to avoid embarrassing retractions someday of something one honestly did not know to be in error. Nevertheless, it it is only natural that such indefinite statements have given rise to considerable speculation that American money is still having an effect in Angola. And it becomes increasingly plausible when Secretary Kissinger continues to scold Congress for its vote on the Tunney amendment, as he did again yesterday in San Francisco.

Among myriad possibilities that the intricacies of Presidential spending power allow, it has been suggested that the United States may be encouraging African countries—such as Ethiopia, Tunisia, Morocco, the Ivory Coast, and the Cameroons—to chip in aid to Angola, possibly with leftover American security assistance or promises of more; that Public Law 480 food may be resold for cash or used to feed Angolan troops or Zairean troops fighting in Angola; that Export-Import Bank credits, Commodity Credit Corporation credits, and the emergency security-supporting assistance Secretary Kissinger has requested on the basis of a continuing resolution may not be used purely for domestic purposes in Zaire; that money left in the Angola pipeline may be exchanged in black markets for even more; that we may have reciprocal arrangements with NATO countries for the lending of money for covert purposes; that there may be transfers between accounts or the use of unobligated previous appropriations.

Above all, it is speculated that American security assistance to Zaire may either be itself ending up in Angola or having the effect of freeing up Zaire's own resources for diversion. On this score, I wrote a month ago to Secretary Kissinger asking:

> Do you have any information that Zaire is channeling any American security assistance to Angola, or that it is using any of our security assistance to replenish military resources of its own that have been diverted to Angola?

Yesterday I received a reply from Assistant Secretary McCloskey. He wrote:

> Equipment purchased by Zaire under FMS credits, like that provided earlier under MAP, may not be transferred to any third country without prior US Government approval. We have not been asked to approve any such transfer and we have no evidence that any such transfer has occurred. We have reminded the Government of Zaire of this restriction in discussions of the current FMS program.

In reading this closely, and consulting with the General Accounting Office, legislative counsel, and the State Department itself, it becomes evident that the reply does not address my entire question, but only the narrow aspect of transfers. That is, it does not treat the matter of "loans" of equipment and money, nor Zaire's own use, say, of American C-130's—as have been sighted in Angola—in the service of the FNLA. Furthermore, their remains the possibility that our aid is facilitating the diversion of Zaire's own resources.

In any case, when the State Department says it has no evidence of a transfer, one would be remiss to forget the administration's reluctance to admit, or even look for, evidence of Turkey's aggressive use of American-supplied arms on Cyprus in the summer of 1974.

Additionally, there is good circumstantial indication that the new request for military sales to Zaire has an eye to Angola. It is a sudden and several-fold increase, corresponding to the general escalation of the war. Also, as one example, 12 armored personnel carriers were reported lost in the battle of Caxito over the summer, and it is exactly 12 that are being requested now, conceivably as a replenishment.

I am not in a position to level any accusations regarding the administration's actions or intent. I hope the speculation I have mentioned is entirely unfounded.

Nevertheless, it might be noted that in his recent book "Presidential Spending Power," Louis Fisher of the Congressional Reference Service cites several contemporary examples of an administration misleading Congress about military aid. Hearings by the Symington subcommittee in 1969 and 1970 revealed that the United States had offered sizable subsidies to the Philippines and Korea for aiding us in Vietnam, though it was made to appear that they did so independently; the Senate Committee on the Judiciary determined in 1972 that AID funds had been used to supply Laos military and paramilitary forces with food and medical care and other items; the Joint Economic Committee in 1971 concluded that nearly $700 million in food for peace funds had been channeled into military assistance programs during the previous 6 years and $1.6 billion since 1954; and Senator CASE, a member of both the Appropriations and the Foreign Relations Committees, had to rely on an article in the Christian Science Monitor to learn that the administration had agreed to finance Thai troops in Laos.

Mr. Speaker, last week I introduced a resolution advising the President to refrain from covert aid to Angola. The resolution had over 200 cosponsors. I have no doubt that if put to a vote it would be carried by an easy majority of the House.

I do not enjoy "meddling" in foreign policy. I believe that generally the President should be accorded considerable flexibility. But in this case, the Tunney amendment and my resolution have expressed an unusually clear and strong sentiment on an important issue. It now falls upon the President to state for the record whether he intends to heed this sentiment.

Because there is substantial public confusion, I therefore call upon the President to give Congress flat and categorical assurance that the United States is no longer aiding any faction in Angola, in any way, directly or indirectly.

Relevant transcripts of the press conferences of Messrs. Nessen and Trattner follow, as does a news article from the February 2, Washington Post:

[From the Washington Post, Feb. 2, 1976]

THE $20 MILLION FOR MERCENARIES REPORTED

(By Mary Russell)

Secretary of Defense Donald Rumsfeld yesterday refused to deny British reports that more than $20 million, mainly from the Central Intelligence Agency, is to be spent on mercenaries for Angola.

Two British newspapers said recruiting of British mercenaries to join factions fighting the Soviet-backed Popular Movement for the Liberation of Angola (MPLA) was being financed with American money.

"There has been what was once a covert activity on the part of the United States involving some funds to provide assistance to an element in the Angola conflict," said Rumsfeld, appearing on "Face the Nation" (CBS, WTOP). When pressed on whether $20 mililon was being used to train British mercenaries Rumsfeld said he "wouldn't go into details."

The British Sunday Telegraph quoted diplomatic sources in Zaire as saving that $200,000 in U.S. money for the Western-backed National Front for the Liberation of Angola (FNLA) has been sent to London for use in recruiting mercenaries. The paper said at least 300 Britons were joining the FNLA.

It added the CIA, had allocated $49.2 million in arms, other supplies and cash to the FNLA and the National Union for the Total Independence of Angola (UNITA) and that more authorized money was in the pipeline.

The Ford administration has admitted spending about $33 million in Angola. Recently Congress defeated an attempt to send $28 milion more through the Defense appropriation bill.

Another British paper, the Observer, quoted a spokesman for Security Advisory Services as saying the recruiting of British mercenaries was being financed with America money. The SAS, which is doing the recruiting, received $564,000 in the past three weeks, the spokesman was quoted.

The Observer said the SAS spokesman claimed the group's contact was a liaison officer in the American embassy in London. An embassy spokesman denied it.

Rumsfeld said that the Soviet Union and Cuba have put $3 billion into Africa to gain bases, ports, other facilities and governments favorable to them. "Our interest is served if it's a continent with governments of their (Africans') preference rather than of the Soviets preference."

Rumsfeld said further cuts in the defense budget could create an unstable world and a "lack or sufficiency" for the United States vis-a-vis the Soviet Union. If Strategic Arms Limitation Talks (SALT) fail, Rumsfeld said he might have to go back to Congress to seek a supplement to the proposed $112 billion defense budget. He also said no Soviet violations of SALT agreements already in effect have been a threat to U.S. security.

PRESS CONFERENCE

(Press Conference of Ron Nessen, Press Secretary to the President, February 2, 1976, excerpted; with emphasis supplied:)

Peter Lisagor of the Chicago Daily News: Ron, can you tell us whether the United States did, as the British report, supply 20 million dollars of CIA funds for the recruiting of mercenaries for Angola?

Nessen: The United States is not giving any money *to Britain* to recruit mercenaries for Angola.

Lisagor. Did it?

Nessen: No.

Lisagor: That doesn't seem to square with what the Secretary of Defense said on television yesterday.

Nessen: I did not hear him say anything on that subject, Peter.

Lisagor: He was asked about it, and he didn't deny it. He evaded it. He certainly didn't flatly say no money was going. In fact, he inferred, if I heard him correctly, that there has been money sent in the past.

Nessen: To whom?

Lisagor: To other countries.

Nessen: The question was, "Have we given 20 million dollars *to Britain* to recruit mercenaries?" and I am saying the United States has not, and is not, giving any money *to Great Britain* to hire mercenaries.

Lisagor: To any other countries to hire mercenaries in Great Britain?

Nessen: We have said before—and it is still absolutely true—the United States is not, and no agency connected with the government is recruiting or hiring or training *American mercenaries.*

We have also said limited amounts of money are being given to some countries which share our goals in Angola. We are not actually able to determine how every last cent of it is spent.

PRESS CONFERENCE

(Press Conference of John Trattner, spokesman for the State Department, February 2, 1976, excerpted, with emphasis supplied:)

Questioner: Mr. Trattner, on another subject, there was a flurry of reports over the weekend that American money was being used to hire mercenaries outside the United States for use in Angola. I wondered if you had anything more to say on that subject.

Trattner: Are you talking about reports that such recruitment is supposedly going on *in Britain?*

Q: What I am asking is, whether there is any comment from the State Department on reports of American money being used to hire mercenaries.

T. The United States government is not involved in *the purported program* of mercenary recruitment.

Q: Does that include financing?

T: No U.S. government funds directly or indirectly to recruit, hire, train, or deploy.

Q: There is no loophole I have to look for there? It is not a matter of appropriated funds, or full consultation with Congress, no American dollars, no government money is being used for recruitment?

T: I would say you can relax on that.

A WORD PORTRAIT OF THE FRATERNAL ORDER OF EAGLES

HON. JOHN H. DENT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. DENT. Mr. Speaker, on February 6, 1976, the Fraternal Order of Eagles will celebrate the 78th anniversary of its founding. I am proud to say at the outset that I am a lifetime member of the FOE and, like many thousands of members, am proud of the organization's record in the field of humanitarianism and fraternalism.

I recommend to the attention of my colleagues the following short history of the FOE, compiled by Mr. Daniel Splain, son of Mr. Maurice Splain, who has long been associated with the organization and has spearheaded its growth in Pennsylvania. On reading the history you will note how the FOE grew in Seattle and spread across the country, reaching into Canada and Mexico.

The membership of the Eagles has included as many as five Presidents of the United States, as well as former Chief Justice Earl Warren and other notables.

The long list of accomplishments of the Eagles precludes my enumerating them here. I have been personally associated with them all in their endeavors during my public life, sponsoring at their request the Jobs After Forty Act and the Administration on Aging.

This is, indeed, an organization that deserves recognition for its outstanding humanitarian endeavors. I find appropriate the remarks of President Franklin D. Roosevelt on the occasion of his initial establishment of the Social Security System. He said:

> The Pen I am presenting to the Order, one used to sign the Social Security Act, is a symbol of my approval of the Fraternity's vision and courage.

I am confident that my colleagues will want to join me in congratulating the Fraternal Order of Eagles on the 78th anniversary of its founding, and will read with interest the short history that follows:

A WORD PORTRAIT OF THE FRATERNAL ORDER OF EAGLES

(Compiled by Dan Splain)

Nine days before the explosion of the battleship Maine in Havana Harbor touched off the Spanish-American War, six lonely vaudeville troupers strolled to Moran's Shipyard on the tideflats of Seattle to form the Order of Good Things on February 6, 1898. The purpose of the organization, as its first President, John Cort later related was "to make human life more desirable by lessening its ills and promoting peace, prosperity, gladness and hope."

In February, 1976, in a new wonder age of atoms, missiles and moon walks, the far-flung Organization that sprouted from the Seattle seedling—the Fraternal Order of Eagles—celebrates today the 78th anniversary of its founding, changelessly devoted to the same ideals proclaimed by its founders. Today, the Order embraces over 1700 Aeries in the Continental United States, Alaska, Hawaii, the Philippines, the Dominion of Canada and the Republic of Mexico.

Possibly not in their fondest predictions did the pioneers of the Fraternity envision such tremendous growth. But the universal hunger for friendship and brotherhood struck a responsive chord as the theatrical men played in other cities throughout the nation. New Aeries were formed rapidly in the Pacific Northwest. Cort was elected the first Grand Worthy President of the Order.

The Order was, and remains to this day, the Fraternity of the Common Man. From mill, mine and factory mainly, from the professions, and from public life, from America's melting pot, the Eagles derived their strength, a typical cross-section of the Nation. Several years ago, Collier's Magazine, in preparing an article about the Eagles sent their writer to the local Aerie in Cedar Rapids, Iowa. He asked a spokesman to define the Eagles. He struck this response: "You want to know who the Eagles are—I'll tell you. We're the crowd everybody else gets lost in."

However, not all Eagles are "lost in the crowd." Five Presidents of the United States were Eagles: Theodore Roosevelt, Warren G. Harding, Franklin Delano Roosevelt, Harry Truman and John F. Kennedy. Former Chief Justice of the Supreme Court Earl Warren is a brother Eagle. Monsignor Flanagan of Boys Town was a Past President of the Omaha Aerie of the Eagles. So was Father Elwood Cassedy, founder of Home on the Range for Boys, as is his successor Father William Fahnlander. Former Governor Lawrence of Pennsylvania helped found the Pennsylvania State Aerie in 1912 along with Congressman John Morin who himself served the Order as Grand Worthy President. World War II and Korean air ace Francis Gabreski (Col. Ret. USAF) is a life member of Oil City Aerie No. 283. J. Edgar Hoover, the late FBI Chief, was a brother, too. The list is infinite. Eagles are people, famous and obscure, mighty and humble, great and small.

Among those who have stood out from the crowd are the career Eagles themselves. There was Con Mann, the hearty Dutchman from Milwaukee, who piloted the Fraternity to a position of national prominence in the early part of this century. Then there was Frank Hering, silver haired orator from Notre Dame University, who made the first known plea for the observance of Mother's Day, who later served the Eagle Magazine as its editor for many years. Among contemporary leaders are Wisconsin Supreme Court Justice Robert W. Hansen, who served the Order twice as its International President; Joseph Fournier, present International President, who travels the crossroads of the Nation garnering support for Eagle Programs, and Maurice Splain, Jr., Grand Aerie Membership Department leader who cares for the membership growth of the Fighting Fraternity.

In the three decades from 1910 to 1940, the burgeoning Order acquired a new title, "the Fighting Fraternity." In those years, the Eagles were in the vanguard in social legislative progress, moving courageously, fighting for changes to insure a more secure life for the people of America. In 1911, in Missouri, led by an Eagle Jurist, Edward Everett Porterfield, the Order sponsored the first Mothers' Pension Act. A year later, in Wisconsin, Eagles rallied 'round a young Eagle and labor lawyer, Daniel Webster Hoan, later Mayor of Milwaukee, to enact the first Workmen's Compensation Act, A few years later, the Eagles began to demand elimination of a national scourge—the poorhouse. The Rubicon was crossed in 1923, when the Montana legislature passed the first Old Age Pension Law in the nation, sponsored by prominent Eagle legislator Lester Loble, who later became the Order's Grand Worthy President. The Order successfully campaigned for similar laws in the majority of the states. On the national front, the Eagles launched a historic campaign for a national Social Security Act, and spent more than a million dollars for printed materials to publicize and popularize the measure. In signing the Act, President Roosevelt invited an Eagle delegation to the White House and presented them with one of three pens used to sign the Act into law. In so doing, Roosevelt stated, "The pen I am presenting to the Order, one used to sign the Social Security Act, is a symbol of my approval of the Fraternity's vision and courage."

High in the achievements of the Order is the national Mother's Day observance. Back in 1904, in February, Frank Hering, a Notre Dame professor and football coach, gave the first public plea for a Mother's day observance at an Indianapolis Aerie meeting. Inspired by Hering's address, Eagle Aeries began sponsoring Mother's Day programs annually long before Congress set aside the Second Sunday in May as a day reserved for that tribute yearly.

The Eagle story reserves a prominent chapter for the youth of America. With youth programs, junior sports, teen-age dances, youth centers sponsored by hundreds of Aeries, the building of the citizens of tomorrow is an ever paramount project of the Order. The crowning effort in this field came in April, 1941, when the Fraternity dedicated the Eagle Dormitory at Father Flanagan's Boys Town in Nebraska.

Then World War II arrived, the Eagles conceived their famed Memorial Foundation, a trust fund created by donations of Aeries and their Auxiliaries to provide physical welfare services and college education for the children of the Eagle war dead. This foundation was later expanded to include survivors of Korean and Vietnam War dead, and Eagle police and firemen killed in the line of duty.

While significant national campaigns have always characterized Eagle activity, the 'grass roots' strength lies in the local Aeries and Auxiliaries. Their civic and benevolent contributions have been generous and frequent. Blood banks to save lives, an iron lung purchased for a young polio victim, Aerie quarters provide for a teen-age center, a Christmas Party for the underprivileged kids in the community, funds for a city youth playground; donations to the Red Cross, the Community Chest, and other community services and programs is but a part of the magnificent benevolence of the Fraternal Order of Eagles. No accurate accounting of the total spent by local Aeries and Auxiliaries for charitable purposes has ever been kept, but no doubt, over the years, it would run into staggering millions, and in terms of human happiness and betterment the amount is above the monetary realm, and measured only in terms of the human heart.

In the 1950's, the Eagles set their sights on new goals to "make human life more desirable." During that decade, the Eagles raised over one million dollars for the Damon Runyon Cancer Fund, prompting the fund's founder, Walter Winchell, to write in his nationally syndicated column that the Eagles are "the Santa Claus of the Damon Runyon Cancer Fund." The Eagles donation of $25,000.00 for the entrance to the Chapel of the Four Chaplains at Philadelphia, memorializing the four chaplains of three faiths who gave their lives in WW II aboard the U.S.S. Dorchester, bespeaks the Order's zeal for brotherhood and inter-faith unity. Distribution of thousands of scrolls of Ten Commandments to schools and courts, and presentation of the Ten Commandment granite monoliths to many American cities stresses the Eagles' concern for moral and spiritual values.

Late in 1959, the Organization began construction of a retirement home for senior citizens who are Eagle members. The home in Bradenton, Florida today boasts 75 units, a library, a lake well stocked for fishing and a large recreational hall. The Eagle Village, as the retirement facility is called, is self-governed by a Mayor and council elected by the residents.

In cooperation with CARE, the international relief organization, the Eagles have constructed over 25 Eagles-Care Houses throughout the world.

In the decade just past, the Eagles founded the Max Baer Heart Fund, named after the late Eagle Heavyweight Champ, which has donated over $2,000,000 dollars for heart research, in the ten years of its existence. The Eagles have now founded the Eagles Cancer Fund which has raised over $2,000,000.00 dollars supplementing the amount contributed to the Damon Runyon Cancer Fund. Just eight years ago, the Eagles founded the Jimmy Durante Children's Fund to contribute funds for research into the catastrophic diseases of childhood. Durante, for whom the fund is named, has long been an active supporter of Eagle programs.

Four years ago, the Organization initiated the "Golden Eagle Program", a three pronged attack on the problems of our aging citizens. The goal of the program is to add years to life and life to the years of the world's senior citizens in three ways: 1) by sponsoring and supporting legislation that will permit our aged to live in dignity and self-respect; 2) by establishing within the 3200 local Eagle units Retired Eagles Activities Clubs (REAC) to permit older Eagles and their families to participate in programs of their choosing and to offer their aid and counsel to younger Eagle leaders in the management of their club facilities; and 3) the establishment of the Golden Eagle Fund, to raise and distribute funds for gerontological research.

The Eagles are also responsible for legislation protecting the over 40 worker from job discrimination because of his age.

The latest Eagle programs are "Hometown, U.S.A."—a campaign to make our hometowns of America just a little better for you and me, and the "Home and Family Program" designed to strengthen the home and family as the basic unit in our society.

The Fraternal Order of Eagles, with virility and vision, is just beginning to flex its muscles with over 3200 Aeries and Auxiliaries continuing the work started by six men on a Seattle waterfront 78 years ago.

"SWORDFISH" SKIPPER, RETIRED ADMIRAL SMITH DIES

HON. JOHN P. HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. HAMMERSCHMIDT. Mr. Speaker, on January 24, the Nation and the city of Harrison, Ark., lost one of its most dedicated and devoted citizens, Vice Adm. Chester C. Smith, U.S. Navy, retired.

A native of Bisbee, Ariz., Vice Admiral Smith graduated from the U.S. Naval Academy in 1925. His naval career, following his commission on June 4 of that year, was one of the most outstanding in recent times.

In July 1939, Smith assumed command of the USS *Swordfish* in Manila. On the submarine's first patrol on December 9, 1941, 2 days following the attack on Pearl Harbor, the *Swordfish* sank a Japanese supply ship, the first to be destroyed in the war. The *Swordfish* successfully completed 6 war patrols in enemy waters under Smith's command, and during this time, she sank 12 enemy vessels and severely damaged many more. For extraordinary heroism and continuous outstanding actions against the enemy during his command of the submarine, Smith was awarded the Navy Cross with a Gold Star.

Relieved of command of the *Swordfish* in January 1943, Smith was designated Commander Submarine Division 61, and for exceptionally meritorius conduct during operations against the enemy Japanese forces in the forward Pacific war areas, he was awarded the Legion of Merit.

From March 1944 to April 1945, Smith had duty in the headquarters of the commander in chief, U.S. Fleet, Navy Department, Washington, D.C. In May 1945, he assumed command of Submarine Squadron 30 and again distinguished himself in service, receiving a Commendation Ribbon with authority to wear the Bronze Star.

Following the war, Smith's outstanding naval service career continued. Shortly after the Japanese surrender, he was transferred to command of Submarine Squadron 10 and later reported as Chief of Staff and aide to Commander Submarine Force, Atlantic.

Smith attended the National War College and after a year with the General Board, Navy Department, completed the senior course at the Naval War College.

In 1950, Smith assumed command of the USS *St. Paul* and participated in the Korean operations during that conflict. Upon his return to the United States, he was assigned to the office of the Chief of Staff for Joint Plans and Operations on the staff of the Commander in Chief, Pacific, at Pearl Harbor, and was later transferred to the joint staff of the Commander in Chief, Far East Command. After a year in this position, Smith became commander of Service Squadron 3.

In 1955, Smith was ordered to duty as Deputy U.S. Representative, Standing Group, NATO, and directed the U.S. staff in the preparation of strategic concepts and implementing measures for the defense of NATO. He negotiated with foreign officers to obtain military agreements and participated in the determination of U.S. positions at a high military level.

Smith left NATO in 1957 and took over as senior member of the Board of Inspection and Survey until he retired with the rank of vice admiral in 1958.

Smith's awards were many. In addition to the Navy Cross with Gold Star, the Legion of Merit and the Bronze Star, Vice Admiral Smith received the Navy Unit Commendation; the Army Distinguished Unit Emblem; the Yangtze Service Medal; the American Defense Service Medal; the Asiatic-Pacific Campaign Medal; the American Campaign Medal; the World War II Victory Medal; the China Service Medal; the Navy Occupation Service Medal; the National Defense Service Medal; the Korean Service Medal; the United Nations Service Medal; and the Philippine Defense Ribbon.

But perhaps even more important than the recognition he received in the form of medals and awards, was the recognition Smith received from those he served with, and from those who served under him in the Navy. With a glowing career to his credit, he was still termed by his naval comrades as the "most modest in the fleet."

Smith's war year experiences served as some of the notable opening tales in Robert J. Casey's book, "Battle Below." Casey noted that Smith was judged by his peers to be the top submarine skipper of the war, with a calm sense of judgment, coupled with courage that was an inspiration to all who served with him.

Following his retirement, Smith began working on the Poseidon project with Lockheed Aircraft and Missile. Never one to take his positions less than seriously, he continued to advance his educational experience to meet the new demands of the space age. He remained with Lockheed until 1970.

Chester Smith was a man who served his country well. His personal courage and sense of commitment to his country was unparalleled, and his patriotism and professionalism unquestioned. He earned a well-deserved place in the annals of America's World War II history and an even greater place in the minds of the men who he commanded in wartorn times.

As a nation, we can be grateful to Vice Admiral Smith for the outstanding service he rendered his country.

OVERSIGHT SUBCOMMITTEE ANNOUNCES ADDITIONAL HEARINGS ON OPERATION LEPRECHAUN

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. VANIK. Mr. Speaker, as chairman of the Subcommittee on Oversight of the Committee on Ways and Means I announce that the subcommittee will hold the fourth in a series of hearings in Operation Leprechaun on Tuesday, February 10, 1976, in room 2154 Rayburn House Office Building. The subcommittee has a special interest in this operation, because of its importance in understanding the arguments over the appropriate role of the Internal Revenue Service in law enforcement. It is vital to examine fully Operation Leprechaun because—

First. It provides a case study of an operation conducted by the Intelligence Division, the criminal enforcement arm of the Internal Revenue Service.

Second. It provides the opportunity to study the relationship of the Internal Revenue Service Intelligence Division to the Justice Department's Strike Forces in the context of a specific operation.

Third. It raises questions about the use of confidential informants and confidential funds.

Fourth. It provides an opportunity to examine the way in which the Internal Revenue Service Inspection Division, the internal investigations arm of the Internal Revenue Service, conducts an investigation of sister divisions.

Top management of the Internal Revenue Service presented its views at the subcommittee's first Operation Leprechaun hearing on March 26, 1975. At that hearing and in other public statements, the Internal Revenue Service virtually conceded the validity of charges that Operation Leprechaun had been an improper investigation.

However, at the second hearing, on December 2, 1975, the subcommittee heard the views of the special agent who conducted Operation Leprechaun, the Personnel Division employee who reviewed the Inspection Division investigation and the Assistant Regional Commissioner who was in the line of authority over the special agent. The testimony of these witnesses indicated that Operation Leprechaun was a legitimate law enforcement project from which good criminal cases developed and that any defects in the operation were largely technical.

At the third hearing, on December 12, 1975, the subcommittee heard witnesses who indicated that the reaction of top management to the supposed abuses of Operation Leprechaun engendered redtape which was detrimental to the Internal Revenue Service in developing criminal cases and to State and local agencies which need to cooperate with the Internal Revenue Service.

The fourth hearing in the series will focus on the relationship of the Justice Department Strike Forces to the Internal Revenue Service Intelligence Division. More particularly, it will be examining that relationship as it existed in Florida during the period of Operation Leprechaun.

The Commissioner of Internal Revenue stated at the first hearing in the Operation Leprechaun series that the Internal Revenue Service furnishes the major manpower in the strike force effort, that Operation Leprechaun was set up to gather information under the auspices of the Miami Strike Force, and that the Department of Justice has control over Internal Revenue Service agents involved in strike force investigations. The Justice Department employees who will be heard from at the February 10, 1976, hearing disagree. They are: Rudolph Guiliani, Associate Deputy Attorney General; William Lynch, Chief, Organized Crime and Racketeering Section, Criminal Division; and Dougald McMillan, formerly Chief, Miami Strike Force, Organized Crime and Racketeering Section, Criminal Division.

BUY OUR BABY FOOD OR YOUR CHILD MAY TURN BLUE AND DIE

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. RICHMOND. Mr. Speaker, one of the major concerns of consumers throughout the country is with honesty in food advertising. Although many of the current products on the market and their advertising campaigns are of both dubious nutritive value and questionable veracity, I was particularly shocked to learn of a practice currently being undertaken by the manufacturers of Beech-Nut Baby Foods.

The tactic is to use a piece of "scare literature" to mislead the parents of infants. The company mailed 760,000 pieces of this literature to mothers across the country implying that the use of fresh home-prepared baby foods could cause methemogobinemia. Nothing is more important to a new mother than the health of her baby and this campaign, it seems to me, reaches a new low in food product advertising and promotion.

I was distressed that this tactic was used to downgrade the use of fresh foods. Seldom has there been such a blatant attempt to promote a product. I would also note that a mother who feeds her child the home-made baby foods would "miss out" on all the extras Beech-Nut offers, including water, farina, smoked bacon (cured with water, salt, sodium tripolyphosphate, sodium errythorbate, and flavoring without nitrates or nitrites) dried egg yolks, modified cornstarch, nonfat dry milk, oat flour, salt and smoked yeast.

This label also carries a stamp of approval from the Department of Agriculture.

The entire issue was summarized in an article by Jeff Cox in the January 24, 1976, issue of the "Environmental Action Bulletin." I wish to share this article with my colleagues and insert it in the RECORD at this time:

BUY OUR BABY FOOD OR YOUR CHILD MAY TURN BLUE AND DIE

(By Jeff Cox)

Imagine that you are a young mother, possibly in the delicate time when your first baby is just a few months old and you are quick to think the worst of every cough and dribble anyway. In your mailbox one day is a piece of mail from the Baker/Beech-Nut Baby Food Corp. signed by President Frank C. Nicholas. You read:

"We at Beech-Nut feel obliged to advise you that some potential dangers for your child exist in the home preparation of baby food. Much of the publicity (for home baby food grinders) has been self-serving and has ignored this fact. That is why Beech-Nut, as a responsible corporate citizen, feels compelled to speak out in the interest of safety and good nutrition for your baby.

"You, as a mother, should know that some cases of methemogobinemia have been reported in medical literature from the feeding of home-prepared spinach puree, carrot soup and carrot juice. Beets may also be a problem. . . . With too much methemoglobin, a baby's skin turns blue and asphyxiation could result."

The advertisement goes on to state that while commercial baby food is "adequate for the nutrition requirements of your baby," "home-made baby food made from fresh ingredients loses nutrients in several ways—implying that commercial baby food is more nutritious than home-made.

Included with this scare letter are four coupons for money-off on Beech-Nut products and an offer to exchange $15 worth of coupons for a $10 bill. This campaign was sent out to 760,000 mothers across the country.

The upshot? Besides a lot of needlessly frightened and misinformed mothers, some angry reactions from people who know the real score on baby foods.

In Syracuse, N.Y., Roberta Wieloszynski, who heads the city's Consumer Affairs Unit, immediately sent the literature to Dr. Frank Oski, director of the Department of Pediatrics at the Upstate Medical Center in Syracuse. Dr. Oski said he'd never heard of a case of methemoglobinemia associated with the use of home-made baby food, that he know of no other doctor who had, and that where such cases of illness have been reported, generally they have been found to be caused by contaminated water, not food. Dr. Oski followed up by writing a letter to Dr. Malcolm Holiday, chairman of the Committee on Nutrition of the American Academy of Pediatrics, asking that pediatricians across the country be alerted to the pressure being exerted by Beech-Nut on mothers. He characterized the flyer as an "unwarranted scare message," and rated the chances of a baby contracting methemoglobinemia as "virtually zero."

The Syracuse Consumer Affairs Office then asked Beech-Nut to retract its flyer, to issue another correcting the abuse, and to send it to every mother who received the first one. The company then got in contact with the Consumer Affairs Office and admitted that no cases involving home-made baby food and methemoglobinemia apparently have been reported in the United States. The instances cited were apparently from European literature and were only a few cases.

EAB contacted the computer research system of the Philadelphia College of Physicians to double-check any possible cases of the illness caused by baby food in the U.S., and the service said that if there were any cases, they were so few that it had no record of them in its computer banks.

The Syracuse Consumer Affairs Unit has filed action against Beech-Nut, claiming violations of its consumer code and demanding the retraction from the company. But Beech-Nut has refused. It says it based its claims on a recent newspaper column by Dr. Jean Mayer of Harvard University. Wieloszynski's office then contacted Dr. Mayer, who said he never intended his column to be a warning against home-prepared baby food. In fact, he said, he hoped his column would encourage people to make their own, with caution. He said he will now write another column telling people how to make their own.

A spokesman for the office said that Beech-Nut's scare letter was akin to the elephant-in-the-closet story: "Did you know that an elephant in the closet can kill you if you open the door?" Not untrue—it just happens that nobody's ever found an elephant in the closet. In addition to acting against Beech-Nut, Wieloszynski's office brought the scare campaign to the attention of other consumer affairs offices in cities around the country, urging them to take action if the flyer crops up in their areas.

EAB has researched studies of nitrates in fresh vegetables, and also located literature comparing the nutritional values of home-made and commercial baby food. Nitrates in vegetables are a problem, since it is known that in infant stomachs these can be broken down to nitrites, which are the cause of methemoglobinemia.

One thing is for sure: much dietary nitrate comes from nitrate fertilizers. The National Research Council in 1972 said that "increased use of chemical fertilizers, widespread adoption of the feedlot system for meat production and continuing problems of waste disposal bring increasing amounts of nitrate into the environment." Scientist O. A. Lorenz in 1972 measured nitrates in vegetables and compared the levels to the amount of chemical fertilizer used. He found a direct correlation indicating that most nitrates in vegetables come from nitrate fertilizers. USDA scientists checking nitrate levels of fresh vegetables found that while chemical agriculture may be raising the nitrate levels, they were still "reassuringly low in most foods."

"Methemoglobinemia as a result of eating beets has never been observed," said Dr. Mayer just last November.

In a huge, definitive study by Douglas H. K. Lee in Environmental Research 3, 484–511 (1970), entitled "Nitrates, Nitrites and Methemoglobinemia," these facts and recommendations are reported:

"Cases (of methemoglobinemia) in the U.S.A. have been almost exclusively due to the use of nitrate-containing water . . . cases have been reported in Europe due to the use of baby food preparations in which nitrite has been formed from the original nitrate, either in storage of the vegetable or in preparations kept at room temperature. . . . The condition can be prevented by using only fresh . . . vegetables in the domestic preparation of baby food."

Lee's study shows the Beech-Nut letter to be, in effect, blatantly false—not just misleading.

And what about the nutritional values of baby food, both commercial and homemade?

Consumers Union has studied this subject and in a recent report, "Are Baby Foods Good Enough for Babies?" compared Beech-Nut, Gerber and Heinz foods with similar foods prepared from fresh ingredients.

"Our conclusions:" the report states, "Commercial baby foods have improved (since the last test in 1972 when CU recommended that mothers make baby food fresh). Manufacturers are still adding those worrisome extra ingredients. And home-made foods are more nutritious, ounce for ounce, primarily because the added and unnecessary ingredients in commercial foods take up a lot of room."

The report added that "in general, home-made foods contained less water and carbohydrates and more fiber, protein, vitamins, minerals than the commercial foods."

Then CU checked for extraneous matter in baby foods. They found insects, insect parts and rodent hairs in 10 of the foods they tested, including Beech-Nut peas, Beech-Nut chicken and chicken broth, Beech-Nut turkey and rice with vegetables dinner, Beech-Nut applesauce, and others from Gerber and Heinz.

Worse, they found enamel paint chips from the underside of the jar lids. "Six of the foods contained between five and 15 of these chips . . . and one high-meat dinner—Beech-Nut beef with vegetables and cereal—contained a spectacular 350 chips, which would average out to about 20 chips per jar."

What about those additives? In an excellent report, "White Paper on Infant Feeding Practices" by the Center for Science in the Public Interest, 1779 Church St. NW, Washington, D.C. 20036, and available for $1.50, these statements are made:

"Modified starch may comprise as much as one-fourth of the total solids in some products.

"Manufacturers of baby foods take advantage of [a baby's natural preference for sweet foods] by adding sugar to many of their products. Gerber adds sugar to 55 percent of its baby foods, Heinz to 65 percent and Beech-Nut to 66 percent." The study then goes on to implicate sugar consumption by infants in a host of diseases later in life.

Even though the National Academy of Sciences recommended that infants' salt intake be severely limited due to its role in hypertension and infants' sensitivity to it, "responsible corporate citizen" Beech-Nut leads the baby food manufacturers in adding salt. Fully 71 percent of Beech-Nut products contain added salt. This is added solely to please the palates of mothers who pre-taste the foods, since studies have shown infants have no preference for salty foods. In fact, the salt can harm the infants' health!

And finally, according to Consumer Survival Kit, "You pay, on the average, twice as much for jars of baby food as you would for the same quantity of the same food prepared at home. A commercial jar of bananas . . . contains sugar, modified tapioca starch, salt, citric acid and water and costs 2.6 cents an ounce. A fresh ripe banana—100 percent fruit—costs 1.1 cents an ounce."

At this point it would be easy enough to launch into a tirade against Beech-Nut, its scare campaign and its sugared and salted products. Instead, why don't you? If your city has a consumer affairs office, write the office a letter. If not, contact your local Better Business Bureau and warn them that this letter may have been received by people in your area. Send copies to your local newspaper, so the community can know what's going on. And don't forget a carbon to the Federal Trade Commission, Washington, D.C. 20580. This agency can force Beech-Nut to retract the letter and send out corrections.

HUGE PROFITS FAN THE FIRES OF OPIUM

HON. MARTIN A. RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. RUSSO. Mr. Speaker, on January 14, Bob Wiedrich of the Chicago Tribune wrote an excellent article exposing the corruption of Mexican narcotics agents. In his article, Wiedrich describes the many fields of illegally grown opium poppy which Rep. Charles Rangel, Democrat of New York, discovered during an investigation of heroin traffic in Mexico.

If we are to curb drug traffic flowing into the United States, it is essential that we get to the root of the problem as outlined in this article. I would like to share the article with my colleagues:

Huge Profits Fan the Fires of Opium

(By Bob Wiedrich)

Culiacan, Mexico.—Rep. Charles Rangel [D., N.Y.] is a tough, former federal prosecutor from Harlem who likes to see before he believes.

That's why last October, Rangel climbed into the same kind of helicopter in which we have been flying here along the slopes of the Sierra Madre and went off to verify official claims that no opium poppy fields were then in cultivation.

What Rangel found just over the next mountain outraged the veteran United States congressman whose constituency back home has one of the highest heroin addiction rates in the land.

There, brightly blooming along the banks of rivers, were the very opium poppy plants officials in Mexico City had told him did not exist, Rangel blew his top. The authorities were embarrassed.

But the opium poppy fields Rangel saw from the air were real, in complete contradiction to a more than a quarter-of-a-century-old thesis that Mexican peasant farmers only grow a bountiful harvest of the deadly stuff for about half the year.

On that basis, Mexican authorities had conducted their opium eradication campaigns for 27 years from only Jan. 15 to about Easter.

Nobody had apparently thought to check the fields throughout the rest of those years. But there, as clear as the mountain air, was evidence that the campesinos were doing business as usual for at least nine months of the year and perhaps even longer.

It was also evidence that the projected estimates of 10 tons of Mexican heroin in 1976 were probably low. And that the threat posed to American youth by the multimillion-dollar drug smuggling traffic might be far greater than previously imagined.

In the past, officials believed the campesinos staggered their crops at intervals. The campesinos planted that way so that during the 90-day cycle before a poppy needs to mature before it can be incised for opium gum, the poppy growers are provided an almost continual harvest.

However, they were convinced the peasant farmers cultivated no poppies during the rainy months of June, July, and August. And they didn't think the next 90-day crop was ready for harvest until early January.

What Rep. Rangel discovered, however, was a clear indication the farmers were harvesting at least one additional crop between Dec. 1 and Jan. 1, well before the first Mexican army soldiers and federal judicial police took to the field on opium-destroying missions.

Well, Rangel hollered to the heavens. He also hollered to the White House.

Now, the Mexican government is launching an expanded opium eradication program using 5,000 soldiers, covering 10 states of western Mexico instead of just three, and expected to blanket much of the year.

Dr. Alejandro Gertz Manero, a 36-year-old executive assistant to the Mexican attorney general, Pedro Ojeda-Paullada, and an anthropology professor at the University of Mexico, has been named to head the narcotic enforcement program.

Dr. Gertz has established an intelligence center in Mexico City, where information on the location of opium poppy fields is being correlated from all sources and dispatched to the soldiers.

And fixed-wing aircraft, also furnished by the United States along with 38 helicopters for herbicide spraying, are being used to conduct infrared sensing photograph reconnaisance flights to pinpoint the poppy fields. In addition, 600 federal judicial police are also being thrown into the effort.

Dr. Gertz, who previously headed national art theft investigations for the Mexican government, was quite candid in an interview about both the U.S. and Mexican roles in the fight against narcotics.

He deplored what he termed the widespread corruption among some federal judical police and soldiers involved in the eradication campaign. He said that although police salaries had been vastly increased in the past year, some were still giving in to the massive monetary temptations offered by the dope traffickers.

Dr. Gertz agreed that the U.S. can rightfully complain that it has become a victim of the international heroin traffic with Mexico serving today as a major drug producer. But so are the people of Mexico and their institutions being corrupted by the racket, he declared.

"We are also a victim country," he continued. "Our campesinos are being corrupted. Our police are being corrupted. We must fight this thing together."

After personally viewing the abject poverty of a small village of opium growing peasant farmers deep in the Sierra Madre, we can understand why they readily resort to cultivating dope.

The campesino earns about $100 a year tilling beans or corn. Raising a small plot of opium hikes his annual income to an unbelievable $4,000. If we were that poor, we'd probably grow dope, too.

THE 1977 BUDGET

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. HAMILTON. Mr. Speaker, I include my Washington Report entitled, "The 1977 Budget":

The 1977 Budget

These are the highlights of President Ford's 1977 fiscal year budget:

Government spending will total $394.2 billion, up 5.5 percent from last year.

The federal deficit will be $43 billion, down from $76 billion last year.

Receipts will be $351.3 billion, up 18 percent.

Defense spending will be $101.1 billion.

Interest on the federal debt will be $45 billion.

Overall the budget squeezes outlays for medicare, education, law enforcement, public service jobs, housing, veterans' benefits and domestic programs generally, and increases outlays only for energy and defense. Spending for energy programs jumps 30 percent to over $10 billion. The President asks for about a 7 percent increase in the military budget—at the same time he proposes a reduction in the civilian budget of about 3 percent.

The President's budget represents an election year gamble. At a time when nearly 8 percent of the work force will be without a job, he lowers spending on human services. He assumes that the economic recovery now underway can make it on its own without additional fiscal stimulus from the government. His gamble is that he can persuade voters to lower their expectations about what government can do for them, so he is giving them a budget of modest expectations, less compassion and, in his word, more "realism". He is also gambling that even though unemployment and inflation will be very high through this year that both rates will be declining enough to make voters feel safe.

The President's budget does reduce the rate of growth in federal spending, and moves government economic policy toward restraint How much it moves toward restraint and whether the budget can achieve the desired level of economic growth will be major questions for the Congress to examine in the months ahead.

The President's budget notes the recent growth in the federal budget, but this can be overstated. When viewed relative to the size of the economy, federal spending has increased only modestly over the past two decades. It was about 18% of GNP in 1956 and 21% in 1976, up principally because of the recession.

The few initiatives of his budget are clearly aimed at the middle and upper classes, who often feel that they have been short-changed on government benefits. The President's tax reduction plans would give the bulk of relief to middle income families. He gives tax advantages totalling $6.2 billion to business by reducing corporate taxes, making permanent the investment tax credit, and proposing tax incentives to create new jobs and to encourage investments.

There is little good news in the budget for the poor or for state and local governments. Not only are public jobs, food stamps and school lunch programs cut, but the earned income credit, a tax break now in the law for the very poor, is proposed to end in mid-1976. Under the budget the value of federal aid to states and localities will decline modestly. With high unemployment in the nation it is surprising that the President proposes to severely reduce both employment programs and unemployment compensation coverage. Public service jobs are reduced by 260,000 jobs out of a total of 310,000 and summer youth jobs are cut by 170,000.

The President's budget calls for defense spending of $101 billion, a $10 billion increase over last year's defense budget. Most of this increase is for the procurement of weapons systems. The defense budget contains little in the way of new initiatives, but the costs of programs previously approved, like the B–1 bomber and the Trident Missile, are beginning to grow much larger. It is disturbing that in a budget, which conveys our government's sense of values, more weapons is the only item in the budget that deserves a substantial expansion.

The biggest part of the federal budget is not for defense, or even for the government payroll, but for the part that comes back to people in the form of government checks each month to pay benefits. These payments came to $177 billion, or 44% of the total spending. The government serves in this capacity as a machine to transfer and redistribute income.

The President proposes to consolidate 59 federal programs into 4 block grants to states, totalling $18.2 billion. The approach of the 1960's that brought hundreds of programs into being is challenged by this budget, not so much by reducing the programs, although there is some of that in health care and education, but more by changing to the block grant aproach.

Under its new budget process, which worked satisfactorily last year in a trial run, the pressure will be on the Congress to demonstrate that it can deal with this budget responsibly by helping to restrain expenditures, to order government priorities, and to bring the economy back to good health.

RURAL WATER PROGRAM

HON. JERRY LITTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. LITTON. Mr. Speaker, I offered my deep personal support for the resolutions of disapproval of agriculture program budget deferrals which were recently before us. I was proud of our actions in disapproving these deferrals of valuable rural programs, and I feel we were long overdue in showing our objection and utter distaste for the rescissions and deferrals which the President proposed in his latest budget message in the name of "trimming the budget" and "fiscal responsibility." In fact, I introduced my own resolution of disapproval for the rural water program deferral out of a sense of responsibility to my district and the State of Missouri.

I had the best evidence in this world to defend that deferral resolution—the evidence of human need in numerous communities which have written my office in the past 2 months desperately seeking water/waste disposal grant assistance. I objected to the President holding these funds on both philosophical and practical grounds. I think it is an insult to the Congress and the American governmental process for vital programs which have gone through hearings, official testimony from the private and public sector, careful scrutinizing by budgetary experts, and votes by subcommittees, committees, and the U.S. House of Representatives and Senate to be cut in midstream. Our economy is still fighting to regain the momentum it lost when former President Richard Nixon's ax slashed at programs for the people.

Eleven of the 13 proposed rescissions are for agricultural and rural programs, and 7 of the 18 deferrals are in the rural development programs. The people living in rural communities and agricultural areas showed their commitment to America in their majority support, as reflected in the Harris and Gallup polls, for $2.5 billion aid to New York City. These deferrals and rescissions are an ingrateful slap in the face.

Practically speaking, the evidence on my own desk overwhelmingly challenges the cuts of the rural water and waste disposal grant programs. I have waged a 3-month battle to obtain grant funds for no fewer than four community rural water or waste disposal programs. It is absurd on one hand that the President in his budget message says the rural water/waste disposal grant program can operate on $75 million when $275 million was originally appropriated, yet, on the other hand, communities in Missouri are crying for such funds. Water and waste disposal projects are the very bloodline of any community—large or small. Communities under 10,000 simply cannot pass full funding bonds to finance these projects. At a time when people most need to see their Government helping them, instead we see the President actually taking away.

It certainly is a hopeless contradiction to try to meet the demands of environmentalists, especially through the Government's EPA statements, while cutting the funds necessary for implementations. The U.S. Government asks our citizens to go to battle against pollution and the antiquities of outdated water supply facilities—then we eliminate the funds necessary to accomplish the task. This is like sending 10 or 20 fresh recruits armed with Bowie knives to fight World War III.

I am happy that the wisdom of the hearings and budgetary process which established the original dollar amount necessary to meet the needs of rural water/waste disposal of our rural communities was not forgotten.

I congratulate my colleagues for voting in favor of this resolution of disapproval. It was truly a vote for the people.

WHERE IT NEVER LEAKS

HON. ELWOOD HILLIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. HILLIS. Mr. Speaker, submitted below is an editorial which appears in the February 9, 1976, issue of U.S. News & World Report. In his editorial, Howard Flieger makes observations on the issue of the disclosure of official confidences which are particularly applicable to today's events. It is my hope that my colleagues will take the time to consider Mr. Flieger's comments:

WHERE IT NEVER LEAKS

(By Howard Flieger)

The people of Great Britain are as zealously proud of their democratic liberties as Americans are of their own.

Which brings up the subject of "leaks."

The commotion in this country about what Government agents have or have not been doing in secret could never happen in the same way across the Atlantic.

The very idea of unauthorized and anonymous disclosures of official confidences is unthinkable to British politicans, bureaucrats, or journalists and their editors.

Leaks about the CIA, the FBI and other agencies of Government have been making headlines here for weeks. The Administration accuses Congress of leaking confidences given to its committees. Some congressmen accuse the Administration of secretly leaking its own documents to make Congress appear untrustworthy, and maybe unpatriotic.

Nothing said on this page condones official wrongdoing in any way. If a Government agency tries to cover up a blooper, it should, and must, be exposed. The British have had their share of official scandals, and malefactors punished. But the point is they have a different way of dealing with such things while safeguarding their national well-being.

That's why the rash of leaks in this country bewilders Britons.

For one thing, Britain has an Official Secrets Act to protect security. But even if there were no such law, the British feel strongly about keeping official secrets, and they accept the need to do so.

The British press co-operates in a system to shelter the national interest. Its representatives are active members of a Government-sponsored committee that from time to time issues "D-notices" advising the media not to publicize certain classified matters such as military developments, intelligence operations, etc.

These notices are faithfully respected. They are never used to suppress political and economic information that the Government might prefer to cover up as embarrassing.

Nevertheless, the sort of leaks currently rampant in Washington—those involving intelligence activities particularly—simply are things not done in Britain.

A British civil servant, even a retired one, found guilty of revealing secrets learned in the course of his official duties almost surely would wind up in jail. This certainly would be so had he been engaged in intelligence work.

A member of Parliament who leaked any information received in confidence would face being held in contempt of Parliament, and perhaps something more punitive.

British politicians—and the public—would consider it the depth of dishonor for a member of Parliament to slip to some reporter information relating to secrets concerning a national security matter. This would be especially so if it happened that Parliament as a whole questioned the wisdom of making the information public, such as the U.S. House of Representatives has just done.

Also, if it were possible the leak could be harmful to the national interest, no reputable newspaper would touch it.

Obviously, direct parallels cannot be drawn between America and Britain. The constitutional systems are different. The British parliamentary majority actually is an arm of the Government. No Prime Minister can remain as the nation's chief executive if Parliament turns against him and casts a vote of no confidence in his administration.

Still it is noteworthy that the British—if anything, more jealous of their democratic freedoms than we are—take it for granted that the Government must protect vital secrets. No individual, no member of Parliament, cabinet officer or civil servant, has the latitude to decide on his own what is a secret worthy of official protection and what is a secret he feels free to divulge, either openly or by leak.

DILUTION OF THE SCHOOL DOLLARS

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. SYMMS. Mr. Speaker, the Independent School District of Boise recently adopted a resolution which I think is pertinent to the deliberations of Federal lawmakers.

The resolution points to several reasons why all of the education dollars we are spending do not seem to be resulting in improved education for our children. In fact, as the federal spending for education goes up, it seems that the overall educational level—as measured by objective tests—has been going down.

I am proud to point out that the members of the board of trustees of the Boise School District represent the largest number of students and schools than any other Idaho board. I am also proud to point out that through the efforts of these people and local school officials and teachers, the students in Boise have been scoring higher on objective tests such as the S.A.T. This is in marked contrast to the rest of the country which is suffering from declining scores.

I believe that all of us serving in Congress should pay heed to the trustees' message if we wish to pursue the best interests of improved educational quality.

The resolution follows:

INDEPENDENT SCHOOL DISTRICT
OF BOISE CITY,
Boise, Idaho, January 26, 1976.

Hon. STEVEN D. SYMMS,
Room 1410, Longworth Building,
Washington, D.C.

DEAR CONGRESSMAN SYMMS: The following is a resolution adopted by the Board of Trustees of the Independent School District of Boise City during their Regular Board Meeting held January 12, 1976:

Whereas, the Trustees of the Independent School District of Boise City, Boise, Idaho have at this writing directed the Superintendent of the School District to establish the position and employ a Director of Personnel and Affirmative Action and have also directed the school administration to implement the provisions necessary to comply with the goals and aims of Title IX of the Elementary and Secondary Educational Act and

Whereas, we the Trustees have become increasingly alarmed at the apparent blatant fiscal irresponsibility of the federal government which fuels inflation, robs our taxpayers and penalizes our children and

Whereas, the Trustees are concerned and alarmed at the proliferation of government with its increased regulatory activity and increased cost to school districts implied in provisions of said act and while the Trustees are in full agreement with the spirit of the act;

Be it resolved, that the above stated concern be communicated and transmitted to the elected representatives of the people serving in the Congress of the United States, more specifically our concern that the cost in administering this and other acts may so dilute the educational dollar available to the child and teacher in the classroom that the educational process the act is designated to assure may be severely impaired.

Respectfully,

DR. CLAYTON C. MORGAN.

CONGRESS MUST ACT ON BEEF REGRADING

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. PEYSER. Mr. Speaker, exactly 19 days from today a federally-sanctioned plan that flies in the face of the consuming public will become effective. On February 23, the U.S. Department of Agriculture will revise its beef grading regulations, ignoring the protests of thousands of customers throughout the country.

At present, there are three top grades of beef sold at the retail level: Prime, choice, and good, in order of tenderness and juiciness. Under the new standard, the amount of marbling—little flecks of fat in the meat—required to qualify beef for the top grades will be reduced. As a result, some beef previously labeled "good" will move up to the more expensive "choice" grade and some "choice" beef will move up to the most expensive grade, "prime." In other words, consumers will be paying higher prices for lower quality beef.

By blurring the differences between one grade and another, the USDA plan will make it impossible for shoppers to know exactly what they are buying. The relationship between cost and quality will once again be distorted by deceptive and misleading labeling.

Legislation that I have introduced, H.R. 5266, would prohibit a change from a lower grade to a higher grade and proposes the creation of a new grade between choice and good to enable consumers to be aware of the quality of beef they are purchasing. I endorse the idea of marketing a leaner, more healthful grade of beef. But it is essential that consumers know the quality of the beef they are purchasing. They should know that leaner meat should be less expensive.

It is my hope that Congress review the entire system of beef grading—its effectiveness, the degree of utilization by consumers, and how it can be revamped to better serve both cattlemen and consumers. Furthermore, an education campaign should be started to explain to the public how the grading system works and what grades reflect in terms of cost, use and palatability.

Grading can be important if it is used to inform rather than confuse consumers. And it can only be effective if the interests of all concerned segments of the marketplace are considered and if those using the system are educated about its existence and value.

FEDERAL ELECTION COMMISSION

HON. WILLIAM J. GREEN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. GREEN. Mr. Speaker, on Monday, February 2, 1976 I introduced legislation (H.R. 11629) to amend the Federal Election Campaign Act of 1971 to provide that members of the Federal Election Commission be appointed by the President with the advice and consent of the Senate.

The Supreme Court's decision has put the integrity of the election process at stake. The continued work of the FEC is vital to the fair and rigorous enforcement of our election laws.

Following is the text of H.R. 11629:

H.R. 11629

A bill to amend the Federal Election Campaign Act of 1971 to provide that members of the Federal Election Commission shall be appointed by the President, by and with the advice and consent of the Senate.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the second sentence of section 310(a)(1) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437c(a)(1)), hereinafter in this Act referred to as the "Act", is amended by striking out "as follows:" and all that follows through "United States" and inserting in lieu thereof "by the President, by and with the advice and consent of the Senate".

(b) The last sentence of section 310(a)(1) of the Act (2 U.S.C. 437c(a)(1)) is amended to read as follows: "Not more than 3 members appointed by the President under the preceding sentence may be affiliated with the same political party.".

(c) Section 310(a)(2) of the Act (2 U.S.C. 437c(a)(2)) is amended—

(1) in subparagraph (A) thereof, by striking out "of the members appointed under paragraph (1)(A)";

(2) in subparagraph (B) thereof, by striking out "of the members appointed under paragraph (1)(B)";

(3) in subparagraph (C) thereof, by striking out "of the members appointed under paragraph (1)(C)";

(4) in subparagraph (D) thereof, by striking out "of the members appointed under paragraph (1)(A)";

(5) in subparagraph (E) thereof, by striking out "of the members appointed under paragraph (1)(B)"; and

(6) in subparagraph (F) thereof, by striking out "of the members appointed under paragraph (1)(C)".

(d) Section 310(a)(2) of the Act (2 U.S.C. 437c(a)(2)) is amended by inserting immediately before "An individual" the following new sentence: "The terms of members first appointed under the preceding sentence shall be designated by the President at the time of appointment.".

Sec. 2. (a) The President shall appoint members of the Federal Election Commission pursuant to section 310(a) of the Act, as amended by the first section of this Act, as soon as practicable after the date of the enactment of this Act.

(b) Individuals serving as members of the Federal Election Commission on the date of the enactment of this Act may continue to serve as members until the first appointments under section 310(a) of the Act, as amended by the first section of this Act, are completed.

(c) The provisions of the third sentence of section 310(a)(2) of the Act, as amended by the first section of this Act, shall not apply to individuals first appointed under section 310(a) of the Act, as amended by the first section of this Act.

The Federal Election Campaign Act of 1971, as amended by H.R. 11629, would read as follows:

2 U.S.C. § 437c. FEDERAL ELECTION COMMISSION

(a)(1) There is established a commission to be known as the Federal Election Commission. The Commission is composed of the Secretary of the Senate and the Clerk of the House of Representatives, ex officio and without the right to vote, and 6 members appointed by the President, by and with the advice and consent of the Senate. Not more than 3 members appointed by the President under the preceding sentence may be affiliated with the same political party.

(2) Members of the Commission shall serve for terms of 6 years, except that of the members first appointed—

(A) one shall be appointed for a term ending on the April 30 first occurring more than 6 months after the date on which he is appointed;

(B) one shall be appointed for a term ending 1 year after the April 30 on which the term of the member referred to in subparagraph (A) of this paragraph ends;

(C) one shall be appointed for a term ending 2 years thereafter;

(D) one shall be appointed for a term ending 3 years thereafter;

(E) one shall be appointed for a term ending 4 years thereafter; and

(F) one shall be appointed for a term ending 5 years thereafter.

The terms of members first appointed under the proceeding sentence shall be designated by the President at the time of appointment. An individual appointed to fill a vacancy occurring other than by the expiration of a term of office shall be appointed only for the unexpired term of the member he succeeds. Any vacancy occuring in the membership of the Commission shall be filled in the same manner as in the case of the original appointment.

HELSINKI PACT BEING FLOUTED BY THE U.S.S.R.

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. McDONALD of Georgia. Mr. Speaker, it comes as no surprise the Soviet Union is not living up to the agreements it signed at Helsinki. What is heartening, however, is the fact that some parliamentarians from Europe have discovered this and are protesting against it. The news story, as it appeared in the Daily Telegraph of London on January 29, 1976, follows for the edification of my colleagues:

HELSINKI PACT BEING FLOUTED

Parliamentarians from six European countries yesterday accused Russia of "flouting" the Helsinki détente principles.

MPs from Britain, France, Eire, Austria and Norway signed a declaration in Strasbourg stating that since the Helsinki summit "the Soviet Union has flouted the principles guiding relations between participating states."

The declaration, which has been tabled before the 18-nation European Assembly, included the following points.

1—The Soviet Union indulged in "direct and indirect intervention" in the internal affairs of Portugal.

2—The Soviet Union was "invoking and sustaining the use of force aganist the political integrity of Angola."

3—The Soviets were "unilaterally increasing their expenditure on conventional armaments on land, at sea and in the air."

4—Russia was "disregarding the right of minorities within their national territory to equality before the law, the enjoyment of human rights and fundamental freedoms." In addition, the declaration accused the Russians of failing to encourage East-West travel and tourism.

PETER W. RODINO, JR., ADDRESSED THE NATIONAL COLLOQUIUM ON THE FUTURE OF DEFENDER SERVICES

HON. WILLIAM L. HUNGATE

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. HUNGATE. Mr. Speaker, our distinguished colleague and chairman of the Committee on the Judiciary, PETER W. RODINO, JR., recently addressed the National Colloquium on the Future of Defender Services.

Chairman RODINO's remarks are always well worth reading and considering, so I am having them reprinted here for the convenience of my colleagues.

Address follows:

NATIONAL LEGAL AID AND DEFENDER ASSOCIATION

We are told these days that Americans have lost their respect for the institutions in which they traditionally have placed their faith. In particular, two establishments are singled out for the greatest criticism: politics and the law.

It is nothing new, of course, for the public to have a healthy skepticism for these professions.

Plato, you may recall, wanted to banish lawyers from his republic.

And Mark Twain had this to say about a certain group of politicians: "it could probably be shown by facts and figures that there is no distinctly native American criminal class except Congress."

If you take umbrage at Plato, imagine how it feels to be a member of both groups:

But for many today, this skepticism has turned to suspicion and cynicism. Our institutions are corrupt, we are told: the system is not working.

I cannot accept this analysis: I believe it is faulty. It is *not* the institutions that have failed—but our leaders. Our Nation is suffering from too many years of weak, aimless and sometimes unprincipled leadership. We careen from crisis to crisis. One set of problems is left unsolved while our attention is diverted to another.

Our people seem to be holding back—looking for a sense of purpose, waiting for someone to lead them.

Some of the reasons for this are obvious:

—A nation still reeling from the disclosures that men entrusted with the highest offices betrayed that trust and committed crimes against the Constitution.

A country bombarded daily in the wake of Watergate by new revelations of deception and misconduct on the part of our law enforcement and intelligence agencies;

A people bewildered by a maze of social and economic problems which seem beyond the capacities of their elected leaders to solve.

But there are other reasons, more profound—and perhaps more obscure. In my judgment, we have failed to produce desperately needed leadership, in large measure, because of the prevalent attitude among our people that individual self-interest is paramount to the community interest, that what is expedient and easy is preferable to what is difficult and right. At the same time, cynicism and apathy are draining off public interest and participation in the political process. If we do not reverse this trend we run the risk that those who remain involved in politics will be the militant advocates of narrow points of view, for whom healthy and vital compromise is a detested sign of weakness.

There is no need to recite the litany of past misdeeds by political leaders. Nor is it necessary to dwell on the list of those who, sworn to uphold the law, trampled upon it and misused it sometimes to suppress lawful dissent—endangering precious rights.

Yet, at that terrible and gloomy moment when it seemed that the Constitution itself was in mortal danger, it was a committee of lawyer-legislators, with overwhelming public support, who came to the defense of the law and helped preserve our constitutional system.

When a lawyer-president abused the power of his office and sought to place himself above the law, it was the courts of our land that upheld the supremacy to the law and called him to account. Ironically, as public respect for politics and the law has diminished in recent years, politicians and lawyers have won the causes of human and civil rights their greatest victories—including *Brown* v. *Board of Education, Mapp* v. *Ohio, Gideon* v. *Wainwright,* the Civil Rights Act of 1964, the Voting Rights Act of 1965 and the Legal Services Corporation Act of 1974.

Thus we can see that despite the admitted failures of leadership in this country, we have made great strides in the effort to build a legal system that is truly a bastion of equality, responsive to the needs of all our citizens. These achievements are the result of a real leadership, not by politicians and judges alone, but on the part of men and women like yourselves, toiling in the courts and in our communities to promote a larger vision of common good.

You meet today to consider guidelines and standards for yourselves and your profession. The proposals before you are the result of long and serious study, hard decisions, discussions, debate and compromise and adherence to the finest principles of the law.

Beyond that, they display a vital sense of commitment to the community interest and a realization that this interest is served only by facing squarely up to issues and meeting responsibilities.

This same commitment and this same dedication were reflected in your support of the efforts to establish and fund the Independent Legal Services Corporation.

In the many heated debates on this issue, it was alleged that there would be those who would use these valuable resources as a forum to attack the legal system itself, or to champion self-serving political interests. Yet because you were convinced that such a vehicle would service the common good you were not deterred in your efforts. And, I am confident that this important program will be implemented in the spirit in which it was intended, to ensure equality before the law.

On this same subject, I am pleased to report that, just before the Congress recessed, the House Committee on the Judiciary approved legislation permitting the funding of back-up centers for that corporation.

There are many other areas in which we lawyers and politicians must provide leadership to achieve the goals of equality and fairness in our criminal process. A major example is the gross disparity in sentences meted out by our Federal courts to offenders who frequently are similarly situated. We need to establish guidelines for the exercise of discretion by our sentencing judges. I shall introduce in the new session of the Congress legislation, already sponsored in the Senate by Senator Kennedy, to establish a commission to create these guidelines and to permit appellate review of sentences which do not conform to them.

The Judiciary Committee will also consider proposals to establish a system of pre-trial diversion. I have noted the reservations of your own commission on defense services on this subject. I share the concern that a formal diversion system might be used to deprive defendants of their right to trial.

In addition, the committee is preparing a full-scale examination of the Law Enforcement Assistance Administration to determine whether that agency has fulfilled its mandate to encourage a complete and integrated approach to the problems of both law enforcement and criminal justice.

In 1973, thanks in large measure to the research and testimony of NLADA and other organizations, the committee explicitly authorized LEAA to provide support and funding for the full range of criminal justice programs, including defenders services, rehabilitation and others.

Now, with LEAA's authorization up for renewal this year, the committee plans to see if this goal has been met, and to decide whether additional changes are required to ensure that we are doing our best not only to reduce crime but to ensure justice as well.

Action is needed as well to reduce drug-abuse, trafficking in narcotics and drug-related crime that is reaching new and staggering proportions.

We must improve upon existing treatment programs and institute new ones, especially for the growing number of women addicts whose problems have long been neglected.

But the problem of drug abuse and drug-related crime will never be solved until the deadly flow of narcotics into this country is shut off. After meeting with some of us concerned with the tremendous increase in the illegal supply of hard drugs from foreign countries, the President has pledged a new effort to improve Federal drug programs and to persuade opium-producing countries, such as Turkey and Mexico, to reduce their crops substantially.

To assist in this international effort, many of my colleagues and I have introduced a bill that would cut off all United States aid to opium-growing nations until the President certified that their production was within tolerable limits. We are urging the passage of this legislation.

In addition, we shall seek ways to compensate innocent victims of crime, especially those who have suffered serious physical or mental injury with resultant loss of income or substantial property damage. It is the least that we can do for those whose lives, and careers have been seriously damaged—as the innocent victims of criminal acts.

We are moving forward on these important proposals, and on others intended to improve our system of criminal justice. But there are other issues—critical issues—where leadership and support clearly are needed.

Among these is reform of our prisons, which are little more than debasing schools for crime. Until we are committed to a solution of this problem, we can expect no decline in recidivism.

To date, the Congress and the public have not been willing to devote the necessary money and work to accomplish this reform. Yet without prison and rehabilitation systems that possess the clear potential to restore offenders to useful life, our other efforts will be of no avail.

We must also eliminate the potential for abuse in the grand jury, where we have seen so many abuses recently. That which was intended to protect the rights of witnesses and potential defendants has lost its independence and become subservient to the will of the prosecutor. And if that prosecutor is the instrument of a politicized and corrupt administration, then justice is perverted.

We must seek ways to broaden the availability of essential legal services to meet the complaints of many middle-income citizens that only the very poor and the very rich can receive high-quality legal assistance.

We must find ways to protect the right of privacy by controlling the technology that permits the collection and exchange of personal information that the government, in many cases, has no right to possess.

For all these—and the myriad other problems facing our Nation—we must have leadership; courageous and principled leadership which is not afraid to immerse itself in the hard, detailed work from which come specific solutions to specific problems. You have a grave responsibility to provide this leadership in the field of criminal justice and the availability of legal services. We must look to you for ideas, and for the dedication and perseverance to turn those ideas into reality. In this field, as in the nation at large, we cannot wait for the emergence of a leader to rally us. Instead we must ourselves rally to the causes of justice and equality. You have demonstrated in the past your commitment to the community and its welfare. Now a nation asks still more of you—and of us all.

Together we shall meet that challenge. By so doing, together we can reassure a troubled country of the integrity of its institutions and the vitality of its democratic system.

PAY TRIBUTE TO PAUL ROBESON

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1976

Mr. FORD of Tennessee. Mr. Speaker, I rise today to pay tribute to Paul Robeson. He was a man who not only achieved greatness in his profession, but who also used his talents in the cause of freedom for all people.

His life exemplified the struggle of all black Americans to overcome racial injustice. As the first all-American black football player, as a graduate student at Columbia Law School, as an acclaimed performer on the stage and in Hollywood, Paul Robeson manifested throughout his life the courage to fight racism and to assert his rights as an American citizen. He helped to make black Americans proud of their heritage and to make all Americans proud of the achievements of their country.

Paul Robeson was a champion for the freedom of all individuals. By refusing to compromise his constitutional rights before congressional committees in the early 1950's, he embodied the spirit of American freedom. The life story of Paul Robeson will serve to remind us how important our constitutional rights are, and how zealously we must guard them.

The moving tones of his "Ol' Man River" symbolize the yearnings of all people to be free. We will not forget Paul Robeson nor the lessons of his struggles against injustice.

THE CHILDS-KIRK MEMORIAL FUND

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. HUGHES. Mr. Speaker, the spirit of voluntary action to make our communities a better place to live is flourishing in the Second District. On November 30, a kickoff fundraising luncheon was held for the Childs-Kirk Memorial Fund in Cardiff, N.J. This fund will establish athletic scholarships and build recreational facilities to commemorate James, Michael, and Kenneth Childs and Ronald Kirk, four young football players from Absegami High School who lost their lives in a tragic automobile accident on September 29, 1975.

Four years ago, the Cardiff area of Egg Harbor Township had no baseball fields or recreational areas at all for children to use. These boys helped to build a ball field from scratch, even removing tree trunks so that local children would have a place to play. James Childs coached a little league team and umpired in the softball program. Kenneth Childs lined three baseball fields every day during the season. These young men were never known to turn down a child who asked for help. It was their dream that there be recreational fields in Cardiff for all to enjoy.

Those who knew the four boys best agree that there could be no more fitting memorial than the establishment of playing fields in Cardiff. This is the primary goal of the Childs-Kirk Memorial Fund. Achitect's plans are complete for four baseball fields, a football field, tennis courts and basketball courts, and children's playgrounds. The absence of such facilities forces many children to play in the street. The Childs-Kirk Fund has already received donations of land and money to further this project, but much more is needed. A series of fund-raising events and fund solicitations is planned to speed the construction of these playing fields.

A second goal of this group is to subsidize the Childs-Kirk Football Scholarship Fund. This scholarship fund has collected approximately $5,000 to date. With additional support from the Childs-Kirk Memorial Fund and other sources, one boy a year will be able to further his education at a college of his choice.

There are a tremendous number of citizens who are involved with this fund, working hard to make the dreams of James, Michael, and Kenneth Childs and Ronald Kirk a reality, to insure that all children have a place to play. For as the slogan of the memorial fund states, "Never a person stands so tall as when he stoops to help a child."

JAPANESE PRISONERS OF WAR FROM WORLD WAR II STILL HELD IN THE SOVIET UNION

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. McDONALD of Georgia. Mr. Speaker, from time to time various former captives of the Soviet Slave Labor system have brought out eyewitness accounts of the fact that many non-Soviet citizens are held there. Testimony was heard in the Senate in 1973 relative to former prisoners of war from Germany and Italy still in prison in Siberia. Now we find that the subject of Japanese prisoners from World War II was under discussion recently between Japan and the U.S.S.R. The Japanese asked for the return of their people, but the Soviets did not yield. And the question still remains as to how many American citizens might be in these camps—several are known to have been recently seen there. The very excellent editorial from the Richmond Times-Dispatch of January 19, 1976, concerning the recent U.S.S.R.-Japanese negotiations follows:

Where Moscow Bombed

The world isn't just one big bag of sugar goodies there for the Soviet Union's taking. At times when Russian expansionists look eight feet tall and indomitable, it may be good for the morale to ponder one of the Kremlin's very own foreign policy disasters.

The recent Soviet approach to Japan qualifies nicely. It would be hard to imagine a more bungled diplomatic operation than the Russians' effort to talk the Japanese into signing a treaty formally ending World War II hostilities.

Were the Soviets willing to return to Tokyo the four islands in the northern part of the Japanese archipelago that the Russians opportunistically seized just nine days before Japan's surrender in 1945. *Nyet*.

Well, then, how about releasing the 400 Japanese prisoners of war that the Russians—incredibly—still hold three decades after war's end? Surely the Soviets would have nothing to lose in making that gesture. *Nyet* again.

The Russians, in short, had little to offer Japan, but they would like something from the Japanese. They would like Tokyo to promise not to sign a peace treaty with mainland China that would oppose efforts by any single nation to establish "hegemony"—predominant influence—in eastern Asia. Moscow would regard such a clause as "anti-Soviet."

What a laugh! By equating anti-hegemony with anti-Soviet policy, Moscow effectively (and accurately) branded its own policy as pro-hegemony. Furthermore, it alienated Japanese factions ranging from conservative businessmen to political leftists that wish to do more business with Japan's huge neighbor in the Orient.

It must have been a strain for Premier Takeo Miki to maintain the famed Japanese politeness in telling Soviet Foreign Minister Andrei Gromyko to go peddle his fish someplace else. But the clear implication between the lines of Miki's restrained diplomatic prose was that the Russians unwittingly had pushed Japan into a closer relationship with China in preference to trying to continue on an "equidistant" course between the two Communist powers. Of course, the Japanese-American alliance remains a key factor in the complex East Asian balance of power.

The Soviet strength is most evident where matters are settled by brute force, as in Indochina last year, as in Angola right now. But where diplomatic subtlety and concessions would be valuable—as in Japan, as in post-Nasser Egypt—the Soviets sometimes stumble over their own feet. The question of the day is who is going to stand up to them where the exercise of raw power is taking issues out of the hands of negotiators.

THE J. EDGAR HOOVER COLLECTION

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. DRINAN. Mr. Speaker, I bring to the attention of my colleagues the establishment of a very important collection of documents about the FBI at Princeton University.

Prof. H. H. Wilson, long a friend of civil liberties, has initiated at the library at Princeton University a growing collection of the files which American citizens are receiving in increasing numbers from the FBI, the CIA, and other Federal agencies.

An informative editorial from the December 27, 1975, issue of the Nation magazine explains the important work which Professor Wilson has commenced. That editorial follows:

The J. Edgar Hoover Collection

H. H. Wilson, dour and doughty professor of politics at Princeton University, has initiated what promises to be a project of lasting significance in the field of civil liberties. Annoyed, as he has every right to be, with the inaccuracies, silliness and irrelevance of his personal FBI file, Wilson resolved that some means should be found to encourage the study of the folly it represents. The obvious first step would be to collect a representative sample of such file material and to deposit it at some reasonably accessible institution where it can be made available for inspection. So he has arranged for the Library, Princeton University, to act as the depository for personal FBI files.

The initial response has been most encouraging. If a large number of such files can be deposited at Princeton, scholars and others will have a chance to study them in a leisurely way. Such studies should yield some interesting data: how accurate are the facts? What is the percentage of error per file? What do the files reveal about the sources used to obtain such information? How pertinent have been the political "overviews" reflected in this file material? How much, really, did the FBI ever know about the "Left" in American politics against which most of its surveillance activities were directed?

Original files need not be sent; photocopies will be received. It should be relatively easy to acquire through donations enough file material to demonstrate how, over a period of several decades, a gullible electorate permitted politically illiterate agency personnel and corrupt informers to spend public funds for the purpose of defaming citizens neither guilty of a crime nor suspected of or charged with criminal behavior. No better "home" for such material is likely to be found than the library at Princeton. As long as the only collection of such file material is in that "great brooding Bastille," as Alan Barth described the new J. Edgar Hoover FBI Building (*The Washington Post*) it cannot be studied en masse but a representative sample of files will suffice. Only now is the public beginning to sense what a dangerous agency the FBI became, in some of its activities, under Hoover's dominance and direction. No President governed him, no Attorney General ruled him and, as Barth notes, "No Congress fixed boundaries for his roving authority"—and that authority roamed very far indeed. Just ten years ago, 84 per cent of Americans surveyed by Gallup gave the FBI a "highly favorable" rating; today only 37 per cent do so. A collection of the kind proposed for the Princeton Library should remind present and future generations of the folly of the J. Edgar Hoover idolatry of the last several decades and the attendant dangers of a secret political police.

F. DAVIS SHAFER II

HON. GOODLOE E. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. BYRON. Mr. Speaker, recently, Frederick, Md., lost one of its most distinguished citizens with the passing last week of F. Davis Shafer II.

Dave Shafer had come to be known as Mr. Sertoma in Frederick County and throughout the area. Ten years ago, Dave Shafer with the help of James W. Powell and John N. Lewis started the first Sertoma Club in Frederick. Since that time, Mr. Shafer had served in every important position in that club and in his district and had helped organize other clubs in the immediate area. His work and leadership were duly recognized by Sertomans in the three countries served by Sertoma International—Canada, Mexico, and the United States.

In 1972 he was selected as district Sertoma of the Year, and last year he was named one of the outstanding district governors in Sertoma International.

The Frederick News in an editorial on his achievements remarked:

> He believed one man could do much in service to mankind, and he found a personal reward in the knowledge that for every club he helped charter, for every member he helped recruit, that the sum total of effort to help improve mankind could have a multiplying effect and in turn, help many, many more people.

I extend my sympathy to the family and friends of a remarkable man, who will be greatly missed.

SAGINAW STUDENT CON-CON PROVIDES SOME TELLING CHANGES

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. TRAXLER. Mr. Speaker, the students at the Saginaw Student Constitutional Convention are working very hard to develop an impressive document. The music provided by the award-winning Bridgeport High School Band served as a background to all of the impressive activity, but certainly did not divert the 148 students from completing constructive work.

Today I present additional news items from the Saginaw News that recount the actions of the second day of the Con-Con. Hard decisions are being made and most importantly every participant and observer is learning much about the American system of government.

The first article by Jacqueline Bates indicates that the Saginaw County Bar Association has provided much assistance to these students in their attempts to understand the many legal requirements and implications of a document as far reachng as a constitution. The article shows that the students recognize and appreciate the expertise provided by these generous attorneys. Mr. Robert R. Day, the president of the Saginaw County Bar Association is to be highly commended for the aid that he and his colleagues provided to these students.

The second article, written jointly by Mr. John Puravs and Mr. William A. Ayvazian explains the amount of effort and dedication that these students are demonstrating. With the addition of a 3-hour night session, the students have mandated a balanced budget, congressional approval of Presidential pardons, ordering the President to provide Congress complete information on any and all foreign agreements, and a new system of five 60-day working sessions of Congress over 2 years. They have even gone as far as defining a working day as one in which at least two-thirds of Members are present. Make no mistake. These students have taken careful note of the current state of governmental affairs, methods to solve the problems they see.

Mr. Speaker, I hope that you and all of my colleagues will continue to share these articles with me. The impact of this event is most impressive, and I am confident that all of you are awaiting the final constitution.

LAWYERS VOLUNTEER TIME TO HELP CON-CON PROJECT

(By Jacqueline E. Bates)

Delegates to the Student Bicentennial-Constitutional Convention had to first understand the background and meaning of a bill of attainder and other terminology before they could eliminate it or put it in their constitution.

They also had to know how to develop their constitution into clear, legally-sound language.

To help the students accomplish those things, 11 members of the Saginaw County Bar Association volunteered their services. During the three-day convention, the lawyers and one judge took turns attending convention deliberations. They sat at a rear table on the arena floor and gave their advice when requested.

"What we try to do is assist them in putting their thoughts into words," said lawyer Patricia L. Learman. "Their own words, not ours."

The lawyers could also fill in gaps, if the students didn't understand some of the language of the constitution, she said.

Reading from a handbook on the constitution, "The Constitution of the United States, Its Sources and Its Application," Mrs. Learman explained the section on no bill of attainder. It refers to an act of Britain's Parliament, she said, by which a man tried and convicted without jury or other considerations, "his blood was attained or corrupted legally so that he could not inherit property, nor could his children inherit property from him."

Before they could decide what to do with the provision, she continued, they had to understand that what it refers to basically is children not being penalized or responsible for the debts of their parents.

The delegates had examined the different provisions in their government classes, she said, and basically understood what they mean.

Mrs. Learman said she was very impressed with the delegates and the progress of the convention. "It's going great. I'm so impressed with these kids. Of course the idea was to learn the constitution and they have torn it apart and made a new one.

"I'm impressed by the fact they have questioned every aspect of constitution down to the accepted meaning and the legal meaning. I'm just sorry more of the public hasn't been here to witness their work."

Ray McNeil, one of the other lawyer volunteers, said he was also impressed by the students. "The students show a deep insight into the makings of the original constitution."

One interesting question they brought up, he said, was who would run the government between the elimination of the old constitution and the implementation of the new one. They were concerned about the continuity of the government, he said' and decided to have the elected officials remain in office until they were replaced by newly elected leaders.

The students often sought advice from the attorney, although there were a few lulls. Because the students worked on the constitution in four committees, they had the problem of conflicting proposals, she said, but they handled the conflicts.

"You get the impression that it is not the product of any one small group " she said. "The proposals are that of everybody on the different committees. Everyone has taken seriously their participation in it."

The students followed parliamentary procedure, she said, but also dispensed with the rules when necessary.

"The work of Mr. (Fred I.) Chase has been invaluable," she added.

"I think I would say they have taken as seriously the drafting of this constitution as the framers did.

"While they won't have to live under this constitution, they are writing, they will have a greater appreciation of the one they are under, and the development of it."

Besides Mrs. Learman and McNeil, other lawyers advising the delegates were Gilbert A. Deibel, Fred H. Martin Jr. David F. Oeming Jr., Walter Martin Jr., B. J. Humphreys, Daniel E. Clark, Albert A. Chappell, Vincent A. Scorsone and Judge Daniel R. Webber.

Robert R. Day, president of the bar association, was responsible for getting the lawyers to volunteer time.

STUDENTS WORKING OVERTIME TO WRAP UP NEW CONSTITUTION

(By John A. Puravs and William A. Ayvazian)

Constitutional Convention delegates worked overtime Wednesday to serve notice they expect Congress and the President to do the same.

A smoothly running second day of the Student Bicentennial Con-Con at Saginaw Civic Center extended in to a three-hour night session. Legislative and executive rules were re-written to clamp down on presidential power—and congressional laziness and improvidence.

The special sessions of the 148 delegates from Saginaw County's 19 high schools were to wrap up their job of rewriting the U.S. Constitution for a third century in final conclave today. Students will end the three days with a special Civic Center banquet tonight.

Among major Constitutional revisions voted by the delegates Wednesday were:

Insisting on two-thirds congressional approval for Presidential reprieves and pardons.

Limiting Congress to spending only as much money as it collects annually, except during periods of war or natural disaster. Ordering the President to inform Congress of all executive agreements such as those with foreign nations.

Mandating two, not one, State of the Union messages by the President each year.

Requiring the President to report to Congress after 30 days of any troop deployment or combat involvement.

Equally pointed in demanding accountability from national leaders were revisions telling Congress to work a minimum part of the year—or else.

The students' Constitution would set up five 60-day working sessions of Congress spread over two years.

The minimum workday would run from noon until at least 5 p.m.

To qualify for a working day, at least two-thirds of members would have to be present to make up a quorum.

No member would be permitted to miss more than a fourth of the working days.

And any members of Congress missing more than 15 days a year, or 10 per cent of sessions, would be fined a day's pay for each day missed beyond that absenteeism allowance.

Proposals demanding even more public accountability were turned down by the convention only after some delegates argued they would hamper the ability of government to do its job.

But the tenor of the convention as it abandoned procedural quarreling and hunkered down to business was clear.

"A lot of delegates noticed Congress has high absenteeism," said Carl R. Tinsley of Saginaw High, chairman of the Legislative Committee.

"If they're going to represent the country, and be paid as much as they are, then they should do the job," he declared. "They have the people's trust put in them."

The trust the students put in the government will be further tested in today's final convention assembly as Bill of Rights proposals come up for debate.

Student and faculty leaders alike continued to predict spirited debate on several civil-liberties amendments offered by the Bill of Rights Committee, chaired by Aaron Moore of Arthur Hill.

"We expect a lot of debate," acknowledged Moore.

Proposals likely to receive special attention, he said, are permitting the death penalty for premeditated murder, "kidnapings involving serious personal harm, and in such cases where the security and safety of the people of the U.S. is threatened by treasonable act."

The panel's report also would allow all persons to own firearms, but "under specific government regulations" for safety.

The committee chose to leave First Amendment freedoms of religion, speech and the press virtually intact. But Moore said other delegates might ask for some restrictions.

Debate on the Bill of Rights report was to occupy today's deliberations until late-afternoon balloting to ratify the entire student Constitution.

In contrast to frequent procedural haggling and uncertainty at Tuesday's opening assembly, Wednesday's debate moved swiftly until the final hour of the evening session, with roadblocks quickly resolved under the guiding hand of parliamentarian Fred I. Chase.

Imposition of congressional approval for Presidential pardons appeared a compromise with removing the pardon power entirely.

"Someone could be a friend of the President," pointed out one delegate. "If they're guilty, the sentence should be carried out."

Advocates of pardon power argued Lincoln might not have been allowed to show compassion for the defeated Confederate forces.

One case cited was that of Dr. Samuel A. Mudd, who treated Lincoln assassin John Wilkes Booth as a physician but was labeled a conspirator.

Dr. Richard D. Mudd of Saginaw, grandson of Samuel, has fought a lifetime for presidential vindication of his ancestor.

"Compassion" was the word most often used by delegates supporting the pardon power—and it seemed the argument which persuaded the convention, 76–52.

Strangely enough, President Ford's pardon of Richard Nixon seemed always close to underlie the delegate's thoughts—but their names never surfaced.

Under the congressional-approval clause, it seems highly unlikely the Nixon pardon would have survived.

But the name Kissinger was mentioned when the convention voted to force Presidents to tell Congress of all executive agreements.

But the convention decided not to insist on congressional approval of such agreements.

"We're making a figurehead of our President," complained one delegate. "There would be no checks and balances."

A plea for some secrecy in the conduct of government also kept intact current constitutional privileges allowing Congress to keep some of its affairs from public view.

"You might need some secrecy in the interest of national security," a delegate noted.

Even then, however, delegates carefully made sure their Constitution would force disclosure of all votes by members of Congress.

Provisions forcing minimum work output by Congress almost slipped by the convention in a form that would have allowed 25 per cent absenteeism without penalty.

Indignant delegates such as Sylvia Olvera of Carrollton demanded reconsideration, and succeeded in mandating fines after a 10 per cent absentee rate.

The major procedural flap came when delegates discovered an apparent conflict between legislative and executive sections dealing with congressional vacancies.

For the first time, the convention suspended its rules to go back and correct the discrepancy.

The provision would allow the President to fill vacancies while Congress is in one of its 60-day sessions. A special election would be called once the session ends.

"We want to make sure the people are represented all the time," explained James Rocchio of St. Stephen's. "This keeps someone in office all the time."

Delegates tired as the evening session dragged on, and the final hour witnessed many students leaving. Qualifications committee proposals were left to finish at the opening of today's session.

Provisions were made at Wednesday afternoon sessions providing decision-making power for delegates attending the evening session, eliminating the need for a minimum of delegates to be present for a quorum.

An amendment calling for an election to approve the new Constitution to provide a link with the present one was accepted. Deadline for that election was set Jan. 29, 1978.

Today's mushrooming national debt would not have occurred under the students' Constitution. Strict financial rules were imposed. Congress would not be allowed to spend more money that it collected in any year except during war or natural disaster. If money were borrowed, it would have to be paid back before the end of that year.

"Congress spends with no regard to how much the debt has become," said one delegate. "We must not let that happen."

Taxing powers for Congress were not altered.

An original proposal providing for three senators in each state elected by state House representatives for six years with a senator from each state up for election every two years was amended. Two senators from each state would now be elected for six years by popular vote, as approved by the delegates.

Delegates stayed close to the original Constitution by accepting proposals enpowering Congress to raise and support armies, establish courts, execute the laws of the land with a militia to suppress insurrections and repel invasions and execute powers vested by this Constitution.

Concessions were made for the modern era for which this Constitution is being written. Congress' power to punish piracies and felonies committed on the high seas was extended to the air for offenses against International Law.

The Issue? Long or Short

Militant feminism has failed to emerge during the first two days of the Student Constitutional Convention.

The pronoun "he" and the appellation "congressman" have been freely used without challenge.

And the only incident that seemed to verge on women's lib turned out to be anything but.

Word seeped out about a private caucus Tuesday held among all female delegates.

A female delegate was asked by a convention organizer what was being plotted.

"We had to decide whether to wear long dresses or short dresses at Thursday night's banquet," she explained.

The decision, incidentally, was for long dresses.

SUPPORT FOR LEGISLATION

HON. DEL CLAWSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. DEL CLAWSON. Mr. Speaker, since introduction of H.R. 8231 to establish a method whereby the Congress may prevent the adoption by the executive branch of rules and regulations contrary to law or inconsistent with congressional intent or which go beyond the mandate of the legislation which they are designed to implement, the support in the Congress and across the Nation has been gratifying.

Sponsors in the House now number 140. Companion legislation introduced in the Senate by Senators BROCK, HELMS, MUSKIE, BAKER, EASTLAND, HUDDLESTON, FONG, DOMENICI, BEALL, FANNIN, YOUNG, and ROTH has also received a warm reception. At this point in the RECORD I would like to include a letter of support which is particularly good news. It refers to H.R. 9801 one of the bills with cosponsors which is identical to H.R. 8231, the original number used for reference in hearings before the Subcommittee on Administrative Law and Governmental Relations of the House Judiciary Committee. The letter signed by Mr. Arthur H. Edmonds, president of the executive committee of the County Supervisor Association of California follows:

COUNTY SUPERVISORS ASSOCIATION
OF CALIFORNIA,

January 21, 1976.

HON. DEL CLAWSON,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN CLAWSON: The Executive Committee of the County Supervisors Association of California (CSAC) at their meeting on January 21, 1976, took the following action regarding H.R. 9801:

AGENDA ITEM. DISCUSSION OF H.R. 9801

"H.R. 9801 establishes a method whereby the Congress may prevent the adoption by the Executive Branch of rules and regulations which are contrary to law or inconsistent with Congressional intent or which go beyond the mandate of the legislation which they are designed to implement.

"*Action: H.R. 9801 was supported by the Committee. Staff was instructed to transmit copies of this CSAC position to the National Association of Counties (NACo) and appropriate Congressional representatives.*

Please accept this correspondence as CSAC's formal endorsement of your proposal.

Sincerely,

ARTHUR H. EDMONDS,
President.

LOWELL HISTORIC DISTRICT CANAL COMMISSION

HON. PAUL E. TSONGAS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. TSONGAS. Mr. Speaker, for purposes of record I hereby list the members of the Lowell Historic District Canal Commission. This Federal Commission was formed in accordance with Public Law 93–645:

LOWELL HISTORIC DISTRICT CANAL COMMISSION

FEDERAL

Department of Transportation, Anne Uccello, Director of Consumer Affairs (or) Robert Crecco.

Department of Interior and National Park Service, Jerry Wagers, Boston Regional Director, National Park Service.

Department of Commerce, Clarence Pusey, U.S. Travel Service.

Department of Housing and Urban Development, Carl Byers, Community Development Officer.

STATE OF MASSACHUSETTS

Thomas P. O'Neill III, Lieutenant Governor.

Frank Keefe, Director of State Planning.

LOCAL

Patrick Mogan, Long Range Planner, City of Lowell.

Leo Farley, Mayor, City of Lowell.

This Commission's term expires on January 4, 1977.

DADE JETPORT—II

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. LEHMAN. Mr. Speaker, last week I submitted for the CONGRESSIONAL RECORD an article which had appeared in the Miami Herald regarding the Dade County Training Jetport. I have been interested and involved in this issue for a number of years, and, since Congress will soon be asked to provide funds to acquire a replacement site for the current field in the Everglades, I feel that pertinent information should be made available to my colleagues.

The article reprinted last week brought out two important factors in this controversy. First, there is no evidence of environmental harm at the Everglades site after 4 years of training operations there. Second, it is unlikely that further development of the Glades site or any other into a full-scale commercial airport, with all the attendant environmental hazards, will be needed for another 20 years or more.

I have myself visited the Everglades training facility, and I have met with aviation officials and with interested citizens' groups. Everything I have heard or read has indicated to me that spending $69 million of Federal funds to acquire a replacement site for training operations would be no less than a waste of money.

Before returning to Washington for the second session, I wrote to voice my concerns to Administrator John McLucas of the Federal Aviation Administration, and I enclosed with my letter another Miami Herald article. This article further points out the lack of need for a new training facility in Dade County, showing that, far from being as heavily used as was expected—the initial projection when the Glades facility was opened in 1970 was for 200,000 training flights per year—flights have never exceeded 100,000 per year, and, in 1975, fell to less than 23,000. One major cause of this decrease has been the energy crisis; ground simulators are now widely used in place of actual training flights, to conserve valuable fuel supplies. This trend can only be expected to continue as our Nation strives to attain energy independence.

Mr. Speaker, it is evident from my meetings, readings, and investigation that a replacement site for the Glades training jetport would be duplicative and wasteful. The economic situation has changed since 1970, and there is now no evidence of need. It would take over four times the price of the Glades facility to purchase a site half its size. I hope my colleagues will agree with me that there is no reason to put Federal dollars to such a wasteful purpose.

Mr. Speaker, a copy of my letter to Administrator McLucas and the news article follow:

JANUARY 16, 1976.

Hon. JOHN MCLUCAS,
Administrator, Federal Aviation Administration, Washington, D.C.

DEAR MR. MCLUCAS, enclosed is a news story from the January 10th Miami Herald.

From my visits to the FAA office in Miami and a day spent at the present Everglades training site, I learned of the facts borne out in the Herald article.

The Everglades jetport has handled training flights for five years—with no apparent environmental damage. Instead of the 200,000 operations originally envisioned, there were only 22,000 operations last year; and FAA now operates only half-a-day. The growing use of ground simulators to conserve fuel will further reduce training flights.

With these facts in mind, I suggest that the FAA initiate the necessary steps to eliminate the continuance of any Federal committment to any further jet training site facility. Expenditures for studies, reports, and continued work for the Jetport pact that is no longer necessary are a waste of the Federal taxpayers money.

With best wishes, I am
Sincerely,

WILLIAM LEHMAN,
Member of Congress.

[From the Miami Herald, Jan. 10, 1976]

TRAINING JETPORT PLANS PUSHED DESPITE SLUMP AT GLADES FIELD

(By Don Bedwell)

As federal officials processed a Dade County application for $69 million to establish a new airline training jetport, the Everglades field it is designed to replace saw traffic plummet in 1975 to the lowest level in its six-year history.

Trainees performed only 22,600 landings take-offs at the wilderness runway during the year—far below the 100,000 peak of 1972 and only a shadow of the 200,000 operations envisioned when the facility was opened in 1970 on the Dade-Collier line.

Declining activity has prompted the FAA to cut its 24-hour-a-day control tower operation to half a day, although controllers worked longer hours this week to handle National Airlines pilots requalifying after a long strike.

Despite the slumping traffic—attributable to the growing use of ground simulators to conserve fuel—the FAA's Miami office is moving ahead with a Dade application for a federal grant to acquire and develop a replacement facility on the Broward line at U.S. 27.

"Our job is to fulfill the federal government's obligation under the Jetport Pact," said James E. Sheppard, chief of the FAA's airports district office in Miami.

"If somebody feels that a different approach should be taken because operational activity has declined, then the pact will have to be changed."

In that pact signed in '70, the federal government agreed to acquire an alternate site and build a training runway if Dade would relinquish the controversial facility it had developed 50 miles west of Miami. The so-called Everglades jetport has continued to handle training flights—with none of the feared environmental damage—as officials have sought to pinpoint and fund a replacement site.

A joint team in 1973 endorsed the new Dade-Broward site on U.S. 27 after a two-year search. But that closer-in sit, according to Dade Aviation Department estimates, will cost more than $69 million to acquire and develop compared with the $15 million cost of the 40-square-mile facility it is to supplant.

Dade's original request for 50 square miles at the same location, and $115 million in federal cash, was halved last summer in hopes of gaining support in Congress.

Dade aviation officials believe the alternate site must be acquired despite reduced training, because the land would also provide the nucleus for a future commercial airfield to supplement Miami International.

Jim Rudd, chief of the Everglades tower, said inflight training has been on the decline ever since the fuel crisis emerged late in 1974. That crisis hastened FAA liberalization of training rules to allow airlines to rely more on ground instruction.

"All operations began to decline then," Rudd said, "including those of Eastern Airlines, historically the biggest user of the airport."

The decline has cut into the landing fees Dade County receives from the training field though deficits are underwritten by the airlines through their Miami International fees.

According to Aviation Department Controller Marvin Knutson, the department collected just $102,880 in fees during he most recent fiscal year, failing for the first time cover even its $150,000 operating expense. During its best year financially, 1972–73, the airport collected $305,260 in fees, about double its cost to run and maintain.

Knutson said that the Everglades facility was never planned to generate enough in fees to amortize the bonds that financed its construction.

Instead those costs are subsidized by revenues from Miami International, whose traffic congestion the training facility was designed to relieve.

FILMMAKING IN NEW JERSEY

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. RINALDO. Mr. Speaker, the State of New Jersey is suffering from an unemployment rate of 13.4 percent, one of the highest in the Nation. However, an effort is now underway which would restore the State's position as a major filmmaking center.

Some of my veteran colleagues in the House may recall that New Jersey was the center of early filmmaking. The Palisades in New Jersey, overlooking the Hudson River, was the backdrop of some of the more exciting adventures of the early film heroes and heroines.

But, just like most American pioneers, filmmakers moved westward, resulting in a decline of filmmaking on the east coast. And in the last decade more and more films produced and financed by American firms being shot abroad where wages are lower and the tax climate is right.

The efforts now underway in New Jersey to attract new films and film production companies can reverse that trend. Last December, more than 40 film producers, television directors, movie-related union representatives, and public officials gave unanimous approval to the creation of a New Jersey Motion Picture & Television Commission to promote New Jersey as a center of filmmaking.

This idea has sparked solid support and a great deal of enthusiasm from workers and businessmen throughout the Garden State.

Mr. Speaker, New Jersey has the nucleus to organize a new east coast film industry and supply thousands of desperately needed jobs. I am hopeful that this commission will pave the way to a resurgence of this important business along the Atlantic seaboard.

ALPINE LAKES: NATURE'S JEWEL FOR THE FAMILY

HON. LLOYD MEEDS

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. MEEDS. Mr. Speaker, there seems to be some misunderstanding about the loss or gain of jobs that might result from the passage of a bill establishing an Alpine Lakes Wilderness area in the State of Washington, which has been proposed by six of the seven Members of Congress from our State.

Let me set the record straight.

Not one stick of commercial timber has ever been cut from the wilderness area proposed by the delegation. Not one present job in the woods or mills is dependent on timber in the proposed wilderness area.

There has been disagreement among the experts on the possible loss of "allowable cut" of commercial timber in the future.

The timber industry maximizes its estimates.

Conservationists minimize theirs.

The U.S. Forest Service has made estimates which are generally conceded to be accurate.

So, let us examine the impact of the proposed wilderness area by using Forest Service figures. The Agency said the overall impact would be a loss of 18.6 million board feet from the annual timber harvest presently programed within the proposed wilderness area, with another 5 to 11 million board feet lost from harvesting restraints in areas adjacent to the wilderness area, depending on Forest Service management decisions in the future.

Even assuming the "worst case," that is to say, the highest loss of timber under the Forest Service estimates, the reduction in commercial timber harvesting would come to 29 million board feet a year, or less than one-half of 1 percent of the State's total timber harvest per year. Washington cuts approximately 7 billion board feet each year.

Gov. Dan Evans of the State of Washington put it best when he said:

> The Alpine Lakes is not the heart, nor any other vital organ, of our timber industry—the region as a whole supplies about one percent of the logs harvested annually in the State. It is, however, the largest single block in the backbone of the recreational resources of the state. This region receives more visits than the Olympic and North Cascades National Parks combined—and it receives more hiker use than all three national parks combined (Olympic, North Cascades, Mount Rainier).

MORE PEOPLE, MORE JOBS

The Forest Service predicts that hiking use will increase by more than 400 percent over the next few decades. In all, 930,000 persons stopped to enjoy the Alpine Lakes region in 1972, and they spent $23 million for their pleasure. Those dollars will be multiplied five times in the next 25 years, according to the Forest Service. And those dollars add up to jobs.

That is why we need a sound plan to handle the area today and to provide opportunities for tomorrow.

Concerned for timber industry jobs, the congressional delegation took steps to improve job prospects in the future. The bill we fashioned requires accelerated reforestation, timber stand improvement, and forest growth measures in all the lands of the two national forests.

Growing more timber will result in many more jobs than exist now.

That, in a nutshell, is what we six Congressmen from our State are attempting to accomplish with our delegation bill.

We want to save today's jobs, and increase tomorrow's jobs.

We also want to preserve for ourselves and our children and the folks of the future, some of the priceless outdoor heritage of the Cascades.

One of the most important things about the Alpine Lakes is that one heck of a lot of people go there. Fishermen like myself try their luck in the high lakes. Hunters pursue deer and goats. Skiers flock to Alpental, Hyak, Stevens Pass. Snowmobile and jeep enthusiasts are forming clubs. Hikers buy camping equipment. All these uses are increasing in quantum leaps. The timber harvesting also provides logs and jobs for the economy.

The delegation put together a bill that compromises some obvious differences of opinion about the uses to which those icy peaks, mountains, and lakes should be put.

YEARS OF CAREFUL STUDY

Plans for the Alpine Lakes country have been coming forward since the 1930's, but no formal land classification has been adopted. Recognizing the unique nature of the Alpine Lakes, the Forest Service in 1946 set aside some 243,000 acres to be managed in their natural, primitive state. A 1965 Federal study led to creation of the North Cascades National Park, but recommendations for the lands south of Stevens Pass were not acted on at that time.

To accelerate action on a land-use decision, the entire Washington State congressional delegation wrote to the U.S. Forest Service in September of 1971. Send us a Government recommendation for the best use of the resources, we urged.

The Forest Service established a study team. After extensive research and field hearings, the team recommended that Congress create an Alpine Lakes Wilderness of 292,000 acres. Another 82,500 acres, half in public ownership, half in private lands, might become wilderness if the private lands were acquired later.

Surrounding the wilderness would be a "management unit" of 628,000 acres.

Two other plans were unveiled by private groups. A bill backed by timber industry spokesmen and others called for a wilderness of 216,000 acres. Conservation groups asked for a national recreation area of 1,012,000 acres, and contained in this land would be an Alpine Lakes Wilderness of 575,000 acres. Included in the proposal were strict controls to be imposed on both public and private lands.

THREE BILLS AND A COMPROMISE

To insure that all the plans would get a fair hearing, the Washington Congressional delegation introduced all three bills without bias in any direction. The measures were H.R. 7792—Forest Services; H.R. 3977—Conservation Groups; and H.R. 3978—Timber Industry.

Hundreds of letters and messages poured into our congressional offices, on all sides of the issue. "Save it, log it, protect it, develop it," ran the conflicting arguments.

The Subcommittee on National Parks and Recreation held exhaustive hearings in Washington, D.C., Seattle, and Wenatchee. Officials such as Governor Evans and Seattle Mayor Uhlman backed the conservation groups' bill. Timber companies and some wood products unions backed the small wilderness.

There had to be a middle ground. After the last hearings, the Washington congressional delegation met five separate times to work out a reasonable compromise.

We arrived at a solution which we feel balances the issues for the greatest number of people.

The Alpine Lakes area is large, and it is diverse. The key to fit all the pieces, all of the conflicting points of view, together so that compatible uses complement each other and provide outdoor recreation experiences for all, without seriously hurting the timber industry.

The congressional delegation made several key decisions. First, it was decided not to impose controls such as clearcutting restrictions on private lands. Second, the delegation excluded some of the heavy commercial timber areas from the proposed Alpine Lakes wilderness. Some of these lands contain roads, cut over areas, timber sales in progress, or planned. Thus, they can not be deemed wilderness.

The wilderness backed by the delegation would be 383,000 acres, or only about 10,000 acres larger than the Forest Service recommendation. About 40,000 acres are privately owned, mainly rocks, ice, and peaks, and these would be acquired over 5 years, with owners paid full compensation either in exchange lands or cash.

RECREATION FOR THE WHOLE FAMILY

It was enough, the congressional delegation believed, just to set aside a wilderness of 383,000 acres. There are more people using more of the resources, and as we have seen from projections, those outdoor uses will intensify.

Responding to the need for greater recreational opportunities, the delegation bill sets up a management unit surrounding the wilderness. Comprised of 537,000 acres, the management unit would be identified as the Ice Peaks Enchantment Area. It is to be multiple-use-management zone, with a plan developed over 3 years. Specifically, the plan, requires:

A dispersed network of overnight camping facilities, some reachable by car, some with sanitary facilities. There is a need for many more such camping areas.

A study and evaluation of possible new and expanded ski sites.

An extensive trail hostel system. Overnight shelters would be located just outside the wilderness, making the wilderness easily accessible to families.

Development of picnic facilities.

Formulation of a new transportation system. The bill would encourage the Forest Service to work with local officials to set up commuter buses, for example.

Reasonable timber harvesting practices on Federal lands to protect visual quality, prevent soil erosion, improve watershed and fisheries management. And at the same time to provide additional timber industry jobs.

Making the resources work for the people is the aim of the delegation's compromise Alpine Lakes bill. Gifford Pinchot, the famed forester of the turn of the century, described conservation as "wise use."

That is what the delegation bill sets out to do—not to lock up the land, and not to allow it to be plundered.

The Central Cascades Mountains belong to all of us. The Alpine Lakes are like a precious necklace—it deserves admiration, respect, and protection—and use.

CREATION OF JOINT COMMITTEE ON INTELLIGENCE OVERSIGHT

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. BROOMFIELD. Mr. Speaker, as the House and Senate draw to a close their investigations of the intelligence community, I would like to stress to both Chambers the importance of proceeding posthaste in our deliberations of where we go from here. Everyone is agreed—in both the executive and legislative branches—that Congress should establish a permanent mechanism for overseeing the various activities of this country's complex intelligence apparatus. The real debate now centers around whether this oversight function should be concentrated in a joint committee or in separate committees of both Houses.

I think all of us agree that inherent in any congressional effort to practice meaningful oversight is the risk of leaks of sensitive and/or classified information. While acknowledging this, we maintain that it is a risk worth taking as there is a clear-cut requirement for Congress to have access to highly classified material in order to fully discharge its intelligence oversight responsibility.

In accepting that responsibility, however, we must recognize the need to protect certain data and take every means possible, including self-disciplinary, to minimize the risks of unauthorized disclosures. To date, we have been remiss in this regard, principally because we have allowed an increasing number of committees to share in the oversight responsibility.

As it now stands, eight congressional committees—six standing and two select—are informed of at least some aspects of CIA's activities. This has resulted in the Director of CIA briefing 59 Senators and 149 Representatives over the past year on some facet of the intelligence business. Such an arrangement has proven wholly unsatisfactory as Congress has diffused the oversight responsibility to the point where it is grossly ineffective. Moreover, as recently noted by Mr. McGeorge Bundy, President Kennedy's National Security Adviser, it has also led to "unauthorized and arbitrary leaks." These, of course, are most counterproductive as they seriously undermine the mutual trust and confidence between the executive and legislative branches that are so essential to making oversight work.

The proliferation of committees concerned with intelligence oversight has also created problems for those who have to testify before Congress. Mr. Colby, shortly before he turned over the reins of the CIA last week, estimated that he spent almost half of his time during the last year testifying before various congressional committees. Needless to say, this seriously endangered his ability to fulfill his dual responsibility of administering the CIA and overseeing the intelligence community. What a great savings in time and energy would result if he only were required to account to a single committee comprised of a membership that was representative of Congress as a whole.

Another factor we should bear in mind in our considerations pertains to Congress investigative arm—the Government Accounting Office—GAO. Its current director, Mr. Elmer Staats, makes a strong case for a joint committee on the grounds that it would bring about, among other things, a much more efficient working relationship with Congress. Presently, with so many committees and subcommittees possessing at least some jurisdictional responsibility over the intelligence community, the GAO is ofttimes pulled simultaneously in several directions as to what and for whom it should conduct a particular investigation.

Mr. Speaker, intelligence oversight is an issue of overwhelming urgency and public concern. The issue that confronts us is clear: What can Congress do now to insure that henceforth it will responsibly exercise effective control over all the intelligence activities engaged in by our Government? Hopefully, the argument I have made today on behalf of a Joint Committee on Intelligence Oversight has given you the answer.

NUCLEAR ENGINEERS SOUND WARNING OF THREAT TO MANKIND

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. OTTINGER. Mr. Speaker, we have had many warnings from concerned scientists, environmentalists, and consumer advocates about the grave threat which the human race faces from increased use of nuclear power. They have testified that there could be grave consequences from our expanded dependency on nuclear power. They have seriously questioned the adequacy of the safety of reactors, waste disposal procedures, and protection from theft of nuclear fuels. Unfortunately, little attention has been given to such timely and important observations and far too many of the well-reasoned and sound arguments in opposition to dependence on nuclear power have been dismissed out of hand by the responsible Federal authorities and the industry.

Yesterday it was reported that three high-level engineers associated with the General Electric Co.'s nuclear energy division had resigned their high-level positions in protest over the work to which they had devoted most of their adult lives. Claiming that "nuclear power is a technological monster that threatens all future generations," these three engineers displayed the courage of their convictions and have volunteered to work for the effort presently underway in California to conduct a referendum on future nuclear development in that State.

These men have resigned because of their stated concern over the disastrous consequences which could result either from a serious accident or the proliferation of nuclear power which could result in its use for nonpeaceful purposes. As one of these engineers so aptly noted—

> I am no longer convinced of the technical safety of nuclear power, and I fear the high risk of political and human factors that will ultimately lead to the misuse of its byproducts.

I believe we should heed these warnings and give serious consideration and attention to the observations of these technicians who have had broad experience in the field of nuclear energy. I particularly hope that the appropriate committees of the House and Senate will invite these men to personally discuss their experiences and concerns in order that we may better confront the issue of nuclear power and make more rational and sound determinations as to its future.

I present herewith, for inclusion in the RECORD, two recent newspaper articles which describe the view of these engineers in greater detail. I commend these articles to our colleagues' attention:

[From the New York Times, Feb. 3, 1976]

THREE ENGINEERS OF GENERAL ELECTRIC CO. QUIT JOBS

(By David Burnham)

SAN FRANCISCO, Feb. 2.—Three managing engineers from the division of the General

Electric Company that builds nuclear reactors quit their jobs today and volunteered to work for the California movement to halt nuclear power.

Attempts to obtain a comment today from G.E.'s nuclear energy division were unsuccessful.

The three engineers, who abandoned positions that paid between $30,000 and $40,000 a year, said in an interview that they had decided to resign because they believed that nuclear energy represented a profound threat to man.

The decision of the three to speak out against what they had worked to build during most of their professional careers was seen as giving an important impetus to a California initiative proposal on the ballot in the June primary that eventually could lead to an end to the operation of atomic reactors in California.

Organizations in at least a dozen other states, mostly in the West, hope to get a variety of their own antinuclear initiative proposals before the voters in the November elections.

UTILITIES CONCERNED

Although industry lawyers have contended that the provisions of the California initiative and those of the other states may be found unconstitutional, the utilities and such lobbying groups as the Atomic Industrial Forum are deeply concerned about the apparently growing public opposition to nuclear power.

The three engineers who threw their experience and knowledge behind the coalition of groups trying to halt nuclear power in California were until today middle level managers in a G.E. facility in San Jose 48 miles south of San Francisco. Married, each with three grade school-age children, they are Dale G. Bridenbaugh, 44 years old; Gregory C. Minor, 38, and Richard B. Hubbard, 38. Together, they had amassed 54 years with General Electric.

"My reason for leaving is a deep conviction that nuclear reactors and nuclear weapons now present a serious danger to the future of all life on this planet," Mr. Minor, manager for advanced controls and instrumentation, said in his letter of resignation.

"From what I've seen, the magnitude of the risks and the uncertainty of the human factor and the genetic unknowns have led me to believe there should be no nuclear power," said Mr. Bridenbaugh, manager for performance evaluation and improvement.

THREAT OF ACCIDENT

"I am now convinced that there is no way you can continue to build plants and operate them without having an accident," explained Mr. Hubbard, manager for quality assurance of G.E.'s nuclear energy control and instrumentations department.

The three men discussed their decision to leave the only employer any of them has ever known and go to work for the groups opposed to nuclear energy during a three-hour interview yesterday in a hotel suite.

Each cited different incidents or problems that had played a part in his growing doubts about nuclearpower, among them the explosion of a nuclear bomb by India, the disputed health effects of radiation, the American decision to sell reactors to Israel and Egypt and the serious accidental fire almost one year ago in the world's largest reactor complex at Brown's Ferry, Ala.

"I remember in 1969 or 1970 making a trip to Japan," Mr. Bridenbaugh recalled. "Up to this time I had always felt I was a white hat guy doing things to protect the environment, to clear up power plants. I had never really been directly questioned about whether nuclear power was right or wrong."

Mr. Bridenbaugh explained how he had arrived at his hotel and how, in response to a question from the bellboy, he had proudly exclaimed that he was in Japan to work on a reactor G.E. was building there.

"The bellboy kind of shrank back and said, 'I don't think that's a good thing,' " he said. "I have always remembered that; it was the first time I had ever been confronted with someone other than myself with doubts."

Mr. Minor recalled an occasion when he began working for G.E. at a Government facility in Hanford, Wash., when he looked down into a pool of water glowing with the intense blue radiation that plutonium gives off.

"I looked through that 10 or 15 feet of water, the life-saving shield between me and that fuel, and I knew that if any one of those elements were to come up and hit me in the eye, that I was dead, just like that. Or if the water was gone, I was dead, just like that," he said.

"And I got the feeling right there of the very precarious balance we have between radioactive materials in a safe state and radioactive materials in an unsafe state, and the dangers to life are that close."

HUMAN ERROR

Mr. Hubbard said his work in designing control rooms had led him to believe that "human error is a very credible event."

"The Brown's Ferry incident," he said, "showed human fallacy. I have been involved in making a lot of field fixes in reactors, and I have developed a strong feeling that we don't really know what is going on inside a reactor."

All three expressed disbelief that the United States should sell reactors to Israel and Egypt.

Mr. Bridenbaugh said: "As recently as last year I was giving a sales pitch, so to speak, a talk to delegates from Egypt, explaining to them how easy and safe and comfortable it is to operate a reactor, and about the same time Dick was talking to the Israelis." I said to my boss, "How can we rationalize these sales?" He said, "Well, I have struggled with myself, and I guess that the way I rationalize it, is if we don't do it, the French will, so what the hell."

The men said that after developing their private doubts over a period of years, beginning a few months ago they came together, partly with the help of a nonprofit educational organization called the Creative Initiative Foundation.

All three said they had discussed the decision, the loss of income and the expected scorn of their fellow engineers with their wives.

"She has given me 100 percent support and there are positive benefits in that, having gone through this thing together, we have become a lot closer," Mr. Bridenbaugh said. "I am sure there will be hostility in the industry, that some will see us as traitors. As far as the people I know at G.E., I don't really expect anything other than the cold shoulder."

He said that he was not so much concerned about individual decisions facing the manufacturers, utilities and the Nuclear Regulatory Commission, but with the steadily rising pressure to keep the reactors operating as the nation increases it reliance on them.

He declared that when he personally began considering the safety question in connection with more than 20 G.E. reactors in the United States, "when I defined my program objectives it was not really to assess the safety of the plant, it was to see what could be done to assure their continued operation."

According to a recent report to the Government, General Electric is the world's largest manufacturer of nuclear equipment, having supplied 27 of the 99 reactors reportedly operating as of late 1974. According to Allan Benasuli, an analyst with Drexel Burnham, G.E.'s nuclear sales are about $450 million a year, or 4 percent of all its sales.

[From the Wall Street Journal, Feb. 4, 1976]

Three High-Level GE Engineers Resign, Join Campaign to Cut Nuclear-Power Use

San Francisco.—Three management-level engineers in General Electric Co.'s nuclear energy division in San Jose, Calif., resigned and said they are convinced "nuclear power is a technological monster that threatens all future generations."

The three said they intend to begin campaigning in favor of the California nuclear initiative. The initiative, if adopted in a June statewide election, would prohibit construction of new nuclear-generating plants and would phase out production of electricity from existing plants over a period of years, unless a number of stringent conditions are met.

The three men who resigned are Dale G. Bridenbaugh, 44 years old, manager of performance evaluation and improvement, who has been with GE 22 years; Richard B. Hubbard, 38, manager of quality assurance, who has been with GE 16 years, and Gregory C. Minor, 38, manager of advanced control and instrumentation, who has worked for GE 16 years.

Mr. Bridenbaugh has been involved with nuclear-power plants since 1958, when he was the field engineer for the installation and start-up of the first large-scale commercial nuclear-power plant. Mr. Hubbard is a member of the standards subcommittee on quality assurance of the Institute of Electrical and Electronics Engineers. Mr. Minor has managed GE's design of safety systems, control systems and control rooms for nuclear-power plants since 1971.

Because of their credentials and experience, the resignations of the three engineers are certain to play a major role in the growing debate over the California initiative and over the safety of nuclear-power plants generally.

In San Jose, GE said the resignations "came as a complete surprise." The company said it "had no prior indication from any of these individuals of any broad concern about their work or nuclear power. The contents of their resignation letters present no fresh views or arguments but repeat the emotional claims of Project Survival, a local antinuclear group."

In his resignation, Mr. Bridenbaugh wrote: "Nuclear power has become a technological monster and it is not clear who, if anyone, is in control. I am no longer convinced of the technical safety of nuclear power, and I fear the high risk of political and human factors that will ultimately lead to the misuse of its by-products."

Mr. Minor wrote that he is convinced "that nuclear reactors and nuclear weapons now present a serious danger to the future of all life on this planet. He added: "I am convinced that the reactors, the nuclear-fuel cycle and waste-storage systems aren't safe."

Commenting on a campaign by industry against the California nuclear initiative, he wrote: "I have seen the attempts to confuse and whitewash the issues by claiming that there are no unsolvable problems and appealing to individuals' fears for their jobs. The public must be told that there are many problems."

Mr. Hubbard wrote: "I have seen too many instances where engineers didn't consider all the relevant parameters, where craftsmen didn't follow the prescribed manufacturing and construction methods, where the plant operator acted in error when called upon for a split-second decision and where plant-maintenance decisions were based on continued power production—not plant safety."

At a news conference in Los Angeles, Mr. Bridenbaugh said federal regulation of the nuclear-power industry is ineffective because power-plant manufacturers don't volunteer adverse information about potential safety hazards to the Nuclear Regulatory Commission.

"If safety problems were fully reported by GE or other companies, there would be tremendous pressure to make black-and-white decisions on whether to close down certain plants, based on what is basically speculative information," he said. "It is human nature to refrain from reporting a suspected safety situation until it's fully understood to be hazardous."

Mr. Bridenbaugh, who was joined at the news conference by Messrs. Hubbard and Minor, said the NRC isn't aggressive about safety issue because it is under great pressure to implement the federal policy of expanding nuclear power's contribution to national energy requirements and because it is made up of nuclear-industry people.

GE, in a statement, said it wasn't surprising that "three out of several thousand GE nuclear engineers have come out in favor of" the California nuclear initiative. "While we respect their right to express their opinions, the company emphatically disagrees with their point of view."

GE said the safety of nuclear power has been confirmed by many objective studies over the past two decades. "The overwhelming majority of the scientific and engineering community, including GE scientists and engineers, believes the benefits of nuclear power far outweigh the risk," the GE statement said.

Those arguing against adoption of the California nuclear initative claim it is merely an attempt to legislate a total ban on nuclear power. Proponents of the measure, however, deny this. They say the measure is aimed at insuring the safety of nuclear-power plants.

The initiative provides that if nuclear power plants are to operate in California, the present federal $560 million limit of liability from any single nuclear accident must be eliminated. Another key provision in the initiative requires the California legislature to affirm by a two-thirds vote that nuclear-power plants are safe.

GE is one of the largest companies in the nuclear-power industry. It has taken orders for 69 U.S. nuclear generating facilities, of which 22 are in operation. Overseas, the company and its licensees have received orders for 48 nuclear-power plants, of which 18 have begun operation.

NATIONAL LEAGUE OF CITIES SPEECH ON GENERAL REVENUE SHARING

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. PATTERSON. Mr. Speaker, as a followup to the important debate which occured on the floor of the House last Thursday, relative to the countercyclical assistance title of H.R. 5247, the Public Works Employment Act, I would like to share with my colleagues the remarks recently delivered by our California colleague and former mayor of San Jose, Norman Y. Mineta, before the National League of Cities' Congress of Cities in Miami Beach, Fla. In his remarks before the annual assembly of local officials from across the Nation, Congressman Mineta presented a "report from Capitol Hill" on a program of vital importance to the cities and of some controversy in the Congress—general revenue sharing.

Having served as the mayor of Santa Ana, Calif. before coming to the Congress, the thrust of Mr. Mineta's address to the city officials struck a particularly responsive chord—one which I hope will be considered and remembered by all Members of Congress when the House considers reenactment of general revenue sharing in the spring.

The speech follows:

"Revenue Sharing: The Bad News From Capitol Hill"

(By the Honorable Norman Y. Mineta)

Mr. President, Members of the Board, Ladies and Gentlemen, it is a particular pleasure and an honor for me to address the opening session of the Annual Congress of Cities. Although it has been almost a year since I left your ranks to serve in the United States House of Representatives, I still find myself—much to the chagrin of some of my senior colleagues in the House—substantially and personally identifying with you at the local level.

While some might describe the phenomenon of a former mayor in Congress as a chronic case of "federal/local schizophrenia", my roots in local government have enabled me to view the current Congressional debate on re-enactment of the general revenue sharing program from a unique perspective. This afternoon, I would like to share with you some observations on the issue of revenue sharing re-enactment—where the battle lines are forming, who is lining up on each side, and some of the major scheduling problems we face.

By way of background to the discussion of revenue sharing's prospects in the Congress, it is imperative to recognize that public confidence in government at *all levels* has hit rock bottom. According to pollster Lou Harris' recent surveys, 72% of the American people stated they do not think they get their money's worth from their taxes, up from 56% in 1969. During the same period of time, the "confidence quotient" for our major governmental institutions—the Federal Executive Branch, the Congress, State Government, and Local Government—plummeted to an average of 14%. This amounts to a slippage of about 30% from the level of public confidence enjoyed just six years ago.

Underlying the generalized public frustration with government at all levels, are the feelings that there is just too much government, and that big government at all levels is demanding too much financial support in the form of taxes from the people, to deliver services of questionable value at higher than necessary costs. For example, the question recently posed by Senator Edmund Muskie, a friend of the cities, and I quote: "do we really expect a majority of Americans to support more government programs—no matter how worthy—at a time when confidence in government is at an all-time low?"

Switching now from the general atmosphere in which revenue sharing re-enactment will be debated by the Congress, I would like to run down the specifics, the background—the scenario—which—when taken together—point to the very real possibility that, without substantial efforts on your part, the general revenue sharing program will not be continued.

First, speaking as the Chairman of the House Government Operations Subcommittee which now has jurisdiction over the program's future, Congressman L. H. Fountain of North Carolina informed a panel of local government officials in early October that reenactment of revenue sharing will not occur this calendar year since his Subcommittee would not, under any circumstances, "rubber stamp" a reauthorization bill.

Second, in early November, the Chairman of the Full House Committee on Government Operations, Congressman Jack Brooks of Texas, made an unexpected appearance at the Subcommittee's revenue sharing hearings, staying long enough to hear the testimony of Congressman George Mahon of Texas, Chairman of the powerful Appropriations Committee. In his testimony, Chairman Mahon urged the Government Operations Committee not to report a bill providing for automatic revenue sharing appropriations, but simply to extend the program, leaving the funding level up to the Appropriations Committee.

Government Operation Committee Chairman Brooks assured Chairman Mahon that this Committee would not become involved in appropriating funds for revenue sharing—that the Government Operations Committee would consider only an authorizing bill. Perhaps the most telling moment for the future of revenue sharing came, however, in a colloquy between Chairman Brooks and Chairman Mahon, when they both expressed strong philosophical opposition to the program, but agreed that it would be necessary to provide *some* funding for revenue sharing to prevent severe disruptions in state and local governments while the program was being *phased out*.

Third, on the Senate side, the picture is slightly more favorable. Senate Finance Chairman Russell Long, of Louisiana, remains a friend of general revenue sharing, but has indicated that he does not plan to move on re-enactment until the House acts. The Senator feels that if the Senate acts first, they will be in a weaker bargaining position when the time comes to resolve the differences between the House and Senate versions.

Fourth, thus far, there has been support for general revenue sharing re-enactment from the Administration. However, as Election Day, November 2, 1976, draws closer, the bipartisan support needed to extend the general revenue sharing program, will be threatened by political motivations. One illustration we have had already, was the President's proposal for a $28 billion spending cut, with an equal reduction of the federal income tax. The response to the tax/spending cut proposal from the majority of Congressional Democrats is best characterized by House Ways and Means Committee Chairman Al Ullman's comment, when he said, and I quote: "It is the mood of Congress to eliminate federal revenue sharing—probably all of it—if that body is called on to make severe budget cuts."

Fifth, from outside the federal government, the AFL–CIO has recently announced, through a resolution adopted at their annual convention, their position on revenue sharing. Briefly stated, whatever you may be hearing from your local AFSCME representatives, the umbrella AFL–CIO requests that Congress make substantial changes in the program prior to reenactment. Among the labor organization's requested amendments are that Congress:

1. View general revenue sharing as a supplement to state and local tax revenues, rather than as a replacement for the categorical assistance programs;

2. Adopt an allocation formula which targets funds to jurisdictions providing a high level of public services, and containing a large number of disadvantaged citizens;

3. Use the programs to reward states raising their own revenues through progressive tax structures;

4. Mandate strong civil rights enforcement under the general revenue sharing program; and

5. Require all recipient governments to comply with the provisions of the Fair Labor Standards Act.

And finally, to the conditional support of the AFL-CIO, must be added the *opposition* of civil rights groups, the League of Women Voters' national organization, and other traditional supporters of urban programs.

If all this were not enough bad news for general revenue sharing's prospects, I would be remiss if I did not interject the crucial element of timing for re-enactment in my remarks.

Within the context of enacting legislation to continue the revenue sharing program, the time element becomes a double-edged sword. The first side of the sword relates to the new Congressional budgeting process, and the second to your own local budget timetables.

Under the Congressional Budget Control Act, which will be fully operational for all fiscal year 1977 authorizations and appropriations, a series of deadlines will have to be met if general revenue sharing is to be extended:

By March 15, 1976, the Senate Finance Committee and the House Government Operations Committee must propose to their respective Budget Committees revenue sharing spending targets for the continuation of the program beyond December 31, 1976, its present termination date;

By April 15, 1976, each Budget Committee will have to include revenue sharing expenditure targets for fiscal year 1977 in the First Budget Resolution it reports;

By May 15, 1976, the House and Senate must finally adopt the First Budget Resolution containing revenue sharing targets. Until that Resolution is adopted—until May 15th—consideration of a revenue sharing re-enactment bill may not occur on the House or Senate floor.

If expenditure targets for general revenue sharing are included throughout this portion of the Congressional budget process, and a re-enactment measure is agreed to by the House and Senate by September 15th, 1976, a final FY 1977 budget ceiling for revenue sharing must be included in the Second Budget Resolution adopted by the House and Senate by the same date.

With regard to your own local budgetary timetable, I would suggest that, upon returning to your municipality, you ask your budget director if he or she is including revenue sharing entitlements beyond December 31, 1976, in his or her revenue estimates for fiscal year '76-77. If they are included, I would respectfully suggest that they not be. I would also suggest that you share this with your colleagues on the City Council, and in the Mayor's or Manager's office, because to ignore the fact that there will be *no* final word on revenue sharing entitlements after December 31, 1976, until your local budget process is at the public hearing stage, is to ask for havoc. This is especially true if a significant portion of your revenue sharing entitlements are now allocated to personnel expenses.

What is needed is *not* circular letters and City Council resolutions to all Members of the Congress.

Nor is it productive to schedule meetings and make phone calls to those Members of Congress clearly favorable to early re-enactment.

What is needed, is the more sophisticated and well-targeted lobbying operation which led to the original passage of the general revenue sharing program in 1972.

This league, in collaboration with the U.S. Conference of Mayors and the other state and local government public interest groups, worked intensively with the Congressional leadership and key Committee Chairmen to enact a revenue sharing bill that bore little resemblance to the Administration's proposal, and reflected carefully the needs for direct fiscal assistance to local government as seen by the cities of our Nation.

Efforts for re-enactment thus far have fallen dangerously short of the level and intensity of the earlier drive for initial passage of general revenue sharing, while opposition to the program's extension goes unanswered, and, the critical need for early Congressional action to ensure program continuity, is ignored.

I fully recommend that you not leave this meeting until the forces of the Nation's cities have been mobilized to secure a Congressional response to your needs.

Do what you know needs to be done.

Focus your attention upon the Congressional leadership and the key Committee Chairmen through the members of this organization who know them best.

Confront critics of the program locally and nationally, and answer their criticisms with the facts as you know them in your cities.

Make sure your state and county leagues and associations are actively participating in this effort.

Finally, and most importantly, recognize that the opportunity for re-enactment of revenue sharing during this first session of the 94th Congress, has already been lost.

As a result, your fight and the timing of that effort must conform to the rules of the Congressional Budget Act and the deadlines it establishes. Your first deadline is to secure the support of the House Government Operations and Senate Finance Committees for continued revenue sharing expenditures beyond December 31, 1976, before the Committees make their spending target recommendations to the Budget Committees on March 15th.

Your staff and your friends in Congress will exert every effort to assist you in meeting this and the other deadlines that must be met. However, as elected officials I am sure you can appreciate the necessity for Members of Congress to respond to clearly-articulated constitutent needs.

Your needs must be made known now.

Members of Congress have got to see the light—you've got to apply the heat.

CONTROLLING THE REGULATORY AGENCIES

HON. ALPHONZO BELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. BELL. Mr. Speaker, I am today introducing H.R. 11705, which will automatically abolish certain Federal regulatory activities within the next 3 years unless they are reinstated by specific congressional action.

My bill, entitled the "Regulatory Agency Review Act," would require that regulatory activities be subject to periodic scrutiny by Congress and abandoned or continued on the basis of their performance in serving the public welfare.

More than 100,000 Federal personnel are now employed to oversee business operations in the United States.

In taxes, and in passed on consumer costs, our regulatory agencies now may cost the American people as much as $100 billion annually.

Some of the regulatory activities are, of course, essential. But many are self-perpetuating, interfering, and generally unnecessary.

My bill will require that these operations justify themselves within 3 years of enactment, and thereafter every 5 years, or be abolished.

This legislation will apply to 11 existing agencies and to any similar agencies created in the future by Congress. The 11 existing agencies to which it applies are:

The Civil Aeronautics Board;

The Consumer Product Safety Commission;

The Environmental Protection Agency;

The Federal Communications Commission;

The Federal Maritime Commission;

The Federal Power Commission;

The Federal Trade Commission;

The Food and Drug Administration;

The Interstate Commerce Commission;

The Nuclear Regulatory Commission; and

The Securities and Exchange Commission.

The findings and purpose of this legislation, as stated in the bill, are as follows:

First. Certain regulatory activities of Federal regulatory agencies have unduly interfered with the normal conduct of private business in the United States;

Second. Certain regulatory activities of Federal regulatory agencies have in some instances limited competition and encouraged inflation within segments of the economy;

Third. Certain areas of the national economy tend to be overregulated due to overlapping jurisdictions and conflicting statutory mandates of Federal regulatory agencies;

Fourth. Inefficiencies and outdated regulation of the economy imposes considerable financial burdens on business which cost consumers billions of dollars every year in resultant higher prices for goods and services; and

Fifth. There is a need for a continuing, periodic review of Federal regulatory agencies in order to eliminate functions of those agencies which may have ceased to serve and promote the public welfare.

As I have traveled up and down the State of California in the past few months, businessmen—particularly small businessmen—have had one common message: "Help us with the Government regulatory agencies."

These people in business—and this especially applies to those who have no staff or lobbies to speak for them—feel there is too much regulation, too little recognition of the costs involved compared to the benefits, and too much arrogance and prejudice on the part of many of these agencies.

My mail has contained the same expressions.

As a former small corporation president myself, I understand and sympathize with these complaints.

I believe the health of our economy depends on an effective, competitive private sector. Small business, which I think suffers most from arbitrary regulatory decisions, is at the core of our economic recovery, and relief must be provided.

Congress has lost control of the regulatory function of Government. The inefficient, intrusive and arrogant conduct of many Federal regulators must be stopped.

My bill provides a means to help accomplish this.

BACK TO THE PEOPLE

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. ABDNOR. Mr. Speaker, though many Members of Congress and much of the Federal bureaucracy remain unconvinced, there is a growing sentiment across the land that the best way of getting the most for the Federal dollar is to get the actual spending of it as close to the people as possible. The success of revenue sharing—where State and local governments determine priorities—is a prime example.

And, revenue sharing is one of the reasons State and local governments are finding considerable appeal in the proposals of President Ford to turn over a number of Federal programs to the States. They know that far more mileage will be obtained per dollar than is now the case.

I would like to share with my colleagues a recent wire service article demonstrating this growing support. This particular article appeared in the Huron (S.D.) Daily Plainsman:

[From the Huron Daily Plainsman, Jan. 23, 1976]

STATE, LOCAL GOVERNMENTS LIKE FORD PROPOSALS

(By R. Gregory Nokes)

WASHINGTON.—Representatives of state and local governments are finding considerable appeal in President's Ford's proposals to turn over operation of 59 federal programs to the states, even though the price-tag may be high.

The programs include the $9.3-billion Medicaid program and 16 other health services. Others are in education, social services and child nutrition. Ford also would limit the amount of federal grants under each program and provide for limited annual increases.

"Our initial reaction has to be favorable," Ralph Tabor, director of federal affairs for the National Association of Counties, told reporters Thursday.

A special analysis by the National Governors' Conference said governors have campaigned for more than a decade for the kind of authority the Ford plan would give them.

The analysis said:

"The President's proposals suggest a new relationship with the states. If they will accept some reductions in federal support for programs . . . they can spend the federal funds they receive with reduced interference from the federal government."

But both Tabor and the governors' conference said a final verdict must await calculation of the extra costs that would fall to states and local governments, as well as other details of the program.

If the state and county organizations end up supporting the program, it will enhance its chances of geting through the Democratic-controlled Congress.

Opposition to the plan has been voiced by some leading Democrats, including Sen. Hubert H. Humphrey, who called it "a cruel shell game in which vital programs in the areas of health, education, social service and child nutrition are significantly cut back."

The governors' conference analysis said at least in part—"Clearly . . . some states would be sharply affected by reductions in funding, especially in health, education and manpower programs."

But it also said some governors have argued for years that by consolidating separate federal programs "they can do more with less" federal money.

The exact details and legislative language of Ford's plan remain to be worked out, but the broad outline of the plan is to turn over to the states in four broad grants the same money that now is given them for 59 separate programs. They would get at least the same amount in 1977 as in 1976.

The grants would be for health, education, social services and child nutrition. There would be certain requirements on how the funds could be used. For example, 90 per cent of health funds must go for help for the poor.

Under present law, the states must put up a certain percentage of matching funds in order to qualify for the federal grant. Under the Ford proposal, the federal government would no longer require matching funds from states.

PROF. CHARLES BLACK CONTINUES HIS DISCUSSION OF THE PRESIDENTIAL VETO POWER

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. DRINAN. Mr. Speaker, in this, the second portion of his address, "Some Thoughts on the Veto," delivered at the Duke University Law School, Prof. Charles L. Black, Jr., discusses the tremendous power inherent in the exercise of the veto in our democratic form of government. I commend this incisive analysis to all of my colleagues.

It is tempting to go on through Cleveland's all-time record of over 300 vetoes, but I want to come on down to now, both to the eternal now of the text, and to the very present now of Mr. Ford's Presidency. Once the use of the veto as a weapon for the sheer enforcement of Presidential policy is firmly accepted as proper, how important is it structurally doomed to be, and how important has it become?

The veto as a weapon of policy obviously has its least importance where the President and majorities in the House and Senate are pretty much of one mind (though even there it may give great power over detail to the President). Our system does not guarantee that this will always be true—indeed one wonders whether, in some way yet mysterious, our system is not veering around to the point where it will rarely be true—where, in other words, the people may be expected to project, on the President and on Congress respectively, contradictory desires and expectations, as they so clearly did in 1972. The veto system then, if it can produce trouble, can produce major trouble. What are its potentialities?

Once it is thoroughly (and eagerly) accepted by the President that he may veto on any grounds he pleases, and once the people and Congress see this as raising no constitutional question, the major issue becomes the probability of override. Some obvious truths should be gone through here.

First, the raw probability of override is pretty convincingly shown by experience. When Mason wrote in 1890, 433 bills had been vetoed and 29 overridden, but 15 of these overrides occurred in the altogether exceptional circumstances of Andrew Johnson's administration. If we eliminate that unfortunate and to me unattractive man, there are 14 overrides out of 418 vetoes, or about 3%. On Patterson's figures, through Franklin Roosevelt, and again eliminating Andrew Johnson, there were forty overrides out of 755 vetoes, some 5%. Override is not easy, and does not often occur. Why?

Consider what has to happen. Within a fairly short time, you have to organize a *two-thirds* vote in *each* House. So the first question is, "How hard is this likely to be in one House?"

Let's take the House of Representatives (and here I am indebted to my conversations with Bob Eckhardt). The usual situation, where there is a general opposition between the President and the House, is where the President is of a different party from the House majority. Now the one simple factor that is steady is party loyalty, reenforced by patronage. Let us take a Congress much like the present one, with about 290 Democrats and about 145 Republicans—figures I pick for the exact 2 to 1 ratio—and with a Republican President. In our politics, this is about as high as the majority in the House is likely to get. We ought to assume, until some reason to the contrary appears, that equal percentages of Democrats and Republicans will, in the long run, defect, both as to Democrats supporting the President and as to Republicans voting to override. But if (in our 290–145 House) ten percent of the Republicans and ten percent of the Democrats switch sides, the override loses by something like 275–160 a very decided victory for the President, as such things are interpreted, and in any case a failure of override by a wide margin.

How big a Democratic majority would it take to get around this? The answer of course depends on the percentage of defection. Assuming, *pro forma*, the same 10% defection across party fences both ways, you would need 308 Democrats and 127 Republicans to have a "veto-proof" Congress. I apologize for any slight arithmetic error. The general picture is clear. On a party vote, with defections in equal proportions, override loses heavily in any imaginable House of Representatives.

Let us assume, since there is no reason not to, that the same situation exists in the Senate. And then (as reality requires, for a few overrides do occur) let us soften our assumptions a bit, or the consequences drawn from them, as to both Houses, and say, again pro forma, that override in either House has, say, one chance in four. It is important to note that this would mean that override in both Houses has one chance in 42 or 16, which is not far from what we find through history.

This very tentative arithmetical analysis could of course be faulted if other factors than party loyalty be regarded as constant, so that there was, systematically, a probability of greater defection from the President's party than from the opposition party. All the factors I can think of run the other way. The large-majority party has, almost ipso facto because of size, and certainly if it is the Democratic Party, more diversity of policy views within it than the minority party. The President, moreover, always has something to give or to promise, particularly to members of his own party. Or to threaten. All the factors to which no numbers can be given seem to me to confirm and strengthen the undoubtedly simplistic numerical analysis just given.

(Parenthetically, the situation is even worse where the majority party is the President's own, for in that case the party loyalty of the majority runs to the President, and against override. F. D. Roosevelt vetoed 136 bills; 5 were overridden.)

Now how is all this working out these days? I take the raw statistics, first, of the 93d Congress, and the 94th as far as available at this writing. There have been 52 vetoes. At this lowest ebb of Presidential prestige, eight have been overridden. Most of these overrides were on bills appropriating money for the benefit of particular classes of people—for nurses' training, handicapped persons, railroad retirees, school lunches, "rehabilitation". What happens here is that party lines break entirely, and you get votes like 384 to 43 in the House and 67 to 15 in the Senate (nurses' training) or 397 to 18 in the House and 79 to 13 in the Senate (school lunches) or 398 to 7 in the House and 90 to 1 in the Senate (handicapped persons). This sort of bill—and lopsided override—accounts for six of the eight overrides. The other two were the War Powers Resolution and a bill concerning executive office records, subjects charged with the highest political feeling, running against the Presidency.

On the other hand, bills dealing with economic controls on oil, with strip mining, with air pollution, with emergency employment, with petroleum allocation, were successfully vetoed.

It is always freshly boggling to read some of the numbers in the "sustaining" votes. The Petroleum Allocation Authority veto, for example, was "sustained" in the Senate by a vote of 61 to 39. No. Not 61 against the bill and 39 for it. Think again. Sixty-one to 39 was approximately the proportion of Johnson's "landslide" margin over Goldwater, and of Nixon's over McGovern. But it's not enough to override a veto. Or take the House vote "sustaining" the veto of a bill dealing with emergency unemployment—"sustained" in the House by a vote of 277 for override to 145 against.

My figures are all approximate (except for votes) and no one can put numbers on some of the factors in the veto game. All numbers, and all non-numerical considerations, establish to the point of large overkill that the overriding of a veto must be looked on as a rarity—that most vetoes stick, and will stick.

What are the consequences for American politics?

First and most obviously, the majorities, even quite large, in "Congress", as that word is commonly understood—that is to say, the House and the Senate—are powerless to fix American policy on anything, foreign or domestic, so long as Congress sticks to the forthright expression of policy judgment in a single bill, and attempts neither circumvention of the veto by "rider", nor reprisal. This simple truth should be printed up and nailed on the wall of every post office. Every candidate for the job of editorial-writer should be required to take an examination with one question: "If 65% in each House of Congress favor and pass a comprehensive bill on energy, and the President very much does not like it, what happens?" Because then we might hear (and above all, for the sake of mercy, read) less criticism of Congress for its "failure to act", and so on, ad nauseam. If you have a 65% majority in each House strong for a consumer bill, say, and the President is dead set against it, then that consumer bill will not become law.

Secondly (and this paragraph might suggest the shape of another exam question, for editors-in-chief of dailies of over 100,000 circulation), Congress knows this.

The result is, inevitably, that actual veto can be rather rare even now—the tip of the iceberg, to coin a phrase. For the practical task of the leadership of the House of Representatives and the Senate, in reality and as perceived by that leadership, is not to draft and pass a bill that seems good to strong working majorities in the House and Senate. It is to produce a bill, acceptable to those majorities, or reluctantly swallowed by those majorities, that may get by a veto.

I say and stress "may" because there is no means of compelling the President to announce in advance what his action will be on a bill, or what amendments it will take to buy his signature. Very often, the general direction of his views is known. But exactly how much movement toward those views will be necessary is normally not known.

I suppose here one begins to enter the field of force of games theory, which I know by name only. One player must move toward placating his opponent, while only the opponent knows what it will take to placate him—or perhaps has not yet decided what it will take. If he is not placated, all moves toward that end, and much more importantly toward the ends sought to be achieved by the legislation, will have been entirely in vain. Very often—perhaps typically—the result has to be a compromise which rests on no clear policy, which may be worse than the following-out of either policy—and which may be vetoed anyway. That is the real situation in which the veto power puts Congress, and every citizen should be brought to understand it.

There is one way out, as matters now stand. That is for Congress to accept, virtually verbatim, whatever "recommendations" the President makes. Presumably he will not often veto a bill that closely follows these recommendations. This recourse is not always available; The President may think no legislation needed in respect of a given subject. Perhaps more frequently—at least quite often—he will find it expedient to acknowledge the existence of a problem that needs to be acted on, but present a "White House" bill, that addresses the subject weakly, or in a manner known to be antagonistic to the judgment of majorities in Congress. This was Mr. Nixon's technique, for one example out of very many, with the problem of "consumer protection". To the strong bills put forward in Congress, Mr. Nixon countered with recommendations which would have "protected" consumers as rice paper protects against a monsoon. What ensued was natural enough. Those in Congress who were uninterested in consumer protection, or opposed to it, were given a Presidential standard to which (whether or not wisely or honestly) they might repair. Those favoring strong protection were disheartened; a veto of any strong bill was seen as likely. The result was exactly what Mr. Nixon evidently wanted—no strong consumer bill was passed in his administration. Yet no veto had actually to be interposed.

Let me move on to a third and quite crucial point about the veto. I think the veto works in systematic coaction with all the "express" powers of President, in their relation to the "express" powers of Congress, and, most importantly, in coaction with the general "executive power". For there is an assymetry here: The President may veto any independent action of Congress—indeed, no independent action of Congress, having the force of law, exists, except for the possibility, above evaluated, of override.

But Congress may not veto any independent action of the President, for the peculiar reason that its action in this regard would itself be subject to Presidential veto. This general proposition has some corollaries, or included cases. If the President believes that an Act of Congress encroaches upon his office, he may, under the strictest and most ancient standards, veto it; so, also, if he believes an Act of Congress unconstitutional. If Congress, however, believes that an action of the President encroaches on its powers, or is unconstitutional on other grounds, it may not veto it, because the congressional veto, to have effect as law, must be by concurrence of both Houses, and so, under Article I, § 7, is subject to Presidential veto.

Here is another games theory situation. Player P may not only forbid moves by player C that encroach on P's powers, but may also forbid C's moves where they would check P's perhaps wrong assertion of power. C has no such advantage. But maybe the less I say about games theory the better.

It is true that presidential overreachings, like Congressional overreachings, are subject to judicial oversight, but only in proper lawsuits. Cases cannot always be made.

Let us take the celebrated "destroyer deal". During World War II, and before our entry, Franklin Roosevelt traded the British fifty "overage" destroyers (always carefully so described in public materials, though one rather guesses they must have had life in them yet) for bases in the West Indies. (Bernard Shaw amiably remarked that, had the Americans but known, the British would have given them the bases—with responsibility to defend them—even without getting the destroyers.) Some people thought this unconstitutional; to simplify what is after all a schematized illustration, I will mention only Article IV, § 3, which gives Congress the power to "dispose of . . . Property belonging to the United States". Now suppose Congress had disapproved of this action, on constitutional grounds and on the ground that its function was being taken over. Its means of disapproval, to have legal effect, would have to be a Joint Resolution; the President could and undoubtedly would have vetoed the Joint Resolution, or even a bill forbidding such transactions in the future.

But turn the situation around. Suppose Congress had wanted to make this deal, and had commanded it by Joint Resolution, while the President disapproved, and considered Congress's action an unconstitutional invasion of his powers as Commander-in-Chief—something like the considerations that may have moved Washington in his second veto, discussed above. The President would certainly have vetoed the Joint Resolution.

BILL GOODLING'S VOTING RECORD

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. GOODLING. Mr. Speaker, every constituent has the right to know how his or her Representative in the House of Representatives voted on the many issues which come before the Congress. Unfortunately this information is not readily available in many instances through the local media. I am therefore inserting a copy of my votes on the key questions before the 94th Congress during the first session in the CONGRESSIONAL RECORD.

I have selected about 100 votes in order that the voters in my district can be made aware of my position on a broad range of subjects. With over 800 individual rollcalls or votes during this past session, it would be impractical to include them all in this listing. Procedural and routine votes, minor amendments, quorum calls, and many noncontroversial votes have been omitted.

I am pleased to announce that my voting record for the first session represents a 94-percent attendance level. Although I regret that this level is not 100 percent, almost every one of my absences is due to a prior commitment to attend an activity in the 19th District or because of illness.

Although I have attempted to make the record as clear, concise, and understandable as possible, bill numbers and brief descriptions can be confusing, and sometimes deceptive. If any of my constituents have questions about these votes I hope that they will contact me.

The material follows:

Bill Goodling Voting Record

January 14, 1975: Transfer Internal Security Committee to Judiciary Committee, H. Res. 5. Passed 247–172. WFG: Nay.

February 4, 1975: Food Stamp Regulation Moratorium—To prohibit U.S.D.A. reforms from going into effect, H.R. 1589. Passed 374–38. WFG: Nay.

February 5, 1975: Temporary suspension of Presidential authority to impose import fees on petroleum, H.R. 1767. Passed 309–114. WFG: nay.

February 19, 1975: Establishment of a Select Committee on Intelligence, H. Res. 138. Passed 286–120. WFG: Nay.

February 25, 1975: Rescission for procurement of 12 Air Force F–111F fighter/bombers. Amendment to H.J. Res. 219. Passed 230–164. WFG: Yea.

February 27, 1975: Tax Reduction Act—Providing for tax cuts for 1975, H.R. 2166. Passed 317–97. WFG: Yea.

March 10, 1975: Budget Rescissions for HEW, increase rescissions by $25 million. Amendment to H.R. 4075. Failed 132–252. WFG: Yea.

March 13, 1975: Emergency Employment Appropriations, H.R. 4481. Passed 313–113. WFG: Yea.

March 13, 1975: Foreign Aid Appropriations, H.R. 4592. Passed 212–202. WFG: Nay.

March 18, 1975: Surface Mining Bill—to prohibit strip mining without reclamation, H.R. 25. Passed 333 to 86. WFG: Yea.

March 20, 1975: Agriculture Consumer Protection Act—to increase price supports for farm products, H.R. 4296. Passed 259 to 162. WFG: Nay.

March 21, 1975: Emergency Middle-Income Housing Act—to provide assistance to middle income families in buying homes, H.R. 4485. Passed 259 to 106. WFG: Yea.

March 25, 1975: Goodling Amendment to School Lunch Bill—to delete provision providing for a 35 cents maximum charge for school lunches to non-needy children, H.R. 4222. Passed 269 to 144. WFG: Yea (Sponsor of Amendment).

March 26, 1975: Tax Reduction Act Conference Report, H.R. 2166. Passed 287 to 125. WFG: Nay.

March 26, 1975: Resolution for Easter Recess—to adjourn from March 26 to April 7th, S. Con. Res. 27. Passed 210 to 182. WFG: Nay.

April 8, 1975: Older Americans Act—to improve services to older Americans, H.R. 3922. Passed 377 to 19. WFG: Yea.

April 16, 1975: Education Appropriations—Amendment to prohibit HEW from requiring sex integration of physical education classes, H.R. 5901. Passed 253 to 145. WFG: Yea.

April 17, 1975: Youth Camp Safety Act—to require federal regulations to oversee operations of youth camps, H.R. 46. Passed 197 to 174. WFG: Nay.

April 23, 1975: South Vietnam Evacuation:

Amendment to point out N. Vietnam's violations of the Paris Peace Agreement, Passed 329 to 72. WFG: Yea.

Amendment to prohibit use of any funds for aid to North Vietnam, Passed 343 to 71. WFG: Yea.

Final Passage to authorize funds for evacuation of S. Vietnam, Passed 230 to 187. WFG: Nay.

May 1, 1975: First Budget Resolution:

Amendment to reduce deficit by 9.8% and outlays by 2%, Passed 227 to 180. WFG: Yea.

Amendment to reduce deficit by $54 million, Failed 248 to 259. WFG: Yea.

Amendment to allow cost-of-living increase to be passed through to Social Security recipients, Passed 234 to 171. WFG: Yea.

Final Passage of Budget Resolution to establish ceiling of $368 billion for outlays for FY 76 and a deficit of $73 billion, Passed 200 to 196. WFG: Nay.

May 7, 1975: Surface Mining Bill, Conference Report, H.R. 25. Passed 293/115. WFG: Yea.

May 14, 1975: Indochinese Migration and Refugee Assistance Act—to provide federal assistance to Southeast Asian refugees. H.R. 6755. Passed 381/31. WFG: Yea.

May 20, 1975: Military Procurement Authorization:

Amendment to delete $108 million for B–1 Bomber, Failed 164/227. WFG: Nay.

Amendment to provide additional 5,000 employees for DoD, Failed 300/96. WFG: Nay.

Amendment to permit women to enter Service Academies on the same basis as men, Passed 303/96. WFG: Yea.

Final Passage of bill for procurement and for research and development, Passed 332/64. WFG: Yea.

May 21, 1975: Legislative Appropriations Amendment to prohibit use of any funds to implement House Administration Committee's decision to increase congressional payrolls and fringe benefits. H.R. 6950. Failed 148/262. WFG: Yea.

June 4, 1975: Veto Override of Emergency Employment Appropriations. H.R. 4481. Veto Sustained 277/145. WFG: Yea—to override.

June 10, 1975: Veto Override of Surface Mining Bill. H.R. 25. Veto Sustained 278/143. WFG: Yea—to override.

June 10 thru June 19, 1975: Energy Conservation and Conversion Act. H.R. 6860, Amendment to strike additional gas tax of 20¢ a gallon. Passed 209/187. WFG: Yea.

Amendment to impose tax on inefficient auto standards on a per car basis. Failed 166/235. WFG: Yea.

Amendment to delete tax credit for home insulation. Failed 108/281. WFG: Nay.

Amendment to increase tax credit for installation of residential solar heating equipment to 25% of 1st $1,000 and 20% of next $1,000. Passed 244/132. WFG: Yea.

Final Passage of bill. Passed 291/130. WFG: Yea.

June 16, 1975: Increase of Temporary Debt Limit. H.R. 7545. Failed 175/225. WFG: Nay.

June 20, 1975: Energy Research and Development Administration Authorization Amendment to cut funds for construction and procurement for the Clinch River Breeder Plant. H.R. 3474. Failed 136/227. WFG: Yea.

Amendment to cut authorizations for production of nuclear energy weapon related programs. Failed 102/246. WFG: Yea.

June 25, 1975: Amendment to Labor-HEW Appropriations to prohibit use of funds for 1st time citations by OSHA for firms employing 25 employees or less. H.R. 8069. Failed 186/231. WFG: Yea.

June 25, 1975: Labor-HEW Appropriations, H.R. 8069. Passed 368/39. WFG: Yea.

June 26, 1975: Amendment to State Dept. Appropriation to prohibit State Dept. from using funds to negotiate surrender of U.S. Rights in Panama Canal Zone, H.R. 8121. Passed 246/164. WFG: Yea.

Amendment to Justice Dept. Appropriations to increase law enforcement officers to apprehend illegal aliens, H.R. 8121. Failed 165/242. WFG: Yea.

July 8, 1975: Development of Elk Hills Petroleum Reserves, H.R. 49. Passed 391/20. WFG: Yea.

July 11, 1975: Amendment to prohibit use of any funds for the proposed operation of the Supersonic Aircraft, H.R. 8365—Transportation Appropriations. Failed 196/214. WFG: Nay.

July 11, 1975: Amendment to Health Manpower Act to require medical students to serve in medically underserved areas or pay back to federal government money which the student did not borrow, H.R. 5546. Passed 209/153. WFG: Nay.

July 16, 1975: Amendment to abolish present House Select Committee on Intelligence and establish Joint Committee on Intelligence, H. Res. 138. Failed 122/294. WFG: Yea.

July 16, 1975: Education Appropriations Fiscal Year 1976—Conference Report, H.R. 5901. Passed 370/42. WFG: Yea.

July 21, 1975: Repeal of Fair Trade Laws, H.R. 6971. Passed 380/11. WFG: Yea.

July 22, 1975: Disapproval of President's plan to remove controls on the price of crude oil, H. Res. 605. Passed 262/167. WFG: Nay.

July 24, 1975: Repeal of Ban on Aid to Turkey, a NATO ally, S. 846. Failed 206/223. WFG: Yea.

July 25, 1975: Common Situs Picketing—allow secondary boycotts in construction industry, H.R. 5900. Passed 230/178. WFG: Nay.

July 29, 1975: Education of Handicapped Children, H.R. 7217. Passed 375/44. WFG: Yea.

July 29, 1975: Consumer Product Safety Commission Amendment to allow Commission to include firearms and ammunition labeling within its jurisdiction, H.R. 6844. Failed 80/339. WFG. Nay.

July 30, 1975: Congressional/Federal Executive Salary Increase—to tie to cost-of-living index, H. Res. 653. Passed 214/213. WFG: Nay.

July 31, 1975: Military Commissaries Retention—expressing sense of Congress that commissaries remain in existence, H. Con. Res. 198. Passed 364/53. WFG: Yea.

September 5, 1975: Metric Conversion Bill—Provides for voluntary conversion to the metric system, H.R. 8674. Passed 300/63. WFG: Nay.

September 9, 1975: Education Appropriations Veto Override, H.R. 5901. Veto 379/41; WFG: Yea—to override.

September 9, 1975: Return Veterans Day to Nov. 11, S. 331. Passed 410/6. WFG: Yea.

September 10, 1975: Foreign Aid Authorizations, H.R. 9005. Passed 244/155. WFG: Paired Against.

September 11, 1975: Select Committee On Missing In Action, Creation of H. Res. 335. Passed 394/3. WFG: Yea.

September 17 through September 23, 1975: Energy Conservation and Oil Policy Act:

Amendment to require government cars be used to test fuels of blends of gasoline and petroleum substitutes. Failed 118/262. WFG: Yea.

Amendment seeking to add a new title to aid industrial development of gasification of coal. Failed 154/211.

Amendment to add new title to require reporting and auditing by all in energy related industries (including local gas stations). Passed 233/162. WFG: Nay.

Final Passage of Bill, H.R. 7014. Passed 255/148. WFG: Nay.

September 24, 1975: Rhodesian Chrome Bill—to align U.S. with UN sponsored boycott of Rhodesian chrome, H.R. 1287. Failed 187/209. WFG: Nay.

October 2, 1975: Department of Defense Appropriations, H.R. 9861. Passed 353/61. WFG: Yea.

October 2, 1975: Aid to Turkey, S. 2230. Passed 237/176. WFG: Yea.

October 3, 1975: Amendment to give the Sec. of Agriculture veto power over any decisions made by EPA over pesticides which are used for agricultural purposes, H.R. 8841. Failed 167/175. WFG: Yea.

October 7, 1975. Veto Override of National School Lunch Bill, H.R. 4222. Veto Overridden 397/18. WFG: Yea.

October 7, 1975: Construction Industry Collective Bargaining Act—companion bill to H.R. 5900, Common Situs Picketing, H.R. 9500. Passed 302/95. WFG: Nay.

October 8, 1975: American Technician Stationed in Sinai, Approval of H. J. Res. 683. Passed 341/69. WFG: Nay.

October 9, 1975: Requires Administrator of EPA to require private applicators of pesticides to be licensed and to complete training program, H.R. 8841—FIFRA Amendments. Passed 250/155. WFG: Nay.

October 9, 1975: Federal Insecticide, Fungicide, and Rodenticide Act Amendments (FIFRA), H.R. 8841. Passed 329/80. WFG: Nay.

October 9, 1975: Marine Fisheries Conservation Act—to extend fishing boundaries of U.S. to 200 miles offshore, H.R. 200. Passed 208/101. WFG: Yea.

October 21, 1975: Federal Employees Political Activities Act—repeal Hatch Act, H.R. 8617. Passed 288/119. WFG: Nay.

October 30, 1975: Postal Reorganization Act Amendments—amendment to repeal postal service monopoly over delivery of 1st class mail, H.R. 8603. Failed 68/319. WFG: Yea.

November 4, 1975: Veterans and Survivors Pension Adjustments——increase pensions by approximately 8% for disabled veterans and dependents, H.R. 10355. Passed 400/0. WFG: Yea.

November 5, 1975: Consumer Protection Act—to set up new federal agency to intervene in other agency decisions which affect consumers:

Amendment to exempt small business from requirements, Passed 401/6. WFG: Yea.

Amendment to delete exemption for labor from bill, Failed 175/233. WFG: Yea.

Final Passage of Bill, Passed 208/199. WFG: Nay.

November 13, 1975: Debt Limit Increase, H.R. 10585. Passed 213/198. WFG: Nay.

December 4, 1975: Tax Reform Act:

Previous Question on Rule—Nay vote indicated opposition to rule which would not have allowed for a spending cut amendment to be in order for consideration, passed 219/197. WFG: Nay.

Amendment to lower current tax deductions for DISC (Domestic International Sales Corporations) which help increase export sales by small U.S. firms, failed 199/223. WFG: Nay.

Final Passage of Tax Reform Bill which continues tax reductions to individuals and businesses, but has no comparable provision to cut federal spending, Passed 257/168. WFG: Nay.

December 4, 1975: Labor-HEW Conference Report—Motion to urge House Concurrence with a Senate amendment which prohibited funds appropriated to be used for forced busing, H.R. 8609. Passed 260/146. WFG: Yea.

December 8, 1975: Price-Anderson Extension—to limit liability of nuclear energy accidents and provide for federal support for insurance, H.R. 8631. Passed 329/61. WFG: Nay.

December 17, 1975: Milk Price Supports—S.J. Res. 121. Passed 308/111. WFG: Yea.

December 18, 1975: Amendment to Highway Bill to roll-back truck weights to 1974 levels, H.R. 8325. Failed 139/275. WFG: Nay.

December 18, 1975: Amendment to Airport and Airways Development Act to prohibit SST from landing in U.S. for 6 months—before Sec. of Transportation had completed hearing on subject, H.R. 9711. Passed 199/188. WFG: Nay.

December 18, 1975: Override of veto of extension of tax reductions without comparable cut in spending, H.R. 5559. Veto sustained 265/157. WFG: Nay (to sustain)

December 19, 1975: Extension of tax reductions for 6 months and spending cuts that are comparable, H.R. 9968. Passed 372/10. WFG: Yea.

December 19, 1975: Railroad Revitalization and Reform Act—to reform regulatory practices that have plagued the railroads and to provide financing for ConRail, S. 2718. Passed 205/150. WFG: Yea.

TRAVEL TO MEXICO MAY BE DANGEROUS TO YOUR HEALTH

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. STARK. Mr. Speaker, I call to the attention of my colleagues an excellent column by Dick Nolan of the San Francisco Examiner on the dangers of traveling in Mexico.

For some time, a number of us have been trying to emphasize what befalls an American if he or she happens to be arrested in Mexico. Now, I am delighted to see that Dick Nolan tells it much better, in just 500 or so words, than I could ever do.

The article follows:

WE HAVE HAD ENOUGH FROM THE MEXICANS

(By Dick Nolan)

The trouble is, you see, that the Mexican government is shot through with corruption, and that Mexican officials, especially police and prison officials, are often odious swine. The Mexican political system does not merely encourage corruption, it insists upon it. Schweinerei flourishes naturally.

What happens, then, when an American citizen finds himself—or worse, herself—justly or unjustly in the hands of the Mexican cops and brute Mexican jailers? Torture, extortion, humiliation, ransom and rape, all too damned often.

Two good Examiner reporters, Larry Hatfield and Raul Ramirez, detailed all this for you some months ago, in a series of stories from Mexico which had officials all casting their eyes Heavenward while they issued statement variations on the theme, "Who, us?" Now the striped pants dummies in the State Department's lower echelons, after like, "My goodness, do you not think we should discuss this matter sometime?"

Having done this much, the State Department rests easily. Perhaps in one of the subbureaus somewhere a sub-clerk type is preparing the first draft of a note which, after amendments, will be presented to the Mexican government. The note will say something like, "My goodness, do you not think we should discuss this matter sometime?"

In times like these I confess to a real atavistic yearning for a Teddy Roosevelt in the White House, bristling and growling. He wouldn't even have to holler for the fleet. All he'd have to do is declare Mexico unfit and unsafe for American travelers, and close the borders down tight, land, sea and air alike.

Somebody ought to do just that and let the Mexicans plunder each other for a while to keep in practice.

A lot of the abuse of Americans, especially young Americans, arises out of thir peripheral involvement in the flourishing Mexican drug trade. It is altogether remarkable how the net catches only minnows, is it not?

Dumb kids fooling around with Mexican marijuana are easy marks. Often the same sleazy connection who leads them to the odd kilo blithely turns them in to the authorities for a chunk of the ensuing graft. Once the sucker is in the toils, crooked Mexican lawyers, judges, jailers and assorted petty thieves gather to squeeze him and his family dry.

On my very first visit to Mexico, years ago, my New England stubborn streak caused me minor inconvenience at the first border stop, which I approached, because I happened to feel like driving all night, at two in the morning. I was literally held up by the border guards, arguing interminably in my very rusty Spanish. What they wanted was ten bucks. When they got it, at last, I was passed with a flourish. Americans are supposed to find the Mexican customs mordita a very funny joke. In those days perhaps it was.

Most of my travel in Mexico, then and after, was in the back country more or less, avoiding the cities. There I found the Mexicans pleasant enough, with the exception of one bloke in a pool room who thought to begin an argument by drawing a knife. He was persuaded to a sense of Christian charity, shortly thereafter.

Last year I made a business visit to Puerto Vallarta, a tourist trap, to tape an interview with the screen director, John Huston, and found the place pretty intolerable. There was a wise-ass, sock-the-Gringo attitude on all sides, and I found myself wondering, "American tourists come here for *pleasure?*" The whole country ought to be put off limits. Enough is enough.

MITCHELLS OF MARYLAND: STANDING UP, SPEAKING OUT

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. STOKES. Mr. Speaker, on Sunday, February 1, 1976, the Washington Post carried a feature story about one of America's most remarkable black families. This article entitled "Mitchells of Maryland: Standing Up, Speaking Out" should be of great interest to all of our colleagues in the House.

I especially wanted to bring the article to the attention of this body because one of our members, Congressman PARREN MITCHELL, is a Member of this eminent family.

I have had the distinct honor of knowing and working with CLARENCE MITCHELL, Jr., even before coming to Congress. His outstanding legislative work on behalf of the National Association for the Advancement of Colored People—NAACP—made him one of the original pioneers in the civil rights movement.

His wife, Juanita, is also an outstanding personality in her own right.

In this article written by Jacqueline Trescott, many other Members of this outstanding family are discussed. All have made high marks for themselves in various fields of endeavor.

Mr. Speaker, I commend this article to my colleagues so that they may all become a little more familiar with one of America's most distinguished black families:

MITCHELLS OF MARYLAND: STANDING UP, SPEAKING OUT

(By Jacqueline Trescott)

It happens every time a Mitchell runs for office. The compact cars of the brothers, wives and cousins are loaded with speakers and they wind through the Baltimore streets broadcasting "There's a bright, young black who'll work for you" in City Hall, the State House or Congress. Mitchells are pounding on doors, selling tickets to cook-outs, and preaching from soapboxes. The senior Mrs. Mitchell runs her short fingers down her thick black book and calls all her friends for campaign contributions. Then on election day her husband drives his neighbors to the polls before they all convene on Druid

Hill Avenue, the family homestead, to celebrate.

"We are the black Kennedys," Maryland State Senator Clarence Mitchell III once told an interviewer. "When we sit down as a family and decide what each shall do in the public sector, it is done."

So it is that the Mitchells of Maryland, one of America's remarkable political families, have scored high on successes. Poorhouse candidates by Kennedy-checkbook standards, nevertheless since the Depression the Mitchells, and a branch of the family by marriage, the Jacksons, have wielded considerable power in Maryland. And while the Mitchell tribe today eschews the comparison to the Kennedy style, the Kennedy parallel is only half the story, the political half.

Before some family members actively entered politics, others had made their impact felt in the civil rights arena. Spurred on by an almost religious pledge, the older generations' names became synonymous with the National Association for the Advancement of Colored People (NAACP), and they were catapulted to national reknown.

Though civil rights activities have often been a springboard for black political careers especially during the '60s and after, what makes the Mitchells' pattern unusual among black families is that, from goals of collective achievements, they have recycled those same energies and talents into individual aspirations in a systematic, deliberate and unified way.

Because of their ardor, leading to arrogance in some cases, and their longevity, they are both loved and hated. "That's a family where no one has ever said, 'I'm going to make it on my own.' No, they are a collective training farm," says one observer. "And their greatest defense is that when you fight one, you have to fight them all," says G. James Fleming, 73, a political scientist at Morgan State College and newspaper columnist. "Very few families, black or white, can show that togetherness. Each generation has had to fight and those achievements override their idiosyncrasies."

The foremost Mitchell is Clarence Mitchell Jr., 64, who for the last three decades has run the NAACP's Washington office.

As the leading civil rights lobbyist, Mitchell Jr.'s the man who pounded on congressional doors, bent presidential ears and guided some of the most important social legislation of this and any generation from dreams through the dizzy legislative litany of H.R. 2020Z to reality. Stripped of all its paper grandeur, that reality meant that Brother and Sister Jones in Hattiesburg, Miss., could go to the polls and vote or sit down at the Crossroads Cafe and order a glass of milk.

His brother, Parren J. Mitchell, 53, was the first black elected to Congress from Maryland and is now in his third term. One of Mitchell Jr.'s four sons, Clarence M. Mitchell III, 36, has been a member of the Maryland legislature for 14 years. Michael Bowen Mitchell, 30, an attorney, was elected to the Baltimore City Council last November.

Juanita Jackson Mitchell, the lobbyist's wife and an attorney, has taken her turn as an indomitable force on all levels of politics. Daughter of a crusader, Mrs. Mitchell was the first black on the law-review journal of the University of Maryland Law School in the late '40s, years after she had been denied entrance to the school because of her race. Through her work as state president of the NAACP, she argued many of Baltimore's landmark desegregation cases, and she also was elected to the state's Constitutional Convention.

It was her mother, Lillie May Jackson, who shaped the Jackson-Mitchell alliance into a fearless machine of civic involvement. With the late Carl Murphy, founder of the Afro-American newspaper chain, she ran black Baltimore, and her children and grandchildren's lives were often the test cases.

In Lillie Jackson's 35 years at the helm of the Baltimore NAACP, from 1935–1970, she built that membership from dormancy to 18,000 members at its peak, probably the largest NAACP branch of its day: "I'd rather the devil got after me than Dr. Jackson (a title from an honorary degree). Give her what she wants," one Maryland governor once said in an expression of her impact.

Though now they are not directly involved in civil rights, Mitchell Jr.'s other children are achievers. Keiffer Jackson Mitchell, 34, was the first black doctor on the staff of the Greater Baltimore Medical Center and is now a faculty member at Johns Hopkins Medical School. The youngest son, George Davis Mitchell, 24, is a bailiff at the city's Juvenile Court, and there are 7 grandchildren yet to groom.

"The white man took the country away from the Indians with firewater, let's keep our minds clear," urged Lillie Jackson as she rallied her friends to keep taverns and pool halls out of their neighborhoods. To this attractive woman, who marched in subdued dresses, sensible shoes and brimmed hats, bars only brought the nuisances of molesting and profanity. They destroyed character and above all, she told her four children and 10 grands, "A man must be honest, fair and decent."

Across the generations the family has dared to speak out for its fairness-rooted principles. And Mrs. Jackson's unwavering faith (she picketed one theater for seven years) crystallized the family's belief in the marriage of words and action.

Juanita Mitchell wanted to swim. So she took a few of her nieces and walked into the Chesapeake Bay. When they emerged, the state officials were pointing to the "white only" sign on Sandy Point, then a new and attractive beach, not far from the one reserved for blacks described as "makeshift." The incident became known as "The Lonesome Case" because when Mrs. Mitchell called her plaintiffs in court no one was there. But she won the case anyway and the beach was integrated.

On every office wall of the Maryland Mitchell family there's a snapshot of Mitchell Jr. and Lyndon Baines Johnson. In one the NAACP lobbyist and the President are matched—sloped nose to nose, shoulder-to-shoulder. He's probably offering the kind of encouragement that sealed his friendship with Johnson and many others. "I looked around the room and only one voice boomed 'we can do it,' " Johnson once said. "That was Mitchell."

Not because he's a friend of Presidents but because he quietly has effected immeasureable changes in black lives, though minorities aren't his only concern, Mitchell was honored with his own day here last week.

A coalition of Jewish, Republican, Catholic, Democratic, labor and other groups involved in civil rights—all members of the Leadership Conference on Civil Rights, which he helped start and now serves as legislative chairman, celebrated his life and times at a huge luncheon, a Washington ritual he has rarely shared, and an evening reception, another rite rarely on his priority list. In fact, Mitchell tried to squelch the entire testimonial, lamenting to his brother Parren, "This is only taking people away from their work."

"Mr. Clean" is one of Mitchell Jr.'s nicknames—so called for his religious convictions, courage, creativity and impenetrable optimism. All protected—some day blinded—by an iron authority, inflexibility and sizeable ego that emerges when someone threatens his lobbyist territory. "Once he makes up his mind he doesn't change. I've never seen anyone change his mind," observes one friend. "And he will roll up his sleeves to defend his position."

From some outside the loyal Mitchell coterie, he receives an ambivalent evaluation, for while it is generally recognized that he made an invaluable contribution in a time when it was downright dangerous to shout for black anything, some feel he hasn't changed with the times. For example, in last year's heated battle over the tensions of the Voting Rights Act, Mitchell opposed the inclusion of a Spanish-speaking citizens clause in the main section as a political expedient, but the move alienated some Congresspersons and Chicago-interest groups.

More recently some blacks have been very critical of his work at the United Nations, where he served as a public delegate to the U.S. mission last session, because he unrelentingly supported the controversial U.S. Ambassador Daniel Patrick Moynihan, who a decade ago criticized black family structure, and more recently harshly characterized some Third World interests. Some have even accused Mitchell of being a State Department pawn, but he appears unruffled at the criticism and almost disbelieving that they don't see things his way.

Inside the Congressional Black Caucus, a group Mitchell praises though once it was thought he was against an organization of only black representatives, there are feelings that Mitchell hasn't reached out to younger people who would like to be lobbyists. "Mitchell feels he is an institution within himself, which is true," one strategist, 30 years his junior, said. "If he goes tomorrow the valuable teacher is gone and we are back to where we started."

When asked what accomplishment he's most proud of, Mitchell raises his bushy eyebrows and the arched lines around his generous mouth relax. Leaning back from the scarred wooden desk in his downtown Washington office, he speaks slowly. "I never answer that question." The former Episcopalian altar boy and now trustee board chairman of his Methodist church, fingers a mound of pink message slips and goes on, "I don't use the word pride. Part of a religious background teaches that you're not supposed to be proud of anything you've done yourself."

"Don't take anything from anyone," was the simple way Clarence and Elsie Mitchell prepared their sons. Clarence Jr. and Parren, and their six other children for racial bias.

The Mitchell parents, both descendants of Maryland families, weren't community activists but gave their children strong religious foundations, a respect for education and hard work and a sharp sense of self-pride which became part of their success drive.

Around the mahogany table in their plain Baltimore home, without central heating but with plenty of books and magazines, Clarence was told, "as each child learns something, you must pass it on to the younger ones." It was just after World War I when 10-year-old Mitchell Jr. started hauling wood, coal and ice in a wheelbarrow his father, a musician, helped him build. Parren, almost 10 years his junior, worked as an elevator operator and delivery boy. Later Clarence Jr. would skate between his day and night jobs to save money.

When he became a father Mitchell Jr. instilled similar goals and traditions, insisting, for example, that all the families' birthdays be celebrated together to show each individual's worth.

"I often didn't understand why he wasn't there for those father-son banquets. What was a filibuster? Why did my mother look frightened if he didn't call and say he missed the train"? said Mitchell, now the state senator. But he made up for it. He's a Christian and affectionate man."

When he had time to relax at his home, Mitchell Jr. built bookcases, tended to his rose garden behind the inner-city home the family has occupied for the last 35 years, and write poetic notes to his children about their wrongdoings. He made sure they were at the dinner table when guests like Mary McLeod Bethune, Eleanor Roosevelt, Walter White, Charles Houston and Jackie Robinson came by after NAACP rallies.

It was only natural that when blacks made the transition from community action into elected politics in increased numbers in the 1960s, the Mitchells were part of the movement.

Parren Mitchell, who was first elected to Congress in 1970, had graduated from Morgan in 1950, then waged a typical Mitchell legal battle to become the first black graduate student at the College Park campus of the University of Maryland before he used his sociology training in a series of local and state jobs. He lost his first bid for Congress in 1968 but now he runs unopposed. Last year he made a bid for mayor of Baltimore but withdrew after a few weeks and his filing was seen more as a move to call attention to the paucity of blacks in official Maryland than as an indication of his intention to wage a serious campaign.

Insiders on the Hill say he's well-respected and one comments, "People like him because he does his own homework, handles his press and is available. He's considered impetuous and sometimes relies too much on the family name, but he's his own man."

Since his early entry into politics at age 22, Mitchell III has had a controversial career. First in the State Assembly, now in the Senate where he is deputy majority leader, his civil rights stands have followed his father's lead. He is considered a party faithful, though he has openly criticized Mandel, and seems to be compatible with the rough-and-tumble of Maryland politics.

Early in his political career he exposed a bribe, an action that brought him general respect. But he has been served with several indictments, accusing him of unpaid property taxes, failure to file income-tax returns and splitting a bribe. All were later dropped. He is also the family manager of its sizable property holdings in the inner-city which each election time brings renewed charges of "slum landlord" on the family.

In 1967 Mitchell III ran unsuccessfully for Baltimore City Council president and years later made an unsuccessful bid for the Democratic primary in the mayor's race. Here, some observers feel, the Mitchell determination to dominate hampered the drive to elect a black mayor.

Now a city councilman, Mitchell has a dream. "We will always be involved in politics," he says, "and I can see the day I run for President . . . my father going down Druid Hill, knocking on doors and driving people to the polls. And I would try to be the kind of decent, honest voice my father has been. He says anything is possible."

FREE CHINA LIVES ON

HON. JOHN B. CONLAN

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. CONLAN. Mr. Speaker, I have read a recent news release from Communist China declaring that the Republic of China regime on Taiwan was on the verge of collapse and that the Communists were determined to "liberate" the people of Taiwan. The New China News Agency claimed that Taiwan has endured 2 successive years of recession because of the economic crisis in the West and is faced with internal and external difficulties.

This type of news release is typical of the propaganda used by the Communist Chinese in their effort to dupe the world into thinking that the Republic of China is not going to succeed. While it would not be surprising if Taiwan has experienced some economic recession, just as we have in recent times, I cannot conceive that the Government of Taiwan is anywhere near collapse.

Since the Republic of China operates a free and open society, it is very easy for people from around the world to visit the island and see for themselves that these people are making great strides up the ladder of progress. One only has to make a direct comparison between the lifestyle of the people of Taiwan and the people of mainland China to quickly draw the conclusion that where freedom prevails, the people have greater opportunity for achievement and greater fulfillment of life.

The island of Taiwan possesses few natural resources. Therefore, it must be highly dependent upon foreign trade. Last year Taiwan's GNP totalled $14.4 billion. Its total foreign trade amounted to $11.25 billion. Of that amount, trade with the United States came to $3.47 billion.

Last year, the world watched with some apprehension to see what effect the death of long-time President Chiang Kai-shek would have on the stability of the Government of the Republic of China. Not surprising to those of us who have watched the progression of Taiwan for many years, the transition to a new government was smooth and the leadership under President Chiang Ching-kuo has remained strong. The people of Taiwan are more determined than ever to preserve their cherished freedom.

I would like to share with my colleagues a speech made a few months ago by President Chiang Ching-kuo and directed toward the Chinese living on the mainland. This speech contains a good capsule history of the Chinese people in recent times but it also shows what the people of free China have to offer in stark contrast to their compatriots living in the bondage of Communism. I believe that it further shows that the Republic of China is strong and will remain that way, notwithstanding the propaganda contained in mainland Chinese news releases.

The speech follows:

KMT Chairman Chiang's Message to Compatriots on the Mainland: A Call For a Free, United China

My dear compatriots on the mainland: You have been living in darkness and agony for 26 years. Almost all of you under 26 years of age have been deprived of freedom and happiness by the Maoist regime from the moment you came into this world. You live like the inmates of a prison or the slaves of a labor camp who were born there and are unaware of the existence of freedom and happiness. Your tears have run dry and your sweat has been squeezed to the last drop in these last 25 years. You have been driven so hard as to cry out in distress: "We have neither money nor property," "we want work and food" and "we want a family reunion." Instead of improving your living, the Peiping regime has forbidden you to keep your stomachs full. Instead of allowing you to cherish the hope of minimal freedom, the regime has compelled you to step up the struggle "against the tide," the struggle "against capitalism and revisionism" and the struggle "against class restoration." You are compelled to struggle "day after day, month after month and year after year." This relentless and repressive big struggle is to be recurrently thrust into the "depths of your soul."

Compatriots of the mainland: The Taiwan Straits cannot sever our blood relationship. The Maoist Iron Curtain cannot keep out our expressions of concern for your spirit and your lives. When he was alive, President Chiang Kai-shek, director-general of the Kuomintang, thought ceaselessly of how to unite our compatriots at home and abroad in actions to free you from the enslavement on the mainland. To our deepest sorrow, the great national leader passed away on April 5 of this year. His death has saddened the free world and all the people of our country. He is dead, but his thoughts and his spirit remain to provide guidance for national recovery and reconstruction. In his last testament, he specifically instructed us: "My spirit will always be with you." He urged us to "realize the Three Principles of the People" and to "recover the mainland." In this national recovery bastion of Taiwan, Penghu, Kinmen and Matsu, everyone—man and woman, young and old, coming from the north, south, east or west of China—and the 21 million peace-loving overseas Chinese are on our side and more determined than ever to unite and struggle forward. Every one of us has transformed his sorrow into a mighty force and has turned the cherished memory of our President into action. We are determined to carry out the late President's last testament. We shall continue our construction to make this bastion the cornerstone of our efforts to recover the mainland and destroy the Peiping regime, thus enabling you to enjoy freedom and happiness once again.

Under the leadership of our national founding father, Dr. Sun Yat-sen, the Kuomintang overthrew the despotic imperial system that had endured for several thousand years. President Chiang Kai-shek then unified the country in the Eastern Expedition, and the Northern Expedition. Dr. Sun and President Chiang had one sacred goal in common: the establishment of a free independent, prosperous, strong and peaceful nation. But:

As we were struggling for the success of the Northern Expedition, the Chinese Communists launched an armed rebellion to disrupt the country, obstruct our march and prevent the unification of China.

As we were fighting against the Japanese in the War of Resistance, the Chinese Communists collaborated with the enemy, attacked the government's forces and obstructed our war effort. They tried to prevent the resurgence of China.

As we began our postwar construction, the Chinese Communists enlarged their rebellion to impede reconstruction. Their intention was to block national recovery and reconstruction by the Chinese people.

Because of the Chinese Communists, our country has not known a single day of peace and our society has not enjoyed a single day of stability. In 1949, they occupied the mainland and established a counterfeit regime. Our mainland compatriots have since been deprieved of their freedom. Their lives have been filled with hardship and agony. The Chinese Communists are consequently the implacable enemy of every Chinese of conscience and patriotism.

This is not the sum total of the crimes committed by the Chinese Communists. They are guilty of countless others.

During the War of Resistance Against Japan, they colluded with the enemy and betrayed our government forces at the cost of more than a million soldiers and people.

During the War of Resistance against various united front treacheries to confuse right with wrong; they undermined the government and deceived the people with their lies. As a result, many people have been led into misinterpreting and besmirching the endeavors and sacrifices made by us Chinese who sought the resurgence of the country.

In the last more than 20 years, the Chinese Communists have always said that everything belongs to the people and that they are doing everything for the people. Yet the people on the mainland are still virtually their slaves and have no freedom of commerce, movement, study or choice of work and no right to speak out or even not to speak out.

While the Chinese Communists were engaged in their conspiracy to communize China, they undertook one rebellion after another; they renounced their country and their people; and they "leaned to one side" toward Russia. Though they now seem to take a strong anti-Russian stance, leading to tension between themselves and the Russian Communists, everyone remembers that they called the Russians "big brothers" and the Russian Communist party a "fatherly party;" they could not have won their spurs without the help of the Russian imperialists. Portraits of Marx, Engels, Lenin and Stalin are still hung high in Peiping's so-called "People's Square." Is this not evidence that the Chinese Communists are faithful followers of the four Communist chieftains? This shows that the conflict between the Russian and Chinese Communists is merely an extension of the power stuggle of the Comintern. Both Russian and Chinese Communists are racing to carry out their world conspiracies of "proletarian revolution." This basic nature of theirs has not changed and will never change. This is indeed an internal struggle between the Russian and Chinese Communists, but it will inevitably lead to the collapse of the Communist camp as a whole. Bearing this conspiracy in mind, we can realize that no matter what it may do, the regime cannot cover up its crime of selling out our country and our people.

Because the Chinese Communists are determined to sell out our country and people, they must first destroy Chinese culture. The purpose of "destroying the old and establishing the new" is to do away with Chinese culture and replace it with Communist culture developed from the theories of Marx, Engels, Lenin and Stalin. The Chinese Communists seek to extinguish the thought of the Chinese people with the thought of Mao Tse-tung, the illicit heir to Marx and Lenin. The Chinese Communists are consequently not Chinese. They are false Chinese who try to destroy the real Chinese by pretending to be Chinese.

Mainland compatriots: For 26 years, the culture of China and the lifeline of the Chinese people have been subjected to the destructive trampling of the Chinese Communist. Your suffering from Communist oppression and exploitation is increasing day by day. Who can endure such suffering endlessly? This explains why uprisings and revolutionary undertaking against despotism have never ceased on the mainland. So the Chinese Communists are compelled to continue their "rectification" campaigns, "anti-rightest" movements and struggles "between the two lines." Now they have stepped up their repression and exploitation under the pretense of "strengthening the proletarian rule" and "restricting the legal rights of the bourgeoisie." Despite these relentless measures, the uprisings never come to an end. The resistance to repression and exploitation on the part of workers, peasants, intellectuals, sent-down youths and rehabilitated officers and soldiers in various provinces is now spreading far and wide. Peasants who first suffered from deprivation of their summer harvests and then from natural disasters have reached the point of desperation. They are rising up in response to the resistance movement. Workers of the Hangchow area have launched a "five stop" movement—to stop work, production, water supply, electricity and communications. So the Peiping regime sent troops into the factories to suppress the workers. Instead of fading away, the movement has grown and reached Canton, Wuhan and other cities. Meanwhile, a throat-cutting struggle is in progress both overtly and covertly among groups of Communist cadres working in party, administrative, military, cultural and financial organizations from the central level down to the provinces. All patriotic Chinese know that the internal and external pressures and the universality of suffering are culminating in a general explosion as a result of Chinese Communist crimes. This is the time for all Chinese to unite and rise up for the salvation of self and nation.

We Chinese living in the bastions of Taiwan, Penghu, Kinmen and Matsu and overseas and the people on the mainland are blood brethren. Here one family in three has a TV set; one family in two has a refrigerator; there is an automobile for every 50 persons and a motorbike for every 10 persons. We are brethren, but why cannot you enjoy the same standard of living as we do? We cannot bear to see you denied the share of rations you deserve after you have burned the midnight oil. We cannot bear to see you accused of "individual practices" merely because you have grown a few vegetables. Especially, we cannot bear to see you work like beasts of burden and still be denied the ration coupons to add something a little better to your diet. The government of the Republic of China has been in Taiwan for the same 26 years that Maoists have been on the mainland. A comparison of the conditions in Taiwan with those on the mainland shows who stands for the aspirations and interests of the Chinese people—the government of the Republic of China or the Maoist regime?

Thirty years ago, our mainland compatriots sacrificed their lives and their wealth in the War of Resistance Against Japan for the recovery of Taiwan and the rescue of the people here from Japanese militarist rule. During these last 26 years the Kuomintang and the government have overcome many difficulties and hardships in carrying out our revolutionary tasks in the bastion of Taiwan. Our aim has been to preserve our national existence and engage in construction to develop our bastion, recover the mainland and liberate our compatriots there from the yoke and persecution of the Maoist Communists.

Compatriots of the mainland: All of your distress is attributable to a handful of people led by the outrageously evil Mao Tse-tung. In fighting for your existence and livelihood, you must no longer be controlled by the wicked thoughts of a handful of people; you should no longer allow yourselves to be plunged into struggles to suit the purposes of a handful of the powerhungry. Maoist cadres and servicemen: The people's uprising on the mainland is now developing and attaining wide sweep. Mao Tse-tung and a few people around him are making their last-ditch struggle. What have you gained from their battle for personal power and interest? You were "sent-down," driven to engage in the "criticize Lin Piao and Confucius" movement and then dispatched to suppress "counterrevolution." Today you are their cadres and officers and men. Tomorrow you may be branded as being "anti-party" and "counterrevolutionary" and be sacrificed in the power struggle between veteran and new cadres. You should no longer place yourselves at Mao's service and should stop suppressing the people and aggravating their suffering. In fact, the Chinese people can be divided into just two groups, with the 700 million on one side and the evil Mao on the other. If you do not speak out for the suppressed and exploited masses of workers, peasants and intellectuals, then you, too, will be numbered among the suppressors and exploiters who are resolutely opposed by the people. It is up to you to make a choice. The Kuomintang, the government of the Republic of China and the Chinese on the mainland and abroad are expecting you to join their ranks in national and self salvation. Your security or danger, fortune or misfortune, loyalty or betrayal, depend upon your prompt decision.

Compatriots of the mainland: The Maoist crisis of today is just as it was so tragically described by some of the Maoist chieftains: "A single matchstick can destroy ten thousand acres of forest." As the Chairman of the Kuomintang Central Committee, I wish to make these points clear to you:

We are concerned for every individual on the mainland and determined that he shall soon regain his freedom.

We consider all awakened Maoist cadres and servicemen who come over to us as our anti-Communist comrades-in-arms.

We have Kuomintang members, underground agents and comrades in every corner of the mainland, and in the arena of combat against the Maoists, we are ready to send reinforcement by sea, provide air support and stage uprisings behind the enemy's lines.

We reiterate the Three Guarantees and Ten Pledges which the Director-General of our party, the late President Chiang Kai-shek, proclaimed to the people of the mainland. Our special radio stations and special forces will maintain contact with and support the uprisings of various groups on the mainland.

As you are aware, there can be no further delay or hesitation in our actions of national and self salvation. We are confident that the people of the mainland will join the ranks of the anti-Communist peasants, workers and soldiers, thus consolidating the piecemeal movement of uprisings into one great anti-Communist alliance of action. The small combat forces will be transformed into one huge striking force. We expect the mainland people to unite with their brethren in Taiwan, Penghu, Kimen, Matsu and overseas and direct all their spearheads at the Maoists.

Compatriots of the mainland, let us rise up together! Now!

APPENDIX

The Three Guarantees:

1. That those officers and enlisted men who will defect from the Chinese Communist forces shall be accorded the same treatment as that for members of our armed forces and shall be placed on the same basis of remuneration and reward in accordance with their position and merits.

2. That all political and civic organizations which will have joined the Government in anti-Communist activities, the Chinese Communist Party excepted, shall enjoy equal and lawful status regardless of their previous political stand; they shall have the opportunity under the Constitution and the principle of fair competition to contribute their effort towards the reconstruction of a new China of the people, by the people, and for the people.

3. That those who have joined the Chinese Communist organizations and served under the Peiping regime, except the few hardcore leaders, shall be pardoned and their life and property protected on condition that they pledge to work for the anti-Communist cause; the Government shall pursue a general policy of leniency towards all perfunctory followers of Communism and towards their past records of collaboration with the Communist Party.

The Ten Pledges:

1. The tyrannical "people's commune," devised by the Communists for the sole pur-

pose of enslavement and oppression of the people, shall be abolished and the free life of the people restored.

2. Everyone shall be allowed to retain the land he tills.

3. Everyone shall have food, clothing and daily necessities free of control.

4. Everyone shall be free to choose the kind of occupation one prefers and enjoy the fruits of one's honest labor without interference from the government.

5. According to the provisions of the Constitution, the people shall have full freedom of religion, academic study, assembly, association, residence and movement. Regardless of their political stand in the past, all political groups or civilian organizations that now take part in the anti-Communist task shall be able to enjoy equality and legitimate rights and interests within the constitutional framework.

6. Class discrimination and revenge for personal feud shall be strictly prohibited. High moral standards and law and order shall be restored.

7. Any member of the Communist army, navy or air force who participates in an uprising against the Communist regime, or responds to the national forces' counter-offensive by coming over with his military equipment and appurtenances, shall be generously rewarded according to his merits, and shall receive the same treatment as the government troops.

8. Any one who can lead a platoon, company, battalion, regiment, division or army to fight against the Communists shall be assigned as the commanding officer of his unit. He shall receive due promotion and shall be named the administrative chief of the area he has recovered for the Government.

9. Any Communist officer or serviceman who provides cover for anti-Communist activities shall be given protection for his life and property, a responsible position, and a generous reward in accordance with his contributions.

10. All cadres of the Communist Party and Youth Corps who have participated under cover or who now participate in the great task of anti-Communist revolution shall be considered citizens of the Republic of China and participants in the national revolution. Their past shall not be questioned or held against them and their life, property and family members shall be protected.

FEDERAL PARTICIPATION IN EDUCATION

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. EDGAR. Mr. Speaker, educators from my congressional district met on Saturday, January 31, to participate in an issues breakfast held in Springfield, Pa. The Federal role in education was the principle topic, and my participation allowed me a much more refined perspective of the financial crisis experienced by our local school districts.

During this breakfast, I became better acquainted with many fine men and women who have the important responsibility of educating our youngsters. They have been successful in sensitizing me to the critical need for legislation at the Federal level for the purpose of providing both sufficient funding and program flexibility at the local level.

Mr. Speaker, a fellow participant who is a director of the Upper Darby School Board, Mr. Harry D. McHorney, summed up his assessment of the complex Federal-State-local educational interface with the following report. I know that my colleagues will benefit from this insightful and informative offering entitled "Federal Participation In Education."

The report follows:

Federal Participation in Education

(By Harry D. McHorney)

The mechanics of Federal aid to education are complex, often elusive and not clearly understood by many, in terms of application at the local school level. It is often suggested that this complexity requires that school boards of necessity should hire specialists to insure that their students receive a fair share in this resource. In actual practice such aid is usually sought by some member of the administrative staff who acquires that duty in addition to many others as well. They in turn may find themselves pressed for action by economically anxious school boards, teachers and occasionally parents.

The amount, quality and nature of this help is certainly shaped in good measure by local and then national attitudes toward education. These attitudes are the product of the history of community educational experience, goals, and needs.

There are basically three sources from which public schools now receive funds for educational needs. (1) local district sources—primarily from property taxes (2) from the State—via per pupil reimbursement factors and (3) the Federal Government.

How has it come about that the Federal government has an involvement in education? To the present, federal government has not played a large share in school operations or funding. The United States Constitution makes no mention of education. Thus education has been deemed a state responsibility. The State of Pennsylvania relegates this responsibility and authority for public and elementary and secondary education to local school boards established within certain political boundaries and under the directorship of local citizen boards. The directors serve the community without pay. The individual board members are legally state officers and it becomes their responsibility to raise the major portion of the revenue necessary to run local public schools.

The depression had a profound effect on the ability to raise funds for schools from local resources. In 1930, 82% of school revenue state wide came from local sources. During the depression taxes became unpayable and districts had to look outward to the state for help. By 1940 the average level of state wide subsidies had risen to 29% and by 1950 to 40%.

All districts did not participate uniformly in this help as local reimbursement was made based on factors of need and measures of community affluence. Currently Upper Darby School District obtains 21.3% of its funds from the State.

The necessity to look outward for assistance for public schools has also brought with it an increasing awareness that outside influence did in fact generate some local requirements not within the power of the local management to reject and in quite a few instances in which they had no input. Directors as state officers are legally empowered by the state legislature by enactment of law signed by the Governor, and find themselves mandated to carry out specific educational programs without any accompanying increase in state funding to do so. A specific example of this was Act 372 requiring busing of non public school children. Without argument, most school directors and boards found themselves in agreement with the thrust of the Act—it should be realized that the necessary additional funds to support the mandate has not been forthcoming from the state. The burden to fund the program fell to the local districts. Boards as might be expected passed on to the taxpayers what could not be squeezed out of already hard-pressed budgets. Coming as it did on the heels of gasoline shortages and inflated fuel prices, some districts found themselves with doubled transportation costs. Needless to say, this kind of outside economic pressure has an effect on board consideration and funding of local innovative programs. Here is a value comparison. The Upper Darby School Districts budgeted pupil transportation cost for the 75/76 school year are $583,609. The budgeted amount of federal aid is $403,000. Many times school boards have become battle grounds, of social welfare, equalization of opportunity, integrated busing, etc.

In the wake of the broadening scope of educational programs there came also an increasing appreciation of the intrinsic value of quality education to the community and to the national society. The launch of the Russian Sputnik in 1957 was an event that jarred the United States out of whatever complacent attitude it had toward education and acted as a powerful stimulant to improve schools, if on no other basis than national defense. Federal assistance was needed to implement the national goals being set for schools.

Federal involvement in elementary and secondary education in the main become assistance for specific types of social educational needs rather than general aid. The majority of federal funding to local districts is for compensatory educational programs for children from disadvantaged homes. Other significant aid goes to vocational, handicapped, school libraries and text books, guidance, remedial reading and school lunch programs.

During all of this public schools have become a vital major national industry. They are providing an education for living to over 45 million children, they employ 3.7 million full time personnel and account for nearly 31% of all public employees.

A measure of the importance that education assumes in public attitude can be found in the "Seventh Annual Gallop Poll of Public Attitudes Toward Education." This is a continuing survey which each year asks questions related to emerging problems confronting public schools and also continues to ask questions from earlier surveys in order to measure trends. Four groups are sampled: parents with children attending public schools, parents with children attending non-public schools, adults with no children in either, and the total public sampled. On federal aid, the poll asks for a priority rating of 12 national needs in terms of preference for receiving funds when and if they become available—a 1st choice, 2nd choice, and third choice. The combined choices put public school education second to health care.

Locally, our own congressman, Bob Edgar, polled constituents relative to their priorities for the federal budget fiscal year 1976. The survey indicated that 5 cents out of each federal budget dollar went to education and manpower and asked for a preference for increase, decrease, or holding the same amount. 33% favored an increase, 27% a decrease, and 38% said it should be kept the same. It is Congressman Edgar's question so it's interpretation must be his. My prejudice would allow me to assume that the poll results do not indicate that anyone asked that the federal government rescind funds to education, therefore there is a 100% commitment to federal aid to education in Delaware County.

Any discussion of federal aid must eventually, as hinted above, refer to the President's recent veto of the Education Appropriation Bill, which Congress has overridden—in the House 379 to 41—in the Senate 88 to 12, and from which appropriations the President has recently asked Congress to rescind 1.3 billion dollars. This event focuses on the basic arguments pro and con of the national commitment to education. The veto message stated that education is pumping inflation and that added aid would create inflation and an additional tax burden. Congressional contra argument showed that educational appropriations were $880 million less than spent the previous year and that the bill was a 3.6% increase over fiscal year 1975 and is not inflationary in terms of percentage rises associated with inflation.

The President's recinding request included a cutting of the funds of impact aid to school districts with category "B" children. A category "B" child is one whose parents live or work on federal property. This funding was established under Public Law #874. Approximately 25% of the aid Upper Darby received came from this source. A similar loss in 73/74 was the prime contribution to boosting the taxpayers budget share that year. There has always been a question as to the suitability of this type of aid in lieu of specific program aid, and the reliance that districts should place on its continuance. Nevertheless districts do rely on this assistance and until increases are available in other areas, they will continue to do so. I should also point out that the major portion of qualified Upper Darby parents for this aid work at the Navy Yard—and we know what kind of questions that raises. We will probably lose our entitlement as area federal payrolls dwindle.

Another negative applied to federal aid programs is that they are the responsibility of the States and local jurisdictions and not the federal governments. A comic statement often heard today—usually delivered in Puerto Rican dialect, is, "it's not my job". If this reflects the summation of the Federal Government's attitude about education, then we are in trouble. It is too simplistic. Our society and its responsibilities are so intertwined that they can not be divided into neat little packages, independent and isolated. To me, education is clearly everybody's job.

Certainly the more than 400 aid programs require continuing review, evaluation and perhaps consolidation with an assignment of priorities for funding. This is the only realistic manner in which to determine the accuracy of the accusations that many of the programs fail to focus effectively on the persons in need of assistance and that some are not justifiable even on programmatical grounds.

The argument for continued and increased aid is somewhat a reaction to the pressures we are all feeling with regard to our own individual ability to "hack it" under economic conditions that seem to be ready to overwhelm us. The pressures of inflation and recession are causing grave difficulties in trying to maintain the previous year's expenditures, which was not a good one. Local school boards are losing ground in their attempt to provide for increasing mandates from outside agencies or groups.

School boards are hard pressed to keep up with the inflationary spiral in staff salaries. This is where 70% of our budget money goes. There is a financial crisis brought about by the energy shortage and increased fuel costs.

If I am asked as an individual school board member, would you like to see federal aid to education increase? I would say, emphatically, Yes! I would like to think that this is a vote free of the fiscal anxiety facing me as a board member with taxing responsibilities. How to raise money is a big problem for anyone. I would not find comfort in solutions that push the problem on to someone else. On the other hand, I have tried to make a careful examination of what federal participation should mean to the education of Upper Darby School District Children. What I have seen, I feel is good. Funds are being properly used, goals are defined and the programs appear to work and reach the children. I also feel that this kind of help is filling a vacuum that local districts do not properly address themselves to. They often can not! Up close practicalities shrink long range considerations. Attention to the individual and his rights gets pushed aside in the clank and hustle of doing each day's business as it comes.

My personal persuasion as a citizen tells me that if education is a big part of government activity, it is rightly so. What could be wiser for a nation than an investment in the knowledge of its citizens? Tell me, what other government activity better advances the common good?

KISSINGER AND HIS CRITICS

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the following article "Kissinger and His Critics" written by my constituent, Henry Huglin of Santa Barbara, Calif. I am sure there are some of my colleagues who will agree with Mr. Huglin.

The article follows:

KISSINGER AND HIS CRITICS

(By Henry Huglin)

Henry Kissinger is under mounting attack by politicians, publicists, and extremists of the right and left, and some people in between.

But, if Kissinger were to leave office this year, our country would be much hurt and the rest of the world, outside the Soviets' orbit, would also suffer.

Increasing numbers of Senators and Congressmen are after Kissinger in pique over his prominence, or over perceived errors and alleged dissembling to them, or from their excessive zeal over Congress' role in foreign affairs.

Many publicists are after him because of his long exposure in the spotlight and the common practice of sniping at leaders who have been in power for years.

Conservatives are after him for what they consider excessive concessions to the Soviets in the name of an illusory detente. Liberals are outraged over his part in the CIA's covert operations abroad and for his aiding the FBI in the wiretapping of his associates' phones to try to track down the source of security leaks.

Many of these critics are frustrated over the intractability of the world's problems and—in an isolationist, ivory-tower, or wishful thinking way—try to rationalize away both the problems and our necessary activist superpower role. They judge Kissinger on lofty moralistic or simplistic standards. They don't recognize that diplomacy is an "art of the possible" which often requires flexibility, expediency, and Machiavellian-like tactics. These critics also don't acknowledge the power politics, greeds, egotisms, and animosities with which diplomats must deal; hence, they vent their frustrations in attacks on Kissinger.

For our country's good—in projecting an image of stability and continuity—Kissinger needs not only the full backing of President Ford, which he apparently has, but adequate support from Congress, which he does not have, and continued high poll marks from the public, which he likely will continue to have.

Yet, in this election year, attacks on Kissinger will likely increase. Foreign policy, and Kissinger as the epitome of it, will be a prime target of criticism from Reagan and Wallace on the right and the liberal Democrats on the left.

Kissinger fits his role as Secretary of State better than anyone else could.

He came into the administration seven years ago with a more profound knowledge of the geopolitics of the world than any predecessor. And he has grown on the job.

His knowledge, intelligence, extraordinary capacity for work, negotiating skills, and articulateness are just what have been needed, and are still needed.

He is highly creative and ingenious. His grasp of complex issues, tough-mindedness capability to bargain hard and, when necessary, to match cunning, craftiness, and shrewdness are invaluable attributes as the leading diplomat of our superpower nation in this challenging world.

Although his relations with some members of Congress are presently poor, he has generally been more willing to brief and work with Congress than most of his predecessors. And he has given more press conferences and speeches than any comparable public figure—explaining and educating the American public on the complexities of problems abroad and the reasoning behind U.S. foreign policies.

Of course, Kissinger has his faults and has made mistakes. But most people with very strong positive attributes have some compensatory weaknesses; and Kissinger has his share, sometimes including deviousness and arrogance.

But he has gained more respect abroad from both our adversaries and friends than any other person in his position. And he has brought great credit on this country. Consequently, he is one of the persons most admired throughout the world.

President Ford's unwise firing of Defense Secretary Schlesinger sent shock waves through some of our allies and must have delighted the Kremlin. Kissinger's departure under fire would have far greater consequences for us abroad.

And there is simply no one available who has the grasp Kissinger has of the international scene who could effectively take his place now. Of course, no person is irreplaceable; but time and manner of replacement can be vitally important.

We can't expect any of our public servants to be perfect. So, we ought to keep Kissinger's drawbacks and mistakes—which are over-emphasized by his critics—in sensible perspective with his great talents and remarkable achievements.

We ought to be glad we've got Kissinger. Irrespective of his faults, he is still the best thing we have going for us just now in playing our crucial role of a superpower in a still greatly troubled and potentially dangerous world.

Criticize Kissinger when he deserves it, yes. But hound him out of office, no.

THAT WE MAY ENDURE

HON. JAMES R. MANN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. MANN. Mr. Speaker, Furman University, the oldest Baptist college in the South, is celebrating its sesquicentennial year. For 150 years, it has trained leaders both for South Carolina and the Nation. In a recent address, Furman's distinguished president, Dr. Gordon Williams Blackwell, not only traced the history of the college from its founding to its present prominence as a strong and distinctive liberal arts college, but also stated well the case for the independent liberal arts college in the educational pattern of the United States of today. I am proud to represent this excellent university as part of South Carolina's Fourth District, and congratulate faculty, alumni, student body, and all who have contributed to Furman's fine record of achievement. Mr. Speaker, I commend for the reading of my colleagues Dr. Blackwell's address:

THAT WE MAY ENDURE

Honored guests, distinguished faculty, members of the Furman community, and classes of 1976, 1977, 1978, and 1979:

In 1949 the great Southern novelist, William Faulkner, accepted the Nobel prize for literature with this response:

"A writer's duty is to help man endure by reminding him of the courage and honor and hope and pride and compassion and pity and sacrifice which have been the glory of the past."

I would apply Faulkner's criteria to my opportunity as speaker this morning as we inaugurate for our college community the year of celebration of Furman University's sesquicentennial and our nation's bicentennial.

I shall try to remid you of your heritage as sons and daughters of Furman and, for most of you, of your heritage as citizens of the United States of America. For it is an epic year in the history of this college and this nation, and a year of remembering with gratitude that what we have today is ours because of the struggle and sacrifice of previous generations.

Plans for Furman's sesquicentennial have been under way for four years under the direction of Joe King as chairman of a special committee. It will be a memorable year with thousands of visitors attending special concerts, lectures, colloquia, exhibits and dramatic presentations.

At least ten regional academic societies will meet on our campus this year, and Furman has been selected to host The Newcomen Society in North America, an organization of business and professional leaders whose purpose is to preserve the material history of the United States and Canada. It will be my privilege to address this group on the history, purpose and accomplishments of Furman University and the part it has played in American higher education.

This fall Furman will dedicate the $2.5 million Homozel Mickel Daniel Music Building; rededicate a marker at Edgefield, South Carolina, the site of the original Furman Academy and Theological Institution; and place historic markers at sites of the former men's campus and former women's campus in Greenville. During Alumni Weekend this year Furman will hold Open House for Greenville area citizens, and the Furman Oratorio Chorus and Orchestra will perform the premiere of a work Furman commissioned for our sesquicentennial by eminent American composer Howard Hanson.

Furman students are planning their own version of a Furman birthday party in a Founders Day observance on January 14. If I know anything about the enthusiasm and imagination of Furman students, I can promise that will be a great event.

In further celebration of our sesquicentennial, Furman will bring to this campus a world authority on Shakespeare, Dr. Stanley Wells, director of The Shakespeare Institute at Stratford-upon-Avon, England. And, Furman will observe our nation's bicentennial when the South Carolina Historical Society and the American Revolution Bicentennial Commission sponsor on this campus two lectures by noted authorities on South Carolina's part in the Revolution. There will be other exciting academic features.

The 150-year Furman story will be told in a new 18-minute film to be shown first to the South Carolina Baptist Convention which meets in Greenville this fall. The film was financed by the children of long-time Furman leader Reuben Pitts, in memory of Mrs. Pitts. And the Furman story will be told most eloquently and completely when The Duke University Press publishes next spring a new history of Furman by Alfred Sandlin Reid, Bennette E. Geer Professor of Literature at Furman. Professor Reid's splendid volume is an account of Furman's struggle to achieve prominence as a Baptist liberal arts college among American institutions of higher education. With refreshing candor, Professor Reid narrates the foibles and controversies as well as the vision, courage and risks of the men and women who shaped Furman's history through 1975. Publication was made possible by a grant from Furman alumnus J. Boone Aiken of Florence.

As we observe the significant anniversaries of the founding of this college and our nation, I would call attention to the link between Furman history and American history. Furman, like other colleges established by Christian communities in the new republic, was founded by men who understood that education is the great stabilizer of the democratic process; that a democratic system cannot survive without a liberally educated electorate; and that education in a Christian context offers a desperately needed added dimension to higher education.

In early America, Christian ministers were among the better educated, indeed among the few educated professionals in the land. Therefore they had tremendous influence in every area of community life. One such Christian pastor was Richard Furman, a Baptist who battled ignorance all his life and became a leading figure in this state and nation. It was his influence among South Carolina Baptists that led to the founding of the Furman Academy and Theological Institution at Edgefield in 1826. That early school for general and theological education was the forerunner of the Furman University that opened in Greenville in 1851.

Richard Furman had been an ardent patriot and advocate of freedom from British rule. In 1780 Lord Cornwallis put a price on his head and Furman fled the state. Eventually he returned to South Carolina to lead Baptists in organizing the Baptist state convention and the first national organization of Baptists in America. Furman died before the institution bearing his name opened its doors, but his spirit lived on in what is the oldest Southern Baptist college in America. The institution suffered several major changes to endure through three-fourths of our country's history.

In 1859, thirty-three years after the school took its first students, James C. Furman, a son of Richard Furman, became the first president of Furman University after many years as senior professor and faculty chairman. James C. Furman, who lived in the beautiful colonial house one can see today behind Stone Manufacturing Company, saw students leave classrooms in 1861 to fight in that terrible war between brothers. The school was forced to close its doors. In 1866 James C. Furman worked desperately and valiantly in a broken and poverty stricken South to restore the university.

Professor Reid's history tells of that magnificent struggle and of Furman's survival through other wars, the great depression of the 1930's, ideological clashes, threats to academic freedom, student confrontations and shifting attitudes in public opinion concerning higher education. Upon its publication next spring, you should read this remarkable story of a small Baptist institution's growth from regional obscurity to the respected institution we know today which draws students from 35 states and a number of foreign countries and which is counted among the 214 colleges and universities in this nation that have qualified for the Phi Beta Kappa distinction since the scholastic honor society was founded in 1776.

Take a look at the little white board house near the Bell Tower peninsula at the Furman lake. That was Furman University in 1851. Compare it to this present campus and ask yourself whether you owe anybody in the past anything.

In the last decade alone, Furman's assets have increased from $27.8 million to just over $57 million, the number of employes has doubled, the student body is up from 1,500 to 2,300, and endowment has increased from a cost of $6.5 million to $16 million, actually a current market value of $21 million. The physical assets we enjoy today represent a cost investment of $33.5 million. This is a solvent, vital teaching facility.

I would encourage you to think of your time at Furman as part of this century-and-a-half enterprise, to think of yourselves as heirs of a people of vision who built in the face of great difficulties and sustained this school despite the odds. Those who built Furman, like those who built this nation, recognized that moral progress is not an individual matter; that as we live today we carve a path for tomorrow.

The late Harry Golden, that genial scourge of bigotry and character witness for America, writing from Charlotte in the Carolina Israelite, believed the civilization which perpetuates itself is the civilization which lives for tomorrow. He wrote:

"The stern Pilgrims who landed on the New England coast found it nothing but rock ledge yet made from it a garden—for tomorrow. The Englishmen and the Scots who came into . . . Carolina with an ax and a rifle also lived for tomorrow. The courthouses they built are filled with the land deeds they signed with an 'X.' But the children of these people were among the first professors in the land-grant universities built for still another tomorrow."

The people who transformed a wilderness into the highest and most humane civilizations yet struggle toward their founding ideals. I agree with Thomas Wolfe when he wrote:

"I think the true discovery of America is before us. I think the true fulfillment of our spirit, of our people, of our mighty and immortal land, is yet to come."

Despite pockets of resistance, in this country we have significantly diminishhed social differences based on race, religion or section. Despite myriad social, political and economic problems, achievement of the individual *is* possible and continues to be part of the American ethic. Despite disparity between rich and poor, the powerful and the dispossessed, America outranks every country in the world by offering the prerequisites, such as education, to achieve the highest positions in society. It is entirely possible that a future American president sits in this auditorium today.

This nation and this college will yet face crises. No nation and no institution is free from stresses, strains, tensions and conflict.

But we have a magnificent opportunity to continue to build upon the courage and honor and hope and pride and compassion and pity and sacrifice of the past.

Progress is not inevitable. Again and again history shows gains and losses of eras gone by. No sooner had the Mayflower crew survived the calamities of the ocean and the new land than did the community begin to persecute those who failed to follow rigid religious tenets. In the early days of this century it was believed science and technology would cure all ills. Yet one of the greatest periods of optimism Western civilization has ever know was followed by two world wars, continuing global conflict, and frustrating, unsolved social problems.

Yes, progress is not inevitable. If it comes at all, it is slow and painful, always at personal sacrifice and willingness to work for the benefit of a future people. Let us not be discouraged that the way is hard. H. G. Wells looked upon modern problems and said:

"Out of the trouble and tragedy of this present time there may emerge a moral and intellectual revival, of a simplicity and scope to draw together men of alien races and now discrete traditions into one common and sustained way of living for the world's service. . . . There is a social consciousness at work in our minds and hearts that will yet deliver. . . . In spite of much occasion for pessimism today, there is occasion for greater optimism than man ever before had."

One immediate reason for optimism is the young faces I see in this auditorium today, for Furman students represent the great intellectual and moral talent our Nation needs. As Furman seeks to prepare each of you for place of leadership in society, we are making an investment in the most dependable resource there is—a thinking, morally aware human being.

Professor Reid's history impressed me anew with the value of historical perspective as we work or study in a place like Furman. Students come and go within 4 years, sometimes less, sometimes more. Faculty and staff have somewhat longer tenure, but they come and go as well. And presidents come and go. But the institution remains, and only in its continuity can one come to a full appreciation of it.

There is a story or two that may now be safe to tell as I anticipate retirement at the end of this academic year. You might call it "The Making of a President Who Remembers the Harrowing Experience of Idealistic Youth."

My personal perspective on Furman goes back to the early 1920's when my dad, a Baptist pastor, would bring me to the Thanksgiving football games between Furman and Clemson. In those days Furman won more than our share of the games.

Ten years later I became a student at Furman. My family struggled to pay tuition, room, and board at $500. Jobs were scarce. People who had never had to accept charity were standing in soup lines. It was an age of despair.

I was the young radical editor of the Echo, advocating such way-out ideas for the campus and the national economy that a university trustee called me into his office to explain myself. On another occasion the college president called me in to inquire about certain social occasions being sponsored in the community by Furman alumni. President McGlothlin said those occasions looked very much like student fraternity dances and they were. At that time dancing was a no-no. Incidentally, it was not until 1969 that Furman trustees approved dancing on the campus.

During my four student years at Furman I made the somewhat unenviable record of spending only one complete weekend on campus. There was a reason. My girl, Lib . . . and she is still my girl . . . was 30 miles away in Spartanburg. I hitchhiked rides back and forth to Spartanburg so often that I truly earned the reputation as a "roads scholar."

Little did I know in those years that I would someday stand in the Furman University chief executive's shoes, facing the challenges and sometimes the threats of other young, impassioned minds. Every generation of 18-year-olds has thought to possess the torch of pure truth. The issues may be different but the intellectual and emotional fervor are the same. I do understand.

Things change and yet in a way remain the same. During my student days we were mightily concerned with having to work too hard to meet the expectations of the faculty. We quarreled about required courses we would have preferred to avoid. We resented required chapel worship three times a week. We found it extremely difficult to decide upon a major, and we worried about career choice in a hopelessly depressed job market. We felt inadequate in social life and we had very little spending money. In four years at Furman I had my father's car only one weekend. Of course, in those days, that made me BMC—Big Man on Campus—for three whole days!

Many of us had violent concern for or against intercollegiate athletics. We were convinced that the old mossbacks in the administration were reactionaries with ice water in their veins. We called the president "cueball," the business manager "marble top," and the dean "bean head." Is any of this familiar to you?

This is not to say that you or I are to be unconcerned about significant current issues at Furman. Through the cooperation of students, faculty and administration, through continuing dialogue, through institutional self-study and continual planning, we hope to relieve undesirable conditions, certainly to adapt to new needs and new conditions. But let me remind you that truth is elusive and that all gains can be lost through foolish motion, through hasty decision or through vacillating attitudes. Decisions must be made for the long haul with dependable data rather than upon faddish movements or temporary emotional appeal.

There are committees composed of students, faculty members, and administrators to study concerns about the academic regimen and student rights. Matters such as withdrawal from courses, the pass/fail option, the grading standards, social regulations, and the cultural life program will be scrutinized continually with the desire to ease rough spots without diminishing the quality of the educational product you are buying at today's very high price. Attention will be given to the student judicial system and publications board and probably to issues yet to be raised as we begin Furman's 150th year.

In your years at Furman, as you strive to sort out the various bodies of thought, conflicting opinions, and clash of ideas, I urge you to consider the complete and indivisible nature of all knowledge and that in truth there is God. I urge you not to trade off history and philosophy and scientific discovery for astrology and parapsychology and escapist mysticism. These are the slum areas of human thought and endeavor, and you are capable of more than that. You have been given exceptional minds, and you have a sacred obligation to use them constructively and creatively in human affairs.

And so to the Furman classes of 1976, 1977, 1978 and 1979, may you endure as America and Furman University will endure, and may you graduate from this place with a greatly deepened understanding of major issues facing America and the world, a more accurate view of yourselves and your particular heritage, a more mature religious faith, improved social skills, and a philosophy of life that enbraces personal integrity. By working together we can make Furman's 150th a great year.

INCOME OF NEW YORK'S PUERTO RICANS DECLINES DURING LAST 10 YEARS

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. BADILLO. Mr. Speaker, at my request, the mid-Atlantic region of the Department of Labor undertook, for the first time, a study of the socioeconomic makeup of New York's Puerto Rican community. The study showed that while the job profile of Puerto Ricans improved between 1960 and 1970, gains in family income failed to keep pace with non-Puerto Rican family income in the city. In issuing the report, Herbert Bienstock, Regional Commissioner of the Bureau of Labor Statistics, pointed up one of the major shortcomings of the study—that it was based mainly on 1970 census data, the most recent available—and the immediate need for developing an ongoing data base for the Puerto Rican labor force in New York. This is a study that should have been done long ago, and the state of things in New York now is much worse than it was 5 years ago. But the report does, at last, put together what information we do have about our Puerto Rican population, and serves a valuable function for that reason alone. The major findings of the report are:

In 1970, 45 percent of Puerto Rican workers residing in New York City were employed in white-collar and skilled blue-collar jobs as compared with only 27 percent in 1960. The proportion employed as unskilled laborers dropped sharply from 73 percent in 1960 to 55 percent in 1970. Despite these notable improvements, Puerto Ricans were typically found in lower paying and lower status jobs as compared with other New Yorkers.

Despite improvements in the types of jobs held, over-the-decade family income gains for Puerto Ricans—up 46 percent—lagged behind other New Yorkers—up 59 percent—resulting in a widening income gap between them. Family income for Puerto Ricans was 63 percent of the citywide median in 1959, and 58 percent in 1969.

The proportion of working-age Puerto Ricans in the labor force—working or looking for work—fell between 1960 and 1970. By 1970, less than half of working-age Puerto Ricans residing in New York City were in the labor force as compared with about three-fifths of the total population. Labor force participation rates for women, aged 14 and over, fell sharply from 38 percent in 1960 to 27 percent in 1970. This was in contrast to the pattern for all New York City women, 40 percent of whom were in the labor force in 1960, and 41 percent in 1970. The rate for Puerto Rican males dropped sharply from 79 percent in 1960 to 66 percent in 1970, as compared with a citywide decline from 79 to 71 percent.

A sharp drop in labor force participation was experienced by Puerto Rican teenagers. In 1960, Puerto Rican males aged 14 to 19, were more likely to be in the labor force than other young New Yorkers. By 1970, the participation rate for Puerto Rican male youth had fallen one-third below the rate of their counterparts through the New York area. The participation rate for Puerto Rican girls also dropped sharply over the decade.

The participation rate for Puerto Rican teenagers may be an indication that they are staying in school longer than they did a decade ago. The proportion of Puerto Ricans age 25 and over who completed 12 or more years of school increased from 13 percent in 1960 to 20 percent in 1970.

The significance of labor force activity for family income shows up notably. In husband-wife families with both spouses working, Puerto Rican family income was $9,832 in 1969, $3,900 or 65 percent above the median for New York area families with just the husband working. For families headed by women, the incidence of poverty was sharpest; nearly three-fifths of female-headed Puerto Rican families had 1969 income below the poverty standard as compared with about one-fifth for male-headed families. Among the female-headed families, 1969 income levels for out-of-labor-force heads were sharply below those in the labor force, $2,758 compared to $5,653.

Three in 10 of the city's Puerto Rican families were headed by women in 1970, a proportion which increased over the decade and exceeded that for all city families. Puerto Ricans also have larger families and more young children living at home.

As might be expected, Puerto Ricans born on the mainland are economically better off than those born in Puerto Rico. Families headed by mainland born, while typically younger than island-born, have higher incomes. Their 1969 median family income was 20-percent higher, and they were less likely to fall in the poverty level classification.

New York City, which accounts for three out of five mainland residents of Puerto Rican birth or parentage, has been declining in its share of the total. Nevertheless, it remains the leading Puerto Rican center on the mainland. The 812,000 Puerto Ricans reported by the 1970 census constitute more than 10 percent of the city's population. The percentage who are mainland born has been rising. Currently a majority of school-age children of Puerto Rican parentage were born in New York City. In contrast, for the working-age population the second generation is still a minority; only 5 percent over the age of 25 are mainland born.

The report raises several questions that have public policy implications: What are the factors—demographic or institutional—that account for the low income status of Puerto Ricans in New York? They certainly include such things as newcomer status, employment experience and the fact that they have less education and/or skill training than other residents of the city. They are unfamiliar with the city's institutions, customs—and certainly lack a fluency in the English language. It is clear that income tends to increase with the length of residence and the years of school completed. However those increases are not as great as with other New Yorkers. Family structure certainly plays a role—the fact that Puerto Rican women are less likely to be labor force participants is in part due to their larger families, and more Puerto Rican families are likely to be headed by women than non-Puerto Rican families in the city. Since all women earn less than men, these female-headed families earn less income. Another factor is the concentration of Puerto Ricans in low-wage industries, where they are paid less well than their non-Puerto Rican counterparts.

Another question that must be answered is why there has been a deterioration over the past 10 years in family income. Partly, it is because the percentage of Puerto Rican women in the work force has dropped. Family income has dropped because the number of wage earners per family has dropped. But another, and more critical, factor is the deterioration of employment opportunities available to Puerto Ricans. The industries and occupations in which they have been concentrated are moving out of the city, and although the trend to white-collar and nonmanufacturing jobs has increased during the decade, it has not kept pace with the number of jobs available to Puerto Ricans.

A third area that should be further explored is the question of why so many of New York's Puerto Ricans are returning to the island. The median income for Puerto Ricans in New York is 80 percent higher than in Puerto Rico. Opportunities for upward mobility appear to be greater in Puerto Rico, because migrants who return get better jobs. But as the number of migrants increases, their relative advantage may be decreasing, and this situation will alter. But it is still true that those leaving New York are men and women who have acquired skills and professional degrees, while those arriving in New York are the poorest and least prepared to enter the job market. The editorial below from the New York Times of January 30, points out that we must look again at Federal programs that will increase opportunities for the citizens of Puerto Rico, so they can attain some status and dignity at home.

Depressed Puerto Ricans

The greatest concentration of human misery in this trouble-beset metropolis is among the million-member Puerto Rican community. They represent only about one-eighth of the total population, yet they constitute between a third and a half of New York City's welfare recipients. Thirty percent live below the poverty line in terms of family income.

Some indication of the distressed conditions under which Puerto Ricans subsist here emerges from a 138-page report prepared by the Federal Bureau of Labor Statistics from five-year-old data collected as part of the last decennial census. Representative Herman Badillo of the Bronx, who requested the study, rightly urges that such information be gathered on a current basis—as it is for whites and blacks—to provide a realistic guide to governmental policy at both the national and local level.

A rough balance has been established in the flow of Puerto Ricans to and from New York; but this seeming equilibrium disguises what Mr. Badillo believes is the reality that many who have acquired professional degrees and technical skills are in the homebound tide while the bulk of those arriving are the poor and unskilled, thus adding to the city's welfare burden.

A new look at Federal programs to alleviate distress and increase employment opportunities in Puerto Rico itself is badly needed. Congressional insistence, under pressure from mainland unions, that the standard minimum wage apply in Puerto Rico is depressing the island economy, not assisting it. Up-to-date studies of the status of Puerto Ricans both here and at home are essential starting points for a re-evaluation of present policies.

ETHNIC MINORITIES AND PRIVATE FOUNDATIONS: ROOM, AND HOPE, FOR IMPROVEMENT

HON. SPARK M. MATSUNAGA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. MATSUNAGA. Mr. Speaker, private charitable foundations have been performing valuable services for generations, without any questions being raised about their use of their own funds. Only in recent years have they come under any significant public scrutiny.

Because some disturbing statistics have surfaced as a consequence of this scrutiny, congressional committees and public commentators have begun to focus on the role of the foundations in our society. Of particular concern to many Americans has been how foundations have interacted with America's ethnic and racial minority groups.

About 3 months ago I had the pleasure of discussing some of these problems at a conference on minorities and foundations in San Francisco under the sponsorship of Human Resources Corporation. Since then I have had continuing requests for copies of my speech. Several suggestions were made that I insert my statement in the CONGRESSIONAL RECORD for the use of its readers and for wider circulation. In compliance with this request I include the text of my speech at this point:

Increasing Private Foundation Responsiveness to the Needs of Ethnic Minorities

(By the Honorable SPARK M. MATSUNAGA)

Mr. Chairman, Ladies and Gentlemen:

I would like to thank the staff of Human Resources Corporation, especially Mr. Masato Inaba, for this unusual opportunity of meeting with you today.

As a United States Congressman, particularly because of my Japanese ancestry, I have had some unusual experiences—experiences of which my white colleagues in the Congress, if I may use the term, have been deprived.

For example, ever since former President of the United States Richard Nixon took that historic trip to Peking and reversed American foreign policy, my personal life has become somewhat confused. Whenever I attend a social function in Washington some friendly stranger would invariably approach me and ask me, "Are you Chinese?"

To that question I have developed a stock answer, which is "No, I'm sorry I'm not, but I had an uncle who was a Peeking Tom."

When I related that anecdote in Dayton, Ohio at a gathering such as this, the Mayor of Dayton, who happened to be black and sitting next to me at the head table, looked up and said to me, "Oh an Uncle Tom, eh?"

As your speaker, I must confess at the outset that, in all probability I know less about private foundations than you who are my listeners do. However, as a Member of the United States Congress and of minority stock, I may be able to offer a few suggestions which the foundations and agencies which you represent could consider in helping to improve the quality of life in the United States.

First, let me confirm what you may already know: private foundations are not under review in the current deliberations of the House Ways and Means Committee. You will also be interested to know that that Committee presently has no plans to target in on foundations for possible legislation in the foreseeable future.

On the other side of Capitol Hill, however, the Senate Finance Subcommittee on Foundations, chaired by Senator Vance Hartke of Indiana, has been very active. That Subcommittee had held hearings twice a year for the last two years.

These hearings are designed to help the Members of that Subcommittee to assess the position and the role of foundations in our society, according to Chairman Hartke.

As he opened the midyear hearings in 1974, the Senator from Indiana explained as follows:

"In making this assessment, it is not enough to say that private charity has been around since the Romans, or that it had an important place in the very early days of this republic. All of this is true, but it says very little about the role of private charity today.

"Nor is it enough to say that, if private foundations ceased to exist, government would have to take up the slack." He continued, "If foundations are merely on a parallel course with government, they are existing on a very slender reed."

I believe that the keynote struck by the Senate Subcommittee on Foundations will be orchestrated into a full-scale symphony when the House Ways and Means Committee again takes up proposed legislation relative to private foundations. President Ford's most recent tax proposal, calling for a $28-billion tax cut that is linked to a $395-billion fiscal year 1977 budget ceiling, irrespective of its merits, will no doubt be very attractive to millions of American taxpayers. In fact Members of Congress are already being pressured by their constituents to support the President's proposal. Confronted with the budgetary dilemma of providing for urgent National needs with reduced revenues, Congress will be compelled to reexamine existing tax exemptions and deductions. From the standpoint not only of regulation but also of increasing federal revenues, therefore, it is very likely that private foundations will again come under the kind of close scrutiny to which they were subjected in connection with the Tax Reform Act of 1969. What Congress will be looking at is the sum of around $600 million which would otherwise flow into the federal treasury from the now tax-exempt private foundations and other charitable institutions.

There is still time, in my judgment, for private foundations to prepare themselves, and prepare themselves well, for another close examination by the lawmakers on Capitol Hill.

It is a generally accepted fact that private foundations occupy a unique position in our society. Their contributions in the fields of education and public health have been enormous. But these have been the traditional areas of foundation largesse, in spite of the fact that in the 1960's these same areas also became the targets of massive federal aid. Today, the federal government spends more on higher education alone than private foundations spend on all of their grants for all purposes—and yet the foundations continue to give more money to education than to any other purpose.

Are private foundations then lacking in imagination and flexibility that assistance cannot be channelled into new areas? I think not.

Are private foundations so unwieldy and cumbersome that they cannot be responsive to changing social needs? I think not.

Are private foundations the elitist centers which some say tend to discriminate against ethnic minorities? I like to think not.

Senator Hartke recently addressed a conference held by nonprofit organizations in Washington, D.C. which I am sure many in this room attended. You will recall that he said on that occasion:

"Foundations must go beyond the letter of the law to determine what real public needs are in this age of change and then fit their grant-making programs to meet those needs. They must remember that it was their devotion to innovation and experimentation which marked their early years, and that those two qualities are needed even more today."

You will also remember, I am sure, that later in the same speech Senator Hartke mentioned some of the areas on which his Subcommittee plans to hold hearings, and one of these, he said, is "minorities." The implication was that there is a need for the Senate Subcommittee on Foundations to look into foundation activity in the area of minorities. The results of the Human Resources Corporation study entitled "U.S. Foundations and Minority Group Interests" show that ethnic minorities indeed have received a minimum of benefits from private foundations, and even those benefits have not always been allocated in a fair and equitable manner.

For example, I found this statement in the study, at page 89:

"Total grants directed in all program areas to the benefit of specified minorities represented less than 1 percent of all grant monies in the data base—though the same groups account for nearly 6 percent of the population. On the other hand, foundations supported programs related to Asian and Latin populations *outside* the United States at a much higher rate. Given the well-documented needs and discriminatory problems faced by minorities, their share of foundation funds seem woefully inadequate."

I find even more disturbing than the "woefully inadequate" 1 percent of foundation funds which is going to minorities, the absence of rhyme or reason in the selection of recipients of such funds.

Again, from the Human Resources Corporation study I offer these examples:

At page 76: "According to the U.S. census 13 percent of the total Spanish heritage population in the U.S. is located in the Northeast. However, 27 percent of the funds allocated to Spanish heritage populations from foundations goes to the Northeast . . . while 47 percent of the Spanish heritage population resides in the West only 16 percent of the total funds were allocated to the West . . ." and so on.

Similarly, beginning at page 81: "The funds benefiting Asian groups flow overwhelmingly to Chinese beneficiaries . . . groups other than Chinese Americans are statistically almost negligible . . . While only 18 percent of the population of Chinese Americans resides in New York City 66 percent or two-thirds of foundation funds for Chinese Americans is distributed there."

Also upsetting is this statistical conclusion (page 87): ". . . International and international study Asian programs received (1972 through August 1974) 30 times more monies ($44.6 million) from American foundations than domestic Asian programs ($1.2 million)."

If we are going to recognize, as we must, that ours is a pluralistic society, then we ought to encourage greater participation by ethnic minorities in our democratic way of life. We ought to help them to raise the quality of their life. We ought to provide needed assistance to enable them to meet their needs.

Private foundations are in a unique position to answer this call for help. And you who are the representatives of private foundations can play a key role in making your respective organizations more responsive to the needs of ethnic minorities in the United States. If you do this, I assure you that you will stand tall in the halls of Congress the next time that private foundations are asked to come in for an accounting.

And, above all, you will have met the oft-repeated challenge: private foundations should be the "cutting edge" of innovation and social progress.

Thank you very much.

CABLE TV—COMING OR GOING?

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. LEGGETT. Mr. Speaker, we are all aware that the fledgling Cable TV industry is attempting to expand to more and more geographical locations. Unfortunately, a substantial part of the obstruction to such movement is artificial, generated by the kind of Federal regulation that gives Federal regulation a bad name.

A recent article in the New York Times outlines some of the roadblocks proponents of Cable TV have encountered inside the White House in their efforts to bring their product to the public. The maneuverings, posturing, and other machinations described in this article are, unfortunately, far too close to the stereotypic "bureaucratic shuffle" citizens and small entrepreneurs feel subjected to when they deal with the Government.

I would like to insert the article in question at this point in the RECORD:

[From the New York Times, Dec. 22, 1975]

FORD PANEL THE TARGET OF CABLE TV OPPONENTS

(By David Burnham)

WASHINGTON, December 21.—Despite intense opposition led by the three television networks, the Ford Administration is continuing to consider changes in the communications law that could lead to fundamental shifts in the multibillion-dollar American television industry.

The immediate target of the networks' campaign is a study group that has been debating for the last three months what steps, if any, should be taken to enable the infant pay cable television industries to compete with the giant broadcast television industry.

The study group includes representatives from the Domestic Council, the Office of Telecommunications Policy, the Council of Economic Advisers and the Justice Department's Antitrust Division. A similar group's review of the Federal regulatory agencies recently resulted in three far-reaching proposals by President Ford to force the airlines, trucks and railroads to compete harder by reducing Government regulation of their operations.

The battle focuses on Federal Communications Commission rules that restrict cable television from bidding on major movies and sports events and limit the number of signals they can import from other cities.

The widespread development of pay cable television has been strongly recommended by almost every private and Government study group that has studied the issue. But the Government rules that restrict the industry have frustrated access to the vast capital necessary to link millions of American homes by cable.

Wilson C. Wearn, chairman of the board of the National Association of Broadcasters, charged in a recent statement that freeing pay cable television from restrictions "would seriously impair the quality and quantity of broadcast services provided to the public by both commercial and noncommercial broadcasters."

Mr. Wearn said that, because of the capital required to wire the entire nation, the pay cable industry never would be able to "provide the nationwide, universally available service the public now receives from broadcasting."

DEPRIVATION FEARED

He estimated that pay cable might reach between eight and 14 million households by 1985. Should this occur, he contended that the cable industry "will easily be able to buy off major television sports and entertainment, and thereby deprive the remaining population of these attractions."

One tactic in the campaign to prevent the White House from recommending changes in the regulatory structure of television was a drive by the National Association of Broadcasters to generate an outpouring of opposition mail from local broadcasters around the country.

William Carlisle, the broadcasters group's vice president for government relations, sent local broadcasters two letters protesting the White House study. He asked the broadcasters to write original, but similar letters to President Ford, the House Communications Subcommitte and the Federal Communications Commission.

Mr. Carlisle said in his letter of instructions that he had emphasized "the words 'original' and 'similar' because we want no duplication of language which would give the impression that writers are simply copying from a model."

"Hence," he wrote, "paraphrasing will be absolutely necessary."

"In any event," Mr. Carlisle went on, "your letters to the White House, the F.C.C. and the House subcommittee should emphasize your independent belief (which I know we all share) that omnibus cable legislation should express the fundamental policy that since cable services cannot be made available to all the people in the United States, they should be supplemental to broadcast services encouraged to provide new, innovative services, but not permitted to offer the same programs for pay that are now available free to substantially all of the people."

Though Mr. Carlisle contrasted the phrase pay television with free, N.A.B. officials conceded last summer at a Senate Judiciary subcommittee hearing that consumers paid for free television through the higher prices for goods advertised on television. A Justice Department study estimates this cost at $70 to $80 a family a year, even for those families that do not have or watch television.

A second tactic of the networks has been to oppose any change in the communications laws in meetings held by the White House Study Group with broadcasters, theater owners, film makers, sports officials and public interest groups.

HOSTILITY SUGGESTED

During a meeting last October with network officials in the White House Cabinet Room, Arthur Taylor, the president of CBS, is reported to have speculated on whether the Ford Administration's consideration of cable television might not be a continuation of what he called the Nixon Administration's open hostility to the news media.

According to several reports in the trade press, some N.A.B. members felt Mr. Taylor's comment was unfounded.

"The broadcasters were very candid, even threatening," one executive branch expert who was present at the meeting is reported to have said.

Another measure of the deep concern by the broadcasters is the fact that over the last two years, the group has budgeted more than $500,000 for lobbying against changes in the regulation of cable television.

An N.A.B. official is reported to have told a staff member of Senator Edward M. Kennedy's Monopoly and Antitrust Subcommittee, that the Massachusetts Democrat would be labeled an enemy of broadcasting if he held hearings on cable television. Mr. Kennedy went ahead with the hearings.

Another example of the broadcasters' concern was the recent hiring by CBS of John Loftus, the public relations chief for the Office of Telecommunications Policy, and appointing him chairman of a Washington-based corporate committee to fight pay cable television.

According to a number of White House and executive branch agency officials, the debate within the Administration about cable television is concentrating on two broad problems.

The first is political feasibility. Some of President Ford's advisers are known to have argued that the Administration should not pick a quarrel with the politically potent broadcasters in an election year. Other advisers have contended that the power of the industry had been greatly exaggerated and that there might be a net political gain in helping the development of the cable industry.

One official in the debate, who asked not to be identified, said the potential political pitfalls had been explained to the President and that Mr. Ford still wanted to pursue the matter.

The President's recommendations for limiting the regulatory power of the Civil Aeronautics Board and the Interstate Commerce Commission, despite the opposition of the affected industries, provide evidence of his desire to lessen Government control of industry.

The second problem concerns the action the Administration should recommend to Congress. Some advisers, such as Paul W. MacAvoy of the Council of Economic Advisers, are reported to have urged the President to recommend a bill aimed solely at permitting cable operators to bid against the networks for movies and sports events and to import any signals they want to.

Others, such as John Eger, acting director of the Office of Telecommunications Policy, are reported to have contended that the Administration would have more success with a far broader communications deregulation proposal.

According to this concept, the President would submit omnibus legislation easing the restrictions that limit the competition faced by the Bell Telephone System and some of the rules and regulations governing the radio and television stations in the same package with cable television proposals.

Whatever the outcome of the Administration debate, many officials in Government and industry are convinced that the process of developing a new set of rules for the communications industry has begun.

The House Communications subcommittee has initiated a study to develop a pay cable television bill, the Senate Monopoly and Antitrust Subcommittee recently held hearings, and Senator John O. Pastore, Democrat of Rhode Island, for many years considered a supporter of the broadcasters, will retire from the Senate next year.

"There won't be legislation this year or next, but I think it will come within five years," one industry spokesman said.

PUERTO RICAN MARXIST-LENINISTS REAFFIRM RIGHT TO USE TERROR

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. McDONALD of Georgia. Mr. Speaker, the Puerto Rican Socialist Party—Partido Socialista Puertorriqueña, PSP— a Cuban-dominated organization which has proclaimed itself as the revolutionary Marxist-Leninist vanguard party of Puerto Rico, recently reaffirmed its "right" and intention to use "armed struggle" tactics, which include terrorism and guerrilla warfare, whenever the PSP leadership feels they are appropriate.

The reaffirmation of support for "armed struggle" was announced at a mass rally held at the end of a series of secret meetings open only to the PSP leadership and carefully selected delegates. The secret meetings, publicized as the PSP's second national congress, were held from November 28th to December 7, 1975.

The principal new development in PSP tactical planning is its intention to participate for the first time in its 16-year history, in the Puerto Rican elections. But the PSP leaders time and time again emphasized that the election campaign does not mean that PSP has renounced armed struggle as the means for attaining power.

Participation in the elections will enable the PSP to gain more publicity, gain additional forums in which to present its Communist goals, and will give the Puerto Rican Socialist Party an aura of legitimacy—of being a real political party instead of being merely one of Fidel Castro's agencies for the spread of totalitarianism in the Caribbean.

The newspaper Gramma, "the official organ of the Central Committee of the Communist Party of Cuba," reported on the PSP meetings and emphasized that section of PSP Secretary-General Juan Mari Bras' speech in which he paraphrased Lenin to explain why his party would now participate in the elections:

> * * * the strategy for the takeover of power by the workers must combine all forms and manifestations of struggle by the people, with tactical flexibility but firm long-term objectives.

And Lenin pointed out specifically that "all forms of struggle" to the communists meant everything from petitions, picket lines and elections to armed struggle in all its forms including terrorism, civil war, guerrilla actions and mob violence.

The question to the Marxist-Leninist is not what tactics are morally permissible but "which tactic will advance us toward taking power most efficiently."

In his speech to the mass rally, Juan Mari Bras said:

> We are under no illusions about the electoral process as an instrument for change capable of bringing the working class to power and of achieving independence and socialism.

He asked:

> Does the electoral strategy mean that we set aside the armed struggle? The answer is definitely—no!

The PSP's founder then spelled out the tactical reasons for participation in democratic elections:

> But we will enter this debate * * * to obtain participation in public forums and the mass media, and denounce the lies of colonialism and capitalism, including the elections which represent, at bottom, a false democracy.

It is worthwhile at this point to consider what Mari Bras means when he denounces open, free and democratic elections as "false democracy." The Puerto Rican Socialist Party leader and all those who follow the theories of Marx and Lenin consider that "true democracy" is the dictatorship of the proletariat led and directed by the vanguard revolutionary party. "True democracy," then, for the Marxists is the state of communism in which all other classes, in particular the middle classes or bourgeoisie, have been destroyed by the "workers."

Our constitutional republic with its respect for the opinions and property of individuals and minorities, is termed by the Marxists "bourgeois democracy" or "false democracy." The revolutionaries regard their political rights to organize, spread subversive propaganda and prepare for revolution under our constitutional system as "loopholes" in our system to be turned to their advantage.

The mood of the Puerto Rican Socialist Party members and supporters can be judged by the standing ovation given Juan Mari Bras when he said, quoting from Fidel Castro:

> There can be no victorius revolution if you have the arms and do not have the masses. But there cannot be a victorious revolution without arms.

Said Bras:

> We will never renounce our right to the armed struggle, not until the day that imperialism gives up its last gun.

The PSP leadership indicated that the party is prepared to go underground and operate illegally. They further indicated that they expect a full revolutionary situation will develop quickly in Puerto Rico.

One analysis of the PSP's political assessment of the potential for full revolution in Puerto Rico was produced by Irwin Silber, executive editor of the Guardian, a Maoist weekly tabloid. In part it reads:

> The new approach to elections reflects PSP's estimate that Puerto Rico today is "rapidly coming to the end of the pre-revolutionary period" and will shortly enter into a full "revolutionary period." All of the objective conditions for revolution in Puerto Rico already exist, they believe * * *. But now that the key subjective force—the revolutionary party of the proletariat—is developing at an accelerated pace, all factors for a revolutionary situation will soon be in place.
>
> As a consequence, the PSP feels that it is important to utilize every bourgeois democratic method of struggle still permitted by the colonial regime as part of the process of consolidating the party organization and impeding the repressive apparatus of the state. But they have no illusions about the future. "Frankly," said one member of the PSP's political commission, "I don't think we have very much time before us in which we can operate legally. We must be prepared for this eventuality psychologically and in every other way."

The high regard for the revolutionary potential of the Puerto Rican Socialist Party held by the pro-Soviet section of the world Communist movement may be seen in the solidarity messages read to the PSP rally from Fidel Castro, the PSP's staunch supporter; from Beatriz Allende de Ona, daughter of the former Marxist-Leninist president of Chile and wife of a high-ranking officer in the Cuban secret police; from the Revolutionary Government of South Vietnam; from the Workers—Communist—Party of North Korea; and from the PAIGC, the Moscow-supported Marxist-Leninists who received control of Guinea-Bissau from the Portuguese.

The PSP revolutionists became highly incensed at anti-PSP statements made by the Governor of Puerto Rico and by what PSP termed the "major bourgeois papers." The Puerto Rican press correctly termed the Puerto Rican Socialist Party a Cuban-Soviet effort in subversion and pointed out that this Cuban-Soviet interference in the internal affairs of the United States and Puerto Rico showed the falseness of "détente" and of the Helsinki agreements.

The Russian semantic hair-splitting over the intervention in Puerto Rico and in the Angolan situation show how shallow is the understanding of American diplomats of the aggressive Soviet goals.

Both the Soviet leadership and Fidel Castro have stated that they regard Marxist-Leninist revolutionary efforts in situations like Angola and Puerto Rico as part of the "national liberation struggles" for "self-determination," and that they regard "national liberation struggles" as a completely separate matter from détente. For the Soviets and their allies, "détente" concerns only official government to government relations. Therefore, the Communists will continue to support the involvement of other Marxist-Leninist groups in all forms of struggle—from maneuvers in the United Nations through all the varieties of armed struggle, terrorism and civil war.

It is clear beyond any question that the Puerto Rican Socialist Party poses a major threat to the internal security of the United States. One effective countermeasure is for local and federal law enforcement agencies to monitor its activities and prosecute any violations of the law—which have included bank robbery and bombing—by the PSP membership.

Public exposure of the falseness of detente and of the Soviet and Cuban backing of the revolutionary activities of the Puerto Rican Socialist Party has upset the PSP leadership. The PSP and its backers are counting on the Kissinger-Ford adherence to detente with the Soviet Union to protect the Puerto Rican revolutionaries.

In his weekly column in the PSP newspaper, *Claridad*, December 28, 1975, Jose Alberto Alvarez-Febles of the PSP U.S. Zone Committee Political Commission claimed that the mildness of the protests at Soviet-Cuban intervention in U.S. internal affairs from the President and Secretary of State are "precisely because they are operating in the framework of detente."

Alvarez next expressed the belief that the President and the Secretary of State had authorized the release of secret intelligence reports on PSP activities to the Senate Internal Security Subcommittee and myself as the basis of our reports. Alvarez expressed the belief of the PSP that these reports were published "to lay the foundation for a stepped-up campaign" against Communist aggression.

But Alvarez believes that the Communist and Third World majority in the United Nations and its related organizations will ultimately enable their movement to attain victory. He wrote:

> But for us, the importance of the * * * colonial case of Puerto Rico lies precisely on the revolutionary internationalization of the same. * * * they must now fight where we are stronger. In the international camp the balance of forces is every day more adverse to the interests of the imperialist bourgeoisie. There the people who (are) like us * * * are predominant.

A second measure which would contribute greatly would be the restoration of the House Internal Security Committee so that the national lawmakers and the public could be continually apprised of the activities and threat posed by this organization and its allies.

The totalitarian teachings of Marx and Lenin hold no appeal for Americans when presented directly. Public exposure of revolutionary conspiratorial groups is the best way to counteract them.

SUBCOMMITTEE ON INDIAN AFFAIRS HEARINGS SCHEDULED

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. YOUNG of Alaska. Mr. Speaker, I am greatly concerned that the President's impoundment of funds for the construction of a Native hospital in Bethel, Alaska, would seriously delay the construction of this much-needed health facility for Native Alaskans in this remote community. Indeed, the nearest hospital with adequate health facilities lies hundreds of miles by air to the east of Bethel in Anchorage, Alaska.

Because I believe the people of Bethel deserve adequate health care and because I am concerned that the impoundment of these funds would leave these people without adequate health facilities, I introduce this resolution urging the House to support my objections to this deferral of budget authority.

I would also like to take this time to remind my colleagues that the House

Subcommittee on Indian Affairs has scheduled hearings on this important matter on February 20, and the full Committee on Interior and Insular Affairs has scheduled hearings on February 27.

CYRUS EATON GUEST OF CUBAN GOVERNMENT

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. STOKES. Mr. Speaker, Mr. Cyrus Eaton, one of Cleveland's most influential businessmen and distinguished citizens, has recently returned from Cuba where he was the guest of the Cuban Government and Fidel Castro.

I am submitting an article which appeared in Gramma, Cuba's daily newspaper, on December 30, 1975, detailing Mr. Eaton's interview with Cuban President Oswaldo Doricos.

I am also submitting a letter which Mr. Eaton wrote to the editor of the New York Times on Tuesday, Janary 27, 1976. I feel that Mr. Eaton's letter carries an important message about the U.S. relationship with Cuba.

Mr. Speaker, I am sure that my colleagues will be interested in reading the following items:

[From the New York Times, Jan. 27, 1976]

PROGRESS IN CUBA

To the Editor:

My latest visit to Cuba reinforces my long-held conviction that the American giant is making a grievous mistake in continuing to bully the tiny but enterprising island just ninety miles from our mainland.

I have been going to Cuba for sixty years and once held substantial investments there. On trips in recent years, as the guest of Prime Minister Fidel Castro and his Government, I have had a fine opportunity to observe the steady progress being made, notably in education, health and agriculture. The net effect of our Government's opposition has been to stiffen Cuba's resolve to succeed, while cutting ourselves off from a source of lucrative trade.

In contrast to our intransigent attitude, our Canadian neighbor, with whom we share a 4,000-mile border, has continuously maintained official and friendly relations with Cuba. It is a matter of great pride and inspiration to the island's entire population that the Prime Minister of Canada plans an official visit to Cuba this month.

Although I had previously become well acquainted with Prime Minister Castro and his brothers, this was my first chance for extended discussions with President Oswaldo Dorticos. I am impressed with his ability and dedication, qualities that also characterize the rest of the thirteen-member Politburo that governs Cuba. Contrary to impression fostered by our officialdom, there is not a rubber stamp among them.

Cuba, with its fertility of soil and beauty of ocean, harbors and rivers, is truly one of the garden spots of the world. Whether or not it comes about during our present Administration, I foresee the early day when Americans and Cubans will again exchange free and friendly visits as in the happier past.

CYRUS EATON.

CLEVELAND, *January 19, 1976.*

TRANSLATION

Yesterday morning Oswaldo Dorticos, President of the Republic and member of the Politburo of the Party, held a long interview with Cyrus Eaton, an outstanding personality in economic, industrial and financial circles in the United States, whose positions and activities in favor of peace are known throughout the world.

During the interview, which was held in a cordial, friendly and frank atmosphere, they had a wide interchange of opinions on different aspects of the present international situation. Mr. Eaton repeated his friendly statements toward the Cuban people.

THE ADMINISTRATION'S SINGULAR NEW PROPOSAL IN THE BUDGET—A $100 BILLION ENERGY AGENCY TO MAKE LOANS, GRANTS, AND SUBSIDIES AS A "BAILOUT" FOR BIG BUSINESS, BIG OIL, AND PRIVATE UTILITIES

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. EVINS of Tennessee. Mr. Speaker, the administration is moving forward with plans to expand the already significant control over energy sources by big business—big oil, private utilities, and the huge energy conglomerates.

The administration budget formally proposes a $100 billion "bailout" for these big companies by establishing a new Energy Independence Authority to hand out loans, subsidies, grants, and guarantees to big business engaged in energy research, and energy sales.

This proposal is set out in some detail on page 923 of the appendix of the budget for fiscal year 1977 under a heading entitled "Legislative Program."

The budgetary description of this big business relief agency is, in part, as follows:

> The Energy Independence Authority (EIA) is a proposed new $100 billion Government corporation to help achieve energy independence by providing loans, loan guarantees, price guarantees, or other financial assistance to private sector projects . . .

In this connection, the Nashville Tennessean in a recent editorial emphasizes the plan by the administration to subsidize an entry by big business into the uranium enrichment field, now a function of the Federal Government. Uranium enrichment plants provide fuel for nuclear powerplants.

This is an astonishing proposal, contrary to the public interest, in direct conflict with the interests of consumers and constitutes another giant step toward strengthening the existing energy monopoly.

The Federal Government has developed the technology of the uranium enrichment process and this process is public property and should not be turned over to the energy monopoly for private exploitation at the expense of the American taxpayers.

It is most interesting that with all the administration fervor for fiscal restraint, the President would find it necessary to push so hard on this single "wild spending" and "giveaway" program which even his closest fiscal advisers reportedly opposed as a "Rockefeller brainchild."

The new budget contains no new public works starts for any of the 50 States—and no new major national programs with this one exception—the proposed $100 billion handout and bailout for the big utilities, big oil, and the big energy conglomerates and multinational corporations.

This single new proposal evidences the big business orientation of this administration.

Because of the interest of my colleagues and the American people in this most important subject, I place the editorial from the Tennessean in the RECORD herewith:

[The Nashville Tennessean, Jan. 26, 1976]

MR. FORD NOW PROPOSES A NEW ENERGY MONOPOLY

U.S. energy research Chief Robert Seamans, Jr. has announced that negotiations will start next month with three private ventures interested in building uranium enrichment plants. That may be the most far-reaching mistake this administration could make.

At present, there are three uranium enrichment plants in this country and all are owned by the government. They are managed by private firms under contract to the Energy Research and Development Agency.

The government thus controls the safety standards and quality of the fuel as well as the price. It is true that the output of the plants has been sold for years in the future and it is the contention of the government that new facilities must be built and that private enterprise is in position to do it.

President Ford has said that the government will either have to invest $30 billion more to construct new plants or else make it a profit-making business for industry. And the President seems to realize that if he doesn't let private enterprise in on this potential bonanza, future chief executives may turn thumbs down on the idea.

Uranium enrichment, the process of increasing concentrations of it as a necessary step toward fabricating atomic power plant fuel elements—or atomic bombs—has been in government hands since the Manhattan Project began in World War II.

The idea of turning over government secrets and technology to private enterprise raises a host of questions.

How would the secrets be guarded? What is to prevent foreign investors from providing some of the money and getting in on the action? How much profit would the companies be permitted to make, and off whom? Since there will be no price competition to speak about and the profit motive would necessarily be vast, who could hold the price line?

If the government ends its own monopoly on enriched fuel making, it will then create another one. And ERDA seems to have no plans to require private industry to reveal cost data or any thinking on the subject of how it would prevent domestic utilities from being gouged for fuel.

From almost every angle the issue is viewed letting private enterprise in on another fuel monopoly is like putting another cat in with the pigeons.

The oil companies are already into coal production. They are into uranium mining. Now the government is thinking of letting them into fuel enrichment. In short, the energy sources of the nation are headed toward control by a few.

And beyond this vital question is the fact that the government has been thinking of guaranteeing the investors' money against bankruptcy and customers against lack of fuel if the private plants go broke.

If the taxpayers are going to share the risk so private enterprise can pluck the goose, why not let government build the additional plants needed for uranium enrichment? To do otherwise would be to enshrine political stupidity as "common sense."

CHIEF MAIN RETIRES

HON. GOODLOE E. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1976

Mr. BYRON. Mr. Speaker, recently Maj. Charles Victor Main retired as chief of police of the Frederick City Police Department. I would like to add my note of congratulations on a job well done to those of his friends and neighbors.

An editorial in the Frederick News stated:

> Major Main excelled at his job. He gained national recognition for his work in building the Frederick City Police Department into one of the finest in the nation for a city the size of Frederick. The Frederick City Police Academy he developed is a model, and the curriculum is so well organized and administered that the training our local police receive make them recruiting targets for other larger cities able to offer more money . . .

Chief Main became chief of police in 1952 and began immediately to revitalize the police. Based on his 18 years experience with the Maryland State Police, Chief Main started new training programs, established new standards of service, and brought a new look to the officers and their vehicles. Chief Main has also contributed in a thousand other ways to the community in which he lives. He has been active in his church, the North End Civic Association, the Little League, Midget Football, the Touchdown Club, and the YMCA.

I want to congratulate Charlie Main on a job well done and to wish him a well-deserved retirement. I know he will continue to serve his community in any way possible during his retirement years.